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**FIRST NINE MONTHS 2019 TRADING UPDATE****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

*(in € million, unless otherwise indicated)*

Key data	9 months 2019	9 months 2018	Full year 2018
Revenue	<b>5,203</b>	5,042	7,208
Adjusted* result before tax	<b>20.5</b>	93.6	153.2
Order book (period-end)	<b>12,200</b>	11,900	12,700
Trade working capital efficiency	<b>-9.6%</b>	-9.4%	-8.8%

\* Before restructuring costs, impairments and pension one-off.

**Rob van Wingerden, CEO of Royal BAM Group:**

'After a difficult second quarter, our performance in the third quarter recovered in line with our expectations. The discussions with our clients regarding the extra costs on projects in Germany and BAM International are ongoing. New leadership is in place at our German construction company, with a key focus to improve the operational performance.

Our leading position in the Dutch residential property market is reflected in the good performance of Construction and Property. At sealock IJmuiden, the OpenIJ project team achieved a great technical milestone by successfully completing the immersion of the second caisson in October, which was an important step in de-risking the project. In the UK, there was a solid contribution from Construction and Property, and Civil engineering recovered in the third quarter as anticipated.

In the Netherlands, the discussion regarding the legislation to limit the deposition of nitrogen has not impacted our current projects under construction so far. However, contract award decisions in the affected areas are taking more time. Also new rules regarding soil contaminated by PFAS (a group of man-made fluoro-chemicals) has a negative market impact. It is urgent for the Dutch government to take decisive actions, that bring more clarity and long-term sustainable solutions in order to avoid a significant impact on our industry in terms of housing, mobility and jobs.

For 2019 we reiterate our guidance of an adjusted profit before tax margin of around 1 per cent, with revenue slightly higher than 2018. Our focus remains on improving our operational performance and profitability in order to realise BAM's strategic target of a pre-tax adjusted margin of 2 to 4 per cent in 2020.'

## Highlights

Construction and Property delivered strong results, led by the residential construction and property activities in the Netherlands and a solid performance in the UK and Ireland. Dutch house sales rose by 4 per cent to 1,937 in the first nine months and this is expected to rise to 5 per cent for the full year, taking into account project phasing. In Germany, the result was impacted by the additional project costs in the second quarter, as previously announced. Construction order intake in the UK and Ireland was less in the third quarter due to selective tendering and uncertainty about Brexit.

At Civil engineering, the Dutch activities were profitable in the third quarter, including €1 million additional costs on the OpenIJ project. As expected, the UK activities showed a sharp improvement versus the first half of the year. The performance in Germany was satisfactory. Results at BAM International in the first nine months were disappointing. The order intake in the oil and gas market remains low.

In PPP, the portfolio continued to perform well. The M11 Gorey to Enniscorthy (Ireland) and A94 Isen Valley motorway (Germany) were both completed ahead of schedule, bringing the total number of operational projects to 40. A further eight projects are under construction and one project is at preferred bidder stage. During the third quarter, one project has been transferred to the PGGM joint venture. The bidding pipeline remains healthy.

The trade working capital efficiency ratio improved to -9.6 per cent at end-September 2019, due to effective trade working capital programmes. The cash position further increased in the third quarter.

## Live audio webcast

On 7 November 2019, at 10.00 a.m. CET, there will be a conference call in English for analysts. This can be followed via live audio webcast ([www.bam.com](http://www.bam.com)).

## About Royal BAM Group

Royal BAM Group nv is a construction company with ten operating companies, active in Construction and Property, Civil engineering, as well as in Public-private partnerships. BAM has leading positions in five European home markets: the Netherlands, Belgium, the United Kingdom, Ireland and Germany. Furthermore, the Group delivers projects in Denmark, Luxembourg and Switzerland, while BAM International operates in niche markets worldwide. Sustainability and innovation are major drivers of BAM's design, construction and facility management solutions. The Group has an aspiration to become the market leader in the use of digital technology to ensure that clients receive the highest possible standards of quality. BAM has annual revenues of about €7 billion, employs approximately 20,000 people and is listed on Euronext Amsterdam. [www.bam.com](http://www.bam.com)

## Next event

21 February 2020: announcement of full year results 2019.

## Further information

- analysts: Michel Aupers, [michel.aupers@bam.com](mailto:michel.aupers@bam.com), +31 (0)30 659 87 07;
- press: Niels van Dongen, [niels.van.dongen@bam.com](mailto:niels.van.dongen@bam.com), or Arno Pronk, [arno.pronk@bam.com](mailto:arno.pronk@bam.com), +31 (0)30 659 86 23.

*This press release contains inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.*