

BAM Strategy Insights

Royal BAM Group nv
Utrecht, the Netherlands, 28 March 2024

Disclaimer

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JSP

 bam



YOUR SAFETY
IS MY SAFETY

Executive Committee



Ruud Joosten
CEO



Frans den Houter
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Sabine van Hooijdonk
CHRO



John Wilkinson
COO division UK and Ireland



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COO division Netherlands

Agenda topics

Walk-in

Welcome by Ruud Joosten

Strategy 2024-2026

Focus, Transform, Expand and People

Financials and Sustainability

Q&A

Break

Tour Homestudios

Drinks



Homestudios helps residents to make their house a home

- 5,000 m² experience centre
- 11 homes for inspiration
- 3D studio
- 50 specialists



HOMESTUDIOS 
by  bam

All strategic targets set for 2023 realised

Key performance indicators

	2021	2022	2023	Target 2023
Adjusted EBITDA margin	3.8%	4.5% ¹	4.9%	Approx. 5%
Revenue	€7.3 bn	€6.6bn	€6.3bn	Approx. €5.5bn
Return on average capital employed	5.6%	16.8%	13.7%	>10%
Trade working capital efficiency	-16.9%	-15.8%	-13.2%	<-10%
Capital ratio	14.5%	21.2%	23.4%	Towards 20%
Incident Frequency	4.5	3.7	3.4	<3.5 ²
CDP A-list	Yes	Yes	Yes	Maintain rating
CO2 emission (tonnes/€m; scope 1 and 2)	14.5	13.0	10.9	<12.5
Construction and office waste (tonnes/€m)	11.6	10.0	8.7	<10.2

¹ 2022, excluding positive result of the Wayss & Freytag Ingenieurbau transaction of €52 million, including this result the adjusted EBITDA margin is 5.3 per cent.

² Original strategic target <3.5; redefined in sustainability strategy (early 2023) as ≤3.0.



BAM is ready for
the next phase in
**Building a
sustainable
tomorrow**

Building a sustainable tomorrow

Strategy 2024-2026

Focus

Focus on selected markets with favourable risk-reward profile and sustainable impact

Transform

Transform in markets through differentiation on sustainable and industrialised products and services

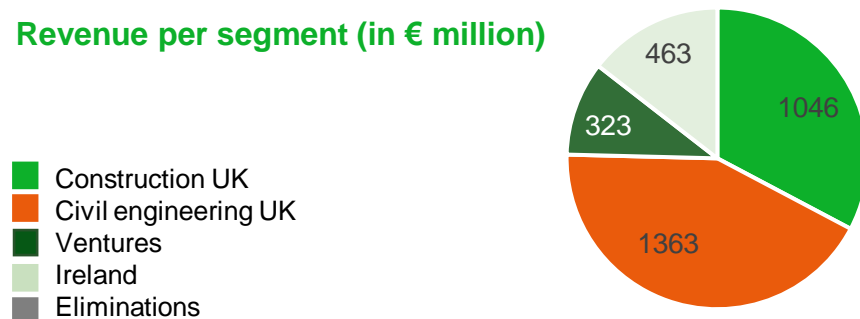
Expand

Expand in growth markets that are aligned with our sustainability values

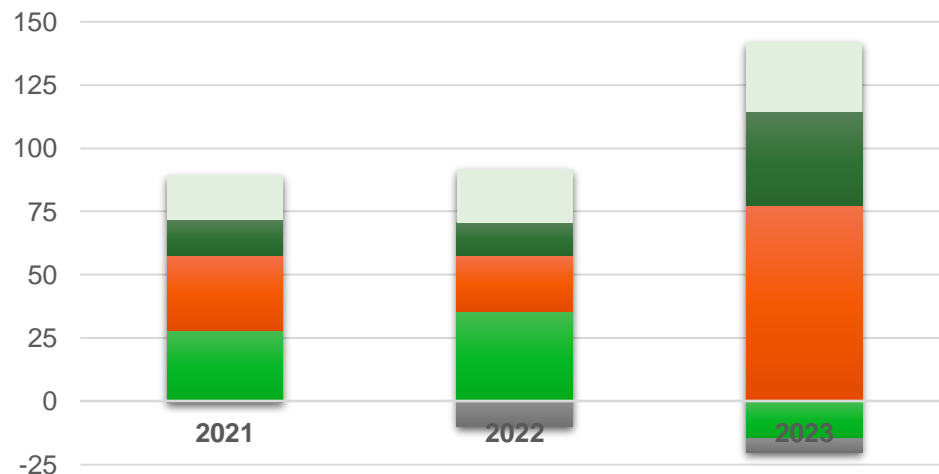
Division United Kingdom and Ireland

2023: revenue €3.1 billion, adjusted EBITDA €122 million (3.9%)

