

Financial Year 2014

Media and Analysts' Conference

Zurich, 24 February 2015



Implenia[®]

A. Affentranger / B. Fellmann

Media and Analysts' Conference

Highlights 2014



Highlights 2014

Important steps were taken – back on track

in CHF million

Key figures

| | FY14 | Δ PY |
|-------------------------------|-------------|-------------|
| ■ Consolidated revenue | 2,920 | -4.5% |
| ■ Operating income | 108.5 | -6.2% |
| ■ Consolidated profit | 73.0 | -11.7% |
| ■ Dividend per share (in CHF) | 1.80 | +12.5% |

| | | |
|--|-------|-------|
| High order backlog maintains visibility | 3,002 | -5.9% |
|--|-------|-------|

| | | |
|--------------------------------|-------|-------|
| Sound net cash position | 401.5 | +8.2% |
|--------------------------------|-------|-------|

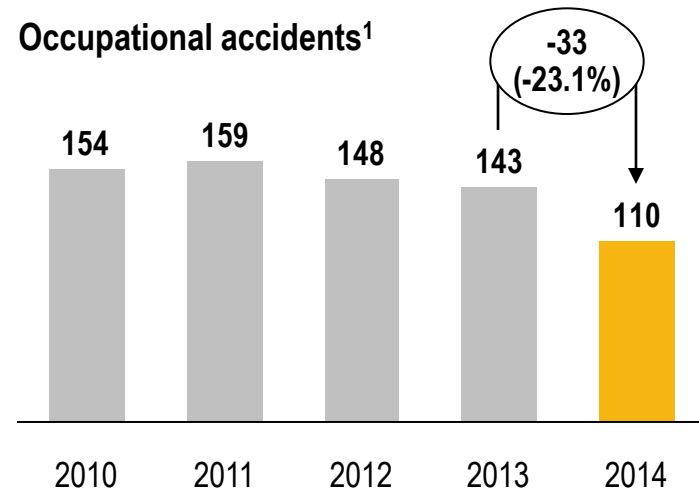
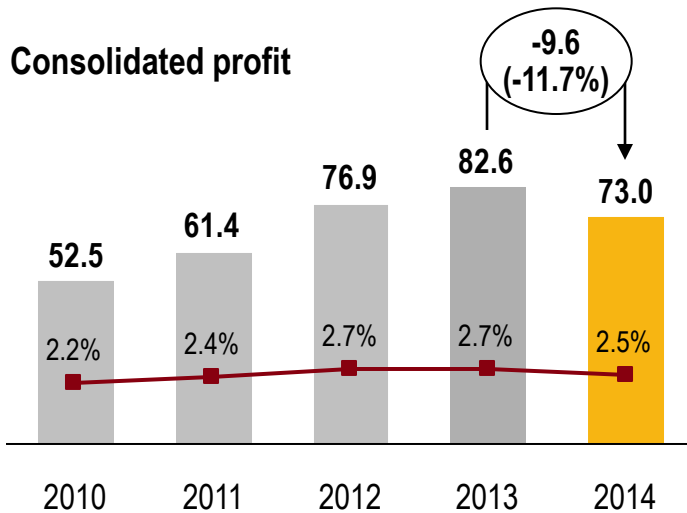
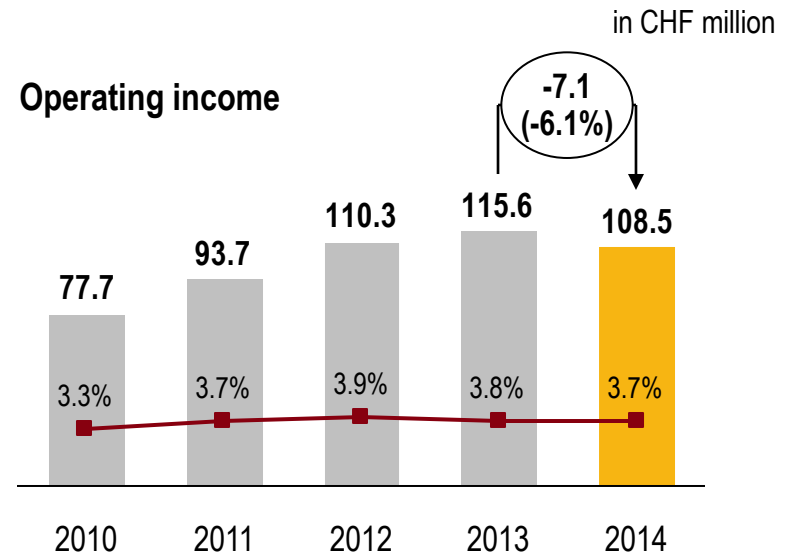
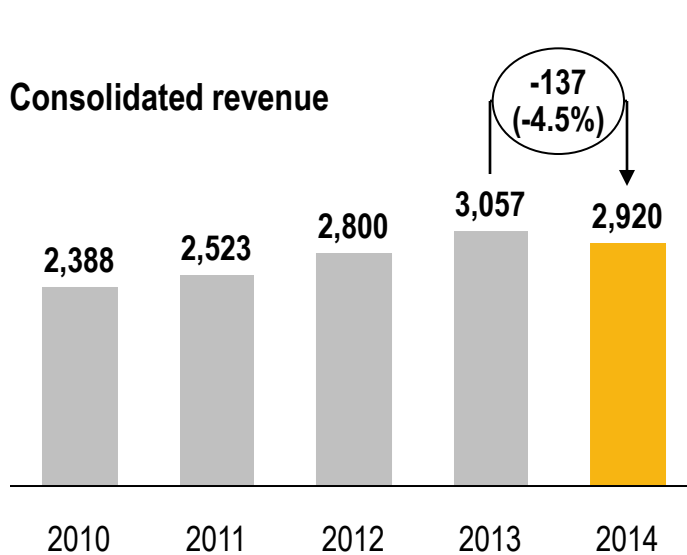
| | | |
|-------------|-------|---------|
| ROIC | 48.3% | +230bps |
|-------------|-------|---------|

One-Company-Model firmly established

Acquisition of Bilfinger Construction sustainably strengthens the Group

Highlights 2014

Good result despite difficult start



¹ Events per 1000 FTEs; all units in Switzerland

Highlights 2014

Priorities set out

Topics

Business

Future

Processes

People

Sustainability

Tangible successes

- ✓ Quality of order books
- ✓ Important new international orders
- ✓ Momentum in Modernisation and Development
- ✓ Strong regional business

- ✓ Internal cooperation significantly improved
- ✓ Acquisition of Bilfinger Construction
- ✓ Essential progress in Procurement

- ✓ Invested in “Operational Excellence”
 - ✓ Integrated processes / IMS 2.0
 - ✓ “Lean” / BIM
- ✓ IT strengthened

- ✓ Implementation “Implenia Academy”
 - ✓ Winning the Future / Winning Performance
 - ✓ Training apprentices
- ✓ Talents developed and recruited

- ✓ Second sustainability report published
- ✓ Sustainable products and services implemented
- ✓ Significant decrease in number of occupational accidents

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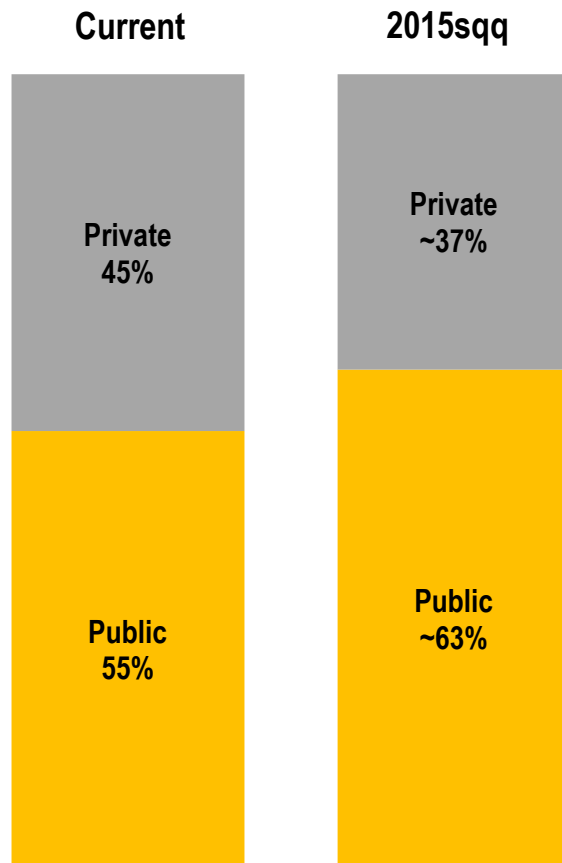
Real estate and construction market



