
# PRESS RELEASE

## ANNUAL RESULTS 2018

## VolkerWessels reports a net result of € 137 million and a record high order book of € 8.9 billion

- EBITDA including OpenIJ provision of € 251 million (-5.3%), in line with latest outlook
- Net result attributable to shareholders of € 137 million (-2.1%)
- Net cash position improved by € 69 million to € 366 million
- Order book at historical high of € 8,924 million (+10.3%)
- ROCE of 20.1% (from 21.8%) and solvency ratio of 32.5% (from 31.5%)
- Revenue increased to € 5,924 million (+3.7%)
- Proposed final dividend of € 0.77 per share (total dividend of € 1.05 per share)
- 2019 EBITDA to increase, on track to meet medium term objectives

**Amersfoort, 28 February 2019 – Koninklijke VolkerWessels N.V. reports a net result attributable to shareholders of € 137 million and an all-time high order book of € 8.9 billion. All segments contributed to our EBITDA with strong growth recorded in our Dutch Construction & Real Estate Development segment, our Energy & Telecoms Infrastructure segment as well as our UK operations. These results are underpinned by a solid underlying operational cash flow.**

### Jan de Ruiter, Chairman of the Management Board

*'All our divisions contributed to the 2018 EBITDA of € 251 million which is in line with the outlook from our nine months trading update. Excluding the additional provision taken in 2018 for OpenIJ, EBITDA increased to € 290 million. We recorded strong results in our Construction & Real Estate Development segment, our Energy & Telecoms Infrastructure segment and our UK operations. North America recorded a reduced contribution which was predominantly caused by unusual weather conditions, our German operations contributed in line with last year whilst our Dutch Infrastructure segment's result decreased due to the additional 2018 provision for the OpenIJ project as well as the ongoing repositioning of this segment.*

*The construction of the world's largest sea lock at IJmuiden (the OpenIJ project) is progressing well and yet still challenging. During the year, two significant milestones were achieved: Volker Staal en Funderingen successfully immersed the first lock head and in December 2018 the three lock doors arrived safely in the port of Rotterdam. During 2018 we increased the loss provision for the project by € 39 million which brings the total VolkerWessels' share of the provision to € 107 million. OpenIJ finalised the discussion with its banking syndicate regarding the rescheduling of the financing of OpenIJ on 21*

*February 2019. OpenIJ can resume drawing from its banking facilities in line with the agreed new schedule with immediate effect.*

*Rijkswaterstaat (‘RWS’ the single largest client in the Dutch Infrastructure sector) is currently in consultation with the Infrastructure sector with the goal to review its tendering and procurement processes. VolkerWessels is actively participating in these discussions. We aim for an outcome which combines innovation and sustainability goals with a more balanced division of risk between client and contractor (which can amongst others be done by choosing appropriate contract forms for integrated complex projects). Other important outcomes must be shorter tender processes and reduced tender costs as this currently represents a significant waste of man hours in a sector where skilled labor is scarce and difficult to come by.*

*Our focus remains on controlled profitable growth, strong cash conversion and strategic bolt-on acquisitions. We are very pleased with our strong cash conversion, which resulted in a significantly higher net cash position at the year-end, despite funding OpenIJ with € 98 million from our own funds. Our net cash position increased to € 366 million, up € 69 million from the same period in 2017 and our focus on reducing strategic working capital is clearly bearing fruit. During 2018 we made two bolt-on acquisitions: Joulz Energy Solutions (now a stand-alone subsidiary of Visser & Smit Hanab) in the Netherlands and PJ Davidson, a slip form concrete contractor in the UK. Both acquisitions further strengthen our local leadership positions and will positively contribute to our future results. Both acquisitions bring in additional specialist capabilities and will enhance our overall offering as well as our results.*

*Our revenue of over € 5.9 billion is once again the result of the delivery of a vast number of projects throughout 2018. We are particularly proud of the construction of the new head office and distribution centre for Eosta (the organic fruit importer and distributor), the Prinses Maxima Centrum in Utrecht (a Children’s hospital specialised in cancer treatment), the finalization of the North South Metro line in Amsterdam and the successful delivery of the DBFM N18 project. Significant progress was also made on our pilot for low temperature geothermal energy in the Netherlands. In the UK we completed the 3rd phase of the North Western Electrification Project and made good progress on our West Anglia Mainline project. We are also very pleased with the successful re-tender for Service area 24 in British Columbia.*

*We continue to focus on innovation, digitalisation and sustainability, three topics which will become more and more inter-related over the next few years. More ambitious goals with respect to our $CO_2$ footprint and the reduction of primary resources require ongoing focus and different ways of doing business. In 2018 we formulated six KPI’s to measure our progress on delivery of our sustainability objectives, making our efforts in this respect both tangible and measurable.*

*We propose to pay a final dividend of € 0.77 per share, which, together with the interim dividend paid in November 2018 of € 0.28 per share, brings the total dividend to € 1.05 in line with the 2017 dividend.’*

## Underlying operational performance

| | Net result attributable to shareholders | EBITDA | EBITDA margin | ROCE | Solvency | Net cash position | Order Book | Revenue |
|---|---|---|---|---|---|---|---|---|
| Current | 2018 € 166 m | 2018 € 290 m | 2018 4.9% | 31/12/18 24.0% | 31/12/18 32.5% | 31/12/18 € 366 m | 31/12/18 € 8,924 m | 2018 € 5,924 m |
| Change | +18.6 % | +9.4 % | +30 bps | +220 bps | +100 bps | +€69 m | +10.3 % | +3.7 % |
| Prior | 2017 € 140 m | 2017 € 265 m | 2017 4.6% | 31/12/17 21.8% | 31/12/17 31.5% | 31/12/17 € 297 m | 31/12/17 € 8,091 m | 2017 € 5,714 m |

## Financial performance including the 2018 OpenIJ provision

| | Net result attributable to shareholders | EBITDA | EBITDA margin | ROCE | Solvency | Net cash position | Order Book | Revenue |
|---|---|---|---|---|---|---|---|---|
| Current | 2018 € 137 m | 2018 € 251 m | 2018 4.2% | 31/12/18 20.1% | 31/12/18 32.5% | 31/12/18 € 366 m | 31/12/18 €8,924 m | 2018 € 5,924 m |
| Change | -2.1% | -5.3% | -40 bps | -170 bps | +100 bps | +€69 m | +10.3 % | +3.7 % |
| Prior | 2017 € 140 m | 2017 € 265 m | 2017 4.6% | 31/12/17 21.8% | 31/12/17 31.5% | 31/12/17 € 297 m | 31/12/17 € 8,091 m | 2017 € 5,714 m |

Net result attributable to shareholders / EBITDA 2017 excluding. € 13 million third party result
All numbers exclude share incentive charge

