



Building a sustainable tomorrow

Capital markets event
18 February 2021

Agenda

15.00 - 15.05	Company profile	<i>Ruud Joosten</i>
15.05 - 15.10	Market trends	<i>Ruud Joosten</i>
15.10 - 15.15	Strategy 2023	<i>Ruud Joosten</i>
15.15 - 15.30	Financial overview	<i>Frans den Houter</i>
15.30 - 15.50	Continue de-risking	<i>John Wilkinson</i>
15.50 - 16.05	Accelerate opportunities for future growth	<i>Joost Nelis</i>
16.05 - 16.10	Strategic wrap-up	<i>Ruud Joosten</i>
16.10 - 17.00	Q&A	<i>Executive Committee</i>

The team

Executive Committee



R.J.M. (Ruud) Joosten
CEO



L.F. (Frans) den Houter
CFO



J.G. (Joost) Nelis
COO Construction and Property



J.D. (John) Wilkinson
COO Civil engineering



S. (Simon) Finnie
CBEO & CTO



S.J.J. (Sven) Van de Wynkele
CHRO



health innovation one

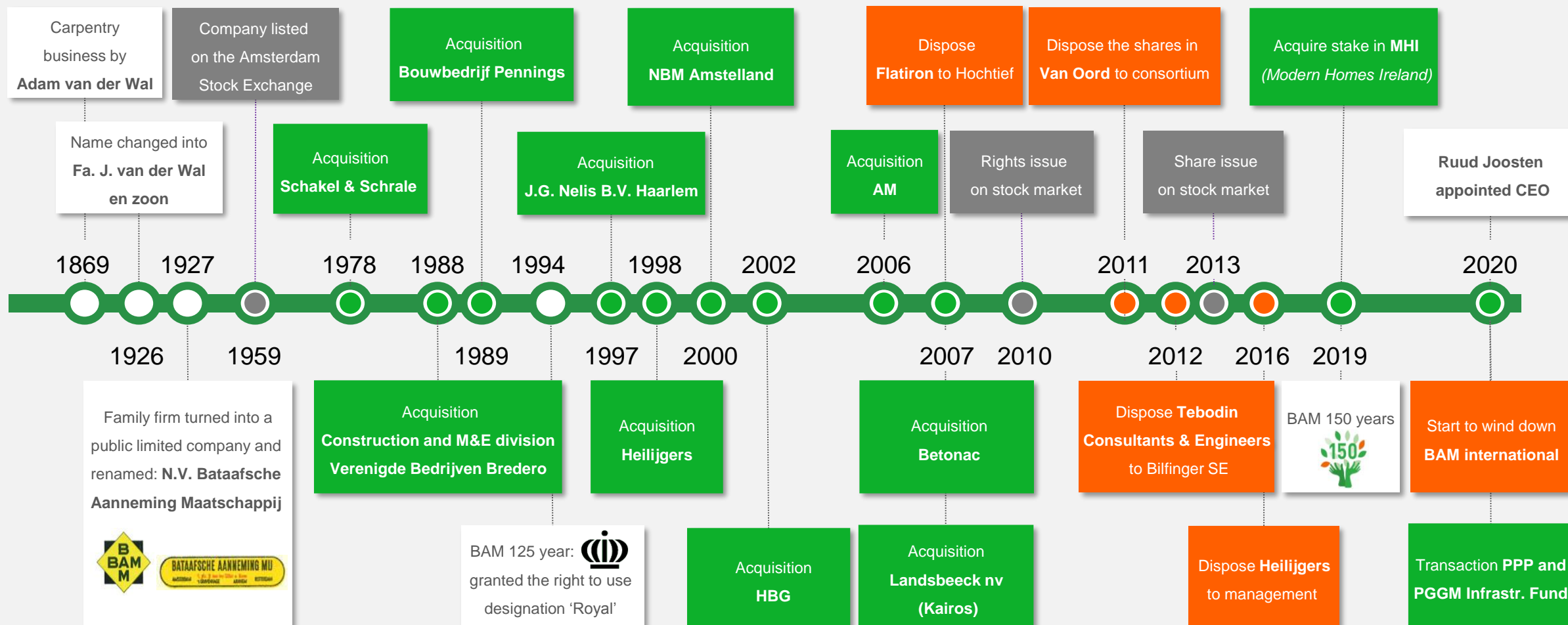
Company profile

Ruud Joosten
CEO

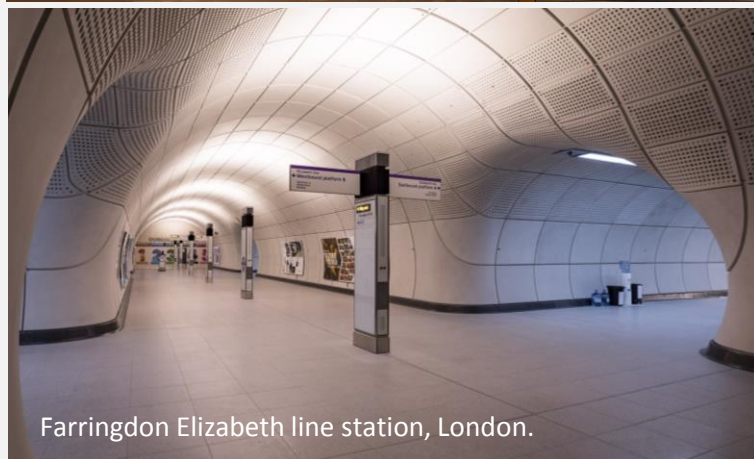
Building a sustainable tomorrow

Lancaster University Health Innovation Campus
United Kingdom – BAM Construct UK

Our journey till today



BAM at a glance



17,974

Employees



6,389

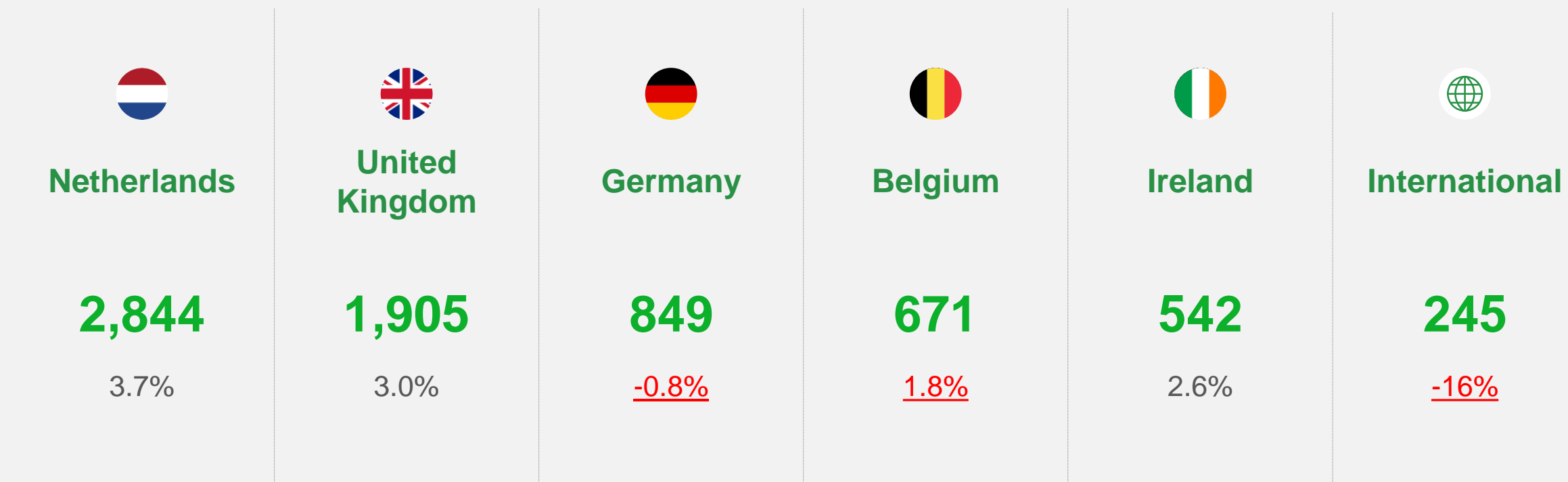
Projects



€6.8 billion

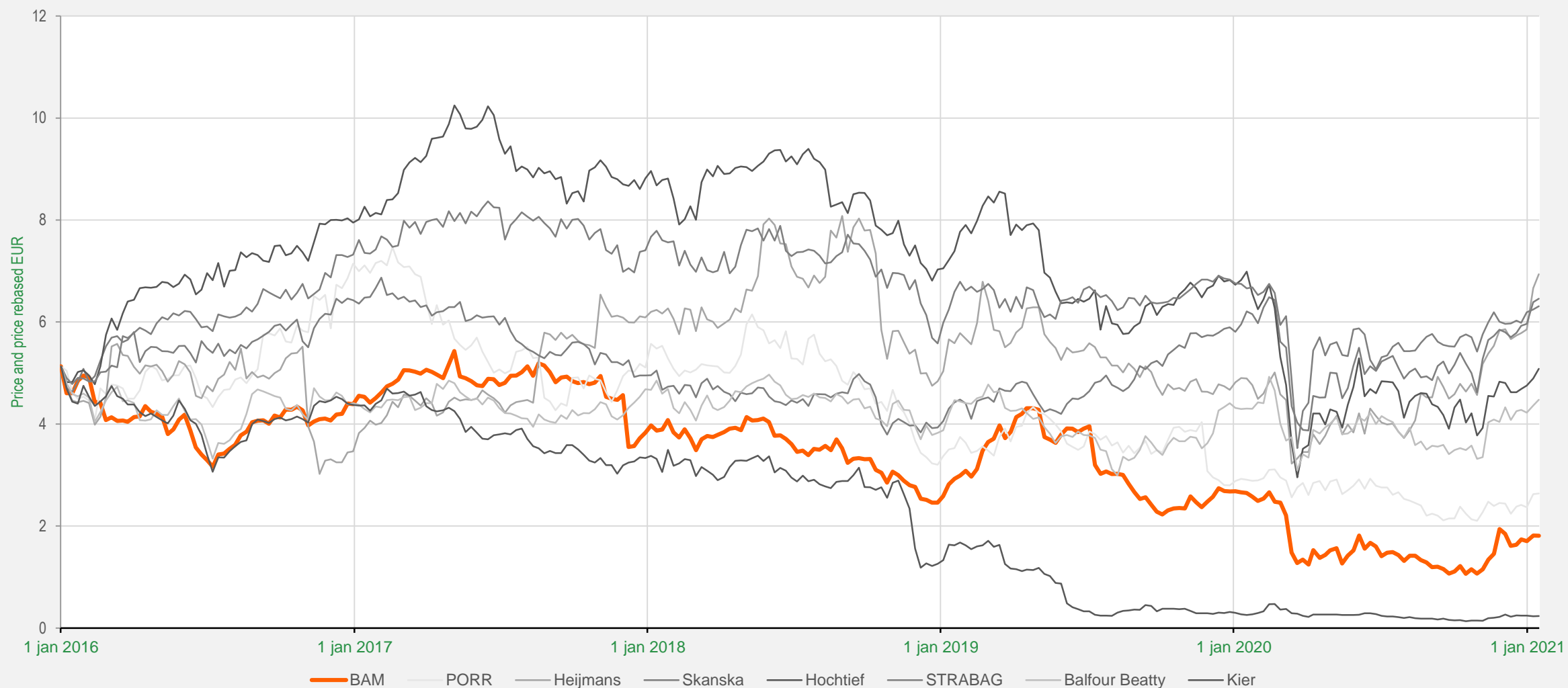
Revenue

Mixed historical performance across markets



■ Average revenue in €/million 2018-2020
 ■ Average adjusted EBITDA 2018-2020 (result below 2,5% visible in red and underlined)

BAM did not create value for its shareholders





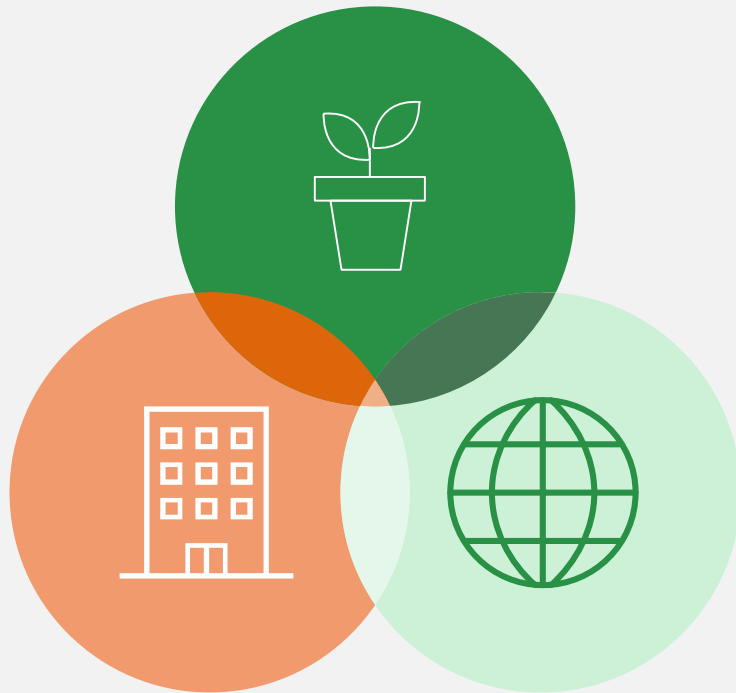
Market trends

Ruud Joosten
CEO

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South Withernsea Coastal Defence Scheme, East Riding of Yorkshire Council
United Kingdom – BAM Nuttall

Global trends impact demands of society ...



