

First half-year 2022 results

**BAM reports €182 million adjusted EBITDA  
in first half-year**



Amsterdam, the Netherlands, 18 August 2022



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# Crossover

*Sustainable development at Kop Zuidas Amsterdam*



# Facts and figures Crossover

- **Scheme:** sustainable mixed-use at Kop Zuidas, Amsterdam
- **Developer:** AM / Equity Estate joint venture
- **Contractor:** BAM Wonen
- **Architect:** Team V Architectuur, Amsterdam
- **Programme:**
  - 12,000 m<sup>2</sup> office space, 300 m<sup>2</sup> restaurant; 500 m<sup>2</sup> social spaces
  - 120 studios (approximately 25 m<sup>2</sup> with communal areas; 'starter apartments'; owned by housing corporation Lieven de Key)
  - 10 owner occupied houses
  - underground parking: 80 cars; 480 bicycles
- **Construction period:** March 2021 - Q3 2023
- 12 min to Schiphol Airport, 10 min to A'dam City, 5 min Noordzuidlijn, 1 min to ring A10



# Sustainable characteristics

- - BREEAM-NL rating: Outstanding  
- WELL certified V2 silver
- High-end office development combined with social (rental) housing with highest BREEAM rating is unique for Netherlands
- Energy neutral (EPC = 0): energy label A+++
- All electric building
- For example: LED lighting, solar panels, energy saving elevators, electric car chargers, occupancy and control for lighting, ...
- Stonecycling® WasteBasedBricks® (>60% waste)
- Electric shared cars (WeDriveSolar)
- Green terraces and roof gardens













# Key points first half-year 2022

Strong first half-year, based on solid operational performance in both divisions, further de-risking on projects and substantial progress with divestments

<b>Revenue</b> <b>€3,329m</b> 2021 H1 €3,629m	<b>Adjusted EBITDA</b> <b>€182.0m</b> 2021 H1 €157.1m
<b>Net result to shareholders</b> <b>€85.7m</b> 2021 H1 €20.1m	<b>Adjusted EBITDA margin</b> <b>5.5%</b> 2021 H1 4.3%
<b>Earnings per share</b> <b>€0.31</b> 2021 H1 €0.07	<b>TWC efficiency</b> <b>-16.6%</b> 2021 FY -16.9%
<b>Net cash position (before ROU)</b> <b>€785m</b> 2021 H1 €1,144m	<b>Order book</b> <b>€12.2bn</b> 2021 FY €13.2bn

- Revenue increased by 2% in Netherlands, UK and Ireland; total revenue declined 8% due to divestments
- Adjusted EBITDA increased 16% to €182m; reflecting 5.5% margin, including €16m positive effect following settlement Museum of the Future (Dubai)
- Strong improvement of net result to €86m, earnings per share of €0.31 (2021: €0.07)
- Liquidity position of €830m, excluding €188m for Wayss & Freytag reported as held for sale
- Capital ratio 17.7% (year-end 2021:14.5%), completion Wayss & Freytag transaction will add 2.3%
- Solid order book of €12.2bn, including €900m impact of divestments
- BAM expects to propose a dividend over the full-year 2022

# Strategy 2021-2023: Building a sustainable tomorrow



## BAM 2023

- Approximately €5.5 billion revenue
- Stable adjusted EBITDA margin of approximately 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)
- CO<sub>2</sub> reduction 50% 2030

**New target: 2023**

# Division Netherlands



Alexiatunnel (249 metres), Hilversum, crossing railway line Hilversum - Amersfoort and the HOV track Hilversum - Huizen. The tunnel has two tubes above the other: the lower for motorised traffic, the upper for cyclists and pedestrians – BAM Infra Nederland

