

ANNUAL RESULTS 2014



February 26, 2015

Executive Board Heijmans N.V.

“Heijmans: Poor 2nd half 2014, order book and housing market offer good prospects”

Challenging market requires continuous improvement and innovation

Bert van der Els- chairman Heijmans Executive Board

FY 2014 - Highlights

- 2014: a year with less revenues and negative results;
- Residential: Number of houses sold 25% up, recovery in housing market;
- Non-residential: Improved management large projects. Restructuring on schedule;
- Infra: Disappointing results for the Netherlands, good results Belgium. Substantial negative impact from surprising outcome arbitration case.

FY 2014 - Highlights

- Revenues at € 1,9 billion, decrease versus 2013;
- Underlying operational result: € 12 mio negative (impact “Energiefabriek” € 11 mio);
- Impact on net results from:
 - Value adjustment of real estate assets (mainly outside the ‘Randstad’ area)
 - Restructuring – over 350 jobs involved
- Order book year-end 2014 strong at € 2,3 billion;
- Safety and sustainability are integrated in the business. Improvement visible for e.g.:
 - Injury frequency rate down (5,6 for 2014 versus 6,1 for 2013)
 - CO2 emissions decreased with 15% versus 2013
- Solvency ratio solid at 27%. Year-end Net cash (recourse);
- No dividend pay-out on (certificates of) ordinary shares.

FY 2014 – Improvement and Revitalisation

- Recovery housing market boosts revenues;
- So-called Concept homes (“huismerk” & “wenswonen”) gaining momentum;
- Following improvement measures introduced in course of 2014, additional measures:
 - Differentiated incorporation of design- & management charges
 - Adaptation of the design- and preparation processes
 - Improve contract management
 - Enhance uniformity of project management
- Firm restructuring at Non-residential, Civil Engineering & Oevermann;
- Around 65% of anticipated 2015 volume already in order book.

Outlook

- Recovery in residential market;
- Good perspective from order book;
- Heijmans continues to focus on:
 - Improve the core
 - Control risks and costs
 - Integrated approach
 - Innovative strength
- Solid capital position;
- Outlook 2015: Material improvement of the underlying operating result



Project in focus
#Fenixloodsen Rotterdam



Project in focus
#Liefkenshoek railway
connection



Project in focus
#A12
Veenendaal-Ede-Grijsoord



Project in focus
#Groningen Eemskwartier



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Challenging market requires continuous improvement and innovation

Mark van den Biggelaar - CFO and member of Heijmans Executive Board

DEVELOPMENTS PER SECTOR

INFRA NETHERLANDS – “Energiefabriek Tilburg”

- Project awarded to Civil Engineering in 2012;
- Managed as ‘Design & construct’ project, discussion with customer on technical solution;
- 30 December 2014: unforeseen negative outcome arbitrage in appeal;
- Financial impact H2 2014: € 9 mio negative;
- Project will be delivered in 2015;
- Heijmans investigates potential next (legal) steps.

DEVELOPMENTS PER SECTOR

x € 1 million	2014	2013
Revenues	759	751
Underlying operating result	-22	16
Underlying operating margin	-2,9%	2,1%
Order book	959	576

INFRA NETHERLANDS

- As communicated before, 2014 has been a disappointing year for Infra NL;
- Impact arbitrage Energiefabriek € 11 mio;
- With severe competition for regional activities, increased focus on margin required and initiated;
- Large scale projects are becoming increasingly complex and require more preparation;
- Good order intake 2014. Improvement measures initiated during 2014, e.g.:
 - Differentiated incorporation of design- & management charges
 - Process optimisation on design & preparation phase
 - Tighter control on 'go/no-go' decisions, with additional focus on projects in start-up
 - Centralised management with direct involvement of Executive board (portfolio Ton Hillen).
- A4 Delft-Schiedam project to be completed before end of 2015.

x € 1 million	2014	2013
Revenues	128	136
Underlying operating result	11	13
Underlying operating margin	8,6%	9,6%
Order book	95	117

DEVELOPMENTS PER SECTOR

INFRA BELGIUM

- Slight decrease revenues, strong operating result;
- Good results for both Heijmans Infra (Roads) as for Van den Berg Leidingbouw (Civil);
- Declining volumes in Belgian infra market will give pressure on revenues.

