



Half-year results 2019

Amsterdam, Netherlands, 22 August 2019

BAM 2019H1: adjusted pre-tax loss of €27.2m; FY 2019 margin outlook of around 1% confirmed



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Civil engineering: negative result includes additional loss of €7.5m at OpenIJ project in 2019H1



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Order book: stable compared to 2018 due to focus on quality over volume

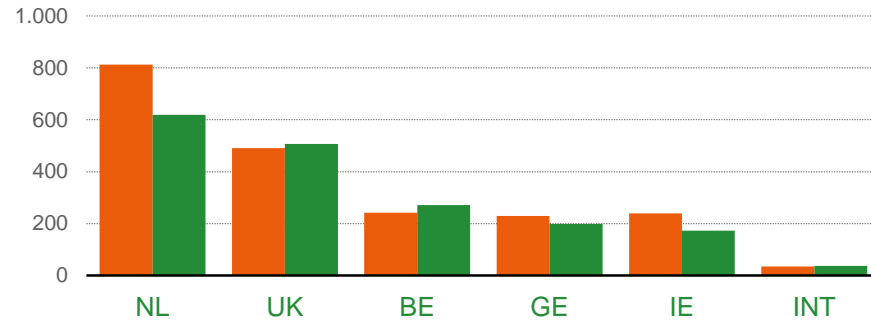


Cash position strong, with trade working capital efficiency at -9.1%

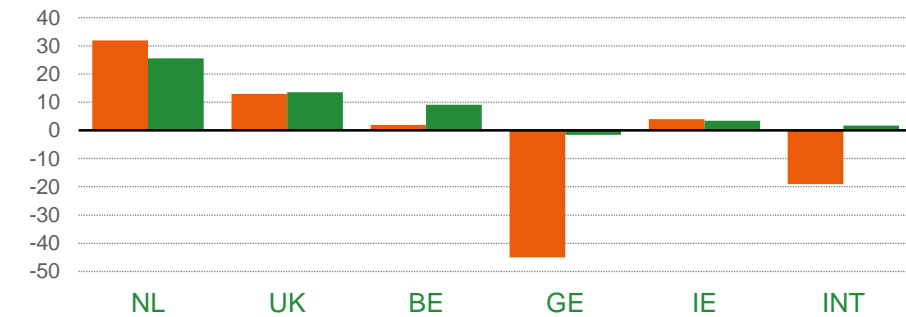
Construction and Property

(in € million)