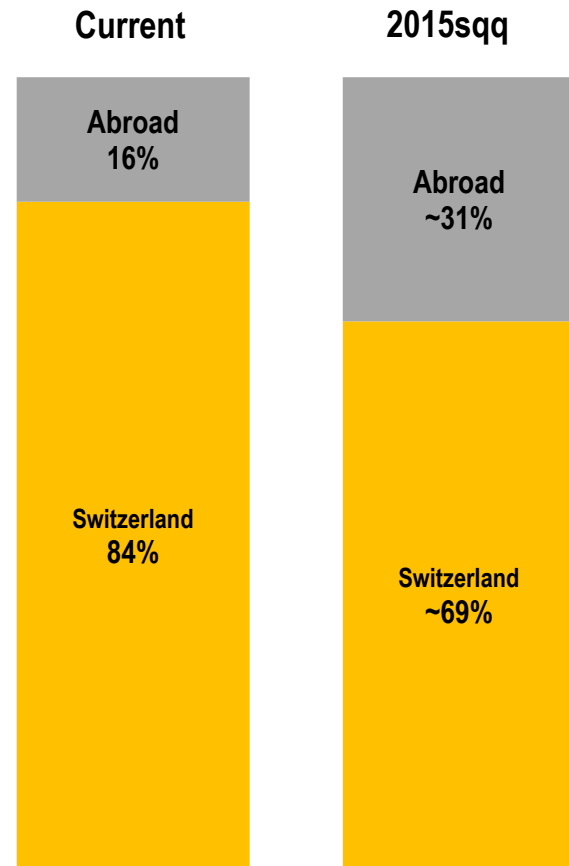
Real estate and construction market

Implenia better diversified: customers and markets

Revenue by customer segment



Revenue by markets



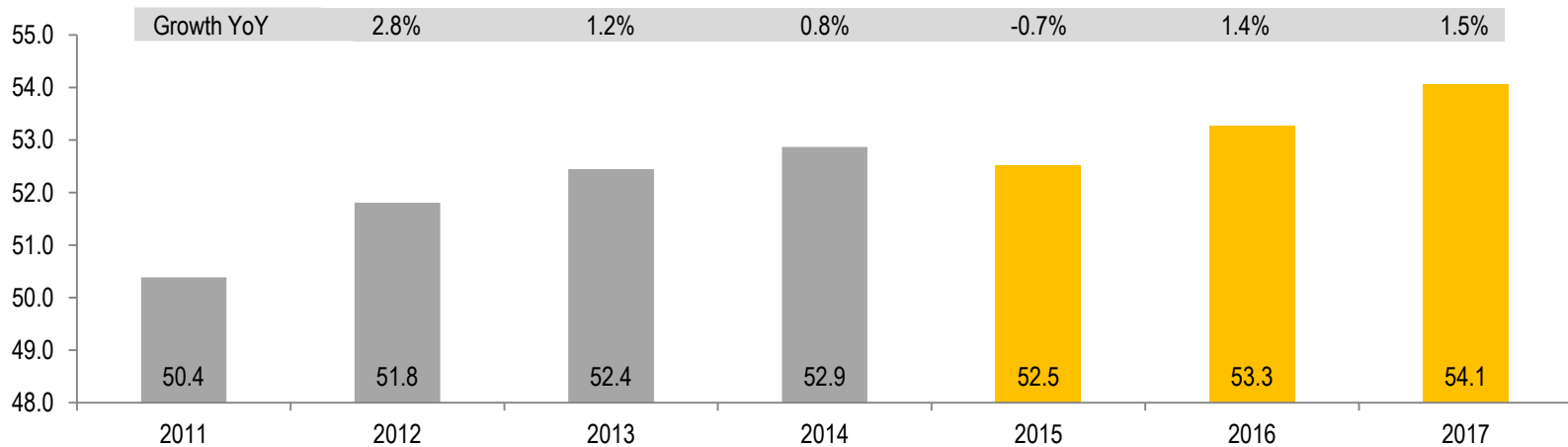
Real estate and construction market



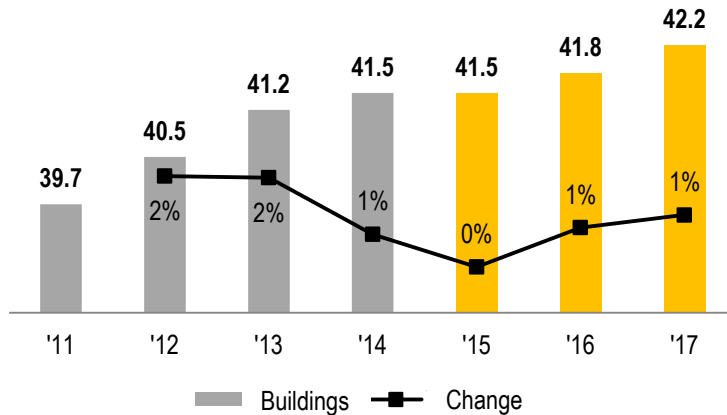
Stable at a high level

in EUR billion

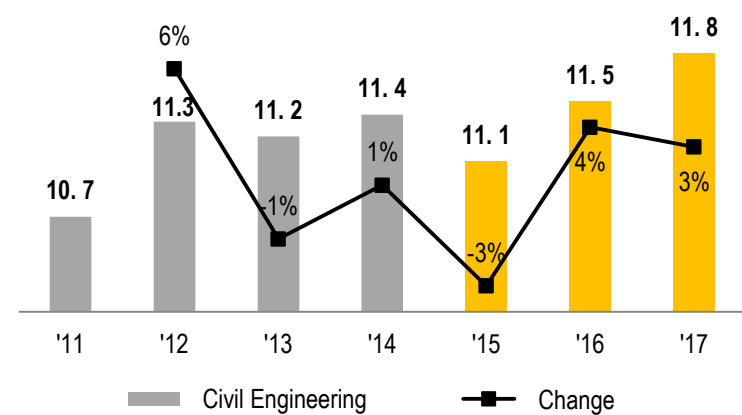
Total construction spending



Buildings – spending stable with a solid outlook



Civil engineering: spending recovery ahead

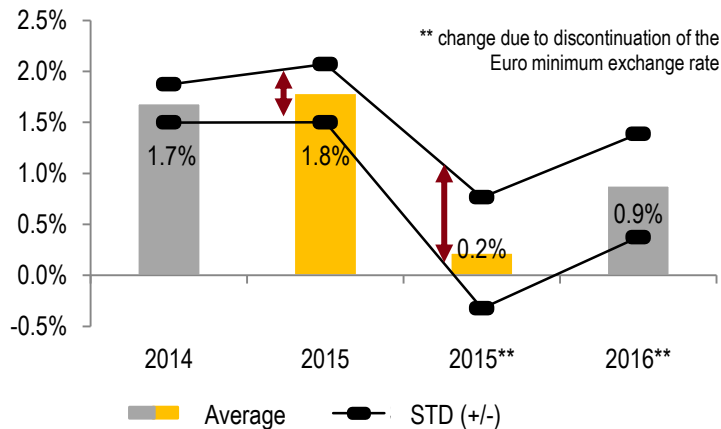


Source: Euroconstruct/KOF Dec 14

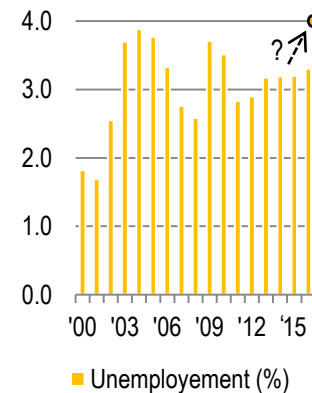


Discontinuation of the Euro minimum exchange rate Fundamentals intact but more challenging

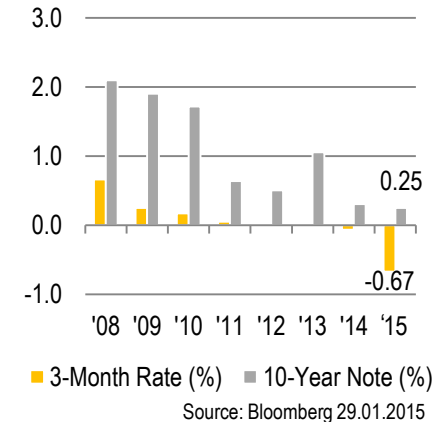
GDP forecast: large correction and higher variance



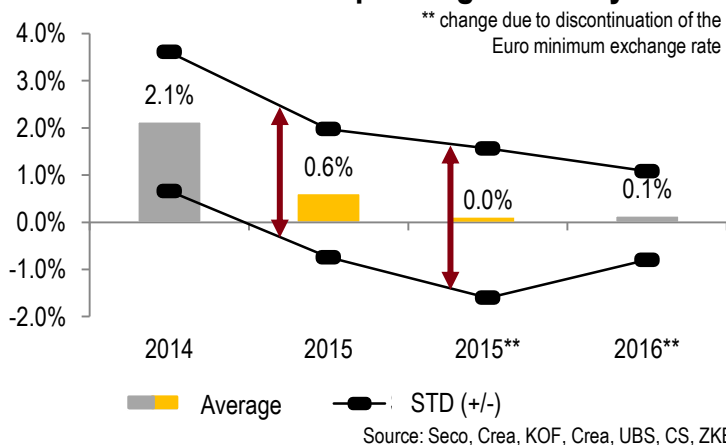
Unemployment rate



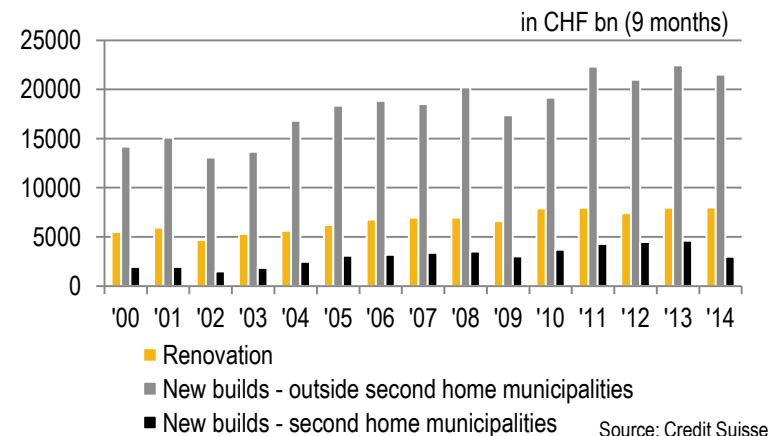
Interest rates



Growth in construction spending: relatively stable



Approved building construction volume

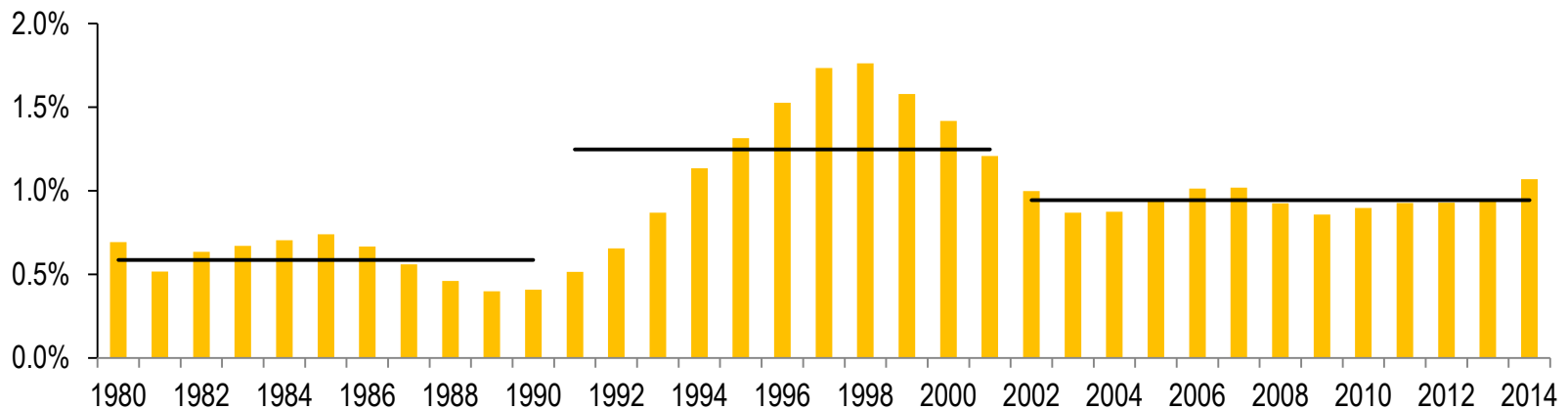


Real estate and construction market

Ongoing low vacancy rate

Vacancy rate

(Vacant apartments in % of estimated total housing stock)



Source: Swiss Federal Statistical Office

Current influencing factors

Delayed absorption

- Increasing number of rental properties (investment opportunities) in relation to condominium building leads to a temporarily higher rate
- Investors weight vacancy rate less due to the long investment horizon
- Foreign investors prefer safety over short term yield

Demand effects

- Surplus production in areas with poor demand (rural areas)
- Secondary home initiative (tourism cantons)
- Declining migration
- Increasing number of households (single family households)

Real estate and construction market

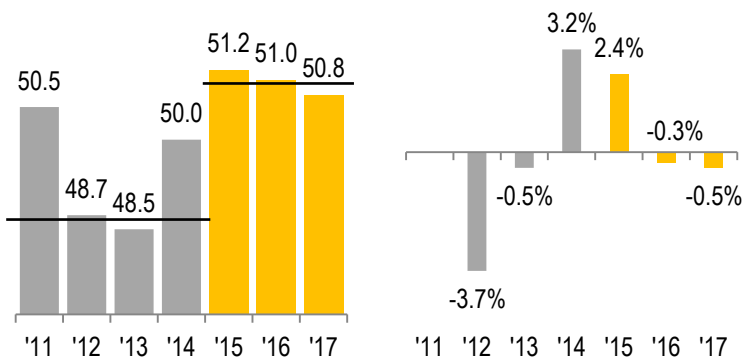
Increasing spending in infrastructure in our foreign core markets

in EUR Billion

Energy and transportation as catalysts

Spending in civil engineering

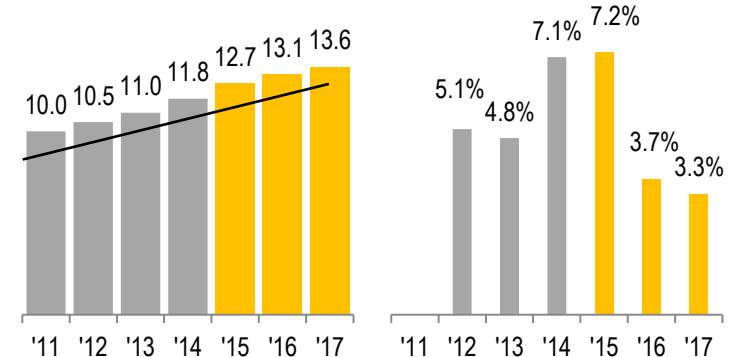
Change (in %)



Two decades of growth – only mid-way reached

Spending in civil engineering

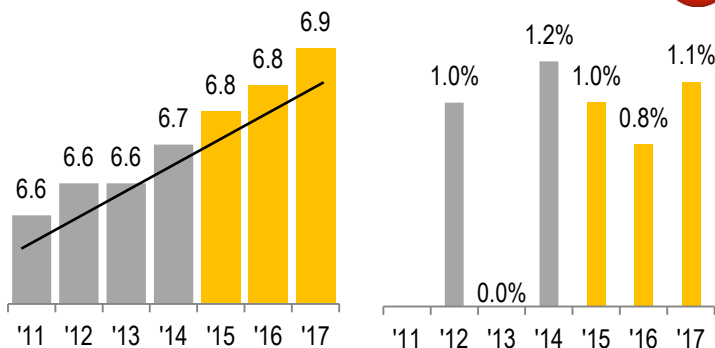
Change (in %)



Tunnel projects account for a large part of spending

Spending in civil engineering

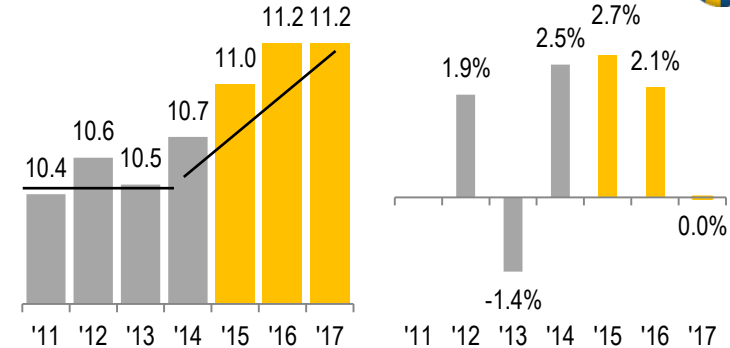
Change (in %)



Transportation – important investments planned

Spending in civil engineering

Change (in %)

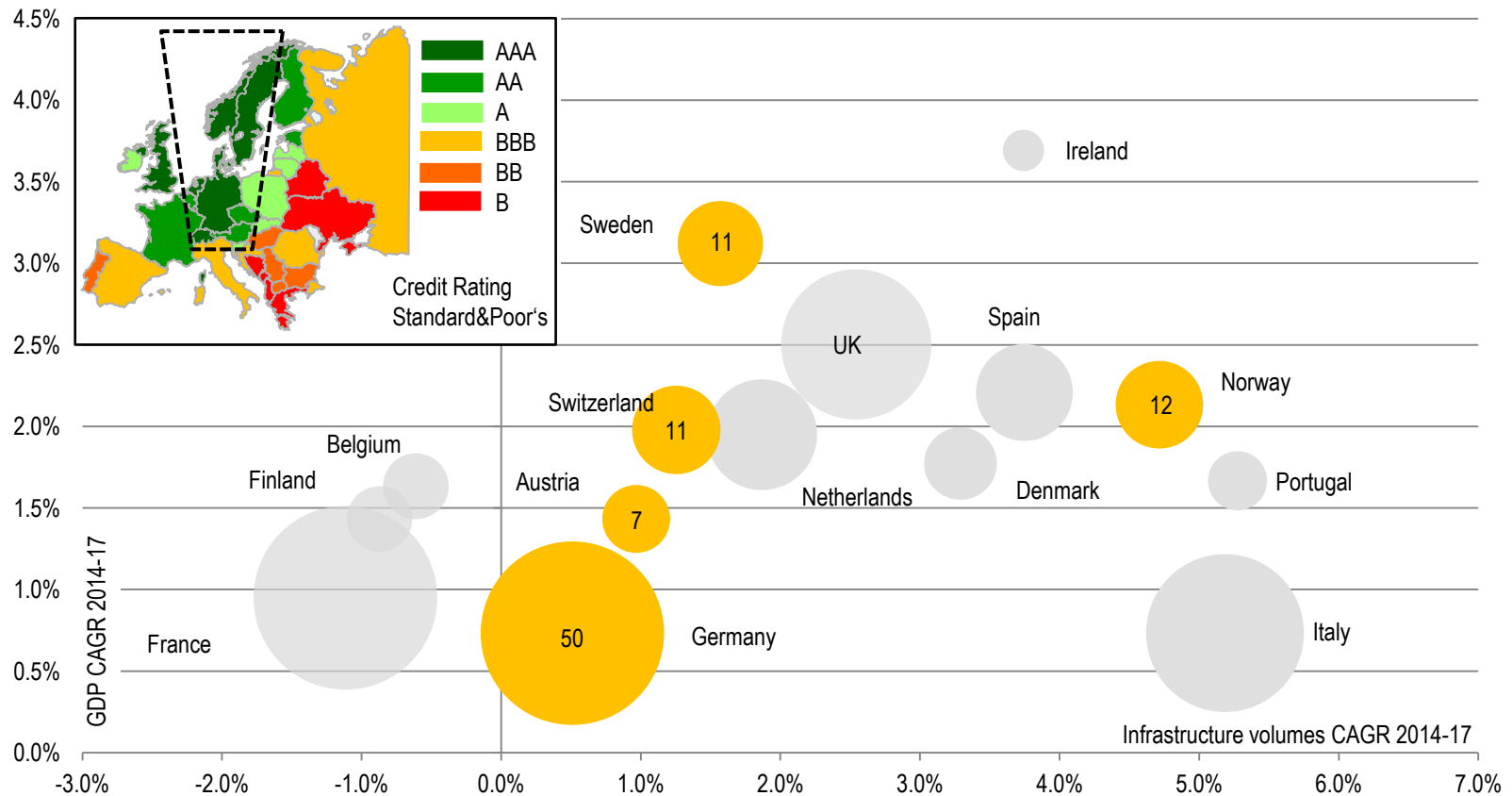


Source: Euroconstruct Dec 14

Real estate and construction market

Successfully positioned in Europe's most attractive markets

GDP growth, infrastructure market growth and market size
(CAGR 2014-17; in EUR bn)



