



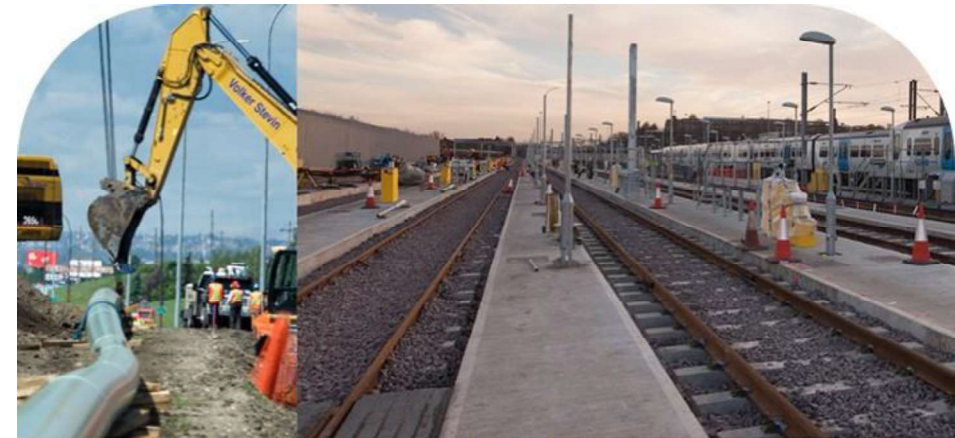
VolkerWessels

Semi annual results 2017
Koninklijke VolkerWessels

31 August 2017

Content

- General Overview
- Operational Overview
- Financial Overview
- Strategy, Dividend and Outlook



Highlights First Half 2017 (compared to H1 2016 or 30 June 2016)

Net result from continuing operations € 36 million (+112%)

EBITDA up from € 75 million to € 90 million* (+20%)

ROCE up 530 basis points to 15.0%, Solvency ratio up 370 basis points to 30.0%

Net debt improved by € 174 million to € 103 million

Revenue up € 96 million to € 2,668 million (+4%)

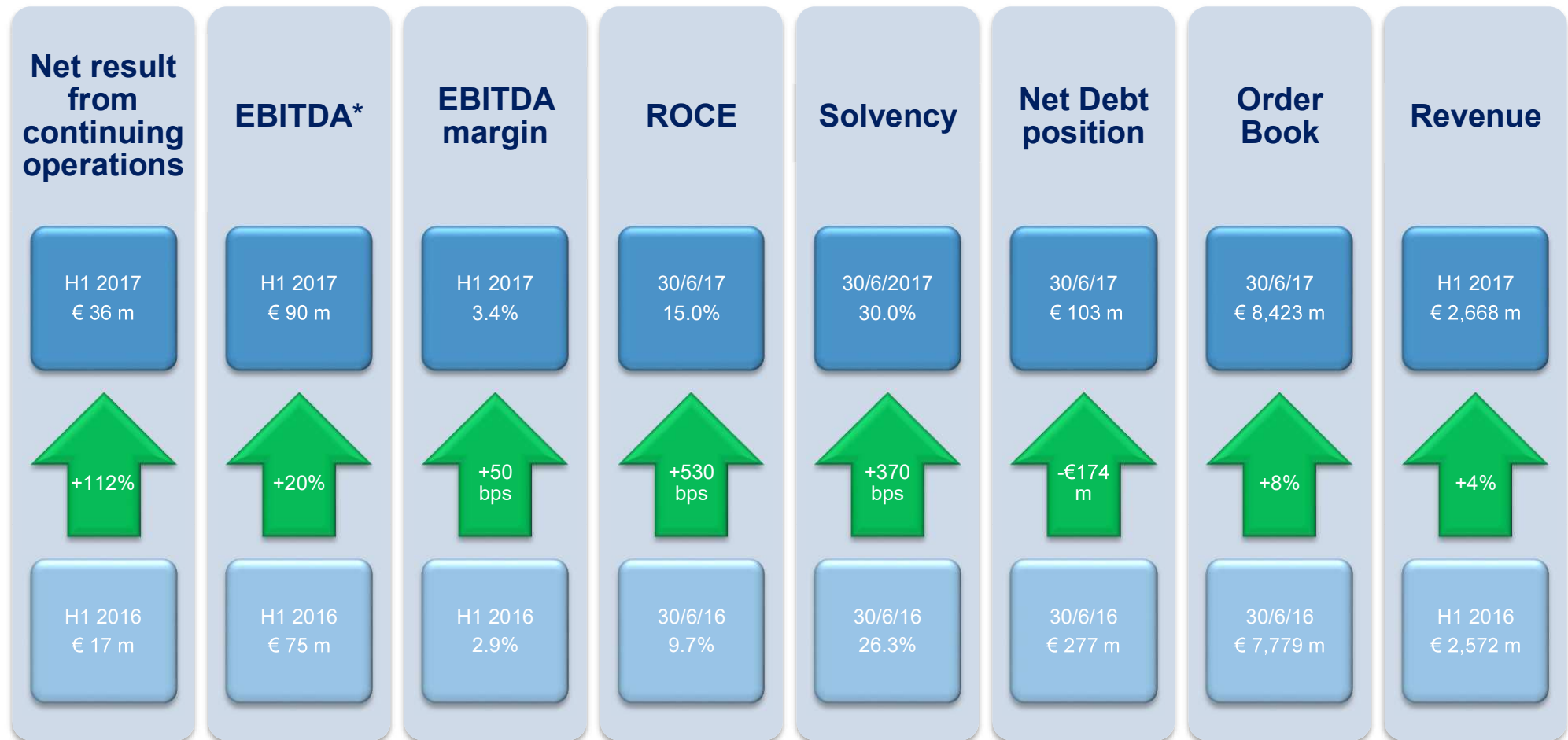
Order book up € 644 million to € 8,423 million (+8%)

Second production line of MorgenWonen operational in May 2017

Confident that Full Year EBITDA and net result from continuing operations will increase; on track to deliver medium term objectives

* Bridge to IAS 34 EBITDA of € 102 million (adj. EBITDA of € 90 million +/- share incentive € 1 million +/- third party result € 13 million)

All Core Metrics and Order Book improved



* Bridge to IAS 34 EBITDA of € 102 million (adj. EBITDA of € 90 million +/- share incentive € 1 million +/- third party result € 13 million)

Revenue and EBITDA per segment

(€ million, unless stated otherwise)

	Revenue			EBITDA		
	H1 2017	H1 2016	Δ	H1 2017	H1 2016	Δ
NL – C & RED	1,029	877	17%	37*	28	32%
NL – Infrastructure	629	625	1%	19	19	0%
NL – Energy & Telecom Infrastructure	318	315	1%	8	8	0%
United Kingdom	498	543	-8%	11	14	-21%
<i>Local currency GBP</i>	428	430	0%	9	11	-18%
North America	116	112	4%	12	8	50%
<i>Local currency CAD\$</i>	168	162	4%	17	11	55%
Germany	107	94	14%	7	5	40%
Other/eliminations	-29	6	-	-4	-7	-
Total	2,668	2,572	4%	90	75	20%

