



# Annual results 2016

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Panama Canal



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# Headlines 2016

- ❏ **Order book increases with +14.3%, reaching € 4,757 million** at December 31, 2016
  - Order book in the dredging division increased with 19.3% boosted principally by the contracts related to the Merkur, Rentel and HornSea Offshore wind farms.
  - New orders related to Hohe See offshore wind farm and to the Fehmarnbelt link have not yet been included in the order book.
- ❏ **Turnover decreases with 13.7% reaching € 2,797 million**, resulting mainly from:
  - a decrease with 13.5% in the dredging division explained by an exceptional level of activity in Egypt during 2015, and
  - an increase with 7.2% in the contracting division resulting from significant growth in the construction activity in Poland and in Luxembourg, as well as in the activity of VMA.
- ❏ **EBITDA decreases with 7.7% reaching € 466 million**
  - Due to a lower level of activity, dredging division generated an EBITDA<sup>(\*)</sup> of € 450.1 million, down 19.4% compared with 2015, succeeding however to maintain a high level of %EBITDA<sup>(\*)</sup> of 22.8%.
  - Contracting division generated an EBIT of € 20.0 million.
  - Holding & non-transferred activities generated a positive net result of € 1.1 million. Losses generated mainly by the project related to the water treatment plant of Brussels are compensated by the gain on disposal of the stake in Locorail and Coentunnel, and by the positive contribution of Rent-A-Port.
- ❏ **Net financial debt decreases reaching € 213 million**, compared with € 323 million at year-end 2015

*(\*) EBITDA Combined, including the share in the EBITDA of associated companies*

# Headlines 2016

## Outlook

Given the high level of its order book, DEME expects its revenue to increase strongly in 2017.

The contracting division is expected in 2017 to confirm the positive trend observed in 2016.

The real estate division should markedly increase net result in 2017.

The result of the Holding and non-transferred activities division will be strongly dependent on how the CFE Group's situation in Chad evolves.

## Key figures - consolidated

Key financials (in million EUR)	2016	1HY16	2HY16	2015	1HY15	2HY15
Revenues	2,797.1	1,224.5	1,572.6	3,239.4	1,643.5	1,595.9
Growth rate	-13.7%	-25.5%	-1.5%	-7.7%	-7.3%	-8.1%
EBITDA	465.9	182.2	283.7	504.9	276.0	228.9
EBITDA margin	16.7%	14.9%	18.0%	15.6%	16.8%	14.3%
EBIT	226.8	75.5	151.3	265.7	152.7	113.0
EBIT margin	8.1%	6.2%	9.6%	8.2%	9.3%	7.1%
Net result	168.4	53.0	115.4	175.0	110.9	64.1
Net margin	6.0%	4.3%	7.3%	5.4%	6.7%	4.0%
Order book	4,756.7	4,472.4	4,756.7	4,160.3	4,455.2	4,160.3
Net financial debt	213.1	365.2	213.1	322.7	412.1	322.7

EBIT = operating result on activity + share in the result of associated companies

EBITDA = operating result on activity + depreciations + other non cash items

# CFE : a multidisciplinary contractor

Expressed in % of revenues

## Contracting activity

### Construction

- Buildings – offices, industrial, commercial and residential in Belgium, Luxembourg, Poland and Tunisia

### Rail infra & Utility networks

- signalization and track-laying works
- railway works, railway overhead lines
- transport of energy high and low voltage lines

### Multitechnics

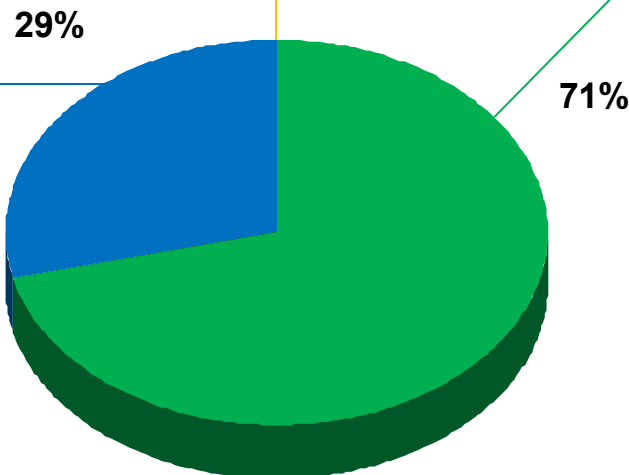
- Electrical contracting
- Installation of high tension lines
- Industrial & process automation
- HVAC

### Real Estate

- Real estate development in Belgium, Luxembourg and Poland

### Dredging and Environment

- Capital dredging
- Maintenance dredging
- Marine works
- Fallpipe & landfalls
- Environmental business
- Marine civil engineering works
- Concessions (offshore and Infra)



## Key facts

 January 2016



- DEME orders newest generation trailing suction hopper dredger the 'Bonny River' which will be trendsetting in coastal protection and dredging hard soils. Thanks to the combination of unique characteristics such as an extremely long suction pipe (sand extraction from more than 100 meters deep), a large transport capacity of 24,000 tons with limited depth and an additional heavy duty rock draghead, the multidisciplinary ship can be used effectively in shallow water and in hard soils.



DEME has started the construction of the multipurpose vessel 'Living Stone' which will be delivered in 2017. This vessel will serve transport and installation projects as well as offshore power cable and umbilical installation, interconnectors for the future European super grid amongst others.

## Key facts

 February 2016



- GeoSea (DEME) and Siemens have concluded an EPCI foundation contract for the Hohe See offshore wind farm situated approx. 90 km north of the island of Borkum in the German North Sea.
- The project will cover an area of around 40 square kilometers with water depths of up to 39 m. With a total installed capacity of 497 MW, the Hohe See wind farm is currently the biggest planned offshore wind project in Germany.
- GeoSea's EPCI contract includes the design, engineering, procurement, fabrication and installation of 71 foundations consisting of a monopile and a transition piece.

## Key facts

### March 2016

- CFE was awarded in partnership a contract of € 65 million (share of CFE) for the construction of the new ZNA hospital in Antwerp.



## Key facts

### March 2016

- Foundation stone ceremony of the 'Erasmus Gardens' project for creating a new neighbourhood situated in the West of Brussels.



- This project developed by BPI in partnership responds to the growing housing demand in the Brussels Capital Region. It stands out for its diversity, its size and its ambition. In this new area of 13 hectares residents can find a balance between urban and green spaces.

