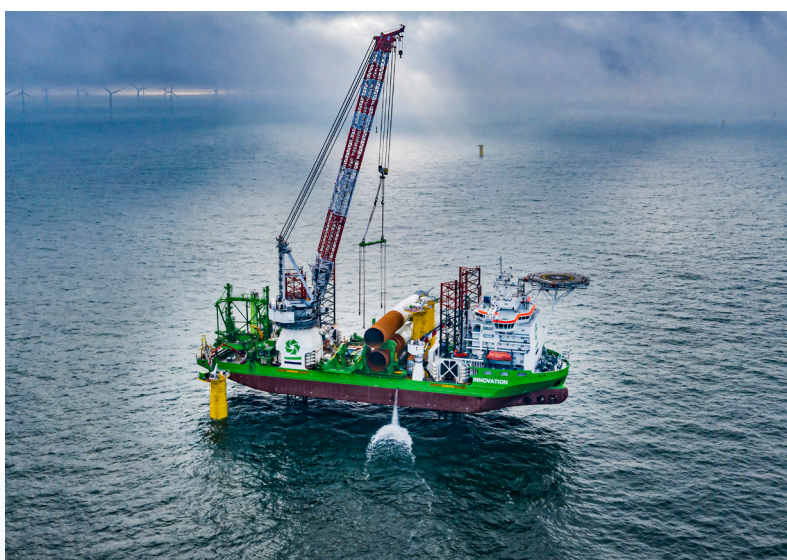




PRESS RELEASE

Friday 28 February 2020
regulated information

Results of financial year 2019



Results of financial year 2019

- **Revenue stable at record level**
- **Net result : € 133.4 million, impacted by non-recurring charges**
- **Solid order book (€ 5.2 billion)**
- **Proposed dividend for 2019: € 2.00 per share**

1. Key figures 2019

In million €	2019	2018	Change 2019/2018
Revenue	3,624.7	3,640.6	-0.4%
Self-financing capacity (EBITDA) (*) % of revenue	451.2 12.4%	488.0 13.4%	-7.5%
Operating income (EBIT) (*) % of revenue	177.7 4.9%	227.2 6.2%	-21.8%
Net income share of the group % of revenue	133.4 3.7%	171.5 4.7%	-22.2%
Earnings per share (in euro) Gross dividend per share (in euro) (**)	5.27 2.00	6.78 2.40	-22.2% -16.7%

In million €	2019	2018	Change 2019/2018
Equity – share of the group	1,748.7	1,720.9	+1.6%
Net financial debt (*)	798.1	648.3	+23.1%
Order book (*)	5,182.9	5,385.9	-3.8%

General remark: the 2018 figures in the press release have not been restated following the implementation of IFRS 16. The impact of this change in the accounting rules on the 2019 financial statements is detailed in section 3.A.8

(*) The definitions are included in the 'Consolidated financial statements' section of the financial report.

(**) Amount to be submitted for approval to the annual general meeting of 7 May 2020.

General introduction

The revenue of the CFE group amounted to € 3,624.7 million, compared to € 3,640.6 million in 2018. While revenue increased in CFE Contracting, DEME reported a very slight decrease.

The operating income (EBIT) amounted to € 177.7 million, down 21.8%. The decrease in EBIT concerns both DEME and CFE Contracting, whereas BPI improved its operational performance. The lower EBIT is primarily due to:

- non-recurring charges at DEME;
- pressure on the margins of the Offshore segment;
- the impairment loss of the remaining outstanding receivables on the Chadian government.

The net result came to € 133.4 million.

The equity, share of the group, amounted to € 1,748.7 million, which is slightly up compared to 31 December 2018.

The net financial debt amounted to € 798.1 million. Adjusted for the impact of IFRS 16 (€ 103.2 million at 31 December 2019), the increase is limited to € 46.6 million compared to 31 December 2018.

The cash flows from operational activities increased by 97.8% from € 224.5 million to € 444.0 million in 2019.

2. Analysis by division

Dredging, Environment, Offshore and Infra division

KEY FIGURES

In million €	2019			2018			Change 2019/2018
	DEME	Restatements DEME (*)	Total	DEME	Restatements DEME (*)	Total	
Revenue	2,622.0	0.0	2,622.0	2,645.8	0.0	2,645.8	-0.9%
EBITDA (**)	437.0	0.0	437.0	458.9	0.0	458.9	-4.8%
Operating income (EBIT) (**)	160.1	-5.3	154.8	202.9	-5.3	197.6	-21.7%
Net income share of the group	125.0	-3.6	121.4	155.6	-2.0	153.6	-21.0%
Net financial debt (**)	708.5	0.0	708.5	555.8	0.2	556.0	+27.4%
Order book (**)	3,750.0	0.0	3,750.0	4,010.0	0.0	4,010.0	-6.5%

(*) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

(**) The definitions are included in the 'Consolidated financial statements' section of the financial report.

REVENUE

DEME reported € 2,622 million revenue in 2019, which is down 0.9% compared to the previous year.

The Dredging segment reported a higher volume of business than in 2018, particularly in Western Europe where DEME was engaged on major projects in Belgium (maintenance dredging on the river Scheldt and on the Belgian coast), Germany (widening and deepening of the Elbe) and the Netherlands, in support of Dimco (Infra segment). In Singapore, the TTP1 project is almost completed, while activity was buoyant in India, Russia, Qatar and Africa.