* EBITDA excluding € 13 million third party result

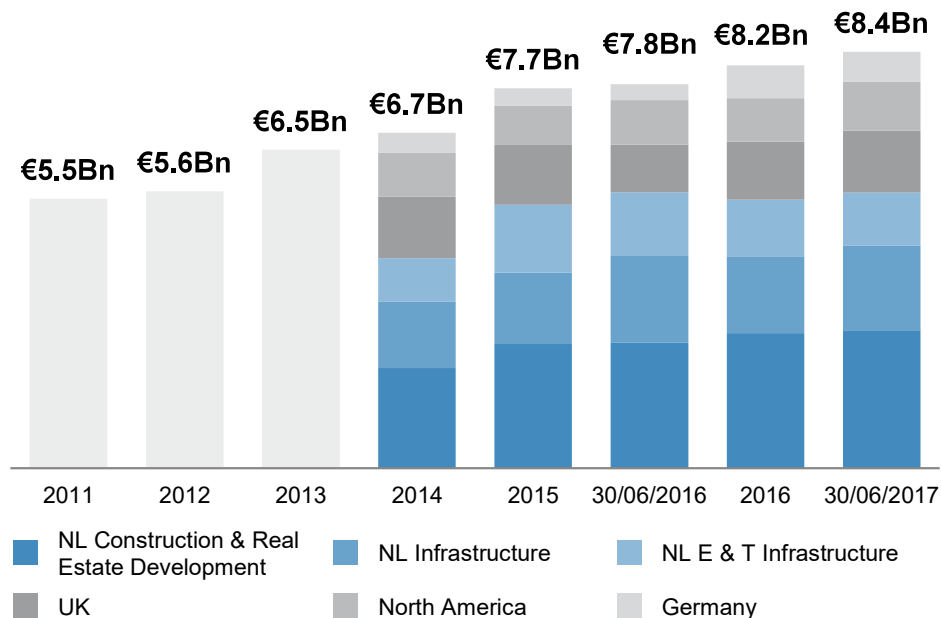
High Quality Order Book with Good Visibility

Solid Growth in Order Book...

Total Order Book End of Year / Revenue for the Year

1.2x 1.2x 1.5x 1.3x 1.5x 1.5x

Breakdown Order Book End of Period



...With good Visibility of This Year's Revenue

- Only signed and secured orders in Order Book
- Expected additional work from current projects not included in Order Book
- Framework agreements are only included in Order Book for secured (signed) volumes

Order Book Development

- Order Book increased with € 644 million to € 8,423 million, compared to 30 June 2016
- NL-C&RED increased € 255 million
- NL-Infrastructure stable on the back of smaller projects
- NL-E&T Infrastructure decreased € 219 million due to realising production volume on a fixed long term contract
- United Kingdom increased € 289 million (despite negative GBP:EUR exchange rate)
- North America increased € 83 million
- Germany increased € 279 million, especially in H2 2016

Medium-Term Management Objective for Organic Revenue Growth at 3 - 4%

Summary Overview of VolkerWessels Today

VolkerWessels' Key Milestones

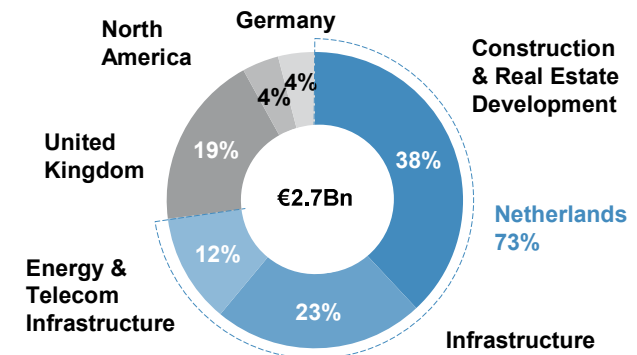


VolkerWessels Today

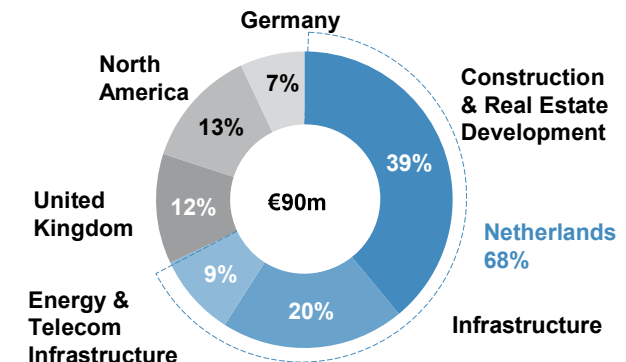
- Market-leading, multi-branded, listed construction company in the Netherlands
- Active internationally with attractive positions in the UK and niche markets in North America and Germany
- Operating ~25,000 projects for ~7,000+ clients across diverse end-markets per year
- ~16,000 skilled employees across 120+ operating companies
- Focus on core values of sustainability, safety, integrity, and prudent risk management and governance

