

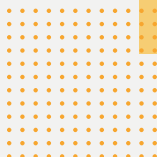


Implenia



Letter to the Shareholders
on the financial year 2020

ANNUAL GENERAL MEETING OF IMPLENIA LTD.



DEAR SHAREHOLDERS,

2020 was an eventful year for Implenla. The COVID-19 pandemic meant that from March comprehensive measures had to be put in place to protect employees on construction sites, while office workers had to get used to working from home for a while. The management team and our employees dealt with these challenges professionally and with great flexibility and commitment; and they kept our operational business going.

Implenia reviewed strategy implementation in all divisions last year and found that it needed to be intensified and accelerated, especially for the strategic priorities “Portfolio” and “Profitable Growth”. As a consequence, the company had to take unavoidable and painful measures, such as portfolio adjustments, a restructuring that included layoffs, as well as write-downs and a rightsizing of businesses and functions.

Implenia’s results for 2020 were, therefore, influenced by various factors. Operational business performed well, and numerous flagship projects were acquired. The spin-off of half our development portfolio at market value to establish Ina Invest, with an IPO in June, also had a positive influence on results. Meanwhile, write-downs, re-evaluations, and restructuring provisions all had a negative effect.

Implenia will focus in future on integrated construction and real estate services in Switzerland and Germany. In other markets we will only offer tunnelling and related infrastructure projects. Non-strategic and non-profitable areas of business are being sold or ramped down, while we are outsourcing capital-intensive activities and equipment. With an eye on future success, Implenla is driving forward external and internal innovation, and nurturing the best talent.

We are confident that with the measures we have taken, Implenla will become a strong, profitable company with a substantially improved risk profile. The Group is firmly on the way to realising its unchanged vision and strategy of becoming a leading multinational integrated construction and real estate services provider.

Implenia laid the foundations for profitable growth in 2020. To support this effort and to strengthen the balance sheet, the Board of Directors is proposing to the Annual General Meeting on 30 March 2021 that no dividend be paid.

On behalf of the Board of Directors, I would like to thank all employees for their hard work during the year, and to thank you for your trust. I look forward to your continued support as a shareholder.



A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

Hans Ulrich Meister
Chairman of the Board of Directors

Consolidated revenue
in CHF m



3,989

(2019: 4,431)

Consolidated revenue: decline heavily impacted by COVID-19 pandemic.

EBITDA
in CHF m



-4.9

(2019: 187)

EBITDA impacted by COVID-19 pandemic and various one-time effects.

Market capitalisation
in CHF m



444

(2019: 725)

Market capitalisation influenced by Ina Invest transaction and restructuring.

