

Financial Year 2016

Media and Analysts' Conference

Zurich, 23 February 2017

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Implenia[®]

Media and Analysts' Conference

Highlights 2016



Highlights 2016

Strong result

Gratifying key figures

- Order book CHF 5,172 million (+0.7%)
- EBITDA CHF 166.2 million (+3.0%)
- EBIT excl. PPA CHF 115.0 million (+6.8%)

Segments very good – with one exception

- Development with a new record result
- Significant increase in quality of earnings in the Switzerland Segment
- Infrastructure – expectations exceeded
- Solid performance of international business, except Norway

Internationalisation extended

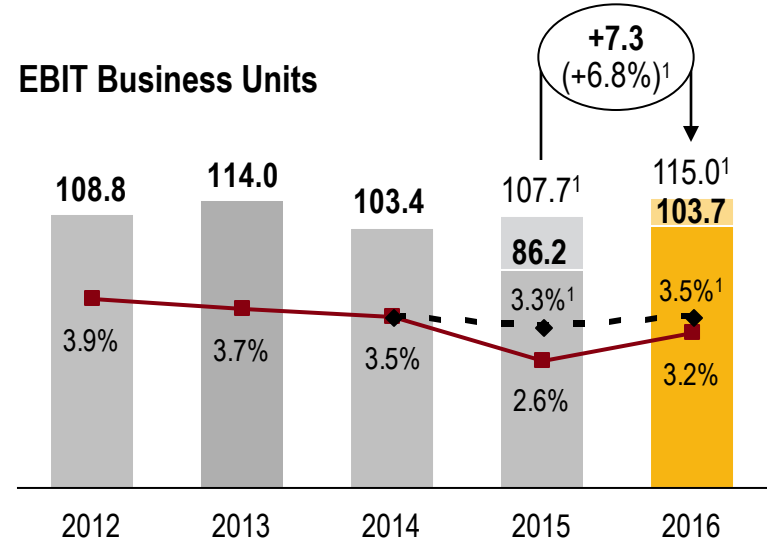
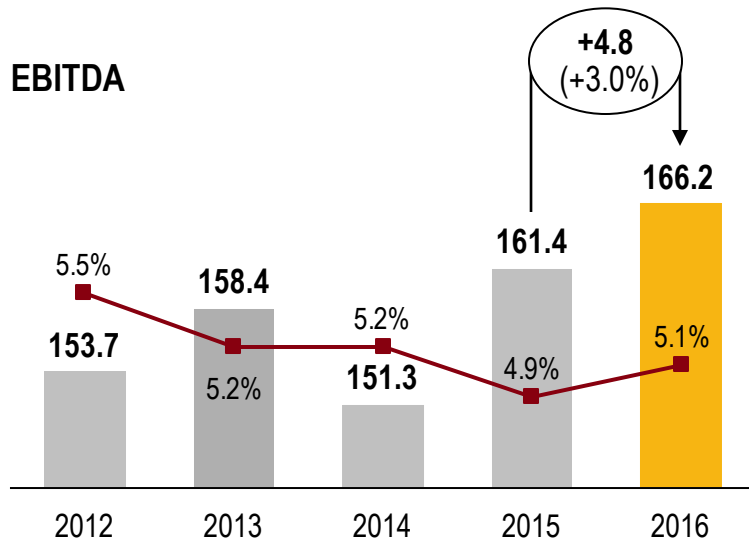
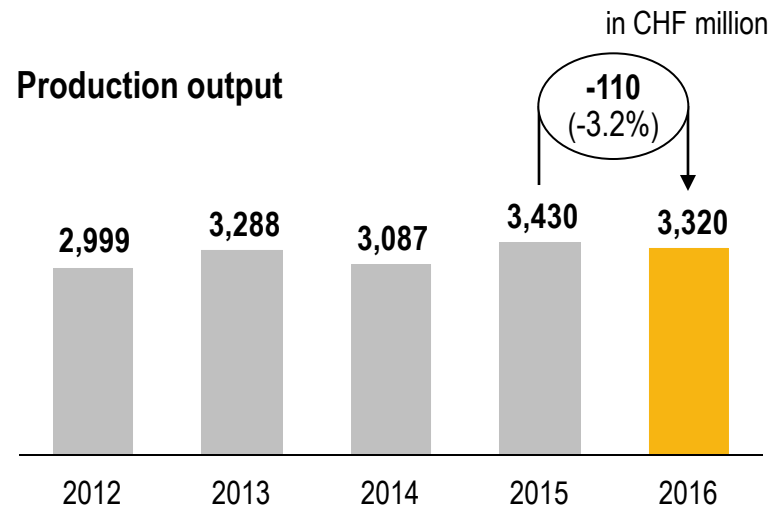
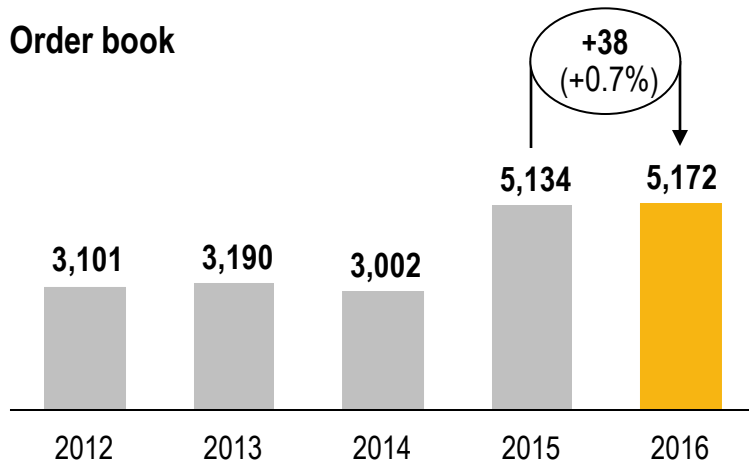
- Sustainable positioning in Europe's largest construction market
- Market entry into France

Outlook confirmed – new mid-term target

- 2017 EBIT target of CHF 140 - 150 million maintained
- New mid-term target – seeking for top-line of around CHF 5 billion and EBITDA margin in target range of 5.25% - 5.75%

Highlights 2016

Key figures – good performance



¹ Excluding PPA Bilfinger Construction

Highlights 2016

Selection of large new contracts acquired

Development



Im Giessen, Dübendorf
2016 - 2019, Green property



Promenade des Artisans, Meyrin
2016 - 2018, Retirement home



Werk 1, field 3 & 5 b/c, Winterthur
2016, Architectural competition

Switzerland



Confignon and Vernier, Geneva
2016 - 2017, Tunnel renovation



Mattenhof II, Kriens
2017 - 2019, TC-mandate



Îlot sud, Morges
2017 - 2020, TC-mandate

Infrastructure



Überseequartier, Hamburg (DE)
2017 - 2019, Foundation engineering



Grand Paris Express, Paris (FR)
2016 - 2020, Sections GC1 and T2C



Roche excavation A32 (CH)
2016 - 2019, Foundation engineering

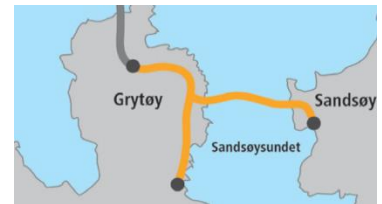
International



E134, Kongsberg (NO)
2016 - 2018, Tunnel and road building



Lunda Tunnel, Stockholm (SE)
2016 - 2021/22, Tunnel construction



Four new bridges, Harstad (NO)
2017 - 2018, Bridge construction

Highlights 2016

Selected highlights

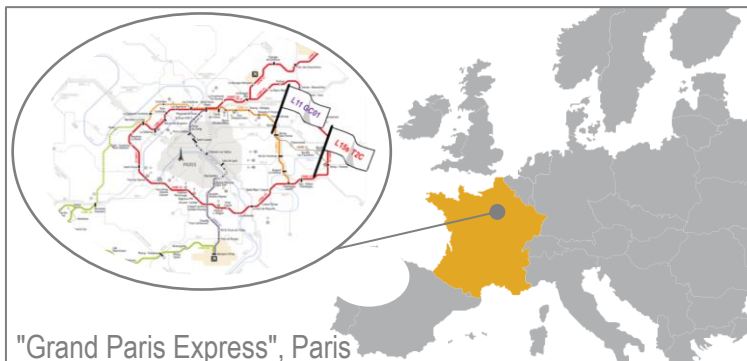
Anniversary – 10 years of Implenia



Gotthard opening – the world's longest rail tunnel



Internationalisation I – new market in France



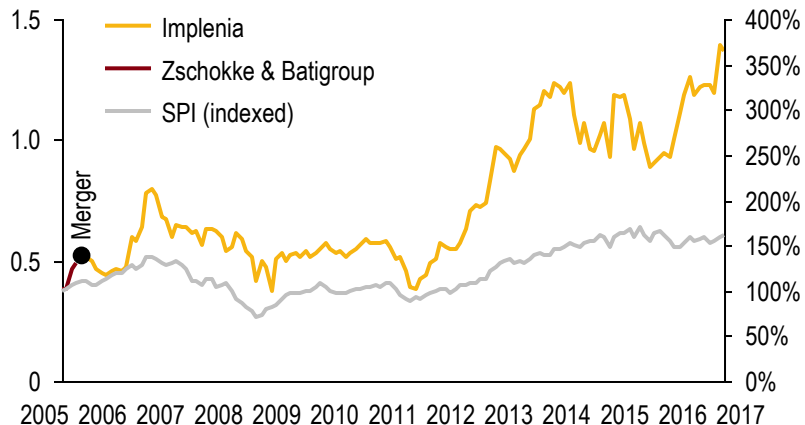
Internationalisation II – acquis. of Bilfinger Hochbau



Highlights 2016

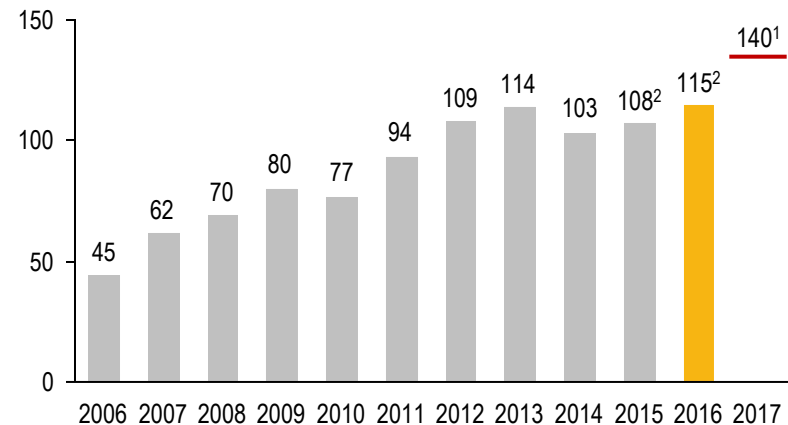
10 years of Implenia – many promises fulfilled

Change in market capitalisation (in CHF billion)



Source: Bloomberg

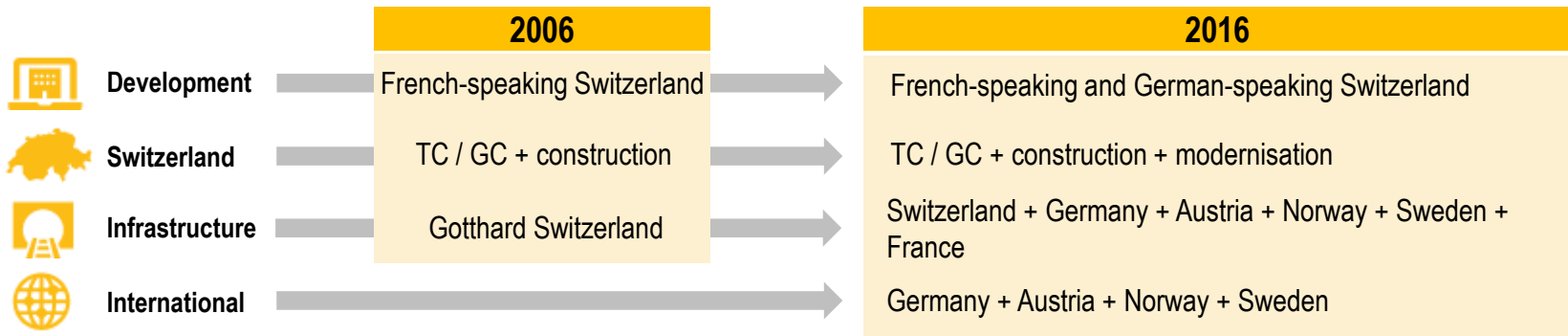
EBIT performance (in CHF million)



