

heijmans

Heijmans Business Update

ROADSHOW BOOKLET, SEPTEMBER 2021, BASED ON 2021 INTERIM RESULTS



Key figures H1 2021

(x € 1 million)

	H1 2021	H1 2020	2020
Revenues	881	839	1.746
Underlying EBITDA*	35	41	85
Underlying EBITDA* excluding Wintrack II	69	41	85
Result after tax	10	15	40
Earnings per share (in €)	0,43	0,71	1,85
Order book	2.039	1.972	1.946
Net debt (cash)	-44	43	-37
Solvency	27%	27%	29%
Number of FTEs	4.639	4.665	4.707

* Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write downs on property assets, restructuring costs, book result on sale of subsidiaries, release indexation pensions and any other non-operational results, if applicable, that are designated by the Group as special.

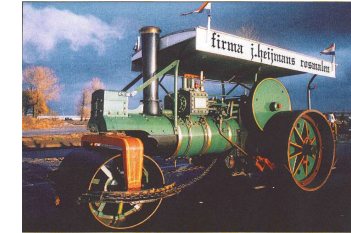
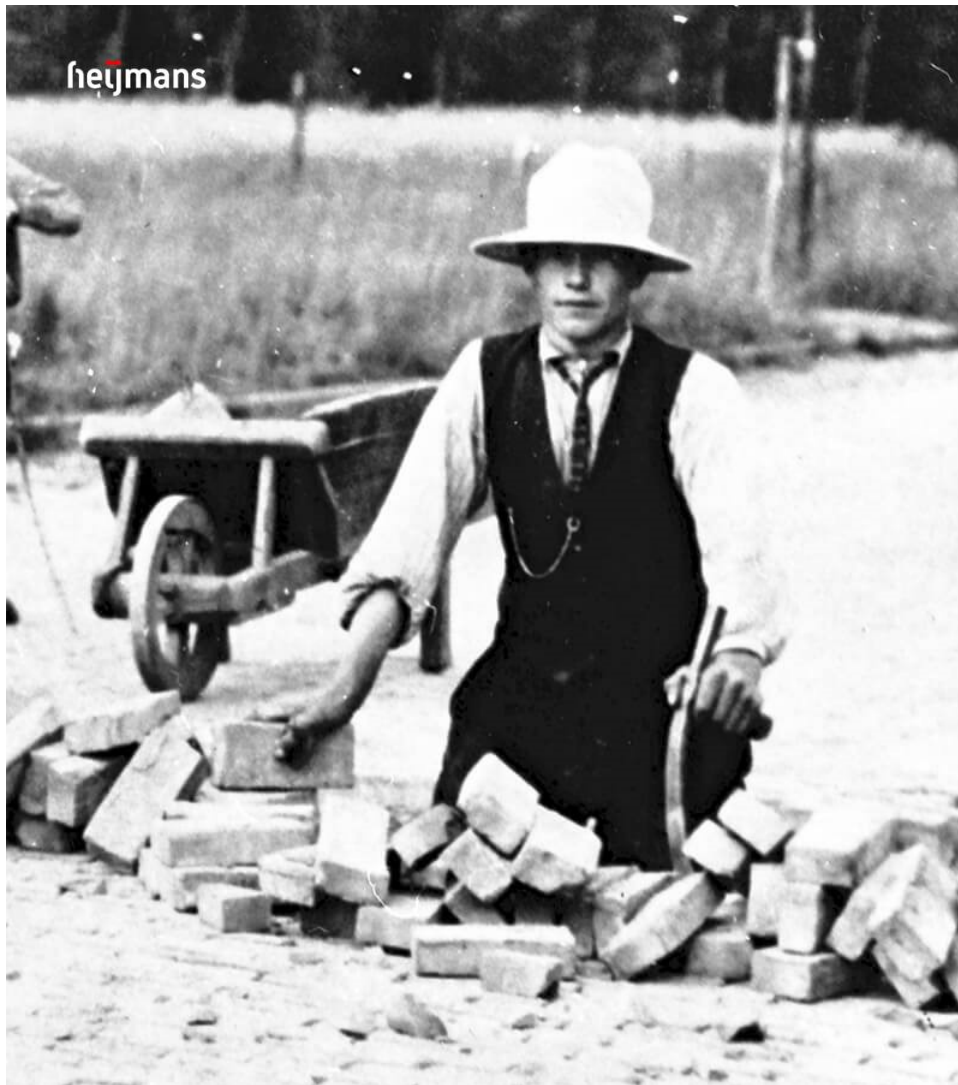
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HEIJMANS ONE

Company profile

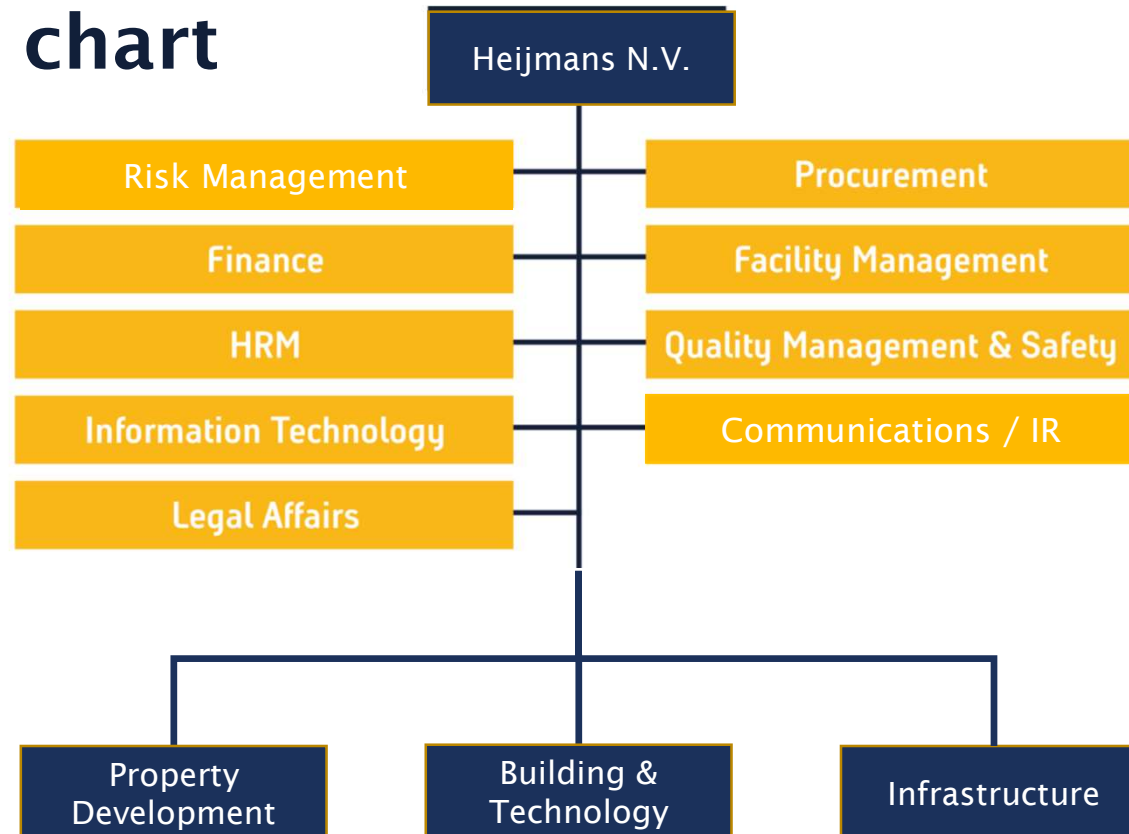


COMPANY PROFILE

History

- 1923 - founded by Jan Heijmans as Infra company
- 1945 and beyond - strong growth following WWII
- 1960's - diversification towards residential building
- 1980's - diversification towards property development
- 1993 - listing on Amsterdam Stock Exchange
- 1993/2007 - strong growth through acquisitions
- 2008/2009 - reset strategy, start of restructuring
- 2013 - strategy building spatial contours of tomorrow
- 2017 - divestment of foreign subsidiaries
- 2019 - strategy better, smarter, sustainable

Organisation chart



Heijmans at a glance

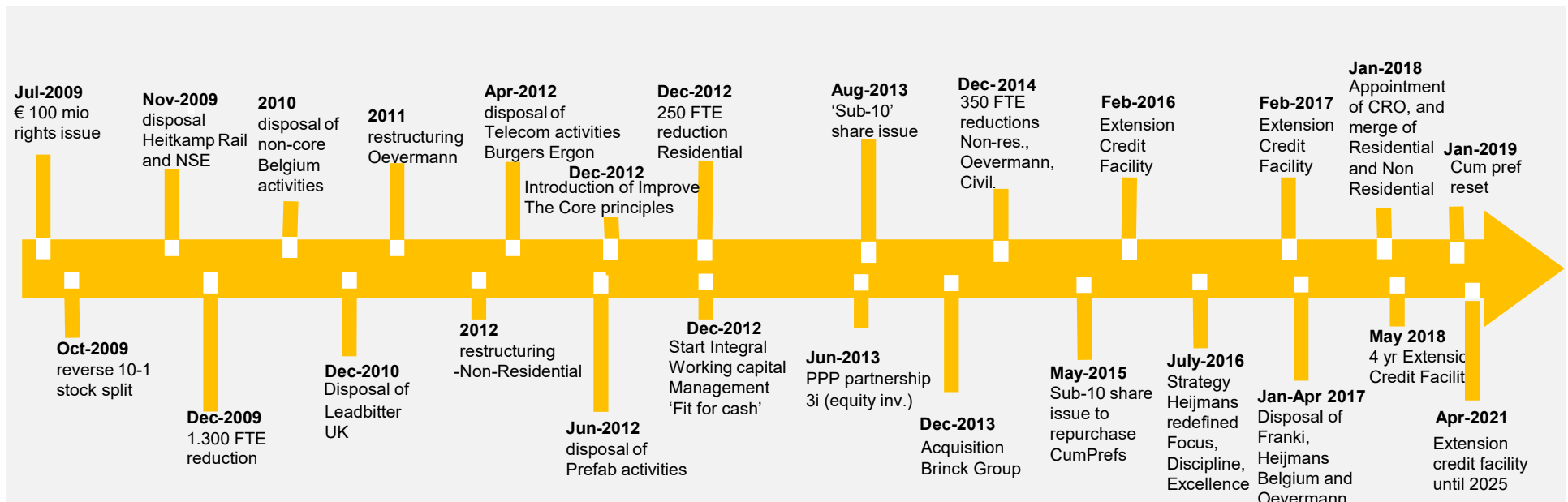
- Building on and bundling initiatives that fit the long-term ambition: creating a healthy living environment, and being aware of our own social responsibility;
- Creating added value by offering the client an integrated approach with focus on quality;
- The activities of Heijmans in the field of Living, Working and Connecting are organised within three business areas: Building & Technology (Residential / Non Residential), Property Development, and Infra.

- Approximately 4,600 employees work on a daily basis for these business segments in the Netherlands. More than 99% of these employees are covered by a collective labour agreement.
- Ambition to achieve a leading position on quality, sustainability and profitability, resulting in:
 - The best choice for clients;
 - Innovation and focus on sustainability;
 - Above-average long-term yield for shareholders;
 - Being attractive and inspiring to employees.

Top 10 Dutch construction companies (excl foreign companies, incl dredging companies)

		Turnover (x € 1,000)			EBIT (x € 1,000)		
		2019	2018	2017	2019	2018	2017
1	Koninklijke BAM Groep	▲ 7.209.089	▲ 7.207.751	6.603.706	▼ 0,7%	▲ 1,5%	0,4%
2	VolkerWessels	▲ 6.642.000	▲ 5.924.000	5.714.000	• 2,7%	▼ 2,7%	3,3%
3	Koninklijke Boskalis	▲ 2.644.600	▲ 2.569.549	2.337.205	▲ 4,2%	▼ -15,6%	6,6%
4	Strukton	▲ 1.855.231	▼ 1.779.117	1.916.386	▼ 0,3%	▼ 0,9%	1,7%
5	TBI Holdings	▲ 1.849.982	▲ 1.772.914	1.708.155	▲ 2,2%	▲ 1,6%	1,1%
6	Van Oord	▼ 1.643.767	▲ 1.876.000	1.530.265	▼ 5,4%	▼ 7,6%	8,1%
7	Heijmans	▲ 1.600.235	▲ 1.579.132	1.487.274	▲ 1,8%	▼ 1,4%	3,0%
8	Dura Vermeer	▲ 1.504.245	▲ 1.337.478	1.183.229	▲ 3,0%	▲ 2,5%	1,8%
9	Van Wijnen Groep	▼ 954.012	▲ 982.405	820.991	▲ 2,5%	▼ 1,2%	2,1%
10	Ten Brinke Group	▲ 903.835	▲ 806.457	699.380	▲ 15,8%	▲ 14,8%	13,2%

Source: Cobouw (November 2020)



COMPANY PROFILE

Restructuring provides potential

Following the credit crisis and several project losses, • Heijmans has gone through a strategic restructuring process since 2009:

- Focus on core activities in the Netherlands
- Divestment of all foreign operations
- Reduction of strategic land bank positions
- Streamline organisation with centralisation of activities and one ERP platform (SAP)
- Improve contract, risk & project management through 'Improve the core' and 'Focus, Discipline, and Excellence' program
- All divisions returned to sustained profitability since 2018, Heijmans now wants to build on the 'Better, Smarter, Sustainable' strategy ⁸

Competitive strengths

Heijmans' multidisciplinary integrated approach is a major differentiator in the market. Through its centralised business model there is a high level of standardisation of processes and procedures, including BIM, SAP ERP system, and procurement.

Leading industry player in digitalisation, safety, and sustainability

With an established Risk Office, risk management is prioritised throughout all stages of projects, from acquisition until completion.

Living (Residential and Property Development)

- Development of urban and rural areas in both small and large-scale projects with combination of own land bank positions & tender activity
- Combining creativity and customer focus with strong knowledge of production process and affordability
- Focus on complex renovations and transformations
- Standardisation of concepts (e.g. Huismerk Huismerk, Heijmans Wenswonen) and innovative solutions (e.g. Heijmans ONE / Smart Cities / BeSense)

Working (Non-Residential)

- Combining construction with technical services in integrated projects throughout the entire lifecycle
- Niche position in care, higher education, data centers, governmental sector with focus on long-term relationships including maintenance

Connecting (Infrastructure)

- Top player in Dutch market in focus markets mobility (roads, bridges, tunnels, dykes), energy and urban areas
- Divided in Centralised Projects, Regions, and Specialisms (eg asphalt production, cables and wires, asset / traffic management)
- Engineering skills combined with execution power



Greenville – Leidsche Rijn Utrecht



Maanwijk Showcase – Leusden

COMPANY PROFILE

Living: Property Development

Property Development focuses on area development of both large and smaller-scale projects in urban and out-of-town areas. It fulfills the role of both initiator, developer and seller of (mainly) residential properties. It conducts its activities from four different offices under central management. In-depth knowledge of area development is combined with the latest developments towards smart cities and energy generation. Within Property development focus on both new-build contracts and (inner-city) transformation assignments. Own land bank enables us to bring a continuous stream of projects to the market.



COMPANY PROFILE

Living: Residential

Residential Building operates from five regions under central management. Its prime activity is new-build, but it also includes the restoration, redevelopment and renovation of houses. Being both Property Development and Residential Building experts, clients can be offered outstanding conceptual and construction skills. This enables us to realise serial development projects as well as complex city center transformations. Together with our growing maintenance and services activities, this enables us to build on long term client relationships. Roughly 40% is now being built as standardized 'home brand' houses.



COMPANY PROFILE

Working: Non Residential

Non-Residential designs, creates and maintains high-quality electro-technical and mechanical installations ('Services'), with a growing portion of long term maintenance contracts. It also realises large-scale and complex construction projects in the market segments of health care, high-tech clean industry (such as laboratories), commercial property, (semi-)governmental organisations and data centers ('Projects'). Our unique quality is our integrated approach of design, construct and maintenance capabilities, especially in projects with relatively complex requirements with regard to installation technology.



LAUWERSMEER DYKE ENHANCEMENT



WIND PARK - WIERINGERMEER

COMPANY PROFILE

Connecting: Infrastructure

Infra focuses on the construction, improvement and maintenance of the Dutch infrastructure and public spaces, including related installations and on-site objects. This includes roads, viaducts, tunnels, locks, dykes, water treatment plants and work related to cables, pipelines and energy supply. It also involves technical work to make roads and public spaces safer, such as traffic management, lighting, camera and referral systems. The in-depth and varied engineering skills and execution capabilities enable an integrated approach to infra projects in which design, execution, management and maintenance connect seamlessly.



DRINKING WATER PIPELINE - LOOSBROEK

Strategy

STRATEGY

Strategy until 2023



Developments within Heijmans

- To build on 'Focus, discipline, excellence' strategy of 2018-2019 to further enhance risk management, operational kpi's and balance sheet: **"Better"**



BETTER

- Safety
- Risk management & process improvement
- Quality of the organization

Developments outside Heijmans

- Continuous developments within society and construction sector need to be monitored closely. Developments in the field of digitalisation, and innovative production technology require us to make our operations **"Smarter"**. Commitment to making the built environment more **"Sustainable"**



SMARTER

- Digitalisation
- Production technology



SUSTAINABLE

- Energy
- Materials
- Space

Strategy until 2023: “Better” and “Smarter”

Better

Strategic theme	Bold statements	Concrete goals
Safety	We work safely or we do not work at all	We won't be satisfied until we have 0 accidents
		IF rate < 1 in 2023
		In 2023 we have reached stage 4 of the 'safety ladder' in all our business segments
Risk management & Process Improvement	All projects are predictable and contribute to profit	In 2023 we are predictable as all our large projects end within it's initial margin bandwidth In 2023 all our projects contribute to profit
Quality of the Organisation	We are the number one employer in our sector	We reduce the number of employees who leave against our wishes by 50% every year
		We reduce the illness leave by 5% every year
		In 2021, we have a higher employee engagement score than in previous year

Smarter

Strategic theme	Bold statements	Concrete goals
Digitalisation	Digital construction is as important to us as physical construction	Every project we work on has a digital twin in 2023
		We successfully introduce 5 data driven services to the market each year
		The number of memberships from data driven services grows with 50% each year
Production Technology	We will work more frequently on the basis of standardised processes and products	In 2025, we have - compared to 2020 - moved 50% of on-site hours spent to off-site hours spent

Strategy until 2023: “Sustainable”

Sustainable

Strategic theme	Bold statements	Concrete goals
Energy	Our production is CO2-neutral and we create energy-neutral solutions for our clients	As of 2023, Heijmans is CO2 neutral. We offset any residual value
		In 2023, we can produce without emission, in 2030 this is the objective in all our projects
		In 2023, we can deliver energy-neutral solutions for our clients
Materials	We are targeting 100% circular construction in 2023	In all our quotes we calculate the environmental performance . In 2023, those scores will be included as standard in all our quotes we offer to clients
		In 2021, all packaging in our construction projects will be 100% reusable or recyclable
		In 2023, all our houses will be 100% circular. In 2030 this will also apply for apartments
		In 2023, we will use circular asphalt and concrete, in 2030 it will be used in all our projects
Space	We develop blue, green and safe!	In 2021, all our developments are awarded a Greenlabel A rating
		In 2023, all our interventions in the built environment result in an improvement in local biodiversity, climate adaptation and safety
		Each year, we will introduce our newest solutions in three projects that will serve as showcase for a healthy environment

heijmans

VAN GOGH - ROOSEGAARDE BICYCLE PATH



HYDROFIT SEWER RELINING



SOLAR NOISE BARRIER



SOLAR GUARD RAIL



COMPOSITE BRIDGE



BEYOND EYES SENSOR TECHNOLOGY



RECOFLEX ASPHALT

Strategy Property Development

**Long term goal
Property
Development:
stable EBITDA-
Margin of 6-8%**

- Very strong demographic growth fundamentals hampered by various regulatory issues that impact pipeline, including designation of new development areas by government, changes in environmental and private quality assurance law, sustainability requirements (BENG, Heat Act), and nitrogen issue.
- Result across NL: stabilisation in # of houses in production, but steep price rises in 2019-2023 era
- Turnover mix:
 - Suburban areas (mainly via land bank) vs inner-city developments (1 on 1 / tenders): 50/50
 - BtC (private individuals) vs BtB (investors / social housing): 60/40, enforcement customer process
- Growth in integrated area development, in which we can differentiate by adding new positions that require state-of-the-art solutions for energy generation and sustainability > towards smart cities
- Early stage involvement of Residential for the execution of projects, with increased focus on standardised home brand labels to increase operational excellence and affordability for clients
- Integrated approach in urban (piled) projects: close cooperation non-residential and civil engineering

MONUMENT 'WESTERLICHT' IN
ALKMAAR AFTER RENOVATION



Strategy Building & Technology

**Long term goal:
stable EBITDA-
Margin of 4-6%**

- Building & Technology includes residential and non-residential activities, with commercial focus based on core competencies:
 - › Services: armed with its installation expertise, B&T is looking to forge more multi-year client relationships (non-residential) through the acquisition of long-term service contracts
 - › Non Residential Projects: focus on specific market segments with high level of knowledge and added value, such as laboratories, healthcare (cure) and data centers
 - › Residential: construction of residential buildings, primarily for Property Development
 - › Multi-functional high rise (piled) construction: combination of residential and non-residential skills to serve high growth for high rise residential buildings in innercities
- Residential: Growing importance of concepts and process standardisation: >50% of production
- Non-Residential: BeSense example of smart and efficient maintenance
- Growth foreseen in renovation and maintenance, and respond to increased focus on sustainability



HORIZONTAL DIRECTION DRILLING (HDD) - INFRA

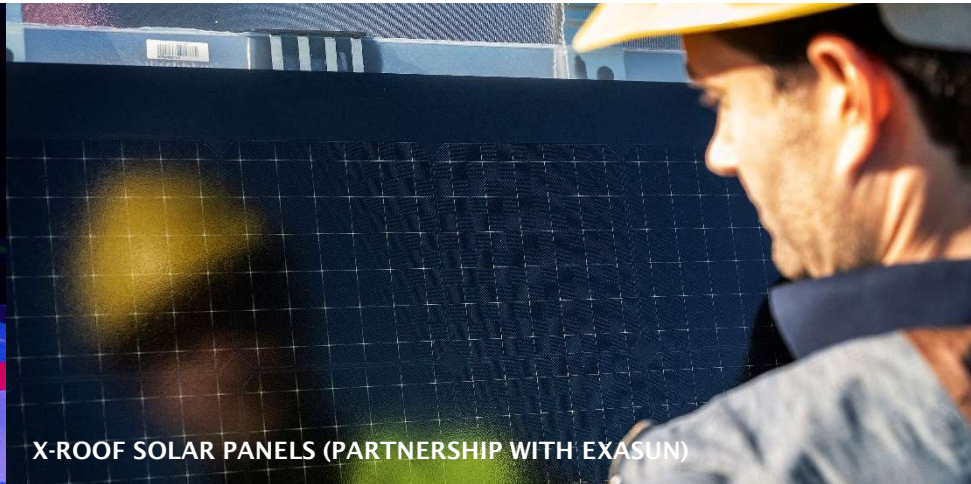
Strategy Infra

**Long term goal:
stable EBITDA-
Margin of 4-6%**

- Balanced portfolio of centralised projects, regions / asset management, and specialisms, each roughly 1/3 of turnover
- Focus markets: Mobility (mainly line infrastructure + wet infra), Energy and Urban areas
- Focus on safety & innovation including digitalisation, energy and reducing ecological footprint
- 2017 and 2018 were dominated by derisking of loss-making projects acquired in 2011-2015
- Since then, successful turnaround of business profile and profitability was made:
 - Change in turnover mix changed to targeted levels, with large projects max. 10% of annual infra revenues, and strong partners based on balanced risk distribution
 - New management structure with increased focus on leadership, predictability, and risk control
 - Profitability rose to targeted levels in 2020, strong decrease in bandwidth of project results
 - Strong project results + cost reductions led to very strong H1 2021, but hampered by TenneT case
- Pipeline centralised projects affected by nitrogen issues, but good prospects in other areas



CROSSCOVER



X-ROOF SOLAR PANELS (PARTNERSHIP WITH EXASUN)



BIKESCOUT



TYRE PRESSURE SENSOR TECHNOLOGY IN ROADS

Focus on innovation

Investing in smart technological concepts / sustainable solutions within business segments:

- Creating competitive advantage towards clients;
- Improving future margin potential because of increased added value and focus on marketability;
- Being an attractive and interesting employer where new initiatives can and will be rewarded.

