

# Grontmij

Sustainable design & engineering

HY2009 Figures

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# Highlights: Resilient in Challenging Markets

<u>Interim Results 30 June</u>		
<u>€m</u>	<u>2009</u>	<u>2008</u>
<b>Net revenue</b>	<b>332</b>	333
<b>Gross Margin</b>	<b>76</b>	80
<b>EBITDA*</b>	<b>29</b>	33
<b>EBITA*</b>	<b>23</b>	27
<b>Profit after Tax</b>	<b>15.4</b>	18.5
<b>Working Capital</b>	<b>203</b>	214
<b>Net Debt</b>	<b>-118</b>	-131

\*Before non-recurring restructuring costs of €-2.2 million (HY 2008: €-0.1million), profits from EAI €2.1 million (HY 2008: €2.5 million) & profit from divestment of EAI €5.2 million (HY 2008 €0.4 million).

- Reduced margins in Building and Industry
- Strengthened market position in Transport and Environment
- Forward order book improved
- Restructuring resources

# Market conditions

## Pressure on growth & pricing

	Energy, Water & Environment	Transportation	Building & Industry		
Belgium	Good	Good	OK	Poor	Industry poor
Denmark	Good	Good	OK	Poor	Building poor
Germany	Good	Good	Good		
Central Europe	Good	Good	n.a.		
Netherlands	Good	Good	Poor	Poor	Building poor
Sweden	Good	Good	Good		
United Kingdom	Good	Poor	Good	Poor	Building poor

■ Good   
 ■ OK   
 ■ Poor

# Water: Framework contract wins = €100 million for the next five years



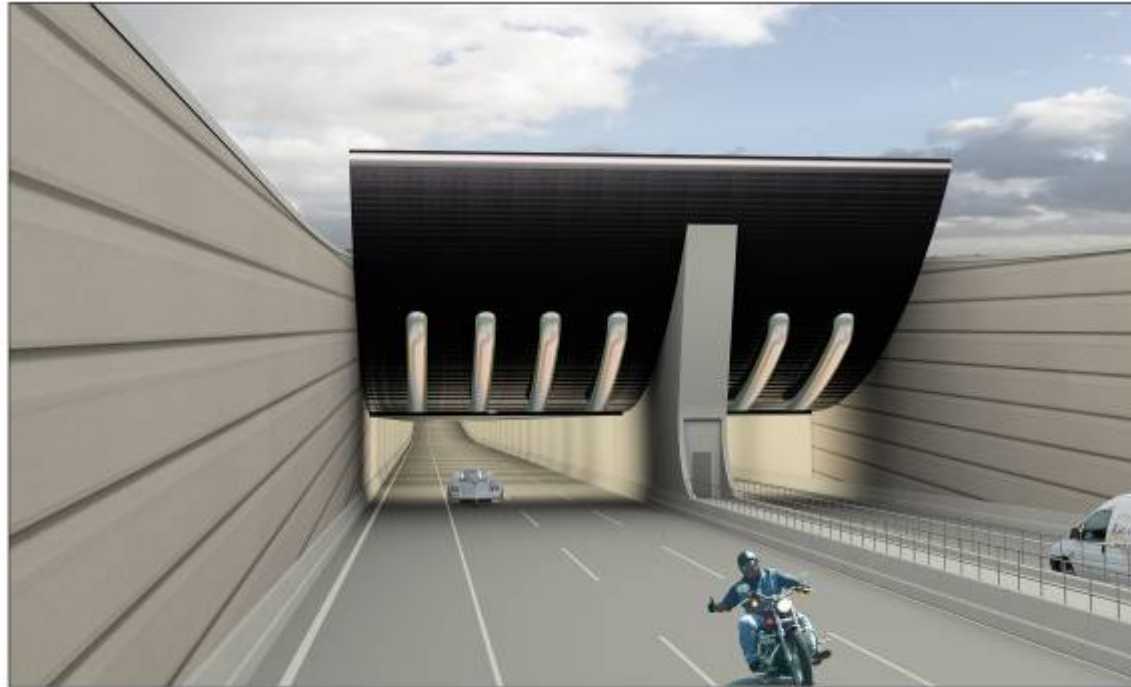
- London Thames Tideway Tunnels framework
- Anglian water framework
- Severn Trent framework
- Scottish Water - Extension of Q&SIII Framework

