



Ad hoc announcement pursuant to Art. 53 LR

MEDIA RELEASE

Implenia stronger after transformation – significantly higher profit in first half of 2022

- **Implenia increased EBIT significantly to CHF 95.1 million**
- **Equity improved by CHF 106 million and equity ratio substantially increased to 16.0%, stronger free cash flow than in the same period of previous year**
- **Continued positive order intake, with further improved quality**
- **Transformation completed: Implenia on track for profitable, sustainable growth**
- **Position as industry leader in sustainability further strengthened**
- **Implenia raises EBIT target for 2022 to more than CHF 130 million (no further one-time effects from transformation), continued increase in equity expected**

Glattpark (Opfikon), 17 August 2022

“Implenia emerges strengthened from transformation. With its performance, its innovative strength and its values the Group is well positioned for profitable growth in the relevant markets,” says CEO André Wyss. “With a sharpened portfolio and a focus on large, complex projects, combined with Value Assurance, our four Divisions are ready to increase profitability sustainably.”

Implenia increased EBIT significantly to CHF 95.1 million

Implenia increased its reported EBIT to CHF 95.1 million (HY1.2021: CHF 40.0 million), based on a strong underlying performance at EBIT level of CHF 93.9 million (HY1.2021: CHF 22.9 million). One-time effects were lower than expected at CHF 1.1 million¹. All Divisions were profitable and have improved their underlying performance. Following several years of development work, Division Real Estate generated above-average earnings from the sale of large real estate projects.

As expected, revenue decreased to CHF 1,767 million (HY1.2021: CHF 1,884 million). This was due to the ramp-down of business activities in certain regions and the sale of non-strategic business units in order to increase profitability sustainably as well as to foreign currency effects. Due to the strategic focus on large and complex infrastructure and real estate projects, the order book increased substantially again

¹ Differences due to rounding

and stood at CHF 7.1 billion – exceeding CHF 7 billion for the first time (HY1.2021: CHF 6.6 billion). The strict application of Value Assurance, Implenias risk management, continued to lead to the acquisition of projects that are strategically relevant and that have a significantly improved risk and margin profile. The pre-calculated gross margin has improved by 1.5 percentage points since the introduction of Value Assurance.

Division Real Estate increased its underlying performance (= reported EBIT) significantly to CHF 75.6 million (HY1.2021: CHF 22.3 million) thanks to above-average earnings from the sale of large real estate projects following several years of successful development work. The book value of the current real estate portfolio was CHF 130 million (HY1.2021: CHF 135 million). Implenias continues to invest in its own attractive real estate portfolio and is pursuing a progressive decarbonisation strategy at the portfolio and property level. In addition, Division Real Estate benefits from the competencies of the other Divisions and creates a continuous order pipeline for them. The Division has expanded its services business in recent years, particularly in the areas of Real Estate Investment and Real Estate Management. Its Assets under Management already amount to more than CHF 1.1 billion, and it is working with partners to develop standardised, industrialised real estate products with a high growth potential for the future. Implenias participation in Ina Invest is valued at CHF 152.6 million (HY1.2021: CHF 144.8 million). Implenias expects increasing, recurring earnings from services and the participation in Ina Invest.

Division Buildings further improved its underlying performance (= reported EBIT) to CHF 17.6 million (HY1.2021: CHF 16.2 million). All service areas contributed positively to this result. Revenue remained stable at CHF 851 million (HY1.2021: CHF 854 million), with increased profitability and an order book of better quality of CHF 3,138 million (HY1.2021: CHF 3,148million). The Division has strongly expanded its capabilities in the growing areas of general planning and consulting as well as in building for the healthcare and R&D sectors. It expects future orders to remain stable in these areas, as well as for residential construction projects in its Swiss and German markets. The Division also offers tailor-made real estate consulting services – from analysis to successful development, planning and implementation.

Division Civil Engineering achieved, with an increased underlying performance, a positive result of CHF 2.8 million (HY1.2021: CHF -4.8 million) and reported EBIT of CHF 3.7 million (HY1.2021: CHF 10.2 million). Despite the strong seasonality of its business, the Division has – for the first time – achieved profitability already in the first half of the year. As expected, revenue declined to CHF 916 million (HY1.2021: CHF 1,040 million). This is due to the business units' strategic focus on a profitable project portfolio and strategic project selection. The order book stood at a record level of CHF 3,870 million (HY1.2021: CHF 3,301 million) and was of improved quality thanks to the consistent application of Value Assurance. With its business units Special Foundations and Civil focussing on Switzerland and Germany, and its

international Tunnelling and related infrastructure business operating in further markets, the Division is well positioned for future sustainable profitability improvement.

