PRESS RELEASE

Leidschendam, the Netherlands, 26 October 2018

Q3 2018 trading update: continued strong revenue growth and improved EBIT

Driven by early cyclical marine site characterisation market

- Revenue growth of 29.1% on comparable basis, mainly driven by offshore wind and oil & gas markets.
- Close to mid-single digit EBIT margin, improved compared to the same period last year, mainly as a result of strong performance of the Marine site characterisation business.
- Net debt/EBITDA unchanged at 2.5 and expected to improve towards year-end.
- Strong backlog growth, especially in offshore activities.
- Outlook 2018 unchanged: revenue growth on a comparable basis, a marginally positive EBIT margin, and positive cash flow from operating activities after investments dependent on revenue growth and the related working capital requirements.
- Strategy update to be presented at the Capital Markets Day on 14 November 2018.

Key figures (in EUR million) Unaudited	**Q3 2018**	**Q3 2017**	**reported growth**	**comparable growth**[1]
Revenue	434.7	364.0	19.4%	29.1%
Backlog remainder of the year	366.9	348.9	5.2%	8.3%
Backlog next 12 months	916.8	867.2	5.7%	8.9%

[1] Revenue and backlog growth corrected for currency effect (of approximately -1% on revenues and -3% on backlog) and for portfolio changes related to the divestment of the marine construction and installation activities in 2017.

Mark Heine, CEO: *"I am pleased to report the third consecutive quarter of top-line growth driven by the ongoing expansion of offshore wind developments and recovery of the global oil and gas market. In our early cyclical marine site characterisation activities we are experiencing sharp growth and improving prices, resulting in strongly improved profitability. The marine asset integrity market is still oversupplied, which leads to a continued challenging pricing environment. Due to favourable infrastructure markets in most of the countries where we operate, we also realised good revenue growth in the site characterisation business line of the Land division.*

We remain committed to generate positive cash flow by focusing on margin and price improvement, cost control and strict working capital management.

During the past couple of months we have been working on a strategy update, and we will present the results on 14 November. We will address both the required improvement in our performance as well as our mid to long term strategy."

Operational review per division

Marine division

(in EUR million)	Q3 2018	Q3 2017	reported growth	comparable growth[1]
Revenue	306.2	251.6	21.7%	36.0%
Backlog remainder of the year	223.1	200.3	11.4%	15.9%
Backlog next 12 months	556.4	508.2	9.5%	13.7%

[1] Revenue and backlog growth corrected for currency effect (of approximately -2% on revenue and -3% on backlog) and for portfolio changes related to the divestment of the construction and installation activities in 2017.

- For the third quarter in a row, comparable revenue increased strongly. Overall vessel utilisation improved to 76%. In addition, an increasing number of seasonal spot charters was required to cover the high seasonal work load. The divisional EBIT margin increased to mid-single digit, driven by strongly improved results in the site characterisation business line.
- Site characterisation revenue increased by 69.8% at constant currencies to EUR 168.2 million reflecting a higher workload in both the oil and gas and renewables markets globally. The EBIT margin was high-single digit positive compared to a negative margin in the same period last year due to strong growth, improved utilisation and a better pricing environment.
- Asset integrity comparable revenue increased by 9.6% to EUR 138.0 million due to higher revenues in Asia Pacific. EBIT was close to break-even and decreased compared to the same period in 2017, because of competitive pricing due to over-supply and lower activity levels in Brazil and Europe.
- Significant project awards in the third quarter include:
  - Geophysical surveys and identifications and clearance of unexploded objects (UXO) for Tennet at Dutch offshore wind farm site Hollandse Kust Zuid.
  - Geophysical site survey for a large Deepwater Wind renewables project off the Northeast coast of the USA.
  - A combination of geophysical and environmental baseline surveys supporting the development of several of Exxon's oil discoveries in Guyana.
  - Five year call-off contract for Qatargas in the Middle East covering a broad range of both inspection and site characterisation operations.
- Backlog for the next 12 months increased by 13.7% on a comparable basis, comprising a 30.6% improvement in site characterisation to EUR 252.7 million, with particularly strong growth of geophysical services in Americas and Europe. Asset integrity showed an increase of 2.9% to EUR 303.7 million.

Land division

(in EUR million)	Q3 2018	Q3 2017	reported growth	comparable growth[1]
Revenue	121.7	115.4	5.5%	8.4%
Backlog remainder of the year	102.5	115.5	(11.3%)	(9.2%)
Backlog next 12 months	263.0	279.7	(6.0%)	(3.8%)

[1] Corrected for currency effect

- Solid revenue growth of 8.4% at constant currencies, much higher than during the previous quarters. EBIT margin was mid-single digit and slightly better than the same period last year, and up from the first half of this year.
- Site characterisation revenue increased by 11.4% at constant currencies to EUR 97.1 million mainly as a result of increased geotechnical drilling and consulting activities in Europe and the Americas. EBIT margin was above mid-single digit and improved compared to last year as a result of the performance in Europe and the Americas.