## Key facts

### March 2016

- BPI Polska obtains the building permit for the first phase of the real estate project in Wrocław (174 apartments, 10,500 sqm). The commercialization of the project started in May 2016.



## Key facts

 April 2016

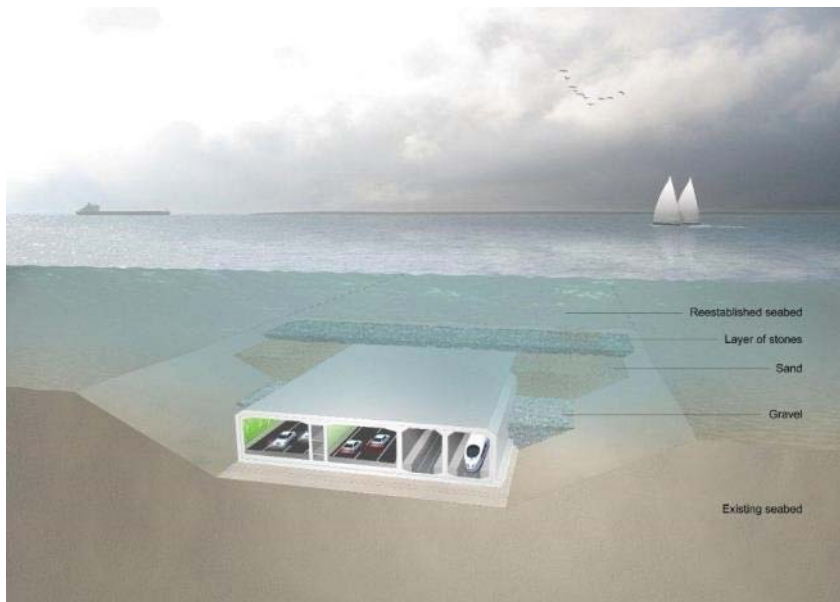
- The Tuas Terminal development in Singapore entered Phase 1 of its construction.



- When completed, the 21 deep-water berths under Phase 1 will be able to handle 20 million Twenty-Foot Equivalent Units (TEUs) per annum. The entire mega-terminal will have a total capacity of up to 65 million TEUs.
- The Tuas Terminal will be developed in four phases over a span of 30 years, with Phase 1 scheduled for completion in the early 2020s. Total contract value amounts to € 1 billion.
- Dredging International Asia Pacific (DIAP)-DAELIM Joint Venture carries out the land reclamation and related works including reclaiming 294 hectares of land, dredging the Tuas Basin and Temasek Fairway, as well as constructing the wharf.

## Key facts

 May 2016



- The Femern Link Contractors joint venture, including CFE and DEME as project partners, has signed conditional<sup>(\*)</sup> contracts with the Danish government for the design and build of the world's longest immersed road and rail tunnel (18 km), the Fehmarnbelt link between Denmark and Germany.
- The international joint venture has won three contracts: two cover the construction of the immersed tunnel and the dedicated factory that will manufacture the precast tunnel elements and a third contract concerns the building of the portal structures, toll buildings, bridges and ramps.
- Out of the total contract value of €3.4 billion, the share of DEME and CFE amounts to €700 million.

<sup>(\*)</sup> The final and binding contracts are signed with the successful contractors, but construction work will be postponed until the German construction permit is in place.

## Key facts

### Summer 2016

- The Merkur offshore wind development project has confirmed financial close. This wind farm located approximately 45km north of the islands of Borkum (Germany) will consist of 66 turbines (396 MW). The contract value for DEME amounts to € 650 million.



- A total capital investment of ca. EUR 1.6 billion was raised from equity investors and bank lenders on a non-recourse project financing basis. Close to EUR 500 million in equity was provided by a consortium of five sponsors comprising of Partners Group (50%), InfraRed Capital Partners (25%), DEME Concessions Wind (12.5%), GE Energy Financial Services (6.25%) and L'Agence de l'environnement et de la maîtrise de l'énergie - ADEME - (6.25%).
- MEG Merkur Offshore has signed with respectively Alstom and DEME a Turbine Supply Agreement and Balance of Plant Contract including supply and installation of 66 Alstom Haliade 150-6MW offshore wind turbines.
- The construction is undertaken by GeoSea, member of the DEME Group.
- DEME has also been awarded the maintenance of the foundations of the wind farm over a period of 10 years.

## Key facts

### September 2016

- BPI and Immobel will develop the current Allianz headquarters in the heart of Brussels, after Allianz moves in 2019-2020 to its new headquarters in the Brussels Northern Quarter.

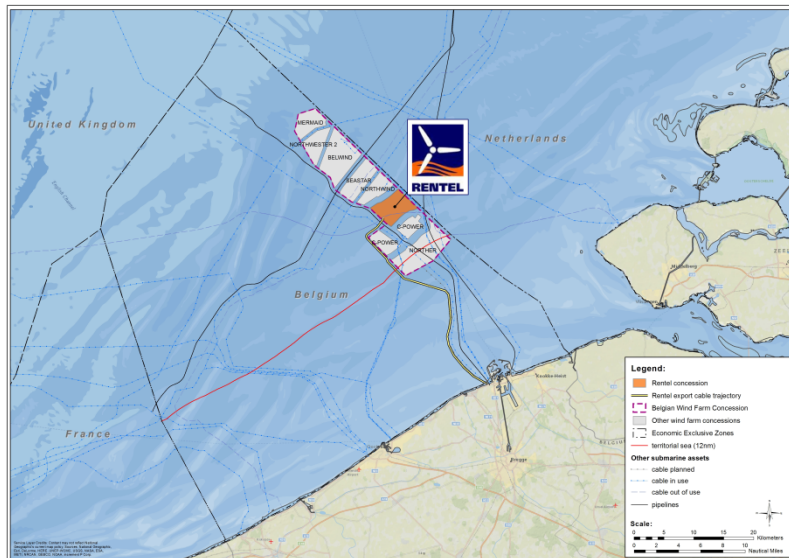


- Allianz was granted planning permit to redevelop some 55,000 m<sup>2</sup> at the Brouckère site.
- The project will largely consist of housing (traditional, high-end or student accommodation), offices and a hotel.

## Key facts

### October 2016

- Rentel NV has reached financial close for its 309 MW Offshore wind project in the Belgian North Sea. DEME has been awarded the contract for the design, supply, transport and installations for foundations and infield cables. DEME Concession owns a stake in Rentel NV.



