

PRESS RELEASE

Boskalis half-year results 2023: Strong increase in revenue and earnings with positive outlook

Papendrecht, 17 August 2023

KEY FIGURES FIRST HALF YEAR 2023

- Revenue: EUR 1.97 billion
(H1 2022: EUR 1.61 billion)
- EBITDA: EUR 370 million
(H1 2022: EUR 292 million including EUR 50 million exceptional gain)
- Net profit: EUR 181 million
(H1 2022: EUR 116 million including EUR 37 million exceptional items)
- Order book: EUR 6.0 billion
(End of 2022: EUR 6.1 billion)

Royal Boskalis B.V. (Boskalis) completed a good first half year. The utilization of the fleet was high and all divisions posted a higher revenue combined with a sharp result increase.

Compared to the same period last year, revenue increased by 22% to EUR 1.97 billion (H1 2022: EUR 1.61 billion).

EBITDA increased by 27% to EUR 370 million (H1 2022: EUR 292 million). Adjusted for a EUR 50 million book gain in H1 2022, EBITDA increased 53%.

Net profit increased by 56% to EUR 181 million (H1 2022: EUR 116 million, including EUR 37 million in exceptional gains and losses).

Peter Berdowski, CEO Boskalis:

"We look back on a very strong first half year with good performance across the company, both operationally and financially. Revenue was up 22% and net profit increased by 56%.

In the Dredging division, our large vessels were busy in the Middle and Far East, resulting in high fleet utilization. In the Philippines, good progress was made with the construction of the platform for the new Manila International Airport. Closer to home, work on the Fehmarnbelt tunnel between Germany and Denmark is progressing and we started a large-scale beach replenishment program along the west coast of the island of Ameland.

FOR FURTHER INFORMATION

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Very recently we were all over the headlines in the news with a number of complex salvage operations. Off the northern coast of Ameland the large car carrier Fremantle Highway caught ablaze leading to a potential significant environmental and shipping disaster. Following a tense week, we succeeded in towing the ship into a safe harbor together with our partner. In recent months we were busy in the Red Sea in an attempt to avert an environmental disaster of even greater proportions. The FSO Safer has been anchored off the coast of Yemen for 40 years and this decaying storage tanker holding over 1.1 million barrels of oil had become a ticking time bomb. Last week, we succeeded in transferring all the oil from the Safer into a modern tanker. A huge compliment to our salvage teams who were able to complete these jobs under challenging conditions.

Our Offshore Energy division was also active on numerous projects and contracts in all corners of the world. All our business units were busy and the vessels were well utilized. Earlier this year we completed the conversion of the Bokalift 2, our newest offshore crane vessel, in Schiedam, the Netherlands. Following the conversion she departed late May for her first wind project, Southfork in the United States. Since then, all the foundations for this project off the coast of New York have been successfully installed. Furthermore in Taiwan, we recently completed a large multi-year offshore wind project. Looking at the past six months, we can conclude that the strategic course we set several years ago to serve both the traditional offshore market and the offshore wind market is clearly bearing fruit.

Over the past six months we succeeded in preserving the high level of our order book. With a portfolio of EUR 6 billion, we look to the future with great confidence and expect to amply exceed the 2022 result.”

DEVELOPMENTS DIVISIONS

In the Dredging & Inland Infra division, revenue increased fractionally on a 26% higher EBITDA compared to the same period last year. Both the trailing suction hopper dredgers and cutter suction dredgers were exceptionally well utilized on large projects in Asia and the Middle East. Noteworthy projects in progress include the activities in Manila (Philippines), Tuas Terminal 2 and the Pulau Tekong Polder (both in Singapore), various projects in the Middle East, the Fehmarnbelt tunnel (between Denmark and Germany), the access channel to the Port of Harwich (United Kingdom), the strengthening of part of the Togo and Benin coastline, the deepening of the Suriname River (Suriname) and a large number of projects in the Netherlands.

At Offshore Energy, revenue increased by 50% with an EBITDA increase of almost 70%. All business units saw increases in both revenue and earnings. A busy first half of the year was also reflected in a high utilization of the large vessels. At Marine Transport & Services, this included the BOKA Vanguard that was part of an impressive decommissioning project in which it transported a 50 year old, 330 meter long FPSO to a green scrapyard. At Heavy Lifting, the installation of the foundations of the Changfang & Xidao offshore wind project in Taiwan was completed by the crane vessel Bokalift 1 and in the United States our new crane vessel Bokalift 2 successfully installed all the planned monopiles. Fleet utilization at Marine Survey was high in both the North Sea and the Middle East and at Subsea Services the good first half year consisted of a combination of traditional IRM work and decommissioning activities. Finally, at Seabed Intervention the fleet was expanded with the commissioning of the Seapiper and in Taiwan offshore wind activities were ongoing.

At Salvage, the first half of the year was largely dominated by two prominent projects. In Southeast Asia, work commenced on a two-year project to recover a large jack-up platform from the seabed. The second project commenced late April with the mobilization of equipment to transfer 1.1 million barrels of oil from a decaying old tanker (FSO Safer) off the coast of Yemen into a modern replacement tanker.

The significance of the Towage portfolio as part of the Boskalis result has become very limited. Early 2023, an agreement was reached on the proposed sale of the terminal services activities of Smit Lamnalco. This transaction is expected to be completed in the fourth quarter.

SAFETY

Safety has the highest priority within Boskalis. Through the NINA (No Injuries, No Accidents) safety program, everything is focused on ensuring that employees and subcontractor personnel return home safely every day. With hundreds of projects in progress worldwide, it is encouraging to see that the low Lost Time Injury Frequency (LTIF) was stable at 0.01 per 200,000 hours worked.

FINANCIAL POSITION

The financial position of Boskalis is very strong and the solvency ratio was stable and high at 49%. At the end of July, Boskalis repaid its US Private Placement loan of USD 297 million and Boskalis comfortably meets its financial covenants.

The order book as per 30 June was virtually stable at EUR 6.0 billion (year-end 2022: EUR 6.1 billion). Of the total Offshore Energy portfolio, more than three-quarters is now related to offshore wind activities. With the projects in hand, there is a solid basis for the rest of this year and 2024.

KEY FIGURES	1 ST HY 2023	1 ST HY 2022	2022
<i>(in EUR million)</i>			
Revenue	1,969	1,610	3,578
EBITDA	370	292	604
Operating result	219	106	271
Exceptional items	-	37	26
EBIT	219	143	298
Net profit	181	116	241
	30 June 2023	30 June 2022	End 2022
Solvency	49%	49%	49%
Order book	5,978	5,371	6,107

FOR FURTHER INFORMATION

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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.

Boskalis 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 strategic partnership in terminal services (Smit Lamnalco). With a versatile fleet of more than 600 vessels and floating equipment and approximately 10,000 employees, including associates, Boskalis is creating new horizons around the world.

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