



ANNUAL REPORT 2016

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**SERVICES & MAINTENANCE**

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ANDUS GROUP

## THE GROUP OF COMPANIES

AS PER MAY 1, 2017



### Manufacturing

FIB Industries  
Gouda Refractories  
Van Voorden Foundry

### Services & Maintenance

Gouda Vuurvast Belgium  
Gouda Vuurvast Services  
Gouda Feuerfest Deutschland  
ISS Projects Slovakia  
Lengkeek Staalbouw

### Contracting

Armada Janse  
Armada Mobility  
HSM Offshore  
HSM Steel Structures  
RijnDijk Construction

*Serving the industry*



ANDUS GROUP

## COMPANY PROFILE

Andus Group is the holding company of independent subsidiaries. Over 100 years of experience underlies the leading position that Andus Group companies have built up worldwide within the industry.

The operating companies of Andus Group are grouped into three divisions: Manufacturing, Services & Maintenance and Contracting. Within each of these three divisions, the focus is on the end user in one of the following market segments: industry and petrochemicals, energy, civil engineering, oil & gas, rail infrastructure, food and pharmaceuticals, dredging and maritime. Because the market cuts right across the divisional structure, any of the three divisions may operate in virtually any of the market segments that Andus Group focuses on.

Andus Group has evolved into a powerful, multidisciplinary organisation that is capable of creating added value for its customers with a wide range of services. Not only are we manufacturing and installing refractory linings and concrete, we also build bridges and locks, platforms for the offshore industry, we deliver high alloy castings, we are active in the field of corporate identity signage and traveller related facilities in and around public areas such as railway stations. Moreover we manufacture stainless steel process equipment and undertake complex steel construction projects. The whole of Andus Group offers a wide range of technical solutions and services to their customers worldwide.

In 2016 the organisation has a combined turnover of €242 million

and has approximately 1,000 employees in the Netherlands, Belgium and Slovakia. It is a company in perfect health, operating at the top of the market. Alongside autonomous growth, Andus Group strives for growth through acquisitions.

Andus Group is a strong, reliable partner for its customers, giving top-priority to the highest safety and quality standards.

### SERVING THE INDUSTRY

The Group sees its mission as: 'Serving the industry'. This motto means that customers can always call on the specialised know-how and attention in the field of process equipment and constructions, refractory solutions, offshore and maritime projects. A healthy mix of reliability and a constant drive for innovation ensure that Andus Group is able to successfully maintain its top position in the market.

Andus Group is a solid company that combines human added value with modern entrepreneurship, high quality technology, safe working and inspirational leadership.

ANDUS GROUP

## THE GROUP OF COMPANIES

AS PER MAY 1, 2017

### EUROPE

The Netherlands | Belgium | Germany | Slovakia  
France | Greece | Italy | Norway | Spain

### NORTH AMERICA

Canada | USA

### SOUTH AMERICA

Argentina | Brazil | Venezuela

### AFRICA

Egypt | Mozambique | South Africa

### ASIA

Bahrain | China | India | Indonesia | Qatar  
Saudi Arabia | South Korea | UAE

### OCEANIA

Australia

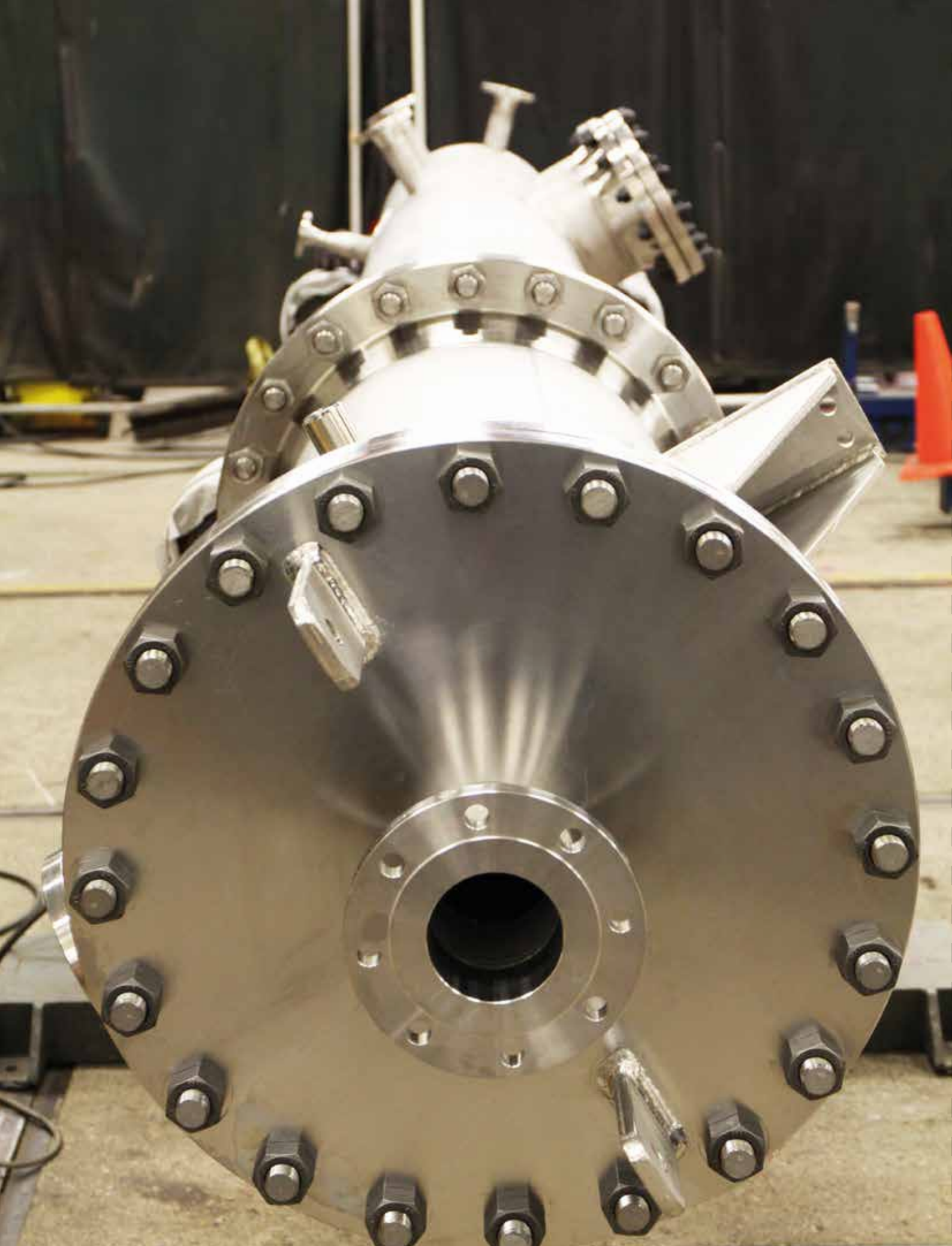
● Andus Group Companies

● Local partners









**MANUFACTURING**

ANDUS GROUP

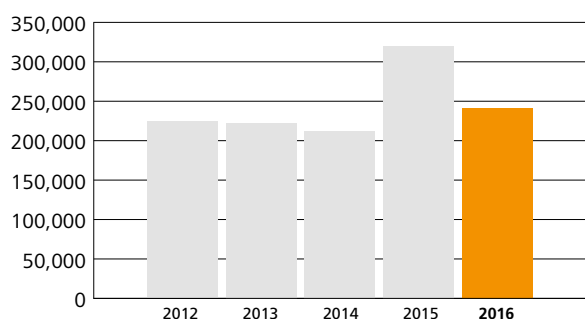
## KEY FIGURES

amounts in € x 1,000

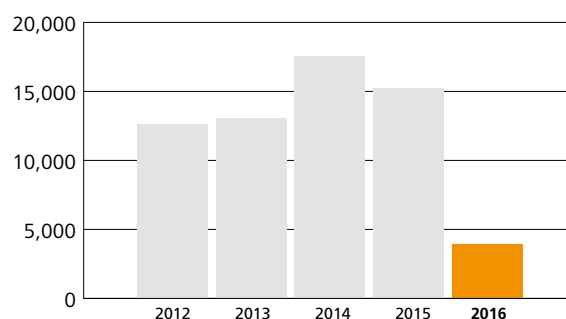
	2016	2015	2014	2013	2012
<b>Operating income</b>	<b>241,572</b>	319,828	211,911	222,786	224,276
<b>EBITDA*</b>	<b>3,928</b>	15,241	17,555	13,085	12,654
<b>Operating results</b>	<b>-5,812</b>	9,532	12,001	6,010	6,019
<b>Net result</b>	<b>-4,493</b>	7,052	8,769	4,223	4,366
<b>Operating results/Operating income</b>	<b>-2.4%</b>	3.0%	5.7%	2.7%	2.7%
<b>Net result/Operating income</b>	<b>-1.9%</b>	2.2%	4.1%	1.9%	1.9%
<b>Shareholders' equity</b>	<b>29,170</b>	33,663	33,493	35,357	34,148
<b>Balance sheet total</b>	<b>82,962</b>	104,601	90,295	88,095	86,719
<b>Shareholders' equity/Balance sheet total</b>	<b>35.2%</b>	32.2%	37.1%	40.1%	39.4%
<b>Net result/Shareholders' equity</b>	<b>-15.4%</b>	20.9%	26.2%	11.9%	12.8%
<b>Current assets - current liabilities</b>	<b>3,376</b>	3,204	2,862	-947	1,868
<b>Average number of employees</b>	<b>1,030</b>	994	876	872	818

\* EBITDA = earnings before interest, taxes, depreciation and amortization.

