Implenia

Ad hoc announcement pursuant to Art. 53 LR

MEDIA RELEASE

With strong first-half results Implenia is on track to meet 2023 targets

- **Implenia achieved a strong EBIT of CHF 49.9 million in the first half of 2023; currency-adjusted revenue higher than previous year, order book further increased**
- **Equity ratio raised further to 18.0%**
- **Acquisition of Wincasa successfully completed**
- **All Divisions are excellently positioned in a challenging market environment, offering an attractive range of services**
- **Implenia confirms expected EBIT of CHF ~120 million and equity ratio of >20% for full financial year 2023**

Glattpark (Opfikon), 16 August 2023

Implenia CEO André Wyss about the half-year results: "With our strategic portfolio mix, we once again achieved strong results in the first half of 2023. Following a successful transformation and the completion of the Wincasa acquisition, Implenia is excellently positioned for sustainable success. Currency-adjusted revenue is above previous year's level, the order book has continued to grow and all Divisions contributed positively to the result. Implenia is on track to achieve the targets set for 2023."

Implenia achieved a strong EBIT of CHF 49.9 million in the first half of 2023; currency-adjusted revenue higher than previous year, order book further increased

Implenia achieved a strong EBIT of CHF 49.9 million (HY1.2022: CHF 95.1 million, CHF 24.2 million excluding the above-average earnings of Division Real Estate), CHF 52.5 million after adjusting for currency effects. All Divisions were profitable; Civil Engineering and Specialties improved their EBIT significantly.

Revenue was at previous year's level at CHF 1,731 million (HY1.2022: CHF 1,767 million), CHF 1,807 million after adjusting for currency effects. The order book again increased substantially to CHF 7.3 billion (HY1.2022: CHF 7.1 billion), CHF 7.5 billion after adjusting for currency effects. Strict application of Value Assurance – Implenia's risk management – continues to ensure that the acquired projects are in line with strategy.

Division Real Estate achieved EBIT of CHF 16.1 million (HY1.2022: CHF 75.6 million). The result is not comparable to the previous year's period due to above-average earnings from the sale of real estate projects in the first half of 2022. The Division is on track to achieve its 2023 EBIT target of over CHF 40 million through planned transactions. The book value of the current Real Estate portfolio is CHF 158.8 million (HY1.2022: CHF 129.9 million; market value 31.12.2022: CHF 351 million). The partnership with Ina Invest is continuing to develop successfully.

Division Buildings increased its underlying performance at EBIT level excluding Wincasa to CHF 19.8 million (HY1.2022: CHF 17.6 million). Reported EBIT came to CHF 18.2 million including transaction and integration costs as well as PPA amortisation from the Wincasa acquisition. The Division is already expecting a positive EBIT contribution from the Wincasa transaction for the full year. Revenue rose to CHF 906 million (HY1.2022: CHF 851 million). At CHF 2,814 million (HY1.2022: CHF 3,138 million), the order book remained at a high level and of good quality despite the challenging market environment.

Division Civil Engineering increased EBIT significantly to CHF 11.7 million (HY1.2022: CHF 3.7 million), mainly from improved operating business; adjusted for currency effects EBIT was CHF 13.9 million. In 2022, the Division reported a positive first-half EBIT for the first time ever. It has improved significantly on this achievement in 2023. Revenue remained around the previous year’s level at CHF 891 million (HY1.2022: CHF 916 million), CHF 958 million after adjusting for currency effects. The order book reached a new record level of CHF 4,302 million (HY1.2022: CHF 3,870 million), CHF 4,498 million after adjusting for currency effects, and is of better quality thanks to the consistent application of Value Assurance.

Division Specialties increased its EBIT to CHF 1.6 million (HY1.2022: CHF 0.8 million). The Division streamlined its portfolio to focus on profitable growth through, for example, consulting and engineering activities that provide added value to clients and an attractive margin for Implenia. Revenue was therefore below the previous year’s level at CHF 74 million (HY1.2022: CHF 79 million). The order book developed well with the adjusted portfolio and stood at CHF 166 million (HY1.2022: CHF 140 million). A growing proportion of orders are for services that make construction more efficient and sustainable.