## Overall performance of VolkerWessels

### Summary overview of results

| *(€ million, unless stated otherwise)* | **FY 2018** | **FY 2017** |
|---|---|---|
| Revenue | 5,924 | 5,714 |
| Operating expenses | *-5,790 | *-5,558 |
| Share in results of associates and JVs (after income tax and 3rd party result) | 33 | *27 |
| **Operating result** | **167** | **183** |
| Net financial result | 3 | 4 |
| Income tax | -30 | -45 |
| **Net result from continuing operations** | **140** | **142** |
| Net result from discontinued operations (after tax) | -2 | 1 |
| **Net result for the financial period** | **138** | **143** |
| Minority interests | 1 | 3 |
| **Net result attributable to shareholders** | **137** | **140** |
| Operating result | 167 | 183 |
| D&I of property, plant and equipment | 75 | 69 |
| A&I of intangible assets | 9 | 13 |
| **EBITDA** | **251** | **265** |
| EBITDA margin (%) | 4.2% | 4.6% |
| **EBITDA excluding 2018 OpenIJ provision** | **290** | **265** |
| Order book (at year end) | 8,924 | 8,091 |
| Interim dividend | 22.4 | 22.4 |
| (Proposed) Final dividend | 61.6 | 61.6 |
| **Total dividend** | **84.0** | **84.0** |
| Total dividend as % of Net results attributable to shareholders (adjusted for share incentive plan) | 61% | 60% |
| **Per share data attributable to shareholders** | | |
| Number of shares (in million) | 80 | 80 |
| Earnings per share (€) | 1.71 | 1.75 |
| Earnings per share from continuing operations (€) | 1.74 | 1.74 |
| Earnings per share from discontinued operations (€) | -0.03 | 0.01 |
| Interim dividend | 0.28 | 0.28 |
| (Proposed) Final dividend | 0.77 | 0.77 |
| **(Proposed) Total dividend** | **1.05** | **1.05** |

* Under IFRS any benefit due to the Managing Directors or any of the relevant key managers will need to be reflected in the annual accounts of VolkerWessels as personnel expenses, irrespective of the fact whether the costs are borne by VolkerWessels or not. The cash flow effect related to the share incentive, including the tax effect, is borne in full by Reggeborgh Holding and consequently, the cash flow effect for VolkerWessels will be nil. For the period between 1 January 2018 and 31 December 2018 the total amount is: € 6 million and between 12 May and 31 December 2017: € 5 million, this is adjusted in comparison to the financial statements. In addition, in the line item Share in results of associates and JVs in FY 2017 an amount of € 13 million third party result is excluded. Both amounts are adjusted in this summary in comparison to the financial statements.

## Summary overview of results by operating segment

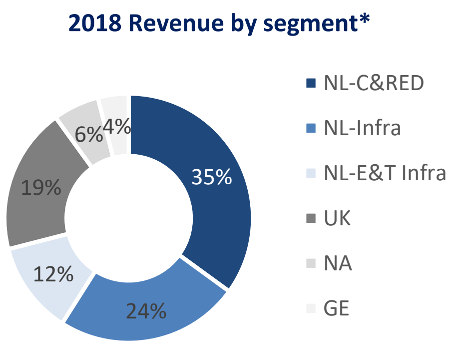
| (€ million, unless stated otherwise) | Revenue 2018 | Revenue 2017 | Δ | EBITDA 2018 | EBITDA 2017 | Δ | Order Book 31/12/2018 | Order Book 31/12/2017 | Δ |
|---|---|---|---|---|---|---|---|---|---|
| NL – C&RED | 2,105 | 2,043 | 3.0% | 100 | *93 | 7.5% | 3,493 | 2,831 | 23.4% |
| NL – Infrastructure | 1,414 | 1,474 | -4.1% | 61 | 52 | 17.3% | 1,660 | 1,568 | 5.9% |
| NL – E&T Infrastructure | 751 | 674 | 11.4% | 39 | 32 | 21.9% | 932 | 1,005 | -7.3% |
| United Kingdom | 1,116 | 995 | 12.2% | 39 | 33 | 18.2% | 1,528 | 1,213 | 26.0% |
| *Local currency (GBP m)* | *984* | *872* | *12.8%* | *34* | *29* | *17.2%* | *1,367* | *1,077* | *26.9%* |
| North America | 350 | 351 | -0.3% | 47 | 55 | -14.5% | 764 | 828 | -7.7% |
| *Local currency (CAD m)* | *538* | *515* | *4.5%* | *72* | *81* | *-11.1%* | *1,193* | *1,249* | *-4.5%* |
| Germany | 268 | 244 | 9.8% | 16 | 17 | -5.9% | 595 | 684 | -13.0% |
| Other/eliminations | -80 | -67 | | -12 | -17 | | -48 | -38 | |
| **Total** | | | | **290** | **265** | **9.4%** | | | |
| Provision OpenIJ 2018 | | | | -39 | | | | | |
| **Total** | **5,924** | **5,714** | **3.7%** | **251** | **265** | **-5.3%** | **8,924** | **8,091** | **10.3%** |

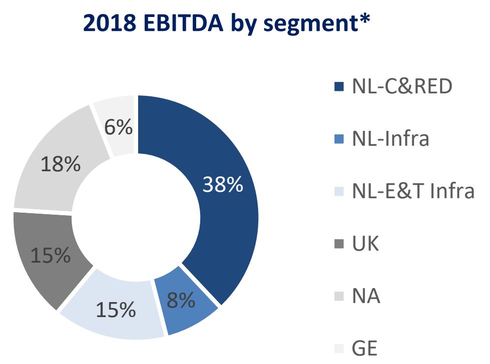
*2017 EBITDA excluding € 13 million third party result

## Quarterly revenue and EBITDA (including provision for OpenIJ)

| (€ million) | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|---|---|---|---|---|---|---|---|---|
| Revenue | 1,758 | 1,397 | 1,539 | 1,230 | 1,747 | 1,299 | 1,473 | 1,195 |
| EBITDA* | 121 | 69 | 53 | 8 | 110 | 65 | 77 | 13 |

* EBITDA 2018 including the OpenIJ provision of € 39 million




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

## Consolidated income statement

### Changes in significant accounting policies

VolkerWessels has adopted IFRS 15 with effect from 1 January 2018 using the modified retrospective method. The information presented for the year ended 31 December 2017 has not been restated. The impact on the group equity at 1 January 2018 and impact on the 2018 profit & loss and statement of cash flow was very limited. VolkerWessels has changed the presentation of certain amounts in the balance sheet to apply IFRS 15 disclosure requirements.

