



Implenia

Annual Report 2022

CREATE AND BUILD THE FUTURE

**Analysts and Media
Conference**

**Glattpark (Opfikon),
1 March 2023**

DISCLAIMER

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

CONTENT OF TODAY – CREATE AND BUILD THE FUTURE



Business Update



Finance Update



Market Outlook



Questions and answers

André Wyss
CEO

Stefan Baumgärtner
CFO

André Wyss
CEO

André Wyss
CEO

Stefan Baumgärtner
CFO



Implen

Transformation completed

Increased profitability

Portfolio

Sector-oriented
specialisation, integration
along the value chain and
acquisitions

Profitable Growth

Value Assurance,
operational excellence,
process optimisation

Innovation

Industrialisation,
digitalisation, BIM,
sustainability

Talent & Organisation

Collaboration & employee
engagement, talent
management, recruitment
excellence

Fit for Growth

to further strengthen
the competitive position



Implenia



BUSINESS UPDATE

2022 full-year results

Implenia Group
and Divisions

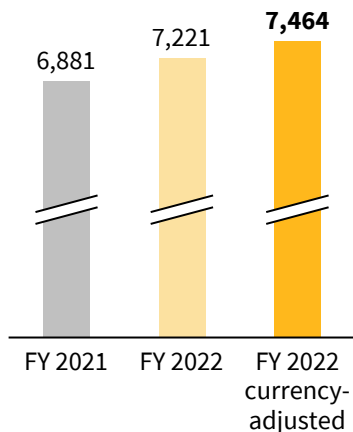
IMPLENIA GROUP – SIGNIFICANTLY IMPROVED PROFIT IN FULL-YEAR 2022

7,221 (+5%)

currency-adjusted 7,464 (+8%)

Order book

CHF mn

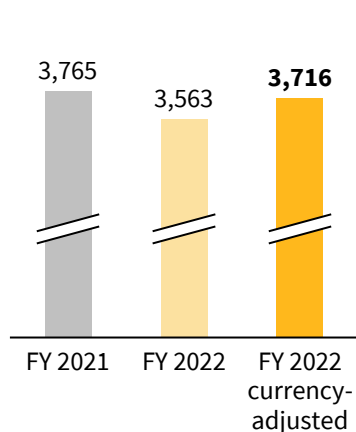


3,563 (-5%)

currency-adjusted 3,716 (-1%)

Revenue

CHF mn

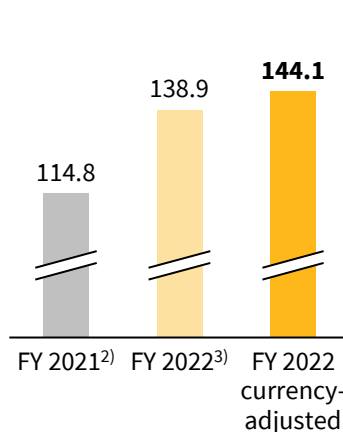


138.9 (+21%)

currency-adjusted 144.1 (+26%)

EBIT

CHF mn



- Foreign currencies with negative effect on order book, revenue and EBIT
- Further increased order book¹⁾ to CHF 7.5 billion**
- Significantly improved risk and margin profile due to Value Assurance
- Revenue¹⁾ of CHF 3.7 billion at previous year's level**
- EBIT¹⁾ significantly increased to CHF 144.1 million**
- All Divisions improved their underlying performance**

1) currency-adjusted

2) incl. one-time effects from transformation of CHF 38.3mn; EBIT excl. one-time effects: CHF 76.5mn

3) no material one-time effects from transformation

BUSINESS UPDATE
REAL ESTATE



BUILDINGS



CIVIL ENGINEERING SPECIALTIES



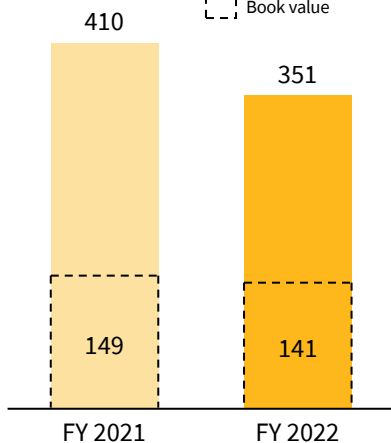
REAL ESTATE – SIGNIFICANT EBIT CONTRIBUTION OF CHF 80.8 MILLION²⁾ MAINLY FROM SALE OF LARGE PROJECTS AFTER SEVERAL YEARS OF DEVELOPMENT