# Performance division Netherlands

EBITDA improved by 36%, positive contribution of civil engineering

(x € million)	H1 2022		H1 2021	
	Revenue	Result	Revenue	Result
Construction and Property <sup>1</sup>	964	56.4	997	75.2
Civil engineering	436	31.0	441	-11.3
Other, eliminations and miscellaneous	-16	10.2	-15	8.1
<b>Total division Netherlands</b>	<b>1,384</b>	<b>97.6</b>	<b>1,423</b>	<b>72.0</b>
Trade working capital efficiency	-15.9%		-14.5%	
Revenue growth	-3%		3%	
Adjusted EBITDA margin	-	7.1%		5.1%
	<b>H1 2022</b>		<b>FY 2021</b>	
Order book	4,590		4,388	
Order book growth	5%			

<sup>1</sup> Includes BAM Energie & Water and BAM Telecom.

- Revenue declined by 3%, mainly as result of continued selective tendering
- Adjusted EBITDA €97.6m improved by 36% versus H1 2021, reflecting margin of 7.1%
- Home sales 858 (H1 2021: 1,446); sales of at least 2,000 homes expected in full-year 2022
- Non-residential margin impacted by cost inflation and delays
- Civil engineering: positive contribution, good operational performance of regions; Q2 Levvel agreement; Q1 OpenIJ settlement (€16m)
- Order book increased by 5% to €4.6bn

# Division United Kingdom and Ireland



# Performance division United Kingdom and Ireland

## Stable performance and high activity level in UK Civil engineering

(x € million)	H1 2022		H1 2021	
	Revenue	Result	Revenue	Result
Construction UK	512	22.0	511	19.2
Civil engineering UK	609	19.4	605	15.1
Ventures UK (including property)	108	6.0	96	6.5
Ireland	351	5.9	269	6.7
Other, eliminations and miscellaneous	-31	-5.6	-29	-0.2
<b>Total division UK and Ireland</b>	<b>1,549</b>	<b>47.7</b>	<b>1,452</b>	<b>47.3</b>
Trade working capital efficiency	-18.1%		-17.6	
Revenue growth <sup>1</sup>	7%		41%	
Adjusted EBITDA margin	-	3.1%		3.3%
	<b>H1 2022</b>		<b>FY 2021</b>	
Order book	6,109		6,586	
Order book growth	-7%			

- Revenue increased by 7% versus H1 2021, also supported by high activity level on some larger civil projects
- Adjusted EBITDA €48m, reflecting 3.1% margin
- Construction UK impacted by supply chain issues on some larger contracts, Civil engineering UK showed solid performance supported by high activity level
- Satisfactory contribution of BAM Ventures (property UK, Ritchies (geotechnical), facility management, site solutions and EV charging solutions)
- Result BAM Ireland includes €3m for share of Museum of the Future settlement
- Order book: -7%, including -€167m exchange rate effect

<sup>1</sup> The British pound exchange rate had a positive effect of €37 million effect on revenue and a negative effect of €167 million on the order book.

# Financial review





# Income statement

## Solid operational performance and net result of €86 million in first half-year 2022

(x € million)	2022 H1	2021 H1
Division Netherlands	97.6	72.0
Division United Kingdom and Ireland	47.7	47.3
Germany, Belgium and International	24.5	11.0
Inveisit <sup>1</sup>	16.0	9.1
Eliminations and miscellaneous	-3.8	17.7
<b>Total adjusted EBITDA</b>	<b>182.0</b>	<b>157.1</b>
Adjustment items <sup>2</sup>	-1.1	-0.2
Depreciation and amortisation	-61.6	-73.4
Impairments	-12.0	-10.6
Interest charge	1.6	-7.5
<b>Result before tax</b>	<b>108.9</b>	<b>65.4</b>
Income tax	-24.1	-45.6
Non-controlling interest	0.9	0.3
<b>Net result attributable to shareholders</b>	<b>85.7</b>	<b>20.1</b>

<sup>1</sup> Inveisit is the net result from BAM's 50 percent equity stake in the PPP joint venture with PGGM.

<sup>2</sup> Restructurings and pensions.