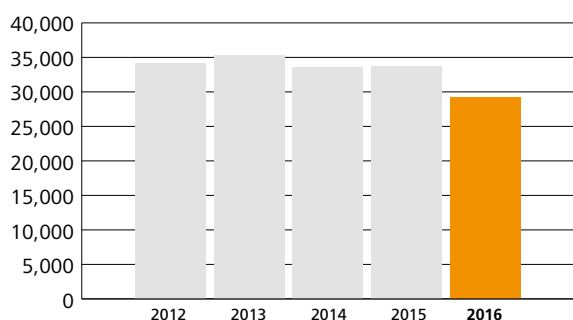
Operating income (in € x 1,000)



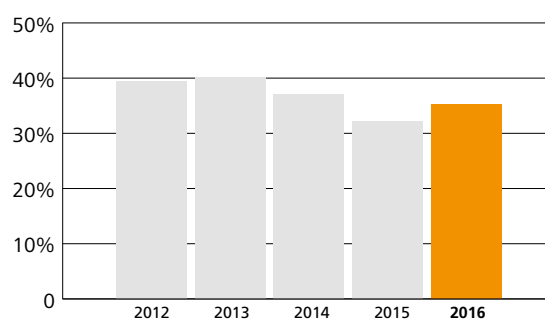
EBITDA (in € x 1,000)



Shareholders' equity (in € x 1,000)



Shareholders' equity/Balance sheet total (in %)







**SERVICES & MAINTENANCE**





## VERSLAG VAN DE DIRECTIE 2016

**Het jaar 2016 was een bijzonder jaar met twee gezichten. Elf werkmaatschappijen hebben redelijk goede tot uitstekende resultaten laten zien en drie bedrijven hebben te kampen gehad met (zeer) lastige marktomstandigheden.**

### DE ONTWIKKELINGEN

De vijf bedrijven binnen de divisie Services & Maintenance laten al jaren achtereen een sterke performance zien. In 2016 zijn zij erin geslaagd om een recordomzet en -resultaat neer te zetten. Deze divisie is al geruime tijd een solide basis binnen onze groep en dat zal ook in 2017 zo zijn. Binnen de divisie Contracting hebben HSM, Armada Janse en Armada Mobility goed gepresteerd. Ondanks dat de olie- en gasmarkt achterblijft en een zeer beperkt investeringsniveau kent, is HSM er wederom in geslaagd om een prima resultaat neer te zetten. Het feit dat zij zich ook op de offshore windmarkt en de civiele markt (bruggen en sluisen) richt, heeft zich in 2016 uitbetaald. Een spoorbrug voor ProRail en een groot trafo-platform voor Dong Energy hebben de productie goed gevuld. Na de herstructurering in 2015 bij zowel Armada Janse als Armada Mobility, hebben beide bedrijven in 2016 een positief resultaat behaald. Binnen de divisie Manufacturing hebben FIB Industries en Gouda Refractories bij iets lagere omzetten goede resultaten behaald. Kortom: een zeer sterke en solide prestatie van al deze bedrijven.

### Nedstaal

Begin november 2016 hebben we helaas moeten besluiten om de bedrijfsvoering van Nedstaal te beëindigen. De voor Nedstaal zeer belangrijke olie- en gasmarkt, is in 2016 vrijwel volledig weggevallen, net zoals de hiermee samenhangende maritieme markt en de markt voor 'heavy equipment'. Deze vraaguitval, in combinatie met een verdere prijsdruk voor staal door de groeiende overcapaciteit én het ontbreken van goede vooruitzichten voor de komende jaren, heeft zijn negatieve weerslag gehad op het bestaansrecht van Nedstaal.

Door de activiteiten niet per direct te beëindigen, maar af te bouwen, hebben wij alle klanten kunnen voorzien in hun vraag voor het eerste kwartaal van 2017, alle handelscrediteuren kunnen afwickelen en afscheid kunnen nemen van onze medewerkers door middel van reguliere ontslag aanvragen. Het afbouwen en beëindigen van een onderneming is natuurlijk niet iets wat wij graag doen, maar de manier waarop dit is gebeurd – bij de omvang en complexiteit van Nedstaal – geeft ons toch een gevoel van gepaste trots. Een flink aantal mensen heeft zich met veel energie en toewijding gericht op

een zo'n goed mogelijke afwikkeling en een woord van dank aan hen is dan ook op zijn plaats in dit jaarverslag.

### Van Voorden

Als gevolg van de sterk teruggevallen vraag in de scheepvaart en een bijna volledig weggevallen vraag in de baggerindustrie, is 2016 opnieuw een moeilijk jaar gebleken voor Van Voorden. De omzet is de laatste jaren meer dan gehalveerd. Hierdoor zijn de verliezen dusdanig hoog opgelopen dat begin 2017 is besloten om door te starten in een sterk afgeslankte vorm. Hierbij is het kostenpatroon afgestemd op de verwachte omzetten. Uitermate vervelend, maar helaas bittere noodzaak. Door de doorstart en de wijze waarop dit is geëffectueerd, is de werkgelegenheid voor een deel van de mensen behouden, konden alle klanten bediend blijven worden en alle leveranciers worden betaald.

### RijnDijk Construction

Ook RijnDijk Construction kende een moeilijk jaar door een moeizaam en financieel slecht project in Ierland en de nasleep van een aantal andere complexe projecten. Daarnaast zijn er in de markt waarin het bedrijf zich beweegt weinig projecten voorhanden, waardoor het prijsniveau sterk onder druk staat. Mede hierdoor is besloten de organisatie drastisch aan te passen aan de economische werkelijkheid, waar eind 2016 mee is begonnen. Deze ingrijpende reorganisatie zal in 2017 worden afgerond, waarna er een slagvaardige en professionele organisatie staat die zich richt op kleine en middelgrote projecten in de industriële sector in met name Nederland.

### FINANCIËLE GEGEVENS

De omzet is in 2016 uitgekomen op ruim € 241 miljoen. De operationele EBITDA (voor eenmalige afboekingen) bedraagt € 7,3 miljoen en de bijbehorende EBIT € 1,66 miljoen.

Als gevolg van de bedrijfsbeëindiging van Nedstaal en de doorstart van Van Voorden hebben er in 2016 eenmalige afboekingen plaatsgevonden op met name de vaste activa. Na de verwerking van deze eenmalige posten bedraagt de EBITDA in 2016 € 3,9 miljoen en de EBIT -/- € 5,4 miljoen.

De afboekingen hebben geen invloed gehad op de liquiditeit. Door een sterke focus op optimalisatie van de voorraad en op de betaalingstermijn van de debiteuren is er in 2016 sprake van een positieve kasstroom van ruim € 9,5 miljoen. Mede hierdoor is er sprake van een zeer ontspannen gebruik van de bankfaciliteit.



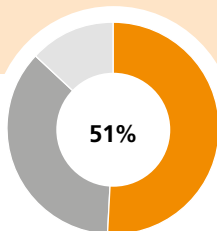
## OMZET PER DIVISIE

Bij Andus Group hanteren we een divisiestructuur, waarbij de indeling is gebaseerd op het type activiteit dat het bedrijf uitvoert. Binnen de divisies ligt de focus op de eindklant, waardoor het mogelijk is dat meerdere werkmaatschappijen dezelfde eindklant bedienen.

### MANUFACTURING

In deze divisie zijn onze productieactiviteiten samengebracht. Dit betreft de productie van:

- Vuurvaste stenen en betonnen.
- Roestvaststalen process equipment.
- Industrieel gietwerk in Nikkel Aluminium Brons, RVS, gietstaal en gietijzer.

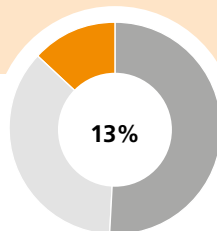


### SERVICES & MAINTENANCE

Binnen deze divisie vallen alle bedrijven die zich primair richten op service- en onderhoudswerkzaamheden op het gebied van:

- Vuurvaste stenen en betonnen.
- Staalconstructies.

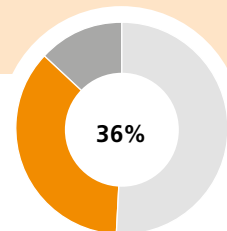
Het zwaartepunt ligt bij de afvalverwerkende en (petro)chemische industrie.



### CONTRACTING

Deze divisie bestaat uit de bedrijven die zich bezighouden met het aannemen van projecten, waaronder het bouwen van:

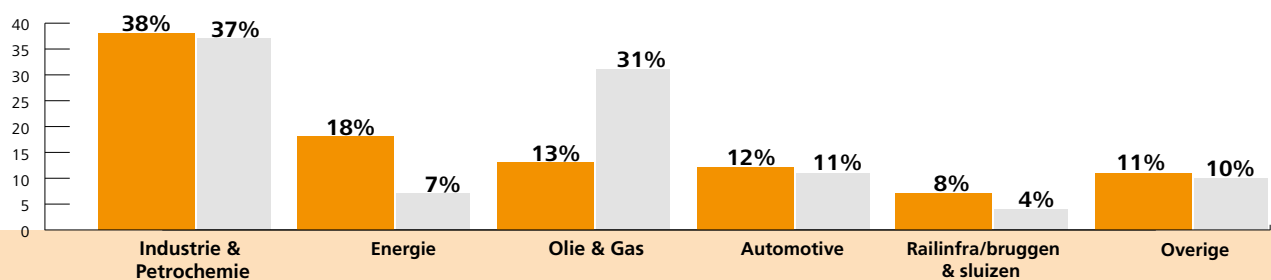
- Offshore installaties.
- Multidisciplinaire staalconstructieprojecten voor de (petro)chemische en zware industrie, de energiemarkt en de complexe utiliteitsbouw.
- Grote infrastructurele projecten zoals stalen bruggen en sluiscomplexen.
- Speciale projecten voor het spoor en de openbare ruimte.
- Totaaloplossingen op het gebied van licht-reclame.



## MARKTSEGMENTEN

Binnen de omzetverdeling per sector zien wij een sterke afname in de olie- en gassector en een sterke toename in de energiesector. In de overige sectoren is de relatieve omzet min of meer gelijk gebleven.

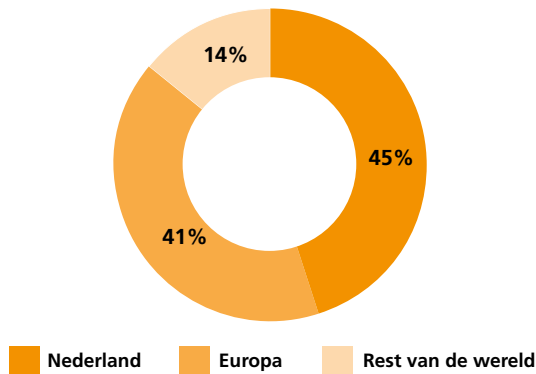
■ 2016  
■ 2015







## GEOGRAFISCHE OMZETSPREIDING



Binnen Andus Group is risicospreiding een belangrijk onderdeel van de strategie. Dit betekent niet alleen spreiding door actief te zijn in verschillende markten, maar ook spreiding in geografische afzetgebieden. Dit maakt ons minder kwetsbaar voor negatieve ontwikkelingen in een bepaald land of regio. Dat komt ten goede aan de continuïteit en het lage risicoprofiel van Andus Group. De procentuele omzet in Nederland is afgelopen jaren iets gestegen, maar meer dan 50% van de omzet wordt buiten Nederland gegenereerd, waarvan bijna 15% buiten Europa. Dit laatste percentage willen we in de komende jaren verder verhogen.