In cooperation with clients focused on marketability

Examples of innovations:

25

- Heijmans ONE portable house > 200 houses now sold;
- Smart and efficient building management by using sensor technology to generate data on comfort, occupation and usage through Beyond Eyes technology: 10,000+ sensors installed;
- Smart living concept: standardised 'home control' in all family homes;
- Smart city developments in Maanwijk Leusden;
- Hydrofit sewer relining > several projects realised;
- BikeScout and Crosscover: warning system to improve safety of cyclists and pedestrians, several locations;
- Brainjoint: low maintenance expansion joints in overpasses and bridges that can't be heard, felt and seen;
- Energy generating noise barrier ('Solar noise barrier');
- Recoflex Self healing' asphalt concept;
- Smart traffic management system Enschede / Almelo;
- Tyre pressure monitor;
- Light reflecting asphalt / barriers (reduce costs of lighting).



ZUIDERHAVEN, HARLINGEN

Environmental Social Corporate Governance

	Ranking / certification	Institute	Score '20/'21
1	Forrest50	FSC	2 nd
2	Carbon disclosure	CDP	B
3	Transparency benchmark	Ministry of Economic Affairs & Climate	12 th
4	ISO 14001	Kiwa	N/A
5	CO2- Performance ranking	Kiwa	Level 5
6	Score card EcoVadis	EcoVadis	Bronze medal
7	VCA	Kiwa	N/A
8	Sustainability Performance of NL Listed Companies	VBDO	80% - 83%

ESG

- Heijmans welcomes the EU Green Deal that has a large impact on the construction sector and corresponds with our ambition to create a healthy living environment. This will result in extensive new business models and initiatives, e.g.:
 - Dyke enforcements to protect against increasing water levels
 - Significant extension of electricity network (cables and wires), including impact on build environment such as solar, windmills, charging etc

- Increased sustainability requirements in residential and non residential buildings
- Nature inclusive area developments to improve biodiversity
- It also results in increased accountability and reporting requirements. Heijmans is currently preparing for the EU taxonomy to be (fully) implemented as of 2023.
- We have embedded ESG criteria in our strategy “better, smarter, sustainable”. Several kpi’s address the importance of our 1) our impact on the environment, 2) social responsibility and human capital, 2) as well as a solid governance structure. See the next slides for further detail.
- In 2021, we also included sustainability linked criteria in our syndicated loan facility, further underlining our responsibility and accountability in this respect.



ASSET MANAGEMENT TERNEUZEN LOCK



BEATRIX LOCK PPP - NIEUWEGEIN



WILHELMINA LOCK ZAANDAM



ESG policy Heijmans

Environment



- Digitalisation / Production technology: several initiatives to improve efficiency of materials and impact on environment
- Energy: target to be CO2 neutral in 2023
- Materials: we aim for 100% circularity in new projects in 2023
- Space: our developments are green, blue and safe

Key measures in previous years:

- Founder of “Matching Materials”, an online market place to re-use construction materials
- First construction company to roll out ‘sustainable packaging policy’ in 2019, in 2020 all subcontractors work with fully recyclable packaging materials
- Innovation pipeline with focus on green energy generation (a.o. SONOB, light generating asphalt)
- Set up of Heijmans Energy to bundle energy initiatives: ambition towards smart city developer
- Annual reduction targets of CO2 emission a.o. by increased portion of electrically powered equipment
- We develop showcase real estate projects with very high sustainability requirements



ESG policy Heijmans

Social



- Safety: With our GO! Programme we aim for IF rate < 1 in 2023
- Process improvement: strong focus on performance measurement and customer satisfaction against clear targets
- Quality of the organization: HR policy to bind, attract & retain employees. Programmes for trainees, and senior mgmt (leadership)

Key measures in previous years:

- Despite strong focus on safety, IF rate still above 3 (FY 2020: 3.7; H1 2021: 3.2) vs target of 2.0
- Pro-active role in safety: leading role towards schools, clients, subcontractors, and partners
- Continuous improvements in HR incl. rollout of Workday as well as facilitating working from home during covid crisis
- Significant improvement seen in engagement scan of employees
- Several programmes to improve vitality: sick leave to be improved with 8% in 2021
- Increased focus on diversity in our historically ‘male dominated’ (2020: 88%) industry. Two recent female appointments in Supervisory Board and one in Management Board to underline ambitions



ESG policy Heijmans



- Risk management & Process improvement
 - > Full implementation of Corporate Governance Code, Compliance Office and Integrity commission
 - > Strong lines of defense, including Internal Audit and Risk Office
- Quality of the organization: Transparant interaction with stakeholders (incl Works Council and shareholders)

Key measures in previous years:

- Introduction of independent Risk Office and GRC model to challenge project teams and support Executive Board decision making during all stages of projects, from tender until completion
- In addition to two-headed Executive Board, introduction of Management Board including Corporate Risk Officer, Corporate HR Officer, Procurement director and managing directors of 3 divisions
- Programs to improve corporate culture: leadership & ownership, open & transparent
- Low level of integrity issues, with clear measures in respective cases
- Remuneration policy: Corporate Governance Code balanced with aim to award and retain talent



LIGHT ART THE SWARM IN EINDHOVEN (WON THE NATIONAL STEEL AWARD 2020)

Dutch Construction Market

Nitrogen issue explained

- NL: 166 designated 'natura 2000' areas: nature areas protected by European law
- 118 with habitats sensible to nitrogen emissions
- Until May 2019, the "Program Approach Nitrogen" (PAS) allowed to include positive effects of future developments while calculating the net 'nitrogen impact' for obtaining permits under the Nature Conservation Act.
- This approach was dismissed by the Dutch Council of State in May 2019, and since then issuance of permits has come to a standstill.
- Restrictive conditions apply under new policy
- A lot of uncertainties and unclarities, also in the light of the lengthy procedure of the current formation of the Dutch cabinet, which sets new legislation and measures on hold.

Nitrogen: impact Heijmans

- Heijmans: Technical solutions / innovations are being explored
- Government: several upcoming measures need to be reconsidered with additional focus on 'compensation measures' in requirements
- Until now, no Heijmans projects in execution are cancelled / suspended
- However, pipeline of projects is heavily impacted, difference between 'tender market' and projects outside the tender process, e.g. with own land bank
- Impact on tender volume is mainly seen in Infrastructure, as contracting authorities need to consider whether / under which conditions their projects are permissible
- Projects outside the tender process are less affected: Heijmans has more options to propose compensating measures itself where necessary. However, this can impact costs and timing
- In all cases, clear governmental solutions on a short notice are still required

PFAS issue explained

- PFAS is a family name for 6.000 material, including Pfos, Pfoa and GenX and is being used for decades in all kind of applications
- PFAS is strong, mobile (especially in water) and hardly degradable
- Hundreds of locations known in the Netherlands, with PFAS concentrations
- Limits apply that should be considered when re-using soil.
- Government has temporarily increased limits, permanent regulation expected soon
- Generally speaking, current limits are workable for Heijmans, main constraints in projects with impact on groundwater

Dutch market

EIB (Dutch Institute Construction Sector) and Rabobank describe the following opportunities and trends:

- Pre Covid 19, the € 70 bln market grew with 4% in 2019, and the outlook for 2020 and 2021 was flat with growth envisaged in the maintenance and renovation segment and a decline envisaged in the new build market due to PFAS, nitrogen and new legislation related issues that lead to temporary delays in permits / start of tenders.
- Following Covid 19, Rabobank (June 2021) saw a 0.8% decrease in 2020, followed by an expected -/-1.5% in 2021 and + 3.5% in 2022.

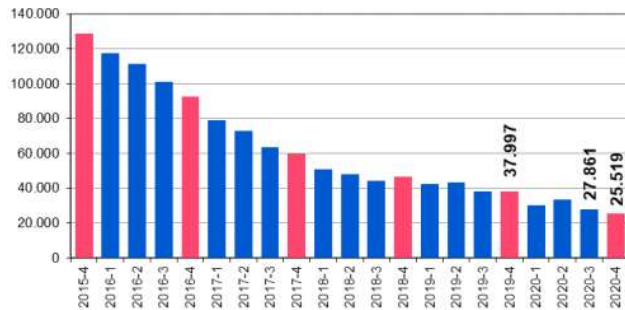
- EIB (January 2021) reported a 0,5% decrease of the sector in '20 and expects a 3,5% decrease in '21. Given overall macro-economic impact of Covid 19 and impact of earlier crises, current production levels remain relatively strong
- Considerable differences across subsectors remain (EIB), with renovation subsector showing strong growth as spending patterns shift from leisure to 'own house'
- New build sectors were relatively hard hit in 2020 due to all regulatory issues that led to delays in permits: residential -/- 10% and non residential -/- 5%
- Despite Nitrogen, Covid and PFAS issues, infra volume was flat in 2020 / H1 2021, but uncertainties remain
- Demographic outlook (increasing housing shortage combined with stronger than anticipated population growth due to migration) remains strong
- Overall outlook for 2022-2025 for sector remains strong (+3,5% annually) but uncertain, as strong demographics could be hampered when consumer confidence or unemployment would be hit as result of the Covid crisis. Also, more visibility is required on nitrogen legislation.
- Innovation (industrialization, digitalization, sustainability, smart technologies) offer potential to drive up margins

Dutch housing market

Fundamentals have improved considerably since 2014 after 7 years of declining market:

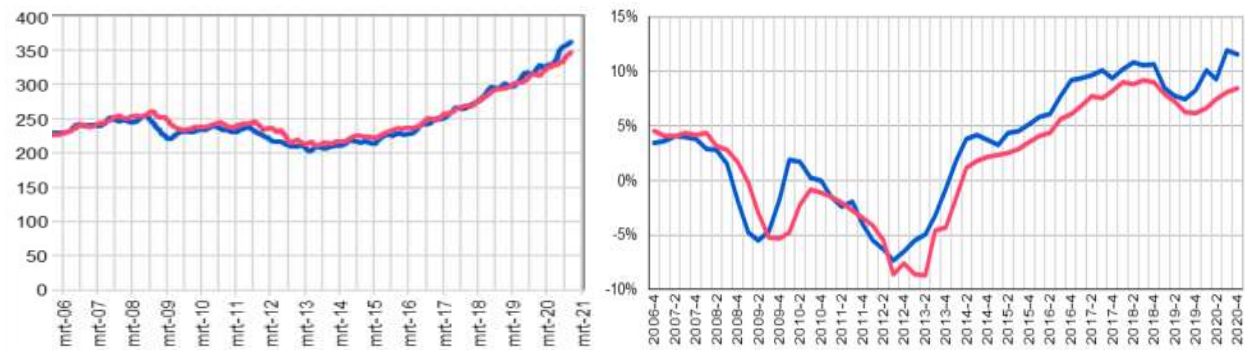
- Historically low interest rates, increased consumer confidence and government policies (limiting tax deductibility and revised social housing policy) have resulted in an increased housing shortage: at least 800,000 new build houses to be realised before 2030 to fill current shortage of 300,000 homes and respond to further demographic growth and higher level of 1-person households;
- Traditionally high % of social housing is shifting towards bigger private sector (private rental and purchase property). Specific growth areas: Innercity development / transformation (mainly Randstad), affordable homes for starters and single person households. Main cities only able to fill in appr. half of the additional capacity and showing very strong price rises, therewith also growth expected outside cities where prices are lower.
- Targeted level (government) of at least 75,000 new houses per year was not met in 2014-2019 era. In 2020, the 75,000 was met but housing shortage still around 300,000. Following reasons for lack of supply unless strong demand:
 - › Government: delays in permit procedures, higher building aesthetics requirements, higher limits for nitrogen and PFAS, obligation to build without gas and new private quality assurance law
 - › Construction companies: cost price inflation due to increased demand for people and materials.
- Due to increased procurement prices and stronger regulatory requirements including sustainability requirements, cost prices of new built homes are increasing rapidly

Number of houses for sale

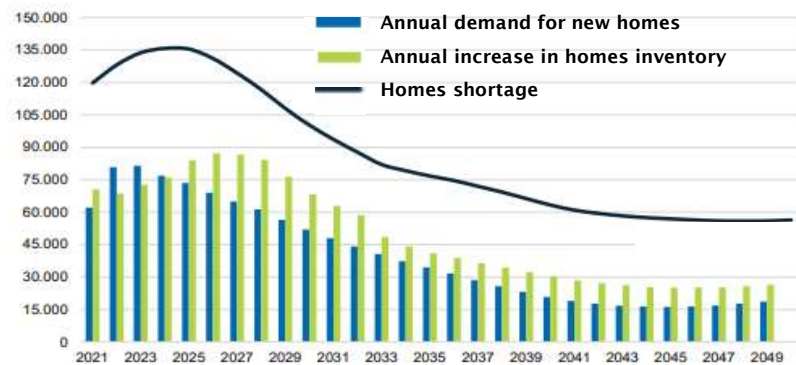


Source: NVM annual update 2020 (January 2021)

Average sales price houses (in absolute amounts and annual growth rate)



Expected annual growth in demand for homes and homes inventory, as well as homes shortage (2021-2050). Source: Primos (2021)



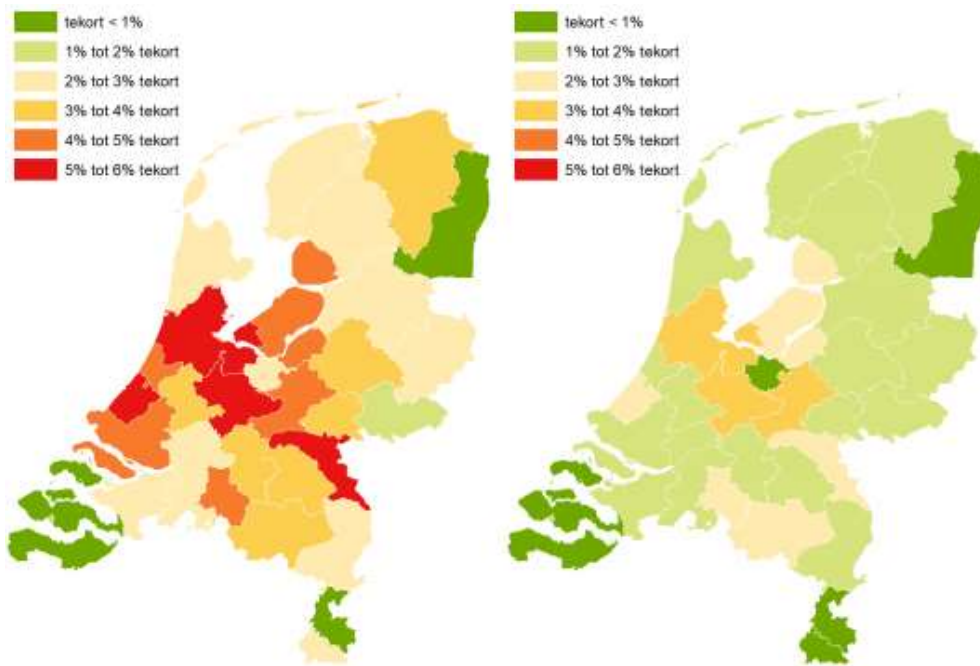
Supply of houses for sale has decreased sharply since 2014 and production of new build houses unable to meet strong demand ...

...as a result, house prices have increased rapidly. First in the Big 4 cities, but recently the growth rate was even higher in suburbs. NVM reported record house price increases of 16% annually in August 2021.

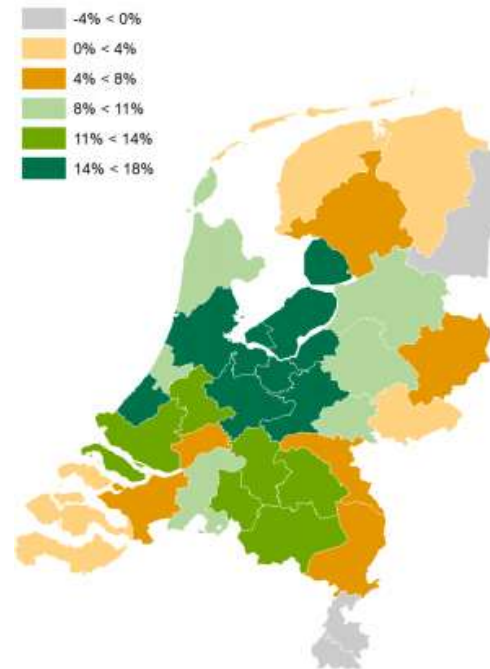
Shortage is expected to increase until at least 2025, as current plan capacity is too low across the country.

Dutch housing market

Housing shortage in 2021 and 2034 across the country



Growth in households across the country (2021-2034)



Source: Primos (2021)



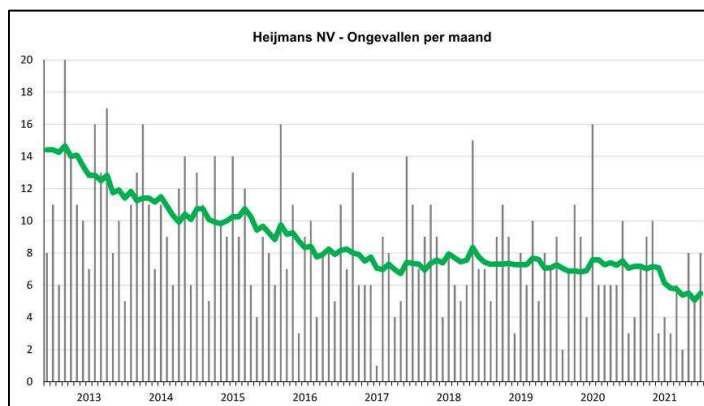
GZG DEVELOPMENT - 'S HERTOGENBOSCH

“Heijmans 2021 interim results: Operationally excellent first half”

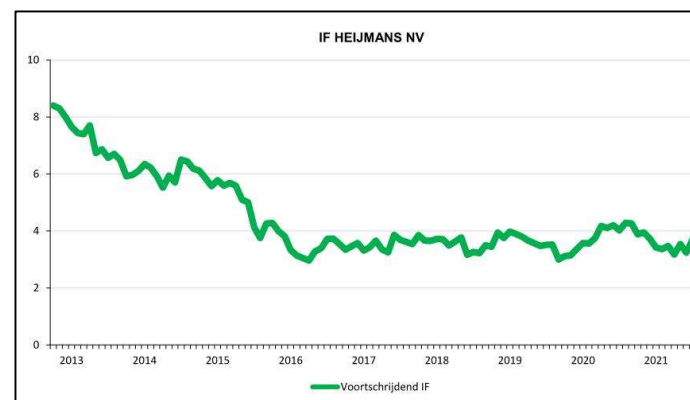
Ton Hillen, CEO Heijmans N.V.