- The Rentel project - located 40 kilometers north of Ostend - will be the fifth offshore wind project in the Belgian North Sea. This new offshore power station will consist of 42 turbines and a total installed capacity of 309 MW.
- The total investment for Rentel NV amounts to 1,1 billion euros.
- The new wind turbines will be the largest thus far installed in the Belgian North Sea and will deliver renewable energy to approximately 285.000 households.

## Key facts

### November 2016

- CFE Polska starts the construction of Holiday Park Kowatny, a new international tourist attraction for the Plopsaland team.



- In a few years, this new complex with a surface area of 206 hectares will be home to two theme parks, hotels, a holiday village, a shopping district and restaurants.
- The first phase will be the opening of the new Mayaland Kowatny in 2018, a large indoor games area comparable with Mayaland Indoor De Panne (Belgium).

## Key facts

 December 2016



- CFE Brabant starts the construction of the Tivoli project. This sustainable neighbourhood will include economic activity (Greenbizz), housing, two crèches, and 1,000 m<sup>2</sup> of shops.

## Key facts





### January 2017

- The Province of South Holland has awarded the contract for building the RijnlandRoute to Comol5. This international joint venture consists of DIMCO (DEME Infra Marine Contractors) (25%), TBI companies Mobilis and Croonwolter&dros (25% each), and VINCI Construction Grands Projets (25%). The value of the contract is 492 million euros.



- Comol5 will be responsible for the reconstruction of the Leiden West motorway junction and the construction of the 4 km new road N434, including a 2.2 kilometre-length bored tunnel.
- Comol5 will also implement 12km of motorway widening and adaptations to the A4 and A44 required for construction of the RijnlandRoute.
- In addition to construction, which will be completed in about 6 years, the contract comprises maintenance for 15 years.

## An eye on the divisions

-  Dredging & environmental division
-  Contracting division
-  Real estate division
-  Holding & non transferred activities



# DREDGING, ENVIRONMENTAL & MARINE ENGINEERING

Singapore TTP1

# Dredging & environmental division

Key financials (€m)	2015	2H15	1H16	2H16	2016
Revenues (*)	2,286.1	1,115.1	802.1	1,176.2	1,978.3
Revenues Combined (**)	2,351.0	1,132.3	803.1	1,175.1	1,978.2
EBITDA (*)	489.2	212.9	185.3	262.1	447.4
EBITDA margin (*)	21.4%	19.1%	23.1%	22.3%	22.6%
EBITDA Combined (**)	558.4	255.8	195.2	254.9	450.1
EBITDA Combined margin (**)	23.8%	22.6%	24.3%	21.7%	22.8%
EBIT (***)	305.7	125.4	81.4	132.3	213.7
EBIT margin (***)	13.4%	11.2%	10.1%	11.2%	10.8%
Net result	199.2	79.4	54.0	101.3	155.3
Net margin	8.7%	7.1%	6.7%	8.6%	7.9%
Capex (**)	373.1	81.2	112.6	82.1	194.7
Net Fin. Debt (*)	269.5	269.5	325.0	151.2	151.2
Net Fin. Debt (**)	266.7	266.7	334.2	154.6	154.6
Order book (**)	3,185.0	3,185.0	3,625.0	3,800.0	3,800.0

(\*) After impact of IFRS 11: joint ventures integrated based on equity method (*accounting view*)

(\*\*) Before impact of IFRS 11: joint ventures integrated proportionally (*economic view*)

(\*\*\*) Including the share in the result of associated companies

**Order book increased with 19.3%, reaching € 3,800 million** thanks to major new orders, including mainly:

- The contract related to the Merkur offshore wind farm (delivery and installation of 66 offshore wind turbines) in Germany for € 650 million
- The contract related to the Rentel offshore wind farm in Belgium (design, supply, transport and installations for foundations and infield cable)
- Design & built contract for Dong Energy including dredging and installation of cables for the HornSea One wind park in the UK

The orderbook however does not yet include :

- EPCI contract for the foundations of 71 wind turbines of the Hohe See offshore wind farm. (North Sea) won by GeoSea in Q1 2016. This contract has been included in the order book in February 2017 as the financial close has been completed.
- Contracts won in May for the construction of the world's longest immersed road and rail tunnel connecting Denmark with Germany for a value of €700 million (share of DEME & CFE).

**REVENUES(\*\*) decreased with 16% compared with 2015, which was marked by an exceptional activity in Egypt (Suez Canal).**

- In Singapore, works related to the TTP1 project and to the Jurong island extension project are progressing as expected.
- Significant activity has also been generated in Panama (widening of the West entry of the canal), in Africa and in Europe.
- GeoSea launched the Galloper project (UK) and finalized the Race Bank project (UK) and the Nordsee One project (North Sea, German coast).

**EBITDA Combined (22.8%) exceeds historical average.**

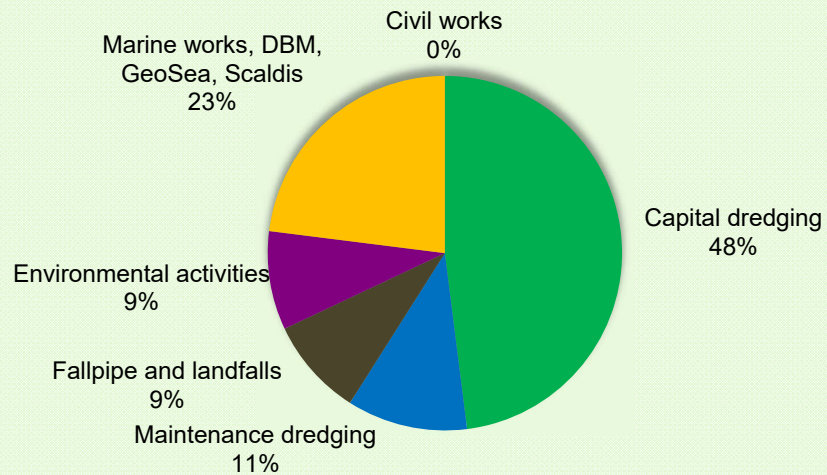
**Net financial debt(\*\*) decreased with € 112 million** thanks to strong operating cash flows, a lower level of CAPEX and significant advance payments obtained from new orders.