Climate change

Urbanisation

Population growth

... resulting in industry opportunities



Sustainability

- Increasing investments in energy transition
- Flood protection key topic
- Circular buildings becoming standard
- Materials and technology (e.g. wood / CLT for sustainability replacing concrete)



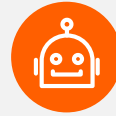
Digitisation

- Realtime asset data collection and advanced analytics optimise asset management and provide key insights for better collaboration and risk reduction



Changing demand

- Housing shortage
- Economic stimuli through (civil) investments
- End-users shifting from ownership to use



Industrialisation

- Increasing recognition industrialised approaches by ecosystem (e.g. MMC mandates in UK)
- Success factors are scale (i.e. many similar projects) and learning curve



Strategy 2021 - 2023

Ruud Joosten
CEO

Building a sustainable tomorrow

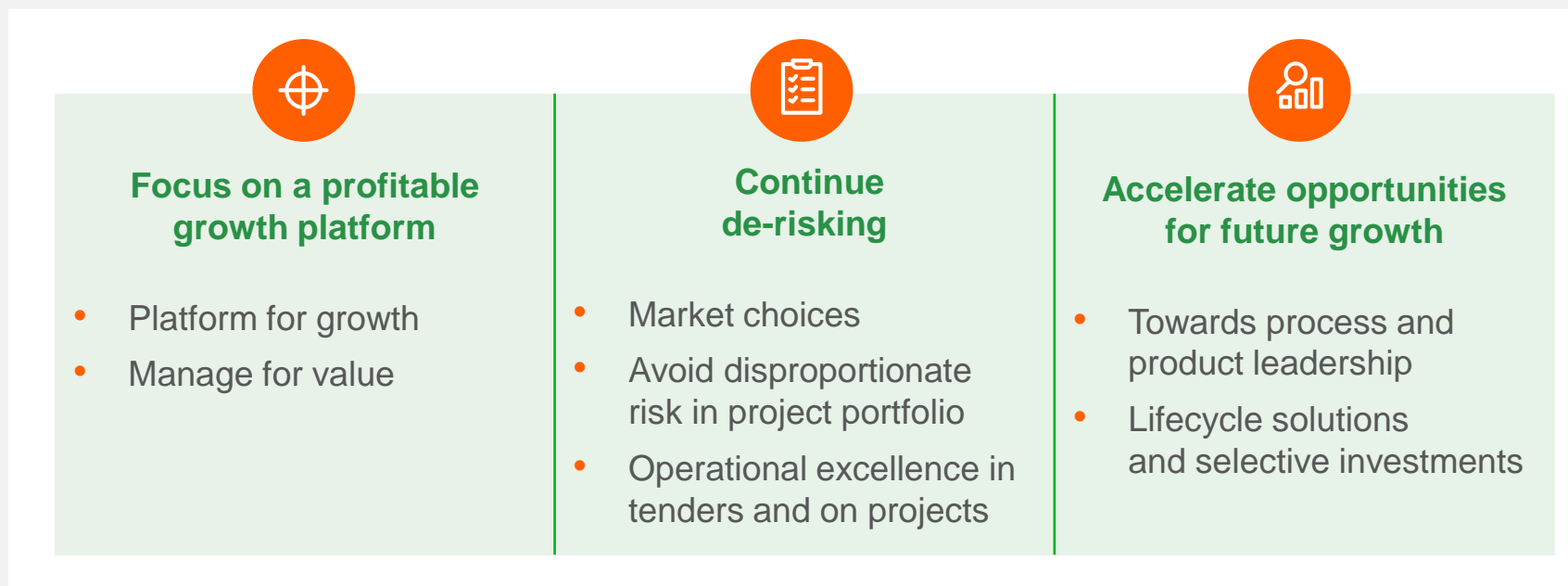
Station Driebergen-Zeist / Netherlands
BAM Infra Nederland



Building a sustainable tomorrow

Creating sustainable environments to enhance people's lives

Building a sustainable tomorrow



BAM 2023

- Approx. €5.5 billion revenue
- Stable adjusted EBITDA margin of 5%
- ROCE >10%
- Trade working capital efficiency <-10%
- Grow capital ratio to 20%
- Incident frequency <3.5 and zero fatalities
- Maintain CDP A-list ranking (SBTi)
- CO₂ reduction 50% 2030



Focus on a profitable growth platform

Platform for growth

BAM will focus on growing its business in the Netherlands, United Kingdom and Ireland.

- UK C&P and Civil have a solid backbone to excel in delivering standard projects and knowledge in shaping and delivering framework agreements;
- Ireland can rely on strong long-term relations to build out its markets position;
- NL C&P successfully plays in investment, construction and lifecycle in a sophisticated housing market;
- NL Civil is recognized as one of the most industrialized players.

Manage for value

Our operations in Germany and Belgium where scale, risks and competitive dynamics have been more challenging, are being managed for value. Managing for value means being selective in order intake, implementing further operational improvements and, potentially, divestment.

Victory Boogie Woogie Tunnel
The Hague, The Netherlands





Continue de-risking

Market choices

**Avoid disproportionate risk
in project portfolio**

**Operational excellence in tenders
and on projects**

Zero-energy houses, Heerhugowaard / Netherlands
BAM Wonen

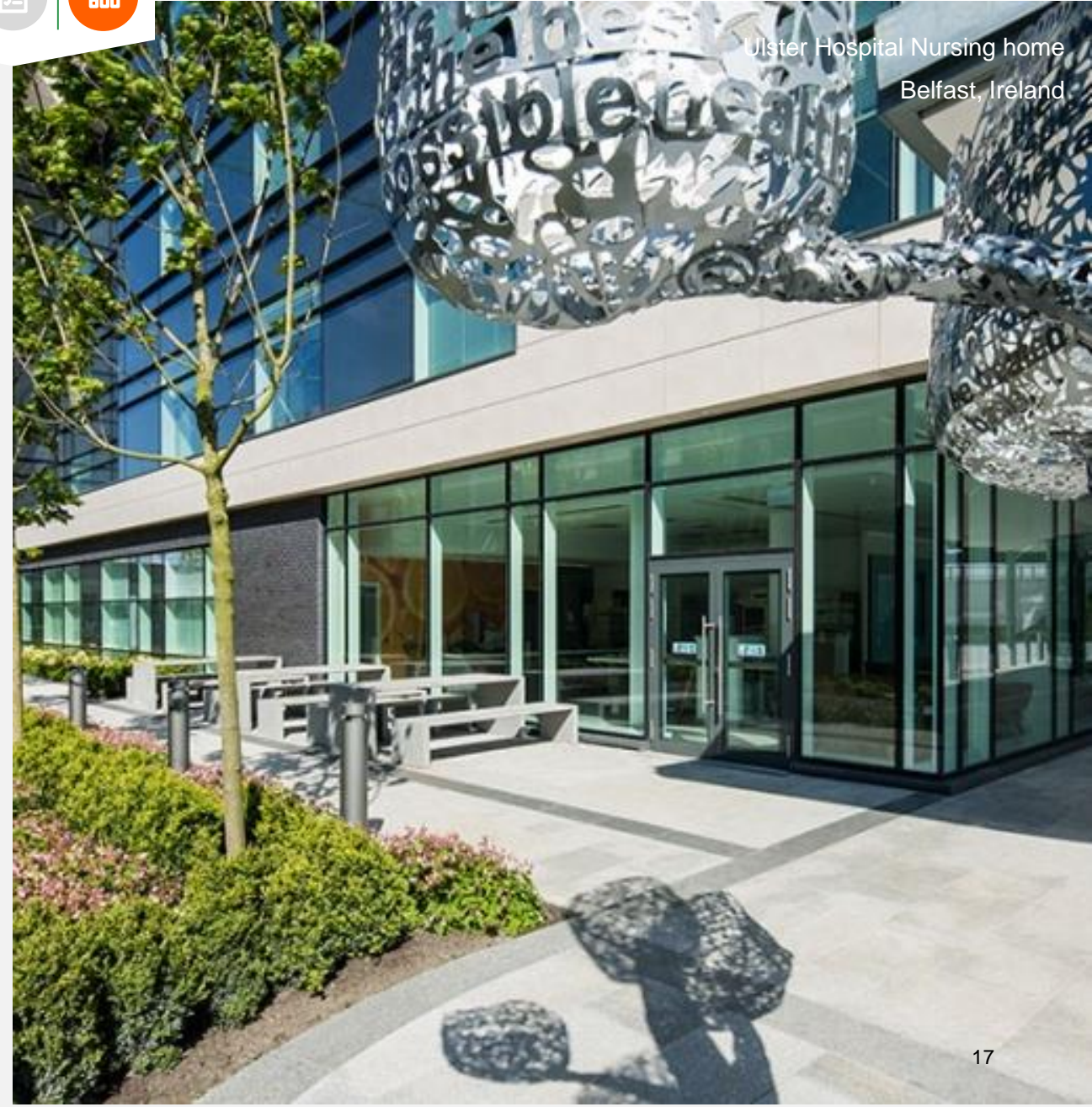




Accelerate opportunities for future growth

Towards process and product leadership

Lifecycle solutions and selective investments



Ulster Hospital Nursing home
Belfast, Ireland



Dedication towards clients, people and stakeholders

Safety remains priority

**Client and stakeholder oriented
mindset**

Expert and diverse workforce

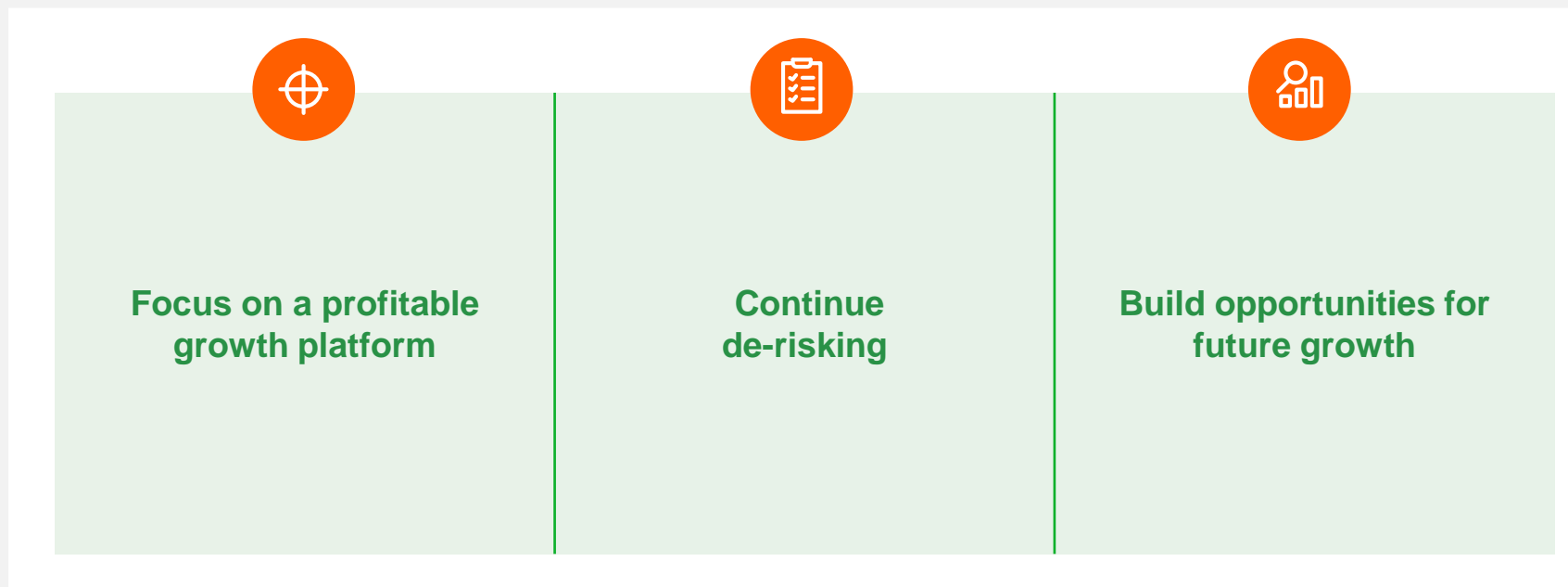
Financial overview

Frans den Houter
CFO

Building a sustainable tomorrow

Building a sustainable tomorrow

Towards a predictable and resilient company



BAM 2023

- 
- Predictable performance on a competitive profitability level
 - Robust cash management
 - A fit for purpose capital structure
 - Solid return on capital employed

Focus on creation of value ...