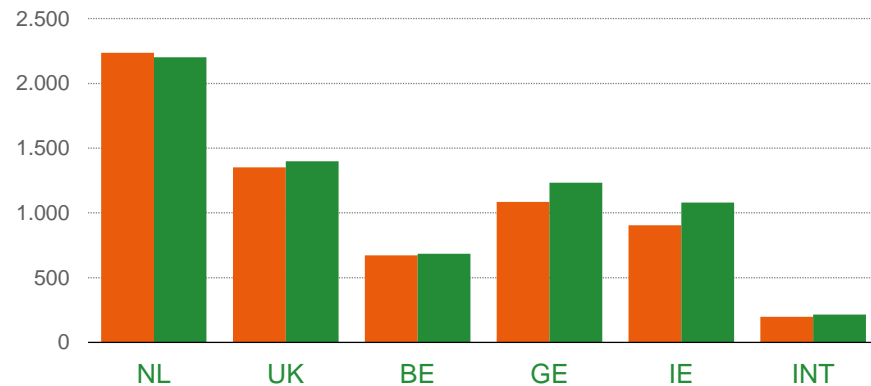
Revenue



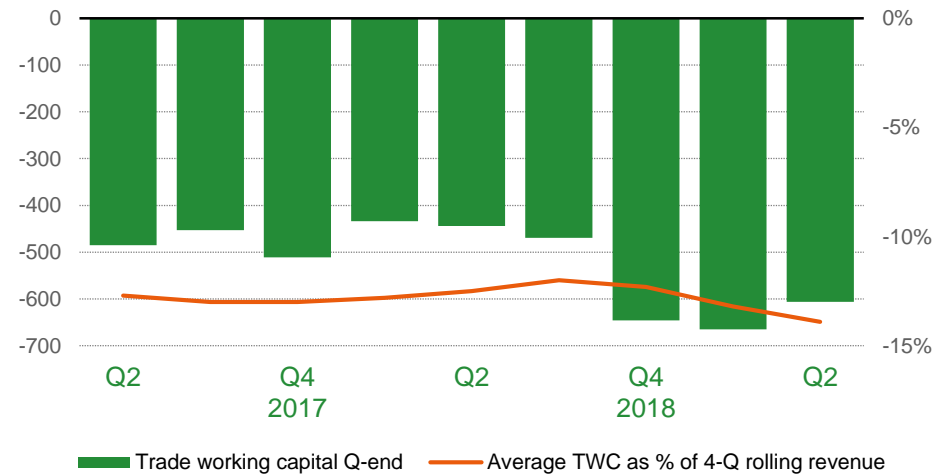
Result



Order book



TWC efficiency



■ 1H 2019 ■ 1H 2018

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

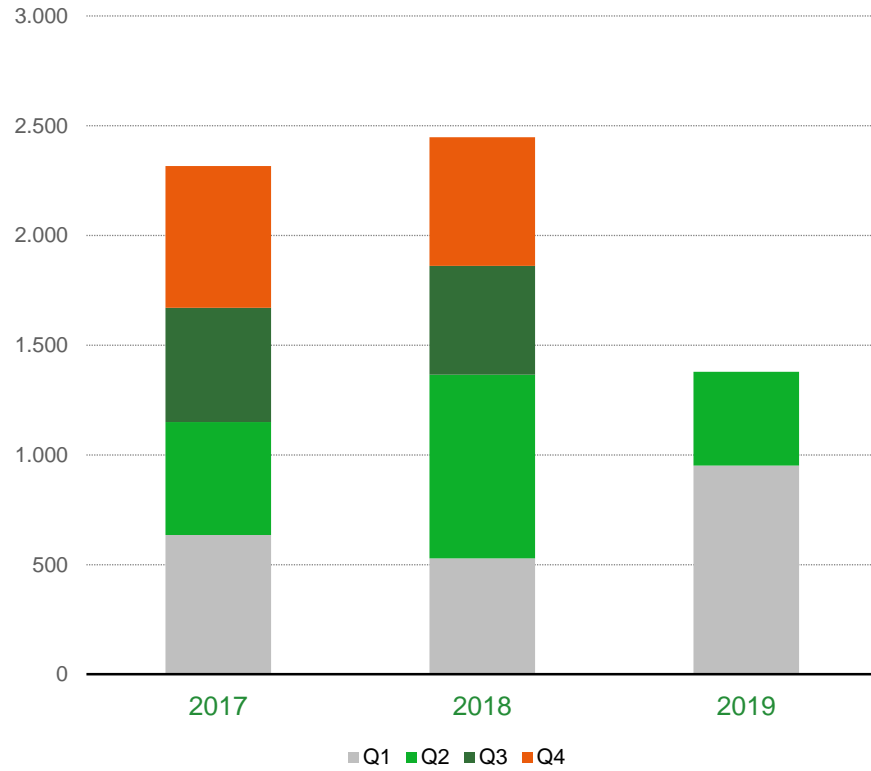




Construction and Property

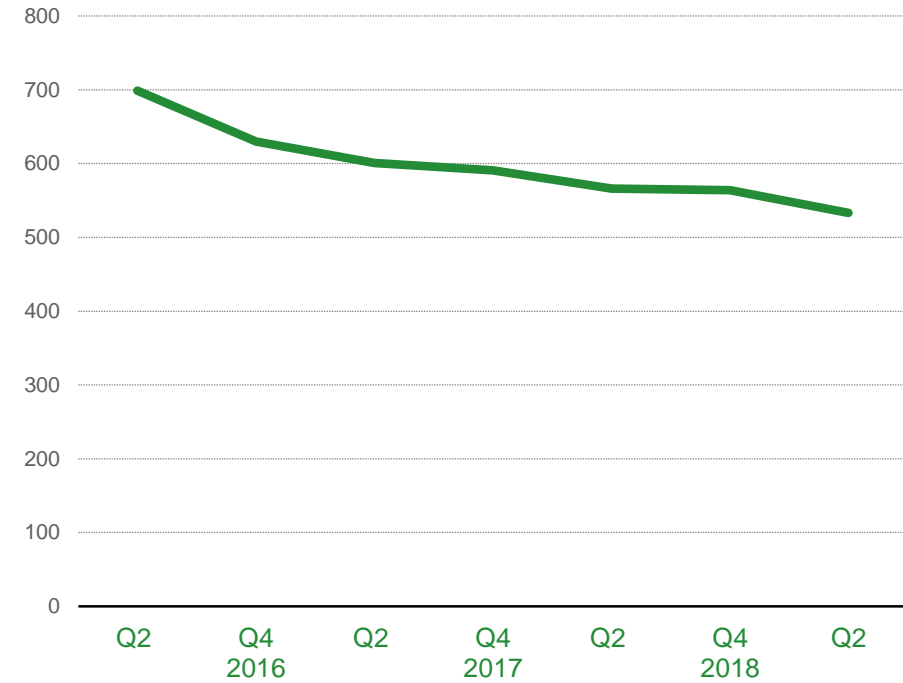
(in € million)

Dutch house sales



Gross property position

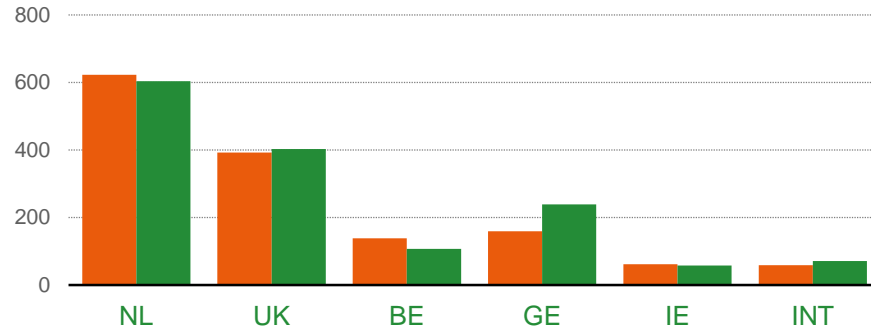
(in € million)



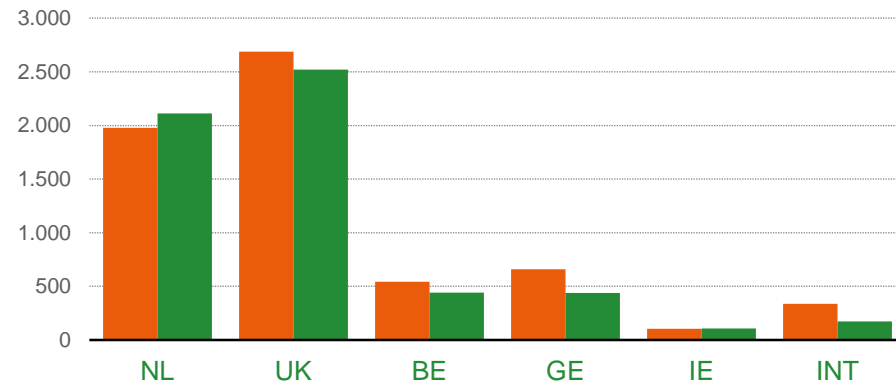
Civil engineering

(in € million)

