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Page
1 | 5

PRESS RELEASE

Boskalis reports strong operational first half year

Papendrecht, 20 August 2020

KEY FIGURES FIRST HALF YEAR 2020

- Revenue: EUR 1.3 billion
- EBITDA: EUR 204 million
- Operating result: EUR 72 million
- Net operating profit: EUR 48 million
- Extraordinary charges: EUR 148 million
- Order book: EUR 4.7 billion
- Positive net cash position of EUR 190 million

OUTLOOK 2020

- Dredging: stable at current level
- Offshore Energy contracting: good year for Seabed Intervention and Subsea Cables
- Offshore Energy services: growth in Survey due to addition of Horizon
- Salvage: good year following strong first half year
- 2020 EBITDA outlook: expected to match 2019 EBITDA level
- Resumption of share buyback program

Royal Boskalis Westminster N.V. (Boskalis) had a very good operational first half year considering the circumstances. The operating result increased sharply compared to last year with revenue at virtually the same level. Furthermore, Boskalis' financial position remains strong and the net cash position has improved significantly since the end of 2019.

Nevertheless, the outbreak of COVID-19 has of course also impacted Boskalis. Operationally it was very challenging, particularly keeping Dredging projects outside of Europe going due to prolonged travel restrictions and strict quarantine measures. At the Offshore Energy division the services activities were particularly affected by the unexpected significant drop in the oil price, resulting in a lack of demand in parts of the offshore market.

At the end of the first half year Boskalis undertook, in light of the COVID-19 pandemic and the sharp drop in the oil price, a critical review of the valuation of its vessels and balance sheet assets across the board. This has resulted in a virtually exclusively non-cash extraordinary charge of EUR 147.8 million. This charge mainly consists of an impairment on goodwill and vessels in two joint ventures as well as of a limited number of our old own vessels earmarked for scrapping.

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Revenue amounted to EUR 1.26 billion in the first half of the year, virtually the same as last year (H1 2019: EUR 1.27 billion).

EBITDA totaled EUR 204.1 million in the first half of the year (H1 2019: EUR 135.7 million) and the operating result was EUR 72.4 million (H1 2019: EUR 33.1 million negative), both adjusted for extraordinary charges.

A net operating profit of EUR 47.5 million was realized in the first half of the year (H1 2019: loss of EUR 40.9 million). Including extraordinary charges there was a net loss of EUR 96.4 million.

Extraordinary items impacted both the 2019 and 2020 first-half results. In 2019 this concerned gains of EUR 42.2 million relating to the sale of Kotug Smit Towage and the sale of a vessel. In 2020 it relates to charges of EUR 147.8 million before tax due to an impairment on goodwill and vessels of two joint ventures as well as of a small number of our own vessels. These exceptional charges are largely recognized at Group level.

Within the Dredging & Inland Infra segment revenue declined mainly due to startup delays of projects. The largest revenue contribution came from the Singapore region, the Indian subcontinent and the Middle East. Boskalis Nederland had a strong first half of the year with Dutch Inland Infra projects contributing well to the result. On balance, the divisional result dropped compared to the same period last year, due in part to COVID-19-related operational disruptions and a lower fleet utilization.

At Offshore Energy revenue of the contracting activities was stable with a busy first half of the year at Seabed Intervention. Revenue of the services activities declined slightly, impacted by the sharp drop in the oil price. The survey activities of Horizon have been fully consolidated since the start of 2020, resulting on balance in a rise in revenue from services. The sharp improvement in the operating result of the division was partly due to the consolidation of Horizon but particularly due to good results on projects at Seabed Intervention and Subsea Cables.

Salvage had a very good first half of the year with significantly higher revenue and good results on several projects. The contribution of the Towage joint ventures was virtually stable, taking into account the sale of our interest in Kotug Smit Towage in 2019.

The customary holding and non-allocated group costs were reduced thanks to a wide range of cost-saving measures in response to the outbreak of COVID-19.

Boskalis' financial position remains strong. At 30 June 2020 Boskalis was net debt-free with a net cash position of EUR 190 million, compared to a net cash position of EUR 26 million at the end of 2019. Furthermore, the solvency ratio remains high at 51%.

The order book excluding our share in the order book of associates remained stable at a high level of EUR 4.7 billion (end 2019: EUR 4.7 billion). No significant projects in the order book have been canceled since the outbreak of COVID-19.

Peter Berdowski, CEO Boskalis: *"The first half of 2020 was a rollercoaster in which we pulled out all the stops to steer the company through the COVID-19 crisis. Despite the unprecedented challenging circumstances we achieved an excellent operating result in the first half of the year. This remarkable achievement would not have been possible without the tremendous commitment and flexibility of our people working on the vessels, the projects and from home. They deserve a big thank you.*

It goes without saying that the health and safety of our colleagues has been our number one priority since the outbreak of COVID-19. Colleagues are still working from home where possible. In order to keep the projects and vessels in operation we had to come up with a lot of tailor-made solutions. Relieving crews and project staff remains the biggest challenge outside of Europe due to the many travel restrictions and quarantine requirements.