141 (-6%)

Real Estate portfolio¹⁾

CHF mn

Market value¹⁾
Book value

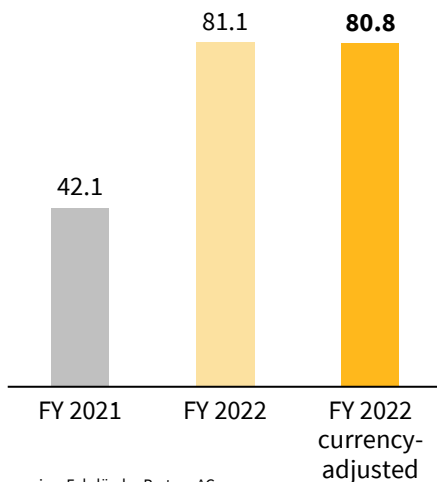


81.1 (+92%)

currency-adjusted 80.8 (+92%)

EBIT

CHF mn



- **Implenia continues to invest** in its own attractive **Real Estate portfolio with a market value of CHF 351 million**
- **EBIT²⁾ of CHF 80.8 million** – mainly from above-average earnings from the sale of large real estate projects **Evolus in Winterthur** and **Baufeld 4 in Unterfeld in Baar** following several years of successful development work in HY1.2022
- Growth of service business and participation in Ina Invest generates **increasing recurring income**; book value of participation of **CHF 145.8 million**
- Due to above-average earnings in 2022, Division expects considerably lower EBIT contribution in HY1.2023; EBIT expectation for **full-year 2023 unchanged at CHF >40 million**

¹⁾ Market value with over 90% based on third party valuation from external independent appraiser Fahrländer Partner AG

²⁾ currency-adjusted

BUSINESS UPDATE

REAL ESTATE – DEVELOPS AND REALISES LANDMARK PORTFOLIOS AND DESIGNS ATTRACTIVE REAL ESTATE PRODUCTS

Les Tattes, Onex, Switzerland



Bredella, Basel, Switzerland



Rocket & Tigerli, Winterthur, Switzerland



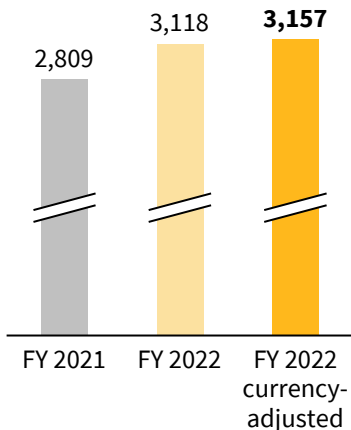
BUILDINGS – INCREASED PROFITABILITY WITH HIGHER ORDER BOOK OF BETTER QUALITY

3,118 (+11%)

currency-adjusted 3,157 (+12%)

Order book

CHF mn

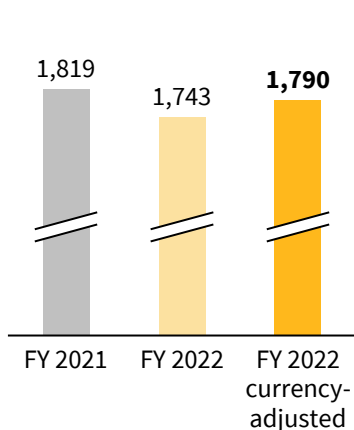


1,743 (-4%)

currency-adjusted 1,790 (-2%)

Revenue

CHF mn

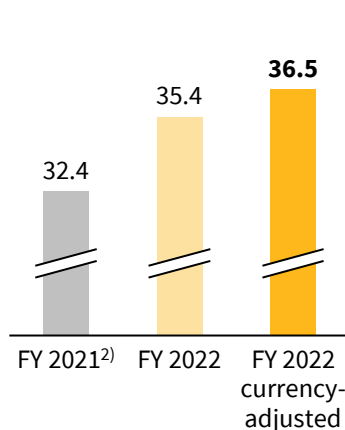


35.4 (+9%)

currency-adjusted 36,5 (+13%)

EBIT

CHF mn



- **Order book¹⁾ increased to CHF 3.2 billion and improved in quality**
- **Revenue¹⁾ of CHF 1.8 billion** only slightly below previous year's level **with increased profitability**
- **Improved EBIT¹⁾ of CHF 36.5 million;** all service areas contributed positively to this result
- **Added value for clients** due to early involvement in projects and partnership-based contract models
- **New projects in the growing areas** of general planning, consulting and realisation of facilities for healthcare and R&D