### Industrie en Petrochemie

Ook in 2016 werd in deze sector de meeste omzet gerealiseerd wat zorgt voor een solide basis voor ons bedrijf. Wij hebben weer tal van kleine, grote, complexe en bijzondere projecten gerealiseerd en laten blijvend zien de wensen en behoeften van de klanten (ook op het gebied van veiligheid) goed te begrijpen. Enkele van onze gewaardeerde wereldwijd opererende relaties zijn: Shell, Exxon-Mobil, GEA, Sabic, Shin-Etsu, LyondellBasell, BP, BASF, Total, Dubal, Emal, Rio Tinto Alcan, Petrogas, Technip, AkzoNobel, DSM, Engie (GDF Suez), Indorama, CRI, Yara, Belco, Aperam, Abbott, Fluor, Stork, Dow Chemical, Borealis, Sulzer en Saudi Aramco. Ook in de toekomst zullen wij ons op dit segment blijven concentreren.

### Energie

In 2016 is de omzetbijdrage in dit marktsegment wederom gestegen. De focus op en de investeringsbereidheid binnen de markten voor renewable energy dragen hier sterk aan bij. Wij verwachten dan ook een verdere groei in deze markt.

### Olie & Gas

Deze markt is op dit moment slecht, met sterk teruglopende investeringen. Wij verwachten in 2017 hierin geen verbetering. Op de middellange termijn gaan wij ervan uit dat deze markt weer zal aantrekken en op de lange termijn blijft dit voor ons dan ook een belangrijk segment. HSM Offshore is een van de belangrijke spelers als het gaat om het bouwen van complete platforms voor olie- en gaswinnende bedrijven als Shell, Gaz de France, Petrogas, Total, Chevron en vele anderen.

### Automotive

Onze omzet in dit marktsegment werd geheel gegenereerd door Nedstaal en in dit segment zullen wij dan niet meer actief zijn in 2017. Nedstaal leverde hoogwaardig staal voor voornamelijk krukassen, kogellagers en aandrijfstukken met als klanten onder andere SKF en NSK-AKS.

### Overige segmenten

In de infrastructuur opereren wij voornamelijk in Nederland met als afnemers ProRail en de NS. Ondanks dat dit al jaren een uitdagende markt is, die sterk beïnvloed wordt door overheidsuitgaven, is dit voor met name Armada Mobility een stabiele en interessante markt.

FIB Industries in Leeuwarden opereert voor een deel in de voedingsmiddelenindustrie en heeft een uitstekende reputatie opgebouwd voor wat betreft het leveren van kelderbier- en evenementeninstallaties en bierbevoorradingsauto's. Waar dit in het verleden met name voor Heineken werd gedaan, zijn nu ook Nederlandse klanten als Bavaria en Grolsch vaste afnemers. De export begint geleidelijk vorm te krijgen doordat de installaties en auto's ook zijn verkocht in onder meer Zuid-Amerika, Spanje en Zuid-Afrika. Het is de verwachting dat deze export de komende jaren verder gaat groeien.

De baggerindustrie is jarenlang een markt met sterke groei geweest. Ondanks het feit dat dit momenteel een slechte markt is, zien wij de baggerindustrie op de lange termijn nog steeds als interessante markt. Onze omzet in dit marktsegment is, ondanks de huidige marktomstandigheden, licht gestegen. De grote, wereld-



wijd opererende baggerbedrijven zoals IHC, Boskalis, Van Oord, Deme en Jan de Nul zijn trouwe en tevreden klanten.

De maritieme markt kenmerkt zich al geruime tijd door overcapaciteit en ook in de komende jaren verwachten wij geen (sterke) verbetering. De binnen deze markt gerealiseerde omzet in 2016 is min of meer gelijk met die in 2015. Belangrijke klanten zijn onder andere Steerprop, Fincantieri en Rolls-Royce.

De omzet in de machinebouw kwam in zijn geheel voor rekening van Nedstaal. Zo is er in 2016 onder meer geleverd aan Bosch Rexroth en SEW-EURODRIVE.

### INVESTERINGEN

In de jaren 2010-2014 is er fors geïnvesteerd in uitbreiding en modernisering van het machinepark. Mede hierdoor lagen de investeringen in zowel 2015 als 2016 op een lager niveau en ruim onder het afschrijvingsniveau. In 2015 bedroegen de investeringen € 5,2 miljoen en in 2016 ruim € 4,5 miljoen. De investeringen in 2016 zijn grotendeels vervangingsinvesteringen. Daarnaast is het binnen Andus Group beleid om geen activa te leasen of te huren, waardoor alle investeringen vanuit eigen middelen of bestaande financieringsruimte worden voldaan.

### RISICOBEBEERSING

Andus Group hecht grote waarde aan stringente en adequate risico-beheersing. Het bestuur ziet hier nauwlettend op toe. Wij hanteren een strikt beleid, gericht op een zo groot mogelijke beperking en beheersing van huidige en toekomstige risico's, zonder daarbij afbreuk te doen aan het ondernemerschap en de flexibiliteit. Andus Group heeft onder andere alle debiteurenrisico's verzekerd en alle valutarisico's worden onmiddellijk afgedekt. Bij de meeste (grote) langlopende projecten worden prijzen voor bijvoorbeeld staal vastgelegd.

Bij het aannemen van projecten en grote orders worden alle risico's in kaart gebracht door een uitgebreid team van specialisten. Naast productierisico's, gaat het ook om klant-, landen-, capaciteits-, subcontracting- en financieringsrisico's. Voor de contractuele kant van de zaak werkt het team nauw samen met de juridische afdeling van Andus Group. Bij alle bedrijven worden deze projecten en grote orders periodiek besproken samen met de stakeholders. Hierover wordt uitgebreid gerapporteerd.

Zoals wij aan onze omzetkant streven naar een sterke spreiding om risico's te beheersen, doen wij dit ook aan onze leverancierskant. Voor alle essentiële zaken hebben wij meerdere (vaste) leveranciers/partijen. Dit geldt niet alleen voor de inkoop van materialen en grondstoffen, maar ook voor bijvoorbeeld het onderhoud van ict-systemen en financiële diensten van banken, borgmaatschappijen en kredietverzekeraars. Op deze wijze blijft de continuïteit van de levering van producten en diensten gewaarborgd.

Andus Group geeft hoge prioriteit aan een sterke solvabiliteit en liquiditeit. Potentiële risico's van de onderneming zijn in kaart gebracht en worden regelmatig besproken. Eenmaal per jaar wordt hier in een uitgebreide sessie met de Raad van Commissarissen bij stilgestaan. De controlerend accountant omschrijft onze risicobeheersing al jarenlang als adequaat en van een goed niveau.

### WET BESTUUR EN TOEZICHT

Binnen de Raad van Commissarissen zijn de heren Wouter Waleson en Daan Sperling in 2016 afgetreden en is mevrouw Gerdi Verbeet per 1 september toegetreden. Per medio april is de heer Nico de Vries benoemd als commissaris. Andus Group voldoet met een driehoofdige Raad van Commissarissen, bestaande uit een vrouw en twee mannen, voor wat betreft haar Raad van Commissarissen aan de regelgeving omtrent vertegenwoordiging door vrouwen in het bestuur.

### PERSONEEL EN ORGANISATIE

Medio april 2017 zijn er 750 werknemers in dienst. Het aantal flexibele medewerkers en ingeleende krachten varieert tussen de 100 en 300. Dankzij hen zijn wij in staat pieken en dalen in de markt-vraag op te vangen. Uiteraard hebben de bedrijfsbeëindiging van Nedstaal en Van Voorden hun invloed gehad op het totaal aantal personeelsleden, maar voor het overige hebben geen ingrijpende wijzigingen in het personeelsbestand plaatsgevonden, anders dan het normale verloop. Het ziekteverzuimpercentage voor de gehele groep laat geen grote afwijkingen zien in vergelijking met voorgaande jaren en blijft stabiel op ongeveer 3,5%.

Binnen Andus Group staan de medewerkers centraal. Hun vakmanschap, inzet en loyaliteit maken Andus Group tot wat zij nu is: een groep sterke bedrijven, die ieder voor zich streven naar de top op hun specifieke vakgebied, maar die gezamenlijk een meerwaarde hebben die uniek is in de industrie.



## VEILIGHEID EN MILIEU

Veiligheid en gezondheid van onze medewerkers zijn belangrijke speerpunten binnen onze organisatie. Wij hanteren een strikt veiligheidsbeleid, dat zijn weerslag heeft op onze veiligheidscijfers. Dit wordt ook verlangd door onze klanten. Er wordt veel aandacht besteed aan en energie gestoken in het verhogen van veiligheidsbewustzijn en het voorkomen van ongevallen, mede door het doorlopend blijven stimuleren van onder meer bijna-ongevalmeldingen. Ook het milieu-aspect van onze activiteiten heeft onze volle aandacht. Enkele van onze bedrijven hebben de hoogste certificering op dit vlak (CO<sub>2</sub>-prestatieladder).

## VOORUITZICHTEN 2017

Terugkijkend op 2016 kunnen wij concluderen dat het een bijzonder jaar is geweest. De meeste bedrijven presteerden wederom (erg) goed en bij de bedrijven die het zeer moeilijk hadden, is daadkrachtig ingegrepen, zijn de activiteiten beëindigd dan wel de problemen opgelost en de verliezen gestopt. Alle hiermee gepaard gaande lasten zijn genomen in het resultaat van 2016. Hierdoor ziet de (nabije) toekomst er positief uit en gaan wij uit van een stevig positief resultaat in 2017. De strategie van continuïteit door risicospreiding heeft ook in 2016 weer bewezen een juiste keuze te zijn.

De orderportefeuille voor 2017 is over de gehele linie zeer goed gevuld en kent het hoogste niveau in de geschiedenis van Andus Group.