- New operating model, introduced 1 January 2022
- Adjusted EBITDA of €182m, 16% higher versus H1 2021
- Germany, Belgium and International includes €13m following settlement Museum of the Future (Dubai)
- BAM PPP JV contributed €16m to net result, of which €14m due to positive changes in fair values of hedge instruments
- Impairments of €12m, includes write-down equipment, goodwill, revaluation of property positions and divestments
- Positive interest charge, mainly due to repayment RCF and convertible bond in 2021
- Net result of €86m, sharp improvement versus first half 2021, earnings per share of €0.31 (2021 H1 €0.07)

# Cash flow <sup>1</sup>

## Cash flow from operations of €152 million in first half-year 2022

(x € million)	2022 H1	2021 H1
Cash flow from operations	152	127
Working capital	-272	-22
Provisions and pensions	-27	-43
<b>Cash flow from operating activities</b>	<b>-147</b>	<b>62</b>
Cash flow from investing activities	-87	-52
Cash flow from financing activities	-56	-588
<b>Increase/decrease in cash position</b>	<b>-290</b>	<b>-578</b>
Cash and cash equivalents beginning period	1,285	1,789
Changes in assets and liabilities held for sale	-146	-
Exchange rate differences, other changes	-19	29
<b>Cash and cash equivalents</b>	<b>830</b>	<b>1,240</b>

<sup>1</sup> Based on the IFRS cash flow statement.

- Cash flow from operations of €152m
- Working capital development in line with seasonal pattern, substantial advanced payments in H1 2021
- TWC efficiency stable at 16.6%
- Cash flow from investing activities of -€87m mainly relates to regular capital expenditure and includes net outflow of €40m due to divestments
- Change in assets and liabilities held for sale relate to announced divestment Wayss & Freytag and the completed divestments of BAM Galère and BAM Contractors
- Overall, cash and cash equivalents declined by €455m during H1 2022

# Financial position

## Capital ratio further improved to 17.7 per cent

(x € million)	2022 H1	2021 FY	2021 H1
Cash position	830	1,285	1240
Interest-bearing debt	-45	-66	-96
Net cash position (excl. leases)	785	1,219	1,144
Lease liabilities (IFRS 16 impact)	-193	-215	-261
Net cash (incl. leases)	592	1,004	883
Capital ratio	17.7%	14.5%	13.2%
Return on average capital employed	8.7%	5.5%	11.7%

- Net cash position reduced by €434m to €785m
  - €272m working capital
  - €146m related to changes in assets held for sale
- Capital base increased to €756m (FY 2021: €654m)
  - Net income (€86m), increase hedges reserves (€19m) actuarial gains (€15m), negative impact exchange rates (€19m)
- Capital ratio of 17.7% (FY 2021: 14.5%)
  - Strong improvement net result in first half 2022
  - Shortening of the balance sheet
  - Completion Wayss & Freytag transaction in Q3 will add 2.3%
- Remaining Covid-19 deferred VAT and salary tax payments €118m