1) currency-adjusted

2) EBIT incl. one-time effects of CHF -1.5mn, mainly from divestment of Buildings Austria; EBIT excl. one-time effects: CHF 33.9mn

BUSINESS UPDATE

BUILDINGS – PLANS, BUILDS AND MODERNISES LARGE, COMPLEX PROJECTS SPECIALISED IN HEALTHCARE, RESEARCH AND DEVELOPMENT

Cantonal hospital Lucerne,
Switzerland



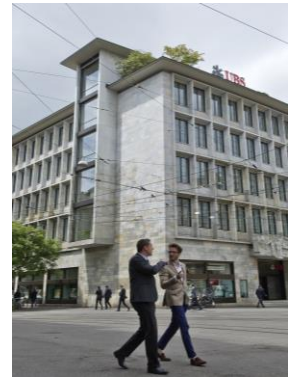
EUREF Campus, Düsseldorf, Germany



Laboratory building University
Basel, Switzerland



UBS Paradeplatz,
Zurich, Switzerland



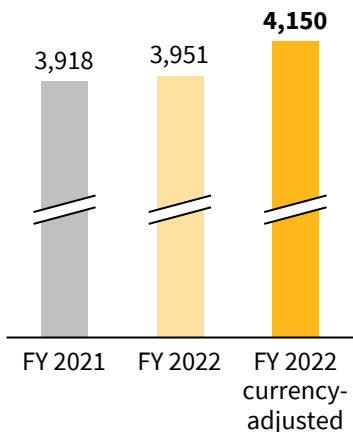
CIVIL ENGINEERING – FURTHER INCREASE IN PROFITABILITY, ORDER BOOK OF IMPROVED QUALITY

3,951 (+1%)

currency-adjusted 4,150 (+6%)

Order book

CHF mn

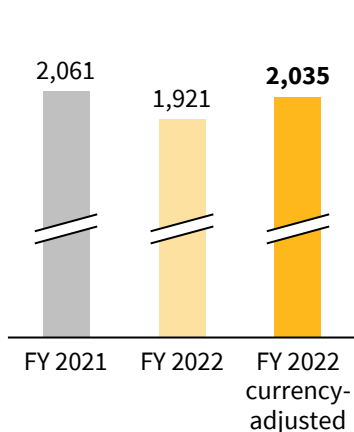


1,921 (-7%)

currency-adjusted 2,035 (-1%)

Revenue

CHF mn



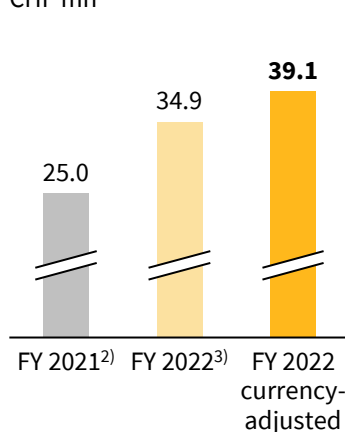
34.9 (+40%)

currency-adjusted 39.1 (+56%)

EBIT

excl. one-time effects

CHF mn



- **Order book¹⁾ increased to CHF 4.2 billion** and was of **improved quality**; strategic focus on profitable and complex infrastructure projects
- **Revenue¹⁾ of CHF 2.0 billion at previous year's level**
- **Significantly increased EBIT¹⁾ of CHF 39.1 million**, excl. one-time effects from transformation
- **Long-standing experience** and extensive expertise in large and complex infrastructure projects

1) currency-adjusted

2) one-time effects of CHF 26.8mn, mainly from divestment of non-core and non-strategic businesses and release of restructuring provisions; reported EBIT: CHF 51.8mn

3) one-time effect of CHF 0.8mn from release of restructuring provisions; reported EBIT: CHF 35.8mn