VolkerWessels will adopt IFRS 16 with effect from 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. As a result of the new accounting rules the Group expects, based on a preliminary assessment, an increase in EBITDA of approximately € 55 - € 65 million, as the operating lease payments were included in EBITDA, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure. The impact on net result for 2019 is expected to be limited. The Group will recognise right-of-use assets and lease liabilities of approximately € 220 - € 240 million on 1 January 2019. The above-mentioned figures are estimates and the actual impacts of adopting the standard on 1 January 2019 may change.

We have decided to disclose the OpenIJ project separately. This shows our focus on the project and allows our stakeholders to better evaluate the performance of the company and its segments.

### OpenIJ update

The construction of the world's largest sea lock at IJmuiden (the OpenIJ project) is progressing well and yet still challenging. During the year, two significant milestones were achieved: OpenIJ successfully immersed the first (exterior) lock head and the three lock doors arrived in Rotterdam in December 2018. During 2018 we increased the loss provision for the project by € 39 million which brings VolkerWessels share of the total provision to € 107 million. OpenIJ finalised the discussion with its banking syndicate regarding the rescheduling of the financing of OpenIJ on 21 February 2019. OpenIJ can resume drawing from its banking facilities in line with the agreed new schedule with immediate effect. VolkerWessels' share in the cash outflow of the project at 31 December 2018 is € 98 million and we have almost fully funded our share in the project loss through our own funds. At the end of 2018, the project was 65% complete.

### Order Book

VolkerWessels' order book at 31 December 2018 increased to a historical high of € 8,924 million as compared to € 8,091 million at 31 December 2017, which represents an increase of 10.3%. The strong order book consists of an increased pipeline of projects in our Construction & Real Estate Development (especially in the Development sector) and in the United Kingdom, balanced by a decrease in the E&T and North America segments due to the volumes delivered on long-term framework contracts. Excluding the annual production of these framework contracts, the E&T and North America order books also increased. In Germany our order book decreased compared with 2017 but is still exceptionally strong and amounts to 2.2 times the revenue delivered in 2018.

We take a prudent approach to order book recognition; we only include signed contracts and for framework contracts, work packages agreed with our clients. During 2018, we did not enter into any new contracts for large integrated multidisciplinary infrastructure projects (i.e. contracts where VolkerWessels' share of value is > € 150 million) except the alliance contract NoorderSpoort in Zwolle with Prorail.

### Revenue
Revenue in 2018 increased by 3.7%, or € 210 million, to € 5,924 million as compared to € 5,714 million in 2017. Except in Dutch Infrastructure revenues increased (in local currencies) in all segments. The increase in these segments was principally driven by continuing positive momentum in our markets.

### EBITDA and EBITDA margin
EBITDA decreased 5.3% to € 251 million and EBITDA margin decreased to 4.2%. Excluding the OpenIJ provision for 2018 the EBITDA margin increased in 2018 to 4.9% and EBITDA increased 9.4% to € 290 million.

The C&RED, E&T and UK segments delivered increased EBITDA of € 7 million, € 7 million and € 6 million respectively resulting mainly from continuing positive momentum in these markets and favourable timing of projects.

As a consequence of the additional provision for OpenIJ in 2018, Infrastructure Netherlands delivered EBITDA of € 22 million, which is in line with the statement for the Dutch Infrastructure segment in the nine month trading update. Without the provision for OpenIJ in 2018, the underlying EBITDA for Infrastructure was € 61 million.

The decrease of € 8 million in North America is the result of a weather related relatively late start and early closure of the production season in Canada and because the recovery of Fort McMurray took longer than anticipated after the wildfires in 2016. In Germany EBITDA was stable.

Our aim is to improve our EBITDA margin by continuing to focus on margin rather than volume. Our operational excellence initiatives, including the focus on improving and optimizing our risk, project and contract management processes, will enable us to reduce our failure costs going forward.

### Personnel
VolkerWessels' average number of employees increased by 451 to 16,630 in 2018.

### Net financial result
The net financial result decreased slightly in 2018 to € 3 million positive (2017: € 4 million positive).

### Income tax
Income tax decreased from € 45 million in 2017 to € 30 million in 2018 due to overall lower taxable profits. The effective tax rate decreased due to higher results from participating interests, the impact of lower legislative tax rates in the US and UK as compared to 2017 as well as a tax benefit that reflects the impact on the deferred tax liability of the Dutch group due to the future decrease of the Dutch tax rates.

### Net Result
The 2018 net result attributable to shareholders amounted to € 137 million (2017: € 140 million). The 2018 net result from continuing operations amounted to € 140 million (2017: € 142 million) and the 2018 net result from discontinued operations amounted to minus € 2 million (2017: € 1 million positive).

### Capex

Gross capital expenditure relating to property, plant and equipment was € 87 million (1.5% of revenue) in 2018 as compared to € 81 million (1.4% of revenue) in 2017. Net capital expenditure relating to property, plant and equipment was € 60 million (1.0% of revenue) in 2018 as compared to € 64 million (1.1% of revenue) in 2017. Net capital expenditures decreased compared to 2017 due to an increased level of divestments (mainly Matex properties).

### Key balance sheet items

| *(€ million, unless stated otherwise)* | **31/12/2018** | **31/12/2017** |
|---|---|---|
| Total assets | 3,684 | 3,605 |
| Total group equity | 1,196 | 1,135 |
| Net cash | 366 | 297 |
| Capital employed | 830 | 838 |
| Solvency ratio *(%)* | 32.5% | 31.5% |

### Solvency and Net cash position

VolkerWessels has a solid capital structure, with a solvency ratio of 32.5% at 31 December 2018 (31.5% at 31 December 2017). Total equity increased by € 61 million to € 1.2 billion at 31 December 2018. This is the net impact after allocation of the 2018 profit and reduction for dividends of € 84.0 million which includes both the final 2017 dividend and the interim 2018 dividend.

Despite the funding of the OpenIJ project with € 98 million, our net cash position improved by € 69 million, resulting in a net cash position of € 366 million at 31 December 2018. We are targeting a free cash flow that is, on average, in line with our net result. Free cash flow was € 155 million in 2018, 1.1 times net result attributable to shareholders, despite the funding of € 98 million in OpenIJ.

#### *Sustainable RCF*

In May 2018, we successfully amended and extended our € 600 million revolving credit facility (the "RCF") introducing the first sustainable revolving credit facility in the Dutch construction sector. The amended facility includes two one-year extension options, potentially extending the tenor to 31 January 2025, of which the first option to extend to 31 January 2024 was exercised in January 2019. VolkerWessels is the first company in the Dutch construction sector to link sustainability performance to its banking credit facility. The credit margin of the RCF is based on the leverage ratio (net debt to EBITDA) and has been reduced to reflect VolkerWessels' strong performance. All other terms have remained unchanged. The RCF can be used for general corporate and working capital purposes (including acquisitions, capital expenditure, dividend distributions and interest expenses).

