



Annual results 2020

**BAM reports adjusted pre-tax result of €34 million
in 2020, new strategic plan for 2021-2023**

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Key points 2020

After the disappointing first half year, BAM recorded adjusted result before tax of €168 million;
 ‘2020 results do not reflect underlying potential of Group’

FY 2020 versus FY 2019

Revenues €6,809m €7,209m	Adjusted result before tax €34.3m €74.1m
Net result -€122.2m €11.8m	Adjusted PBT margin 0.5% 1.0%
Net cash (before ROU) €1,154m €583m	TWC efficiency -13.9% -10.4%
Return on capital employed -4.2% 3.4%	Capital ratio 13.4% 16.5%
Earnings per share -€0.45 €0.04	Order backlog €13.8bn €12.7bn

- Adjusted PBT recovered to €168m in the second half-year
- De-risking continued, winding down BAM International and Cologne metro settlement
- Transaction with PGGM further strengthened position of BAM PPP
- Cost reduction programme on schedule to reach annual savings of €100m
- Strong liquidity position, also supported by governmental schemes and RCF drawdown
- Order backlog increased to €13.8 billion
- Launch of strategic plan 2021-2023

Construction and Property



Construction and Property performance

Recovery in second half-year with adjusted result before tax of €41.2 million

Analysis by geography (x € million)	Full year 2020		Full year 2019	
	Revenue	Result	Revenue	Result
The Netherlands	1,629	60.8	1,612	65.6
United Kingdom	894	-3.3	1,061	35.6
Belgium	322	-7.7	445	3.9
Ireland	399	-5.1	508	21.0
Germany	451	-44.4	476	-57.5
Total	3,695	0.3	4,102	68.6
	FY 2020		FY 2019	
Result margin	0.0%		1.7%	
TWC (% 4-Q rolling)	-16.8%		-15.0%	
Order book	6,184		6,133	

- Revenue down by 10% due to Covid, recovery in the second half-year
- Adjusted result before tax of €41.2m in the second half-year, implying a margin of 2%
- Dutch activities continue to perform strongly, 2,379 homes sold (2019: 2,569)
- Activities in UK and Ireland contributed well in second half-year and better performance in Belgium while Germany remained loss making
- Total invested in gross property decreased by €27m to €504m
- Order backlog stable versus 2019, after 7% decline in first half-year