DEME Offshore realized € 1,141.1 million revenue in 2019, which includes a substantial volume of procurement. In Belgium, the installation of the MOG (*Modular Offshore Grid*) and the monopile foundations of the offshore wind farm SeaMade was finalized. In the United Kingdom, 102 of the 103 foundations for the Moray East offshore wind farm were installed, while the Hornsea One project was fully completed.

The Infra segment reported a strong growth of activity, driven by the three major projects carried out in the Netherlands (Terneuzen lock, RijnlandRoute and the Blankenburg connection).

EVOLUTION OF ACTIVITY BY BUSINESS AREA

In %	2019	2018
Capital dredging	31%	26%
Maintenance dredging	10%	11%
Offshore	44%	51%
Environment	6%	5%
Infra	7%	5%
Others	2%	2%

EVOLUTION OF ACTIVITY BY GEOGRAPHICAL AREA

In %	2019	2018
Europe (EU)	69%	67%
Europe (non-EU)	4%	2%
Africa	9%	10%
Americas	3%	4%
Asia-Pacific	9%	13%
Middle East	3%	2%
India and Pakistan	3%	2%

EBITDA AND OPERATING INCOME (EXCLUDING RESTATEMENTS)

The EBITDA amounted to € 437 million (16.7% of revenue).

The operating income (EBIT), which includes the results of the equity-accounted companies, amounted € 160.1 million, which is down € 42.8 million compared to 2018.

In addition to the changing revenue mix, the margin evolution was also influenced by various other elements:

- several months of downtime of the vessel 'Innovation' in the second and third quarters of 2019;
- impairment loss on the receivables on Senvion (€ 10.8 million);
- development costs of prototypes and campaigns for the harvesting of polymetallic nodules (€13.2 million);
- the negative result of a technically challenging dredging project in India that is nearing completion;
- pressure on the margins in the Offshore segment.

NET RESULT

DEME's net result amounted to € 125 million.

ORDER BOOK

The order book remains well filled (€ 3.75 billion as of 31 December 2019).

During the year, DEME won several major contracts, such as:

- the extension of the dredging contract in Papua New Guinea (Lower Ok Tedi River project);
- the contract for the widening and deepening of the Elbe over a length of 116 km between Cuxhaven and Hamburg in Germany;
- the contract for the transport and installation of the 165 monopiles, transition pieces and wind turbines for the Hornsea Two offshore wind farm in the United Kingdom. Work is expected to begin in the first quarter of 2021;
- extension for two years (2020-2021) of the maintenance dredging contract for the river Scheldt and the Belgian coast;
- the EPCI contract for the design, procurement and installation of 80 steel monopile foundations for the Saint-Nazaire offshore wind farm in France, in joint venture with Eiffage.

In Taiwan, DEME Offshore and its partner CSBC landed two major commercial successes in October and November 2019:

- Preferred Bidder Agreement (PBA) for the construction of the Hai Long 2 and Hai Long 3 wind farms situated off the east coast of Taiwan. It is a BoP (Balance of Plant) type contract that encompasses the design, procurement, transport and installation of the foundations, the transport and installation of the wind turbines, and the installation of the inter-array cables and the export cable. The works are scheduled for 2023;
- signing of two contracts with China Steel Corporation for the offshore wind farm project Zhong Neng with a capacity of 300 MW, due for completion in 2024. The first contract covers the transport and installation of the foundations, while the second contract formalizes the Preferred Bidder Agreement (PBA) for the transport and installation of the wind turbines.

In Scotland, DEME won a major EPCI contract for the installation of submarine power cables for the Neart Na Gaoithe offshore wind farm with a capacity of 450 MW. The contract is conditional upon the financial close.

As for the Fehmarnbelt link between Denmark and Germany (€ 700 million), these three contracts will be included in the order book once the instruction to start the works will be obtained.

INVESTMENTS

Investments amounted to € 434.7 million, which is stable compared to 2018.

In June 2019, DEME took delivery of the trailing suction hopper dredger 'Bonny River'. With a capacity of 15,000 m³, this vessel is capable of dredging very hard soil at great depths (more than 100 metres).

Delays in the construction of several vessels have led to the postponement to 2020 of several down payments that were scheduled in 2019. While those delays are relatively minor in the case of the vessels 'Orion', 'Meuse River' and 'River Thames' (those three vessels will be delivered during the first half of 2020), the delivery date of the 'Spartacus' has been postponed once more, and is now scheduled for the third quarter of 2020.

As far as new investments are concerned, DEME has commissioned an SOV (Service Operation Vessel). This is a catamaran type vessel, designed for the maintenance of the offshore wind farms and capable of carrying and accommodating up to 24 technicians at sea. This vessel, which is scheduled for delivery in 2021, will be chartered by Siemens Gamesa Renewable Energy as part of a long-term maintenance contract for the Rentel and SeaMade offshore wind farms.

NET FINANCIAL DEBT

The net financial debt amounted to € 708.5 million. Adjusted for the impact of IFRS 16 (€ 86.1 million at 31 December 2019), it increased by € 66.6 million compared to 31 December 2018, but it has decreased by more than € 100 million compared to 30 June 2019.