August 20, 2021

Safety



Trend in number of accidents (incl. subcontractors and replacement work)



Trend IF figure (own personnel, incl. insourced personnel)

	2017	2018	2019	2020	2021 - YTD
Fatal accidents	1	0	1	0	0
IF (period of last 12 months)	3.7	3.9	3.3	3.7	3.2
# Accidents	77	87	84	88	28

*IF- Injury Frequency = number of accidents resulting in absenteeism over the past 12 months / number of hours worked over the past 12 months * 1,000,000 (Target: IF < 1)



One concept, Various applications

HEIJMANS HOME BRAND HOUSES - RESIDENTIAL
FULLY STANDARDISED PROCESS

Highlights H1 2021

- Revenue higher than last year thanks to Infra and Property development
- Rising profit margin in all sectors, good project results
- Property development & Residential building profit from current housing market
- Cash position has developed positively, H1 net cash € 44 mln
- As precaution Heijmans sets aside provision of € 34 mln to cover disappointing Wintrack II ruling, appeal in preparation
- Mr. Gavin van Boekel to start as new CFO as per 1 September 2021



WINTRACK II - TENNET
INFRA

Tennet arbitration

- Project awarded in February 2017 with original contract value of appr. € 250 mln
- Two contracts for the design and construction of innovative, hybrid (steel/concrete) pylons on two new high-voltage transmission lines, Eemshaven-Vierverlaten and Borssele- Rilland, to be carried out by a consortium made up of Heijmans (60%) and Eurocoles (40%).
- Both contracts terminated by Tennet in September 2018 when progress was 10-15% of contract sum. In May 2021, arbitrators ruled that this out-of-court dissolution was lawful.
- Following this negative and disappointing verdict, we provisioned € 34 mln from a precautionary point of view. The combination does not agree with the ruling and is preparing to appeal.
- The appeal might lead to the decision not being upheld
- Final damages will be defined by the arbitrators following a subsequent damages procedure. Still significant bandwidth
- To avoid interfering in the highly complex proceedings, Heijmans will make no further statements pending the arbitration.



HELP AND LOCAL SUPPORT IN LIMBURG, AFTER THE PROVINCE WAS HIT BY FLOODS

Property development: rising revenue and result

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	288	224	482	29%
Underlying EBITDA	19	14	30	
<i>Underlying EBITDA margin</i>	6,6%	6,3%	6,2%	
Order book	571	492	540	

- Continued pressure on the housing market
- Excellent start to 2021: more home sales and rising revenue and result
- Number of homes sold in H1: 1,209 (2020: 1,075), with 873 of these sold to private buyers (2020: 610). Strong sales figures result in relatively low inventory of homes for sale
- Lack of plan capacity and slow issuance of building permits
- Heijmans also investing in land holdings for its own land bank

Building & Technology profits from housing market

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	383	470	920	-19%
Underlying EBITDA	16	14	25	
<i>Underlying EBITDA margin</i>	4,2%	3,0%	2,7%	
Order book	1.181	1.172	1.101	

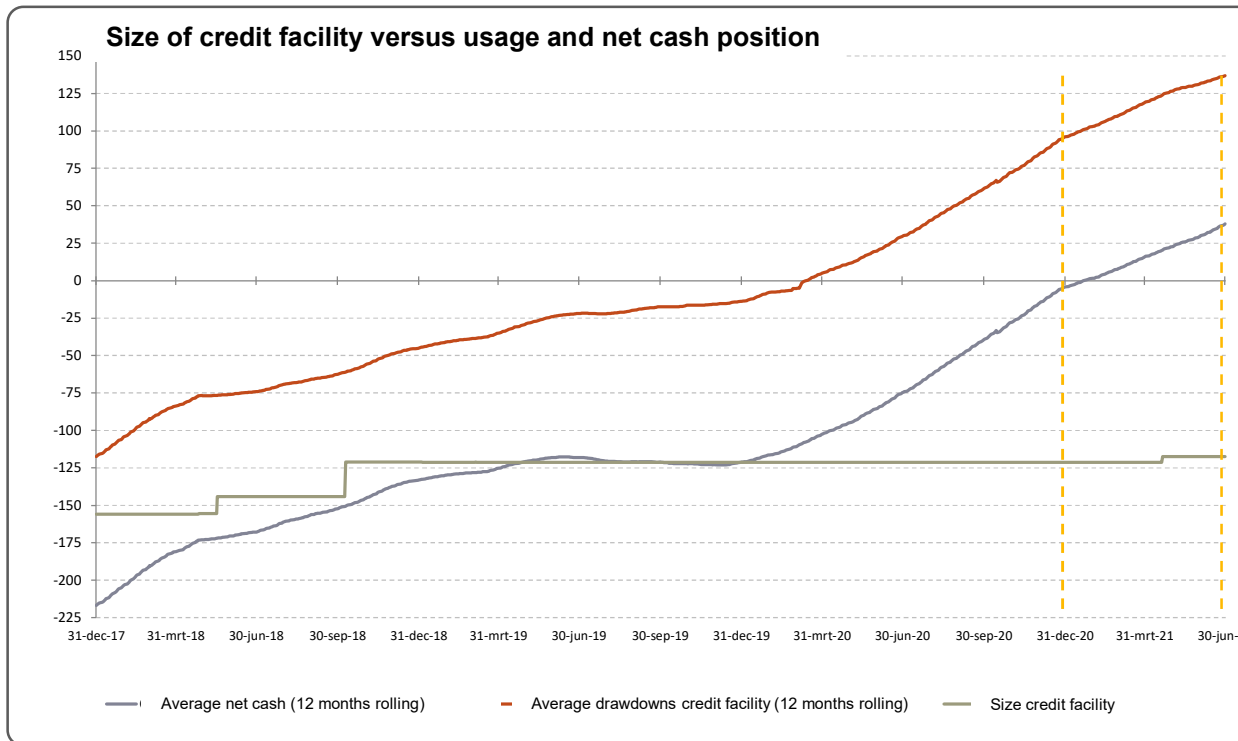
- Revenue declined by around 20% due to lower volume in large projects, profit remained stable
- Selective acquisition policy at project level for non-residential projects
- Services remain at healthy level
- Residential building profits from continuing strong demand for homes
- We expect pressure on the residential construction market to continue in the years ahead

Infra: strong performance

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	375	310	662	21%
Underlying EBITDA (<i>excluding Wintrack II</i>)	37	17	36	
<i>Underlying EBITDA margin</i>	9,9%	5,5%	5,4%	
Underlying EBITDA (<i>including Wintrack II</i>)	3	17	36	
Order book	750	704	731	

- Strong performance, project results improve during execution
- In 2021, Infra will outperform in terms of revenue and margin
- For 2022, we expect to perform more in line with 2020, as a result of delays to tenders for major projects
- Infra is realising targeted growth in asset management

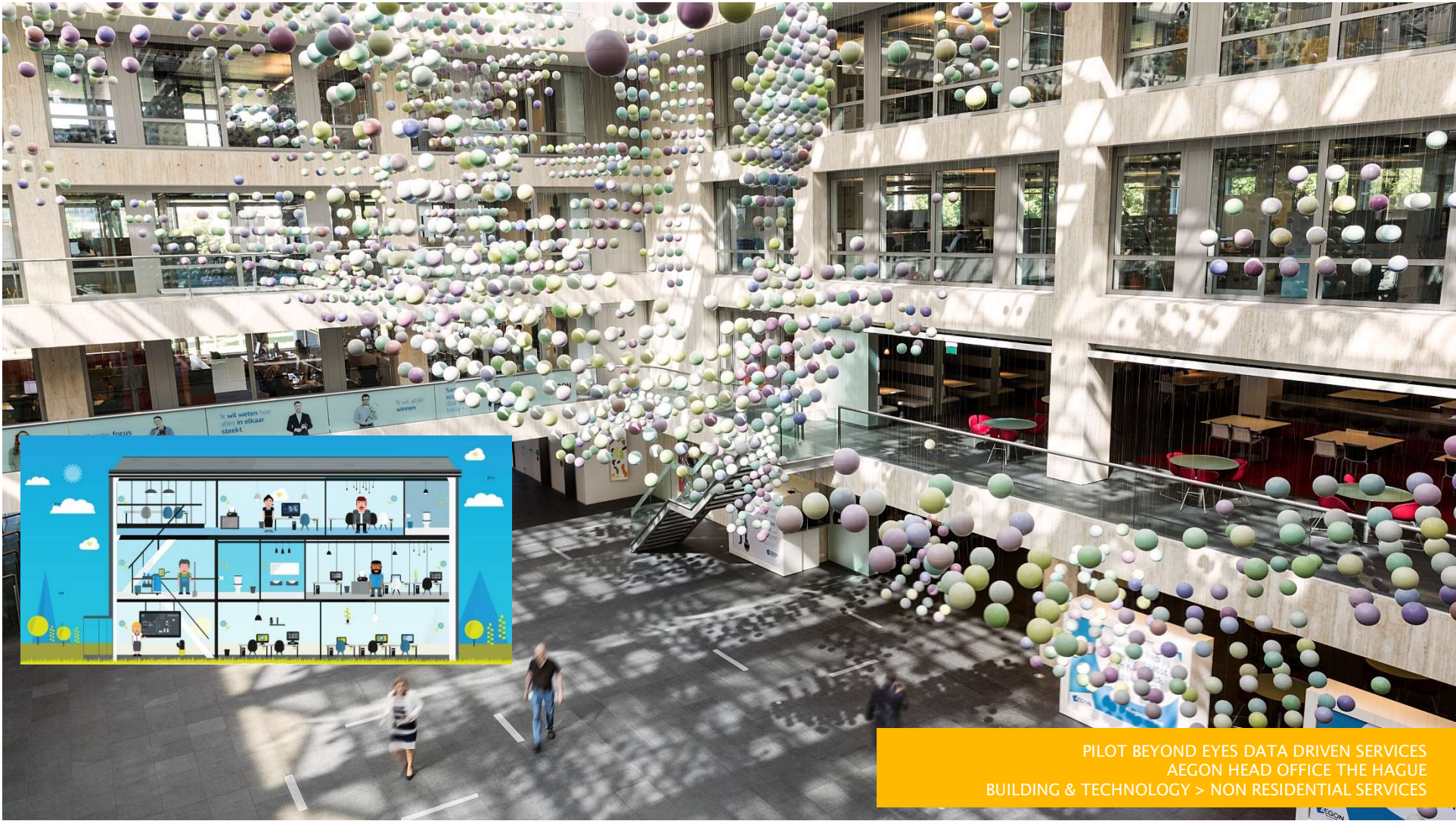
Development of net debt



- Good cash flow driven by strong operational performance and continued strong working capital.
- H1 2021:
 - › average net debt (365 days) improves to -/- € 39 mln from € 4 mln (FY 2020)
 - › average cash position rises to € 137 mln from € 96 mln
- Fewer fluctuations in the course of the year
- No use of syndicated loan in 2020 and 2021

Taxes

- Effective tax rate in H1 21.9% (H1 2020: 30.1%)
- With effect from 2022, only 50% of profit above € 1 mln can be offset against historical losses, but no longer any time limit on the use of tax loss carry-forwards
- As measurement is based on the same time horizon as the premises from last year, the valuation of the tax loss carry-forwards is lower
- This was offset by the recognition of previously unrecognised losses



PILOT BEYOND EYES DATA DRIVEN SERVICES
AEGON HEAD OFFICE THE HAGUE
BUILDING & TECHNOLOGY > NON RESIDENTIAL SERVICES

Outlook: comparable result to 2020

- We are on track to record results comparable to last year, including WinTrack II provision
- Primarily at Infra and Property development, we expect excellent operational results
- As a result of the phasing of projects, with a number of projects already completed, we expect revenue in H2 to be slightly lower than in the same period last year
- FY 2021 revenue will remain at the same level as in 2020
- Due to market pressure, the outlook for Property development and Residential building remains strong
- FY cash position at least at the same level as in H1, increased focus on investments



KONINGSTUNNEL - THE HAGUE

Financing, Cash flow, Financial statements

Financing in place

The most significant financing arrangements include:

- € 117.5 mln syndicated loan facility (see right column)
- € 31 mln in cumulative preference shares, after € 11 mln repayment in H1 2021. Coupon of 7.21% and a perpetual tenor, subject to a conditional repayment scheme. Next dividend reset at start of 2024
- Appr. € 240 mln in guarantee facilities, of which roughly 50% is used
- In addition, several project financings in place in PPP and Property Development, both recourse and non recourse, as well as several leases

Main characteristics Syndicated Loan Facility:

- Facility with ABN Amro, ING and Rabobank, most recently amended and extended in April 2021
- Total committed amount of € 117.5 mln, with € 20 mln of this in the form of an overdraft facility
- Tenor extended through 31 December 2025
- New financial covenants, including better alignment with reported results
- Limited release of securities, remaining security includes bank accounts, accounts payables and several land bank positions
- Improved interest rate: margin to 1.70% from 2.25%
- Margin grid linked to sustainability criteria



WILLEMSPOORT NORTH - RESIDENTIAL

Amounts in € millions	2021 H1	2020 FY	2020 H1
Reported Net debt	-43,6	-37,2	43,3
<i>Adjustments:</i>			
Net debt Joint Ventures (IFRS 11 impact)	24,1	33,6	57,0
Net debt non recourse project financings	-38,3	-40,3	-74,1
Cumulative preference shares B	-30,7	-41,8	-41,8
Other	0,9	1,9	1,3
Net debt covenants (A)	-87,7	-83,8	-97,6
Reported EBITDA	74,1	89,8	74,5
Extraordinary items	5,9	5,3	9,4
EBITDA JV's (IFRS 11 impact)	-0,4	-9,8	-0,9
Underlying EBITDA	79,7	85,2	83,0
<i>Adjustments:</i>			
Capitalised interest	1,5	1,6	1,3
EBITDA non recourse projects	-0,8	-1,4	-0,9
Other	0,4	0,1	-1,0
EBITDA covenants (B) - Interest Cover	80,9	85,6	82,4
EBITDA from disposed subsidiaries		0,0	
EBITDA covenants (C) - Leverage Ratio	80,9	85,6	82,4
Net interest	5,6	4,9	4,6
<i>Adjustments:</i>			
Capitalised interest	1,5	1,6	1,3
Net interest joint ventures (IFRS 11 impact)	0,4	0,6	0,6
Interest expense non recourse project financings	-1,5	-2,3	-2,5
Interest / dividend cumulative preference shares B	-2,9	-3,1	-3,2
Other	-0,4	-0,3	-0,3
Net interest covenants (D)	2,7	1,3	0,6
Guaranteed capital for solvency ratio (E)	258,9	268,3	241,3
Balance sheet total for solvency ratio (F)	944,1	930,6	896,4
Leverage ratio (A/C) <3*	-1,1	-1,0	-0,2
Interest cover ratio (B/D) >5*	29,7	63,6	144,2
Solvency ratio (E/F) > 21%	N/A	28,8%	N/A

* A negative outcome in combination with a positive rolling EBITDA is permitted

Financial covenants

Financial covenants		Until Q1 2021	Starting Q2 2021
IFRS Corrections		IFRS 11, 15, 16	IFRS 11 only
Average leverage	<i>Avg Debt / Avg EBITDA</i>	4x a year, < 1	No longer applicable
Leverage ratio	<i>Net Debt / 12-mnth EBITDA</i>	2x a year, < 3	4x a year < 3
Interest cover	<i>12-mnth EBITDA / Net interest</i>	4x a year, > 4	4x a year > 5
Solvency ratio	<i>Guaranteed Capital / Balance sheet total</i>	1x a year, > 22,5%	1x a year, > 21%

- Covenants amended as of Q2 2021 as part of refinancing
- Calculation method changed (less IFRS corrections), but largely adjusted on a like-for-like basis
- Average leverage ratio lapsed, leverage ratio to be measured every quarter from now on
- Covenants easily complied with thanks to stable level of rolling EBITDA and continued improvement of net cash position

P&L

	H1 2021	H1 2020	2020
<i>x € 1 million</i>			
Revenues	881	839	1.746
Property development	19	14	30
Building & Technology	16	14	25
Infra (excluding Wintrack II)	37	17	36
Wintrack II	-34		
Corporate	-3	-4	-6
Underlying EBITDA	35	41	85
Correction EBITDA joint ventures	-4	5	10
Write down on property assets	-1	0	-2
Restructuring costs	-1	-1	-3
EBITDA	29	45	90
Depreciation/amortisation	-17	-17	-34
Operating result	12	28	56
Financial results	-3	-3	-5
Share of profit of associates and joint ventures	3	-3	-11
Result before tax	12	22	40
Income tax	-2	-7	0
Result after tax	10	15	40

Balance sheet

x € 1 million

ASSETS	30 June 2021	31 December 2020	30 June 2020
Non-current assets			
Property, plant and equipment	46	45	44
Right-of-use assets	75	82	81
Intangible assets	74	75	75
Joint ventures and associates	84	73	66
Other fixed assets	59	58	58
	338	333	324
Current assets			
Strategic land portfolio	111	127	118
Residential properties in preparation or under construction	75	72	78
Other inventory	11	17	11
Construction work in progress	86	66	91
Trade and other receivables	158	141	185
Cash and cash equivalents	165	175	89
	606	598	572
Total assets	944	931	896
EQUITY AND LIABILITIES			
Equity	229	226	200
Non-current liabilities			
Interest-bearing ¹	43	54	46
Lease liabilities	56	61	62
Non-interest-bearing ²	87	42	37
	186	157	145
Current liabilities			
Interest-bearing loans and other current financing liabilities	3	3	3
Lease liabilities	19	20	21
Trade and other payables	294	327	343
Construction work in progress ³	192	170	152
Provisions	21	27	29
Other	0	1	3
	529	548	551
Total equity and liabilities	944	931	896
Solvency rate based on guarantee capital ⁴	27%	29%	27%



ELASTOCOAST - WADDENZEEDIJK

Case studies

PROJECT: NOORDERHAVEN AREA DEVELOPMENT
SECTOR: PROPERTY DEVELOPMENT IN COMBINATION
WITH BUILDING & TECHNOLOGY (RESIDENTIAL)
ORIGINAL CONTRACT SUM: € 60 MLN (FIELD 2/3 ONLY, M
PLOTS ALREADY COMPLETED AND STILL TO BE DEVELOPED
START: EARLY 2018
COMPLETION: Q4 2021

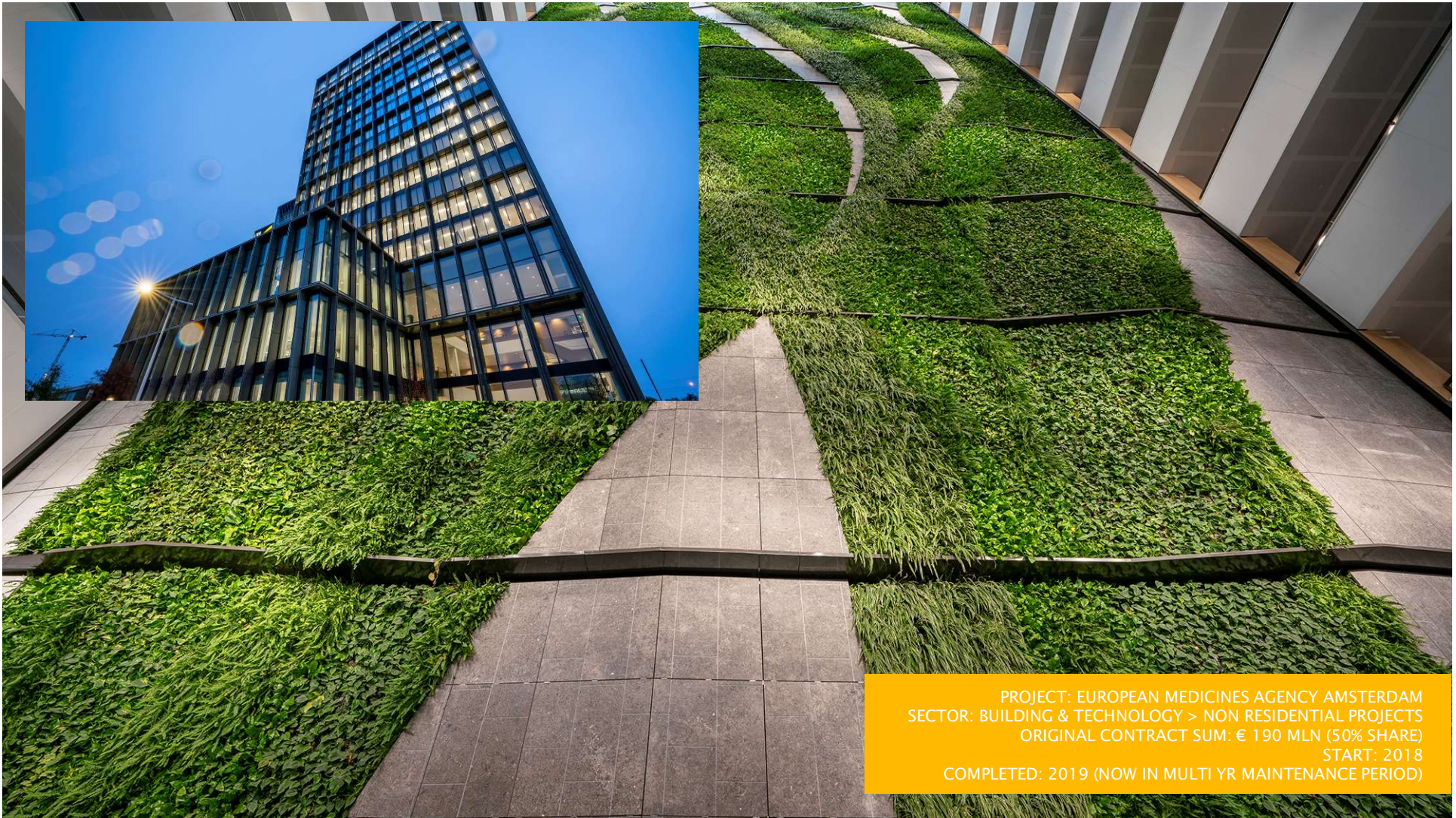




PROJECT: VERTICAL AMSTERDAM SLOTERDIJK
SECTOR: PROPERTY DEVELOPMENT IN COMBINATION WITH
BUILDING & TECHNOLOGY > HIGH RISE RESIDENTIAL BUILDINGS
ORIGINAL CONTRACT SUM: € 60 MLN
START: EARLY 2020
COMPLETION: 2023



