

Royal Boskalis
Westminster N.V.
PO Box 43
3350 AA Papendrecht
The Netherlands

Page
1 | 5

PRESS RELEASE

Boskalis full year result boosted by good second half year

Papendrecht, 5 March 2020

HIGHLIGHTS 2019

- Revenue: EUR 2.6 billion
- EBITDA: EUR 376 million
- EBIT: EUR 111 million
- Net profit: EUR 75 million
- Record high order book: EUR 4.7 billion
- Net debt-free: EUR 26 million net cash
- Dividend proposal: EUR 0.50 per share all cash

OUTLOOK

- Well-filled order book for 2020
- Dredging: stable market volume with stable margins
- Offshore Energy: gradual market recovery
- Towing: stable market

Royal Boskalis Westminster N.V. (Boskalis) ended 2019 well after a difficult first half of the year with EBITDA of EUR 376 million, slightly above its own expectations. Net profit came in at EUR 75 million (2018: EUR 436 million loss).

Revenue increased by 2.9% compared to a year earlier to EUR 2.64 billion (2018: EUR 2.57 billion).

EBITDA totaled EUR 376 million and EBIT amounted to EUR 111 million, including extraordinary book profits. The 2018 EBITDA was EUR 354 million and EBIT EUR 119 million, both adjusted for extraordinary charges.

The decline in the result was mainly due to a poor first half of the year for the Offshore Energy division, with operational and contractual issues at a limited number of offshore wind cable and decommissioning projects. Following a thorough analysis of the project portfolio, provisions of more than EUR 100 million were taken in the first half of the year with respect to a limited number of contracts.

FOR FURTHER INFORMATION

Investor relations:
Martijn L.D. Schuttevâer
ir@boskalis.com

Press:
Arno Schikker
press@boskalis.com

T +31 786969310

The result in both 2019 and 2018 was impacted by various extraordinary items. In 2019 these related to a book profit on the sale of two harbor towing joint ventures as well as the sale of equipment. In 2018 these items related to considerable non-cash impairment charges.

Dredging & Inland Infra realized a healthy revenue growth of more than 6% that was fully generated outside of Europe, due in part to large projects in Oman, Singapore and Canada. The utilization of the hopper fleet was slightly less strong compared to 2018 but was still well above the average utilization

rate in the industry, whereas the utilization rate of the cutter fleet was considerably higher than the previous year. EBITDA was virtually stable with a lower operational margin. Various high-profile projects were awarded in the course of 2019 that contributed to a growth in the order book.

At Offshore Energy revenue declined by 2%. Despite a good second half of the year the annual result of the division was considerably lower as a result of the loss provisions taken in the first half of the year relating to offshore wind cable and decommissioning projects. The seabed intervention and survey activities made a sharp contribution to the result this past year. The transport activities continued to depend on the spot market, although in the course of 2019 concrete signs of recovery became visible for 2021 onwards. In the second half of the year Boskalis was awarded an important sizable offshore wind project in Taiwan, leading to the decision to invest in a second crane vessel.

The combined result of Towage & Salvage increased despite the sale of Boskalis' share in the Saam Smit Towage and Kotug Smit Towage joint ventures. Salvage had a busy year with the completion of two ongoing operations and the successful salvage of two tankers in the Strait of Hormuz. Combined with a large number of medium-sized and small contracts, this resulted in a higher result and stable revenue. The contribution of the remaining Towage joint ventures was higher than in 2018 but declined on balance as a result of the sale of Boskalis' share in the Saam Smit Towage and Kotug Smit Towage joint ventures.

Boskalis' financial position remains strong and improved considerably in the second half of the year. At the end of the year Boskalis was net debt-free with a net cash position of EUR 26 million, compared to a net debt of EUR 420 million six months earlier and of EUR 131 million at the end of 2018. The solvency ratio remains high at 54%.

The order book excluding our share in the order book of associates, grew by 10% to a record high of EUR 4.72 billion (year-end 2018: EUR 4.29 billion).

Peter Berdowski, CEO of Boskalis: *"We were able to end 2019 well after a difficult first half of the year. Due to these results and the proceeds from divestments we ended the year net debt-free. This is no small feat in light of the difficult market conditions over the past few years and the investments and acquisitions we made."*

A number of the Offshore Energy activities are showing signs of recovery. We are seeing a higher level of activity at survey, heavy marine transport and seabed intervention. In addition we have been awarded a strategically important offshore wind energy project in Taiwan. Due in part to this project we have decided to invest in a new, innovative crane vessel that will enable us to install extremely large foundations. This investment will further strengthen our position in the wind energy market.

At Dredging we performed well under the circumstances. The fleet utilization was above-average and the order book rose sharply. In November we were awarded a sizable project in the Philippines that will enable us to provide Manila with a considerable area of new land that will also help protect against the impact of climate change. With this project we have laid a solid foundation in our fleet utilization for the next two to three years.

Salvage had a very successful year with a number of high-profile operations. These included preventing a large environmental disaster in the Middle East by bringing two tankers that had been attacked by militias to safety.

Furthermore we made great strides in the strategic repositioning of our company with the successful sale of the two harbor towage joint ventures and the acquisition of the marine survey company Horizon in the Middle East.

In the past period we have been working hard on a new corporate business plan, which we will present later today. This will reveal the purposeful role that Boskalis can play to help tackle a number of large societal challenges in the coming decades. With the quality of our organization, vessels and most importantly our people, we look to the future with confidence.”

