

JOINT PRESS RELEASE

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**Royal Heijmans acquires Van Wanrooij and strengthens position in housing market**

Royal Heijmans NV has reached an agreement with Van Wanrooij<sup>1</sup> Bouw & Ontwikkeling BV on the acquisition of its project development activities, construction company, carpentry factory and building materials business based on an enterprise value of € 298 million<sup>2</sup>. With the proposed transaction, Heijmans strengthens its market position in building and property development in the Netherlands. This will increase Heijmans' pro forma 2022 revenue by over 20% to € 2.2 billion and doubles its property development work in hand to 29,000 new-build homes from approximately 15,000. The acquisition increases Heijmans' development capacity by 1,000 to 1,500 homes to 3,000 to 4,000 homes on an annual basis. Van Wanrooij's shareholders and Heijmans' Supervisory Board have both approved the proposed transaction. The Heijmans Works Council has also issued a positive recommendation. In addition, Heijmans has reached agreement with its regular lenders on the extension of its existing financing arrangement for this transaction. The parties expect to close the agreement in the third quarter of 2023, subject to approval by the Dutch Consumer & Market Authority (ACM).

**Ton Hillen, CEO Heijmans:**

"I am very pleased that two construction and property development companies with their roots in the province of Brabant are joining forces. I have enormous respect for the professional and passionate way in which the Van Wanrooij family has grown the company and am pleased that the family will remain committed to guiding the transition for the first few years. Despite the current headwinds in the Dutch housing market, Heijmans is confident about the future. After all, the underlying demand for new-build homes remains as high as ever, with a growing population and strong demand for energy-efficient homes. The acquisition of Van Wanrooij puts Heijmans in an excellent starting position to accelerate its business in the housing market with an expanded range of sustainable and affordable homes."

**John van Wanrooij, Managing Director Van Wanrooij Bouw & Ontwikkeling:**

"Two years ago, we as a family expressed our intention to step aside in the coming years and operate more at a distance from the company to ensure continuity for the future. Over the past two years, we have taken several steps on this front, together with the people in our organisation. The transition of

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<sup>1</sup> Van Wanrooij will continue to manage the leasing of Van Wanrooij's commercial and residential portfolios.

<sup>2</sup> This enterprise value - adjusted for working capital normalisations, cash and cash equivalents and borrowings - leads to a share purchase price of € 292 million as at the effective date of 1 January 2023, plus 6% interest (per annum) payable between 1 January 2023 and closing.

our company to Heijmans is the next step in this process. Combining the two companies' construction and development knowledge, order portfolios and the possible wider deployment of our Optio® standard residential concept provides a solid foundation for the positive development of the merged companies in the future. We look forward to giving the new combined company a positive start.”

#### **Strategic highlights of the proposed transaction:**

- Strategic fit strengthens Heijmans' position in property development and residential building.
- Van Wanrooij enjoys above-average profitability thanks to a combination of strategically strong land holdings, efficient management, and the far-reaching standardisation of processes.
- Joining forces doubles work in hand to approximately 29,000 new-build homes (Heijmans stand-alone: about 15,000).
- Heijmans' existing work in hand is particularly strongly represented in inner-city areas. In contrast, Van Wanrooij's work in hand consists predominantly (95%) of houses in suburban areas. The combined portfolio provides a better balance between inner-city transformation assignments versus suburban house construction.
- Van Wanrooij's Optio® development concept and Heijmans' Horizon® concept lend themselves perfectly to accelerated suburban housing construction. Van Wanrooij's carpentry factory and Heijmans' timber-frame housing factory will make it possible for Heijmans to scale up housing production quickly and efficiently.
- Van Wanrooij developed and sold an average of 1,200 homes annually over the past three years. Approximately half of this volume is realised by its own construction company.
- All Van Wanrooij employees will become part of Heijmans while retaining their jobs.
- The Van Wanrooij operations to be acquired will for the next two years be managed directly by the Heijmans Executive Board under the existing company name. At strategic points, cooperation between the two companies will of course be sought immediately after closing.
- The current three-member family management board of Van Wanrooij will remain operationally involved in the business activities for the next two years to ensure a smooth transfer.

#### **Financial highlights of the proposed transaction:**

- Agreement has been reached with Van Wanrooij's shareholders on an enterprise value as of the effective date of 1 January 2023 of € 298 million (see footnote 2) for the purchase of the project development activities (including land bank), construction company, carpentry factory and building materials business.
- € 23.5 million of the purchase price will be paid by issuing 2.3 million depositary receipts for shares, at an issue price of € 10.214 per share, which will be placed directly and entirely with Van Wanrooij shareholders. This will give the shareholders over 9% of the depositary receipts for shares in Heijmans after closing.
- The remaining part of the purchase price (including interest) will be paid in cash. This will be financed partly through the use of the current strong net cash position and partly through a € 140-million expansion of Heijmans' financing facility with the bank consortium consisting of ABN Amro, ING and Rabobank.
- This expansion consists of € 60 million from an expansion of the existing Revolving Credit Facility to € 177.5 million, which will also be extended to five years after closing, and a Term Loan of € 80 million to be repaid over four years. This financing is fully committed and takes effect upon the closing of the transaction.

- Following the completion of the acquisition, the merged companies are expected to have a combined net debt of around € 150 million at year-end 2023, equivalent to around 1.0x EBITDA<sup>3</sup>. As a result, Heijmans remains conservatively financed and retains sufficient investment scope for, among other things, sustainability improvements and working capital.
- Heijmans' solvency remains robust even after this transaction, at a level that will not differ materially from the solvency at year-end 2022 (29%).
- As a result of the acquisition, Heijmans' pro forma 2022 annual revenue will increase to € 2.2 billion (2022 stand alone: € 1.8 billion) with 5,144 FTEs (Heijmans stand alone: 4,924 FTEs).
- The construction and development activities are expected to add € 30-40 million of underlying EBITDA per year in the short term and € 50-70 million in the medium term.
- The acquisition will make an immediate contribution to Heijmans' earnings per share and operating cash flow.
- Heijmans has conducted a thorough due diligence into the solidity of the land holdings and the homes to be developed, with the phasing adjusted to current market dynamics.
- Heijmans' Executive and Supervisory Boards have received a written opinion, dated 20 June 2023, from merger and acquisition advisor Axeco Corporate Finance to the effect that the acquisition price is fair from Heijmans' financial point of view.

### **About Heijmans**

Royal Heijmans is a leading Dutch listed construction company focused on property development, residential building, Building & Technology and infra. Jan Heijmans started the company at the age of 20 in 1923 as a paving contractor. After one hundred years, Heijmans has built a strong reputation in the industry by making the sector better, smarter, and more sustainable. Every day, some 5,000 Heijmans employees work on the creation of a healthy living environment.

### **About Van Wanrooij**

Van Wanrooij was started in 1969 by the two brothers Wim and André van Wanrooij and over more than 50 years has grown from a small contracting company into a successful family business in the residential building and development sector, with approximately 275 enthusiastic employees. Van Wanrooij is known as a close-knit and enterprising family business, focused on entrepreneurship, establishing lasting relationships, short lines of communication and investing in innovations.

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<sup>3</sup> This calculation is based on the so-called rolling EBITDA of the combination. In accordance with IFRS, Van Wanrooij's EBITDA is only allocated to the result of the combination from the moment of closing.