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## PRESS RELEASE

### Trading update: Boskalis maintains 2020 EBITDA guidance

Papendrecht, 6 November 2020

#### THIRD-QUARTER HIGHLIGHTS

- Revenue level stable compared to the first half of the year
- Dredging: strong utilization of trailing suction hopper dredgers
- Offshore Energy: good contribution from both contracting and services
- Salvage: continued high activity level
- Order book: EUR 4.4 billion
- Strong net cash position further improved

#### OUTLOOK FOR 2020

- Dredging: stable market picture with COVID-19 related disruptions
- Offshore Energy: good year for Seabed Intervention and growth in Survey due to addition of Horizon
- Salvage: very good year
- Maintain 2020 EBITDA guidance: match 2019 EBITDA level

Royal Boskalis Westminster N.V. (Boskalis) concluded a good third quarter. Quarterly revenue was virtually stable compared to the quarterly average of the first half year, also adjusted for currency effects, acquisitions and divestments.

The effects of the COVID-19 pandemic continue to be felt. While it was already challenging to keep projects operational outside Europe, it has also become increasingly complicated to do this within Europe. Nonetheless, in the past quarter Boskalis succeeded reasonably well in the execution of projects and keep the vessels occupied. This outstanding achievement would not have been possible without the commitment and flexibility of all employees, whilst health and safety remained a top priority.

At the end of September the order book stood at EUR 4.4 billion, slightly lower than at the end of June. Contracts worth over EUR 0.3 billion were acquired in the third quarter. The well-filled order book offers a solid position for the remainder of this year as well as a healthy basis for 2021. Clients in many cases are still moving ahead with tendering procedures for new projects, however due to COVID-19 these processes take longer than usual.

#### FOR FURTHER INFORMATION

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Boskalis maintains its earnings outlook for 2020. Barring unforeseen circumstances the 2020 EBITDA, adjusted for the extraordinary charges taken in the first half of 2020, is expected to match the level achieved in 2019.

The already very solid financial position of Boskalis was further strengthened in the course of the third quarter with an increase in the net cash position to more than EUR 250 million.

### **Operational developments**

The third quarter at **Dredging & Inland Infra** went largely as expected. Compared to the first half year, the utilization of the hopper fleet increased. However after a busy first half year, part of the cutter fleet was idle in the third quarter. Quarterly revenue was at a lower level compared to the quarterly average of the first half year, mainly due to COVID-19 related operational disruptions.

A variety of projects was acquired in the third quarter. In addition to numerous variation orders, this mainly concerned projects in Europe. In Germany, among others, Boskalis will strengthen the existing coastal defenses on the island of Wangerooge, maintain the shipping fairway of the Weser between Nordenham and Bremerhaven over a distance of 90 kilometers and maintain the port of Emden at the required depth. On balance, the Dredging & Inland Infra order book decreased to EUR 3 billion compared to mid-2020.

On 3 November, a German federal court (*Bundesverwaltungsgericht*) ruled in favor of the construction of the Fehmarnbelt tunnel. This firm go-ahead will allow Boskalis to continue with the construction of the tunnel between Denmark and Germany after the current early works have been completed.

At **Offshore Energy** the third quarter proceeded well and the revenue increased compared to the preceding two quarters.

Within the contracting cluster there was a particularly strong contribution from Seabed Intervention. For Heavy Lifting and the offshore wind activities several projects were delayed due in part to COVID-19, resulting in the deferral of revenue and vessel utilization to later this year and 2021.

Within the services cluster a combination of the low oil price and COVID-19 related delays and disruptions adversely affected Marine Transport & Services. At Subsea Services and Marine Survey the third quarter revenue increased compared to the first half year. Marine Survey has been particularly busy in recent months with campaigns along the US east coast for the development of offshore wind farms.

The utilization of the heavy transport vessels and crane vessels was at a lower level compared to the first half of the year, whilst the utilization of the diving support vessels, survey, cable-laying and fallpipe vessels was stable or higher.

A large number of smaller contacts were acquired during the quarter. In addition to variation orders this involved the contract for the transport and installation of five large floating wind turbines for the Kincardine wind farm off the coast of Aberdeen in Scotland and the installation of bridge sections for the world's longest suspension bridge, the Çanakkale 1915 bridge in Turkey. On balance, the Offshore Energy order book decreased to EUR 1.3 billion compared to mid-2020.

In the **Towage & Salvage** segment, after an exceptionally busy first half year, Salvage also completed a good third quarter. Revenue was comparable to the first half year quarterly average. The execution of two salvage assignments in the Indian Ocean and the salvage of a vessel in the Arctic near Spitsbergen contributed to the quarterly revenue.

At Towage the contribution by the towage joint ventures (Smit Lamnalco and Keppel Smit Towage) was slightly above the quarterly contribution of the first half year.

**Financial position**

Boskalis further sharpened its strong focus on cash management since the COVID-19 outbreak. In order to safeguard its financially strong position, various initiatives have been taken aimed at limiting non-project related expenditures, optimizing working capital and phasing investments. After the publication of the half-year figures, the share buy-back program was resumed and 70% of the program has now been completed.

Mid-October, Boskalis secured financing for the new mega cutter suction dredger Krios by means of an Export Credit Agency covered loan. With this facility of EUR 121 million, of which EUR 106 million has already been drawn, Boskalis has refinanced a substantial part of the new-build costs of the Krios. The tenor of the facility is twelve years, includes linear redemption and carries an all-in financing cost of approximately one percent.

The financial position was further strengthened during the quarter with an increase in the net cash position to over EUR 250 million, excluding IFRS16 related lease liabilities. With the available cash and cash equivalents and bank facilities Boskalis now has a direct financing capacity in excess of EUR 1 billion.

**Outlook for 2020**

The COVID-19 pandemic and its effects are expected to continue to be felt – both in society and economically – in the coming months. Although it is impossible to predict the extent and duration of the impact, Boskalis has a strong basis with its well-filled order book and extremely sound balance sheet.

Based on the fleet planning and projects in the order book and barring unforeseen circumstances, the Board of Management expects that the 2020 EBITDA, adjusted for the extraordinary charges taken in the first half of 2020, will match the level achieved in 2019 of EUR 376 million.

Capital expenditure in 2020 is expected to amount to approximately EUR 220 million, including dry dockings. This projection does not include any acquisitions, such as the purchase of the remaining interest in Horizon earlier this year.

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**FINANCIAL CALENDAR**

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4 March 2021	Publication of 2020 annual results
12 May 2021	Trading update on first quarter of 2021
12 May 2021	Annual General Meeting of Shareholders
19 August 2021	Publication of 2021 half-year results
12 November 2021	Trading update on third quarter of 2021

**Consensus earnings estimates**

Boskalis collects earnings estimates from those sell-side analysts that follow Boskalis prior to the publication of the (semi-)annual figures and planned trading updates. The average of these estimates (consensus estimates) can be consulted on the Boskalis website [boskalis.com/IR/estimates](https://boskalis.com/IR/estimates).

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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 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](http://www.boskalis.com).