

GMB Services

GMB Rioleringsstechnieken

GMB BioEnergie

GMB Waterkwaliteit & installaties

GMB Waterveiligheid & constructies

GMB Haven & industrie

# Healthy ambitions

"We put our abilities to full use for  
improving safety, a cleaner world and  
efficient use of resources and energy."

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## From the managing board

The strategic business plan 2017-2021 which was published last year is characterised by healthy ambitions. GMB has applied focus – we have a clear vision of what distinguishes us in the market and how we can use this to mean even more for our clients and employees. Effective steps to achieve this goal were taken in 2017.

Several clusters were reinforced with new employees, we strengthened the organisation and successfully devoted more attention to marketing and acquisition. GMB is gradually gaining in strength across the whole company, becoming more robust and therefore less vulnerable. Other important points of attention in 2017 were the theme of ‘working safely’ and the retention of our employees. We might have the most wonderful ambitions, but we can only achieve them together with our employees and, of course, with our principals and partners. Improving together!

*Gerrit-Jan van de Pol | Jan van Middelkoop*

## From the Supervisory Board

We can best describe 2017 as the year of investment in the future. In 2016, several clusters recovered from unexpected developments in the past and other clusters were able to successfully continue their chosen course. A new strategic business plan was also drawn up for each cluster in 2017 and these plans already began to bear fruit last year.

The choices made in 2016 and 2017 were implemented successfully. Consequently, the risks have decreased, and several major projects were completed satisfactorily. After just one year it is too early to predict the degree to which the new plans will produce better results, but the signs are encouraging. For 2018, the motto is – based on healthy ambitions – stick to the strategy, continue to reinforce GMB and remain vigilant for new opportunities in our area of focus.

*Jan Casteleijn (Chairman) | Frank Koote | Kees Wielaart*



GMB report of the board of directors | 2017

## 1 Policy & Strategy

### The progress of GMB

#### A wonderful result

Once again, we look back on a good year for GMB. Despite the predicted temporary shrinkage of the dike reinforcement and construction market we succeeded in generating a turnover of 138 million Euros, including our share in building joint ventures. This implies that the remaining GMB clusters registered good turnover figures. So, considering this, we can be satisfied with the result of a profit of 7 million Euros before tax. It highlights the ever-improving structural profitability of our activities.

#### Moderate expectations

In 2018, the turnover of GMB Waterveiligheid & Constructies is expected to decrease by 10 million Euros, which means that the turnover figures for GMB as a whole are treading water. If the high-water safety activities for which we are tendering this year are implemented from 2019, we expect these to amply compensate for the temporary dip. For the clusters that perform stably and have favourable medium-term prospects, we have budgeted the turnover for 2018 at 131 million Euros, with a result that is expected to be lower.

#### In 2017

- 138 million Euros turnover
- 7 million Euros profit





## GMB Services

## 2 Clusters | GMB Services

### The figures

GMB Services is becoming increasingly firmly rooted in regional water authorities, drinking water companies and industry, this is evident in the figures. The growth in 2017 - including the turnover of Grondbereik - resulted in a turnover of almost 14 million Euros, with a good result.

### In 2017

- Reinforcement of the organisation
- Organic growth
- Broad types of contracts

### Strategic activity

In 2017, the new strategic business plan was translated into the strategic action plan, several elements of which were initiated immediately. New professionals were recruited in the professional disciplines: concrete construction, electrotechnology and mechanical engineering. This was prompted by the full order portfolio and by strategic considerations - the focus on industry will be continued in the coming years.

### Opportunities in industry

Besides multi-technical service for regional water authorities and drinking water companies, we are focusing on industry with increasing success. This market requires even more proactivity, client-focus and creative capacity because industrial companies frequently have limited knowledge and fewer professional specialists in the field of water treatment technology at their disposal. After all, it is not their core business. In 2017, further steps were taken by giving acquisition and account management a structural place in our organisation.

### Other types of contract

Regional water authorities and drinking water companies also offer us opportunities to demonstrate what we have to offer - besides professional implementation, we see more and more that projects estimated at hundreds of thousands of Euros are tendered as UACic or Bouwteam contracts and we must not ignore this development. The company agency functions that we wish to structure in the short term are being created at GMB Services. Recruiting personnel is an important goal for 2018.