- Asset integrity revenue decreased by 2.0% at constant currencies to EUR 24.6 million due lower activity in Americas and Europe, partly offset by increased activity in the power market in Asia Pacific. EBIT was close to break-even as a result of the lower revenue.
- Significant project awards in the third quarter included:
  - Site investigation services in support of infrastructure development for the Elk-Antelope field for Total in Papua New Guinea.
  - Two contracts for the inspection and analysis of power lines, hosting the data on Fugro's cloud based Roames platform; one with Western Power in southwestern Australia, and one with an American energy company.
  - Five-year contract for roadway pavement condition assessment services in the Netherlands.
  - Multi-year framework contract for exploration support services for bauxite mining in Brazil.
- Backlog for the next 12 months is down by 3.8% at constant currencies compared to last year and by 1.8% compared to last quarter. The 7.3% decline at site characterisation was much lower than during the previous quarters, as the effect of the finalisation of several large projects is diminishing. Asset integrity backlog increased by 7.6%, in particular in the Americas.

Geoscience division

The Geoscience division almost fully consists of Fugro's 60% stake in Seabed Geosolutions (100% consolidated). It also covers some indirect interests in Australian exploration projects, via Finder Exploration.

(in EUR million)	Q3 2018	Q3 2017	reported growth	comparable growth[1]
Revenue	6.8	0.0	-	-
Backlog remainder of the year	41.3	33.1	24.8%	24.5%
Backlog next 12 months	97.4	79.3	22.8%	22.8%

1 Corrected for currency effect

- Due to delayed start of projects, only one crew was active during part of the quarter. Activity levels will pick up shortly, with two additional crews expected to start operations during the fourth quarter.
- The low activity level in the third quarter resulted in an EBIT loss.
- A series of 4D surveys, using the Case Abyss ocean bottom node crew, in deep water Gulf of Mexico, started at the end of August and are planned to last until early 2019.
- It is expected that by early November, the Manta® node crew will start its survey in Petrobras' Santos basin on the Buzios field. In the same month, the shallow water crew is anticipated to start in the Middle East.
- The 12-month backlog increased by 22.8% on a currency comparable basis. The pipeline of potential projects is solid, confirming an anticipated 2019 market growth that Seabed Geosolutions should benefit from.
- On 22 October, Seabed Geosolutions announced the award of a significant 3D ocean bottom node survey in the Red Sea. The S-79 project, which will be jointly executed and shared with Seabed's partner in the Middle East, ARGAS, is scheduled to commence early 2019.

Financial position

During the quarter cash flow from operating activities after investments was close to zero. Due to strong revenue growth, working capital as a percentage of 12 months rolling revenue increased to 15.0% compared to 12.9% a year ago. Days of revenue outstanding was 91 days compared to 101 days a year ago.

Net debt/EBITDA ratio was 2.5, unchanged compared to last quarter and within the covenant of not exceeding 3.0. The ratio is expected to improve towards year-end.

In November 2017, Fugro sold its non-core trenching and cable laying business in return for an equity interest of 23.6% in Global Marine and a US$ 7.5 million vendor loan. This loan has been repaid in full in the quarter. Fugro has taken notice of the announcement from HC2 Holdings that it is exploring strategic alternatives for its Global Marine subsidiary. Fugro is aligned with HC2 and supports this process, including a potential sale of its stake.

Outlook

The outlook across Fugro's market segments is positive. Offshore wind developments continue to grow and the oil and gas market is gradually recovering. In the building and infrastructure market Fugro expects continued growth, driven by a strong global economy, population growth and urbanisation.

For 2018, Fugro expects revenue growth and a marginally positive EBIT margin. Fugro also expects a positive cash flow from operating activities after investments, dependent on revenue growth and the related working capital requirement at year-end. Capex is expected to be around EUR 80 million.

Media and analyst calls

At 09:00 CET, Fugro will host an analyst call. The dial-in number for this call is +31 (0) 20 703 8261 or +44 (0)330 336 9411. The confirmation code is 1745917. This call can also be followed via audio cast: http://www.fugro.com/investors/results-and-publications/quarterly-results. Fugro will host a media call at 10:00 CET.

Financial calendar

14 November 2018	Capital markets day (Amsterdam)
25 February 2019	Publication annual results 2018

For more information

Media

Edward Legierse

e.legierse@fugro.com

+31 70 31 11129

Investors

Catrien van Buttingha Wichers

c.vanbuttingha@fugro.com

+31 70 31 15335

+31 6 1095 4159

Fugro is the world's leading, independent provider of geo-intelligence and asset integrity solutions. Fugro acquires and analyses data on topography and the subsurface, soil composition, meteorological and environmental conditions, and provides related advice. With its geo-intelligence and asset integrity solutions Fugro supports the safe, efficient and sustainable development and operation of buildings, industrial facilities and infrastructure and the exploration and development of natural resources.

Fugro works around the globe, predominantly in energy and infrastructure markets offshore and onshore, employing approximately 10,000 people in 65 countries. In 2017, revenue amounted to EUR 1.5 billion. The company is listed on Euronext Amsterdam.

This press release may contain forward-looking statements. These are statements that are not historical facts, including (but not limited to) statements expressing or implying Fugro's beliefs, expectations, intentions, forecasts, estimates or predictions (and the assumptions underlying them). Forward-looking statements necessarily involve risks and uncertainties. The actual future results and situations may therefore differ materially from those expressed or implied in any forward-looking statements. Such differences may be caused by various factors (including, but not limited to, developments in the oil and gas industry and related markets, currency risks and unexpected operational setbacks). Any forward-looking statements contained in this press release are based on information currently available to Fugro's management. Fugro assumes no obligation to in each case make a public announcement if there are changes in that information or if there are otherwise changes or developments in respect of the forward-looking statements in this press release.