During the second half of the year, besides a slight improvement in working capital requirement, DEME benefited from partial repayments of subordinated loans granted to the companies Merkur Offshore and Rentel. Those repayments partly made up for the investments in the fleet.

MERKUR OFFSHORE

In December 2019, DEME and its partners concluded an agreement to sell 100% of their stake in Merkur Offshore GmbH, the company operating an wind farm of 396 MW situated 45 kilometres north of the German island of Borkum, in the North Sea. The transaction, which will earn DEME a net capital gain of more than € 50 million, is expected to be closed during the first half of 2020.

Contracting division

KEY FIGURES

In million €	2019	2018	Change 2019/2018
Revenue	998.7	934.6	+6.9%
Operating income (EBIT) (*)	18.8	22.7	-17.2%
Net income share of the group	9.5	15.2	-37.5%
Net financial surplus (*)	106.1	102.4	+3.6%
Order book (*)	1,385.5	1,320.3	+4.9%

(*) The definitions are included in the "Consolidated Financial Statements" section of the financial report.

REVENUE

Revenue for CFE Contracting increased by 6.9% to € 998.7 million.

The Construction segment in Belgium showed a contrasting picture, with a substantial growth of business for the Flanders-based entities, but with a marked downturn in Brussels and Wallonia. The main projects in progress are the construction of the interior modules of the Gare Maritime on the Tour & Taxis site, the residential complex Riva in Brussels, the ZNA hospital in Antwerp, and the new underground depot for the Brussels metro trains.

International construction revenue increased by 8.1%, driven by exceptionally buoyant activity in Poland, where CFE was able to win and successfully complete several major logistics contracts.

VMA (Multitechnics segment) continued to expand its activities in Belgium with several projects combining HVAC and electricity contracts, and with a first major project for an industrial customer in the food processing industry. VMA also established a new entity (VEMAS), tasked with developing ESCO type projects (energy efficiency improvement of buildings).

MOBIX (Rail & Utilities segment) reported a substantial growth in revenue, driven by a particularly high level of activity in track laying and an upswing in ETCS projects (automatic braking system for trains).

In million €	2019	2018	Change in %
Construction	733.5	692.5	+5.9%
<i>Belgium</i>	<i>543.1</i>	516.4	+5.2%
<i>International</i>	<i>190.4</i>	176.1	+8.1%
Multitechnics (VMA)	179.6	170.6	+5.3%
Rail & Utilities (Mobix)	85.6	71.5	+19.6%
Total Contracting	998.7	934.6	+6.9%

OPERATING INCOME

The operating income amounted to € 18.8 million, or € 3.9 million less than in the previous year.

Market conditions remain difficult for the Construction segment in Belgium, characterized by pressure on sale prices. The good results generated in Flanders could only be partially make up for the losses reported by BPC and Thiran, two entities operating on the Brussels and Walloon markets. Part of this deterioration is the subject of claims against customers, yet in accordance with accounting policies, the possible hoped-for compensation was not yet valued at 31 December 2019.

The other segments of the division reported an excellent performance, particularly in Poland where CFE is amongst the best performers in terms of profitability. In Tunisia, all projects are now finished, apart from a civil engineering project that will be delivered in 2021.

NET RESULT

The net result amounted to € 9.5 million.

ORDER BOOK

In million €	31 December 2019	31 December 2018	Change in %
Construction	1,016.8	1,069.1	-4.9%
<i>Belgium</i>	<i>833.5</i>	<i>870.9</i>	<i>-4.3%</i>
<i>International</i>	<i>183.3</i>	<i>198.2</i>	<i>-7.5%</i>
Multitechnics (VMA)	188.5	168.4	+11.9%
Rail & Utilities (Mobix)	180.2	82.8	+117.6%
Total Contracting	1,385.5	1,320.3	+4.9%

The order book grew to € 1,385.5 million at 31 December 2019, which is up to 4.9% compared to 31 December 2018.

In December 2019, following the granting of planning permission, CFE Contracting included in its order book the contract for the design, construction and maintenance of residential units for SHAPE (Wallonia), worth more than € 100 million.

The Construction segment is not pursuing revenue growth, but rather focuses on selecting projects with an acceptable level of profitability and risk.

In Multitechnics and in Rail & Utilities however, CFE Contracting does intend to grow the business which offers attractive potential and which is reflected in a high order intake. In the first half of 2019, CFE Contracting won the contract for the design, modernization, finance, management and 20-year maintenance of the public lighting of the Walloon region's main road network. The modernization works started in the fourth quarter of 2019.

NET FINANCIAL SURPLUS

The division had a net financial surplus of € 106.1 million. Adjusted for the negative impact of IFRS 16 (€ 14.7 million at 31 December 2019), the net cash position increased by 18% in 2019.

Despite considerable investments (in particular the construction of a new head office for the entity VMA-Druart), the net cash position of CFE Contracting was strengthened thanks to a substantial improvement in working capital requirement at the year-end.

Real Estate Development division

KEY FIGURES

In million €	2019	2018	Change 2019/2018
Revenue	59.1	94.7	-37.6%
Operating income (EBIT) (*)	13.7	13.2	+3.8%
Net income share of the group	11.6	9.3	+24.7%
Net financial debt (*)	66.4	70.5	-5.8%

(*) The definitions are included in the "Consolidated Financial Statements" section of the financial report.