¹ EBIT target 2017

² Excl. PPA

Implenia clearly better diversified



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Our markets



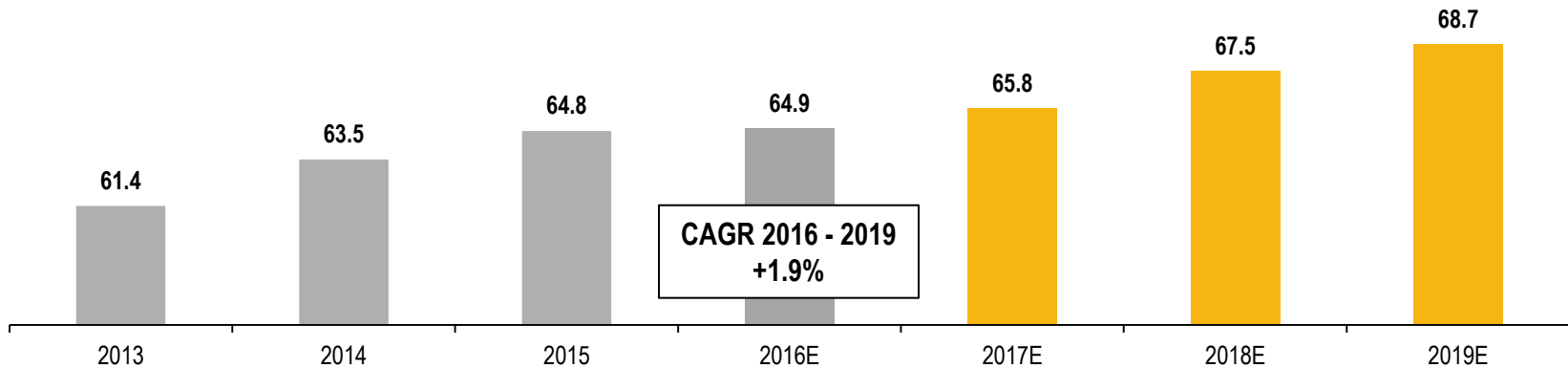


Our markets

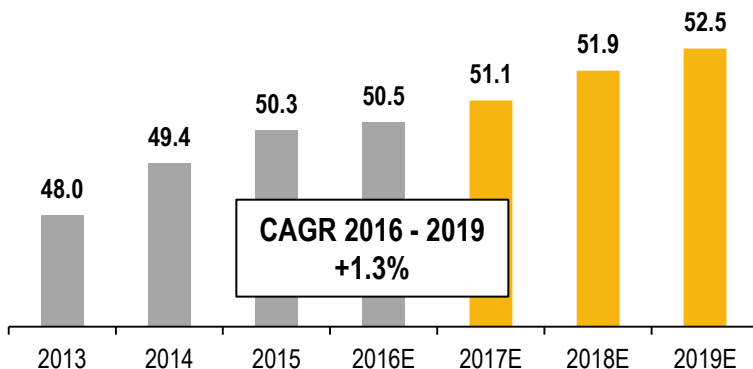
Consolidation – confident outlook

in EUR billion

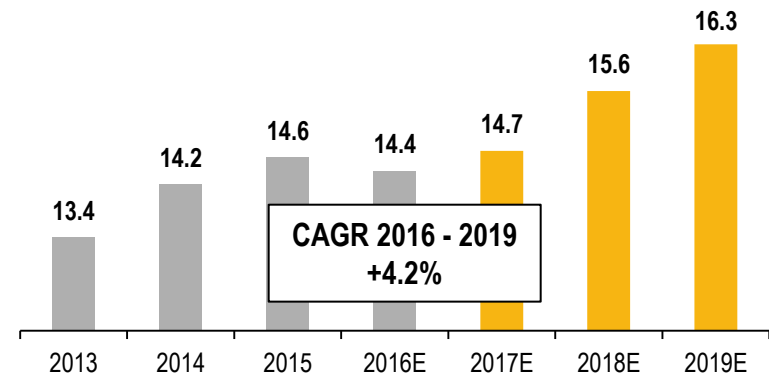
Investments in construction in Switzerland leads us to expect a solid year with good order intake



Positive trend in building construction investments



Investments in civil works benefit from state funds



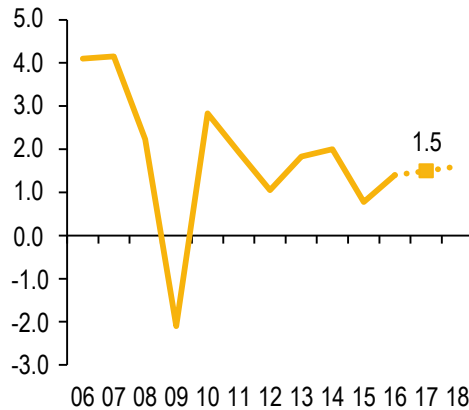
Source: Euroconstruct 11/16



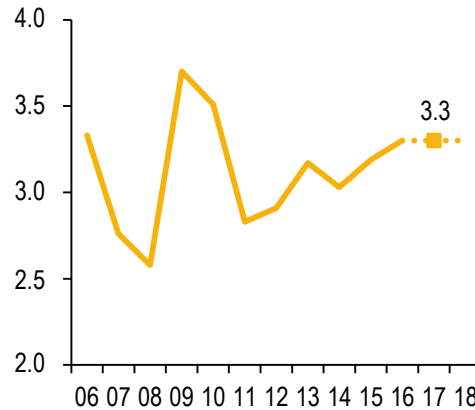
Our markets

Sound fundamentals

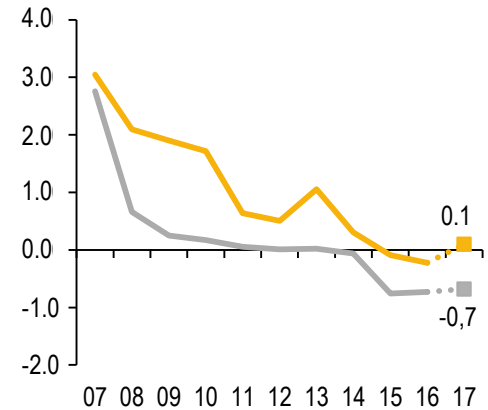
GDP growth (in %)



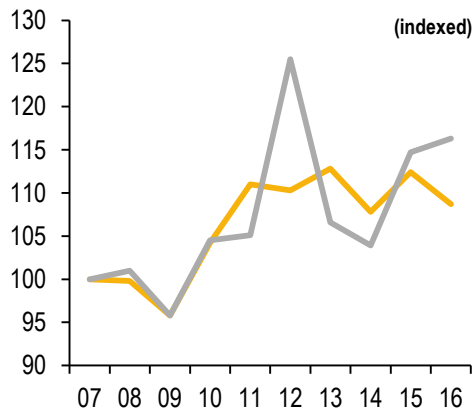
Unemployment rate (in %)



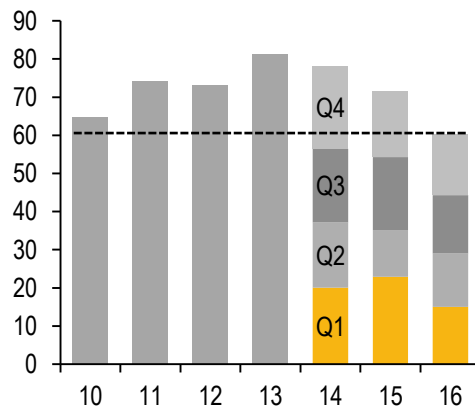
Interest 10 years / 3 months (in %)



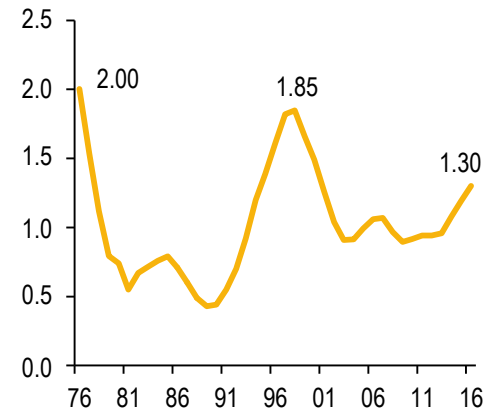
Construction permits / applications*



Net migration (in 1,000)



Vacancy rate (in %)



* Number of homes

Source: Bloomberg, Wuest&Partner, SEM

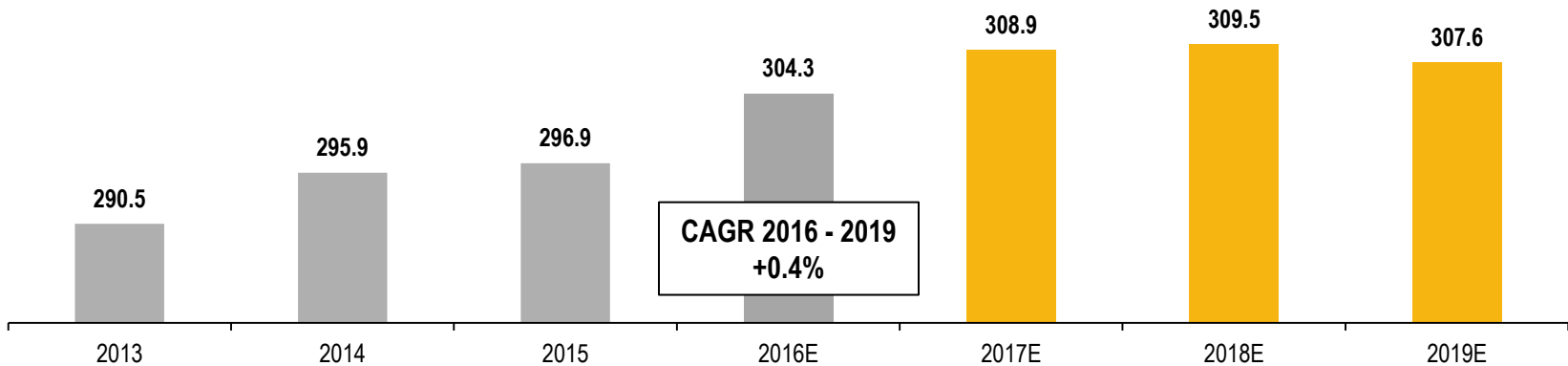


Our markets

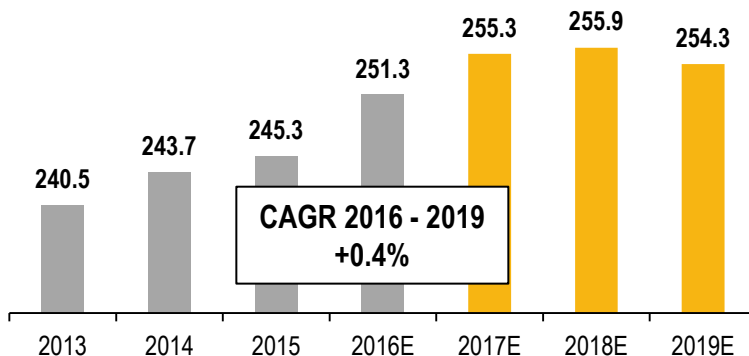
Solid growth potential

in EUR billion

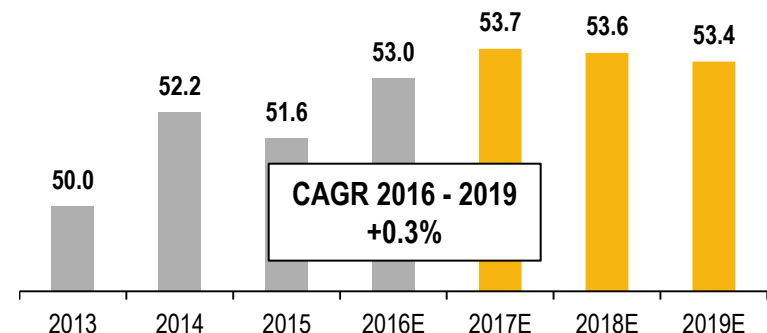
Rising investments in German construction market



Building construction investments at very high level



Civil works – new Federal Transport Plan not yet considered

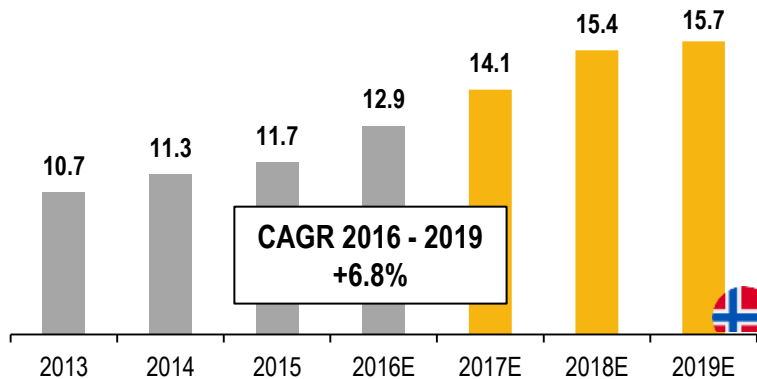


Source: Euroconstruct 11/16

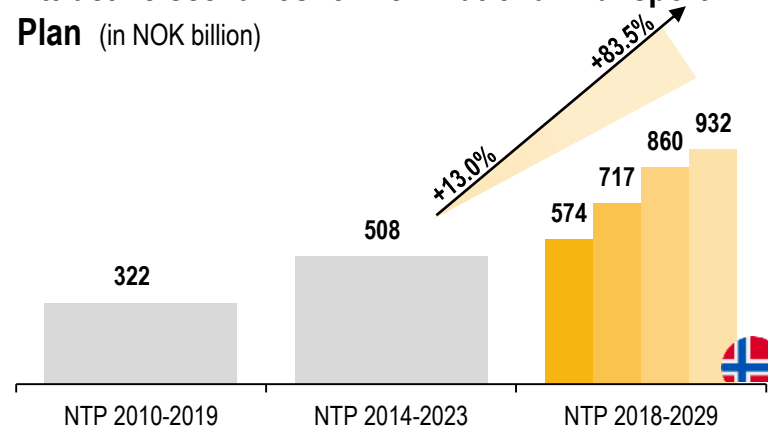
Our markets

Attractive growth in infrastructure investments

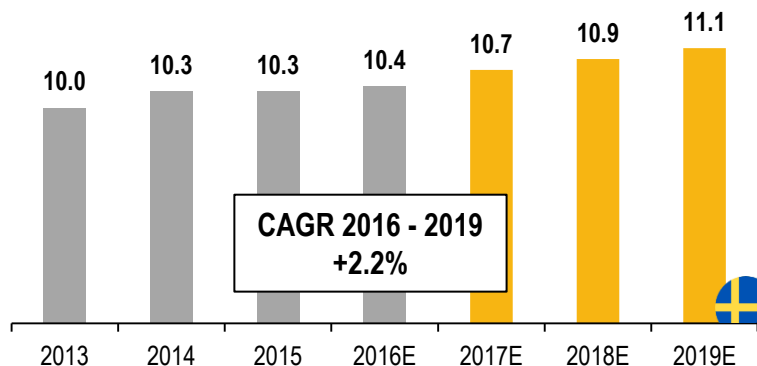
Norway – continued strong growth in investments
(in EUR billion)