## Dredging & environmental division : DEME Worldwide activities

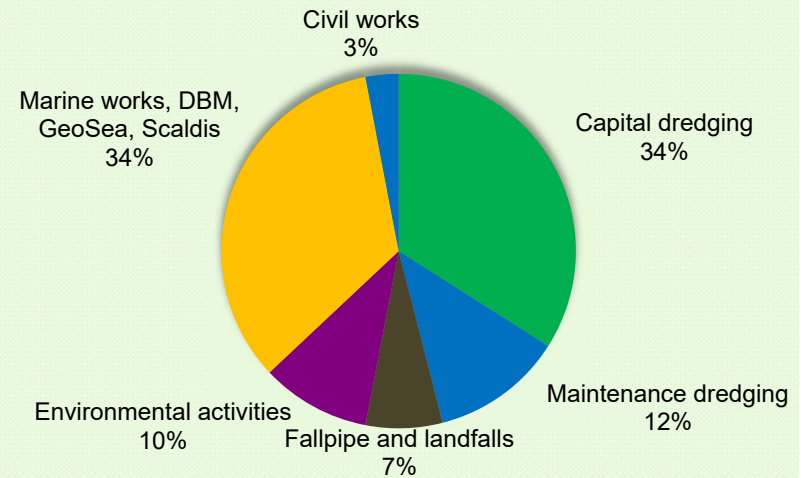
### Well balanced worldwide activity spread

- Level of Marine works increases significantly
- Share of Capital dredging decreases

2015



2016

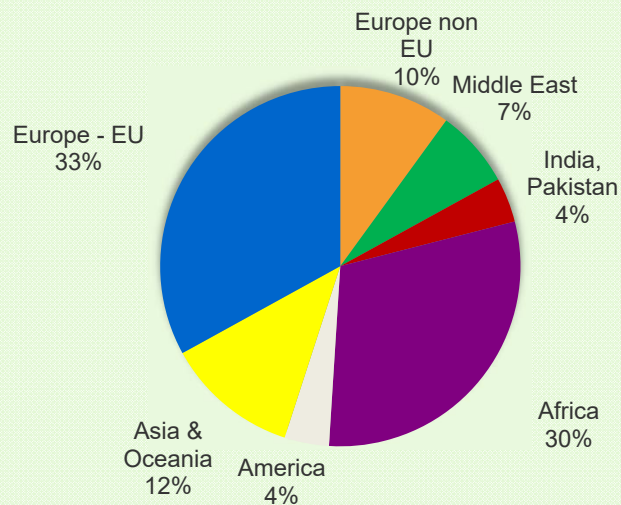


## Dredging & environmental division : DEME Worldwide activities

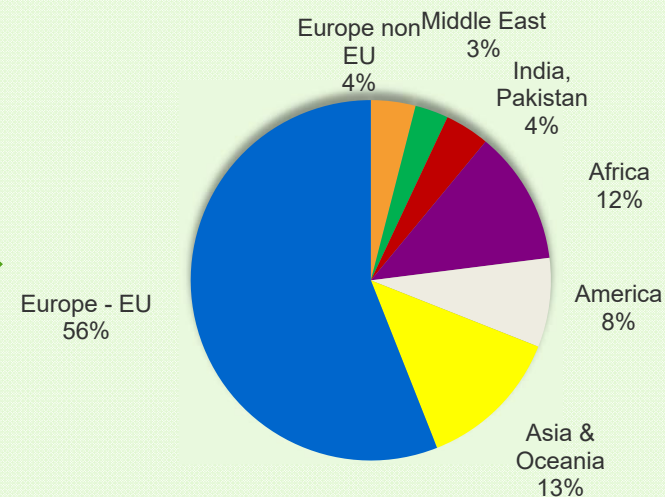
### Well balanced worldwide region spread

- Share of activities in Africa decreases (impact of project New Suez Canal in 2015)
- Share of activities in Europe increases

2015

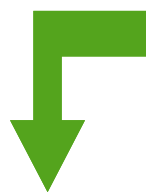


2016

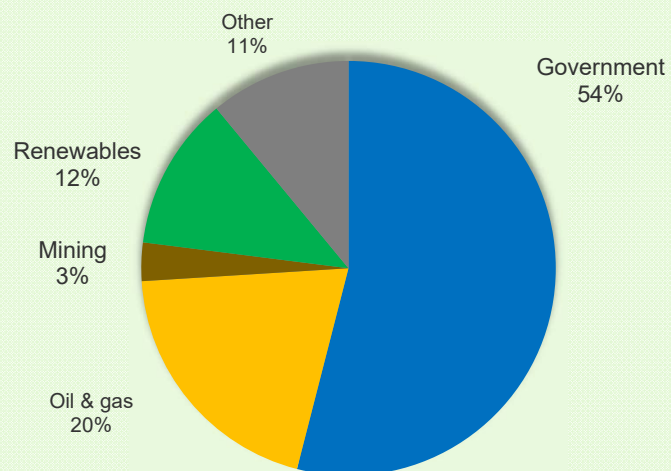


## Dredging & environmental division : DEME Worldwide activities

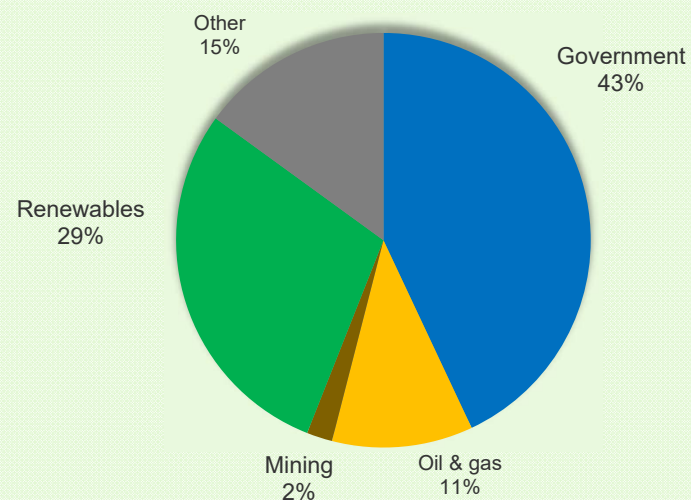
Well balanced worldwide spread per type of customers