EVOLUTION OF THE CAPITAL EMPLOYED (*)

The capital employed amounted to € 143 million at 31 December 2019, which is slightly up on 2018. The stock of unsold units post completion remained low.

BPI is currently developing some forty real estate projects totalling 545,000 m² (BPI share), of which 103,000 m² are under construction.

BREAKDOWN BY STAGE OF PROJECT DEVELOPMENT

In million €	31 December 2019	31 December 2018
Unsold units post completion	4	4
Properties under construction	58	70
Properties in development	81	65
Total capital employed	143	139

BREAKDOWN BY COUNTRY

In million €	31 December 2019	31 December 2018
Belgium	97	89
Luxembourg	21	23
Poland	25	27
Total	143	139

(*) Capital employed is the sum of the equity and net financial debt of the real estate division.

NEW DEVELOPMENTS

In Belgium

In the Brussels area, BPI continued the construction and marketing of the Ernest The Park, Erasmus Gardens, Les Hauts Prés and Park West projects, while the Voltaire project was delivered to the satisfaction of the buyers. All those programmes show highly satisfactory take-up rates. Planning applications have been filed for the mixed-use projects Brouck'R and Key West.

In Liège, the second office building of the Renaissance project (Val Benoît) was sold off-plan to the Province. Delivery is due in March 2020. The first building, delivered at the end of 2019, was let to Forem in 2018. Planning permission has been obtained for the construction of 153 housing units on the Bavière site.

In Flanders, BPI delivered all the residential buildings of its Zen Factory project (Beersel) and acquired a building plot near the Spoor Noord park in Antwerp (Martin site) for the development, in joint venture, of 100 housing units with co-living spaces and 7,500 m² for crafts and creative activities.

In Luxembourg

BPI has successfully delivered the residential projects Domaine de l'Europe (Kirchberg) and Fussbann (Differdange). All the residential units have been sold prior to the end of the construction.

A similar positive result is realized at the Livingstone project where all apartments were sold prior to completion.

In 2019, BPI obtained planning permission for three projects under study:

- the Entrée de Ville project in Differdange, of which the apartments will be sold 'en bloc' to the municipality, while the co-living spaces are in the marketing phase;
- the Wooden project in Leudelange. This is an office development of 9,600 m², largely pre-let to the Baloise insurance company;
- the Arlon 23 project (3,700 m² office space).

Construction work on these three projects will begin in the first half of 2020.

In Poland

The four residential projects under construction are progressing according to plan and will be delivered in the first half of 2020. Take-up is satisfactory.

On the outskirts of Gdynia in the north of Poland, BPI acquired a building plot for the development of approximately 9,400 m² of residential units, spread over 18 buildings with 6 luxury apartments.

NET FINANCIAL DEBT

The net financial debt decreased slightly to € 66.4 million at 31 December 2019. During the 2019 financial year, BPI made draw-downs on its commercial paper programme for the first time.

IFRS 16 has a very limited impact on BPI: € 1.2 million at 31 December 2019.

NET RESULT

Although no result was generated in Poland owing to the fact that the sales margin is recognized upon delivery of the apartments, the net result of the real estate division showed a marked increase to € 11.6 million. This result was essentially generated by the margins earned on the pre-sold residential units in Belgium and Luxembourg.

Holding, non-transferred activities and inter division eliminations

In million €	2019	2018	Change 2019/2018
Revenue excluding eliminations between segments	12.4	27.1	-54.2%
Eliminations between segments	-67.4	-61.5	n.s.
Revenue including eliminations between segments	-55.0	-34.4	n.s.
Operating income (EBIT) (*)	-9.6	-6.4	+50.0%
Net income share of the group	-9.1	-6.5	+40.0%
Net financial debt (*)	129.4	124.4	+3.9%

(*) Definitions are listed under sections "Consolidated Financial Statements" of the financial report.

REVENUE

The revenue, excluding inter-division eliminations, amounted to € 12.4 million, compared to € 27.1 million in 2018.

Activity relates almost exclusively to the Brussels-South wastewater treatment plant project, of which delivery is scheduled for the first quarter of 2021.

OPERATING INCOME

The operating income was negatively impacted by the impairment loss of all outstanding receivables from the Chadian government, in accordance with IFRS 9. Negotiations continue with both the Afrexim Bank and the Chadian government in order to collect these receivables.

The impairment loss on the Chadian receivables was partly offset by, on the one hand, the reversal of provisions for risks that are no longer relevant, and on the other hand by the contribution of Green Offshore (50% CFE), minority shareholder of the Belgian offshore wind farms Rentel and SeaMade. While SeaMade is still under construction, Rentel has already generated power for its first full year.

RENT-A-PORT

In the second half of 2019, Rent-A-Port (50% CFE) sold its stake in the port of Duqm (Oman) to DEME Concessions. Furthermore, its other activities in the Middle East and Africa have ceased as the company now focuses exclusively on the development of its port concessions in Northern Vietnam through its 60%-owned subsidiary, Infra Asia Investment.

2019 was a year of transition for the activities in Vietnam: sales of industrial land were limited to 33 hectares. Nevertheless, the company expects a sharp increase in sales from 2020 onwards. It wants also to enter into strategic partnerships for the development of its two concessions in the province of Quang Ninh.

NET RESULT

Taking these different elements into account, the net result amounted to € -9.1 million.

