



Ad hoc announcement pursuant to Art. 53 LR

MEDIA RELEASE

Implenia well on track – increased profit based on underlying performance

- **Implenia improved underlying performance by 24% compared to previous year and significantly exceeded EBIT target of CHF >100 million with CHF 114.8 million**
- **Execution of transformation far advanced; strong and high-quality order intake**
- **Equity strengthened; strong cash flow in second half of year; refinancing of maturing convertible bond secured**
- **Implenia aims for EBIT of more than CHF 120 million in 2022 from further improved underlying performance and a strengthening of the equity base by CHF >80 million**
- **Leadership Changes on the Board of Directors and Implenia Executive Committee**

Glattpark (Opfikon), 1 March 2022

“The strong, high-quality order intake shows our clients' high level of trust in Implenia. The increase in underlying performance of 24% demonstrates the consistent execution of our transformation,” says CEO André Wyss. “As a result of portfolio adjustments, with a strategic focus on profitable, complex projects and thanks to Value Assurance all Divisions are well positioned to further increase profitability.”

Implenia improved underlying performance by 24% compared to previous year and significantly exceeded EBIT target of CHF >100 million with CHF 114.8 million

Implenia achieved reported EBIT of CHF 114.8 million (2020: CHF -146.8 million). All Divisions and relevant markets contributed positively to this result. Based on improvements by Divisions Buildings and Civil Engineering, the Group's underlying performance at EBIT level increased by 24% to CHF 76.5 million (2020: CHF 61.5 million). The consistent execution of the transformation led to one-time effects of CHF 38.3 million, which had a positive impact on the result. Due to the strategic focus on large and complex projects, the order book increased to an all-time high of CHF 6,881 million (2020: CHF 6,386 million). Revenue decreased less than expected to CHF 3,765 million (2020: CHF 3,989 million) despite portfolio adjustments and longer project durations. By strictly applying Value Assurance, Implenia's risk management, the Group ensures that the acquired projects are strategically relevant and have a significantly improved risk and margin profile. The pre-calculated gross margin has improved by over 1 percentage point since the introduction of Value Assurance. The net result amounted to CHF 64.0 million (2020: CHF-132.1 million).

Division Real Estate achieved reported EBIT of CHF 42.1 million (2020: CHF 109.4 million; positively impacted by the Ina Invest transaction). The underlying performance at EBIT level was CHF 42.1 million (2020: CHF 60.4 million), which is higher than expected and already in line with the years prior to the Ina Invest transaction. The Division's gross investments in its Real Estate portfolio amounted to CHF 41.1 million in 2021 (2020: CHF 57.9 million). The Division continues to develop its Real Estate portfolio, which has a current market value of CHF 410 million and an estimated market value after completion of more than CHF 2.3 billion. Based on its increasing services offering, the Division expects higher earnings from services and from the participation in Ina Invest as well as from the business with further clients. Given the maturity of its own Real Estate portfolio, the Group anticipates a significant contribution to profit in 2022.

Division Buildings improved its reported EBIT to CHF 32.4 million (2020: CHF -19.2 million), based on a strong underlying performance at EBIT level of CHF 33.9 million (2020: CHF 27.4 million). Negative one-time effects occurred from the sale of the Building Construction unit in Austria, which completed the planned geographical transformation of the Division. With its strong and high-quality order book in Switzerland and particularly in Germany, the Division is well positioned to further increase its profitability. Revenue decreased by 13% to CHF 1,819 million (2020: CHF 2,080 million) based on strict application of Value Assurance and the focus on large, complex projects. The order book decreased to CHF 2,809 million (2020: CHF 3,046 million) but improved in quality. The Division expanded its competencies in the growing areas of general planning, consulting, and realisation for healthcare and R&D facilities.

