

# Results 2017



**bam**

Royal BAM Group nv



Amsterdam, 21 February 2018

# BAM reports full year adjusted result before tax of € 63.3 million



Full year adjusted result margin at 1%; excluding previously announced loss at sea lock IJmuiden at 2%



Construction and Property: improved margins due to prior restructuring in the Netherlands and Germany



Civil engineering: loss mainly due to the Netherlands; partly offset by UK, Ireland and Germany



PPP: strong performance from existing portfolio; 50% tender hit rate



Increased order book; 84% of revenue in hand for 2018



Impairment of deferred tax assets triggered by underperformance in the Dutch fiscal entity



Dividend per share proposal of €0.10 (2016: €0.09) with scrip alternative and buy-back to offset dilution



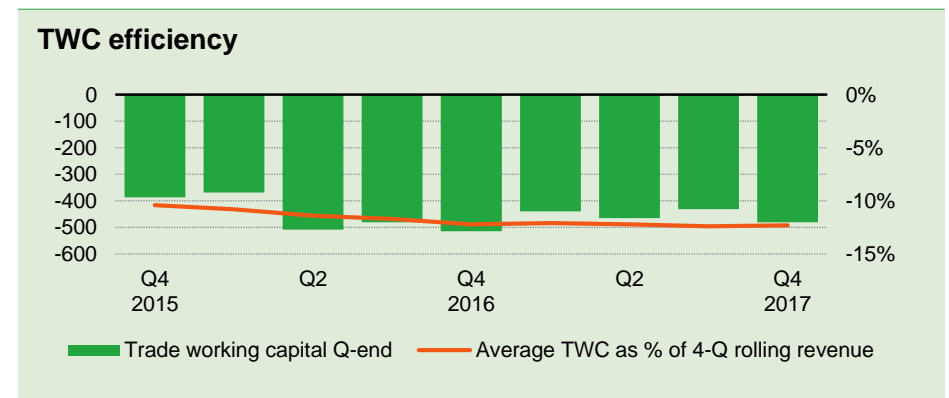
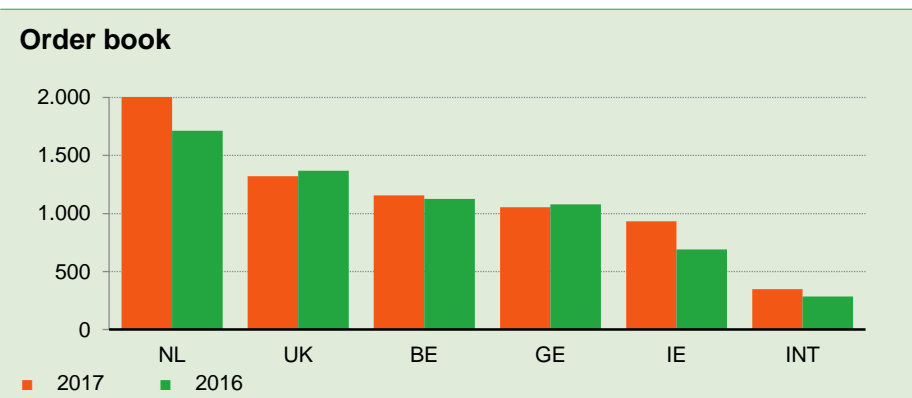
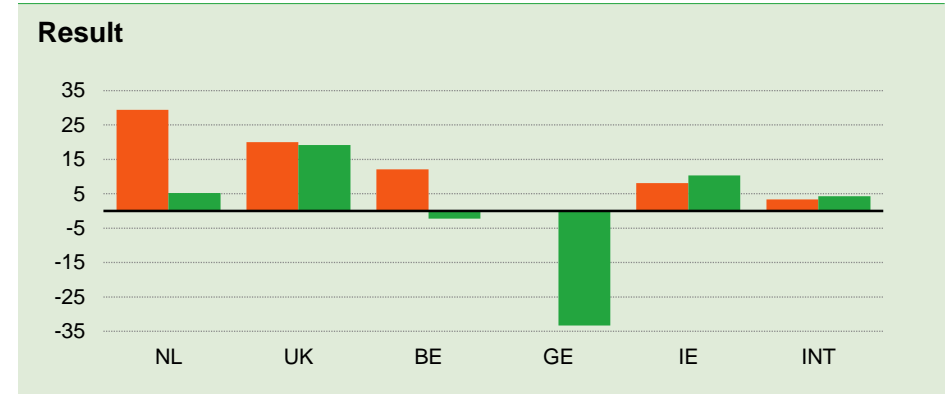
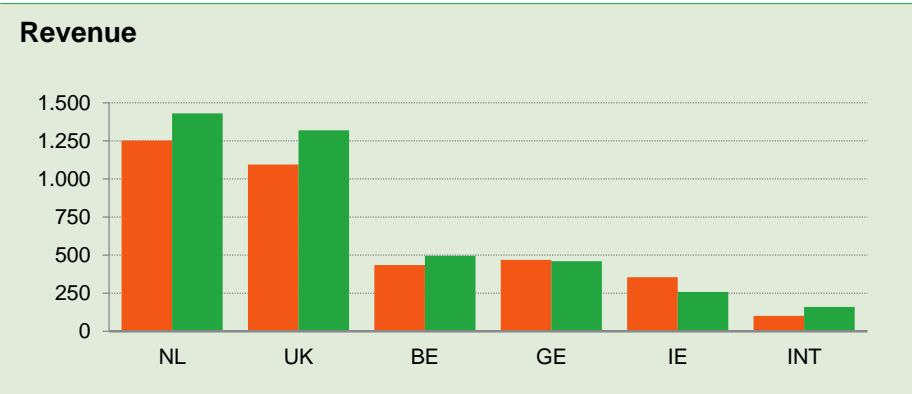
**V&A Museum of Design**  
Dundee BAM Construct UK



**Residential tower B'mine@Overhoeks, Amsterdam**  
(147 rental apartments) AM and BAM Wonen

# Construction and Property

(in € million)