Civil engineering



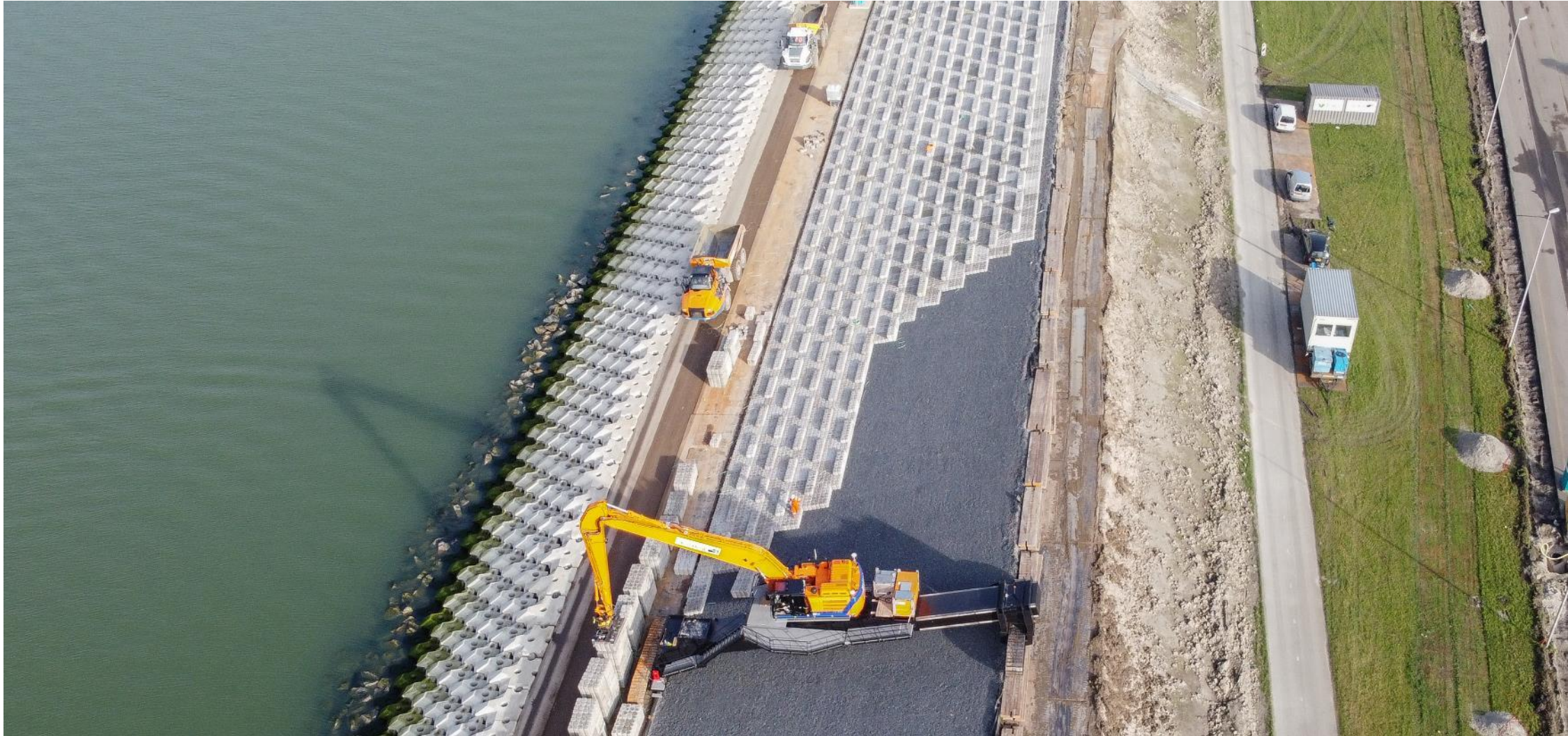
Performance Civil engineering

Improved performance in second half-year, supported by claim settlement and termination fee

Analysis by geography (x € million)	Full year 2020		Full year 2019	
	Revenue	Result	Revenue	Result
The Netherlands	1,325	21.9	1,283	-17.3
United Kingdom	974	12.3	876	23.0
Belgium	233	-3.7	294	5.3
Ireland	70	-5.8	95	-4.3
Germany	350	-12.9	340	14.1
Other	-3		-4	-
Total	2,949	11.8	2,884	20.8

	FY2020	FY 2019
Result margin	0.4%	0.7%
TWC (% 4-Q rolling)	-10.4%	-3.6%
Order book	7,519	6,382

