

# Financial Year 2013

## Media and Analysts' Conference

Zurich, 25 February 2014

A. Affentranger / B. Fellmann



**Implenia**<sup>®</sup>

# Media and Analysts' Conference

Highlights 2013



## Highlights 2013

### “Daring to Shape our Future” characterizes our Performance

in CHF million

#### Record figures

	FY13	Δ
■ Consolidated revenue	3.057	+9.2%
■ EBIT Business Units	114	+4.7%
■ Consolidated profit	83	+7.5%

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<b>Higher order intake with improved quality</b>	3.317	+8.5%
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<b>Solid net cash position reflects healthy balance sheet</b>	371	+15.5%
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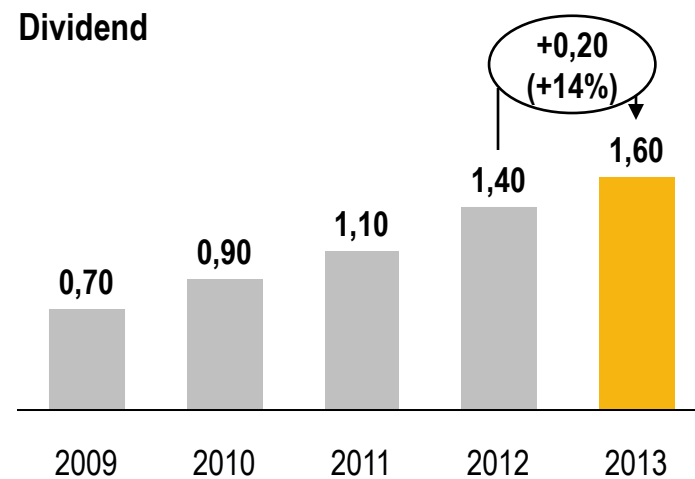
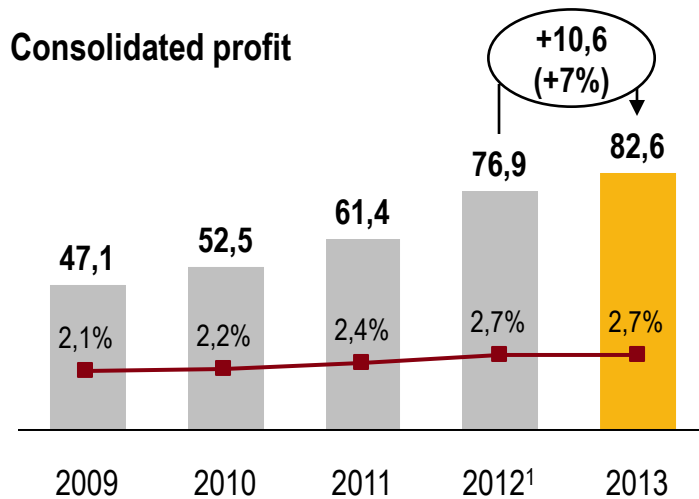
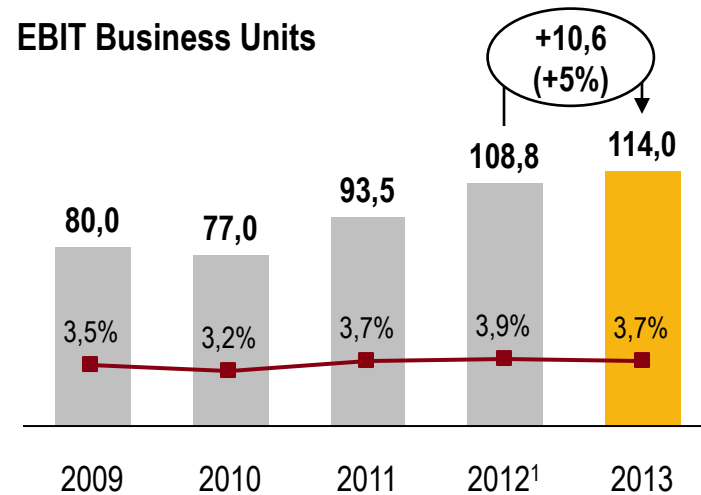
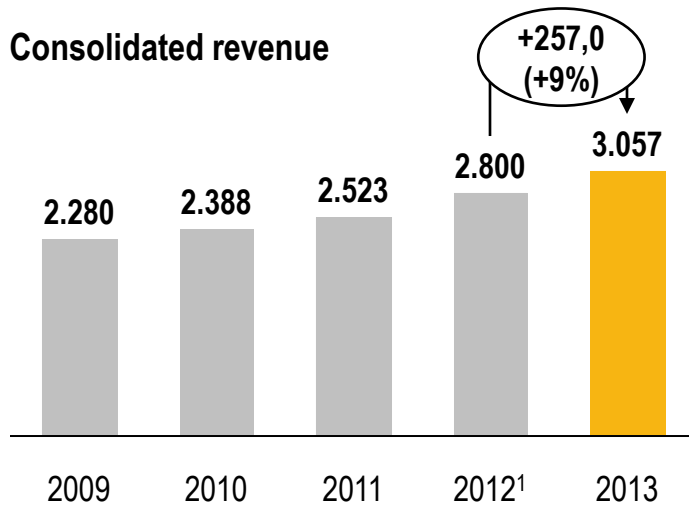
#### “Daring to Shape our Future” has set accents

- Customers and markets
- Employee orientation
- Internationalisation

# Highlights 2013

## Trend – continuous improvement

in CHF million



<sup>1</sup> Restated

# Highlights 2013

## Key aspects “Daring to Shape our Future”

### Topics

**Daring to Shape our Future**

**Business**

**Processes**

**Risk management**

**Administration**

### Specific successes

- ✓ Course set
- ✓ Positive response from customers and employees
- ✓ Leaner structures
- ✓ Strategic road maps defined
  
- ✓ Integrated business model practised
- ✓ Buildings well positioned in the market
- ✓ International major orders won
- ✓ Norway and Modernisation on track
  
- ✓ Lean management and construction
- ✓ Occupational health and safety before EBIT
- ✓ New D-A-CH organisation for tunnel business
- ✓ Enhanced “one company” processes
  
- ✓ Risk Management Buildings introduced across Switzerland
- ✓ Technical Support as “technical conscience”
- ✓ Selective project acquisition
  
- ✓ Comprehensive IFRS adjustments (IAS 19/IFRS11)
- ✓ SAP revised and simplified
- ✓ Implenia Academy “live”

