

## Press release

Date 21 August 2020

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### Strong performance despite market challenges

#### Highlights:

- Revenue and underlying EBITDA more than 10% higher than last year
- Order book remains healthy at € 2.0 billion
- Strong cash position, credit facility unused
- Home sales comparable with 2019
- Impact Covid-19 effectively absorbed in H1, uncertain impact in the medium term
- Expected revenue, underlying EBITDA in 2020 at least equal to 2019

#### Key figures

(x € 1 million)

	H1 2020	H1 2019	2019
Revenues	839	730	1.600
Underlying EBITDA*	41	36	78
Result after tax	15	15	30
Earnings per share (in €)	0,71	0,71	1,40
Order book	1.972	2.091	2.124
Net debt	43	99	30
Solvency	27%	25%	25%
Number of FTE	4.642	4.624	4.595

\* The Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write down on property assets, restructuring costs, book result on sale of subsidiaries, and costs of soil remediations related to sold land positions.

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

“Over the past few years, Heijmans has made a number of changes and made some critical choices, thanks to which the company is now in good shape. Our efforts and our change of course are now paying off. Thanks to the efforts of all our employees on our project sites or working from home, we have managed to deliver a solid performance in the first half of 2020. Revenues were higher than in the same period last year, while underlying EBITDA has also improved.

Of course, the Covid-19 outbreak has affected us too, in particular because it has been more difficult to obtain materials and labour from outside the Netherlands. This has been particularly evident in the finishing phase of non-residential projects. However, no projects came to a halt, and one way or another we also managed to arrange the availability of people and materials. Nevertheless, the impact of the virus on our business operations remains uncertain. Our medium-term prospects will depend on the speed of economic recovery. Despite all the market challenges, we have a well-filled order book and I am confident about the future.”

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## Developments first half of 2020

### Property Development

The results for the first half of 2020 were better than in the first half of 2019. Revenue and profit were both higher. The number of homes sold through 30 June 2020 stood at 1,075 (2019: 1,061), with 610 of these sold to private buyers (compared to 564 last year).

#### Property development

<i>x € 1 million</i>	H1 2020	H1 2019	2019	Δ % 2020-2019
Revenues	224	206	459	9%
Underlying EBITDA	14	11	26	
<i>Underlying EBITDA margin</i>	6,3%	5,3%	5,7%	
Order book	492	451	454	

In the first half of 2020, Heijmans was selected for a number of new projects, including De Leeuwenkuil (226 homes) in Rotterdam. In Eindhoven, Heijmans was designated as a partner in the Humberdincklaan area development (around 500 homes). We also saw the launch of the first phase of the Rotterdam Nieuw Kralingen (80 homes) project. And we saw the next step in the ambitions of The Hague to restructure and renew the Zuidwest district (Dreven Gaarden Zichten), for which Heijmans has closed a long-term contract with The Hague municipality and housing corporation Staedion.

Our work is much appreciated. We won the Amsterdam new-build award – a public award – for the Eerste Oosterparkstraat project. This project involved 16 new buildings, carefully integrated into the historical environment. Fenix I in Rotterdam was nominated for both the Golden Pyramid 2020 and the National Steel award 2020 (Residential building category). In Eindhoven, the De Zwerm project was also nominated for the National Steel award (in the category Characteristic steel building components).

### Building & Technology

The picture at Building & Technology was mixed. Residential Building recorded a strong first half and the Services arm delivered an outstanding performance. At the same time, Non-residential projects suffered the greatest impact from the Covid-19 outbreak and subsequent restrictions. For example, the delivery of the New Amsterdam Court House project was delayed, partly due to the temporary loss of foreign employees, delayed deliveries and logistic measures. We have included the extra costs incurred in our results.