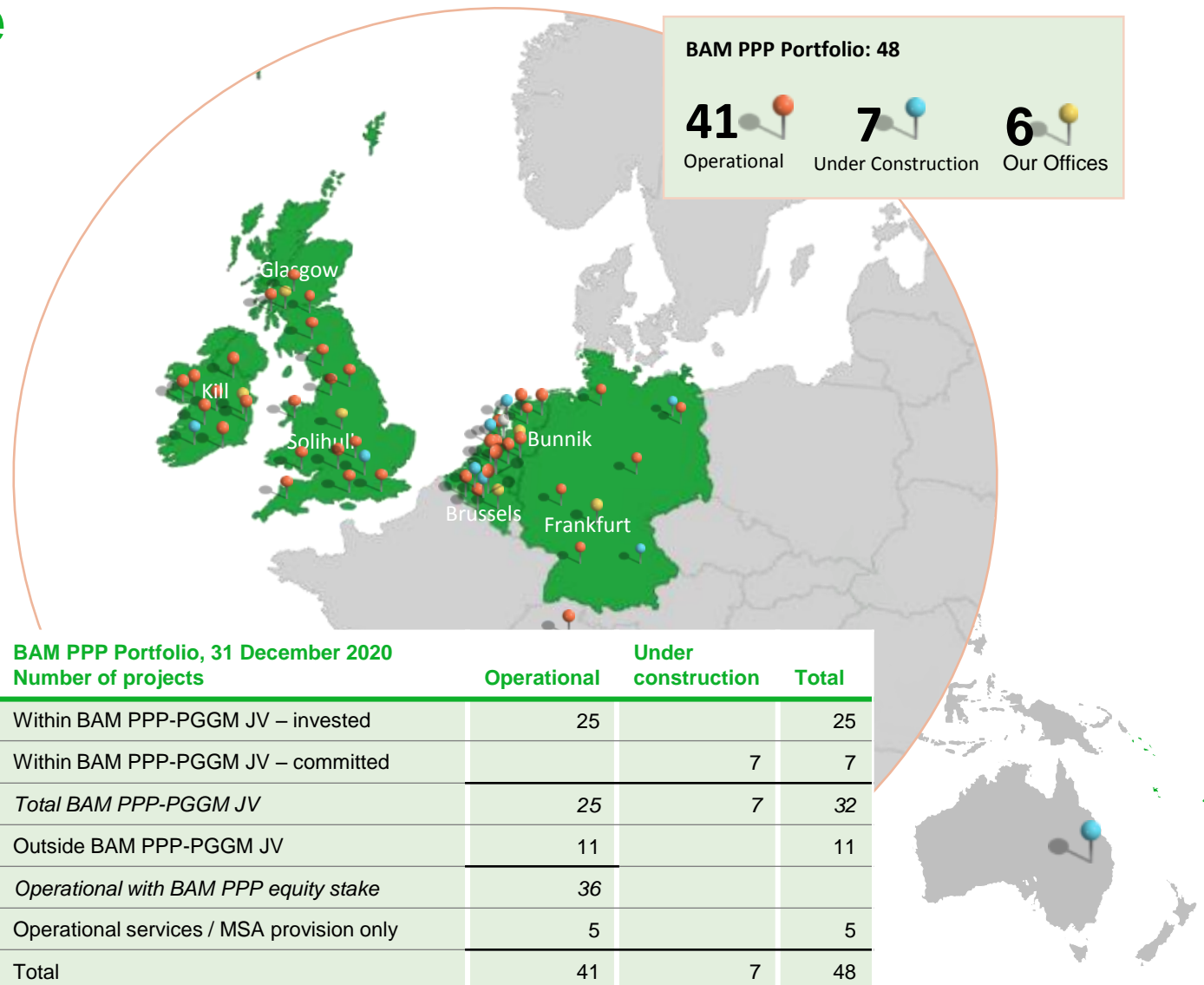
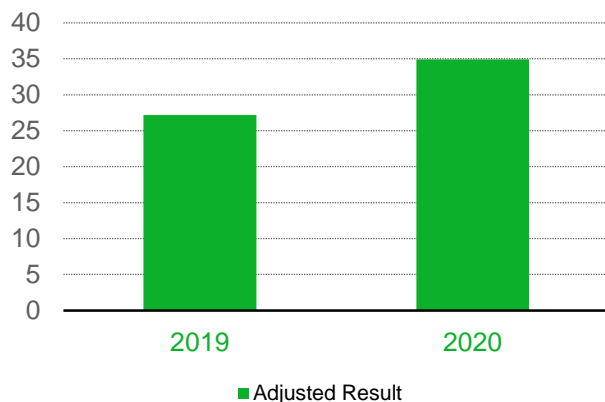
- Revenues increased by 2%, up 6% in second half-year versus second half-year 2019
- Adjusted profit before tax of €67.4m in second half-year
- First half-year result impacted by Cologne metro settlement, provisions in the Netherlands and Covid-19
- Result in second half-year supported by German claim settlement and termination fee for asphalt plant
- Operational performance Dutch civil still disappointing
- Order book: +18%, mainly driven by strong UK market and Fehmarnbelt



BAM PPP performance

Strong operational portfolio performance

- Strong performance of existing operational portfolio. All projects were fully operational throughout Covid-19
- Partial transfer of 21 investments to PGGM, which produced positive result of €24m (€14m recognised in adjusted PBT and €10m in equity). Total cash proceeds €39m
- Strong pipeline of opportunities - expected global increase in government use of PPP / private finance models to stimulate economies and develop infrastructure