Employees (FTE)
as at 31.12.2020

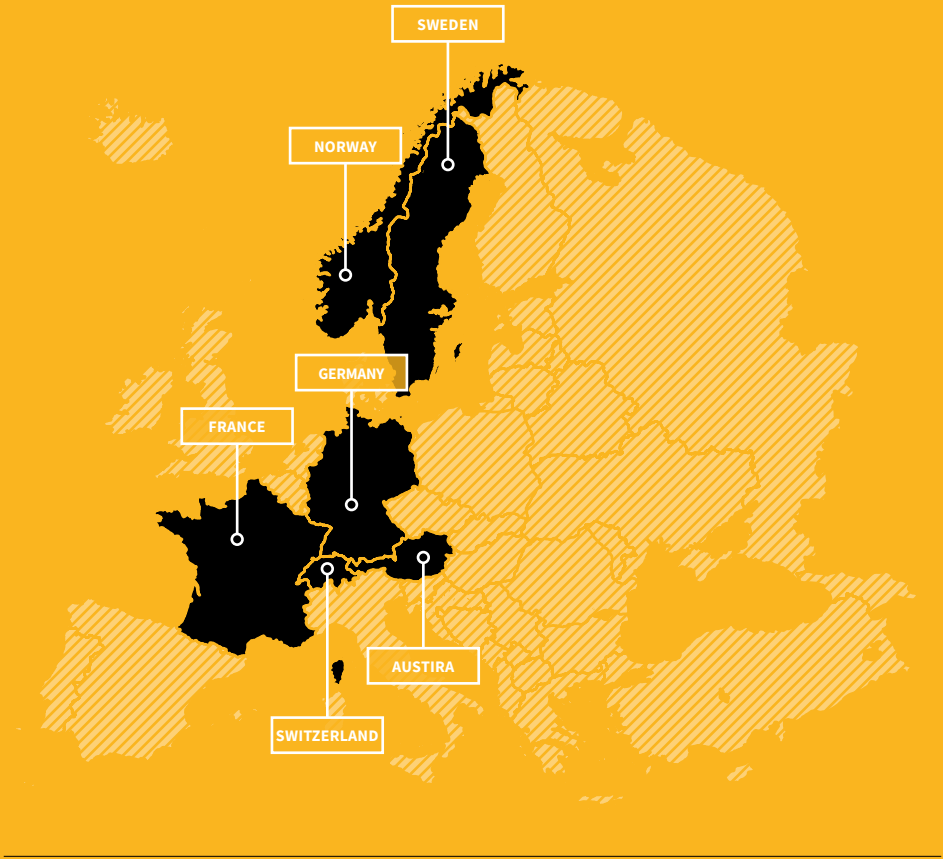


8,701

(2019: 8,867)

Employees take Implenla forward. They create and build how we will live, work and move in future.

Geographical presence
Impenia's relevant markets



Key figures Group

in CHF t	2020	2019	Δ	like for like ¹
Group revenue	3,988,946	4,430,833	(10.0%)	(8.1%)
EBITDA	(4,891)	186,768		
in % of revenue	(0.1 %)	4.2 %		
EBIT	(146,757)	63,507		
in % of revenue	(3.7 %)	1.4 %		
Consolidated profit	(132,052)	33,920		
in % of revenue	(3.3 %)	0.8 %		
Free cash flow excl. IFRS 16	(233,419)	33,519		
Free cash flow	(193,342)	84,871		
Cash and cash equivalents (as at 31.12.)	719,990	912,317	(21.1 %)	(20.8 %)
Financial liabilities (as at 31.12.)	(732,837)	(639,753)	14.5 %	14.6 %
Net cash position (as at 31.12.)	(12,847)	272,564		
Lease liabilities (as at 31.12.)	173,373	147,936	17.2 %	17.2 %
Net cash position excl. lease liabilities (as at 31.12.)	160,526	420,500	(61.8 %)	(61.3 %)
Invested capital (as at 31.12.)	336,749	334,919	0.5 %	0.8 %
Rights of use from leases (as at 31.12.)	(167,306)	(146,491)	14.2 %	14.2 %
Invested capital excl. rights of use from leases (as at 31.12.)	169,443	188,428	(10.1 %)	(9.6 %)
Equity (as at 31.12.)	303,027	590,469	(48.7 %)	(48.2 %)
Equity ratio in %	10.3 %	19.2 %		
Order book (as at 31.12.)	6,386,284	6,157,507	3.7 %	4.1 %
Production output	4,060,298	4,517,550	(10.1 %)	(8.1 %)
Employees (FTE; as at 31.12.)	8,701	8,867	(1.9 %)	
Earnings per share, undiluted (in CHF)	(7.30)	1.61		
Gross dividend (in CHF)²	0.00	0.75		

1 Foreign currency adjusted

2 2019: Plus dividend in kind from the Ina invest transaction of max. CHF 1.20 per share;
2020: Subject to approval by the AGM

Key figures divisions

in CHF t	2020	2019	Δ
Real Estate			
EBITDA	110,624	44,474	148.7 %
EBIT	109,408	43,774	149.9%
Employees (FTE; as at 31.12.)	81	76	6.6 %
Buildings			
Revenue	2,079,821	2,241,754	(7.2 %)
EBITDA	(6,129)	51,477	
in % of revenue	(0.3 %)	2.3 %	
EBIT	(19,236)	40,715	
in % of revenue	(0.9 %)	1.8 %	
Order book (as at 31.12.)	3,046,474	2,394,192	27.2 %
Production output	2,087,905	2,275,536	(8.3 %)
Employees (FTE; as at 31.12.)	1,905	2,058	(7.4 %)
Civil Engineering			
Revenue	2,012,855	2,300,218	(12.5 %)
EBITDA	(101,217)	77,221	
in % of revenue	(5.0 %)	3.4 %	
EBIT	(206,675)	(10,153)	
in % of revenue	(10.3 %)	(0.4 %)	
Order book (as at 31.12.)	3,183,202	3,612,993	(11.9 %)
Production output	2,068,989	2,344,183	(11.7 %)
Employees (FTE; as at 31.12.)	5,142	5,250	(2.1 %)
Specialties			
Revenue	223,628	242,021	(7.6 %)
EBITDA	2,836	19,234	(85.3 %)
in % of revenue	1.3 %	7.9 %	
EBIT	(9,479)	7,345	
in % of revenue	(4.2 %)	3.0 %	
Order book (as at 31.12.)	156,607	150,322	4.2 %
Production output	228,727	248,688	(8.0 %)
Employees (FTE; as at 31.12.)	954	952	0.2 %

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