Royal BAM Group nv

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No. of pages 24

BAM reports €126 million adjusted EBITDA in first half-year

Royal BAM Group nv delivered an adjusted EBITDA of €126 million in the first half-year of 2024, a 6% increase compared to the same period last year. Group revenue also improved by 6% to €3.1 billion. BAM's liquidity position remained solid and the order intake was strong. For the full-year 2024, BAM expects to deliver an adjusted EBITDA margin between 4% and 5%.

- Revenue increased by 6% versus H1 2023, mainly driven by the division Netherlands
- Adjusted EBITDA was €126 million, reflecting a margin of 4.0% (H1 2023: adjusted EBITDA €119 million, margin of 4.0%)
- Net result of €55 million, reflecting earnings per share of €0.20 (H1 2023: €0.22)
- Liquidity position remained solid at €453 million
- Capital ratio further improved to 24.5% (year-end 2023: 23.4%)
- Order book increased by 12% versus year-end 2023 to €11.0 billion

Key results *(x € million, unless otherwise indicated)*	**H1 2024**	H1 2023	Full-year 2023
Revenue	3,149	2,969	6,270
Adjusted EBITDA [1]	126.4	119.4	304.3
Adjusted EBITDA [1] margin	4.0%	4.0%	4.9%
Net result attributable to shareholders	54.9	60.2	175.0
Order book (end of period)	10,998	9,549	9,809
Trade working capital efficiency	-11.3%	-14.8%	-13.2%

[1] *Adjusted EBITDA defined as result before interest, tax, depreciation and amortisation, excluding restructuring costs, impairment charges and pension one-offs.*

Ruud Joosten, CEO of Royal BAM Group:

'In the first half-year BAM delivered an adjusted EBITDA of €126 million, a 6% improvement versus the same period last year. The Group has delivered a solid performance, despite the negative financial impact from the indoor arena Co-op Live in Manchester and two schools in Denmark. These three projects are almost completed. The contribution of the division Netherlands was higher compared to the first half-year 2023, driven by the strong demand for homes and good results of Civil engineering. The division United Kingdom and Ireland performed well with its businesses Civil engineering UK, Ventures and Ireland.

In the next phase of our strategy 'Building a sustainable tomorrow' the pillars are 'Focus, Transform and Expand', with sustainability and people as key drivers. In the first half-year, Focus is illustrated in the priority given to selective multi-asset clients. In the field of Transform, we are developing various residential projects based on BAM's Flow concept for wooden homes. Regarding Expand, BAM is growing in grids and EV charging solutions and we successfully partnered to deliver a critical UK onshore transmission infrastructure project.

De-risking our portfolio is fundamental in our strategy. We have completed or divested many large lump-sum projects that do not fit our current risk profile. Silvertown Tunnel (London), National Children's Hospital (Dublin) and Cross River Rail (Brisbane) are all over 80% completed and are progressing well. The Fehmarnbelt Tunnel, in which BAM has a 12.5% interest, is expected to be completed in 2030. We continue our disciplined contract and risk management approach that focusses on profitability and sustainable growth. I am pleased with the positive development of BAM's well diversified order book, which increased by 12% to €11 billion compared to year-end 2023.

We are confident that our strategy will deliver value to our clients, create development opportunities for our employees, and generate attractive returns to our shareholders, while BAM actively contributes to more sustainable and inclusive communities and society. For the full-year 2024, BAM expects to deliver an adjusted EBITDA margin between 4% and 5%.'

Business review first half-year 2024

Income statement *(x € million, unless otherwise indicated)*	**H1 2024**		H1 2023	
	Revenue	**Adjusted EBITDA**	Revenue	Adjusted EBITDA
Division Netherlands	**1,494**	**69.9**	1,348	55.1
Division United Kingdom and Ireland	**1,586**	**50.7**	1,559	62.9
Germany, Belgium and International	**69**	**3.6**	62	1.1
Invesis [1]		**0.0**		3.1
Eliminations and miscellaneous	**-**	**2.2**	-	-2.8
Total Group	**3,149**	**126.4**	2,969	119.4
Adjusted items [2]		**-4.3**		-0.2
Depreciation and amortisation		**-61.0**		-54.4
Impairments		**-0.1**		0.3
Finance result		**4.3**		6.9
Result before tax		**65.3**		72.0
Income tax		**-10.4**		-11.9
Non-controlling interest		**0.0**		0.1
Net result attributable to shareholders		**54.9**		60.2

[1] *Invesis is the BAM's 50% equity stake in the joint venture with PGGM.*
[2] *Restructuring costs and pension one-off results.*

- Revenue increased by 6% to €3.1 billion compared to the first half-year of 2023, mainly driven by the division Netherlands. The development of the British pound exchange rate had a positive effect of €33 million.

- Adjusted EBITDA increased by 6% to €126 million versus €119 million in the first half-year of 2023. Last year included the positive contribution of the divestment of an office project. The adjusted EBITDA margin remained stable at 4.0%.

- Net result was €55 million (H1 2023: €60 million), or earnings per share of €0.20 (H1 2023: €0.22). The result in the first half-year of 2024 included €4 million restructuring costs, mainly to adapt the organisation of Construction UK to current market conditions. The reported income tax was €10 million, effective tax rate of 16% (H1 2023: €12 million, effective tax rate 17%).

- The order book further improved by 12% to €11 billion versus €9.8 billion at year-end 2023, with a clear focus on the quality of the order intake. The principal driver of the increase was Civil engineering UK. The appreciation of the British pound also had a positive effect of €123 million.