# Media and Analysts' Conference

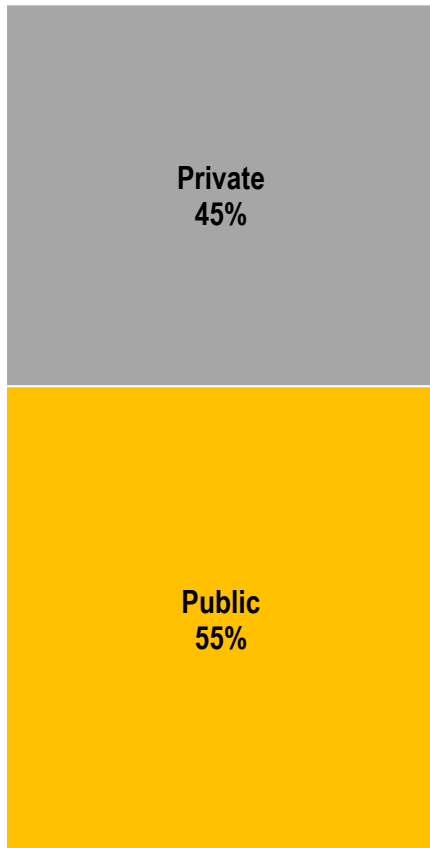
Real estate and construction market



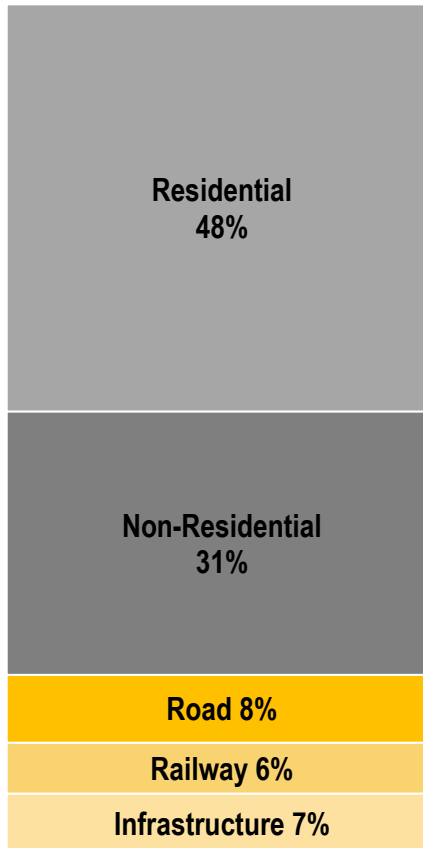
# Real estate and construction market

## Diversified market – diversified Implenla

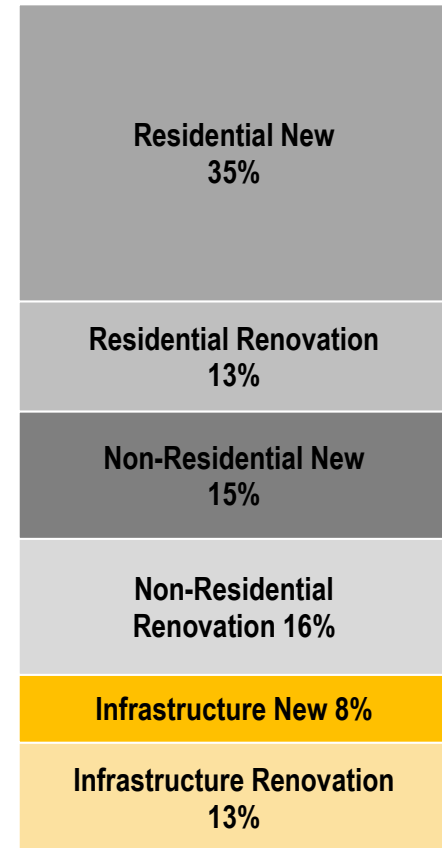
**Breakdown  
Implenia Revenue**



**Construction Spending  
Switzerland  
Building/Infrastructure**



**Construction Spending  
Switzerland  
New/Renovation**

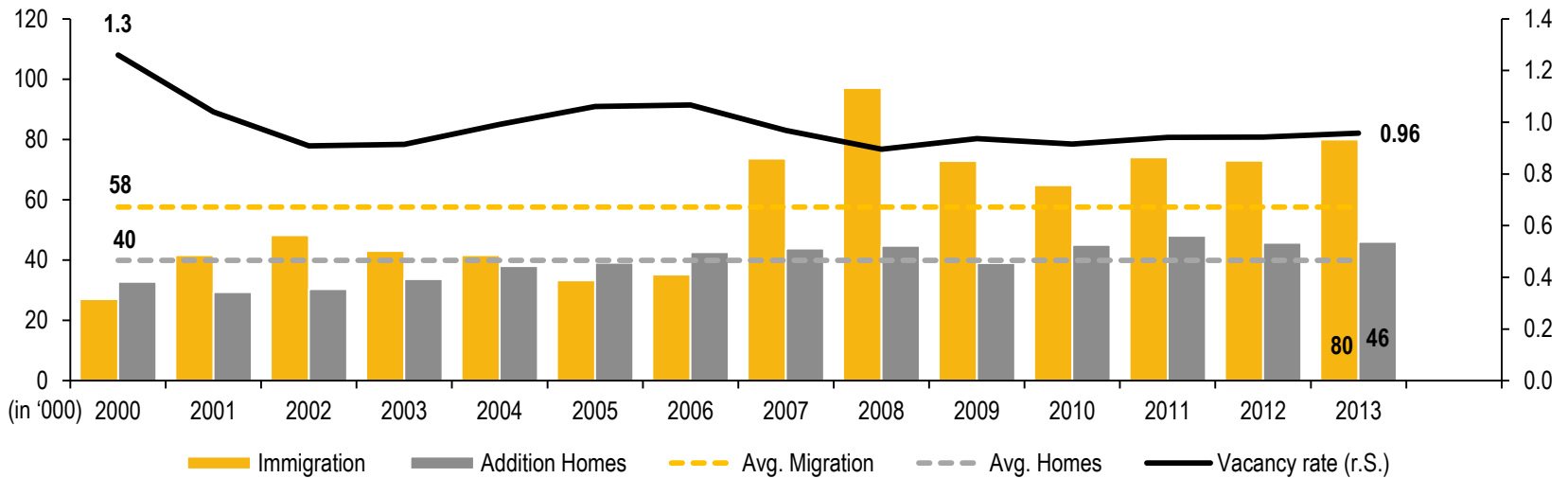


Source: Euroconstruct Dec 13

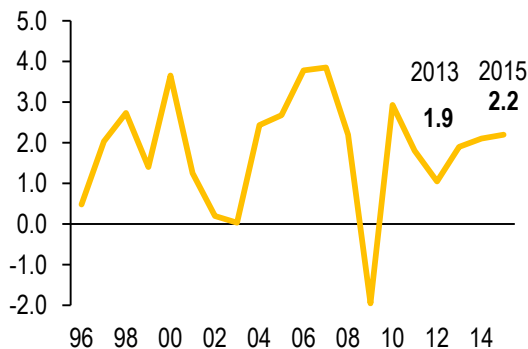
# Real estate and construction market

## Sound fundamentals – basis for optimism

### Low vacancy rate – possible decline in demand absorbable



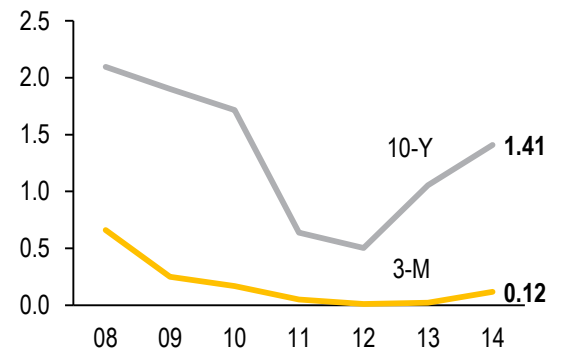
### GDP growth solid (in %)



### Low unemployment rate (in %)



### Interests continuously low (in %)

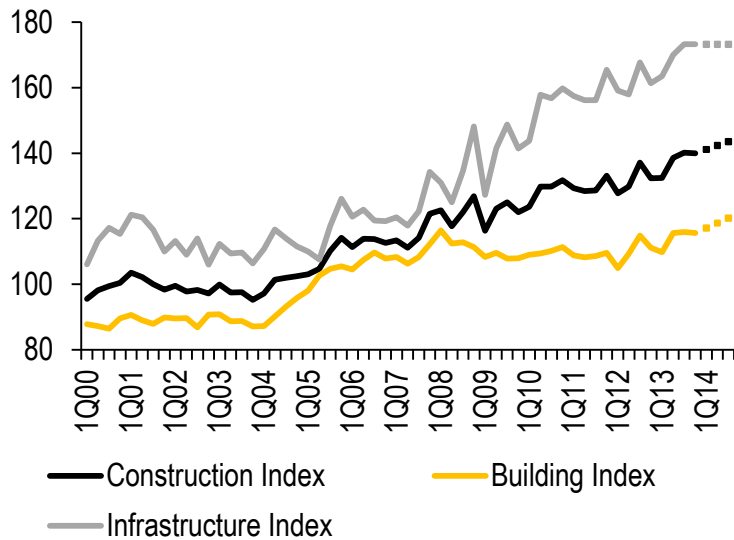




# Real estate and construction market

## Stable market development predicted

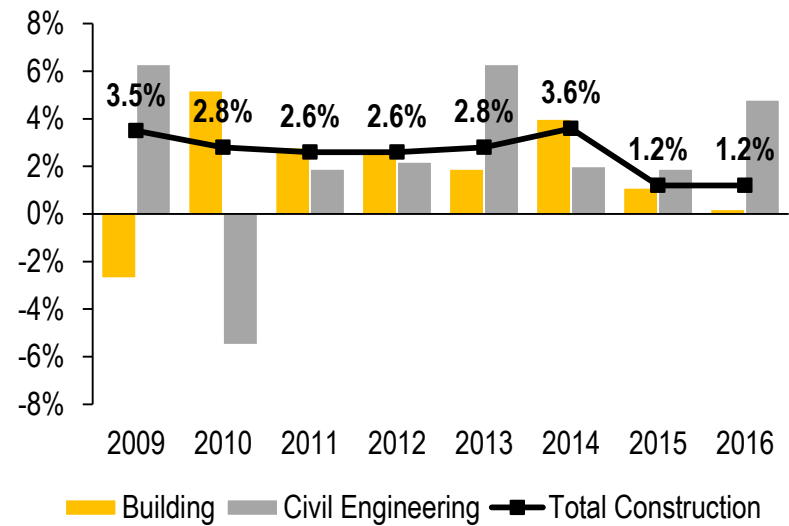
### Growth short term – remains positive



Source: Credit Suisse/Société Suisse des Entrepreneurs Dec 13

### Growth medium term – Compensation effect

2015/16 – temporary impact (capital buffer / self regulation)

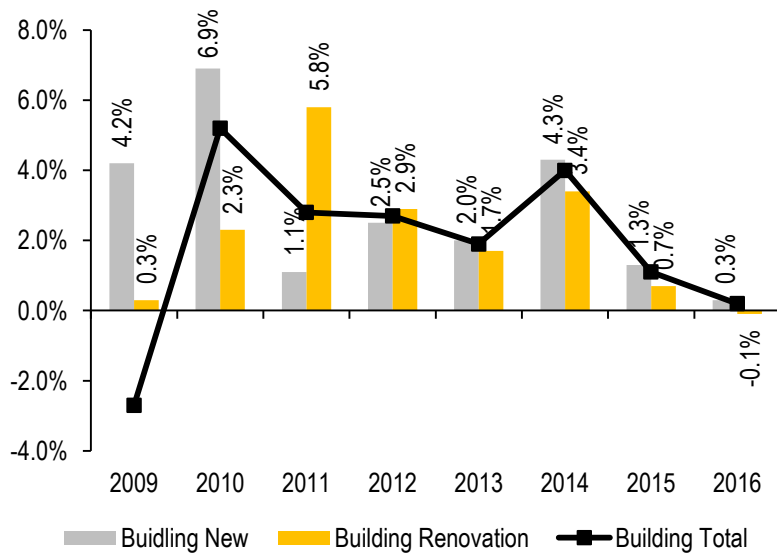


Source: Euroconstruct/KOF Dec 13

# Real estate and construction market

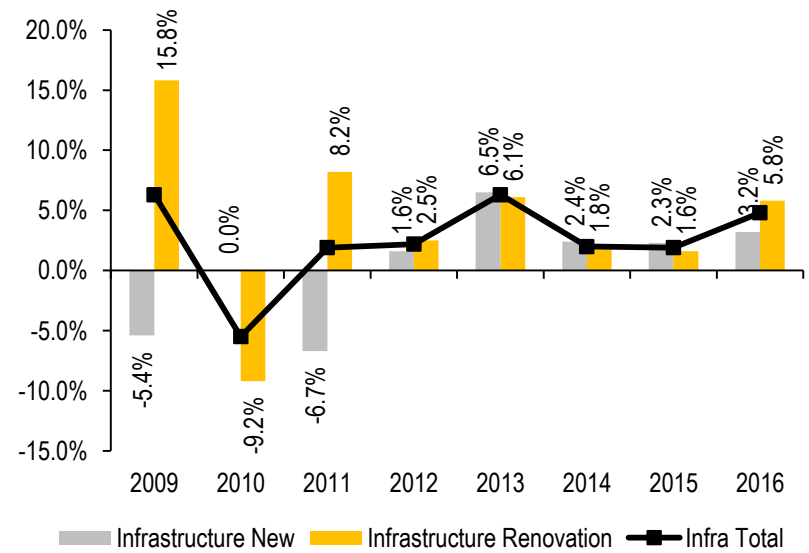
## Refurbishment with a great potential for Implenia

Building construction is stabilizing on a high level



Source: Euroconstruct/KOF Dec 13

Secured funding (FABI) and refurbishment as a catalyst in the infrastructure market