The applicable credit margin incentivises VolkerWessels to deliver year-on-year improvements in five sustainability indicators: (i) injury frequency, (ii) social return, (iii) car fleet $CO_2$ emissions, (iv) waste separation and (v) proportion of newly built zero-energy bill homes. Depending on the number of sustainability indicators achieved, a margin discount or increase will be applicable.

At 31 December 2018 € 0 million was drawn under the RCF (€ 0 at 31 December 2017).

### Working capital overview

| *(€ million)* | **31/12/2018** | **31/12/2017** |
|---|---|---|
| Inventories (excl. property development) | 76 | 66 |
| Contract balances (including provision onerous contracts) | -28 | -75 |
| Trade and other receivables (excl. Receivables from associates and JVs and current 3rd party loans) | 839 | 820 |
| Trade and other payables (excl. amounts owed to associates and JVs) | -1,497 | -1,480 |
| Net taxes | -15 | -18 |
| **Traditional working capital** | **-625** | **-687** |
| Land | 184 | 193 |
| Property development | 81 | 175 |
| Property held for sale | 42 | 69 |
| Investments in associates and JVs (less provisions) | 133 | 113 |
| Non-current receivables from associates and JVs | 71 | 51 |
| Net receivables on participations | 101 | 107 |
| **Strategic working capital** | **611** | **708** |
| **Net working capital** | **-14** | **21** |

Traditional negative working capital was stable excluding the OpenIJ funding effect of € 98 million, net of the additional provision in 2018 for an amount of € 39 million. Including the OpenIJ effect, traditional working capital reduced by € 62 million to € 625 million at 31 December 2018. This was due to lower contract assets and liabilities at 31 December 2018 resulting mainly from financing OpenIJ for € 98 million, net of the additional loss provision of € 39 million. Strategic positive working capital improved by € 97 million to € 611 million at 31 December 2018. This mainly relates to a lower working capital requirement for property development following the sale of several properties, a reduction in land positions and the divestment of three DBFM(O) projects. The land bank decreased by € 9 million to € 184 million at 31 December 2018. Overall net working capital improved by € 35 million to a negative working capital position of € 14 million at 31 December 2018. Our revised medium-term objectives target a reduction of € 200 million of strategic working capital and the development of traditional working capital in line with revenue. Compared with 31 December 2016 strategic working capital decreased by € 140 million.

The financing of the loss of the OpenIJ project, impacted our cash conversion and our year-end net cash position in 2018. Despite this we were able to improve our net cash position by € 69 million to € 366 million at 31 December 2018. We are investing in new project developments in Amsterdam, Utrecht and Delft and these have and will require liquidity in the short term and in the medium term this will strengthen our position in these very important cities.

## New sustainability performance indicators

Our sustainability vision is 'Building a better quality of life'. One powerful way in which VolkerWessels can make a meaningful contribution is through circular construction. Circular design requires the development of knowledge and concepts that enable our design teams to implement circular thinking in our design processes.

The first Circular Viaduct in the Netherlands was completed in 2018, two pilot plastic cycle roads were installed (one in Zwolle and one in Giethoorn) and we completed the construction of a biological wastewater treatment plant at Biomakery. Concrete and asphalt are two of the most significant materials we use and they both have energy- and $CO_2$-intensive production processes. Our aim is to significantly reduce the $CO_2$ footprint of asphalt and concrete production through innovative new approaches to production. We are also targeting a reduction in the use of primary materials and an increase of the use of recycled materials which requires a different way of working together with our clients, developers, architects and other stakeholders.

Research by TNO showed the success of our VolkerWessels BuildingHub ("BouwHub") in achieving positive effects in various areas such as lower emissions, increased air quality, improved load efficiency and lower traffic impact. In 2018 we launched a new initiative, in co-operation with recycling company Beelen, to set-up the first **circular** BuildingHub in Amsterdam. This circular hub enables us to directly transform waste from construction sites into usable building materials.

To speed up our transition to a more sustainable organisation, we will focus on six key performance indicators for our sustainability efforts in 2019 and beyond. The six KPI's are split into two categories: *the basics*, by improving our own sustainable performance, and *increasing our impact*, by developing new concepts, approaches and solutions that measurably and significantly contribute to quality of life.

**Basics**

1. % waste separation
2. Own car fleet $CO_2$ reduction
3. Employ more people who are at a disadvantage to the labour market ("PSO score")

**Increasing our impact**

4. Increase the use of circular design concepts
5. $CO_2$ reduction in asphalt and concrete production
6. $CO_2$ reduction of our building equipment and machinery

## Acquisitions and divestments

In the third quarter, Visser & Smit Hanab reached agreement with Stedin Group to acquire Joulz Energy Solutions (JES). JES is a market leading player in design, construction and maintenance of complex medium and high voltage infrastructure and installations. JES is one of the few players in the market capable of offering integrated electrification solutions to its clients.

VolkerWessels UK acquired the trade and assets of PJ Davidson (UK) Limited on 30 November 2018. PJ Davidson (UK) is a specialist slipform concrete contractor and the UK's largest installer of Rigid Concrete Barrier on the strategic road network. This strategic bolt-on acquisition is complementary to VolkerWessels UK's current activities in the highways, ports and airports sectors.

Investment company BBGI SICAV S.A. ('BBGI') acquired a 49% interest in Participatiemaatschappij VolkerInfra PPP, an (indirect) subsidiary of Koninklijke VolkerWessels N.V. With this transaction, VolkerWessels has divested part of its financial interest in three operational DBFM(O) projects in the Netherlands, being A1 / A6 Diemen-Almere Havendreef, N18 Varsseveld-Enschede and Gemeentehuis Westland. The transaction is consistent with the medium-term objective to further improve strategic working capital and the strategy of divestment and reduction of equity in operational DBFM(O) projects. VolkerWessels remains responsible for the long-term maintenance of these projects and, in the case of Westland Town Hall, for operations during the term of the contract.

**Outlook**

We expect that economic conditions in the markets in which we operate will remain favourable in 2019, despite the many uncertainties that have arisen on the global stage. Our industry is late cyclical by nature and our record high order book provides a solid base for delivery in 2019. In the Netherlands we see continued demand for new build homes, an improved market for local infrastructure projects and continued investment that supports our Energy & Telecoms Infrastructure businesses. In the UK, we expect continued solid performance despite the ongoing uncertainty surrounding Brexit. However, we recognise that the political ramifications of a hard Brexit may have some negative impact on our UK operations. In Germany we expect market conditions to remain favourable and we expect our North American operations to do well in 2019. As we have evidenced in 2018, performance, especially in North America is weather dependent.

