

## Press release

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### Heijmans on track for good annual results

#### Kernpunten:

- Higher revenue and underlying EBITDA in Q3 compared with 2019
- Number of homes sold 1,581 (through 31 October 2020)
- Order book at healthy level of € 1.9 billion in Q3
- Heijmans adjusts 2020 outlook upwards, revenue and underlying EBITDA 5-10% higher
- Cash position remains strong

#### Ton Hillen, Chairman of the Executive Board /CEO Heijmans:

“We are on track to record good annual results in 2020. Higher revenue and underlying EBITDA have improved our outlook for 2020. Our Property Development and Infra business units delivered particularly strong performances. The outlook for the second half of the year is good and our well distributed order book remains healthy at € 1.9 billion. Just as I did earlier this year, I am looking to the future with confidence.

Our mission – the creation of a healthy living environment – remains our guiding principle. We want to deliver better, smarter and more sustainable work, with a long-term perspective. The current Covid-19-related developments remain uncertain, but despite deteriorating economic forecasts, our clients seem to be keeping their investment budgets available for these themes.”

#### Property Development

Property Development has maintained the growth seen in the first half of the year. Both revenue and profit came in higher in the third quarter. The number of homes sold through 31 October 2020 stood at 1,581 (versus 1,577 in 2019). The demand for homes remains strong. There is still too little planned supply, due to a lack of locations and production delays – as a result of slower building permit procedures. There is still a great deal of confidence in the long-term prospects of the housing market.

The new-build Maanwijk project in Leusden is one of our showcases on the healthy living environment front. In Q3, the design phase of the Maanwijk project was awarded the NL Gebiedslabel (area label) A by NL Greenlabel, the specialist in measurable sustainability improvements in the living environment. Label A is the highest level that Greenlabel awards. In West-Brabant, Heijmans signed an agreement with the Alwel housing corporation for the large-scale maintenance and renovation of 2,000 homes in Breda, Etten-Leur and Roosendaal.

Project Fenix I in Rotterdam continues to win recognition: The residential complex has been nominated for the Gouden Piramide (Golden Pyramid) 2020, won the Dutch National Staalprijs

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2020 (category residential building) in Q3 and came in first in the BNA Beste Gebouw van het Jaar (best building of the year) 2020 (category Liveability & social cohesion). At the Architectenweb Awards the complex also won first prize. Last but not least there is an international trophy in Q3: the ULI Europe Award for Excellence.

At the 2020 National Staalprijs awards, the light artwork 'De Zwerm' in Eindhoven also won the first prize (category Characteristic steel construction elements).

### **Building & Technology**

In Q3, the picture at Building & Technology remained largely the same as in the first half of 2020. Residential Building and Services delivered solid performances. As in the first half of the year, non-residential projects continue to be the hardest hit by delays and inefficiency as a result of the Covid-19 outbreak. This was particularly true for the NACH project, which is now into the finishing phase.

The Kunstenpand (arts building – theatre and library) delivered in the spring of 2020 is an important part of the Hart van Zuid area development, the area around Ahoy and Zuidplein in Rotterdam. Her Majesty Queen Máxima opened the theatre in mid-September of this year. This new building offers Theater Zuidplein the opportunity to expand to 120,000 visitors a year. Another part of the Hart van Zuid project is the formal delivery of the prestigious Ahoy International Congress Centre, which will take place in November.

Heijmans is also set to renovate a building for the University of Maastricht to create a large practise lab for students. In Q3, we will also deliver a section of the offices of the Dutch Government's Real Estate Agency (Rijksvastgoedbedrijf) on Laan op Zuid in Rotterdam.

### **Infra**

Our infra business unit once again delivered a strong performance. We make solid progress on a number of projects, including the A1 between Apeldoorn and Azelo. In this project, Heijmans is working on the widening of more than 40 kilometres of the motorway between Twello and Azelo, for the Ministry of Public Works and Waterways. In addition, one of the longest land tunnels in the Netherlands (Gaasperdammertunnel) has now been opened in phases by Minister Cora van Nieuwenhuizen.

In the coming years, Heijmans will be working on the reinforcement of the Lekdijk (a dike and road on the River Lek). The project covers a length of 55 kilometres from Amerongen to Schoonhoven and will stimulate sustainable innovation. As part of the Innovation partnership of our client, the Stichtse Rijnlanden Water Board, Heijmans is working with GMB and de Vries & van de Wiel. Together with these parties, Heijmans has already set up the Emission Free Infra Network (Emissieloos Netwerk Infra - ENI) to accelerate the energy transition.

In Breda, Heijmans scored a worldwide scoop with a pilot for an innovative half-open asphalt mix on a porous foundation. The so-called Klimaflex asphalt has been created for application in inner-city environments to combat heat stress in the environment and ground water depletion. This is in line with Heijmans' sustainability strategy, which includes climate adaptation, circular building, energy and biodiversity.

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Since Q3, the majority of Infra operations meet all requirements for step 4 of the so-called Safety Culture Ladder (Veiligheidsladder). This is one of the ways that clients assess how much progress a company is making in the field of safety. The aim of this national assessment method is to reduce the number of work-related accidents.

#### Heijmans Capital

Heijmans has reached an agreement with 3i Infrastructure on the sale of its equity interests in the Joint Venture Heijmans Capital. Heijmans Capital is an investment vehicle holding equity interests in four PFI/ DBFM projects. Given that in all four projects the availability certificate has been received and that the projects are currently in a long-term management and maintenance phase, Heijmans has decided to sell its 20% equity interest in Heijmans Capital.

Following the transaction, 3i Infrastructure will own 100% of the equity interest in Heijmans Capital. Completion of the transaction, which is subject to certain conditions including customary third-party approvals, is expected to take place in Q4 2020. The transaction will generate proceeds of more than € 7 million for Heijmans.

#### Market developments

The impact of Covid-19 on the Heijmans results has so far remained limited to several large utilities projects. Our organisation has proven sufficiently adaptable to continue our activities, but the medium-term impact of the current developments to our clients' investment patterns is still unclear. The government's new nitrogen emissions plan is another worrying issue. This might well bring some relief for residential building, but the current proposals will not solve the structural problem, especially on the infra front.

#### Outlook

Heijmans has adjusted its outlook for 2020 upwards, and now expects revenue and underlying EBITDA to be between 5% and 10% higher. The order book is at a healthy level of € 1.9 billion and Heijmans' cash position remains strong.