Division Netherlands

(x € million, unless otherwise indicated)	**H1 2024**		H1 2023	
	Revenue	**Adjusted EBITDA**	Revenue	Adjusted EBITDA
Construction and Property	**1,063**	**40.5**	962	29.1
Civil engineering	**446**	**29.0**	400	28.5
Other, eliminations and miscellaneous	**-15**	**0.4**	-14	-2.5
Total division Netherlands	**1,494**	**69.9**	1,348	55.1

Trade working capital efficiency	**-11.7%**	-13.1%
Revenue growth	**11%**	-3%
Adjusted EBITDA margin	**4.7%**	4.1%
	H1 2024	Full-year 2023
Order book	**5,081**	4,917
Order book growth	**3%**	13%

- Revenue increased by 11% compared to the first half-year of 2023 and was supported by high production in all businesses.

- Adjusted EBITDA increased to €69.9 million versus €55.1 million in the first half-year of 2023, reflecting an adjusted EBITDA margin of 4.7% (H1 2023: 4.1%). The Dutch residential activities had a strong contribution. BAM sold 832 homes in the first half-year of 2024 (H1 2023: 577, including 83 on behalf of joint venture partners in Bajeskwartier project). These homes were mainly bought by private buyers. For 2024, BAM expects home sales of approximately 1,700, which is in line with the 2023 level. The results of Construction and property included substantial losses due to design issues and cost overruns on the two remaining school projects in Denmark, which are nearing completion. Civil engineering continued to perform well.

- The order book increased by 3% versus year-end 2023 to €5.1 billion. New projects included a mixed-use development, including 344 homes on Strandeiland, an artificial island on the east side of Amsterdam. Civil engineering was awarded, in joint-venture, a six-year maintenance contract of Rijkswaterstaat for all infrastructure, including sluices, related to the North Sea Canal.

- Market developments: The new Dutch government has the ambition to build more homes and to address the issues related to the nitrogen legislation. The residential market further improved driven by robust consumer confidence due to salary increases, stabilisation of interest rates and the continuing high employment rate. Currently, cost increases are leading to delays in some project awards in non-residential while utilities and grid operators continue to invest in infrastructure. For the medium to longer term, there remains a strong rationale for essential investments in energy transition, infrastructure and sustainable and affordable homes.

Division United Kingdom and Ireland

(x € million, unless otherwise indicated)	H1 2024		H1 2023	
	Revenue	**Adjusted EBITDA**	Revenue	Adjusted EBITDA
Construction UK	**468**	**-23.6**	**498**	**15.5**
Civil engineering UK	**758**	**42.8**	**648**	**16.9**
Ventures UK (including property)	**152**	**15.5**	**199**	**23.7**
Ireland (construction, property, civil engineering)	**258**	**15.3**	**246**	**9.2**
Other, eliminations and miscellaneous	**-49**	**0.7**	**-32**	**-2.4**
Total division United Kingdom and Ireland	**1,586**	**50.7**	**1,559**	**62.9**

	H1 2024	H1 2023
Trade working capital efficiency	**-10.6%**	-16.4%
Revenue growth [1]	**2%**	1%
Adjusted EBITDA margin	**3.2%**	4.0%
	H1 2024	Full-year 2023
Order book [1]	**5,541**	4,533
Order book growth	**22%**	-16%

[1] *The British pound exchange rate had a positive effect to revenue of €33 million and on to order book of €123 million.*

- Revenue increased by 2% compared to the first half-year of 2023, supported by high activity levels in civil engineering UK. In construction UK, revenue was lower, reflecting more challenging market circumstances. The British pound exchange rate had a €33 million positive effect on revenue.

- Adjusted EBITDA decreased to €50.7 million compared to €62.9 million in the first half-year of 2023, reflecting an adjusted EBITDA margin of 3.2% (H1 2023: 4.0%). The performance of Construction UK was impacted by earlier reported project delays and supply chain issues, and included a substantial loss in the second quarter of 2024 for Co-op Live in Manchester. The performance of Civil engineering UK was solid, especially in rail. Ventures performed well, considering the 2023 comparator benefiting from the divestment of an office development. The contribution of Ireland was strong. BAM is proud to play its part in delivering the National Children's Hospital (NCH) in Dublin. The build phase of the hospital is now almost completed. BAM is fully committed to the completion of this world-class hospital within the shortest possible timeframe.

- The order book increased by 22% to €5.5 billion. Recent project wins included the office building 3 Copper Square, situated at a major mixed use park town development in North London with ambitious sustainability goals. Civil engineering UK has been selected by South West Water to deliver elements of their multi-billion investment plan to improve major infrastructure and strengthen water resilience in the face of climate change. In Ireland, BAM was awarded the 195 metre cable-stayed Narrow Water Bridge that will connect communities north and south of the Irish border.

- Market developments: The order backlog of Civil engineering UK is expected to benefit from governmental plans for energy security and continued investment in transportation. The 2023 UK Energy Act to strengthen energy security and support the delivery of net zero is a positive development. BAM is positioned strongly in the energy market, following the successful execution of various projects. The construction market will be more challenging in the short-term as investment decisions of private clients are affected by high interest rates. The markets for retrofit and refurbishment projects and for education and health provision offer attractive opportunities. BAM needs to be flexible and adapt to current market conditions and as a result BAM has started a consultation process about reducing staff numbers within the Construction segment of the division UK.

Germany, Belgium and BAM International

(x € million, unless otherwise indicated)	**H1 2024**		H1 2023	
	Revenue	**Adjusted EBITDA**	Revenue	Adjusted EBITDA
Germany, Belgium and International	**69**	**3.6**	62	1.1

The activities in Belgium had a satisfactory performance in a competitive market and the order book further increased. In Germany, BAM still shares responsibility for one project of the former BAM Deutschland.