Revenue per segment (in € million)



Adjusted EBITDA development per segment (in € million)



Order book and market trends



- Solid order book of €4.5 billion
- Construction UK: stable volumes, focus on health care, education and leisure
- Civil engineering UK: significant opportunities driven by investments in energy transition, rail and defense
- Ventures UK (including property): benefitting from energy transition and stable market BAM Ritchies
- Ireland: attractive long-term growth based on the strong development of the economy and high government budgets for transport, energy & climate and social infrastructure

Focus



**Differentiate on process capability
in economic core**

Non-residential NL
Zalmhaven, Rotterdam



Focus on framework agreements

Non-residential and infrastructure UK&I
Network Rail Sea Wall, Dawlish



**Focus on <€150m infrastructure
projects**

Infrastructure NL
Quay walls, Amsterdam



**Focus on selective multi-assets
clients UK&I and NL**

Non-residential NL
Schiphol Airport, Amsterdam

Strategy division United Kingdom and Ireland

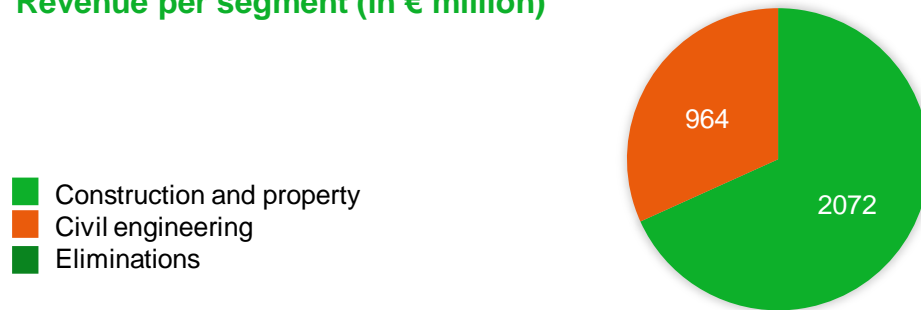
Strategy United Kingdom and Ireland consists of selectivity, key client approach, enhanced (value chain) capability, standardised designs and expansion in energy

	Non-residential UK	Infrastructure UK	Ireland
<p> Focus to improve profitability</p>	<p>Focus on relationships with top 25-30 clients where BAM can obtain a differentiated position</p>		
	<p>Be selective and strengthen control: focus on predictable PMCs with two-stage, medium-sized projects</p>		
	<p>Differentiate and de-risk through value chain & enhanced core capabilities (e.g. design, service engineering, advisory)</p>		
<p> Transform to strengthen competitive advantage</p>	<p> Industrialise education and health through efficient and sustainable standardised designs</p>	<p> Broaden and transform civils role in the energy transition market by diversifying and innovating our capability in grids, electrification and nuclear Small Modular Reactors (SMRs)</p>	<p> Standardise education by focus on 'bundled contracts'</p>
<p> Expand for future growth</p>	<p> Expand in sustainable energy solutions for non-residential buildings</p>		<p> Expand in public investment sectors, including in green infra e.g. grid and rail</p>

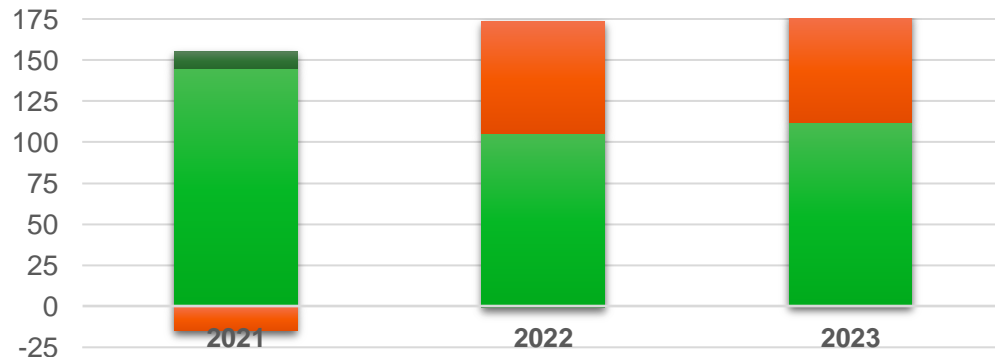
Division Netherlands

2023: revenue €3.0 billion, adjusted EBITDA €179 million (6.0%)