Clear selection on markets and products

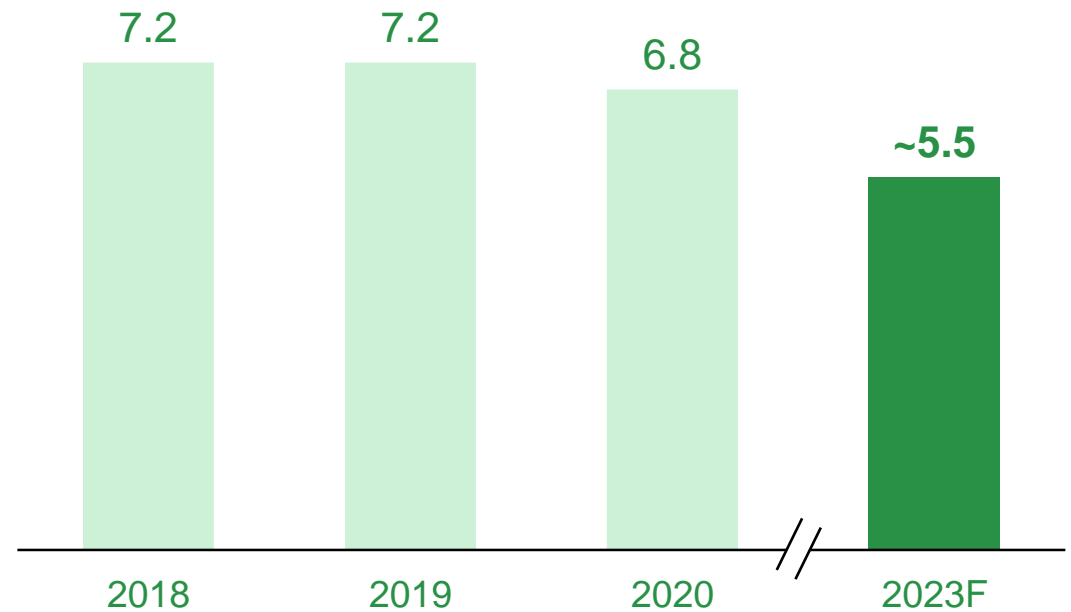
Revenue development drivers

- Growing markets
- Attractive products

- Quality Product Market Combinations (PMCs):
 - Netherlands, United Kingdom and Ireland
 - Leverage partnerships
 - Manage Germany and Belgium for value and potentially divestments

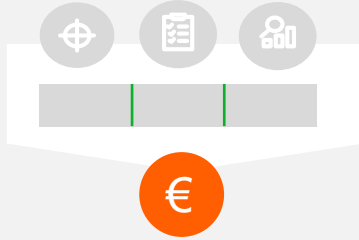
Revenues

(€b)



... leading to competitive financial performance

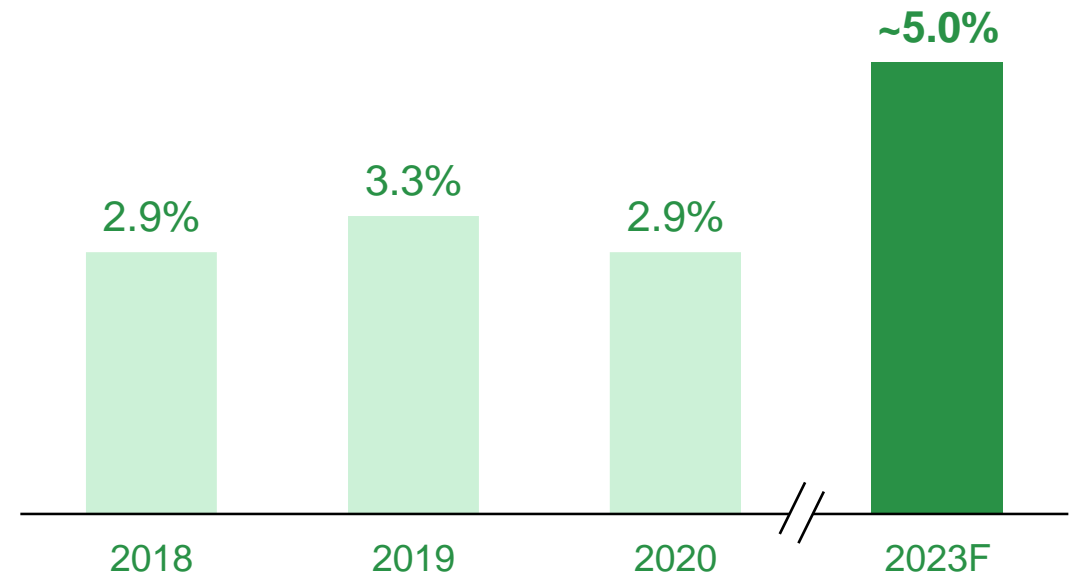
Adjusted EBITDA margin to be around 5% by 2023



Value drivers

- PMC portfolio
- Improved project delivery
- Smart supply chain
- Continued de-risking
- Rigid cost management

Adjusted EBITDA margin (%)



PMC portfolio contains many value pockets ...



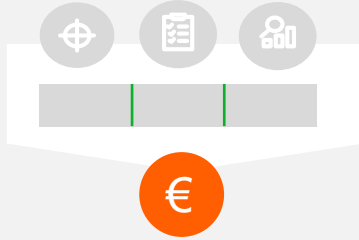
Growth in frameworks



Facility management remains attractive

... leading to competitive financial performance ...

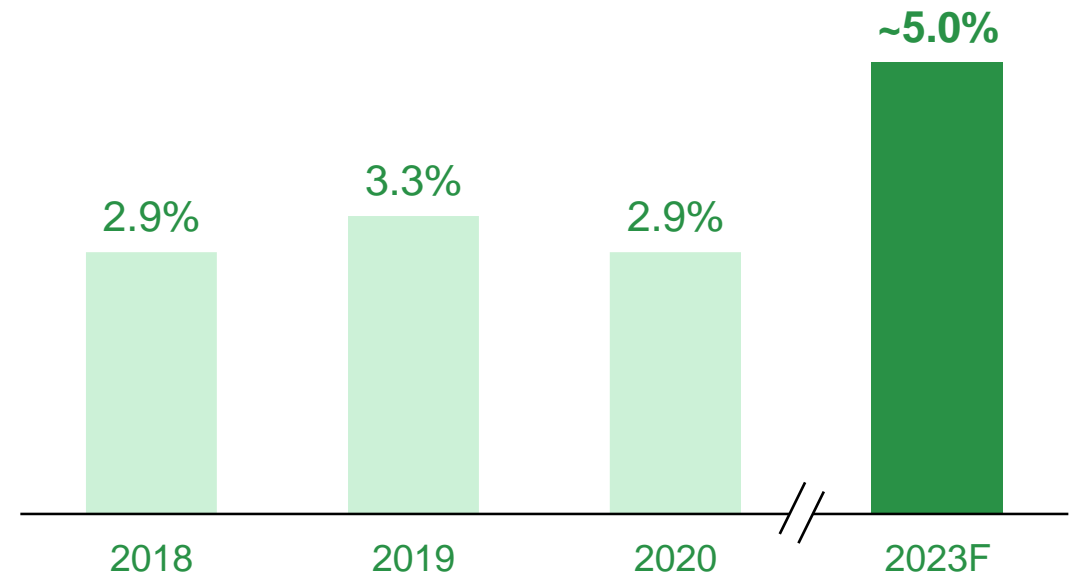
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Value drivers

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Adjusted EBITDA margin (%)



... and robust cash management

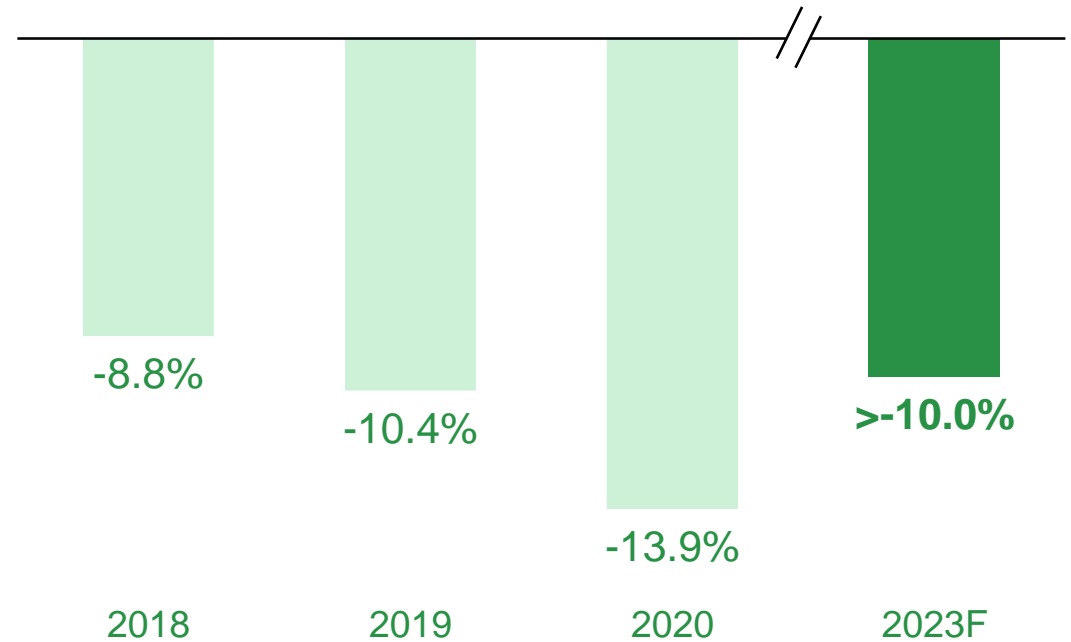
TWC efficiency of at least -10%

Examples of cash focus

- Proven TWC efficiency track record
- Continue to improve collecting receivables whilst respecting payment terms
- Fierce contract management and variation order management
- Invest in credit management tools, data, dashboarding
- Train commercial skills and capabilities of project teams

Trade working capital efficiency as % of gross revenues

(%)