Revenue

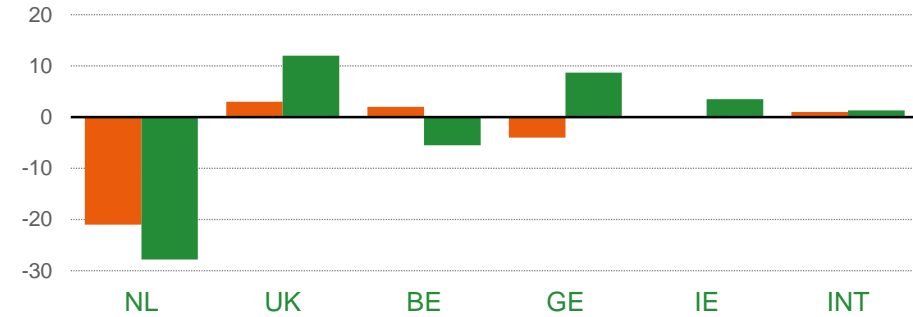


Order book

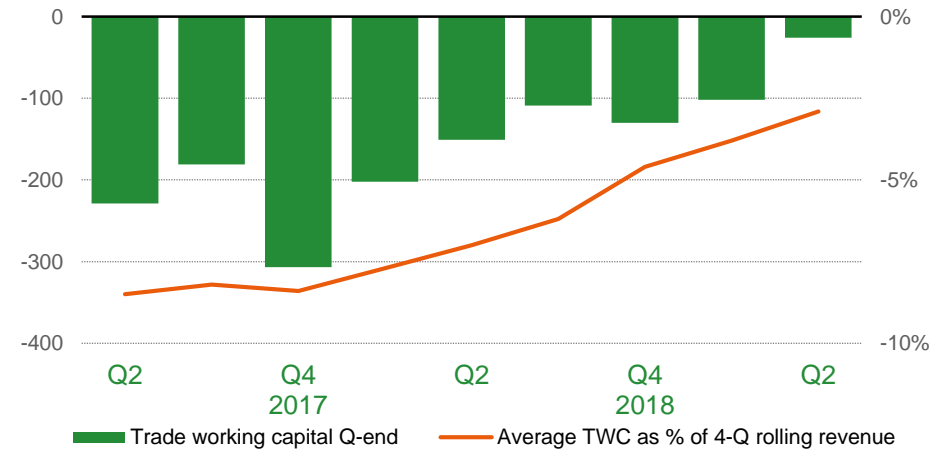


■ 1H 2019 ■ 1H 2018

Result



TWC efficiency





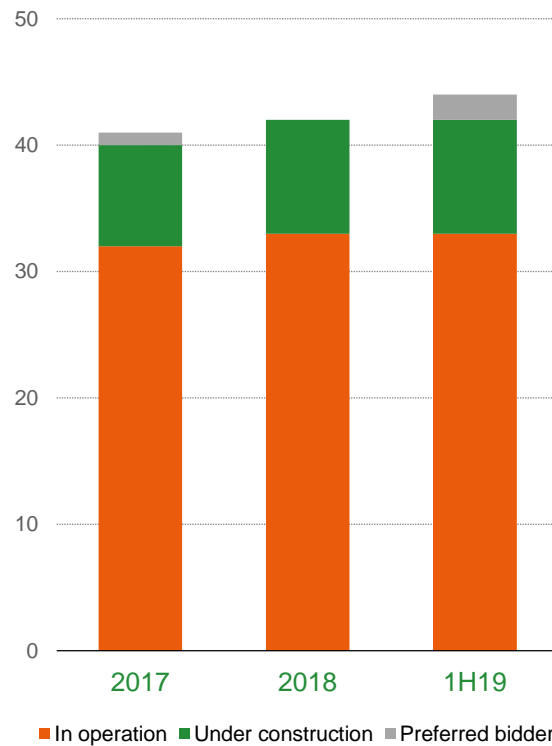


PPP

(in € million)

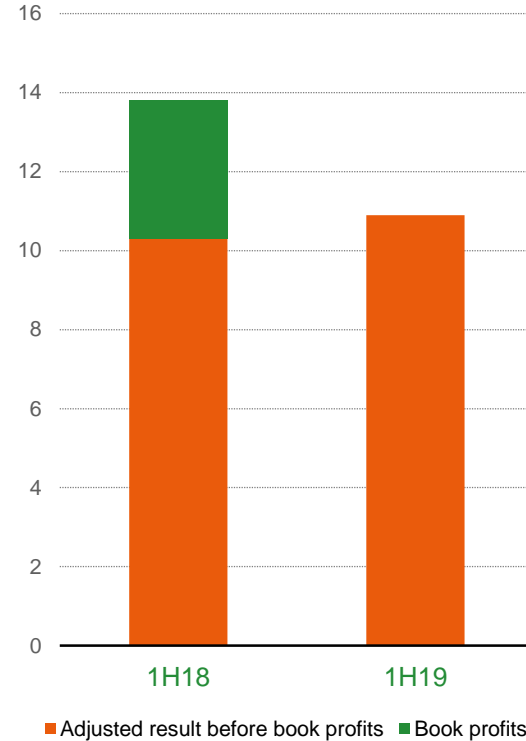
Portfolio

(number)