PPP joint venture Invesis

In the first half-year of 2024, Invesis continued to create value from the operational portfolio and is securing projects in new markets. Invesis' entity VitrumFiber added its first fibre-to-the-home project in Rostock, Germany. Invesis achieved the availability certificate for the Egied Van Broeckhoven School (Belgium). There is an attractive pipeline and some preferred bidder decisions are expected later this year. As at 30 June, Invesis had 45 operational projects (FY 2023: 44), with a further 4 under construction (FY 2023: 4), making 49 PPP projects in total (FY 2023: 48).

Investigation Dutch authorities

In October 2022, the Dutch Fiscal Information and Investigation Service (FIOD) and the Dutch Public Prosecutions Office (Openbaar Ministerie) have informed BAM International that it is the subject of an investigation into suspicions relating to potential fraud and corruption at some already completed projects. The timing and possible outcome of the investigation are uncertain. Therefore, the potential adverse financial impact of the outcome of the investigation, if any, cannot be reliably estimated at this time but could possibly be material.
BAM is fully cooperating with the investigation and taking appropriate steps in connection with the investigation, including an internal review of the relevant projects. In July 2020, BAM announced its intention to wind down BAM International. Meanwhile all projects of BAM International have been completed.

Financial review

Cash flow [1]

(x € million)	H1 2024	H1 2023	Full-year 2023
Cash flow from operations	**111**	113	276
Working capital	**-224**	-180	-99
Provisions and pensions	**-53**	-26	-71
Net cash flow from operating activities	**-166**	-93	106
Net cash flow from investing activities	**-59**	-37	-91
Net cash flow from financing activities	**-95**	-67	-109
Increase/decrease in cash position	**-320**	-197	-94
Cash and cash equivalents beginning period	**757**	841	841
Exchange rate differences, other changes	**16**	17	10
Cash and cash equivalents	**453**	661	757

[1] *Based on the IFRS cash flow statement.*

Cash and cash equivalents totalled €453 million (H1 2023: €661 million) as the result of the normalisation of trade working capital.

In the first half-year of 2024, BAM generated cash flow from operations of €111 million (H1 2023: €113 million). The outflow on working capital followed the seasonal pattern. Provisions and pensions resulted in a cash outflow of €53 million.

Cash flow from investing activities of -€59 million primarily relates to regular capital expenditure. Next to project related investments there is a focus on sustainable, digital and modular solutions, and investments in BAM's modular wooden homes concept Flow.

Cash flow from financing activities in the first half-year of 2024 of -€95 million included the payments related the dividend of -€26 million and share buyback -€27 million. The remainder mainly relates to leases.

Exchange rates, primarily the British pound, had a positive effect of €16 million on cash and cash equivalents in the first half-year of 2024.

Financial position

(x € million)	**H1 2024**	Full-year 2023	H1 2023
Liquidity position	**453**	757	661
Interest-bearing debt	**-60**	-62	-47
Net (debt) / cash before lease liabilities	**394**	695	614
Lease liabilities	**-246**	-234	-169
Net (debt) / cash	**148**	461	445
Trade working capital	**-656**	-822	-839
Trade working capital efficiency	**-11.3%**	-13.2%	-14.8%
Shareholders' equity	**944**	921	845
Balance sheet total	**3,849**	3,932	3,785
Capital ratio	**24.5%**	23.4%	22.3%
Capital employed	**1,371**	1,346	1,196
Return on average capital employed	**12.5%**	13.7%	14.0%

Trade working capital efficiency increased to -11.3% (FY 2023: -13.2%), which reflects the normalisation of working capital as a consequence of BAM's adjusted tendering strategy.

The increase in shareholders' equity of €23 million to €944 million is mainly explained by the net result for the first half-year (€55 million), exchange rate differences (€12 million), movements in cash flow hedges (€5 million), partly offset by the dividend in cash (-€26 million) and the effect of the share buyback (-€27 million).

BAM's capital ratio improved by 1.1% to 24.5% at mid-year 2024, compared to 23.4% at year-end 2023.

Risks and uncertainties

As indicated in the annual report for the 2023 financial year, there is a Group-wide focus on risk management in the primary process, in order to improve predictability and performance. The Group's risk management system does not imply avoidance of all risks. Instead it aims to identify opportunities and threats and manage them. More effective risk management will enable BAM to undertake larger commitments in a well-controlled environment. The risks that can have a material impact on the Group's results and its financial position are described in detail in the annual report for the 2023 financial year. Other risks that are either not currently known or currently considered non-material could prove to have an effect (material or otherwise) in due course on the markets, objectives, revenue, results, assets, liquidity or funding of the Group.

Executive Board, Royal BAM Group nv

Ruud Joosten, CEO
Frans den Houter, CFO

Analyst meeting and audio webcast

Ruud Joosten, CEO, and Frans den Houter, CFO, will host an analyst meeting at 10.00 a.m. CET on 25 July 2024. A live audio webcast of this meeting will be made available at the Royal BAM Group website: www.bam.com.

Key dates

7 November 2024	Trading update first nine months 2024
13 February 2025	Publication full-year results 2024
8 May 2025	Trading update first quarter 2025
8 May 2025	Annual General Meeting
24 July 2025	Publication half-year results 2025

Further information

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Regulated information

This press release contains information that qualifies or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Forward looking statements

This press release contains 'forward-looking statements', based on currently available plans and forecasts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and BAM cannot guarantee the accuracy and completeness of forward-looking statements.

These risks and uncertainties include, but are not limited to, factors affecting the realisation of ambitions and financial expectations, exceptional income and expense items, operational developments and trading conditions, economic, political and foreign exchange developments and changes to IFRS reporting rules.

