



P R E S S R E L E A S E

TRADING UPDATE FIRST NINE MONTHS 2018 AND INTERIM DIVIDEND ANNOUNCEMENT

VolkerWessels announces interim dividend of € 0.28 per share; expects positive market trends to continue

- EBITDA € 167 million (+8%); *EBITDA incl. OpenIJ provision* € 130 million (-16%)
- Net result € 89 million (+24%); *net result incl. OpenIJ provision* € 61 million (-15%)
- Revenue € 4,166 million (+5%)
- Order book at historic high of € 8,876 million (30 September 2017: € 8,299 million)
- Good operational performance in all segments except Dutch Infrastructure
- OpenIJ provision increased by € 5.5 million in the third quarter
- Re-positioning Dutch Infrastructure segment underway
- Full Year 2018 Group EBITDA expected to be around € 250 million (incl. the OpenIJ provision)
- Interim dividend for 2018 of € 0.28 per share (interim dividend 2017: € 0.28), payable on 28 November
- We expect to propose a total dividend for 2018 which is equal to the total dividend paid for 2017 (2017: € 1.05)
- Reconfirms to be on track to meet medium-term objectives

Amersfoort, the Netherlands, 15 November 2018, 7.00 CET - Koninklijke VolkerWessels N.V. will pay an interim dividend of € 0.28 per share on 28 November 2018. Reflecting the confidence in the overall performance, VolkerWessels expects to propose a total dividend for 2018 equal to last year. VolkerWessels reports an all-time high order book on 30 September 2018 of € 8.9 billion, which signals the positive trends in its markets. The company sees a satisfactory underlying operational performance in all businesses, except in the Dutch Infrastructure segment. Given the lower EBITDA performance of Dutch Infrastructure, including OpenIJ, VolkerWessels expects that EBITDA for 2018 will be around € 250 million (incl. the OpenIJ provision).

Jan de Ruiter, Chairman of the Management Board

'The positive momentum in our markets continued in the third quarter of 2018. Our order book at the end of the quarter was € 8,876 million which is an increase of € 577 million versus the end of the same quarter in 2017, and an increase of € 109 million against the end of June 2018. Our Construction & Real Estate Development segment showed a particularly strong trend in new order intake.

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Our EBITDA - excluding the provision for OpenIJ - improved to € 167 million (+8%) versus the same period in 2017. Including the loss provision for OpenIJ, EBITDA decreased by 16% to € 130 million.

Our EBITDA margin for the first 9 months came in at 4.0% which is an increase of 10bps against the same period last year. Including OpenIJ our EBITDA margin came in at 3.1%, a decline of 80bps.

The construction of OpenIJ is progressing well. Completion of the project at the end of the third quarter stands at approximately 60%. During the third quarter we increased the loss provision for OpenIJ by € 5.5 million, bringing the total for 2018 to € 37 million (and for the project to € 105 million for VolkerWessels). The main reasons for the addition are (i) the extra costs incurred for finishing the lock doors in South Korea due to financial problems of the main contractor in South Korea and (ii) an additional provision for rising construction costs. As announced on 25 October 2018, the three lock doors are on their way to the Netherlands with an expected arrival time in Rotterdam before Christmas 2018 (weather dependent). Furthermore we have announced that the first caisson successfully immersed into its final position this week.

As announced on 30 August 2018 we are re-positioning our Dutch Infrastructure business with the aim to restore this segment to its historic profitability levels as soon as possible. We will do so by simplifying the Dutch Infrastructure organisation, increasing our focus on tender management, contract management and controlled execution of our projects. As part of this, we have stated that we will no longer undertake complex DBFM projects because of the asymmetric risks/reward balance this specific contract form brings. For this reason, we have withdrawn from the ViA15 project and will also not pursue a role in the re-construction of the A9-Amstelveen (both DBFM contract forms). We have changed the top structure of the Dutch Infrastructure business on August 31, and since September 1, it is under the leadership of Alfred Vos, COO of the Group, on an interim basis. Given the developments in Infrastructure as well as the broader impact of OpenIJ on the Infrastructure business, we expect the FY EBITDA result for the Dutch Infrastructure segment to be in the range of € 20 – 25 million (2017: € 52 million). This deterioration includes the addition to the loss provision for OpenIJ of € 37 million over the first three quarters of 2018.