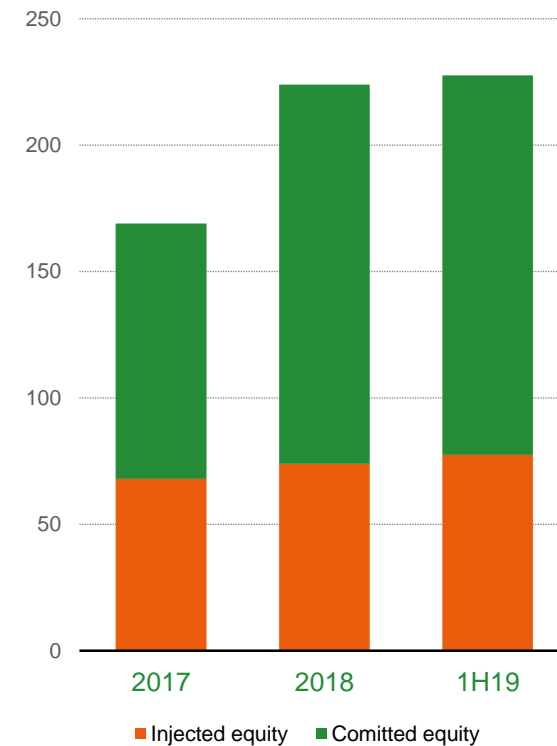
Results*

(in € million)



Investment

(in € million)





Concept Visualisation Only – Not Final

IFRS 16 impact on several key financial metrics

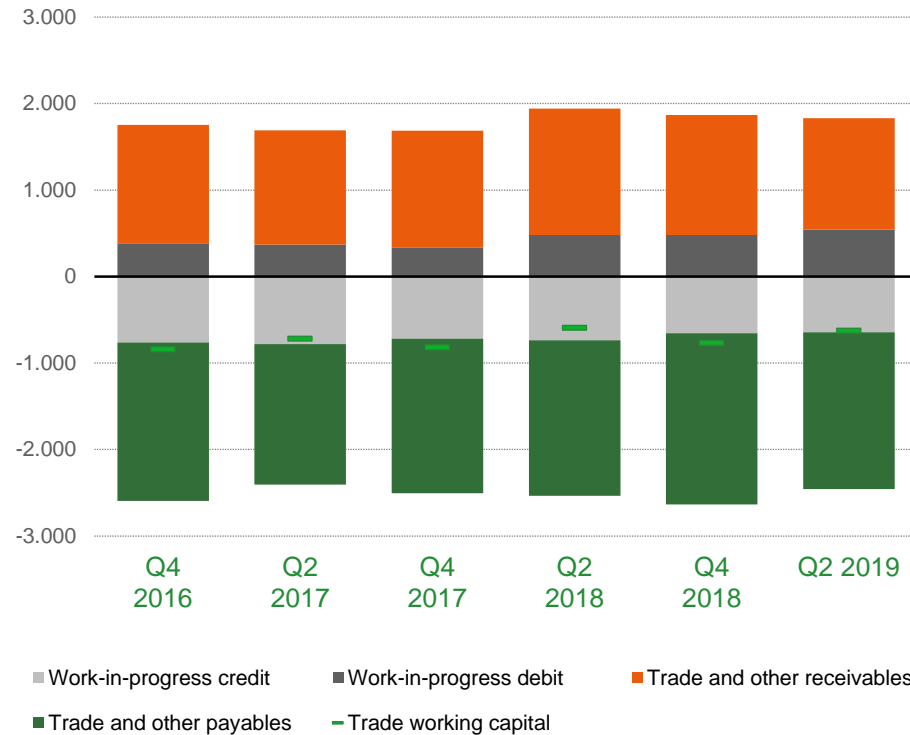
- The adoption of IFRS 16 has no impact on the economic prospects, our strategy or cash flow;
- Income statement first half 2019: increase in depreciation by €49 million; increase in finance charge by €2.6 million, both offset by decrease lease costs in operating expenses;
- Balance sheet first half 2019: increase in right of use (ROU) assets by €280 million and as a consequence the Capital ratio decreased by 0.9%;
- Net debt on a reported (IFRS) basis increased by €283 million due to the ROU liabilities. BAM's banking covenants are calculated according to the accounting standards in force at the time the debt financing was secured, consequently they are not affected by the adoption of IFRS 16.

Income statement

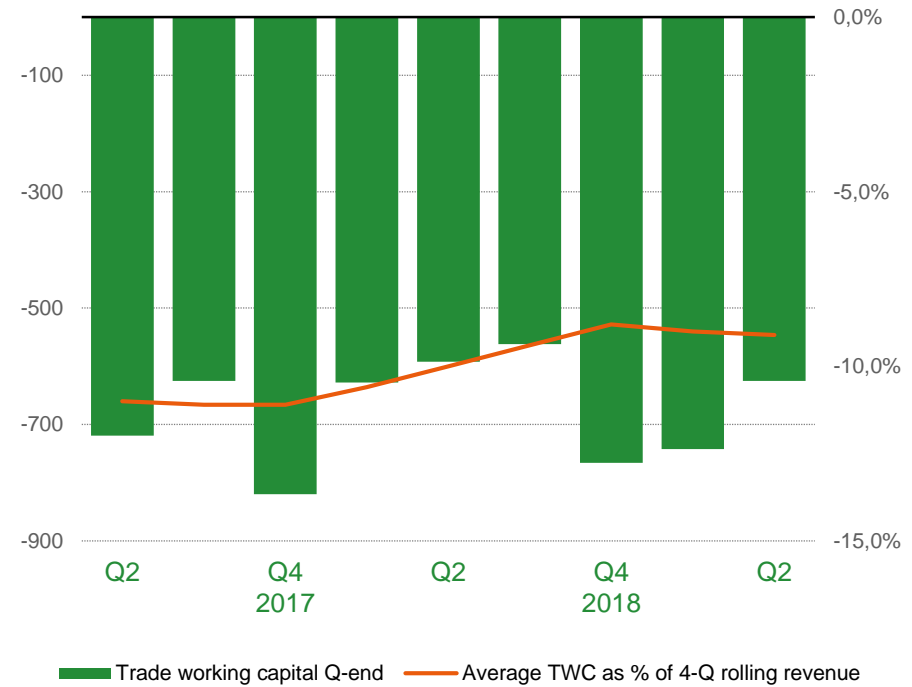
<i>(in € million, unless stated otherwise)</i>	1H19	Margin	1H18	Margin
Total business lines	-21.6	-0.6%	58.0	1.8 %
Group overhead	-0,8		1.3	
Group interest charge	-4.8		-1.5	
Adjusted result before tax	-27.2	-0,8%	57.8	1.8%
Restructuring	-0,9		-1,2	
Impairments	-10.3		-	
Pension one-off	-		-	
Result before tax	-38.4		56.6	
Income tax	-14.3		-12.3	
Non-controlling interest	0.3		-	
Net result attributable to shareholders	-52.4	-1.5%	44.3	1.4%

