

First half-year 2023 results

**BAM reports €119 million adjusted EBITDA
in first half-year**



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Key points first half-year 2023

BAM reports €119 million adjusted EBITDA in first half-year

Revenue	
€2,969m	2022 H1 €3,329m

Adjusted EBITDA	
€119.4m	2022 H1 €182.0m

Net result to shareholders	
€60.2m	2022 H1 €85.7m

Adjusted EBITDA margin	
4.0%	2022 H1 5.5%

Earnings per share	
€0.22	2022 H1 €0.31

TWC efficiency	
-14.8%	2022 FY -15.8%

Net cash position (before lease liabilities)	
€614m	2022 H1 €785m

Order book	
€9.5bn	2022 FY €10.0bn

- Combined revenue in division Netherlands and division United Kingdom and Ireland in line with H1 2022
- Adjusted EBITDA was €119 million, reflecting a margin of 4.0%; adjusted EBITDA in H1 2022 included contribution divested companies and positive hedge revaluation (totalling €32 million)
- Net result of €60 million, reflecting earnings per share of €0.22 (€0.31 in H1 2022)
- Liquidity position decreased to €0.7 billion reflecting normalisation of trade working capital
- Capital ratio improved to 22.3% (21.2% year-end 2022)
- Order book remains at good level of €9.5 billion

Division Netherlands



Performance division Netherlands

Satisfactory operational performance, except for Danish projects

(x € million)	H1 2023		H1 2022	
	Revenue	Result	Revenue	Result
Construction and Property	962	29.1	964	56.4
Civil engineering	400	28.5	436	31.0
Other, eliminations and miscellaneous	-14	-2.5	-16	10.2
Total division Netherlands	1,348	55.1	1,384	97.6
Trade working capital efficiency	-13.1%		-15.9%	
Revenue growth	-3%		-3%	
Adjusted EBITDA margin		4.1%	-	7.1%
	H1 2023		FY 2022	
Order book	4,438		4,366	
Order book growth	2%			

- Revenue 3% lower
- Adjusted EBITDA €55.1m (H1 2022: €97.6m), reflecting a margin of 4.1% (H1 2022: 7.1%)
- Satisfactory contribution of residential construction and property
- Home sales 494 (H1 2022: 858); sales of approximately 1,500 homes expected in full-year 2023
- Decrease adjusted EBITDA mainly due to design issues and cost overruns at the four non-residential projects in Denmark, which will be completed in the coming quarters
- Telecom and Energy Systems continued to contribute strongly
- Operational performance civil engineering was strong, (H1 2022: positive contribution of €16m for OpenIJ)
- Order book increased by 2% to €4.4bn

Division United Kingdom and Ireland



Performance division United Kingdom and Ireland

Higher contribution in first half-year, driven by Ventures and Ireland

(x € million)	H1 2023		H1 2022	
	Revenue	Result	Revenue	Result
Construction UK	498	15.5	512	22.0
Civil engineering UK	648	16.9	609	19.4
Ventures UK (including property)	199	23.7	108	6.0
Ireland	246	9.2	351	5.9
Other, eliminations and miscellaneous	-32	-2.4	-31	-5.6
Total division UK and Ireland	1,559	62.9	1,549	47.7
Trade working capital efficiency	-16.4%		-18.1%	
Revenue growth ¹	1%		7%	
Adjusted EBITDA margin	-	4.0%	-	3.1%
	H1 2023		FY 2022	
Order book	4,770		5,402	
Order book growth	-12%			

¹ The British pound exchange rate had a €50 million negative effect on revenues and a positive effect of €126 million on the order book.

- Revenue increased by 1% versus H1 2022, also supported by high activity level in civil engineering
- Adjusted EBITDA €63m (H1 2022: €48m), reflecting a margin of 4.0% (2022 H1: 3.1%)
- Construction UK impacted by inflation and supply chain challenges on some larger contracts and civil engineering UK showed satisfactory performance supported by high activity level
- Ventures had strong performance, also driven by divestment of an office development
- Solid performance at BAM Ireland, National Children's Hospital > 85% completed
- Order book: -12%, including cancellation of €300m National highways framework contract

Financial review



Income statement

Satisfactory operational performance except Denmark, net result of €60 million in first half-year