NET FINANCIAL DEBT

The net financial debt amounted to € 129.4 million, which is up to 3.9% compared to 2018. The impact of IFRS 16 is limited to € 1.2 million.

WOOD SHAPERS

In the fourth quarter of 2019, CFE Contracting and BPI set up a new entity called Wood Shapers. The purpose of this entity is to realize Design & Build projects and real estate developments (< 5,000 m²) in wood and sustainable prefab materials. A first building plot was acquired in Luxembourg, and two *Design & Build* projects are under study. This new entity has been set up as part of the group's sustainable development strategy.

3. Overview of the financial statements

3.A.1 Consolidated statement of income

Year ended 31 December In thousands €	2019	2018
Revenue	3,624,722	3,640,627
Revenue from auxiliary activities	81,042	123,018
Purchases	-2,120,359	-2,147,130
Remuneration and social security payments	-653,870	-633,090
Other operating charges	-469,248	-497,748
Depreciations and amortization	-318,672	-272,602
Goodwill Impairment	0	0
Income from operating activities	143,615	213,075
Earnings from associates and joint ventures	34,092	14,169
Operating income	177,707	227,244
Cost of financial debt	-2,602	-8,433
Other financial expenses and income	-5,120	-55
Net financial income/expense	-7,722	-8,488
Pre-tax income	169,985	218,756
Income tax expense	-38,619	-49,549
Net income for the period	131,366	169,207
Attributable to owners of non-controlling interests	2,058	2,323
Net income – share of the group	133,424	171,530
Year ended 31 December In thousands €	2019	2018
Net income for the period	131,366	169,207
Change in fair value related to hedging instruments	-36,479	-5,498
Currency translation differences	1,153	621
Deferred taxes	2,772	775
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent period	-32,554	-4,102
Remeasurement on defined benefit and contribution plans	-15,444	-1,063
Deferred taxes	3,606	726
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent period	-11,838	-337
Total elements of the comprehensive income directly accounted in equity	-44,392	-4,439
Comprehensive income	86,974	164,768
- attributable to owners of the parent	89,231	167,279
- attributable to owners of non-controlling interests	-2,257	-2,511
Net income per share (€) (basic and diluted)	5.27	6.78
Comprehensive income per share (€) (basic and diluted)	3.53	6.61
ROE (*)	7.7%	10.6%

(*) Definitions are listed under sections "Consolidated Financial Statements" of the financial report.

3.A.2 Consolidated statement of financial position

Year ended 31 December In thousands €	2019	2018
Intangible assets	90,261	89,588
Goodwill	177,127	177,127
Property, plant and equipment	2,615,164	2,390,236
Investments in associates and joint ventures	167,653	155,792
Other non-current financial assets	83,913	171,687
Non-current derivative instruments	0	9
Other non-current assets	16,630	5,501
Deferred tax assets	100,420	99,909
Total non-current assets	3,251,168	3,089,849
Inventories	162,612	128,889
Trade receivables and other operating receivables	996,436	1,261,298
Other operating current assets	72,681	67,561
Other non operating current assets	6,267	12,733
Current derivative instruments	751	275
Current financial assets	0	0
Assets held for sale	10,511	0
Cash and cash equivalents	612,206	388,346
Total current assets	1,861,464	1,859,102
Total assets	5,112,632	4,948,951
Share capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	995,786	923,768
Defined benefits and contributions plans	-37,089	-25,521
Hedging reserves	-40,892	-7,153
Translation differences	-10,440	-11,554
Equity – part of the group CFE	1,748,703	1,720,878
Non-controlling interests	11,607	13,973
Equity	1,760,310	1,734,851
Retirement benefit obligations and employee benefits	70,269	57,553
Provisions - non current	12,414	35,172
Other non-current liabilities	10,651	5,725
Bonds - non current	29,689	29,584
Financial debts - non current	1,110,212	656,788
Non-current derivative instruments	8,986	9,354
Deferred tax liabilities	104,907	119,386
Total non-current liabilities	1,347,128	913,562
Current provisions	46,223	65,505
Trade payables & other operating liabilities	1,221,466	1,410,944
Tax liability due for payment	44,078	44,543
Bonds - current	0	200,221
Current financial debts	270,366	150,075
Current derivative instruments	9,356	10,990
Liabilities held for sale	0	0
Other operating current liabilities	155,601	201,609
Other non operating current liabilities	258,104	216,651
Total current liabilities	2,005,194	2,300,538
Total equity and liabilities	5,112,632	4,948,951

