

Annual results 2021

**BAM delivers adjusted EBITDA of €278 million in 2021,
on track with strategy execution**

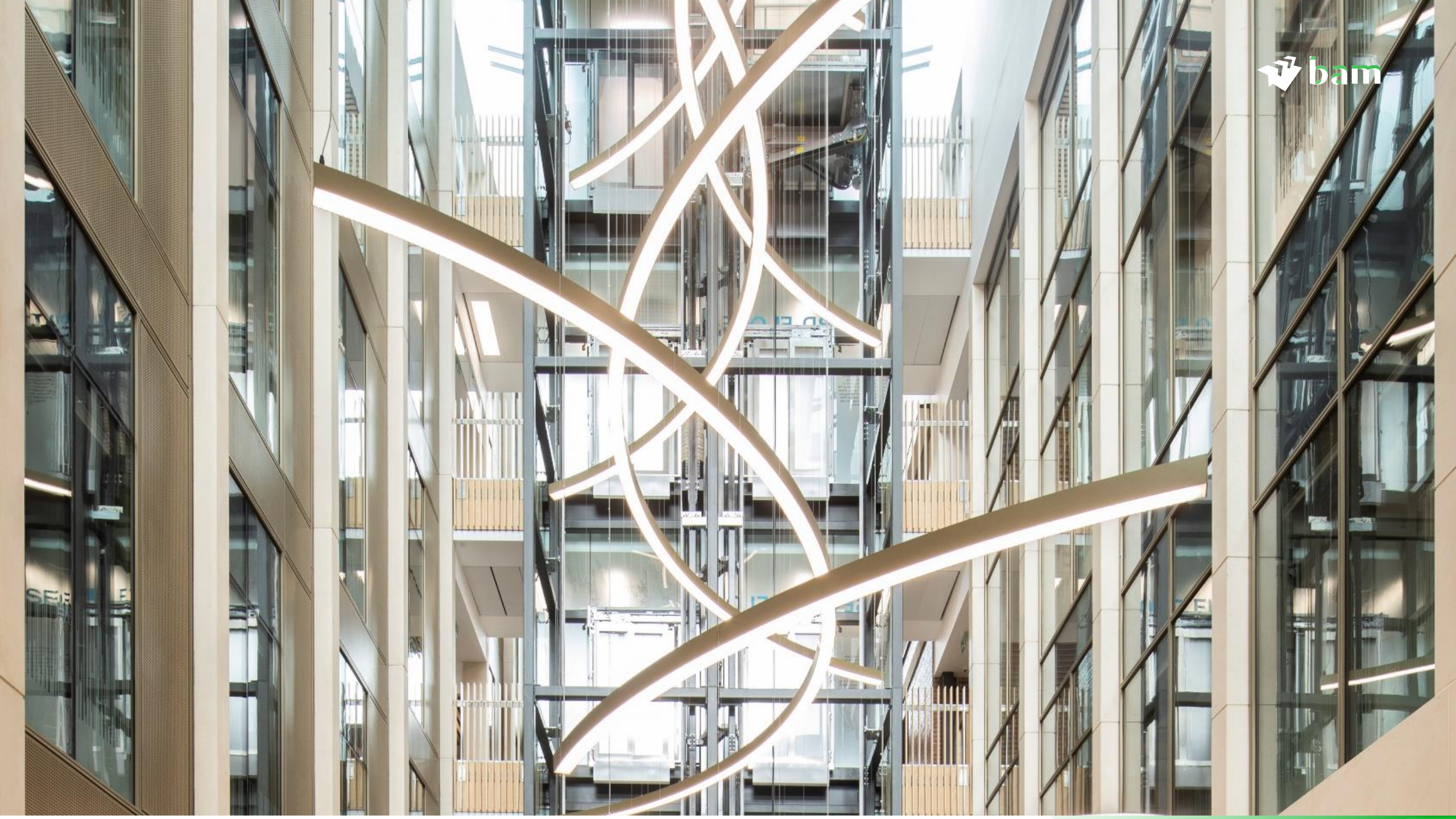
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Amsterdam, the Netherlands, 17 February 2022

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Key points 2021

Adjusted EBITDA improved to €278m, on track with strategy execution

FY 2021 versus FY 2020

Revenues

€7,315m €6,809m

Net result

€18.1m -€122.2m

Net cash (before ROU)