# Energy contract wins



- Griffin wind farm as part of the Scottish & Southern Energy / Airtricity framework agreement
- Air Energy on-shore wind-energy projects in Belgium

# Transportation contract wins €20 million



20 EDELTUNNEL - GUST WITTMANN ARCHITECTEN - januari 2008

- Major Amsterdam tunnels contract (Coentunnel) – Design/Monitoring
- Rail design for a major rail project for Rail Net Denmark
- Rail feasibility study for The Schiphol – Amsterdam – Almere – Lelystad corridor

# Highlights – Revenue Growth

Organic Growth (net revenue)				
In € million or %	Incl. currency	%	Excl. currency	%
Net revenue HY 2009	332.0		344.2	
Net revenue HY 2008	332.6		332.6	
<b>Growth</b>	<b>-0.6</b>	<b>-0.2%</b>	<b>11.6</b>	<b>3.5%</b>
Net divested	0.0		0.0	
Invested	-9.6		-9.6	
<b>Organic growth</b>	<b>-10.2</b>	<b>-3.1%</b>	<b>2.0</b>	<b>0.6%</b>

- Total growth excluding currency loss of 3.5% (€ 11.6m)
- Organic growth excluding currency loss of 1% (€ 2m)

# Performance management

## Customers - Cash - Costs

- Step up operational & financial management and transparency
- Focus on new order wins in Transport, Water, Energy
- Increased focus on profitability and liquidity drivers
- Re-balancing and restructuring resources

# Mel Zuydam

# Consolidated income statement

## Interim Results 30 June

Profit & Loss Account	2009	2008	2007
<b>Total revenue</b>	<b>417</b>	418	384
<b>Net revenue</b>	<b>332</b>	333	293
<b>Gross Margin</b>	<b>76</b>	80	62
<b>EBITDA*</b>	<b>29</b>	33	19
<b>EBITA*</b>	<b>23</b>	27	13
% TR	5.5%	6.5%	3.4%
% NR	6.9%	8.1%	4.4%
<b>EAI</b>	<b>2.1</b>	2.5	11.8
<b>Divestment</b>	<b>5.2</b>	0.4	1.0
<b>Adjusted EBITA</b>	<b>30</b>	<b>30</b>	<b>26</b>
% TR	7.3%	7.1%	6.7%
% NR	9.1%	9.0%	8.8%
<b>Amortisation</b>	<b>-4.2</b>	-2.5	-3.8
<b>EBIT</b>	<b>26</b>	<b>27</b>	<b>22</b>
<b>Restructuring</b>	<b>-2.2</b>	-0.1	-
<b>Interest</b>	<b>-3.2</b>	-2.9	-2.9
<b>Taxation</b>	<b>-5.4</b>	-5.9	-3.7
Effective rate	26%	24%	20%
<b>Profit after Tax</b>	<b>15.4</b>	<b>18.5</b>	<b>15.4</b>
% TR	3.7%	4.4%	4.0%

Revenues flat (3% (€12.2m) up before currency loss)

- Reduced private sector Building & Industry
- Offset by increased public sector Transport, Water & Environment

Gross Margin (revenue less direct costs):

- Reduced in Building & Industry
- Mainly Netherlands, UK, Belgium

Profit share from EAI €2.1m, down €0.4m:

- Due to 08/09 disposals

Profit on divestment of EAI share €5.2m

- Remaining part of HY2 08 transaction

Amortisation €4.2m, up €1.7m

- Full half year effect UK acquisitions

Exceptional restructuring costs €2.2m

- Re-balancing & restructuring resources

Effective tax rate 26% (24%)

- Higher taxable profits from high tax regime countries
- Full 6 months amortisation of UK acquisitions