(x € million)	H1 2023	H1 2022
Division Netherlands	55.1	97.6
Division United Kingdom and Ireland	62.9	47.7
Germany, Belgium and International	1.1	24.5
Inveisis ¹	3.1	16.0
Eliminations and miscellaneous	-2.8	-3.8
Total adjusted EBITDA	119.4	182.0
Adjustment items ²	-0.2	-1.1
Depreciation and amortisation	-54.4	-61.6
Impairments	0.3	-12.0
Finance result	6.9	1.6
Result before tax	72.0	108.9
Income tax	-11.9	-24.1
Non-controlling interest	0.1	0.9
Net result attributable to shareholders	60.2	85.7

¹ Inveisis is the BAM's 50 percent equity stake in the joint venture with PGGM.

² Restructurings and pension one-off results.

- Adjusted EBITDA of €119m, 2022 H1 included €18m of divested companies, €14m positive revaluation of hedge instruments and two major settlements for €32m (Museum of the Future and sea lock IJmuiden/OpenIJ)
- Inveisis contributed €3m to net result
- Finance result improved to €7m, supported by increased interest rates
- Tax rate positively impacted by the recognition of a €5m liquidation loss at BAM International
- Net result of €60m, reflecting earnings per share of €0.22 (H1 2022 €0.31)

Cash flow¹

Cash and cash equivalents of €661 million at end first half-year 2023

(x € million)	H1 2023	H1 2022
Cash flow from operations	113	152
Working capital	-180	-272
Provisions and pensions	-26	-27
Cash flow from operating activities	-93	-147
Cash flow from investing activities	-37	-87
Cash flow from financing activities	-67	-56
Increase/decrease in cash position	-197	-290
Cash and cash equivalents beginning period	841	1,285
Changes in assets and liabilities held for sale	-	-146
Exchange rate differences, other changes	17	-19
Cash and cash equivalents	661	830

¹ Based on the IFRS cash flow statement.

- Cash and cash equivalents totalled €661m, €180m below the position year-end 2022
- Cash flow from operations of €113m, mainly driven by the operational performance
- Working capital development
 - Followed seasonal pattern
 - Reflecting the unwind of advance payments on large projects
 - Included effect of higher interest rates
- Cash flow from investing activities of -€37m relates to regular capital expenditure (last year included -€40m related to divestments)
- Cash flow from financing includes €34m for dividend related payments (cash and share buyback)

Financial position

Capital ratio further improved to 22.3%

(x € million)	H1 2023	FY 2022	H12022
Cash position	661	841	830
Interest-bearing debt	-47	-53	-45
Net cash position (excl. leases)	614	788	785
Lease liabilities (IFRS 16 impact)	-169	-174	-193
Net cash (incl. leases)	445	614	592
Trade working capital	-839	-1,010	-1,037
Trade working capital efficiency	-14.8%	-15.8%	-16.6%
Shareholders' equity	845	811	756
Balance sheet total	3,785	3,819	4,240
Capital ratio	22.3%	21.2%	17.7%
Return on average capital employed	14.0%	16.8%	8.7%

- Net cash position lower versus year-end 2022
- Trade working capital efficiency percentage increased to -14.8% (FY 2022: -15.8%)
 - Reflecting unwinding of advance payments on large projects
 - Including effect of higher interest rates
- Shareholders' equity increased by €34m
- Capital ratio improved by 1.1% to 22.3%