### Challenging prospects

The prospects for 2018 are encouraging and challenging. At the close of 2017 we had a well-filled order book plus three framework contracts with Waterschap Hollandse Delta in different professional disciplines. We expect to receive similar requests for framework contracts from other regional water authorities.





# GMB Rioleringstechnieken

## The figures

Full fruits with a juicy result. That is how we can best describe the figures of GMB Rioleringstechnieken. In comparison with the outstanding year 2016, turnover increased by 20 percent to 15 million Euros. In addition, the good result of 2016 also improved proportionately. A great achievement.

## In 2017

- High productivity
- Ongoing growth
- Focus on organisation

## Challenges and growth

Giant steps are being taken towards the goal to become the leading sewer renovation company in the Netherlands. The combination of innovative renovation, including our own cleaning and inspection, good references and target-oriented marketing is having an effect. In 2017, we also successfully started the renovation of sewer sumps.

Our new (third) UV unit was fully operational in the second half of 2017, this significantly boosted turnover. We had a great deal of work all year, so having sufficient manpower and a good organisation at our disposal were important challenges. A large number of new people were recruited who had to be properly instructed. This, combined with the high workload, was a tough challenge for our personnel.

## A new set up

With the expected ongoing growth in mind, GMB Rioleringstechnieken adapted its organisation. We had already appointed an operational coordinator in 2016. In 2017, we contracted three contractors and appointed a head contractor from our own organisation. This structure of supervision of applicators and site managers unencumbers the company management, allowing it to devote more attention to the

further growth of the organisation and account management. An important event was the conversion and modernisation of our office in Kampen. The modernised office, which was taken into use in 2017, provides a working environment with a peaceful atmosphere. In short - more job satisfaction.

## Treading water

The motto for 2018 is stabilisation. Tread water and facilitate the smooth running of the organisation. Investment in extra equipment is not necessary. But we will make replacement investments for equipment in pipe inspection and sewer renovation in addition to cutting robots in 2018.



## A year of consolidation

More kilometres of renovation enter the market every year. Naturally, we expect to enjoy our share of this. Partially in the context of stabilisation, we expect the same turnover in 2018 as in 2017.



# GMB BioEnergie

## The figures

With a turnover of 24 million Euros and a moderate result, 2017 was less fruitful than what we are used to. This was strongly influenced by the difficult sales of bio granulate.

## In 2017

- Reasonable sludge processing, excellent composting
- Disappointing result
- Difficult sales

## Dynamic movement

In 2017, GMB BioEnergie invested in the future. In terms of technology, the year was largely dominated by the overhaul and updating of the machinery fleets. Simultaneously, the loss of sales channels for bio granulates, higher gate costs and lower rates on the profit side accelerated the reorientation in the market.

## Sustainable growth and pioneering

GMB BioEnergie in Zutphen received significant numbers of unexpected complaints regarding odours, this resulted in extra work and expense. The number of reports of odours fell to almost zero after the execution of several measures. In 2018, a dewatering building will be built that houses items including an extra - second - decanter. This will increase the dewatering capacity to 400 thousand tons which enormously expands the sludge dewatering capacity of Zutphen. In 2018, 10,000 solar panels will be installed on the roofs of the process buildings. The 2.7 Megawatts of sustainable energy that they will produce will be used for operational purposes.

It is expected that the Tiel branch will focus completely on the communal production of bio granulate for French agriculture. Sales to coal-fired power stations are becoming increasingly difficult. In 2017, we were even forced to landfill compost. Only sludge from communal wastewater treatment plants (wwtps) was processed in Tiel in 2017.

Wwtp 'Energiefabriek' Venlo has made essential steps with thermal hydrolysis. The installation is now operating correctly, but there are still action points on the agenda for 2018. The BIR in Lichtenvoorde had another stable and fruitful year. Gate fees will have to rise due to higher sales costs of digestate. The sales routes for digestate and wastewater will have to be reconsidered in connection with this in 2018.

GMB BioEnergie is working on the End-of-Waste recognition of the bio granulate produced communally in Tiel, which will enable it to be sold as a product in the French agricultural market. Circular economy in optima forma: phosphate and other nutrients are returning to the soil and CO<sub>2</sub> is stored in the soil.