### Building & Technology

<i>x € 1 million</i>	H1 2020	H1 2019	2019	Δ % 2020-2019
Revenues	470	390	817	21%
Underlying EBITDA	14	15	30	
<i>Underlying EBITDA margin</i>	3,0%	3,8%	3,7%	
Order book	1.172	1.224	1.268	

The delivery of the Zuidplein Theatre in Hart van Zuid was another outstanding milestone for Heijmans in the development of a new, multi-faceted urban centre in Rotterdam Zuid. We had already delivered the Rotterdam swimming centre at an earlier stage. In Harlingen, we realised 70 apartments in the Dukdalf project. In The Hague, we won the contract for part of the renovation of the Binnenhof parliament buildings. This involves the buildings of the Senate and the Council of State. This spring, we installed the new temporary connection between the B and C piers at Amsterdam Schiphol Airport. The so-called B/C link is 250 metres long and comprises eight modules with an average weight of 250 tonnes each. These bridge components were put in place at the airport with minimal disruption.

Heijmans' BeSense system is a smart sensor system for more efficient building management. Making occupancy information available proved to have additional value in recent months. BeSense not only contributes to efficiency, but also to health and safety. For instance, as part of a 'safe return to work' initiative, in the space of 10 days we fitted 510 sensors at the Venlo municipality's city offices. An online dashboard enables the local authority to monitor workplace occupancy, and use that valuable information as input for the introduction of precautionary measures against Covid-19.

### Infra

Infra delivered a strong performance. The order book is also well stocked again, after we reported the termination of the Zuidasdok contract in the past quarter. This contract has been settled in full with the Dutch Ministry of Public Works and Waterways (*Rijkswaterstaat*). The additions to the order book are mainly short cyclical works with a lower risk profile. The completion of a number of projects made a positive contribution to the results. However, there is uncertainty and cause for some concern in the longer term, as a result of the government policy in the field of nitrogen emissions. The government's concession on nitrogen emissions announced in July 2020 is a first step for the short term.

### Infra

<i>x € 1 million</i>	H1 2020	H1 2019	2019	Δ % 2020-2019
Revenues	310	297	619	4%
Underlying EBITDA	17	13	30	
<i>Underlying EBITDA margin</i>	5,5%	4,4%	4,8%	
Order book	704	773	791	

In the first weekend of July, the Minister of Public Works and Waterways, Cora van Nieuwenhuizen, officially opened the first two tunnel tubes of the Gaasperdammertunnel. Heijmans was part of the construction combination IXAS on this project, which was focused on technology and safety. In Zaandam, Heijmans renewed the complex Beatrix bridge and Wilhelmina locks. The Heijmans/Siemens Mobility combination will renovate the Piet Hein tunnel in Amsterdam starting in late 2020. The Dutch Ministry of Public Works and Waterways awarded Heijmans the contract for large-scale maintenance on the A79 motorway between Maastricht and Heerlen. We will be future-proofing this road, which is particularly important for tourism and regional traffic, making it safer, better and more sustainable.

In Utrecht, Heijmans won the performance contract for the South district of the Central region of the Netherlands. This means we are responsible for the day-to-day maintenance on roads, green areas, public lighting and keeping service areas clean. Heijmans is also set to carry out large-scale maintenance on the A6 motorway between Lelystad Noord and the Ketel bridge.

## Strategy

Our mission – *building a healthy living environment* – remains our guiding principle when making choices. Based on the strategy to deliver better, smarter and more sustainable work, we continue to focus on the long term. For Schiphol, in addition to delivering parking spaces for six thousand cars, we also provided a climate-adaptive innovation. The material used makes it possible to store water underground to prevent any disruptions above ground. In addition, Heijmans was the founding father of the Emission-free Infrastructure Network, with the aim of speeding up emission-free operations. Climate-adaptive construction should result in less flooding, less heat stress, reduce the adverse effects of prolonged drought and subsidence, and increase biodiversity.

Inner-city area development remains a spearhead of our strategy, as do partnerships with our clients. We teamed up with the municipality of Vlaardingen to develop an urban development plan for Vijfsluizen in Vlaardingen, geared towards building for the future: sustainable, circular and nature-inclusive. The design for the neighbourhood is inspired by the landscape itself: so rather than houses with greenery around them, it is the other way around. Care for the environment and climate plays a major role in this approach. The tender process for the renewal of the A6 was also special in several respects. Award criteria included both circularity and sustainability. Our solution for the smart phasing of the work also played a role in winning the contract. For the first time, the Dutch Ministry of Public Works and Waterways used the 'competitive dialogue light', a tendering method in which partnership is central.