PROJECT: NEW AMSTERDAM COURT HOUSE
SECTOR: BUILDING & TECHNOLOGY > NON RESIDENTIAL PROJECTS
ORIGINAL CONTRACT SUM: € 216 MLN (90% SHARE)
START: 2016
COMPLETED Q1 2021, NOW IN MULTI YR MAINTENANCE PERIOD



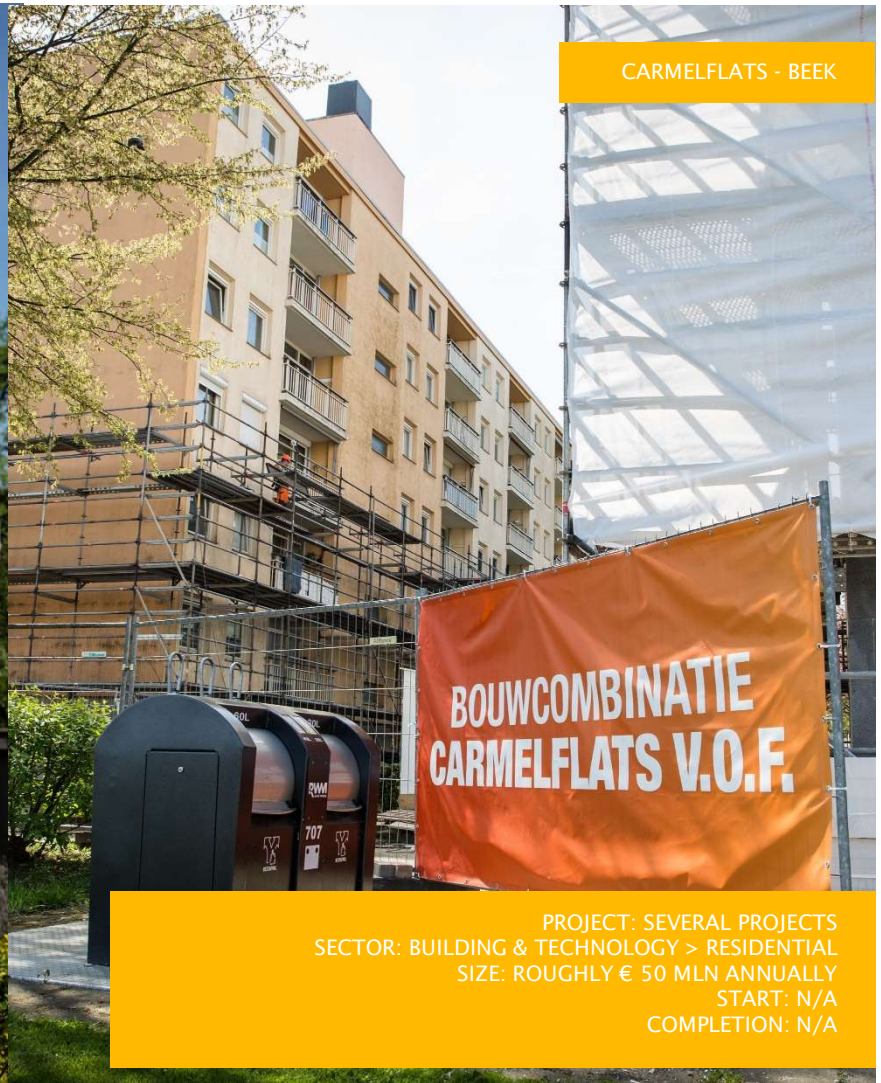
PROJECT: EUROPEAN MEDICINES AGENCY AMSTERDAM
SECTOR: BUILDING & TECHNOLOGY > NON RESIDENTIAL PROJECTS
ORIGINAL CONTRACT SUM: € 190 MLN (50% SHARE)
START: 2018
COMPLETED: 2019 (NOW IN MULTI YR MAINTENANCE PERIOD)



PROJECT: SCIENCE CAMPUS, UNIVERSITY OF LEIDEN
SECTOR: BUILDING & TECHNOLOGY, NON RESIDENTIAL
ORIGINAL CONTRACT SUM: € 71 MLN
START: 2021
EXPECTED COMPLETION: Q4 2023



RENOVATION LEFIER - EMMEN



CARMELFLATS - BEEK

PROJECT: SEVERAL PROJECTS
SECTOR: BUILDING & TECHNOLOGY > RESIDENTIAL
SIZE: ROUGHLY € 50 MLN ANNUALLY
START: N/A
COMPLETION: N/A



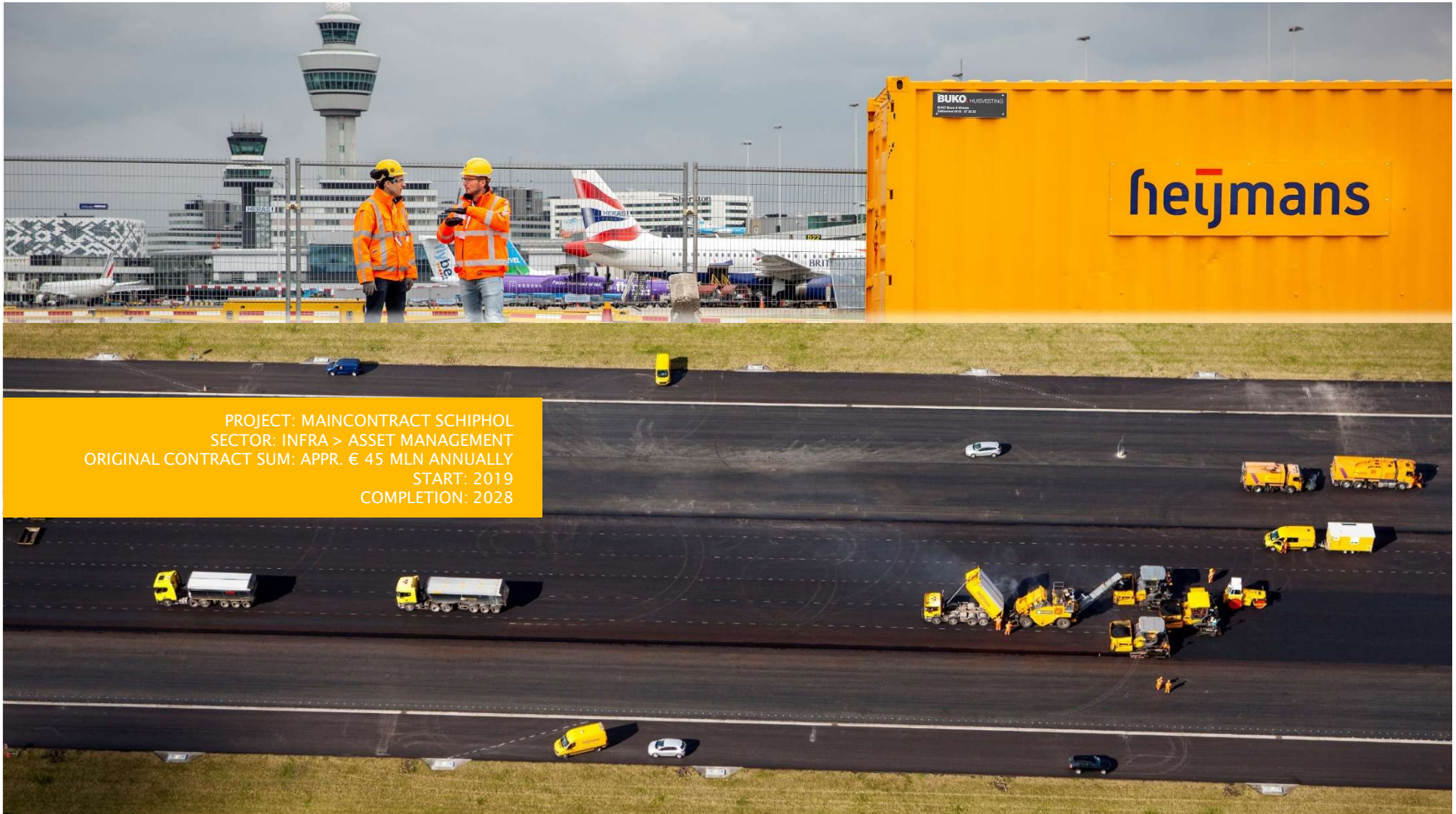
PROJECT: IXAS / A9 GAASPERDAMMERTUNNEL
SECTOR: INFRA > CENTRALISED PROJECTS
ORIGINAL CONTRACT SUM: APPR. € 600 MLN (33,33% SHARE)
START: 2015
COMPLETION: H1 2021 (EXL MULTI YEAR MAINTENANCE PERIOD)



PROJECT: A1 APELDOORN/AZELO
SECTOR: INFRA > CENTRALISED PROJECTS
CONTRACT SUM: APPR. € 175 MLN (100% SHARE)
START: 2019
COMPLETION: 2021



PROJECT: TWO PROJECTS FOR NETWORK OPERATOR LIANDER
SECTOR: INFRA > ASSET MANAGEMENT
ORIGINAL CONTRACT SUM: APPR. € 120 MLN (100% SHARE)
PROJECT 1: 10 YEAR MAINTENANCE AND UPGRADE
CONTRACT FOR 1.350 MEDIUM VOLTAGE STATIONS
START: 2019 / COMPLETION: 2029
PROJECT 2: UPGRADE OF ENERGY DISTRIBUTION NETWORK
IN AMSTERDAM CITY CENTER / AMSTERDAM NORTH
START: 2019 / COMPLETION: 2023



PROJECT: MAINCONTRACT SCHIPHOL
SECTOR: INFRA > ASSET MANAGEMENT
ORIGINAL CONTRACT SUM: APPR. € 45 MLN ANNUALLY
START: 2019
COMPLETION: 2028



MAINCONTRACT SCHIPHOL AIRPORT

Appendices

Executive Board



Ton (A.G.J.) Hillen (1961), Member of the Executive Board as of 18 April 2012, Chairman of the Executive Board as of 1 December 2016. responsible for: General Affairs, Infrastructure, Property Development, Building & Technology, Innovation, HR / Management Development, Procurement, Sustainability



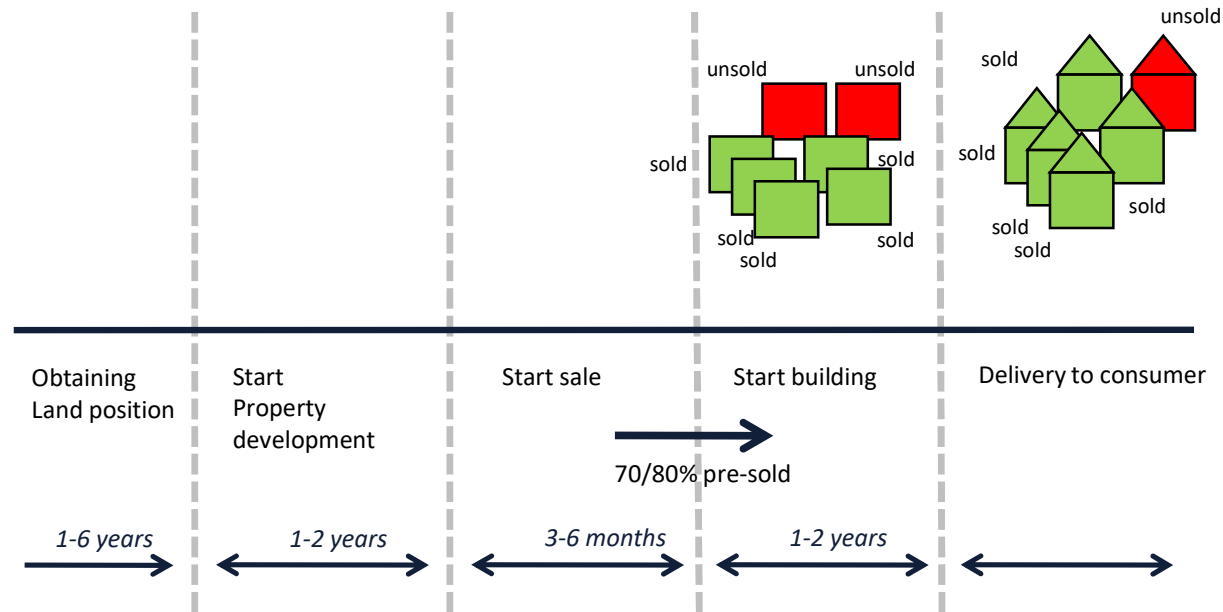
Gavin (G.M.P.A.) van Boekel (1975), member of the Executive Board / CFO as of 1 September 2021. He previously held financial positions at Unilever, where most recently he was CFO Middle Europe & BeNeLux. responsible for: Finance, Communication & Investor Relations, ICT, Legal Affairs, Pensions, Facility Management and Risk Management.

Taxes

- The effective tax rate was minus 0.3% in 2020 (2019: 13.8%), strongly influenced by recognition of previously unrecognised losses
- At year-end 2020, Heijmans still had € 165 million in tax loss carry-forwards, € 36 million of which has not been recognised, while the remainder has already been recognised
- It is likely that, in the event of continued profitability, non-recognised losses will be recognised in the coming two years. Impact of recognition at nominal rate: € 9 million
- In 2021 new legislation was announced with regard to tax loss carry forwards as of 2022:
 - › Only 50% of profit above € 1 mln can be offset against historical losses (so partial cash out as of 2022), but no longer any time limit on the use of tax loss carry-forwards
 - › As measurement is based on the same time horizon as the premises from last year, the valuation of the tax loss carry-forwards is lower. This was offset in H1 2021 by the recognition of previously unrecognised losses

Property development process

Process and timing



Revenues recognition is based upon the progress of construction of sold property

Risk management approach

Policies and corporate philosophy gradually developed and implemented as from mid 2008:

- Compact set-up with direct reporting to Executive management;
- Centralised organisation model: to act as ‘One Company’;
- Centralised tender management and procurement, with direct involvement executive management;
- Senior management bonus system based on corporate goals as well as business segment individual kpi’s;
- Periodic review meetings for businesses and (relevant) projects. Both during tenders phase (go / no go) and execution phase to monitor project start up and ‘stick-to-the-plan’ approach;
- ‘Best in class’ project reporting providing good insight on project opportunities as well as risks, issues, cash flow and progress;
- Uniform risk classification for all projects into three categories. Direct involvement from Executive Board in large and complex projects in all phases;
- Culture of openness on project performance. Issues to be escalated asap to enable effective follow-up and support;
- High level of attention for cash management on all levels in the organisation (“Fit for cash” program);
- Implementation of uniform ERP landscape to improve control.
- Balance limitations of project size (over time) versus capacity. Partnering where required;
- Simplified legal structure with limited number of entities and managing directors
- Roll out of Chief Risk Officer within business segments, with an independent role opposed to project teams
- More conservative approach towards profit realization including no profit in first 20% of execution, and harmonization of cost calculation models including rules around opportunities and risks

APPENDIX

Towards one integrated ERP platform (SAP)

Objectives

1. Strengthen Control
2. Integrate Procurement
3. Improve efficiency in back office processes

Key changes

Integrated system / Centralized data management

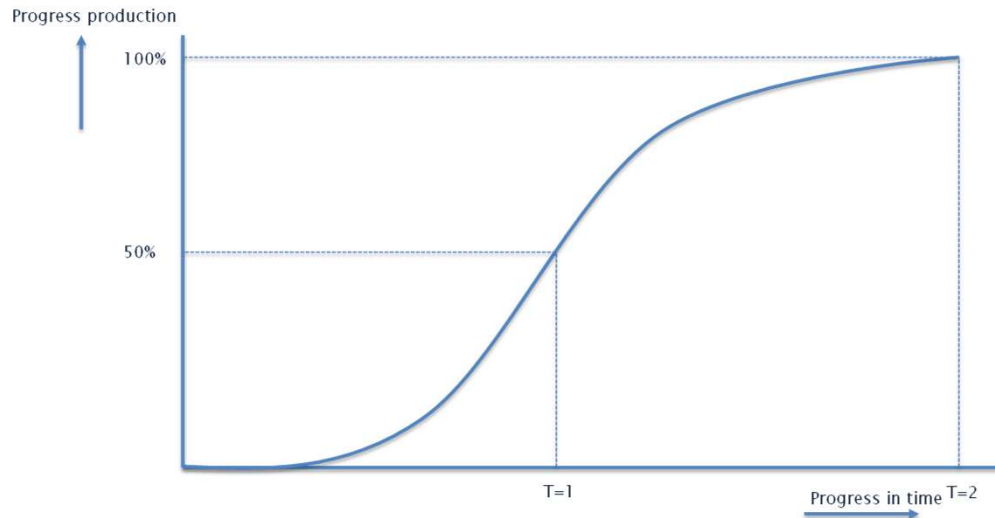
Data entry at source (orders, hours)

Three way match, digital invoicing AP

1 project structure, also for integrated projects

- Successful deployed to all employees and now implemented in all business segments
- Proven project approach and timelines (Initiated in 2011, Blueprint Q4 2012, start roll-out 2013, implementation completed in 2018);
- Generic processes based upon SAP Best Practices (limited customization, using only industry-standard or industry-customized SAP processes & add-on tools);
- Invested TD: € 13 mln, limited to no impact on running IT costs (phase-out old systems);
- Top-down roll-out with dedicated change management;
- Phasing out of multiple decentralised ERP systems
- 2020: Implementation of SAP In House Cash completed
- 2020 and beyond: to exploit and leverage contribution to “real” business value (enhance performance, more uniform organization, improve operational efficiency and management information, integrating CRM, Go / No Go decisions).

IFRS % of completion method



- Direct costing applied, i.e. the gross margin is recognized on the basis of the percentage of completion method.
- In this method, 50% of the gross profit is recognized half way the project, and 100% at completion.
- Suppose a EUR 100 mln with 10% gross margin and a 2 year construction period.
- What happens if a setback of EUR 10 mln is discovered?

- At $t = 0$ (for example in the final design stage), 10 mln should be deducted from future profits. The next two years of turnover will not contribute any gross margin
- At $t = 1$, 50% of the gross profit is already recognized in the previous year. EUR 5 mln should be deducted from future profits (in year 2 no gross margin contribution) and EUR 5 mln should be recorded as loss in the P&L
- At $t=2$ (just before completion) almost all gross profit has already been recognized as profits in previous year. The setback should be recorded as financial loss in year 2

APPENDIX

Project images in this handout

Slide	Project	Location	Business Segment
4	Heijmans One	Replaceable	Residential
10	Greenville resp. Maanwijk	Utrecht Leidsche Rijn resp. Leusden	Property Development / Residential
11	Student Housing Technical University	Eindhoven	Residential
12	Hart van Zuid PPP	Rotterdam	Non Residential / Property Development
13	Wind Park / Dyke Enhancement	Wieringermeer / Lauwersmeer	Infra (Centralised Projects)
14	Drinking water pipeline	Loosbroek	Infra Regions
18	Overview of innovations	Not applicable	All segments
20	Monument 'westerlicht'	Alkmaar	Residential (renovations)
22	Horizontal Direction Drilling	A.o. for grid operators	Infra (Specialisms)
24	Overview of innovations	Not applicable	All segments
26	Zuiderhaven	Harlingen	Property Development / Residential
28	Locks projects Infra	Different locations	Infra
32	Light art the swarm	Eindhoven	Infra (Specialisms)
40	GZG development	s-Hertogenbosch	Property Development / Residential
42	Heijmans Huismerk (own label)	Utrecht	Residential
44	Wintrack II / TenneT	Multiple locations	Infra
46	Local support after flooding	A79 Limburg	Infra
52	Beyond Eyes Pilot Aegon	The Hague	Non Residential (Services)
54	Koningstunnel	The Hague	Infra (Centralised Projects)
56	Willemspoort Noord	Den Bosch	Property Development / Residential
60	Elastocoast	Waddenzeedijk	Infra (Specialisms)
61	Noorderhaven	Zutphen	Property Development / Residential
62	Vertical	Amsterdam Sloterdijk	Property Development / Non Residential
63	New Amsterdam Court House PPP	Amsterdam	Non Residential (Projects)
64	European Medicines Agency	Amsterdam Zuidas	Non Residential (Projects)
65	Science Campus Leiden	The Hague	Non Residential (Services)
66	Renovation projects	Different locations	Residential
67	A9 Gaasperdammerweg PPP	Amsterdam	Infra (Centralised Projects)
68	A1 Apeldoorn / Azelo	Apeldoorn / Azelo	Infra (Centralised Projects)
69	Two contracts for Liander	Amsterdam	Infra (Regions / Asset Management)
70	Maincontracts Schiphol	Schiphol Airport	Infra (Regions / Asset Management)

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Heijmans Business Update

ROADSHOW BOOKLET, SEPTEMBER 2021, BASED ON 2021 INTERIM RESULTS



Key figures H1 2021

(x € 1 million)

	H1 2021	H1 2020	2020
Revenues	881	839	1.746
Underlying EBITDA*	35	41	85
Underlying EBITDA* excluding Wintrack II	69	41	85
Result after tax	10	15	40
Earnings per share (in €)	0,43	0,71	1,85
Order book	2.039	1.972	1.946
Net debt (cash)	-44	43	-37
Solvency	27%	27%	29%
Number of FTEs	4.639	4.665	4.707

* Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write downs on property assets, restructuring costs, book result on sale of subsidiaries, release indexation pensions and any other non-operational results, if applicable, that are designated by the Group as special.