December 2015

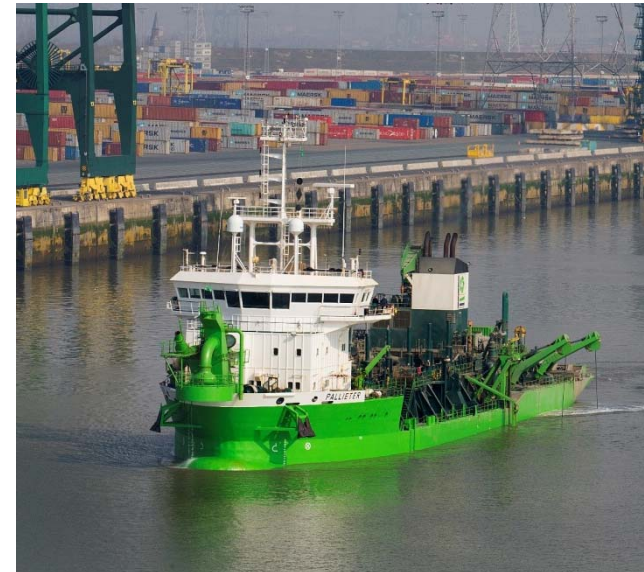
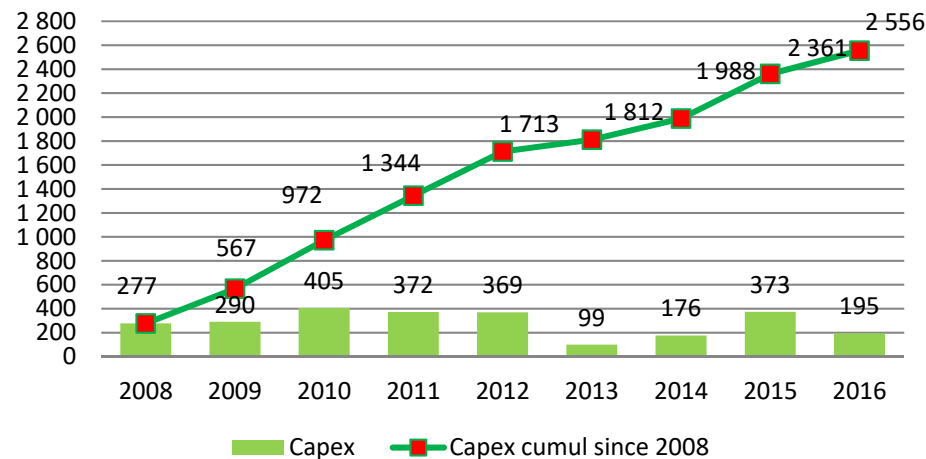


December 2016



## Dredging & environmental division CAPEX

In million Euro



- DEME in 2015 decided to further invest in six new vessels for a total value of € 500 million :
  - two vessels servicing the offshore energy market: the multipurpose fall-pipe vessel 'Living Stone', and the self-propelled jack-up vessel 'Apollo',
  - three suction hopper dredgers 'Bonny River', 'Sheldt River' and 'Minerva', and
  - the self-propelled crane ship Gulliver.

These vessels will be operational in 2017 and 2018.
- DEME confirmed in February 2017 the order of two additional vessels for a total value of € 500 million :
  - the mega smart cutter Spartacus
  - the dynamic positioning crane vessel Orion for marine works
- The lower level of CAPEX in 2016 results from the deferral of several installments related to the vessels under construction.



# Contracting division

Docks Brussel - Brussels



[www.cfe.be](http://www.cfe.be)

# Contracting division

Key financials (€m)	2015 (*)	2H15 (*)	1H16	2H16	2016
Revenues	718.9	386.2	400.5	370.0	770,5
EBIT (**)	7.5	11.4	7.6	12.4	20,0
EBIT margin	1.0%	3.0%	1.9%	3.4%	2,6%
Net result	9.7	8.9	4.1	6.3	10.4
Net margin	1.3%	2.3%	1.0%	1.7%	1.3%
Order book	836.3	836.3	738.8	850.5	850.5

## Breakdown orderbook

	1/01/17		1/01/16 (*)		Variance	
	Value	%	Value	%		
Buildings Belgium	505	59%	495	59%	+10	+2%
Buildings International (***)	144	17%	176	21%	-32	-19%
Construction	<b>649</b>	<b>76%</b>	<b>671</b>	<b>80%</b>	<b>-22</b>	<b>-3%</b>
Multitechnics & Rail Infra	<b>202</b>	<b>24%</b>	<b>165</b>	<b>20%</b>	<b>+37</b>	<b>+22%</b>
<b>Total Contracting</b>	<b>851</b>	<b>100%</b>	<b>836</b>	<b>100%</b>	<b>+15</b>	<b>+2%</b>

## Breakdown turnover

	2016		2015 (*)		Variance	
	Value	%	Value	%		
Buildings Belgium	405	52%	419	58%	-14	-3%
Buildings International (***)	143	19%	98	14%	+45	+46%
Construction	<b>548</b>	<b>71%</b>	<b>517</b>	<b>72%</b>	<b>+31</b>	<b>+6%</b>
Multitechnics & Rail Infra	<b>222</b>	<b>29%</b>	<b>202</b>	<b>28%</b>	<b>+20</b>	<b>+10%</b>
<b>Total Contracting</b>	<b>770</b>	<b>100%</b>	<b>719</b>	<b>100%</b>	<b>+51</b>	<b>+7%</b>

(\*) Pro forma figures of the new definition as from 1/01/2016 of the Contracting division

(\*\*) Including the share in the result of associated companies

(\*\*\*) Including activities in Luxembourg, Poland and Tunisia

**Order book remains at a high level, further increasing with 2% and amounting to € 851 million**

- Order book of Buildings in Belgium increased with 2%, despite difficult market conditions and a greater selectivity of projects.
- Significant new orders have been won in the Buildings segment in Flanders (ZNA hospital in Antwerp € 65 million, CFE share), in Brussels (residential building Erasmus Gardens, depot STIB), in Luxembourg and in Poland.
- Order book of Multitechnics and Rail infra & Utility networks keeps growing thanks especially to VMA.

**Activity yoy increases with +7%**

- Business was particularly buoyant for the Buildings divisions in Poland and in Luxembourg.
- Main projects are the 'Docks' shopping centre (Brussels), AZ Sint-Maarten hospital (Mechelen), Galerie Kons (Luxembourg), the Exxon industrial site (Antwerp), the 'Scholen van Morgen' (Flanders).

**EBIT of 2016 was positive with € 20 million**

- The three divisions (Building, Multitechnics and Rail infra & Utility networks) generated positive EBIT.
- Strong performances in Building division in Flanders, in Brussels, in Poland and in Luxembourg.
- In the Multitechnics division, VMA delivered excellent performances partly compensated by negative results from several contracts in the HVAC activity.