Financial review



Income statement

Net income reduced by restructuring charge and non-cash impairments

(x € million)	FY2020	FY2019
Construction and Property	0.3	67.7
Civil Engineering	11.8	20.8
BAM International	-110.3	-38.6
Total sectors excluding PPP	-98.2	49.9
BAM PPP	34.8	27.2
Transfer BAM PPP shares	118.2	0.0
Total sectors	54.8	77.1
Group overhead	-1.4	5.8
Group interest charge	-19.1	-8.8
Adjusted result before tax	34.3	74.1
<i>Margin</i>	<i>0.5%</i>	<i>1.0%</i>
Restructuring	-44.7	-5.0
Impairments	-74.7	-18.5
Pension one-off	1.2	0.0
Result before tax	-83.9	50.6
Income tax	-38.5	-38.7
Non-controlling interest	0.2	-0.1
Net result attributable to shareholders	-122.2	11.8

- Lower contribution Construction and Property, and Civil engineering, good performance BAM PPP
- Wind down BAM International is progressing, but loss widens to €110m, mainly due to projects in the Middle East
- Transfer of BAM PPP shares to PGGM results in €118m gain
- Higher interest costs due to €400m RCF fully drawn in March
- Restructuring costs of €13m for BAM International and €32m for the €100m cost reduction programme announced in September
- Non-cash impairment of €75m, relating to goodwill (BAM International, Belgium and Germany) and some property positions
- Tax line includes a €55m DTA impairment, mainly related to Dutch fiscal entity

Cash flow

Cash position increased by €934 million

(x € million)	FY2020	FY2019
Net cash result	81	137
Investment (I)TFA	-137	-170
Δ Trade working capital	279	177
Net investment property	39	-1
Net investment PPP	55	14
Δ Other working capital	195	-16
Business cash flow	512	141
Dividend	0	-19
Restructuring	-9	-5
Pensions (additional)	-5	-9
RCF	400	0
Other	36	2
Change in cash position	934	110

- Positive business cash flow of €512m
- Investments (in) tangible assets declined by €33m
- Substantial improvement of TWC
- Investments in property declined by €39m
- Net cash inflow from PPP of €55m, PGGM transaction 21 investments contributed €39m
- Other trade working capital supported by deferred VAT and salary tax payments of €230m
- Fully drawn RCF added €400m
- Other includes: transfer of 50% of shares BAM PPP to PGGM and Cologne Metro settlement

Financial position

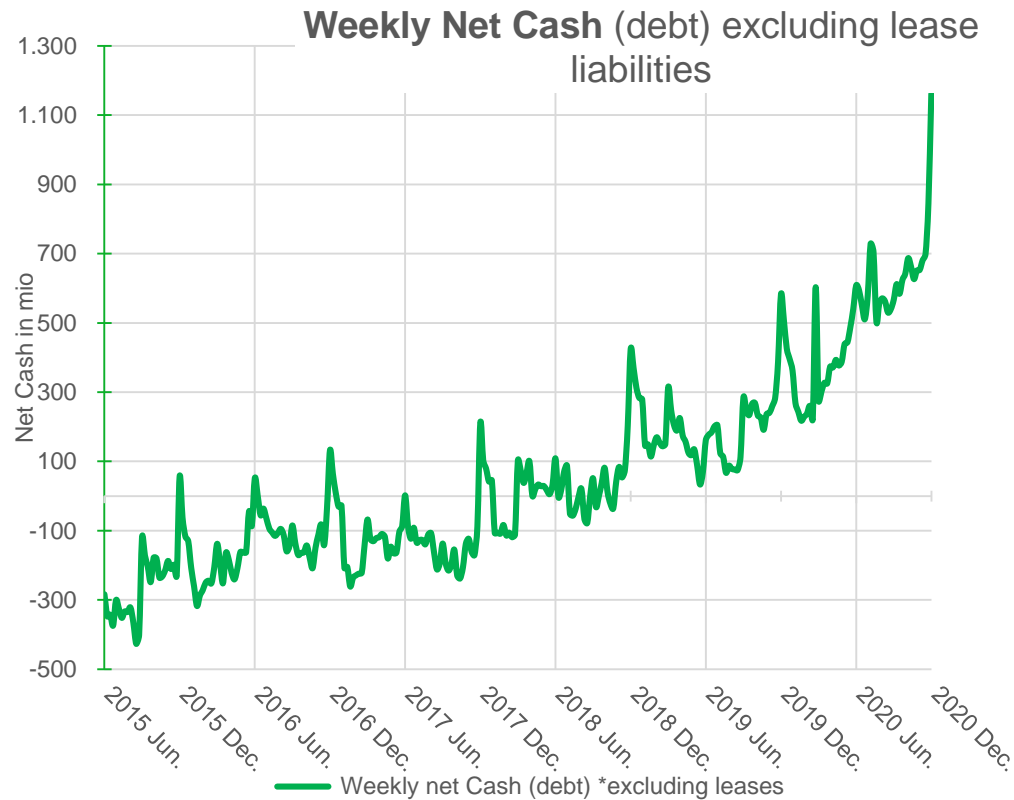
Net cash position up by almost €600 million