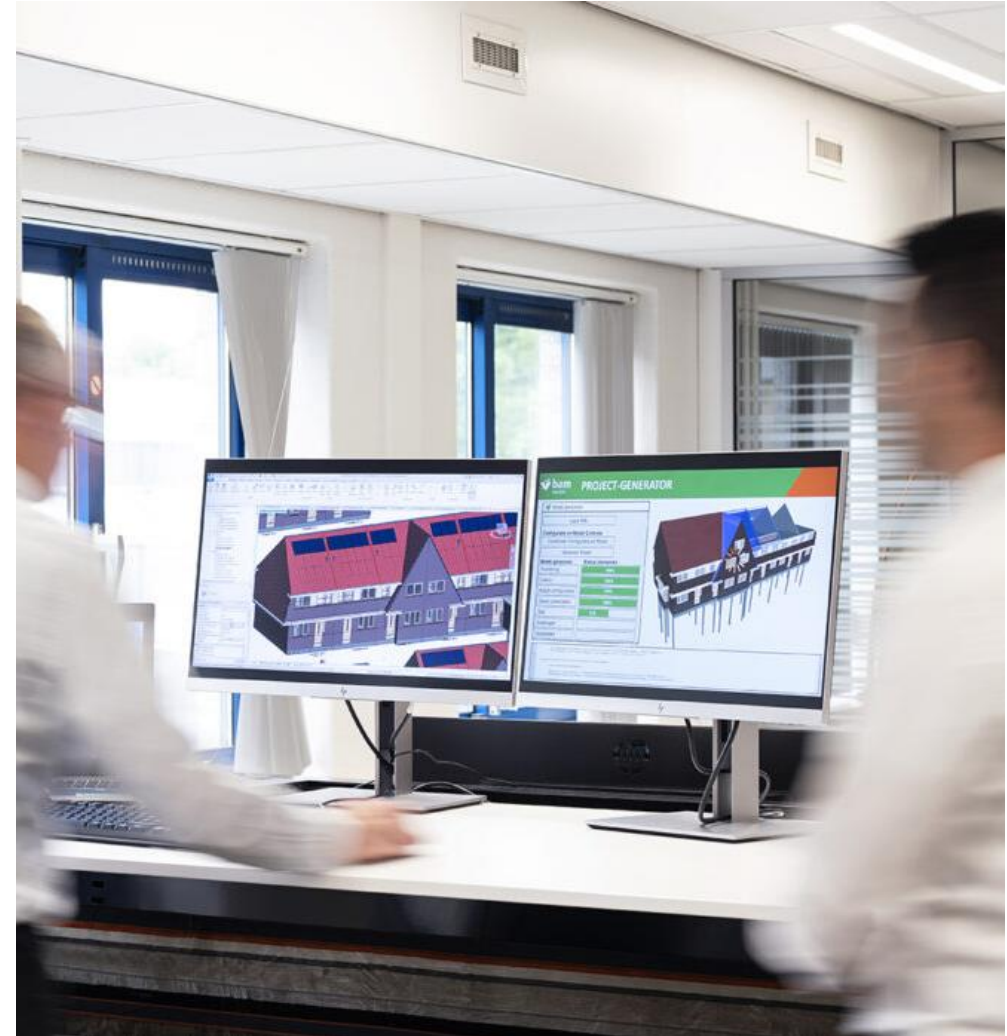
# Flow

*Innovative housing concept*



# Flow

- Innovative housing concept of BAM Wonen.
- High-quality, affordable homes with wood as a sustainable basis: natural, circular and future-proof.
- Need for affordable and sustainable new-build homes. Flow offers solution: off-site production (in BAM's own production facility) and modular approach with wood result in short construction times (up to 75%).
- Standardised processes: digitisation, robotisation and industrialisation, delivering homes that are sustainable, affordable and preserving their value.