Our current expectations are for our 2019 EBITDA to increase and we confirm that we are on track to meet our medium-term objectives.

**Dividend**

Subject to shareholder approval, VolkerWessels proposes to pay a final dividend of € 61.6 million (€ 0.77 per share). If the proposed final dividend is approved, the total dividend (proposed final dividend plus interim dividend) for 2018 amounts to € 84.0 million or € 1.05 per share, which is in line with the dividend in 2017.

**Annual General Meeting of Shareholders**

VolkerWessels will hold its Annual General Meeting of Shareholders on 18 April 2019. The notice, agenda, explanatory notes and other necessary documents (including the Annual report 2018 ) will be published on the website of VolkerWessels on 4 March 2019.

# # #

## Results per segment

### Netherlands – Construction & Real Estate Development

| *(€ million, unless stated otherwise)* | 2018 | 2017 |
|---|---|---|
| Revenue | 2,105 | 2,043 |
| EBITDA | 100 | *93 |
| EBITDA margin *(%)* | 4.8% | 4.6% |
| Average number of employees (#) | 3,768 | 3,716 |
| Order book *(at year end)* | 3,493 | 2,831 |

* EBITDA excluding € 13 million third part result

Construction & Real Estate Development segment's (C&RED) revenue increased by 3.0%, or € 62 million, to € 2,105 million in 2018, mainly as a result of continuingly strong market conditions especially in the residential construction market. The number of new homes sold decreased to 2,140 from 3,083 in 2017. The lower volume is due to the timing of transactions with institutional real estate investors and project permit delays which in turn leads to pre-sales delays. EBITDA increased by € 7 million to € 100 million, up 7.5%, with the EBITDA margin improving by 20 basis points to 4.8%. The net result of C&RED was negatively impacted by a provision of € 10 million for an arbitration decision which was unfavourable. C&RED is appealing the decision. The order book of C&RED increased by more than 23% to € 3.5 billion. The main additions to our order book were the Holendrecht Community Campus in Amsterdam, Conradhuis in Amsterdam, NDSM Pontkade in Amsterdam, Westflank North in Utrecht and Wonderwoods in Utrecht

### Market developments in 2018

The residential construction market ran at high capacity, driven by low interest rates and the economic upturn which boosted consumer confidence. The market has grown rapidly in volume and prices continued to increase. Interest from private buyers and professional investors in properties was on the rise. Looking forward, we expect material prices to consolidate while labour costs will continue to increase. Interest from private buyers and professional investors in properties remains at a high level. Due to increased prices in the Randstad conurbation, growth outside the Randstad is now also gathering pace. VolkerWessels is closely monitoring developments in this market. The geographical locations of our 40 or so companies means that we are well positioned to benefit from the increased activity outside the Randstad.

### 2018 highlights

VolkerWessels builds many landmark projects. In Amsterdam, we continued to work on the new ING head office and on the ongoing development of the NDSM wharf. We finished our work on the North-South metro line in Amsterdam, which is now operational. Other projects under construction include: The Valley in Amsterdam, the NATO complex, the Onderwijs and Cultuur Complex in The Hague, E-Shelter at Schiphol Rijk. the Brainport Industry Campus in Eindhoven, Wilhelminawerf and Uptoren in Utrecht and Westcord Market Hotel in Groningen. Additions to our order book were a.o. the Holendrecht Community Campus in Amsterdam, the construction of a new municipality building in Heerlen and the construction of a new hospital in Hardenberg. Superior long-term residential development positions have been obtained in Amsterdam, Delft and Utrecht, securing long-term production volume for C&RED.

## Netherlands – Infrastructure

| *(€ million, unless stated otherwise )* | 2018 | 2017 |
|---|---|---|
| Revenue | 1,414 | 1,474 |
| | | |
| EBITDA | 61 | 52 |
| OpenIJ provision | -39 | - |
| EBITDA including OpenIJ provision | 22 | 52 |
| | | |
| EBITDA margin (%) | 1.6% | 3.5% |
| | | |
| Average number of employees *(#)* | 4,903 | 4,983 |
| Order book *(at year end)* | 1,660 | 1,568 |

Netherlands – Infrastructure segment's revenue decreased by 4.1% or € 60 million to € 1,414 million in 2018 mainly due to the finalization of several large rail projects in 2017. Excluding the provision for OpenIJ in 2018, EBITDA was € 61 million. After taking into account the additional provision for OpenIJ, Infrastructure delivered EBITDA of € 22 million, which is in line with the statement for the Dutch Infrastructure segment in the nine month trading update. The order book increased by 6% to € 1.7 billion at 31 December 2018. The market for local and regional infrastructure projects is growing and there were a number of important tenders won in 2018 including Noorderspoort Zwolle and the maintenance and construction of the N200 Motorway.

### Market developments in 2018

We see a continued highly competitive market for large, multidisciplinary infra projects. At the same time, we observe a more selective approach from both national as well as international competitors due the current imbalance between risk and reward for especially the large integrated (DBFM) projects. We continue to focus on margin over volume, constructive cooperation with our partners and clients and the quality of our order book.

### 2018 highlights

The construction of the world's largest sea lock is progressing well and yet still challenging. Over 2018 we increased the loss provision for the project by € 39 million which brings the total provision (VolkerWessels' share) to € 107 million. Over 2018 we put € 98 million into OpenIJ from our own resources and we have almost fully funded our share in the project loss. At the end of 2018, the project was 65% complete.

In recent years, more complex long-term construction projects were entered into on a fixed-price or lump sum basis for contract models with terms that increased the risk exposure of construction companies in a more legalistic environment.

As a result of this changing nature of the infrastructure market, the risk - reward balance in our Dutch infrastructure segment was adversely affected. In 2018 it was decided that a change of management of our Dutch infrastructure management was required and VolkerWessels decided to reposition the Dutch infrastructure business. We strongly believe that current contract conditions and the level of complexity of projects are not balanced and the assessment of such has become an important element in our tender review process.

We are on track with repositioning our Infrastructure segment. The necessary management positions have been changed. This repositioning will be completed at the end of the first quarter 2019. We have enhanced our contract management by making this a separate function within the group at top management level. We believe that some of the following changes are necessary (i) a more balanced division of risk between client and contractor (ii) a significant reduction of the current high tender costs and (iii) the ability to speed up the tendering process in general. By implementing these changes, projects will be delivered on time and within budget and make the sector attractive for the necessary talent. We believe that a healthy sector can innovate faster which is a prerequisite for achieving the climate goals that have been set by the Dutch government.