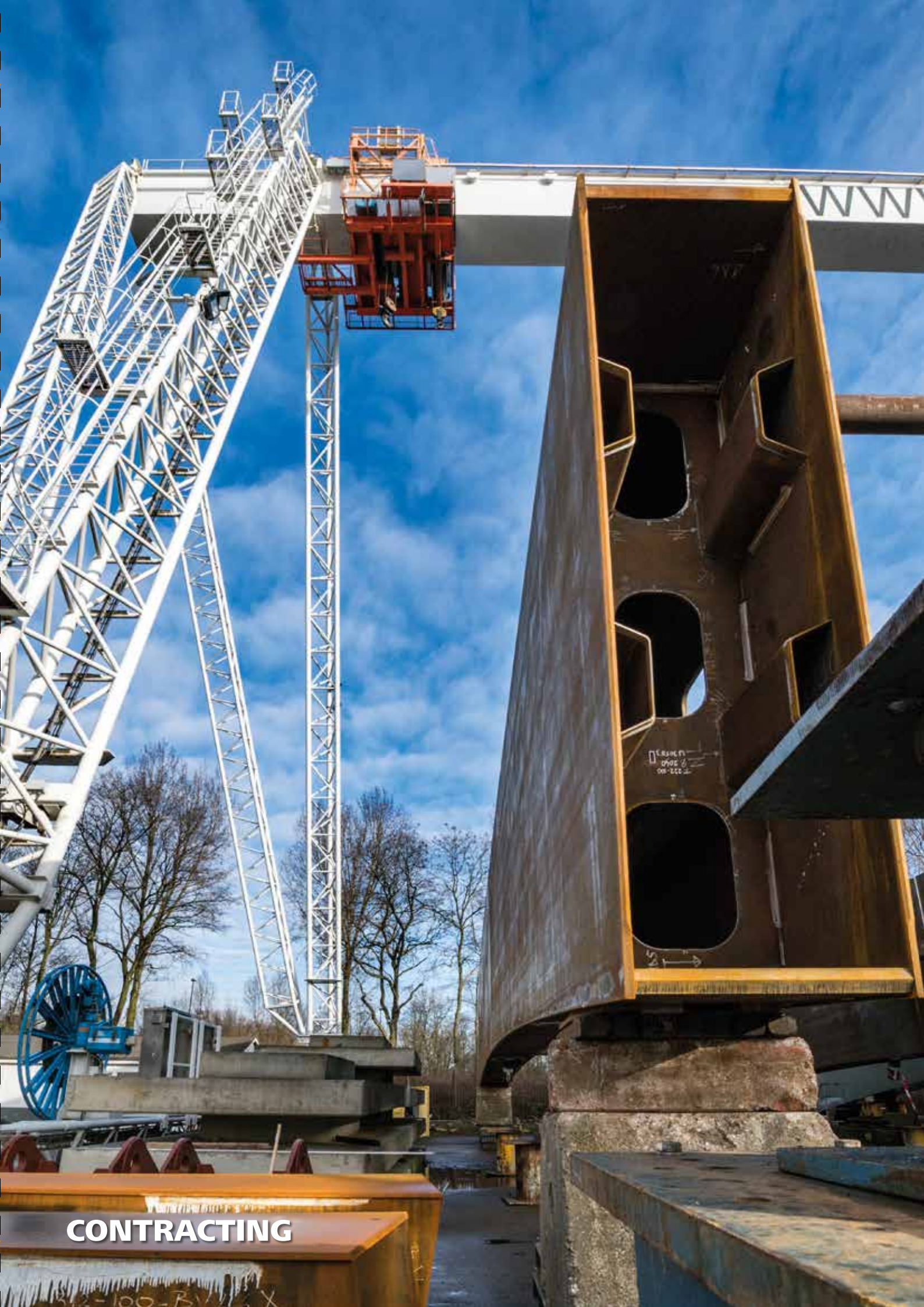
### Directie Andus Group:

*Tom van Rijn, Directievoorzitter (rechts)*

*Wiebe van den Elshout, Directeur (links)*

*Kris Rooijackers, Directiesecretaris (midden)*





**CONTRACTING**



ANDUS GROUP

## MANAGEMENT REPORT FOR THE YEAR 2016

**The year 2016 was an extraordinary year with two distinctly different sides to it. Eleven operating companies achieved good to excellent results and three companies had to deal with difficult to very difficult market conditions.**

### DEVELOPMENTS

The five companies within the Services & Maintenance division have been performing strongly for many years now. In 2016, they succeeded in achieving a record turnover and result. This division has formed a solid foundation within our group for a long time already and is expected to continue to do so in 2017. Within the Contracting division HSM, Armada Janse and Armada Mobility have performed well. Despite the underperforming oil and gas market and a very limited level of investment in this market, HSM has once again managed to record an outstanding result. Its focus on the offshore wind market and the civil engineering market (bridges and locks) has paid off in 2016. A railway bridge for ProRail and a large transformer platform for Dong Energy ensured that the production order book was well-filled. After the restructuring in 2015 at both Armada Janse and Armada Mobility, both companies achieved a positive result in 2016. Within the Manufacturing division, FIB Industries and Gouda Refractories had a somewhat lower turnover but achieved good results. In short, a very strong and solid performance was seen in all these companies.

### Nedstaal

At the beginning of November 2016, we were unfortunately forced to take the decision to discontinue the business operations of Nedstaal. The oil and gas market, which was extremely important for Nedstaal, almost completely disappeared in 2016, along with the associated maritime market and the market for 'heavy equipment'. This fall in demand, combined with an increased price pressure on steel due to growing overcapacity and the lack of positive prospects for the coming years, had its negative impact on the existence of Nedstaal.

By discontinuing the activities gradually, rather than at one go, we were able to continue meeting the demands of all our customers for the first quarter of 2017, settle all trade creditors, and lay off our employees properly through regular dismissal requests. Winding down and closing a company is definitely not something we enjoy doing, but the way in which it was done – considering the size and complexity of Nedstaal – gives us a justifiable sense of pride. A large number of people devoted a lot of energy and commitment to ensuring that the

operations were wound up as efficiently as possible and a word of thanks to them is in order in this annual report.

### Van Voorden

As a result of the sharp decline in demand in the shipping industry and an almost completely non-existent demand in the dredging industry, 2016 was once again a difficult year for Van Voorden. The turnover has reduced by more than half in recent years. Consequently, the losses became so high that it was decided in early 2017 to restart the company in a highly downsized form. Furthermore, the cost patterns were adjusted based on expected turnovers. Extremely frustrating, but unfortunately a bitter necessity. Thanks to the restart and the manner in which this was executed, it was possible to save the jobs of a significant number of employees, continue serving all customers and pay all suppliers.

### RijnDijk Construction

RijnDijk Construction also experienced a challenging year, due to a difficult and financially underperforming project in Ireland, combined with the aftermath of a number of other complex projects. In addition, the market in which the company is active has very few projects available, as a result of which price levels are under immense pressure. This was partly why it was decided to drastically modify the organisation based on the economic reality, a process which began at the end of 2016. This major reorganisation will be completed in 2017, after which we will have an efficient and professional organisation that will focus on small and medium-sized projects in the industrial sector, particularly in the Netherlands.

### FINANCIAL INFORMATION

In 2016, the turnover amounted to more than €241 million. Operating EBITDA (before one-off write-downs) was €7.3 million and the associated EBIT was €1.66 million.

As a result of the closure of Nedstaal and restart of Van Voorden, there were one-off write-downs on the fixed assets in particular in 2016. After incorporating these one-off items, the EBITDA amounted to €3.9 million in 2016 and the EBIT was a negative €5.4 million.

These write-downs had no influence on the liquidity. Due to a strong focus on optimisation of stock and the payment terms of accounts receivables, a positive cash flow of more than €9.5 million was generated in 2016. Partly as a result of this, there was a very relaxed use of the bank facility.





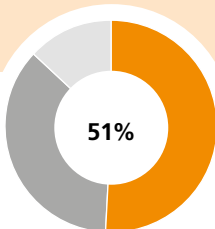
### TURNOVER BY DIVISION

Within Andus Group, we employ a division structure based on the type of activity carried out by the companies. The focus within the divisions lies on the end customer, which means that various operating companies can serve the same end customer.

#### MANUFACTURING

All our production activities are combined under this division. This includes the production of:

- Refractory bricks and concrete
- Stainless steel process equipment
- Industrial castings in Nickel Aluminium Bronze, cast steel, stainless steel and cast iron.

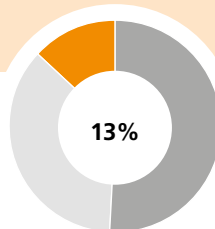


#### SERVICES & MAINTENANCE

This division includes all companies that primarily specialise in service and maintenance works related to:

- Refractory bricks and concrete
- Steel structures

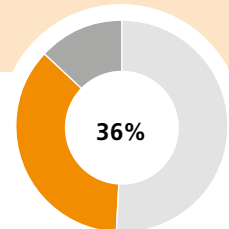
The main focus lies on the waste-processing industry and the petrochemical and chemical industries.



#### CONTRACTING

This division consists of companies that undertake contracting projects, including the construction of:

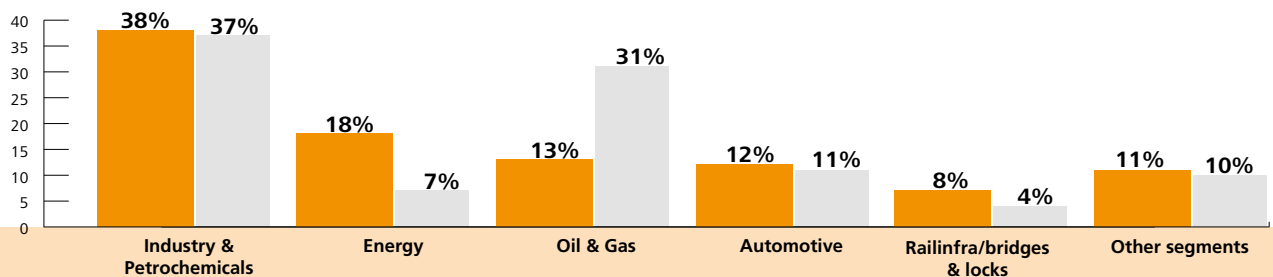
- Offshore installations
- Multidisciplinary steel construction projects for the petrochemical, chemical and heavy industries, for the energy market and for complex non-residential construction
- Large infrastructure projects such as steel bridges and lock complexes
- Special projects for the railways and public spaces
- Total solutions in the area of illuminated advertising.