3.A.3 Consolidated statement of cash flows

For the period ended 31 December In thousands €	2019	2018
Operating activities		
Income from operating activities	143,615	213,075
Depreciation and amortisation of intangible assets, property, plant & equipment and investment property	318,672	272,602
Net provision expense	-30,587	1,265
Impairment on current and non-current assets and other non cash items	19,524	1,018
Sales of non-current assets	-6,100	-7,530
Dividends from associates and Joint Ventures	8,140	4,935
Cash flow from operating activities before changes in working capital	453,264	485,365
Decrease/(increase) in trade receivables and other current and non current receivables	238,441	-349,838
Decrease/(increase) in inventory	-37,020	6,142
Increase/(Decrease) in trade payables and other current and non current payables	-166,619	141,189
Income tax paid/received	-44,109	-58,375
Cash flow from operating activities	443,957	224,483
Investing activities		
Sales of non-current assets	13,834	15,833
Purchases of non-current assets	-451,258	-453,475
Acquisition of subsidiaries net of cash acquired	0	-35
Change in percentage held in associates	-8,321	70,049
Capital increase in investments in associates	-16,355	-8,660
Sales of subsidiaries	0	1,202
Loans granted	71,659	-41,066
Cash flow from investing activities	-390,441	-416,152
Financing activities		
Interests paid	-24,529	-22,583
Interests received	14,280	13,697
Other financial expenses and income	-6,635	-2,734
Borrowings	709,361	422,808
Reimbursements of borrowings	-462,303	-294,122
Dividends paid	-60,755	-60,755
Cash flow from financing activities	169,419	56,311
Net Increase/(Decrease) in cash position	222,935	-135,358
Cash and cash equivalents at start of the year	388,346	523,018
Exchange rate effects	925	686
Cash and cash equivalents at end of period	612,206	388,346

3.A.4 Notes to the consolidated financial statements, cash flow and capex tables

The tangible assets amounted to € 2,615 million at 31 December 2019, up € 225 million, of which € 102.3 million results from the application of IFRS 16. DEME's investment programme continued in 2019 (primarily down payments on the vessels 'Bonny River', 'Orion' and 'Spartacus'), partly offset by the depreciation during the period.

Taking into account the payment of a dividend of € 60.8 million, the consolidated equity amounted to € 1,760.3 million at 31 December 2019. The equity was negatively impacted by the evolution of the pension obligations (€ -11.6 million) and of the fair value of the hedging derivatives (€ -33.7 million, of which primarily the IRS type interest rate hedges at Rentel et SeaMade). This evolution is attributable to the decrease in the medium and long-term interest rates in the euro zone in 2019.

The net financial debt breaks down into a short-term and long-term financial debt of € 270.4 million and € 1,139.9 million respectively, and a net cash position of € 612.2 million. During the 2019 financial year, DEME successfully repaid its € 200 million bond. This was refinanced with bilateral loans on far more favourable terms.

CFE, DEME, CFE Contracting and BPI are all in compliance with the banking covenants.

The cash flows from operational activities increase by 97.8% from € 224.5 million to € 444.0 million in 2019.

The cash flows from investing activities amount to € 390.4 million, a decrease of 6.2% compared to 2018 mainly as a result of the partial repayment of subordinated loans by Merkur Offshore and Rentel.

3.A.5 Consolidated statement of changes in equity as of 31 December 2019

In thousands €	Share capital	Share premium	Retained earnings	Defined benefits and contributions plans	Reserves related to hedging instruments	Translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total
31 December 2018	41,330	800,008	923,768	-25,521	-7,153	-11,554	1,720,878	13,973	1,734,851
Comprehensive income for the period			133,424	-11,568	-33,739	1,114	89,231	-2,257	86,974
Dividends paid to shareholders			-60,755				-60,755		-60,755
Dividends paid to non-controlling interests								-920	-920
Change in consolidation scope and other movements			-651				-651	811	160
31 December 2019	41,330	800,008	995,786	-37,089	-40,892	-10,440	1,748,703	11,607	1,760,310

3.A.6 Key figures per share

	31 December 2019	31 December 2018
Total number of shares	25,314,482	25,314,482
Net result part of the group per share (in €)	5.27	6.78
Equity part of the group per share (in €)	69.08	67.98

3.A.7 Segment information

CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 December 2019 In thousands €	DEME	Restatements DEME	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between segments	Total consolidated
Revenue	2,621,965		998,671	59,065	12,433	(67,412)	3,624,722
Income from operating activities	141,645	(4,589)	18,729	1,030	(13,281)	81	143,615
Operating income (EBIT)	160,094	(5,273)	18,806	13,686	(9,687)	81	177,707
% Revenue	6.11%		1.88%	23.17%			4.90%
Financial income	(6,749)	611	(833)	(1,338)	587	0	(7,722)
Taxes	(30,321)	1,059	(8,446)	(791)	(109)	(11)	(38,619)
Net income of the group	125,041	(3,603)	9,527	11,598	(9,209)	70	133,424
% Revenue	4.77%		0.95%	19.64%			3.68%
Non-cash items	295,366	4,589	14,393	(888)	(5,851)	0	307,609
EBITDA	437,011	0	33,122	142	(19,132)	81	451,224
% Revenue	16.67%		3.32%	0.24%			12.45%