(x € million)	FY2020	FY2019
Cash position	1,789	854
Interest-bearing debt	-635	-271
Net cash position (excl. Leases)	1,154	583
Lease liabilities	-294	-312
Net cash (incl. leases)	860	271
Capital ratio	13.4%	16.5%
Return on average capital employed	-4.2%	3.4%

- Cash position increased to €1.8bn
- Capital ratio declined to 13.4%
 - Decline of capital base by €47m, mainly due to the reported loss (-€122m), compensated by PPP related items (+€95m)
 - Balance sheet lengthened by €685m, mainly due to RCF (€400m) and deferred payments (approximately €230m),
 - Without the RCF and deferred payments the capital ratio would have been 15.3%
- Covenant waiver obtained
 - Waiver for four quarters as of 30 June 2020
 - As of 31 December the Group complies with all covenant requirements

Net cash position

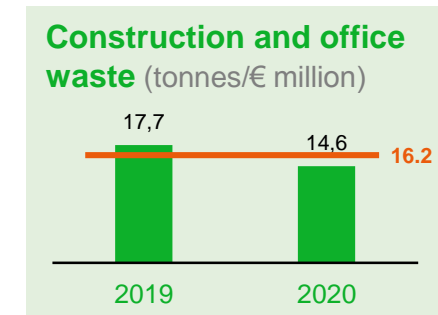
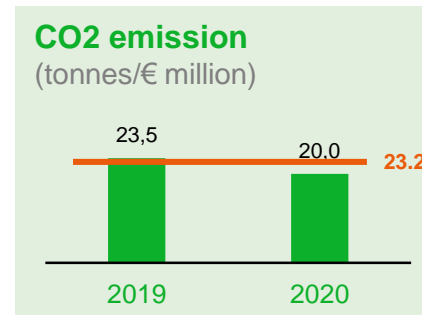
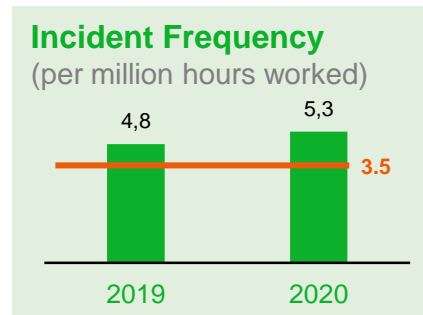
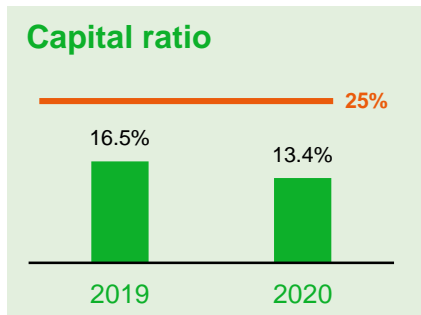
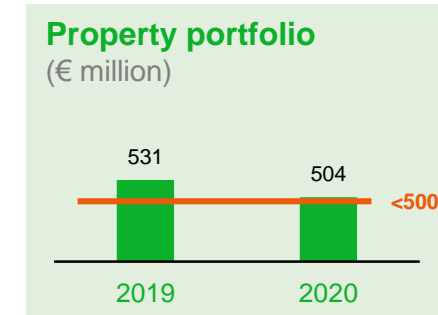
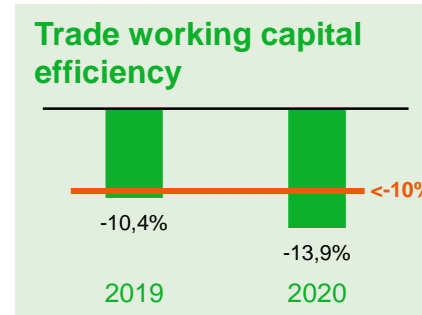
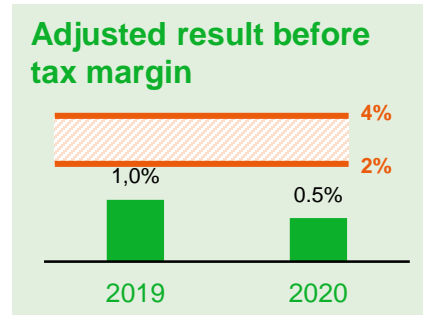
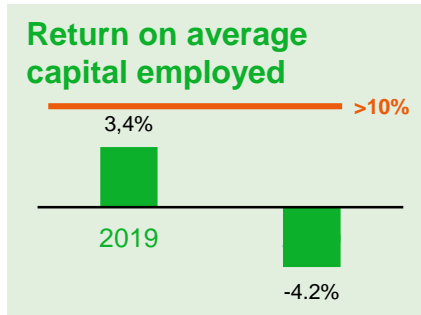
Further increase of net cash position, despite Covid-19