In Amersfoort Vathorst, we are building innovative XS homes from rock wool and wood, with the maximum focus on sustainability, circularity and a healthy indoor climate. In addition to being highly efficient, these starter homes - built in the form of an old factory - also boast a special architectural look and feel. These XS homes, which Heijmans developed in-house, are part of Heijmans' living concept and are also being built in the Parijsch project in Culemborg.

## Financial results

### Revenue

Revenue came in at €839 million in the first half of 2020, an increase of 15% compared to last year (first half 2019: € 730 million). All sectors saw a rise in revenue. Building & Technology recorded the strongest increase, with both the residential building activities and the non-residential activities increasing in volume by some 20%. Although the impact of Covid-19 was present, we did not see any projects come to a halt. In some instances, we were even able to utilise additional opportunities as clients wanted to accelerate the execution of activities. This included the construction of infrastructure for electric driving and renovations of business premises that saw substantially reduced occupancy as a result of Covid-19. The 15% increase in revenue compared to last year was largely due to timing effects. The very mild winter also had a positive impact. For the full year 2020, Heijmans is aiming for revenue that is at least the same level as last year.

<i>x € 1 million</i>	H1 2020	H1 2019	2019
<b>Revenues</b>	<b>839</b>	<b>730</b>	<b>1.600</b>
Property development	14	11	26
Building & Technology	14	15	30
Infra	17	13	30
Corporate	-4	-3	-8
<b>Underlying EBITDA</b>	<b>41</b>	<b>36</b>	<b>78</b>
Correction EBITDA joint ventures	5	-3	-8
Write down on property assets	0	0	-5
Restructuring costs	-1	-1	-3
Soil remediation	-	-	-1
Book result other divestments	-	-	1
<b>EBITDA</b>	<b>45</b>	<b>32</b>	<b>62</b>
Depreciation/amortisation	-17	-15	-33
<b>Operating result</b>	<b>28</b>	<b>17</b>	<b>29</b>
Financial results	-3	-3	-4
Share of profit of associates and joint ventures	-3	3	10
<b>Result before tax</b>	<b>22</b>	<b>17</b>	<b>35</b>
Income tax	-7	-2	-5
<b>Result after tax</b>	<b>15</b>	<b>15</b>	<b>30</b>

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### **Underlying EBITDA**

The underlying EBITDA improved in the first half of 2020 when compared with the first half of 2019 and came in at € 41 million (first half of 2019: € 36 million). In the Property Development and Residential Building activities, this was largely the result of increased volumes. Infra had a very good first half of the year. We have increased our ability to get in control of projects in recent years. In the six months under review, this resulted in a number of positive adjustments on projects that have been completed, and we have been able to release risk reservations. The impact of Covid-19 on costs was largely manageable. We felt the impact of this most clearly in the larger non-residential projects that in relative terms involve more foreign work teams and deliveries.

### **Net result**

The net result for the first half of 2020 remained unchanged compared with the previous year. This resulted in earnings per share after taxes of € 0.71. The main differences compared with last year were the improved underlying EBITDA and higher taxes. Although Heijmans still has unrecognised tax loss carry-forwards, out of prudence we recognised almost the entire tax burden on the pre-tax profit in H1. Financial expenses were also slightly lower than last year, as the syndicated loan remained unused in H1.

### **Equity position, net debt and financing**

Net debt stood at € 43 million at end-June 2020 (end-June 2019: € 99 million). In addition to the healthy operating results, we also saw a strong working capital improvement, primarily as a result of effective receivables collection and strong pre-financing in projects. Average debt utilisation continued to decline, resulting in lower financing costs. The syndicated loan remained unused in its entirety and the cumulative preference shares declined slightly.

