

## P R E S S   R E L E A S E

- **For the first half year of 2020 Implenia reports an increase of 39% in EBITDA to CHF 101.6 million**
- **Positive effect of successful Ina Invest transaction overcompensates negative impact of COVID-19**
- **All Divisions meet expectations (pre-COVID-19) – except one sub-unit**
- **Impact of strategy implementation as planned, initiatives sharpened and accelerated in COVID-19 context**
- **Implenia confirms guidance on group level before any COVID-19 impact**

Dietlikon, 19 August 2020

**For the first half year of 2020 Implenia reports an increase of 39% in EBITDA to CHF 101.6 million (HY1.2019: CHF 72.9 million). The positive effect of the successful Ina Invest transaction overcompensates the negative impact of COVID-19. All Divisions meet expectations (pre-COVID-19) and contribute to the good result, except one sub-unit. The impact of strategy implementation has been as planned, and initiatives have been sharpened and accelerated in the context of the pandemic. Implenia confirms guidance on group level before any COVID-19 impact<sup>1</sup>.**

The group achieved an increase of 39% in EBITDA to CHF 101.6 million (HY1.2019: CHF 72.9 million). This growth was mainly driven by the positive effect of the successful Ina Invest transaction. Impacted by COVID-19 revenue of the first half of 2020 decreased by 11.8% to CHF 1,926 million (HY1.2019: CHF 2,184 million). At CHF 6.2 billion, Implenia's order book remained at a high level and continues to be well diversified across Divisions and countries with further increased quality. Despite the COVID-19 pandemic Implenia managed to acquire some remarkable lighthouse projects, mainly in Division Buildings. The free cashflow for the first half year was CHF -228.3 million (HY1.2019: CHF -167.5 million). Versus the previous year, as expected, the free cashflow was affected by the cash-neutral Ina Invest transaction. Implenia transferred projects in scope to Ina Invest, rather than selling them (like KIM inno-living in HY1.2019). Free cashflow also decreased due to continuous investment in the development portfolio. The balance sheet continuously shows a high level of cash and cash equivalents (CHF 646.8 million). In the context

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<sup>1</sup> Guidance excludes full year impact of COVID-19 which is not fully predictable as of today (HY1.2020: CHF approx. 37 million; expected FY 2020 impact of approx. CHF 47 to 67 million).

of COVID-19 a strict cash regime was applied in the first half year of 2020. In addition, there was an increase in other non-current assets driven by Implenía's participation in Ina Invest Ltd.. The equity ratio temporarily decreased to 16.7% due to extraordinary effects (approx. -2.0pp): COVID-19 impact, exchange rate effects and the Ina Invest transaction. Upside potential from remaining development portfolio would lead to an equity ratio clearly over 20%. A positive impact (>5pp) of the subordinated convertible bond is not reflected. Planned short- and mid-term measures are being sharpened and accelerated in order to reach mid-term equity ratio ambitions, e.g. divestment of selected non-core activities and externalization of asset-heavy activities. Furthermore, Implenía expects a positive impact on equity from its Ina Invest participation.

### **Positive effect of successful Ina Invest transaction overcompensates negative impact of COVID-19**

Implenía successfully transferred half of its development portfolio at market value to the newly created Ina Invest Ltd., where it will be developed in close collaboration with Implenía. Ina Invest Holding Ltd. was listed on the SIX Swiss Exchange as the first and one of few IPO's in Switzerland this year. This transaction resulted in a one-time revaluation gain of CHF 107.1 million for Implenía. Approx. 60% of the issue rights have been exercised by Implenía shareholders including its main investors. The capital increase of approx. CHF 116 million was executed at NAV (at maximum price) and with the maximum number of shares. Implenía now holds a significant minority stake of 42.5% in Ina Invest Ltd.. Ina Invest and Implenía started well with their integrated collaborative business model. As recently announced, Implenía was commissioned to realize four projects in Ina Invest's initial development portfolio. Implenía will benefit from new increasing earnings with positive impact on equity from project, asset and portfolio management services provided for Ina Invest, as well as from the expected dividends of its participation as a shareholder in Ina Invest. This long term partnership will lead to significant value creation.

The COVID-19 induced revenue decrease of 11.8% versus HY1.2019 led to an impact on EBITDA of approx. CHF 37 million for the first half year, due to volume, productivity and cost effects. Business Unit Civil within Division Civil Engineering was most affected by COVID-19 due to temporarily closed sites and lower productivity (e.g. infection prevention measures, interrupted supply chains). For Implenía's home markets, the most recent market size prediction remains positive. The expected growth of total construction output of +1.1% across Europe was revised to a decline of -11.5% for 2020. Total construction output is expected to recover in 2021 with approx. +6% growth and continue to grow in 2022 with +3% (source: Euroconstruct Report, June 2020).

