

Half year press release 2023

Leidschendam, the Netherlands, 27 July 2023

Strong set of results in first half of 2023

Delivering on mid-term targets

- 24.1% revenue growth due to continued high client demand in energy markets, in particular for offshore wind site characterisation solutions and related nearshore activities
- Significant improvement in EBITDA and EBIT margin to 15.8% and 8.9% respectively, driven by all regions
- Net result increases to EUR 71.7 million
- Free cash flow increases by EUR 85.0 million as a result of EUR 59.4 million higher operating cash flow and better working capital performance
- The 12-month backlog is up 21.3%, supported by marine business lines in all regions
- Improved outlook full-year 2023: ongoing strong revenue growth, EBIT margin and return on capital employed within mid-term target range, and positive free cash flow.

Key figures (x EUR million)	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenue	552.5	467.7	1,018.3	833.0
comparable growth ¹	21.5%	12.8%	24.1%	17.2%
EBITDA ²	101.7	70.6	160.4	97.5
EBIT ²	65.0	40.7	90.3	38.0
EBIT margin ²	11.8%	8.7%	8.9%	4.6%
Net result			71.7	29.4
Cash flow from operating activities after investing (free cash flow) ³	(5.4)	(67.6)	10.2	(74.8)
Backlog next 12 months	1,303.2	1,104.7	1,303.2	1,104.7
comparable growth ¹	21.3%	21.7%	21.3%	21.7%

1. Corrected for currency effect

2. Adjusted for specific items with a total impact of EUR 2.5 million on EBIT in H1 2023

3. Including discontinued operations

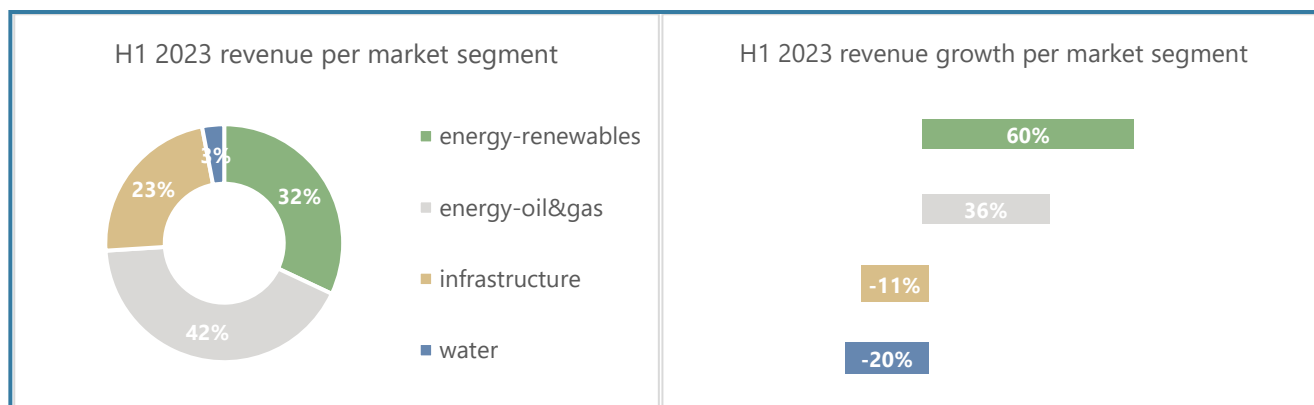
Mark Heine, CEO: "I am very pleased to report a strong set of results. All regions contributed to significant higher margins and cash generation, in particular the Americas and Europe-Africa. Overall, better contracting conditions, increasing asset utilisation and better operational performance led to a significant improvement in particular in the marine site characterisation business.

Across the globe, we are benefitting from high client demand for climate change adaptation and energy transition solutions, in particular for offshore wind developments. We are continuing on our trajectory of further diversification into future proof markets. At the same time, as expected, revenue in oil & gas is growing due to the need for energy security.

On the back of this set of results, the strength of our markets and our unique positioning, we are confident that we will deliver on our mid-term targets this year. To remain successful in capturing the market opportunities and secure controlled growth, we continue to invest in our people and asset base. At our capital markets day on 14 November 2023, we will update the market on our strategy and future targets."