# Country profitability analysis

Profit & Loss Account	Belgium			Denmark			Germany/Poland			Netherlands			Sweden			UK/IRL		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
<b>Total revenue</b>	29	30	26	85	81	74	35	30	25	167	171	149	42	47	51	50	54	42
<b>Net revenue</b>	27	29	25	65	63	56	28	25	21	129	129	109	36	40	43	45	46	36
<b>EBITA</b>	2	3	1	4	3	2	4	3	1	10	12	4	4	4	4	2	4	3
<b>% TR</b>	7%	10%	4%	5%	4%	3%	10%	9%	4%	6%	7%	3%	11%	9%	8%	4%	7%	6%
<b>% NR</b>	7%	10%	4%	6%	5%	4%	13%	11%	5%	7%	10%	4%	12%	10%	10%	4%	8%	8%
<b>EAI</b>	1.1	0.6	1.2	-	-	-	-	-	-	1.0	1.8	10.6	-	-	-	-	-	-
<b>Divestment</b>	-	-	-	-	-	-	-	-	-	5.2	0.4	1.0	-	-	-	-	-	-
<b>Adjusted EBITA</b>	3	4	2	4	3	2	4	3	1	16	15	16	4	4	4	2	4	3
<b>% TR</b>	10%	12%	9%	5%	4%	3%	10%	9%	4%	9%	9%	11%	11%	9%	8%	4%	7%	6%
<b>% NR</b>	11%	12%	9%	6%	5%	4%	13%	11%	5%	12%	11%	14%	12%	10%	10%	4%	8%	8%

- Reduced margin in Netherlands, UK and Belgium in private sector building and Industry
- Slow down end AMP4, delayed early start AMP5 UK regulated water
- Strong performance in Sweden, Denmark, Germany & Poland
- Increase in profit contribution from Transport and Environment in Denmark & Germany

# 2009 quarters comparison

<u>Profit &amp; Loss Account</u>	<u>Interim Results 30 June</u>	
	<u>Q2 09</u>	<u>Q1 09</u>
<b>Total revenue</b>	209	208
<b>Net revenue</b>	165	167
<b>EBIT</b>	10.7	8.1
<b>Results/Sale EAI</b>	1.7	5.6

- Quarter 2 2009 EBIT performance €10.7m up from quarter 1 2009 €8.1m
- EAI share of profits and profit on divestment down to €1.7m from €5.6m
- Revenues flat

# Consolidated balance sheet extract

<u>Interim Results 30 June</u>			
<u>Balance Sheet extract</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Intangible assets &amp; Goodwill</b>	<b>203</b>	207	168
<b>Work in progress</b>	<b>71</b>	68	61
<i>Days Sales</i>	<b>44</b>	42	41
<b>Trade Receivables</b>	<b>133</b>	146	136
<i>Days Sales</i>	<b>83</b>	91	92
<b>Net Debt</b>	<b>-118</b>	-131	-100
<b>Cash</b>	<b>17.8</b>	19.7	38.4

- Intangible assets decline in line with amortisation policy
- Small increase in work in progress, equivalent to 2 days sales
- Reduction in trade receivables of € 13m equivalent to 8 days sales
- Net Debt reduction of € 13m

# Consolidated cashflow statement

<u>Cashflow</u>	<u>Interim Results 30 June</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net cash from operating activities	-0.1	1.3	0.2
Net cash from investing activities	-8.4	-35.9	-3.3
Net cash from financing activities	-31.1	-1.1	-12.9
<b>Movements in net cash position for the period</b>	<b><u><u>-39.7</u></u></b>	<b><u><u>-35.7</u></u></b>	<b><u><u>-16.1</u></u></b>

- First six months historic seasonal effect on working capital repeated
- No material investments HY1 09 compared to significant UK investments during HY1 08
- Loan redemptions and 2008 Dividend payment total € 31m during HY1 09; acquisition loan raised during HY1 08

# Equity Accounted Investees

	Control	Equal Control	No control	
Operational unit	X			→ EBITA
Via subsidiary company (>50% voting rights)	X			→ EBITA
Via joint venture company		X		→ EAI
Via associated companies			X	→ EAI

# Examples

## Via subsidiary company

- Naarderbos ontwikkeling BV  
A 100% subsidiary of Grontmij N.V for the development of a luxury apartment complex, golf course and public leisure and natural area's.

## Via joint venture company

- TV (Temporary Association) 3V  
Together with two other parties, Grontmij is drawing up the long-term traffic safety programme for Flanders.