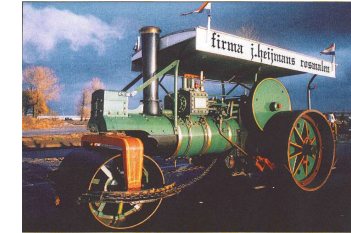
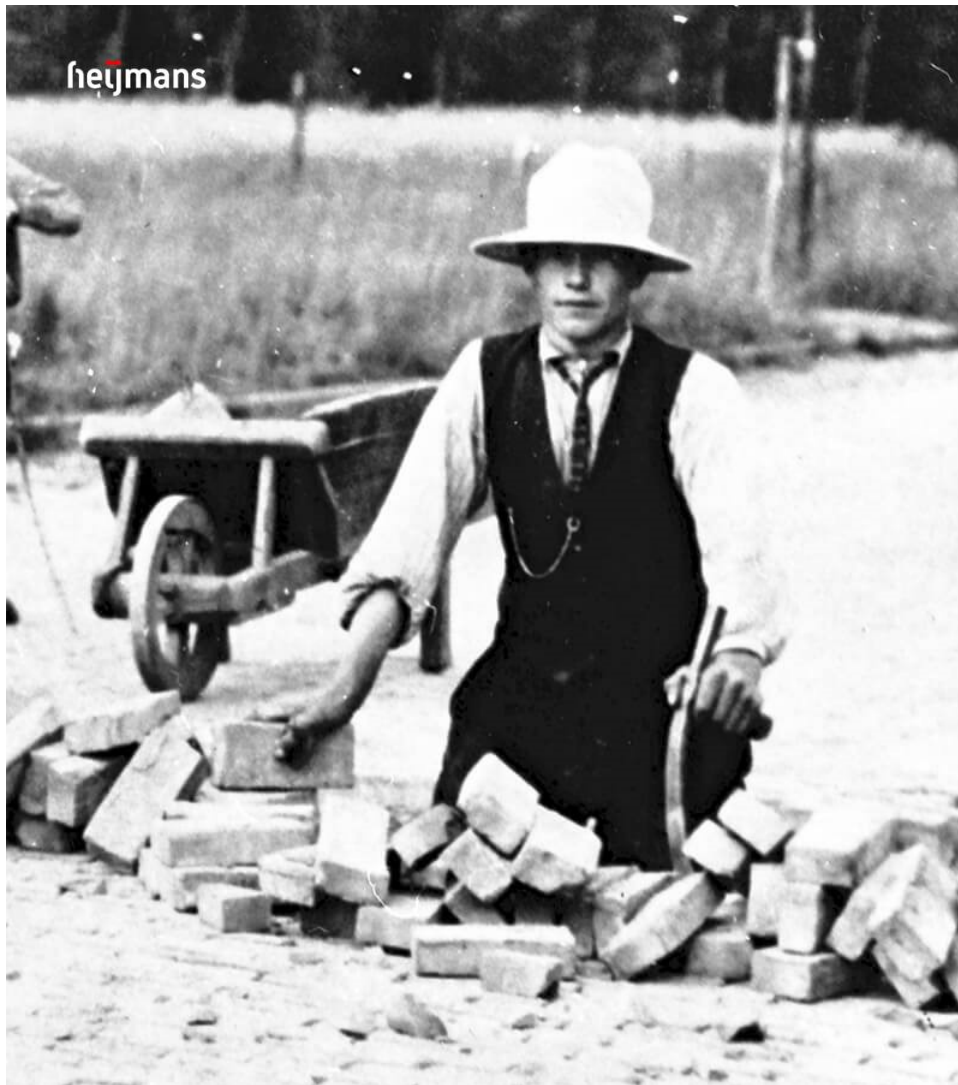
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HEIJMANS ONE

Company profile

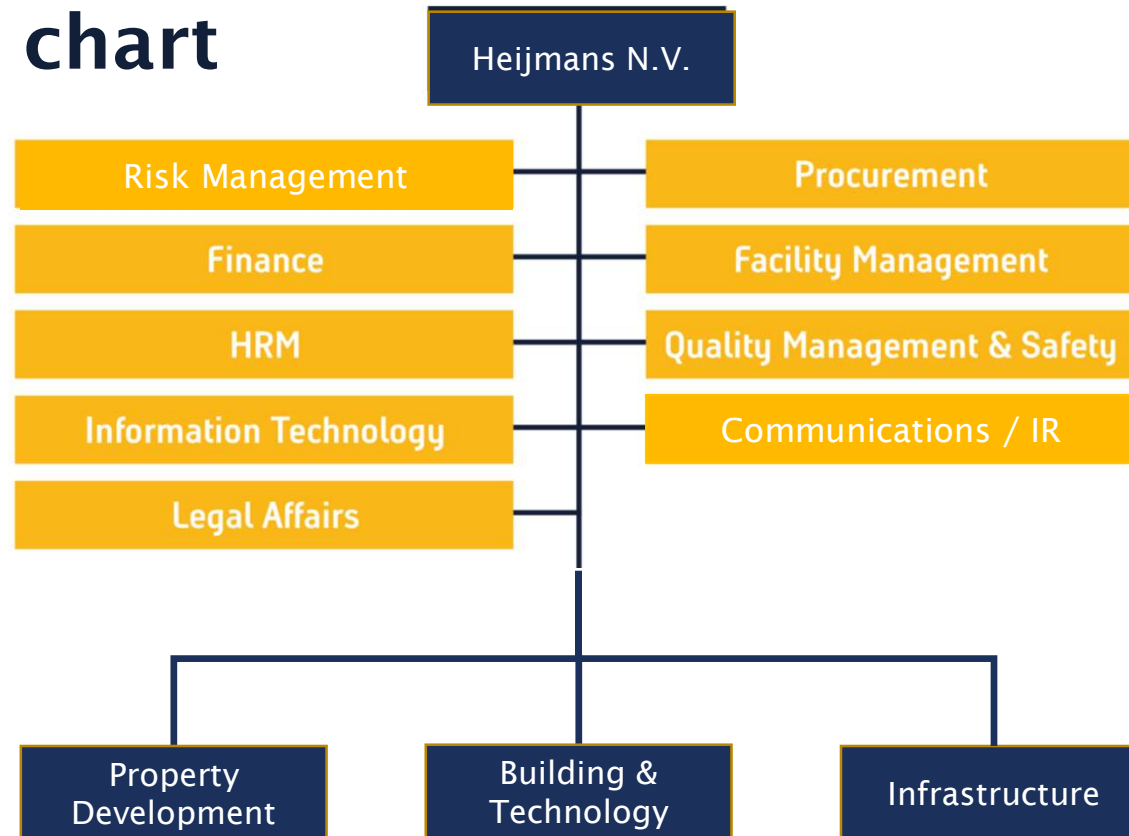


COMPANY PROFILE

History

- 1923 - founded by Jan Heijmans as Infra company
- 1945 and beyond - strong growth following WWII
- 1960's - diversification towards residential building
- 1980's - diversification towards property development
- 1993 - listing on Amsterdam Stock Exchange
- 1993/2007 - strong growth through acquisitions
- 2008/2009 - reset strategy, start of restructuring
- 2013 - strategy building spatial contours of tomorrow
- 2017 - divestment of foreign subsidiaries
- 2019 - strategy better, smarter, sustainable

Organisation chart



Heijmans at a glance

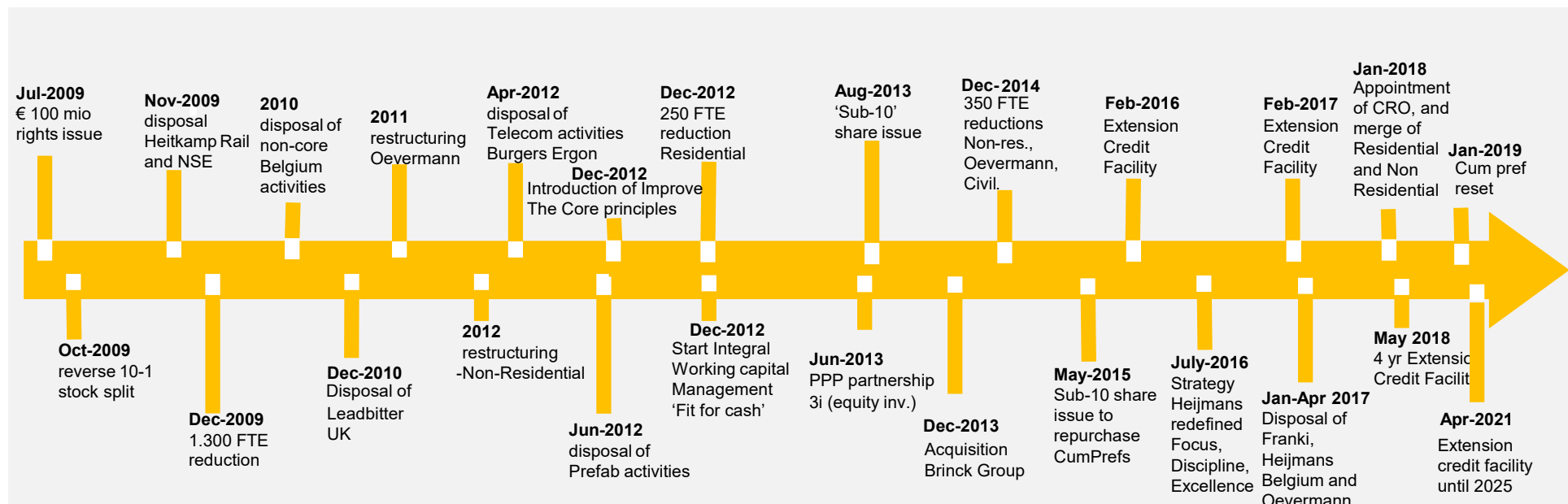
- Building on and bundling initiatives that fit the long-term ambition: creating a healthy living environment, and being aware of our own social responsibility;
- Creating added value by offering the client an integrated approach with focus on quality;
- The activities of Heijmans in the field of Living, Working and Connecting are organised within three business areas: Building & Technology (Residential / Non Residential), Property Development, and Infra.

- Approximately 4,600 employees work on a daily basis for these business segments in the Netherlands. More than 99% of these employees are covered by a collective labour agreement.
- Ambition to achieve a leading position on quality, sustainability and profitability, resulting in:
 - The best choice for clients;
 - Innovation and focus on sustainability;
 - Above-average long-term yield for shareholders;
 - Being attractive and inspiring to employees.

Top 10 Dutch construction companies (excl foreign companies, incl dredging companies)

		Turnover (x € 1,000)			EBIT (x € 1,000)		
		2019	2018	2017	2019	2018	2017
1	Koninklijke BAM Groep	▲ 7.209.089	▲ 7.207.751	6.603.706	▼ 0,7%	▲ 1,5%	0,4%
2	VolkerWessels	▲ 6.642.000	▲ 5.924.000	5.714.000	• 2,7%	▼ 2,7%	3,3%
3	Koninklijke Boskalis	▲ 2.644.600	▲ 2.569.549	2.337.205	▲ 4,2%	▼ -15,6%	6,6%
4	Strukton	▲ 1.855.231	▼ 1.779.117	1.916.386	▼ 0,3%	▼ 0,9%	1,7%
5	TBI Holdings	▲ 1.849.982	▲ 1.772.914	1.708.155	▲ 2,2%	▲ 1,6%	1,1%
6	Van Oord	▼ 1.643.767	▲ 1.876.000	1.530.265	▼ 5,4%	▼ 7,6%	8,1%
7	Heijmans	▲ 1.600.235	▲ 1.579.132	1.487.274	▲ 1,8%	▼ 1,4%	3,0%
8	Dura Vermeer	▲ 1.504.245	▲ 1.337.478	1.183.229	▲ 3,0%	▲ 2,5%	1,8%
9	Van Wijnen Groep	▼ 954.012	▲ 982.405	820.991	▲ 2,5%	▼ 1,2%	2,1%
10	Ten Brinke Group	▲ 903.835	▲ 806.457	699.380	▲ 15,8%	▲ 14,8%	13,2%

Source: Cobouw (November 2020)



COMPANY PROFILE

Restructuring provides potential

Following the credit crisis and several project losses, • Heijmans has gone through a strategic restructuring process since 2009:

- Focus on core activities in the Netherlands
- Divestment of all foreign operations
- Reduction of strategic land bank positions

Streamline organisation with centralisation of activities and one ERP platform (SAP)

- Improve contract, risk & project management through 'Improve the core' and 'Focus, Discipline, and Excellence' program
- All divisions returned to sustained profitability since 2018, Heijmans now wants to build on the 'Better, Smarter, Sustainable' strategy ⁸

Competitive strengths

Heijmans' multidisciplinary integrated approach is a major differentiator in the market. Through its centralised business model there is a high level of standardisation of processes and procedures, including BIM, SAP ERP system, and procurement.

Leading industry player in digitalisation, safety, and sustainability

With an established Risk Office, risk management is prioritised throughout all stages of projects, from acquisition until completion.

Living (Residential and Property Development)

- Development of urban and rural areas in both small and large-scale projects with combination of own land bank positions & tender activity
- Combining creativity and customer focus with strong knowledge of production process and affordability
- Focus on complex renovations and transformations
- Standardisation of concepts (e.g. Huismerk Huismerk, Heijmans Wenswonen) and innovative solutions (e.g. Heijmans ONE / Smart Cities / BeSense)

Working (Non-Residential)

- Combining construction with technical services in integrated projects throughout the entire lifecycle
- Niche position in care, higher education, data centers, governmental sector with focus on long-term relationships including maintenance

Connecting (Infrastructure)

- Top player in Dutch market in focus markets mobility (roads, bridges, tunnels, dykes), energy and urban areas
- Divided in Centralised Projects, Regions, and Specialisms (eg asphalt production, cables and wires, asset / traffic management)
- Engineering skills combined with execution power



Greenville – Leidsche Rijn Utrecht



Maanwijk Showcase – Leusden

COMPANY PROFILE

Living: Property Development

Property Development focuses on area development of both large and smaller-scale projects in urban and out-of-town areas. It fulfills the role of both initiator, developer and seller of (mainly) residential properties. It conducts its activities from four different offices under central management. In-depth knowledge of area development is combined with the latest developments towards smart cities and energy generation. Within Property development focus on both new-build contracts and (inner-city) transformation assignments. Own land bank enables us to bring a continuous stream of projects to the market.



COMPANY PROFILE

Living: Residential

Residential Building operates from five regions under central management. Its prime activity is new-build, but it also includes the restoration, redevelopment and renovation of houses. Being both Property Development and Residential Building experts, clients can be offered outstanding conceptual and construction skills. This enables us to realise serial development projects as well as complex city center transformations. Together with our growing maintenance and services activities, this enables us to build on long term client relationships. Roughly 40% is now being built as standardized 'home brand' houses.



COMPANY PROFILE

Working: Non Residential

Non-Residential designs, creates and maintains high-quality electro-technical and mechanical installations ('Services'), with a growing portion of long term maintenance contracts. It also realises large-scale and complex construction projects in the market segments of health care, high-tech clean industry (such as laboratories), commercial property, (semi-)governmental organisations and data centers ('Projects'). Our unique quality is our integrated approach of design, construct and maintenance capabilities, especially in projects with relatively complex requirements with regard to installation technology.



LAUWERSMEER DYKE ENHANCEMENT



WIND PARK - WIERINGERMEER

COMPANY PROFILE

Connecting: Infrastructure

Infra focuses on the construction, improvement and maintenance of the Dutch infrastructure and public spaces, including related installations and on-site objects. This includes roads, viaducts, tunnels, locks, dykes, water treatment plants and work related to cables, pipelines and energy supply. It also involves technical work to make roads and public spaces safer, such as traffic management, lighting, camera and referral systems. The in-depth and varied engineering skills and execution capabilities enable an integrated approach to infra projects in which design, execution, management and maintenance connect seamlessly.



DRINKING WATER PIPELINE - LOOSBROEK

Strategy

STRATEGY

Strategy until 2023



Developments within Heijmans

- To build on 'Focus, discipline, excellence' strategy of 2018-2019 to further enhance risk management, operational kpi's and balance sheet: **"Better"**



BETTER

- Safety
- Risk management & process improvement
- Quality of the organization

Developments outside Heijmans

- Continuous developments within society and construction sector need to be monitored closely. Developments in the field of digitalisation, and innovative production technology require us to make our operations **"Smarter"**. Commitment to making the built environment more **"Sustainable"**



SMARTER

- Digitalisation
- Production technology



SUSTAINABLE

- Energy
- Materials
- Space

Strategy until 2023: “Better” and “Smarter”

Better

Strategic theme	Bold statements	Concrete goals
Safety	We work safely or we do not work at all	We won't be satisfied until we have 0 accidents
		IF rate < 1 in 2023
		In 2023 we have reached stage 4 of the 'safety ladder' in all our business segments
Risk management & Process Improvement	All projects are predictable and contribute to profit	In 2023 we are predictable as all our large projects end within it's initial margin bandwidth In 2023 all our projects contribute to profit
Quality of the Organisation	We are the number one employer in our sector	We reduce the number of employees who leave against our wishes by 50% every year
		We reduce the illness leave by 5% every year
		In 2021, we have a higher employee engagement score than in previous year

Smarter

Strategic theme	Bold statements	Concrete goals
Digitalisation	Digital construction is as important to us as physical construction	Every project we work on has a digital twin in 2023
		We successfully introduce 5 data driven services to the market each year
		The number of memberships from data driven services grows with 50% each year
Production Technology	We will work more frequently on the basis of standardised processes and products	In 2025, we have - compared to 2020 - moved 50% of on-site hours spent to off-site hours spent

Strategy until 2023: “Sustainable”

Sustainable

Strategic theme	Bold statements	Concrete goals
Energy	Our production is CO2-neutral and we create energy-neutral solutions for our clients	As of 2023, Heijmans is CO2 neutral. We offset any residual value
		In 2023, we can produce without emission, in 2030 this is the objective in all our projects
		In 2023, we can deliver energy-neutral solutions for our clients
Materials	We are targeting 100% circular construction in 2023	In all our quotes we calculate the environmental performance . In 2023, those scores will be included as standard in all our quotes we offer to clients
		In 2021, all packaging in our construction projects will be 100% reusable or recyclable
		In 2023, all our houses will be 100% circular. In 2030 this will also apply for apartments
		In 2023, we will use circular asphalt and concrete, in 2030 it will be used in all our projects
Space	We develop blue, green and safe!	In 2021, all our developments are awarded a Greenlabel A rating
		In 2023, all our interventions in the built environment result in an improvement in local biodiversity, climate adaptation and safety
		Each year, we will introduce our newest solutions in three projects that will serve as showcase for a healthy environment

heijmans

VAN GOGH - ROOSEGAARDE BICYCLE PATH



HYDROFIT SEWER RELINING



SOLAR NOISE BARRIER



SOLAR GUARD RAIL



COMPOSITE BRIDGE



BEYOND EYES SENSOR TECHNOLOGY



RECOFLEX ASPHALT

Strategy Property Development

**Long term goal
Property
Development:
stable EBITDA-
Margin of 6-8%**

- Very strong demographic growth fundamentals hampered by various regulatory issues that impact pipeline, including designation of new development areas by government, changes in environmental and private quality assurance law, sustainability requirements (BENG, Heat Act), and nitrogen issue.
- Result across NL: stabilisation in # of houses in production, but steep price rises in 2019-2023 era
- Turnover mix:
 - Suburban areas (mainly via land bank) vs inner-city developments (1 on 1 / tenders): 50/50
 - BtC (private individuals) vs BtB (investors / social housing): 60/40, enforcement customer process
- Growth in integrated area development, in which we can differentiate by adding new positions that require state-of-the-art solutions for energy generation and sustainability > towards smart cities
- Early stage involvement of Residential for the execution of projects, with increased focus on standardised home brand labels to increase operational excellence and affordability for clients
- Integrated approach in urban (piled) projects: close cooperation non-residential and civil engineering

MONUMENT 'WESTERLICHT' IN
ALKMAAR AFTER RENOVATION



Strategy Building & Technology

**Long term goal:
stable EBITDA-
Margin of 4-6%**

- Building & Technology includes residential and non-residential activities, with commercial focus based on core competencies:
 - › Services: armed with its installation expertise, B&T is looking to forge more multi-year client relationships (non-residential) through the acquisition of long-term service contracts
 - › Non Residential Projects: focus on specific market segments with high level of knowledge and added value, such as laboratories, healthcare (cure) and data centers
 - › Residential: construction of residential buildings, primarily for Property Development
 - › Multi-functional high rise (piled) construction: combination of residential and non-residential skills to serve high growth for high rise residential buildings in innercities
- Residential: Growing importance of concepts and process standardisation: >50% of production
- Non-Residential: BeSense example of smart and efficient maintenance
- Growth foreseen in renovation and maintenance, and respond to increased focus on sustainability



HORIZONTAL DIRECTION DRILLING (HDD) - INFRA

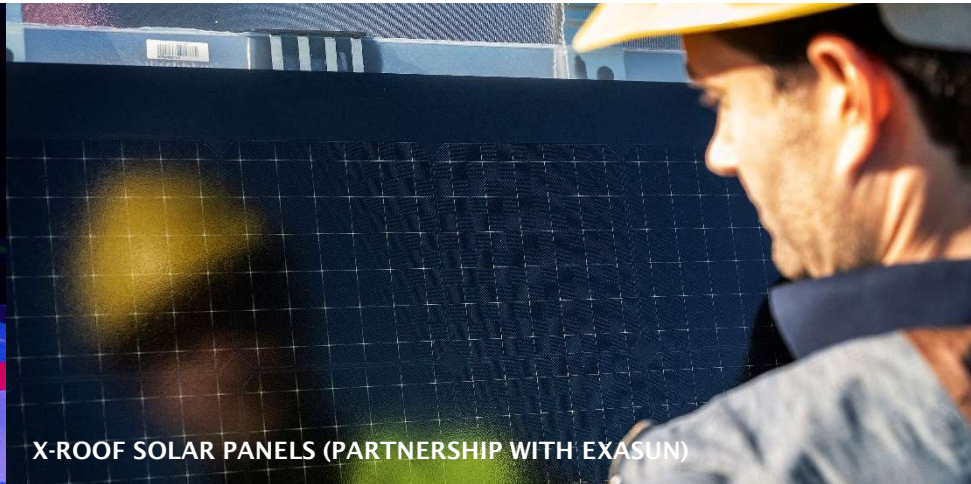
Strategy Infra

**Long term goal:
stable EBITDA-
Margin of 4-6%**

- Balanced portfolio of centralised projects, regions / asset management, and specialisms, each roughly 1/3 of turnover
- Focus markets: Mobility (mainly line infrastructure + wet infra), Energy and Urban areas
- Focus on safety & innovation including digitalisation, energy and reducing ecological footprint
- 2017 and 2018 were dominated by derisking of loss-making projects acquired in 2011-2015
- Since then, successful turnaround of business profile and profitability was made:
 - Change in turnover mix changed to targeted levels, with large projects max. 10% of annual infra revenues, and strong partners based on balanced risk distribution
 - New management structure with increased focus on leadership, predictability, and risk control
 - Profitability rose to targeted levels in 2020, strong decrease in bandwidth of project results
 - Strong project results + cost reductions led to very strong H1 2021, but hampered by TenneT case
- Pipeline centralised projects affected by nitrogen issues, but good prospects in other areas



CROSSCOVER



X-ROOF SOLAR PANELS (PARTNERSHIP WITH EXASUN)



BIKESCOUT



TYRE PRESSURE SENSOR TECHNOLOGY IN ROADS

Focus on innovation

Investing in smart technological concepts / sustainable solutions within business segments:

- Creating competitive advantage towards clients;
- Improving future margin potential because of increased added value and focus on marketability;
- Being an attractive and interesting employer where new initiatives can and will be rewarded.