Performance review

First half-year revenue was up by 24.1% on a currency comparable basis, based on double digit growth in all regions. The increase in marine amounted to 30.9%, mainly driven by site characterisations for offshore wind farms and increased activity levels in the oil & gas markets. Vessel utilisation was 73% compared to 67% in the comparable period last year. Revenue in land increased by 8.6%, supported by nearshore activities for offshore wind and LNG developments.



Overall, as a result of more mature energy transition roadmaps in an increasing number of countries, renewables grew by 60%. Renewed interest in traditional energy sources resulted in a 36% growth in the oil and particularly gas market. The 11% decline in infrastructure revenue was primarily caused by reduced land revenue in the Middle East and business rationalisations in Europe-Africa. As Fugro's revenue in the water market is still limited, the sales development may vary.

Fugro's EBIT margin improved strongly, to 8.9% from 4.6% a year ago. As a result of top-line growth and operational efficiencies, all regions reported better margins, mainly the Americas and Europe-Africa. Overall, in particular the marine site characterisation margin was significantly higher compared to last year as a result of better contracting conditions, increasing vessel utilisation and better operational performance. The marine asset integrity margin increased as well. Results in Land business were slightly lower, caused by slippage of a large project and downtime of a jack-up platform in the Middle East.

Free cash flow increased by EUR 85.0 million, mainly as a result of EUR 59.4 million higher operating cash flow before working capital thanks to higher profitability. In addition, thanks to strict working capital management, working capital as a percentage of 12-months revenue declined to 14.1% compared to 15.7% a year ago, while days of revenue outstanding declined to a relatively low level of 82. Capital expenditure was EUR 71.8 million, including the delivery of the first of the two geotechnical vessels planned for this year. Net debt amounted to EUR 266.3 million compared to EUR 207.4 million at year-end 2022 due to an increase in leases. Net leverage amounted to 1.0x compared to 0.9x at year-end 2022, and 2.0x a year ago.

The 12-month backlog increased by 21.3%, supported by the marine business lines in all regions. The land backlog declined, mainly as a result of business rationalisations in Europe-Africa.

Business lines - Key figures excluding specific items (x EUR million)		H1 2023	H1 2022
Marine	Revenue	748.4	581.8
	<i>comparable growth¹</i>	30.9%	18.4%
	EBITDA	133.7	70.4
	EBIT	74.6	21.7
	EBIT margin	10.0%	3.8%
Land	Backlog next 12 months	1,001.2	779.6
	<i>comparable growth¹</i>	32.0%	27.3%
	Revenue	269.9	251.2
	<i>comparable growth¹</i>	8.6%	14.5%
	EBITDA	26.7	27.1
	EBIT	15.7	16.3
	EBIT margin	5.8%	6.4%
	Backlog next 12 months	302.0	325.1
	<i>comparable growth¹</i>	(4.4%)	10.0%

Recent project awards

- Europe-Africa: a geotechnical investigation for substations at two floating wind farm sites in the Gulf of Lion; a geophysical survey for two wind farm sites in the German exclusive economic zone in the North Sea; a shallow water survey for 2Africa fibre optic subsea cable; and site investigations to assess the foundations and ground conditions at the Hammersmith Bridge in London.
- Americas: a geophysical survey in Curacao's waters for future development of floating offshore wind; a subscription to Geo-data visualisation software for a wind farm development on the US East Coast; a site characterisation for Shell Trinidad and Tobago to bring gas ashore; a mapping programme in North Dakota on behalf of the US Army Corps of Engineers aimed at protection against flooding and other hazards.
- Asia Pacific: a multi-year asset management services contract with Energy Queensland for aerial surveys of their overhead powerline infrastructure; a subsea cable route survey for a power transmission cable across South-East Asia and a deepwater metocean survey offshore Brunei.
- Middle East & India: a remotely operated subsea inspection for Atlantis' Umm Al Quwain Gas Field Abandonment Project using Fugro's Blue Essence uncrewed surface vessel; a nearshore geotechnical site investigation for ADNOC's Ruwais LNG Growth Project; and a site investigation in support of the development of the Trojena Mountain Resort in Saudi Arabia.