At end-June 2020, solvency stood at 26.9%, compared with the comparative figure for last year of 24.7%. The increase in solvency was mainly due to the addition of the net profit to the reserves. We have gradually strengthened our balance sheet in recent years to a robust level, which puts Heijmans in a good position to withstand the current uncertain market conditions. The syndicated loan of € 121 million was originally scheduled to expire on 30 June 2022. In consultation with our banking syndicate, this facility has been extended by one year until 30 June 2023 on the same terms. As a result, Heijmans has further strengthened its financing relationships and becomes less sensitive to any fluctuations on the capital markets in the light of the current economic conditions.

### **Order book**

At €2.0 billion at the end of June 2020, our order book remains at a healthy level and comparable to year-end 2019. There is a good spread across the sectors and a solid foundation for the remainder of 2020 and 2021. Because Heijmans has focused less on extremely large projects in recent years due to its selective tendering policy, the composition of the order book has become slightly more short-cyclical. Clients' spending patterns will be particularly relevant to the development of the order book after 2020.

### **Outlook**

Based on a well distributed order book and strong progress in our projects, we look back on a good first half of 2020 and look forward to the full year with confidence. We expect performance (revenue,

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underlying EBITDA and net debt) to be at least at the same level as last year. All business units have solid foundations and the outlook for the second half of 2020 is good. It should be noted that the situation regarding Covid-19 and possible nitrogen measures are currently difficult to predict. As a result, there is some lack of clarity for the medium term, particularly with regard to the housing sales climate and clients' spending patterns in the infrastructure sector. However, we are an agile organisation with a solid foundation in the sub-markets in which we operate. We are continuing to build on the solid foundations of recent years. Should market conditions give us cause to do so, we will act proactively.

### **Trading update**

On 5 November of this year, Heijmans will publish a trading update before the opening of the stock exchange.

### **About Heijmans**

Everyone wants clean air, to live in a nice neighbourhood, to work in a good workplace and to be able to travel safely from A to B. By making things better, more sustainable and smarter, Heijmans is creating that healthy living environment. Jan Heijmans started as a road builder in 1923. Today, Heijmans is a stock exchange-listed company that combines activities in property development, building & technology and infrastructure. In addition to this, we work safely and we add value to the places where we are active. This is how we build the spatial contours of tomorrow together with our clients: [www.heijmans.nl/en/](http://www.heijmans.nl/en/)

*For more information / not for publication:*

### **Media**

Jeroen van den Berk  
Spokesman  
+31 73 543 52 17  
[jberk@heijmans.nl](mailto:jberk@heijmans.nl)

### **Analysts**

Guido Peters  
Investor Relations  
+ 31 73 543 52 17  
[gpeters@heijmans.nl](mailto:gpeters@heijmans.nl)

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**Addenda to the Heijmans N.V. 2020 first half press release**

1. Condensed consolidated statement of profit or loss
- 2a. Consolidated statement of comprehensive income
- 2b. Consolidated statement of changes in equity
3. Condensed consolidated statement of financial position
4. Condensed consolidated statement of cash flows
5. Information by segment
6. Covenants
7. Selected notes
8. Statement from the Executive Board

*The financial statements in this press release have not been audited*



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## 1. Condensed consolidated statement of profit or loss

x € 1 million

	YTD June 2020	YTD June 2019	FY 2019
Revenues	839	730	1,600
Gross profit	100	87	175
<b>Operating result</b>	<b>28</b>	<b>17</b>	<b>29</b>
Financial result	-3	-3	-4
Share of profit of joint ventures and associates	-3	3	10
<b>Result before tax</b>	<b>22</b>	<b>17</b>	<b>35</b>
Income tax	-7	-2	-5
<b>Result after tax</b>	<b>15</b>	<b>15</b>	<b>30</b>
<i>Earnings per share (in €):</i>			
Basic earnings per share	0,71	0,71	1,40
Diluted earnings per share	0,71	0,71	1,40

The result after tax is entirely attributable to shareholders.

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## 2a. Consolidated statement of comprehensive income

x € 1 million

	YTD June 2020	YTD June 2019	FY 2019
<b>Result after tax</b>	<b>15</b>	<b>15</b>	<b>30</b>
<i>Other comprehensive income that is never reclassified to the statement of profit or loss</i>			
Changes in actuarial results on defined benefit plans	5	-1	-2
Tax-effect of other comprehensive income that is never reclassified to the statement of profit or loss	-1	0	1
<b>Other comprehensive income after tax</b>	<b>4</b>	<b>-1</b>	<b>-1</b>
<b>Total comprehensive income</b>	<b>19</b>	<b>14</b>	<b>29</b>

The total comprehensive income is entirely attributable to the shareholders.

