

First quarter 2021 trading update

BAM reports €53.3 million adjusted EBITDA in Q1, focus on strategy execution

Royal BAM Group nv reports for the first quarter of 2021 an adjusted EBITDA of €53.3 million, a clear improvement versus last year. The focus is on the execution of BAM's strategy, which will result in a more profitable and predictable company. In addition to improvement of the operational performance and risk profile, the portfolio was strengthened by two small divestments and an add-on acquisition. BAM's cash position and order backlog remain solid.

- Revenue slightly higher compared to first quarter 2020
- Adjusted EBITDA increased with 28% to €53.3 million in Q1 2021, reflecting an adjusted EBITDA margin of 3.2%
- First quarter results supported by solid contributions from United Kingdom and Netherlands
- BAM International; adjusted EBITDA loss of €12.9 million, wind-down scheduled to be completed before year-end
- Liquidity position of €1.3 billion after repayment €400 million RCF, capital ratio improved to 15.1% (year-end 2020: 13.4%)
- Cost reduction programme completed as planned, continued focus on portfolio improvement and risk reduction
- Solid order book, strong order intake in United Kingdom
- BAM had a satisfactory start to the year which provides confidence for 2021, and will provide the outlook for 2021 in due course

Key financials <i>(in € million, unless otherwise indicated)</i>	First quarter 2021	First quarter 2020	Full year 2020
Revenue	1,651	1,603	6,809
Adjusted EBITDA ¹	53.3	41.7	200.8
Adjusted EBITDA ¹ margin	3.2%	2.6%	2.9%
Order book (end of period)	14,100	12,700	13,800
Trade working capital efficiency	-15.6%	-10.3%	-13.9%

¹ Before restructuring costs and pension one-offs.

Ruud Joosten, CEO of Royal BAM Group:

'The results in the first quarter were supported by our activities in the Netherlands, with a strong contribution from Dutch residential. Our activities in the United Kingdom also performed well. The UK government plans major investments in infrastructure as part of the Build Back Better initiative. Operations in Ireland were held back by Covid-19 restrictions.

In Belgium and Germany the focus remains on further operational improvement and de-risking of the portfolio, in line with our strategy to manage these businesses for value. In the first quarter we agreed to divest two small subsidiaries of BAM Deutschland (BAM Swiss and BAM Facilities Services).

BAM has completed the cost reduction programme initiated last September. In the first quarter, we acquired the off-site production facilities of Houtindustrie Stam & Landman and Gevelelementen Noord-Holland (HSL/GNH). This acquisition enables us to leverage our expertise in sustainability and industrialised construction activities in response to the increasing market demand for affordably priced and low carbon homes.

BAM had a satisfactory start to the year, which provides confidence for 2021. We are in the early execution phase of our new strategy, which includes the further de-risking of our portfolio, and there is still uncertainty around Covid-19. BAM will provide the outlook for 2021 in due course.'

Press release of 6 May 2021, page 2 of 3

Business review first quarter 2021

In Construction and Property the performance was driven by the Dutch residential activities. In the first quarter BAM sold 890 homes versus 515 in the same period last year, supported by some transactions with institutional buyers. The Zalmhaven residential project in Rotterdam is progressing well and reached a new height record of 165 metres. Activities in the United Kingdom reported a good contribution. BAM was awarded a major new contract to deliver the world's most sustainable film and TV studios for Sky Studios Elstree. In Ireland, performance was mainly held back due to Covid-19 restrictions which were lifted in early May. BAM remains committed to delivering the National Children's Hospital in Dublin as quickly and efficiently as possible. The performance in Germany and Belgium was unsatisfactory.

In Civil Engineering, BAM Infra Nederland reported a positive adjusted EBITDA contribution. The underlying performance improved and the result was supported by a modest claim settlement. The Dutch market remains competitive. The United Kingdom had a strong start to the year with a significant increase in revenue in BAM Nuttall's rail division on existing framework contracts, a workload acceleration in the Scotland & North region, and an increase of major project activity. Performance in Germany and Belgium was slightly ahead versus last year.

At BAM PPP, the 50 per cent joint venture with PGGM, performance was solid and the pipeline of prospects and active bids remains healthy. In the first quarter of 2021, BAM PPP was selected as the preferred bidder on a project with financial close targeted for the third quarter. BAM PPP currently has a further 13 active bids at various stages of procurement.

BAM International reported an adjusted EBITDA loss of €12.9 million, due to delays in completing two projects in the Middle East. The wind-down of BAM International is scheduled to be completed before the end of the year. Recently, the Indonesian subsidiary BAM Decorient was transferred to management.

Financial review

BAM's capital ratio improved to 15.1 per cent at the end of the first quarter 2021 (13.4 per cent year-end 2020), supported by a shorter balance sheet, the appreciation of the British pound and a positive net income. The Group's liquidity position declined to €1.3 billion versus €1.8 billion year-end 2020, which is mainly related to repaying the €400 million RCF in March 2021.

Live audio webcast

On 6 May 2021, at 09.30 hrs CET, there will be a conference call in English for analysts. This can be followed via live audio webcast (www.bam.com).

About Royal BAM Group

Royal BAM Group nv is a leading construction, civil engineering, PPP investment and facilities management company. With best-in-industry capabilities, we help public and private sector clients reduce carbon emissions and enhance sustainability over the lifecycle of their buildings and infrastructure. BAM is one of a few large construction companies to have set science-based targets to reduce the CO₂ intensity of its operations by 50 per cent in 2030 compared to 2015, and is committed to maintaining its place on the Climate Change A List, published by CDP each year. This commitment is set out in BAM's strategy for 2021-2023, called 'Building a sustainable tomorrow', which also aims to provide employees with safe and rewarding work, and generate attractive returns for shareholders. The Group employs around 18,000 people, with main operations in the Netherlands, United Kingdom, Ireland, Belgium and Germany, and is listed on the Euronext Amsterdam exchange. www.bam.com

Press release of 6 May 2021, page 3 of 3

Next event

19 August 2021: publication of results for the first half-year 2021.

Further information

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