CIVIL ENGINEERING – FUTURE-ORIENTED MOBILITY AND ENERGY INFRASTRUCTURE FOR EUROPE

**Second tube Gotthard
road tunnel, Switzerland**



**Ship lift Niederfinow,
Germany**



Brenner Base Tunnel, Austria



**TELT Base Tunnel Lyon-Turin,
France**



**Tangenvika railway bridge,
Jernbanebru, Norway**



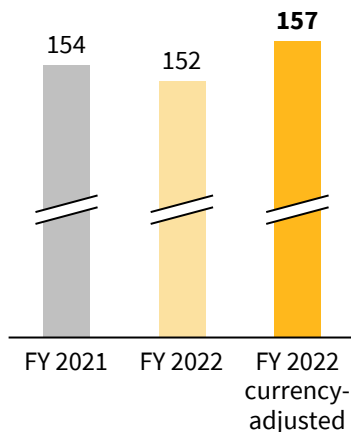
SPECIALTIES – CONSIDERABLE INCREASE IN UNDERLYING PERFORMANCE, ONGOING PORTFOLIO ADJUSTMENTS

152 (-1%)

currency-adjusted 157 (+2%)

Order book

CHF mn

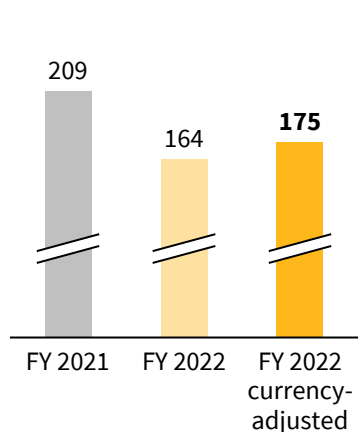


164 (-21%)

currency-adjusted 175 (-16%)

Revenue

CHF mn

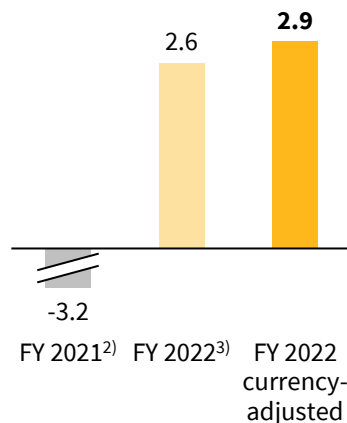


2.6 (n/a)

currency-adjusted 2.9 (n/a)

EBIT

excl. one-time effects
CHF mn



- **Order book¹⁾ of CHF 157 million** above previous year's level
- **Revenue¹⁾ at CHF 175 million**, lower compared to previous year due to portfolio adjustments
- **EBIT¹⁾ of CHF 2.9 million**, excl. one-time effects; low one-time effects mainly from ongoing portfolio adjustments of Division
- **Growth of planning and engineering capabilities in customer-centric business models**; further portfolio adjustments and search for attractive acquisition opportunities
- With its **innovative service portfolio**, the Division is contributing to the **sustainable development of the construction industry**

1) currency-adjusted

2) one-time effects of CHF 12.0mn, mainly from divestment of non-core and non-strategic businesses; reported EBIT: CHF 8.8mn

3) one-time effects of CHF 1.8mn, mainly from portfolio adjustments of the Division; reported EBIT: CHF 4.4mn

BUSINESS UPDATE

SPECIALTIES – PLANS AND REALIZES MAJOR PROJECTS IN EUROPEAN MARKETS WITH SPECIALISED SERVICES

**Rocket & Tigerli,
Winterthur, Switzerland**



Cellforce factory, Mahden, Germany



Berlin Decks, Germany



**Data center heiCOMACS,
Heidelberg, Germany**



**Cantonal hospital
Aarau, Switzerland**



SUSTAINABILITY THROUGH CLOSED MATERIAL CYCLES: IMPLENIA REMAINS A LEADER IN THE INDUSTRY

Focus decarbonisation and circular economy

- Integration of **circular principles** in development projects
- Implementation of **re-use strategies** in new replacement buildings
- Use of **renewable** and **CO₂-neutral building materials**
- Closing **material cycles** directly on construction sites
- **Separation and recycling** of construction waste

Highlights

Decarbonisation strategy:
After determining operating and construction emissions of the entire development portfolio

NET ZERO

Circular Globe Award:
for Real Estate Products as the first company in the real estate industry



Building material recycling:
directly on the construction site, by extracting gravel from excavated material



Implenia leading in ESG ratings¹⁾



1) Sustainalytics and Ecovadis for assessment period 2021;
MSCI ESG Rating AAA per December 2022