In cooperation with clients focused on marketability

Examples of innovations:

25

- Heijmans ONE portable house > 200 houses now sold;
- Smart and efficient building management by using sensor technology to generate data on comfort, occupation and usage through Beyond Eyes technology: 10,000+ sensors installed;
- Smart living concept: standardised 'home control' in all family homes;
- Smart city developments in Maanwijk Leusden;
- Hydrofit sewer relining > several projects realised;
- BikeScout and Crosscover: warning system to improve safety of cyclists and pedestrians, several locations;
- Brainjoint: low maintenance expansion joints in overpasses and bridges that can't be heard, felt and seen;
- Energy generating noise barrier ('Solar noise barrier');
- Recoflex Self healing' asphalt concept;
- Smart traffic management system Enschede / Almelo;
- Tyre pressure monitor;
- Light reflecting asphalt / barriers (reduce costs of lighting).



ZUIDERHAVEN, HARLINGEN

Environmental Social Corporate Governance

	Ranking / certification	Institute	Score '20/'21
1	Forrest50	FSC	2 nd
2	Carbon disclosure	CDP	B
3	Transparency benchmark	Ministry of Economic Affairs & Climate	12 th
4	ISO 14001	Kiwa	N/A
5	CO2- Performance ranking	Kiwa	Level 5
6	Score card EcoVadis	EcoVadis	Bronze medal
7	VCA	Kiwa	N/A
8	Sustainability Performance of NL Listed Companies	VBDO	80% - 83%

ESG

- Heijmans welcomes the EU Green Deal that has a large impact on the construction sector and corresponds with our ambition to create a healthy living environment. This will result in extensive new business models and initiatives, e.g.:
 - Dyke enforcements to protect against increasing water levels
 - Significant extension of electricity network (cables and wires), including impact on build environment such as solar, windmills, charging etc

- Increased sustainability requirements in residential and non residential buildings
- Nature inclusive area developments to improve biodiversity
- It also results in increased accountability and reporting requirements. Heijmans is currently preparing for the EU taxonomy to be (fully) implemented as of 2023.
- We have embedded ESG criteria in our strategy “better, smarter, sustainable”. Several kpi’s address the importance of our 1) our impact on the environment, 2) social responsibility and human capital, 2) as well as a solid governance structure. See the next slides for further detail.
- In 2021, we also included sustainability linked criteria in our syndicated loan facility, further underlining our responsibility and accountability in this respect.



ASSET MANAGEMENT TERNEUZEN LOCK



WILHELMINA LOCK ZAANDAM



BEATRIX LOCK PPP - NIEUWEGEIN





ESG policy Heijmans

Environment



- Digitalisation / Production technology: several initiatives to improve efficiency of materials and impact on environment
- Energy: target to be CO2 neutral in 2023
- Materials: we aim for 100% circularity in new projects in 2023
- Space: our developments are green, blue and safe

Key measures in previous years:

- Founder of “Matching Materials”, an online market place to re-use construction materials
- First construction company to roll out ‘sustainable packaging policy’ in 2019, in 2020 all subcontractors work with fully recyclable packaging materials
- Innovation pipeline with focus on green energy generation (a.o. SONOB, light generating asphalt)
- Set up of Heijmans Energy to bundle energy initiatives: ambition towards smart city developer
- Annual reduction targets of CO2 emission a.o. by increased portion of electrically powered equipment
- We develop showcase real estate projects with very high sustainability requirements



ESG policy Heijmans

Social



- Safety: With our GO! Programme we aim for IF rate < 1 in 2023
- Process improvement: strong focus on performance measurement and customer satisfaction against clear targets
- Quality of the organization: HR policy to bind, attract & retain employees. Programmes for trainees, and senior mgmt (leadership)

Key measures in previous years:

- Despite strong focus on safety, IF rate still above 3 (FY 2020: 3.7; H1 2021: 3.2) vs target of 2.0
- Pro-active role in safety: leading role towards schools, clients, subcontractors, and partners
- Continuous improvements in HR incl. rollout of Workday as well as facilitating working from home during covid crisis
- Significant improvement seen in engagement scan of employees
- Several programmes to improve vitality: sick leave to be improved with 8% in 2021
- Increased focus on diversity in our historically ‘male dominated’ (2020: 88%) industry. Two recent female appointments in Supervisory Board and one in Management Board to underline ambitions



ESG policy Heijmans



- Risk management & Process improvement
 - > Full implementation of Corporate Governance Code, Compliance Office and Integrity commission
 - > Strong lines of defense, including Internal Audit and Risk Office
- Quality of the organization: Transparant interaction with stakeholders (incl Works Council and shareholders)

Key measures in previous years:

- Introduction of independent Risk Office and GRC model to challenge project teams and support Executive Board decision making during all stages of projects, from tender until completion
- In addition to two-headed Executive Board, introduction of Management Board including Corporate Risk Officer, Corporate HR Officer, Procurement director and managing directors of 3 divisions
- Programs to improve corporate culture: leadership & ownership, open & transparent
- Low level of integrity issues, with clear measures in respective cases
- Remuneration policy: Corporate Governance Code balanced with aim to award and retain talent



LIGHT ART THE SWARM IN EINDHOVEN (WON THE NATIONAL STEEL AWARD 2020)

Dutch Construction Market

Nitrogen issue explained

- NL: 166 designated 'natura 2000' areas: nature areas protected by European law
- 118 with habitats sensible to nitrogen emissions
- Until May 2019, the "Program Approach Nitrogen" (PAS) allowed to include positive effects of future developments while calculating the net 'nitrogen impact' for obtaining permits under the Nature Conservation Act.
- This approach was dismissed by the Dutch Council of State in May 2019, and since then issuance of permits has come to a standstill.
- Restrictive conditions apply under new policy
- A lot of uncertainties and unclarities, also in the light of the lengthy procedure of the current formation of the Dutch cabinet, which sets new legislation and measures on hold.

Nitrogen: impact Heijmans

- Heijmans: Technical solutions / innovations are being explored
- Government: several upcoming measures need to be reconsidered with additional focus on 'compensation measures' in requirements
- Until now, no Heijmans projects in execution are cancelled / suspended
- However, pipeline of projects is heavily impacted, difference between 'tender market' and projects outside the tender process, e.g. with own land bank
- Impact on tender volume is mainly seen in Infrastructure, as contracting authorities need to consider whether / under which conditions their projects are permissible
- Projects outside the tender process are less affected: Heijmans has more options to propose compensating measures itself where necessary. However, this can impact costs and timing
- In all cases, clear governmental solutions on a short notice are still required

PFAS issue explained

- PFAS is a family name for 6.000 material, including Pfos, Pfoa and GenX and is being used for decades in all kind of applications
- PFAS is strong, mobile (especially in water) and hardly degradable
- Hundreds of locations known in the Netherlands, with PFAS concentrations
- Limits apply that should be considered when re-using soil.
- Government has temporarily increased limits, permanent regulation expected soon
- Generally speaking, current limits are workable for Heijmans, main constraints in projects with impact on groundwater

Dutch market

EIB (Dutch Institute Construction Sector) and Rabobank describe the following opportunities and trends:

- Pre Covid 19, the € 70 bln market grew with 4% in 2019, and the outlook for 2020 and 2021 was flat with growth envisaged in the maintenance and renovation segment and a decline envisaged in the new build market due to PFAS, nitrogen and new legislation related issues that lead to temporary delays in permits / start of tenders.
- Following Covid 19, Rabobank (June 2021) saw a 0.8% decrease in 2020, followed by an expected -/-1.5% in 2021 and + 3.5% in 2022.

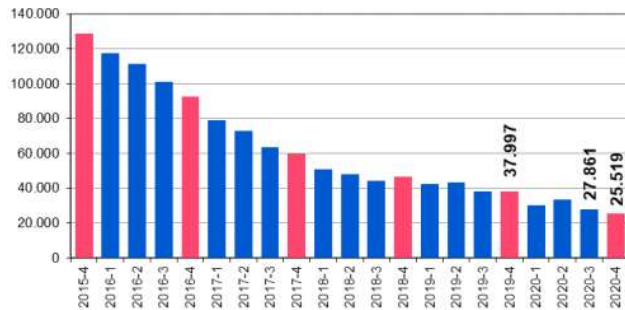
- EIB (January 2021) reported a 0,5% decrease of the sector in '20 and expects a 3,5% decrease in '21. Given overall macro-economic impact of Covid 19 and impact of earlier crises, current production levels remain relatively strong
- Considerable differences across subsectors remain (EIB), with renovation subsector showing strong growth as spending patterns shift from leisure to 'own house'
- New build sectors were relatively hard hit in 2020 due to all regulatory issues that led to delays in permits: residential -/- 10% and non residential -/- 5%
- Despite Nitrogen, Covid and PFAS issues, infra volume was flat in 2020 / H1 2021, but uncertainties remain
- Demographic outlook (increasing housing shortage combined with stronger than anticipated population growth due to migration) remains strong
- Overall outlook for 2022-2025 for sector remains strong (+3,5% annually) but uncertain, as strong demographics could be hampered when consumer confidence or unemployment would be hit as result of the Covid crisis. Also, more visibility is required on nitrogen legislation.
- Innovation (industrialization, digitalization, sustainability, smart technologies) offer potential to drive up margins

Dutch housing market

Fundamentals have improved considerably since 2014 after 7 years of declining market:

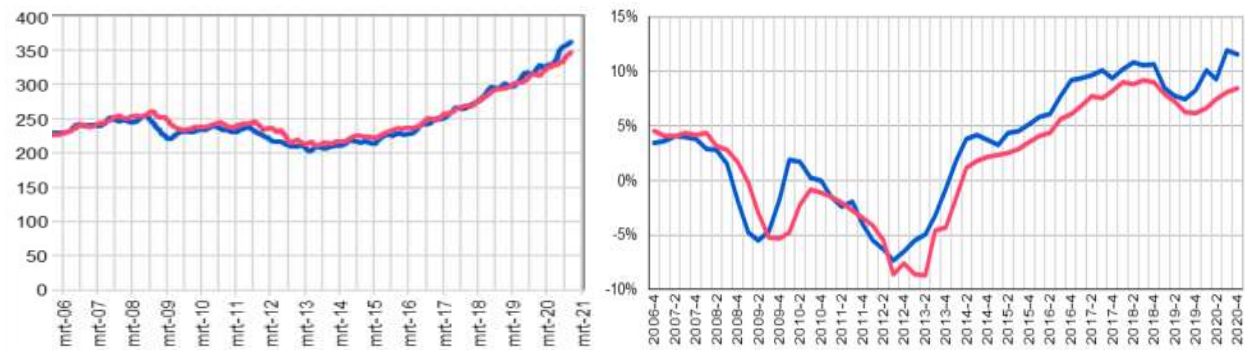
- Historically low interest rates, increased consumer confidence and government policies (limiting tax deductibility and revised social housing policy) have resulted in an increased housing shortage: at least 800,000 new build houses to be realised before 2030 to fill current shortage of 300,000 homes and respond to further demographic growth and higher level of 1-person households;
- Traditionally high % of social housing is shifting towards bigger private sector (private rental and purchase property). Specific growth areas: Innercity development / transformation (mainly Randstad), affordable homes for starters and single person households. Main cities only able to fill in appr. half of the additional capacity and showing very strong price rises, therewith also growth expected outside cities where prices are lower.
- Targeted level (government) of at least 75,000 new houses per year was not met in 2014-2019 era. In 2020, the 75,000 was met but housing shortage still around 300,000. Following reasons for lack of supply unless strong demand:
 - › Government: delays in permit procedures, higher building aesthetics requirements, higher limits for nitrogen and PFAS, obligation to build without gas and new private quality assurance law
 - › Construction companies: cost price inflation due to increased demand for people and materials.
- Due to increased procurement prices and stronger regulatory requirements including sustainability requirements, cost prices of new built homes are increasing rapidly

Number of houses for sale

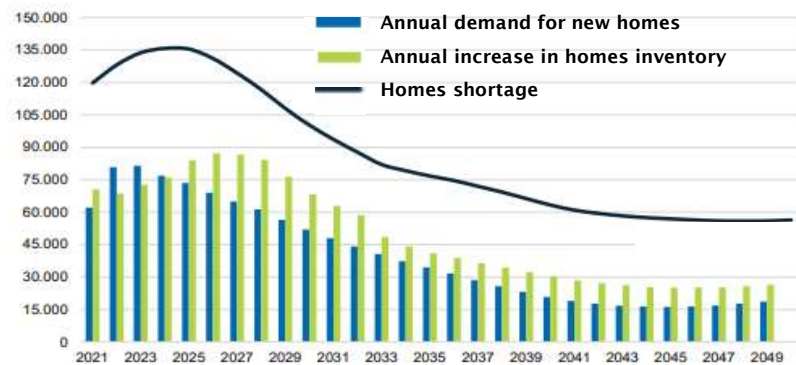


Source: NVM annual update 2020 (January 2021)

Average sales price houses (in absolute amounts and annual growth rate)



Expected annual growth in demand for homes and homes inventory, as well as homes shortage (2021-2050). Source: Primos (2021)



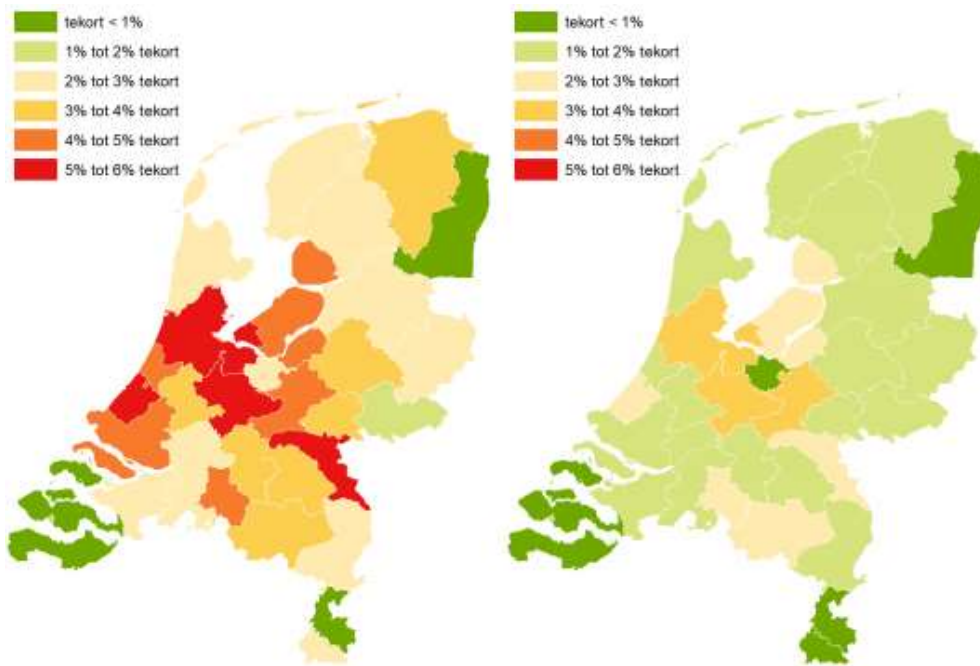
Supply of houses for sale has decreased sharply since 2014 and production of new build houses unable to meet strong demand ...

...as a result, house prices have increased rapidly. First in the Big 4 cities, but recently the growth rate was even higher in suburbs. NVM reported record house price increases of 16% annually in August 2021.

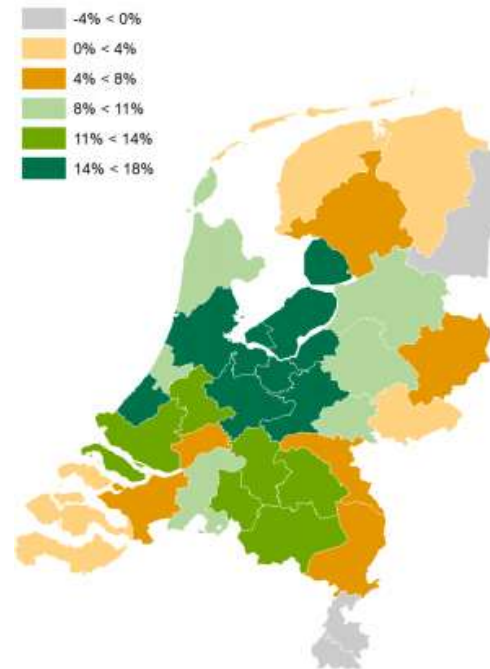
Shortage is expected to increase until at least 2025, as current plan capacity is too low across the country.

Dutch housing market

Housing shortage in 2021 and 2034 across the country



Growth in households across the country (2021-2034)



Source: Primos (2021)



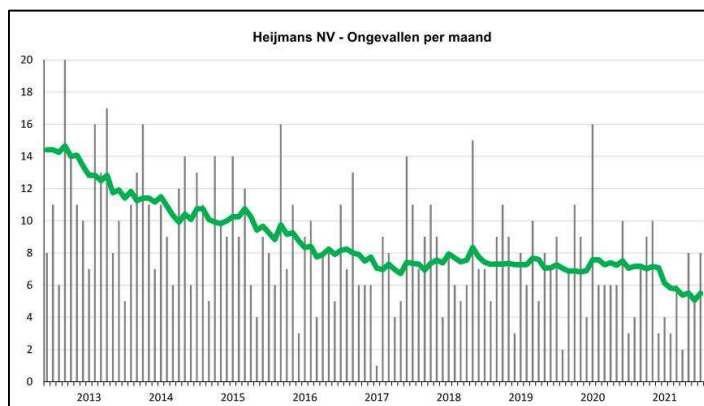
GZG DEVELOPMENT - 'S HERTOGENBOSCH

“Heijmans 2021 interim results: Operationally excellent first half”

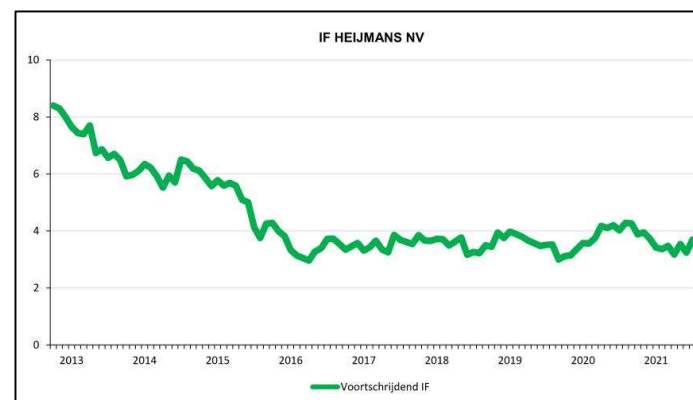
Ton Hillen, CEO Heijmans N.V.