- Net cash position graph shows:
 - Seasonal pattern
 - Longer-term trend
 - Volatility throughout the year
- Net cash position supported by €230m deferred payments and strong TWC performance
- Sustainable negative trade working capital from market practice payment terms and from cash positive contract terms with clients

People, planet, profit

Financial ratios impacted by lower result in 2020



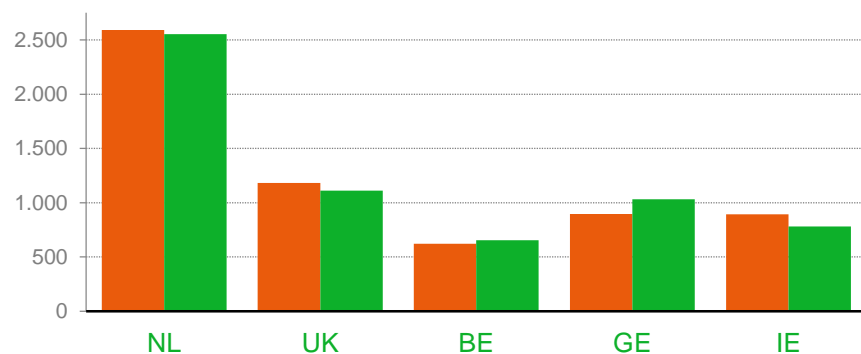
Looking ahead



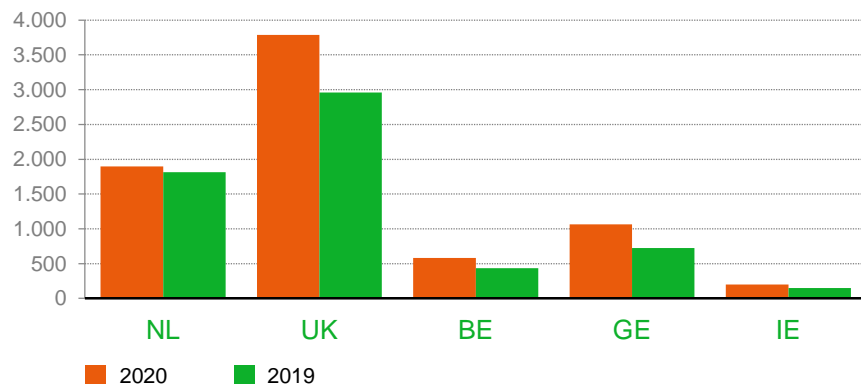
Order book and market trends

Order book supported by civil engineering

Construction and Property order book



Civil engineering order book



Market trends

- Order backlog increased by €1.1bn to €13.8bn
- Backlog in Construction & Property stable at €6.2bn, Civil engineering 18% higher at €7.5bn
- Despite a short-term impact on sentiment in some sectors from Covid-19, long-term outlook for Construction and Property remains positive
- Interest rates are low, and solid demand for new homes
- Governments continue to spend on new infrastructure
- BAM International, remaining order backlog €83m (2019: €443m)

