

Q1 2023: Strong improvement in revenue, margin and cash flow Capturing high client demand in energy markets

- Exceptional revenue growth of 27.5%, especially related to offshore wind site characterisation solutions
- 5.4% EBIT margin driven by all regions & business lines, due to better pricing and operational performance
- Operating cash flow increased by EUR 29.3 million to EUR 42.2 million due to higher profitability, partly offset by higher growth-related working capital, resulting in a free cash flow of EUR 15.6 million
- 12-month backlog up by 22.4% due to solid client demand in particular in the energy markets
- Outlook full-year 2023: ongoing strong revenue growth, margin expansion towards mid-term target of 8-12% EBIT and a positive free cash flow.

Key figures (x EUR million) unaudited	Q1 2023	Q1 2022
Revenue	465.8	365.4
comparable growth ¹	27.5%	23.3%
EBITDA ²	58.7	26.9
EBIT ²	25.3	(2.7)
EBIT margin ²	5.4%	(0.7%)
Cash flow from operating activities after investing (free cash flow) ³	15.6	(7.2)
Backlog next 12 months	1,401.5	1,164.0
comparable growth ¹	22.4%	27.8%

1. Corrected for currency effect
 2. Adjusted for specific items
 3. Including discontinued operations

Mark Heine, CEO: "These first quarter results represent a further step-up in our performance. I am particularly pleased with the strong margin and cash flow improvement, with all four regions contributing. We are delivering on the ongoing significant client demand, in particular for our offshore wind farm site characterisation solutions, resulting in higher vessel utilisation and better pricing. In our land business, we report a continuation of the performance improvement as demonstrated over the past quarters.

Our robust backlog provides support towards our mid-term margin. In order to remain successful in capturing the market opportunities and realise controlled growth, we continue to invest in project execution, our people and asset base. On 14 November 2023, we will host a capital markets day to update the market on our strategy and mid-term targets."

Review Q1 2023

Driven by a robust backlog at the start of the quarter, year-on-year currency comparable revenue growth amounted to 27.5%. All regions reported a double-digit increase. Overall, revenue in marine was up by 34.7% as a result of increasingly substantial energy transition roadmaps in numerous countries, in combination with renewed interest in traditional energy sources, specifically gas, to support energy security. Revenue in land increased by 12.1% supported by nearshore activities for offshore wind and LNG developments. The 12-month backlog was up in all regions, again most notably in marine site characterisation; the land backlog declined, mainly as a result of portfolio rationalisations.

Fugro's margin improved significantly, to 5.4% in the seasonally low first quarter supported by all regions and business lines. It was the result of higher pricing and operational performance, in particular in marine site characterisation. Vessel utilisation was 68% versus 61% in the comparable period last year.

Operating cash flow before changes in working capital increased by EUR 29.3 million to EUR 42.2 million thanks to higher profitability. Due to higher activity levels, changes in working capital amounted to EUR 24.9 million. As a percentage of 12-months revenue, working capital amounted to 13.2% compared to 12.9% at year end, while days of revenue outstanding declined from 85 to 83. Fugro received EUR 9.9 million in proceeds from the divestment of its remaining non-core interest in Global Marine Group. On balance, free cash flow increased by EUR 22.8 million to EUR 15.6 million. Net debt amounted to EUR 222.1 million compared to EUR 207.4 million at year-end 2022 due to an increase in leases.

Recent project awards

- Europe-Africa: site investigations for the Morgan, Mona and Morven wind farms in the Irish and North Sea for bp Alternative Energy Investments, a geophysical cable route survey for the Marram floating wind farm for Shell New Energies; and a ground investigation for SSE Renewables' pumped storage system in the Great Glen, Scotland.
- Americas: two significant offshore wind farm programmes on the US east coast; various oil & gas related site characterisations in the Caribbean and Gulf of Mexico; engineering services for the Port Arthur LNG export terminal; a mapping program along the US Gulf of Mexico for coastal restoration purposes for NOAA; and a renewal of the multi-year road survey programme for the California Department of Transportation.
- Asia Pacific: a hydrographic survey for the approaches to Moreton Bay for Australia Hydrographic Office; a geophysical contract for an LNG field development in the Timor Sea; several awards for positioning, construction support and geotechnical investigations for wind farms in Taiwan and South Korea.
- Middle East & India: an extensive survey in support of one of the largest long-term offshore field developments in the United Arab Emirates; a route survey for SubCom's Southeast Asia/Middle East/Western Europe cable system; a geophysical and environmental study offshore Israel for Energean; and a topographic and underground survey for New Murabba development in Riyadh, Saudi Arabia.