Source: www.standardandpoors.com, Euroconstruct December 2014

Real estate and construction market

Conclusion: markets are intact



Switzerland

Public sector

- Stable market as infrastructure projects have a long-term focus
- Positive impact from FABI (long-distance expansion of rail infrastructure) from 2016 onwards
- Pent-up demand in refurbishment

Private sector

- Consolidation at a high level expected
- Ongoing solid fundamentals
- Political environment poses higher uncertainty

Norway

- National Transport Plan 2014-23 (NOK 508 bn) secures investments

Germany

- Stable development in the largest European market on a clearly higher level

Austria

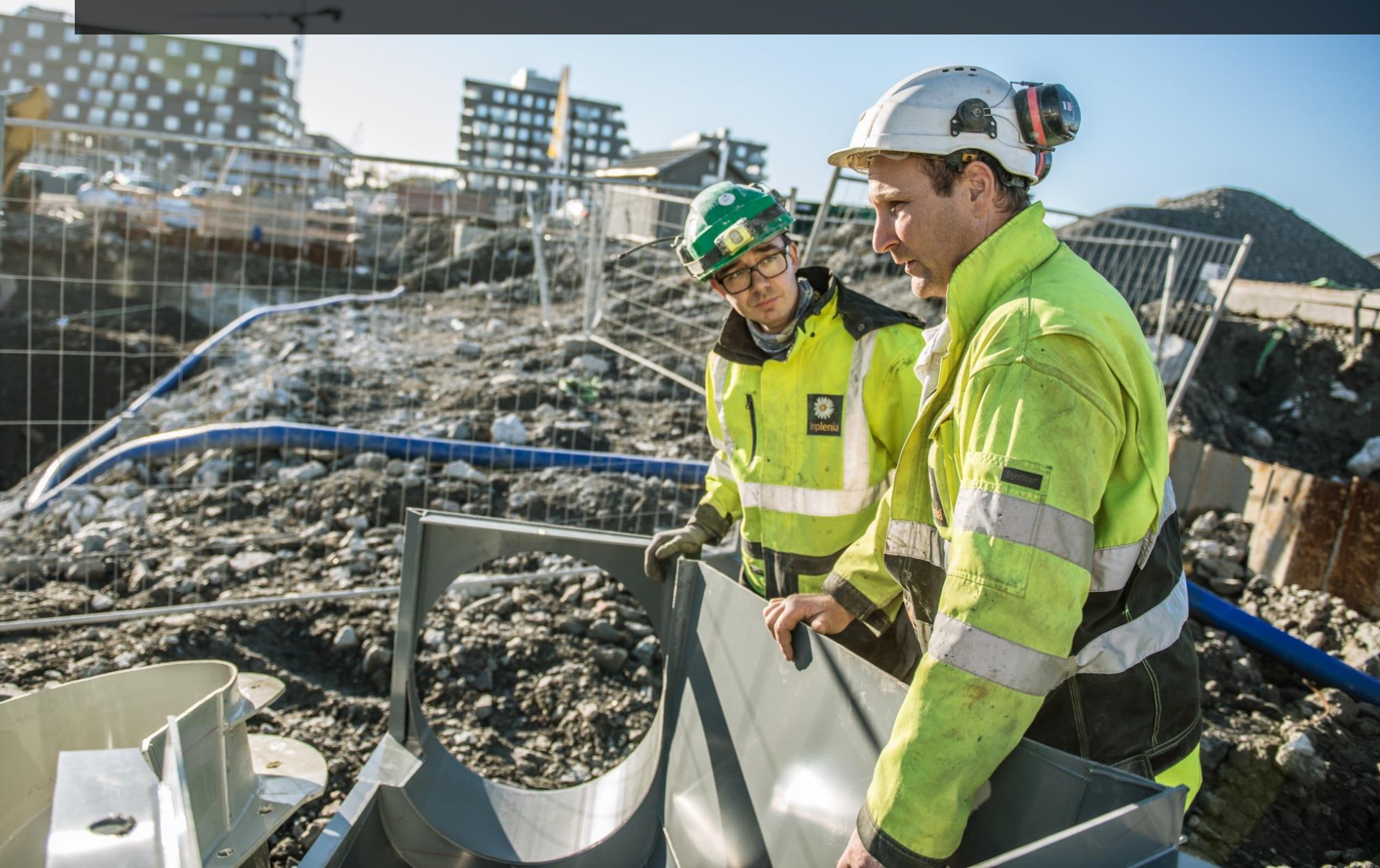
- “Zielnetz 2025+” rail project and Brenner base tunnel require major investments

Sweden

- National Transport Plan 2014-25 (SEK 522 bn) – growth in railway / road construction

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Our segments



Our segments

Segments – the acquisition of Bilfinger Construction strengthens Implenias position



Modernisation

Consulting

TC / GC

Execution

Wooden construction

Engineering



Development

Real estate project development



Buildings

TC / GC

Complex building construction



Tunnelling & CE

Underground construction



Civil engineering



Foundation engineering



Refurbishment



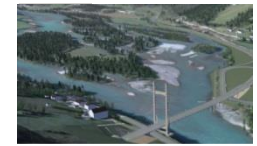
Construction Switzerland

Civil works

Roads

Regional building construction

Plants



Norge

Underground construction



Infrastructure



Niches



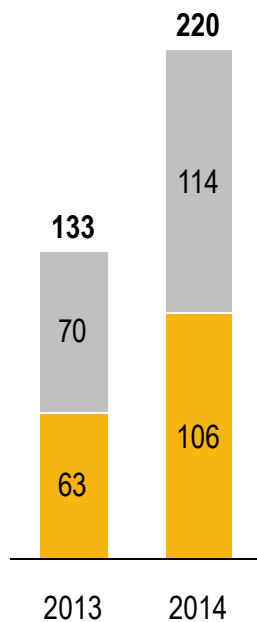
“One company, one goal, one spirit”

Our segments

Modernisation – on track, successfully positioned

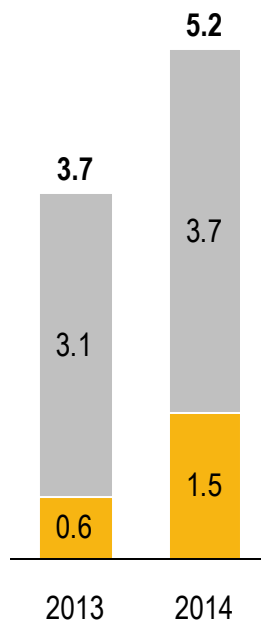
in CHF million

Revenue



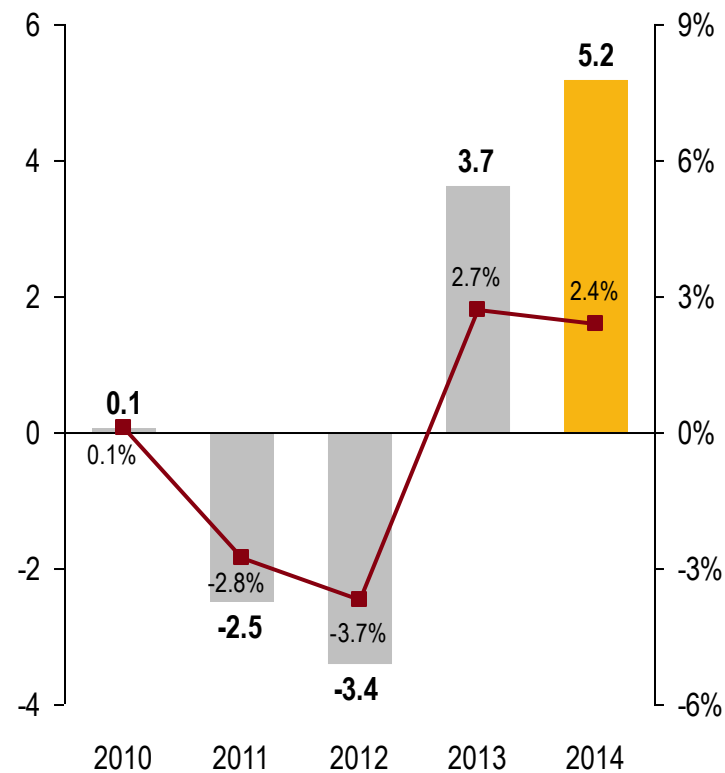
2nd half-year
1st half-year

EBIT



2nd half-year
1st half-year

EBIT / EBIT margin

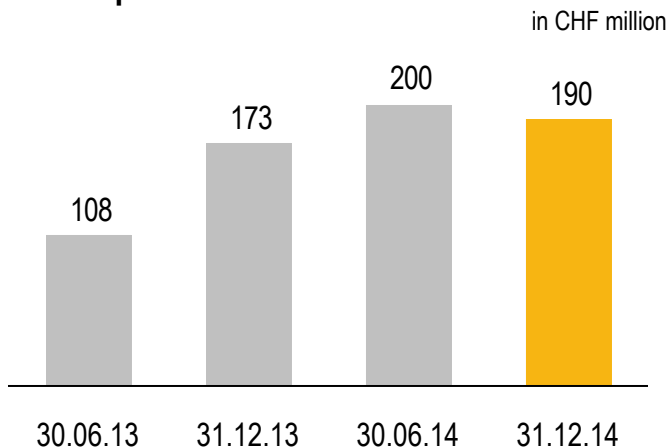


Margin (in %)
EBIT

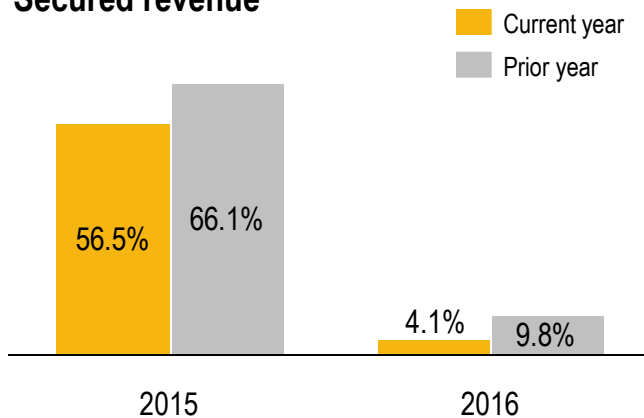
Our segments

Modernisation – rollout to new regions

Development of order book



Secured revenue



Restated due to segment adjustments



"Bleicherweg" Zurich

Highlights

- High and profitable growth
- Wooden Construction at full capacity and with strong unique selling proposition
- Engineering – untapped potential

Focus

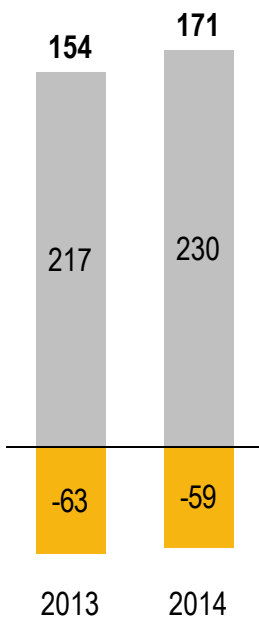
- Expansion from ZH/AG/BL throughout German-speaking Switzerland
- Wooden Construction invests in new production facility
- Engineering – focus on "One Company" projects