€1,219m €1,154m

Return on capital employed

5.6% -4.2%

Earnings per share

€0.07 -€0.45

Adjusted EBITDA

€278.4m €200.8m

Adjusted EBITDA margin

3.8% 2.9%

TWC efficiency

-16.9% -13.9%

Capital ratio

14.5% 13.4%

Order book

€13.2bn €13.8bn

- Revenue increased by 7%
- Adjusted EBITDA of €278 million, margin of 3.8%
- All activities contributed to the operational improvement, except the large contracts division of Civil engineering Netherlands
- Net result of €18m, including non-cash deferred tax charge of circa €34m and circa €49m other impairments
- Liquidity position remains strong, while repaying the €400m RCF, €120m convertible bond and €115m of the Covid-19 deferred VAT and salary tax payments and the negative effect from divestments
- Order book remains at high level of €13.2 billion (excluding approximately €850 million for BAM Deutschland)
- No dividend recommended for 2021, as capital ratio is still below strategic target

Strategic development in 2021

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

Portfolio: de-risking and business improvement initiatives

- Launch new strategy 2021-2023 in February 2021
- Decision to withdraw tenders for several large civil projects in the Netherlands
- Divestment BAM Swiss, BAM Facilities Services (both BAM Deutschland), BAM Decorient (Indonesia), BAM Deutschland and BAM Galère. 2022, announced divestment BAM Contractors bv
- BAM International wind-down in final phase
- Acquisition of off-site production facilities Houtindustrie Stam & Landman and Gevelelementen Noord-Holland (HSL/GNH), strengthening the portfolio towards sustainability and industrialised construction
- Start Group-wide programmes to further reduce risk profile, step up efficiency and capture opportunities provided by digitalisation and sustainability, launch new operating model per 1 January 2022

Financials: repayment RCF and convertible bond, improvement capital ratio and focus on cash and costs

- Re-payment RCF (€400m), convertible bond (€120m) and almost half of the deferred Covid-19 VAT and salary taxes support (€115m)
- Further improvement of capital ratio to 14.5% (2021: 13.4%), while repaying convertible bond

Key performance indicators

Good progress in first year of new strategy, on track for 2023

	2021	2020	Target 2023
Adjusted EBITDA margin	3.8%	2.9%	Approx. 5%
Revenue	€7.3bn	€6.8bn	Approx. €5.5bn
Return on average capital employed	5.6%	-4.2%	>10%
Trade working capital efficiency	-16.9%	-13.9%	< -10%
Capital ratio	14.5%	13.4%	Towards 20%
Incident Frequency	4.5	5.3	<3.5
CPD A-list	Yes	Yes	Maintain rating
			Target 2021
CO2 emission (tonnes/€m)	14.4	16.7	16.3
Construction and office waste (tonnes/€m)	11.6	14.6	16.4

- Adjusted EBITDA margin of 3.8% (2021: 2.9%)
- Revenue of activities in the Netherlands, UK and Ireland increased to €6 billion
- Improved profitability while average capital employed was reduced supports return on average capital employed
- Capital ratio improved, despite repayment convertible bond
- Safety remains a top priority, incident frequency further improved
- CDP A-list rating maintained; BAM is one of only four European construction groups on list
- Further progress regarding lowering CO2 emissions and construction and office waste

Construction and Property



Construction and Property performance

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

Analysis by geography (x € million)	2021 FY		2020 FY	
	Revenue	Adj. EBITDA	Revenue	Adj. EBITDA
Netherlands	1,722	130.2	1,629	87.2
United Kingdom	1,066	30.9	894	4.3
Ireland	497	9.8	399	-5.1
Total Platform for growth	3,285	170.9	2,922	86.4
Belgium	331	2.4	322	-7.2
Germany	318	-11.4	451	-38.1
Total Manage for value	649	-9.0	773	-45.3
Eliminations and miscellaneous	-	-0.1	-	-
Total	3,934	161.8	3,695	41.1
	2021 FY		2020 FY	
Adjusted EBITDA margin	4.1%		1.1%	
Revenue growth	6.5%		9.9%	
Order book	5.3bn		6.2bn	