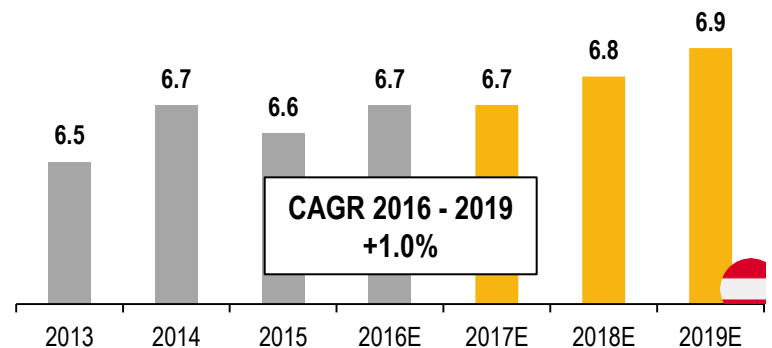
Attractive scenarios for new National Transport Plan
(in NOK billion)



Sweden – positive growth in investments
(in EUR billion)



Austria – good investment trend
(in EUR billion)



Source: Euroconstruct 11/16

Our markets

Positive momentum in our markets

Switzerland

- Swiss market in good shape
 - Building construction market profits from low interest rates and attractive returns from real estate
 - Infrastructure construction is being stimulated by two government funds for financing the railways (FABI), and now road infrastructure (NAF) too
-

Germany

- Increasing scope for investments in infrastructure works – the new Federal Transport plan will lead to growth in the mid-term
 - Building construction at a high level
-

Norway

- Infrastructure investments continue to grow strongly (National Transport Plan 2014 - 2023)
 - New National Transport Plan for 2018 - 2029 envisages further increase
-

Austria

- Investments in infrastructure works with a positive growth trend
 - Investments in transport infrastructure ("Zielnetz 2025+") remains as a "locomotive"
-

Sweden

- Infrastructure investments continue to grow (National Transport Plan 2014 - 2025)
 - High pent-up demand for infrastructure investments
-

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Our segments



Our segments

"One company, one goal, one spirit"

Development



Real estate project development



- Area and real estate development
- Service development
- Optimisation, repurposing, replacement of existing buildings
- Topics: housing, health, seniority



Switzerland



Generalist in construction



- Consulting and Modernisation
- Total & general contracting
- Roads and engineering work
- Building construction
- National gravel and surface plants



Infrastructure



European infrastructure projects



- Tunnelling
- Foundation engineering
- Large projects
- Design and planning expertise
- Global projects outside the home markets



International



Regional provider in Western Europe



- Germany / Austria / Norway / Sweden as home markets
- Civil works and engineering work, refurbishment
- Building construction in Austria, **and now heavily in Germany**
- Niche services for road and rail in Norway and Sweden
- Gravel plants

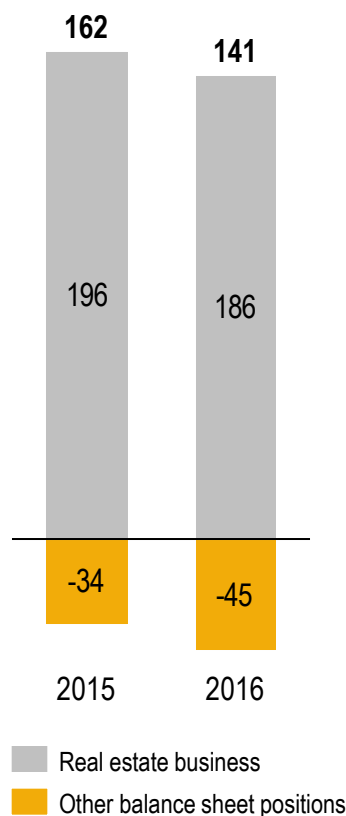


Our segments

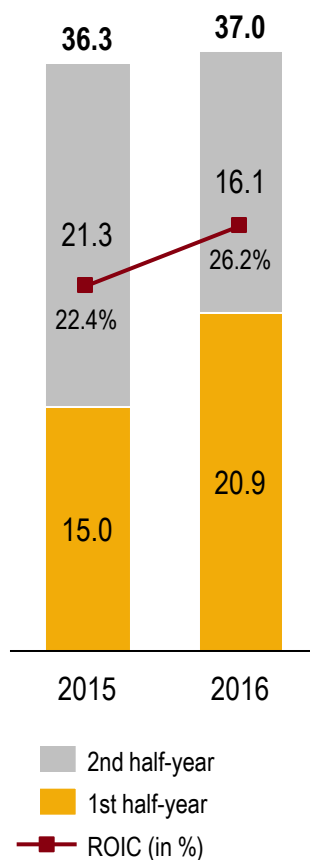
Development – new record performance

in CHF million

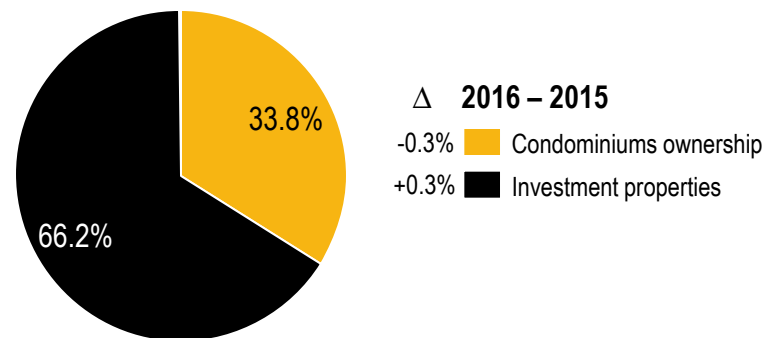
Invested capital



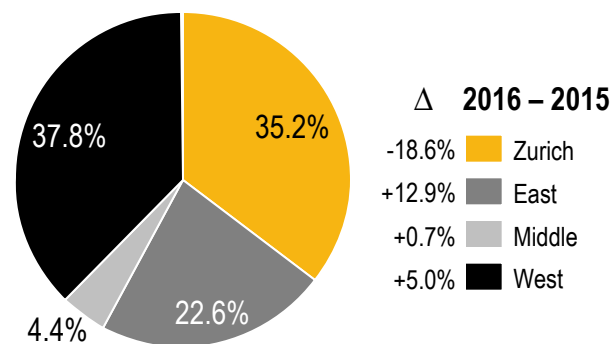
EBIT



2/3 of condominiums sold as investment properties



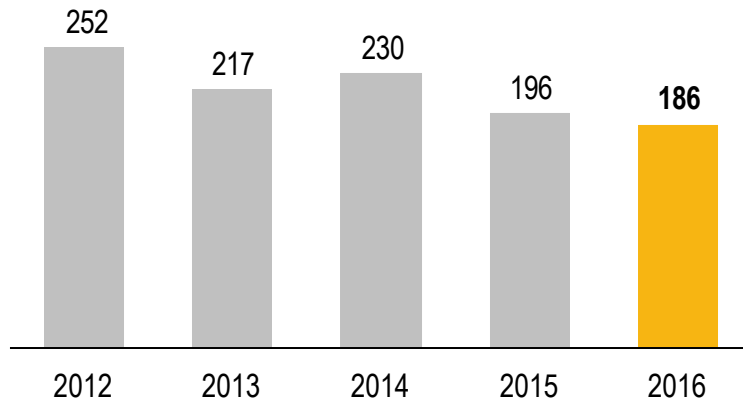
Good diversification of regional sales



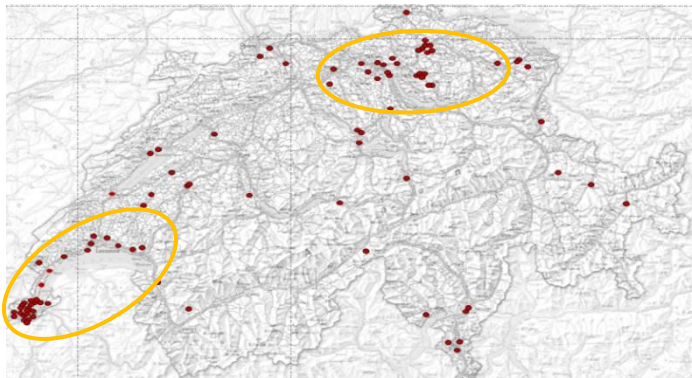
Our segments

Development – good market, good pipeline

Real estate portfolio



Project portfolio – strong in the central regions



Highlights

- New record result – persistently strong demand for investment properties
- Project portfolio with great potential for the coming years, led by sites in French-speaking Switzerland (Geneva / Lausanne) and German-speaking Switzerland (Winterthur)

Focus

- Targeted expansion of development services (service-, co-development and co-investment)
- Optimal sale of products on the market

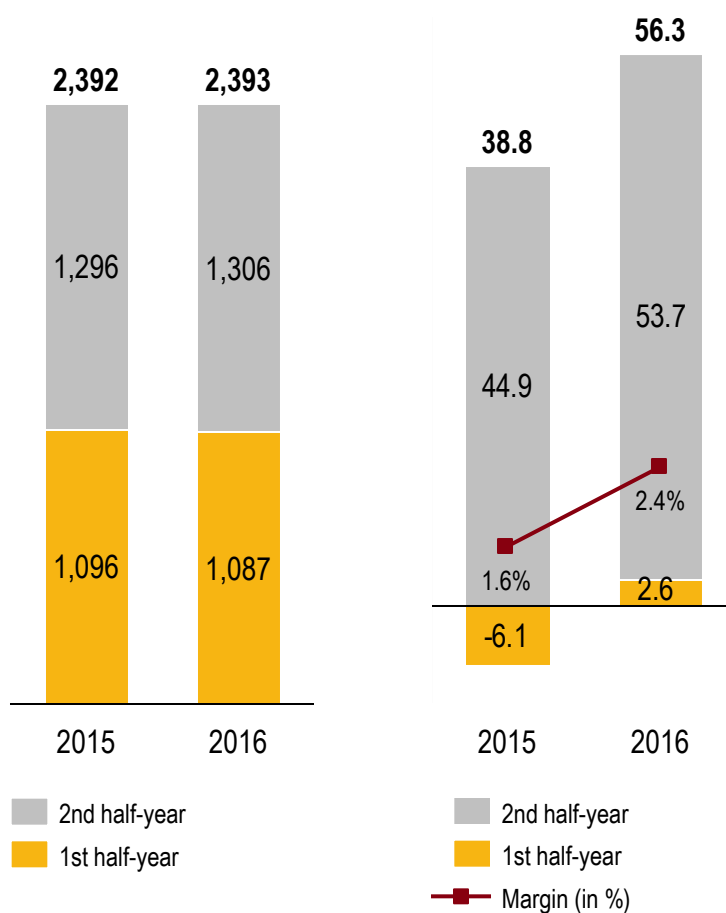
Our segments

Switzerland – significant increase in quality of earnings

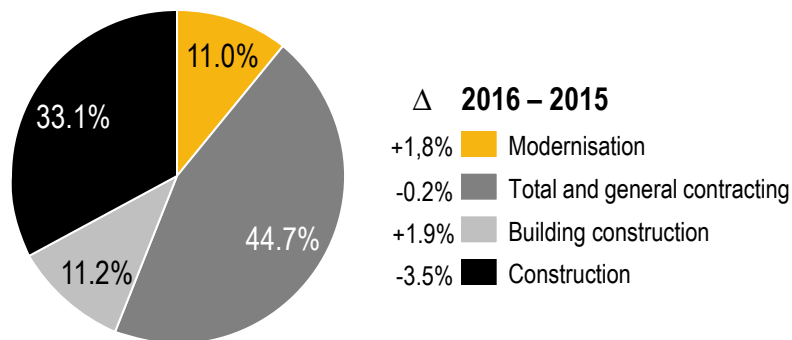
Revenue

EBIT

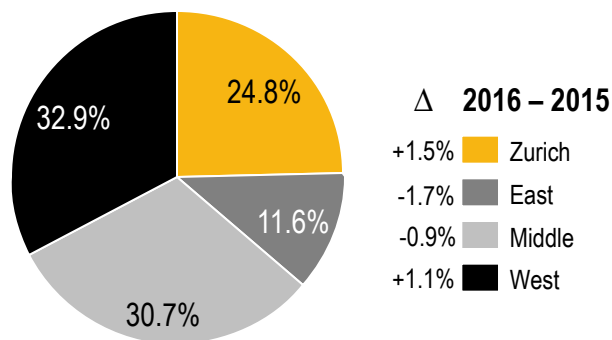
in CHF million



Production output by business activity unchanged



Sound geographic diversification

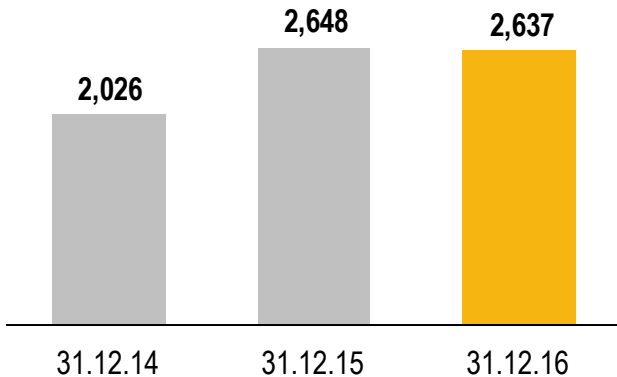


Our segments

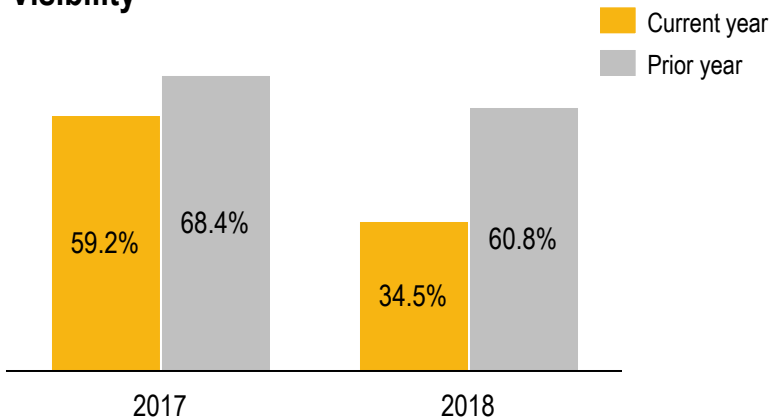
Switzerland – clearly improved quality

in CHF million

Order book



Visibility¹



"Sue&Til" Switzerland's largest wood-built residential building

Highlights

- Organisation optimised at Buildings:
 - Prime successfully positioned in the market
 - Local business activity intensified
 - Builder strengthened by One Company model
- Modernisation built up in Western Switzerland
- Construction business in Western Switzerland remains excellent