Trade working capital

Trade working capital
(in € million)



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



Cash flow

<i>(in € million, unless stated otherwise)</i>	1H19	1H18
Net cash result	38	89
Investments (I)TFA	-84	-33
Δ Trade working capital	-138	-237
Net investment Property	-11	22
Net investment PPP	-1	4
Δ Other working capital	-48	-72
Business cash flow	-244	-227
Dividend	-19	-11
Restructuring	-3	-5
Pensions (additional)	-5	-8
Other	-24	-11
Δ Cash position	-295	-262

Financial position

<i>(in € million, unless stated otherwise)</i>	1H19	FY18	1H18
Cash position	449	744	434
Financial leases		-25	-17
Interest-bearing debt	-288	-318	-329
Net cash position	161	401	88
Lease liabilities (IFRS 16)	-283		
Net debt (after IFRS 16)	-122		
Recourse net cash including financial leases		528	208
Recourse net cash excluding leases	254		
Capital ratio	15.1%	18.5%	19.9%
Return on average capital employed	0.9%	7.5%	1.8%

Market conditions





Order book

<i>(in € million, unless stated otherwise)</i>	30 June 2019	31 December 2018
Construction and Property	6,449	6,812
Civil engineering	6,306	5,790
PPP	202	202
Eliminations and other	-157	-104
Total sectors	12,800	12,700



Outlook

For 2019, BAM expects an adjusted result before tax margin of around 1%, with revenue slightly higher than 2018