To safeguard the continuity of the company we implemented numerous measures at an early stage. Our overhead costs have been sharply reduced by bringing down our non-project-related expenses. And we have managed to considerably reduce the outflow of funds in 2020 by halving our capital expenditure program, suspending our share buyback program and canceling the dividend payout. These measures have contributed to the good half-year result and the company's strong financial position.

Thanks to the well-filled order book a large part of our revenue for 2020 is already secured. We look ahead at the rest of 2020 with confidence and expect to match the EBITDA level achieved in 2019.

It is difficult to predict the pace at which the global economy will recover from the COVID-19 pandemic, and it is equally difficult to estimate at this time how the markets relevant to Boskalis will develop. As soon as this becomes clearer we will reassess the market picture presented earlier this year in the Corporate Business Plan 2020-2022. One thing that has not changed is the unique role that Boskalis can play with its activities and expertise to make an important contribution to society in the development and protection of welfare and in advancing the energy transition. With the quality of our organization, our vessels and above all our people we look to the future with confidence.

In light of this confidence and the company's robust financial position we have decided to resume the share buyback program."

Outlook

The COVID-19 pandemic and its effects are expected to continue to be felt – both in society and economically – in the coming quarters. 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.

At Dredging & Inland Infra we expect the picture to be stable for the rest of 2020, both in terms of revenue and result. The currently-known operational bottlenecks related to COVID-19 as well as the persistently competitive market have been taken into account in this projection. In the short term most of the volume of work is in Asia and Europe, with the timing of the startup and award of new projects being the biggest uncertainty. The projects in the order book ensure that a significant part of the revenue for 2020 has been secured with an expected virtually stable utilization level of the hopper fleet and lower utilization of the cutter fleet.

The picture for Offshore Energy is not expected to change materially in the second half of the year. The services activities at Transport and Subsea Services will partly depend on the spot market. At Survey, demand from the offshore wind sector remains strong and the oil and gas market is impacted by oil price developments. A good second half of the year is expected for the contracting activities Seabed Intervention and Subsea Cables based on the projects in the order book.

At Towage & Salvage an exceptional first half of the year is expected to be followed up by a good second half of the year. The market volumes at Towage are stable and, as is customary, Salvage depends on new emergency response assignments and possible settlement results from old projects.

Based on the fleet planning and projects in the order book and barring unforeseen circumstances in particular COVID-19 related, 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.

Since the outbreak of COVID-19 Boskalis has further increased its strong focus on cash management. Various initiatives have been taken aimed at limiting non-project-related expenses, optimizing working capital and safeguarding the company's strong financial position. It was announced in early April that the capital investment program for 2020 was halved. In addition, no dividend was paid out for the 2019

financial year and the share buy-back program was suspended. The combined effect of these measures is a positive cash flow impact of approximately EUR 300 million in 2020. With its available cash and bank facilities Boskalis has a direct financing capacity of around EUR 0.9 billion.

Capital expenditure in 2020 is expected to be slightly higher than EUR 200 million, including dry dockings. This projection does not include any acquisitions, such as the purchase of the remaining interest in Horizon at the end of January.

Resumption share buy-back program

On 15 March 2019 Boskalis announced the start of a EUR 100 million share buy-back program. Due to global developments and increased uncertainty following the outbreak of COVID-19 Boskalis suspended the buy-back program on 2 April, at which time 61.60 percent of the program had been completed. In view of the company's outlook and robust financial position the share buy-back program will resume on 21 August.

>>> [click here](#) for the full version of the 2020 half year report
including all the financial details <<<

KEY FIGURES	1 ST HY 2020	1 ST HY 2019	2019
<i>(in EUR million)</i>			
Revenue	1,261	1,266	2,645
EBITDA	204.1*	135.7	375.8
Net result from JVs and associates	8.2*	8.6	25.6
Operating result (EBIT adjusted for extraordinary items)	72.4	-33.1	28.5
Extraordinary items	-147.8	42.2	82.3
EBIT	-75.4	9.1	110.7
Net operating profit (net profit adjusted for extraordinary items)	47.5	-40.9	-7.4
Net profit (loss)	-96.4	1.3	74.9
Earnings per share (in euro)	0.39*	0.01	0.56
	30 June 2020	30 June 2019	End 2019
Net financial position: cash (debt)	190.1	-419.8	25.7
Solvency	50.9%	50.9%	54.3%
Order book	4,661	4,363	4,722

Our share in the net result of joint ventures and associates is included in EBIT(DA).

** Adjusted for extraordinary charges.*

Live webcast

The Board of Management of Royal Boskalis Westminster will comment on the 2020 half-year results at the analyst meeting (11.30 am - 12.45 pm CET) on 20 August 2020. This meeting can be followed by means of a live webcast, details of which can be found on the homepage (www.boskalis.com/HY2020).

2020-2021	FINANCIAL CALENDAR
20 August 2020	Publication of 2020 half-year results
6 November 2020	Trading update on third quarter of 2020
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 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.

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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.