Focus

- Quality prioritised in order acquisition
- Merger of French-speaking Switzerland and German-speaking Switzerland construction business
- Consolidation of equipment depots in Switzerland
- Continuing measures to improve operational excellence (IMS 2.0)

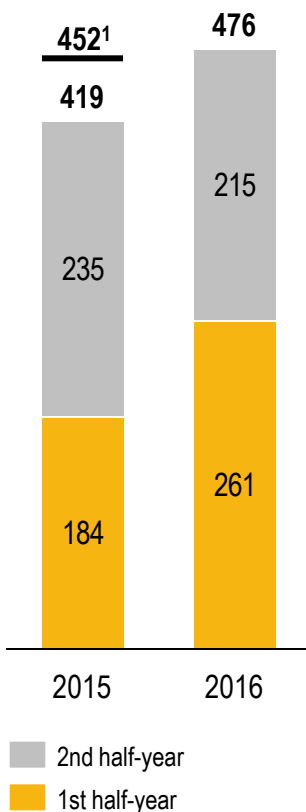
¹ Order book for current year / planned resp. realised production output

Our segments

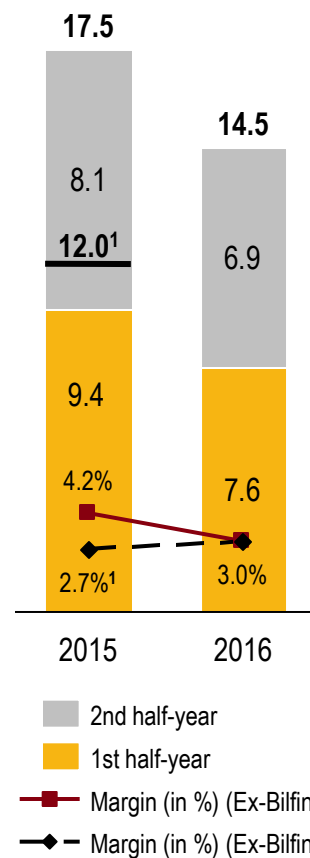
Infrastructure – international expansion on course

in CHF million

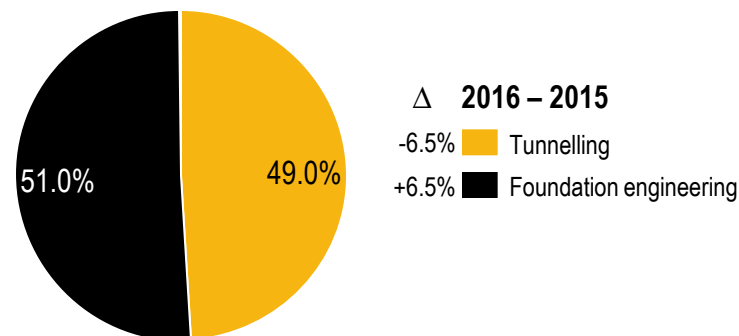
Revenue



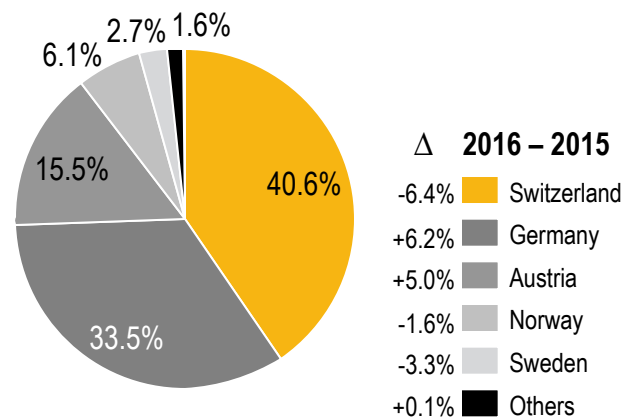
EBIT excl. PPA



Clearly balanced portfolio



60% of production output abroad



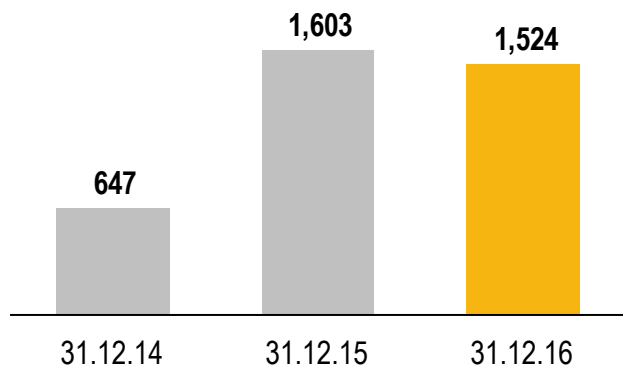
¹ Incl. Ex-Bilfinger 12 mt

Our segments

Infrastructure – order book gives us confidence

in CHF million

Order book



"Alter Wall" Hamburg, Germany

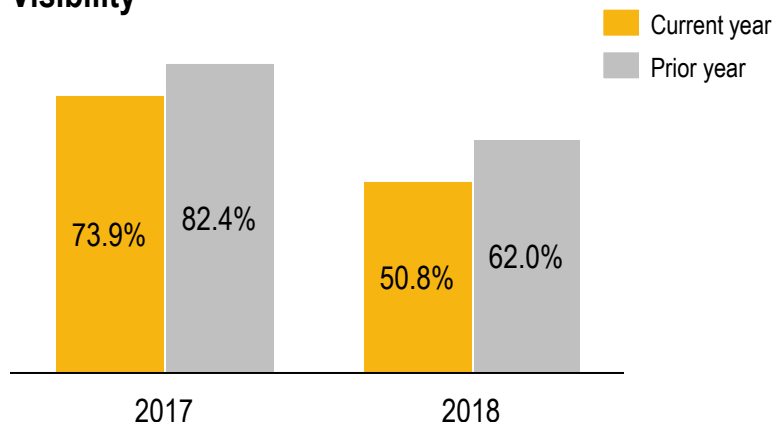
Highlights

- Opening of the Gotthard – "project of the century"
- Successful entry into French market – contracts won for two lots of "Grand Paris Express"
- Market position strengthened in foundation engineering
- Strong earnings from ongoing projects

Focus

- Targeted build-up of resources
- Successful execution of major contracts awarded
- Establish and build up market position in foreign infrastructure markets (Global Projects)

Visibility¹



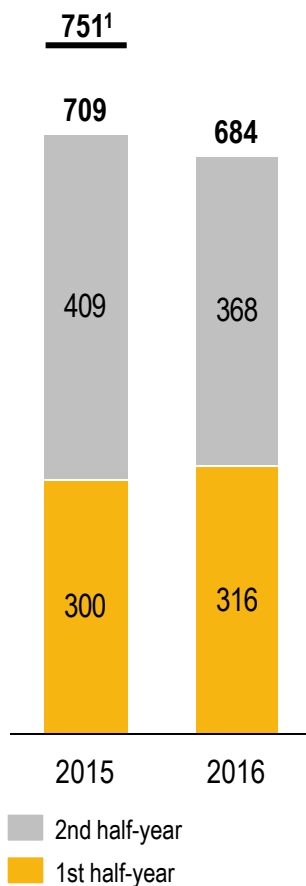
¹ Order book for current year / planned resp. realised production output

Our segments

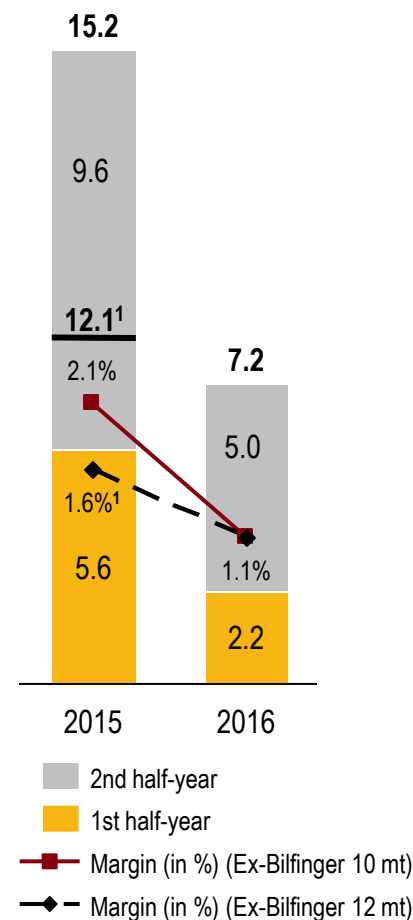
International – performance below expectations

in CHF million

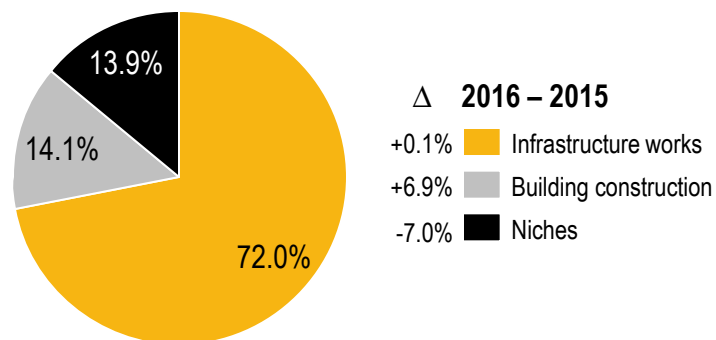
Revenue



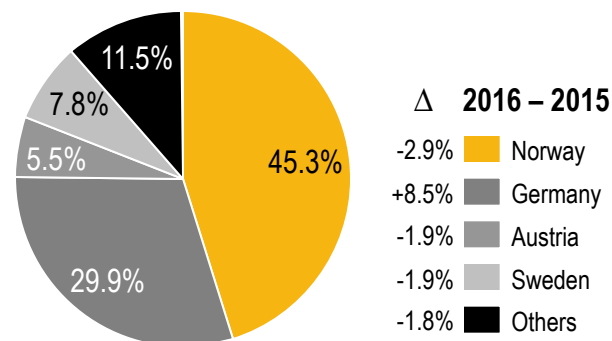
EBIT excl. PPA



International = Infrastructure but without Bilfinger Hochbau



High production output in Germany



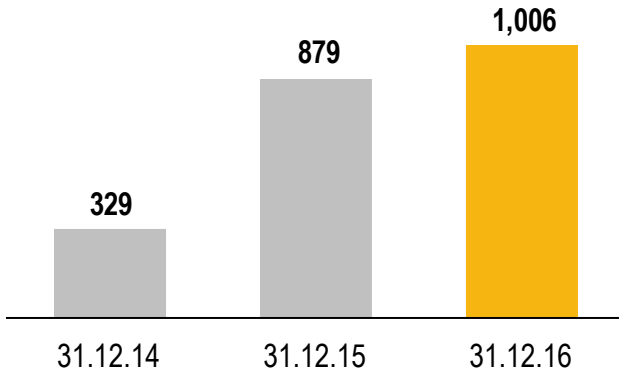
¹ Incl. Ex-Bilfinger 12 mt

Our segments

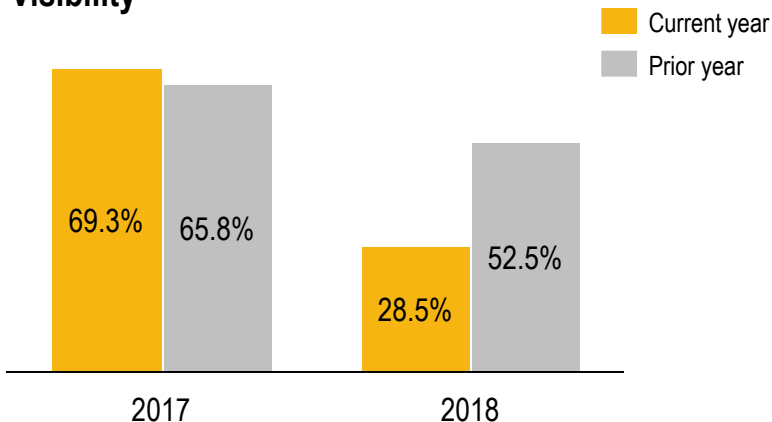
International – signs of recovery

in CHF million

Order book



Visibility¹



"ISE NS 14" Stockholm, Sweden

Highlights

- Increased order book in all markets
- Country organisations strengthened in Norway and Sweden
- Norway affected by lower margins of the acquired project portfolio
- Outstanding performance by foreign gravel plants