- Revenue increased by 6%, driven by UK, Netherlands and Ireland
- Adjusted EBITDA €161.8m, reflecting a margin of 4.1% (2020: 1.1%)
- Netherlands: strong performance supported by residential, number of homes sold: 2,485 (2020: 2,379)
- Good performance in UK and Ireland
- BAM Deutschland: negative adjusted EBITDA contribution in 2021 H2, deconsolidated per mid-October
- Order book unchanged when adjusted for effect divestment BAM Deutschland
- BAM Galère divestment completed in February 2022

Civil engineering



Civil engineering performance

Performance held back by significant cost overrun in large contracts division Dutch civil engineering

Analysis by geography	2021 FY		2020 FY	
(x € million)	Revenue	Adj.EBITDA	Revenue	Adj.EBITDA
Netherlands	1,243	-0.3	1,325	61.9
United Kingdom	1,295	41.0	974	23.4
Ireland	136	7.9	70	-1.2
Total Platform for growth	2,674	48.6	2,369	84.1
Belgium	295	21.5	233	9.7
Germany	378	33.3	350	0.5
Total Manage for value	673	54.8	583	10.2
Eliminations and miscellaneous	-3	-	-3	-
Total	3,344	103.4	2,949	94.3
	2021 FY		2020 FY	
Adjusted EBITDA margin	3.1%		3.2%	
Revenue growth	13.4%		0.2%	
Order book	8.0bn		7.5bn	

- Revenue increased by 13%, mainly driven by UK
- Adjusted EBITDA 103.4m, reflecting margin of 3.1% (2020: 3.2%)
- All regions showed an improvement, except Large Contracts division Dutch Civil engineering which was impacted by significant cost overruns
- Performance in Belgium and Germany improved (2020 H1: Germany impacted by €36m Cologne claim settlement)
- Order book: +7%, mainly driven by Netherlands and British pound exchange rate.
- BAM Galère divestment completed in February 2022, and divestment BAM Contractors announced. After completion BAM is no longer active in civil market Belgium

Financial review



Income statement

Operational performance improved and net result of €18 million in 2021

(x € million)	2021 FY	2020 FY
Construction and Property	161.8	41.1
Civil Engineering	103.4	94.3
Adjusted EBITDA sectors	265.2	135.4
BAM PPP ¹	13.7	26.7
BAM International	-12.2	-102.1
Eliminations and miscellaneous	11.7	140.8
Total adjusted EBITDA	278.4	200.8
Depreciation and amortisation	-145.4	-159.4
Interest charge	-12.2	-7.1
Restructuring	-6.5	-44.7
Impairments	-48.5	-74.7
Pension one-offs	-	1.2
Result before tax	65.8	-83.9
Income tax	-48.8	-38.5
Non-controlling interest	1.1	0.2
Net result attributable to shareholders	18.1	-122.2

- Adjusted EBITDA of €278.4m, versus €200.8m in 2020
- BAM PPP JV is performing well and contributed €13.7m to net result
- BAM International: substantial lower loss, in final phase of wind-down
- Restructuring of €6.5m, mainly for Dutch civil
- Impairments of €48.5m, of which €25.9m relates to divestments in Belgium and Germany, €5.8m for the AsphaltNu JV, €8.5m for several property positions and €8.3m for other items
- Tax line includes €34m non-cash deferred tax charge, driven by changes in tax legislation and rates, improved business forecasts and divestments
- Net result of €18m, recovery from substantial loss in full-year 2020

Cash flow ¹

Cash flow from operations of €222 million, cash position remains high while repaying the RCF, convertible bond and part Covid-19 related deferred VAT and salary tax

(x € million)	2021 FY	2020 FY
Cash flow from operations	222	24
Working capital	142	504
Provisions and Pensions	-44	86
Cash flow from Operating Activities	320	614
Cash flow from Investing Activities	-166	60
Cash flow from Financing Activities	-661	295
Increase/decrease in cash position	-507	969
Cash and cash equivalents beginning period	1,789	854
Change in assets and liabilities held for sale	-42	-6
Exchange rate differences, other changes	45	-28
Cash and cash equivalents	1,285	1,789

- Robust cash flow from operations
- Working capital further improved
 - Repayment €115m of Covid-19 related deferred VAT and salary tax payments
 - TWC efficiency improved to -16.9%
 - Further reduction of receivables
 - BAM continues to pay supply chain in time
- Repayment of €400m RCF and €120m unsecured subordinated convertible bond
- Cash position remains at a high level of €1.3bn