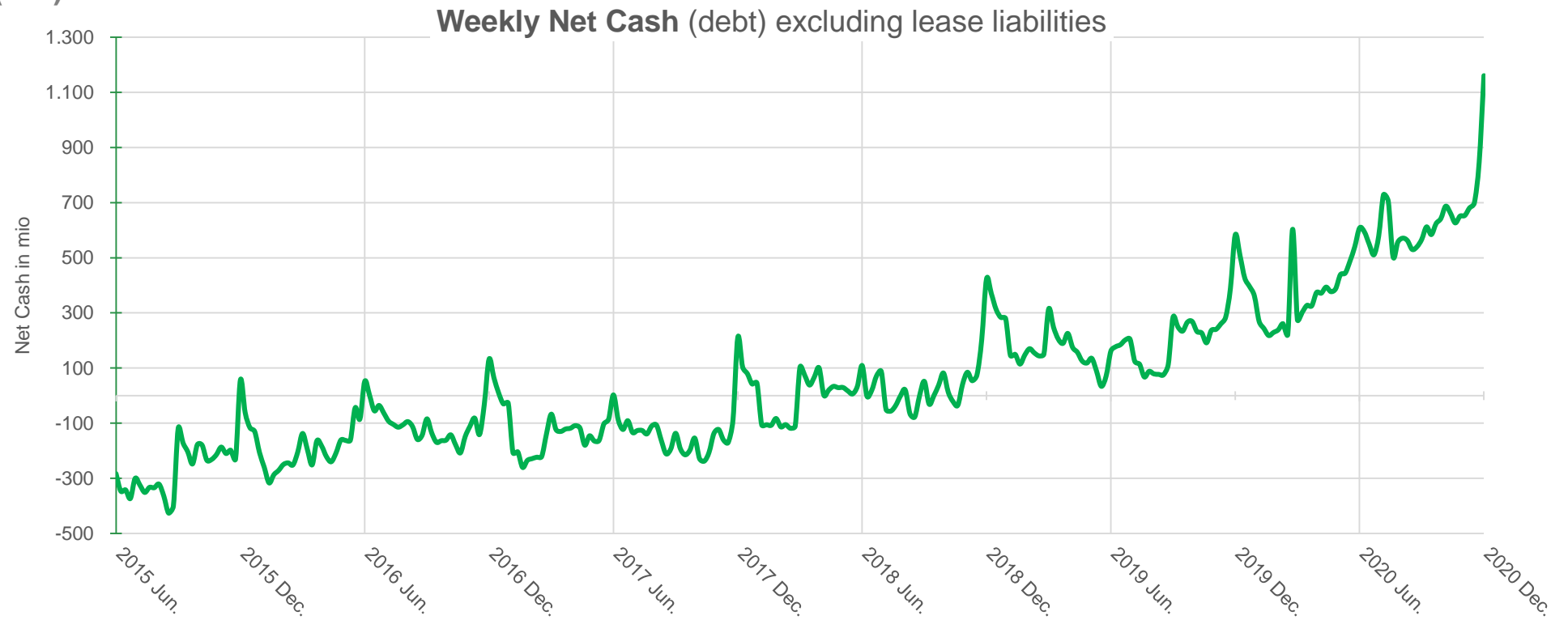


... and robust cash management

Liquidity as an anchor point

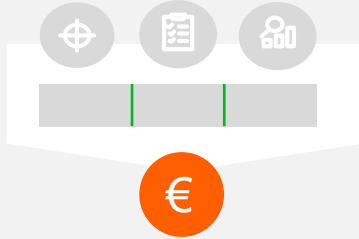


Weekly net cash (debt) excluding leases (€m)



Delivering a sustainable return on capital employed ...

Return on capital employed structurally >10%

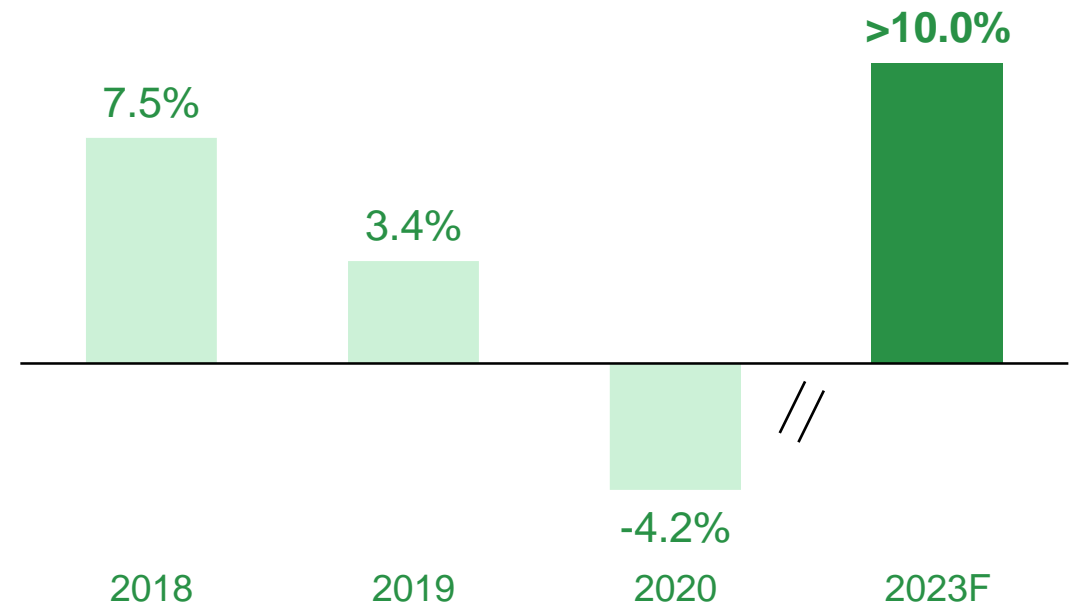


Main drivers for return on capital employed

- Higher profitability
- Disciplined trade working capital management
- Potential divestments

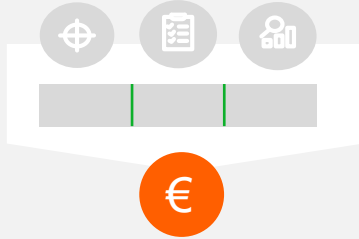
Return on capital employed

(%)



... and a sustainable capital ratio

Grow capital ratio to 20% in 2023



Capital ratio development drivers towards 2023

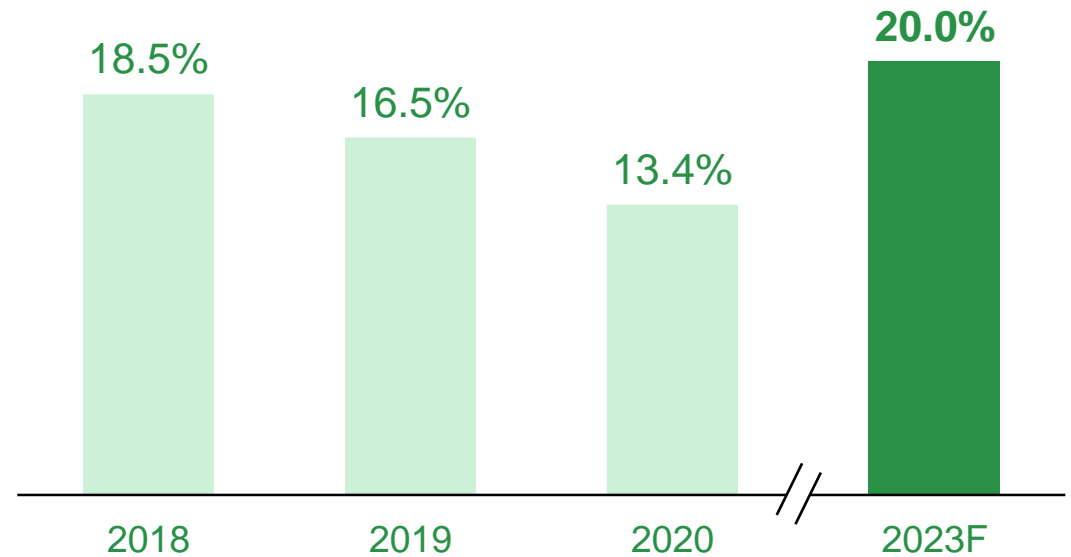
- Improve operational performance 2021 - 2023
- Shorten balance sheet (RCF, deferred taxes, etc)
- Convertible redemption (2021 H1)
- Potential divestments

Dividend policy

- Maintain dividend policy of 30-50% payout of net result

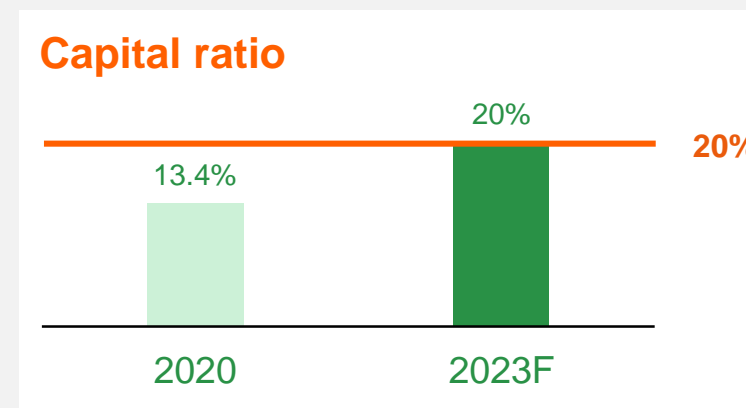
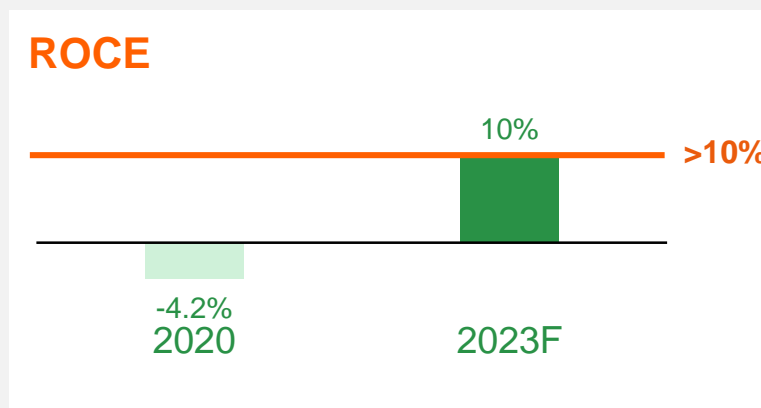
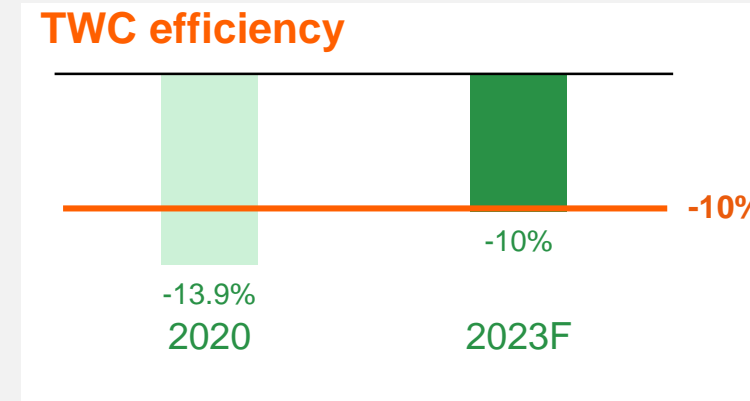
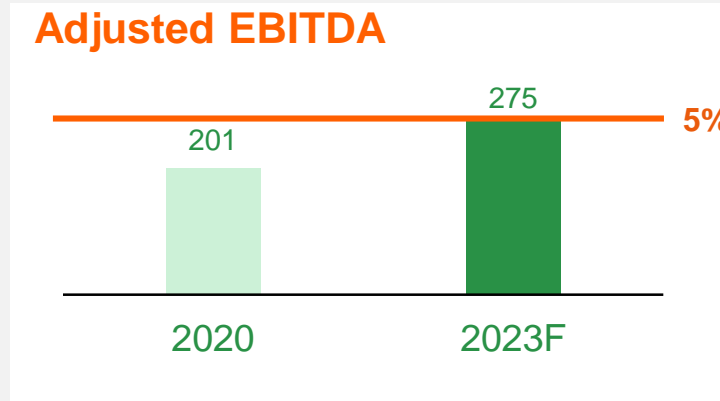
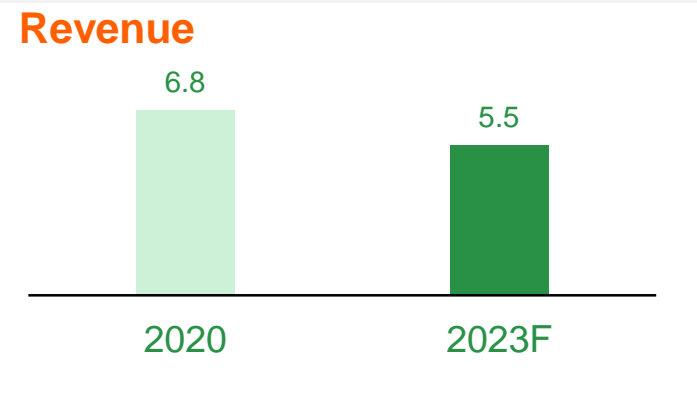
Capital ratio development