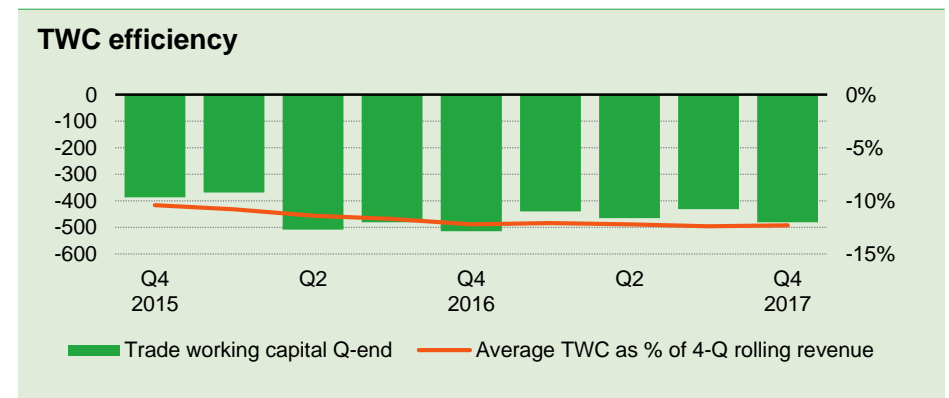
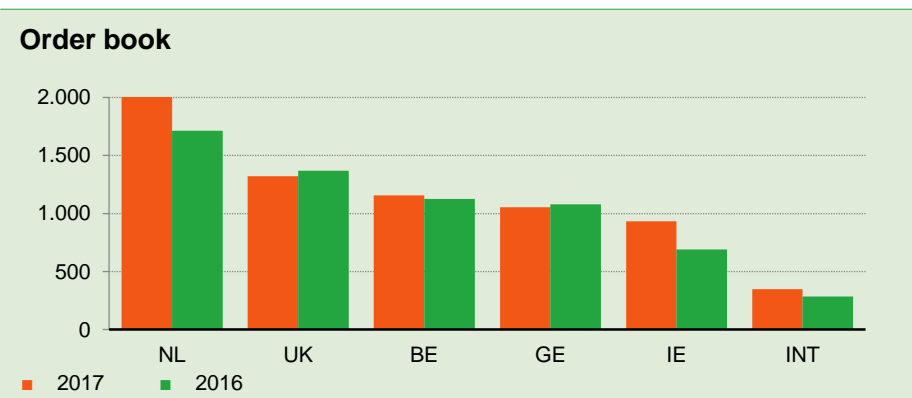
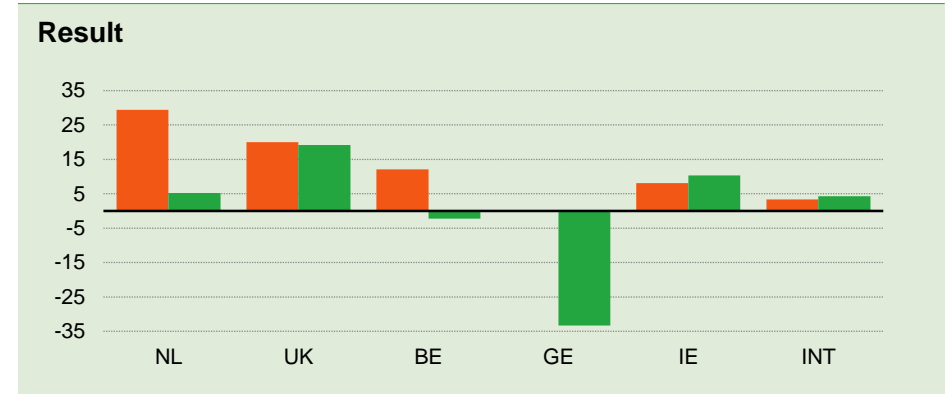
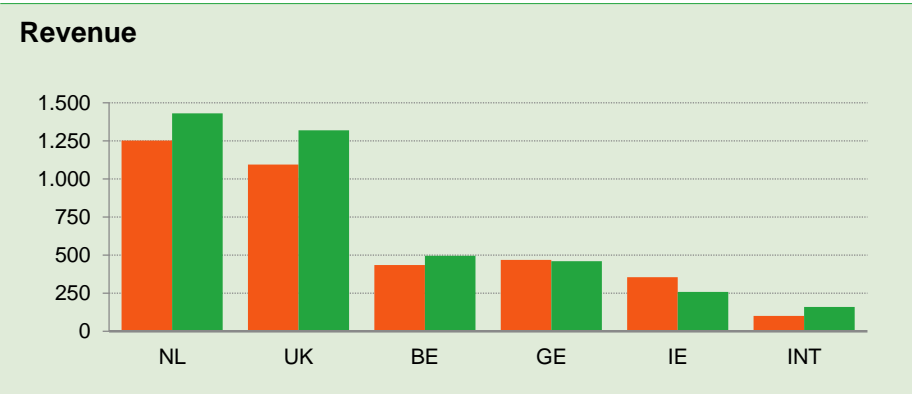




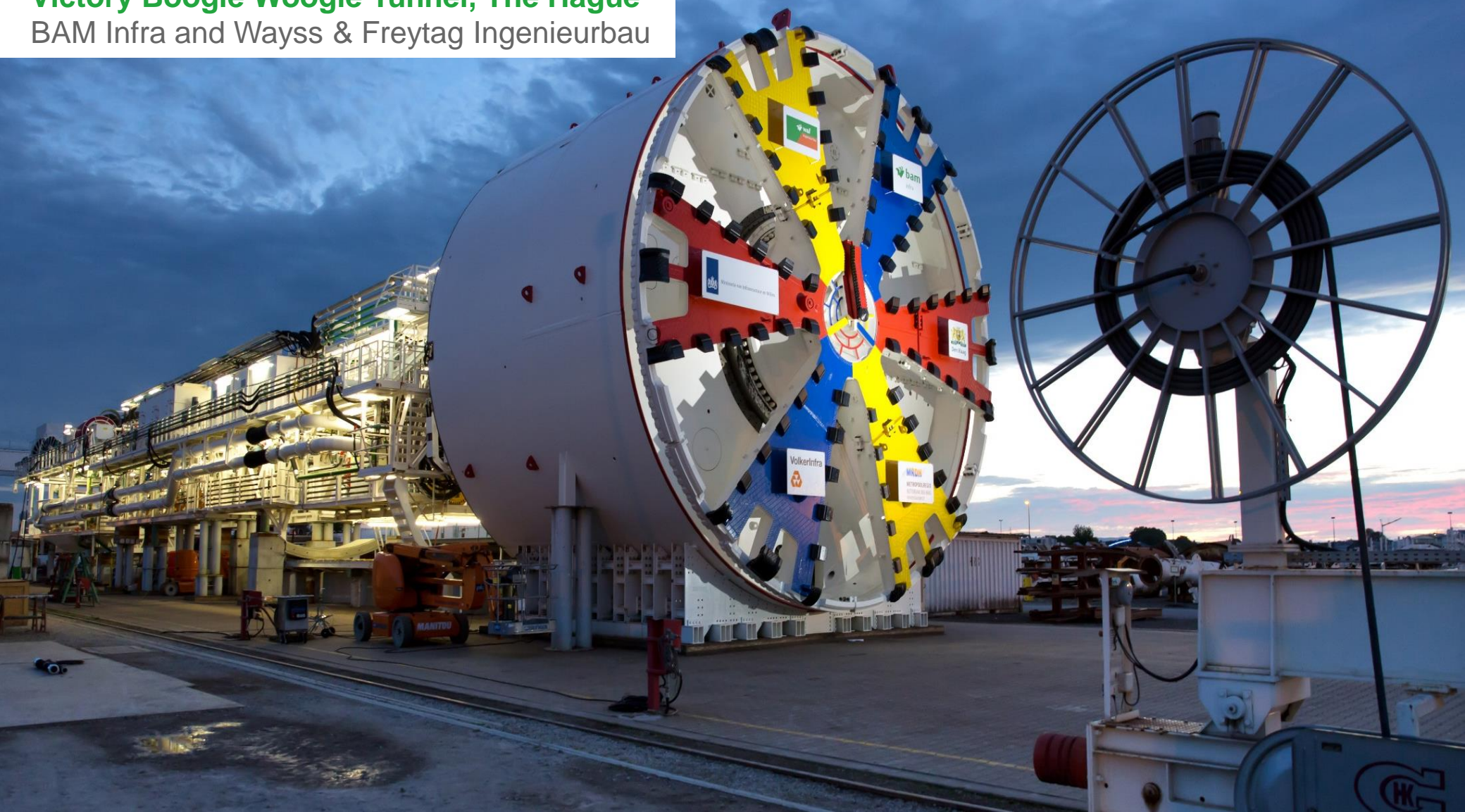
**Large scale city redevelopment  
(former Bijlmer prison), Amsterdam AM**

# Construction and Property

(in € million)