#### MARKET SEGMENTS

In terms of the turnover distribution per sector, we see a sharp decrease in the oil and gas sector and a sharp increase in the energy sector. In the other sectors, the relative turnover remained more or less the same.

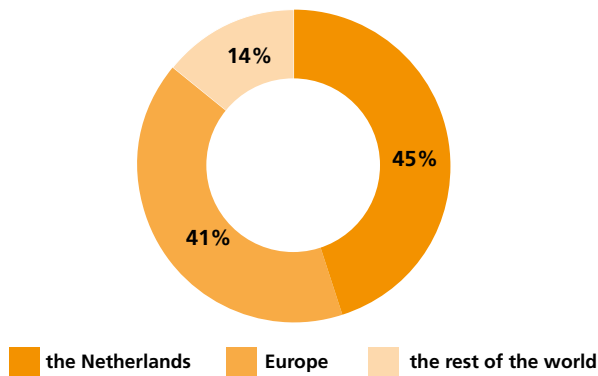
- 2016
- 2015







## GEOGRAPHICAL DISTRIBUTION OF TURNOVER



Risk diversification is an important part of the strategy within Andus Group. This implies not only a spreading of the risks by being active in different markets, but also ensuring a spread in terms of geographical markets. This makes us less vulnerable to negative developments in a specific country or region. Moreover, this benefits the continuity of Andus Group and helps maintain our low risk profile. Though the percentage of turnover generated in the Netherlands has increased somewhat in recent years, more than 50% of the turnover continues to be generated outside the Netherlands, of which nearly 15% is generated outside Europe. We want to increase the latter percentage further in the coming years.

### Industry and Petrochemicals

In 2016, the highest turnover was achieved in this sector, providing a solid foundation for our company. We once again managed to complete numerous small, large, complex and special projects and continued to successfully understand the needs and wishes of the customer (also in the area of safety). Some of our valued globally operating customers include:

Shell, ExxonMobil, GEA, Sabic, Shin-Etsu, LyondellBasell, BP, BASF, Total, Dubal, Emal, Rio Tinto Alcan, Petrogas, Technip, AkzoNobel, DSM, Engie (GDF Suez), Indorama, CRI, Yara, Belco, Aperam, Abbott, Fluor, Stork, Dow Chemical, Borealis, Sulzer and Saudi Aramco. In the future, we will also continue to focus on this segment.

### Energy

The contribution to the turnover from this market segment once again increased in 2016. The focus on and the willingness to invest in renewable energy markets contributed significantly to this. Hence, we expect a further growth in this market.

### Oil & Gas

This market is currently functioning poorly, with sharply decreasing investments. We do not expect any improvement in this respect in 2017. In the medium term, we assume that this market will pick up again and therefore it remains an important segment for us in the long term. HSM Offshore is one of the important players involved in the construction of complete platforms for oil and gas extracting companies such as Shell, Gaz de France, Petrogas, Total, Chevron and many others.

### Automotive

Our turnover in this market segment was generated entirely by Nedstaal and hence, we will no longer be active in this segment in 2017. Nedstaal supplied high-grade steel, mainly for crankshafts, bearings and drive shafts, for customers such as SKF and NSK-AKS.

### Other segments

In the infrastructure segment, we operate primarily in the Netherlands, with customers such as ProRail and Dutch Railways (NS). This is a market strongly influenced by government spending and despite being a challenging market for many years, it remains a stable and attractive market, particularly for Armada Mobility.

FIB Industries in Leeuwarden partly operates in the food industry and has built up an excellent reputation in the area of tank beer installations, beer supply installations for special events and beer delivery trucks. In the past, Heineken was the main customer in this segment but, at present, Dutch customers such as Bavaria and Grolsch have also become regular customers. The export is gradually growing as these installations and trucks are also being sold in South America, Spain and South Africa. These exports are expected to continue expanding further in the coming years.

The dredging industry has long been a market with a strong rate of growth. Despite the fact that this market is performing poorly at present, we consider the dredging industry to be an attractive market in the long term. Large, globally operating dredging com-



panies, such as IHC, Boskalis, Van Oord, Deme and Jan de Nul, are loyal and satisfied customers.

For quite a while now, the maritime market has been characterised by overcapacity and we do not expect any significant improvement in the coming years. The turnover achieved in this market in 2016 was more or less the same as in 2015. Major customers include Steerprop, Fincantieri and Rolls-Royce.

The turnover achieved in the machine-construction segment was generated entirely by Nedstaal. In 2016, deliveries were made to customers such as Bosch Rexroth and SEW-EURODRIVE.

### INVESTMENTS

In the years 2010-2014, heavy investments were made in the expansion and modernisation of the machinery. Partly due to this, investments in both 2015 and 2016 were at a lower level and well below the level of depreciation. In 2015, investments amounted to €5.2 million and in 2016, they amounted to more than €4.5 million. The investments made in 2016 were largely replacement investments. In addition, Andus Group follows the policy of not leasing or renting out any assets, which means that all investments are made from our own resources or within the existing financing framework.

### RISK MANAGEMENT

Andus Group attaches great importance to stringent and effective risk management measures. This is closely monitored by the Board. We adhere to a strict policy aimed at limiting and managing current and future risks as effectively as possible, without compromising on entrepreneurship or flexibility. Within Andus Group, all default risks are insured and all currency risks are hedged. In most long-term projects, large or small, the prices e.g. of steel are fixed.

When undertaking contracting projects and large orders, all potential risks are identified by an extensive team of specialists. In addition to production risks, this team also identifies customer, country, capacity, subcontracting and financing risks. The team works closely with the legal department of Andus Group on the contractual aspects of projects. In all the companies, these projects and large orders are discussed regularly with the stakeholders and extensive reports are prepared.

Just as we strive for a strong distribution of turnover to mitigate related risks, we follow the same principle with regard to our

suppliers. We work with several regular suppliers/parties for all essential matters. This applies not only in relation to the purchase of materials and raw materials, but also in relation to the maintenance of ICT systems and financial services provided by banks, surety companies and credit insurers. This enables us to ensure continuity of delivery with respect to products and services.

Andus Group assigns high priority to a strong solvency and liquidity. Potential risks facing the company are identified and regularly discussed. Once a year, this is reviewed in detail in an extensive session with the Supervisory Board. Thanks to this rigorous process, our risk management has been described as being effective and of a very high level by the auditor for many years now.

### DUTCH MANAGEMENT AND SUPERVISION (PUBLIC AND PRIVATE COMPANIES) ACT

Within the Supervisory Board, Mr Wouter Waleson and Mr Daan Sperling resigned in 2016 and Mrs Gerdi Verbeet joined the Board on 1 September. Mr Nico de Vries has been appointed as member of the Supervisory board as per mid April 2017. With a three-member Supervisory Board consisting of one woman and two men, Andus Group complies, as far as its Supervisory Board is concerned, with the regulations of the Dutch Management and Supervision (Public and Private Companies) Act concerning the representation of women on the boards of companies.

### PERSONNEL AND ORGANISATION

At the end of 2016, there were 750 employees. The number of flexible and temporary employees varied between 100 and 300. Thanks to the latter mentioned employees, we are able to meet the highs and lows in market demand. Naturally, the closures of Nedstaal and Van Voorden have had their impact on the total number of personnel but for the rest, there were no significant changes in the workforce other than the normal turnover. The percentage of absenteeism due to illness for the entire group does not show any major deviations compared to previous years and has remained stable at approximately 3.5%.

At Andus Group, our employees are central to our success. Their expertise, dedication and loyalty have made Andus Group what it is today: a strong group of companies, where each company strives to reach the top of its specific area of specialisation while working together to create an added value that is unique in the industry.



## **SAFETY AND THE ENVIRONMENT**

The health and safety of our employees are important priorities within our organisation. We adhere to a strict safety policy, which is reflected in our safety figures. This is also demanded by our customers. A lot of attention and energy is devoted to improving safety awareness and preventing accidents, partly thanks to the fact that the reporting of near-accidents is consistently encouraged. The environmental aspect of our activities also has our full attention. Some of our companies have earned the highest level of certification in this area (CO<sub>2</sub> Performance Ladder).

## **PROSPECTS FOR 2017**

Looking back on 2016, we can conclude that it was an extra-ordinary year. Once again, most of the companies have performed either well or very well and in the companies that faced the greatest difficulties, decisive actions were taken by either terminating the activities or solving the problems, so that the losses could be stopped. All costs related to these actions have been incorporated within the result for 2016. As a result, the future looks positive and we expect a solid positive result in 2017. The strategy of ensuring continuity through risk diversification once again proved to be the right choice in 2016.

The order book for 2017 is broadly very well filled and is at the highest level it has ever been in the history of Andus Group.