(%)



In summary

Building a sustainable tomorrow





Continue de-risking

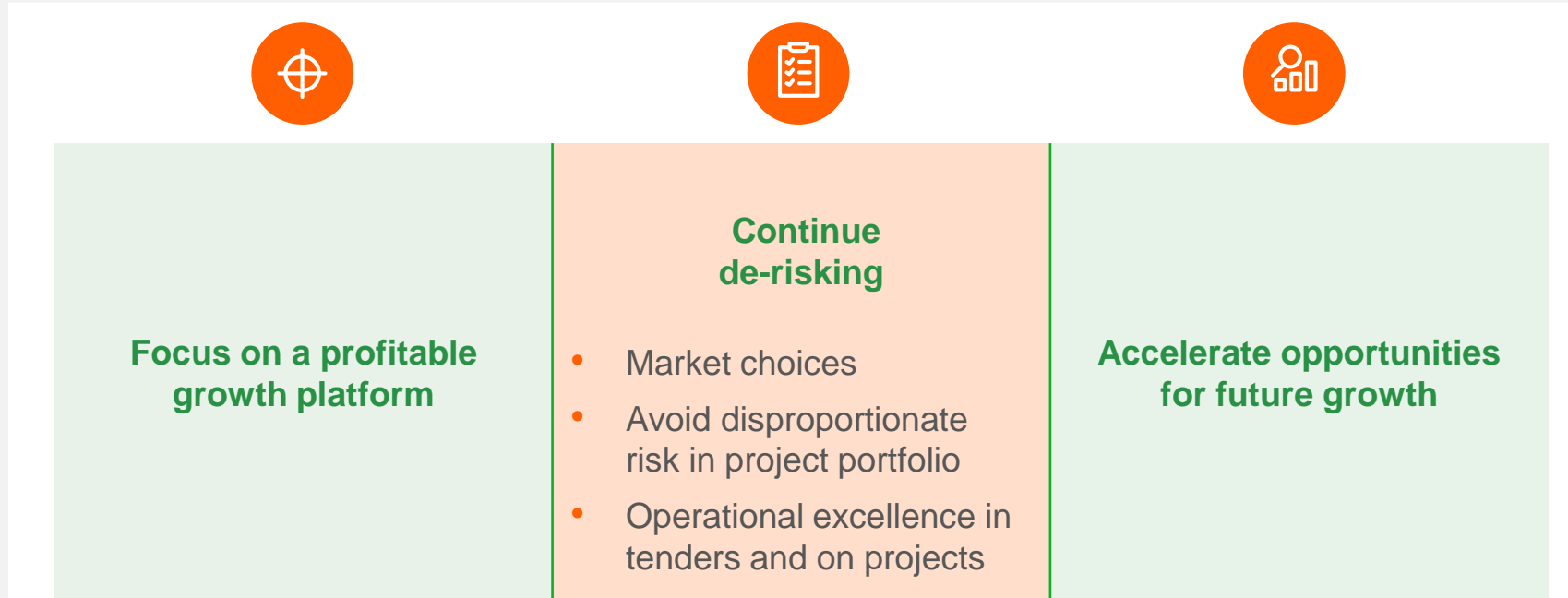
John Wilkinson
COO

Building a sustainable tomorrow

Landscronerhof
The Netherlands

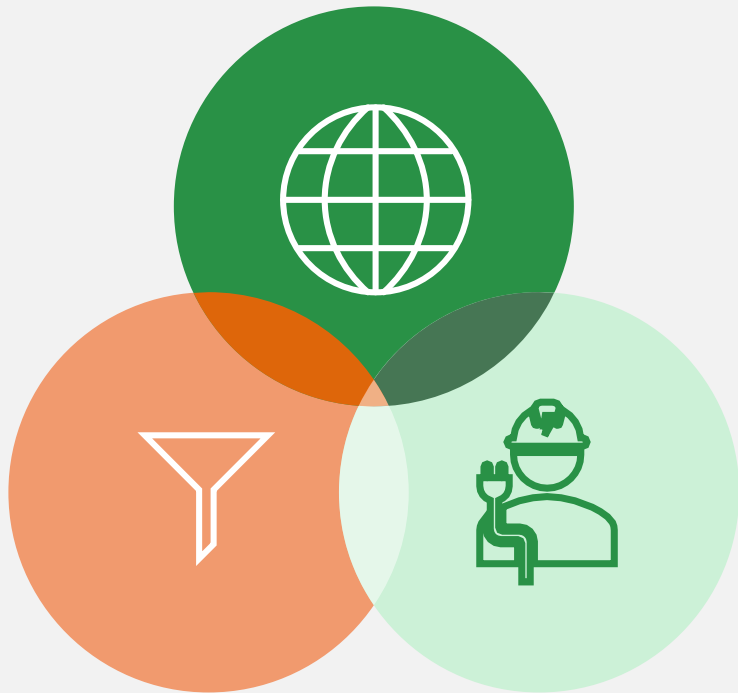
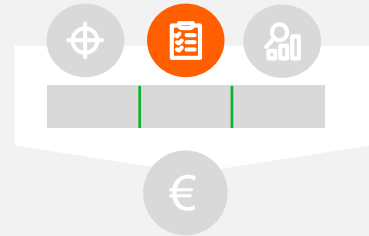
Continue de-risking

Our strategic framework



BAM 2023

Continue de-risking BAM on three levels



Market choices

Play only in those markets where BAM can leverage its size and sustainable, innovative profile with healthy procurement routes

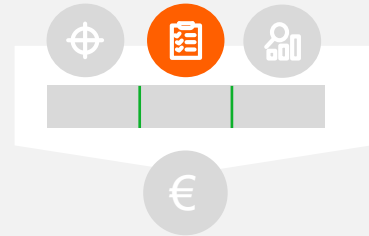
Avoid disproportionate risk in project portfolio

Only accept projects in our portfolio that fit our portfolio thresholds and do not cross our red-lines whilst helping clients to improve risk-sharing procurement routes

Operational excellence in tenders and projects

Improve our operational excellence with more repeatable projects for continuous learning, leveraging operational best-practices and improved monitoring & control

Continue de-risking BAM on three levels



Market choices

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Make market choices where BAM has a strong market position

Operate only where BAM has or can obtain a dominant market share

As exemplified by our choice to focus on the Netherlands, United Kingdom and Ireland as the BAM growth markets, where BAM has a top 3 position, and the wind down of BAM International. Within the focus countries, we concentrate on those markets where BAM can be a contractor of choice, such as for Highways England.

More dominant position

More differentiated

Healthier procurement routes

More synergies



A38/A5111, part of the Highways England Framework



Make market choices where BAM is differentiated

Operate only where BAM leverages scale, sustainability and innovation

Playing into the UK ~£12 billion 'green industrial revolution' and NL's zero carbon ambition 2050, BAM will select markets where it can leverage its position as sustainable, innovative partner, building on its propositions like the first Dutch energy-neutral districts and climate-neutral homes.

More dominant position

More differentiated

Healthier procurement routes

More synergies



Residential development Bajes Kwartier, first energy neutral district in Amsterdam / Netherlands– BAM Bouw en Vastgoed Nederland



Make market choices where procurement routes are more fair

Operate only where clients use appropriate and fair risk allocation

That fit with BAM's reduced risk-appetite. A good example are frameworks like the UK Environmental Agency, where BAM is part of the £2.6 billion capital investment programme to help protect 300,000 homes from coastal erosion and flooding.

More dominant position

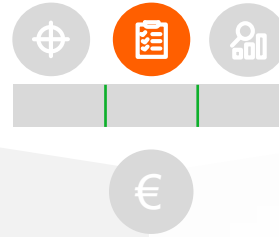
More differentiated

Healthier procurement routes

More synergies



York Flood alleviation scheme for the Environmental Agency, United Kingdom – BAM Nuttall



Make market choices where BAM can create synergies

Operate only in markets where we can reap synergies in scale or scope

Focusing on in-country synergies like BAM's C&P and Civil collaboration on London's King's Cross, or cross country synergies like the cross-operating company collaboration on digital construction that produced the Digital Construction BAM Practice

More dominant position

More differentiated

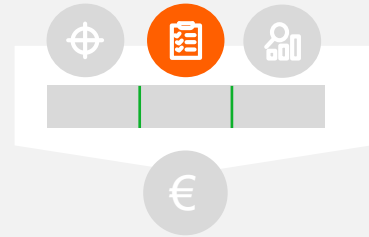
Healthier procurement routes

More synergies



3D visualisation of BAM quay wall construction works in Amsterdam – Infra NL

Continue de-risking BAM on three levels



Market choices

Operate only in those markets where BAM can leverage its size and sustainable, innovative profile with healthy procurement routes

Avoid disproportionate risk in project portfolio

Only accept projects in our portfolio that fit our portfolio thresholds and do not cross our red-lines whilst helping clients to improve risk-sharing procurement routes

Operational excellence in tenders and projects

Improve our operational excellence with more repeatable projects for continuous learning, leveraging operational best-practices and improved monitoring & control



Avoid disproportionate risk by limiting onerous procurement

No more single-stage, lump-sum projects of >€150m¹

Or large projects where risk is capped at a % of BAM's fee. The recent choice not to pursue part of the Oosterweel scheme is a first step, which will avoid large problematic projects like Sea lock IJmuiden.

¹BAM share



Oosterweel project, Belgium

No more single-stage > €150m

Portfolio risk management

Red-lines in contract management

Client support



Avoid disproportionate risk by active portfolio management

Portfolio risk management

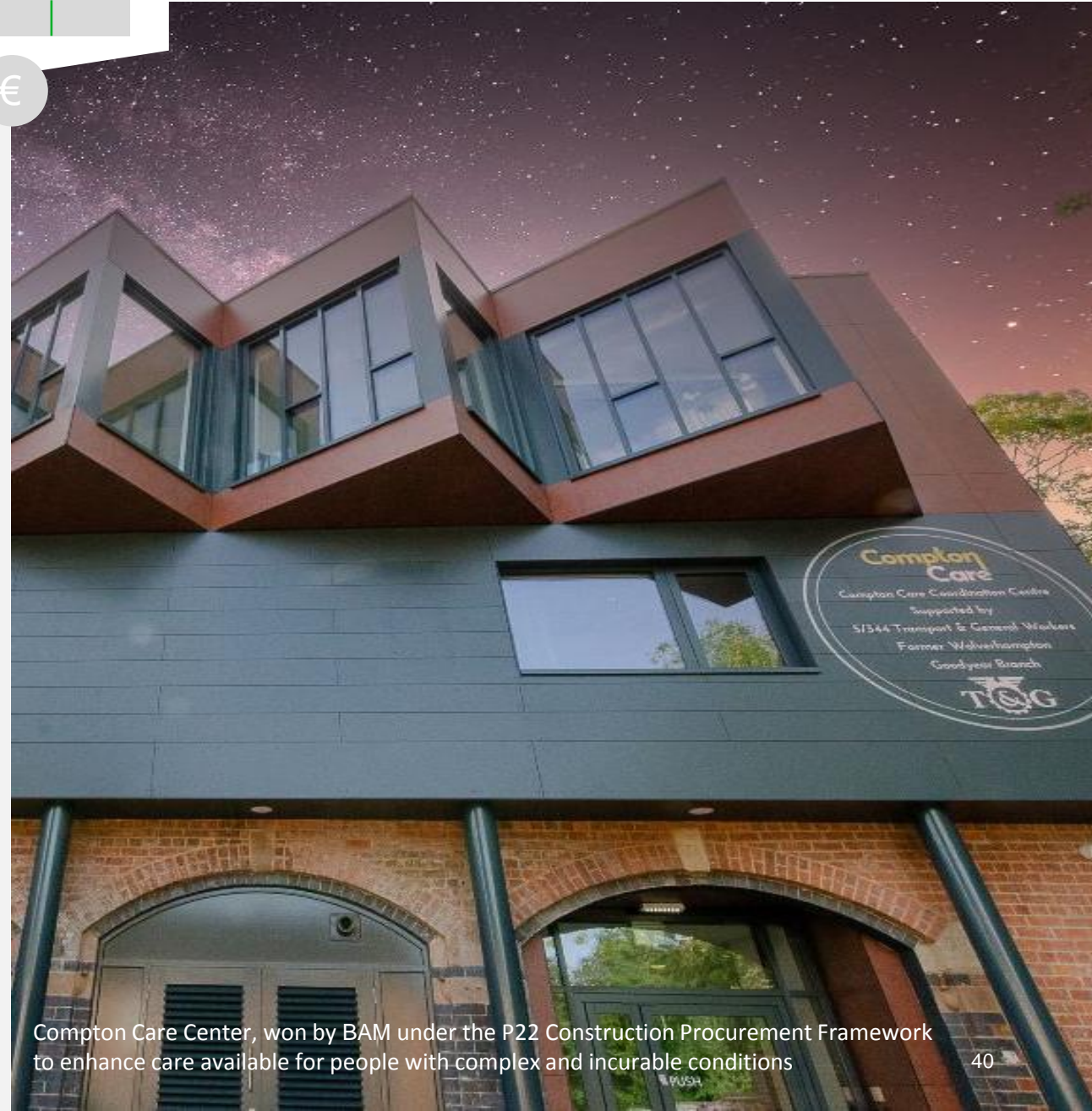
BAM will take a portfolio risk perspective on projects we bid for, based on technical, commercial and capacity thresholds. Together with no longer tendering >150m single stage lump sum projects this can improve our margins by an estimated 0.6%. Increasing the share of framework contracts like the P22 in the UK will help us improve the health of our portfolio.

