

PRESS RELEASE

Boskalis 2017 net result in line with expectations

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HIGHLIGHTS IN 2017

- Revenue: EUR 2.34 billion
- EBITDA: EUR 437 million
- Net profit: EUR 150 million
- Order book: EUR 3.50 billion
- Proposed dividend: EUR 1.00 per share

OUTLOOK

- Mixed market picture to continue
- Reasonable market volume at Dredging & Inland Infra
- Continued supply/demand imbalance at Offshore Energy services
- New opportunities in Offshore Energy contracting
- Stable market volume at Towage

Royal Boskalis Westminster N.V. (Boskalis) achieved a net profit of EUR 150 million in 2017, in line with expectations. This compares to a net loss of EUR 564 million in 2016 as a result of EUR 840 million of non-cash impairment charges.

Revenue declined by 10 per cent to EUR 2.34 billion (2016: EUR 2.60 billion). Adjusted for consolidation, deconsolidation and currency effects, revenue was down 15 per cent.

EBITDA amounted to EUR 437 million and the operating result (EBIT) was EUR 185 million (2016 EBITDA: EUR 661 million and EBIT: EUR 385 million, both adjusted for impairment charges).

Dredging & Inland Infra had a relatively busy year after an exceptionally weak 2016. Both revenue and the fleet utilization rose, fueled by a number of large projects in progress in Brazil, Indonesia, India and Oman. The results from ongoing dredging projects were lower than in previous years while projects that were technically completed previously once again made a positive contribution to the result.

Revenue and the segment result at Offshore Energy declined further compared to previous years, due in part to the poor market conditions in the oil and gas industry. The various activities nevertheless made a reasonable to good contribution to the result.

The result at Towage & Salvage declined compared to last year, mainly as a result of weak market conditions and one-off charges at Towage. Following a very quiet start to the year, Salvage ended 2017 well with a couple of large emergency response contracts.

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Boskalis' financial position remains strong with a solvency ratio of 63% and a limited net debt of EUR 120 million.

The order book increased to EUR 3.50 billion (end-2016: EUR 2.92 billion).

Peter Berdowski, CEO of Boskalis:

"Despite the difficult market conditions we ended the year quite reasonably, in line with our expectations. Furthermore, in the first year good progress was achieved with the implementation of our 2017-2019 corporate business. This included the acquisition of Gardline, a renowned British player in the marine survey market, in which we aim to build a presence. In addition, we added two modern diving support vessels to our fleet, considerably strengthening our position in the subsea services market. And very recently we took the Bokalift 1 into service, an impressive crane vessel for the offshore installation market, both for oil and gas and for offshore windfarm projects. The vessel's first project involves the installation of jackets for an offshore windfarm.

In the past period we also adjusted our fleet and organization to the changed market conditions. Following the fleet rationalization program, we optimized the organization at head office in 2017. We made a conscious decision to do this within a short timeframe allowing us to now look ahead at the opportunities still present in the market. To capitalize on these opportunities as one team, we will present ourselves in the market with one face and will therefore in 2018 transition to one strong brand name: Boskalis.

As stated in our corporate business plan we do not yet foresee a fundamental recovery in our markets in the coming years. In the short term we do however expect opportunities for selective growth and a subsequent structural recovery for the period thereafter."

Market developments & Strategy update

The long-term macro trends that underpin the Boskalis business model remain positive. Our business drivers are structural economic growth and increasing prosperity of the global population, which in turn fuel growth in global trade and demand for raw materials and energy. Global warming also continues to create business opportunities for Boskalis due to the growing need for coastal defense and riverbank protection as extreme weather conditions lead to increased flooding. While the long-term trends are positive, in the short term these are not translating into promising projects across the board. Demand in some of the regions and markets where Boskalis is active is expected to develop less favorably in the coming years and the outlook is uncertain. Boskalis will continue to focus on market segments that show long-term structural growth and provide short-term opportunities: ports, energy (oil, gas, wind and the dismantling of old offshore platforms) and climate change-related projects (coastal defense and riverbank protection).

The Corporate Business Plan for 2017-2019 and the strategy section in the 2017 Annual Report take a detailed look at the development of our business drivers and how these translate into our end markets. We see plenty of scope to further expand the business and acted upon this in the past year. In 2017 Boskalis strengthened its position in Subsea Services with the acquisition of marine survey specialist Gardline and the addition of two modern high-end SAT diving support vessels. Our position in the offshore installation market was recently strengthened with the commissioning of the Bokalift 1, a 3,000-ton crane vessel. This multifunctional crane vessel that transports and installs foundations for offshore windfarms and oil and gas platforms will also be used to dismantle old platforms and salvage ship wrecks. In 2017, the Dredging fleet was further strengthened with the new mega cutter suction dredger Helios, with a sister vessel expected to be taken into service in 2020. Despite facing short-term challenges Boskalis is positive about the opportunities in the medium term and long term.