Diversified Portfolio in Terms of Geography and Product Mix

Revenue H1 2017*



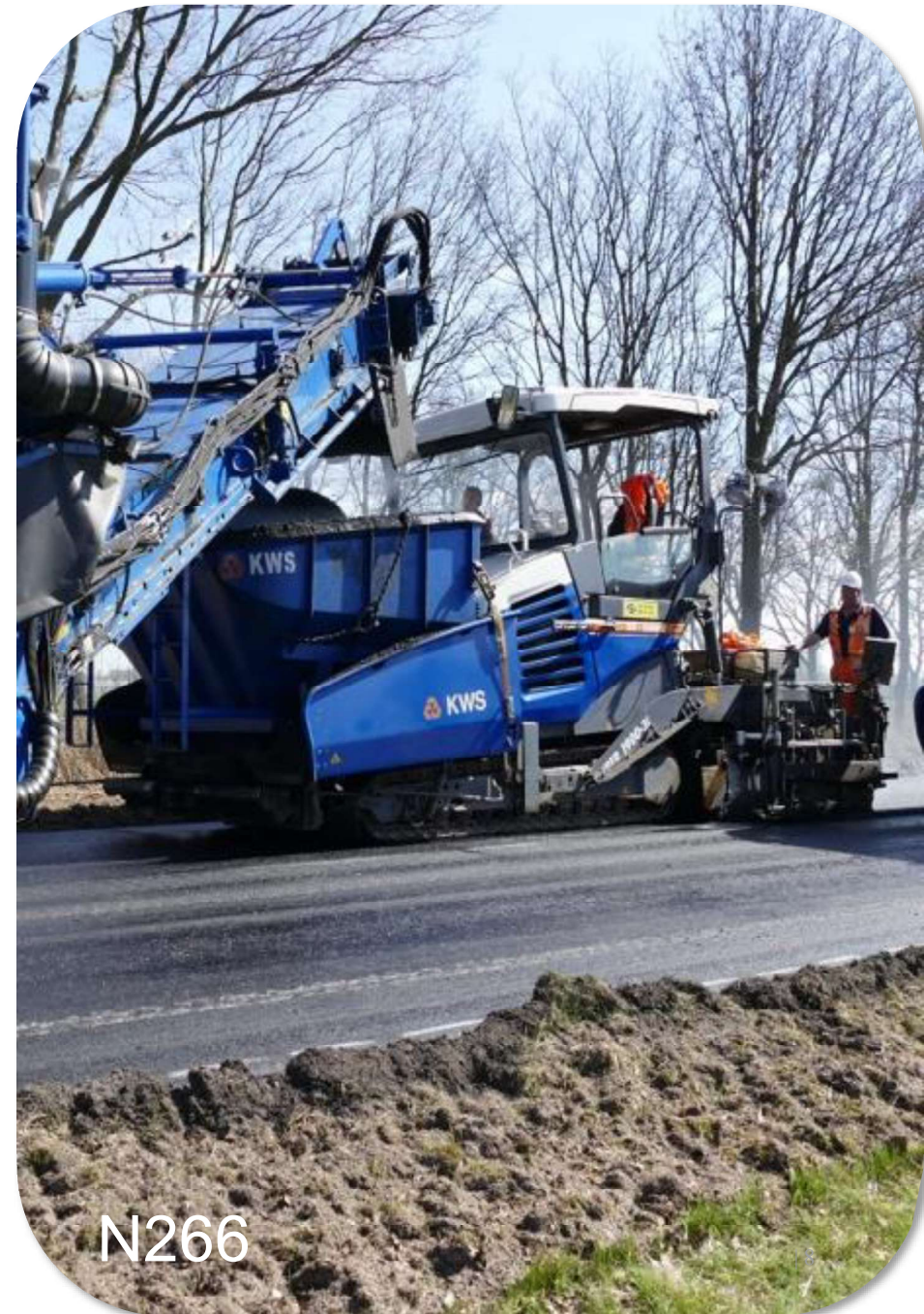
EBITDA H1 2017*



* Breakdown excludes Other/Eliminations, NL-E&T Infra includes the activities in Belgium

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Construction & Real Estate Development Netherlands

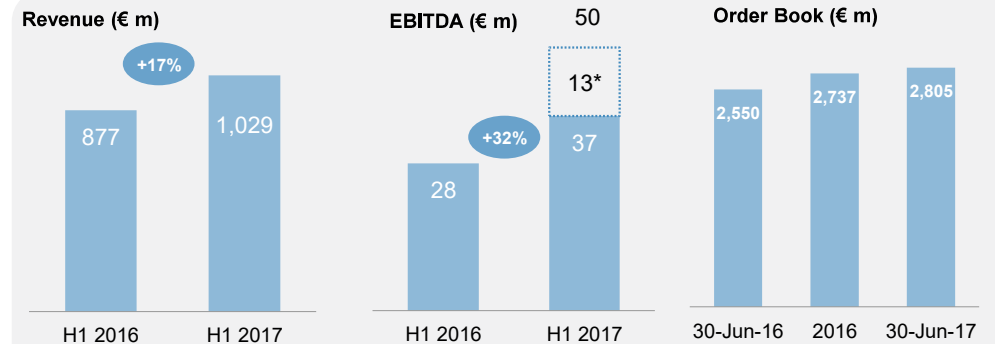


Leader in Construction & Real Estate Development



- Strong relationships with local developers / client
- Strategic position across supply chain
- Strategic land bank positions

Revenue / EBITDA / Order book C&RED H1 2017



* € 13 million relates to third party result

Highlights H1 2017 Construction & Real Estate Development NL

- Strong improvement of revenue by 17% due to improved market conditions
- EBITDA H1 2017 includes restructuring costs of € 3.5 million and preparation costs for future development projects of € 6.5 million
- 1,710 homes sold in H1 2017 (H1 2016 1,338)
- Upward pressure on cost price for development locations, supplies and sub-contractors
- Positive trend in our supply chain companies
- Second production line of MorgenWonen operational
- Focus on increasing efficiency, productivity and BIM



University building, VU Amsterdam

Infrastructure Netherlands

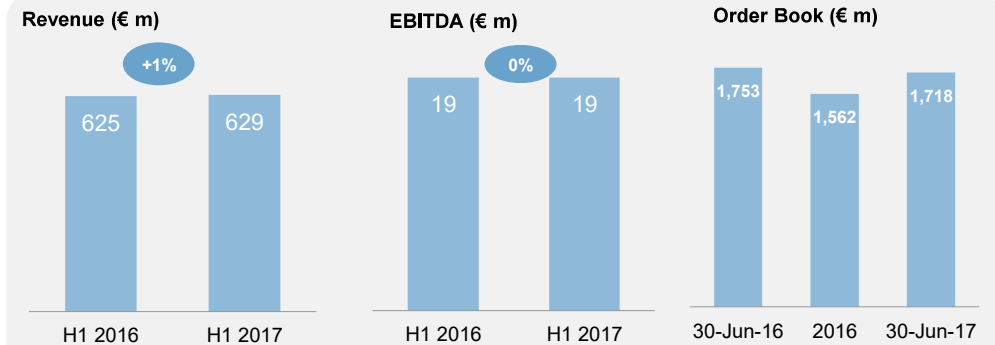


Leader in general Infrastructure



- Knowledge, expertise and design capabilities
- Key player in smaller scale projects and national coverage
- Disciplined approach to large scale projects

Revenue / EBITDA / Order Book Infrastructure H1 2017



Highlights H1 2017 Infrastructure NL

- Stable revenue and EBITDA (despite costs for lost tenders)
- Slight improvement of market conditions in local and regional Infrastructure markets
- SAAone nearly completed
- Acquisition of engineering company Wareco in July 2017, specifically related to the water management focus
- Focus on innovations and efficiency: BIM, Virtual Reality and Plastic Road
- Strong order book with medium sized projects (reconstruction Amstelveenlijn and Waalbrug added in H1 2017)



Energy & Telecom Infrastructure Netherlands

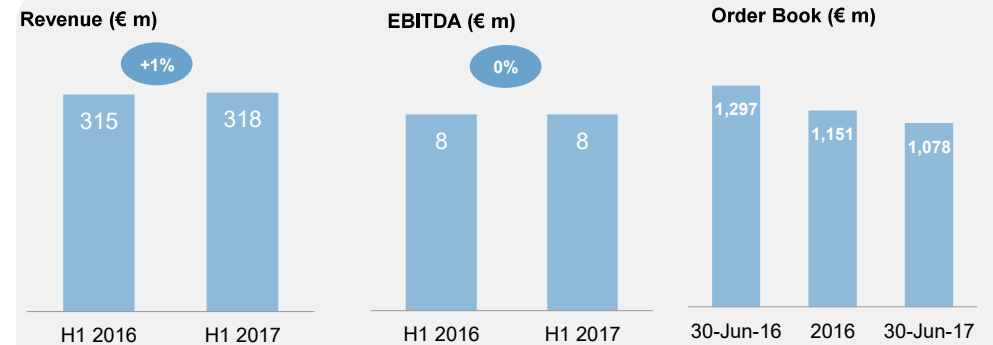


Leader in Energy & Telecom Infrastructure



- Specialised services focusing on long term contracts
- Key player in fibre optics and mobile roll-out
- Strategic equipment
- Energy transition