**Andus Group team**





**MANUFACTURING**

ABBREVIATED FINANCIAL STATEMENTS DERIVED FROM THE AUDITED FINANCIAL STATEMENTS 2016

## CONSOLIDATED **BALANCE SHEET OF THE YEAR 2016**

per December 31, 2016,  
amounts in € x 1,000

<b>ASSETS</b> (in € x 1,000)	<i>31 December 2016</i>	<i>31 December 2015</i>
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
• Goodwill	87	174
• Others	<u>11</u>	<u>64</u>
	98	238
<b>Tangible fixed assets</b>		
• Land and buildings	3,429	3,426
• Machinery and equipment	17,685	21,376
• Other operating assets	<u>6,314</u>	<u>7,255</u>
	27,428	32,057
<b>Current assets</b>		
<b>Stock</b>		
• Raw materials and consumables	8,411	14,312
• Construction contracts	<u>0</u>	<u>6,420</u>
	8,411	20,732
<b>Short-term receivables</b>		
• Trade receivables	41,192	45,522
• Taxes and social securities	2,510	2,797
• Other receivables and prepaid expenses	<u>3,310</u>	<u>3,251</u>
	47,012	51,570
<b>Cash</b>	<u>14</u>	<u>4</u>
<b>Total</b>	<b>82,963</b>	<b>104,601</b>

<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<i>31 December 2016</i>	<i>31 December 2015</i>
<b>Shareholders' equity</b>	29,170	33,663
<b>Provisions</b>		
• Deferred tax liabilities	417	458
• Employee benefits	311	365
• Other	<u>1,004</u>	<u>1,013</u>
	1,732	1,836
<b>Short-term liabilities</b>		
• Banks	15,828	25,396
• Construction contracts	1,858	0
• Accounts payables	22,759	31,537
• Taxes and social securities	2,026	1,900
• Other payables and accrued expenses	<u>9,590</u>	<u>10,269</u>
	52,061	69,102
<b>Total</b>	<b>82,963</b>	<b>104,601</b>

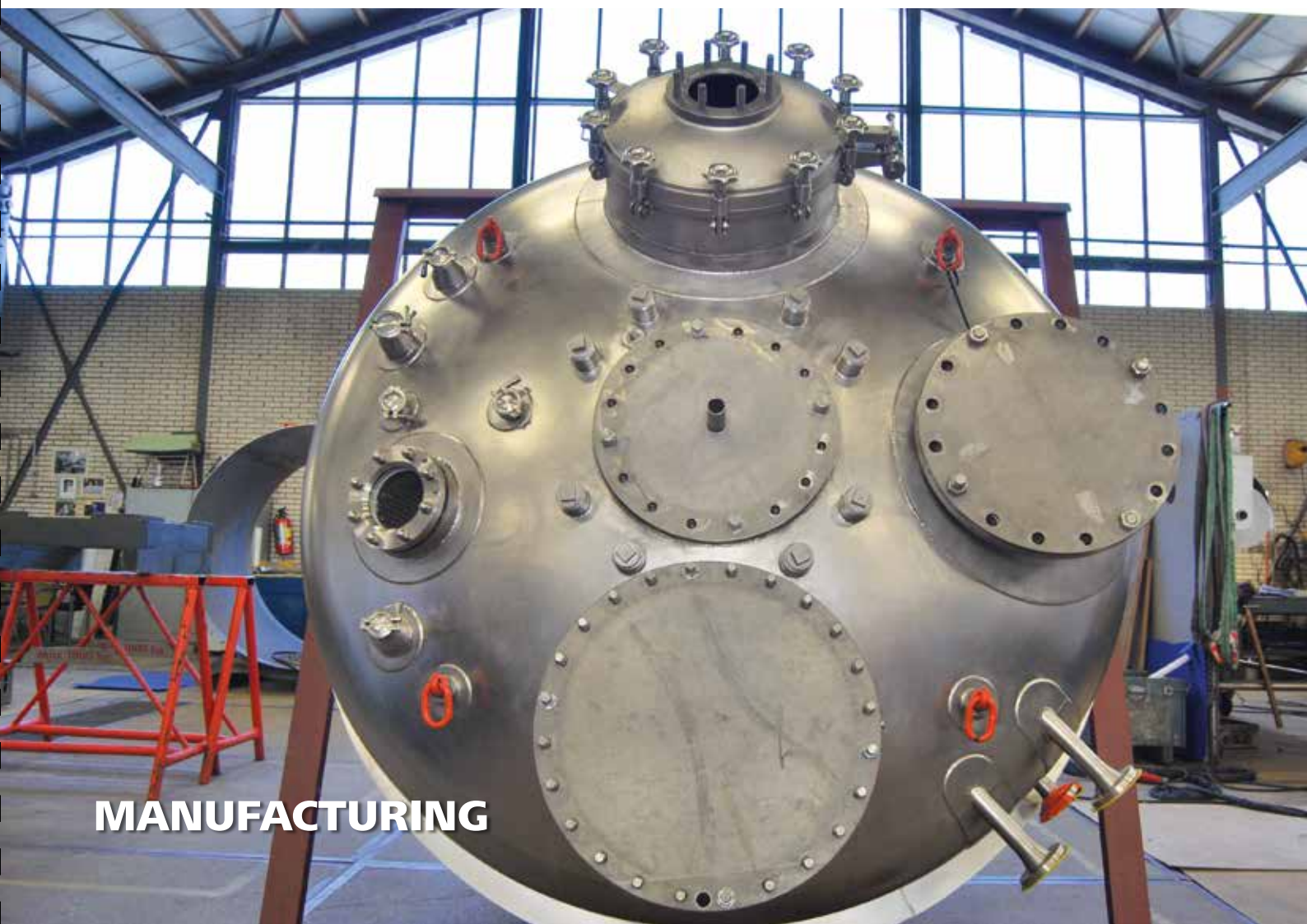


ANDUS GROUP

## CONSOLIDATED INCOME STATEMENT

amounts in € x 1,000

	<b>2016</b>	<b>2015</b>
<b>Operating income</b>	241,572	319,828
• Raw materials and auxiliaries, cost of contracted work	129,517	188,159
• Wages, salaries	61,939	69,868
• Social security	12,083	11,640
• Depreciation intangible fixed assets	140	140
• Depreciation tangible fixed assets	9,202	5,266
• Other operating expenses	<u>34,105</u>	<u>34,920</u>
<b>Total operating expenses</b>	<u>246,986</u>	<u>309,993</u>
<b>Operating results</b>	-5,414	9,835
• Interest income and expenses	<u>-398</u>	<u>-303</u>
<b>Result on ordinary activities before taxation</b>	-5,812	9,532
• Taxation on ordinary activities	1,319	-2,480
• Participations	<u>0</u>	<u>0</u>
<b>Net result</b>	<b>-4,493</b>	<b>7,052</b>



**MANUFACTURING**

ANDUS GROUP

## CONSOLIDATED CASH FLOW STATEMENT

amounts in € x 1,000

	<b>2016</b>	<b>2015</b>
<b>Cash flow from operating activities</b>		
Operating results	-5,414	9,836
Adjustments to:		
• Depreciations	9,342	5,405
• Changes in provisions	-104	-2
• Changes in receivables	7,001	-9,703
• Changes in inventory and work in progress	14,179	-4,780
• Changes in current liabilities (excl. bankers)	<u>-9,333</u>	<u>7,469</u>
Gross cash flow from operating activities	21,085	-1,611
• Interest	-398	-303
• Taxation	<u>-1,123</u>	<u>-2,480</u>
	-1,521	-2,783
Net cash flow from operating activities	14,150	5,442
<b>Cash flow from investing activities</b>		
• (Dis)investments in (in)tangible fixed assets	<u>-4,573</u>	<u>-5,235</u>
Net cash flow from investing activities	-4,573	-5,235
<b>Cash flow from financing activities</b>		
• Dividend	<u>0</u>	<u>-6,882</u>
Cash flow from financing activities	<u>0</u>	<u>-6,882</u>
<b>Net cash flow</b>	<b>9,577</b>	<b>-6,675</b>
Cash at January 1 (incl. acquisition and disposition of participations)	<u>-25,393</u>	<u>-18,718</u>
<b>Cash at December 31</b>	<b>-15,816</b>	<b>-25,393</b>





**CONTRACTING**





**CONTRACTING**







ANDUS GROUP

## NOTES TO THE 2016 ANNUAL ACCOUNTS

### PRINCIPLES FOR FINANCIAL REPORTING

#### Activities

Andus Group BV is the holding company of independent subsidiaries, specialised in the worldwide realisation of industrial projects and supply and manufacturing of products for industrial end users. The activities mainly concentrate on the (petro)chemistry, oil and gas industry, energy market and civil engineering, dredging and shipping industry.

#### General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Accounting principles regarding valuation and profit recognition as below apply as well to the company's annual accounts as to the consolidated annual accounts. The financial statements are prepared under the historical cost convention.

#### Principles of consolidation

Financial information relating to group companies and other legal entities which are controlled by Andus Group BV or where central management is conducted has been consolidated in the financial statements of Andus Group BV. The consolidated financial statements have been prepared in accordance with the accounting principles of Andus Group BV. The financial information relating to Andus Group BV is presented in the consolidated financial statements. Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements. The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated from the acquisition date. At that date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortization is charged based on the estimated useful life. The results of participations sold during the year are recognised until the moment of disposal.

The consolidated annual accounts comprise the annual accounts for:

- Andus Group BV
- BNG Staalconstructie BV in Budel
- RijnDijk Engineering BV in Budel, 100% RijnDijk Construction BV
- Van Voorden Gieterijen BV in Zaltbommel
- Nefa BV in Alblasterdam, 100% Nedstaal Holding BV
- RijnDijk Construction Zuid BV in Budel, 100% RijnDijk Construction BV
- Lengkeek Staalbouw BV in Hoogvliet-Rt
- ADS 9 BV in Vianen, 100% Andus Group BV
- Staalbouw Schagen BV in Schagen, 100% RijnDijk Construction BV
- Armada Mobility BV in Nieuwegein, 100% Armada Group BV
- Armada Janse BV in Budel, 100% Armada Group BV
- RijnDijk International BV in Vianen
- ISS Projects s.r.o. in Košice (Slovakia), 100% RijnDijk International BV
- ISH Real Estate s.r.o. in Košice (Slovakia), 100% RijnDijk International BV
- HSM BV in Schiedam
- HSM Offshore BV in Schiedam, 100% HSM BV
- HSM Steel Structures BV in Schiedam, 100% HSM BV
- FIB Industries BV in Leeuwarden
- RijnDijk Construction BV in Budel
- Andus Refractories BV in Vianen
- Gouda Refractories BV in Gouda, 100% Andus Refractories BV
- Gouda Vuurvast Services BV in Gouda, 100% Andus Refractories BV
- Gouda Vuurvast Belgium NV in Wijnegem (Belgium), 99% GVB Holding NV and 1% RijnDijk International BV
- GVB Holding NV in Wijnegem (Belgium), 99% Andus Refractories BV en 1% RijnDijk International BV
- Gouda Feuerfest Holding GmbH in Bochum (Germany), 100% Andus Refractories BV
- Gouda Feuerfest (Deutschland) GmbH in Bochum (Germany), 100% Gouda Feuerfest Holding GmbH
- Gouda Feuerfest GmbH in Bochum (Germany), 100% Gouda Feuerfest Holding GmbH
- GFD Services GmbH in Bochum (Germany), 100% Gouda Feuerfest Holding GmbH
- Gouda Vuurvast Nederland BV in Gouda, 100% Andus Refractories BV
- Royal Van Voorden BV in Zaltbommel
- Van Voorden Castings BV in Zaltbommel, 100% Royal Van Voorden BV
- ADS 39 BV in Vianen, 100% Andus Group BV
- Nedstaal Holding BV in Alblasterdam

- AB Staal BV in Alblasterdam, 100% Nedstaal Holding BV
- Armada Group BV in Vianen

### Financial instruments

Financial instruments be both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item. The company records the way in which the hedge relations suit the goals of the risk management, the hedge strategy and the expectation in respect of the hedge's effectiveness. The effective part of financial derivatives that have been allocated for cost price hedge accounting is valued at cost and the ineffective part is valued at fair value. The fair value changes of the ineffective part are directly recognised in the profit and loss account. The foreign currency components of both the hedged balance sheet items and the currency forward contracts that act as hedge instrument, are recognised at the rate as at balance sheet date. The foreign currency component of currency forward contracts that act as hedge instrument for hedging future transactions is valued at cost as long as the hedged position has not yet been recognized in the balance sheet.