Focus

- Operational and financial improvement in Norway
- Expansion of market position in Germany and Sweden
- Continue positive development in Austria

¹ Order book for current year / planned resp. realised production output

Our segments

EBIT Business Units excl. PPA – good performance

in CHF million	2016	2015	+/- in %
Development	37.0	36.3	1.9%
Switzerland	56.3	38.8	45.3%
Infrastructure	14.5	17.5	-17.3%
International	7.2	15.2	-52.4%
EBIT Business Units excl. PPA	115.0	107.7	6.8%

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IFRS reporting



IFRS reporting

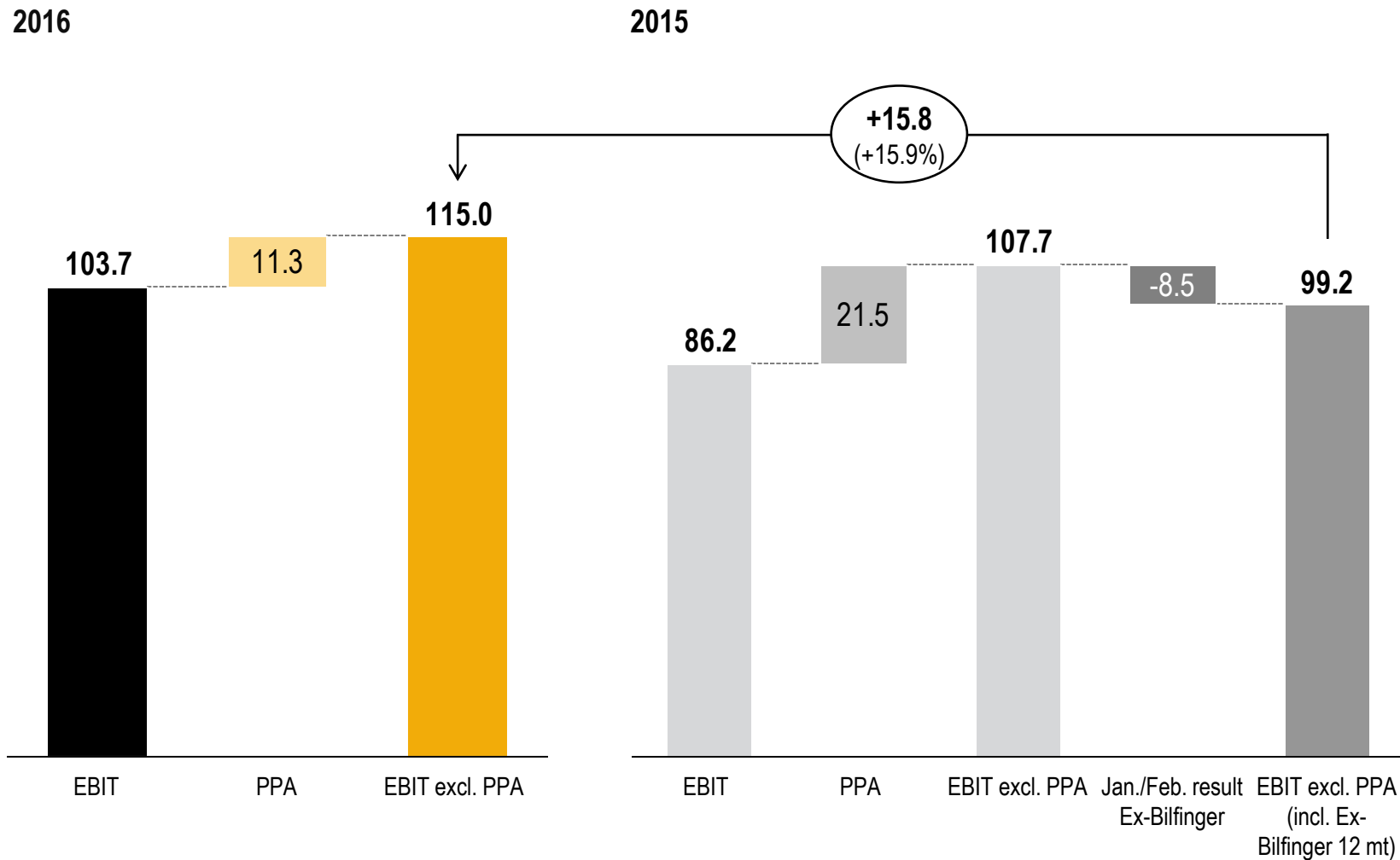
Income statement – EBIT and quality improved

in CHF million	2016	2015	+/- in %
EBIT Business Units	103.7	86.2	20.4%
Miscellaneous/Holding	-5.8	-6.2	7.0%
Operating income	97.9	79.9	22.5%
	3.0%	2.4%	
Financial result	-12.0	-10.1	-18.7%
Tax	-21.5	-17.8	-20.5%
Consolidated profit	64.5	52.0	23.9%
	2.0%	1.6%	
EBITDA	166.2	161.4	3.0%