For the period ended 31 December 2018 In thousands €	DEME	Restatements DEME	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between segments	Total consolidated
Revenue	2,645,780		934,573	94,696	27,051	(61,473)	3,640,627
Income from operating activities	196,012	(4,589)	22,728	10,346	(10,865)	(557)	213,075
Operating income (EBIT)	202,940	(5,273)	22,728	13,209	(5,803)	(557)	227,244
% Revenue	7.67%		2.43%	13.95%			6.24%
Financial income	(6,391)	2,901	(2,073)	(2,832)	(93)	0	(8,488)
Taxes	(43,231)	384	(5,491)	(1,134)	(124)	47	(49,549)
Net income of the group	155,570	(1,988)	15,161	9,321	(6,024)	(510)	171,530
% Revenue	5.88%		1.62%	9.84%			4.71%
Non-cash items	262,889	4,589	12,686	(1,932)	(3,347)	0	274,885
EBITDA	458,901	0	35,414	8,414	(14,212)	(557)	487,960
% Revenue	17.34%		3.81%	8.87%			13.40%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2019 In thousands €	DEME	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between segments	Consolidated total
ASSETS						
Goodwill	155,567	21,560	0	0	0	177,127
Property, plant and equipment	2,529,919	81,173	1,742	2,330	0	2,615,164
Non-current loans to consolidated group companies	0	0	0	23,600	-23,600	0
Other non-current financial assets	36,178	0	29,874	17,861	0	83,913
Other non-current assets	266,417	15,656	51,029	1,287,700	-1,245,838	374,964
Inventories	13,152	15,720	130,837	4,528	-1,625	162,612
Cash and cash equivalents	475,135	67,550	6,411	63,110	0	612,206
Internal cash position - cash pooling - assets	0	75,684	11,167	2,327	-89,178	0
Other current assets	724,124	306,630	23,703	37,824	-5,635	1,086,646
Total assets	4,200,492	583,973	254,763	1,439,280	-1,365,876	5,112,632

EQUITY AND LIABILITIES						
Equity	1,675,537	83,670	76,296	1,172,271	-1,247,464	1,760,310
Non-current borrowings from consolidated group companies	0	1,800	21,800	0	-23,600	0
Bonds - non current	0	0	29,689	0	0	29,689
Non-current financial liabilities	947,798	23,174	13,378	125,862	0	1,110,212
Other non-current liabilities	175,248	15,880	14,514	1,585	0	207,227
Bonds - current	0	0	0	0	0	0
Current financial liabilities	235,791	9,857	14,382	10,336	0	270,366
Internal cash position - cash pooling - liabilities	0	2,327	4,698	82,153	-89,178	0
Other current liabilities	1,166,118	447,265	80,006	47,073	-5,634	1,734,828
Total equity and liabilities	4,200,492	583,973	254,763	1,439,280	-1,365,876	5,112,632

31 December 2018 In thousands €	DEME	Contracting	Real Estate	Holding & non-transferred activities	Eliminations between divisions	Consolidated total
ASSETS						
Goodwill	155,567	21,560	0	0	0	177,127
Property, plant and equipment	2,326,304	61,526	928	1,478	0	2,390,236
Non-current loans to consolidated group companies	0	0	0	20,000	-20,000	0
Other non-current financial assets	108,066	0	35,106	28,515	0	171,687
Other non-current assets	274,058	13,217	34,923	1,274,450	-1,245,849	350,799
Inventories	15,244	16,945	94,592	3,733	-1,625	128,889
Cash and cash equivalents	287,394	53,440	9,197	38,315	0	388,346
Internal cash position - cash pooling - assets	0	62,808	2,793	1,889	-67,490	0
Other current assets	914,328	314,783	26,180	96,214	-9,638	1,341,867
Total assets	4,080,961	544,279	203,719	1,464,594	-1,344,602	4,948,951

EQUITY AND LIABILITIES						
Equity	1,646,910	84,781	68,108	1,182,527	-1,247,475	1,734,851
Non-current borrowings from consolidated group companies	0	0	20,000	0	-20,000	0
Bonds - non current	0	0	29,584	0	0	29,584
Non-current financial liabilities	494,796	10,156	21,836	130,000	0	656,788
Other non-current liabilities	179,572	14,712	10,923	21,983	0	227,190
Bonds current	200,221	0	0	0	0	200,221
Current financial liabilities	148,376	1,699	0	0	0	150,075
Internal cash position - cash pooling - liabilities	0	1,889	11,043	54,558	-67,490	0
Other current liabilities	1,411,086	431,042	42,225	75,526	-9,637	1,950,242
Total equity and liabilities	4,080,961	544,279	203,719	1,464,594	-1,344,602	4,948,951

CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2019 In thousands €	DEME	Contracting	Real Estate	Holding & non-transferred activities	Consolidated total
<i>Cash flow from operating activities before change in working capital</i>	435,721	31,478	5,143	-19,078	453,264
Net cash flow from (used in) operating activities	388,813	48,832	10,261	-3,949	443,957
Cash flow from (used in) investing activities	-370,319	-13,417	-40	-6,665	-390,441
Cash flow from (used in) financing activities	168,619	-21,559	-13,053	35,412	169,419
Net increase/(decrease) in cash position	187,113	13,856	-2,832	24,798	222,935

31 December 2018 In thousands €	DEME	Contracting	Real Estate	Holding & non-transferred activities	Consolidated total
<i>Cash flow from operating activities before change in working capital</i>	454,987	36,904	10,994	-17,520	485,365
Net cash flow from (used in) operating activities	222,406	20,552	-1,909	-16,566	224,483
Cash flow from (used in) investing activities	-395,432	-6,569	-700	-13,451	-416,152
Cash flow from (used in) financing activities	24,893	-19,684	8,546	42,556	56,311
Net increase/(decrease) in cash position	-148,133	-5,701	5,937	12,539	-135,358

3.A.8 IFRS 16

The implementation of the new IFRS 16 standard for leases as of 1 January 2019 was reflected in CFE's consolidated balance sheet by an increase in tangible assets and in the net financial debt of € 98.8 million (of which € 83.5 million at DEME).