Revenue per segment (in € million)



Adjusted EBITDA development per segment (in € million)



Order book and market trends

- Strong order book of €4.9 billion
- Residential: strong demand for sustainable and affordable homes
 - AM is a leading residential development company
 - BAM has substantial land bank
- Non-residential: volumes stable, but opportunities in refurbishment
- Civil engineering: market opportunities supported by strong demand for decarbonisation/energy transition and maintenance/renewal of vital infrastructure

Transform



**Industrialise housing through
Flow concept**

Residential NL
BAM Wood Concepts, NL



**Transform education and health
through standardised designs**

Non-residential UK&I
Weldon Village Academy, UK&I



**Innovate roads through sustainable
asphalt**

Infrastructure NL
BAM Infra NL










**Unlock advantages through cross
segment collaboration**

Non-residential UK&I
Sunderland station, UK&I

Strategy division Netherlands

Strategy division Netherlands: leading in construction and civil through sustainability, industrialisation and digitalisation

	Residential	Non-residential	Infra
Focus to protect profitability	 <p>Focus on (cost)efficiency</p>	 <p>Differentiate and grow in >€30m projects through process leadership in economic core</p>	 <p>Focus civil on <€150m projects with increased repetition and lower risk</p>
Transform to strengthen competitive advantage	 <p>Grow in bio-based, industrialised Flow homes</p>	<p>Focus M&O on large multi asset accounts</p>	 <p>Invest in electric equipment and sustainable asphalt for improved tender scoring</p>
Expand for future growth	 <p>Grow in renovations with industrialised, digital concept</p>		 <p>Expand in grids, EV, flood protection and bridge renovations</p>

Expand



Expand in grids and EV charging

Infrastructure NL
Transformation station Wijk aan Zee



Expand in green infra rail and grids

Infrastructure UK&I
Iarnród Éireann



Expand in housing renovations

Residential NL
Residential renovation Prinsenbeek



Expand in commercial renovation and retrofitting

Non-residential UK&I
Space House, London

Financial targets 2024-2026

BAM aims to deliver:

- Predictable performance on >€6 billion revenue
- Strong capital ratio: ~25 per cent
- Adjusted EBITDA margin: 4-6 per cent
- Return to shareholders: 30-50 per cent of net income from operations for dividend, potentially additional cash returns via share buybacks



Sustainability targets 2026/2030

Social value

2026
UK&I 35% Social Value for projects
NL deliver 5% Social Value on top of the
required obligations
2023
UK&I 20% Social Value for projects