BAM's outlook, in line with these forward-looking statements, merely reflects expectations of future results or financial performance and BAM does not make any representation or warranty in that respect. Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which BAM operates. These factors could lead to actual results being materially different from those expected, and BAM does not undertake to publicly update or revise any of these forward-looking statements.

Declaration in accordance with the Dutch Financial Supervision Act

In accordance with their statutory obligations under Article 5:25d(2)(c) of the Dutch Financial Supervision Act, the members of the Executive Board declare that, in so far as they are aware:

- the half-yearly financial report provides a true and fair reflection of the assets and liabilities, the financial position and the result generated by the Company and by companies included in the consolidated accounts; and
- the half-yearly report by the Executive Board provides a true and fair overview of the information required pursuant to Article 5:25d(8) and (9) of the Dutch Financial Supervision Act.

Bunnik, the Netherlands, 25 July 2024

1. Interim consolidated income statement

(in € million, unless otherwise indicated)	Note	**H1 2024**	H1 2023	Full-year 2023
Revenue	8	**3,149.0**	2,968.7	6,270.5
Materials and third party services		**-2,308.3**	-2,136.4[1]	-4,567.4
Personnel expenses		**-602.3**	-590.5[1]	-1,153.8
Depreciation and amortisation		**-61.0**	-54.4	-121.3
Impairments		**2.2**	-0.6	-3.6
Exchange rate differences		**-0.6**	-11.5	-12.7
Other operating expenses		**-128.0**	-128.1[1]	-277.6
Other income		**0.6**	1.9	5.8
Share in result of joint ventures and associates	9	**9.5**	16.0	30.8
Operating result		**61.1**	65.1	170.7
Finance income		**12.2**	10.8	23.3
Finance expense		**-8.0**	-3.9	-10.4
Result before tax		**65.3**	72.0	183.6
Income tax	10	**-10.4**	-11.9	-8.6
Net result		**54.9**	60.1	175.0
Attributable to:				
• Shareholders of the Company		**54.9**	60.2	175.0
• Non-controlling interests		**0.0**	-0.1	-
Earnings per share (x €1)				
• Basic earnings per share		**0.20**	0.22	0.65
• Diluted earnings per share		**0.20**	0.22	0.64

[1] These amounts have been restated as described in note 6.4 below.

2. Interim consolidated statement of comprehensive income

(in € million, unless otherwise indicated)	Note	**H1 2024**	H1 2023	Full-year 2023
Net result		**54.9**	60.1	175.0
Items that may be reclassified to the income statement				
Fair value movement of cash flow hedges		**-**	-0.4	-0.4
Tax on fair value of cash flow hedge		**-**	0.1	0.1
Cash flow hedges		**-**	-0.3	-0.3
Fair value movement cash flow hedges in joint ventures, net	9	**5.3**	1.7	-7.9
Exchange rate differences		**12.3**	22.7	18.4
Items that will not be reclassified to the income statement				
Remeasurements of post-employment benefit obligations		**4.1**	-22.8	-43.7
Tax remeasurements of post-employment benefit obligations		**-0.9**	4.3	8.0
Remeasurements of post-employment benefit obligations (net)		**3.2**	-18.5	-35.7
Other comprehensive income		**20.8**	5.6	-25.5
Total comprehensive income		**75.7**	65.7	149.5
Attributable to:				
• Shareholders of the Company		**75.7**	65.8	149.5
• Non-controlling interests		**0.0**	-0.1	-

Exchange rate differences in the H1 2023 include the reclassification of translation reserve (positive) to ‘Exchange rate differences’ in the consolidated income statement (negative) for €7.9 million related to the winddown of subsidiaries of BAM International.

3. Interim consolidated statement of financial position

(in € million, unless otherwise indicated)	Note	30 June 2024	30 June 2023	31 December 2023
Non-current assets				
Property, plant and equipment		**254.3**	207.8	236.4
Right-of-use assets		**229.0**	165.2	217.4
Intangible assets		**330.3**	325.5	327.9
PPP receivables		**14.0**	14.2	13.7
Investments in joint ventures and associates		**343.3**	335.0	333.6
Other financial assets	6.5	**99.4**	82.7	92.8
Employee benefits		**61.2**	63.0	51.9
Deferred tax assets		**86.9**	62.4	82.4
		1,418.4	1,255.8	1,356.1
Current assets				
Inventories		**479.8**	471.5	463.1
Trade and other receivables		**1,459.4**	1,378.0	1,326.3
Income tax receivable		**37.7**	13.1	23.6
Cash and cash equivalents	11	**453.3**	660.7	757.3
		2,430.2	2,523.3	2,570.3
Assets classified as held for sale		**-**	5.6	5.6
Total assets		**3,848.6**	3,784.7	3,932.0
Equity				
Equity attributable to the shareholders of the Company	12	**944.3**	844.9	920.5
Non-controlling interests		**0.2**	-2.2	0.3
Group equity		**944.5**	842.7	920.8
Non-current liabilities				
Borrowings		**53.2**	38.0	54.6
Lease liabilities		**170.7**	114.2	160.9
Employee benefits		**27.3**	27.9	32.0
Provisions		**77.6**	93.8	82.2
Deferred tax liabilities		**16.2**	16.0	14.8
		345.0	289.9	344.5
Current liabilities				
Borrowings		**6.4**	9.2	7.1
Lease liabilities		**74.8**	54.4	73.3
Trade and other payables		**2,371.0**	2,426.3	2,447.8
Provisions		**74.5**	148.3	114.7
Income tax payable		**32.4**	13.9	23.8
		2,559.1	2,652.1	2,666.7
Total equity and liabilities		**3,848.6**	3,784.7	3,932.0