Important tenders won in 2018 include Noorderspoort Zwolle, N200 Motorway maintenance and renovation between Halfweg and Amsterdam and the Mainport Schiphol maintenance contract. We finalized the construction of N18 Varsseveld-Enschede successfully and commenced a 25 year maintenance contract of 25 year for this highway. We built the first circular viaduct near Kampen this year. This viaduct consists of concrete elements that are re-usable in other locations. The first two pilot projects of PlasticRoad were successfully constructed in the Province of Overijssel in the form of 30 meter long bicycle paths made of hollow prefabricated elements, enabling water drainage and the laying of cables and pipes.

### Netherlands – Energy & Telecoms Infrastructure*

| *(€ million, unless stated otherwise )* | 2018 | 2017 |
|---|---|---|
| Revenue | 751 | 674 |
| EBITDA | 39 | 32 |
| EBITDA margin (%) | 5.2% | 4.7% |
| Average number of employees (#) | 2,950 | 2,789 |
| Order book *(at year end)* | 932 | 1,005 |

* NL-E&T Infra includes the activities in Belgium

Favourable market conditions caused by the transition to sustainable energy sources in the energy infrastructure market and the ongoing digital transformation in the telecoms market, led to the revenue of our Netherlands – Energy & Telecoms Infrastructure segment increasing by 11.4%, or € 77 million, to € 751 million. EBITDA increased by € 7 million to € 39 million in 2018. As a result, EBITDA margin for the segment was 5.2% in 2018 compared to 4.7% in 2017. The improvement in our result was mainly delivered by all companies, including our Belgian E&T activities. The order book decreased due to the volume delivered in 2018 on a long-term contract that had been in our order book since December 2015. Excluding this item, the order book increased significantly, partly due to the acquisition of Joulz Energy Solutions.

#### Market developments in 2018

The transition to sustainable energy sources, such as wind, solar and $H_2$ continues to be an important driver for the demand in the energy infrastructure market in the Netherlands. VolkerWessels' energy business is focused on the associated transport infrastructure for these energy sources. The ongoing digital transformation is an important trend in the telecoms market, requiring an ongoing need for fast data transmission. We expect that the roll-out of 5G networks in the Netherlands will have a positive impact on VW Telecom.

#### 2018 highlights

Due to the energy transition and the digitalisation of the energy grids, all households in the Netherlands will receive digital gas and electricity meters ("Slimme meters"). These so-called 'smart-meters' have been installed by VolkerWessels in the Northern and Southern parts of the country. More than 250,000 meters have already been installed by a team of around 100 mechanics. We will be installing the export cable for Windpark Fryslan, a new 320 MW windfarm in the IJsselmeer. This export cable will transport energy for 340,000 households and this will lead to an annual $CO_2$ reduction of 687,000 ton.

In 2018 VolkerWessels started work on the migration of Digitenne (a KPN activity) to a new future- proof system where Standard Definition Television (SDTV) is replaced by High Definition TV (HDTV). We also started a new large scale Fiber to the Home contract for KPN. GasUnie, Alliander and MapXact (a subsidiary of VolkerWessels) formed a partnership to increase the use of ground radar technology to visualize the position of underground cables and pipelines (and thus avoiding damaging underground infrastructure). VolkerWessels Telecom's subsidiary Hyrde continued with the implementation of a.o. climate and general asset management tools based on IoT technology for owners of real estate assets.

## VolkerWessels United Kingdom

| *(€ million, unless otherwise stated)* | **2018** | **2017** |
|---|---|---|
| Revenue | 1,116 | 995 |
| *Revenue in GBP m* | *984* | *872* |
| | | |
| EBITDA | 39 | 33 |
| *EBITDA in GBP m* | *34* | *29* |
| EBITDA margin *(%)* | 3.5% | 3.3% |
| | | |
| Average number of employees *(#)* | 2,890 | 2,713 |
| Order book *(at year end)* | 1,528 | 1,213 |
| *Order book (at year end) GBP m* | *1,367* | *1,077* |

In local currency, revenue in 2018 increased by 12.8% to £ 984 million following positive developments across all market sectors in which we operate. EBITDA improved by £ 5 million to £ 34 million with the EBITDA margin improving by 20 basis points to 3.5%. In euro terms the increase in revenue and EBITDA are in line with the increase in GBP terms. The UK order book increased by 27% to £ 1,367 million which is largely a reflection of the growth in infrastructure build as set out in the National Infrastructure plan in the UK. During 2018 we also strengthened our market position by securing, extending and renewing a number of long-term contracts.

### Market developments in 2018

The UK infrastructure and construction sectors have continued to show strong growth in 2018, despite challenges including the ongoing uncertainty regarding the Brexit negotiations, continuing local government funding challenges, the impact of the collapse of Carillion plc and a more severe winter than in previous years. The market is experiencing an increase in input costs, predominantly the result of growing market volumes, the skills shortage and the weakness of the British pound. The impact of Brexit on our companies in 2018 appears to have been limited. The British Government continues to see infrastructure as the foundation on which the economy is built, and the pipeline across the social and civil infrastructure, energy, water and transport sectors is expected to generate significant growth across the UK.

### 2018 highlights

The business strengthened its market position in the period under review by securing, extending and renewing a number of long-term contracts. These contracts provide visibility and stability in the order book for our companies, and include the award of the HMNB Clyde framework for the Defence Infrastructure Organisation, and securing places on Lot 2 of Highways England's Delivery Integration Partnership Framework, a highways term maintenance contract with Bath and North East Somerset Council and a highways and transport maintenance and construction contract with Wokingham Borough Council. Highlights include the opening of the Ely Southern bypass, the completion of Mare Harbour in the Falkland Islands, the opening of four new aircraft stands at London's Stansted airport, the completion of the North West Electrification Programme to electrify and upgrade the Preston to Blackpool rail route, and ongoing HS2 civils work. VolkerWessels UK acquired the trade and assets of PJ Davidson (UK) Limited as a going concern on 30 November 2018. PJ Davidson (UK) is a specialist slipform concrete contractor and the UK's largest installer of Rigid Concrete Barrier on the strategic road network. PJ Davidson (UK) has annual revenues of around £15 million per annum. This strategic bolt-on acquisition is complementary to VolkerWessels UK current activities in the highways, ports and airports sector.