Division Specialties improved its underlying performance (= reported EBIT) to CHF 0.8 million (underlying performance HY1.2021: CHF -1.2 million), proving that the transformation of the Division is proceeding well. Individual businesses are on track; in all businesses the offering is being sharpened and profitability improved. The businesses reported stable revenue and improved profitability compared with the previous year. Overall, revenue decreased to CHF 79 million (HY1.2021: CHF 96 million) due to the sale of non-strategic businesses. The order book developed well after the sale of businesses and stood at CHF 140 million (HY1.2021: CHF 166 million). The Division will continue to expand its planning and engineering capabilities by developing and scaling new business models. It is also seeking attractive opportunities for acquisitions.

Equity improved by CHF 106 million and equity ratio substantially increased to 16.0%, stronger free cash flow than in the same period of previous year

Implenia increased its equity in the first half of the year by CHF 106 million to CHF 452 million (FY 2021: CHF 346 million), thus already exceeding the CHF 80 million equity increase planned for the whole year. This anticipated strong expansion of Implenia's equity in 2022 was reinforced by the revaluation of the "yards" asset class ("Werkhöfe"), in line with IFRS guidelines. The positive effect on equity of this revaluation in the first half-year resulted was CHF 46 million.

The equity ratio as of 30 June 2022 stood at 16.0% (HY1.2021: 11.1%). Total assets amounted to CHF 2,828 million (HY1.2021: CHF 2,914 million). This slight reduction was achieved despite a significant increase in cash and cash equivalents and the revaluation of yards. Implenia continues to consistently pursue its asset-light strategy. In addition, the upside potential resulting of the difference between the current market value and the book value of the Real Estate portfolio would lead to an equity ratio above 20%. The half-year result marks an important step towards sustainably improving the equity ratio above 20%.

Free cash flow improved significantly by CHF 294.2 million to CHF -31.2 million (HY1.2021: CHF -325.4 million). Compared to historical seasonality, the outflow of funds in the first half of 2022 has been substantially reduced. Free cash flow was positively impacted by improvements in net working capital and the end of cash drain due to transformation costs. As a result of the positive business performance and optimisations in net working capital, Implenia expects a sustained improvement of free cash flow.

Continuing positive order intake, with further improved quality

Implenia has successfully completed the "Rocket and Tigerli" feasibility study on behalf of Ina Invest: this paves the way for construction of the world's tallest wooden residential building at Lokstadt in

Winterthur. The sustainable, standardised and industrialised real estate product “Green Hospitality” was another milestone that has been presented to clients. Implenla won numerous residential, office and commercial projects, including the EUREF sustainability and innovation campus in Düsseldorf, where the Group is operating as general contractor. Core and shell construction of the Baden Cantonal Hospital was completed on time and to a high-quality standard, while the project to build Switzerland’s largest Cantonal Hospital in Aarau has entered the construction phase.

In civil engineering, Implenla acquired projects such as the main northern section of the second tube of the Gotthard road tunnel, the renovation of the Gubrist Tunnel near Zurich, a connecting tunnel for the Stockholm Metro and the longest railway bridge in Norway. After several years of work, the major Bözberg Tunnel project in Switzerland’s Mittelland was completed and handed over to the client. A complex, sustainability-focused bridge construction project was added to the order book in Germany: the new A14 Elbe bridge near Wittenberge. The services offered by Division Specialties, such as timber construction, BCL, BBV, Planovita and facade technology are increasingly in demand for projects of the other Divisions.

The most recent forecasts for growth in Implenla’s core markets remain positive. However, market growth is being dampened slightly by economic uncertainty caused by the conflict in Ukraine, higher prices for building materials and energy as well as inflation. The expected growth of total construction output in Europe has been revised from around 3.6% to 2.3% for 2022. The gradual weakening of the dynamics of total construction output will continue for the following years. Growth is forecast to be 2.3% in 2023 and 1.4% in 2024 (source: Euroconstruct Report, June 2022). The continuing healthy level of order intake and the significant milestones achieved in the first half of the year show that the Group is strongly positioned in the relevant markets and that its services are highly in demand. All Divisions made an improved contribution to the result during the first half of 2022.