## A challenging year

The theme for 2018 is searching for structural solutions for the sale of bio granulate. This is partially influenced by the status of the Eural codes. An important item. Zutphen is producing well and will be given even more capacity, Tiel is operating without technical problems and the composting installations in Lichtenvoorde and Venlo are becoming increasingly profitable. Against a background of increasing processing capacity requirement in the market, this indicates good prospects.



## GMB Waterkwaliteit & installaties

### The figures

While a fruit-bearing tree was expected, the harvest was poor. With turnover of 42 million Euros, GMB Waterkwaliteit & Installaties booked a moderately positive result. The results were in the red last year. The message now is - continue with the upward trend.

### In 2017

- Pressure on wwtp Utrecht
- Moderate result
- Strengthening of the organisation

### Wwtp Utrecht

The turnover in 2017 can be largely ascribed to the construction of the new wwtp Utrecht by the Heijmans/GMB joint venture. Despite extensive preparation we were surprised by the complexity and short throughput times, which obliged us to use up some of the potential result. Simultaneously, we also learned from this mega project. During 2017 we gained a better grip on the project and process management. The construction of wwtp Utrecht is now progressing rapidly.

GMB Waterkwaliteit & Installaties positions itself as the best integrated water quality contractor in the Netherlands, with the focus on water treatment and drinking water pumping stations. We do not claim to be able to do everything but what we can do, is done to the best of our capability. In 2017 we executed a series of operations under skilled supervision and with the predicted results, including the renovation of the storage basin pumping station Spaarndam and the high-pressure pipelines and pumps at 'OPAH Haarlemmermeer' as well as the Design & Construct assignment for the drinking water company Dunea for the Leyweg pumping station.

### Building the organisation

GMB Waterkwaliteit & Installaties continued to build an all-round organisation that can handle complete projects, from design to aftercare. Several personnel were recruited for this purpose in 2017, including a design manager, two work planners and two contractors. The integration of the professional discipline of mechanical engineering, which started in 2016, is progressing as expected. We will recruit more professionals for this in 2018.



### Stabilisation in 2018

The order book at the start of 2018 was smaller than what we are used to. At the same time, we see that sufficient projects that are suitable for us are being tendered. Our goal for 2018 is to generate a turnover of 35 million Euros including the completion of wwtp Utrecht. We will continue to work on a stable and healthy organisation.



## GMB Waterveiligheid & constructies

### The figures

The term 'fruitful harvest' is inextricably linked to GMB Waterveiligheid & constructies. An outstanding result was achieved with the predicted turnover of 17 million Euros. This can be ascribed to the successful completion of projects that we have executed in recent years.

### In 2017

- Modest turnover
- Good result
- Successful projects

### Broad input

In anticipation of the call for tenders for the upcoming HWBP (Flood Protection Programme), 2017 was characterised, as expected, by a decrease in turnover. The fact that we successfully tendered for several attractive jobs, including the quay improvement in Berkel and Rodenrijs and Zaanse Rietveld and the construction of the Sint Jansbeek in Arnhem, meant that the order book remained amply filled.

Preparation, risk management and cooperation were translated into a solid result in these operations. But we enjoyed the most generous harvest at the end of several major projects – we benefitted significantly from the completion of the dike improvement at Hagestein-Opheusden (HOP) and the dike reinforcement at Eiland van Dordrecht.

### Reinforcement of expertise

In recent years, GMB Waterveiligheid & Constructies has sharpened its focus, determined what its special strength and added value is, and used this as the starting point for strengthening the organisation. In 2017, our employees followed training courses on subjects including soil composition, sheet-piling constructions and

the calculation and evaluation criteria for dike constructions. Anchoring this knowledge broadly in our organisation improves our ability to deal with our challenges.

### On course for 2020

We are also taking a preliminary look at 2019/2020, the period in which HWBP projects will be executed and in which we will simultaneously submit tenders for new work. This will put pressure on our organisation. Partly with the over-heated employment market in mind, we are already focusing on possible solutions for the expected vacancies.



### Subdued expectations

It is clear that there can be no real growth in turnover again before 2020, when HWBP projects will be executed. We have managed to take on the first major job in the new HWBP, the dike improvement at Gorinchem-Waardenburg (GoWa), in a joint venture. In 2018, we will flex with the market and budget the turnover at 15 million Euros.