**Victory Boogie Woogie Tunnel, The Hague**  
BAM Infra and Wayss & Freytag Ingenieurbau





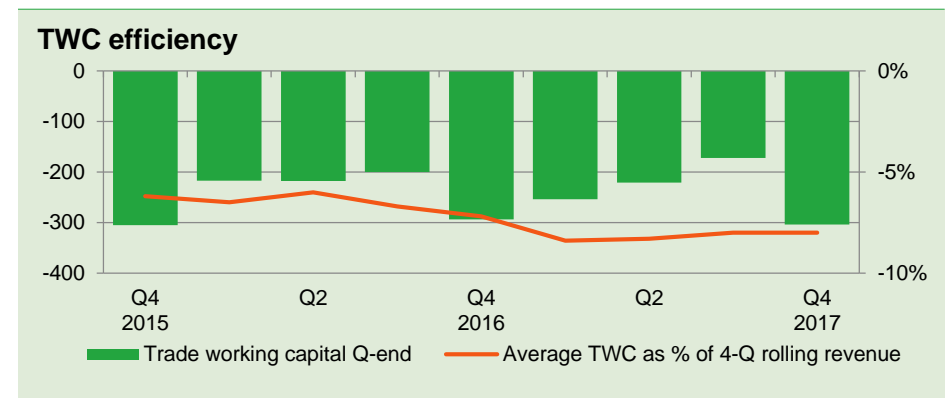
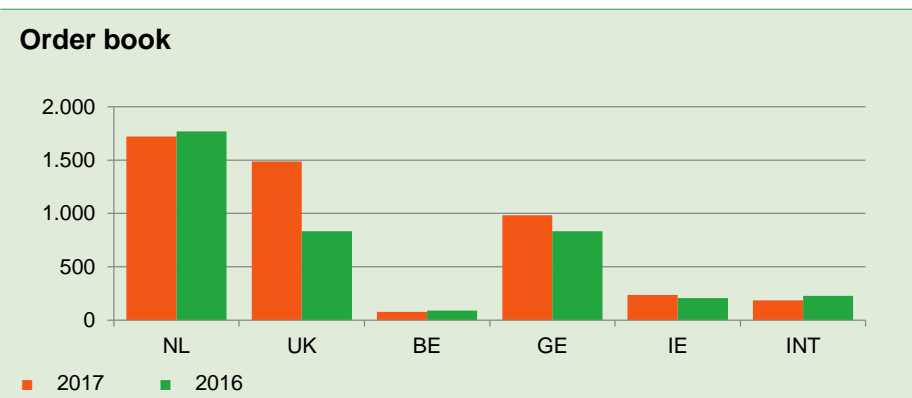
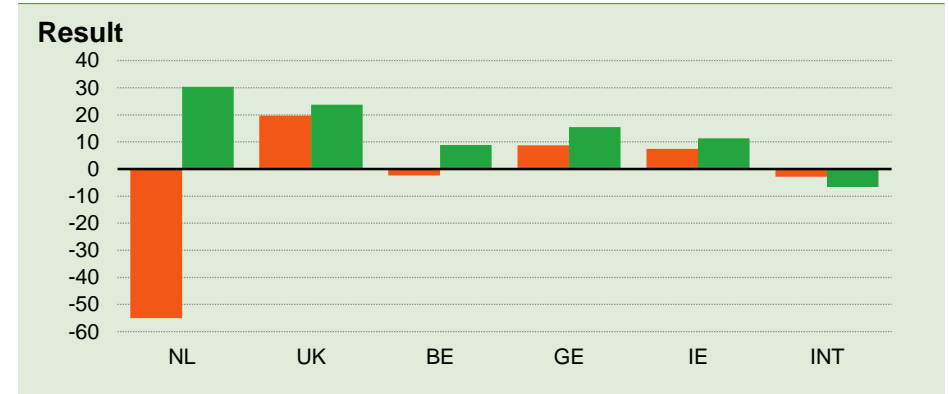
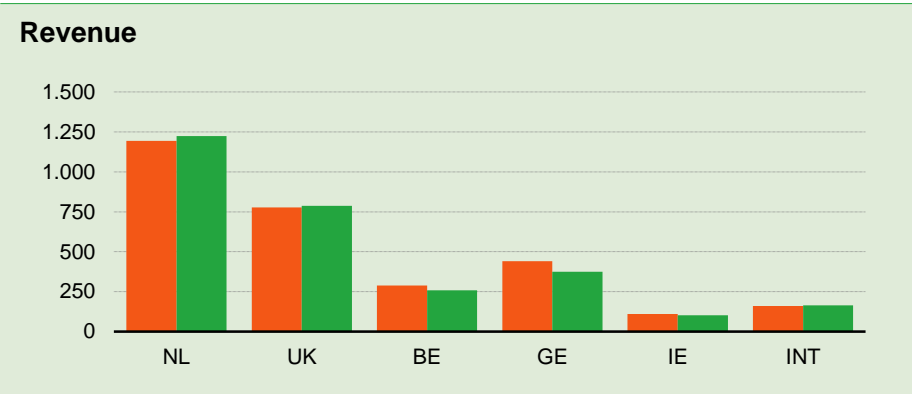


## 3D printed bicycle bridge, Gemert (NL)

BAM Infra

# Civil engineering

(in € million)

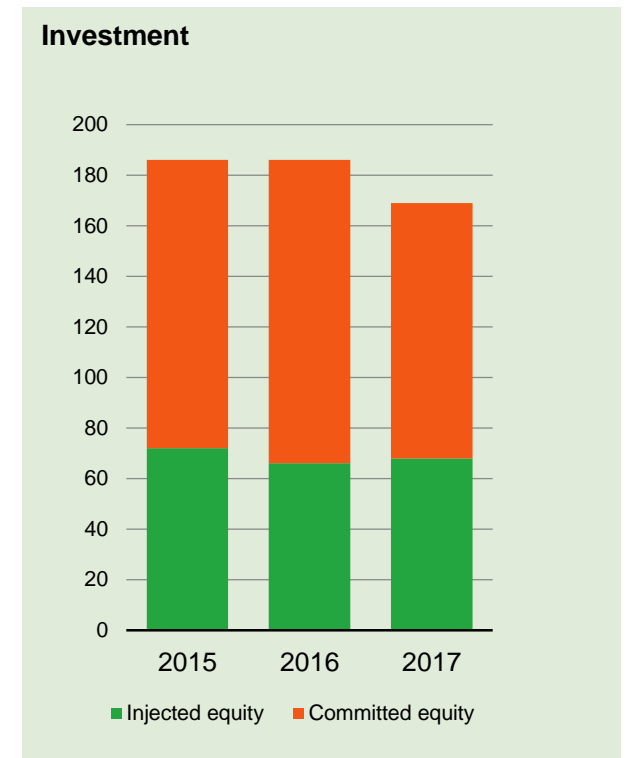
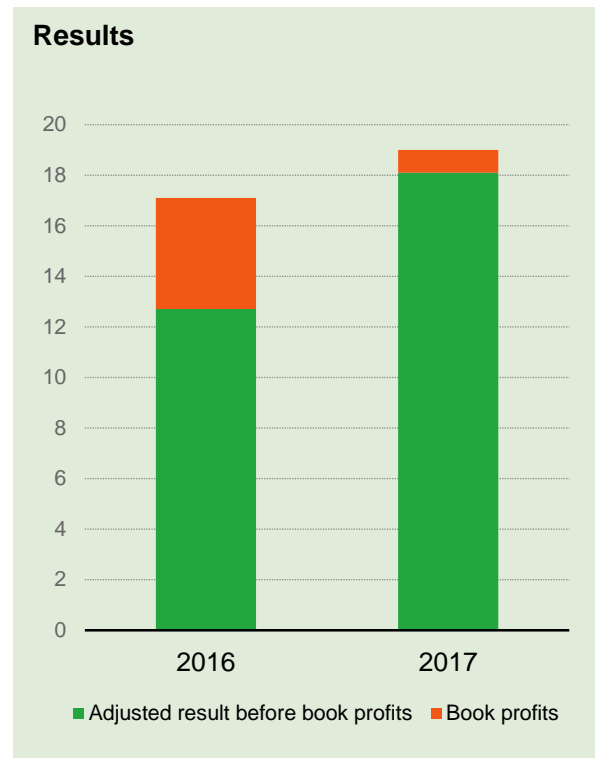
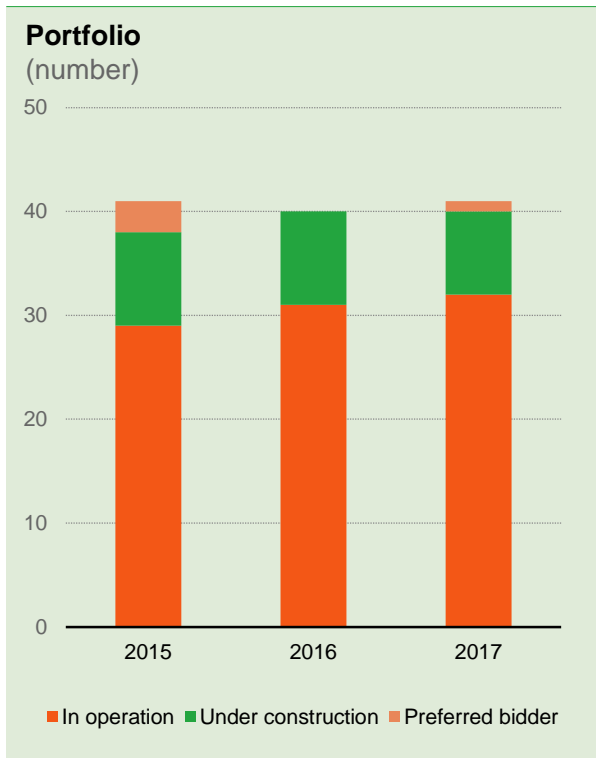