Our segments

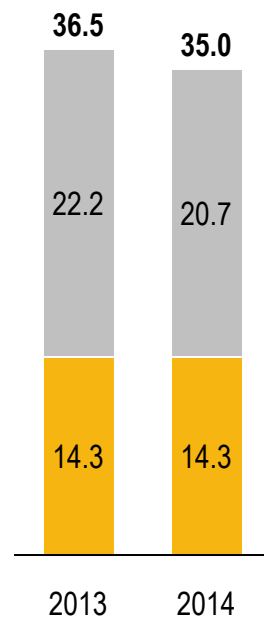
Development – good portfolio

in CHF million

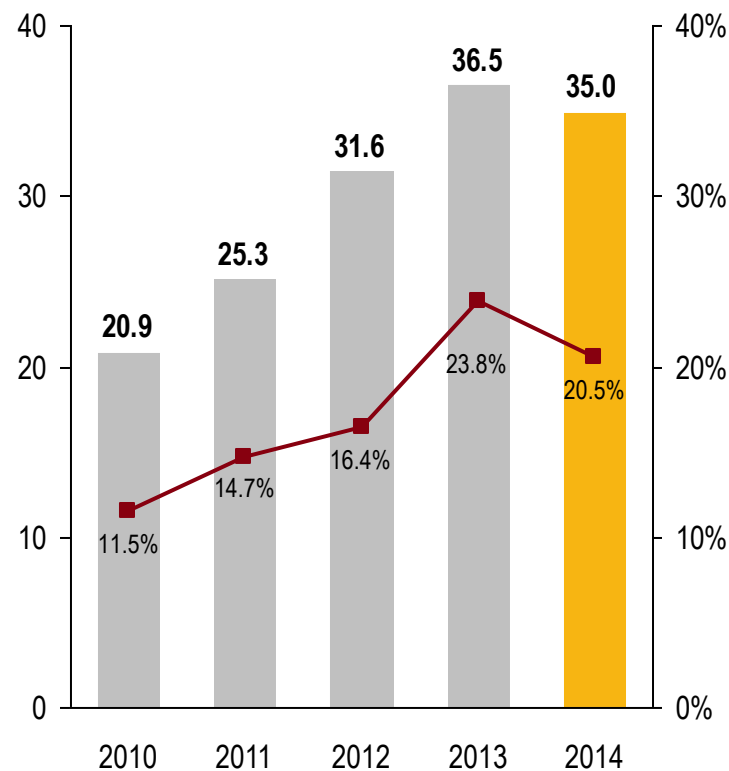
Invested Capital



EBIT



EBIT / ROIC



■ Other balance sheet positions
■ Real estate transactions

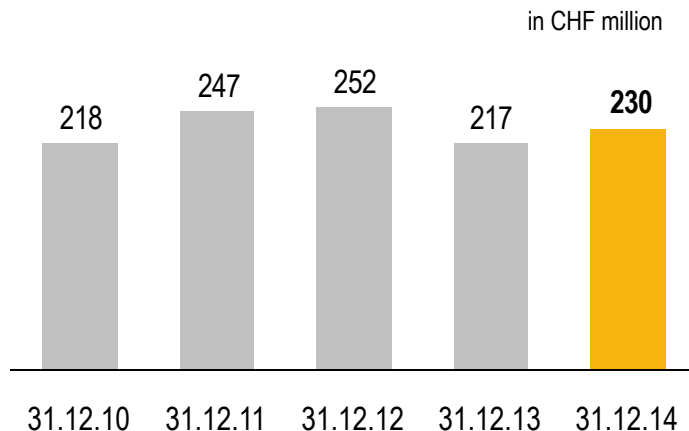
■ 2nd half-year
■ 1st half-year

■ ROIC (in %)
■ EBIT

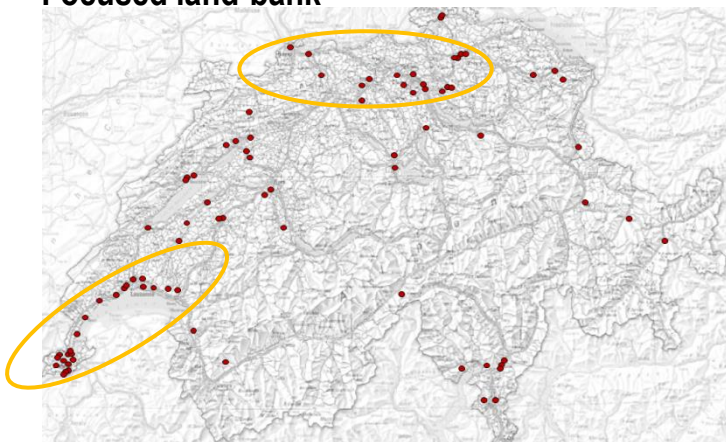
Our segments

Development – real estate remains an attractive investment class

Real estate portfolio



Focused land-bank



"Portalyssa" Lyss

Highlights

- Solid performance confirmed
- High momentum in Greater Zurich Area
- Investments in the land-bank (especially in Western Switzerland) ensure future development
- Ongoing high demand in investment properties

Focus

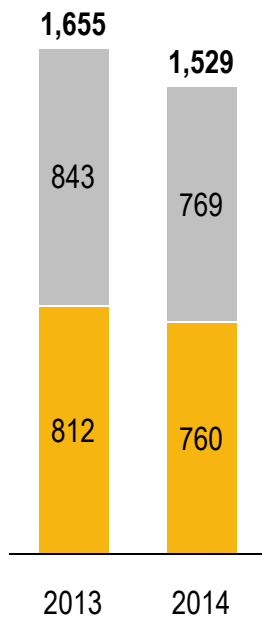
- Quality of project pipeline looks promising
- Focus increasingly on vertical markets ("health" and "senior housing")
- Investment opportunities remain scarce for institutional investors due to low interest rates

Our segments

Buildings – back on track

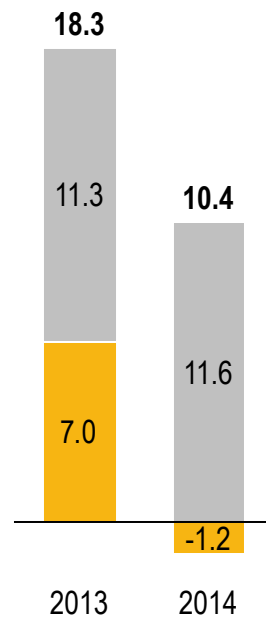
in CHF million

Revenue



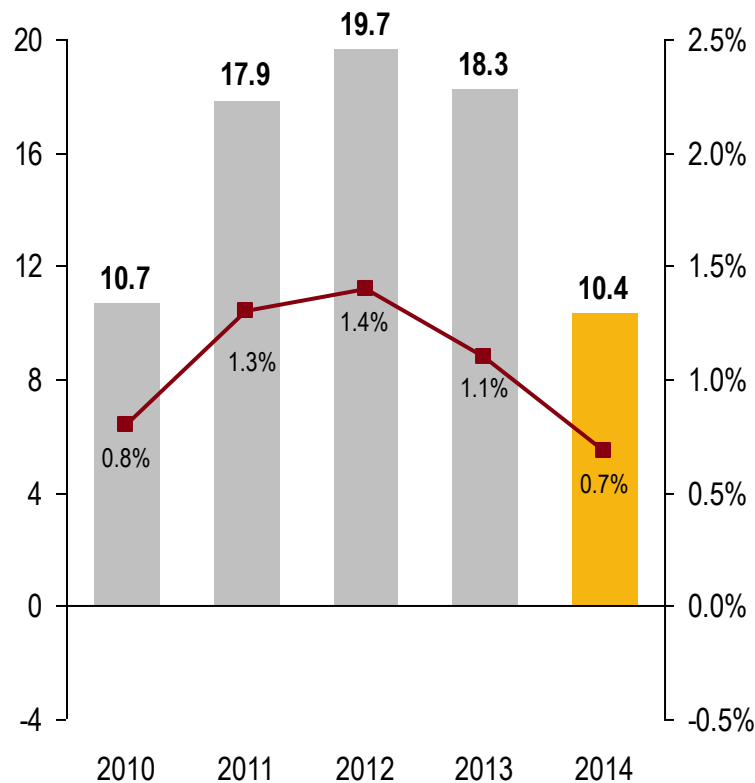
2nd half-year
1st half-year

EBIT



2nd half-year
1st half-year

EBIT / EBIT margin



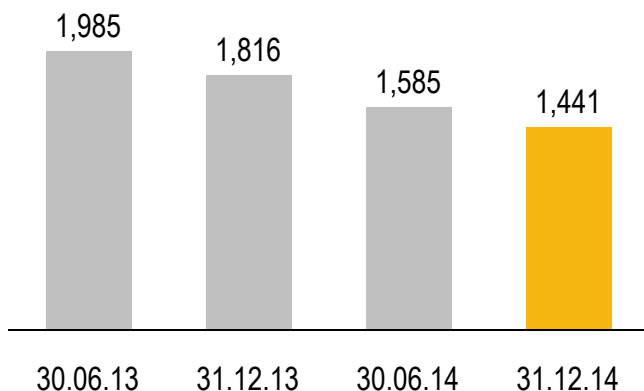
Margin (in %)
EBIT

Our segments

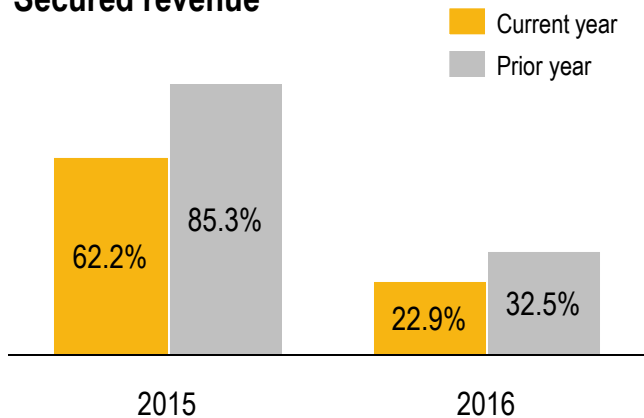
Buildings – process optimisations are taking effect

Development of order book

in CHF million



Secured revenue



Restated due to segment adjustments



"Jakobshornbahn" Davos

Highlights

- Challenging year following the earnings correction in the first half-year
- Invested heavily in processes and management adjustments
- Solid performance in the second half-year
- Order book: quality before quantity

Focus

- Increasing market uncertainty requires consolidation in 2015
Customers: qualitative acquisitions
Personnel: correct application of processes
Projects: solid execution

Our segments

Buildings – processes optimised and implemented

2014

2015...

Customers

- ✓ Quality and development of good customer relationships as first priority
- ✓ Ongoing analysis of customer orientation

Processes

- ✓ New process landscape created and introduced (incl. SAP)
- ✓ Integrated process (incl. group functions)
- ✓ Rigorous application
- ✓ Comprehensive communication of new processes
- ✓ “IMS 2.0”: conceptual framework for process application, pilot programme started

Employees

- ✓ New training modules developed and introduced
- ✓ Close involvement of regional management (& organisation)
- ✓ Executive Board Buildings is closely involved in the implementation of the defined measures

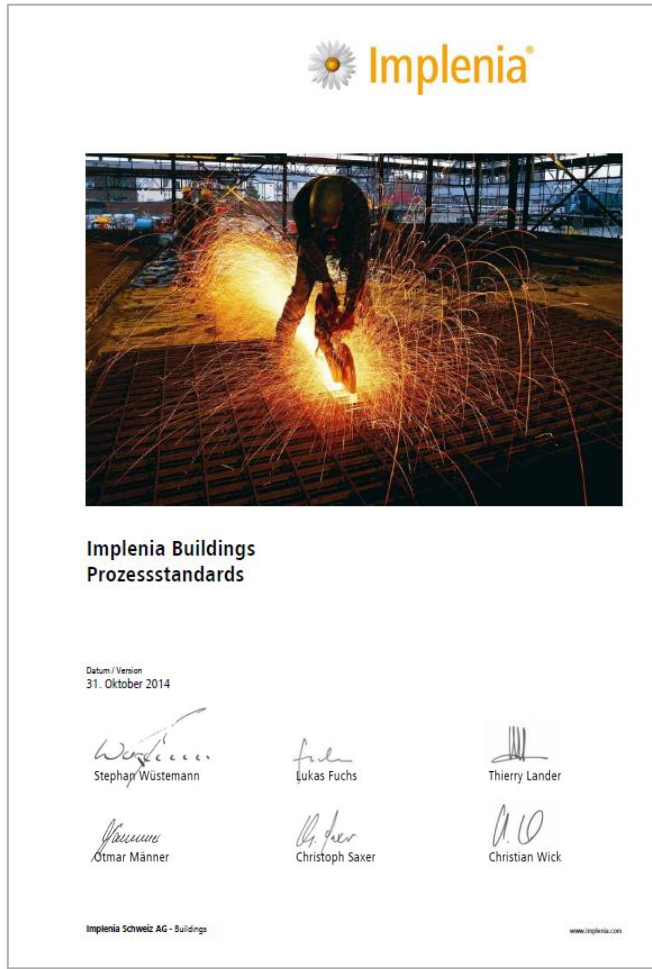
Projects

- ✓ “Lean”: operating model elaborated, pilot program started
- ✓ Multidisciplinary teams for project optimisation
- ✓ Deviation of project margins are reviewed regularly
- ✓ Debriefings for all lost bids introduced



Our segments

Buildings – processes are crucial for success

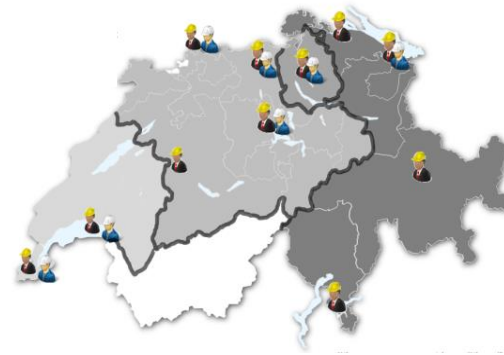


Committed – processes signed by each Executive Board Member

“We are convinced that the consequent application of our processes and their continuous improvement will create a competitive advantage and lead to financial success.”