## 2 b. Consolidated statement of changes in equity

2020	Paid up and called-up share	Share premium reserve	Reserve for actuarial results	Retained earnings	Result for the year after tax	Total equity
<b>Balance at 31 December 2019</b>	6	243	-60	-41	30	178
Result after tax					15	15
Other comprehensive income			4			4
Comprehensive income for the reporting period	0	0	4	0	15	19
Share issue		3				3
Result appropriation 2019				30	-30	0
<b>Transferred to the retained earnings</b>						
<b>Balance at 30 June 2020</b>	<b>6</b>	<b>246</b>	<b>-56</b>	<b>-11</b>	<b>15</b>	<b>200</b>
<b>2019</b>						
<b>Balance at 31 December 2018</b>	6	243	-59	-61	20	149
Result after tax					15	15
Other comprehensive income			-1			-1
Comprehensive income for the reporting period	0	0	-1	0	15	14
Result appropriation 2018				20	-20	0
<b>Transferred to the retained earnings</b>						
<b>Balance at 30 June 2019</b>	<b>6</b>	<b>243</b>	<b>-60</b>	<b>-41</b>	<b>15</b>	<b>163</b>

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### 3. Condensed consolidated statement of financial position

x € 1 million

ASSETS	30 June 2020	31 December 2020	30 June 2019
<b>Non-current assets</b>			
Property, plant and equipment	44	42	42
Right-of-use assets	81	85	75
Intangible assets	75	76	78
Joint ventures and associates	66	64	69
Other fixed assets	58	63	59
	324	330	323
<b>Current assets</b>			
Strategic land portfolio	118	110	112
Residential properties in preparation or under construction	78	85	71
Other inventory	11	10	9
Construction work in progress	91	69	81
Trade and other receivables	185	185	196
Cash and cash equivalents	89	109	49
	572	568	518
<b>Total assets</b>	896	898	841
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>200</b>	<b>178</b>	<b>163</b>
<b>Non-current liabilities</b>			
Interest-bearing <sup>1</sup>	46	50	52
Lease liabilities	62	65	57
Non-interest-bearing	24	29	33
	132	144	142
<b>Current liabilities</b>			
Interest-bearing loans and other current financing liabilities <sup>1</sup>	3	3	20
Lease liabilities	21	21	19
Trade and other payables	343	359	344
Construction work in progress	170	169	130
Provisions	24	22	20
Other	3	2	3
	564	576	536
<b>Total equity and liabilities</b>	896	898	841
<b>Solvency rate based on guarantee-capital <sup>2</sup></b>	<b>27%</b>	<b>25%</b>	<b>25%</b>

1. The interest-bearing liabilities include € 42 million in cumulative preference financing shares (€ 45 million as per 31 December 2019 en 30 June 2019).

2. Guarantee capital is defined as equity plus cumulative preference financing shares.

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#### 4. Condensed consolidated statement of cash flow

x € 1 million

	YTD June 2020	YTD June 2019	FY 2019
Operating result	28	17	29
<i>Adjusted for:</i>			
Depreciation of property, plant and equipment	4	4	9
Depreciation of right-of-use assets	12	10	22
Amortisation of intangible assets	1	1	1
Adj. valuation of property investments and land portfolio's excl. JV's	0	0	5
Change in working capital	-40	-69	-18
<b>Cash flow from operating activities before interest and tax</b>	<b>5</b>	<b>-37</b>	<b>48</b>
Interest paid/received	-2	-4	-6
Tax expenses paid	0	0	0
<b>Cash flow from operating activities</b>	<b>3</b>	<b>-41</b>	<b>42</b>
<b>Cash flow from investment activities</b>	<b>-8</b>	<b>-3</b>	<b>4</b>
<b>Cash flow from financing activities</b>	<b>-15</b>	<b>4</b>	<b>-26</b>
<b>Net cash flow in the period</b>	<b>-20</b>	<b>-40</b>	<b>20</b>
Cash and cash equivalents at January 1	109	89	89
<b>Cash and cash equivalents at the end of the period</b>	<b>89</b>	<b>49</b>	<b>109</b>