**Drogheda Courthouse**  
BAM PPP and BAM Ireland

# PPP

(in € million)



# Income statement

*(in € million, unless stated otherwise)*

	2017	Margin	2016	Margin
Total sectors	67.7	1.0 %	104.0	1.5 %
Group overhead	-3.5		0.5	
Group interest charge	-0.9		-1.8	
<b>Adjusted result before tax</b>	<b>63.3</b>	<b>1.0%</b>	<b>102.7</b>	<b>1.5%</b>
Restructuring	-0.2		-33.5	
Impairments	-4.8		-50.7	
Pension one-off	-		41.6	
<b>Result before tax</b>	<b>58.3</b>		<b>60.1</b>	
Income tax	-44.9		-10.9	
Non-controlling interest	-0.9		-2.4	
<b>Net result</b>	<b>12.5</b>	<b>0.2%</b>	<b>46.8</b>	<b>0.7%</b>

# Cash flow

*(in € million, unless stated otherwise)*

	2017	2016
Net cash result	78	90
Investments (I)TFA	-83	-55
Δ Trade working capital	-39	116
Net investment Property	80	-1
Net investment PPP	1	7
Δ Other working capital	-24	27
<b>Business cash flow</b>	<b>13</b>	<b>184</b>
Dividend	-7	-2
Restructuring	-25	-33
Pensions (additional)	-12	-12
Others	-12	-35
<b>Δ Cash position</b>	<b>-43</b>	<b>102</b>

# Financial position

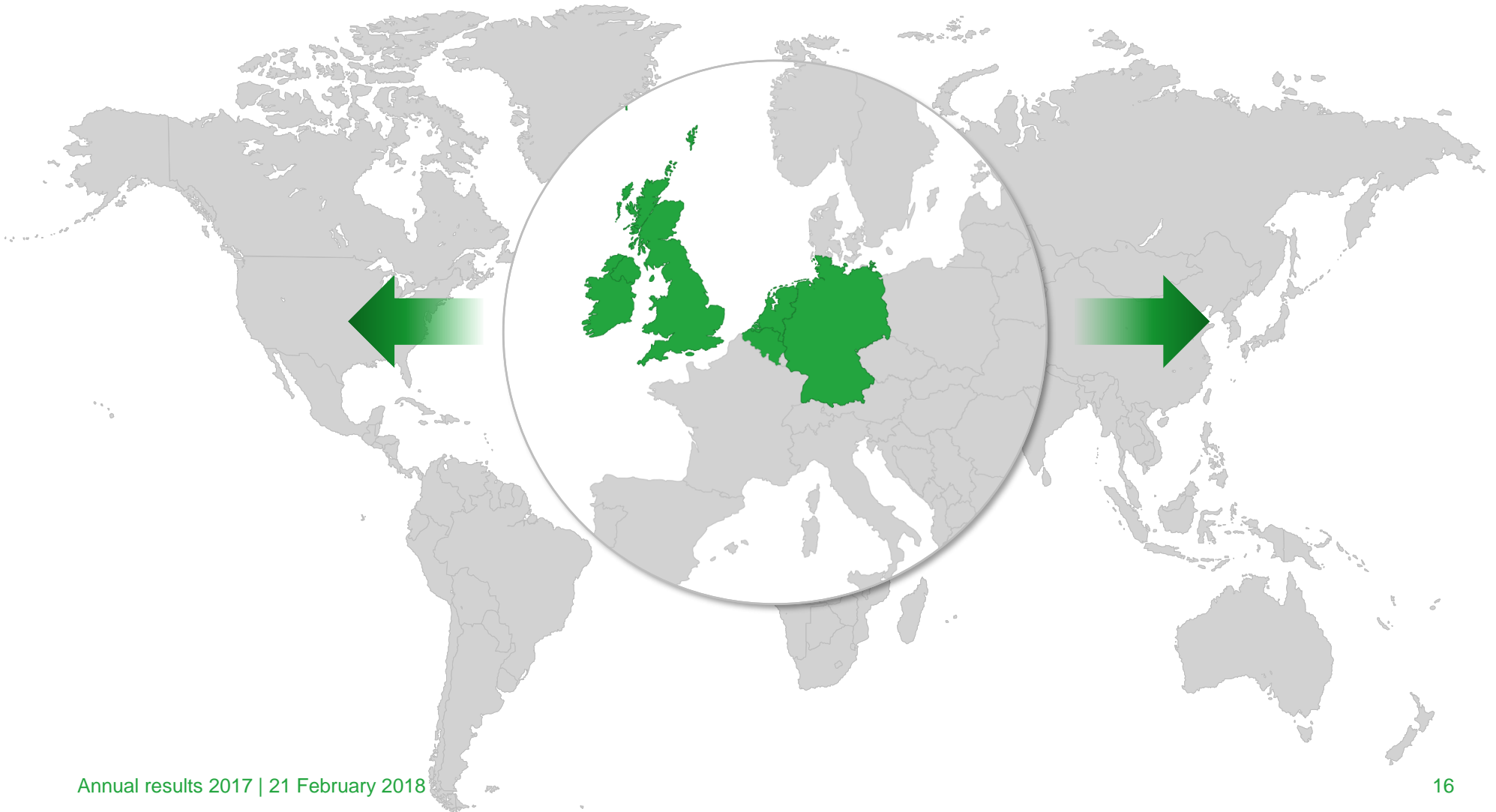
*(in € million, unless stated otherwise)*

	2017	2016
Cash position	<b>696</b>	739
Interest-bearing debt	<b>-503</b>	-612
Net cash position	<b>193</b>	127
Recourse net cash position	<b>458</b>	495
Capital ratio	<b>21.2%</b>	19.7%
Return on average capital employed	<b>2.8%</b>	2.8%