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INTEGRATED SERVICES OF ALL DIVISIONS ALONG THE ENTIRE VALUE CHAIN

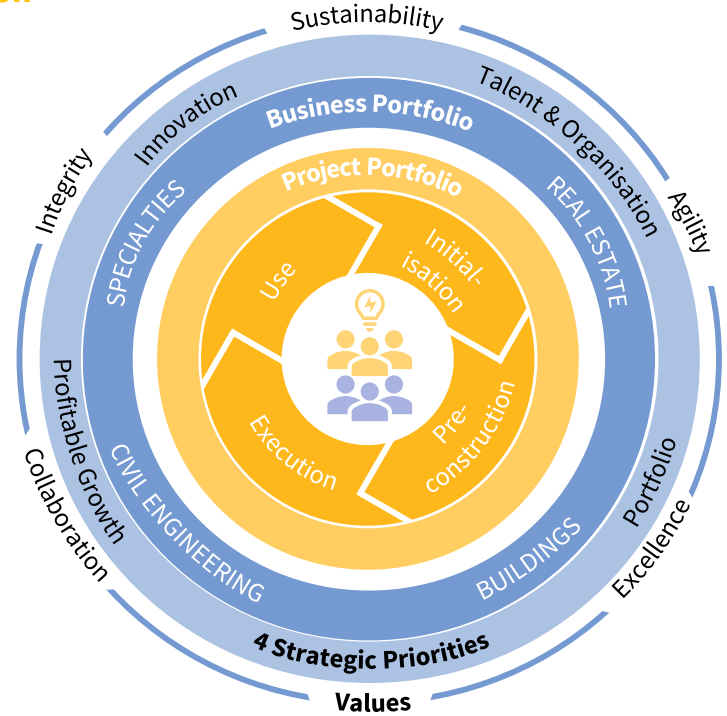
End-to-end competences in consulting, planning, project and construction management

- **Implenia acting in various roles:**
 - as **owner** of Real Estate portfolio
 - as integrated leading multinational **construction and real estate service provider**
 - as **partner** in strategic projects or client to subcontractors
- Strong position in **‘execution’ maintained** (‘make or buy’)
- Limited **asset needs**

Cantonal hospital Aarau, Switzerland



**Rocket & Tigerli,
Winterthur, Switzerland**





Implenia



Finance Update

2022 full-year results



SIGNIFICANTLY IMPROVED NET RESULT

Income statement (shortened)

CHF mn

	FY 2022	FY 2021
Revenue	3,563.3	3,764.7
EBIT	138.9	114.8
<i>EBIT margin</i>	<i>3.9%</i>	<i>3.1%</i>
Financial result	-15.7	-24.3
EBT	123.2	90.5
Taxes	-17.2	-26.5
Net result	106.0	64.0

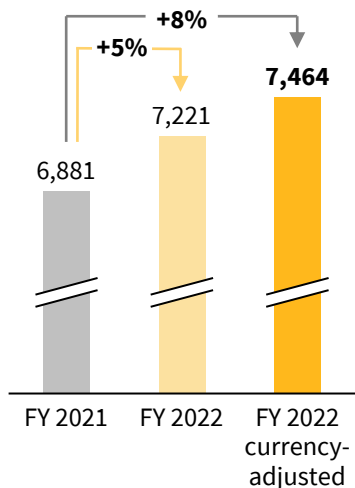
Differences due to rounding

- **EBIT** in FY 2022 **significantly above prior year** due to improved profitability of all Divisions and above-average contribution of Division Real Estate
- **Group EBIT margin** in FY 2022 **increased to 3.9%**
- **Financial result improved** due to reduced financing needs
- **Lower tax rate** due to capitalisation of tax loss carry-forwards and EBIT mix
- **Significantly improved net profit of CHF 106.0 million**