# Real estate division

Four Oceans - Gdansk (Poland)



[www.cfe.be](http://www.cfe.be)


# Real Estate division

Key financials (€m)	2015	2H15	1H16	2H16	2016
EBIT (*)	7.7	5.0	0.5	3.8	4.3
Net result	7.0	5.6	(0.8)	2.2	1.4
Capital employed	119	119	123	130	130
% EBIT/Cap. employed	6.5%	-	-	-	3.3%


(\*) Including the share in the result of associated companies



Solvay 33 – apartments - Brussels

 **EBIT amounts to € 4.3 million in 2016** (compared to € 7.7 million in 2015). The positive contribution of the following transactions have been partly compensated by under-coverage of overheads :

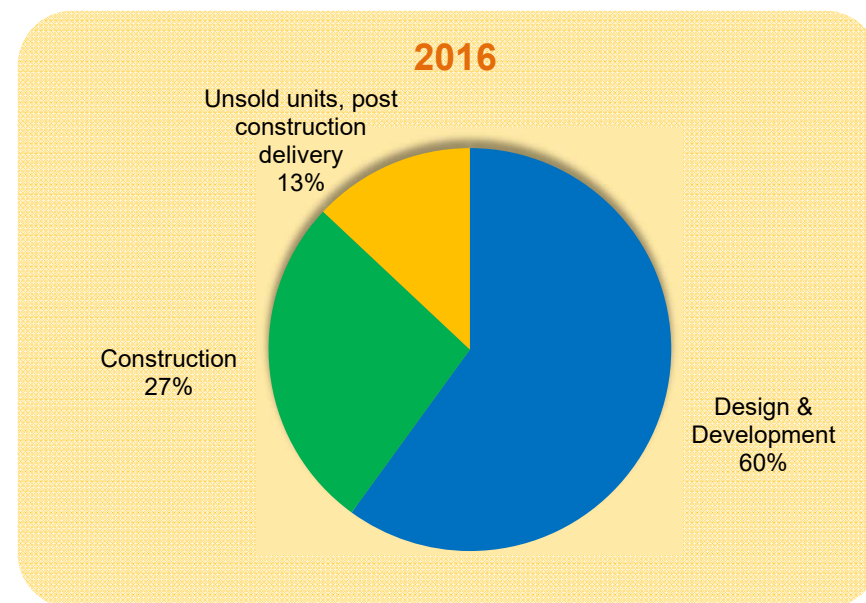
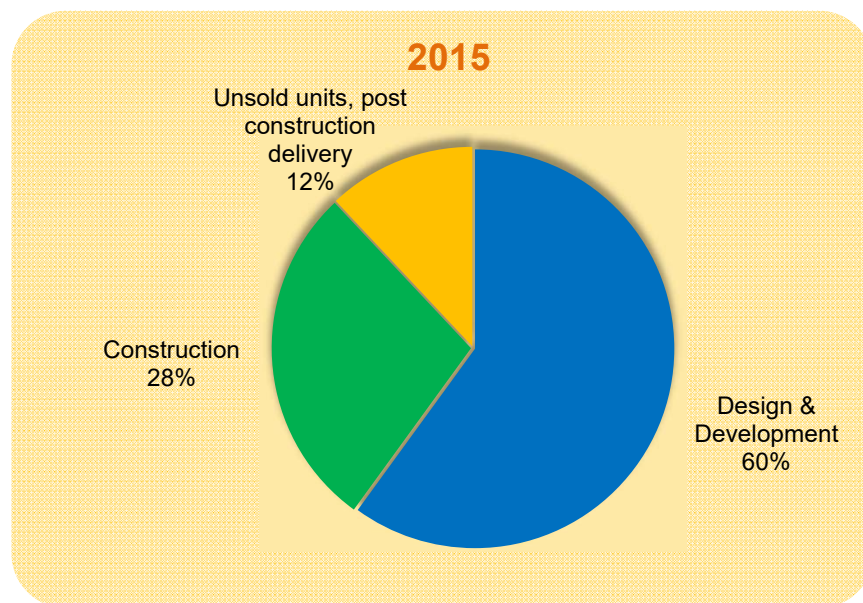
- successful commercialization of residential projects in Belgium (Ernest/Solvay 33 and Oosteroever) and in Poland (Ocean 4 T3)
- sale of some plots of land (Erasmus Gardens).

 **Capital employed increases with 9% during 2016, reaching € 130 million**, as a result from :

- the impact of the progress of construction works during the period,
- the acquisition of plots of land related to project Barska in Poland (Warsaw),
- partly compensated by sales related to residential projects in Belgium, Poland and Luxembourg, and sales of plots of land (Erasmus Gardens).

# Real Estate division

## Breakdown of capital employed 2015 - 2016



- Percentage of capital employed related to finalized estates not yet sold (13%), remains stable compared with December 31, 2015.



# Holding & non-transferred activities

Train station - Mechelen

# Holding & non-transferred activities

Key financials (€m)	2015	2H15	1H16	2H16	2016
Revenues (**)	207.2	80.8	14.4	21.9	36.3
EBIT (***)	(47.7)	(27.5)	(10.9)	6.0	(4.9)
Net result	(43.0)	(30.8)	(4.3)	5.5	1.2
Net margin	(20.8%)	(38.1%)	(29.9%)	25.1%	3,3%
Order book	132.3	132.3	101.6	101.2	101.2

(\*) Pro forma figures of the new definition as from 1/01/2016 of the Contracting division  
 (\*\*) Including inter-segment eliminations  
 (\*\*\*) Including the share in the result of associated companies



Eko Tower II – Lagos (Nigeria)

With the **transfer of the marine civil engineering operations to DEME** and with a reduced level of activity in Africa, the revenue of the non-transferred operations has become fairly modest.

Operational activities in this division mainly relate to (i) non-transferred civil engineering contracts, (ii) international construction activities (except in Luxembourg, Poland and Tunisia) and (iii) PPP-Concessions.

**Order book decreases with 24% during 2016.**

**Net result is positive with € 1.2 million in 2016** namely due to:

- Loss making contracts in civil engineering segment (mainly the contract of water treatment plant of Brussels and the contract of approaches of the railway station of Mechelen).