## GMB Haven & industrie

### The figures

The result can also be disappointing even when the tree is full of fruit. GMB Haven & Industrie achieved a turnover of 30 million Euros in 2017. However, complications during the construction of the Krammer wind farm reduced the result significantly. Simultaneously, other projects generated an excellent result.

### In 2017

- High market demand
- Reinforcing our strength

### An educational year

Thanks to the construction of the Krammer wind farm project in 2017 a turnover was generated that had been foreseen for the coming years of growth. But this is not a reason to look back with satisfaction – delays that were ascribed to us are putting the result under great pressure.

In 2017, we once again practiced cherishing our identity. Not responding to every invitation for quotation, no ifs and buts, only explicit choices. Work that is suitable for us. And that was abundant – the setting up of eleven hectares of heavily loaded terrain and the installation of a crane gantry for RST and in the Waalhaven for Steinweg site reconstruction. All this and more projects, besides the ongoing work for the Krammer wind farm.

### Investing in the organisation

The goal of GMB Haven & Industrie is healthy growth. In the long term our size and contribution must be equal to GMB Waterkwaliteit & Installaties and GMB Waterveiligheid & Constructies. We have the knowledge and skills for this. We focus primarily on the continued development of our organisation and on marketing and acquisition. In this regard, the appointment of a commercial manager already bore fruit in 2016.

### Focused expansion

It is precisely in our specialised field of work, in which knowledge, quality and client-orientation are decisive factors, that the availability of good professionals is essential. Because of our growth ambitions and the busy times ahead, in 2018 we will focus on various aspects, including increasing the number of project managers and project leaders.



### Favourable prospects

The prospects are positive – in January the order book for 2018 was worth more than 20 million Euros. Besides the ongoing work for the Krammer wind farm, the previously mentioned projects in the Port of Rotterdam, other industrial areas and partnerships for several wind farms, it is primarily the building of a thermal treatment plant for REKO that is contributing substantially to the turnover.



## HRM



## From Personnel department to HRM

In 2017, the Personnel department was renamed the HRM department. This was prompted by our ambition to build a healthy organisation together with our employees. A stimulating environment in which the goals of GMB and the competences, the ambitions and the development of the employees match each other.

## Leadership and Management Drives

Education and training courses were given full attention. The key phrase for GMB is 'improving together'. Leadership and Management Drives training courses were organised in this context.

## Growth

GMB had 351 employees at the close of 2017. A modest growth in relation to 2016. Moreover, we saw our flexible shell grow. In 2018 we expect another small increase. We welcome interns and graduates.

## Absence due to sick leave

At 3.7 percent, the absence rate was again a little lower than the previous year. We aim to achieve a further reduction to a maximum of 3.5 percent in 2018.

Absence due to sick leave

2017  
3,7%

2016  
4,0%

## Vitality

Sustainable usability is an important theme for GMB. In 2018, we will campaign for a healthy lifestyle under the motto BRAVO: Bewegen, Roken, Alcohol, Voeding, Ontspanning (exercise, smoking, alcohol, nutrition and relaxation).

## ICT



## Projectplein (project square) to the cloud

We will continue the further transition to the cloud in phases. The migration from Projectplein to SharePoint Online started in the autumn of 2017. When this environment was set up we were able to start moving the project data in January 2018. This will take several months and will take place almost unnoticed. Everyone will continue to safely use the current Projectplein on which all information will remain available. New projects are placed in the cloud and existing projects are being transferred in phases.

## Mail address and GMB App

All professionals will be given their own e-mail address for the communication between and with GMB employees. Everyone was also given a smartphone in order to be able to be obtainable. The new GMB App is installed on these phones. Besides easy access to the GMB Infoplein, this App is also very handy for news and information on safety, projects, birthdays, anniversaries and the expertise of colleagues.

## Data Security

Our server environment was expanded with Microsoft Intune. This enables us to proactively manage and monitor all devices running on Windows, iOS or Android. In 2018, we will follow this up by setting up Azure Rights Management.

In 2017, we signed a contract with SOPHOS for extensive data centre security. We also increased the bandwidth between the servers because of increasing data traffic.