Revenue / EBITDA / Order Book E&T Infrastructure H1 2017



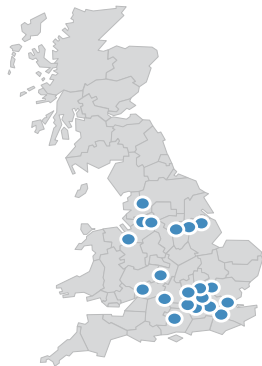
Highlights H1 2017 Energy & Telecom Infrastructure NL

- Revenue and EBITDA stable
- Decreased order book because of realized production volume on a fixed long term contract
- Energy segment improving on the back of the energy transition
- First Low Temperature Geothermal innovation project started
- Telecom slow start of the year in terms of order intake VDSL and fibre optics
- Cooperation between MapXact and Gasunie announced



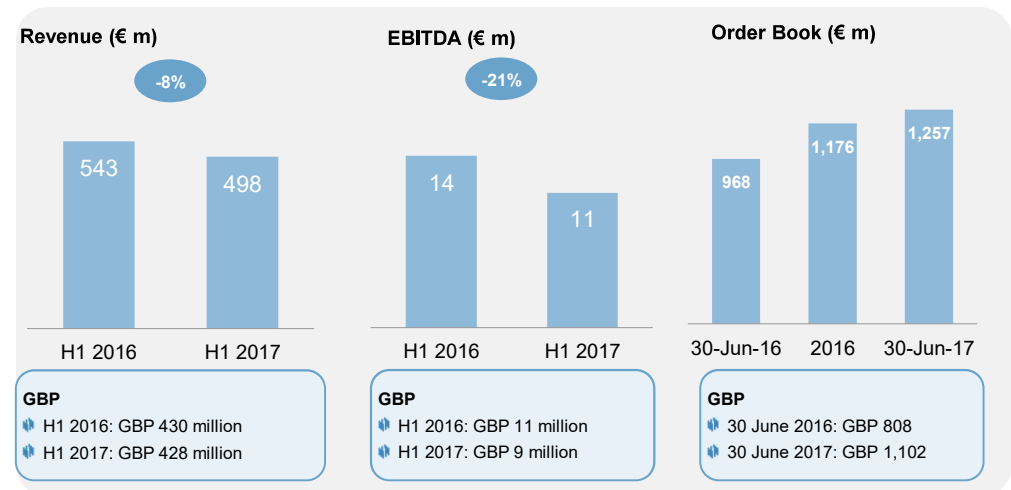
United Kingdom

1st Leading positions in the United Kingdom



- Leading position in rail and marine infrastructure
- Strong positions in highway, airport, energy, water and environmental infrastructure
- Focus on greater London and M60 corridor

Revenue / EBITDA / Order Book UK H1 2017



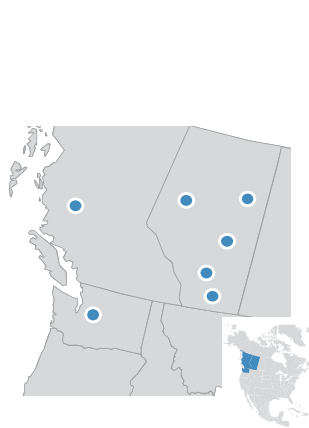
Highlights H1 2017 United Kingdom

- Revenue 8% down in EUR mainly due to negative exchange rate (-8%), revenue in GBP stable (GBP 428 million)
- EBITDA down due to timing of projects and negative GBP:EUR exchange rate
- Brexit imposes uncertainty, however government spending on infrastructure continues. As a result our order book is 30% higher compared with 30 June 2016
- Secured a number of long-term contracts: Chiltern Tunnels and Colne Valley Viaduct package stage 1 C1 for HS2, Oldbury Viaduct for Highways England



North America

1st Market-Leader in Local Markets in North America



- Market-leading road maintenance and construction company in Alberta and British Columbia

- Strategic logistics and supply chain positions

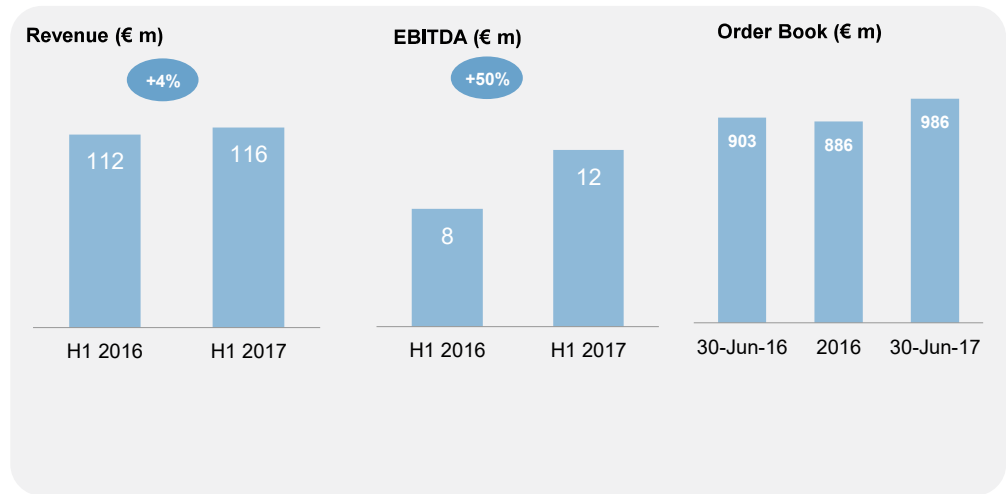
- Long term maintenance contracts



- Leading infrastructure construction company in Greater Seattle area

- Flood defence and underground structures

Revenue / EBITDA / Order Book North America H1 2017



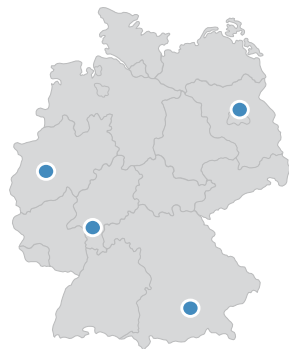
Highlights H1 2017 North America

- Stable revenues and increased EBITDA as a result of absence of wildfires, favourable weather conditions and full consolidation of LDM (31 March 2016)
- Results in general significantly more impacted by seasonality
- State of Washington ranked as having the best economy in the US
- Secured a number of long-term contracts: Light Rail project and four projects for SEATAC Airport in Seattle