## Via associated companies

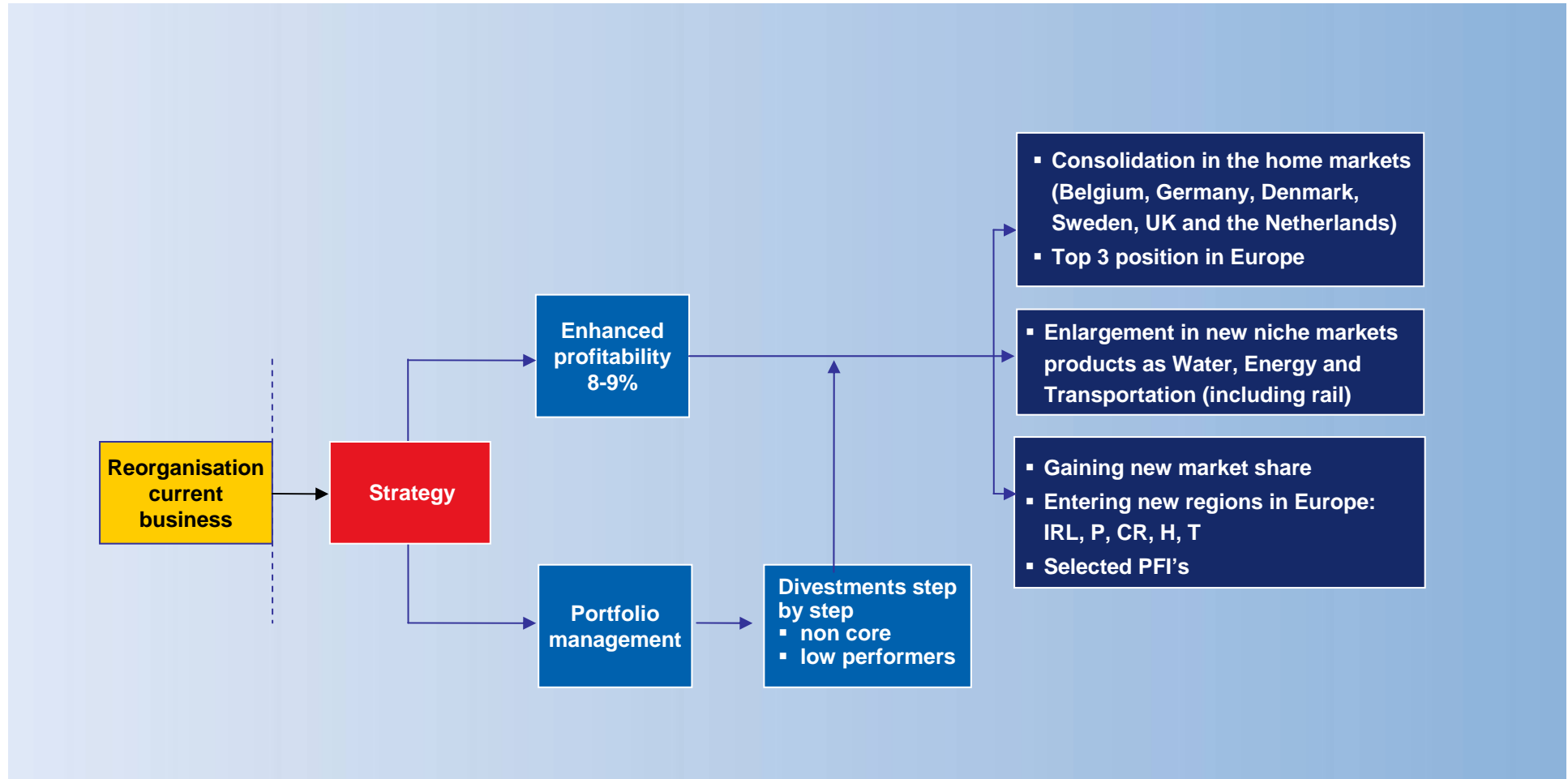
- Soldata Grontmij V.o.f  
A cooperation between Grontmij and Soldata for the monitoring activities for the North-South metro project in Amsterdam.

# Profitability & Liquidity Drivers

- **Gross Margin:- Net Revenue less Direct Costs**
  - price
  - Productivity
- **Efficiency: - Indirect Overheads**
  - economies of scale
  - financial & cost control
- **Liquidity: - EBITDA:Cash Conversion**
  - working capital management
  - cashflow management
  - Further non core divestments

# Sylvo Thijsen

# Reminder - Current strategy 2007-2010



# Outlook

- Leverage leading position in sustainable design and management
- Continued actions to counter recessionary effects
- Focus on margins, overheads and cash
- Further improve forward order book
- Uncertainty remains in private sector building & industry, and in the financial markets



**Second half 2009 profit expected to equal first half**

# Questions