## QHSE



## ISO recertification

In September 2018, we expect to transfer our ISO certifications 9001 and 14001 from the existing versions to the new editions of 2015. Where the current certifications emphasise the standard, the quality manual and process descriptions, the new versions of the ISO standards are based more on business operations, risk management and the work environment of the organisation. This principle of thinking in terms of quality fits the GMB vision.

## MZS (Management System)

Several improvements were implemented in 2017 as preparation for the audits in April 2018. For example, the entire Management System was reorganised for GMB Services. This will take place in the first months of 2018 for GMB Rioleringsstechnieken, with which the MZS will be updated for all clusters.

## Safety awareness

Safety was the leading theme in 2017. In every discussion and at all workplaces. In 2018, our own safety awareness programme will be launched, and our own safety identity will be created for GMB. In preparation for this, the development of our own safety vision and values was central in 2017.

## Expansion of the Quality, Health and Safety and the Environment (QHSE) department

Prioritising safety resulted in the expansion of the QHSE department with three new colleagues.

## Accidents at work involving absence

The number of accidents involving absence increased in 2017 in comparison with 2016. This increase surprised us and prompted improvement measures. We encourage working safely and accident prevention by organising the GMB safety days for all employees and constantly working on safety awareness. In 2018, the primary focus will be on reporting unsafe situations and the potential danger during incidents.

IF-index

2017

8,3

2016

3,2







The social contribution of GMB involves more than just providing long-term employment. We regard it as our duty to use our expertise and experience for the well-being of people and the planet. Together with our principals, joint venture and chain partners, we are working on improving safety, making a cleaner world and effective management of raw materials and energy.

### People

Proactive safety was the theme of 2017. The main thrust of the internal awareness campaign was 'We work safely, or not at all'. We also invested heavily in personal training, and this will continue in the upcoming years. The results of the Periodic Medical Examination (PAGO) indicated that our employees have a moderately healthy lifestyle.

### Planet

In Zutphen, we made preparations for the placement of solar panels on the roofs of the process halls in 2018. We will use the 2.7 Megawatts of sustainable energy that they produce for the business operations. The contract with Nuon for the purchase of Dutch wind energy

was expanded. This enables us to meet a portion of our own energy needs, which supports our sustainability goals.

In France, GMB BioEnergie is working on the recognition of the bio granulate produced in Tiel from communal sludge (without additives), which would make it permissible for use in French agriculture. Phosphate and other nutrients are returning to the soil, and CO<sub>2</sub> is stored in the soil.

### Profit

In 2017, BIR in Lichtenvoorde successfully supplied residual heat to the Meekenesch swimming pool. This means that the pool no longer requires natural gas for heating. Residual heat for the Antoniushoeve care home and the annex of the town hall are in prospect.

### Society

GMB employees can submit spending proposals for our Social Support Fund. In 2017, we supported Stichting Kinderen van de Voedselbank in the municipality of Neder-Betuwe and we sponsored a number of items, including the acquisition of woodwork machinery for Het Lijsternest sheltered employment centre.

In 2017, the spouse of one of our employees treated 1000 children in the slums of Manila in cooperation with other volunteers for Medical Checks for Children. The fund sponsored 50 percent of her mission expenses. In Ghana, GMB employees helped to construct a sewage system in a residential district. This was prompted by previous contact in 2016.

## 4 Finances

# Balance sheet

Assets (rounded off x 1,000 in Euro)	2017	2016
Intangible fixed assets	16	53
Tangible fixed assets	45,072	41,566
Financial fixed assets	1,470	835
Inventory	503	448
Accounts receivable	18,110	15,894
Liquid assets	9,035	18,507
<b>Total assets</b>	<b>74,206</b>	<b>77,303</b>

Liabilities (rounded off x 1,000 in Euro)	2017	2016
Group equity	38,462	36,416
Provisions	3,886	3,481
Long term liabilities	7,731	9,763
Construction work in progress	987	4,344
Short term liabilities	23,140	23,299
<b>Short term liabilities</b>	<b>74,206</b>	<b>77,303</b>



Net group result (x 1,000 in Euro's)