4. Interim condensed consolidated statement of changes in equity

(in € million, unless otherwise indicated)	Note	**H1 2024**	H1 2023	Full-year 2023
Position as at period start		**920.8**	808.5	808.5
Net result		**54.9**	60.1	175.0
Cash flow hedges		**-**	-0.3	-0.3
Fair value movement cash flow hedges in joint ventures	9	**5.3**	1.7	-7.9
Exchange rate differences		**12.3**	22.7	18.4
Remeasurements of post-employment benefit obligations (net)		**3.2**	-18.5	-35.7
Other comprehensive income		**20.8**	**5.6**	**-25.5**
Total comprehensive income		**75.7**	**65.7**	**149.5**
Repurchase of ordinary shares	12	**-27.5**	-11.5	-19.8
Dividend	12	**-25.8**	-22.0	-22.0
Change in ownership		**-**	-	-0.2
Share-based payments		**1.3**	2.0	4.8
Total transactions with owners		**-52.0**	**-31.5**	**-37.2**
Total changes in equity		**23.7**	**34.2**	**112.3**
Position as at period end		**944.5**	842.7	920.8

5. Interim consolidated statement of cash flows

(in € million, unless otherwise indicated)	Note	H1 2024	H1 2023	Full-year 2023
Net result		54.9	60.1	175.0
Adjustments for:				
• Income tax		10.4	11.9	8.6
• Depreciation, amortisation and impairments		58.8	55.0	124.9
• Share in result of joint ventures and associates		-9.5	-16.0	-30.8
• Result on sale of property, plant and equipment and intangible fixed assets		-0.6	-1.6	-1.5
• Gain on sale of subsidiaries, joint ventures and associates		-	-	-1.8
• Share based payments		1.3	2.0	4.8
• Finance income		-12.2	-10.8	-23.3
• Finance expense		8.0	3.9	10.4
Net proceeds from PPP receivables		-0.3	-0.9	-0.4
Interest received		12.7	11.0	24.0
Interest paid		-9.6	-5.7	-15.0
Income taxes paid		-18.5	-8.6	-22.3
Dividends received from joint ventures and associates		16.2	12.5	23.8
Cash flow from operations		**111.6**	**112.8**	**276.4**
Changes in provisions and pensions		-53.2	-26.0	-71.2
Decrease/(increase) in inventories		-1.7	11.7	20.2
Decrease/(increase) in trade and other receivables		-138.5	-148.3	-97.0
(Decrease)/increase in trade and other payables		-83.8	-43.3	-22.7
Net cash flow from operating activities		**-165.6**	**-93.1**	**105.7**
Investments in property, plant and equipment		-40.1	-33.4	-80.0
Investments in intangible fixed assets		-1.2	-0.1	-4.3
Investments in non-current receivables and other financial assets		-24.9	-11.3	-24.8
Repayments non-current receivables and other financial assets		3.6	0.4	9.2
Proceeds from sale of property, plant and equipment and intangible fixed assets		3.7	7.6	6.5
Net proceeds from sale of subsidiaries, joint ventures and associates		0.2	-	2.0
Net cash flow from investing activities		**-58.7**	**-36.8**	**91.4**
Proceeds from borrowings		1.9	1.7	25.2
Repayments of borrowings		-4.0	-7.2	-15.8
Repayments of principal amount of lease liabilities		-39.8	-28.6	-76.1
Payment of dividend		-25.8	-22.0	-22.0
Repurchase of ordinary shares		-27.5	-11.5	-19.8
Net cash flow from financing activities		**-95.2**	**-67.6**	**-108.5**
Total cash flow		**-319.5**	**-197.5**	**-94.2**
Cash and cash equivalents at period start		757.3	841.2	841.2
Exchange rate differences on cash and cash equivalents		15.5	17.0	10.3
Cash and cash equivalents at period end		**453.3**	**660.7**	**757.3**

6. Notes to the consolidated interim financial statements

6.1 General information

Royal BAM Group nv (‘BAM, ‘the Company’ or ‘the Group’) was incorporated under Dutch law and is domiciled in the Netherlands. These interim financial statements contain the Company’s consolidated financial information for the half year ended 30 June 2024 (‘H1 2024’). The Executive Board and the Supervisory Board authorised these interim financial statements for publication on 25 July 2024. These interim financial statements are reviewed, not audited. The independent auditor’s review report is incorporated on pages 23 and 24.

6.2 Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the EU and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2023 (‘financial statements 2023’) and the commentary by the Executive Board earlier in this report. The interim financial statements have been prepared on a going concern basis.

6.3 Accounting principles

The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the Group’s consolidated financial statements 2023. This includes the presentation of the income statement and statements of changes in equity and cashflows. These statements were subject to presentation changes as disclosed in note 2 to the financial statements 2023 and are consistently presented in these interim financial statements. The Group did not adopt early any new accounting standards, interpretations and amendments that have been issued but are not yet effective. Several amendments apply for the first time in 2024, but do not have an impact to the Group.

6.4 Restatement

In H1 2023, consolidated subsidiaries erroneously reported personnel expenses of €33.3 million as third party services and materials used (€6.9 million) and other operating expenses (€26.4 million), resulting in an overstatement of third party services and materials used and other operating expenses whilst personnel expenses were understated. The H1 2023 income statement has been restated to correct for this. The restatement does not impact the Group’s results or any of its key performance indicators.