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## 5. Information by segment

### Condensed statement of profit or loss by segment

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Other/ eliminations	Total
<b>1st half 2020</b>					
Third parties	224	316	299	0	839
Intercompany	0	154	11	-165	0
<b>Total revenues</b>	<b>224</b>	<b>470</b>	<b>310</b>	<b>-165</b>	<b>839</b>
<b>Operating result</b>	<b>10</b>	<b>16</b>	<b>8</b>	<b>-6</b>	<b>28</b>
Net financing costs					-3
Result of joint ventures and associates					-3
Result before tax					22
Tax result					-7
Result after tax					15
Operating results as percentage of revenues	4,5%	3,4%	2,6%		3,3%

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>1st half 2019</b>					
Third parties	206	233	291	0	730
Intercompany	0	157	6	-163	0
<b>Total revenues</b>	<b>206</b>	<b>390</b>	<b>297</b>	<b>-163</b>	<b>730</b>
<b>Operating result</b>	<b>8</b>	<b>11</b>	<b>4</b>	<b>-6</b>	<b>17</b>
Net financing costs					-3
Result of joint ventures and associates					3
Result before tax					17
Tax result					-2
Result after tax					15
Operating result as percentage of revenues	3,9%	2,8%	1,3%		2,3%

### Underlying EBITDA by segment

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>1st half 2020</b>					
<b>Underlying EBITDA</b>	<b>14</b>	<b>14</b>	<b>17</b>	<b>-4</b>	<b>41</b>
Adjustment operating result joint ventures	-3	7	1	0	5
Restructuring costs	0	0	-1	0	-1
Total exceptional items	-3	7	0	0	4
Depreciation/amortisation	-1	-5	-9	-2	-17
<b>Operating result</b>	<b>10</b>	<b>16</b>	<b>8</b>	<b>-6</b>	<b>28</b>

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>1st half 2019</b>					
<b>Underlying EBITDA</b>	<b>11</b>	<b>15</b>	<b>13</b>	<b>-3</b>	<b>36</b>
Adjustment operating result joint ventures	-2	1	-2	0	-3
Restructuring costs	0	-1	0	0	-1
Book result entities sold	0	0	1	0	1
Total exceptional items	-2	0	-1	0	-3
Depreciation and amortisation	-1	-4	-8	-3	-16
<b>Operating result</b>	<b>8</b>	<b>11</b>	<b>4</b>	<b>-6</b>	<b>17</b>

The Underlying EBITDA is the operating result before depreciation including EBITDA joint ventures, excluding write down on property assets, restructuring costs, book result on sale of subsidiaries, and costs of soil remediations related to sold land positions.

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**Condensed statement of financial position by segment**

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>30 June 2020</b>					
Assets	349	362	292	-133	870
Not allocated					26
<b>Total assets</b>	<b>349</b>	<b>362</b>	<b>292</b>	<b>-133</b>	<b>896</b>
Liabilities	281	323	257	-255	606
Not allocated					90
<b>Total liabilities</b>	<b>281</b>	<b>323</b>	<b>257</b>	<b>-255</b>	<b>696</b>
<b>Equity</b>					<b>200</b>
<b>Total equity and liabilities</b>					<b>896</b>

<i>x € 1 million</i>	Property development	Building & Technology	Infra	Others/ eliminations	Total
<b>31 December 2019</b>					
Assets	385	349	273	-142	865
Not allocated					33
<b>Total assets</b>	<b>385</b>	<b>349</b>	<b>273</b>	<b>-142</b>	<b>898</b>
Liabilities	320	316	240	-259	617
Not allocated					103
<b>Total liabilities</b>	<b>320</b>	<b>316</b>	<b>240</b>	<b>-259</b>	<b>720</b>
<b>Equity</b>					<b>178</b>
<b>Total equity and liabilities</b>					<b>898</b>

