

## Press release

### Royal BAM Group nv

#### BAM responding to Covid-19 challenges

- Focus on cash: implementing programme to reduce costs and capital expenditure
- Withdrawing dividend proposal (€0.02 per share) from AGM agenda
- Withdrawing previous guidance for 2020

Bunnik, the Netherlands, 31 March 2020 – Royal BAM Group nv provides the following update in respect of Covid-19. Across BAM's markets, the situation is variable and difficult to predict. BAM's priorities are to preserve the health and wellbeing of employees, support the wider community, clients and suppliers, protect liquidity and profitability, and ensure business continuity. BAM is continuously analysing various scenarios and implementing mitigating measures.

Frans den Houter, CFO and chair of the Executive Committee: 'As Executive Committee we are grateful to our colleagues who are doing everything they can to deliver on our four crisis management principles: act responsibly, comply with country and company instructions, serve our clients and focus on cash. Based on our solid backlog, and as long as it's safe and permitted, we do what we can to keep operations going to ensure business continuity, in the interest of our clients and society at large. Nevertheless, it is inevitable that our revenues and results will be materially impacted. We would like to thank all stakeholders for their ongoing commitment, support and adaptability during these fast changing and challenging times, especially on our sites and in our facility management business. This reinforces our confidence in the resilience of our Group.'

#### Revolving credit facility

BAM reported a strong cash position throughout 2019. In addition, the Group has a €400 million revolving credit facility. As a precautionary measure, the Group has drawn on this facility in full to increase flexibility, remain resilient and provide control over its own cash resources.

#### Cost and capital expenditure reductions

Furthermore, BAM is implementing a programme to reduce costs and capital expenditure with immediate effect, with the aim of realising significant cash savings. The focus is on stopping or delaying all non-business critical spend. This includes uncommitted capital expenditure as well as expenditures for various programmes, and external advisory services. Management continues to be focused on further cost reductions. The Executive Committee and Supervisory Board members have agreed to reduce their pay by 20 per cent whilst this pandemic plays out.

BAM defines business critical as all activities which ensure the health and safety of employees, directly support the delivery of projects and delivery on contractual obligations and ensure that the Group is able to meet in full all legal and statutory obligations.

#### Governmental support

In its various home markets, BAM fully supports the initiatives of the construction trade organisations (such as Bouwend Nederland and the Construction Leadership Council) in their pleas for strong and fast governmental support to help overcome this crisis. BAM is pleased to see that governments are proactively putting in place measures that will support our industry, including the Group. Clarity on how these measures can be applied is urgently needed.

## **Operational activities**

Considering the unprecedented and rapidly changing operating environment, BAM has taken measures to ensure operational resilience, supported by its global Corona Crisis Team as well as regional and local subject matter experts. As a result, BAM is well prepared and organised to continue delivering on its commitments to clients although we would expect material supplies and movement of personnel to become more challenging as time progresses.

**In the Netherlands and Germany**, the majority of BAM's sites can still continue operations, although at a lower productivity level as a result of the Covid-19 risk mitigating measures. On some specific sites BAM is seeing constraints on supplies and deliveries.

**In the UK**, this week, after a 48 hours 'pause' BAM Construct UK restarted work at a number of sites across the UK following extensive checks and agreements with project teams, clients and supply chain. This includes existing projects critical to the national Covid-19 effort and the start on new projects to build emergency Covid-19 wards. The closed sites are predominantly in Scotland, London and the Midlands. Most of BAM Nuttall's civil projects are still in progress. Every effort is being made to keep sites open and continue work where practicable, commensurate with government health and safety guidance, and the construction industry's specific Site Operating Procedures. Projects are adapting operations locally to match these requirements, in collaboration with BAM Nuttall's clients and supply chain.

**BAM PPP** and its supply chain are working hard to keep vital public facilities such as police headquarters, hospitals and courts open and available.

**In Belgium**, BAM's operating companies closed down most of their construction sites as of 18 March in order to comply with the guidelines from the Belgian government. In the meantime, these guidelines have been extended until 19 April.

**In Ireland**, since Monday construction work has halted on request of the government. BAM has worked all weekend with its clients, fellow construction companies and trade organisation CIF to determine the impact this closure will have on the construction industry. BAM is also in discussion and reviewing the special cases put forward by the government on sites that should remain open.

## **Dividend**

Given the extraordinary circumstances, BAM has decided as a precautionary measure to withdraw the dividend proposal 2019 from the agenda for the Annual General Meeting of 15 April 2020.

## **Outlook**

At this stage, it is not possible to forecast either the duration of the Covid-19 disruption or its impact on the Group's financial results for 2020. BAM accordingly withdraws its earlier guidance for 2020 and will provide further updates as and when appropriate.

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