Germany

Germany

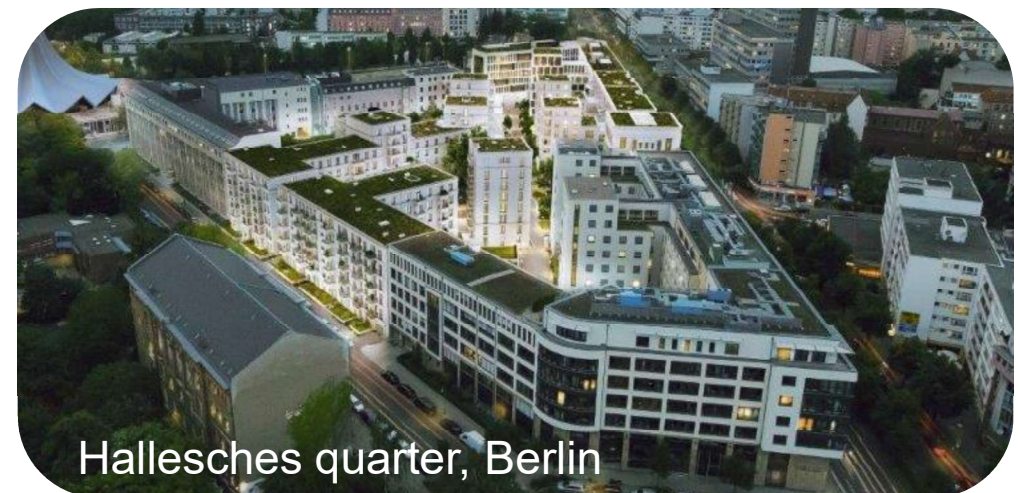
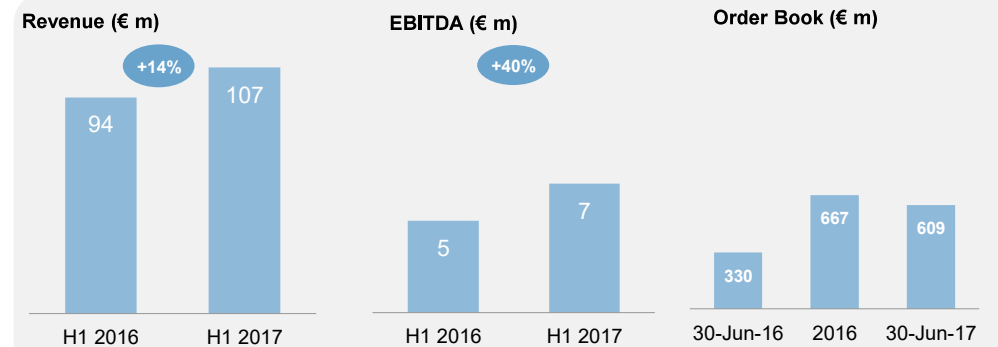


- Combined construction and real estate development activities
- Exclusive focus on prime cities marked by elevated growth through urbanisation and immigration

Highlights H1 2017 Germany

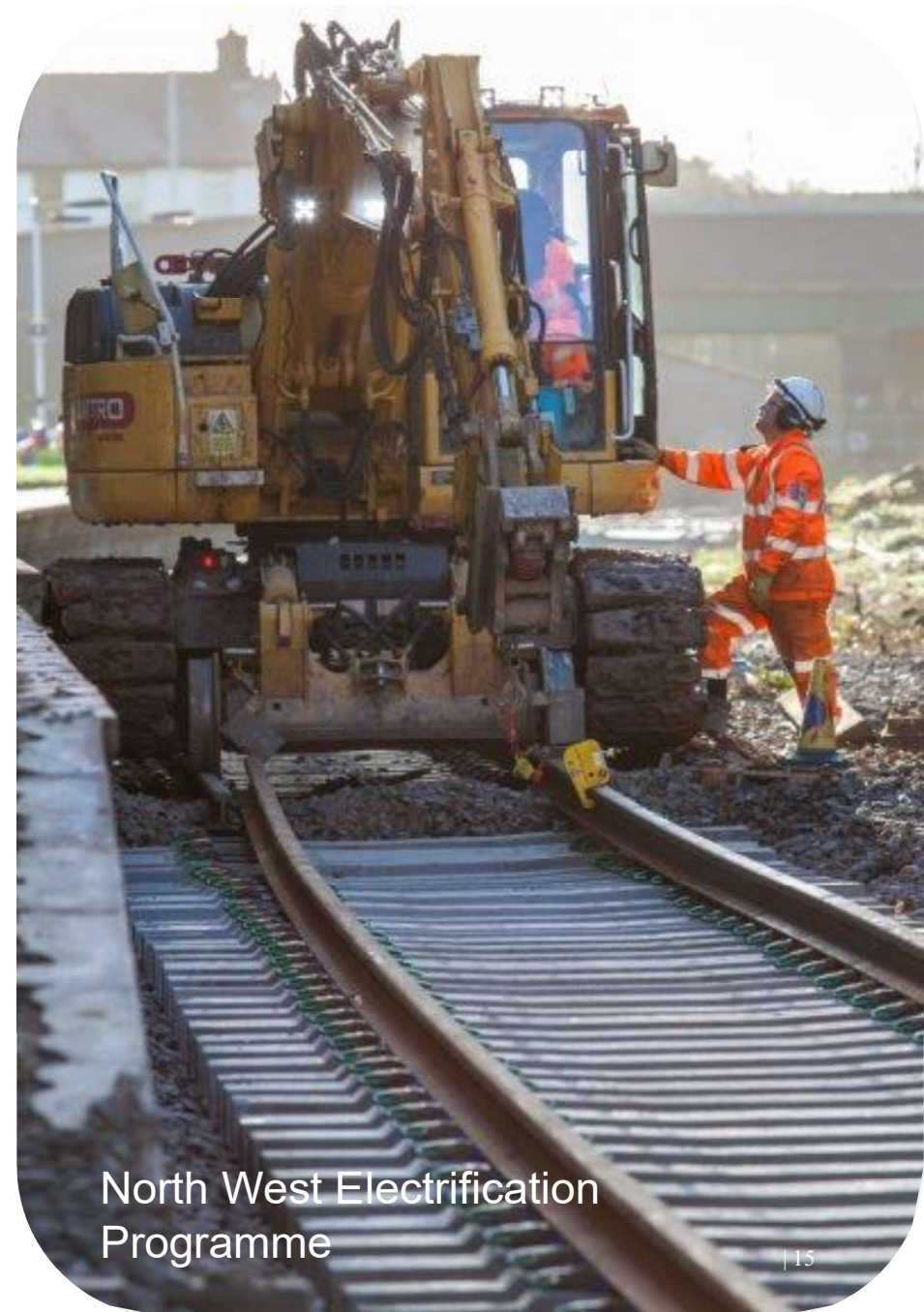
- Revenue and EBITDA up relating to the sale of two projects (Orthoparc in Wuppertal and Jugendweg in Berlin)
- Focused on developing and building houses in Berlin/Brandenburg, North Rhine-Westphalia, Frankfurt am Main and Munich
- New developments start in Spandau and greater Munich area
- Operational and financial integration on track

Revenue / EBITDA / Order Book Germany H1 2017



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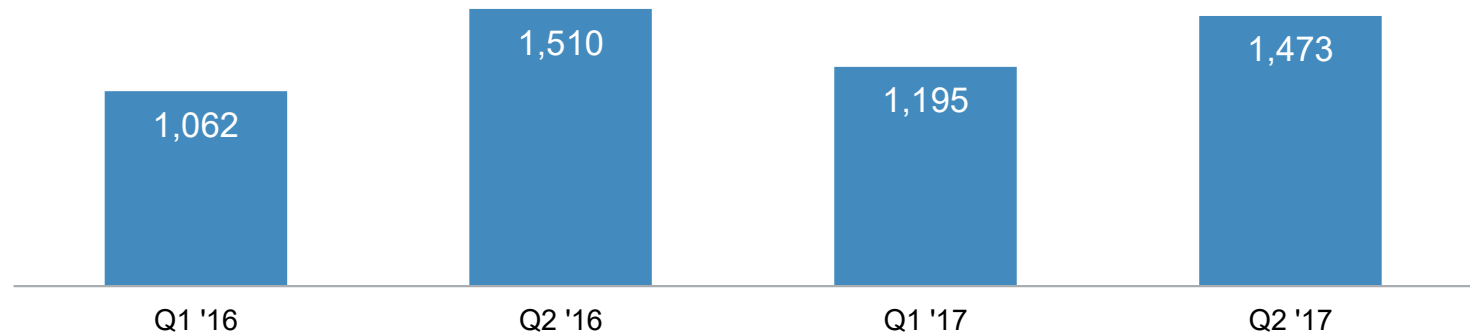
North West Electrification Programme