Equity ratio raised further to 18.0%

Even with the dividend payment in March, Implenia’s equity increased by CHF 18.7 million to CHF 501.4 million (FY.2022: CHF 482.7 million) in the first half. Due to consistent implementation of the asset-light strategy, total assets remained stable at CHF 2,791 (FY.2022: CHF 2,753 million), despite the acquisition of Wincasa. The equity ratio as per 30 June 2023 further increased to 18.0% (FY.2022: 17.5%). The first-half result marks another important step towards the goal of sustainably improving the equity ratio to over 20%.

As expected, the change in cash and cash equivalents was subject to seasonal influences, and also included the first tranche of the payment of the Wincasa acquisition, land bank investments, the repayment of a promissory note and the dividend payment. Free cash flow excluding these expected one-off effects amounted to CHF -180 million. Based on its profitable operating business, Implenia expects sustained positive development in free cash flow. All syndicated cash limits are fully available to the company. The outstanding CHF 71.6 million tranche of the Wincasa acquisition is contractually due at the beginning of 2024.

Acquisition of Wincasa successfully completed

The acquisition of Wincasa, completed at the beginning of May, expanded Implenia’s value chain in the operational phase of properties. A unique integrated offering that covers a properties’ entire life cycle has been created for existing and new clients. This reinforces the Group’s outstanding position as an integrated construction and real estate service provider. The Group expects the acquisition to generate additional recurring income and higher-margin business. The integration of Wincasa as a legally and operationally independent entity within Division Buildings is proceeding as planned.

All Divisions are excellently positioned in a challenging market environment, offering an attractive range of services

The market environment remains challenging and is being actively monitored by Implenia in all relevant markets. Rising raw material and energy prices have driven inflation in the construction industry, while higher interest rates have made financing more expensive. In some areas, construction output has decreased.

Implenia’s business focuses on large, complex building and civil engineering projects as well as on its own development portfolio in attractive, urban locations. The market outlook remains stable-to-positive for these sectors, especially for infrastructure projects. With its comprehensive and attractive portfolio of services, Implenia is excellently positioned to create added value for its clients. Within building construction, Implenia increasingly specialises in real estate projects in healthcare, research and development and other growth sectors. In addition, the Group has expanded its business with the strategic acquisition of Wincasa. Within civil engineering, there continues to be strong demand for mobility and energy infrastructure in Europe. Implenia has so far been able to mitigate the effects of construction inflation by bundling purchasing within central procurement and through contract management.

Implenia confirms expected EBIT of CHF ~120 million and equity ratio of >20% for full financial year 2023

Implenia expects EBIT of around CHF 120 million for the full financial year 2023 based on the strong operating business of all Divisions. In addition, Implenia continues to expect an improvement in the equity ratio to >20% by the end of the year. Mid term, the Group aims to achieve an equity ratio of over 25%.

Implenia aims to achieve an EBIT margin of ~3.5% in the short to mid term and of >4.5% in the mid to long term.

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Half-Year Report 2023:

You can access and download the Half-Year Report 2023 via this link.

Analysts and Media Conference:

An Analysts and Media Conference is being held as a webcast from 09.30 to 10.30 a.m. today; there will be an opportunity to ask questions.

Dates for investors:

28 February 2024: Annual results 2023, Analysts and Media Conference

26 March 2024: Annual General Meeting

As Switzerland's leading construction and real estate service provider, Implenia develops, builds and manages 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, has more than 9,000 employees (FTE) across Europe and posted revenue of CHF 3.6 billion in 2022. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). More information can be found at implenia.com.

Key figures Group

	1.1.–30.06.2023 in CHF t	1.1.–30.06.2022 in CHF t	Δ	Δ like for like[1]
Group revenue	**1'730'520**	1'767'256	(2.1%)	2.2%
EBIT	**49'931**	95'079		
in % of revenue	*2.9%*	*5.4%*		
Net result	**32'743**	64’049		
in % of revenue	*1.9%*	*3.6%*		
Free cash flow excl. IFRS 16	(337'528)	(56'556)		
Free cash flow	**(310'091)**	(31'220)		
Equity (as at 30.06.)	**501'418**	451'523	11.1%	14.0%
Equity ratio in %	*18.0%*	*16.0%*		
Order book (as at 30.06)	7'281'816	7'147'737	1.9%	4.9%
Production output	2'012'822	2'044'299	(1.5%)	2.4%
Employees (FTE; as at 30.06.)	9'152	7'769	17.8%	
Earnings per share, basic (in CHF)	**1.75**	3.42		

[1] Foreign currency adjusted