Trading update
9 months 2018

Bunnik, 8 November 2018
BAM reports adjusted pre-tax result of €93.6 million, reiterates full year outlook

- Adjusted pre-tax result margin 1.9% including sea lock IJmuiden cost overrun reported in Q2
- Strong results at Construction and Property and PPP; Civil engineering break-even
- Non-cash impairment of €23 million on Dutch regional property positions
- Order book quality continued to improve due to focus on selective tendering
- Full focus on reversing the recent trend of trade working capital efficiency
Outlook

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

- Updated strategy: Building the present, creating the future
- Property investments
- PPP investments
- Financial position
- Trade working capital
- Revenue sector/country
Royal BAM Group nv

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
Focusing project portfolio

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

Stage gate 2
- Initial validation
- Tender documents received

Stage gate 3
- Decision to bid

Stage gate 4
- Approval final contract
- Tender submitted

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

- **Inside**
  - **High**
    - Fix or exit
  - **Low**
    - Leverage high-margin specialisms

- **Outside**
  - **High**
    - Stay out
  - **Low**
    - Develop new propositions along lifecycle
Create future portfolio

Digital construction process

Digital built environment
Culture

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

BAM value
## Property investments

**(in € million, unless stated otherwise)**

<table>
<thead>
<tr>
<th></th>
<th>June 2018</th>
<th>June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and building rights</td>
<td>406</td>
<td>427</td>
</tr>
<tr>
<td>Property development</td>
<td>159</td>
<td>174</td>
</tr>
<tr>
<td>Total investments (a)</td>
<td>565</td>
<td>601</td>
</tr>
<tr>
<td>Non-recourse loans</td>
<td>69</td>
<td>81</td>
</tr>
<tr>
<td>Recourse loans</td>
<td>73</td>
<td>77</td>
</tr>
<tr>
<td>Total loans (b)</td>
<td>142</td>
<td>158</td>
</tr>
<tr>
<td>Property associates/JV/AHFS (c)</td>
<td>129</td>
<td>106</td>
</tr>
<tr>
<td>Net investments (a)–(b)+(c)</td>
<td>552</td>
<td>549</td>
</tr>
</tbody>
</table>

### Total investments as at 30 June 2018

(in € million)

<table>
<thead>
<tr>
<th>Region</th>
<th>Residential</th>
<th>Non-residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>UK</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>BE</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>IE</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

11
## PPP investments

*(in € million, unless stated otherwise)*

<table>
<thead>
<tr>
<th></th>
<th>30 June 2018</th>
<th>31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invested equity</strong>&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>70</td>
<td>68</td>
</tr>
<tr>
<td><strong>Committed equity</strong>&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>150</td>
<td>101</td>
</tr>
<tr>
<td><strong>Total invested &amp; committed equity</strong></td>
<td><strong>220</strong></td>
<td><strong>169</strong></td>
</tr>
<tr>
<td><strong>Of which committed equity by PGGM</strong></td>
<td><strong>109</strong></td>
<td><strong>70</strong></td>
</tr>
<tr>
<td><strong>Estimated unrealised value based on cash flows</strong></td>
<td><strong>76</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

<sup>1</sup> BAM share invested in equity of PPP contracts.
<sup>2</sup> Excluding contracts in preferred bidder stage.
## Financial position

*(in € million, unless stated otherwise)*

<table>
<thead>
<tr>
<th></th>
<th>30 June 2018</th>
<th>31 December 2017*</th>
<th>30 June 2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash position</td>
<td>434</td>
<td>696</td>
<td>603</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>346</td>
<td>503</td>
<td>613</td>
</tr>
<tr>
<td>Net cash position</td>
<td>88</td>
<td>193</td>
<td>-10</td>
</tr>
<tr>
<td>Recourse net cash position</td>
<td>208</td>
<td>458</td>
<td>349</td>
</tr>
<tr>
<td>Capital ratio *</td>
<td>19.9%</td>
<td>18.6%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Return on rolling average capital employed *</td>
<td>1.8%</td>
<td>0.6%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

* Restated for IFRS 15
Trade working capital

(in € million and TWC as %)

-841 -726 -719 -625 -820 -592 -562

Q4 2016 Q2 Q4 2017 Q2 Q3

Trade working capital Q-end (restated for IFRS 15 as from Q4 2016)

Average TWC as % of 4-Q rolling revenue (restated for IFRS 15 as from Q3 2017)
## 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

BAM Investor Relations

Joost van Galen
+31(0) 30 659 87 07
ir@bam.com