EBITDA in our Construction & Real Estate Development and Energy & Telecoms grew significantly. The number of new homes sold decreased to 1,477 from 2,428 in the same period in 2017. The lower number is due to project permit delays and timing of transactions with institutional real estate investors. Our United Kingdom business outperformed the market in the first nine months. EBITDA in Germany came in at the same - high - level as last year. In North America, the financial performance is slightly below last year as a consequence of a late start and early closure of the production season in Canada this year due to unfavourable weather conditions in Alberta.

The interim dividend for 2018 has been set at € 0.28 per share, similar to last year.

In summary, we are very pleased with the developments in all our segments with the exception of Dutch Infrastructure, where we are taking the necessary steps to improve profitability. For 2018, we expect all our segments to contribute positively to our EBITDA, and we expect full year EBITDA to be around € 250 million (incl. the OpenIJ provision). We expect to propose a final dividend for 2018 equal to the final dividend of 2017 (€ 0.77 per share) resulting in a FY 2018 dividend of € 1.05 per share.'

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Condensed overview of results

(€ million, unless stated otherwise)

	9M 2018	9M 2017	Δ	FY 2017
Revenue	4,166	3,967	5%	5,714
EBITDA excluding OpenIJ provision	167	155	8%	265
EBITDA margin excluding OpenIJ provision	4.0%	3.9%	10 bps	4.6%
EBITDA including OpenIJ provision	130	155	-16%	265
EBITDA margin including OpenIJ provision	3.1%	3.9%	-80bps	4.6%
Order book (per end of period)	8,876	8,299	7%	8,091

Quarterly revenue and EBITDA

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(€ million)	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
Revenue	1,397	1,539	1,230	1,747	1,299	1,473	1,195	1,528	1,390	1,510	1,062
EBITDA*	69	53	8	110	65	77	13	113	66	77	-2

* EBITDA 9M 2018 including OpenIJ provision of € 37 million

OpenIJ update

As a result of (i) the additional costs for finishing the lock doors in South Korea due to financial problems of the main contractor in South Korea and (ii) rising construction costs, the provision for OpenIJ increased by € 5.5 million to € 37 million in 2018 (project total amount € 105 million, VolkerWessels' share).

VolkerWessels' share in the cash outflow of the project to 30 September 2018 is € 80 million. OpenIJ is currently in constructive discussions with its banking syndicate to reschedule the financing scheme of the project.

Interim dividend announcement

VolkerWessels will pay an interim dividend of € 22.4 million (2017: € 22.4 million), or € 0.28 per share, in cash (subject to 15% withholding tax) on 28 November 2018.

Payment schedule interim dividend	Date
Publish nine months 2018 trading update and interim dividend 2018 announcement (before trading)	15 November 2018
Ex-dividend date (interim dividend 2018)	21 November 2018
Record date (interim dividend 2018)	22 November 2018
Payment date (interim dividend 2018)	28 November 2018

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Conference call

VolkerWessels will comment on its nine months trading update 2018 during a conference call on 15 November 2018 at 9.00 CET. You can participate by dialling: +31 20 531 5851.

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. Koninklijke 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.

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Financial calendar

Event	Date
Nine months trading update 2018 and interim dividend 2018 announcement (before trading)	15 November 2018
Ex-dividend date (interim dividend 2018)	21 November 2018
Record date (interim dividend 2018)	22 November 2018
Payment date (interim dividend 2018)	28 November 2018
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 dividend 2018)	24 April 2019
Record date (final dividend 2018)	25 April 2019
Payment date (final dividend 2018)	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 dividend 2019 announcement (before trading)	14 November 2019
Ex-dividend date (interim dividend 2019)	20 November 2019
Record date (interim dividend 2019)	21 November 2019
Payment date (interim dividend 2019)	27 November 2019

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- 1) *Shipdock is the redevelopment of a ship repair yard at the Northern shore of the IJ-river in Amsterdam. The project has two parts, the Shipdock and the Melissa pier with in total 650 metres directly located on the waterfront.*
- 2) *A world premiere in the Netherlands: the first PlasticRoad bike path was opened on 11 September 2018 in Zwolle, Overijssel. Inventors of the PlasticRoad, Anne Koudstaal and Simon Jorritsma – together with Member of the Provincial Executive of Overijssel, Bert Boerman and Alderman William Dogger of the municipality of Zwolle, cycled the first bike path made from recycled plastic. The concept was presented three years ago by road construction company KWS (a Royal VolkerWessels company). Wavin and Total joined forces with KWS in 2016 to develop the concept into a product. A second PlasticRoad bike path pilot in Giethoorn, near the pilot location in Zwolle, will be opened in November 2018.*

About VolkerWessels

Koninklijke 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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