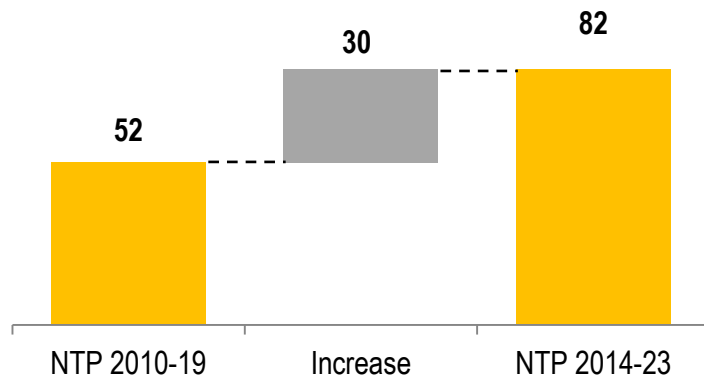


Source: Euroconstruct/KOF Dec 13

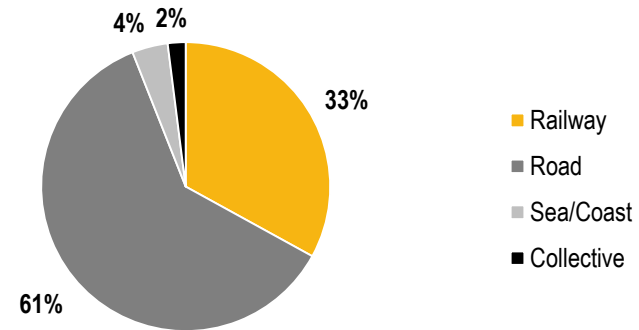
# Real estate and construction market

## Norway continues a path of growth

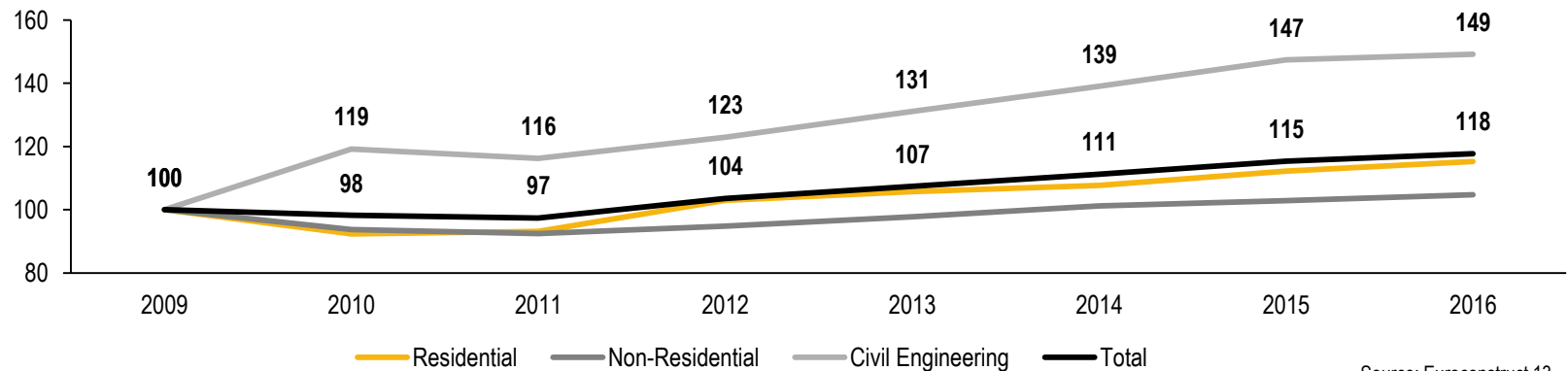
National Transport Plan +58% (in CHF billion)



Breakdown National Transport Plan 2014-23



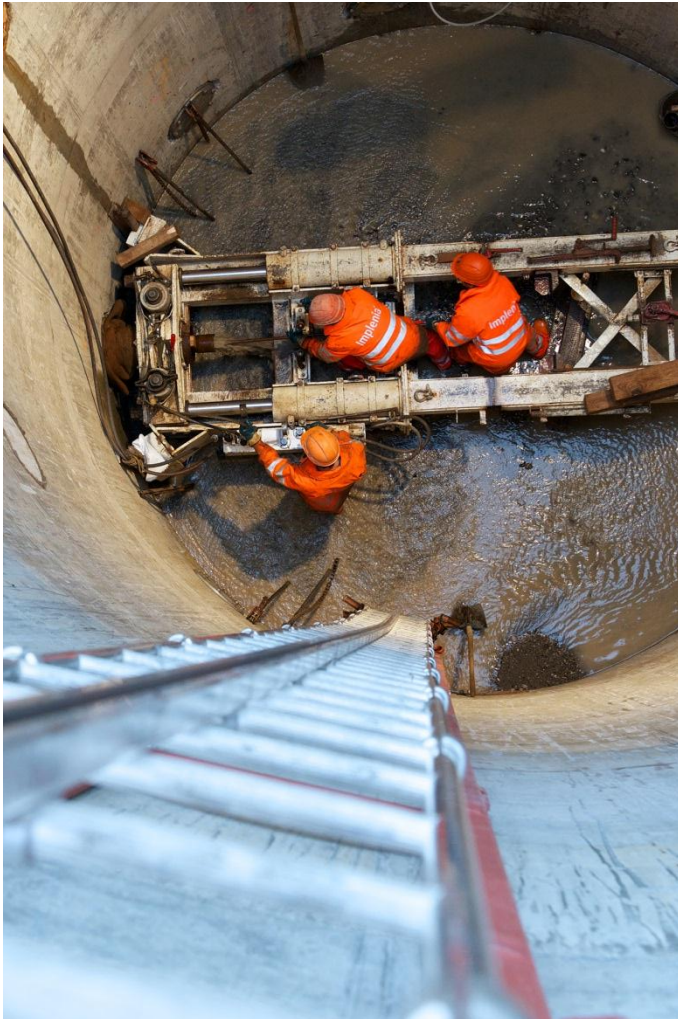
Construction spending Norway (indexed)



Source: Euroconstruct 13

# Real estate and construction market

## Conclusion: markets are strong



### Public sector

- Financing secured – portfolio effect through federal government, cantons and communities
- Considerable pent-up demand, especially in renovation
- FABI (long-distance expansion of rail infrastructure) offers additional investment security

### Private sector

- Order book reflects solid demand
- Demand and supply-side key figures consolidating at a healthy level
- Mass immigration initiative: appropriate implementation for business and society expected

### Norway

- New 2014-23 transport plan will secure investments in the infrastructure market
- Opportunities in Sweden, Germany and Austria

# Media and Analysts' Conference

Our segments



# Our segments

Our segments reflect the clout of our organisation



**Modernisation**

Consulting

TC/GC

Execution



**Development**

Real estate  
project  
development



**Buildings**

TC/GC

Complex  
building  
construction



**Tunnelling & CE**

Underground  
construction

Civil engineering

Foundation  
engineering

Refurbishment



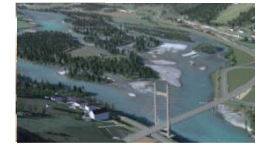
**Construction  
Switzerland**

Civil works

Roads

Regional  
building  
construction

Plants



**Norge**

Underground  
construction

Infrastructure

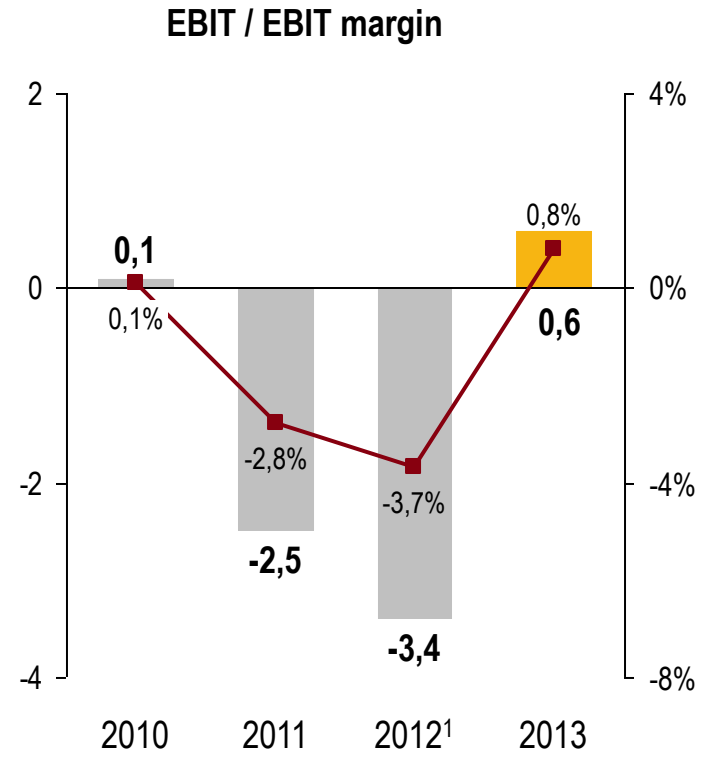
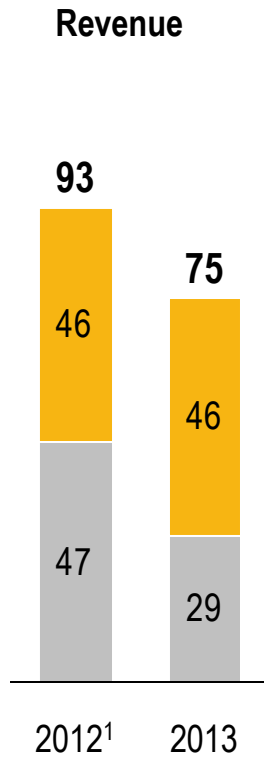
Niches

**“One company, one goal, one spirit”**

# Our segments

## Modernisation – reaches break even

in CHF million



■ 2nd half-year  
■ 1st half-year

■ 2nd half-year  
■ 1st half-year

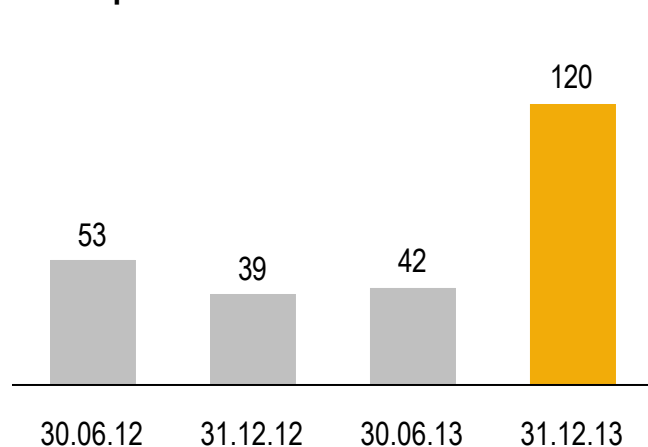
■ EBIT  
—■— EBIT margin (in %)

<sup>1</sup> Restated

# Our segments

## Modernisation – impressive order intake

Development of order book in CHF million

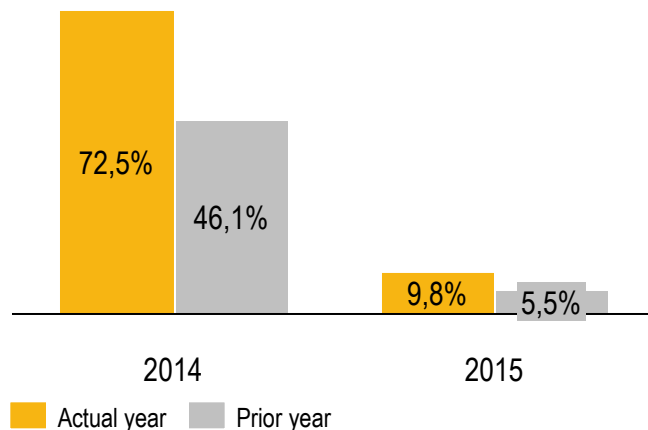


“Flurpark” Zurich

### Market

- Ongoing growth in demand
- Key drivers: ageing housing stock, building shell and construction standard requirements