IFRS reporting

EBIT before and after PPA, incl. Ex-Bilfinger 12 mt

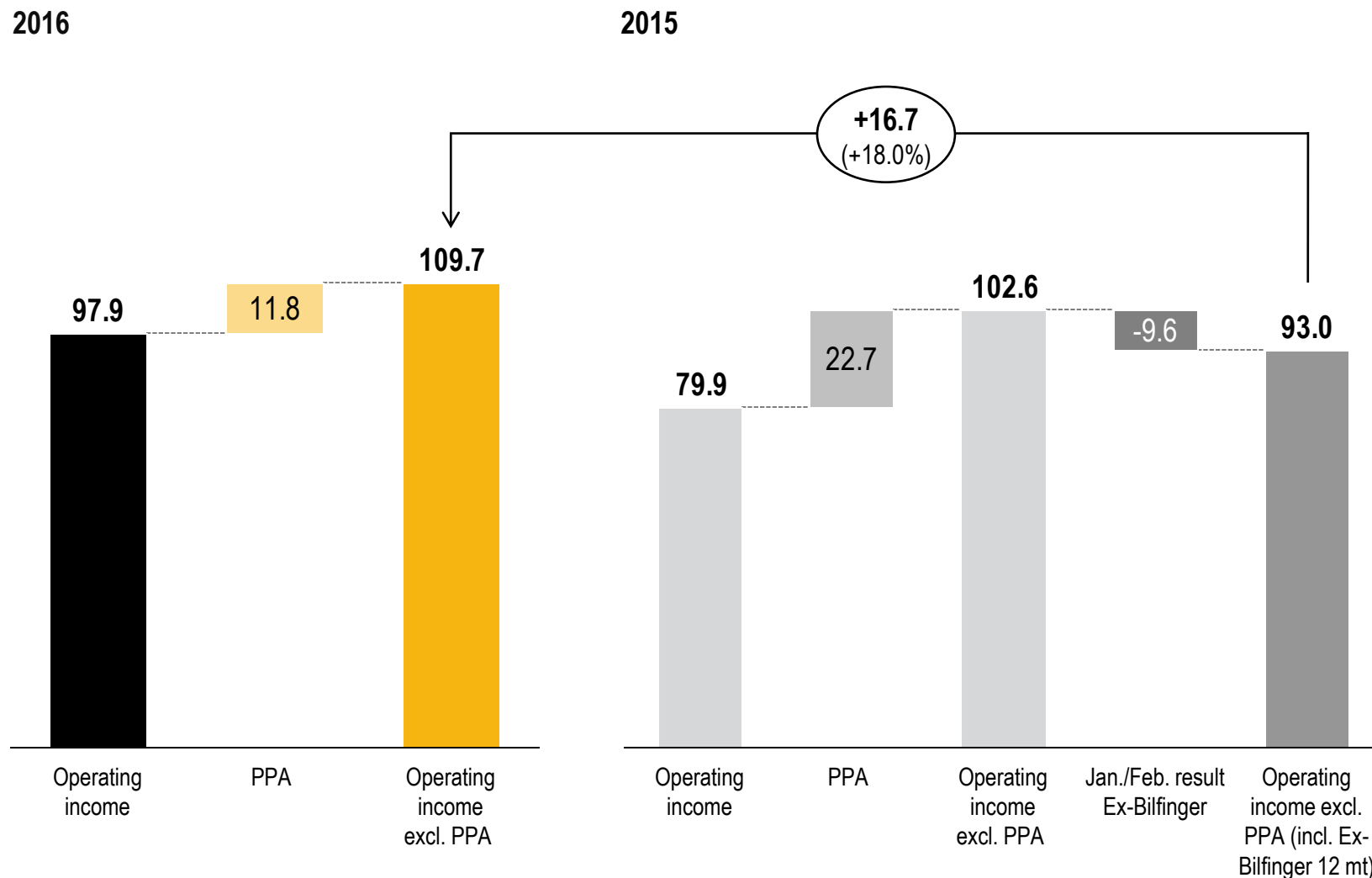
in CHF million



IFRS reporting

Operating income before and after PPA, incl. Ex-Bilfinger 12 mt

in CHF million



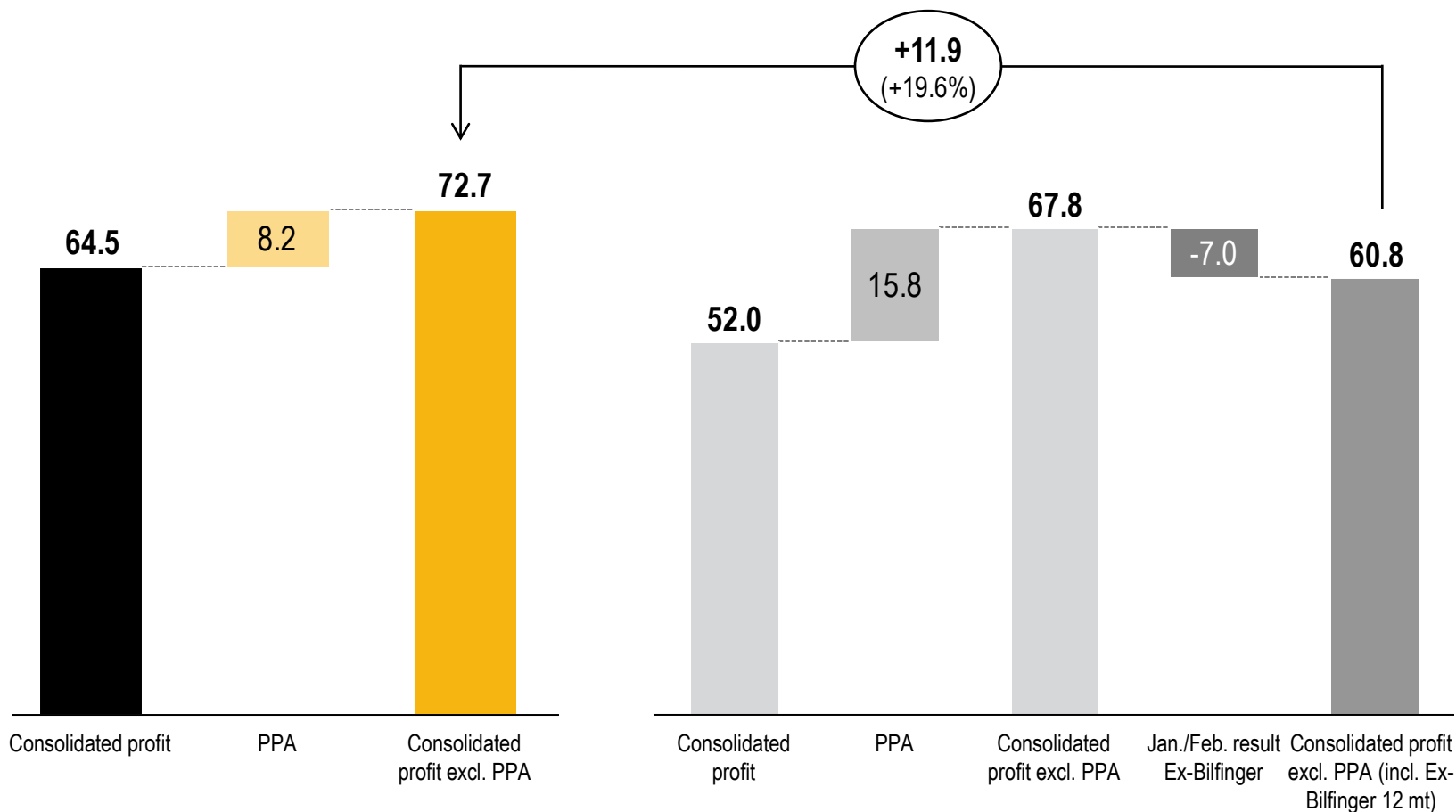
IFRS reporting

Consolidated profit before and after PPA, incl. Ex-Bilfinger 12 mt

in CHF million

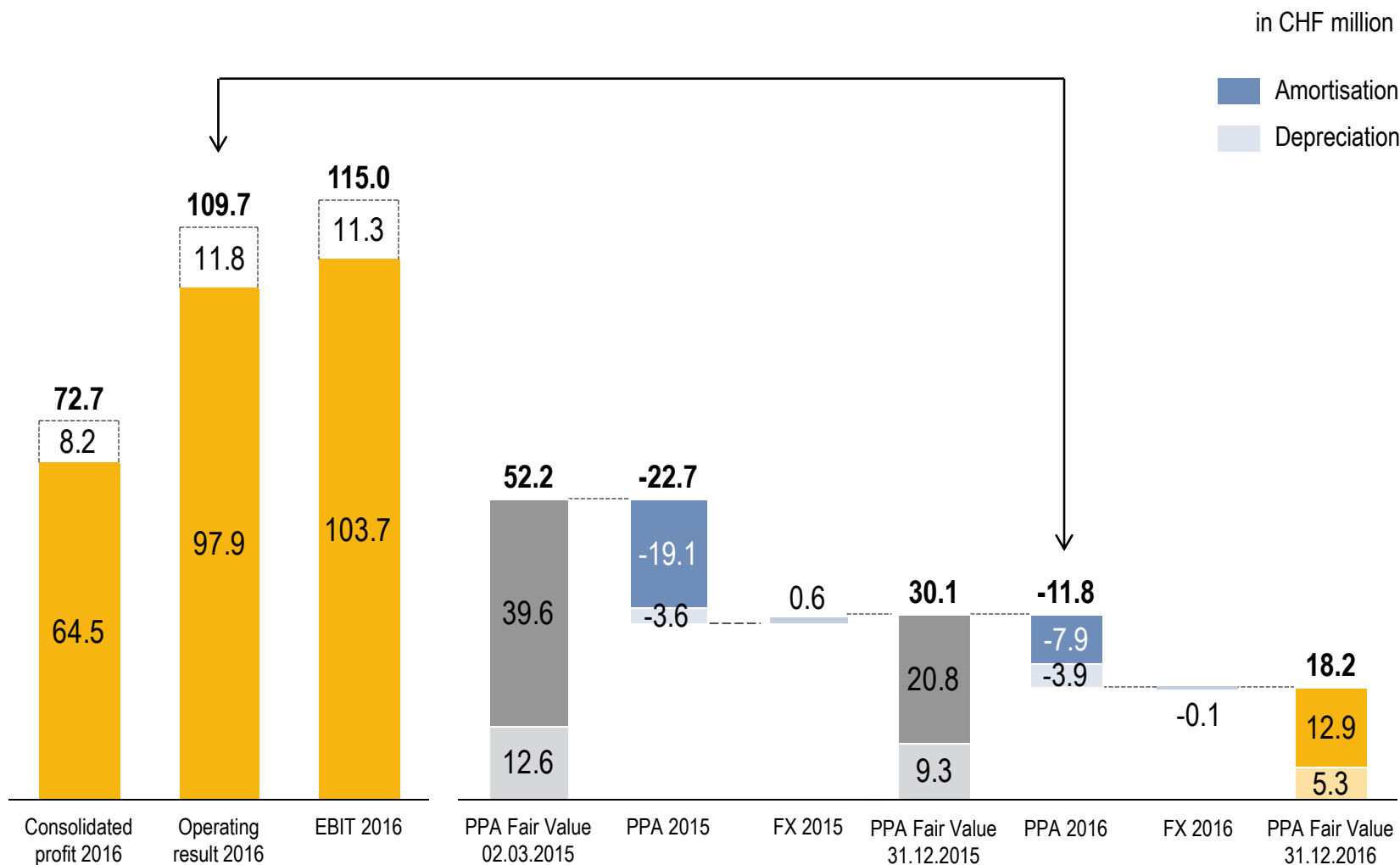
2016

2015



IFRS reporting

Amortisation and depreciation from PPA



IFRS reporting

Balance sheet – assets

in CHF million	31.12.2016	31.12.2015 ¹	+/- in %
Cash and cash equivalents, securities	793.6	877.6	
Trade receivables	605.0	589.2	
Work in progress / joint ventures (equity method)	351.6	353.8	
Real estate transactions	185.6	196.1	
Other current assets	128.8	124.8	
Total current assets	2,064.6	2,141.5	-3.6%
Total non-current assets	564.6	589.2	-4.2%
Total ASSETS	2,629.2	2,730.7	-3.7%

¹ Comparative information has been adjusted, see Annual Report 2016, note 2.3

IFRS reporting

Balance sheet – liabilities

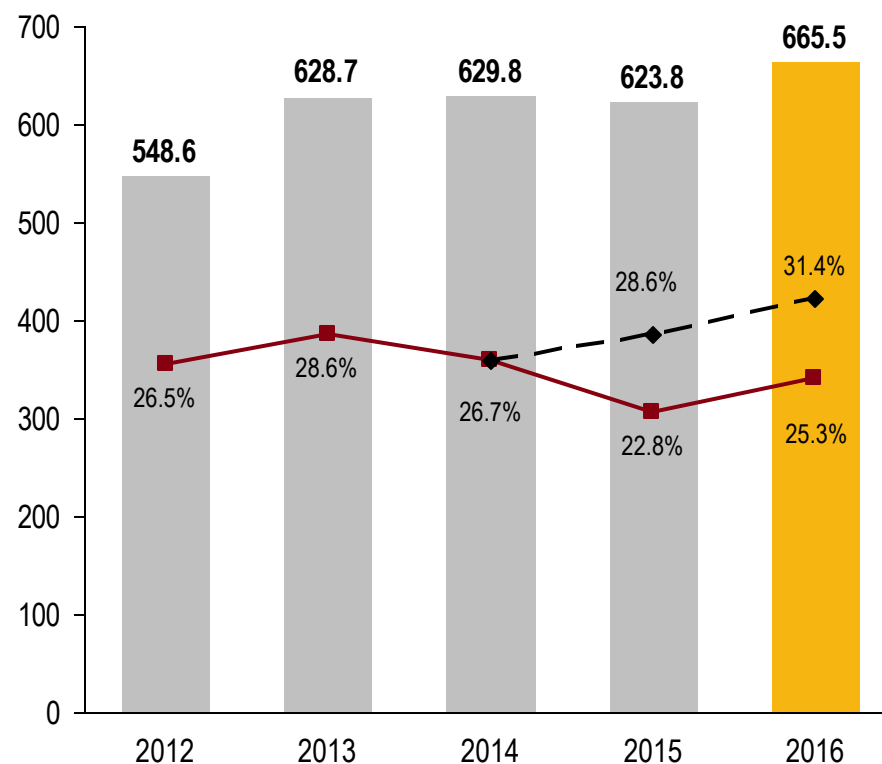
in CHF million	31.12.2016	31.12.2015 ¹	+/- in %
Current financial liabilities	1.9	203.6	
Trade payables	415.1	393.8	
Work in progress / joint ventures (equity method)	782.4	810.7	
Other current liabilities	241.6	259.1	
Total current liabilities	1,441.0	1,667.2	-13.6%
Non-current financial liabilities	413.7	285.6	
Other non-current liabilities	1.9	1.9	
Deferred taxes, provisions, pension liabilities	107.1	152.2	
Total non-current liabilities	522.7	439.7	18.9%
Equity and non-controlling interests	665.5	623.8	6.7%
Total LIABILITIES	2,629.2	2,730.7	-3.7%

¹ Comparative information has been adjusted, see Annual Report 2016, note 2.3

IFRS reporting

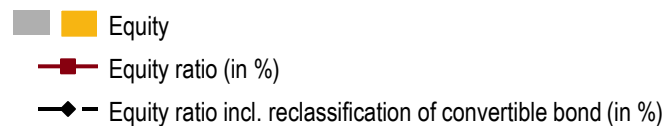
Equity / equity ratio

in CHF million



Significant effects on equity

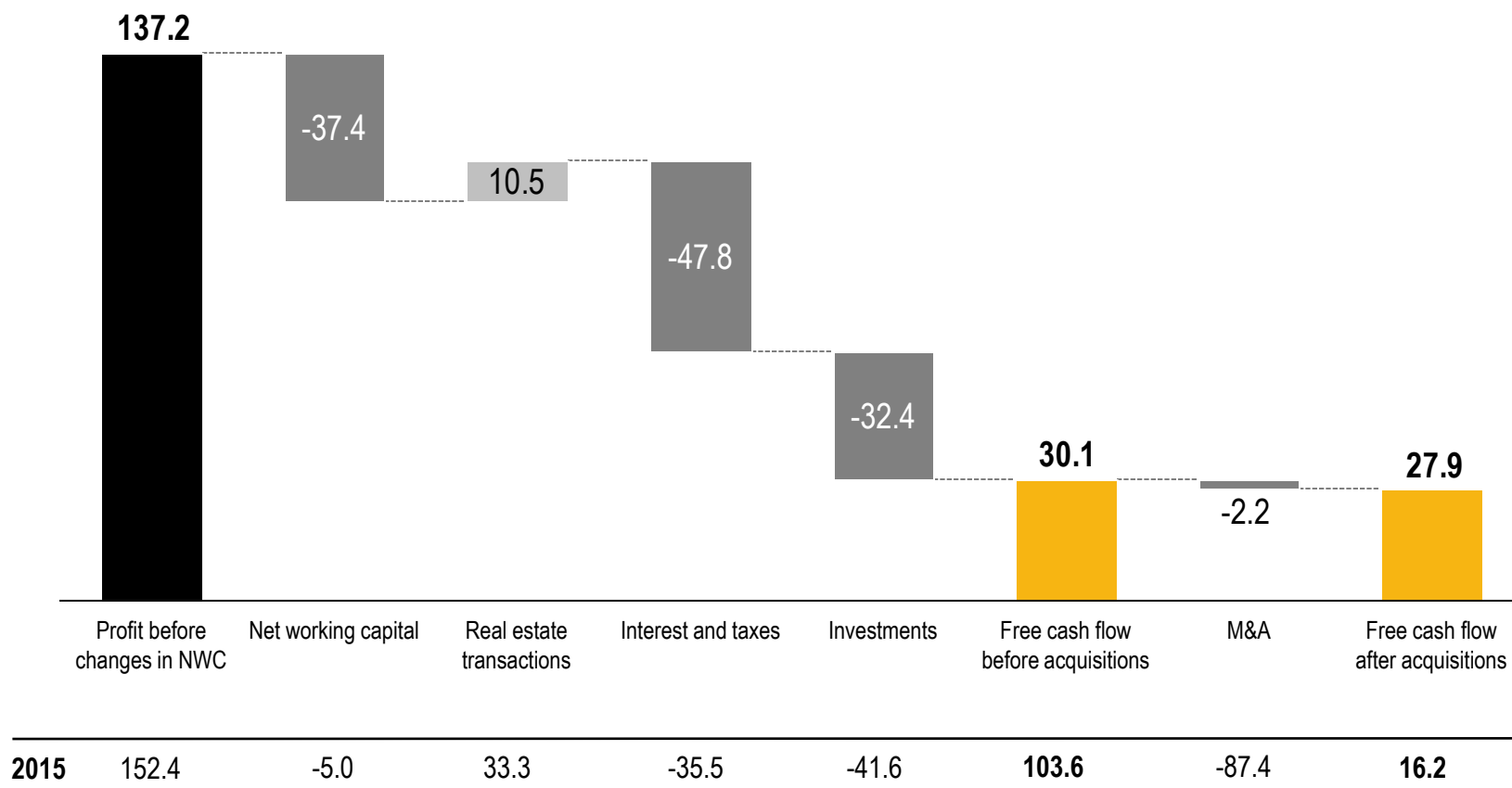
- Result (+64.5)
- Post-employment benefits after tax (+13.2)
- Dividends (-34.7)



IFRS reporting

Cash flow statement – substantial need of NWC

in CHF million

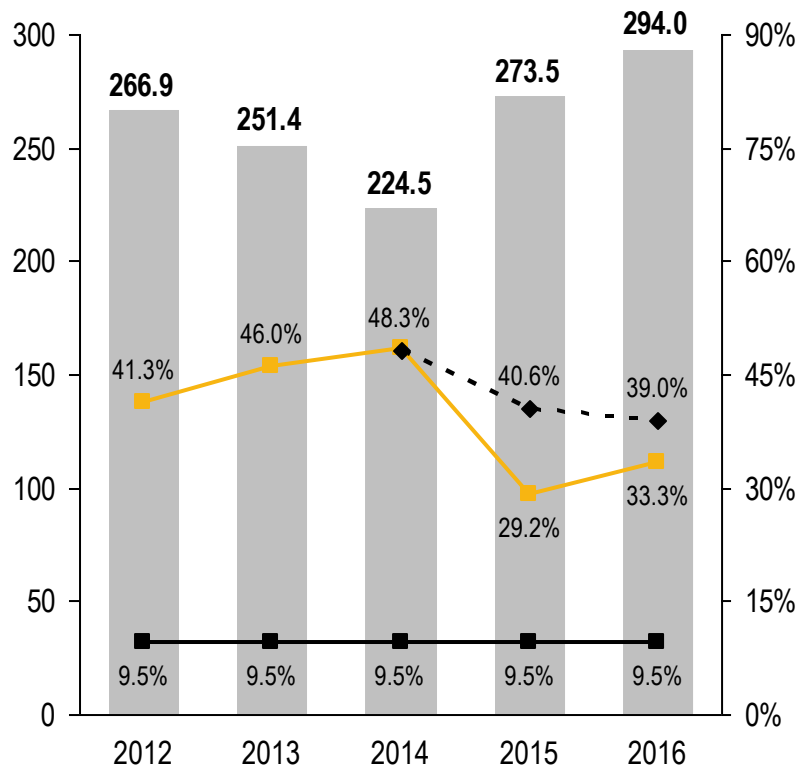


IFRS reporting

Return on invested capital (ROIC) above average

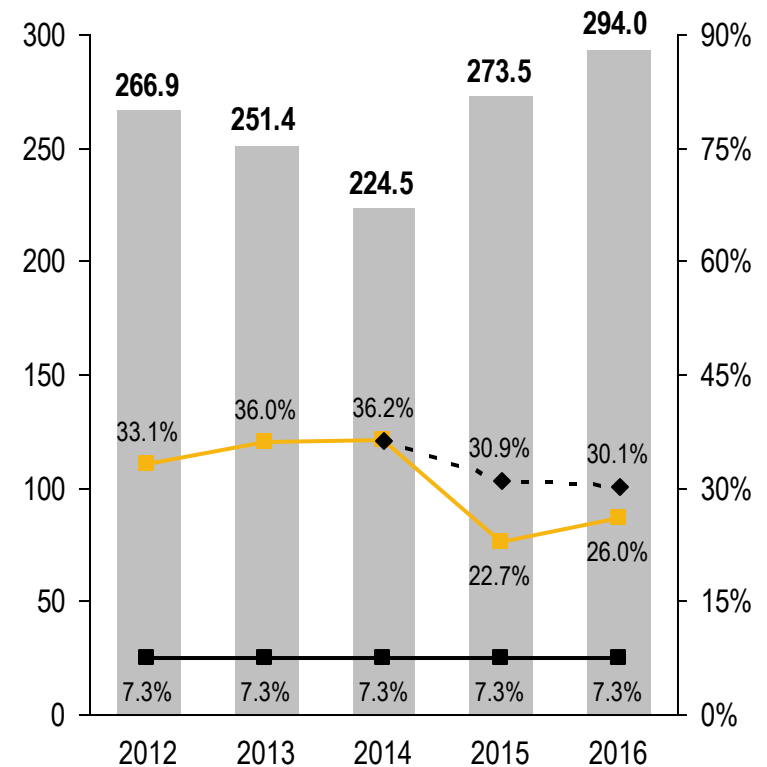
in %

ROIC before tax



- Invested capital (in CHF million)
- ROIC (operating income / invested capital)
- ◆- ROIC (operating income excl. PPA / invested capital excl. PPA)
- WACC before tax