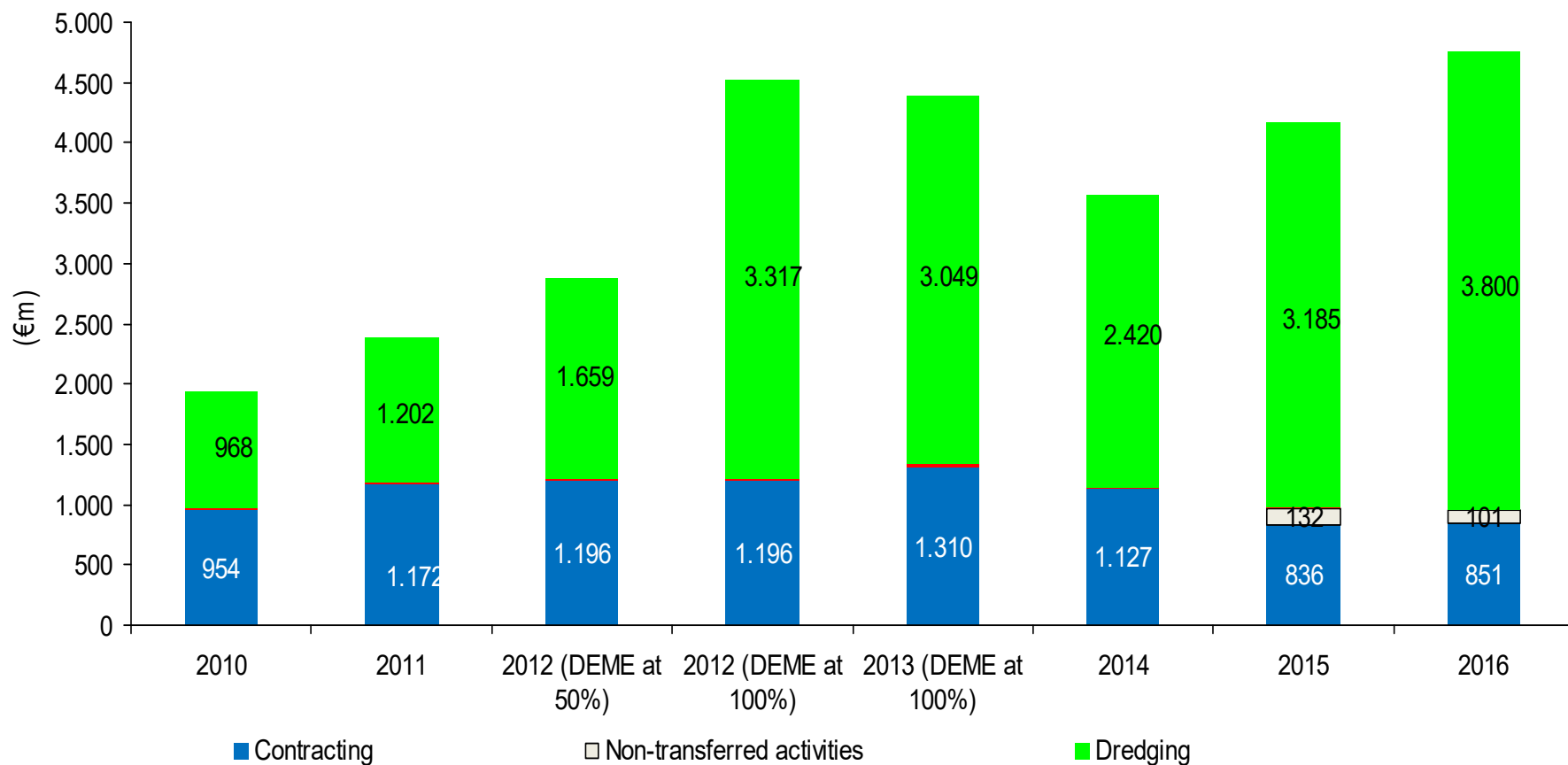
*Compensated by:*

- The gain on disposal of the stake in Locorail (PPP Liefkenshoekspoortunnel) and in the Coentunnel (PPP).
- The positive impact from the settlements of claims with regard to several completed projects in Belgium.
- The positive contribution from Rent-A-Port.

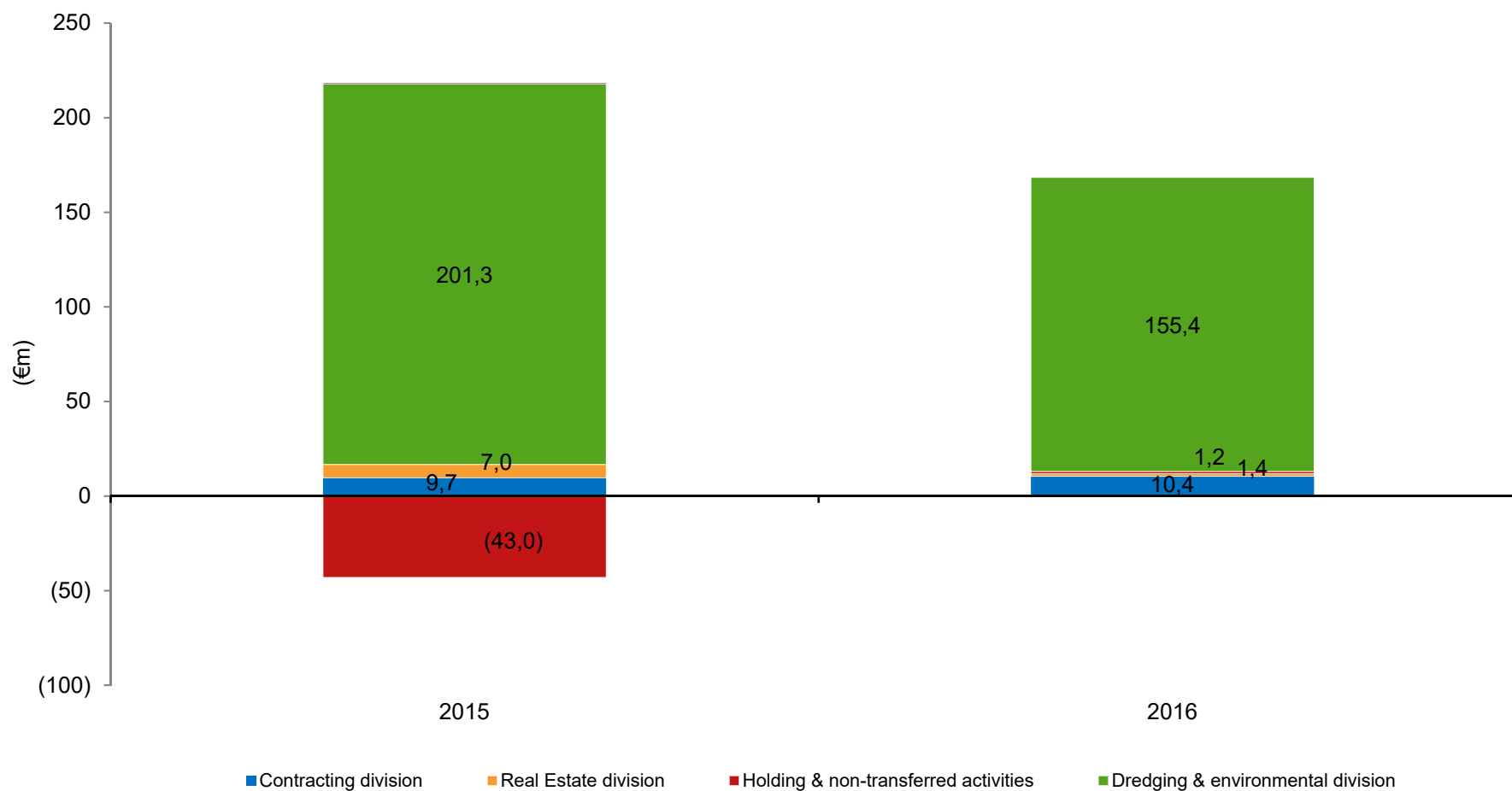
As regards Chad, a conditional offer to finance receivables related to the Grand Hôtel of N'Djamena has been obtained by local authorities. This offer is still being analyzed by Chadian authorities. The exposure on this country remains unchanged at € 60 million.