### Secured revenue



### Highlights

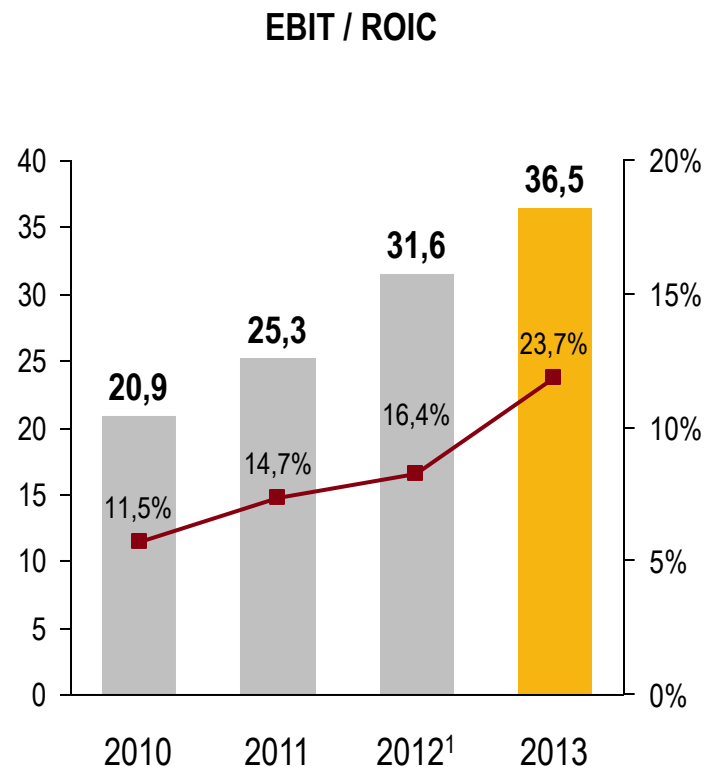
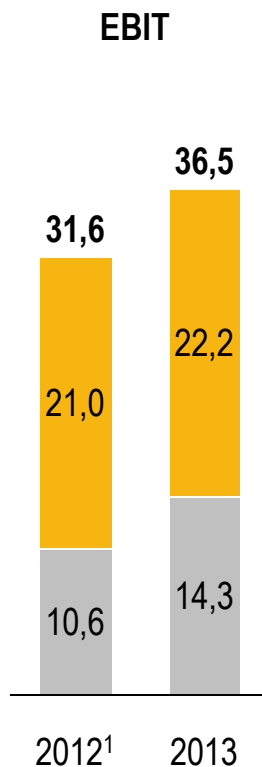
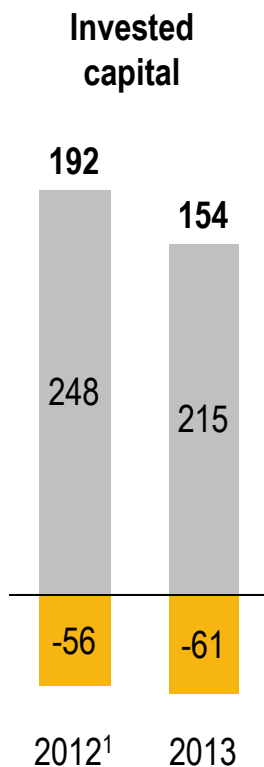
- Successful development of the organisation
- Break-even point exceeded
- Order backlog tripled
- Largest single order (CHF >50 million) as proof of GC/construction model



# Our segments

## Development – new record result

in CHF million



Other balance sheet positions  
Real estate transactions

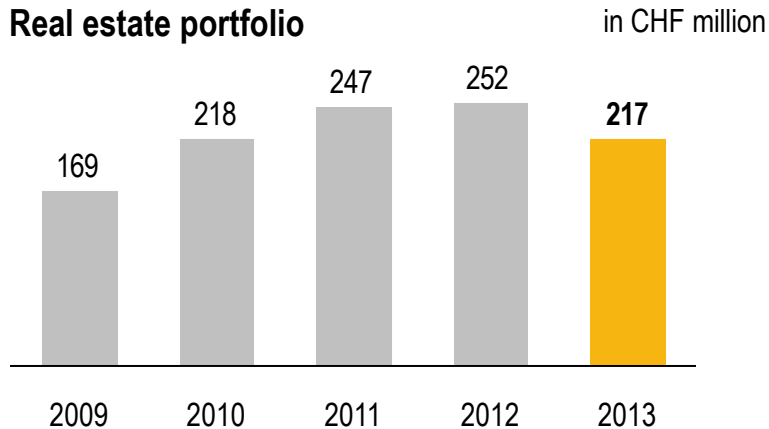
2nd half-year  
1st half-year

EBIT  
ROIC (in %)

<sup>1</sup> Restated

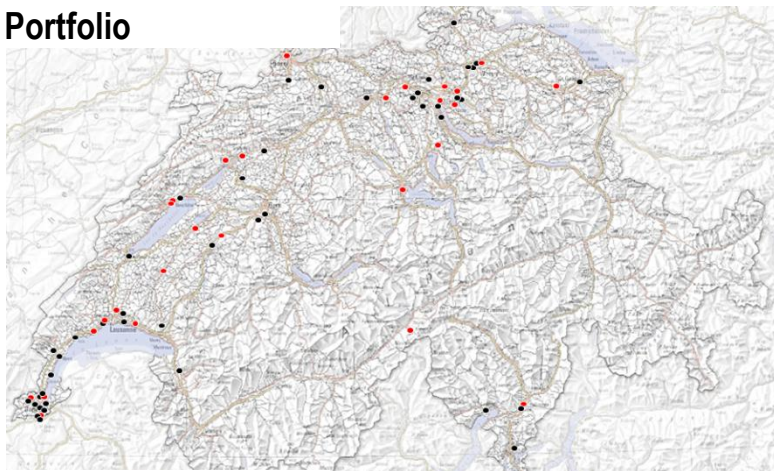
# Our segments

## Development – prudent investment policy



Health "Sunnewies" Islikon/TG

### Portfolio



- Existing projects
- Value-generating projects 2014

### Market

- Investment properties: ongoing high demand at stable level
- Condominium ownership: underlying demand still high but self-regulation of banks and higher capital requirements visible

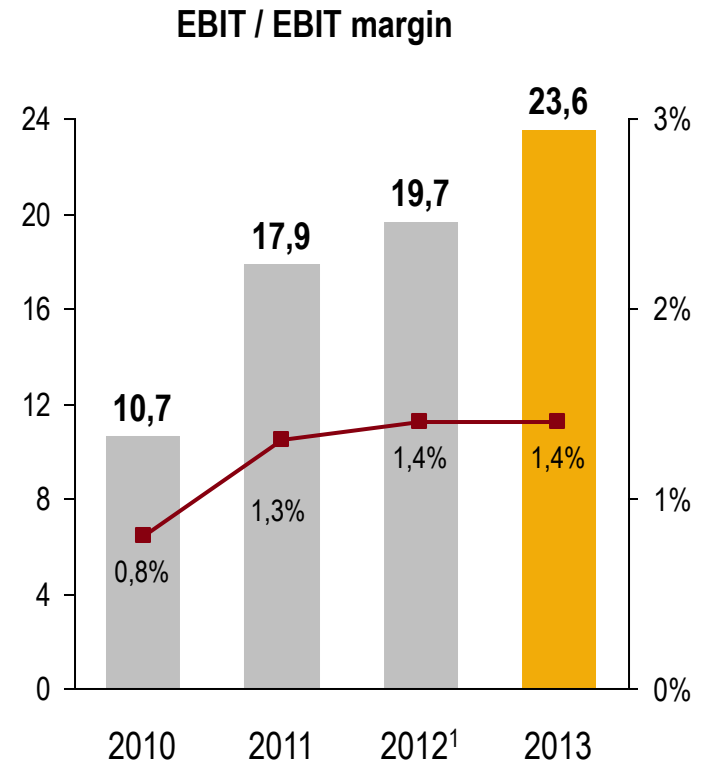
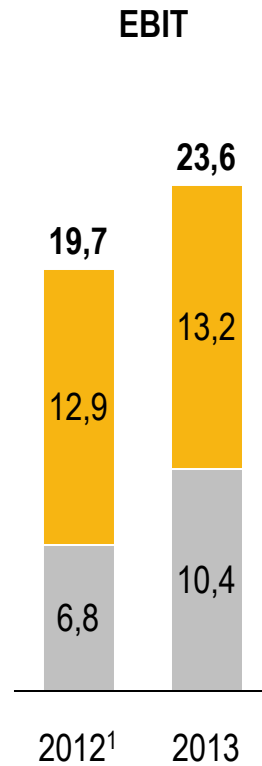
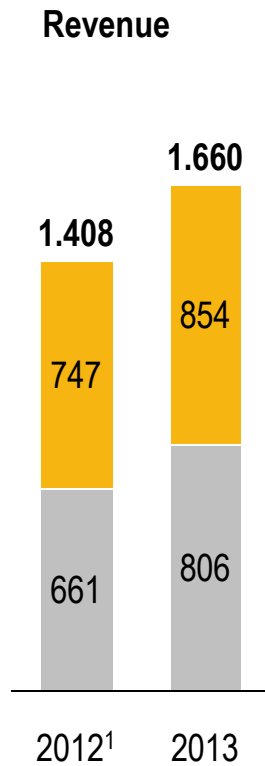
### Highlights

- Well positioned for large and complex projects
- Major sales successes: private + institutional

# Our segments

## Buildings – strong momentum

in CHF million



■ 2nd half-year  
■ 1st half-year

■ 2nd half-year  
■ 1st half-year

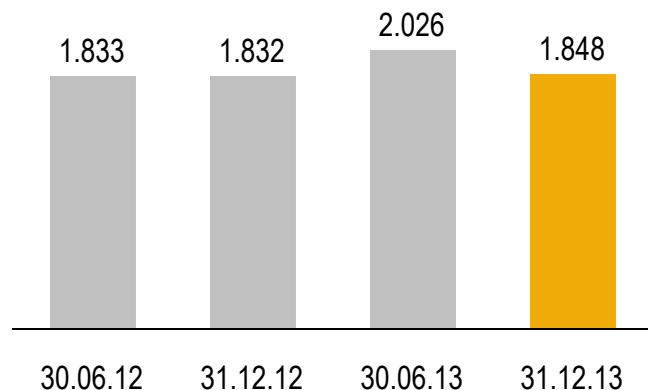
■ EBIT  
■ EBIT margin (in %)

<sup>1</sup> Restated

# Our segments

## Buildings – relevance of internal projects is rising

Development of order book in CHF million

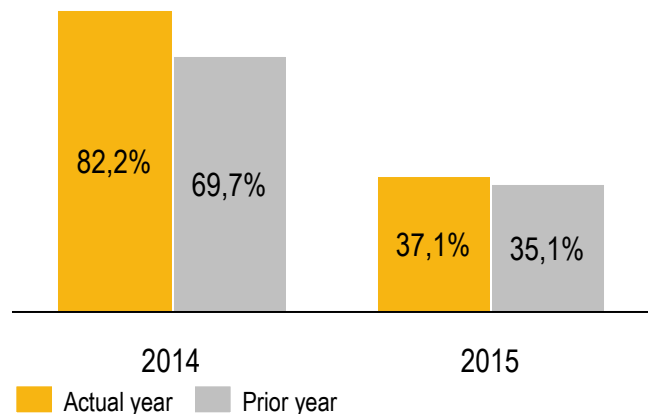


“vierfeld” Pratteln/BL

### Market

- Ongoing positive market environment
- Low interest rates favouring condominium ownership versus rental apartments