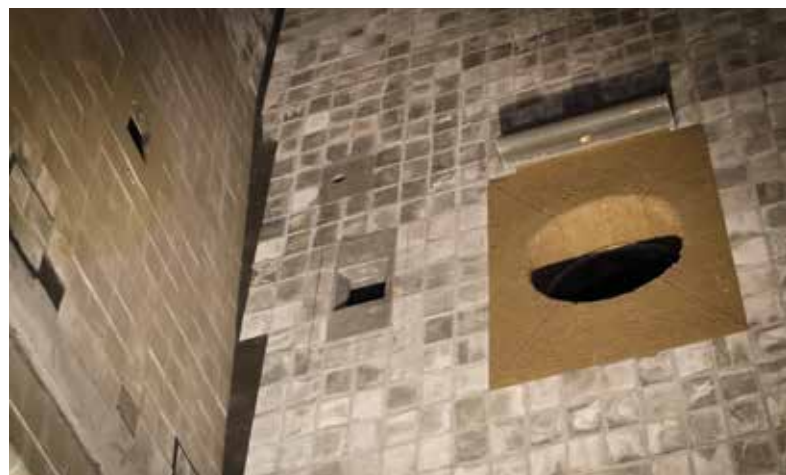
### Translation of foreign currency method

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

### Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. If necessary for the purposes of providing the view required under Section 362 (1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

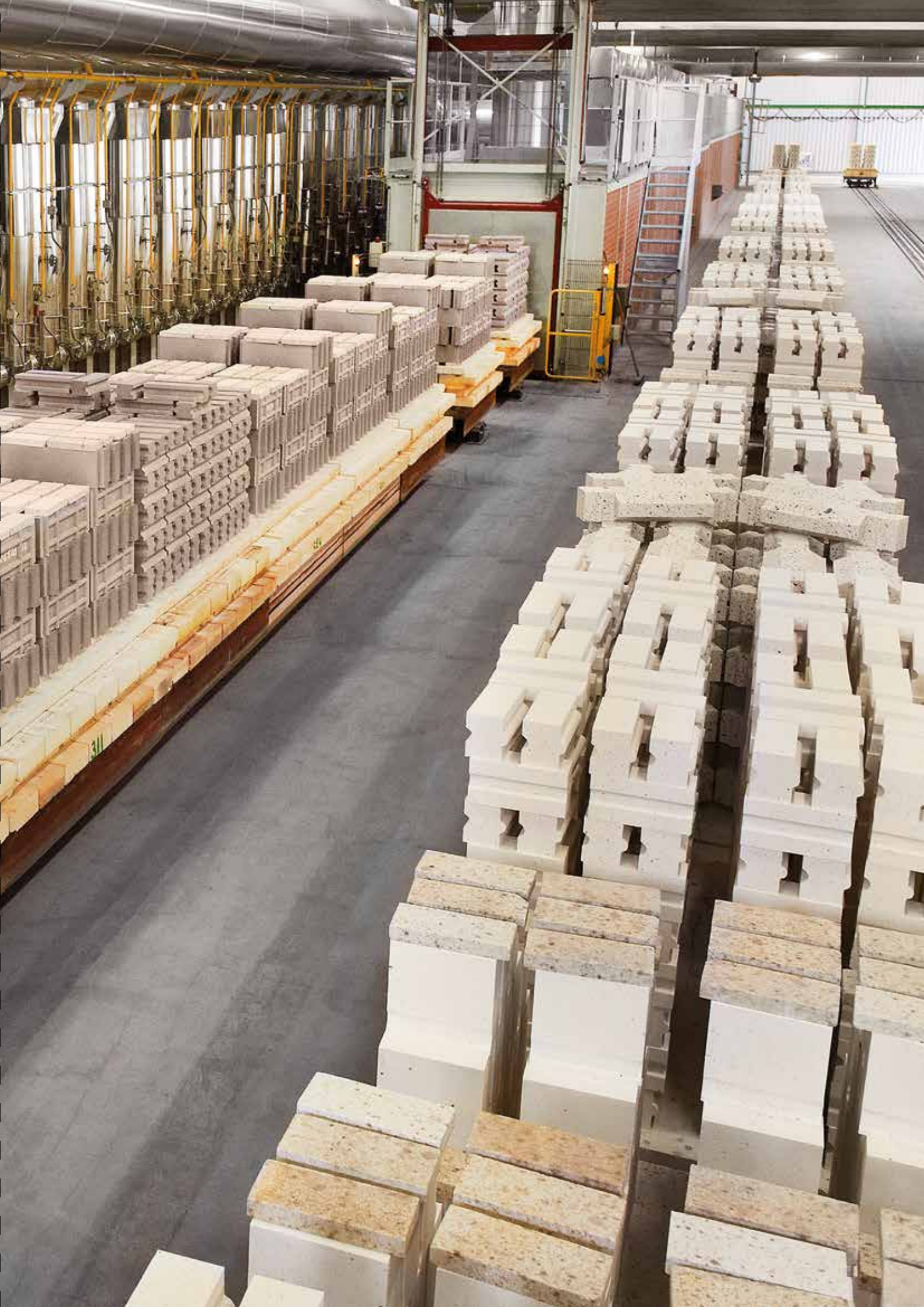






**MANUFACTURING**





## PRINCIPLES OF VALUATION AND DETERMINATION OF ASSETS AND LIABILITIES

### Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization. Intangible fixed assets are amortized linearly over five years.

### Tangible fixed assets

Tangible fixed assets are stated at cost, less straight-line depreciation based on estimated useful life. Depreciation is provided from the date an asset comes into use.

### Financial fixed assets

Participations are valued at cost. Where significant influence is exercised on business and operating policy participations in consolidated group companies are valued under the equity method. The equity method is established by valuation of assets, provisions, liabilities and results on basis of the company's principles for valuation and profit recognition. Other financial fixed assets are carried at face value – after deduction of any provisions.

### Impairment of non-current assets

At each balance sheet date, the company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the determination of impairment, assets are grouped at the lowest level of cash flow generating.

### Inventories

Inventories (stocks) are valued at cost price or lower realizable value. This lower net realizable value is determined by individual assessment of the inventories. Finished goods are valued at cost of manufacture or lower net realizable value. Cost of manufacture includes direct materials used, direct wages and machine costs and other direct costs of manufacture, together with applicable production overhead. Net realizable value is based on estimated selling price, less any future costs to be incurred for completion and disposal. A provision is made for obsolete stock and deducted from the total value of stock.

### Construction contracts

Construction contracts are valued at cost together with applicable production overhead, increased by profits allocated to work carried out and deducted by losses foreseeable at balance sheet date. Construction contracts are reduced by amounts invoiced on account. Construction contracts are recognised as current liabilities if the balance of all construction contracts is negative.

### Accounts receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### Cash at hand and in bank

Cash at bank and in hand is carried at nominal value and are, unless stated otherwise, freely disposable to the company.

### Revaluation

A revaluation reserve is recognised net of deferred income tax liabilities for assets recognised at current value.

### Provisions

Provisions are valued at face value. The deferred taxation is due to differences between the valuation principle in the annual report and the valuation for tax purposes of tangible fixed assets and is valued at the discounted value at an interest rate of 25%. Revaluation of real estate abroad is provisioned for with 19%. The deferred tax assets resulting from the tax loss carried forward is valued at the discounted value.

### Provisions for employee benefits

The company has several pension plans. The Dutch plans are financed by payments to pension fund administrators, i.e. insurance companies and industry-wide pension funds. The foreign pension funds are comparable to the Dutch pension system in terms of structure and functioning. The pension liabilities under both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. In this approach, the contribution pay-



able to the pension fund administrator is charged to the profit and loss account. A provision is recognised for additional pension/early retirement payments for Andus Refractories employees that retire at the age of 63 with a pension of 75% of their average salary. Actuarial interest rate used is 4% (2015: 4%). The provision for other employee benefits is based on actuarial calculations. The provision for jubilee benefits is measured at the present value of expected benefits payable during employment. The calculation of the provision takes the expected future salary increases and the likely stay into account. The present value factor is the market rate of interest of high-quality corporate bonds of 3% (2014: 3%).

### Long-term liabilities

Long-term liabilities comprise liabilities with a remaining loan term of over a year. Redemptions due within one year are included in the current liabilities.

### Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

## PRINCIPLES APPLIED TO DETERMINE THE RESULT

### General

The result is established by the difference between the operating income and all allocated costs in the reporting year. Foregoing principles of valuation and profit recognition apply to the establishment of all costs. Profit is recognised based upon percentage of completion of construction contracts. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements. All other profits and losses are accounted for on accrual basis.

### Operating income

The operating income represents amounts invoiced for goods and services supplied during the financial year under report and changes in costs and overhead charges in construction contracts, after deduction of discounts and such like.

### Depreciations

Depreciations relate to the price of acquisition or as the case may be actual value of the referring (in)tangible fixed assets. Gains and losses from the occasional sale of property, plant or equipment are included in the operating expenses.

### Financial receipts and expenditures

Financial receipts and expenditures relate to interest, to be received from and to be paid to third parties.

### Income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

### Cash flow statement

Cash flow statement is compiled according to the indirect method. According to this method, the net result is adjusted for profit and loss account items which do not affect income and expenditure during the year and movement in balance sheet and profit and loss account items associated with income and expenditure not considered to relate to normal operating activities. Cash flow of group companies taken over in the reporting year is taken into account for the whole year. Changes in bank credit are balanced with the changes in cash at hand and in bank.



