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**TRADING UPDATE FIRST NINE MONTHS 2017****BAM adjusted result up by 18% to €75.1 million, outlook full year result confirmed**

- Construction and Property: German turnaround on track and continued improvement Netherlands
- Civil engineering: overall result driven by UK operations and held back by Netherlands and Belgium
- PPP: stable result from portfolio
- Order book increased whilst maintaining focus on quality

(in € million, unless otherwise indicated)	<b>First nine months 2017</b>	First nine months 2016	Full year 2016
<b>Key trading results</b>			
Revenue	<b>4,694</b>	5,074	6,976
Adjusted* result before tax	<b>75.1</b>	63.6	102.7
Result before tax	<b>74.9</b>	60.5	60.1
Order book (period-end)	<b>10,800</b>	10,100	10,200

\* Before restructuring costs, impairments and pension one-off.

**Rob van Wingerden, CEO of Royal BAM Group:**

'We are delivering on our strategy 'Building the present, creating the future', with most businesses performing according to our expectations. The conditions in most of our markets are stable or moving in a positive direction. In the UK, we have seen only limited impact from Brexit on our business. We are continuing to monitor developments closely. In the Netherlands, the new Government has set out plans for additional infrastructure investments, initiatives to boost production of new build homes and upgrade existing homes, and to make the built environment more sustainable. Although still to be substantiated, these opportunities align well with our strategy.

Last month, about a hundred clients, supply chain partners and BAM employees took part in our annual Stakeholder Dialogue 'Creating value through collaboration'. Participants shared insights about digital solutions, innovations and sustainability initiatives. The recently opened ABN AMRO Circl pavilion in Amsterdam is a showcase of circular construction and collaboration between all stakeholders. We are developing this theme further with a digital marketplace for building components which otherwise would be processed as waste or recycled at the end of their first use. Our bold aim is to make 100% reuse a reality.

The result for the first nine months was well ahead of last year and we aim for a strong fourth quarter. For the full year 2017, we expect revenue to be slightly lower and the adjusted result before tax to be higher than the level of 2016. We anticipate a significantly lower restructuring charge compared to 2016.'

**Live audio webcast**

On 9 November 2017, at 10.00 hrs CET, there will be a conference call in English for analysts. This can be followed via live audio webcast ([www.bam.com](http://www.bam.com)).

**Further information**

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## Analysis by sector

(x € million)	First nine months 2017		First nine months 2016	
	Result	Revenue	Result	Revenue
<b>Result and revenue</b>				
Construction and Property	40.5	2,642	-4.1	3,017
Civil engineering	23.6	2,131	51.4	2,082
Public Private Partnerships (PPP)	12.5	112	11.1	163
Eliminations and miscellaneous	-	-191	-	-188
Total sectors	76.6	4,694	58.4	5,074
Group overhead	-0.7		7.0	
Group interest charge	-0.8		-1.8	
Adjusted result before tax	75.1	1.6%	63.6	1.3%

## Sector performance

Construction and Property revenue reduced in most countries (including negative FX €76 million), except for Ireland where BAM is well positioned in a strongly recovering market. The improvement in the result followed the refocusing of the German business in 2016, with positive contributions from all other businesses. The Dutch residential business was supported by positive market trends and the non-residential activities are starting to improve. In the Netherlands, house sales were up by 11% to 1,670. The overall order book rose by €157 million (including negative FX €40 million) supported by strong order intake at Dutch residential and in Ireland. The UK order book reduced.

Civil engineering revenue grew despite a negative FX effect of €55 million. The growth came from all activities except for BAM International. The sector result continued to recover after the slow start to the year. There was a strong contribution from the UK partly offset by small losses in the Netherlands and Belgium. Market conditions in the Netherlands remain competitive for regional and larger multidisciplinary projects. The market in Belgium stayed challenging especially in Wallonia. The overall order book increased by 11%, mainly in the UK and the Flemish part of Belgium.

At PPP, revenue reduced following the order book trend of recent quarters and more projects being undertaken in joint ventures. There was a steady result from the portfolio. The bid pipeline remains healthy, with decisions on active bids expected in 2018 and beyond.

Group overhead a year ago included the release of a provision of €9.7 million related to the divestment of BAM's stake in Van Oord in 2011.

## Financial position and balance sheet at quarter end

- Recourse net cash position was €240 million (Q3 2016: €264 million).
- Trade working capital efficiency improved to -10.5% (Q3 2016: -9.5%).
- The capital ratio was 22.4% (Q3 2016: 20.0%).

*This press release contains inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.*