### Secured revenue



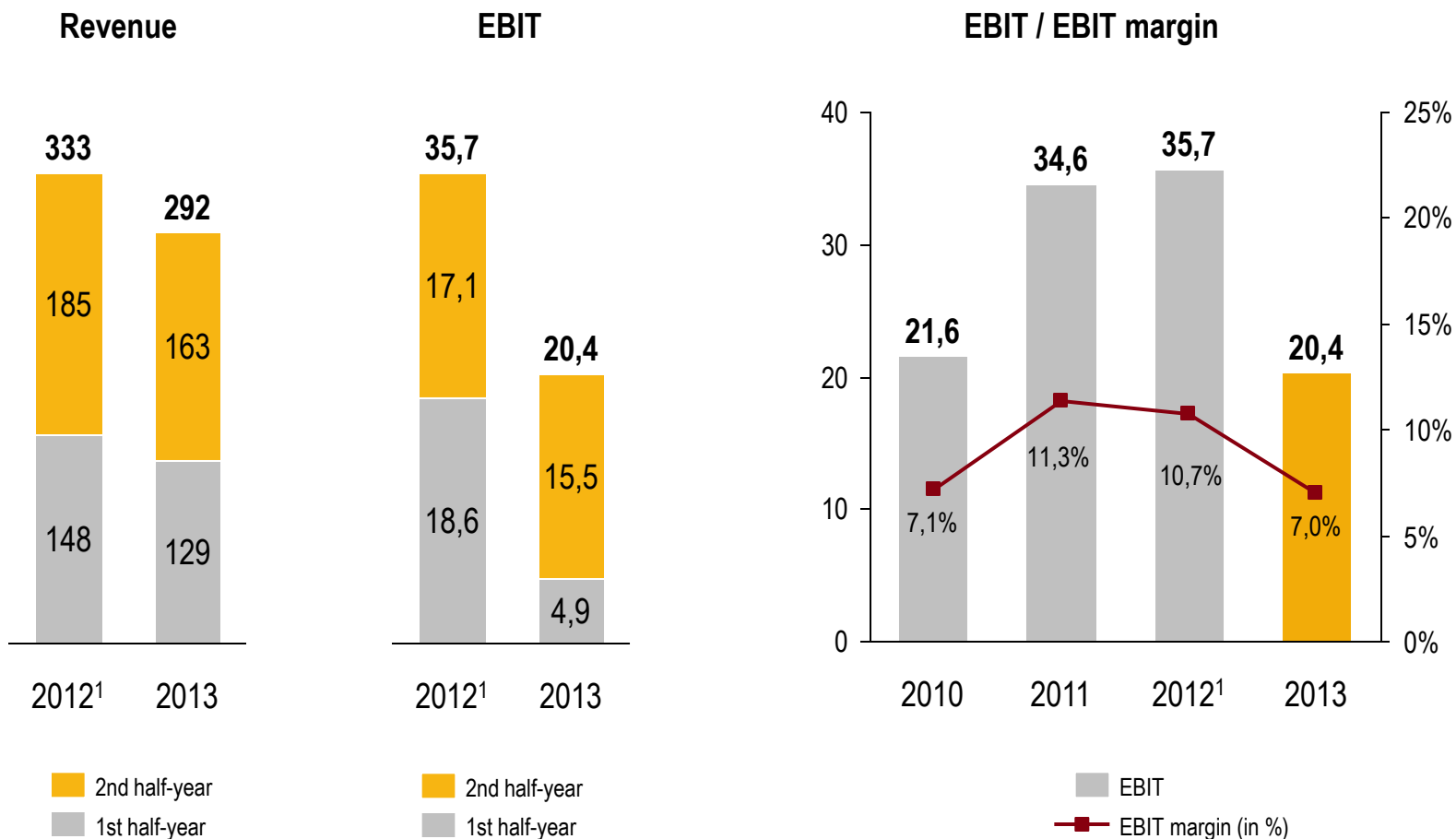
### Highlights

- High order backlog underlines success of new business model combining GC and construction
- Major development projects are being realised (“roy” in Winterthur, “The Metropolitans” East in Zurich, Düringen, Petite Prairie in Nyon)
- Prosperous 'niche products' in Germany, Wooden Construction and Engineering.

# Our segments

## Tunnelling & Civil Engineering – according to plan

in CHF million



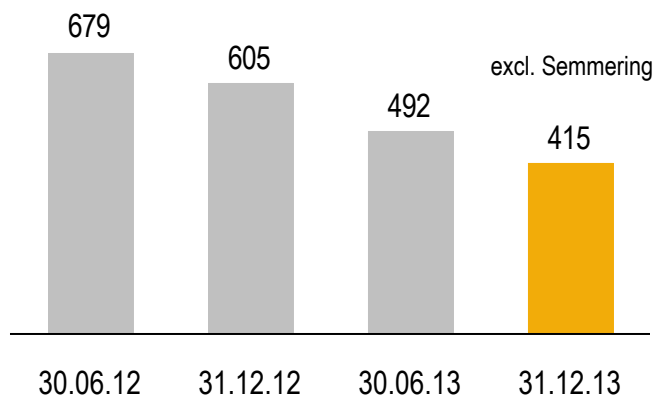
<sup>1</sup> Restated

# Our segments

## Tunnelling & CE – international expansion works

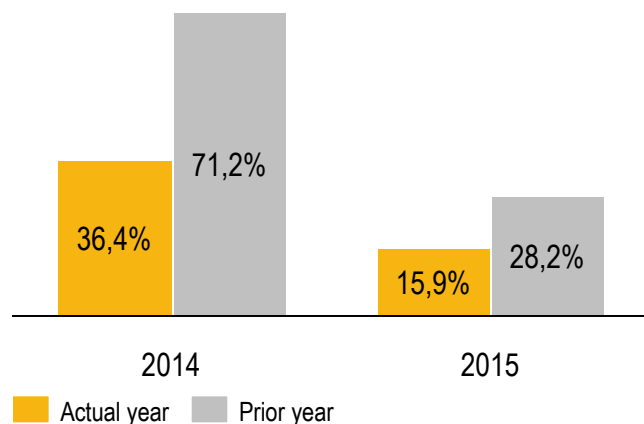
### Development of order book

in CHF million



“Semmering” Austria

### Secured revenue



### Market

- Postponement of many larger tunnel projects in Switzerland
- Power plant construction suffering from low electricity prices
- Increasing safety requirements having a positive impact on tunnel and bridge renovation

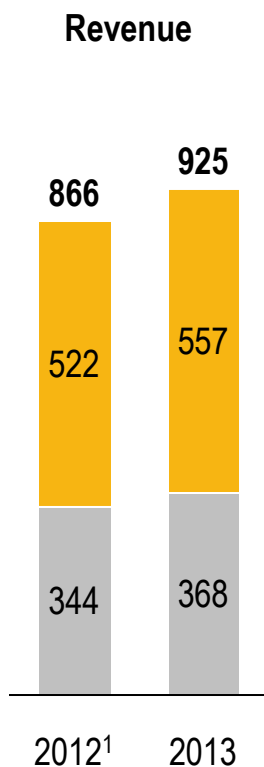
### Highlights

- Completion of NEAT (Sedrun, Bodio/Faido)
- Success rate (tenders) of 60% in tunnel renovation
- Withdrawal from Middle East
- Successful internationalisation strategy in Germany and Austria with the founding of an unit in Salzburg and an initial major project success (Semmering base tunnel)

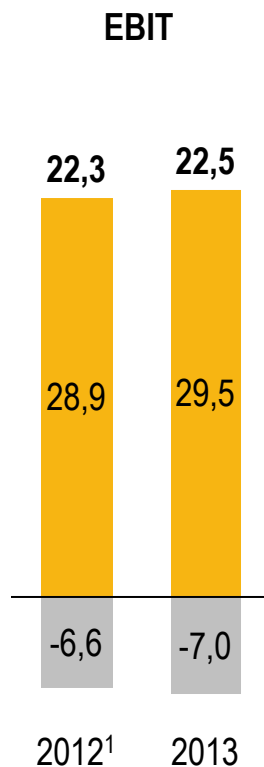
# Our segments

## Construction Switzerland – doing well in highly competitive market

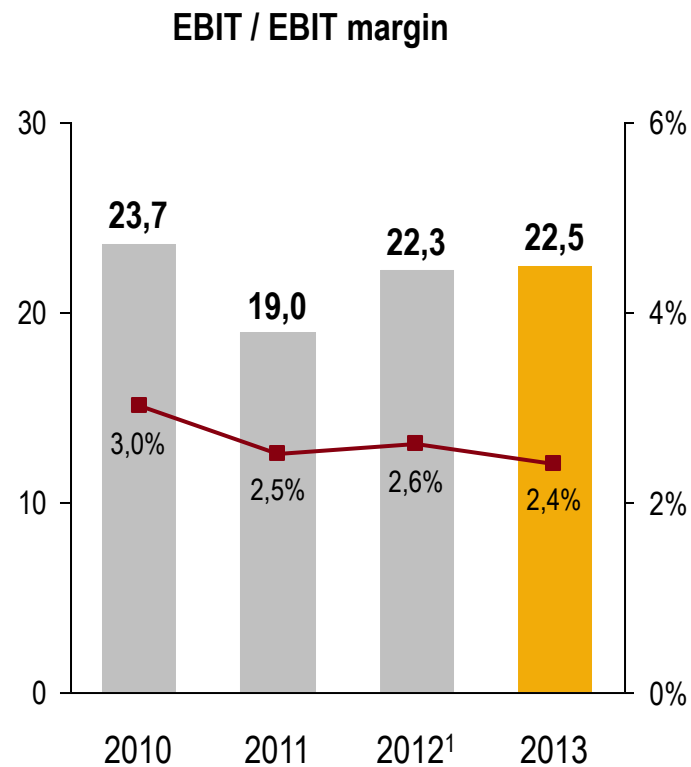
in CHF million



■ 2nd half-year  
■ 1st half-year



■ 2nd half-year  
■ 1st half-year



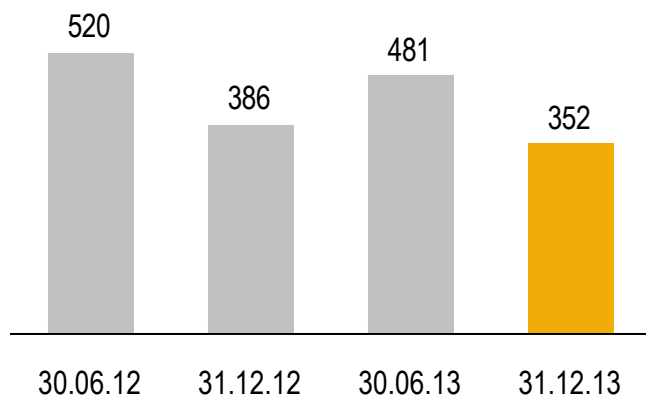
■ EBIT  
—■— EBIT margin (in %)