ANDUS GROUP

## INDEPENDENT AUDITOR'S REPORT

To: the shareholders and Supervisory Board of ANDUS Group BV

### Our opinion

We have audited the accompanying summary financial statements 2016 of Andus Group BV, based in Vianen.

In our opinion the summary financial statements are consistent, in all material respects, with the audited financial statements of Andus Group BV in accordance with the principles described in 'notes to the 2016 annual accounts' in the summary financial statements (page 32-37).

### The summary financial statements comprise:

1. the summary balance sheet as at 31 December 2016;
2. the summary profit and loss account for 2016; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

The summary financial statements do not contain all the disclosures required by Part 9 of Book 2 of the Netherlands Civil Code. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Andus Group BV.

### Basis for our opinion

The summary financial statements are derived from the audited financial statements of Andus Group BV for the year ended 31 December 2016. We expressed an unqualified audit opinion on those financial statements in our report dated 14 April 2017. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the summary financial statements' section of our report.

We are independent of Andus Group BV in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)' and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants (VGBA)'.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Report on other information included in the annual report

Next to the financial statements and our opinion thereon, the annual report consists of other information, including:

- the management report on the year 2016;
- the report of the supervisory board.

Based on the procedures as mentioned below, we are of the opinion that the other information is consistent with the financial statements and contains no material deficiencies.

We have read the other information and based on our knowledge and understanding obtained from the audit of the financial statements or otherwise, we have considered if the other information contains material deficiencies.

With these procedures, we have complied with the requirements of the Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

Management is responsible for the preparation of the other information.

## Responsibilities of management and the Supervisory Board for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the principles described in 'notes to the 2016 annual accounts' in the summary financial statements (page 32-37). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to material errors or fraud.

As part of the preparation of the summary financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the summary financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the summary financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

## Our responsibilities for the audit of the summary financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these summary financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standard on Auditing 810, ethical requirements and independence requirements.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 14 April 2017

For and on behalf of BDO Audit & Assurance B.V.  
For identification purposes:

B. J. Scholten RA





**CONTRACTING**



ANDUS GROUP

## REPORT FROM THE SUPERVISORY BOARD

2016 was a challenging year, with events that had a significant impact on the company, the board, and the employees.

Economic circumstances and their consequences were far-reaching for some of our companies, shareholders, and employees. While Andus steered clear of the consequences of the prolonged crisis for a long time, a number of operating companies were hit hard in 2016.

The world market for steel came under increasing pressure, which led to the decision to close Nedstaal. All work has been completed, and all but one creditor have been paid. The position of this one creditor ultimately led to the bankruptcy requested by the company itself in 2017.

As is known, the maritime world is also experiencing a crisis of unprecedented depth and duration, which meant the continuation of Van Voorden in its current size and organisation form could no longer be justified. Van Voorden declared bankruptcy at the start of 2017. A relaunch was achieved immediately after with an amended organisation, and with Andus Group as shareholder.

The board of supervisory directors is well-aware of the impact the situation at Nedstaal and Van Voorden has had on the employees who lost their jobs because of this situation. Although the management board has tried everything to steer Nedstaal and Van Voorden through the crisis – without damaging other operating companies and employees – all this effort was to no avail.

The board of supervisory directors discussed these companies with the management board at almost every meeting, closely followed the procedures, and spoke with the company's external legal consultant. Furthermore, the management board closely followed the state of affairs at Rijndijk Construction (details in the management report). Extra meetings were held in addition to the five regular meetings – one of which took place in combination with a Nedstaal company visit. For instance, the external accountant was questioned extensively about his vision regarding company's state of affairs by a representative from the board, accompanied by the financial director of the company. Matters, such as possible fraud or bribes (the external account has not found any signals of either), have also been discussed extensively.

Furthermore, the board of supervisory directors met with the management board twice more in order to discuss the situation at Nedstaal and Van Voorden exclusively. Moreover, the board of supervisory directors discussed the situation twice more internally without the presence of the management board.

Additionally, the board discussed and approved the appointment of the auditor for the coming years with the financial director.

Fortunately, the other companies in the group are doing well. The management and the employees deserve compliments for this. The way in which the group is composed – a mix of different companies in different markets, with geographic diversity, seems to be proving itself as a solid form of risk management.

Also memorable were the changes in the board of supervisory directors throughout 2016.

Mr Wouter Waleson, who has been the skilled and passionate chairman of the board of supervisory directors since its inception in 2009, retired from the board having reached the maximum term.

We give our thanks to Wouter, who also was a member of the supervisory board of Gouda Vuurvast for many years before joining the Andus supervisory board, for his contribution, collegiality, guidance, and for paying extraordinary attention to the employees of Andus Group.

The vacancy left by his departure has been filled by Ms Gerdi Verbeet, who has taken on the role of chairwoman with great commitment.

Unfortunately, Mr Daan Sperling has opted to leave the board prematurely due to a possible conflict of interest. We respect his decision, and are thankful for his collegiality, the way in which he filled his position with knowledge, great expertise, and enthusiasm, and how he contributed to furthering the professionalism of the group. The vacancy left by his departure is filled by Mr Nico de Vries since mid April 2017.

### Supervisory board:



*Gerdi Verbeet*



*Paul Medendorp*



*Nico de Vries*





**CONTRACTING**



ANDUS GROUP

**LIST OF GROUP COMPANIES**

AS PER MAY 1, 2017

**ANDUS Group BV**

Voorstraat 56, 4132 AS Vianen, NL

**T** +31 (0)30 - 211 58 00**F** +31 (0)30 - 820 05 80**I** www.andusgroup.com**Subsidiaries****MANUFACTURING****FIB Industries BV**

Managing director: Rien Pepping

*Stainless steel process equipment and beer systems*

Einsteinweg 18, 8912 AP Leeuwarden, NL

**T** +31 (0)58 - 294 59 45 **I** www.fib.nl**Sales Office**

Alte Bahnhofstraße 56a, D-44892 Bochum

**T** +49 (0)2154 - 9313 003 **I** www.fib.nl**Gouda Refractories BV**

Managing director: Marcus Schuchmann

Commercial director: Michel Grootenboer

*Design, manufacturing and supply of refractory linings***Production locations**

Goudkade 11-16, 2802 AA Gouda, NL

**T** +31 (0)182 - 59 14 00 **I** www.goudarefractories.com

De Rondoven 2, 4191 GX Geldermalsen, NL

**T** +31 (0)345 - 57 49 43 **I** www.goudarefractories.com**Sales Office**

Alte Bahnhofstraße 56a, D-44892 Bochum

**T** +49 (0)2154 - 888 700 **I** www.goudarefractories.com

Vianen



Leeuwarden



Gouda



Geldermalsen



**Van Voorden Gieterijen BV**

Managing director: Erik van den Broek

*Design and manufacturing of high alloyed industrial castings*

Bossekamp 6, 5301 LZ Zaltbommel, NL

T +31 (0)418 - 57 12 00 | [www.vanvoorden.nl](http://www.vanvoorden.nl)



Zaltbommel

**SERVICES & MAINTENANCE****Gouda Vuurvast Belgium NV**

Managing director: Philip Knipscheer

*Supply, installation and maintenance of refractory linings*

Vosveld 13, B-2110 Wijnegem (Antwerp), Belgium

T +32 (0)3 - 326 57 00 | [www.goudavuurvast.be](http://www.goudavuurvast.be)



Wijnegem (Antwerp,B)

**Gouda Vuurvast Services BV**

Managing director: Arie van Vliet

*Supply, installation and maintenance of refractory linings*

Goudkade 11, 2802 AA Gouda, NL

T +31 (0)182 - 59 14 00 | [www.goudaservices.com](http://www.goudaservices.com)



Gouda

**Sales Office**

Alte Bahnhofstraße 56a, D-44892 Bochum

T +49 (0)2154 - 93 13 002 | [www.goudaservices.com](http://www.goudaservices.com)

**ISS Projects s.r.o.**

Managing director: Erik Palinsky

*Staffing for refractory and construction projects*

Hraničná 2, 040 17 Košice, Slovakia

T +421 (0)55 - 729 92 27 | [www.issprojects.sk](http://www.issprojects.sk)



Košice (SK)

**Lengkeek Staalbouw BV**

Managing director: Dick Bikker

*Maintenance oriented steel contractor*

Oppermanstraat 80, 3194 AC Hoogvliet, NL

T +31 (0)10 - 416 16 44 | [www.lengkeek-staalbouw.nl](http://www.lengkeek-staalbouw.nl)



Hoogvliet

**CONTRACTING****Armada Janse BV**

Managing director: Leon Akkermans

*Total solutions for illuminated advertising and signposting*

Fabrieksstraat 102, 6021 RE Budel, NL

T +31 (0)40 - 256 19 11 | [www.armadajanse.nl](http://www.armadajanse.nl)



Budel

**Armada Mobility BV**

Managing director: Peter Baars

*Overall supplier of public design projects*

Groningenhaven 2, 3433 PE Nieuwegein, NL

T +31 (0)30 - 246 95 00 | [www.armadamobility.nl](http://www.armadamobility.nl)



Nieuwegein

**HSM Offshore BV**

Managing director: Jaco Lemmerzaal

Technical director: Gijs Kaashoek

*Compression and process modules, wellhead and production platforms, jackets, offshore high voltage stations (OHVS), living quarters*

Westfrankelandsedijk 9, Haven 528, 3115 HG Schiedam, NL

T +31 (0)10 - 427 92 00 | [www.hsm.nl](http://www.hsm.nl)



Schiedam

**HSM Steel Structures BV**

Managing director: Jaco Lemmerzaal

Technical director: Gijs Kaashoek

*Bridges, barriers and ship locks*

Westfrankelandsedijk 9, Haven 528, 3115 HG Schiedam, NL

T +31 (0)10 - 427 92 00 | [www.hsm.nl](http://www.hsm.nl)



Schiedam

**RijnDijk Construction BV**

Managing director a.i.: Wiebe van den Elshout

Technical director: Wout van Brandenburg

*Project management, engineering, production and on-site installation of steel construction projects*

Fabrieksstraat 104, 6021 RE Budel, NL

T +31 (0)495 - 49 18 02 | [www.rijndijk.com](http://www.rijndijk.com)



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*Serving the industry*