FOREIGN CURRENCY EFFECTS WITH NEGATIVE IMPACT ON ORDER BOOK, REVENUE AND EBIT

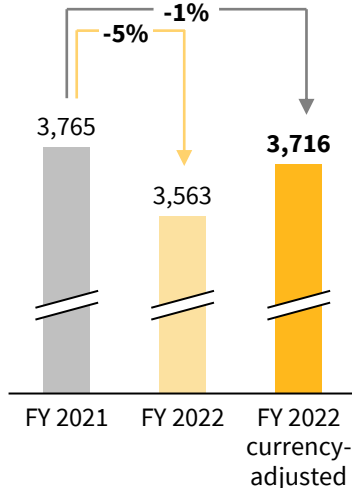
Order book

CHF mn



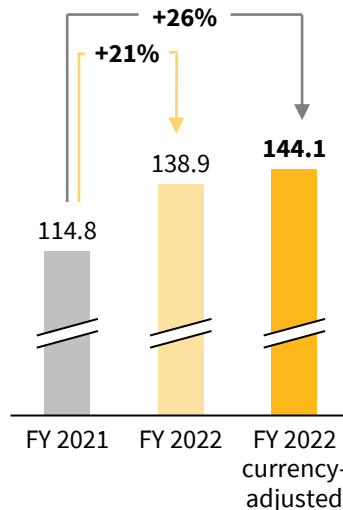
Revenue

CHF mn



EBIT

CHF mn



Differences due to rounding

- Foreign currencies with negative translation effect, mainly from EUR/CHF
- Currency-adjusted order book increased by 8%** compared to previous year
- Currency-adjusted revenue at previous year's level**
- Currency-adjusted EBIT of CHF 144.1 million; currency-adjusted increase by 26%** compared to previous year
- Only minor transaction effects due to natural hedging in local entities

REDUCTION IN TOTAL ASSETS DUE TO CONSISTENTLY PURSUED ASSET LIGHT STRATEGY

Assets (shortened)

CHF mn

	31.12.2022	31.12.2021
Cash & cash equivalents	608.8	621.9
Real estate transactions	141.0	149.3
Other current assets	1,084.8	1,311.5
Total current assets	1,834.6	2,082.7
Goodwill	229.5	238.6
Rights of use from leases	156.7	148.9
PP&E with revaluation model ¹⁾	75.7	23.8
Other non-current assets	457.0	493.8
Total non-current assets	918.8	905.1
Total assets	2,753.4	2,987.8

1) Valuation as per 30 June 2022 by the external, independent expert Fahrländer Partner Ltd.; changes in HY2.2022 due to depreciation

- **Cash and cash equivalents** at previous year's level
- **Real estate transactions** (Real Estate portfolio) slightly below previous year; acquisitions after balance sheet date
- **Progress in reducing net working capital** compared to prior year
- Goodwill in FY2022 mainly impacted by currency effects
- **Revaluation of yards¹⁾** according to IFRS (PP&E with revaluation model increased by CHF 56.3 million)
- **Asset light strategy** consistently pursued

STRONG INCREASE IN EQUITY RATIO TO 17.5% DUE TO IMPROVED PROFITABILITY AND REDUCED TOTAL ASSETS

Equity and Liabilities (shortened)

CHF mn

	31.12.2022	31.12.2021
Trade payables	625.7	679.4
Other current liabilities	974.3	1,209.7
Total current liabilities	1,600.0	1,889.1
Long-term financial liabilities	581.8	651.9
Other non-current liabilities	88.9	100.9
Total non-current liabilities	670.7	752.8
Total equity	482.7	345.9
Total equity and liabilities	2,753.4	2,987.8
Equity ratio	17.5%	11.6%¹⁾

1) Equity ratio excluding temporary impact of CHF 175mn bond proceeds from November 2021: 12.3%

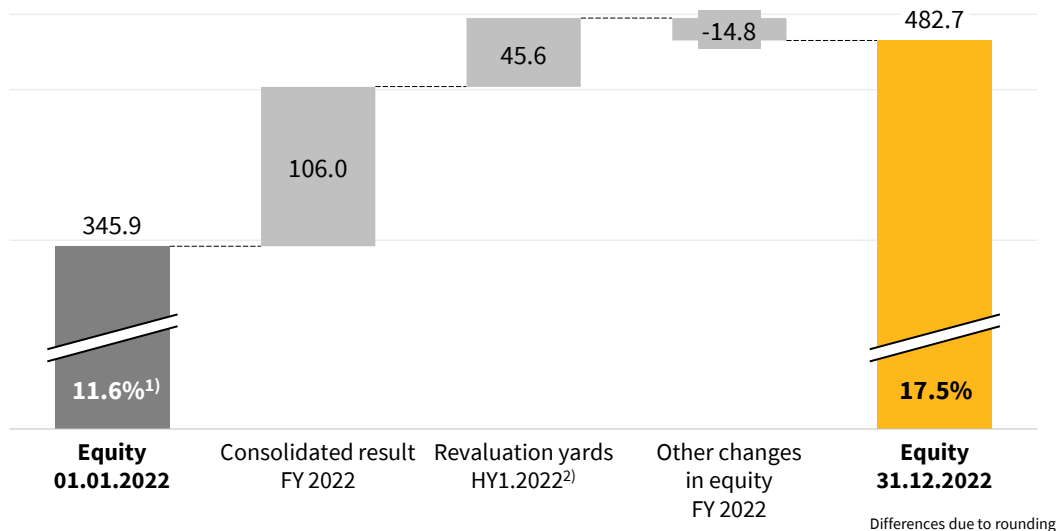
- **Trade payables** reduced in FY 2022
- Lower current liabilities due to repayment of convertible bond as of 30 June 2022
- **Decrease in non-current financial liabilities** compared to prior-year period
- **Equity increased to CHF 482.7 million** – improvement of 40% in FY 2022
- **Equity ratio increased to 17.5%**