6.5 Exchange rates

The following exchange rates of the euro against the pound sterling (£) have been used in the preparation of these interim financial statements:

	H1 2024	H1 2023	Full-year 2023
Closing rate	0.847	0.861	0.869
Average rate	0.855	0.876	0.870

6.6 Judgments and estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense, including the current market and climate change developments. The significant assumptions and judgements made by management, as well as management’s assessment of the impact of climate-related matters and supply chain disruptions and inflation remain the same as those that were applied to the financial statements 2023. Actual results may differ from these estimates.

6.7 Fair value measurements and disclosures

The fair value of financial instruments not quoted in an active market is measured using valuation techniques. The Group uses various techniques and makes assumptions based on market conditions on balance sheet date. One of these techniques is the calculation of the net present value of the expected cash flows (DCF-method); a level 3 valuation method.

Financial instruments include receivables valued on fair value through profit and loss, which are part of other non-current financial assets. On 30 June 2024, these amounted to €70.1 million (30 June 2023: €68.0 million) and were determined based on the DCF-method, with no significant changes in assumptions compared to 31 December 2023.

7. Segment information

The Group comprises of three reportable segments: Division Netherlands (NL), Division United Kingdom and Ireland (UK&I) and Invesis. Belgium, Germany and International are considered individual operating segments that are not reportable, and thus combined. The performance of the segments division NL, division UK&I and Invesis are separately reported to and reviewed by the Executive Board. The Executive Board is considered the Chief Operating Decision Maker ('CODM').

Adjusted EBITDA is the main segment performance measure and is defined as the result before interest, tax, depreciation, amortisation and impairment, excluding restructuring costs and pension one-offs. Reference is made to note 15 for more details.

(in € million)	Division NL	Division UK&I	Invesis	Germany, Belgium, International	Other including eliminations	Total
H1 2024						
Revenue	**1,494.0**	**1,586.0**	**-**	**69.4**	**-0.4**	**3,149.0**
Adjusted EBITDA	**69.9**	**50.7**	**0.0**	**3.6**	**2.2**	**126.4**
Adjusted items	**-0.6**	**-3.7**	**-**	**-**	**-**	**-4.3**
EBITDA	**69.3**	**47.0**	**0.0**	**3.6**	**2.2**	**122.1**
Depreciation and amortisation	**-39.2**	**-20.6**	**-**	**-0.8**	**-0.4**	**-61.0**
Impairments	**2.2**	**-**	**-**	**-**		**2.2**
Share in impairments of joint ventures and associates	**-2.3**	**-**	**-**	**-**	**-**	**-2.3**
Finance income and expense	**-0.8**	**8.8**	**-**	**2.8**	**-6.5**	**4.3**
Result before tax	**29.2**	**35.2**	**0.0**	**5.6**	**-4.7**	**65.3**
H1 2023						
Revenue	1,348.0	1,559.3	-	61.6	-0.2	2,968.7
Adjusted EBITDA	55.1	62.9	3.1	1.1	-2.8	119.4
Adjusted items	-0.1	-0.5	-	0.5	-0.1	-0.2
EBITDA	55.0	62.4	3.1	1.6	-2.9	119.2
Depreciation and amortisation	-36.6	-16.0	-	-1.1	-0.7	-54.4
Impairments	-0.6	-	-	-	-	-0.6
Share in impairments of joint ventures and associates	0.9	-	-	-	-	0.9
Finance income and expense	-0.1	9.5	-	1.1	-3.6	6.9
Result before tax	18.6	55.9	3.1	1.6	-7.2	72.0

8. Revenue disaggregation

Revenue is further disaggregated to the underlying businesses as follows:

(in € million)	Division NL	Division UK&I
H1 2024		
Construction and property	**1,063.0**	**468.1**
Ventures	**-**	**151.5**
Civil engineering	**446.3**	**757.5**
BAM Ireland	**-**	**257.8**
Other including eliminations	**-15.3**	**-48.9**
Total	**1,494.0**	**1,586.0**
H1 2023		
Construction and property	961.8	498.5
Ventures	-	198.5
Civil engineering	399.8	647.6
BAM Ireland	-	246.2
Other including eliminations	-13.6	-31.5
Total	1,348.0	1,559.3

Revenue of Belgium, Germany and International of €69 million (2023: €62 million) comprises revenue from Belgium of €69 million (2023: €54 million) and International of €0 (2023: €8 million).

Revenue is further disaggregated by nature as follows:

(in € million)	Division NL	Division UK&I	Germany, Belgium, International	Eliminations	Total
H1 2024					
Construction and maintenance	**1,275.8**	**1,507.9**	**43.2**	**-0.3**	**2,826.6**
Property development	**199.7**	**-**	**15.4**	**-**	**215.1**
Service concession arrangements and other	**18.5**	**78.1**	**10.8**	**-0.1**	**107.3**
Total	**1,494.0**	**1,586.0**	**69.4**	**-0.4**	**3,149.0**
H1 2023					
Construction and maintenance	1,145.8	1,425.2	31.3	-0.2	2,602.1
Property development	186.1	73.8	22.0	-	281.9
Service concession arrangements and other	16.1	60.3	8.3	-	84.7
Total	1,348.0	1,559.3	61.6	-0.2	2,968.7

9. Joint ventures

In H1 2024, the Group's share in the result of investments in joint ventures and associates amounted to €9.5 million (H1 2023: €16 million) and included the Group's share in the result of Invesis as well as the result of other (property development) joint ventures. Included is the Group's share in impairments in these joint ventures and associates of €2.3 million (H1 2023: impairment reversal of €0.9 million)

9.1 Invesis

In H1 2024, the Group's share in the result of Invesis amounted to nil (H1 2023: €3.1 million), including a gain of €0.1 million (H1 2023: gain of €1.0 million) on movements in the fair value of hedge instruments, reflecting the ineffective portion of hedges. The effective portion of hedges is recognised in other comprehensive income and was a gain of €5.3 million in H1 2024 (H1 2023: gain of €1.7 million).