Seasonality Revenue and Earnings

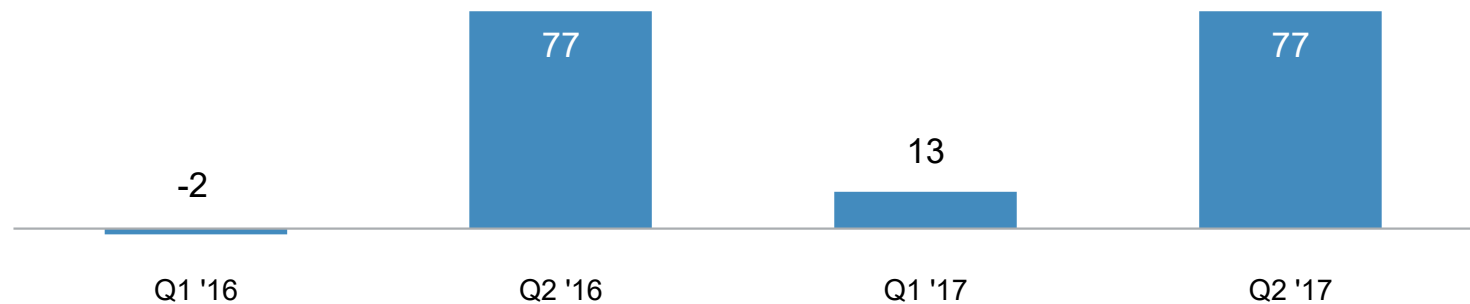
Highlights

- Typical seasonality pattern during the first quarter as a result of frost, snow and heavy rain in the winter
- Consequently, revenue and EBITDA are typically lowest in Q1
- Third quarter activity typically impacted by reduced construction activities due to summer holidays
- Highest activity and earnings typically during Q4, largely driven by increased demand from public sector clients completing projects before year-end

Quarterly Revenue Development (€ million)

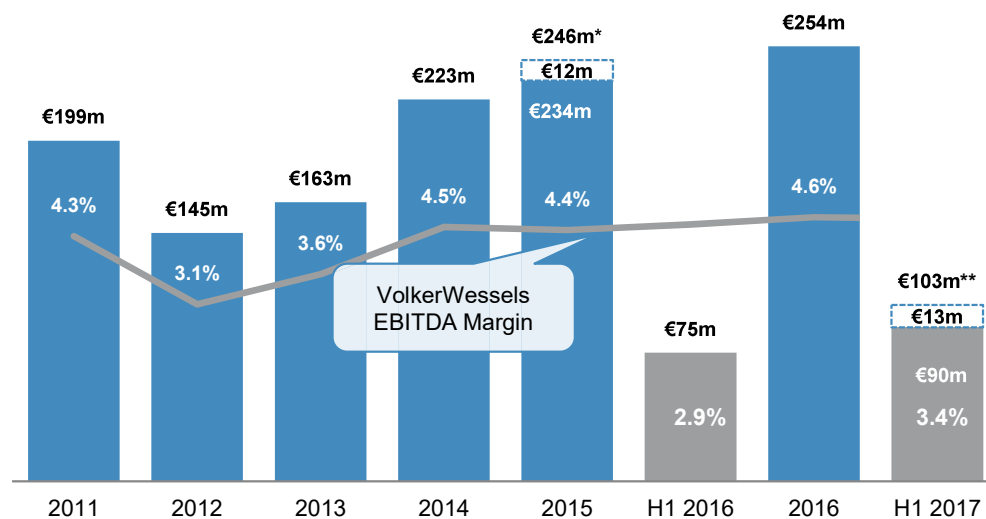


Quarterly EBITDA Development (€ million)



Continue to Deliver Sustainable Margins and EBITDA

VolkerWessels' EBITDA Across the Cycle Year end numbers



VolkerWessels' EBITDA and EBITDA margin

EBITDA and EBITDA margin

- H1 2017 EBITDA € 90 million and EBITDA margin 3.4%
- EBITDA at H1 2016 was 30% of the full year EBITDA (€ 75 m / € 254 m)
- EBITDA margin at H1 2016 was 2.9%, full year EBITDA margin was 4.6%
- As is common in the construction industry, VolkerWessels' quarterly results of operations are affected by seasonality
- Reduced levels of construction activity during the first quarter as a result of frost, snow and heavy rain in the winter

Medium-Term Management Objective for Growth EBITDA in Absolute Terms and for EBITDA Margin of 4.5 – 5.5%

* Including fair value adjustment of € 12 million for the acquisition of the remaining interest in Biesterbos BV and PGB Holding and the increase of VolkerWessels' interest in G&S Vastgoed from 30 to 70%