August 20, 2021

Safety



Trend in number of accidents (incl. subcontractors and replacement work)



Trend IF figure (own personnel, incl. insourced personnel)

	2017	2018	2019	2020	2021 - YTD
Fatal accidents	1	0	1	0	0
IF (period of last 12 months)	3.7	3.9	3.3	3.7	3.2
# Accidents	77	87	84	88	28

*IF- Injury Frequency = number of accidents resulting in absenteeism over the past 12 months / number of hours worked over the past 12 months * 1,000,000 (Target: IF < 1)



One concept, Various applications

HEIJMANS HOME BRAND HOUSES - RESIDENTIAL
FULLY STANDARDISED PROCESS

Highlights H1 2021

- Revenue higher than last year thanks to Infra and Property development
- Rising profit margin in all sectors, good project results
- Property development & Residential building profit from current housing market
- Cash position has developed positively, H1 net cash € 44 mln
- As precaution Heijmans sets aside provision of € 34 mln to cover disappointing Wintrack II ruling, appeal in preparation
- Mr. Gavin van Boekel to start as new CFO as per 1 September 2021



WINTRACK II - TENNET
INFRA

Tennet arbitration

- Project awarded in February 2017 with original contract value of appr. € 250 mln
- Two contracts for the design and construction of innovative, hybrid (steel/concrete) pylons on two new high-voltage transmission lines, Eemshaven-Vierverlaten and Borssele- Rilland, to be carried out by a consortium made up of Heijmans (60%) and Eurocoles (40%).
- Both contracts terminated by Tennet in September 2018 when progress was 10-15% of contract sum. In May 2021, arbitrators ruled that this out-of-court dissolution was lawful.
- Following this negative and disappointing verdict, we provisioned € 34 mln from a precautionary point of view. The combination does not agree with the ruling and is preparing to appeal.
- The appeal might lead to the decision not being upheld
- Final damages will be defined by the arbitrators following a subsequent damages procedure. Still significant bandwidth
- To avoid interfering in the highly complex proceedings, Heijmans will make no further statements pending the arbitration.



HELP AND LOCAL SUPPORT IN LIMBURG, AFTER THE PROVINCE WAS HIT BY FLOODS

Property development: rising revenue and result

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	288	224	482	29%
Underlying EBITDA	19	14	30	
<i>Underlying EBITDA margin</i>	6,6%	6,3%	6,2%	
Order book	571	492	540	

- Continued pressure on the housing market
- Excellent start to 2021: more home sales and rising revenue and result
- Number of homes sold in H1: 1,209 (2020: 1,075), with 873 of these sold to private buyers (2020: 610). Strong sales figures result in relatively low inventory of homes for sale
- Lack of plan capacity and slow issuance of building permits
- Heijmans also investing in land holdings for its own land bank

Building & Technology profits from housing market

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	383	470	920	-19%
Underlying EBITDA	16	14	25	
<i>Underlying EBITDA margin</i>	4,2%	3,0%	2,7%	
Order book	1.181	1.172	1.101	

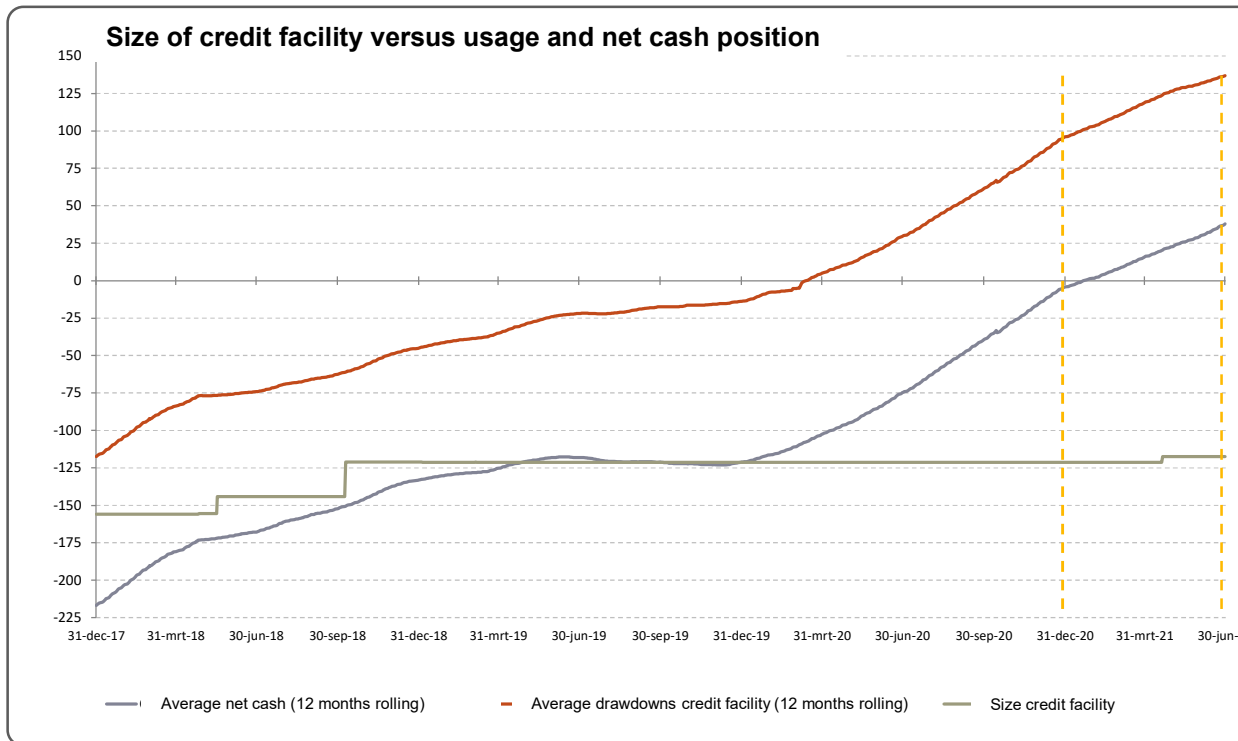
- Revenue declined by around 20% due to lower volume in large projects, profit remained stable
- Selective acquisition policy at project level for non-residential projects
- Services remain at healthy level
- Residential building profits from continuing strong demand for homes
- We expect pressure on the residential construction market to continue in the years ahead

Infra: strong performance

<i>x € 1 million</i>	H1 2021	H1 2020	2020	Δ % 2021-2020
Revenues	375	310	662	21%
Underlying EBITDA (<i>excluding Wintrack II</i>)	37	17	36	
<i>Underlying EBITDA margin</i>	9,9%	5,5%	5,4%	
Underlying EBITDA (<i>including Wintrack II</i>)	3	17	36	
Order book	750	704	731	

- Strong performance, project results improve during execution
- In 2021, Infra will outperform in terms of revenue and margin
- For 2022, we expect to perform more in line with 2020, as a result of delays to tenders for major projects
- Infra is realising targeted growth in asset management

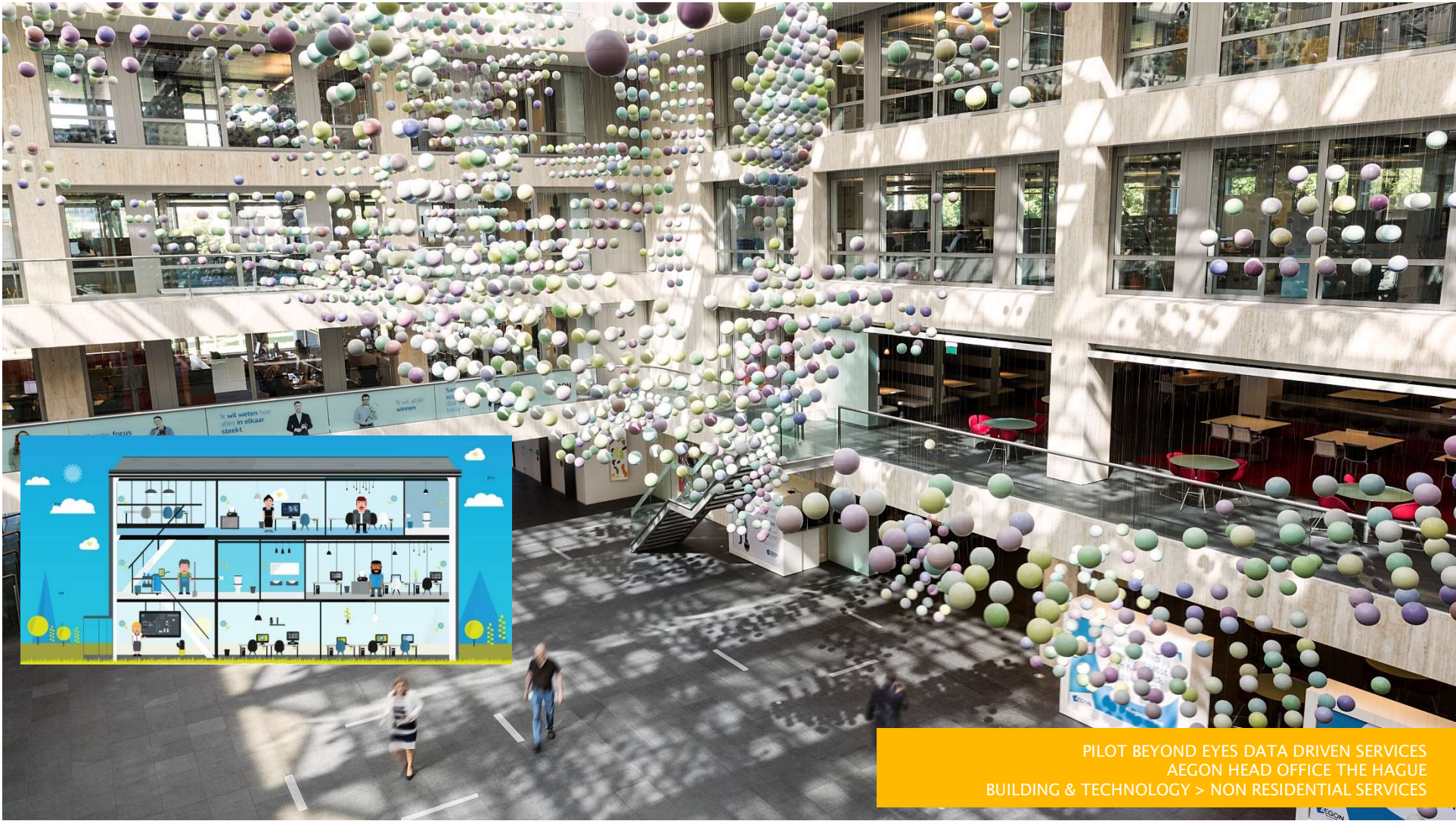
Development of net debt



- Good cash flow driven by strong operational performance and continued strong working capital.
- H1 2021:
 - › average net debt (365 days) improves to -/- € 39 mln from € 4 mln (FY 2020)
 - › average cash position rises to € 137 mln from € 96 mln
- Fewer fluctuations in the course of the year
- No use of syndicated loan in 2020 and 2021

Taxes

- Effective tax rate in H1 21.9% (H1 2020: 30.1%)
- With effect from 2022, only 50% of profit above € 1 mln can be offset against historical losses, but no longer any time limit on the use of tax loss carry-forwards
- As measurement is based on the same time horizon as the premises from last year, the valuation of the tax loss carry-forwards is lower
- This was offset by the recognition of previously unrecognised losses



PILOT BEYOND EYES DATA DRIVEN SERVICES
AEGON HEAD OFFICE THE HAGUE
BUILDING & TECHNOLOGY > NON RESIDENTIAL SERVICES

Outlook: comparable result to 2020

- We are on track to record results comparable to last year, including WinTrack II provision
- Primarily at Infra and Property development, we expect excellent operational results
- As a result of the phasing of projects, with a number of projects already completed, we expect revenue in H2 to be slightly lower than in the same period last year
- FY 2021 revenue will remain at the same level as in 2020
- Due to market pressure, the outlook for Property development and Residential building remains strong
- FY cash position at least at the same level as in H1, increased focus on investments



KONINGSTUNNEL - THE HAGUE

Financing, Cash flow, Financial statements

Financing in place

The most significant financing arrangements include:

- € 117.5 mln syndicated loan facility (see right column)
- € 31 mln in cumulative preference shares, after € 11 mln repayment in H1 2021. Coupon of 7.21% and a perpetual tenor, subject to a conditional repayment scheme. Next dividend reset at start of 2024
- Appr. € 240 mln in guarantee facilities, of which roughly 50% is used
- In addition, several project financings in place in PPP and Property Development, both recourse and non recourse, as well as several leases

Main characteristics Syndicated Loan Facility:

- Facility with ABN Amro, ING and Rabobank, most recently amended and extended in April 2021
- Total committed amount of € 117.5 mln, with € 20 mln of this in the form of an overdraft facility
- Tenor extended through 31 December 2025
- New financial covenants, including better alignment with reported results
- Limited release of securities, remaining security includes bank accounts, accounts payables and several land bank positions
- Improved interest rate: margin to 1.70% from 2.25%
- Margin grid linked to sustainability criteria



WILLEMSPOORT NORTH - RESIDENTIAL

Amounts in € millions	2021 H1	2020 FY	2020 H1
Reported Net debt	-43,6	-37,2	43,3
<i>Adjustments:</i>			
Net debt Joint Ventures (IFRS 11 impact)	24,1	33,6	57,0
Net debt non recourse project financings	-38,3	-40,3	-74,1
Cumulative preference shares B	-30,7	-41,8	-41,8
Other	0,9	1,9	1,3
Net debt covenants (A)	-87,7	-83,8	-97,6
Reported EBITDA	74,1	89,8	74,5
Extraordinary items	5,9	5,3	9,4
EBITDA JV's (IFRS 11 impact)	-0,4	-9,8	-0,9
Underlying EBITDA	79,7	85,2	83,0
<i>Adjustments:</i>			
Capitalised interest	1,5	1,6	1,3
EBITDA non recourse projects	-0,8	-1,4	-0,9
Other	0,4	0,1	-1,0
EBITDA covenants (B) - Interest Cover	80,9	85,6	82,4
EBITDA from disposed subsidiaries		0,0	
EBITDA covenants (C) - Leverage Ratio	80,9	85,6	82,4
Net interest	5,6	4,9	4,6
<i>Adjustments:</i>			
Capitalised interest	1,5	1,6	1,3
Net interest joint ventures (IFRS 11 impact)	0,4	0,6	0,6
Interest expense non recourse project financings	-1,5	-2,3	-2,5
Interest / dividend cumulative preference shares B	-2,9	-3,1	-3,2
Other	-0,4	-0,3	-0,3
Net interest covenants (D)	2,7	1,3	0,6
Guaranteed capital for solvency ratio (E)	258,9	268,3	241,3
Balance sheet total for solvency ratio (F)	944,1	930,6	896,4
Leverage ratio (A/C) <3*	-1,1	-1,0	-0,2
Interest cover ratio (B/D) >5*	29,7	63,6	144,2
Solvency ratio (E/F) > 21%	N/A	28,8%	N/A

* A negative outcome in combination with a positive rolling EBITDA is permitted

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Financial covenants

Financial covenants		Until Q1 2021	Starting Q2 2021
IFRS Corrections		IFRS 11, 15, 16	IFRS 11 only
Average leverage	<i>Avg Debt / Avg EBITDA</i>	4x a year, < 1	No longer applicable
Leverage ratio	<i>Net Debt / 12-mnth EBITDA</i>	2x a year, < 3	4x a year < 3
Interest cover	<i>12-mnth EBITDA / Net interest</i>	4x a year, > 4	4x a year > 5
Solvency ratio	<i>Guaranteed Capital / Balance sheet total</i>	1x a year, > 22,5%	1x a year, > 21%

- Covenants amended as of Q2 2021 as part of refinancing
- Calculation method changed (less IFRS corrections), but largely adjusted on a like-for-like basis
- Average leverage ratio lapsed, leverage ratio to be measured every quarter from now on
- Covenants easily complied with thanks to stable level of rolling EBITDA and continued improvement of net cash position

P&L

	H1 2021	H1 2020	2020
<i>x € 1 million</i>			
Revenues	881	839	1.746
Property development	19	14	30
Building & Technology	16	14	25
Infra (excluding Wintrack II)	37	17	36
Wintrack II	-34		
Corporate	-3	-4	-6
Underlying EBITDA	35	41	85
Correction EBITDA joint ventures	-4	5	10
Write down on property assets	-1	0	-2
Restructuring costs	-1	-1	-3
EBITDA	29	45	90
Depreciation/amortisation	-17	-17	-34
Operating result	12	28	56
Financial results	-3	-3	-5
Share of profit of associates and joint ventures	3	-3	-11
Result before tax	12	22	40
Income tax	-2	-7	0
Result after tax	10	15	40

Balance sheet

x € 1 million

ASSETS	30 June 2021	31 December 2020	30 June 2020
Non-current assets			
Property, plant and equipment	46	45	44
Right-of-use assets	75	82	81
Intangible assets	74	75	75
Joint ventures and associates	84	73	66
Other fixed assets	59	58	58
	338	333	324
Current assets			
Strategic land portfolio	111	127	118
Residential properties in preparation or under construction	75	72	78
Other inventory	11	17	11
Construction work in progress	86	66	91
Trade and other receivables	158	141	185
Cash and cash equivalents	165	175	89
	606	598	572
Total assets	944	931	896
EQUITY AND LIABILITIES			
Equity	229	226	200
Non-current liabilities			
Interest-bearing ¹	43	54	46
Lease liabilities	56	61	62
Non-interest-bearing ²	87	42	37
	186	157	145
Current liabilities			
Interest-bearing loans and other current financing liabilities	3	3	3
Lease liabilities	19	20	21
Trade and other payables	294	327	343
Construction work in progress ³	192	170	152
Provisions	21	27	29
Other	0	1	3
	529	548	551
Total equity and liabilities	944	931	896
Solvency rate based on guarantee capital ⁴	27%	29%	27%



ELASTOCOAST - WADDENZEEDIJK

Case studies

PROJECT: NOORDERHAVEN AREA DEVELOPMENT
SECTOR: PROPERTY DEVELOPMENT IN COMBINATION WITH
BUILDING & TECHNOLOGY (RESIDENTIAL)
ORIGINAL CONTRACT SUM: € 60 MLN (FIELD 2/3 ONLY, MARKET VALUE)
PLOTS ALREADY COMPLETED AND STILL TO BE DEVELOPED
START: EARLY 2018
COMPLETION: Q4 2021

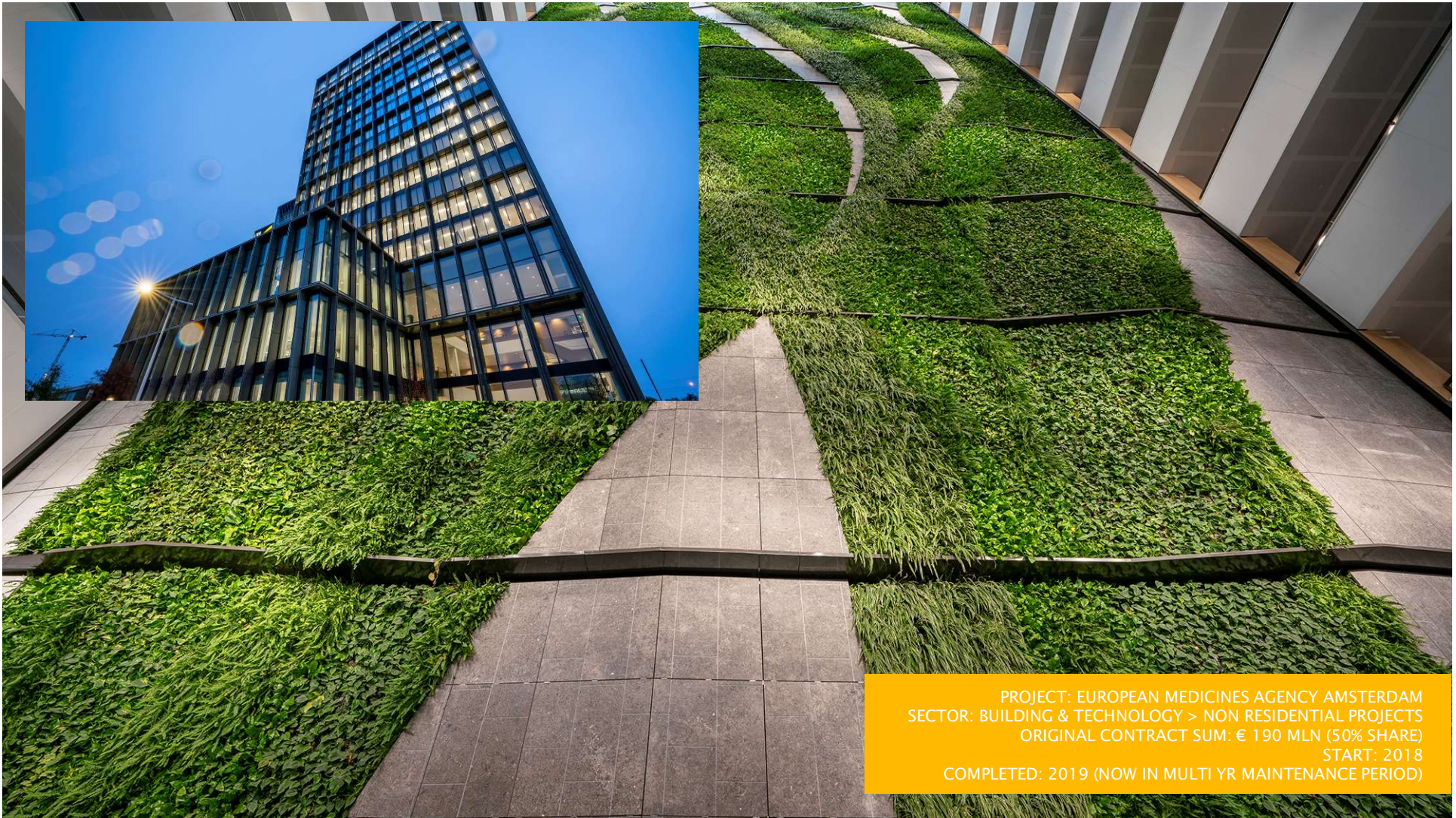




PROJECT: VERTICAL AMSTERDAM SLOTERDIJK
SECTOR: PROPERTY DEVELOPMENT IN COMBINATION WITH
BUILDING & TECHNOLOGY > HIGH RISE RESIDENTIAL BUILDINGS
ORIGINAL CONTRACT SUM: € 60 MLN
START: EARLY 2020
COMPLETION: 2023