## VolkerWessels North America

| *(€ million, unless otherwise stated)* | **2018** | **2017** |
|---|---|---|
| Revenue | 350 | 351 |
| *Revenue in CAD m* | *538* | *515* |
| | | |
| EBITDA | 47 | 55 |
| *EBITDA in CAD m* | *72* | *81* |
| EBITDA margin *(%)* | 13.4% | 15.7% |
| | | |
| Average number of employees (#) | 1,400 | 1,348 |
| Order book *(at year end)* | 764 | 828 |
| *Order book (at year end) CAD m* | *1,193* | *1,249* |

Revenue from our North America segment was stable at € 350 million while EBITDA decreased by € 8 million to € 47 million. The decrease is largely due to the unusual weather pattern in 2018 and the relatively late start and early closure of the production season in some regions in the Province of Alberta in Canada. And in some extend because the recovery of Fort McMurray took longer than anticipated after the wildfires in 2016. In the US, revenue increased due to the booming local economy in the Seattle region. The order book decreased to € 764 million (-8% since 31 December 2017) as a result of the ongoing delivery of contracts under our long term framework agreements. The underlying order book showed growth, in particular due to the successful re-bid for Service Area 24 in British Columbia.

### Market developments in 2018

Our companies in Canada are based in Alberta and British Columbia. The economy of these two provinces is primarily resource-based. The outlook for VolkerWessels in British Columbia remains strong for the coming years with the successful renewal of a long-term contract for provincial highway maintenance in late 2018 ("Service Area 24"). The outlook for VolkerWessels in Alberta is also strong with a dependency on market developments within the energy industry (especially the oil price). In the Seattle area VolkerWessels is well positioned to benefit from increased investment in infrastructure, particularly through its exposure to roadworks (including new construction, rehabilitation and intersections), civils work (bridges, retaining walls, etc.) as well as underground utilities and development construction.

### 2018 highlights

We saw strong top-line activity in most of our businesses in North America, except for northern Alberta where weather impacts and tender delays affected our already short construction season. Our long-term road maintenance contracts in Alberta and British Columbia continue to provide a solid basis for our order book in North America. In the US, where we operate under the name of MidMountain Contractors in the state of Washington, market conditions remined strong. In the Seattle region in particular, this is partly thanks to the presence of various multinationals, such as Boeing, Microsoft and Amazon, with a high level of economic activity. We successfully commenced our work at the North Satellite Terminal (N-Sat) at Sea-Tac Airport. Work on the Sound Transit East Link Light Rail project - on behalf of the Port of Seattle - is progressing well.

## VolkerWessels Germany

| *(€ million, unless otherwise stated)* | 2018 | 2017 |
|---|---|---|
| Revenue | 268 | 244 |
| EBITDA | 16 | 17 |
| EBITDA margin (%) | 6.0% | 7.0% |
| Average number of employees (#) | 353 | 335 |
| Order book *(at year end)* | 595 | 684 |

The Germany segment's revenue increased by 10%, or € 24 million, to € 268 million mainly in our construction companies. EBITDA was stable. The order book declined to € 595 million (-13% since 31 December 2017), which is still exceptionally strong and amounts to 2.2 times the revenue in 2018. This decrease mainly relates to some delays in the commencement of new development projects. In 2018 we constructed and delivered a total of 746 houses (2017: 1.191). The number of houses sold from VolkerWessels' own developments in Germany in 2018 was 537 (2017: 89).

### Market developments in 2018

VolkerWessels expects the market in Germany to remain favourable in the coming years. If interest rates remain at the current low levels, investor demand is expected to remain high. In addition to the booming economy and low interest rate environment it is expected that Germany will benefit from Brexit as a number of companies are expected to move from London to Frankfurt. Alongside general economic factors, this will have a positive effect on the demand for offices and housing in this area.

### 2018 highlights

In 2018, VolkerWessels continued construction work on the Hallesches quarter in Berlin. This project involves the construction of a total of six residential and commercial buildings. During 2017, the "Yours" and "Metronome" housing projects were completed. June 2018 saw the completion of the "Deutscher Bundeswehr Verband" project, which included office space of 3,300 m2. In the first half of 2018, structural work began on the PULSE administrative building. Construction of this project at the intersection of Möckernstrasse and Stresemannstrasse will continue until 2020.

In Berlin and Leipzig, VolkerWessels is working on the following projects: Maximilian quarter Forckenbeckstrasse; Gut Alt-Biesdorf; two projects at the Rosenfelder Ring: LEO Urban Living and ROSA; Forster quarter Louis-Lewin-Strasse and STRIETZ in Leipzig-Stötteritz. In addition, VolkerWessels is building the following projects in Berlin: Flämingstrasse 70, Kienbergstrasse 21, Otto-Schmirgal-Strasse 10,12, Albert-KunzStrasse, Am Lückefeld. In Hesse, VolkerWessels is working on the Kappus Höfe project in Offenbach near Frankfurt. The former soap factory will be transformed to a 12,725 m² large residential complex with 311 apartments in 17 residential buildings and 229 underground parking spaces. In North Rhine-Westphalia, VolkerWessels started on the demolition of O-Quartier in Solingen. This former textile factory will be converted into 305 residential units and 260 underground parking spaces standing on a 15,800 m² plot.

# # #

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For more information please visit our corporate website: www.volkerwessels.com

VolkerWessels regularly (monthly) posts vlogs (in Dutch): please click here to learn more about Paleis Het Loo and NDSM.

**Analyst meeting**
VolkerWessels will comment on its annual results during an analyst meeting on 28 February 2019 at 10.30 CET. You can download the presentation for 2018 on: www.volkerwessels.com => Investor Relations => Financial Information. You can follow the meeting by dialling: 0031-20-531 5851 (international numbers available via this link).

**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.*

*This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.*

## Financial calendar

| Event | Date |
|---|---|
| Annual results 2018 (before trading) | 28 February 2019 |
| Annual report 2018 available | 4 March 2019 |
| Annual General Meeting of shareholders | 18 April 2019 |
| Ex-dividend date (final 2018 dividend) | 24 April 2019 |
| Record date (final 2018 dividend) | 25 April 2019 |
| Payment date (final 2018 dividend) | 2 May 2019 |
| First quarter 2019 trading update (before trading) | 16 May 2019 |
| Half year results 2019 (before trading) | 29 August 2019 |
| Nine months trading update 2019 and interim 2019 dividend announcement (before trading) | 14 November 2019 |
| Ex-dividend date (interim 2019 dividend) | 20 November 2019 |
| Record date (interim 2019 dividend) | 21 November 2019 |
| Payment date (interim 2019 dividend) | 27 November 2019 |

### Annual report 2018
The financial summary in the appendix is drawn from the audited financial statements of Koninklijke VolkerWessels for 2018 (the 'financial statements'). An unqualified auditor's opinion was issued on these financial statements on 27 February 2019. The financial statements must be read in conjunction with the financial statements from which they are derived, and also in conjunction with the unqualified auditor's opinion. The financial statements will be available on the company's website (www.volkerwessels.com) in digital format by 4 March 2019.

### Accounting principles and scope of results
Unless otherwise indicated, financial information contained in this press release has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and related interpretations of the International Accounting Standards Board.