Outlook 2021

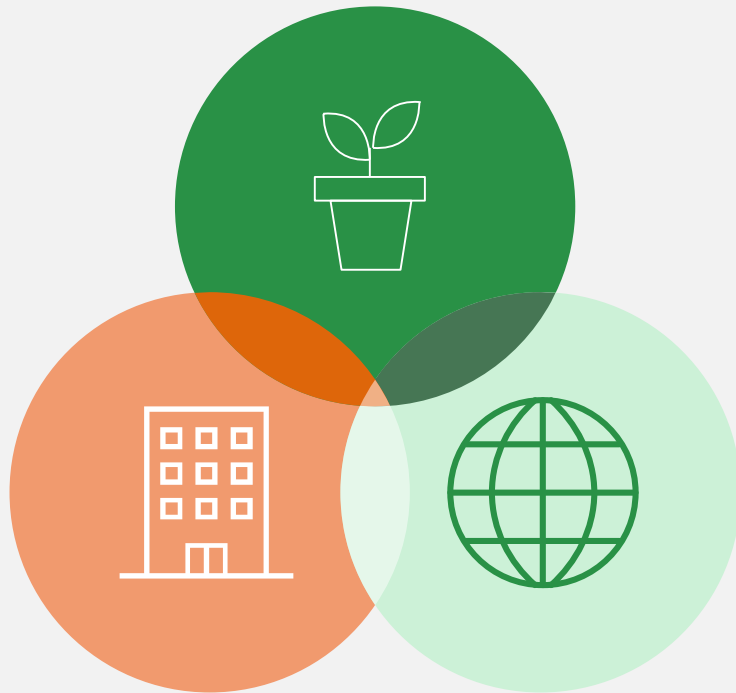
- Signs of recovery, but differences in pace per country and sector
- Covid-19 related uncertainty persists
- Outlook 2021 will be provided in due course



Strategy: roadmap 2021-2023



Global trends impact demands of society ...

