BAM reports adjusted pre-tax result of €19 million, reiterates full year outlook

- Revenue up by 3.7% driven by civil engineering
- Adjusted pre-tax result ahead of first quarter 2017 in all sectors
- Order book up by €0.5 billion since end 2017
- Extension revolving credit facility of €400 million into 2023
- Trade working capital efficiency -9.9%
Outlook

For the full year 2018, BAM expects an adjusted result before tax margin of around 2%.
Annexes based on FY 2017

Updated strategy: Building the present, creating the future

Property investments

PPP investments

Net cash analysis

Revenue sector/country
Strategy 2016-2020

‘Building the present, creating the future’

Focus project portfolio | Shape business portfolio | Create future portfolio

Differentiating capabilities

BAM’s unique culture
Targets 2020

**Profit**
- ROCE >10%
- Adjusted pre tax margin 2-4%
- Property < €500m
- TWC < -10%

**People**
- Safety IF < 3.5

**Planet**
- Net positive impact
Focus project portfolio

Stage gate 1:
- Categorisation
- Decision to tender
- PQQ Submitted/Partnerships formed

Stage gate 2:
- Initial validation
- Tender documents received

Stage gate 3:
- Peer review
- Decision to bid

Stage gate 4:
- Tender submission
- Approval final contract

Stage gate 5:
- Operational audit
- If won: Reality check
- Contract awarded
Shape business portfolio

- **High**
  - **Inside**
    - Fix or exit
  - **Outside**
    - Stay out
- **Low**
  - **Develop new propositions along lifecycle**
  - **Leverage high-margin specialisms**

- **Home markets**
  - **Inside**
  - **Outside**

- **Level of competition**
  - **High**
  - **Low**
Create future portfolio

Digital construction process

Digital built environment
Culture

- Predictable performance
- Proactive ownership
- Open collaboration
- Scalable Learning

Innovation
Capabilities

Operating companies

- Project selection
- Project execution

Group

- Synergies in selected specialisms
- Smart engineering
- Controls & systems
- Talent development and exchange
- Best in industry digital
- Financial strength

\[ \text{BAM value} \]
## Property investments

*(in € million, unless stated otherwise)*

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and building rights</td>
<td>416</td>
<td>387</td>
</tr>
<tr>
<td>Property development</td>
<td>175</td>
<td>243</td>
</tr>
<tr>
<td>Total investments (a)</td>
<td>591</td>
<td>630</td>
</tr>
<tr>
<td>Non-recourse loans</td>
<td>69</td>
<td>86</td>
</tr>
<tr>
<td>Recourse loans</td>
<td>75</td>
<td>69</td>
</tr>
<tr>
<td>Total loans (b)</td>
<td>144</td>
<td>155</td>
</tr>
<tr>
<td>Property associates/JV/AHFS (c)</td>
<td>97</td>
<td>146</td>
</tr>
<tr>
<td>Net investments (a) – (b) + (c)</td>
<td>544</td>
<td>621</td>
</tr>
</tbody>
</table>

### Total investments (YE 2017)

- **Residential**
- **Non-residential**

![Total investments chart](chart.png)
## PPP investments

*(in € million, unless stated otherwise)*

<table>
<thead>
<tr>
<th></th>
<th>YE 2017</th>
<th>YE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested equity(^1)</td>
<td>68</td>
<td>66</td>
</tr>
<tr>
<td>Committed equity(^2)</td>
<td>101</td>
<td>120</td>
</tr>
<tr>
<td>Total invested &amp; committed equity</td>
<td>169</td>
<td>186</td>
</tr>
<tr>
<td>Of which committed equity by PGGM</td>
<td>70</td>
<td>85</td>
</tr>
<tr>
<td>Estimated unrealised value based on cash flows</td>
<td>75</td>
<td>73</td>
</tr>
</tbody>
</table>

\(^1\) *BAM share invested in equity of PPP contracts.*  
\(^2\) *Excluding contracts in preferred bidder stage.*
## Net cash analysis

*(in € million, unless stated otherwise)*

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non recourse PPP loans</td>
<td>190</td>
<td>274</td>
</tr>
<tr>
<td>Non recourse project financing</td>
<td>75</td>
<td>94</td>
</tr>
<tr>
<td>Other project financing</td>
<td>105</td>
<td>119</td>
</tr>
<tr>
<td><strong>Total ‘project related’</strong></td>
<td>370</td>
<td>487</td>
</tr>
<tr>
<td>Subordinated convertible bonds</td>
<td>115</td>
<td>113</td>
</tr>
<tr>
<td>Financial lease liabilities</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Bank overdrafts and other loans</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total interest-bearing debts</strong></td>
<td>503</td>
<td>612</td>
</tr>
<tr>
<td>Less: cash</td>
<td>696</td>
<td>739</td>
</tr>
<tr>
<td><strong>Net cash position</strong></td>
<td>193</td>
<td>127</td>
</tr>
</tbody>
</table>
Trade working capital

### Trade working capital (in € million)

- Q2 2015: $2,500$
- Q4 2015: $1,500$
- Q2 2016: $2,000$
- Q4 2016: $2,500$
- Q2 2017: $1,500$
- Q4 2017: $1,000$

### Trade working capital (in € million and TWC as %)

- Q2 2015: $-2,500$
- Q4 2015: $-1,500$
- Q2 2016: $-1,000$
- Q4 2016: $-700$
- Q2 2017: $-400$
- Q4 2017: $-100$

Legend:
- **Work-in-progress credit**
- **Work-in-progress debit**
- **Trade and other receivables**
- **Trade and other payables**
- **Trade working capital**

### Trade working capital Q-end

- Q4 2015: $-15\%
- Q2 2016: $-10\%$
- Q4 2016: $-5\%$
- Q2 2017: $0\%$
- Q4 2017: $5\%$

### Average TWC as % of 4-Q rolling revenue

- Q4 2015: $-900$
- Q2 2016: $-700$
- Q4 2016: $-500$
- Q2 2017: $-300$
- Q4 2017: $-100$
### Revenue sector/country

* (in € million, unless stated otherwise)

<table>
<thead>
<tr>
<th></th>
<th>Construction and Property</th>
<th>Civil engineering</th>
<th>PPP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>19%</td>
<td>18%</td>
<td>0%</td>
<td>37%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>16%</td>
<td>11%</td>
<td>-</td>
<td>27%</td>
</tr>
<tr>
<td>Belgium/Luxembourg</td>
<td>6%</td>
<td>4%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Germany/Swiss</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
<td>14%</td>
</tr>
<tr>
<td>Ireland</td>
<td>5%</td>
<td>2%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>International</td>
<td>1%</td>
<td>2%</td>
<td>-</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54%</strong></td>
<td><strong>44%</strong></td>
<td><strong>2%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Revenue per sector/country 2017 as a percentage of gross total revenue 2017
Contact details

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