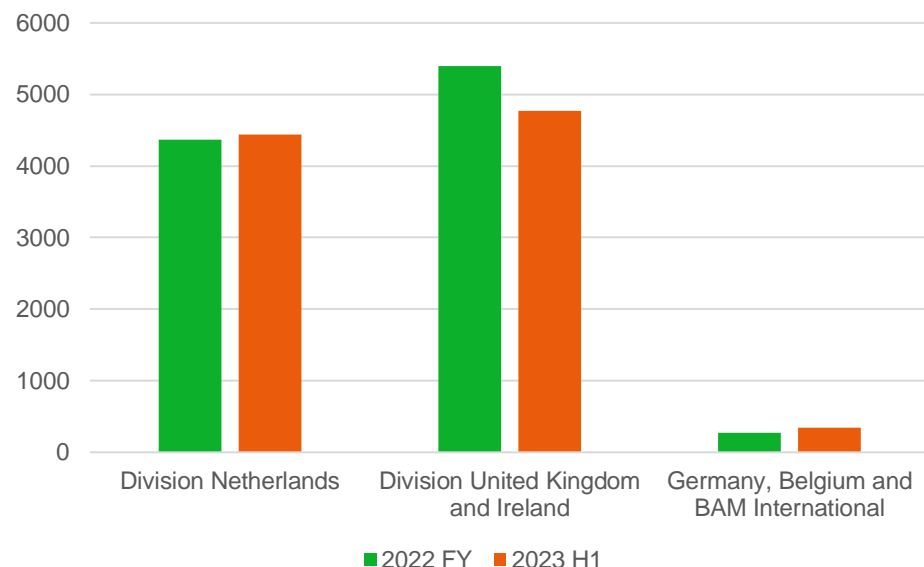
Looking ahead



Order book and market trends

Order book at good level, focus on managed growth through selective tendering

Order book development



- Total order backlog €9.5bn, includes cancellation of €300m National highways framework contract.
- Trends in interest rates, inflation and economic uncertainty continue to cause some delays in tendering and starting of new projects.
- Netherlands: recent fall Dutch government added to uncertainty. Medium to longer term, a strong rationale for essential investments in energy transition, infrastructure and sustainable and affordable homes. Demand in BAM’s energy, water and telecom markets remains strong.
- UK: healthy pipeline for education and opportunities in healthcare and regional frameworks. Significant opportunities in the energy sector and favourable rail market while infrastructure is expected to be steady. Ireland: opportunities in key markets.

Outlook 2023

- BAM expects to deliver an adjusted EBITDA margin higher than 4 per cent for the full-year 2023.



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Net result to shareholders €60.2m 2022 H1 €85.7m	Adjusted EBITDA margin 4.0% 2022 H1 5.5%
Earnings per share €0.22 2022 H1 €0.31	TWC efficiency -14.8% 2022 FY -15.8%
Net cash position (before lease liabilities) €614m 2022 H1 €785m	Order book €9.5bn 2022 FY €10.0bn

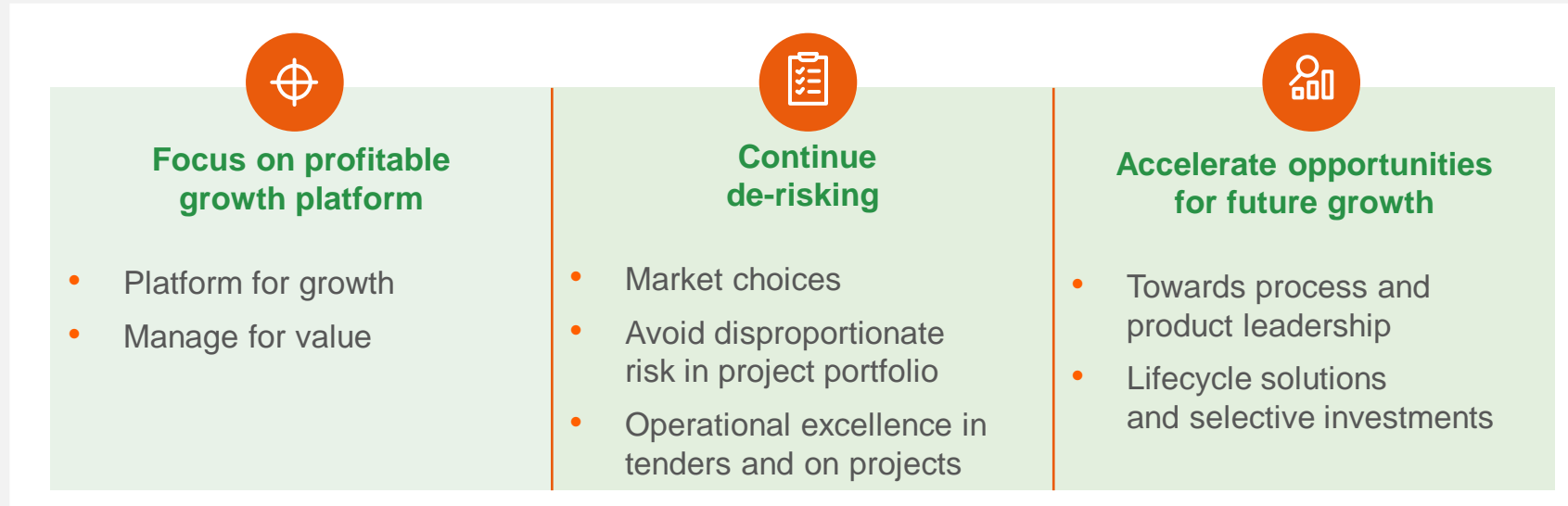
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Annexes