<sup>1</sup> Restated

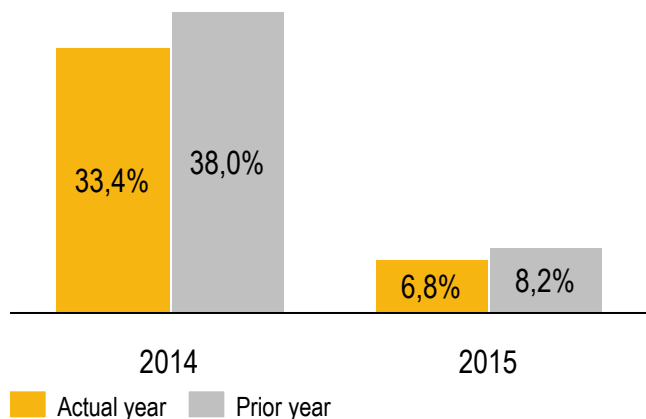
# Our segments

## Construction Switzerland – confident thanks to market & “lean”

Development of order book in CHF million



Secured revenue



### Market

- "Wet weather" in the first half of the year
- Altogether relatively stable market
- No structural changes but intense local competition

### Highlights

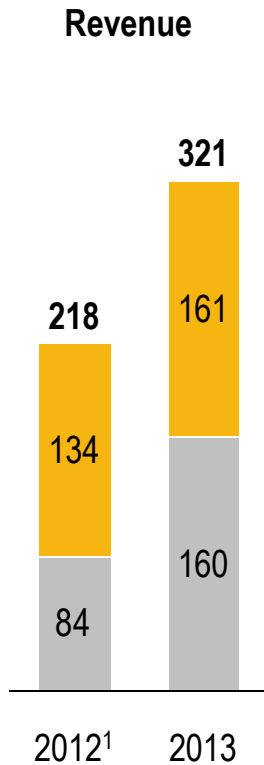
- New organisation was well received in the market in all language regions
- Introduction of "lean construction" gaining momentum
- Many large and complex projects in road and rail construction were completed



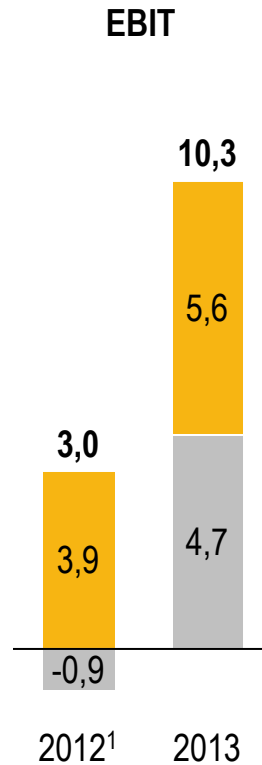
# Our segments

## Norge – Implenias success model

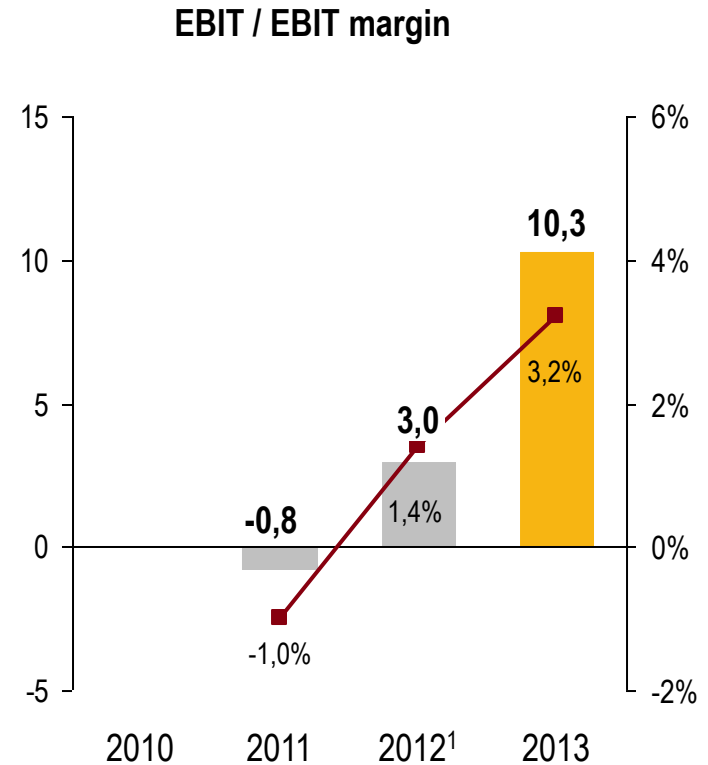
in CHF million



■ 2nd half-year  
■ 1st half-year



■ 2nd half-year  
■ 1st half-year



■ EBIT  
■ EBIT margin (in %)

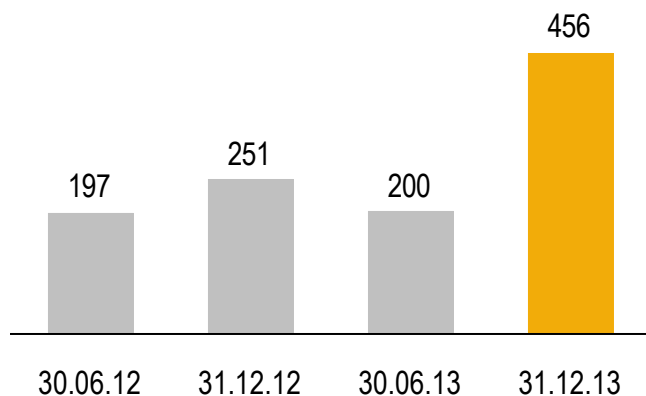
<sup>1</sup> Restated

# Our segments

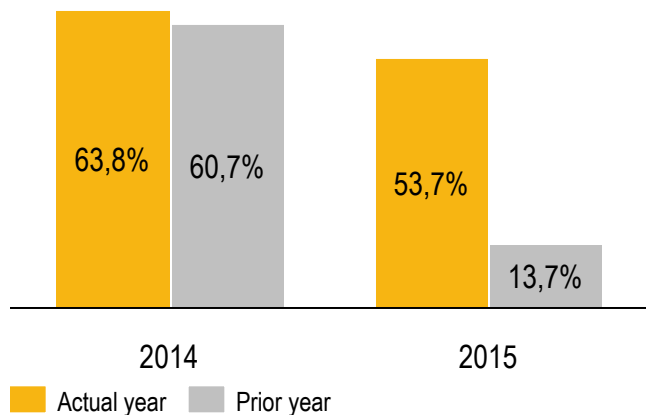
## Norge – market position and know how pays off

### Development of order book

in CHF million



### Secured revenue



“E6 Vinstra-Sjoa” Norway

### Market

- Many projects in the market
- Growing project size
- Large increase of the “National Transport Plan” predicted
- Increasing competition due to international players

### Highlights

- Record order book levels and many large project acquisitions
- Impressive „smart brand“ recruitment momentum

## Our segments

### EBIT Business Units – new record level

in CHF million	Dec 13	Dec 12 <sup>1</sup>	+/- in %
Modernisation & Development	37.2	28.1	32.0%
Buildings	23.6	19.7	19.6%
Tunnelling & Civil Engineering	20.4	35.7	-42.8%
Construction Switzerland	22.5	22.3	1.1%
Norge	10.3	3.0	242.5%
<b>EBIT Business Units</b>	<b>114.0</b>	<b>108.8</b>	4.7%

<sup>1</sup> Restated

# Media and Analysts' Conference

## IFRS Reporting



# IFRS Reporting

## Consolidated profit has increased significantly

in CHF million	Dec 13	Dec 12 <sup>1</sup>	+/- in %
<b>EBIT Business Units</b>	<b>114.0</b>	<b>108.8</b>	4.7%
Miscellaneous / Holding	1.6	1.5	7.2%
<b>Operating income</b>	<b>115.5</b>	<b>110.3</b>	4.8%
	3.8%	3.9%	
Financial result	-7.9	-11.5	-31.1%
Tax	-25.1	-21.9	14.9%
<b>Consolidated profit</b>	<b>82.6</b>	<b>76.8</b>	7.5%
	2.7%	2.7%	
<b>EBITDA</b>	<b>158.4</b>	<b>153.6</b>	3.0%

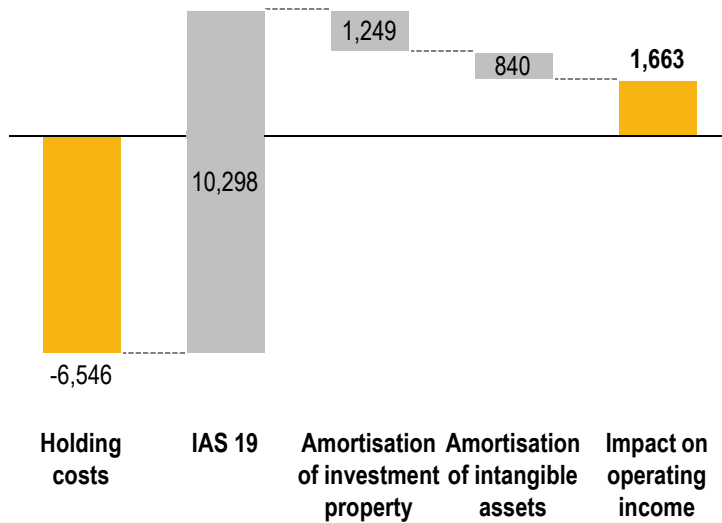
<sup>1</sup> Restated / Impact from IFRS 11: Revenue 104,7 CHF million, EBIT 4,8 CHF million