PROJECT: NEW AMSTERDAM COURT HOUSE
SECTOR: BUILDING & TECHNOLOGY > NON RESIDENTIAL PROJECTS
ORIGINAL CONTRACT SUM: € 216 MLN (90% SHARE)
START: 2016
COMPLETED Q1 2021, NOW IN MULTI YR MAINTENANCE PERIOD



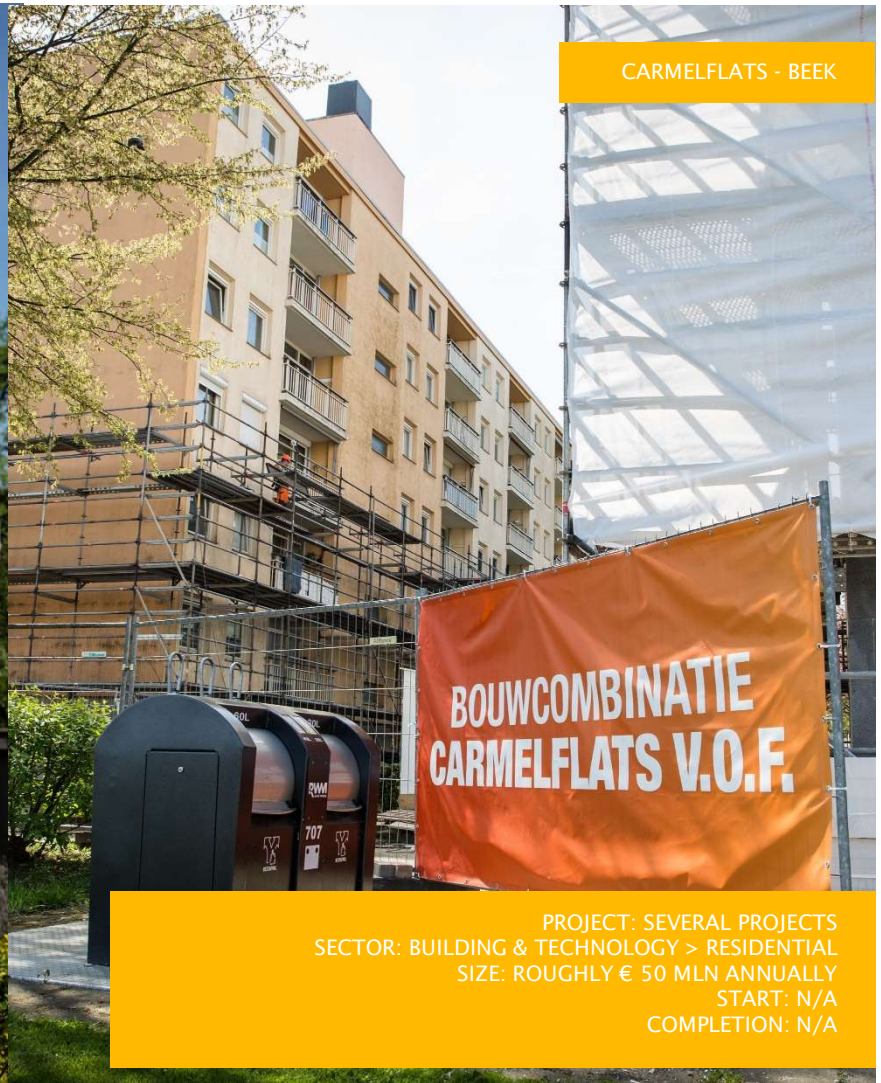
PROJECT: EUROPEAN MEDICINES AGENCY AMSTERDAM
SECTOR: BUILDING & TECHNOLOGY > NON RESIDENTIAL PROJECTS
ORIGINAL CONTRACT SUM: € 190 MLN (50% SHARE)
START: 2018
COMPLETED: 2019 (NOW IN MULTI YR MAINTENANCE PERIOD)



PROJECT: SCIENCE CAMPUS, UNIVERSITY OF LEIDEN
SECTOR: BUILDING & TECHNOLOGY, NON RESIDENTIAL
ORIGINAL CONTRACT SUM: € 71 MLN
START: 2021
EXPECTED COMPLETION: Q4 2023



RENOVATION LEFIER - EMMEN



CARMELFLATS - BEEK

PROJECT: SEVERAL PROJECTS
SECTOR: BUILDING & TECHNOLOGY > RESIDENTIAL
SIZE: ROUGHLY € 50 MLN ANNUALLY
START: N/A
COMPLETION: N/A



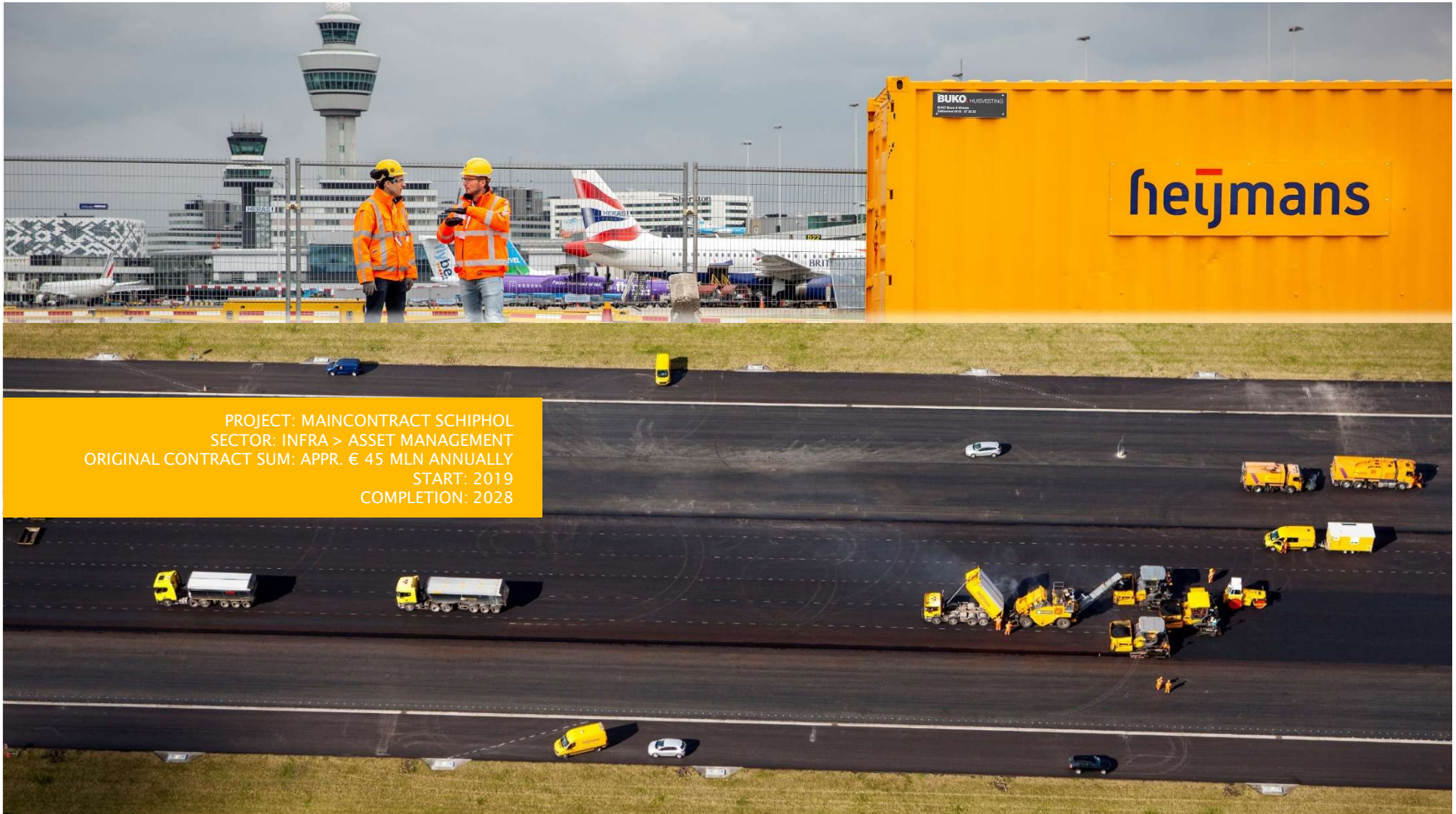
PROJECT: IXAS / A9 GAASPERDAMMERTUNNEL
SECTOR: INFRA > CENTRALISED PROJECTS
ORIGINAL CONTRACT SUM: APPR. € 600 MLN (33,33% SHARE)
START: 2015
COMPLETION: H1 2021 (EXL MULTI YEAR MAINTENANCE PERIOD)



PROJECT: A1 APELDOORN/AZELO
SECTOR: INFRA > CENTRALISED PROJECTS
CONTRACT SUM: APPR. € 175 MLN (100% SHARE)
START: 2019
COMPLETION: 2021



PROJECT: TWO PROJECTS FOR NETWORK OPERATOR LIANDER
SECTOR: INFRA > ASSET MANAGEMENT
ORIGINAL CONTRACT SUM: APPR. € 120 MLN (100% SHARE)
PROJECT 1: 10 YEAR MAINTENANCE AND UPGRADE
CONTRACT FOR 1.350 MEDIUM VOLTAGE STATIONS
START: 2019 / COMPLETION: 2029
PROJECT 2: UPGRADE OF ENERGY DISTRIBUTION NETWORK
IN AMSTERDAM CITY CENTER / AMSTERDAM NORTH
START: 2019 / COMPLETION: 2023



PROJECT: MAINCONTRACT SCHIPHOL
SECTOR: INFRA > ASSET MANAGEMENT
ORIGINAL CONTRACT SUM: APPR. € 45 MLN ANNUALLY
START: 2019
COMPLETION: 2028



MAINCONTRACT SCHIPHOL AIRPORT

Appendices

Executive Board



Ton (A.G.J.) Hillen (1961), Member of the Executive Board as of 18 April 2012, Chairman of the Executive Board as of 1 December 2016. responsible for: General Affairs, Infrastructure, Property Development, Building & Technology, Innovation, HR / Management Development, Procurement, Sustainability



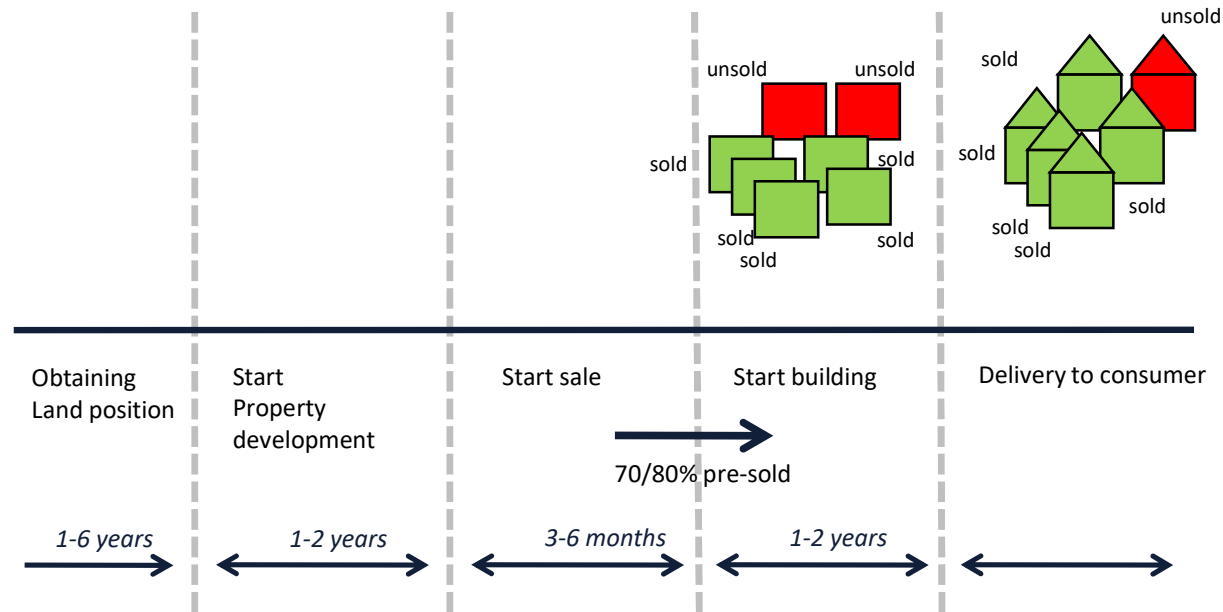
Gavin (G.M.P.A.) van Boekel (1975), member of the Executive Board / CFO as of 1 September 2021. He previously held financial positions at Unilever, where most recently he was CFO Middle Europe & BeNeLux. responsible for: Finance, Communication & Investor Relations, ICT, Legal Affairs, Pensions, Facility Management and Risk Management.

Taxes

- The effective tax rate was minus 0.3% in 2020 (2019: 13.8%), strongly influenced by recognition of previously unrecognised losses
- At year-end 2020, Heijmans still had € 165 million in tax loss carry-forwards, € 36 million of which has not been recognised, while the remainder has already been recognised
- It is likely that, in the event of continued profitability, non-recognised losses will be recognised in the coming two years. Impact of recognition at nominal rate: € 9 million
- In 2021 new legislation was announced with regard to tax loss carry forwards as of 2022:
 - › Only 50% of profit above € 1 mln can be offset against historical losses (so partial cash out as of 2022), but no longer any time limit on the use of tax loss carry-forwards
 - › As measurement is based on the same time horizon as the premises from last year, the valuation of the tax loss carry-forwards is lower. This was offset in H1 2021 by the recognition of previously unrecognised losses

Property development process

Process and timing



Revenues recognition is based upon the progress of construction of sold property

APPENDIX

Risk management approach

Policies and corporate philosophy gradually developed and implemented as from mid 2008:

- Compact set-up with direct reporting to Executive management;
- Centralised organisation model: to act as ‘One Company’;
- Centralised tender management and procurement, with direct involvement executive management;
- Senior management bonus system based on corporate goals as well as business segment individual kpi’s;
- Periodic review meetings for businesses and (relevant) projects. Both during tenders phase (go / no go) and execution phase to monitor project start up and ‘stick-to-the-plan’ approach;
- ‘Best in class’ project reporting providing good insight on project opportunities as well as risks, issues, cash flow and progress;
- Uniform risk classification for all projects into three categories. Direct involvement from Executive Board in large and complex projects in all phases;
- Culture of openness on project performance. Issues to be escalated asap to enable effective follow-up and support;
- High level of attention for cash management on all levels in the organisation (“Fit for cash” program);
- Implementation of uniform ERP landscape to improve control.
- Balance limitations of project size (over time) versus capacity. Partnering where required;
- Simplified legal structure with limited number of entities and managing directors
- Roll out of Chief Risk Officer within business segments, with an independent role opposed to project teams
- More conservative approach towards profit realization including no profit in first 20% of execution, and harmonization of cost calculation models including rules around opportunities and risks

APPENDIX

Towards one integrated ERP platform (SAP)

Objectives

1. Strengthen Control
2. Integrate Procurement
3. Improve efficiency in back office processes

Key changes

Integrated system / Centralized data management

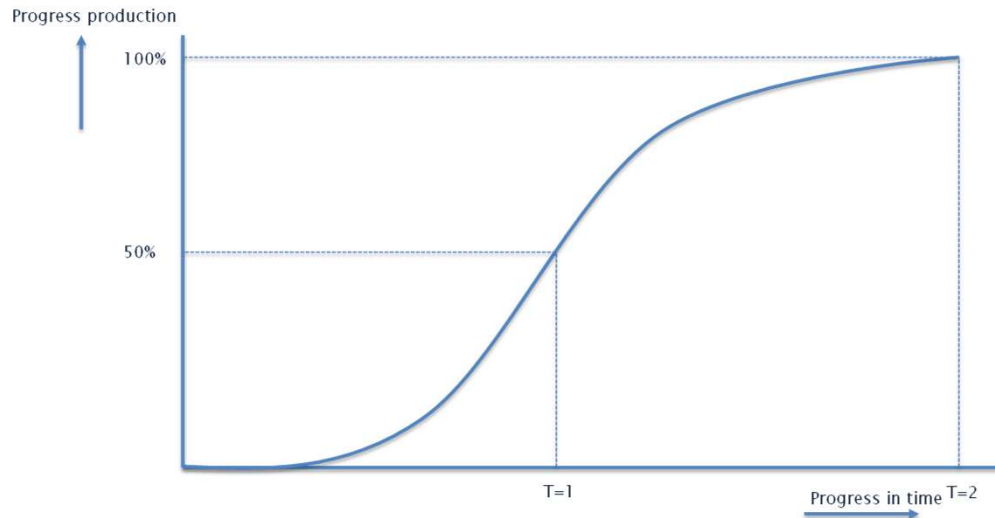
Data entry at source (orders, hours)

Three way match, digital invoicing AP

1 project structure, also for integrated projects

- Successful deployed to all employees and now implemented in all business segments
- Proven project approach and timelines (Initiated in 2011, Blueprint Q4 2012, start roll-out 2013, implementation completed in 2018);
- Generic processes based upon SAP Best Practices (limited customization, using only industry-standard or industry-customized SAP processes & add-on tools);
- Invested TD: € 13 mln, limited to no impact on running IT costs (phase-out old systems);
- Top-down roll-out with dedicated change management;
- Phasing out of multiple decentralised ERP systems
- 2020: Implementation of SAP In House Cash completed
- 2020 and beyond: to exploit and leverage contribution to “real” business value (enhance performance, more uniform organization, improve operational efficiency and management information, integrating CRM, Go / No Go decisions).

IFRS % of completion method



- Direct costing applied, i.e. the gross margin is recognized on the basis of the percentage of completion method.
- In this method, 50% of the gross profit is recognized half way the project, and 100% at completion.
- Suppose a EUR 100 mln with 10% gross margin and a 2 year construction period.
- What happens if a setback of EUR 10 mln is discovered?

- At $t = 0$ (for example in the final design stage), 10 mln should be deducted from future profits. The next two years of turnover will not contribute any gross margin
- At $t = 1$, 50% of the gross profit is already recognized in the previous year. EUR 5 mln should be deducted from future profits (in year 2 no gross margin contribution) and EUR 5 mln should be recorded as loss in the P&L
- At $t=2$ (just before completion) almost all gross profit has already been recognized as profits in previous year. The setback should be recorded as financial loss in year 2

APPENDIX

Project images in this handout

Slide	Project	Location	Business Segment
4	Heijmans One	Replaceable	Residential
10	Greenville resp. Maanwijk	Utrecht Leidsche Rijn resp. Leusden	Property Development / Residential
11	Student Housing Technical University	Eindhoven	Residential
12	Hart van Zuid PPP	Rotterdam	Non Residential / Property Development
13	Wind Park / Dyke Enhancement	Wieringermeer / Lauwersmeer	Infra (Centralised Projects)
14	Drinking water pipeline	Loosbroek	Infra Regions
18	Overview of innovations	Not applicable	All segments
20	Monument 'westerlicht'	Alkmaar	Residential (renovations)
22	Horizontal Direction Drilling	A.o. for grid operators	Infra (Specialisms)
24	Overview of innovations	Not applicable	All segments
26	Zuiderhaven	Harlingen	Property Development / Residential
28	Locks projects Infra	Different locations	Infra
32	Light art the swarm	Eindhoven	Infra (Specialisms)
40	GZG development	s-Hertogenbosch	Property Development / Residential
42	Heijmans Huismerk (own label)	Utrecht	Residential
44	Wintrack II / TenneT	Multiple locations	Infra
46	Local support after flooding	A79 Limburg	Infra
52	Beyond Eyes Pilot Aegon	The Hague	Non Residential (Services)
54	Koningstunnel	The Hague	Infra (Centralised Projects)
56	Willemspoort Noord	Den Bosch	Property Development / Residential
60	Elastocoast	Waddenzeedijk	Infra (Specialisms)
61	Noorderhaven	Zutphen	Property Development / Residential
62	Vertical	Amsterdam Sloterdijk	Property Development / Non Residential
63	New Amsterdam Court House PPP	Amsterdam	Non Residential (Projects)
64	European Medicines Agency	Amsterdam Zuidas	Non Residential (Projects)
65	Science Campus Leiden	The Hague	Non Residential (Services)
66	Renovation projects	Different locations	Residential
67	A9 Gaasperdammerweg PPP	Amsterdam	Infra (Centralised Projects)
68	A1 Apeldoorn / Azelo	Apeldoorn / Azelo	Infra (Centralised Projects)
69	Two contracts for Liander	Amsterdam	Infra (Regions / Asset Management)
70	Maincontracts Schiphol	Schiphol Airport	Infra (Regions / Asset Management)

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