### **All Divisions meet expectations (pre-COVID-19) – except one sub-unit**

Division Development achieved a continuously strong performance with an EBITDA of CHF 104.0 million – Ina Invest transaction includes planned EBITDA from underlying business (HY1.2019: CHF 27.4 million). The one-time revaluation gain from the Ina Invest transaction generated an EBITDA effect of CHF 107.1 million – which represents a significant part of the Division's anticipated EBITDA from 2020 to 2022. Net investments in its development portfolio amounted to

CHF 28.3 million (HY1.2019: CHF 13.5 million). The Division continues to invest in and develop an attractive portfolio as trader developer. In addition, it will offer real estate services as well as develop standardized real estate products.

Division Buildings delivered a solid performance from its underlying business, broadly in line with the previous year (pre-COVID-19), across all service offerings. The Division reports an EBITDA of CHF 10.9 million (HY1.2019: CHF 21.4 million). Revenue slightly decreased to CHF 1,001 million (HY1.2019: 1,101 million). This is mainly due to temporary closures of construction sites in Switzerland (Ticino, Geneva and Vaud) and Austria because of COVID-19. The order book at CHF 2,646 million (HY1.2019: CHF 2,728 million) is of strong quality due to focus on new contract models and the profitability-oriented Value Assurance framework. This was supported by recent acquisitions of new lighthouse projects and first assignments from Ina Invest. Buildings aims to expand its value chain, with a growing focus on the pre-construction phases in order to be a client-centric total solution provider.

Division Civil Engineering reports a performance within expectations in its Business Units Tunnelling and Special Foundations. In Business Unit Civil, challenges were accentuated by the most significant COVID-19 impact across the group, such as temporarily closed sites and lower productivity (e.g. infection prevention measures, interrupted supply chains). EBITDA is at CHF -16.2 million (HY1.2019: CHF 18.4 million) and revenue at CHF 926.7 million (HY1.2019: CHF 1,120 million). The order book remains at a high level of CHF 3,349 million (HY1.2019: CHF 3,498 million). Because of the challenges in Business Unit Civil, the implementation of our strategic initiatives has been accelerated based on three pillars: For each market a specific project target portfolio has been defined with a clear focus on profitability. The organizational structure of Business Unit Civil is currently being redesigned along Implenia's core competencies in order to create synergies and improve profitability – a potential decrease of assets and rightsizing of the workforce might be part of this. Following Implenia's overall strategy, project excellence and delivery will be improved with consistent use of further enhanced controlling instruments, process alignment, risk management, knowledge sharing and talent development.

Division Specialties achieved a solid performance from underlying business, broadly in line with the previous year (pre-COVID 19). There was a particularly strong performance from Construction Logistics, Building Technology Services and Facades. The Division reports an EBITDA of CHF 5.3 million (HY1.2019: CHF 6.5 million). Some businesses were severely impacted by COVID-19, such as gravel production. Nevertheless, revenue is at CHF 104.9 million (HY1.2019: CHF 119.6 million). The order book was significantly increased to CHF 170.4 million (HY1.2019: CHF 143.6 million). Specialties continuously aligns the Division's portfolio to shape change in the construction industry with a focus on innovative services and solutions. In addition the first business ideas from the Implenia Innovation Hub are being piloted and more than fifty promising ideas are in the pipeline.

## **Impact of strategy implementation as planned, initiatives sharpened and accelerated in COVID-19 context**

The group-wide strategic priorities and their respective initiatives are well on track, in a continued attractive market environment. Initiatives relating to Division Portfolios have been sharpened. With regard to Profitable Growth, both the Value Assurance approach and the Procurement Excellence initiative have been rolled-out and will now be refined continuously. The digitalization and process harmonization initiative INSPIRE is proceeding as planned. In terms of Innovation, Implenla is currently focusing on industrialised construction methods as well as on standardised real estate and infrastructure products. In addition, Implenla is continuously strengthening its corporate culture and fostering high performance teams – based on the values of agility, collaboration, excellence, integrity and sustainability. In the context of the COVID-19 pandemic selected strategic initiatives have even been sharpened and their implementation accelerated.

## **Implenia confirms guidance on group level before any COVID-19 impact<sup>2</sup>**

Thanks to its strategy, its strategy implementation and its good presence in attractive markets, Implenla is well positioned to sustainably create added value. Therefore, Implenla confirms its 2020 guidance on group level before any COVID-19 impact<sup>2</sup>, as well as its mid-term target EBITDA margin of approx. 6.5%.

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### **Half-Year Report 2020**

Please refer to [this link](#) to read or download the Half-Year Report 2020.

### **Analysts and Media Conference**

An [Analysts and Media Conference \(webcast\)](#) takes place today (from 8.30 to 9.30 am), where you can submit your questions.

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<sup>2</sup> Guidance excludes full year impact of COVID-19 which is not fully predictable as of today (HY1.2020: CHF approx. 37 million; expected FY 2020 impact of approx. CHF 47 to 67 million).

