



First half-year 2021 results

BAM delivers strong operational performance in first half-year;
outlook 2021 adjusted EBITDA margin of around 3.5%

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Key points first half-year 2021

Strong operational performance in first half-year, solid liquidity position of €1.2 billion, high order book and on track to realise strategic goals set for 2023

Revenue	
€3,629m	2020 H1 €3,108m

Adjusted EBITDA	
€157.1m	2020 H1 -€54.0m

Net result to shareholders	
€20.1m	2020 H1 -€234.5m

Adjusted EBITDA margin	
4.3%	2020 H1 -1.7%

Net cash position (before ROU)	
€1,144m	2020 FY €1,154m

TWC efficiency	
-15.7%	2020 FY -13.9%

Return on capital employed	
11.7%	2020 H1 -6.6%

Order book	
€13.8bn	2020 FY €13.8bn

- Revenue increased by 17% in the first half-year to €3.6bn, a recovery to pre-Covid-19 level
- Adjusted EBITDA of €157m, or margin of 4.3%
- All activities contributed to improvement, except Civil engineering Netherlands
- Net profit of €20m, including non-cash deferred tax charge of circa €30m and €11m for property positions
- Cash position maintained at high level, while repaying the €400m RCF and €120m convertible bond
- Capital ratio 13.2%, slightly below FY 2020 level while convertible bond fully repaid in first half-year
- Order book maintained at high level

Management actions in first half-year 2021

Focus on restructuring portfolio, de-risking, increasing profitability and creating sustainable platform for future growth

Portfolio: de-risking and business improvement initiatives

- Successful completion of the major cost savings programme initiated September 2020
- Start Group-wide programmes to further reduce risk profile, step up efficiency and capture opportunities provided by digitalisation and sustainability
- Decision to withdraw tenders for several large civil projects in the Netherlands
- Divestment BAM Swiss, BAM Facilities Services (both BAM Deutschland) and BAM Decorient (Indonesia)
- Acquisition of off-site production facilities Houtindustrie Stam & Landman and Gevelelementen Noord-Holland (HSL/GNH), strengthening the portfolio towards sustainability and industrialised construction

Financials: lower interest cost after repayment RCF and convertible bond, focus on cash and costs

- Re-payment of €400 million RCF and of €120 million convertible bond at maturity
- Continued focus on TWC management
- Initiatives to further strengthen risk management, internal control and reporting

Construction and Property



Construction and Property performance

Recovery of revenue and adjusted EBITDA, very strong contribution Dutch residential

Analysis by geography (x € million)	2021 H1		2020 H1	
	Revenue	Result	Revenue	Result
Netherlands	855	69.3	773	42.0
United Kingdom	551	21.5	392	-13.9
Ireland	208	3.9	163	-16.8
Total Platform for growth	1,614	94.7	1,328	11.3
Belgium	172	-4.4	130	-9.4
Germany	216	3.3	197	-21.7
Total Manage for value	388	-1.1	327	-31.3
Eliminations and miscellaneous	-	-0.1	-	-
Total	2,002	93.5	1,655	-19.8
	2021 H1		2020 H1	
Adjusted EBITDA margin	4.7%		-1.2%	
	2021 H1		2020 FY	
Order book	5,848		6,184	

- Revenue increased by 21%, back to pre-Covid-19 levels
- Adjusted EBITDA €93.5m, reflecting a margin of 4.7%
- Manage for growth activities realise adjusted EBITDA margin of 5.9%
- Netherlands: strong performance supported by residential, number of homes sold: 1,446 (2020 H1: 1,028)
- UK: results rebounded, supported by a claim settlement
- Performance in Belgium and Germany improved
- Order book declined 6% versus FY 2020, but remains high

Civil engineering



Civil engineering performance

Performance improved in 2021 H1, Dutch civil underperforms

Analysis by geography (x € million)	2021 H1		2020 H1	
	Revenue	Result	Revenue	Result
Netherlands	582	-5.4	615	3.5
United Kingdom	633	19.3	454	18.4
Ireland	61	2.8	23	-2.4
Total Platform for growth	1,276	16.7	1,092	19.5
Belgium	158	7.5	108	-5.7
Germany	175	15.1	142	-29.0
Total Manage for value	333	22.6	250	-34.7
Eliminations and miscellaneous	-2	-	-2	-
Total	1,607	39.3	1,340	-15.2
	2021 H1		2020 H1	
Adjusted EBITDA margin	2.4%		-1.1%	
	2021 H1		2020 FY	
Order book	7,900		7,519	