At 31 December 2019, the impact of the implementation of the new standard on CFE's consolidated balance sheet and income statement can be summed up as follows:

In million €	DEME	Contracting	Others	Total
Balance sheet				
Property, plant and equipments	85.3	14.6	2.4	102.3
Financial debts	86.1	14.7	2.4	103.2
Income statement				
EBITDA	17.6	6.9	0.8	25.3
Operating income (EBIT)	0.6	0.3	0.0	0.9
Financial result	-1.4	-0.4	0.0	-1.8
Net result - share of the group	-0.8	-0.1	0.0	-0.9

3.A.9 Events after balance sheet date

No significant changes have occurred in the financial and commercial situation of the CFE Group since 31 December 2019.

3.B.1 Profit and loss account of CFE SA (Belgian standards)

In thousands €	2019	2018
Turnover	21,720	29,249
Operating income	75,803	-23,944
Net financial result excluding non-recurring financial income	68,573	62,771
Non-recurring financial income	60	63
Non-recurring financial charges	-97,292	-63
Result before taxes	47,143	38,827
Taxes	-110	-118
Result of the year	47,033	38,709

The Brussels-South wastewater treatment plant project represents a substantial part of the revenue. This project will take another fifteen months.

The liquidation of several international entities translates into a reversal of provisions in operating income and an equivalent non-recurring finance cost. Furthermore, certain provisions that are no longer relevant have been reversed and non-recurring finance costs have been recognized as impairments loss on current accounts. Consequently, the current accounts and loans of CFE vis-à-vis entities based in Africa, Romania and Hungary have been fully provided for.

The financial income consists mainly of € 55.0 million, € 8.8 million and € 3.2 million worth of dividends received from DEME, CFE Contracting and BPI respectively.

3.B.2 Balance sheet of CFE SA after appropriation (Belgian standards)

In thousands €	31 December 2019	31 December 2018
Assets		
Fixed assets	1,336,844	1,338,202
Current assets	102,122	169,859
Total assets	1,438,966	1,508,061

In thousands €	31 December 2019	31 December 2018
Equity and liabilities		
Equity	1,137,708	1,141,304
Provisions	11,544	95,381
Non-current liabilities	125,248	130,248
Current liabilities	164,466	141,128
Total equity and liabilities	1,438,966	1,508,061

The fixed assets primarily consist of the stakes in DEME, CFE Contracting and BPI.

The long-term debts include € 90 million drawn down on the confirmed bilateral credit lines, and € 35 million medium-term treasury notes. CFE also used its commercial paper programme for an amount of € 10 million.

4. Information on business trends

DEME

In an uncertain geopolitical and economic context, DEME projects a modest increase in its turnover for 2020. Given the pressure on margins in offshore wind projects as mentioned earlier, EBITDA is expected to be close to the 2019 level. Barring unforeseen circumstances, DEME expects to realize a higher net result in 2020 taking into account the capital gain of at least € 50 million on the sale of its 12.5% stake in the German offshore wind project Merkur. Furthermore, DEME is seeing increased tendering activity, which opens up the prospect of a growing business over the coming years.

CFE Contracting

The revenue of CFE Contracting should remain stable in 2020 while the operating income should increase.

BPI

In 2020, the Real Estate division should repeat its good performance of 2019 in terms of net result.

5. Dividend

At the general meeting of shareholders on 7 May 2020, the board of directors will propose a gross dividend of € 2.00 per share, or a total distribution of € 50.63 million.

6. Share information

At the end of the financial year, CFE's share capital amounted to €41,329,482.42, divided into 25,314,482 shares, with no declared par value. The Company's shares are registered or in electronic form.

CFE's equity base as of 31 December 2019 was as follows :

Shares with no par value	25,314,482
registered shares	18,669,755
shares in electronic form	6,644,727

Shareholders owning 3% or more of the voting rights relating to the shares they hold:

Ackermans & van Haaren NV Begijnenvest, 113 B-2000 Antwerpen (Belgium)	15,419,521 shares or 60.91%
VINCI Construction SAS 5, cours Ferdinand-de-Lesseps F-92851 Rueil-Malmaison Cedex (France)	3,066,460 shares or 12.11%

7. Shareholders' agenda

Ordinary shareholders meeting	7 May 2020
Publication of interim statements 2020	20 May 2020 (before opening of the stock market)
Publication of half-year financial statements 2020	28 August 2020 (before opening of the stock market)
Publication of interim statements 2020	23 November 2020 (before opening of the stock market)

The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information disclosed in this press release. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union.

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About CFE

CFE, founded in 1880 is a Belgian industrial group active in three different divisions. The first, Dredging, Environment, Offshore and Infra, is carried out by its wholly owned subsidiary DEME, one of the world leaders in the field. DEME has a modern fleet of multipurpose vessels equipped with the latest technologies. The second, Contracting, encompasses the group's construction, multitechnics and rail activities in Belgium, Luxembourg and Poland. The third, Real Estate Development, covers the real estate projects developed by BPI in Belgium, Luxembourg and Poland.

The CFE group currently employs more than 8,000 people and is active on every continent. CFE is listed on Euronext Brussels and is 60,91% owned by Ackermans & van Haaren.

This press release is available on our website at www.cfe.be.

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Note to editors

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