Financial position

Net cash position unchanged, sharp decline of interest-bearing debt and capital ratio improved

(x € million)	2021 FY	2020 FY
Cash position	1,285	1,789
Interest-bearing debt	-66	-635
Net cash position (excl. Leases)	1,219	1,154
Lease liabilities (IFRS 16 impact)	-215	-294
Net cash (incl. leases)	1,004	860
Shareholder's equity	654	583
Capital base	654	702
Balance sheet total	4,496	5,225
Capital ratio	14.5%	13.4%
Capital employed	1,273	1,959
Return on average capital employed	5.6%	-4.2%

- Net cash position unchanged versus FY 2020
 - €400m RCF repaid in March
 - €120m convertible bond repaid in June
- Capital ratio of 14.5% (2020 FY 13.4%)
 - Lower capital base due to repayment convertible bond
 - Net income (€18m), positive exchange rate effect (€22m) and actuarial gains (€28m) contributed to the capital base
 - €729m decline of balance sheet total versus FY 2020, due to repayment debt (€519m) and divestment BAM Deutschland
- Return on capital employed of 5.6%
- Well within limits of recourse debt covenants

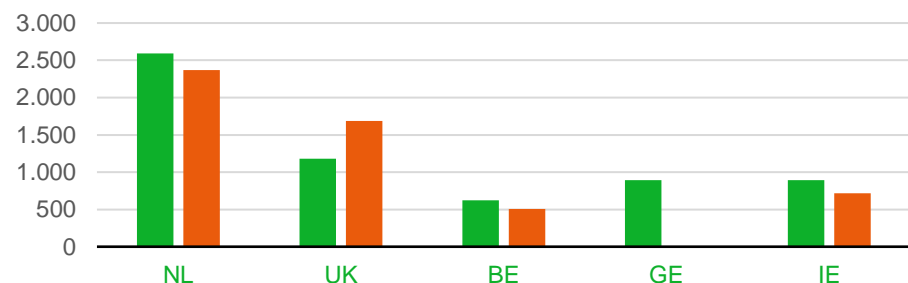
Looking ahead



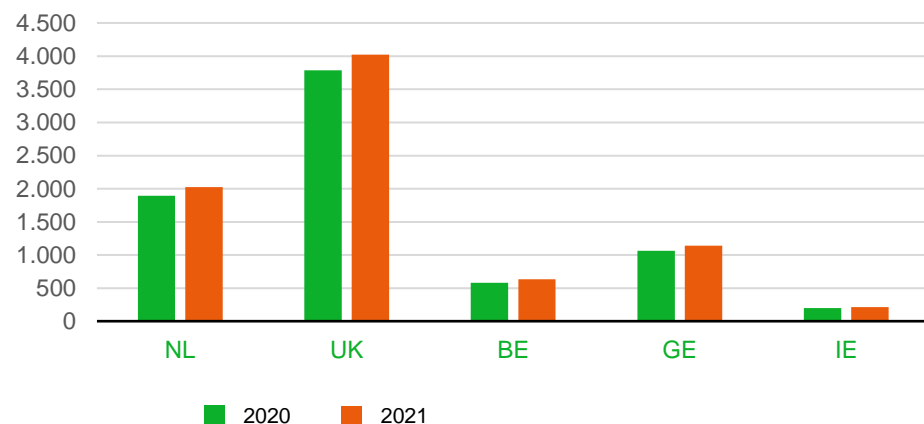
Order book and market trends

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 €13.2bn (2020: €13.8bn), including negative impact of circa €850 million due to divestment BAM Deutschland
- Interest rates increased, but still low in absolute terms
- Supportive government policies in Netherlands, UK and Ireland, in Netherlands nitrogen issue remains a risk
- Solid demand for sustainable solutions and essential infrastructure improvements
- High order book in UK Civil allows for continued selective tendering
- Strong demand for affordable homes in Netherlands, production depends on permitting processes

Outlook 2022

- On track with execution strategic plan 2023
- Market circumstances are generally positive
- BAM continues to face industry-wide pressure in some parts of our supply chain, with added uncertainty regarding energy costs, and high competition to attract and retain skilled employees. Discussions with some of our clients regarding the timing and settlement of some substantial claims are ongoing
- For 2022, BAM expects a further improvement of the adjusted EBITDA margin