Division Civil Engineering achieved reported EBIT of CHF 51.8 million (2020: CHF -206.7 million). Underlying performance at EBIT level, excluding positive one-time effects from divestments and restructuring, improved significantly to CHF 25.0 million (2020: CHF -17.3 million). Revenue remained at previous year's level of CHF 2,061 million (2020: CHF 2,013 million). The order book increased to CHF 3,918 million (2020: CHF 3,183 million) and is of better quality, reflecting the strategic focus on more profitable and complex large-scale projects. The business units Tunnelling and Special Foundations contributed positively to the result. Local branches of business unit Civil in Sweden, Norway, Austria and Romania were ramped down as planned to purely complete current projects. The market presence of business unit Civil in Switzerland was further adjusted according to strategy.

Division Specialities reported EBIT of CHF 8.8 million (2020: CHF -9.5 million). As part of the transformation, the Division is adjusting its business units in line with strategy: The strategic businesses contributed positively to EBIT and improved their underlying performance at EBIT level by 12% compared to the previous year. Other non-strategic businesses didn't achieve their planned profitability. Reported EBIT was positively influenced by one-time effects from divestments. The underlying performance at EBIT level amounted to CHF -3.2 million (2020: CHF 8.7 million) and is difficult to compare with the previous year due to the transformation. Revenue decreased as planned to CHF 209 million (2020: CHF 224 million) due to the sale of non-strategic businesses. The order book stood at CHF 154.0 million (2020: CHF 157 million) at previous year's level. In 2022, the Division plans to continue

developing and scaling businesses with high potential, selling non-strategic businesses, and expanding its portfolio with specialised planning and engineering services.

Execution of transformation far advanced; strong and high-quality order intake

The execution of the transformation is far advanced. Implenia continues to focus on integrated construction and real estate services in Switzerland and Germany and offers tunnelling and related infrastructure projects in other markets. With a clear focus on profitable, complex projects, and by strictly applying Value Assurance, the Group was able to acquire several strategically relevant assignments with significantly improved risk and margin profiles in 2021. This shows that clients trust Implenia and that the company is well positioned with its expertise and experience along with its services and competencies. Meanwhile, Implenia adequately managed the impact of rising material costs by ensuring close cooperation between the operating units and the global procurement organisation.

Industry leader in sustainability; shaping digital construction

The company's position as an industry leader in sustainability was confirmed in 2021 by significant environmental, social, and governance (ESG) rating agencies. MSCI raised Implenia's rating to AAA, making it the first company in the MSCI Index Construction & Engineering to gain an AAA rating. Sustainalytics ranked Implenia as industry leader with 84 points for 2020 and EcoVadis awarded the group Silver status. Implenia is shaping industrialised, digitized, and partnership-based development, planning, and construction services. Furthermore, the Group applies Lean Construction methods and BIM (Building Information Modeling) in all major projects and received various awards over the past two years.

Equity strengthened; strong cash flow in second half of year; refinancing of maturing convertible bond secured

Implenia's operational cash flow amounted to CHF -69.2 million (2020: CHF -161.5 million) and free cash flow to CHF -17.5 million (2020: -193.3 million). In the second half of 2021, cash flow clearly showed a positive development. Implenia reported a net cash position of CHF 67.3 million as of 31 December 2021, excluding liabilities from leasing. In November, Implenia successfully issued a CHF 175 million bond, securing the full refinancing of the convertible bond ahead of its maturity in June 2022. The successful placement further strengthens the company's financing structure and has improved the maturity profile of its capital market instruments.

Equity increased by 14% to CHF 345.9 million (2020: CHF 303.0 million). With CHF 2,988 million, total assets remained at previous year's level (2020: CHF 2,943 million). The equity ratio was 11.6% (2020: 10.3%) as of 31 December 2021. Adjusted for the temporary effect of the CHF 175 million bond, the equity ratio stood at 12.3%. Reducing total assets, especially net working capital, remains a high priority

for the Group. Implenia intends to achieve this mainly through an accelerated cash conversion cycle and the consistent implementation of the asset-light strategy. Implenia aims for an equity ratio of over 20% mid-term, based on an improved underlying business, including increasing earnings from services and expected dividends from participations. The equity ratio shall also be improved by potential outsourcing of further non-core businesses and asset-heavy activities.