Executive Board Implenia Buildings

Implementation – process trainings across all regions completed

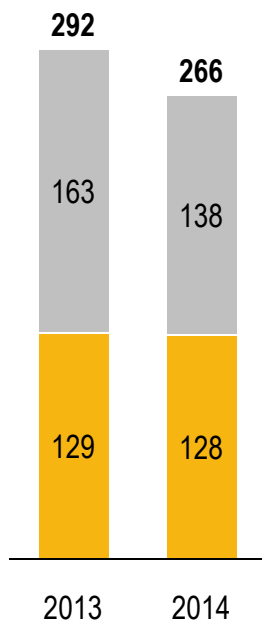


Our segments

Tunnelling & Civil Engineering – very good performance Tunnel Switzerland

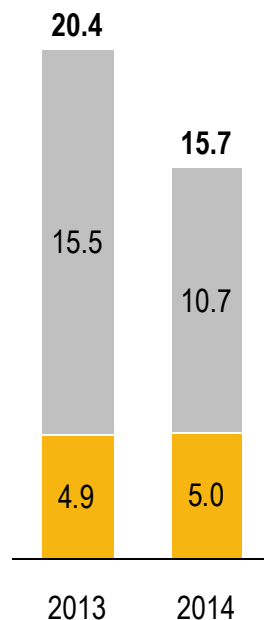
in CHF million

Revenue



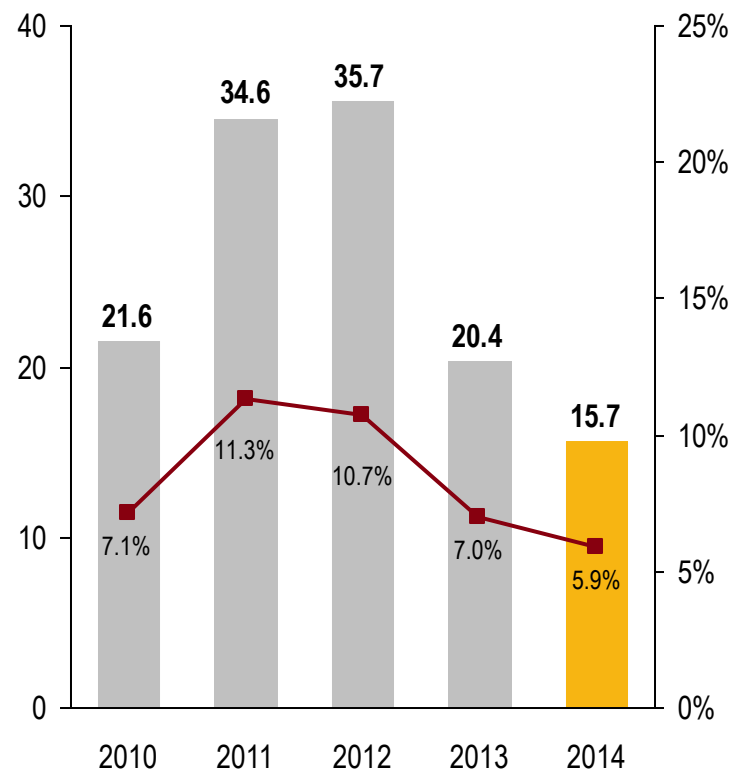
2nd half-year
1st half-year

EBIT



2nd half-year
1st half-year

EBIT / EBIT margin

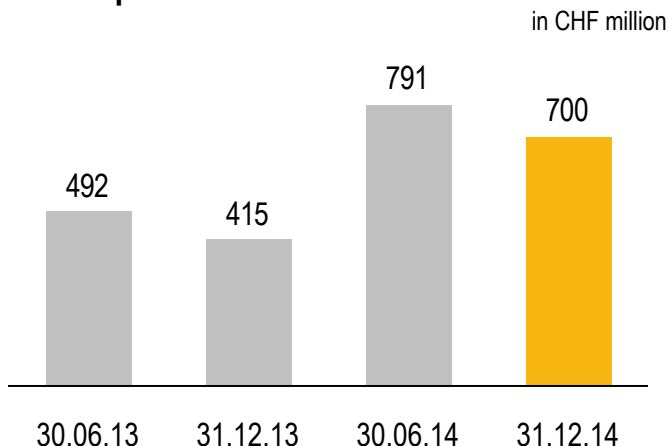


Margin (in %)
EBIT

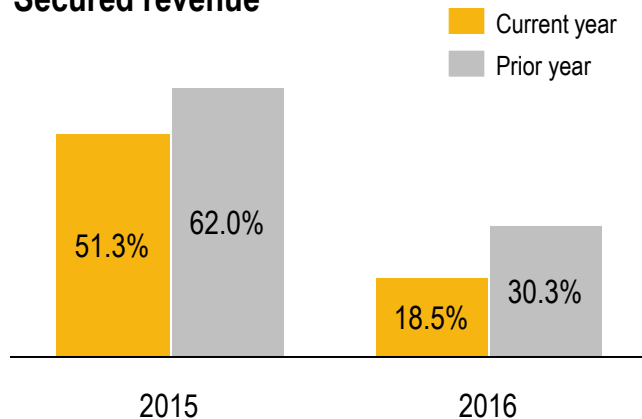
Our segments

Tunnelling & Civil Engineering – order backlog increased significantly

Development of order book



Secured revenue



"Mositunnel" Brunnen

Highlights

- Seamless change in management
- Good tunnel performance in Switzerland
- Capacity issues in foundation engineering
- Very promising start in Austria (successful acquisitions, project start Semmering, customer relationships)

Focus

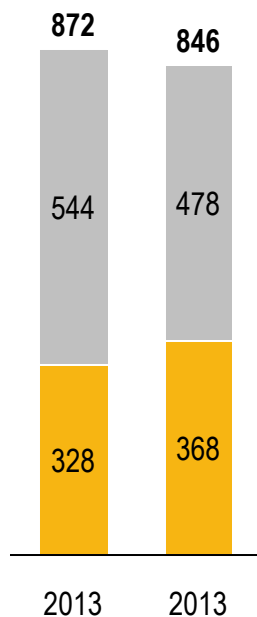
- New orders expected in Switzerland
- Promising order book in Austria
- Acquisition of Bilfinger Construction will improve our market position and push our internationalisation
- Reaching its lowest point in 2015

Our segments

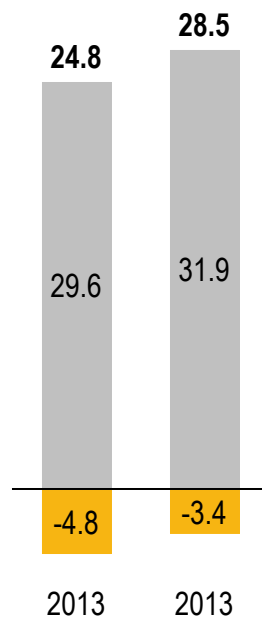
Construction Switzerland – reliable backbone

in CHF million

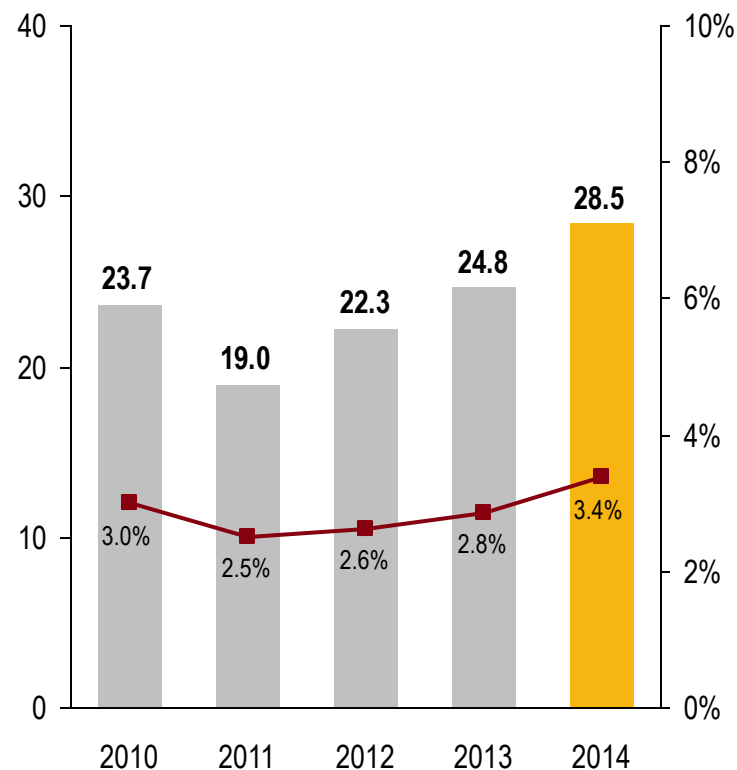
Revenue



EBIT



EBIT / EBIT margin



2nd half-year
1st half-year

2nd half-year
1st half-year

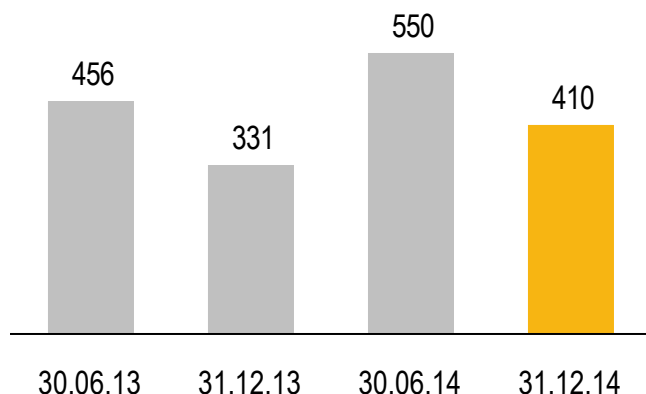
Margin (in %) EBIT

Our segments

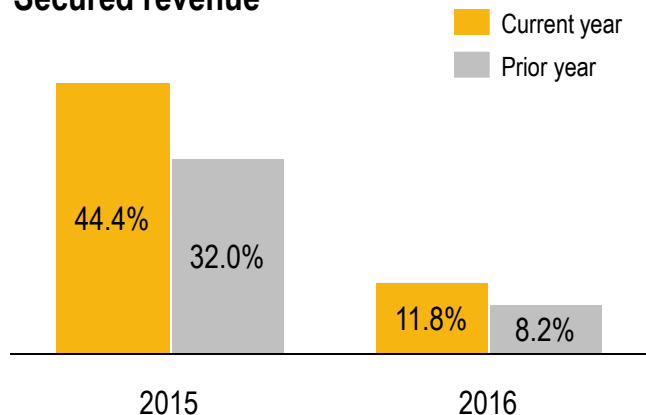
Construction Switzerland – focus on strengthening structures

Development of order book

in CHF million



Secured revenue



Restated due to segment adjustments



"Rain water drain" Geneva

Highlights

- Success driven by Western Switzerland and Greater Zurich Area
- Material contributions from plants (aggregates)
- Rest of German-speaking Switzerland offers potential

Focus

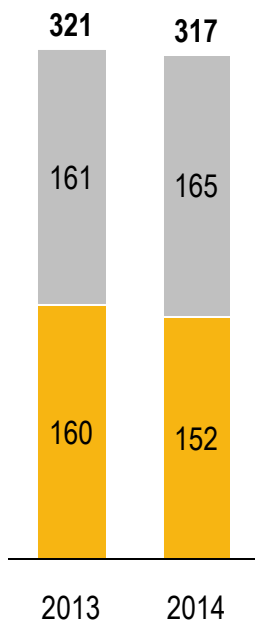
- Order book reflects healthy markets
- Strengthen position as Implenias backbone
- Bring weaker regions back to the targeted path

Our segments

Norge – focused on consolidation

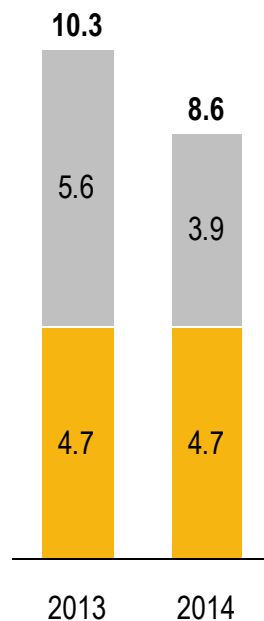
in CHF million

Revenue



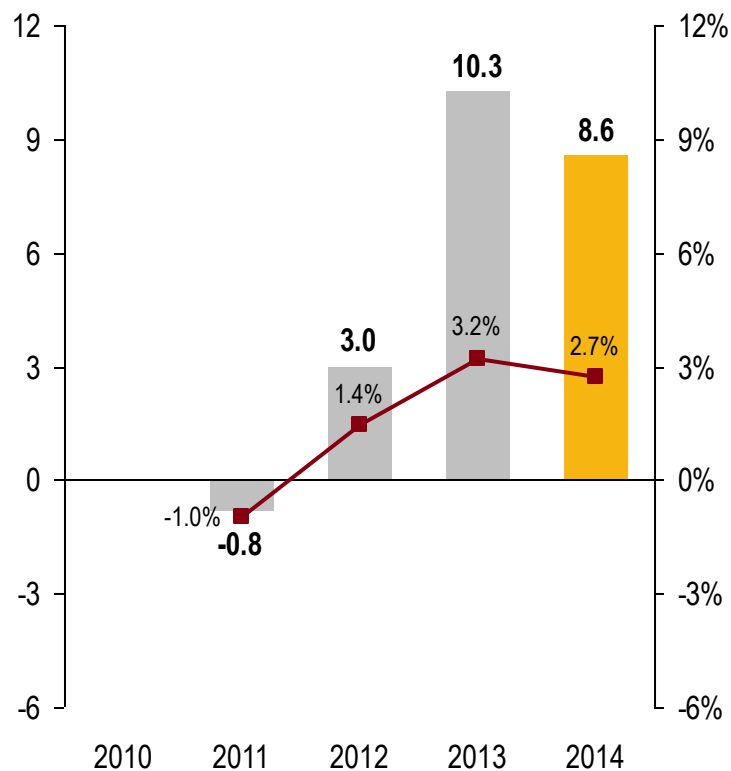
2nd half-year
1st half-year

EBIT



2nd half-year
1st half-year

EBIT / EBIT margin



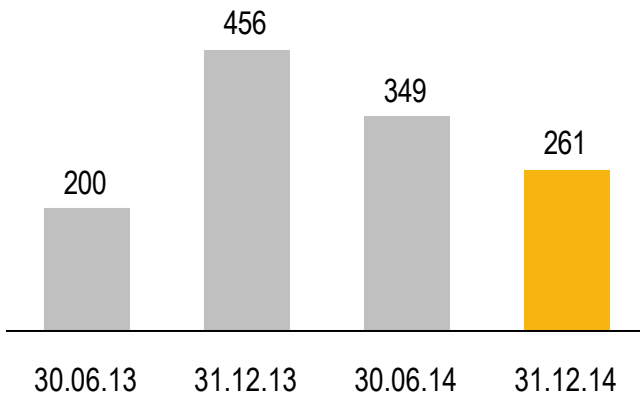
Margin (in %)
EBIT

Our segments

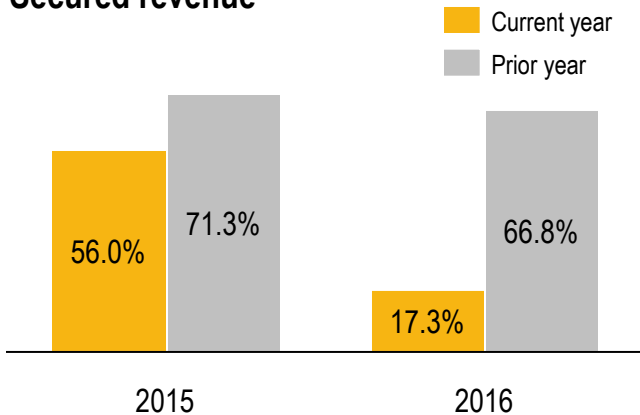
Norge – well positioned for future success