No more single-stage > €150m

Portfolio risk management

Red-lines in contract management

Client support



Compton Care Center, won by BAM under the P22 Construction Procurement Framework to enhance care available for people with complex and incurable conditions



Avoid disproportionate risk by stricter adherence to red-lines

Red-lines in contract management

BAM will stop taking on geotechnical, license or new technology risk in its project portfolio. A good example is BAM's choice to participate in the re-tendered Zuidasdok Amsterdam after the procurement route and contract type changed and a more collaborative approach was chosen by the client Rijkswaterstaat.

No more single-stage > €150m

Portfolio risk management

Red-lines in contract management

Client support



Impression of the new Zuidasdok development Amsterdam – BAM Infra NL



Avoid disproportionate risk by collaborating with our clients

Client support to improve procurement

Support our clients to move to better procurement routes and contracts. For example by leveraging our UK experience in the Netherlands, and building on strong client relationships like with our client Schiphol, where close client-contractor collaboration helps achieve better outcomes for BAM's client and BAM.

No more single-stage > €150m

Portfolio risk management

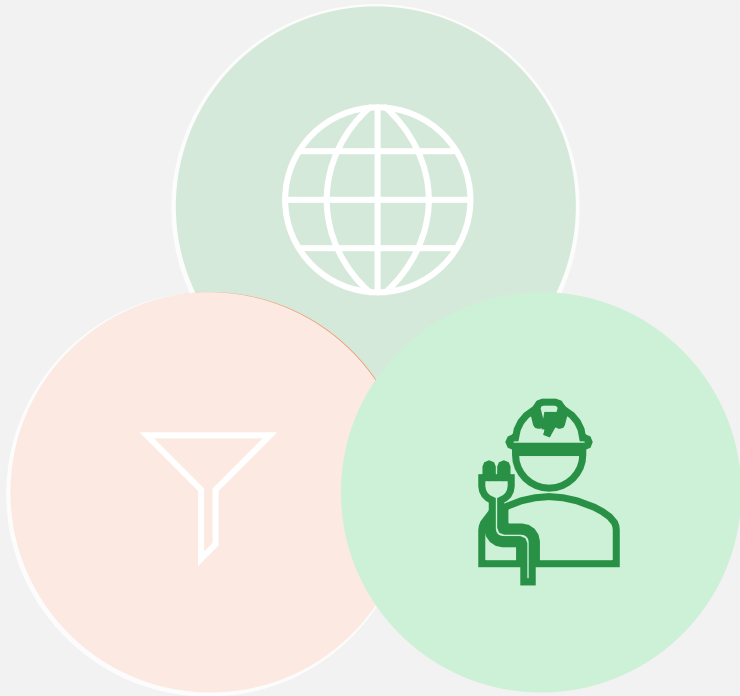
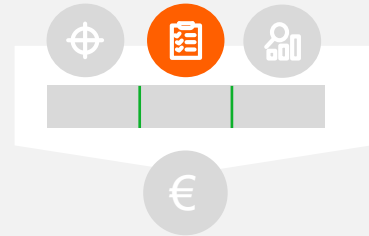
Red-lines in contract management

Client support



Schiphol in the Netherlands

Continue de-risking BAM on three levels



Market choices

Operate only in those markets where BAM can leverage its size and sustainable, innovative profile with healthy procurement routes

Avoid disproportionate risk in project portfolio

Only accept projects in our portfolio that fit our portfolio thresholds and do not cross our red-lines whilst helping clients to improve risk-sharing procurement routes

Operational excellence in tenders and projects

Improve our operational excellence with more repeatable projects for continuous learning, leveraging operational best-practices and improved monitoring & control



Operational excellence through a predictable pipeline

Predictability in our pipeline helps improve operational excellence

By focusing on selected countries, markets and clients and increasing the share of framework contracts in our portfolio, we achieve more continuity in our project pipeline. Together with a strong client focus, this will improve operational excellence through more continuity in workforce, process optimisation, etc. A great example is our continued collaboration for framework projects with Network Rail.

More predictability

Continuous learning

Strengthened operational improvements

Improved monitoring and control



BAM employees working on the rail as part of BAM's participation in the Network Rail scheme



Operational excellence through more continuous learning

Continuous learning on-site through repeatable projects

Instead of large, one-off complex projects, BAM's new strategic focus is on more repeatable projects so that we can roll-out a programme of continuous learning to lead the way in industrialisation of our execution. Examples include our focus on distribution of water and telco as well as BAM's industrialised process of building residential houses which already built thousands of homes in NL in >25 years.

More predictability

Continuous learning

Strengthened operational improvements

Improved monitoring and control



Schoenmakerskwartier
Delft, The Netherlands



Operational excellence through more best-practice sharing

Strengthened operational improvements

Operational excellence through sharing of project best-practices such as:

- **Safety:** Further sharpening of BAM's safety approach
- **Bidding and Estimation (Tender):** Improve quality of scoping and cost calculation
- **Contract management:** commercial manager alongside the project director
- **Design, engineering and know-how:** Strict reviewing impact of cost in execution phase when design changes are made
- **Quality:** Ensure supervisors are on site and less paperwork in the office
- **Project & risk Management Capabilities:** Provide apprenticeship to younger colleagues by making it explicit and organizing sufficient mentorship of experienced colleagues



Faculty at Birmingham City University where BAM won the first ever safety award from the Department for Education

More predictability

Continuous learning

Strengthened operational improvements

Improved monitoring and control



Operational excellence through improved monitoring and control

Improved monitoring and control

To keep a strong grip on the performance of our projects, BAM will create transparency, consistency and predictability across the organisation. This means using digital solutions that minimise input time for projects, but maximise timely steering on operational KPIs like change orders and Operational Risk Management (ORM). We have made good steps in recent years with our Universal Project Approach: now we will focus and accelerate those efforts.

More predictability

Continuous learning

Strengthened operational improvements

Improved monitoring and control



BAM employees (photo taken pre-COVID-19).

An aerial night-time photograph of a city. A river flows through the center, with a modern cable-stayed bridge crossing it. The city buildings are illuminated with warm lights, and the sky is dark. A semi-transparent green banner is overlaid across the middle of the image.

Accelerate opportunities for future growth

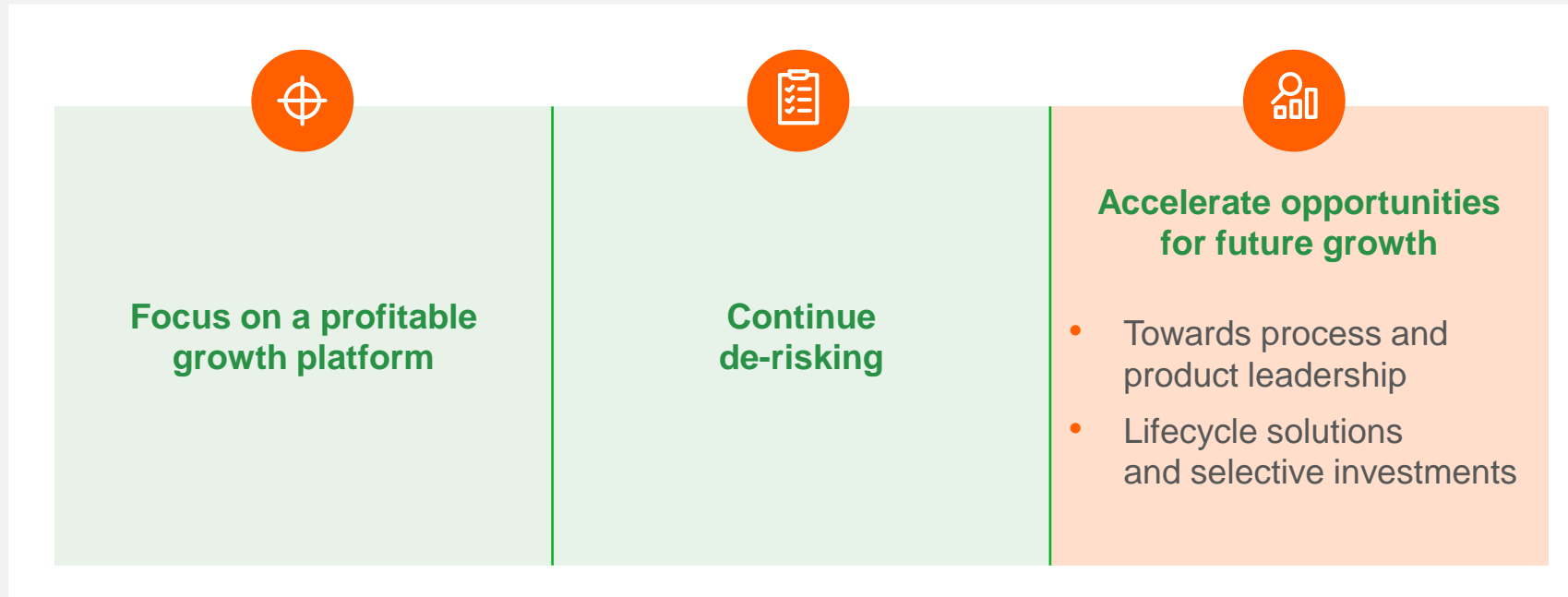
Joost Nelis
COO

Building a sustainable tomorrow

One Lime Street, The Shipping Office
Ireland - BAM Contractors Ltd.

Accelerate opportunities for future growth

Our strategic framework



BAM 2023

Accelerate opportunities for future growth

Create sustainable environments that enhance people's lives



Bajes Kwartier, Amsterdam

Accelerate opportunities for future growth

along two axes to...