Certain figures in this press release, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

## APPENDIX (based on IFRS)

### Consolidated income statement

| *(€ million)* | | 2018 | | 2017 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| **Revenue** | | **5,924** | | **5,714** |
| Costs of raw materials and consumables | -1,192 | | -1,230 | |
| Costs of outsourced work and other external costs | -2,973 | | -2,777 | |
| Employee benefit expenses | *-1,242 | | *-1,173 | |
| Depreciation and impairment of property, plant and equipment | -75 | | -69 | |
| Amortisation and impairment of intangible assets | -9 | | -13 | |
| Other operating costs | -305 | | -301 | |
| **Operating expenses** | | **-5,796** | | **-5,563** |
| **Result from sale of participating interests (after income tax)** | | **33** | | ****40** |
| **Operating result** | | **161** | | **191** |
| Financial income | 22 | | 21 | |
| Financial expenses | -19 | | -17 | |
| **Net financial result** | | **3** | | **4** |
| **Result before tax** | | **164** | | **195** |
| Income tax | | -30 | | -45 |
| **Result from continuing operations** | | **134** | | **150** |
| Result from discontinued operations (after income tax) | | -2 | | 1 |
| **Result for the financial year** | | **132** | | **151** |
| Attributable to: | | | | |
| Shareholders of the Company | | 131 | | 135 |
| Minority interests | | 1 | | 16 |
| **Result for the financial year** | | **132** | | **151** |

* Incl. share incentive charge of € 6 million (2017: € 5 million)
** Incl. third party result of € 13 million

## Consolidated statement of financial position

| *(€ million)* | 31/12/2018 | | 31/12/2017 | |
|---|---|---|---|---|
| Land and buildings | 223 | | 237 | |
| Machinery and equipment | 218 | | 198 | |
| Other fixed operating assets | 29 | | 44 | |
| Property, plant and equipment under construction | 12 | | 4 | |
| **Property, plant and equipment** | | **482** | | **483** |
| Goodwill | 432 | | 407 | |
| Other intangible assets | 52 | | 29 | |
| **Intangible assets** | | **484** | | **436** |
| Investments in associates and joint ventures | 153 | | 126 | |
| Non-current receivables | 107 | | 85 | |
| Other non-current assets | 6 | | 29 | |
| Deferred tax assets | 31 | | 52 | |
| **Other non-current assets** | | **297** | | **292** |
| **Total non-current assets** | | **1,263** | | **1,211** |
| Land | 184 | | 193 | |
| Property held for sale | 42 | | 69 | |
| Inventories | 157 | | 241 | |
| Contract assets | 579 | | - | |
| Construction contracts | - | | 410 | |
| Trade and other receivables | 986 | | 967 | |
| Income tax receivable | 6 | | 8 | |
| Assets held for sale | - | | 12 | |
| Cash and cash equivalents | 467 | | 494 | |
| **Total current assets** | | **2,421** | | **2,394** |
| **Total assets** | | **3,684** | | **3,605** |

## Consolidated statement of financial position

| *(€ million)* | 31/12/2018 | | 31/12/2017 | |
|---|---|---|---|---|
| **Equity** | | | | |
| Equity attributable to shareholders of the Company | 1,182 | | 1,124 | |
| Minority interests | 14 | | 11 | |
| **Total group equity** | | **1,196** | | **1,135** |
| Loans and other financing obligations | 43 | | 71 | |
| Derivatives | 2 | | - | |
| Employee benefits | 40 | | 44 | |
| Provisions for associates and JVs | 16 | | 11 | |
| Other provisions | 138 | | 89 | |
| Deferred tax liabilities | 31 | | 41 | |
| **Total non-current liabilities** | | **270** | | **256** |
| Loans and other financing obligations | 56 | | 126 | |
| Derivatives | - | | - | |
| Contract liabilities | 489 | | - | |
| Construction contracts | - | | 485 | |
| Trade and other payables | 1,532 | | 1,508 | |
| Employee benefits | 19 | | 19 | |
| Provisions for associates and JVs | 3 | | 2 | |
| Other provisions | 98 | | 40 | |
| Income tax payable | 21 | | 26 | |
| Liabilities held for sale | - | | 8 | |
| **Total current liabilities** | | **2,218** | | **2,214** |
| **Total equity and liabilities** | | **3,684** | | **3,605** |

## Consolidated statement of cash flows

| *(€ million)* | 2018 | 2017 |
|---|---|---|
| **Cash and cash equivalents at beginning of the period** | **484** | **386** |
| Net cash flow continuing operating activities | 242 | 274 |
| Net cash flow from discontinued operating activities | -5 | -7 |
| **Net cash flow from operating activities (total)** | **237** | **267** |
| Net cash flow from continuing investment activities | -117 | -48 |
| Net cash flow from discontinued investment activities | - | - |
| **Net cash flow from investing activities (total)** | **-117** | **-48** |
| Net cash flow from continuing financing activities | -159 | -110 |
| Net cash flow from discontinued financing activities | - | - |
| **Net cash flow from financing activities (total)** | **-159** | **-110** |
| **Decrease in net cash position** | **-39** | **109** |
| Effects of exchange rate differences on cash, cash equivalents and bank overdrafts | - | -11 |
| **Cash and cash equivalents at the end of the period** | **445** | **484** |

## Consolidated statement of changes in equity

| *(€ million)* | Total Equity | Minority interests | Total equity |
|---|---|---|---|
| **Balance as at 31 December 2017** | **1,124** | **11** | **1,135** |
| Impact of change in accounting policy (IFRS 15) | -2 | - | -2 |
| **Balance as at 1 January 2018 (after adjustment)** | **1,122** | **11** | **1,133** |
| Result for the financial year | 131 | 1 | 132 |
| Other comprehensive income for the financial year | 9 | - | 9 |
| **Total comprehensive income for the financial year** | **140** | **1** | **141** |
| Dividend | -84 | -1 | -85 |
| Share based payments by the majority shareholder | 6 | | 6 |
| Other movements | -2 | 3 | 1 |
| **Balance as at 31 December 2018** | **1,182** | **14** | **1,196** |

*VolkerWessels undertakes approximately 25,000 projects for more than 7,000 clients per year across its operating segments. The pictures above provide an overview of the diversity of the projects.*

**About VolkerWessels**

Royal VolkerWessels is a leading integrated and diversified listed construction group with a “think global, act local” mind-set. VolkerWessels’ operating model combines a local sales and client focus with a control and support structure at divisional level that optimises scale and expertise across its operating companies

VolkerWessels operates primarily in the Netherlands, the United Kingdom, North America and Germany. Operationally, its business is organised in six segments. In the countries in which VolkerWessels operates it has over 120 local operating companies, which have national and regional offices and management.

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