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Annexes

Strategy: roadmap 2021-2023

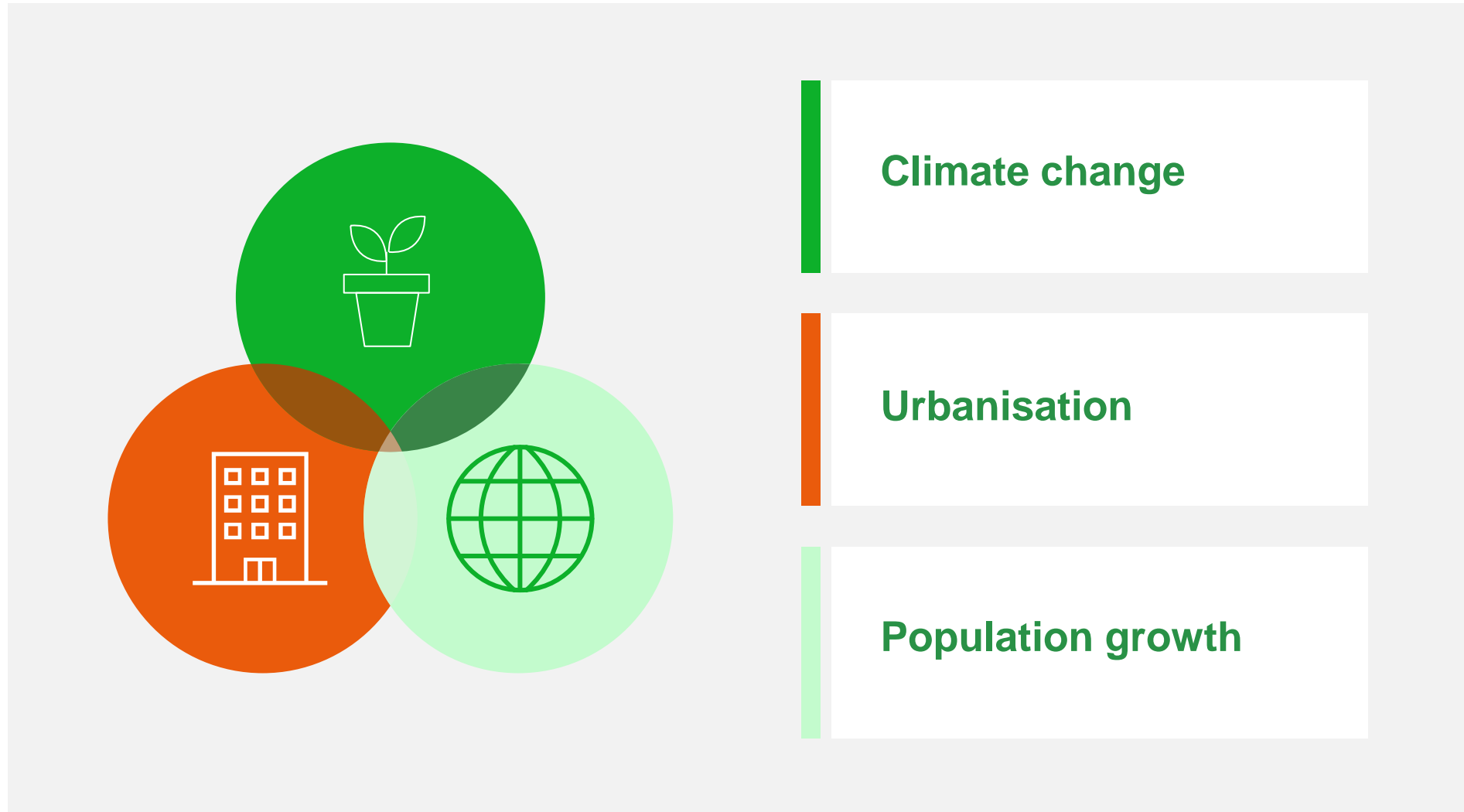
New operating model from 2022

Revenue sector/country

Strategy: roadmap 2021-2023



Global trends impact demands of society ...