# Market conditions

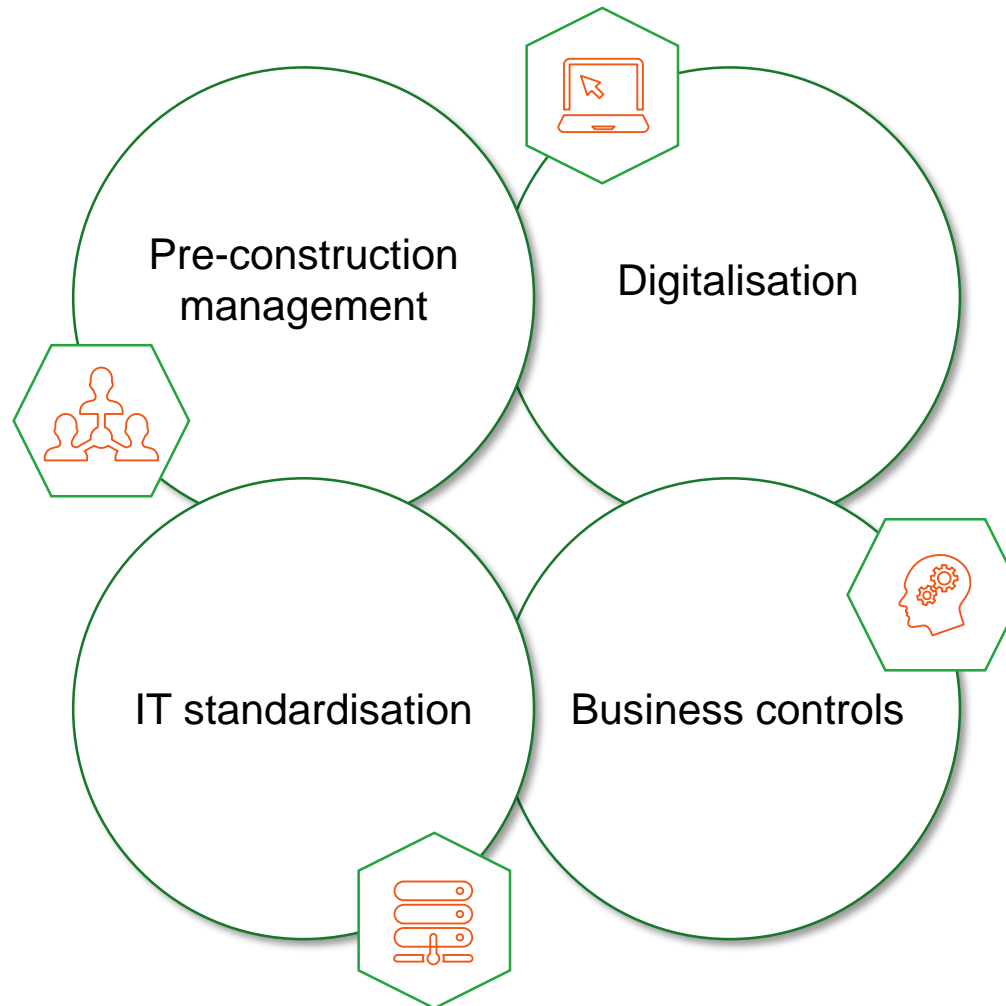


# Order book

*(in € million, unless stated otherwise)*

	2017	2016
Construction and Property	<b>6,890</b>	6,264
Civil engineering	<b>4,693</b>	3,950
PPP	<b>210</b>	342
Eliminations and other	<b>-194</b>	-356
<b>Total sectors</b>	<b>11,600</b>	10,200

# Key priorities



# Outlook

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



## Dividend 2017

BAM proposes a dividend of 10 euro cents per ordinary share. This equates to a payout ratio of 50% of net result after adjustment for the one-off, non operational and non cash impairment of the deferred tax asset.

The dividend will be paid in cash, with a scrip alternative. BAM will repurchase and cancel shares to offset the dilution.