ROIC after tax



- Invested capital (in CHF million)
- ROIC (NOPAT / invested capital)
- ◆- ROIC (NOPAT excl. PPA / invested capital excl. PPA)
- WACC after tax

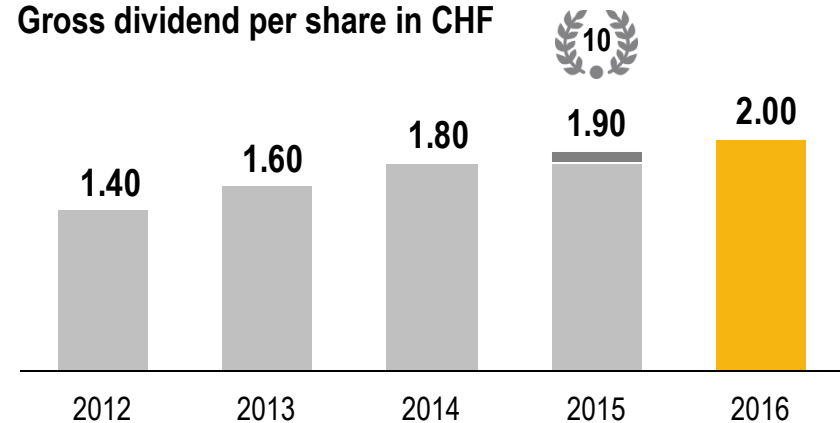
IFRS reporting

Dividend – CHF 2.00

Dividend payments

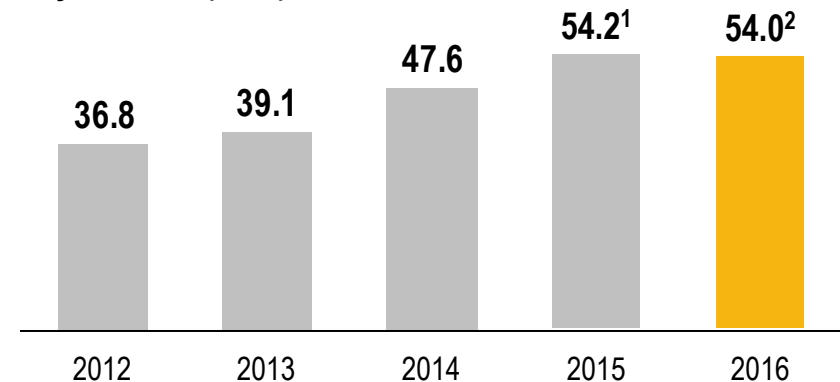
Target distribution ratio
about 50%

Gross dividend per share in CHF



2015: Anniversary dividend of CHF 0.10

Payout ratio (in %)



¹ Excluding PPA, payout ratio of 71.9% on reported result

² Excluding PPA, payout ratio of 58.4% on reported result

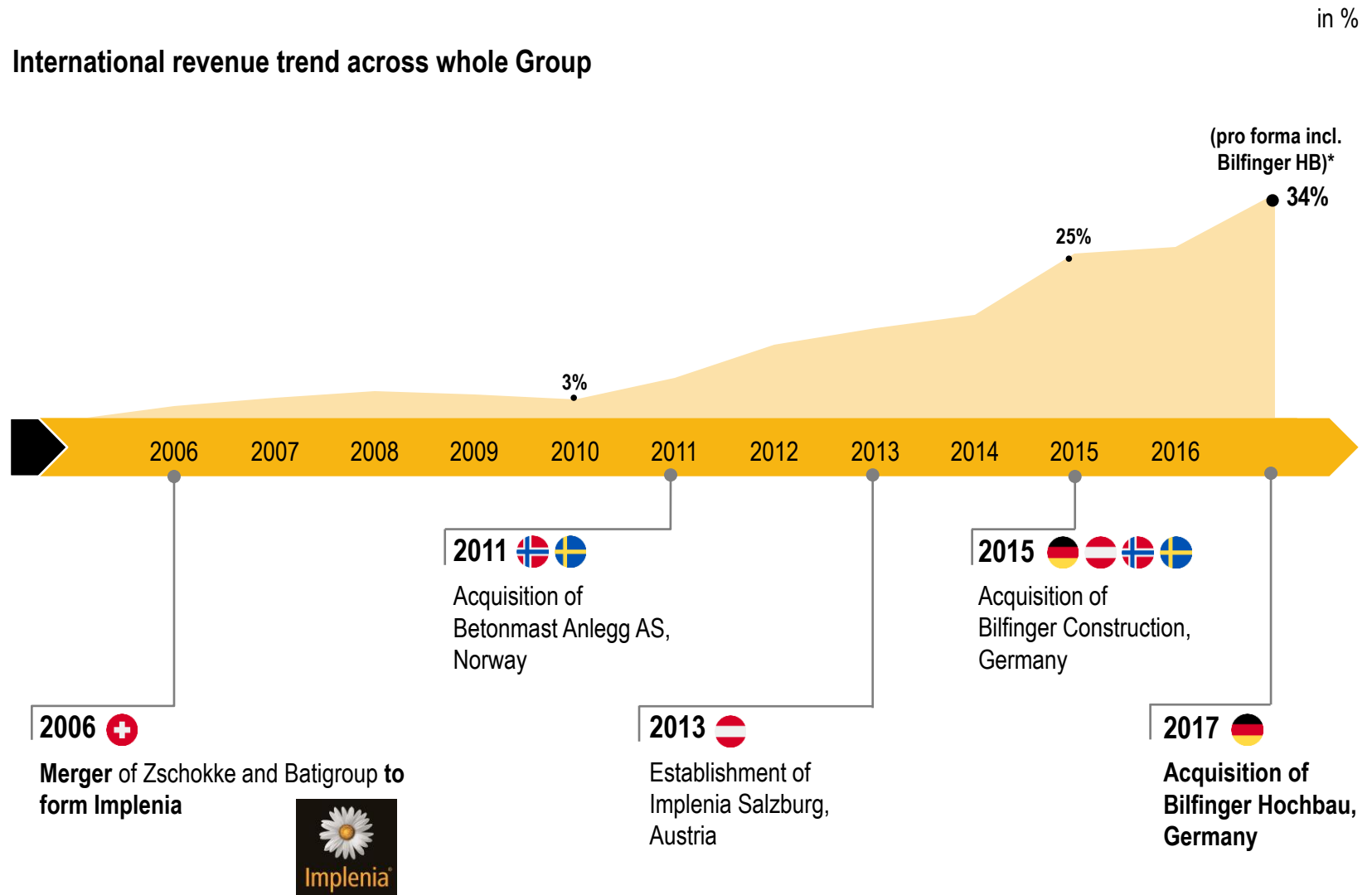
Media and Analysts' Conference

Outlook



Outlook

Systematic expansion of international business



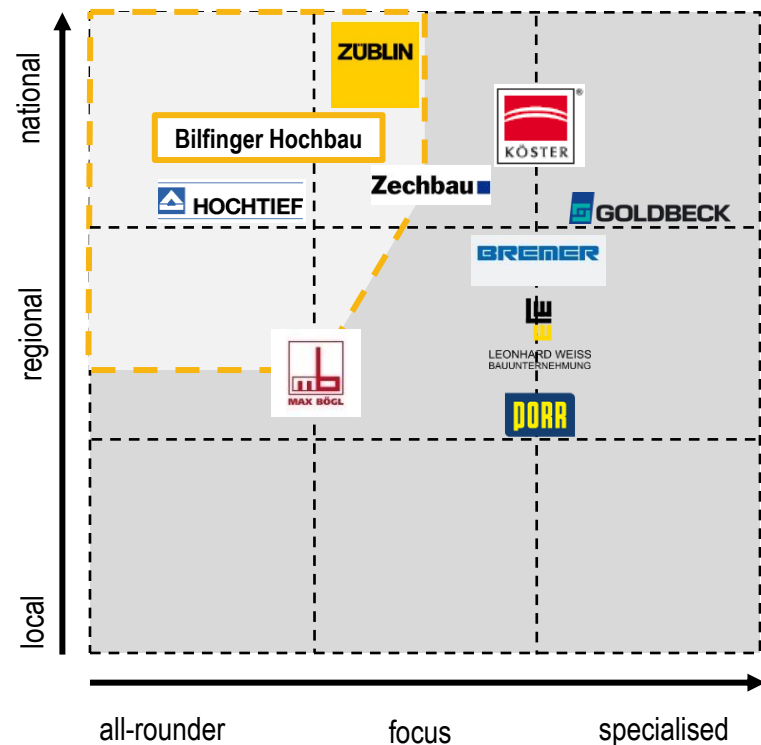
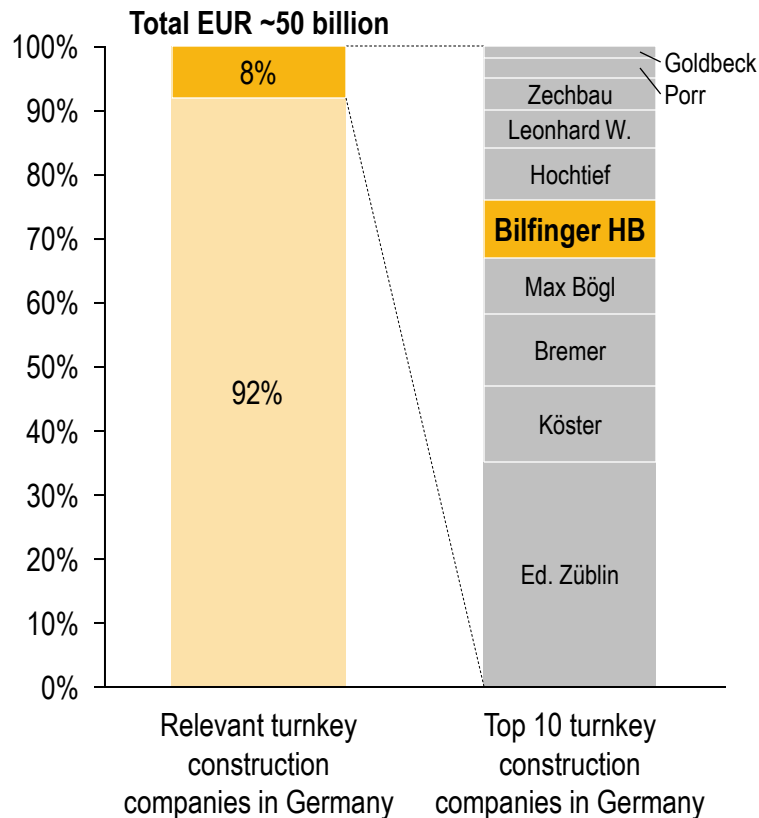
* Closing: 01.03.2017