# IFRS Reporting

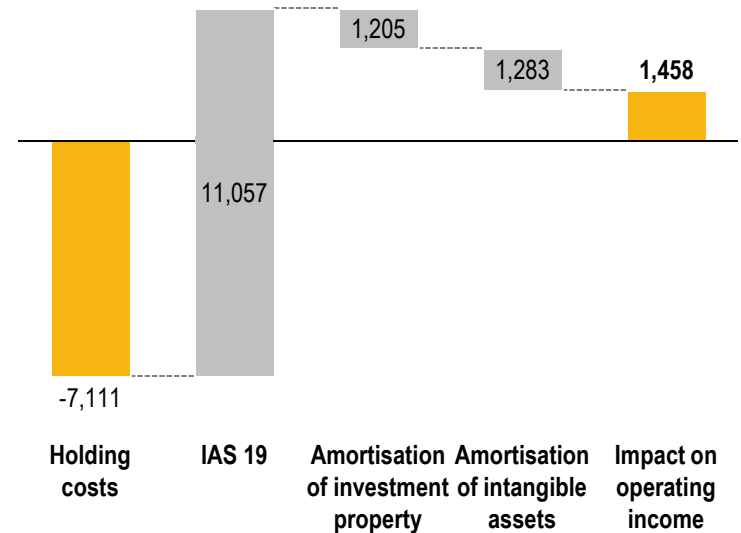
## Holding and Miscellaneous – stable despite volume growth

in CHF million

2013



2012<sup>1</sup>



<sup>1</sup> Restated

# IFRS Reporting

## Assets – moderate increase

in CHF million	Dec 13	Dec 12 <sup>1</sup>	+/- in %
Cash and cash equivalents, securities	582.7	537.6	
Trade receivables	513.5	476.1	
Work in progress / Joint ventures (equity method)	367.3	277.3	
Real estate transactions	217.5	251.7	
Other current assets	101.4	116.2	
<b>Total current assets</b>	<b>1,782.4</b>	<b>1,658.9</b>	7.4%
<b>Total non-current assets</b>	<b>414.0</b>	<b>415.2</b>	-0.3%
<b>Total ASSETS</b>	<b>2,196.4</b>	<b>2,074.1</b>	5.9%

<sup>1</sup> Restated / Effect from IFRS 11: Balance Sheet Total 91,0 CHF million

# IFRS Reporting

## Liabilities – good equity ratio of almost 30 per cent

in CHF million	Dec 13	Dec 12 <sup>1</sup>	+/- in %
Current financial liabilities	3.5	4.5	
Trade payables	362.7	240.7	
Work in progress / Joint ventures (equity method)	678.0	706.5	
Other non-current liabilities	232.2	238.1	
<b>Total current liabilities</b>	<b>1,276.4</b>	<b>1,189.8</b>	7.3%
Non-current financial liabilities	208.0	211.5	
Other non-current liabilities	2.2	7.0	
Deferred taxes, provisions, pension assets	81.1	116.3	
<b>Total non-current liabilities</b>	<b>291.3</b>	<b>334.8</b>	-13.0%
<b>Equity and non-controlling interests</b>	<b>628.7</b>	<b>549.5</b>	14.4%
<b>Total LIABILITIES</b>	<b>2,196.4</b>	<b>2,074.1</b>	5.9%

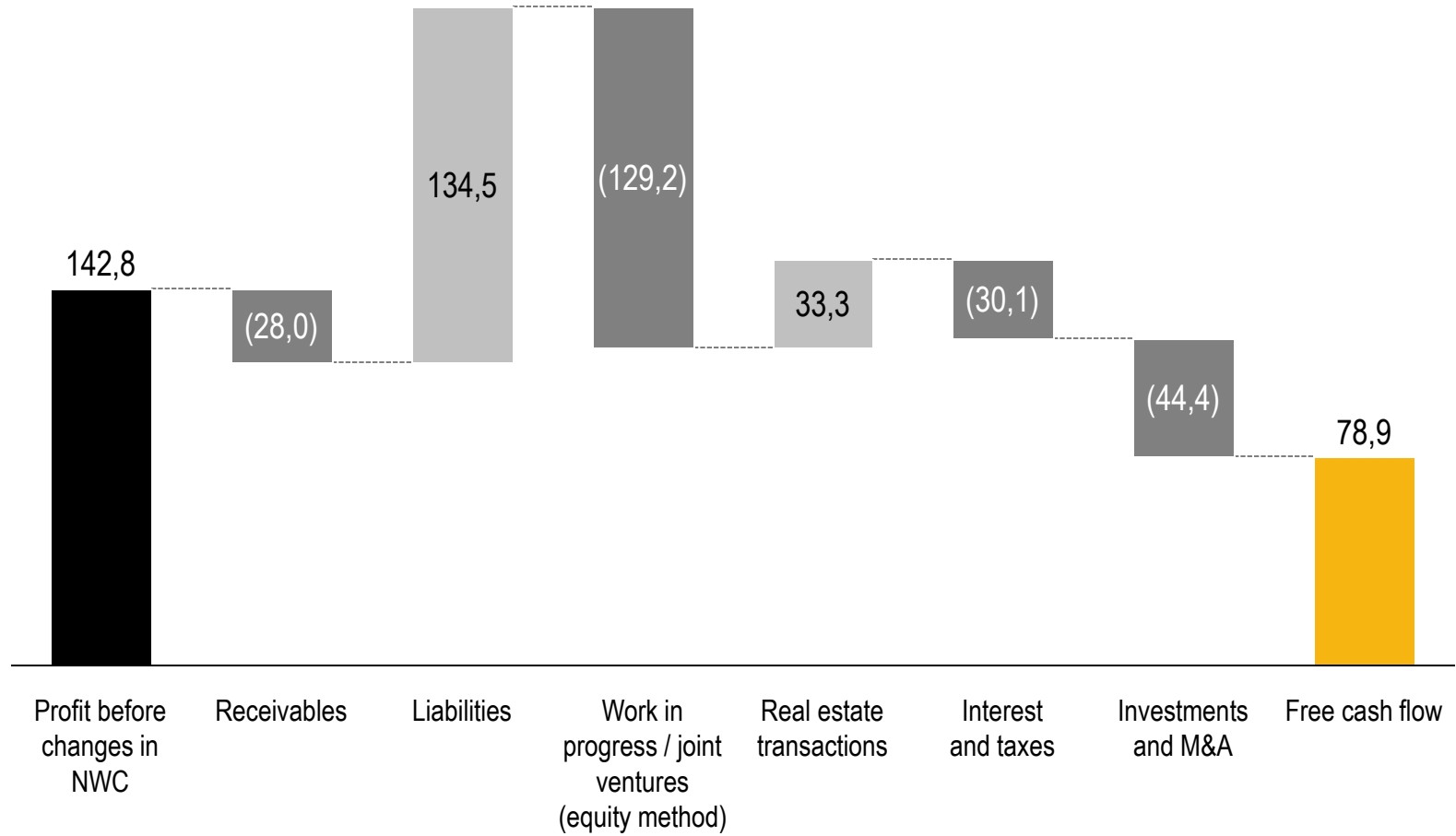
<sup>1</sup> Restated / Effect from IFRS 11: Balance Sheet Total 91,0 CHF million



# IFRS Reporting

## Cash flow statement – revenue growth ties up working capital

in CHF million

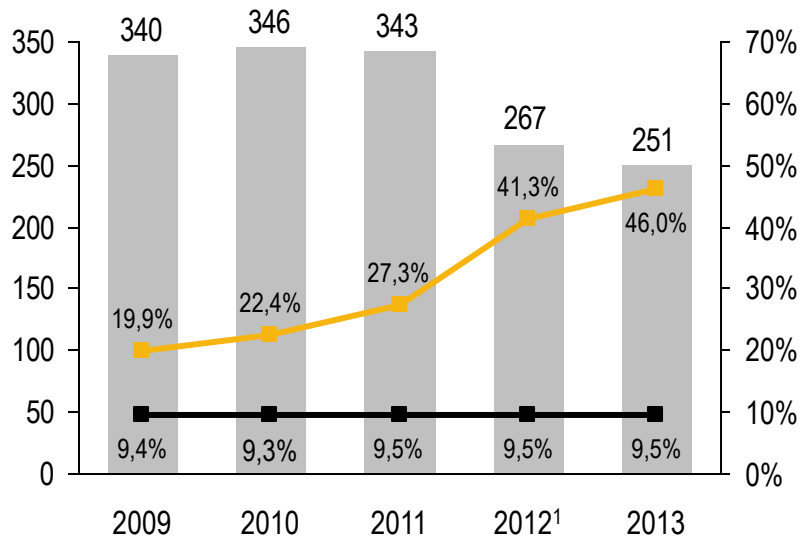


	Profit before changes in NWC	Receivables	Liabilities	Work in progress / joint ventures (equity method)	Real estate transactions	Interest and taxes	Investments and M&A	Free cash flow
<b>2012</b>	138,3	72,4	(64,8)	48,9	(4,7)	(12,0)	(44,5)	133,6

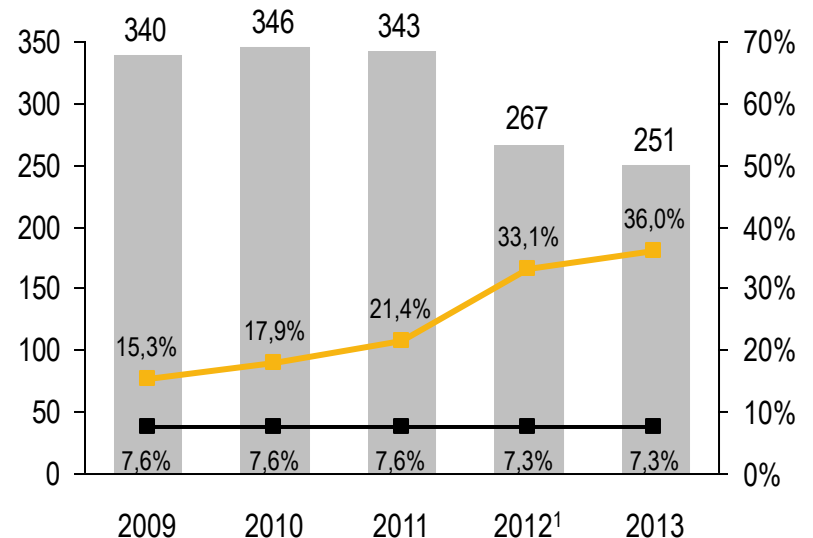
# IFRS Reporting

## Return on investment (ROIC) substantially above capital costs

ROIC before tax



ROIC after tax



Invested capital (in CHF million)  
 ROIC (Operating income / Invested capital)  
 WACC before tax

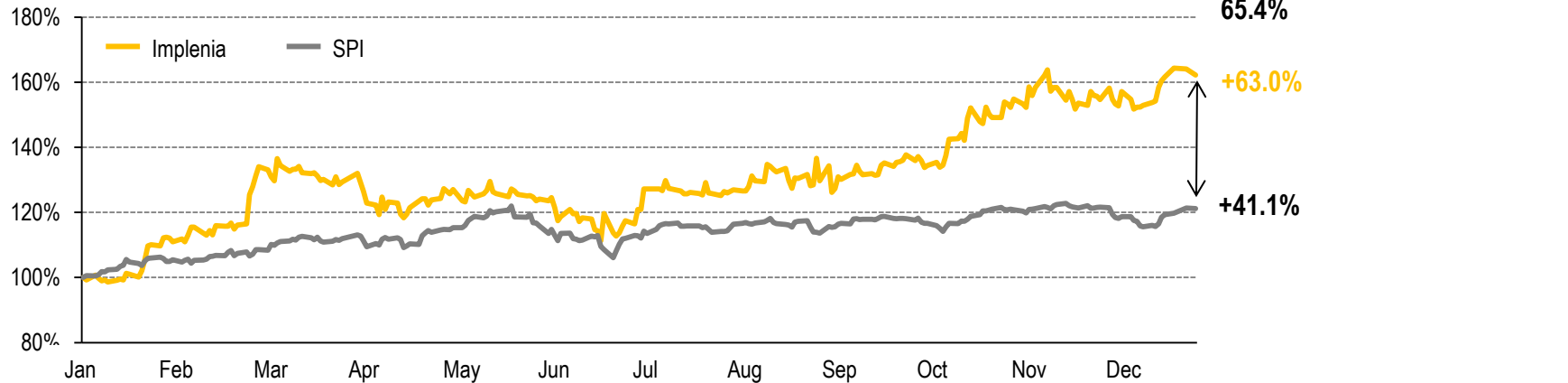
Invested capital (in CHF million)  
 ROIC (NOPAT / Invested capital)  
 WACC after tax