## Investors' Agenda

3 March 2021:	Annual Result 2020, analysts and media conference
30 March 2021:	Annual General Meeting

Implenia is Switzerland's leading construction and construction services company. It has significant building construction and civil engineering operations in Switzerland, Germany and Austria, as well as strong positions in the infrastructure sectors of all its home markets: Switzerland, Germany, Austria, France, Sweden and Norway. Implenia is also a successful real estate developer in Switzerland and Germany. Established in 2006, Implenia can look back on around 150 years of construction tradition. It brings the expertise of its highly skilled consultancy, planning and execution units together under the single roof of a leading multinational construction services provider. With Implenia's broad offering and the deep experience of its specialists, the Group can realise complex major projects and provide integrated, customer-centric support across the entire life-cycle of a building or structure. The focus is on customer needs and striking a sustainable balance between financial success and social and environmental responsibility. Implenia, with its headquarters in Dietlikon near Zurich, employs more than 10,000 people in Europe and posted revenue of over CHF 4.4 billion in 2019. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). More information can be found at [implenia.com](https://www.implenia.com).

## Key figures Group

	1.1.-30.6.2020 in CHF t	1.1.-30.6.2019 in CHF t	Δ	Δ like for like <sup>1</sup>
<b>Group revenue</b>	<b>1,926,145</b>	2,184,234	(11.8%)	(9.0%)
<b>EBITDA</b>	<b>101,607</b>	72,947	39.3%	39.7%
<i>in % of revenue</i>	<i>5.3%</i>	<i>3.3%</i>		
<b>Operating income</b>	<b>52,202</b>	9,300	461.3%	440.5%
<i>in % of revenue</i>	<i>2.7%</i>	<i>0.4%</i>		
<b>Consolidated profit</b>	<b>53,611</b>	543		
<i>in % of revenue</i>	<i>2.8%</i>	<i>0.0%</i>		
<b>Free cash flow</b>	<b>(228,342)</b>	(167,463)	(36.4%)	(35.6%)
Cash and cash equivalents (as at 30.6.)	646,776	704,702	(8.2%)	(6.2%)
Financial liabilities (as at 30.6.)	(644,718)	(648,979)	(0.7%)	0.4%
<b>Net cash position (as at 30.6.)</b>	<b>2,058</b>	55,723	(96.3%)	(83.0%)
Lease liabilities (as at 30.6.)	141,481	140,601	0.6%	4.9%

<b>Net cash position excl. lease liabilities (as at 30.6.)</b>	<b>143,539</b>	196,324	(26.9%)	(20.0%)
<b>Invested capital (as at 30.6.)</b>	<b>521,730</b>	529,508	(1.5%)	(0.6%)
Rights of use form leases (as at 30.6.)	(139,610)	(139,714)	(0.1%)	4.2%
<b>Invested capital excl. rights of use from leases (as at 30.6.)</b>	<b>382,120</b>	389,794	(2.0%)	(2.3%)
<b>Equity (as at 30.6.)</b>	<b>502,487</b>	570,823	(12.0%)	(10.0%)
<i>Equity ratio in %</i>	<i>16.7%</i>	<i>19.3%</i>		
Order book (as at 30.6.)	6,164,727	6,369,346	(3.2%)	(1.6%)
Production output	1,938,753	2,204,722	(12.1%)	(9.3%)
Employees (FTE; as at 30.6.)	9,881	10,093	(2.1%)	

<sup>1</sup> Foreign currency adjusted

## Key figures Divisions

### Development

	<b>1.1.-30.6.2020</b> in CHF t	<b>1.1.-30.6.2019</b> in CHF t	<b>Δ</b>
<b>EBITDA</b>	<b>103,976</b>	27,431	279.0%
Employees (FTE; as at 30.6.)	72	64	12.9%

### Buildings

	<b>1.1.-30.6.2020</b> in CHF t	<b>1.1.-30.6.2019</b> in CHF t	<b>Δ</b>
<b>Revenue</b>	<b>1,000,802</b>	1,100,514	(9.1%)

<b>EBITDA</b>	<b>10,884</b>	21,379	(49.1%)
<i>in % of revenue</i>	<i>1.1%</i>	<i>1.9%</i>	
Order book (as at 30.6.)	2,645,735	2,727,680	(3.0%)
Production output	1,014,506	1,103,331	(8.1%)
Employees (FTE; as at 30.6.)	2,138	2,364	(9.6%)

### Civil Engineering

	<b>1.1.-30.6.2020</b> in CHF t	<b>1.1.-30.6.2019</b> in CHF t	<b>Δ</b>
<b>Revenue</b>	<b>926,664</b>	1,119,774	(17.2%)
<b>EBITDA</b>	<b>(16,184)</b>	18,407	
<i>in % of revenue</i>	<i>-1.7%</i>	<i>1.6%</i>	
Order book (as at 30.6.)	3,348,633	3,498,073	(4.3%)
Production output	922,276	1,134,363	(18.7%)
Employees (FTE; as at 30.6.)	6,020	6,074	(0.9%)

### Specialties

	<b>1.1.-30.6.2020</b> in CHF t	<b>1.1.-30.6.2019</b> in CHF t	<b>Δ</b>
<b>Revenue</b>	<b>104,915</b>	119,642	(12.3%)
<b>EBITDA</b>	<b>5,339</b>	6,481	(17.6%)
<i>in % of revenue</i>	<i>5.1%</i>	<i>5.4%</i>	
Order book (as at 30.6.)	170,360	143,593	18.6%
Production output	108,206	123,008	(12.0%)
Employees (FTE; as at 30.6.)	1,087	1,086	0.1%