Development of order book

in CHF million



Secured revenue



"Pedestrian and bicycle bridge" Trondheim

Highlights

- Deliberate decision to consolidate
- Investments in structures, processes as well as execution quality
- Currency devaluation impacted results (CTA)
- EBIT – reflecting the consolidation phase

Focus

- Market remains promising
- Investments will pay off
- Back on growth track within the next 12 to 24 months
- Synergies given thanks to the acquisition of Bilfinger Construction

Our segments

EBIT Business Units – impressive result despite a difficult start

| in CHF million | 2014 | 2013 | +/- in % |
|--------------------------------|--------------|--------------|--------------|
| Modernisation & Development | 40.2 | 40.2 | -0.1% |
| Buildings | 10.4 | 18.3 | -43.2% |
| Tunnelling & Civil Engineering | 15.7 | 20.4 | -23.0% |
| Construction Switzerland | 28.5 | 24.8 | 15.2% |
| Norge | 8.6 | 10.3 | -16.4% |
| EBIT Business Units | 103.4 | 114.0 | -9.3% |

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IFRS Reporting



IFRS Reporting

Solid result despite one-offs

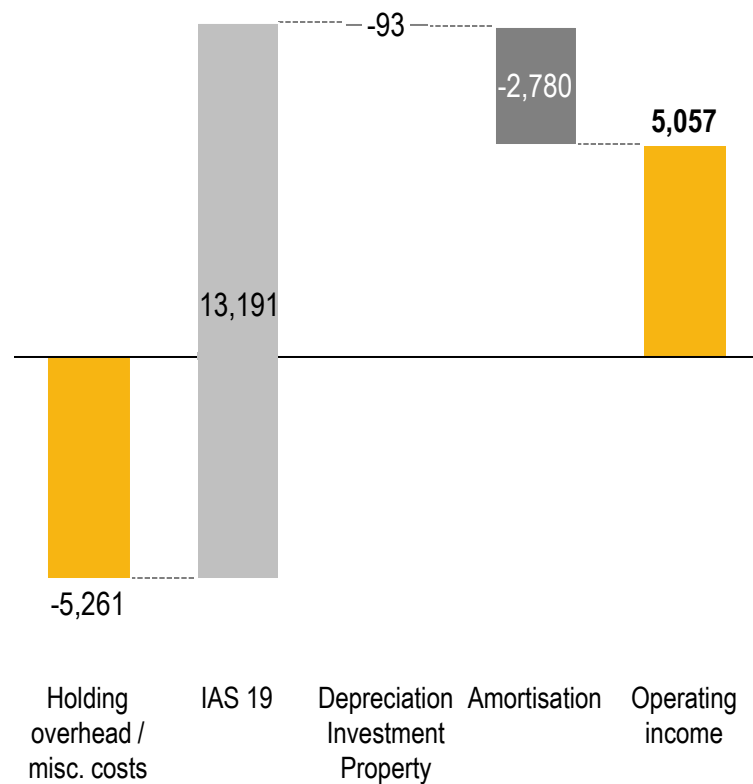
| in CHF million | 2014 | 2013 | +/- in % |
|----------------------------|--------------|--------------|----------|
| EBIT Business Units | 103.4 | 114.0 | -9.3% |
| Miscellaneous/Holding | 5.1 | 1.7 | 204.1% |
| Operating income | 108.5 | 115.6 | -6.2% |
| | 3.7% | 3.8% | |
| Financial result | -8.2 | -7.8 | -5.2% |
| Tax | -27.3 | -25.1 | -8.4% |
| Consolidated profit | 73.0 | 82.6 | -11.7% |
| | 2.5% | 2.7% | |
| EBITDA | 151.3 | 158.4 | -4.5% |

IFRS Reporting

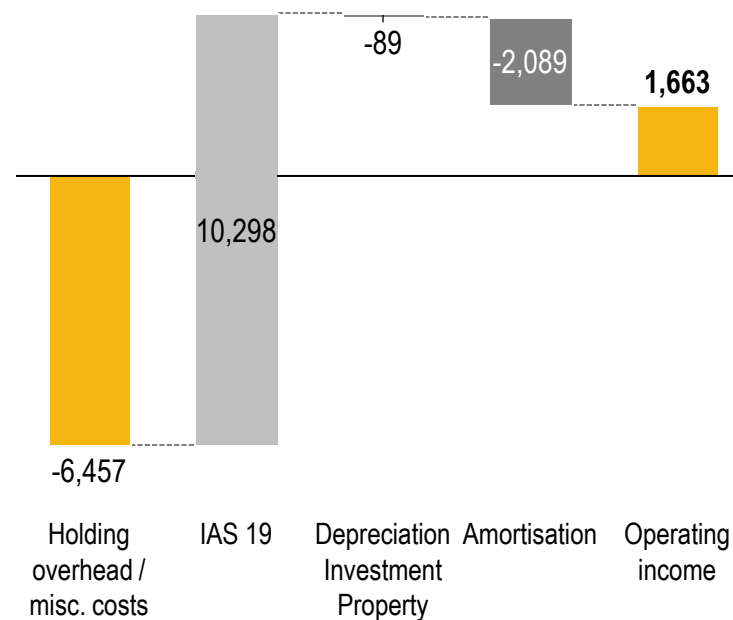
Miscellaneous/Holding – costs under control

in 1,000 CHF

2014

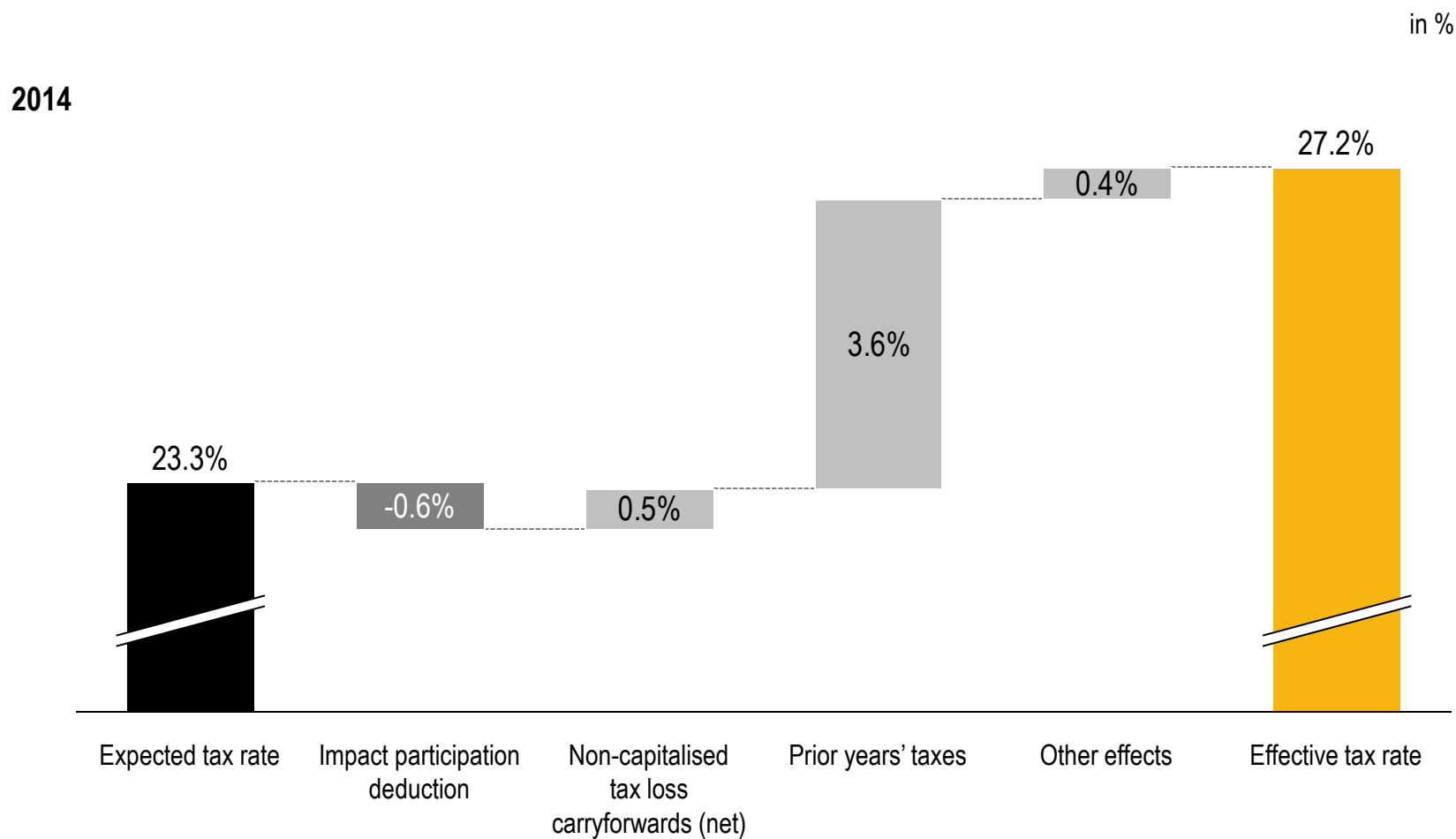


2013



IFRS Reporting

Tax expense – impacted by one-off effect



| | | | | | | |
|-------------|-------|-------|-------|------|------|-------|
| 2013 | 21.8% | -0.6% | -0.1% | 0.3% | 1.9% | 23.3% |
|-------------|-------|-------|-------|------|------|-------|

IFRS Reporting

Assets – increase in cash

| in CHF million | 31.12.2014 | 31.12.2013 | +/- in % |
|---|----------------|----------------|----------|
| Cash and cash equivalents, securities | 731.6 | 582.7 | |
| Trade receivables | 542.0 | 513.5 | |
| Work in progress / joint ventures (equity method) | 342.0 | 367.3 | |
| Real estate transactions | 229.8 | 217.5 | |
| Other current assets | 98.6 | 101.4 | |
| Total current assets | 1,944.0 | 1,782.4 | 9.1% |
| Total non-current assets | 413.7 | 414.0 | -0.1% |
| Total ASSETS | 2,357.7 | 2,196.4 | 7.3% |

IFRS Reporting

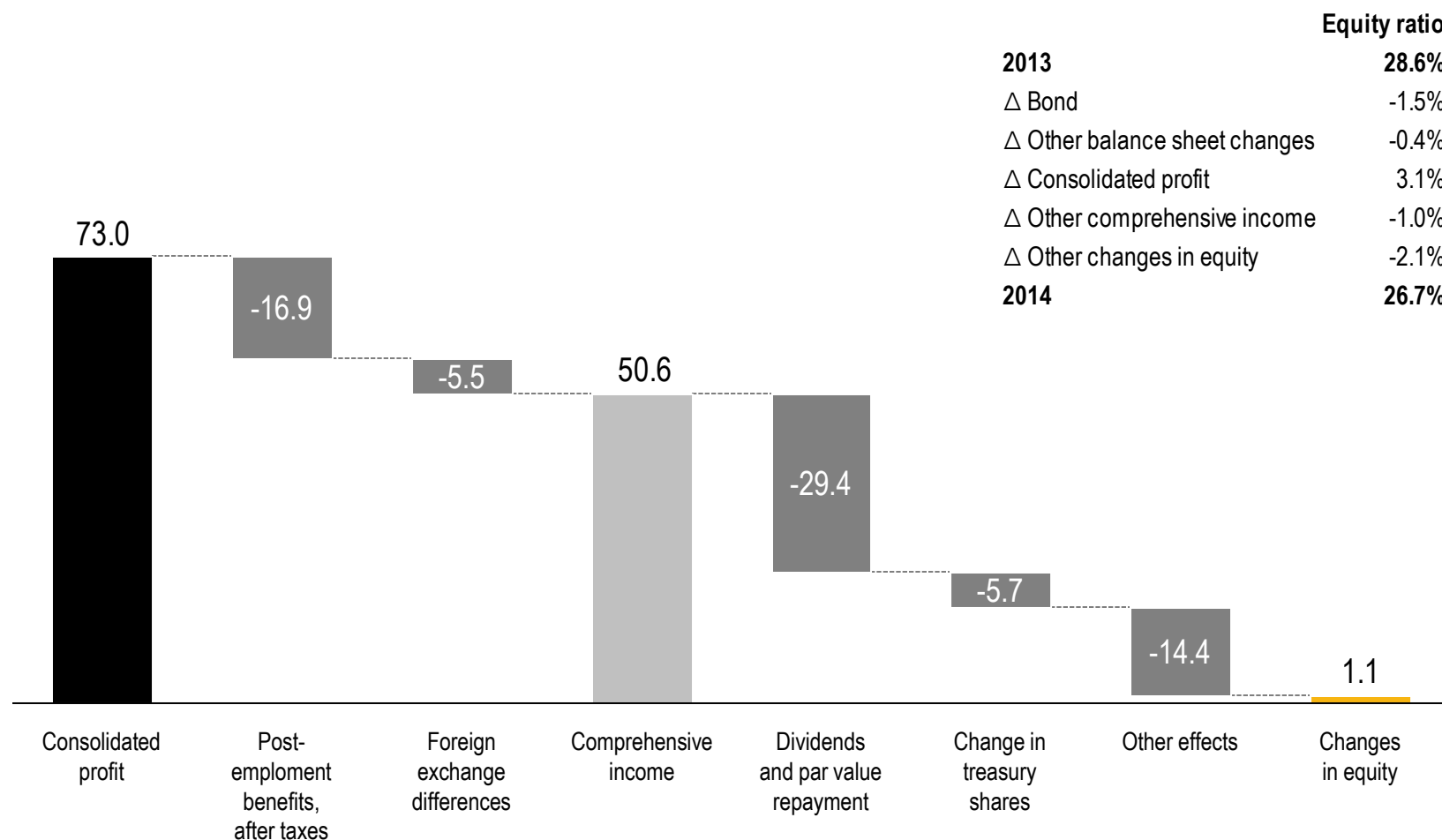
Liabilities – increase due to new bond of CHF 125 million