Incident frequency

2023
IF BAM and IF Total ≤ 3.0

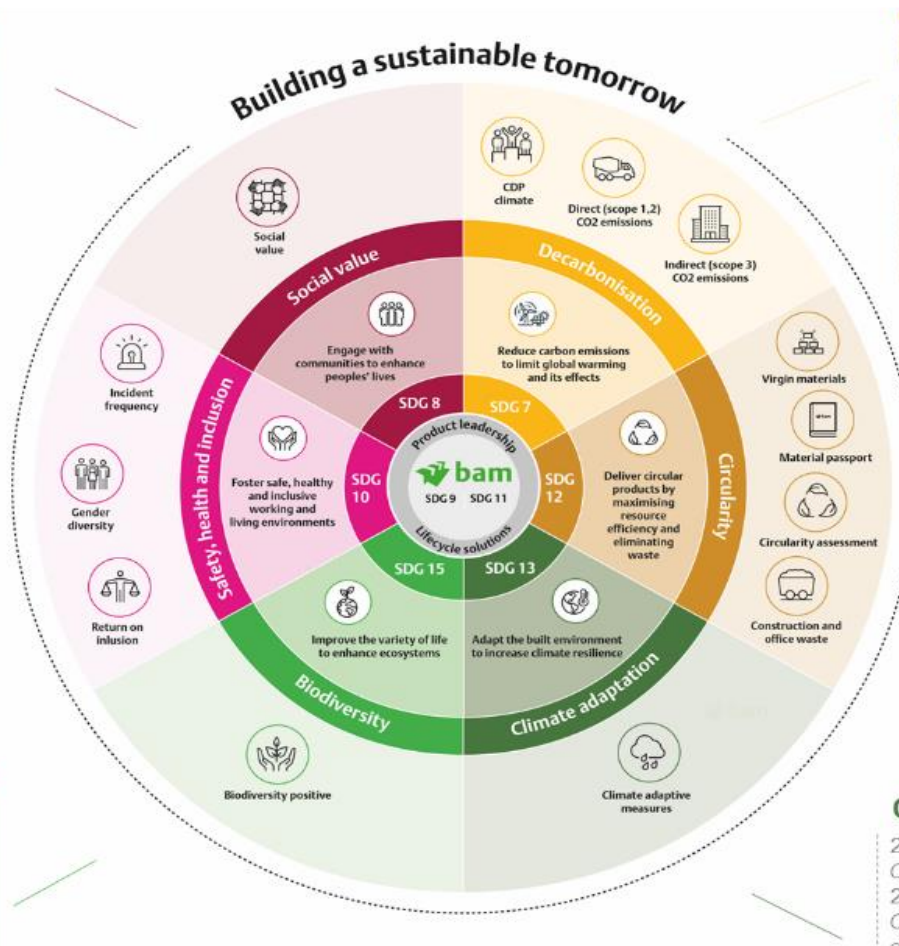
Gender diversity

2030
30% female representation senior leadership
2026
25% female representation senior leadership
2023
22% female representation senior leadership

2030
Score > 71 (Gold)
2026
Score > 60 (Silver)
2023
Set division ROI baselines and score > 51
(Silver)

Biodiversity positive

2030
Aggregated Biodiversity positive
2026
Biodiversity positive alternatives offered in
all A,B,C tenders and developments with
design in scope.
2026
Evidenced biodiversity balanced on all
projects (UK&I)



CDP Climate

A-ranking for CDP Climate

Direct (scope 1,2) CO₂ emissions

2026
-80% emissions intensity vs. 2015
2023
-50% emissions intensity vs. 2015

Indirect (Scope 3) CO₂ emissions

2030
-50% absolute emissions vs. 2019
2023
Improved measurement

Virgin materials

2030
-50% non biobased virgin materials vs 2019

Circularity assessment

2030
A,B,C and industrialised projects with design in scope use circularity assessment

Construction and office waste

2030
-75% construction & office waste intensity vs. 2015

Climate adaptive measures

2030
Climate adaptive measures integrated in all projects
2026
Climate adaptive measures integrated in all own developments
2026
Offer climate adaptive measures in all A,B & C tenders with a design scope.

People



A photograph of two men sitting in a workshop or construction site. They are both wearing white hard hats with the BAM logo and bright orange high-visibility safety jackets with reflective silver stripes. The man on the left is wearing glasses and has a slight smile. The man on the right has a beard and glasses and is also smiling. In the background, there is a green machine with the BAM logo and some industrial equipment. A semi-transparent white banner is overlaid across the middle of the image, containing the text "The BAM Experience".

The BAM Experience

The BAM Experience

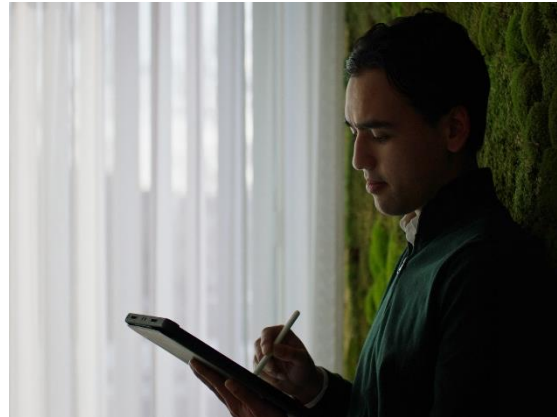
Guided by Values, United by Culture

What if we could build a company culture rooted in our values, driven by leadership?



Embracing Diversity & Fostering Inclusion

What if our workplace was as diverse as our world?



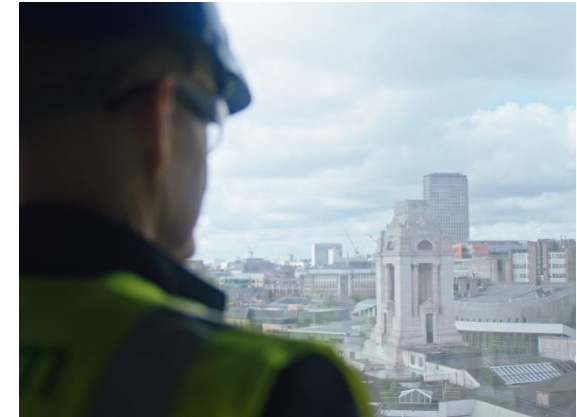
Sustainable Career Development

What if our people could thrive and grow?