Create sustainable environments that enhance people's lives

Drive business excellence towards process and product leadership in a sequential approach

Life cycle solutions and selective investments





Established building blocks for future growth

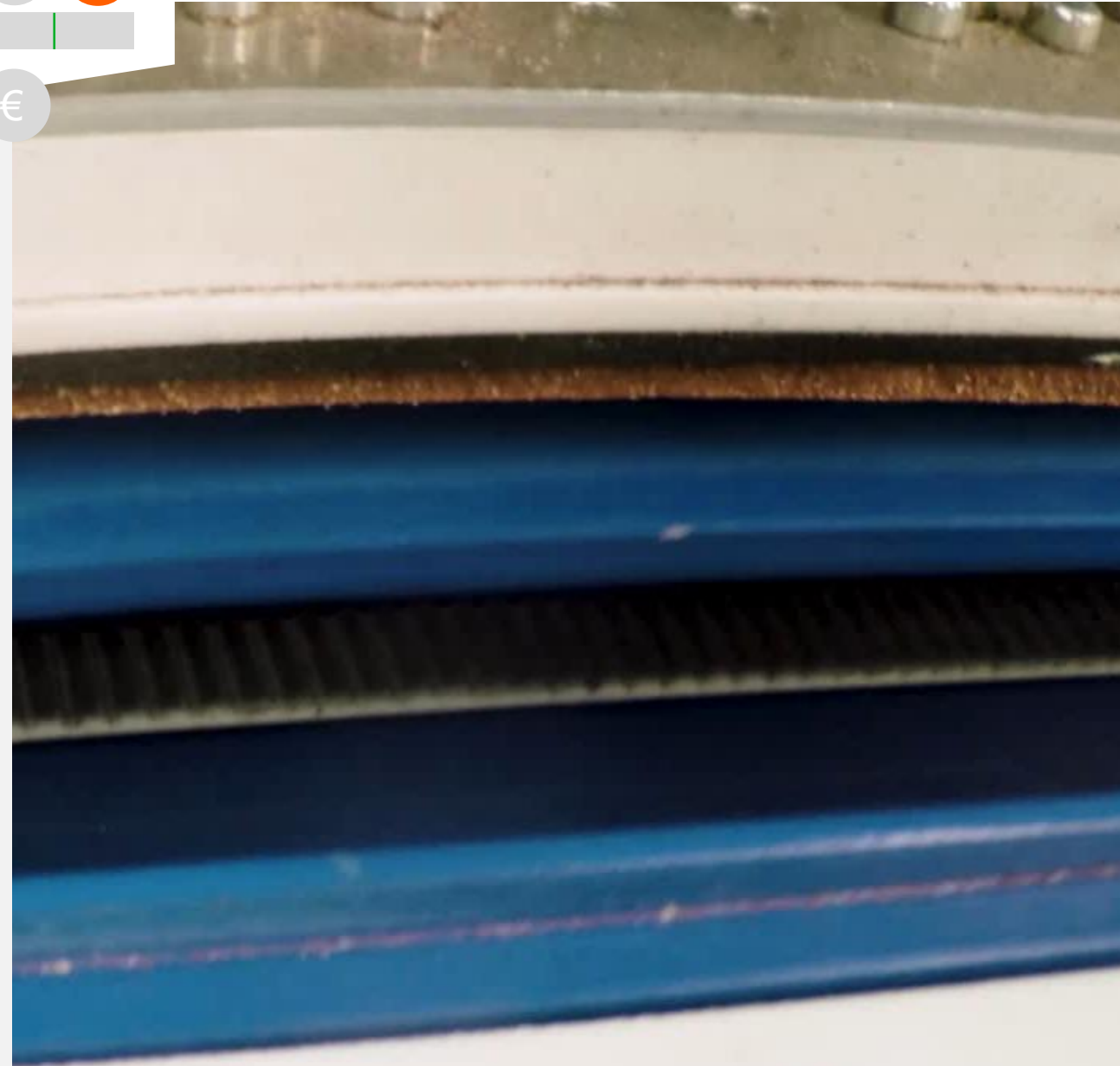
Homestudios as important building block on the road to product leadership



Established building blocks for future growth

Brick slip robot to build zero-energy housing facades

Used for 550 net zero-energy houses so far, which represents 30.000m² facades for social housing



Brick strip robot



Established building blocks for future growth

Leverage our long-term client relationships



Droggheda Court House (PPP Bundle), Ireland



Established building blocks for future growth

Increased focus on industrialisation and Modern Methods of Construction in Civil OpCos



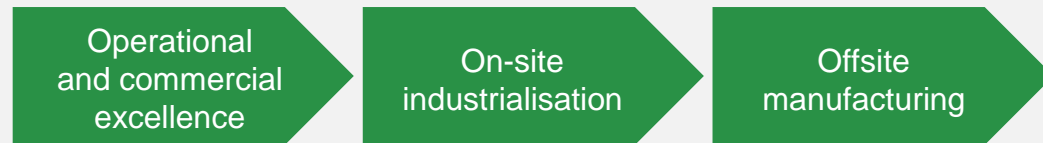
Ordsall Chord Bridge, Norther Hub, UK

Accelerate opportunities for future growth

along two axes to ...

Create sustainable environments that enhance people's lives

Drive business excellence towards process and **product leadership** in a sequential approach



Life cycle solutions and selective investments



Business excellence as foundation

Operational and commercial excellence as starting point

Example of good standard in commercial and operational excellence

Operational and commercial excellence

On-site industrialisation

Offsite manufacturing



Ineos Grangemouth Headquarters



Taking incremental steps in the learning curve

On-site industrialisation is the next step

- Move from a project-based to a process-based way of working.
- So far 25,000+ houses and apartments have been built this way

Operational and commercial excellence

On-site industrialisation

Offsite manufacturing





BAM's key capabilities to organise for flow and scale

On-site industrialisation is the next step

- ✓ Established concept
- ✓ Standardised processes managed on deviations
- ✓ Optimised supply chain with co-makers
- ✓ Building streams with permanent teams
- ✓ References for products, programme and prices
- ✓ Client involvement
- ✓ Easy assembly on site
- ✓ Flow of projects through portfolio approach

Operational and commercial excellence

On-site industrialisation

Offsite manufacturing



Nieuw Weideveld Bodegraven

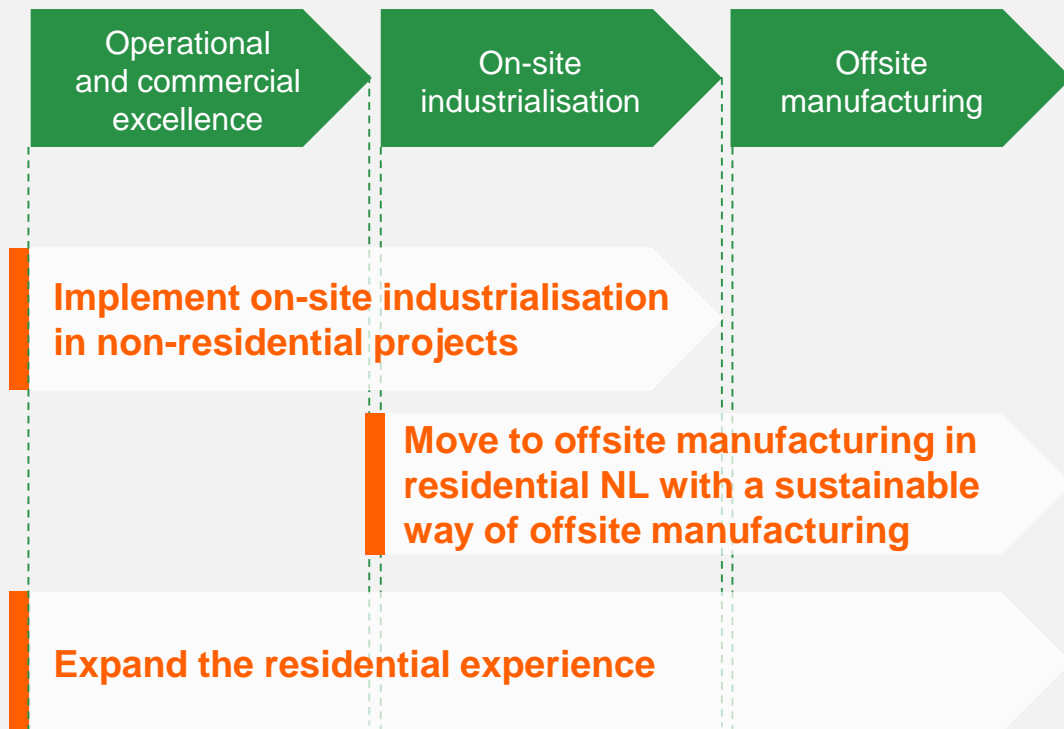
Accelerate opportunities for future growth

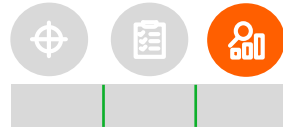
along two axes to ...

Create sustainable environments that enhance people's lives

Drive business excellence towards process and **product leadership** in a sequential approach

Life cycle solutions and selective investments





Implement on-site industrialisation in non-residential projects

Construction playbook was launched in the UK in December 2020 with special attention to Modern Methods of Construction

Operational and commercial excellence

On-site industrialisation

Offsite manufacturing



Zalmhaven, Rotterdam



Move towards offsite manufacturing in Residential NL

1 million additional homes in Netherlands by 2030

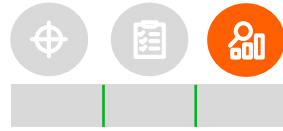
Operational and commercial excellence

On-site industrialisation

Offsite manufacturing



Impressions of BAM Wooncollectie



Expand the residential experience

Approximately 300,000 homes p.a. in UK

Operational and commercial excellence

On-site industrialisation

Offsite manufacturing



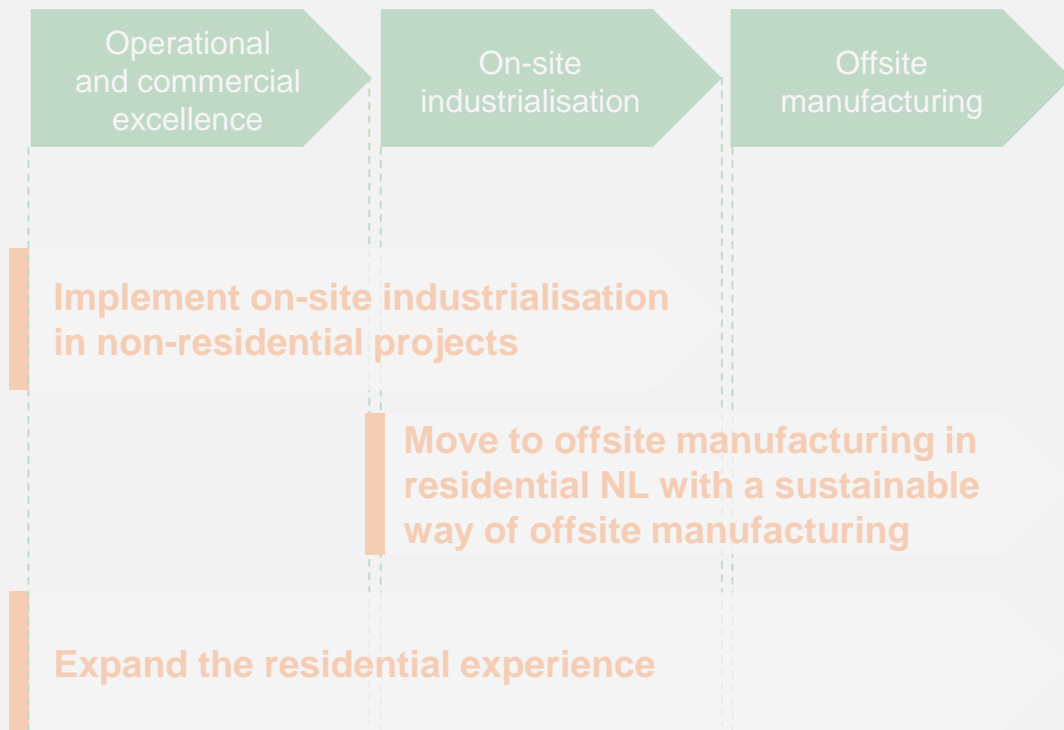
MHI project, Ireland

Accelerate opportunities for future growth

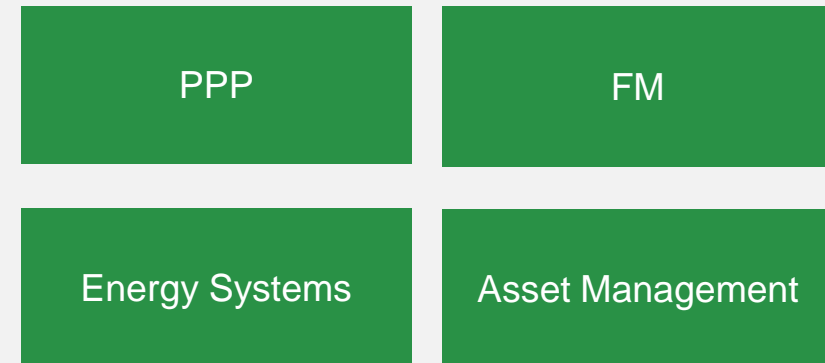
along two axes to ...

