BAM reports adjusted pre-tax result of €20.5 million in first nine months, reiterates full year outlook

In Q3, adjusted pre-tax result of €47.7 million

- Solid contributions from Construction and Property led by Dutch residential, and from PPP
- Civil engineering recovered in the third quarter, except at BAM International
- Order book lower due to focus on quality above quantity and some specific market developments
- Positive momentum in trade working capital efficiency; further increase in cash position in Q3
Nitrogen and PFAS*: government action needed

Situation (the Netherlands): delays of contract awards
- So far no impact on projects in execution
- Contract award decisions take more time

Response BAM: focus on sustainable solutions
- Active role in discussion, in close cooperation with trade associations
- Short-term focus on projects with low exposure
- Reconfirming our strategic direction, with focus on sustainable, modular and low emission solutions

What is needed: decisive Government action
- Construction industry needs decisive action and clarity from government to limit impact

Overview Natura 2000 areas

* A group of man-made flouro-chemicals
Outlook

For 2019, BAM expects an adjusted profit before tax margin of around 1 per cent, with revenue slightly higher than 2018.
Annexes

- 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
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
- Tender submitted

Stage gate 4
- Approval final contract
- Contract awarded

Stage gate 5
- Operational audit
- If won: Reality check

- Peer review
- Tender assessment
Shape business portfolio

- **Home markets**
  - **Inside**: Fix or exit
  - **Outside**: Stay out

- **Level of competition**
  - **High**: Develop new propositions along lifecycle
  - **Low**: Leverage high-margin specialisms

Trading update Q1 2019
Trading update 9M 2019
7 November 2019
Create future portfolio

Digital construction process

Digital built environment
Culture

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

Innovation

- Profitable projects
- Selected segments
- Understanding
- Proposition
- Execution
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

Trading update Q1 2019
Trading update 9M 2019
7 November 2019
## Property investments

**Property investments**

(in € million, unless stated otherwise)

<table>
<thead>
<tr>
<th></th>
<th>30 June 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and building rights</td>
<td>348</td>
<td>354</td>
</tr>
<tr>
<td>Property development</td>
<td>184</td>
<td>210</td>
</tr>
<tr>
<td>Total investments (a)</td>
<td>533</td>
<td>564</td>
</tr>
<tr>
<td>Non-recourse loans</td>
<td>48</td>
<td>79</td>
</tr>
<tr>
<td>Recourse loans</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>Total loans (b)</td>
<td>104</td>
<td>132</td>
</tr>
<tr>
<td>Property associates/JV/AHFS (c)</td>
<td>141</td>
<td>118</td>
</tr>
<tr>
<td>Net investments (a)–(b)+(c)</td>
<td>570</td>
<td>550</td>
</tr>
</tbody>
</table>
### PPP investments

(in € million, unless stated otherwise)

<table>
<thead>
<tr>
<th></th>
<th>30 June 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested equity¹)</td>
<td>78</td>
<td>75</td>
</tr>
<tr>
<td>Committed equity²)</td>
<td>142</td>
<td>145</td>
</tr>
<tr>
<td>Total invested &amp; committed equity</td>
<td>219</td>
<td>220</td>
</tr>
<tr>
<td>Of which committed equity by PGGM</td>
<td>109</td>
<td>105</td>
</tr>
<tr>
<td>Estimated unrealised value based on cash flows</td>
<td>78</td>
<td>75</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>30 June 2019</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-recourse PPP loans</td>
<td>41</td>
<td>43</td>
</tr>
<tr>
<td>Non-recourse project financing</td>
<td>52</td>
<td>84</td>
</tr>
<tr>
<td>Other project financing</td>
<td>70</td>
<td>67</td>
</tr>
<tr>
<td><strong>Total ‘project related’</strong></td>
<td><strong>163</strong></td>
<td><strong>194</strong></td>
</tr>
<tr>
<td>Subordinated convertible bonds</td>
<td>119</td>
<td>118</td>
</tr>
<tr>
<td>Financial lease liabilities</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Bank overdrafts and other loans</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total interest-bearing debts</strong></td>
<td><strong>288</strong></td>
<td><strong>343</strong></td>
</tr>
<tr>
<td><strong>Less: cash</strong></td>
<td><strong>449</strong></td>
<td><strong>744</strong></td>
</tr>
<tr>
<td><strong>Net (debt) cash position (before IFRS 16 leases)</strong></td>
<td><strong>161</strong></td>
<td><strong>401</strong></td>
</tr>
<tr>
<td>Lease Liabilities (IFRS 16)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net (debt) cash after IFRS 16 leases</strong></td>
<td><strong>-122</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note, BAM adopted IFRS 16 from 1 January 2019, 2018 not restated
Trade working capital

Trade working capital
(in € million)

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

Trade working capital Q-end
Average TWC as % of 4-Q rolling revenue

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

Trading update 9M 2019
7 November 2019
## Revenue sector/country

<table>
<thead>
<tr>
<th>(in € million)</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>19%</td>
<td>0%</td>
<td>38%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>15%</td>
<td>13%</td>
<td>0%</td>
<td>28%</td>
</tr>
<tr>
<td>Belgium/Luxembourg</td>
<td>7%</td>
<td>3%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Germany/Swiss</td>
<td>6%</td>
<td>6%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>Ireland</td>
<td>6%</td>
<td>1%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>International</td>
<td>2%</td>
<td>3%</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55%</strong></td>
<td><strong>45%</strong></td>
<td>0%</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Revenue per sector/country 2018 as a percentage of gross total revenue 2018
Contact

**Michel Aupers**
Runnenburg 9
3981 AZ Bunnik
The Netherlands

PO Box 20
3980 CA Bunnik
The Netherlands

+31 (0)30 659 89 88
info@bam.com
www.bam.com