

# Letter to the Shareholders on the financial year 2019

Annual General Meeting  
of Implenia Ltd.



Implenia®

## DEAR SHAREHOLDERS

With a new strategy and a new organisational structure, 2019 was a year of renewal for Implenla. The company swiftly implemented its operating model, which is based on divisions with their own profit and loss responsibility. This organisational structure was embedded very quickly and well; employees understand their roles and are carrying them out effectively. The new structure has improved international cooperation across the divisions.

In implementing its strategy, Implenla made significant progress on all its strategic priorities in 2019. The value chain has been extended and a comprehensive Value Assurance approach has been rolled out for projects across the Group. This is already having a positive impact on the quality of the order book. Further strategic initiatives, including BIM and Lean Construction, the ERP transformation project (INSPIRE) and supplier consolidation, are progressing on schedule. Implenla has also launched an internal platform for innovation management, the Innovation Hub.

The next major step is planned for the second quarter of 2020: Implenla intends to transfer about half of its development portfolio at current market value to the real estate company called Ina Invest Ltd. Ina Invest Ltd.'s parent company, Ina Invest Holding Ltd., will be listed. The other half of the attractive development portfolio will remain at Implenla, which will continue to develop it. Implenla Ltd. will participate in Ina Invest Ltd. as a significant minority shareholder. You, as Implenla shareholders, will participate in Ina Invest Holding Ltd. via new shares

(dividend in kind) and will be able to vote on the transaction at the upcoming Annual General Meeting. The aim is for Implenla to generate continuous earnings in the medium term by expanding its value chain instead of selling its ready to build and approved development projects as it has done previously.

The business result for 2019 met expectations. Operating business went well in all four divisions and the order book is looking healthy. The Implenla Group is ready to realise its full potential.

So the Board of Directors has decided to ask the Annual General Meeting on 24 March 2020 to approve a cash dividend of CHF 0.75 per share.

On behalf of the entire Board of Directors I would like to thank you for your trust during the year and look forward to your continued support as shareholders.



A stylized, handwritten signature in black ink, consisting of a large, sweeping 'H' followed by a smaller, more complex signature.

**Hans Ulrich Meister**  
Chairman of the Board of Directors

**Consolidated revenue**  
in CHF m



4,431

(2018: 4,364)

1.5% increase in revenue reflects  
focus on profitable growth.

**EBITDA**  
in CHF m



187

(2018: 90)

EBITDA meets expectations.

**Market capitalisation**  
in CHF m



725

(2018: 611)

Rise in market capitalisation is an  
indicator of increased confidence in  
our strategy.

**Total workforce<sup>1</sup>**  
as at 31.12.



10,168

(2018: 10,028)

The new organisational structure is  
well bedded in. Employees understand  
their roles and are carrying them out  
effectively.

<sup>1</sup> Incl. temporary employees

**Geographical presence**

Home markets and other markets



■ Home markets  
■ Other markets

## Key figures Group

in CHF t	2019	2018	Δ	like for like <sup>1</sup>
<b>Consolidated revenue</b>	<b>4,430,833</b>	4,364,473	1.5%	3.6%
EBITDA excl. IFRS 16	<b>130,782</b>	89,726		
in % of revenue	<b>3.0%</b>	2.1%		
<b>EBITDA</b>	<b>186,768</b>	89,726		
in % of revenue	<b>4.2%</b>	2.1%		
Operating income excl. PPA	<b>67,560</b>	31,000		
in % of revenue	<b>1.5%</b>	0.7%		
<b>Operating income</b>	<b>63,507</b>	12,935		
in % of revenue	<b>1.4%</b>	0.3%		
<b>Consolidated profit</b>	<b>33,920</b>	504		
in % of revenue	<b>0.8%</b>	0.0%		
Free cash flow excl. IFRS 16	<b>33,519</b>	(52,586)		
<b>Free cash flow</b>	<b>84,871</b>	(52,586)		
Cash and cash equivalents (as at 31.12.)	<b>912,317</b>	913,233	(0.1%)	0.9%
Financial liabilities (as at 31.12.)	<b>639,753</b>	516,022	24.0%	24.9%
<b>Net cash position excl. lease liabilities (as at 31.12.)</b>	<b>420,500</b>	405,540	3.7%	6.0%
Net cash position (as at 31.12.)	<b>272,564</b>	397,211		
<b>Invested capital excl. rights of use from leases (per 31.12.)</b>	<b>188,428</b>	202,935	(7.1%)	(7.4%)
Invested capital (per 31.12.)	<b>334,919</b>	202,935		
<b>Equity (as at 31.12.)</b>	<b>590,469</b>	585,175	0.9%	2.3%
Equity ratio excl. IFRS 16 in %	<b>20.1%</b>	20.5%		
Equity ratio in %	<b>19.2%</b>	20.5%		
Order book (as at 31.12.)	<b>6,157,507</b>	6,248,291	(1.5%)	0.9%
Production output	<b>4,517,550</b>	4,452,761	1.5%	3.5%
Employees (FTE; as at 31.12.)	<b>8,867</b>	8,765	1.2%	
<b>Earnings per share, undiluted (in CHF)</b>	<b>1.61</b>	(0.28)		
<b>Gross dividend (in CHF)<sup>2</sup></b>	<b>0.75</b>	0.50		

<sup>1</sup> Foreign currency adjusted

<sup>2</sup> 2019: plus dividend in kind from the Ina Invest transaction of max. CHF 1.20 per share; subject to approval by the AGM

## Key figures divisions

in CHF t	2019	2018	Δ
<b>Development</b>			
EBITDA excl. IFRS 16	44,136	40,781	
<b>EBITDA</b>	44,474	40,781	
Employees (FTE; as at 31.12.)	76	64	18.8%
<b>Buildings</b>			
<b>Revenue</b>	2,241,754	2,260,997	(0.9%)
EBITDA excl. IFRS 16	42,820	33,260	
in % of revenue	1.9%	1.5%	
<b>EBITDA</b>	51,477	33,260	
in % of revenue	2.3%	1.5%	
Order book (as at 31.12.)	2,394,192	2,951,599	(18.9%)
Production output	2,275,536	2,288,000	(0.5%)
Employees (FTE; as at 31.12.)	2,058	2,131	(3.4%)
<b>Civil Engineering</b>			
<b>Revenue</b>	2,300,218	2,299,551	0.0%
EBITDA excl. IFRS 16	40,898	2,010	
in % of revenue	1.8%	0.1%	
<b>EBITDA</b>	77,221	2,010	
in % of revenue	3.4%	0.1%	
Order book (as at 31.12.)	3,612,993	3,144,817	14.9%
Production output	2,344,183	2,362,598	(0.8%)
Employees (FTE; as at 31.12.)	5,250	5,044	4.1%
<b>Specialties</b>			
<b>Revenue</b>	242,021	255,149	(5.1%)
EBITDA excl. IFRS 16	19,155	20,137	
in % of revenue	7.9%	7.9%	
<b>EBITDA</b>	19,234	20,137	
in % of revenue	7.9%	7.9%	
Order book (as at 31.12.)	150,322	151,875	(1.0%)
Production output	248,688	262,338	(5.2%)
Employees (FTE; as at 31.12.)	952	1,050	(9.3%)

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