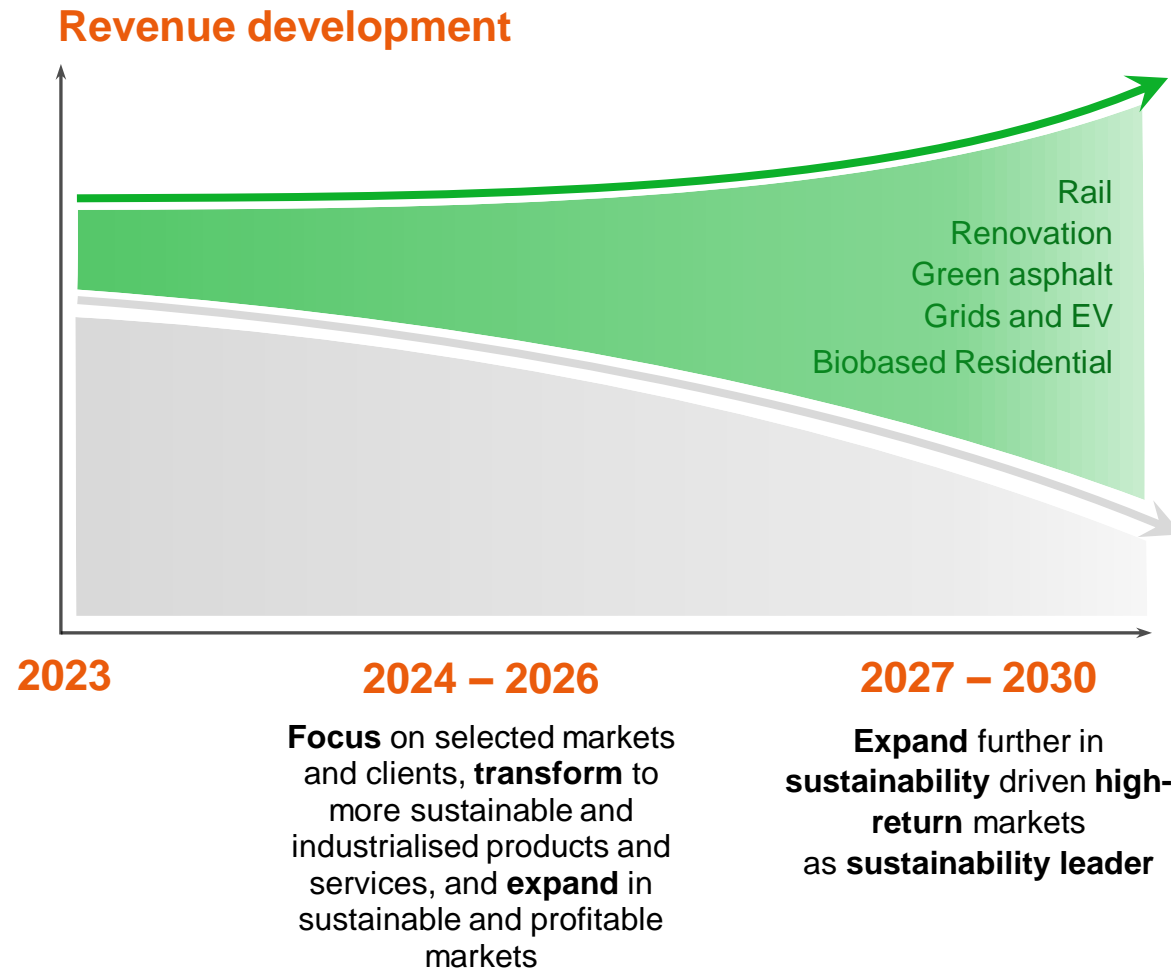
Building Our Communities

What if BAM could extend its hundred-year legacy of building communities?



Building a sustainable tomorrow

2024-2026 and beyond



BAM in 2030

Leading construction company in selected markets that are **sustainable** and **profitable**

Driven by high performance organisation with **highly engaged people**

Strong **financial** and **sustainability performance**

Building a sustainable tomorrow

Strategy 2024-2026

Investment proposition

- **Focus** on selected markets with favourable risk-reward profile and sustainable impact
- **Transform** in markets through differentiation on sustainable and industrialised products and services
- **Expand** in growth markets that are aligned with our sustainability values
- Maintain solid financial position in combination with disciplined capital allocation
- Attractive cash returns to shareholders via dividend and possible buyback of shares



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