Solvability in %





## Profit and loss account

Revenue and expenditure (rounded off x 1,000 in Euro)	2017		2016	
Net turnover	110,169		107,403	
Change in inventory of finished projects and construction work in progress	3,357		-2,047	
Other operating income	113		233	
Total operating income		113,639		105,589
Costs of raw materials and consumables, subcontracted outsourcers work, and other external charges	67,436		57,445	
Personnel expenses	25,340		25,678	
Depreciations	4,060		3,660	
Impairments	0		291	
Other operating expenses	15,750		15,199	
Total operating expenses		112,586		102,273
Operating result		1,053		3,316
Result of consortium works		6,350		4,881
Financial revenue and expenses		-342		-415
Result before taxes		7,061		7,782
Taxes		-1,413		-1,047
Result of participating interests		8		127
Net group performance		5,656		6,862

## Key indicators

	2017	2016	2015	2014	2013	2012
Turnover	110,169	107,403	119,858	125,408	131,355	123,037
Turnover ratio TP	1,48	1,39	1,64	1,78	1,78	1,67
Profit margin	0,95%	3,09%	3,12%	2,72%	-1,42%	0,60%
Net group performance	5,656	6,862	4,080	2,102	-1,806	1,152
Profitability TP	10,0%	10,6%	8,1%	4,9%	-2,0%	2,7%
Balance sheet total	74,206,488	77,303,022	73,230,464	70,441,440	73,836,569	73,725,641
Solvency	51,83%	47,11%	41,76%	41,40%	36,70%	40,00%

## Turnover

(Rounded off x 1,000 in Euro)	2017	2016	2015	2014	2013	2012
GMB Civiel	59,398	56,292	72,582	77,397	88,819	85,424
GMB BioEnergie	23,543	24,395	25,284	24,187	22,104	19,870
GMB Services	13,197	13,206	11,148	12,463	12,002	10,372
GMB Riolerings technieken	14,468	13,510	10,359	10,493	10,051	7,792
Other including eliminations	-437	0	485	868	-1,621	-421
Total turnover excluding consortiums	110,169	107,403	119,858	125,408	131,355	123,037
Turnover from consortiums	27,771	27,437	26,901	25,550	47,323	18,379
Turnover including consortiums	137,940	134,840	146,759	150,958	178,678	141,416

Turnover excluding combinations	2017	2016	2015	2014
GMB Civiel	54%	52%	62%	62%
GMB BioEnergie	21%	23%	19%	19%
GMB Services	12%	12%	10%	10%
GMB Riolerings technieken	13%	13%	9%	9%
Total	100%	100%	100%	100%
Total excluding combinations	110,2	107,4	119,9	125,4

Turnover including combinations	2017	2016	2015	2014
GMB Civiel	63%	62%	69%	69%
GMB BioEnergie	17%	18%	16%	16%
GMB Services	10%	10%	8%	8%
GMB Riolerings technieken	10%	10%	7%	7%
Total	100%	100%	100%	100%
Turnover including combinations	137,9	134,8	146,8	151,0





## Looking ahead

### Healthy ambitions

We when we look at the progress from 2017 to 2018 and beyond, we can say that GMB is on course. The strategic business plans of the clusters were converted into strategic action plans in 2017 which not only contribute to the result but simultaneously reinforce the awareness and the positioning of the clusters. It is true that GMB BioEnergie, GMB Waterkwaliteit & Installaties and GMB Waterveiligheid & Constructies face tough challenges in 2018 but the prospects give us every reason to feel confident. There is a great deal of demand in the market, while the healthy urge to perform in the GMB clusters is becoming increasingly recognised and fulfilled.

### Human capital

In 2017, the personnel department became HRM. Besides investing 6.4 million Euros in 2018 in technology and equipment, we emphatically focused our attention on our most important capital – our employees. We will use various programmes to match the organisational goals of GMB to the personal talents and ambitions of the employees as effectively as possible. This will produce better, more involved employees, thereby boosting the quality of our organisation.

### Corporate Identity

If we want our employees, principals, partners and suppliers to feel comfortable with GMB, who we are and what we stand for must be crystal clear to everybody. Therefore, we will re-establish our core values after ten years in 2018, based on extensive internal research. We will study the degree to which they match our current positioning, and it almost certainly means that we will redefine 'The 7 certainties of GMB'. Pruning worn out values and cherishing new values – this typifies the healthy ambitions of GMB.

