

## PRESS RELEASE

### Boskalis Trading Update

Papendrecht, 8 May 2019

The market picture and developments at Royal Boskalis Westminster N.V. (Boskalis) for the first three months of the year are in line with the expectations outlined at the publication of the 2018 annual results.

- Higher revenue compared to the first quarter of 2018 with a comparable result
- Reasonable fleet utilization both at Dredging and Offshore Energy
- Stable order book

#### DEVELOPMENTS

During the presentation of the 2018 annual results Boskalis expressed the expectation that the market picture in 2019 would not be fundamentally different than last year. The first quarter has progressed in line with this expectation.

Revenue was higher compared to the same period last year. Given the market conditions, utilization of the Dredging fleet was good while utilization at Offshore Energy showed a mixed picture. The size of the order book was stable at the end of the quarter compared to the end of 2018 and since then various new projects were contracted both at Dredging & Inland Infra and Offshore Energy.

#### **Dredging & Inland Infra**

Revenue at the Dredging & Inland Infra division rose compared to the first quarter of last year. Notable projects in progress include Duqm (Oman), JNPT (India), Nordvikkudden (Sweden), Pulau Tekong Polder and Tuas Terminal 2 (both in Singapore) and various medium-sized projects in the Netherlands.

Given the market conditions, utilization of the hopper fleet was good. Partly as a result of planned repairs of a mega hopper the utilization rate was lower than the annual utilization rate for 2018. Utilization of the cutter fleet was strong in the first quarter, due in part to the deployment of the mega cutter Helios on the Duqm project.

The order book of Dredging & Inland Infra was virtually stable compared to the end of 2018. Notable new contracted projects include the expansion of the Port of Adelaide (Australia) and various smaller projects in Europe. After the close of the quarter two projects were contracted in Indonesia as well as a large infrastructural project in the Netherlands (Rijnlandroute sub-project).

#### FOR FURTHER INFORMATION

Investor relations:  
Martijn L.D. Schuttevâer  
[ir@boskalis.com](mailto:ir@boskalis.com)

Press:  
Arno Schikker  
[press@boskalis.com](mailto:press@boskalis.com)

T +31 78 6969310

#### **Offshore Energy**

In line with expectations, the first quarter at Offshore Energy was difficult due to seasonal effects, on the one hand, and persistently challenging market conditions, on the other. Revenue was slightly higher compared to the first quarter of 2018 while the divisional operating result remained at a comparable negative level. In addition to seasonal effects, the result was adversely impacted by a strong dependence on a competitive spot market for the services activities and project-specific issues at Offshore Wind.

The contracting part of the division comprises Marine Installation & Intervention (I&I) and the Offshore Wind activities. The main project in progress at I&I was Nord Stream 2 while at Offshore Wind a great deal of work was executed at East Anglia, Borssele Alpha, Hohe See and Horns Rev 3. Revenue in contracting rose compared to the same period last year.

The services section of the division comprises Marine Transport & Services, Subsea Services and Marine Survey. At Marine Transport the volume on the spot market was good, even though the rates were sharp. At Subsea Services and Marine Survey (Gardline) the winter period on the North Sea was seasonably quiet and the level of revenue was comparable to the early part of last year. In the first quarter Boskalis acquired a stake in Middle East based Horizon Geosciences. The associated survey activities will start to contribute to the group result as of the second quarter of the year.

Average utilization of the various types of offshore vessels was comparable to the level seen at the start of 2018. The total Offshore Energy order book rose slightly compared to the end of 2018.

### **Towage & Salvage**

Salvage had a good start to the year with a successful emergency response project relating to a fire aboard the Yantian Express, a large container ship on the Atlantic Ocean. As a result of these activities and ongoing cleanup activities surrounding the Maersk Honam as well as several smaller emergency response projects, revenue at Salvage rose compared to the first quarter of 2018.

The intended sale of the stakes in the Saam Smit Towage and Kotug Smit Towage joint ventures was announced early in 2019. Since then these joint ventures have been recognized as assets held for sale, and as such no longer contribute to the result of the division. The result of the other Towage joint ventures was stable.

The intended sale of our stake in Saam Smit Towage to SAAM is proceeding according to plan. The transaction is expected to close in the third quarter. The proposed sale of Kotug Smit Towage is progressing steadily and is expected to close in the second half of this year.

### **Share buyback program**

Boskalis announced a share buyback program early February with the intention to repurchase the equivalent of EUR 100 million of its own shares. The program was launched in mid-March and in the period up to 7 May 165,676 shares were purchased representing a total value of EUR 4.0 million.

### **OUTLOOK**

The market picture for 2019 is not expected to be fundamentally different than that of 2018.

The project-based nature of a significant part of our activities, along with the uncertain market conditions, makes it difficult to give a specific quantitative forecast with regard to the 2019 full-year result early on in the year. However, while the EBITDA level is expected to remain stable, it will be a challenge to exceed the 2018 net operating profit.

Capital expenditure in 2019 is expected to exceed EUR 250 million, including the recently acquired assets of Bohlen & Doyen offshore but excluding acquisitions, and will be financed from the company's own cash flow.

Taking into account seasonal patterns, capital expenditures including the acquisition of Bohlen & Doyen offshore, the acquisition of the equity stake in Horizon, the share buyback program and the impact of an all-cash dividend, the net debt position is expected to increase in the first half of the year before decreasing substantially in the second half of the year, due in part to the completion of the sale of the harbour towage joint ventures. Boskalis continues to have a strong financial position and comfortably meets its financial covenants.

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2019	FINANCIAL CALENDAR
8 May	Annual General Meeting of Shareholders
10 May	Ex-dividend date
13 May	Record date for dividend entitlement (after market closes)
20 May	Dividend payment date
22 August	Publication of 2019 half-year results
8 November	Trading update on third quarter of 2019

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**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).*

*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 (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 11,300 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).