- Revenue increased by 20% versus 2020 H1, driven by UK; Ireland and Belgium recovered from Covid-19
- Adjusted EBITDA improved to €39m, reflecting adjusted EBITDA margin of 2.4%
- Dutch Civil engineering activities impacted by significant cost overrun in large contracts division, decision not to tender for several large contracts
- Performance in Belgium and Germany improved (2020 H1: Germany impacted by €36m Cologne claim settlement)
- Order book: +5%, mainly driven by Netherlands and British pound exchange rate. UK order book remains high

Financial review



Income statement

Strong operational performance and net result of €20 million in first half-year 2021

(x € million)	2021 H1	2020 H1
Construction and Property	93.5	-19.8
Civil Engineering	39.3	-15.2
Adjusted EBITDA sectors	132.8	-35.0
BAM PPP ¹	9.1	20.4
BAM International	-11.5	-52.6
Eliminations and miscellaneous	26.7	13.2
Total adjusted EBITDA	157.1	-54.0
Depreciation and amortisation	-73.4	-79.2
Interest charge	-7.5	-0.3
Restructuring	-0.2	-1.5
Impairments	-10.6	-65.5
Result before tax	65.4	-200.5
Income tax	-45.6	-34.4
Non-controlling interest	0.3	0.4
Net result attributable to shareholders	20.1	-234.5

- Adjusted EBITDA of €157m, versus loss of €54m in first half 2020
- BAM PPP JV is performing well and contributed €9m to net result
 - 40 operational projects, 7 under construction and preferred bidder on a school, the first project within larger Belgium school building programme
- BAM International; no additional losses in Q2, wind-down progressing
- Impairments of €10.6m, mainly due to several smaller property positions in Netherlands
- Tax line includes €30m non-cash deferred tax charge, driven by changes in tax legislation and rates
- Net result of €20m, recovery from substantial loss in first half 2020

Cash flow ²

Cash flow from earnings of €127 million in first half 2021

(x € million)	2021 H1	2020 H1
Cash flow of earnings	127	-44
Working capital	-22	126
Provisions and Pensions	-43	39
Cash flow from Operating Activities	62	121
Cash flow from Investing Activities	-52	-14
Cash flow from Financing Activities	-588	354
Increase/decrease in cash position	-578	461
Cash and cash equivalents beginning period	1,789	854
Exchange rate differences, other changes	29	-32
Cash and cash equivalents	1,240	1,283

- Strong cash flow from earnings
- Working capital cash out limited to €22m
- TWC efficiency improved to -15.7%, reflecting cash inflow of around €50m
 - Further improvement advanced payments
 - BAM continues to pay supply chain in time
- Other working capital cash outflow of around €70m
 - Repayment €40m of Covid-19 related deferred VAT and salary tax
- Repayment of €400m RCF and €120m convertible bond

Financial position

Net cash position unchanged, sharp decline of interest-bearing debt

(x € million)	2021 H1	2020 FY	2020 H1
Cash position	1240	1,789	1,283
Interest-bearing debt	-96	-635	-675
Net cash position (excl. Leases)	1,144	1,154	608
Lease liabilities (IFRS 16 impact)	-261	-294	-305
Net cash (incl. leases)	883	860	303
Capital ratio	13.2%	13.4%	11.3%
Return on average capital employed	11.7%	-4.2%	-6.6%

- Net cash position unchanged versus FY 2020
 - €400m RCF repaid in March
 - €120m convertible bond repaid in June
- Capital ratio of 13.2% (2020 FY 13.4%)
 - Lower capital base due to repayment convertible bond
 - Net income (€20m), positive exchange rate effect (€22m) and actuarial gains (€15m) contributed to the capital base
 - €369m decline of balance sheet total versus FY 2020
- Return on capital employed of 11.7%
- Well within limits of recourse debt covenants