Outlook

As stated in our corporate business plan the market picture for the next two years will be characterized by continued lower volumes of work and pressure on both utilization levels and margins. At Dredging & Inland Infra we see a reasonable volume of work in the market in the short term. The emphasis for Boskalis is on maintaining utilization at a responsible level of project risk. The current size of the order book means that a good part of the fleet will be utilized in 2018, albeit at lower margins than in previous years. The picture for the Offshore Energy market has not changed. Past contracts at Heavy Marine Transport are being completed and we are increasingly dependent on the highly competitive spot market. Where necessary transport vessels at the lower end of the market will be laid up. At Offshore Installation & Intervention the order book is filled better and we expect a reasonable year. Market volumes in the Towing activities are relatively stable, although competition in some ports has increased, resulting in lower margins.

The project-based nature of a significant part of our activities, in addition to the uncertain market conditions, makes it difficult to provide a specific quantitative forecast with regard to the 2018 full-year result early on in the year. However, knowing what we know now it appears that it will be a challenge to match the 2017 net result.

Capital expenditure in 2018 is expected to be around EUR 250 million, excluding acquisitions, and will be financed from the company's own cash flow. Boskalis has a very sound financial position and 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 the 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.

In view of the importance that our shareholders attach to a stable dividend and our healthy cash flow and robust balance sheet, Boskalis will propose to the Annual General Meeting of Shareholders to be held on 9 May 2018 that an unchanged dividend of EUR 1.00 per share be distributed, equal to 87% of net profit. The dividend will be distributed in the form of ordinary shares, unless the shareholder opts to receive a cash dividend. The dividend will be made payable from 5 June 2018.

KEY FIGURES	2017	2016
<i>(in EUR million)</i>		
Revenue	2,337	2,596
EBITDA	436.6	660.5
Net result from strategic joint ventures and associates	31.0	11.3
Operating result	185.0	384.6
Impairment charges	-	842.6
EBIT	185.0	-458.1
Net profit adjusted for impairments	150.5	276.4
Net profit (loss)	150.5	-563.7
Dividend (proposal) per share (in EUR)	1.00	1.00
	31-12-2017	31-12-2016
Order book	3,495	2,924

Our share in the net result of strategic joint ventures and associated companies is included in EBIT(DA). 2016 EBITDA, operating result and net result from associates are presented excluding impairment charges.

>>> click [here](#) for the full version of the 2017 financial review including all the financial details <<<

Live webcast

The Board of Management of Royal Boskalis Westminster N.V. will comment on the 2017 full-year results at the analysts' meeting (11.30 am - 12.30 pm CET) on 8 March 2018. This meeting can be followed by means of a live audio cast, details of which can be found on the corporate website (www.boskalis.com).

Publication of annual report

Royal Boskalis Westminster N.V. will publish both its Annual Report 2017 and its Corporate Social Responsibility (CSR) Report 2017 today, 8 March. The reports, which are only published in English, will be made available in the course of the day on www.boskalis.com.

2018	FINANCIAL CALENDAR
8 March	Publication of 2017 annual results
9 May	Trading update on first quarter of 2018
9 May	Annual General Meeting of Shareholders
11 May	Ex-dividend date
14 May	Record date for dividend entitlement (after market close)
28 May	Final date for stating of dividend preference
31 May	Determination and publication of conversion rate for dividend based on the average share price on 29, 30 and 31 May 2018 (after market close)
5 June	Date of dividend payment and delivery of shares
16 August	Publication of 2018 half-year results
9 November	Trading update on third quarter of 2018

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

This is an English translation of the Dutch press release. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail.

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 services including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. In addition, Boskalis offers a wide variety of marine services and contracting for the oil and gas sector and offshore wind industry as well as salvage solutions (SMIT Salvage). Furthermore, Boskalis has a number of strategic partnerships in harbor towage and terminal services (Kotug Smit Towage, Keppel Smit Towage, Saam Smit Towage and Smit Lamnalco). With a versatile fleet of more than 900 vessels and floating equipment and 10,700 employees, including associated companies, Boskalis operates in 90 countries across six continents.

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