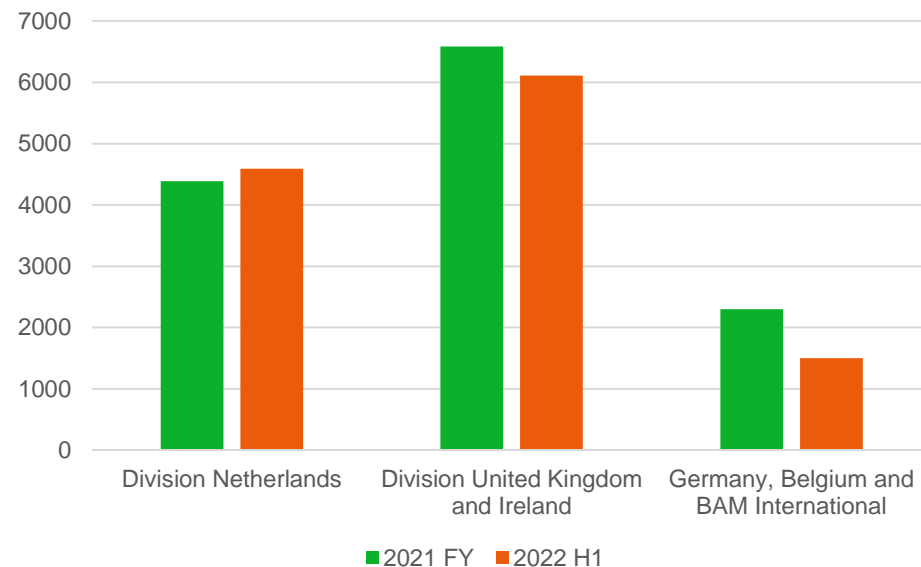
# Looking ahead



# Order book and market trends

Solid order book, BAM well positioned while market conditions are mixed

## Order book development

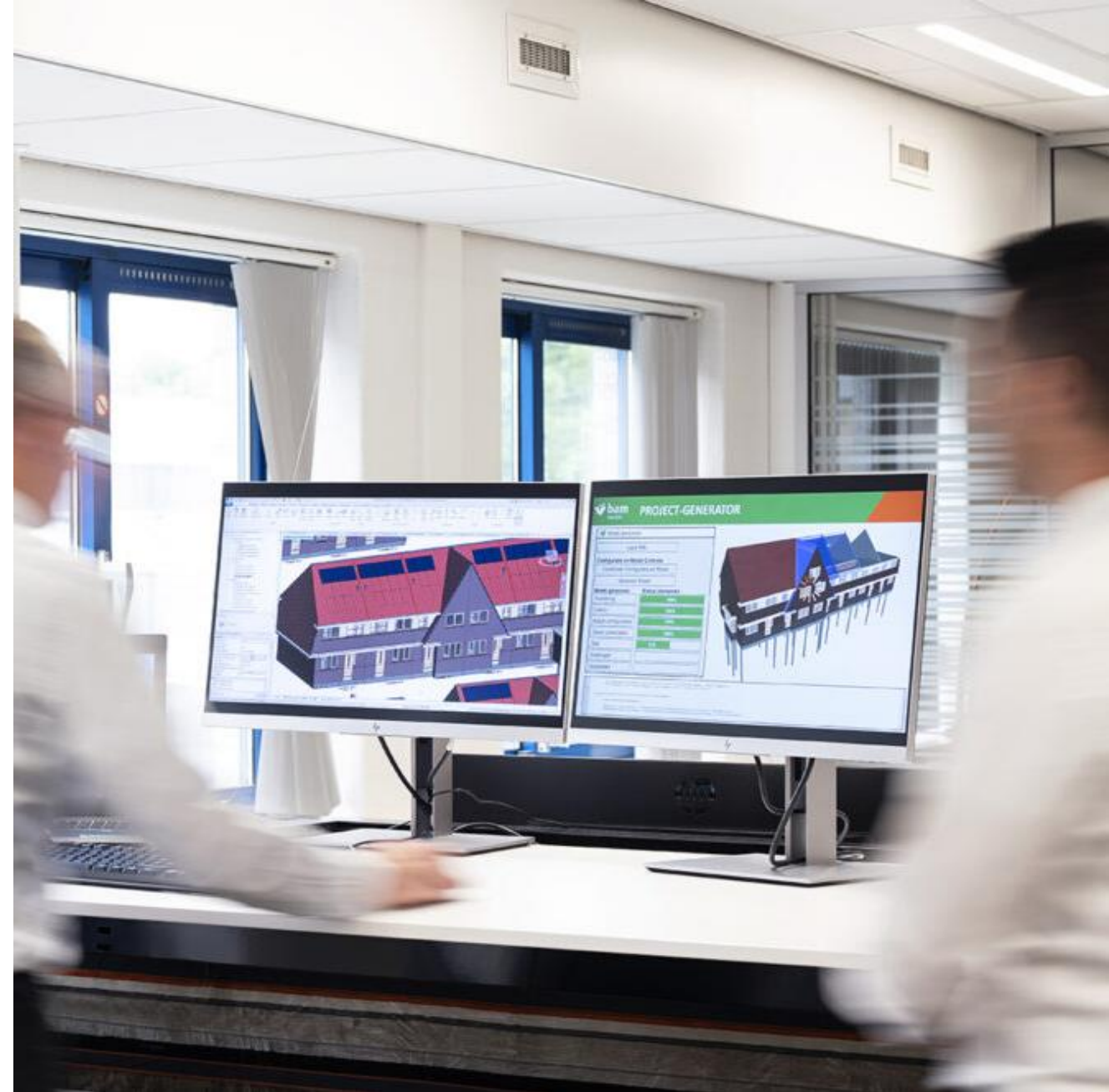


- Total order backlog €12.2bn, stable in H1 2022 if adjusted for effect divestments
- Continued focus on contracts with a healthy risk/reward balance
- Business climate and consumer confidence have declined in recent months and continued industry-wide pressure in the supply chain, cost inflation and high competition to attract and retain employees
- BAM is able to mitigate most of these headwinds through sourcing arrangements, contract terms and pricing
- Ample market opportunities supported by demand for decarbonisation, critical infrastructure and sustainable buildings, where we have proven market-leading capabilities



# Outlook 2022

- BAM is on track with the execution of the strategy to de-risk the portfolio and reinforce the financial position
- BAM is committed to realise the 2023 strategic targets
- 'For 2022, BAM expects to deliver an adjusted EBITDA margin of at least 4 per cent, excluding the anticipated result of approximately €50 million on the Wayss & Freytag divestment.'



# Key points first half-year 2022

Strong first half-year, based on solid operational performance in both divisions, further de-risking on projects and substantial progress with divestments

Revenue	
<b>€3,329m</b>	2021 H1 €3,629m

Adjusted EBITDA	
<b>€182.0m</b>	2021 H1 €157.1m

Net result to shareholders	
<b>€85.7m</b>	2021 H1 €20.1m