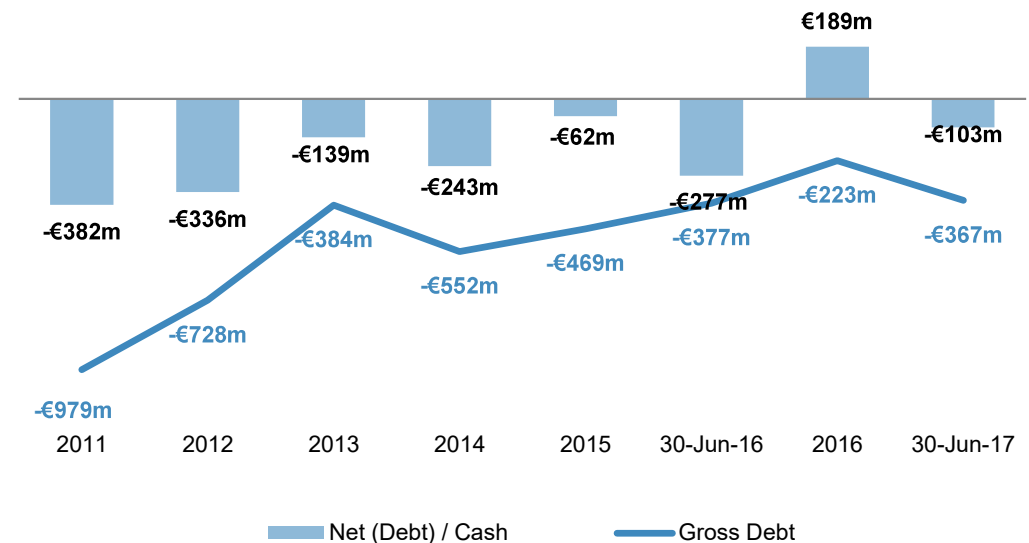
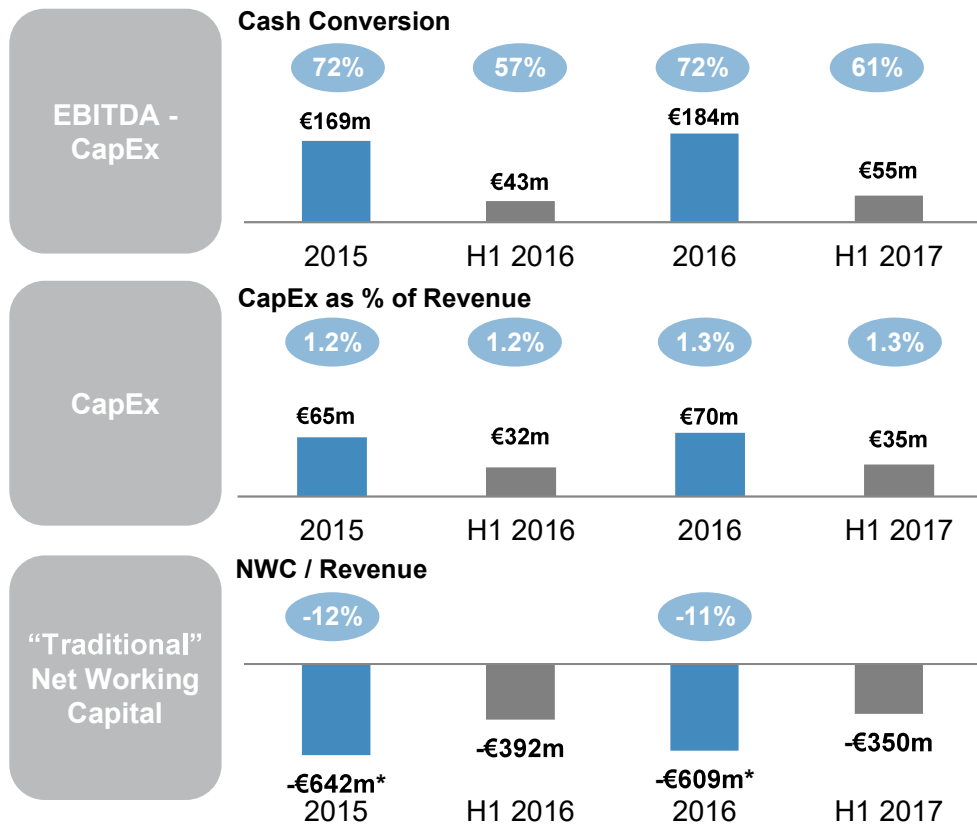
** H1 2017 EBITDA including € 13 million third party result

Disciplined Cash Flow Management and Strong Balance Sheet

Focus on Cash Management Provides Stable Footing for Future Investments and Shareholder Return

Strong Balance Sheet Provides Flexibility for Project Selection

Deleveraging Profile VolkerWessels

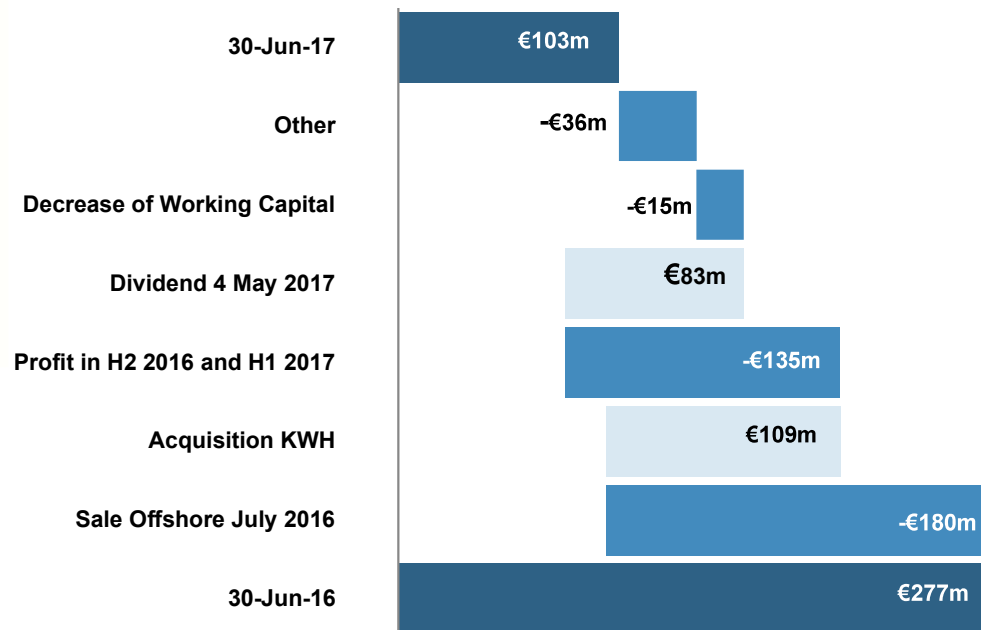


Medium-Term Management Objective for Capex at ~1.3% of Net Revenue and for Trade Working Capital to Develop in Line With Revenue

* Year-end 2016 adjusted because of reclassification of the line items Work in Progress to Property Development for € 55 million (YE 2015: € 91 million), relating to Kondor Wessels Holding, which was acquired in December 2016. The reclassification has no impact on Net Working Capital nor on our ambition to reduce our strategic working capital by € 100 million.

Strong Balance Sheet is a Key Strategic Priority

Net debt Improved from 30 June 2016 to 30 June 2017 from
€ 277 million to € 103 million



Traditional Net Working Capital and Strategic Net Working Capital

(€ million, unless otherwise stated)	30/06/2017	30/06/2016	31/12/2016*
Inventory	62	58	59
Balance of Work in Progress debit	556	601	468
Balance of Work in Progress credit	-493	-501	-421
Trade and other receivables	909	870	778
Trade and other payables	-1,377	-1,418	-1,487
Net taxes	-7	-2	-6
Traditional net working capital	-350	-392	-609
Land	218	240	230
Property development	151	216	170
Property for sales	107	77	112
Associates and joint ventures	92	82	80
Non-current receivables from associates and joint ventures	59	52	62
Net receivables on participations	97	114	97
Strategic net working capital	724	781	751
Total net working capital	374	389	142

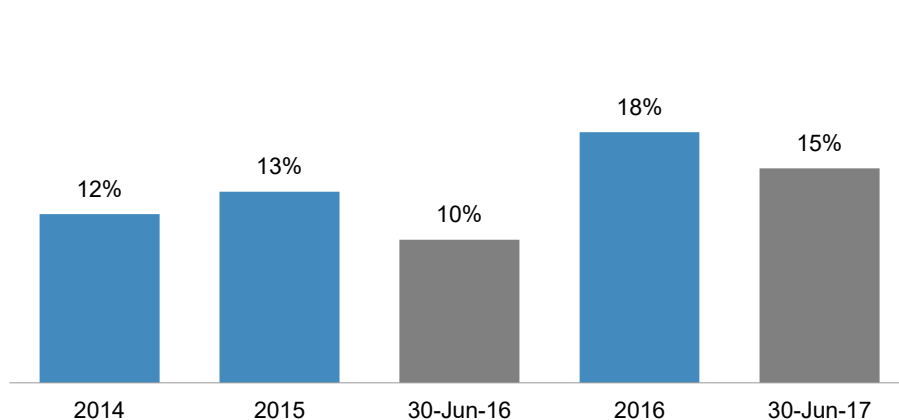
Medium-Term Management Objectives for Further Efficiency Improvement in “Strategic” Working Capital by ~€100m, ROCE > 18.0%, and to Focus Land Bank on Actionable Development

* Year-end 2016 adjusted because of reclassification of the line items Work in Progress to Property Development for € 55 million, relating to Kondor Wessels Holding, which was acquired in December 2016. The reclassification has no impact on Net Working Capital nor on our ambition to reduce our strategic working capital by € 100 million.