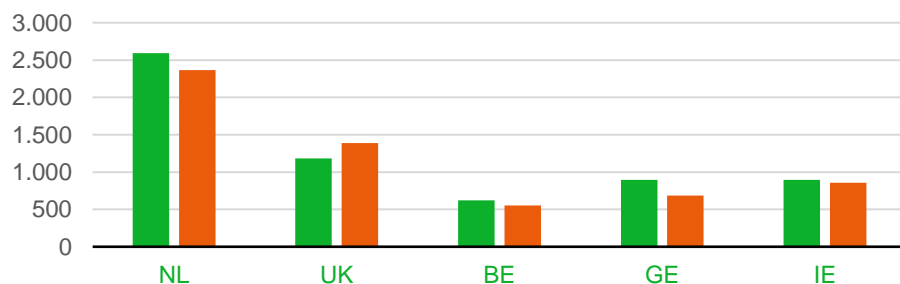
Looking ahead



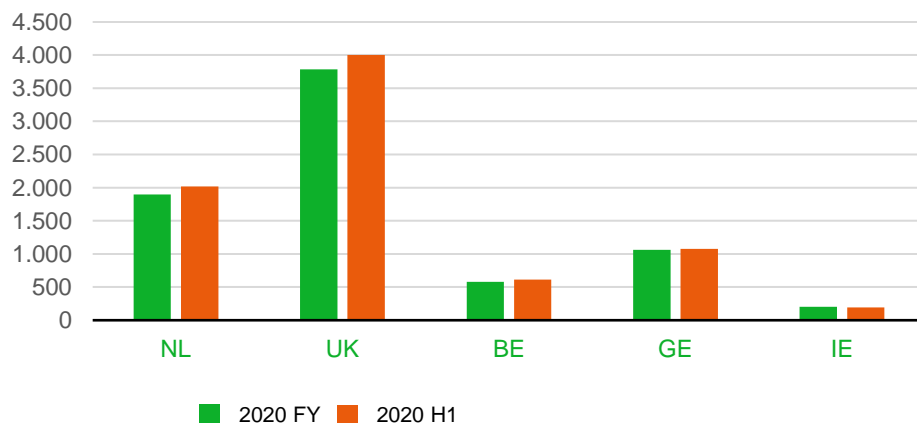
Order book and market trends

Order book remains at satisfactory high level

Construction and Property order book



Civil engineering order book



Market trends

- Total order book remains at high level of €13.8bn
- High order book in UK Civil allows for continued selective tendering
- Interest rates remain low
- Supportive UK government policies
- Focus on sustainable solutions and essential infrastructure improvements
- Strong demand for affordable homes in Netherlands

Outlook 2021

- Looking ahead, market circumstances are generally positive
- BAM is experiencing industry-wide pressure in some parts of the supply chain, there are ongoing discussions with clients regarding the timing and settlement of some substantial claims and Covid-19 uncertainties remain
- For 2021, BAM anticipates an adjusted EBITDA margin of around 3.5%