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## 6. Covenants

x € 1 million

	H1 2020	FY 2019	H1 2019
<b>Reported Net debt</b>	<b>43,3</b>	<b>30,4</b>	<b>99,1</b>
<i>Adjustments:</i>			
Corrections IFRS 16	-83,3	-86,6	-76,1
Net debt joint ventures	57,0	51,3	78,5
Net debt non recourse project financings	-74,1	-79,6	-90,5
Cumulative preference shares B	-41,8	-45,1	-45,1
Other	1,3	2,7	0,4
<b>Net debt covenants (A)</b>	<b>-97,6</b>	<b>-126,9</b>	<b>-33,7</b>
Reported Ebitda	74,5	62,0	47,7
Extraordinary items	9,4	8,4	2,1
Corrections IFRS 16	-25,2	-23,9	-11,2
EBITDA joint ventures	-0,9	7,9	8,6
<b>Underlying EBITDA (excluding IFRS 16)</b>	<b>57,8</b>	<b>54,4</b>	<b>47,3</b>
<i>Adjustments:</i>			
Corrections IFRS 15	-1,0	-0,6	-0,6
Capitalised interest	1,3	1,7	2,1
EBITDA non recourse projects	-0,9	-1,4	-3,1
Other	-1,0	-1,6	-1,5
<b>EBITDA covenants (B) - Interest Cover</b>	<b>56,2</b>	<b>52,5</b>	<b>44,2</b>
EBITDA from disposed subsidiaries	0,0	0,0	0,0
<b>EBITDA covenants (C) - Leverage Ratio</b>	<b>56,2</b>	<b>52,5</b>	<b>44,2</b>
<b>Net interest</b>	<b>5,9</b>	<b>6,4</b>	<b>7,7</b>
<i>Adjustments:</i>			
Net interest joint ventures	0,7	0,7	1,0
Corrections IFRS 16	-2,2	-2,4	-1,4
Net interest non recourse project financings	-2,5	-2,5	-2,9
Interest cumulative preference shares B	-3,2	-3,3	-3,4
Other	-0,3	-0,3	-2,1
<b>Net interest covenants (D)</b>	<b>-1,6</b>	<b>-1,3</b>	<b>-1,0</b>
<b>Average net debt covenants (E)</b>	<b>-85,0</b>	<b>-48,1</b>	<b>-30,6</b>
<b>Leverage ratio (A/C) &lt;3</b>	<b>-1,7</b>	<b>-2,4</b>	<b>-0,8</b>
<b>Interest cover ratio (B/D) &gt;4*</b>	<b>-35,1</b>	<b>-41,6</b>	<b>-43,0</b>
<b>Average Leverage ratio (E/C) &lt;1</b>	<b>-1,5</b>	<b>-0,9</b>	<b>-0,7</b>

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

## **7. Selected notes**

### **7.1 Reporting entity**

Heijmans N.V. (referred to as the Company) has its registered office in the Netherlands. The Company's interim consolidated financial statements for the first six months of 2020 include the Company and its subsidiaries (collectively referred to as the Group) and the Group's interest in associates and joint arrangements.

### **7.2 Accounting principles**

#### **7.2.1 Statement of compliance**

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the European Union (IAS 34). The interim consolidated financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with Heijmans' consolidated financial statements for the full year 2019.

The Executive Board prepared the interim consolidated financial statements on 20 August 2020.

#### **7.2.2 Use of estimates and judgements**

The preparation of the interim report requires the management to form judgements and make estimates and assumptions that may have an impact on the reported value of assets and liabilities and of income and expenses. The management makes the estimates and the assumptions upon which these are based on the basis of experience and other factors that are considered reasonable. The outcome of the estimates forms the basis for the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual outcomes may differ from these estimates.

The critical judgements that the management has formed in the application of the Group's accounting principles for financial reporting, together with the significant sources of any estimate-related uncertainties, are the same as those applied in Heijmans' consolidated financial statements for 2019, in view of the fact that there were no special circumstances that required any change in same. For an explanation of the limited impact of Covid-19, we refer you to section 7.9 below.