<sup>1</sup> Restated

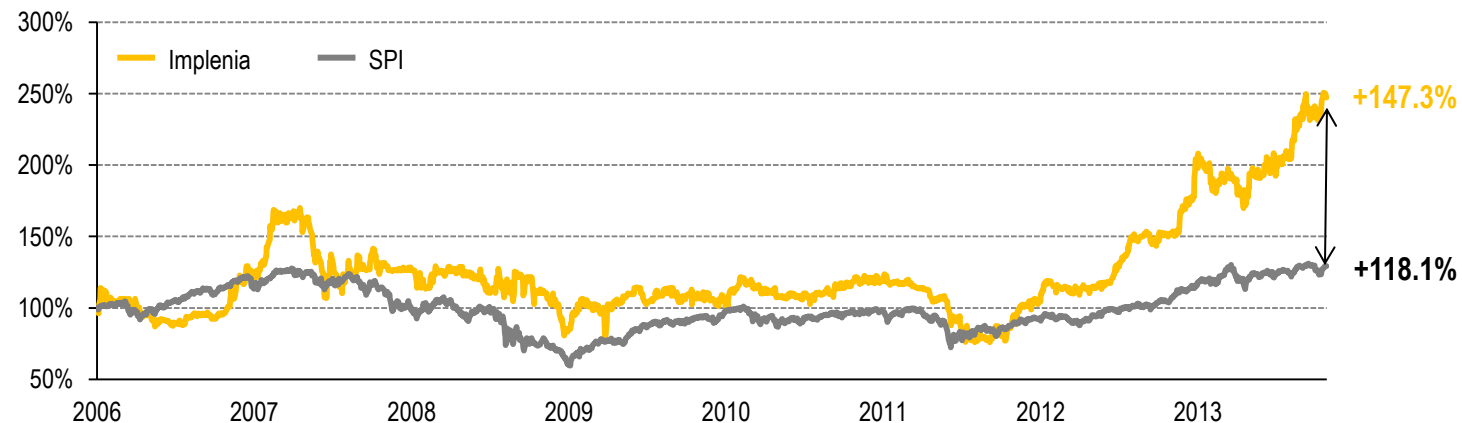
# IFRS Reporting

## Share price development – again clearly outperformed SPI

### Performance in 2013



### 1st day of trading (6 March 2006) until 31 December 2013



# IFRS Reporting

## Dividend higher by about 15 per cent

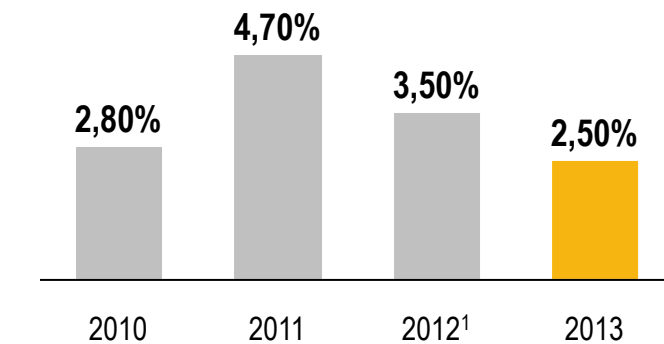
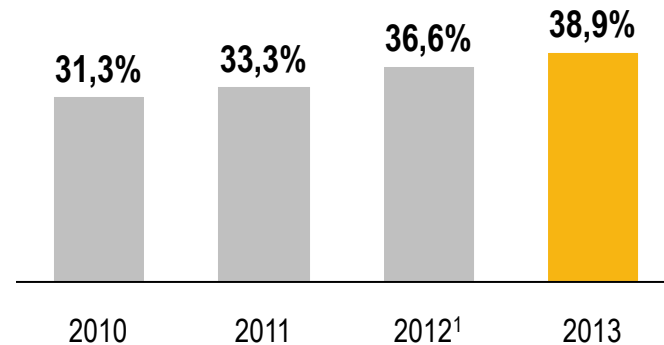
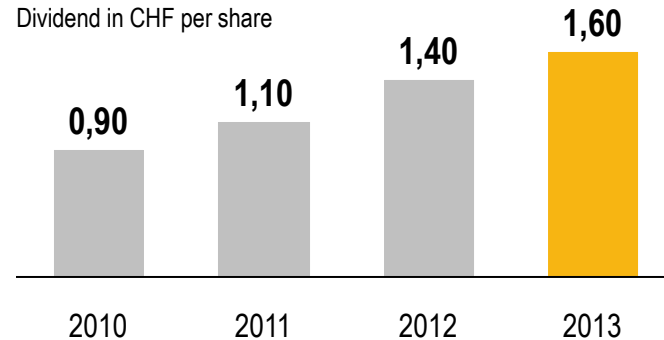
### Dividend policy

Higher dividend again

Pay-out ratio above target range

Attractive yield

Dividend in CHF per share



<sup>1</sup> Restated

# Media and Analysts' Conference

## Outlook

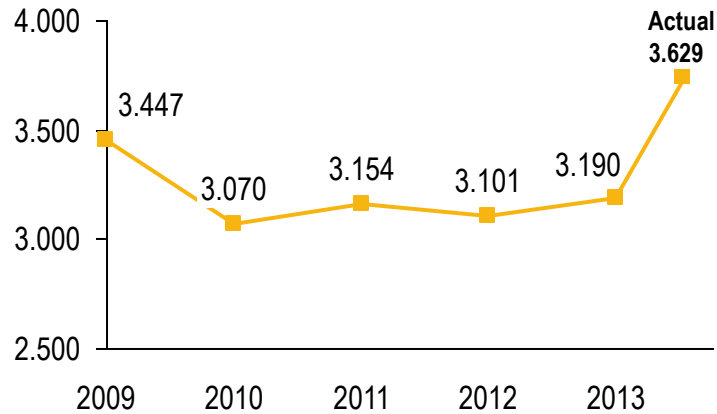


# Outlook

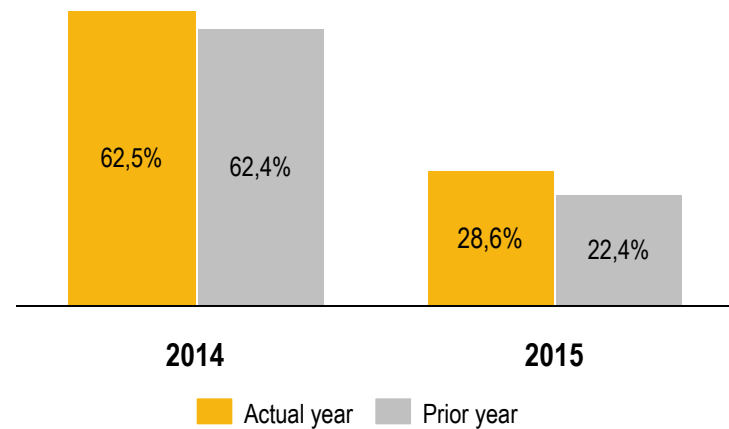
## High visibility thanks to well-filled order book

in CHF million

### High order backlog



### Secured revenue 2014/2015

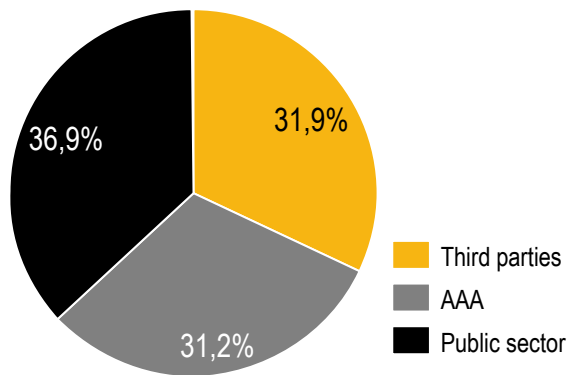


# Outlook

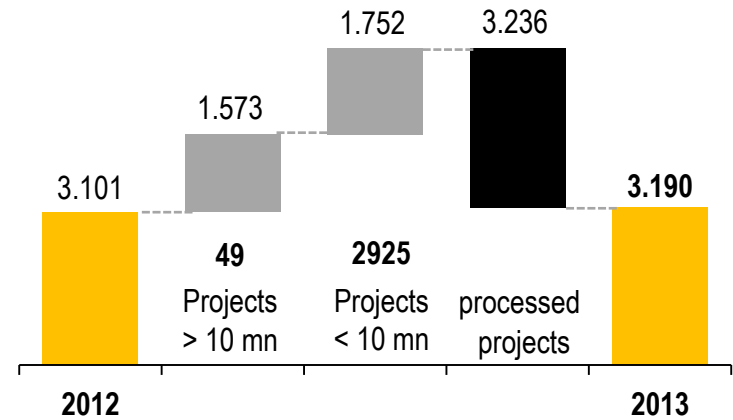
## Quality of the order book inspires confidence for the result

in CHF million

### Solvent order book



### Diversified order book



Higher target margin

# Outlook

## Main themes for 2014 to achieve EBIT of 140-150 CHF million

### Focus

Modernisation	Good order backlog – ongoing positive further development
Development	Solid demand for investment properties
Buildings	Good order backlog – focus on improving margin situation
Tunnelling & CE	Further development of internationalisation strategy and refurbishment
Construction Switzerland	Stability – sustainable public expenditure and good regional diversification
Norge	Optimistic for sales and profitability thanks to record order backlog level

### Group

**Implenia optimistic for the current year**

**Order book equivalent to more than one year's sales – good visibility**

**Further growth at sales and earnings level expected**

**On course: medium term goal of EBIT of CHF 140 to 150 million**



# Outlook

## Our mid term target – since February 2013

in CHF million

	Goal	2012	2013
<b>Growth</b>	+ CHF 200 mn in Modernisation + CHF 300 mn abroad	2.800	3.057
<b>Profitability</b>	EBIT CHF 140-150 mn Margin +/- 4.5%	109	114
		3.9%	3.7%

# Agenda & IR

## Keep in touch

### **2014 Annual General Meeting of Shareholders**

25 March 2014

### **Half-year results 2014**

21 August 2014

### **Full-year results 2014**

24 February 2015

### **2015 Annual General Meeting of Shareholders**

24 March 2015

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With pleasure.