# Annexes

Updated strategy: Building the present, creating the future

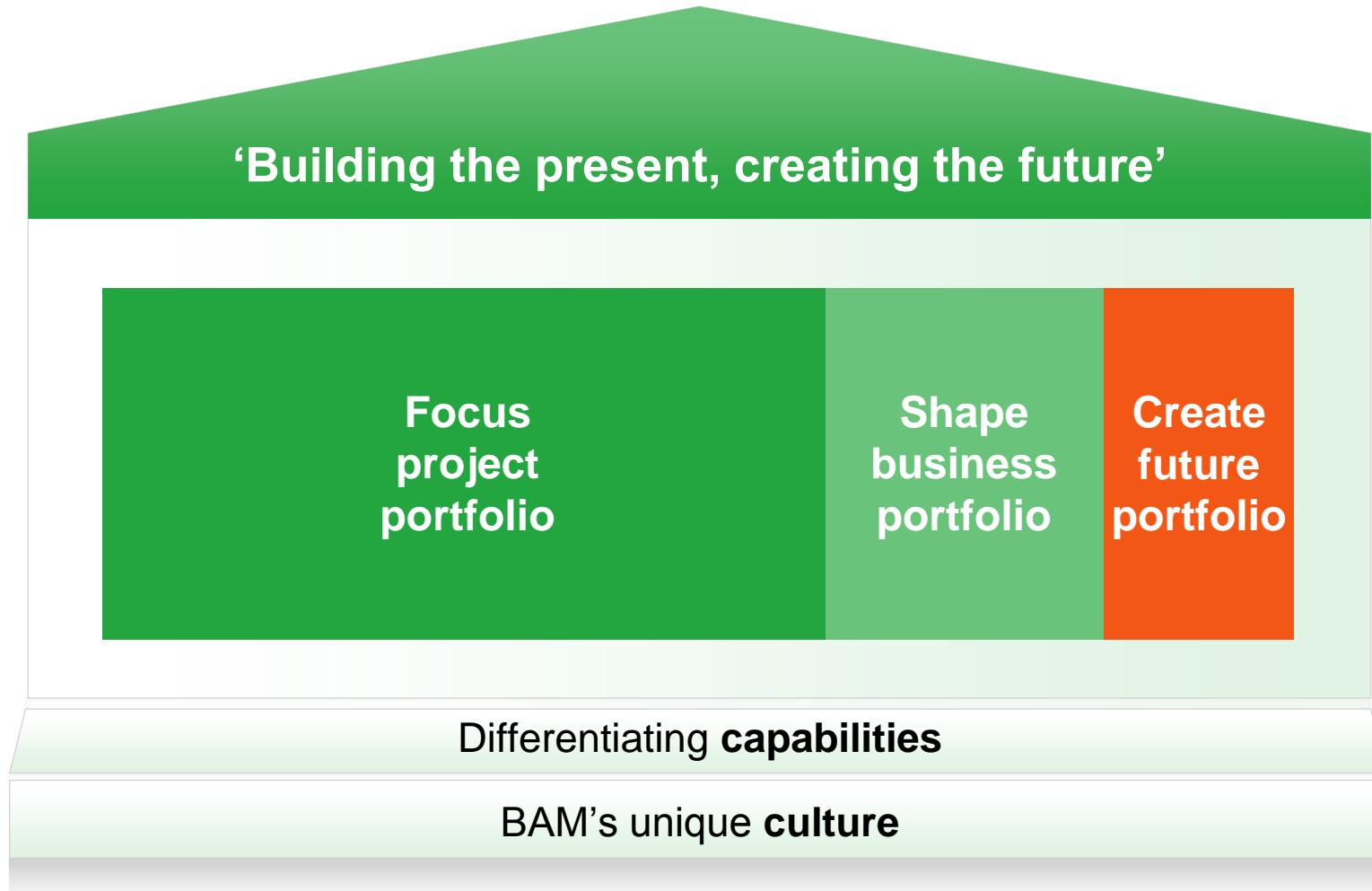
Property investments

PPP investments

Net cash analysis

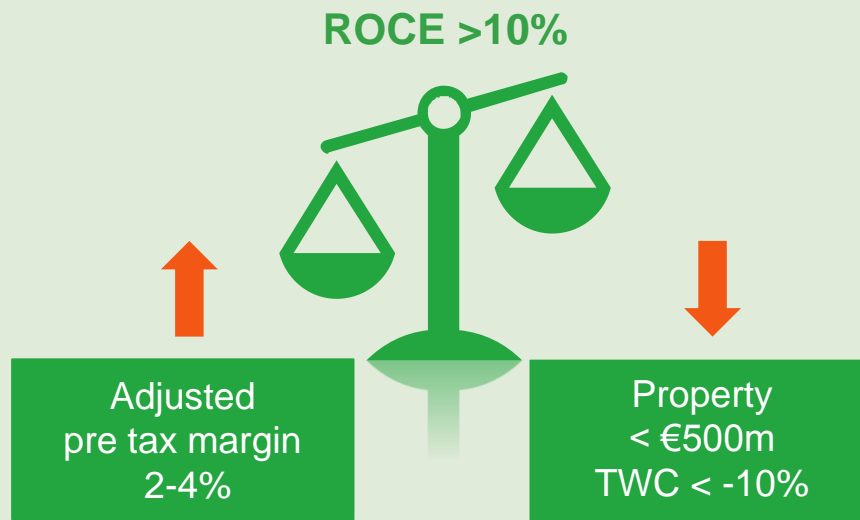
Revenue sector/country

# Strategy 2016-2020



# Targets 2020

## Profit



## People

Safety IF < 3.5



## Planet

Net positive impact





# Focusing project portfolio (1)

## Scale



## Expertise



## Focusing project portfolio (2)

### Selection



### Stage gate



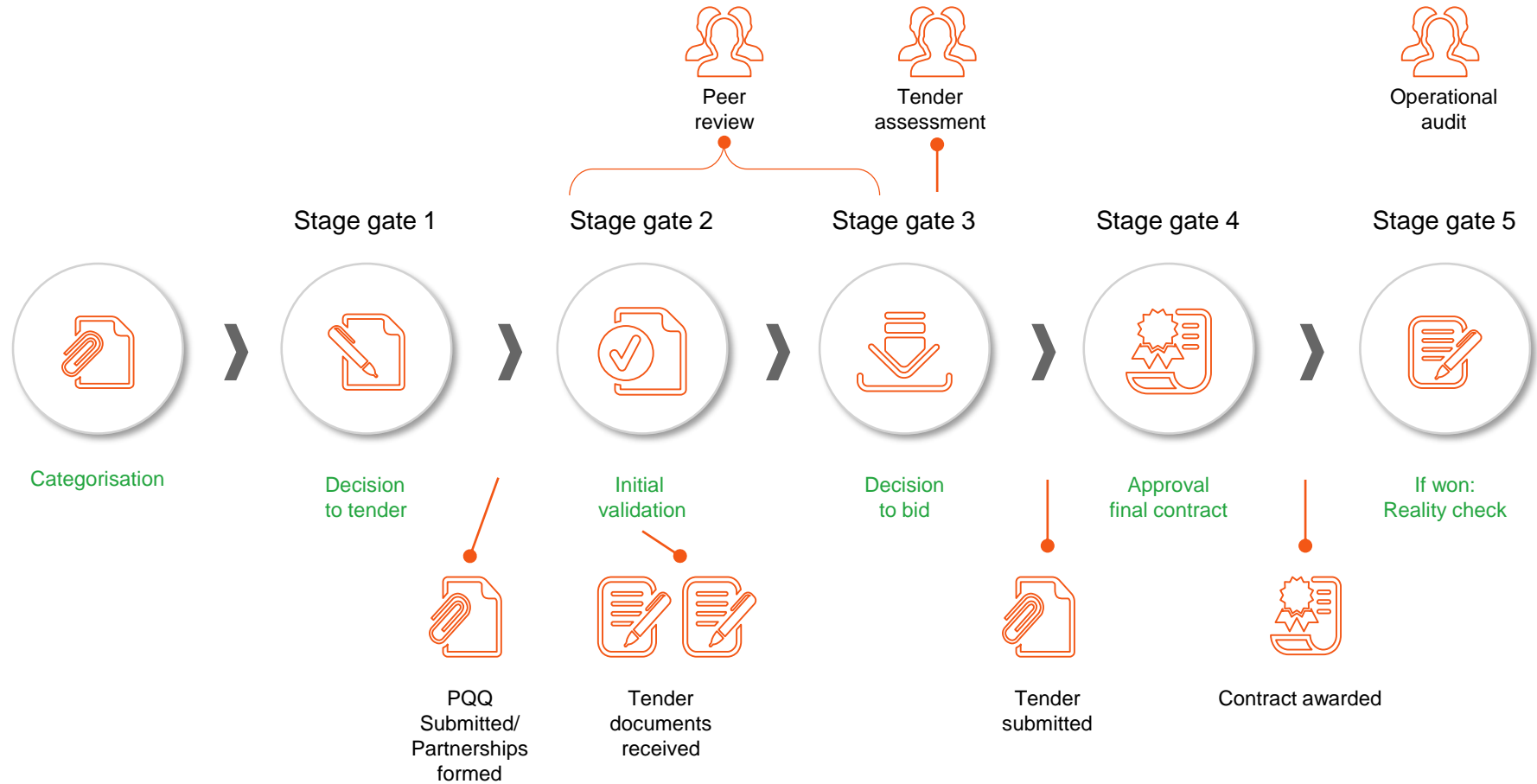
### Peer review



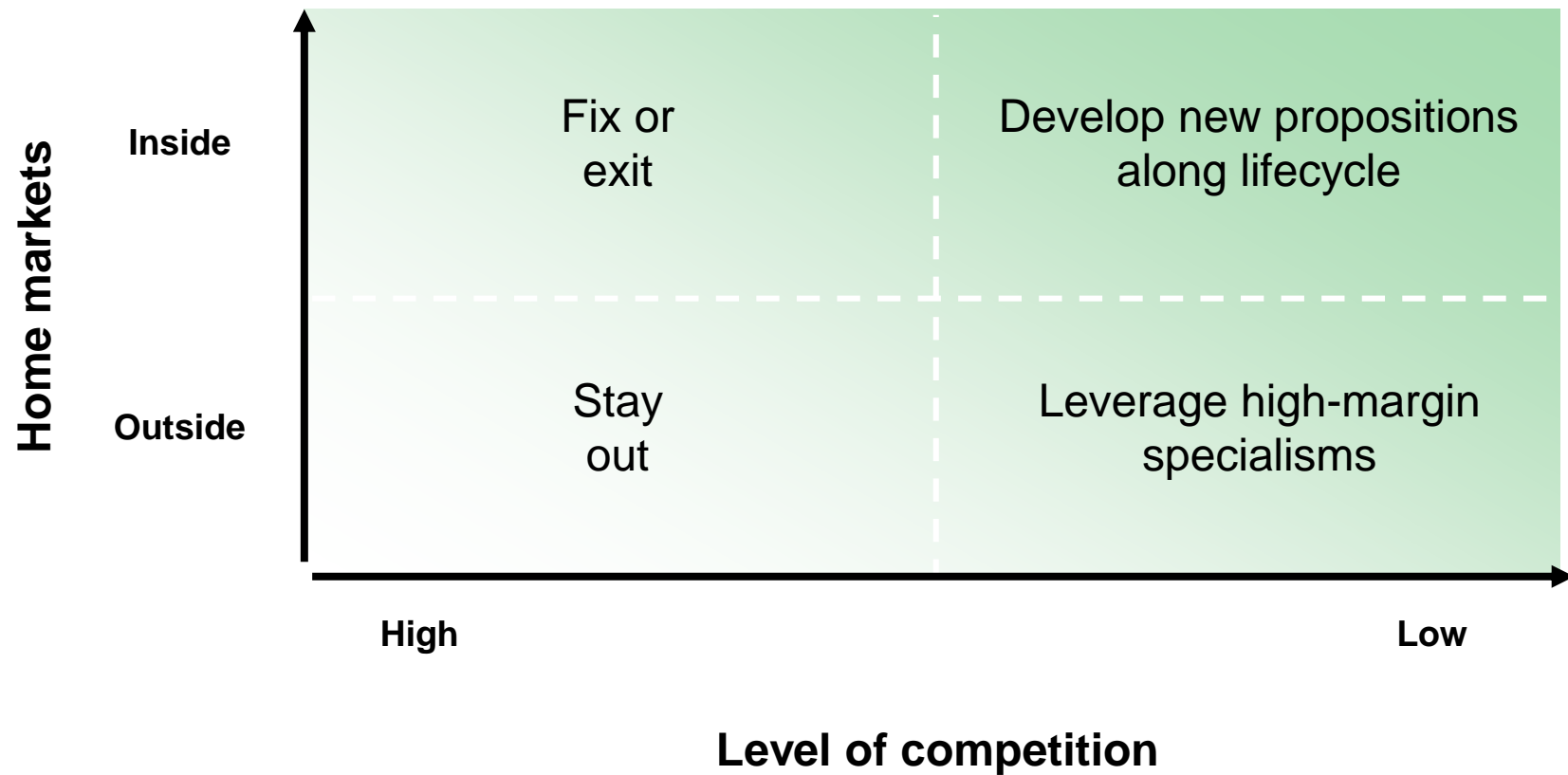
### Operational audit



# Focusing project portfolio (3)

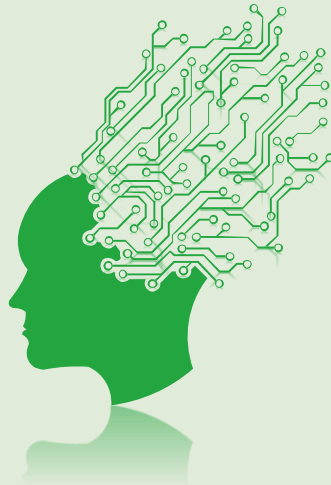


# Shape business portfolio



# Create future portfolio

## Digital construction process



## Digital built environment



# Culture



Predictable performance