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Annexes

Strategy: roadmap 2021-2023

Trade working capital

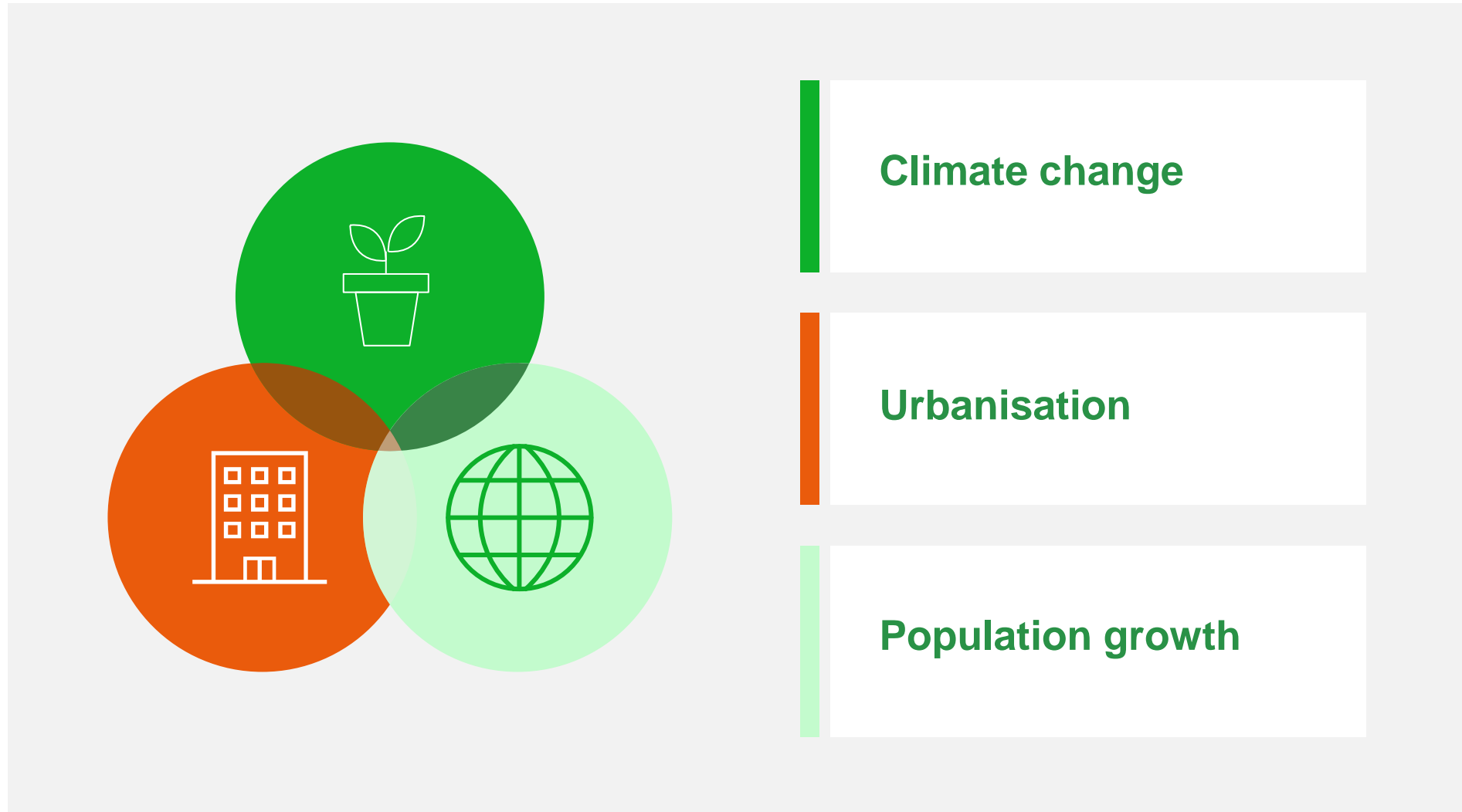
Net cash analysis

Revenue sector/country

Strategy: roadmap 2021-2023



Global trends impact demands of society ...



Strategy 2021-2023: Building a sustainable tomorrow



BAM 2023

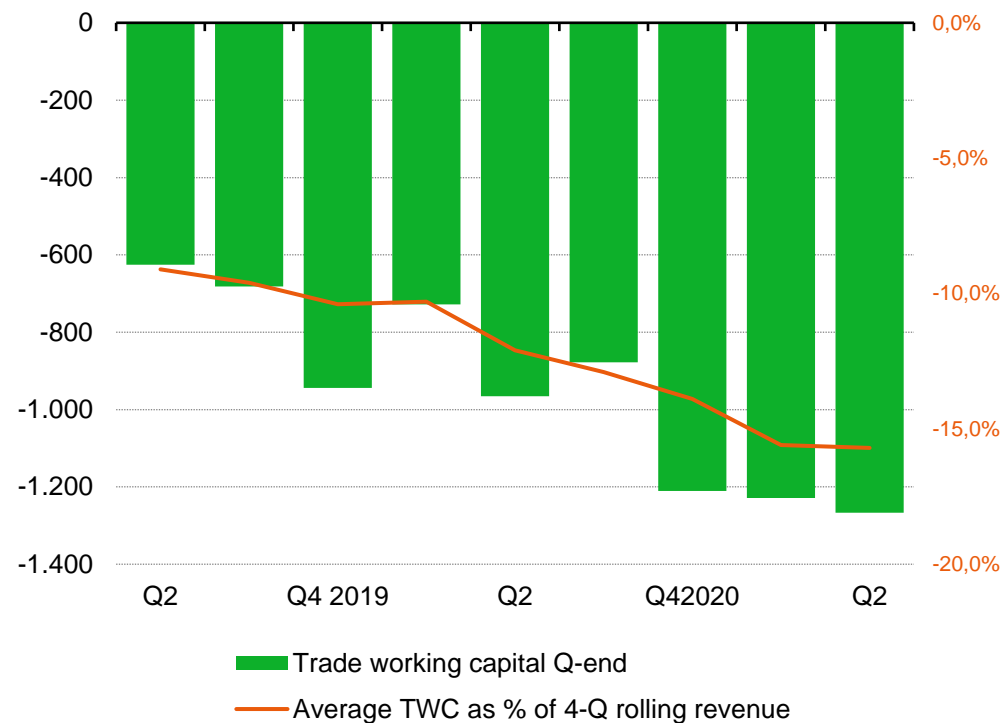
- Approx. €5.5 billion revenue
- Stable adjusted EBITDA margin of 5 %
- ROCE >10%
- Trade working capital efficiency <-10%
- Grow capital ratio to 20%
- Incident frequency <3.5 and zero fatalities
- Maintain CPD A-list ranking (SBTi)
- CO₂ reduction 50% 2030