| in CHF million | 31.12.2014 | 31.12.2013 | +/- in % |
|---|----------------|----------------|----------|
| Current financial liabilities | 3.3 | 3.5 | |
| Trade payables | 368.7 | 362.7 | |
| Work in progress / joint ventures (equity method) | 719.9 | 678.0 | |
| Other non-current liabilities | 229.2 | 232.2 | |
| Total current liabilities | 1,321.1 | 1,276.4 | 3.5% |
| Non-current financial liabilities | 326.8 | 208.0 | |
| Other non-current liabilities | 1.9 | 2.2 | |
| Deferred taxes, provisions, pension assets | 78.1 | 81.1 | |
| Total non-current liabilities | 406.8 | 291.3 | 39.7% |
| Equity and non-controlling interests | 629.8 | 628.7 | 0.2% |
| Total LIABILITIES | 2,357.7 | 2,196.4 | 7.3% |

IFRS Reporting

Equity unchanged – impacted by pension funds and FX effects

in CHF million

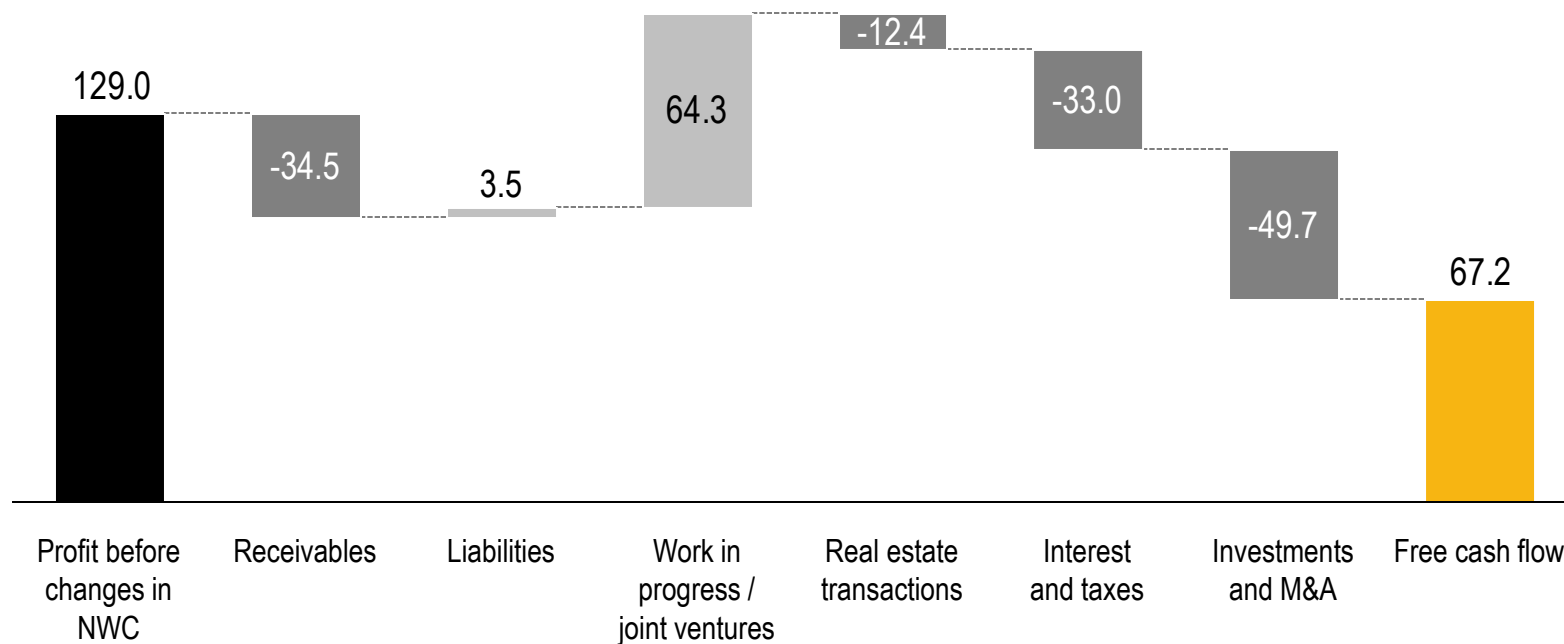


IFRS Reporting

Cash flow statement – sound free cash flow

in CHF million

2014



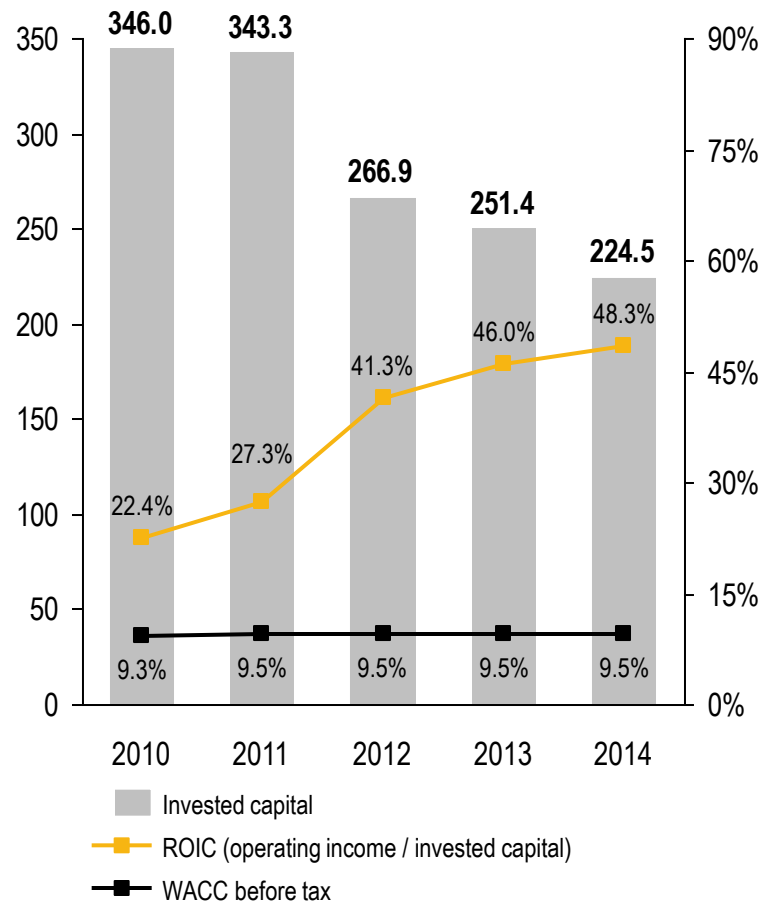
| | Profit before changes in NWC | Receivables | Liabilities | Work in progress / joint ventures | Real estate transactions | Interest and taxes | Investments and M&A | Free cash flow |
|------|------------------------------|-------------|-------------|-----------------------------------|--------------------------|--------------------|---------------------|----------------|
| 2013 | 142.8 | -28.0 | 134.5 | -129.2 | 33.3 | -30.1 | -44.4 | 78.9 |

IFRS Reporting

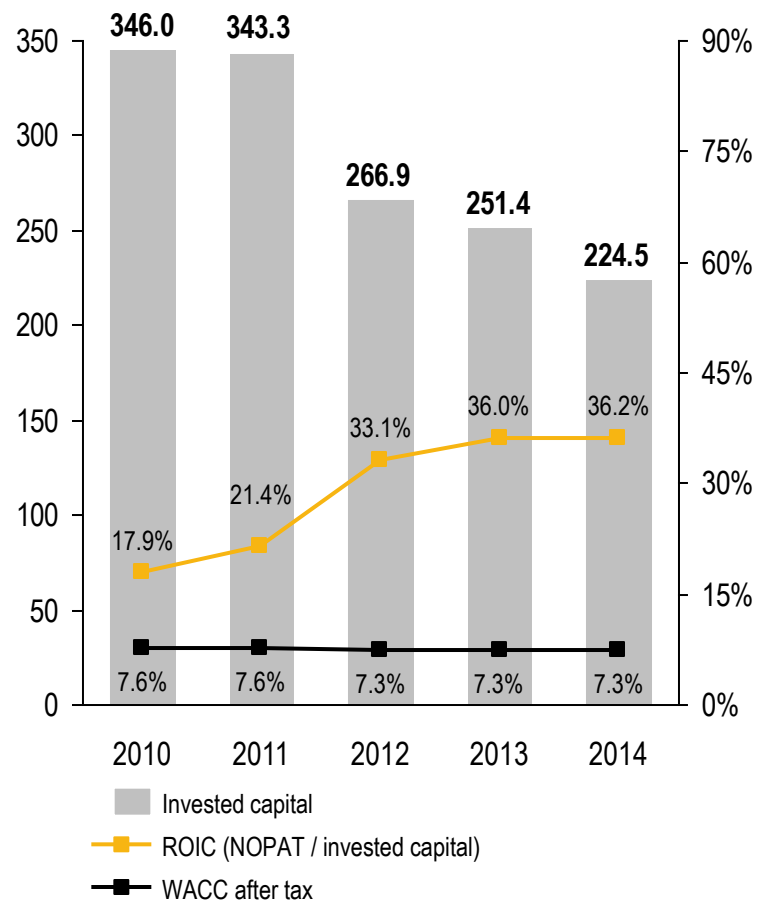
Return on invested capital markedly above WACC

in %

ROIC before tax



ROIC after tax



IFRS Reporting

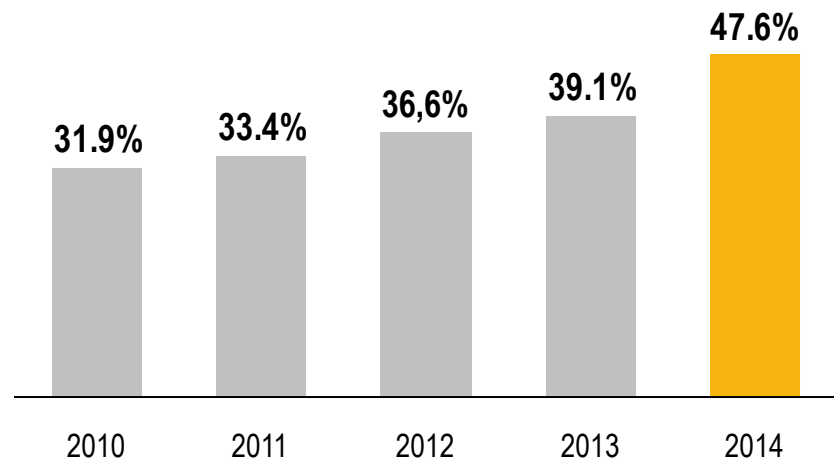
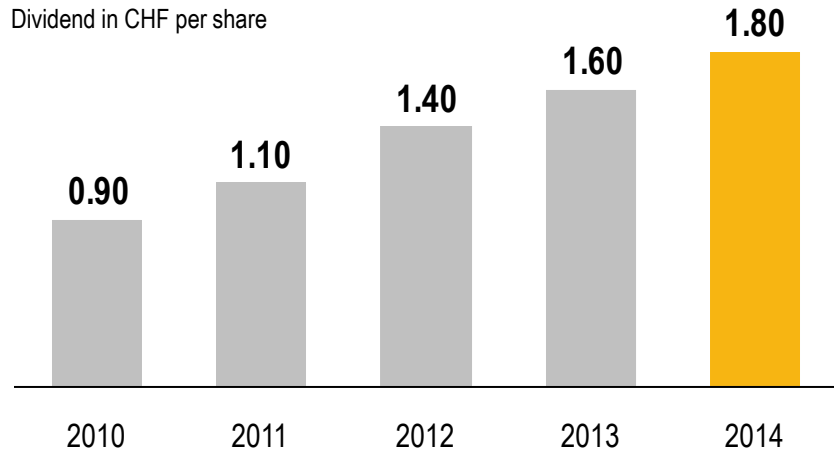
Dividend – considerable hike