Inherently, these fair value movements reverse towards the maturity of the underlying instruments, resulting in a decrease in the carrying amount of Invesis. The gains are not distributable by the Group and therefore included in the legal reserve as explained in note 7.1 of the Company financial statements for the year ended 31 December 2023.

10. Income tax

In H1 2024, the result before tax amounted to €65.3 million (H1 2023: €72.0 million) and the income tax expense amounted to €10.4 million (H1 2023: €11.9 million) resulting in an effective tax rate of 16.0% (H1 2023: 16.5%).

In H1 2024, the difference between the effective tax rate and the weighted average nominal rate of 25.2% is mainly explained by the recognition of previously unrecognised tax losses in the Netherlands of €21.0 million, partly offset by tax losses outside the Netherlands that cannot or no longer be recognised.

In H1 2023, the difference between the effective tax rate and the weighted average nominal rate of 25.1% was mainly attributable to the recognition of additional deferred tax assets of €4.6 million relating to liquidation losses in BAM International.

11. Cash and cash equivalents

Cash and cash equivalents include the Group's share in cash of joint operations as part of the conditions in project specific funding agreements amounting to €189.8 million (31 December 2023: €237.6 million). From the remaining cash balance, an amount of €16.2 million (31 December 2023: €25.4 million) is not at the free disposal of the Group; it is intended for specific VAT and wage tax payments only.

12. Equity

12.1 Dividend

On 10 April 2024, a cash dividend of €0.20 per ordinary share (2023: €0.15 per ordinary share) with a scrip alternative was approved by the annual general meeting. On 8 May 2024, the Group paid €25.8 million in cash and issued 7.2 million shares to shareholders that opted for stock dividend (2023: €22.0 million in cash and issued 9.2 million shares to shareholders that opted for stock dividend).

12.2 Treasury shares

In the H1 2024, the Group repurchased 7.1 million own shares for a total consideration of €27.5 million (H1 2023: 6.0 million shares for €11.5 million). The repurchases consist of the repurchase programme (5.3 million shares) to offset the dilution effect of stock dividend and the €30 million share buyback programme as well as to the repurchase from employees (1.8 million shares) of a part of the shares that vested under the Performance Share Plan and Special Incentive Plan to settle their wage tax and social security premiums.

13. Other disclosures

13.1 Legal proceedings

In the normal course of business, the Group and its subsidiaries are involved in legal proceedings predominantly concerning litigation as a result of claims with respect to construction contracts.

In accordance with current accounting policies, the Group has recognised these claims, where appropriate, which are reflected in its balance sheet. Some proceedings, if decided adversely or settled, may have a material impact on the Group's financial position, operational result, or cash flows. In H1 2024 no significant legal proceedings took place.

13.2 Investigation

In October 2022, the Dutch Fiscal Information and Investigation Service (FIOD) and the Dutch Public Prosecutions Office (Openbaar Ministerie) have informed BAM International that it is the subject of an investigation into suspicions relating to potential fraud and corruption at some already completed projects. The timing and possible outcome of the investigation are uncertain. Therefore, the potential adverse financial impact of the outcome of the investigation, if any, cannot be reliably estimated at this time but could possibly be material.

BAM is fully cooperating with the investigation and taking appropriate steps in connection with the investigation, including an internal review of the relevant projects. In July 2020, BAM announced its intention to wind down BAM International. Meanwhile all projects of BAM International have been completed.

13.3 Related party transactions

Transactions with related parties are conducted at arm's length, on terms comparable to those for transactions with third parties. In H1 2024 no significant related party transactions outside the ordinary course of business took place (H1 2023: none).

13.4 Covenants

In various finance arrangements, including the revolving credit facility ("RCF"), the Group is bound by terms and conditions, including financial covenants. As per 30 June 2024, the Group complies with all financial covenant requirements as specified in the below overview:

	Requirement	30 June 2024	30 June 2023
Leverage ratio	≤ 2.75	**-2.43**	-4.49
Interest cover ratio	≥ 4.00	**N/A**	N/A
Solvency ratio[1]	≥ 15%	**33.7%**	30.3%
Guarantor asset cover	≥ 70%	**102.1%**	108.9%
Guarantor EBITDA cover	≥ 70%	**108.4%**	105.3%

[1] The capital base in the solvency ratio covenant requirement is corrected for various items, including the hedging reserve and remeasurements of post-employment benefits.

In H1 2024 and H1 2023, the Group reports a net recourse interest income instead of an expense. Therefore, the recourse interest cover ratio is not applicable in both periods.

The Group performed a sensitivity analysis on the covenant requirements for the next year with satisfactory outcome. The sensitivity analysis is to a certain extent judgmental and given the uncertainty inherent to forecasts, actual results may differ.

14. Subsequent events

No material events after the reporting period have occurred.

15. Glossary

Some measures included in this publication and as further defined in this glossary are not IFRS measures. These are generally referred to as non-IFRS measures. The Group uses these as internal measures of performance to compare against budget, prior year and/or latest internal forecasts. The non-IFRS measures are reported in the Group's publications, as it believes they will support stakeholders to understand the Group's financial position and results of operations. Included below are reconciliations of the respective non-IFRS measure to the closest financial measure under IFRS for stakeholders to appropriately understand their nature. Amounts are in millions of euros, unless stated otherwise.