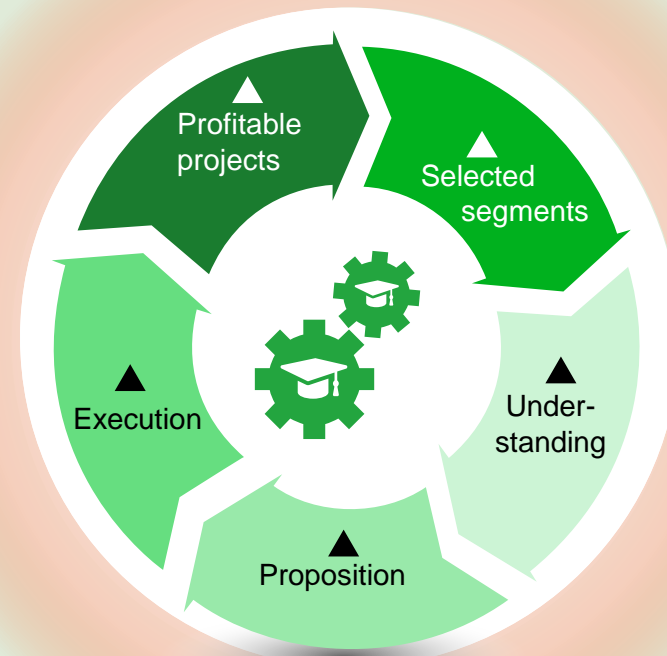
Proactive ownership



Open collaboration

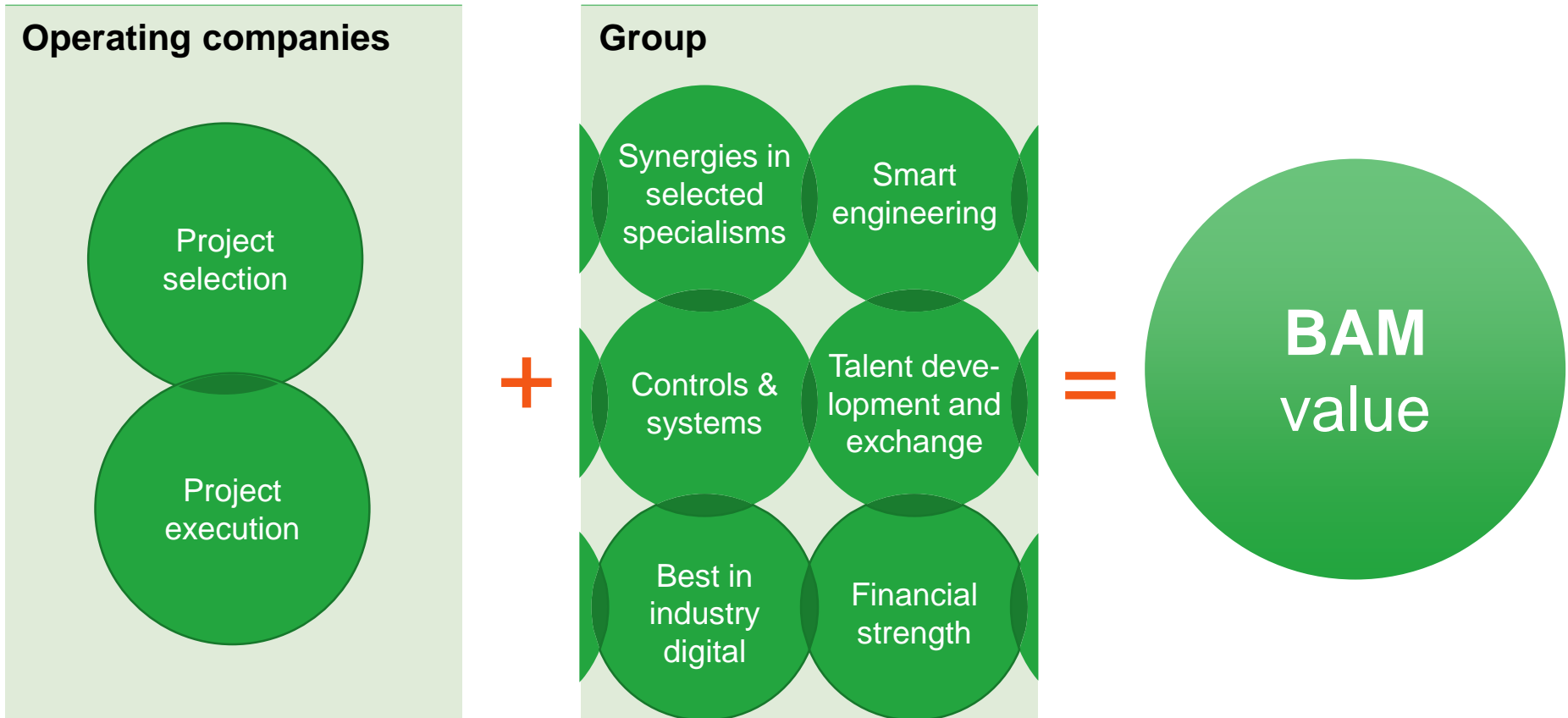


Scalable Learning



**Innovation**

# Capabilities



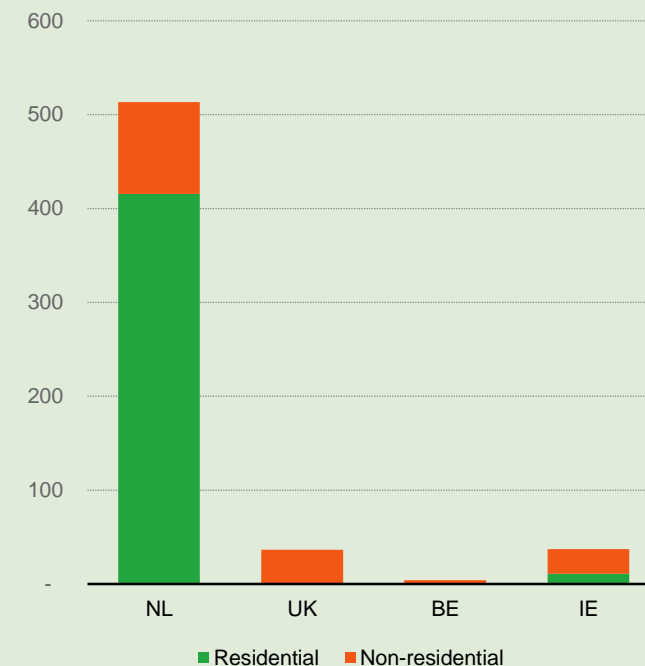
# Property investments

(in € million, unless stated otherwise)

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

(in € million)

## Total investments (YE 2017)





# PPP investments

*(in € million, unless stated otherwise)*

	YE 2017	YE 2016
Invested equity <sup>1)</sup>	<b>68</b>	66
Committed equity <sup>2)</sup>	<b>101</b>	120
Total invested & committed equity	<b>169</b>	186
Of which committed equity by PGGM	<b>70</b>	85
Estimated unrealised value based on cash flows	<b>75</b>	73

<sup>1)</sup> BAM share invested in equity of PPP contracts.

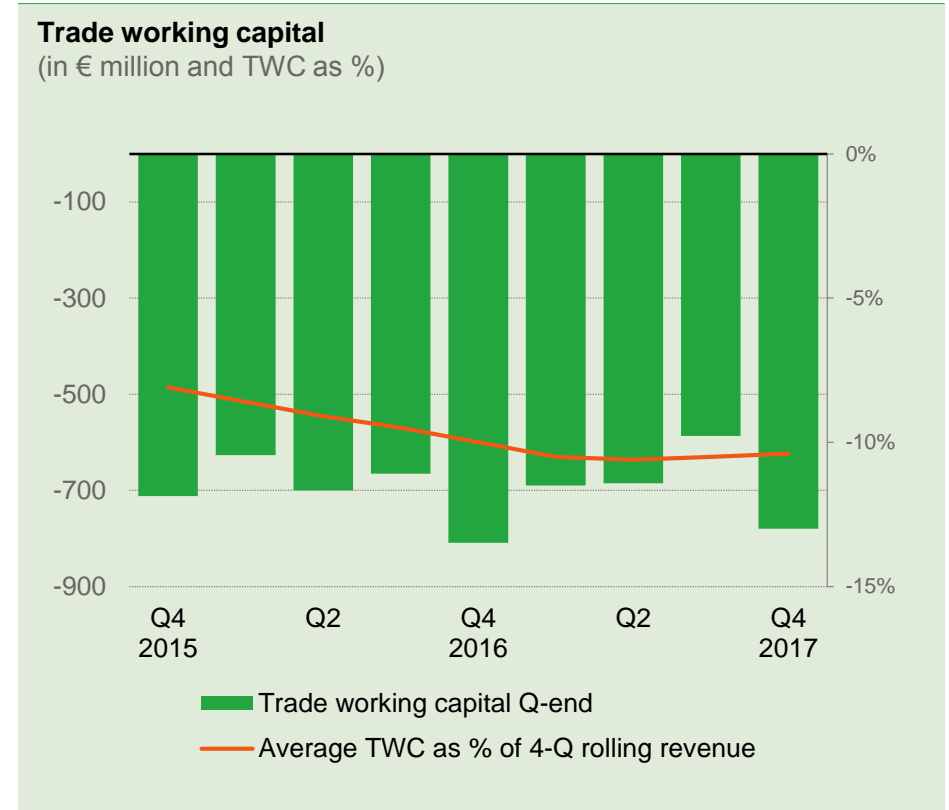
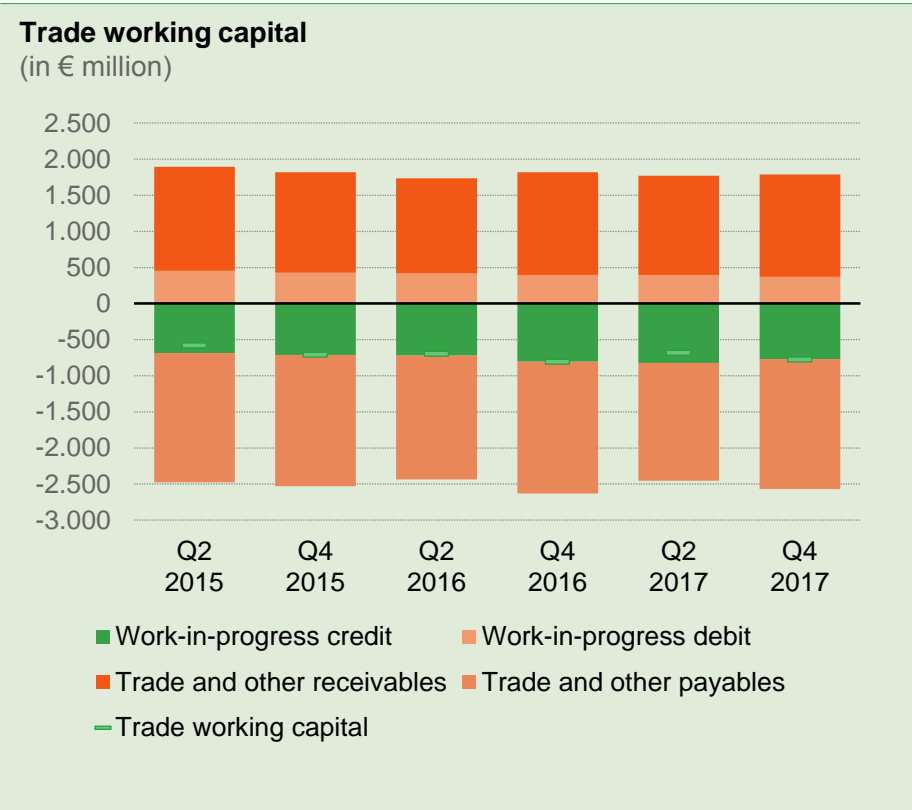
<sup>2)</sup> Excluding contracts in preferred bidder stage.

## Net cash analysis

*(in € million, unless stated otherwise)*

	Q4 2017	Q4 2016
Non recourse PPP loans	190	274
Non recourse project financing	75	94
Other project financing	105	119
<b>Total 'project related'</b>	<b>370</b>	<b>487</b>
Subordinated convertible bonds	115	113
Financial lease liabilities	13	7
Bank overdrafts and other loans	5	5
<b>Total interest-bearing debts</b>	<b>503</b>	<b>612</b>
Less: cash	696	739
<b>Net cash position</b>	<b>193</b>	<b>127</b>

# Trade working capital



## Revenue sector/country

*(in € million, unless stated otherwise)*

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

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

## Contact details

### BAM Investor Relations



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