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Annexes

Strategy: Building the present, creating the future

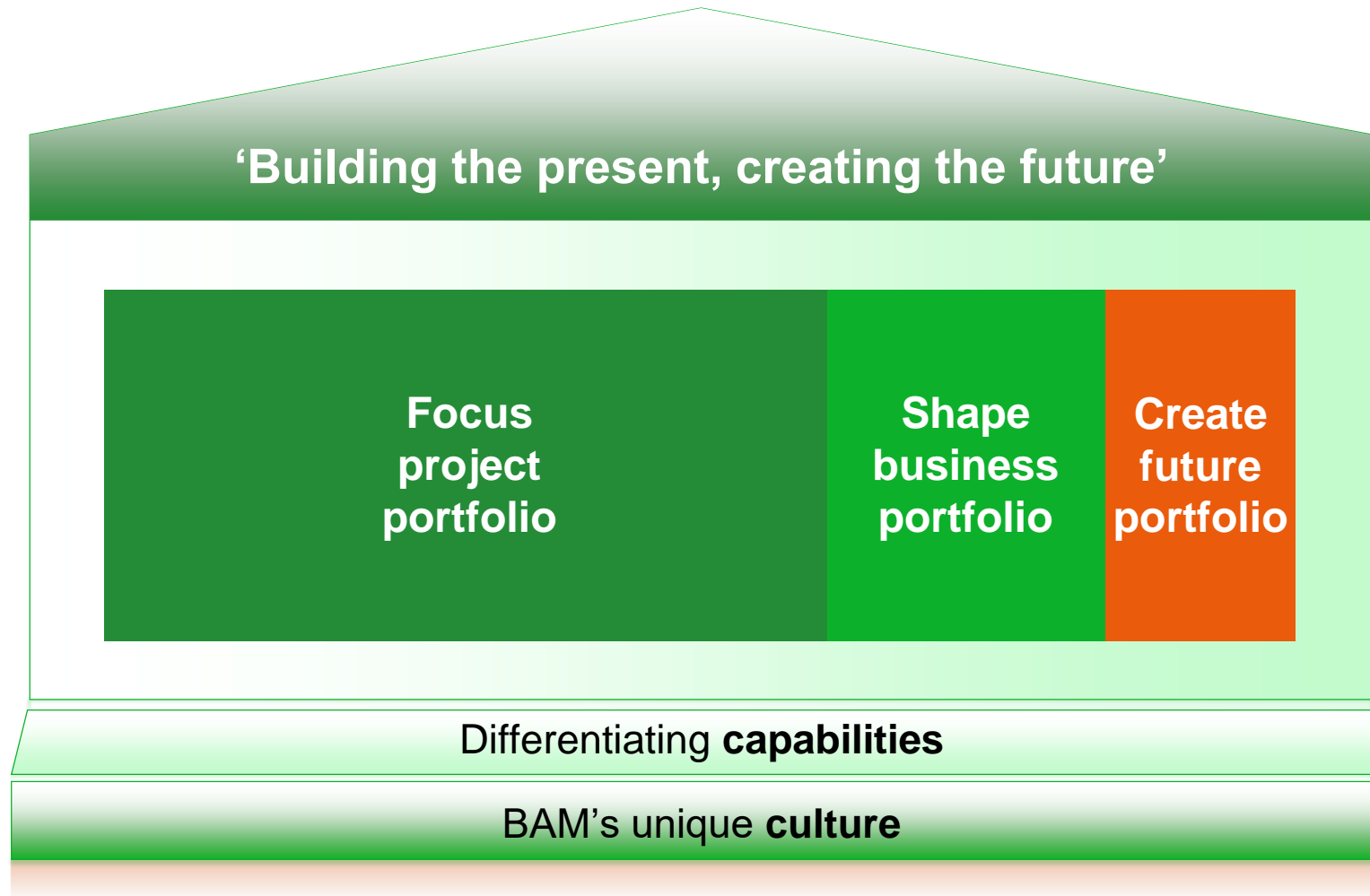
Property investments

PPP investments

Net cash analysis

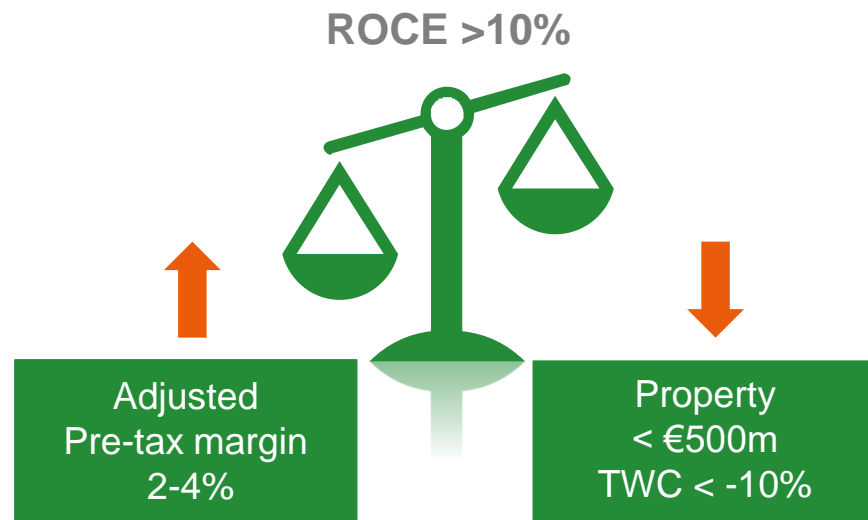
Revenue sector/country

Strategy 2016-2020



Targets 2020

Profit



People

Safety IF < 3.5

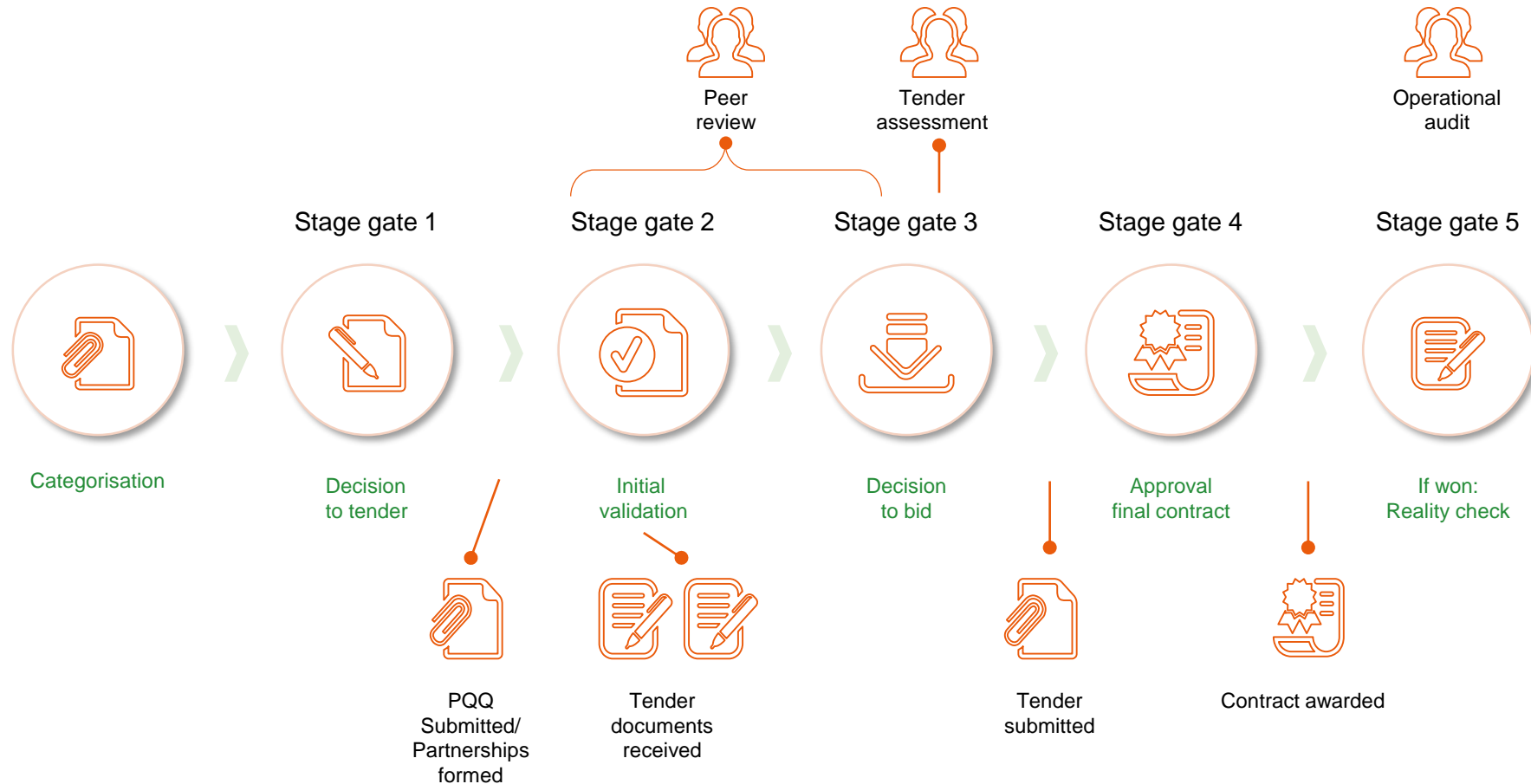


Planet

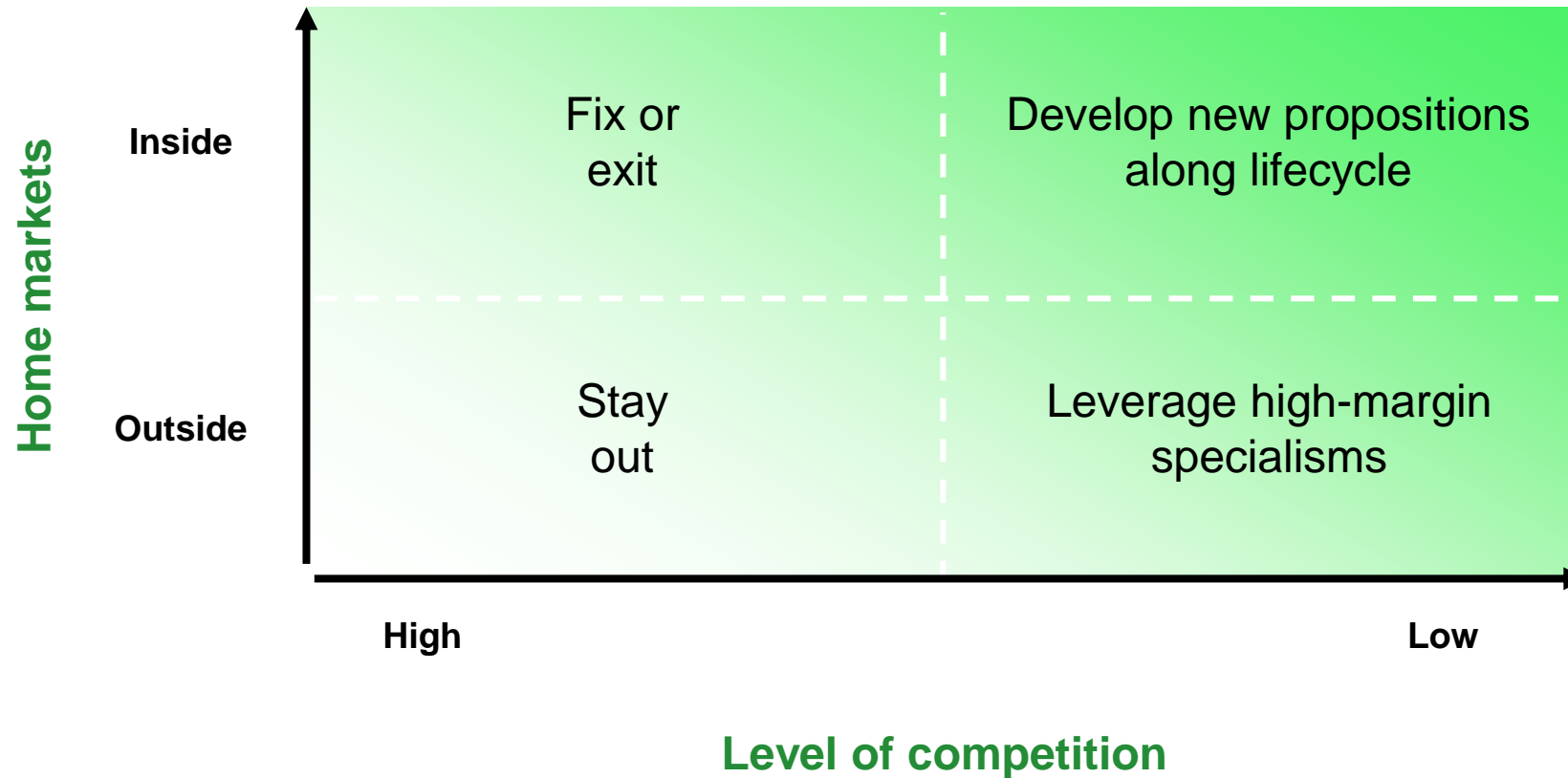
Net positive impact



Focusing project portfolio

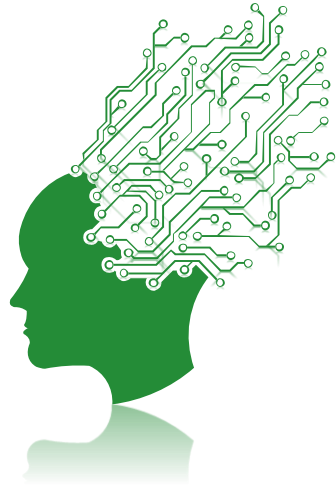


Shape business portfolio



Create future portfolio





Digital construction process

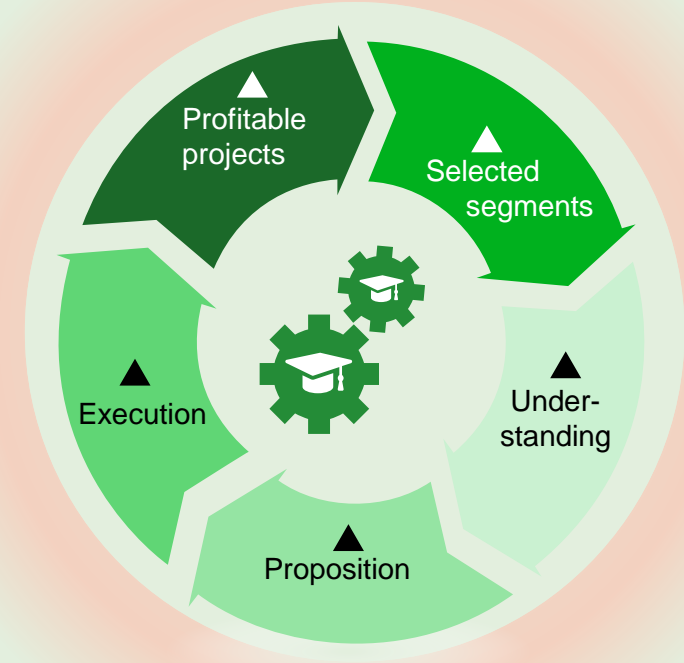


Digital built environment



Culture

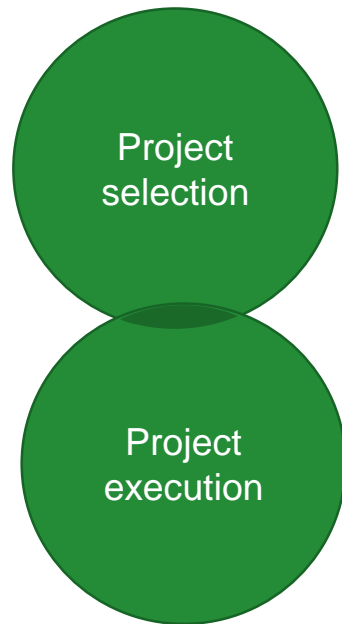
-  Predictable performance
-  Proactive ownership
-  Open collaboration
-  Scalable Learning



