

Press release

Royal BAM Group nv

BAM lowers full year outlook; maintains 2020 strategic targets

- Outlook for full year 2019 lowered to an adjusted result before tax margin of around 1 per cent
- Higher than expected costs for a civil project and a small number of construction projects in Germany (approximately €65 million) and a BAM International project (approximately €25 million)
- Part of these costs will be recovered, but claim recognitions currently are not foreseen in 2019
- As a result BAM will report a loss for the first half of 2019; detailed first half year figures on 22 August 2019
- Continuing solid performance in the UK, Ireland, PPP and Dutch Construction and Property
- BAM's cash position remains solid, in line with the level of mid-2018

Bunnik, the Netherlands, 8 July 2019 - Rob van Wingerden, CEO Royal BAM Group nv:

'At an early stage of our Q2 reporting cycle we lower our guidance for the full year to an adjusted result before tax of around 1 per cent. Previously our outlook was to improve this margin above the 2018 level of 2.1 per cent.

Higher than expected costs will impact the half year result by approximately €65 million for a large civil project and a small number of construction projects in Germany and by about €25 million at a BAM International project. This is partly caused by scope changes and project delays for which BAM is not responsible. BAM is in discussion with clients for compensation, which can be lengthy processes. The recognitions of our claims are currently not foreseen in 2019. This also illustrates the impact of IFRS 15, resulting in the delay of revenue recognition and a higher earnings volatility.

We sincerely regret that these developments cast a shadow over the strong performance of our other activities and result in a lower profitability. We continue to rigorously implement the lessons learnt in our tendering for new projects, which going forward will result in a better risk reward balance. Our recently installed Executive Committee is strongly committed to improving this balance and the predictability of our business. We are confident that the acceleration of our strategic agenda will enable us to realise BAM's targets for 2020.'

Audio webcast

The Executive Board of Royal BAM Group will hold a conference call for analysts at 9 a.m. CET today (in English). The recording of this call can be accessed via www.bam.com.

Key financial dates

22 August 2019	Publication half-year results 2019
7 November 2019	Trading update first nine months 2019
21 February 2020	Publication annual results 2019

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AP/gc/19/0036e

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