Outlook 2023

Fugro expects ongoing growth in the infrastructure, water and energy markets, in particular renewables, resulting in ongoing strong revenue growth and margin expansion towards the mid-term EBIT target of 8-12% and a positive free cash flow. Management will continue to actively manage any impacts of the uncertain macro-economic and geopolitical environment and supply chain pressures. As earlier indicated, capex is estimated at EUR 200-225 million, including the acquisition of two geotechnical vessels, and investments in Fugro's uncrewed vessel strategy and net zero roadmap.

Media and analyst calls

At 08:15 CET, Fugro will host an analyst call. The dial-in numbers are +31 (0) 20 703 5073 or +44 (0)33 0 551 0200 with confirmation code Fugro. This call is also accessible via audio webcast:
<http://www.fugro.com/investors/results-and-publications/quarterly-results>

Financial calendar

26 April 2023	Annual general meeting of shareholders (2:00 pm)
27 July 2023	Publication first-half 2023 results
26 October 2023	Publication third quarter 2023 trading update
14 November 2023	Capital markets day
29 February 2024	Publication full-year 2023 results

For more information

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About Fugro

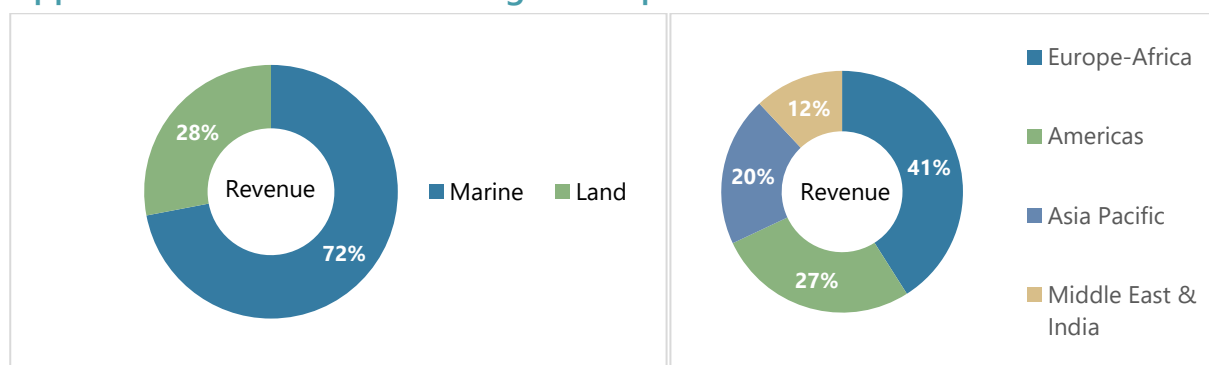
Fugro is the world's leading Geo-data specialist, collecting and analysing comprehensive information about the Earth and the structures built upon it. Adopting an integrated approach that incorporates acquisition and analysis of Geo-data and related advice, Fugro provides solutions. With expertise in site characterisation and asset integrity, clients are supported in the safe, sustainable and efficient design, construction and operation of their assets throughout the full life cycle.

Employing approximately 10000 talented people in 57 countries, Fugro serves clients around the globe, predominantly in the energy and infrastructure industries, both offshore and onshore. In 2022, revenue amounted to EUR 1.8 billion. Fugro is listed on Euronext Amsterdam.

This press release contains information that qualifies, or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This announcement may contain forward-looking statements. Forward-looking statements 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 & gas industry and related markets, currency risks and unexpected operational setbacks). Any forward-looking statements contained in this announcement 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 announcement.

Appendix – revenue and backlog development



Overview by business

Key figures (x EUR million)		Q1 2023	Q1 2022
Marine	Revenue	335.1	249.7
	<i>comparable growth¹</i>	34.7%	26.3%
	Backlog next 12 months	1,097.1	831.1
	<i>comparable growth¹</i>	34.6%	37.7%
Land	Revenue	130.7	115.6
	<i>comparable growth¹</i>	12.1%	17.2%
	Backlog next 12 months	304.4	332.8
	<i>comparable growth¹</i>	(8.2%)	13.5%

Overview by region

Key figures (x EUR million)		Q1 2023	Q1 2022
Europe-Africa	Revenue	192.0	157.0
	<i>comparable growth¹</i>	25.7%	16.5%
	Backlog next 12 months	580.7	529.9
	<i>comparable growth¹</i>	13.2%	39.6%
Americas	Revenue	125.0	89.5
	<i>comparable growth¹</i>	34.9%	34.7%
	Backlog next 12 months	371.2	317.1
	<i>comparable growth¹</i>	16.4%	25.3%
Asia-Pacific	Revenue	95.2	76.0
	<i>comparable growth¹</i>	24.9%	22.6%
	Backlog next 12 months	263.2	192.8
	<i>comparable growth¹</i>	40.4%	5.3%
Middle-East & India	Revenue	53.6	42.9
	<i>comparable growth¹</i>	23.3%	31.6%
	Backlog next 12 months	186.4	124.1
	<i>comparable growth¹</i>	48.7%	28.7%

1. Corrected for currency effect