Dividend policy

Again higher dividend

**New target value:
midterm 50%**

Dividend in CHF per share



Media and Analysts' Conference Outlook



Outlook

Geographical expansion into attractive markets

Implenia Tunnelling & Civil Engineering, Implenia Norge



■ Core markets ■ Expansion market

Bilfinger Construction

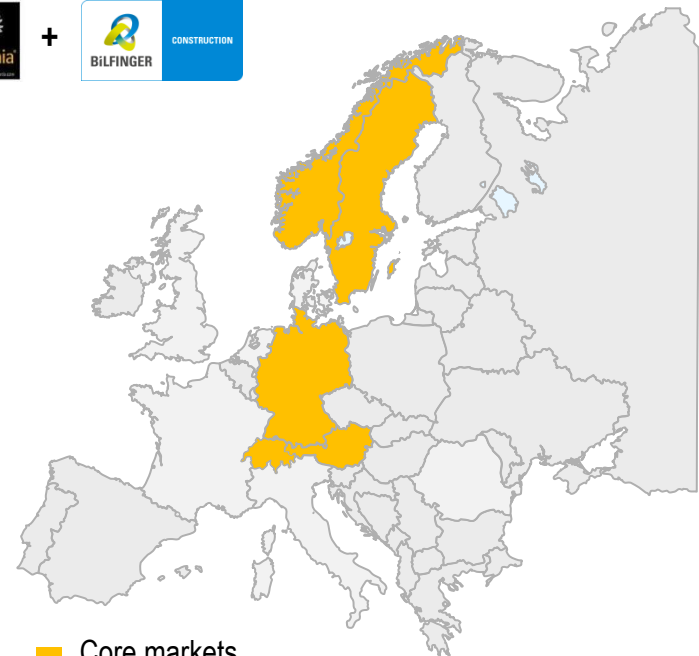


■ Core markets ■ Expansion market

Implenia “new”



+



■ Core markets

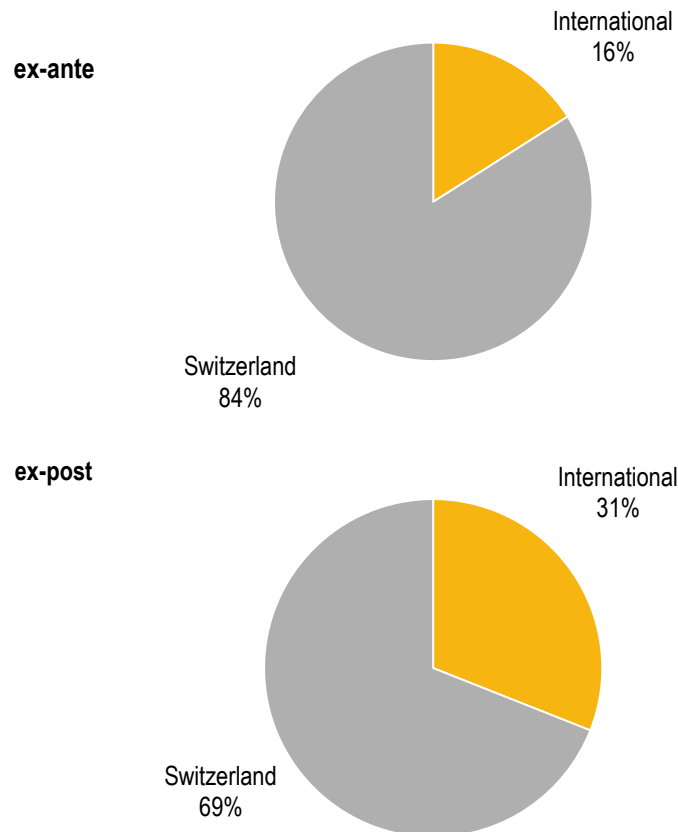
Top customers



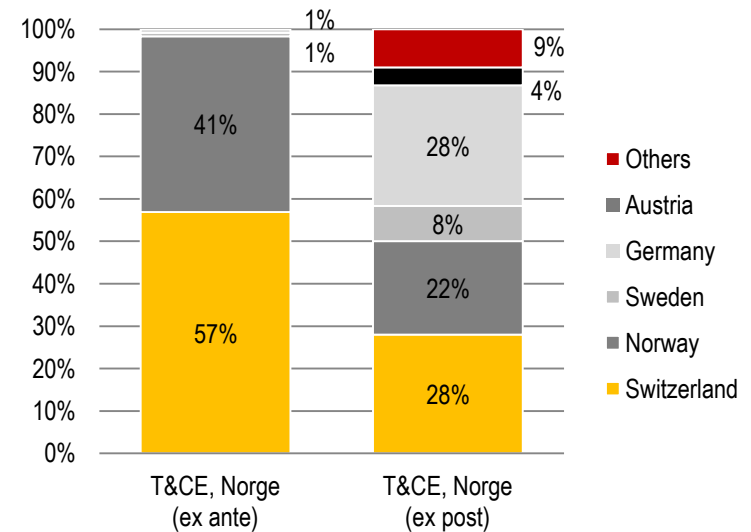
Outlook

Expansion and diversification of our international business

Breakdown of Group production output 2014 (pro forma)



Breakdown of production output Tunnelling & Civil Engineering and Norge 2014 (pro forma)










Wide regional diversification

- Perfect geographical fit
- Better portfolio risk diversification
- Reduction of Swiss exposure

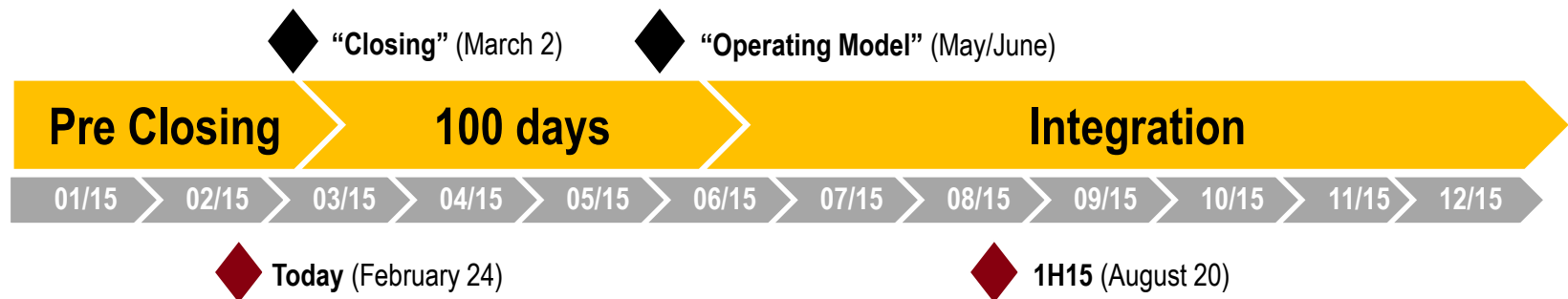
Outlook

Significant strengthening of technical expertise

| Technical platform – USP | Experience |
|--|---|
| Project engineering <ul style="list-style-type: none">▪ Comprehensive realisation from planning to execution▪ Special technical solutions▪ Choice of different in-house contractual models (e.g. EPC: Engineering-Procurement-Construction) |   |
| Logistics platform <ul style="list-style-type: none">▪ Inventory management / workshops▪ Strong technical machinery department |   |
| Pioneer in foundation engineering and complex civil engineering <ul style="list-style-type: none">▪ New leading provider in Germany and Switzerland▪ Strong reference portfolio |   |
| Technical specialities <ul style="list-style-type: none">▪ Materials lab▪ Formworks▪ Posttensioning▪ Infrastructure refurbishment |  |

Outlook

2015, the year of integration



Year of integration

- Consolidation with “Closing” on March 2, 2015
- “100 days” – Q2 integration plan
 - Vision and strategy
 - New organisation
 - Business plan
- Expecting a break-even result

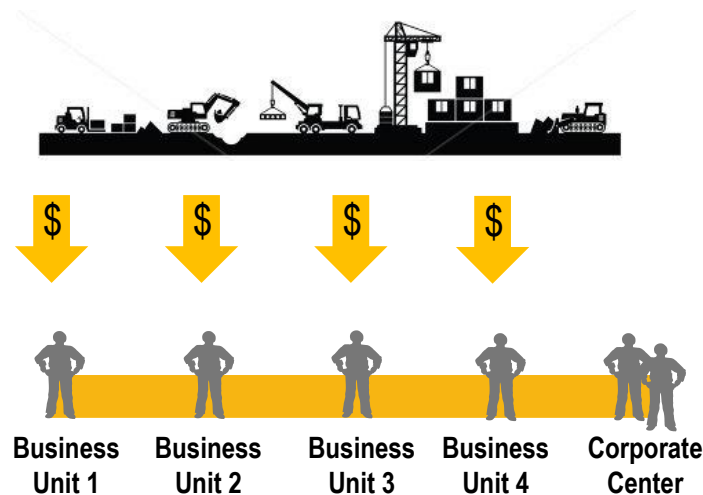
Focus – the machine works

- Ensure the access to the markets and customers
- Guarantee current projects
- Benefit from the technical platform
- Exploit synergies
 - Procurement
 - Logistic, machinery
 - Corporate Center

Outlook

“One company projects” = closer to customers, projects and employees

“One Company projects” until now...



- Business unit specific invoicing
- Many interfaces and high transactions costs
- Complex project organisations
- Conflicts of interests
- Difficult customer and service orientation
- Inefficient calculation

From 2015 onwards

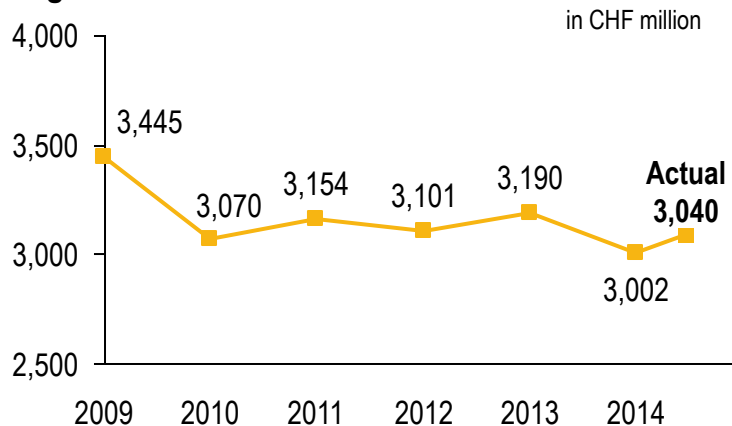


- Focus on project success and customer satisfaction
- Independent project control
- Optimized “pricing”
- Project aligned incentive structure
- Efficient resource allocation

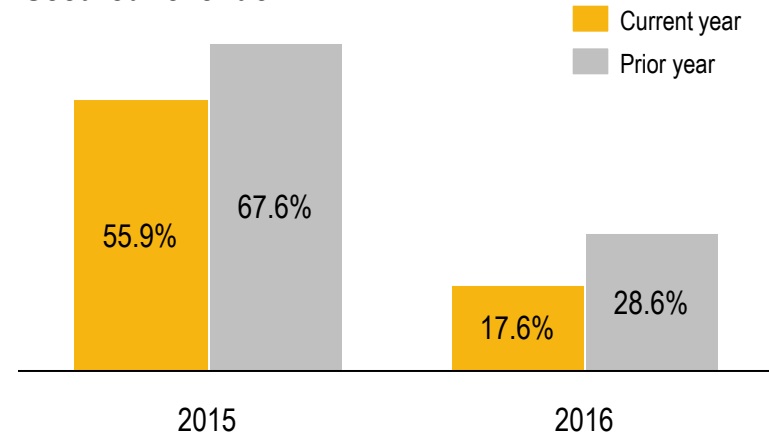
Outlook

High order backlog secures visibility

High order book



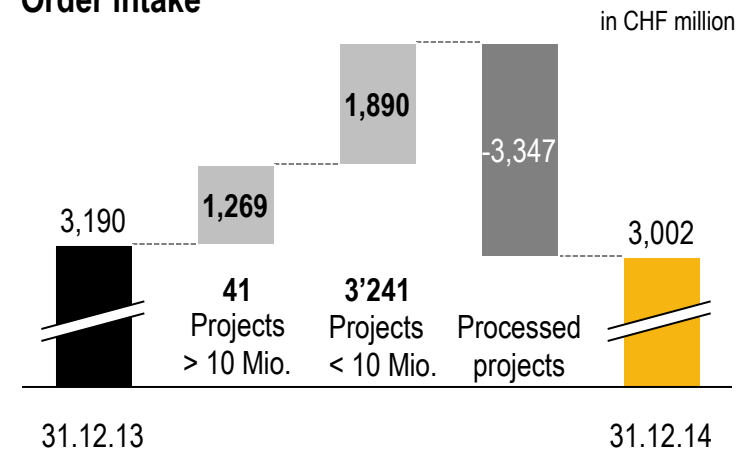
Secured revenue



Order book

| in CHF million | 31.12.14 | 31.12.13 | +/- in % |
|--------------------------------|--------------|--------------|--------------|
| Modernisation & Development | 190 | 173 | 10.4% |
| Buildings | 1,441 | 1,816 | -20.7% |
| Tunnelling & Civil Engineering | 700 | 415 | 68.7% |
| Construction Switzerland | 410 | 331 | 24.1% |
| Norge | 261 | 456 | -42.9% |
| Total order book | 3,002 | 3,190 | -5.9% |

Order intake



Restated due to segment adjustments

Outlook

Implenia is looking ahead with confidence

2015

Focus 1:

- Closer to customers, projects and employees

Focus 2:

- Implementation of optimised processes
- Reinforced cooperation

Focus 3:

- Integration of Bilfinger Construction

Medium term target

- The Group is sticking to the medium-term EBIT target of CHF 140-150 million
- With the acquisition of Bilfinger Construction the medium target is even more within reach

Growth

- + CHF 200 mn in Modernisation
- + CHF 300 mn abroad (excl. acquisition Bilfinger Construction)

Profitability

EBIT of CHF 140-150 million
Margin +/- 4.5%

Agenda & contacts

Keep in touch

2015 Annual General Meeting of Shareholders

24th March 2015

Publication of the half-year results for 2015

20th August 2015

Publication of the annual results for 2015

23rd February 2016

2016 Annual General Meeting of Shareholders

22nd March 2016

Contact for investors

Serge Rotzer, Head of Investor Relations

Phone +41 58 474 07 34

Email serge.rotzer@implenia.com

Contact for media

Philipp Bircher, Head of Communications Group

Phone +41 58 474 74 77

Email philipp.bircher@implenia.com

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