Outlook 2023

Fugro expects ongoing growth especially in the energy markets, in particular renewables, resulting in strong revenue growth for the full year. The EBIT margin and return on capital employed are anticipated to be within the mid-term target range of 8-12% and 10-15% respectively, and free cash flow is anticipated to be positive. As previously 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.

Review by region

Europe-Africa

Key figures excluding specific items (x EUR million)	H1 2023	H1 2022	comparable growth ¹
Revenue	443.5	357.3	27.4%
EBIT	52.2	26.7	
EBIT margin	11.8%	7.5%	
Backlog next 12 months	530.7	510.4	6.0%
1. Corrected for currency effect			

- Revenues grew by 27.4% with a double-digit increase in marine, due to a higher number of vessel days and better contracting conditions. Land site characterisation reported good growth mainly in the United Kingdom from nearshore and onshore activities.
- EBIT improved particularly in marine site characterisation, compared to a first half of last year with some delays, extended vessel mobilisations and vessel maintenance.
- Strong growth in particular in renewables supports a growing marine backlog.

Americas

Key figures excluding specific items (x EUR million)	H1 2023	H1 2022	comparable growth ¹
Revenue	257.9	216.6	17.7%
EBIT	21.3	(0.8)	
EBIT margin	8.3%	(0.4%)	
Backlog next 12 months	368.7	288.1	30.2%
1. Corrected for currency effect			

- Revenue increased by 17.7% at a currency comparable rate, most notably marine site characterisation thanks to strong demand in the energy markets. The Land business benefited from more nearshore activity in Gulf of Mexico and the USA, and from multiple remote sensing and mapping projects.
- The region's margin expanded to 8.3%. In Marine, EBIT improved significantly compared to a very challenging first half of last year, strong performance in asset integrity in Brazil and positioning and construction support activities in North America. Land experienced increased data acquisition activity in road surveys and good execution on nearshore projects.
- The backlog increased by 30.2% with a particularly robust growth in marine site characterisation. In addition, land backlog was up in nearshore, geoconsulting, and road surveys.

Asia Pacific

Key figures excluding specific items (x EUR million)	H1 2023	H1 2022	comparable growth ¹
Revenue	202.8	155.1	34.3%
EBIT	15.7	11.3	
EBIT margin	7.8%	7.3%	
Backlog next 12 months	246.6	198.1	31.3%
1. Corrected for currency effect			

- The region reported a total revenue growth of 34.3% due to a ramp up of activities post-Covid, in particular in marine.
- The EBIT margin improved; marine site characterisation showed a good performance with higher vessel utilisation as opposed to the comparable period last year, when some vessels were in dry dock.
- The 31.3% increase in the backlog is mainly related to the marine business lines.

Middle East & India

Key figures excluding specific items (x EUR million)	H1 2023	H1 2022	comparable growth ¹
Revenue	114.1	104.0	10.9%
EBIT	1.1	0.8	
EBIT margin	1.0%	0.8%	
Backlog next 12 months	157.2	108.1	51.3%

1. Corrected for currency effect

- Revenue increased in the first half-year due to marine activity, driven by higher capital expenditure from national energy companies.
- Higher revenue (both price and volume), combined with less reliance on third party resources, resulted in a significant improvement in the marine site characterisation margin. On the other hand, land site characterisation was impacted by slippage of a large project moving into the second half of the year and prolonged downtime on a jack-up platform on a nearshore project in the Gulf.
- Backlog higher in marine business lines, again aligned with national energy companies' production growth ambitions for the coming years.

New vice-chairman Supervisory Board

Ron Mobed, who first joined Fugro's Supervisory Board in April 2020, has been appointed vice-chairman of Fugro's Supervisory Board. In this capacity, he succeeds Petri Hofsté, who left Fugro's Supervisory Board in April 2023, after having served two successive four-year terms.

Analyst meeting

Today at 11:30 CET, Fugro will host an analyst meeting, which can be followed via webcast via <https://www.fugro.com/investors>.

For the more elaborate half-year report 2023, see <https://www.fugro.com/investors/results-and-publications/publications-centre>

Financial calendar

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.

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