Trade working capital

TWC efficiency further improved to -15.7% (2020 FY: -13.9%)

Trade working capital

(in € million and TWC as %)



- TWC efficiency improvement by:

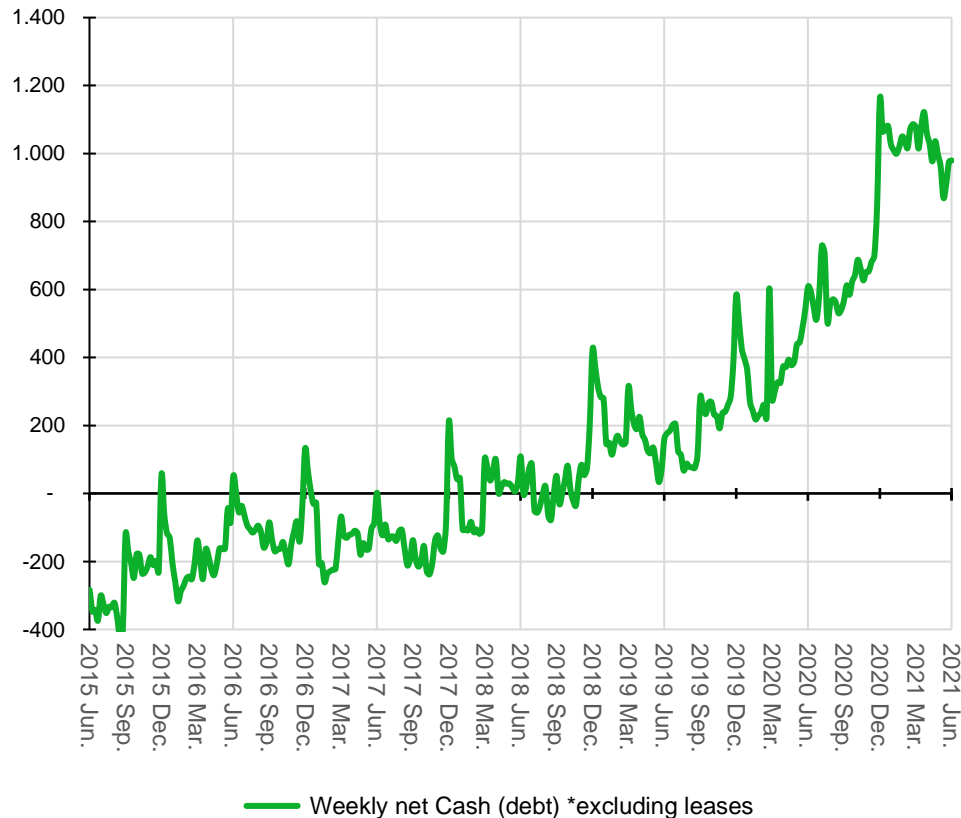
- Further improvement advanced payments on some larger projects
- BAM continues to pay the supply chain in time

Net cash position

Cash position maintained at high level

Weekly Net Cash

(debt) excluding lease liabilities (Net Cash in mio)



- Net cash position graph shows:
 - Seasonal pattern
 - Longer-term trend
 - Volatility throughout the year
- Net cash position supported by €190m deferred payments and strong TWC performance
- Sustainable negative trade working capital from market practice supplier payment terms and from cash positive contract terms with clients

Revenue sector/country

	Construction and Property	Civil engineering	Total
Netherlands	24%	20%	44%
United Kingdom	13%	14%	27%
Ireland	6%	1%	7%
Total Platform for growth	43%	35%	78
Belgium/Luxembourg	5%	3%	8%
Germany	7%	5%	12%
International	1%	1%	2%
Total Manage for value	13%	9%	22%
Group total	56%	44%	100%



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