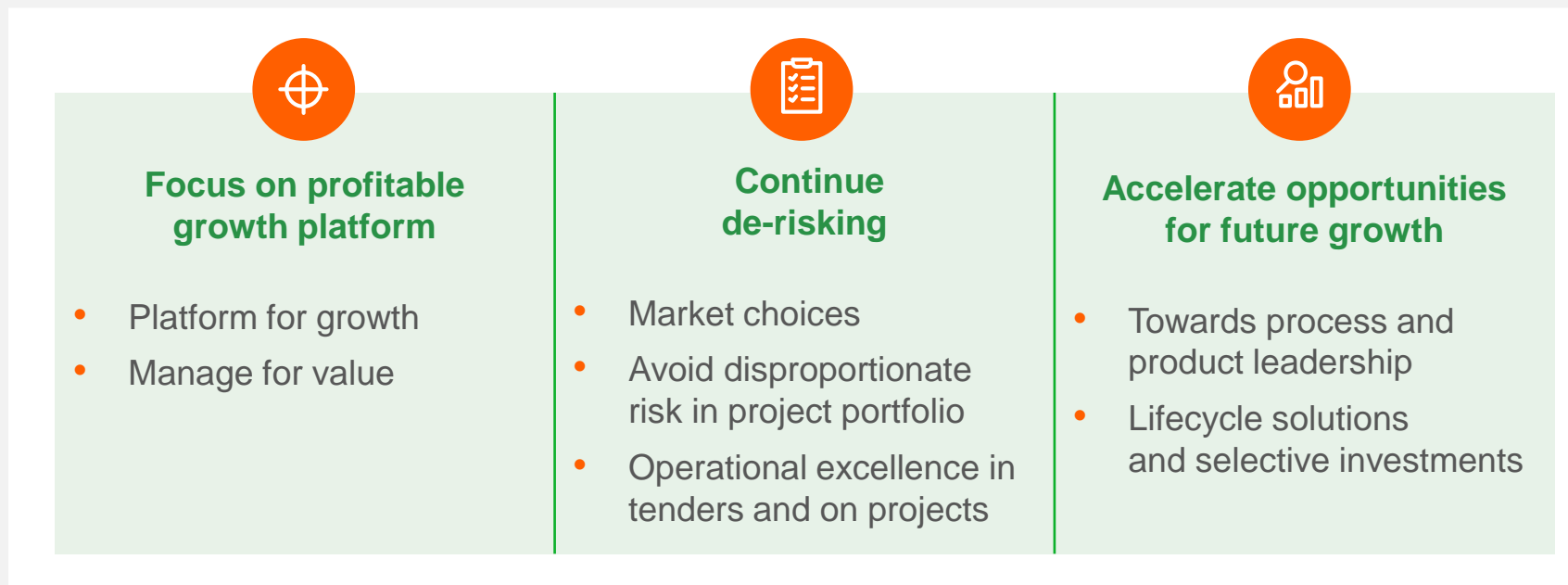


Climate change

Urbanisation

Population growth

Strategy 2021-2023: 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 CPD A-list ranking (SBTi)
- CO₂ reduction 50% 2030

Annexes

Net cash and trade working capital

Net cash analysis

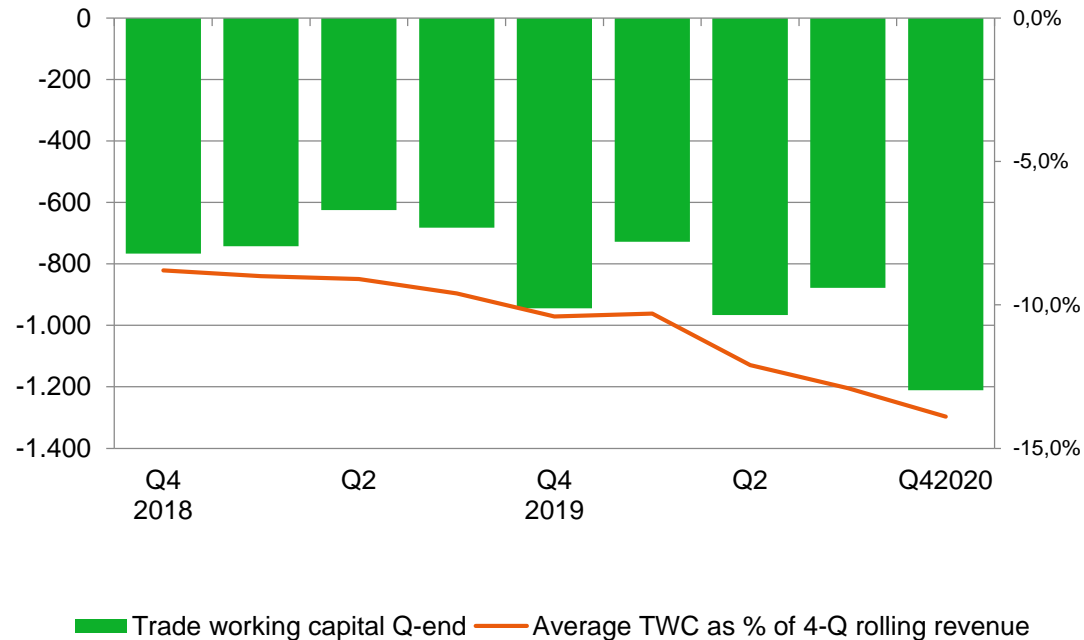
Revenue sector/country

Trade working capital

TWC efficiency further improved to -13.9% (2019: -10.4%)

Trade working capital

(in € million and TWC as %)



- TWC efficiency improvement by:

- BAM's cash preservation strategy
- Strong focus on payment of receivables
- Flexibility governments with milestone payments
- Favourable cash profile on some projects
- Lower revenues

Net cash analysis

(in € million, unless stated otherwise)

	2020 FY	2019 FY
Non-recourse PPP loans	3	43
Non-recourse project financing	75	58
Other project financing	38	48
Total 'project related'	116	149
Subordinated convertible bonds	119	121
RCF	400	0
Leases (Rou)	294	312
Other loans	0	1
Total interest-bearing debts	929	583
Less: cash	1,798	854
Net cash position (Debt)	860	271

Revenue sector/country

	Construction and Property	Civil engineering	PPP	Total
Netherlands	24%	20%	0%	44%
United Kingdom	13%	14%	0%	27%
Belgium/Luxembourg	5%	3%	0%	8%
Germany/Swiss	7%	5%	0%	12%
Ireland	6%	1%	0%	7%
International	1%	1%	-	2%
Total	56%	44%	0%	100%

Revenue per sector/country 2020 as a percentage of gross total revenue 2020



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