# GROUP CFE

# Order book evolution



## Net result after tax (share of group) Segment breakdown

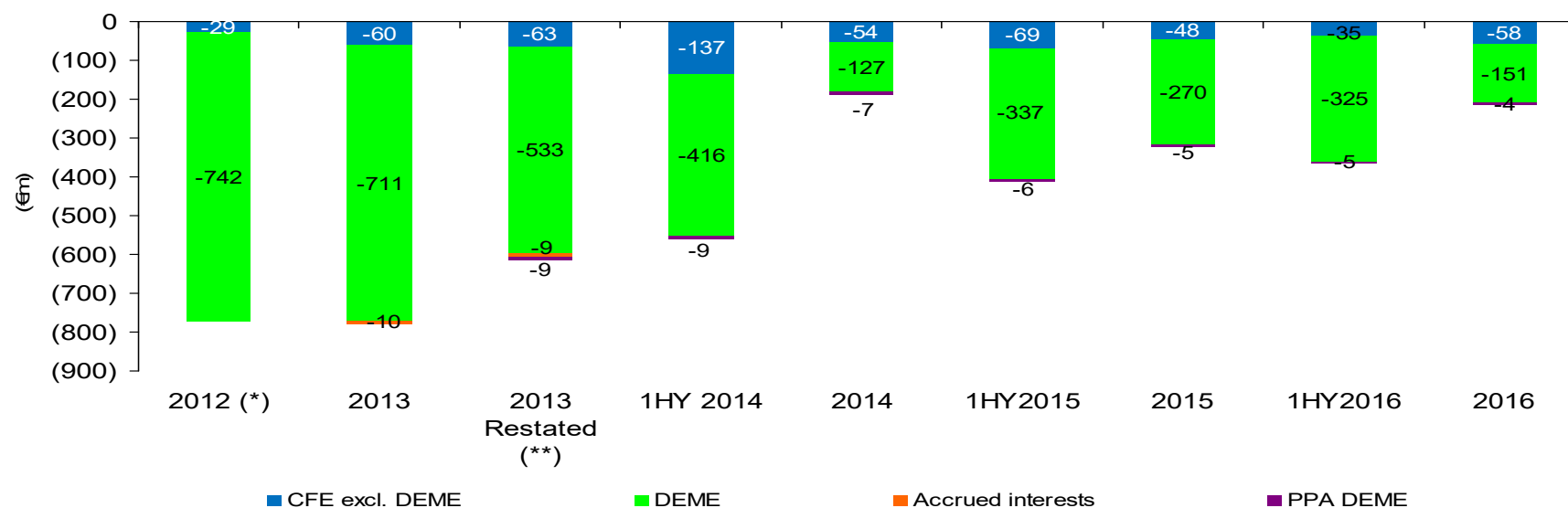


# Statement of financial position-consolidated

Key financials (€m)	2015	2016
Non-current assets	2,405.7	2,400.2
Current assets	1,896.5	1,928.0
<b>Total assets</b>	<b>4,302.2</b>	<b>4,328.2</b>
Shareholders equity	1,434.4	1,536.5
Non-current liabilities	990.6	941.1
Current liabilities	1,877.2	1,850.6
<b>Total equity and liabilities</b>	<b>4,302.2</b>	<b>4,328.2</b>
Capital employed <sup>(1)</sup>	1,757.1	1,749.6
ROCE (REBIT/CE)	15.1%	13.0%
Net financial debt <sup>(2)</sup>	322.7	213.1

Notes : (1) Capital employed is defined as net financial debt + shareholders equity  
 (2) The net financial debt excludes the fair values of financial investments

# Net financial debt evolution



(\*) Including 100% of the NFD of DEME

(\*\*) After impact of IFRS 10 & 11, and of the finalization of the purchase accounting on DEME

**NFD decreased with € 109.6 million during 2016:** from € 322.7 million at YE15 to € 213.1 million at YE2016

⇒ mainly explained by **DEME** decreasing its NFD with € 119 million

# Shareholders and share performance

## Shareholders :

AvH : 60.40%  
VINCI : 12.11%  
Free float : 27.49%

## Share price performance:

	1M	3M	12M
CFE	-3.35%	+0.81%	+14.11%

## No of shares:

25,314,482

## Share price

(24-Feb-17) : 98.20 EUR

## Market Cap

(24-Feb-17) : 2,485,882 KEUR



# Shareholders agenda

 **February 28, 2017**

 **May 4, 2017**

 **May 19, 2017**

 **August 31, 2017**

 **November 22, 2017**

Publication annual results 2016

Ordinary Shareholders' meeting

Intermediary publication Q1

Publication of half year results 2017

Intermediary publication Q3



**Women, men, ONE GROUP**