### **7.3 Main accounting principles for financial reporting**

The accounting principles applied in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the financial year 2019.

### **7.4 Taxes**

The effective tax rate was higher in the first half of 2020 at 30%, compared with 13.6% in the first half of 2019. This difference was due to:



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- In the first half of 2020, the fiscally non-deductible loss from participations was € 6.1 million, while in the first half 2019, we recognised a non-taxable profit from participations of € 1.0 million;
- In the first half of 2020, the effect of the measurement of not previously recognised losses was € 1.0 million (first half 2019: € 2.7 million).

### 7.5 Issue of shares and redemption of cumulative financing preference shares B

In May 2020, the Group issued 524,308 depositary receipts for shares at a price of € 6.21. The shares were used to pay the €3.3 million dividend coupon due on the outstanding capital on cumulative financing B preference shares. The cash saving was used to reduce the capital outstanding on cumulative financing preference B shares to € 41.8 million (year-end 2019: € 45.1 million).

### 7.6 Share Matching Plan

In April 2020, Mr. Hillen purchased 13,000 depositary receipts for Heijmans shares for 30% of his allocated short-term bonus for 2019. Mr. Janssen purchased 8,700 depositary receipts for Heijmans shares for 24% of his allocated short-term bonus for 2019. In the context of the Share Matching Plan, a conditional depositary receipt for a share was allocated for every depositary receipt for a share purchased. These depositary receipts for shares are granted unconditionally after three years.

### 7.7 Fair values

The table below shows the carrying amounts and fair values of financial instruments.

#### Fair values

The table below shows the carrying values and the fair values of financial instruments

x € 1 million

	30 June 2020	
	Book-value	Fair value
<i>Loans and receivables</i>		
Loans granted to joint ventures	33	35
Trade and other receivables	185	185
Cash and cash equivalents	89	89
Cumulative financing preference shares	-42	-44
Syndicated bank financing	0	0
Project financing	-4	-4
Other non-current liabilities	-3	-3
Trade and other payables	-343	-343
<b>Total</b>	<b>-85</b>	<b>-85</b>

The Group has no financial assets or financial liabilities measured at fair value.

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## 7.8 Seasonal patterns

Regular seasonal patterns in the construction industry have an impact on the reported results, the balance sheet and cash flows. In the first half of the year, revenue and operating result are historically lower than in the second half of a year. Working capital requirements and net debt are historically higher in June than in December. This effect was less evident in the first half under review, because clients are paying relatively quickly and the Group was able to invoice quickly, which means the balance of work in progress is positive (low).

## 7.9 Covid-19 virus

The impact of the Covid-19 virus outbreak on the Group financial results was limited in the first half of 2020. This is primarily due to the fact that the Group is only active in the Netherlands, which did not see a complete shutdown of all building projects. Nor does Heijmans expect this to happen in the event of a possible second wave of infections.

The results for the coming years will depend partly on the economic consequences of the Covid-19 virus outbreak. At the moment it is unclear what impact the virus will have on the spending patterns of public and private sector clients and on consumer confidence. The Executive Board is continuously monitoring the consequences. The Group's outlook for the coming period is good, given aspects such as the orders in our portfolio and the available room in the financing facilities. The Executive Board has no doubts about the continuity of the Group. There has been no deterioration in the recoverable amount of the cash-generating units to which goodwill has been allocated.

## 8. Statement from the Executive Board

The Executive Board hereby states, taking into consideration what is stated in this report, that to the best of its knowledge the interim financial information related to the companies included in the consolidation, drawn up in accordance with IAS 34 'Interim Financial Reporting', as accepted within the European Union, gives a true and fair view of the assets, liabilities, financial position and the result for the first half of 2020 and that the interim report gives a true and fair summary of the most important events of the first half of the year and the impact of those events on the interim financial statements, a true and fair description of the main risks and uncertainties for the remaining periods of the year, as well as a true and fair view of the most important related party transactions.

's-Hertogenbosch, 20 August 2020

Ton Hillen, Chairman Executive Board  
Hans Janssen, member Executive Board