Market developments

The development of macro trends relevant to Boskalis is positive in the long term. The structural growth and rising prosperity of the global population that increasingly lives in coastal areas drives demand for infrastructure, raw materials and energy and stimulates global trade. Climate change necessitates massive investments in the energy transition away from fossil fuels towards renewable energy sources. Despite all the measures aimed at emission reduction, emissions will rise further in the medium term and the damaging effects of climate change will continue to grow in the coming decades. Adequately addressing these effects through adaptive measures requires huge investments. Collectively these macro trends are propelling demand for maritime infrastructure and as such are key drivers of sustainable growth for our activities.

The new Corporate Business Plan 2020-2022 takes a detailed look at the development of our business drivers and how these translate into our end-markets. Despite the short-term challenges Boskalis is positive about the chances and opportunities for the medium and long term. We see plenty of scope for further expansion of the business; opportunities at Dredging & Inland Infra, as well as Towage, but especially in the offshore wind segment at Offshore Energy as well as the traditional oil and gas markets. The new Business Plan is discussed in greater detail in the Annual Report 2019 that is published later today, Thursday 5 March.

Outlook

The market outlook for 2020 is more favorable compared to the start of 2019.

At Dredging & Inland Infra we are seeing a stable volume of work in the market in the short term, with the projects in the order book providing a solid basis for revenue and fleet utilization in 2020. However, the market continues to be competitive and the emphasis for Boskalis is on maintaining utilization at a responsible level of project risk.

The picture for the Offshore Energy market is gradually becoming more positive. The contribution of wind energy projects is expected to be positive and seabed intervention is expected to have a reasonable year. Survey is expected to have another good year and will grow due to the consolidation of Horizon. 2020 will be a year of transition for Transport as it emerges from several quiet years to an improving market in 2021 and 2022.

At Towage & Salvage the remaining joint ventures (Smit Lamnalco and Keppel Smit Towage) are expected to have a stable year. The annual result of Salvage will largely depend on the inherently unpredictable supply of work and the completion of projects from the past.

In view of the project-based nature of a significant part of our activities along with the uncertain conditions, it is difficult at this early stage of the year to make a specific quantitative statement about the projected annual result for 2020.

As a result of two coinciding large investments, relating to the mega cutter Krios and the Bokalift 2, capital expenditure is expected to be around EUR 400 million in 2020, excluding the purchase of the

remaining stake in Horizon and any possible acquisitions. The financial position is extremely solid and Boskalis comfortably meets its financial covenants.

Dividend policy and dividend proposal

The main principle underlying the Boskalis dividend policy is to distribute 40% to 50% of net profit from ordinary operations as dividend, while pursuing a stable long-term development of dividend. The choice of dividend form (in cash and/or fully or partly in shares) takes into account the company's desired balance sheet structure as well as the interests and wishes of the shareholders.

Given the robust balance sheet, in setting the amount of the dividend for 2019 it was decided to maintain a stable dividend and in doing so pay out more than the ratio formulated in the policy. Boskalis will therefore propose to the Annual General Meeting of Shareholders on 13 May 2020 that a dividend of EUR 0.50 per share be distributed fully in cash, equal to approximately 88% of the net profit. The dividend will be made payable from 25 May 2020.

>>> click [here](#) for the full version of the 2019 financial review including all the financial details <<<

KEY FIGURES	2019	2018
<i>(in EUR million)</i>		
Revenue	2,645	2,570
EBITDA	375.8	353.6
Net result from JVs and associates	25.6	28.4
Operating result	28.5	119.0
Extraordinary items pre tax	82.3	-519.5
EBIT	110.7	-400.5
Net profit (loss)	74.9	-435.9
Dividend (proposal) per share (in EUR)	0.50	0.50
	End 2019	End 2018
Order book at year-end	4,722	4,292

EBIT(DA) and operating result include our share in the net result of joint ventures and associates. 2018 EBITDA and the Net result from joint ventures and associates are presented excluding impairments and extraordinary charges.

Live webcast

The Board of Management of Royal Boskalis Westminster will comment on the 2019 full year results and present the Corporate Business Plan 2020-2022 at the analyst meeting (13.00 – 16.00 CET) on 5 March 2020. This meeting can be followed by means of a live webcast, details of which can be found on the website (www.boskalis.com).

Publication of Annual Report and Sustainability Report

Royal Boskalis Westminster N.V. will publish both its Annual Report 2019 and its Sustainability Report 2019 today, 5 March. The reports will be made available in the course of the day on www.boskalis.com.

2020	FINANCIAL AGENDA
5 March	Publication of 2019 annual results
13 May	Trading update on first quarter of 2020
13 May	Annual General Meeting of Shareholders
15 May	Ex-dividend date
18 May	Record date for dividend entitlement (after market close)
25 May	Date of dividend payment
20 August	Publication of 2020 half-year results
6 November	Trading update on third quarter of 2020

FOR FURTHER INFORMATION

Investor relations:
Martijn L.D. Schuttevâer
ir@boskalis.com

Press:
Arno Schikker
press@boskalis.com

T +31 786969310

This is a Boskalis press release on the grounds of article 17 paragraph 1 of the European Market Abuse Regulation (596/2014).

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world. With core activities such as coastal defense, riverbank protection and land reclamation Boskalis is able to provide adaptive and mitigating solutions to combat the effects of climate change, such as extreme weather conditions and rising sea levels, as well as delivering solutions for the increasing need for space in coastal and delta regions across the world. The company facilitates the development of offshore energy infrastructure, including renewable wind energy. Boskalis is furthermore active in the construction and maintenance of ports, waterways, access channels and civil infrastructure, thus helping to facilitate trade flows and regional socio-economic development. In addition, Boskalis is a global marine salvage expert and has a number of strategic partnerships in harbor towage and terminal services (Keppel Smit Towage and Smit Lamnalco). With a versatile fleet of more than 700 vessels and floating equipment and 9,600 employees, including associates, Boskalis is creating new horizons around the world.

This press release can also be found on our website www.boskalis.com.