ROCE and Solvency Influenced by Seasonality and Pay-Out of Dividend

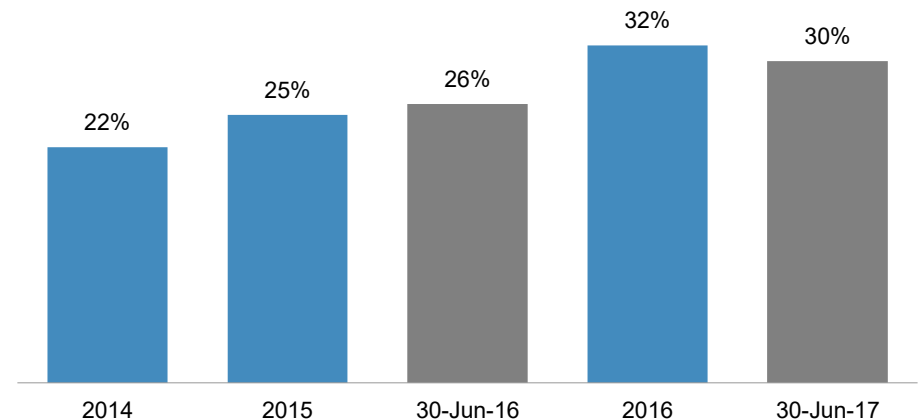
Increasing ROCE Driven by Improved Operating Results and Efficient Use of Working Capital

Development of Return on Capital Employed (%)*



Improving Solvency

Development of Solvency (%)



ROCE and Solvency relatively lower at 30 June due to increased working capital at 30 June caused by seasonality of the sector and pay-out of dividend of € 83 million on 4 May 2017

Medium-Term Management Objective for ROCE > 18.0%

*Return on Capital Employed (ROCE) as EBIT LTM / (period end Fixed Assets + Net Working Capital – Other Provisions). Net Working capital including land, real estate held for sale, inventory and WIP, positions related to participations, debtors and other receivables, creditors and other payables and taxes

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MorgenWonen in Coevorden

On track with execution of Strategy in H1 2017

1 Profitably Capture Attractive Market Opportunities

- New projects in H1 2017: expansion and renovation of NATO complex in the Hague, maintenance contract for four important railway hubs in the Netherlands, reconstruction of Amstelveenlijn, STN2020, optical fibre network in Salland Noord for CIF, Chiltern Tunnel and Colne Valley Viaduct package stage 1 C1 for HS2 and numerous small and medium sized repetitive projects in all our segments
- The land bank decreased € 12 million compared with 31 December 2016 to € 218 million, as € 14 million was sold, € 20 million was acquired and € 18 million was transferred to work in progress

2 Further Margin Improvement Through Operational Excellence

- Pilot 'PlusWonen' between Westo, Boele & Van Eesteren and Veluwezoom Verkerk
- Second production line 'MorgenWonen' operational
- SG&A optimisation for the construction companies in C&RED
- Opening of our BIM Centre per 1 October 2017
- Continuing focus on process optimisation in UK and Energy & Telecom

3 Strategic Bolt-on Acquisitions

- Acquisition of Wareco (engineering company specialized in water management)

On track with Medium-Term Management Objectives

<p>1 EBITDA</p>	<p>Growth in absolute terms</p>	<p>Margin 4.5 - 5.5%</p>	<ul style="list-style-type: none"> Generally improved market conditions in Dutch construction & real estate development segment Operational efficiency programme implementation across all segments Focus on further reduction of failure costs across all segments Maintain historic track record of resilient margins throughout construction cycles
<p>2 Revenue Growth</p>	<ul style="list-style-type: none"> Leverage leading position to capture growth opportunities from recovery in Dutch construction market Focus on selected international niche markets Key management focus on profitable growth over market volume growth in each of the markets Good visibility on profitable growth from prudent and conservative Order Book development and composition 		<p>CAGR 3 - 4% <small>(From 2016 normalised base)</small></p>
<p>3 Capex</p>	<ul style="list-style-type: none"> Maintain well invested asset base with capex levels continuing at around ~1.3% of revenue 		
<p>4 Working Capital</p>	<ul style="list-style-type: none"> Trade working capital development in line with revenue development Further efficiency improvement on "strategic" working capital by ~€100m Focus land bank on actionable development 		
<p>5 Tax</p>	<ul style="list-style-type: none"> Losses carried forward of €40m to be fully utilised in the medium-term 		
<p>6 Capital Allocation</p>	<ul style="list-style-type: none"> Focus on efficient use of employed capital, targeting ROCE >18.0% 		
<p>7 Dividends</p>	<ul style="list-style-type: none"> Pay-out ratio of 50 - 70% of results for the year, DPS expected to grow in line with results for the year (60% pay-out ratio targeted for 2017E) 		

Dividend and Outlook

Dividend

It is the intention of VolkerWessels to apply a dividend pay-out policy that targets a pay out of 50% to 70% of annual reported net income that is attributable to the shareholders. For the year ending 31 December 2017 VolkerWessels targets a pay-out ratio of 60%.

Outlook

VolkerWessels is on track to deliver on its medium term objectives. VolkerWessels is confident that full year EBITDA and net result from continuing operations will increase versus 2016.

Important information

This document is intended to provide financial and general information about Koninklijke VolkerWessels and its group companies in respect of its most recent financial results and, as such, is solely informative.

This document must be read in connection with the relevant financial documents it refers to and such financial documents are leading in case of any inconsistency with the information as provided herein.

This document contains forward-looking statements which are based on the current expectations, estimates and projections of Koninklijke VolkerWessels' management and information available at the date of publication of this document. These forward-looking-statements are subject to uncertainties and cannot be relied upon.

VolkerWessels does not assume any obligation to update or revise forward-looking-statements after the date of publication of this document.

Financial calendar and contact details

Publish nine months 2017 trading update (before trading)	16 November 2017
Ex-dividend date (interim dividend 2017)	22 November 2017
Record date (interim dividend 2017)	23 November 2017
Payment date (interim dividend 2017)	29 November 2017
Publish annual results 2017 (before trading)	15 March 2018
Annual General Meeting of shareholders	3 May 2018
Ex-dividend date (final dividend 2017)	7 May 2018
Record date (final dividend 2017)	8 May 2018
Payment date (final dividend 2017)	16 May 2018

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