Transformation completed: Implenla on track for profitable, sustainable growth

Implenla has already successfully completed its transformation and is on track for profitable and sustainable growth. The strategy presented in spring 2019 and the sharpened, accelerated implementation focused on portfolio, profitable growth, innovation, talent and organization announced in October 2020 have proven successful:

- **Portfolio:** As Switzerland’s leading construction and real estate service provider, Implenla develops and builds living spaces, working environments and infrastructure for future generations in Switzerland and Germany. In other markets the Group provides tunnelling and related infrastructure projects.
- **Profitable Growth:** A consistently implemented Value Assurance framework helps Implenla to grow profitably and increase margins with an improved risk profile. Furthermore, operational excellence in core and support processes generates added value for our clients.

- **Innovation:** Implenía leverages changes in the industry to the benefit of its clients, employees and shareholders. The Group fosters innovative ideas and scales them to create new business models. It is also increasing its focus on industrialised, digital and partnership-based development, planning and construction activities. More than 80 promising ideas for innovations have been taken up by the Implenía Innovation Hub, and the first of these are now reaching market maturity as stand-alone solutions or being integrated into day-to-day business of the Divisions.
- **Talent and organisation:** Implenía is an attractive employer, recruiting, training and developing the best talent for future challenges. Its appeal to employees is built on its five corporate values, its operating model and its organisational structure.

Implenía's strategy is proving to be the right one in the current challenging market environment. This includes active, forward-looking management of the supply chain, the availability and cost of building materials and energy, as well as recruiting and developing skilled workers. Thanks to close cooperation between the operating units and central procurement, the impact of price increases and supply challenges for building materials has been largely mitigated to date. Future predictions are difficult. Implenía has been able to supply and operate its construction sites so far and is doing everything to ensure continued operations.

Position as industry leader in sustainability further strengthened

Implenía secured and expanded its position as industry leader in sustainability. The main rating agencies for ESG (environment, social affairs and governance) consider the Group a leader in its industry. MSCI has raised Implenía's rating to AAA, making it the first company to achieve this distinction in the MSCI Construction & Engineering Index. Sustainalytics also regards Implenía as an industry leader, while EcoVadis has now awarded the company Gold status.

The Group's new headquarters "Implenía Connect" is also the first office building in Switzerland to achieve the WELL Platinum Certification. This demanding quality standard encompasses around 100 criteria and is focused on the creation of a healthy working environment in accordance with World Health Organisation (WHO) requirements.

Implenía raises EBIT target for 2022 to more than CHF 130 million (no further one-time effects from the transformation), continued increase in equity expected

Implenía expects EBIT of more than CHF 130 million for 2022, with no further one-time effects from the transformation. Implenía achieved above-average margins in the first half of 2022 based on a substantial profit contribution from Division Real Estate. Implenía still expects an EBIT margin of 3.5% in the medium term. It is also maintaining its long-term ambition of an EBIT margin of 4.5% based on sustained improvements in profitability and the positive outlook in core markets.

Contact for media:

Corporate Communications, T +41 58 474 74 77, communication@implenia.com

Contact for Investors and Analysts:

Investor Relations, T +41 58 474 35 04, ir@implenia.com

Half-Year Report 2022: Please refer to [this link](#) to read or download the Half-Year Report 2022.

Analysts and Media Conference

An Analysts and Media Conference with [webcast](#) takes place today from 1.30 to 2.30 pm, where you can also submit your questions.

Dates for investors:

1 November 2022: Capital Market Day

1 March 2023: Annual results 2022, Analysts and Media Conference

28 March 2023: Annual General Meeting

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.-30.06.2022 in CHF t	1.1.-30.06.2021 in CHF t	Δ	Δ like for like ¹
Group revenue	1'767'256	1'883'604	(6.2%)	(3.3%)
EBIT	95'079	40'027		
<i>in % of revenue</i>	5.4%	2.1%		
Net result	64'049	22'381		
<i>in % of revenue</i>	3.6%	1.2%		
Free cash flow excl. IFRS 16	(56'556)	(350'093)		
Free cash flow	(31'220)	(325'394)		
Equity (as at 30.06.)	451'523	324'341	39.2%	45.0%
<i>Equity ratio in %</i>	16.0%	11.1%		
Order book (as at 30.06.)	7'147'737	6'615'465	8.0%	10.9%
Production output, unconsolidated	2'044'299	2'146'211	(4.7%)	(4.5%)
Employees (FTE; as at 30.06.)	7'769	8'123	(4.4%)	
Earnings per share, undiluted (in CHF)	3.42	1.17		

¹ Foreign currency adjusted