Adjusted EBITDA margin	
<b>5.5%</b>	2021 H1 4.3%

Earnings per share	
<b>€0.31</b>	2021 H1 €0.07

TWC efficiency	
<b>-16.6%</b>	2021 FY -16.9%

Net cash position (before ROU)	
<b>€785m</b>	2021 H1 €1,144m

Order book	
<b>€12.2bn</b>	2021 FY €13.2bn

- Revenue increased by 2% in Netherlands, UK and Ireland; total revenue declined 8% due to divestments
- Adjusted EBITDA increased 16% to €182m; reflecting 5.5% margin, including €16m positive effect following settlement Museum of the Future (Dubai)
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## Annex: Pro-forma full-year 2021 results new division structure

<i>(x million unless otherwise indicated)</i>	Full-year 2021	
<b>Division Netherlands</b>	<b>Revenue</b>	<b>Adjusted EBITDA</b>
Construction and Property <sup>1</sup>	2,015	144.8
Civil engineering	950	-15.0
Other, eliminations and miscellaneous	-33	10.0
<b>Total division Netherlands</b>	<b>2,932</b>	<b>139.8</b>
<b>Division United Kingdom and Ireland</b>		
Construction UK	988	28.0
Civil engineering UK	1,234	29.9
Ventures UK (including property)	194	13.9
Ireland (construction, property, civil engineering)	633	17.7
Other, eliminations and miscellaneous	-56	-0.3
<b>Total division United Kingdom and Ireland</b>	<b>2,993</b>	<b>89.2</b>
<b>Germany Belgium and International</b>	<b>1,394</b>	<b>33.1</b>
<b>Invesis</b>	<b>-</b>	<b>13.7</b>
Other, eliminations and miscellaneous	-4	2.6
<b>Total Group</b>	<b>7,315</b>	<b>278.4</b>

<sup>1</sup> Includes BAM Energie & Water and BAM Telecom.



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