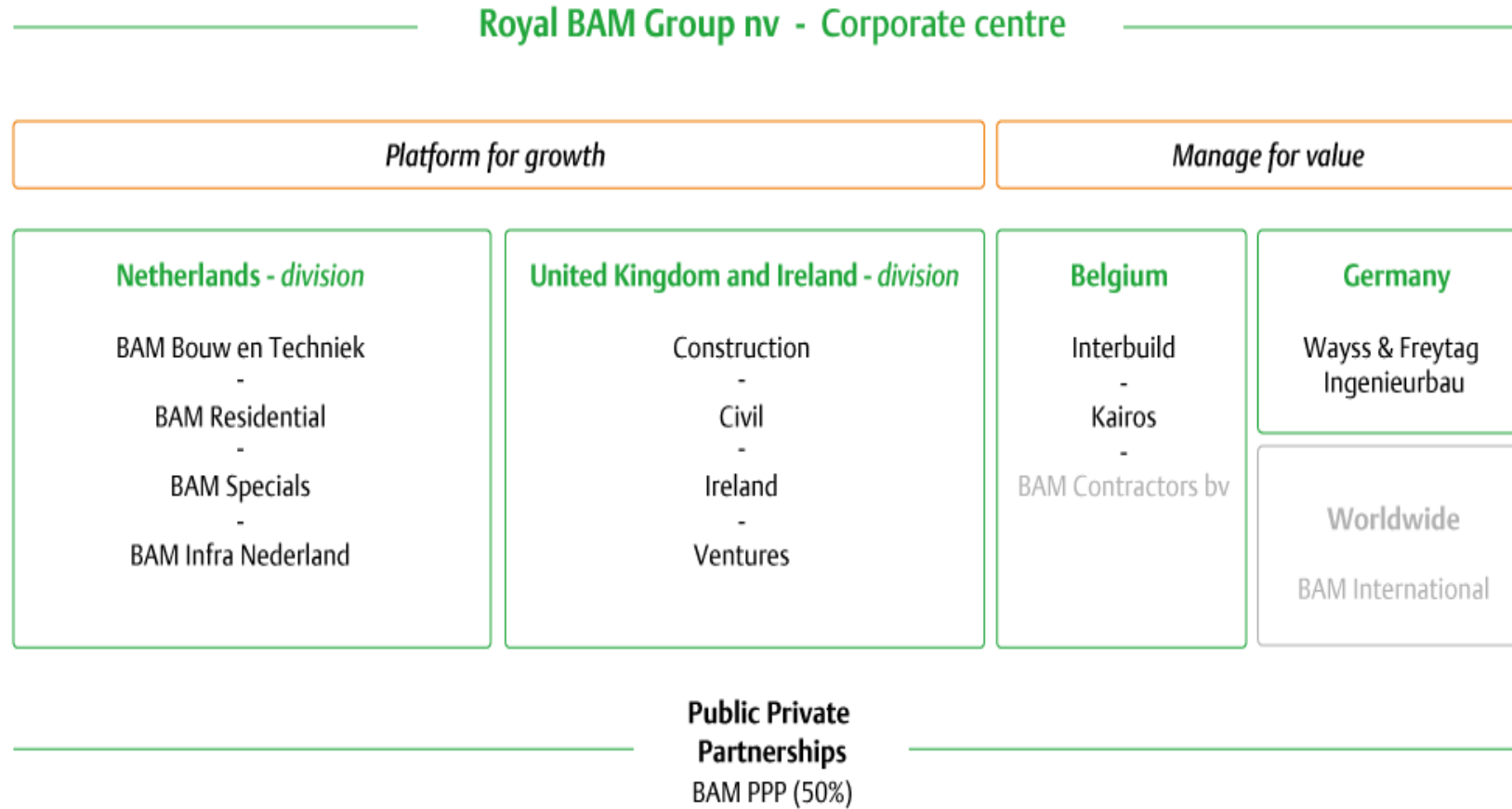
Strategy 2021-2023: Building a sustainable tomorrow



BAM 2023

- Approx. €5.5 billion revenue
- Stable adjusted EBITDA margin of approx. 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

New operating model from 2022



Revenue sector/country

	Construction and Property	Civil engineering	Total
Netherlands	23%	17%	40%
United Kingdom	14%	18%	32%
Ireland	7%	2%	9%
Total Platform for growth	44%	37%	81%
Belgium/Luxembourg	5%	4%	9%
Germany	4%	5%	9%
International	0%	1%	1%
Total Manage for value	9%	10%	19%
Group total	53%	47%	100%



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