DEVELOPMENTS PER SECTOR

INFRA GERMANY

- Revenues decreased further due to declining market volumes. Especially for road building;
- Oevermann closed several branches in anticipation of the declining market;
- Outlook for Oevermann Hochbau better;
- Franki continues to evolve towards a design & construct company.

x € 1 million	2014	2013
Revenues	260	319
Underlying operating result	2	6
Underlying operating margin	0,8%	1,9%
Order book	181	162

DEVELOPMENTS PER SECTOR

x € 1 million	2014	2013
Revenues	179	156
Underlying operating result	4	1
Underlying operating margin	2,2%	0,6%
Order book	234	190

PROPERTY DEVELOPMENT

- Revenues increased (15%), improvement operating result;
- 1,347 houses sold (2013: 1.082);
- 53% of houses sold to private buyers (2013: 40%);
- Introduction of “Heijmans One”;
- Market recovery continues. Further increase order book;
- Good progress for e.g. Wijnhaven The Hague and Villa Industria Hilversum.

Geographical
spread
land positions



Geographical spread land positions		
in € mio.	31-12-2014	30-6-2014
Brabant & Gelderland	61	70
Northern provinces	24	30
Randstad	81	93
Zeeland & Limburg	16	19
	183	211

(un)conditional liabilities (land positions)		
in € mio.	31-12-2014	30-6-2014
Unconditional	110	107
Conditional (with cash impact)	37	45
Conditional (limited cash impact)	103	113

DEVELOPMENTS PER SECTOR

RESIDENTIAL BUILDING

- 2014 was transitional year with historical low production levels;
- Positive operating result (incl. Belgium);
- Order book considerably increased (more than 50%);
- More than 500 “concept homes” developed/realised;
- Continue to co-operate closely with Property development. Successfully boosted position in Dutch leisure market.

x € 1 million	2014	2013
Revenues	299	321
Underlying operating result	2	-3
Underlying operating margin	0,7%	-0,9%
Order book	395	257

DEVELOPMENTS PER SECTOR

NON-RESIDENTIAL

- Considerable decline in revenues (-17%);
- Adjustment of the organisation required, loss of around 230 jobs;
- Focus on project- and risk management remains essential;
- Niche profile with Margin-over-volume;
- Good order intake in 2014.

x € 1 million	2014	2013
Revenues	388	466
Underlying operating result	0	2
Underlying operating margin	0,0%	0,4%
Order book	661	511

Key Figures FY 2014

x € 1 million	2014	2013
Revenues	1.868	2.001
Underlying operating result	-12	23
Correction operating result joint ventures	-9	-1
Write down on property assets	-14	-7
Restructuring costs	-29	-7
Exceptional release pension provision		4
Operating result	-64	12
Result before tax	-62	8
Income tax expense	15	-6
Result after tax	-47	2

- With the implementation of IFRS 11, operational result of joint ventures is consolidated in a different manner;
- Value adjustments on property assets. Mainly outside 'Randstad' area;
- Restructuring costs mainly for Non-residential, Civil NL and Oevermann Verkehswegebau.

Balance sheet, Cash flow and Funding

x € 1 million	31 December 2014	30 June 2014	31 December 2013
Fixed assets	364	355	352
Working capital (excl. cash and cash equivalents)	-37	85	65
Capital invested	327	440	417
Equity	259	303	313
Provisions (non-current)	37	38	38
Net debt	31	99	66
Financing	327	440	417

- Strong decline Capital invested;
 - Solvency ratio solid at 27% (2013: 32%);
 - No recourse debt ultimo 2014;
 - Company operates within financial covenants as per year-end 2014;
 - Limited headroom anticipated for financial covenants as per 30 June 2015
- ⇒ Agreement reached with banking syndicate on amendment of the calculation of covenants for mid 2015, where negative impact EFT will be excluded from EBITDA as an “exceptional item”.

Summary

- Clear recovery Dutch residential market;
- Improvement measures should bring better project results for Infra;
- Firm restructuring for Non-residential, Civil and Oevermann;
- Perspective from order book;
- Solid financial position;
- Outlook 2015: Material improvement of the underlying operating result

Projects to look forward to in 2015



Completion Timmerhuis Rotterdam



Start construction A9 Gaasperdammerweg



First 'BrightHouses'



Heijmans One in production



We are building the spatial
contours of tomorrow



heijmans



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