Outlook

Acquisition of Bilfinger Hochbau – a broadly based, well-established company

Leading position in a fragmented German market

Geographical and functional presence



Outlook

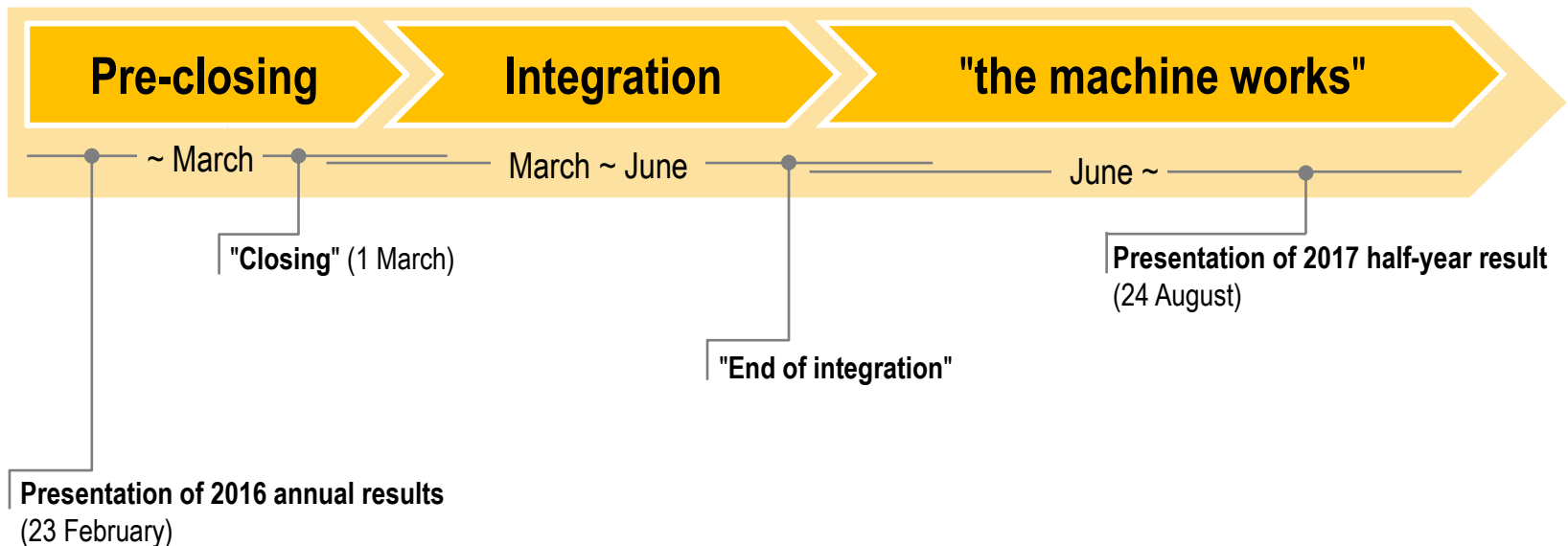
Bilfinger Hochbau – next steps

Integration

- Consolidation on "closing" 1 March 2017
- Integration plan completed by mid-year
 - Detailed organisation
 - Business plan
 - Process harmonisation
 - Rebranding


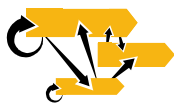

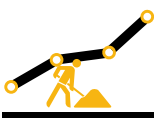

Focus – "the machine works"

- Ensure access to markets and customers
- Guarantee ongoing projects
- Use synergies
 - Organisation
 - Processes
 - Personnel



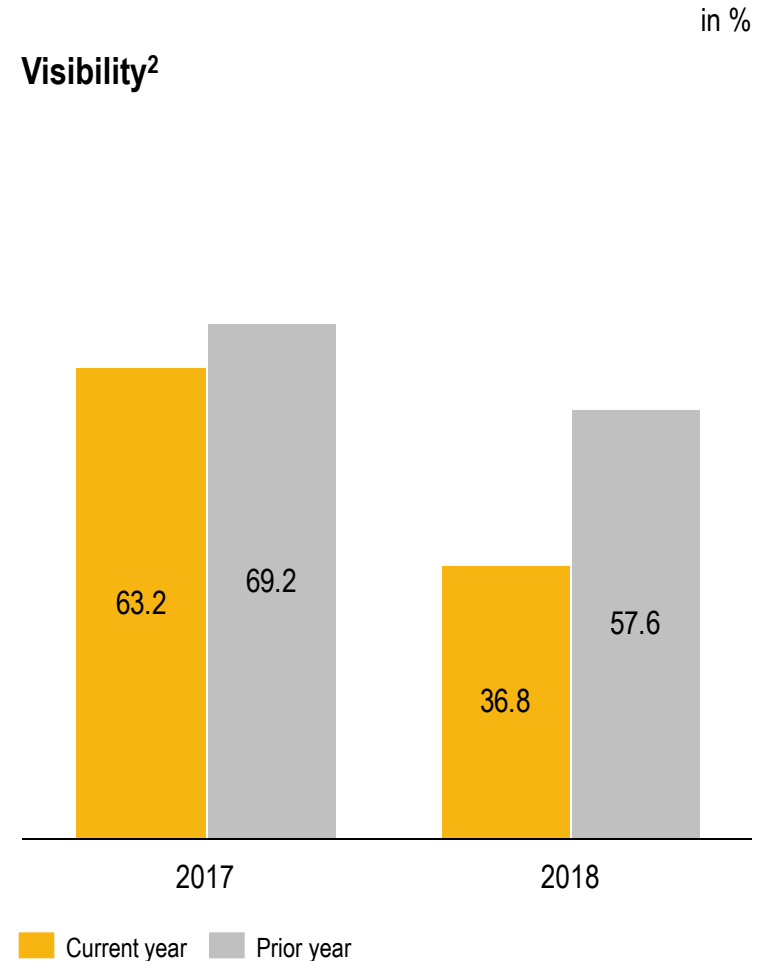
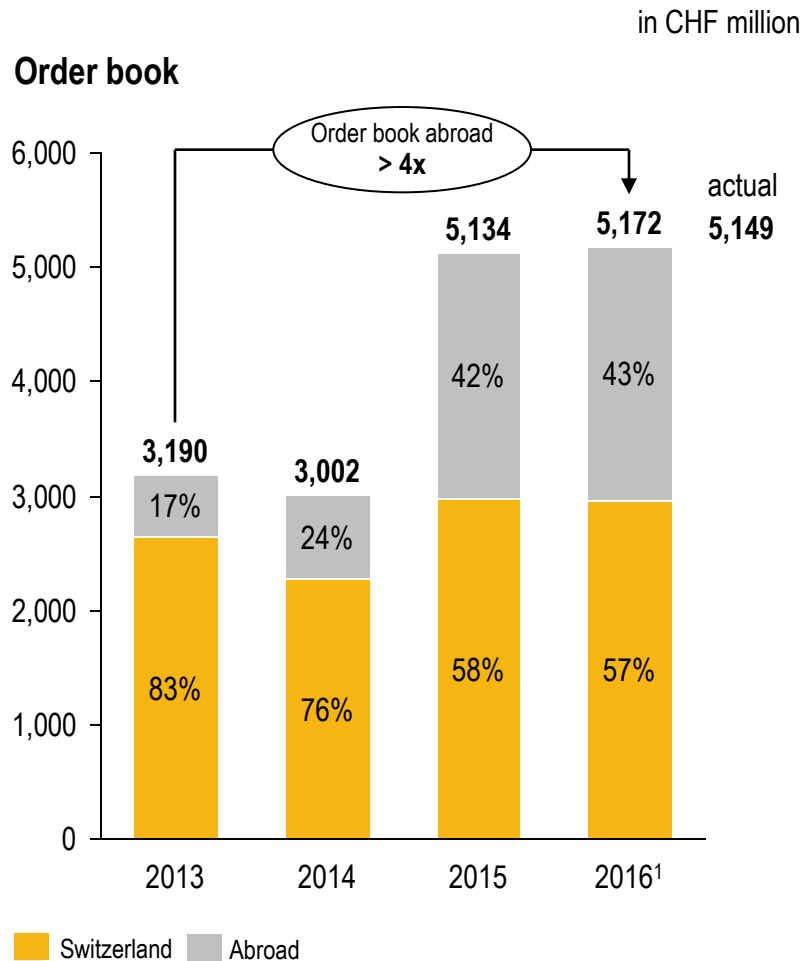
Outlook

Our competence centre for digitalisation

Digital Solutions & BIM	Focus
1 Enabling (fundamentals)	 <ul style="list-style-type: none">▪ Digital Enterprise Backbone
2 Process automation	 <ul style="list-style-type: none">▪ Business processes
3 Integrated environmental information	 <ul style="list-style-type: none">▪ Machinery data
4 Using latest digital technology	 <ul style="list-style-type: none">▪ Digital ground model
5 BIM – Building Information Modelling (5D)	 <ul style="list-style-type: none">▪ Modelling and planning coordination▪ Costs, deadlines, controlling▪ Digital construction site

Outlook

Confidence thanks to a high level of order book



¹ Incl. negative FX effect of approx. 3 CHF million

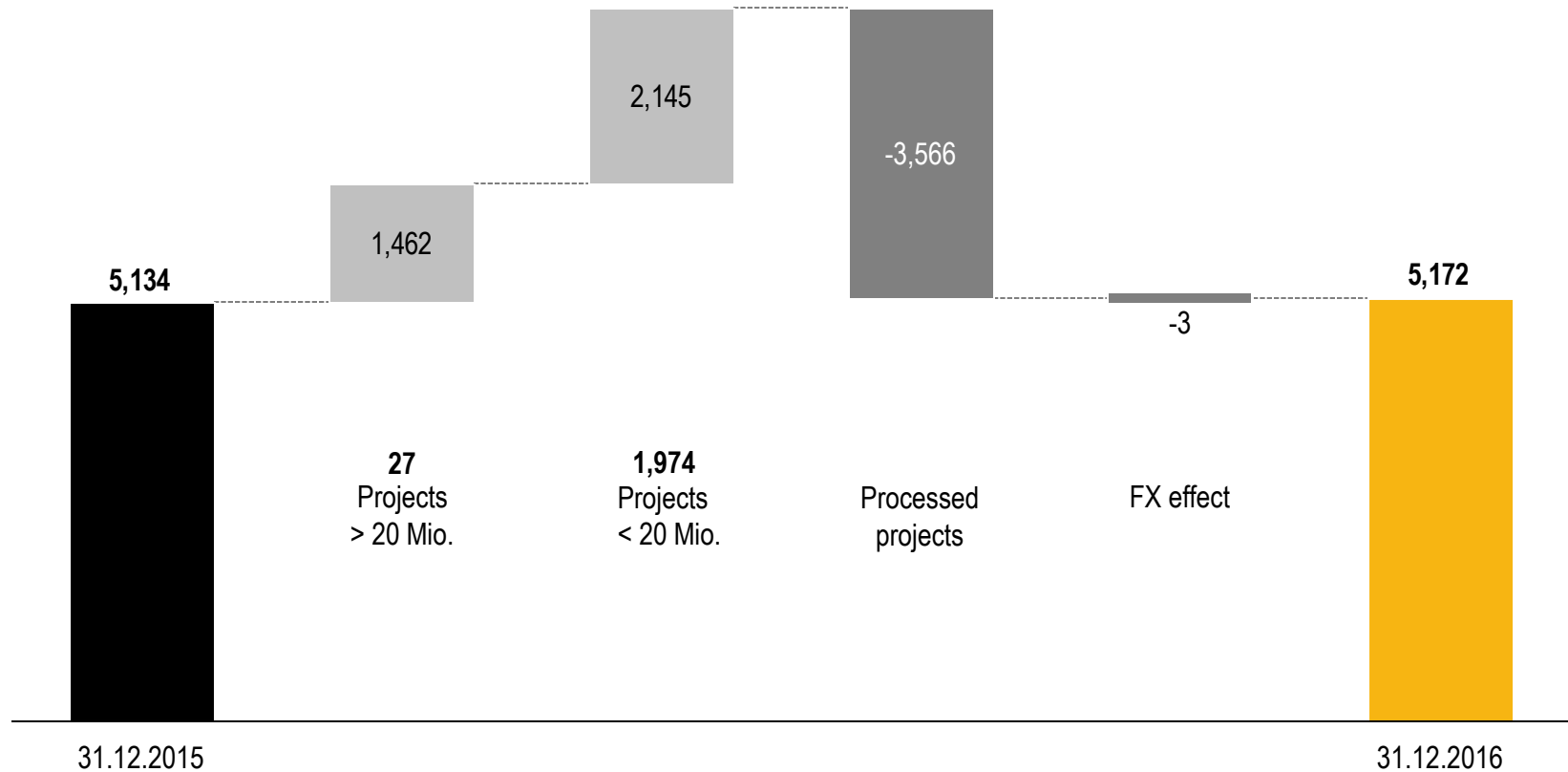
² Order book for current year / planned resp. realised production output

Outlook

Success is broadly based

in CHF million

Change in order book



Outlook

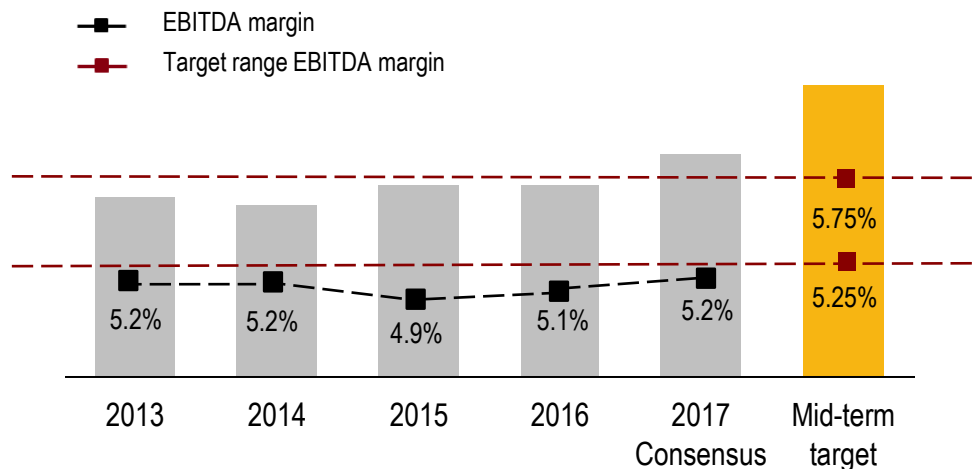
Optimistic for 2017

Outlook 2017

- We expect the business to perform well again in 2017
- Full order books ensure a good visibility
- We maintain our EBIT target of CHF 140-150 million for 2017

Mid-term target

- Top-line towards CHF ~5.0 billion
- We are aiming for an EBITDA within a target range between 5.25% and 5.75%



Dates & contacts

Keep in touch

2017 Annual General Meeting of Shareholders

22nd March 2017

Publication of the half-year results for 2017

24nd August 2017

Publication of the annual results for 2017

1st March 2018

2018 Annual General Meeting of Shareholders

27nd March 2018

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