Create sustainable environments that enhance people's lives

Drive business excellence towards process and product leadership in a sequential approach



Life cycle solutions and selective investments





Leverage our strong PPP position ...

41 Operational PPP projects

PPP

FM

Energy
Systems

Asset
Management



N25, Ireland



... to accelerate sustainable growth in different markets

A59 successfully handed back over to the government

PPP

FM

Energy Systems

Asset Management



A59, the Netherlands



Solid FM businesses ...

Strong FM foundation in place

FM is an important fundamental for our integrated offerings, consisting of fully integrated MEP with focus on value creation for our clients

PPP

FM

Energy
Systems

Asset
Management



BAM FM employee (BAM Bouw en Vastgoed Nederland).



... to further support our clients in their sustainability journeys

Help clients succeed in their sustainability journey

With solutions in energy and data-driven maintenance as well as asset management

PPP

FM

Energy Systems

Asset Management



BAM FM employee (BAM Construct UK).



Life cycle solutions in energy ...

22 ESCOs already in exploitation by BAM

PPP

FM

Energy Systems

Asset Management



Johan Cruyff Arena, Amsterdam.



... to further expand our energy capabilities

Next steps

- Expand our ESCO portfolio
- Energy neutral houses for a sustainable future for our customers

PPP

FM

Energy Systems

Asset Management



Energy Modules, the Netherlands



Real estate development partner of choice ...

High quality and successful capabilities in real estate development

Crucial in combination with conceptual building to organise scale and flow to mature towards product leadership

PPP

FM

Energy Systems

Asset Management





... with additional focus on asset management

Partner of choice for institutional investors

- Add focus on asset management to real estate development capability
- Create shareholders' value by combining value-creating (area) development and strong cash position in strong favourable market.
- Improving our competitive position and gaining revenue and result for multiple BAM business units

PPP

FM

Energy
Systems

Asset
Management



Lichthoven, Eindhoven

Create sustainable environments that enhance people's lives





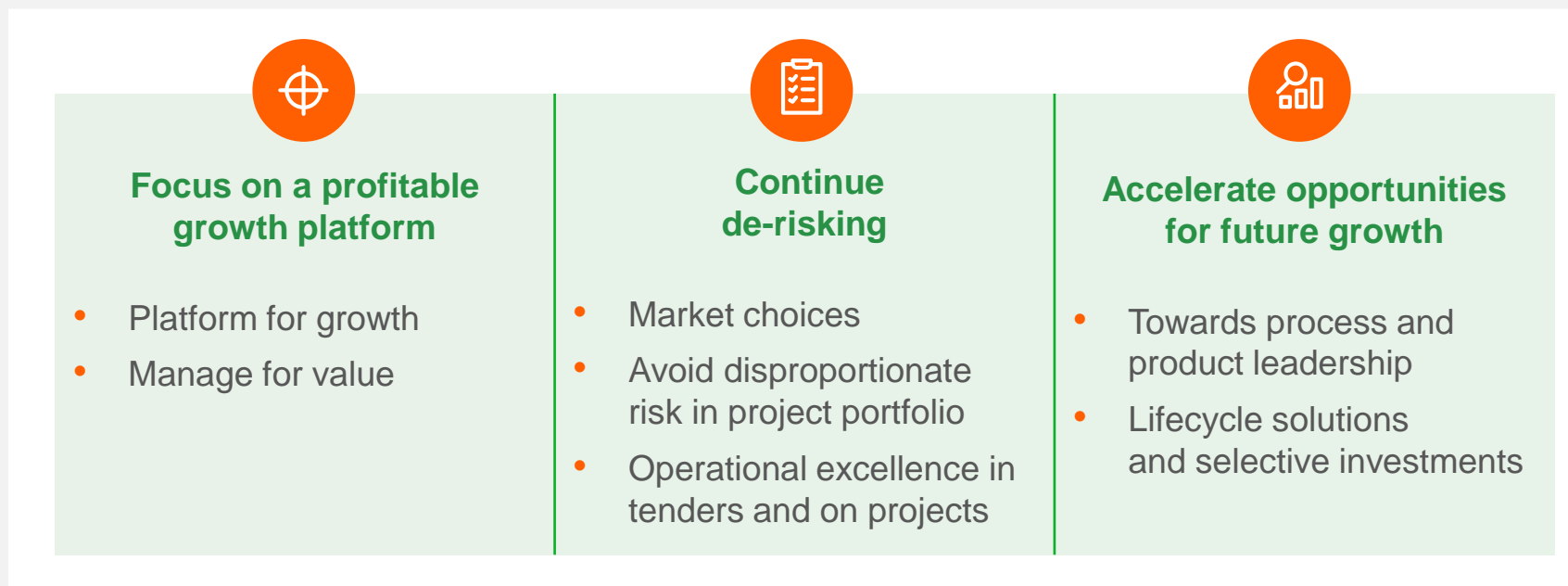
Wrap-up

Ruud Joosten
CEO

Zalmhaventoren
Netherlands

Building a sustainable tomorrow

Building a sustainable tomorrow



BAM 2023

- Approx. €5.5 billion revenue
- Stable adjusted EBITDA margin of 5%
- ROCE >10%
- Trade working capital efficiency <-10%
- Grow capital ratio to 20%
- Incident frequency <3.5 and zero fatalities
- Maintain CDP A-list ranking (SBTi)
- CO₂ reduction 50% 2030

BAM's position in 2025

Increasing revenue again

Top player in UK, NL and IR

Focused country structure

Smaller head office and set-up for maximum cross-learning

PPP operating globally

Stable EBITDA growth

> €150 only 2-stage

De-risked portfolio by growing through selective tendering and repetitive projects

Stable EBITDA growth from lifecycle solutions

Continuous improvement to achieve top-quartile performance in all operations



Frontrunner in sustainability solutions

A-List status on CDP's climate change benchmark

Provider of best-in-class living and working environments

known for reliable project delivery

Employer of choice

leading with an open and diverse culture

Safety fully incorporated

in daily activities to reach top-quartile incident frequency

Outperforming market growth

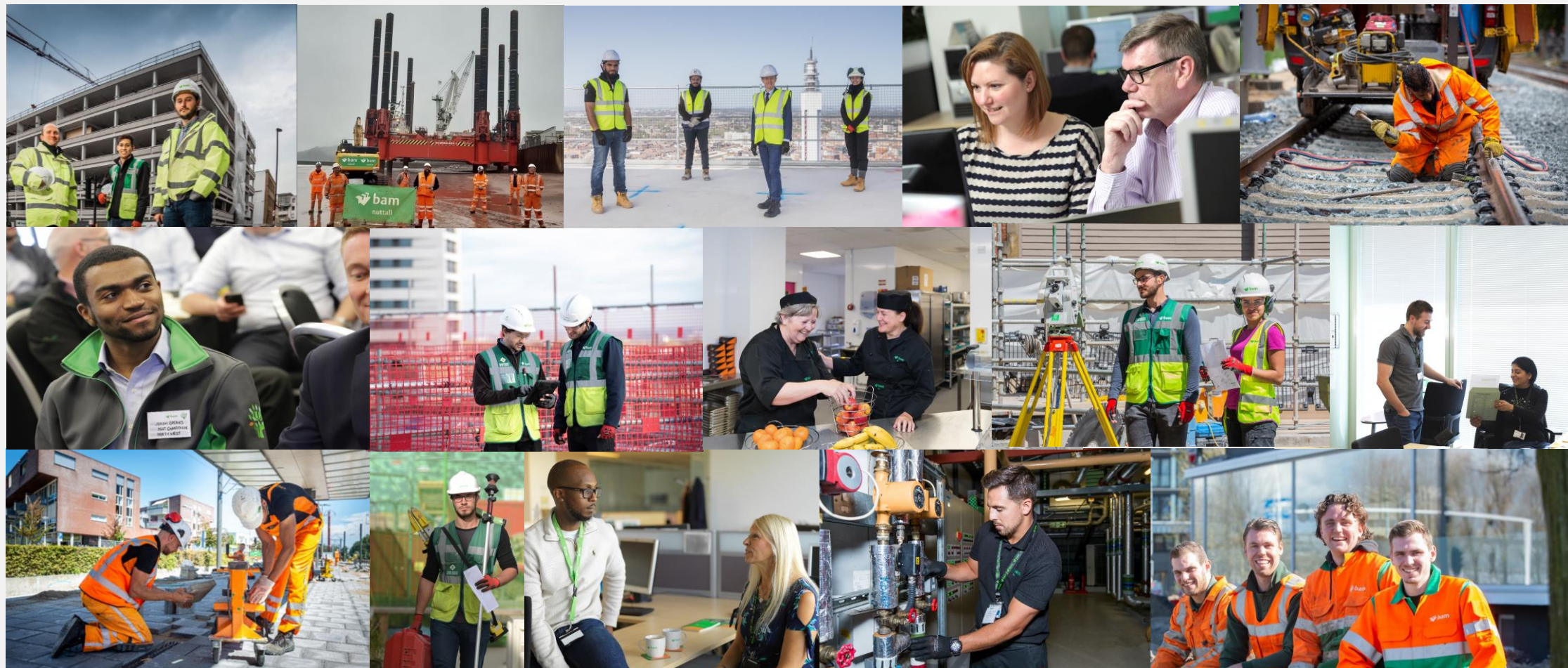
through new competitive advantage of modern methods of construction

Premium contractor on industrialisation

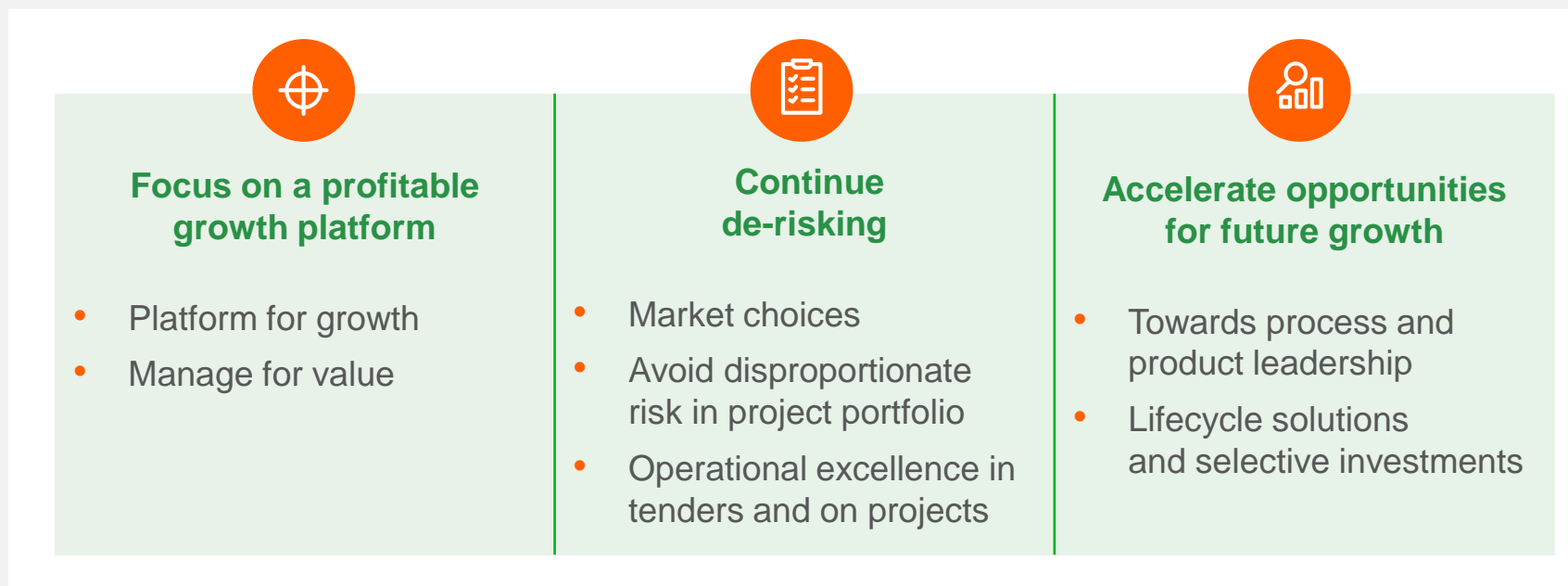
Majority industrialized revenue by C&P and Civil

Largely offsite manufacturing by C&P

The foundation for new strategy



Building a sustainable tomorrow



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