Differences due to rounding

SUBSTANTIALLY STRENGTHENED EQUITY OF CHF 482.7 MILLION DUE TO IMPROVED NET PROFIT

Change in equity (shortened)

CHF mn



- **Equity strengthened by CHF 136.8 million;** 2022 target of at least CHF 80 million exceeded
- **Fair value valuation under IFRS** in HY1.2022 with positive effect, due to the revaluation of the asset class yards ("Werkhöfe")
- **Increased equity ratio of 17.5%** due to significantly improved equity and progress in reducing total assets
- **Difference between book and market value from Real Estate portfolio³⁾** would lead to an equity ratio clearly >20%
- Improvements in operating business become evident in balance sheet structure; on track towards **sustainable equity ratio >20%**

1) Equity ratio excluding temporary impact of CHF 175 million bond proceeds from issuance in November 2021: 12.3%

2) Gross increase in property, plant & equipment with revaluation model of CHF 56.3mn, effect in equity after deferred tax liabilities of CHF 10.7mn

3) Difference between book and market value of Real Estate portfolio: CHF 210mn

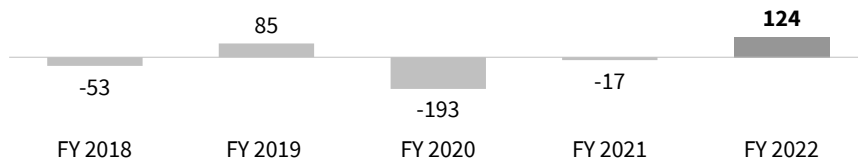
SIGNIFICANT IMPROVEMENT OF FREE CASH FLOW TO CHF 124.0 MILLION

Consolidated Cash Flow Statement

CHF mn

	FY 2022	FY 2021
Free cash flow¹⁾	124.0	-17.5
Cash & cash equivalents at the beginning of the period	621.9	720.0
Cash flow from operating activities	128.1	-69.2
Cash flow from investing activities	170.9	-123.2
Cash flow from financing activities	-294.3	107.4
FX differences in cash & cash equivalents	-17.8	-13.0
Cash & cash equivalents at the end of the period	608.8	621.9

**Development
free cash flow**
CHF mn



- **Free cash flow at high level of CHF 124.0 million;** improvements in operating business and successful management of net working capital
- **Significantly improved operating cash flow** compared to prior year period
- **Cash flow from investing and financing activities** impacted by repayment of convertible bond as per 30 June 2022
- **Net cash position²⁾ improved to CHF 120.3 million** per 31.12.2022
- **Continued positive development of free cash flow** expected

1) excl. impact of fixed short-term deposit prior to repayment of convertible bond

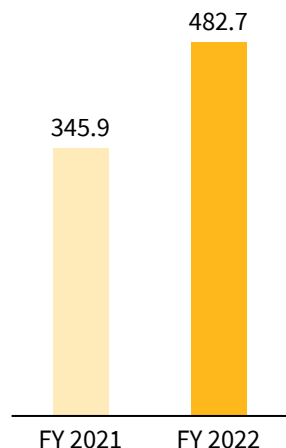
2) excl. lease liabilities

BOARD OF DIRECTORS WILL PROPOSE A DIVIDEND OF CHF 0.40 PER SHARE TO ANNUAL GENERAL MEETING

482.7 (+40%)

Total Equity

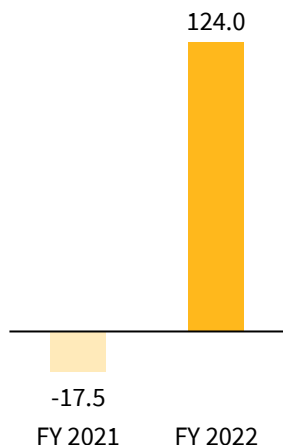
CHF mn



124.0 (n/a)

