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**TRADING UPDATE MAY 2017****BAM records 1Q17 adjusted result of €4.9 million and further improved financial position**

- Construction and Property: good results at Dutch property and turnaround in Germany
- Civil engineering: result in Germany lower (strong 1Q16); held back by the Netherlands and oil & gas
- PPP: steady result from existing portfolio
- Order book: quality continues to improve; slightly higher level
- Strong recourse net cash position reflecting ongoing progress in trade working capital efficiency

(in € million, unless otherwise indicated)			
<b>Key trading results</b>	<b>First quarter 2017</b>	First quarter 2016	Full year 2016
Revenue	<b>1,383</b>	1,542	6,976
Adjusted* result before tax	<b>4.9</b>	8.0	102.7
Result before tax	<b>4.6</b>	8.2	60.1
Order book (period-end)	<b>10,300</b>		10,200

\* Before restructuring costs, impairments and pension one-off.

**Rob van Wingerden, CEO of Royal BAM Group:**

'We continue to have a good momentum delivering our strategy 'Building the present, creating the future'. The refocusing of the German construction business is well under way and we are seeing benefits from the restructuring of our Dutch construction and property activities. In April, at our Capital Markets Event, we showed how we are enhancing the quality of our project portfolio, strengthening our One BAM culture, and implementing our digitalisation strategy. We also illustrated our capabilities in PPP and on-shore international projects.

We further improved our trade working capital efficiency during the quarter, which contributed to a higher recourse net cash position compared to a year ago. This quarter the Management Board and our safety specialists held a safety leadership workshop on how to take safety behaviour to the next level.

In what is traditionally our slowest quarter, the performance of the sectors was mixed. Looking ahead, we remain optimistic and realistic about most of our markets. For full year 2017, we continue to expect revenue to be slightly lower and the adjusted result before tax to be higher than the level of 2016. We anticipate a significantly lower restructuring charge compared to 2016.'

**Live audio webcast**

On 11 May 2017, at 10.00 hrs CET, there will be a conference call in English for analysts. This can be followed via live audio webcast ([www.bam.com](http://www.bam.com)).

**Further information**

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## Analysis by sector

(x € million)	First quarter 2017		First quarter 2016	
	Result	Revenue	Result	Revenue
<b>Result and revenue</b>				
Construction and Property	12.6	825	-5.3	920
Civil engineering	-11.4	591	1.4	619
Public Private Partnerships (PPP)	3.5	32	4.0	61
Eliminations and miscellaneous	-	-65	-	-58
Total sectors	4.7	1,383	0.1	1,542
Group overhead	0.1		8.3	
Group interest charge	0.1		-0.4	
Adjusted result before tax	4.9	0.4%	8.0	0.5%

## Sector performance

At Construction and Property, revenue development mostly reflected the weaker pound (-€33 million) and the divestment of some non-core Dutch activities in 2016. Nearly all activities contributed to the positive result for the quarter, notably Dutch residential and non-residential property development and Belgium. Dutch house sales were up by 9% to 635 homes. In Germany, there was a small negative result as expected, caused by under recovery of overheads as activities are being refocused. The order book reduced slightly in the UK and in Germany, while BAM is maintaining its tender discipline.

Civil engineering revenue was affected mostly by the weaker pound (-€19 million) and reduced activity at BAM International. The sector result was mainly lower due to the absence of the strong contribution from Germany which was present in the first quarter of 2016, and also a lower result in the Netherlands. At BAM International, the transition from oil & gas towards on-shore projects leads to under recovery of overheads. The order book increased mainly due to the UK and the Netherlands.

At PPP, the first quarter profit came from the operational result on the portfolio. There were no transfers to the PGGM joint venture in the quarter. The bid pipeline remains healthy, with decisions on active bids expected at the end of 2017 and early 2018.

Group overhead a year ago included the release of a provision of €9.7 million related to the divestment of BAM's stake in Van Oord in 2011.

## Financial position and balance sheet at quarter end

- Recourse net cash position improved to €279 million (Q1 2016: €206 million).
- Trade working capital efficiency improved to -10.5% (year-end 2016: -10%).
- The capital ratio at the end of the first quarter was 21.5% (year-end 2016: 19.7%).