Implenia aims for EBIT of more than CHF 120 million in 2022 from further improved underlying performance and a strengthening of the equity base by CHF >80 million

Implenia expects EBIT of more than CHF 120 million in 2022 resulting from further improved underlying performance. The estimated share of positive one-time effects from the transformation is less than 20%. Given the sustained improvement in profitability and the positive outlook for its core markets, Implenia is aiming mid-term for an EBIT margin of 3.5%. The ambition of an EBIT margin of 4.5% remains unchanged.

Board of Directors proposes to refrain from paying a dividend

As already announced in autumn 2021, Implenia intends to strengthen its equity by at least CHF 80 million in the current year. Consequently, the Board of Directors will propose to the Annual General Meeting of 29 March 2022 to refrain from paying a dividend.

Leadership Changes on the Board of Directors and Implenia Executive Committee

Ines Pöschel won't stand for re-election as member of the Board of Directors at the Annual General Meeting of Shareholders on 29 March 2022. She has been a Board member and Chair of the Nomination and Compensation Committee since 2016. The Annual General Meeting of Shareholders will be asked to approve Judith Bischof as a new Board member. The legal expert and attorney has been General Counsel and member of the Executive Board of RUAG International Holding AG since 2018. She has extensive expertise in law, compliance and business transformation.

Stefan Baumgärtner will become CFO and member of the Implenia Executive Committee on 1 May 2022. He has been CFO and member of Executive Management at the EMS Group since 2017, and previously had management roles at companies including RUAG space and Sulzer. Stefan Baumgärtner succeeds Marco Dirren, who is leaving the company at his own request at the end of June following a handover phase.

Matthias Jacob will focus on the successful development of the strategic market Germany in his role as Head Buildings and Country President Germany. He will step down as a member of the Executive Committee as of 1 March 2022, but continues to be a member of the Group's senior management team. Implenia thanks Ines Pöschel and Marco Dirren for their work and commitment.

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Annual Report 2021: You can access the Annual Report 2021 via [this link](#). There, you will also find a PDF file for download.

Analysts and Media Conference:

An [Analysts and Media Conference \(virtual\)](#) takes place today from 8.30 to 9.30 a.m., at which there will be an opportunity to ask questions.

Dates for investors:

29 March 2022: Annual General Meeting

17 August 2022: Half-year results 2022, Analysts and Media Conference

As Switzerland's leading construction and real estate service provider, Implenia develops and builds homes, workplaces and infrastructure for future generations in Switzerland and Germany. It also offers tunnelling and related infrastructure projects in further markets. Formed in 2006, the company can look back on around 150 years of construction tradition. The company brings together the know-how of its highly skilled development, planning and execution units under the umbrella of an integrated leading multinational construction and real estate service provider. With its broad offering and the expertise of its specialists, the Group realises large, complex projects and provides client-centric support across the entire life cycle of a building or structure. It focuses on client needs and on striking a sustainable balance between commercial success and social and environmental responsibility. Implenia, with its headquarters in Opfikon near Zurich, employs more than 8,000 people across Europe and posted revenue of CHF 3.8 billion in 2021. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). More information can be found at implenia.com.

Key figures Group

	1.1.- 31.12.2021 in CHF t	1.1.- 31.12.2020 in CHF t	Δ	Δ like for like ¹
Group revenue	3'764'670	3'988'946	(5.6%)	(6.6%)
EBIT	114'826	(146'757)		
<i>in % of revenue</i>	3.1%	-3.7%		
Net result	63'956	(132'052)		
<i>in % of revenue</i>	1.7%	-3.3%		
Free cash flow excl. IFRS 16	(70'084)	(233'419)		

Free cash flow	(17'494)	(193'342)		
Equity (as at 31.12.)	345'918	303'027	14.2%	16.4%
<i>Equity ratio in %</i>	<i>11.6%</i>	<i>10.3%</i>		
Order book (as at 31.12.)	6'880'921	6'386'284	7.7%	10.5%
Production output	4'174'113	4'060'298	2.8%	1.9%
Employees (FTE; as at 31.12.)	7'653	8'701	(12.0%)	

¹ foreign currency adjusted