Strategy: roadmap 2021-2023

Strategy: Sustainable development goals

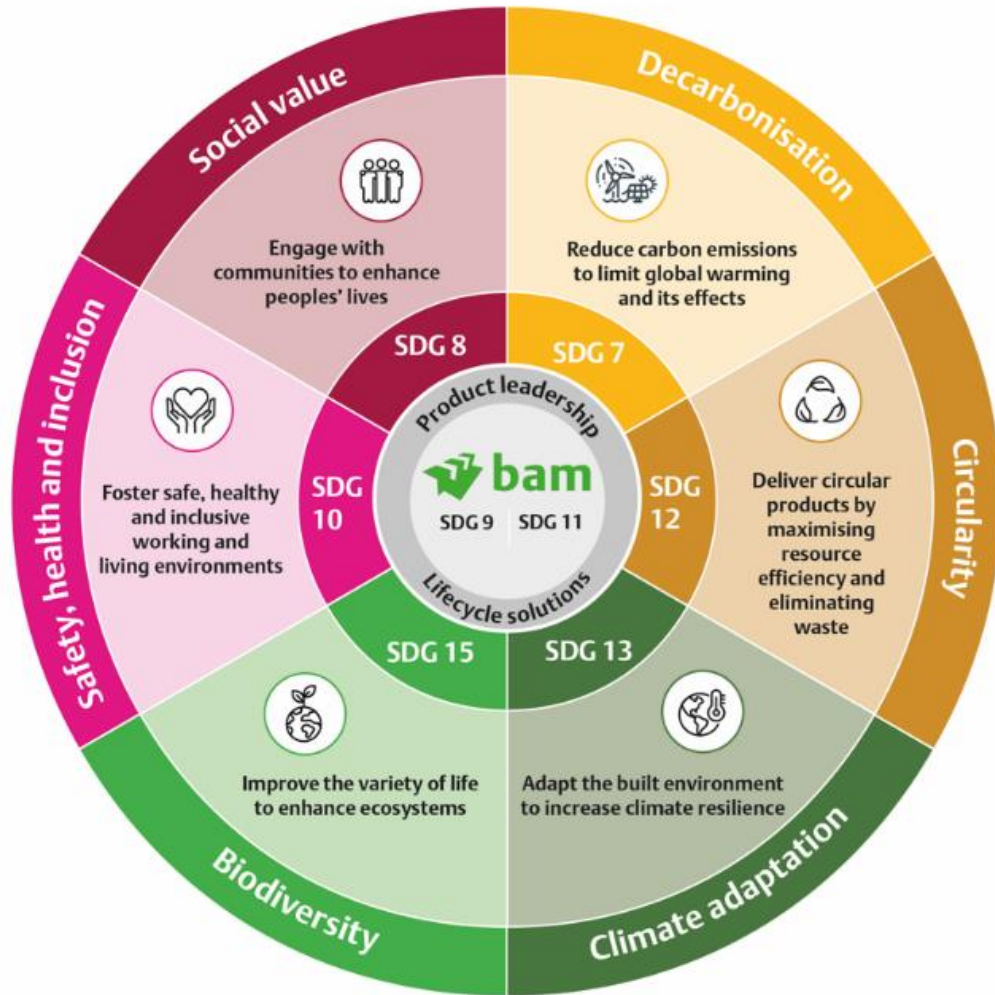
Strategy 2021-2023: Building a sustainable tomorrow



BAM 2023

- Approximately €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

Contributing to 8 Sustainable Development Goals (SDGs)



- BAM's sustainability themes aligned with United Nations Sustainable Development Goals (SDGs).
- UN SDGs provide blueprint for peace and prosperity for people and planet, now and into the future.
- BAM has selected eight SDGs that BAM can most contribute to through its efforts in the six sustainability themes.
- Six SDGs explicitly linked to one of themes; contributions to SDG 9 and SDG 11 can come from multiple themes.





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