Adjusted EBITDA

Result before tax, impairment charges, interest, depreciation and amortisation and excluding restructuring costs and pension one-off results. Adjusted EBITDA is determined as follows:

	H1 2024	H1 2023
Result before tax	**65.3**	72.0
Finance result	**-4.3**	-6.9
EBIT	**61.0**	65.1
Impairments	**-2.2**	0.6
Share in impairments of joint ventures and associates	**2.3**	-0.9
Depreciation and amortisation	**61.0**	54.4
EBITDA	**122.1**	119.2
Restructuring costs	**4.3**	0.2
Pension one-off	**-**	-
Adjusted EBITDA	**126.4**	119.4

Capital base

Equity attributable to the shareholders of the Company plus subordinated convertible bond. Capital base is determined as follows:

	30 June 2024	31 December 2023
Equity attributable to the shareholders of the Company	**944.3**	920.5
Subordinated convertible bond	**-**	-
Capital base	**944.3**	920.5

Capital employed

Non-current assets plus net working capital plus cash and cash equivalents. Capital employed is determined as follows:

	30 June 2024	31 December 2023
Non-current assets	**1,418.4**	1,356.1
Plus: net working capital	**-501.0**	-767.7
Plus: cash and cash equivalents	**453.3**	757.3
Capital employed	**1,370.7**	1,345.7

Capital ratio

Capital base divided by total assets. Capital ratio is determined as follows:

	30 June 2024	31 December 2023
Capital base	**944.3**	920.5
Total assets	**3,848.6**	3,932.0
Capital ratio	**24.5%**	23.4%

Cash flow from working capital

The sum of decrease/(increase) in inventories, decrease/(increase) in trade and other receivables and increase/(decrease) in trade and other payables as presented in the consolidated statement of cash flows. Cash flow from working capital is determined as follows:

	H1 2024	H1 2023
Decrease/(increase) in inventories	**-1.7**	11.7
Decrease/(increase) in trade and other receivables	**-138.5**	-148.3
Decrease/(increase) in trade and other payables	**-83.8**	-43.3
Cash flow from working capital	**-224.0**	-179.9

Net working capital

Current assets (excluding cash and cash equivalents) minus current liabilities (excluding borrowings and current lease liabilities). Net working capital is determined as follows:

	30 June 2024	31 December 2023
Current assets	**2,430.2**	2,575.9
Minus: cash and cash equivalents	**-453.3**	-757.3
Minus: current liabilities	**-2,559.1**	-2,666.7
Plus: current borrowings	**6.4**	7.1
Plus: current lease liabilities	**74.8**	73.3
Net working capital	**-501.0**	-767.7

Liquidity position

The amount of cash and cash equivalents

Order book

The amount of expected revenue from contracts with customers, for the next five years, which has been secured but has not yet been recognised as revenue as the respective performance obligation has not yet been satisfied.

Return on capital employed (ROCE)

EBIT (on a rolling year basis) divided by the average four-quarter capital employed. Return on capital employed is determined as follows:

	30 June 2024	31 December 2023
EBIT	**166.7**	170.7
Average four-quarter capital employed	**1,333.8**	1,244.4
ROCE	**12.5%**	13.7%

Trade working capital

Net working capital minus land and building rights, property development, non-trade receivables and payables (PPP receivables, other financial assets, other receivables, taxes, derivative financial instruments, provisions, other liabilities and assets and liabilities held for sale). Trade working capital is determined as follows:

	30 June 2024	31 December 2023
Net working capital	**-501.0**	-767.7
Minus: land and building rights	**-244.2**	-236.8
Minus: property development	**-216.8**	-205.7
Minus: non-trade receivables	**-135.3**	-135.8
Minus: non-trade payables	**441.1**	524.2
Trade working capital	**-656.2**	-821.8

Trade working capital efficiency (TWC efficiency)

The average four-quarters' trade working capital divided by revenue (on a rolling year basis). TWC efficiency is determined as follows:

	30 June 2024	31 December 2023
Average four-quarters' trade working capital	**-731.4**	-824.8
Revenue	**6,450.8**	6,270.5
TWC efficiency	**-11.3%**	-13.2%

Independent auditor's review report

To: the shareholders and the supervisory board of Royal BAM Group nv

Our conclusion

We have reviewed the interim condensed consolidated financial information included in the accompanying half-yearly financial report of Royal BAM Group nv based in Bunnik for the period from 1 January 2024 to 30 June 2024.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information of Royal BAM Group nv for the period from 1 January 2024 to 30 June 2024, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The interim condensed consolidated financial information comprises:

- The interim consolidated statement of financial position as at 30 June 2024
- The following interim consolidated statements for the period from 1 January 2024 to 30 June 2024: the income statement, the statement of comprehensive income, the condensed statement of changes in equity and statement of cash flows
- The notes comprising material accounting policy information and selected explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law and in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information in accordance with the International Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the interim condensed consolidated financial information section of our report.

We are independent of Royal BAM Group nv in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the executive board and the supervisory board for the interim condensed consolidated financial information

The executive board is responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, the executive board is responsible for such internal control as it determines is necessary to enable the preparation of the interim condensed consolidated financial information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing Royal BAM Group nv's financial reporting process.

Our responsibilities for the review of the interim condensed consolidated financial information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.
Our review included among others:

- Updating our understanding of Royal BAM Group nv and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the interim condensed consolidated financial information where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim condensed consolidated financial information
- Making inquiries of the executive board and others within Royal BAM Group nv
- Applying analytical procedures with respect to information included in the interim condensed consolidated financial information
- Obtaining assurance evidence that the interim condensed consolidated financial information
- agrees with, or reconciles to, Royal BAM Group nv's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether the executive board has identified all events that may require adjustment to or disclosure in the interim condensed consolidated financial information
- Considering whether the interim condensed consolidated financial information has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Utrecht, 24 July 2024

EY Accountants B.V.

signed by J.H.A. de Jong