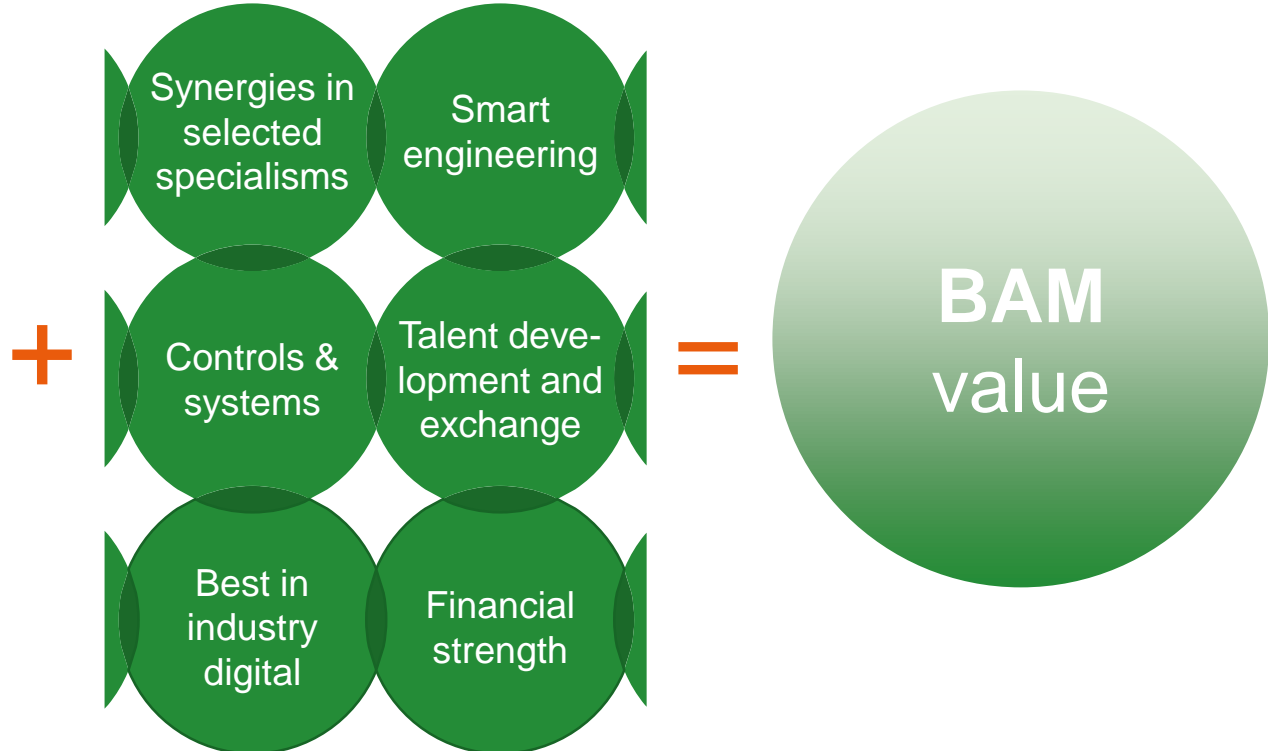
Innovation

Capabilities

Operating companies



Group



Property investments

<i>(in € million, unless stated otherwise)</i>	30 June 2019	31 December 2018
Land and building rights	348	354
Property development	184	210
Total investments (a)	533	564
Non-recourse loans	48	79
Recourse loans	56	53
Total loans (b)	104	132
Property associates/JV/AHFS (c)	141	118
Net investments (a)–(b)+(c)	570	550

PPP investments

<i>(in € million, unless stated otherwise)</i>	30 June 2019	31 December 2018
Invested equity ¹⁾	78	75
Committed equity ²⁾	142	145
Total invested & committed equity	219	220
Of which committed equity by PGGM	109	105
Estimated unrealised value based on cash flows	78	75

1) BAM share invested in equity of PPP contracts.

2) Excluding contracts in preferred bidder stage.

Net cash analysis

<i>(in € million, unless stated otherwise)</i>	30 June 2019	31 December 2018
Non-recourse PPP loans	41	43
Non-recourse project financing	52	84
Other project financing	70	67
Total 'project related'	163	194
Subordinated convertible bonds	119	118
Financial lease liabilities		25
Bank overdrafts and other loans	6	6
Total interest-bearing debts	288	343
Less: cash	449	744
Net (debt) cash position (before IFRS 16 leases)	161	401
Lease Liabilities (IFRS 16)	283	
Net (debt) cash after IFRS 16 leases	-122	

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

Revenue sector/country

<i>(in € million)</i>	Construction and Property	Civil engineering	PPP	Total
Netherlands	19%	19%	0%	38%
United Kingdom	15%	13%	0%	28%
Belgium/Luxembourg	7%	3%	0%	10%
Germany/Swiss	6%	6%	0%	12%
Ireland	6%	1%	0%	7%
International	2%	3%	-	5%
Total	55%	45%	0%	100%



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