Free cash flow

CHF mn



- Implenia to cautiously resume dividend distributions
- Implenia wants its shareholders to participate in the company's success following the completion of its transformation
- **Board of Directors will propose a dividend of CHF 0.40 per share to the AGM on 28 March 2023**
- Board of Directors anticipates that Implenia will be able to continue distributing dividends in the future

IMPLENIA AIMS FOR EBIT OF CHF ~120 MILLION AND A FURTHER INCREASE IN THE EQUITY RATIO TO >20%

Profitability target 2023

Expected EBIT CHF ~120 million

Strong operating business at all Divisions; lower EBIT contribution of Real Estate, especially in the first half year

Short to mid term EBIT margin target

~3.5% EBIT margin

Mid to long term EBIT margin target

>4.5% EBIT margin

Expected equity ratio 2023

>20%

Expected mid-term equity ratio

25%



Implenia






MARKET OUTLOOK

2022 full-year results

FORECASTS FOR EUROPEAN CONSTRUCTION OUTPUT REMAIN STABLE, UNCERTAINTIES AND INFLATION IN CHALLENGING MARKET ENVIRONMENT

Construction output in relevant markets with constant volume, slower growth

	Buildings		Civil Engineering	
	EUR bn	CAGR ¹⁾ 2022-2025	EUR bn	CAGR ¹⁾ 2022-2025
 Europa (EC-15) ³⁾	1,417	-0.1%	381	+2.3%
 Switzerland	49	+1.2%	15	+0.6%
 Germany	345	-0.1%	75	+0.6%

- **Steady but weakened economic growth** in Europe
- **Inflation, rising interest rates, energy crisis** and **general uncertainty** are dampening general construction activity
- **Government incentives and subsidies with positive effect**
- Annual forecast **growth rate of 0.4%²⁾** until 2025 for the **entire construction industry**

Challenges of the market environment are mitigated best possible and closely monitored

- Strategically well-positioned **project portfolio – in urban areas and with public infrastructure projects – is more robust** in a volatile economic market environment
- **Active management of central procurement**, together with the **operational units** and **back-to-back contract clauses**, has mitigated major impacts of supply chain uncertainties (availability and price)
- **Further developments will continue to be closely monitored**

MEGATRENDS CONTINUE TO OFFER ATTRACTIVE OPPORTUNITIES



Global population is estimated to rise from 8 billion in 2022 to over **10 billion people by 2058¹⁾**

- Increasing demand for **living space**
- Sustainable use of **resources**



- Specialisation for **living, working and mobility needs**
- Long track record for **sustainable solutions** in project execution
- **Customer-centric project development**



81.2%²⁾ of the population in Western Europe will live in **urban areas by 2025**

- **Densification** in urban areas
- **Smart cities**
- **Sharing** economy



- Positioned for large, complex real estate and infrastructure projects in **dense, urban environment at high client requirements**
- Attractive and strategically well positioned **Real Estate portfolio in urban areas**



EUR 10.7 trillion need to be invested in mobility and **infrastructure in Europe by 2040³⁾**

- **Modernisation** of infrastructure
- Further **expansion** and **networks**
- Energy scarcity and **alternative resources**




- Targeted existing offering for **large and complex infrastructure**
- At forefront to **incorporate new demand** of public sector clients **for complex mobility infrastructure and underground spaces**

RAYMOND CRON PROPOSED AS NEW MEMBER OF THE BOARD OF DIRECTORS

Board of Directors

- **Laurent Vulliet** will not be standing for re-election at the Annual General Meeting (AGM) on 28 March 2023
- **Raymond Cron** will be proposed to the AGM as a new Member of the Board of Directors
- With his **many years of experience in management** at real estate and construction companies, Raymond Cron will bring **comprehensive industry expertise and leadership skills** to the Board



A photograph of two men in a professional setting. One man, wearing a light-colored shirt, is pointing at a large architectural plan or map on a wall. The other man, wearing a dark suit, is leaning in and looking at the plan. The background is slightly blurred, showing more of the office environment. A semi-transparent white box is overlaid on the left side of the image, containing the text.

**IMPLENIA IS
EXCELLENTLY
POSITIONED
FOR SUSTAINABLE
SUCCESS**



DATES AND CONTACTS

Dates

2023 Annual General Meeting	28.03.2023
2023 Half-year results	16.08.2023

Contacts

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Implenia



QUESTIONS AND ANSWERS

2022 full-year results



Implenia

THANK YOU!

2022 full-year results