

Strong performance: steep growth and ongoing result improvement

Delivering on mid-term targets

- 32.6% revenue growth driven by successfully capturing high client demand, mainly in the energy markets
- 86% increase in EBIT resulting in 16.0% margin; all regions report higher results
- Operating cash flow up by 95% to EUR 134.7 million; offset by higher working capital due to high revenue growth, resulting in EUR 66.9 million free cash flow for the quarter
- 12-month backlog continues to be robust with 14.5% increase after steep growth during previous quarters
- In November, Fugro will unwind the sale and leaseback of Fugro Scout and Fugro Voyager vessels
- 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
- Intention to resume dividends with pay-out of EUR 0.40 per share as of FY 2023, subject to shareholder approval

Key figures (x EUR million) unaudited	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	608.9	480.2	1,627.2	1,313.2
comparable growth ¹	32.6%	17.4%	27.2%	17.3%
EBITDA ²	135.9	83.1	296.3	180.6
EBITDA margin ²	22.3%	17.3%	18.2%	13.8%
EBIT ²	97.5	52.4	187.8	90.4
EBIT margin ²	16.0%	10.9%	11.5%	6.9%
Cash flow from operating activities after investing (free cash flow) ³	66.9	69.5	77.1	(5.3)
Backlog next 12 months			1,477.4	1,348.3
comparable growth ¹			14.5%	33.9%

1. Corrected for currency effect

2. Adjusted for specific items

3. Including discontinued operations

Mark Heine, CEO: "I am excited to report another strong set of results. All regions contributed to significantly higher margins, in particular the Americas and Europe-Africa. Overall, better contracting conditions, high activity levels and good project execution led to a very strong performance especially in marine site characterisation.

We again realised substantially higher revenue in renewables, to one third of group revenue year-to-date. Despite recent news flow around delays in several offshore wind projects, we anticipate continued growth going forward, supported by the recent launch of the 'Wind Power Package' in the EU. While the energy transition is underway, the world needs reliable and affordable energy. Therefore, we also expect further growth in traditional energy, especially in the gas market, where Fugro's solutions continue to enable our clients to operate safely and efficiently.

Over the past years, we have successfully transitioned into a diversified company with a sizeable position in renewables and significantly improved results. We are ready for the next phase and will update the market on our strategy and mid-term targets at our Capital Markets Day on 14 November 2023."

Review Q3 2023

Revenue was up by 32.6% on a currency comparable basis, by successfully capturing high client demand in all regions, most notably in renewables and oil & gas. In Marine, revenue increased by 46.6%, supported by an increase in the number of paid vessel days, enabled by a larger geotechnical fleet and higher pricing. Overall, the utilisation rate of Fugro's owned and long-term chartered vessels was 75%. Land revenue was in line with last year.

The group's profitability continued its upward trajectory. All regions reported higher margins as a result of top line growth in combination with operational efficiencies. Driven by an outstanding performance in marine site characterisation, the EBIT margin amounted to 16.0% compared to 10.9% in the third quarter of last year and 11.8% in the second quarter of this year.

Following steep growth during the previous quarters, the 12-month backlog continues to be robust with an increase of 14.5%; all business lines report a higher backlog.

Driven by a significantly higher EBITDA of EUR 135.9 million, operating cash flow before changes in working capital increased to EUR 134.7 million. This increase was offset by higher working capital as a result of high revenue growth. The working capital position is expected to be partially unwound in the fourth quarter, in line with previous years. At the end of September, working capital as a percentage of revenue amounted to 15.6% compared to 14.6% per September last year. Capital expenditure was EUR 31.7 million (compared to 29.1 million last year). As a result, free cash flow amounted to EUR 66.9 million, in line with last year. Net leverage declined to 0.7x at the end of the quarter.

Recent project awards

- Europe-Africa region: Geotechnical site investigations for Dutch Nederwiek 2 & 3 offshore wind zones and a pre-construction geophysical survey for Denmark's largest offshore wind farm Thor; a metocean survey for the proposed Salamander floating wind project off the coast of Scotland; geotechnical surveys for a dike reinforcement project in the Netherlands; and an environmental and geophysical survey offshore Namibia for future energy operations.
- Americas region: mapping of the Atlantic coastal waters using Fugro's Rapid Airborne Multibeam Mapping System for Florida Department of Environmental Protection; geotechnical engineering services for a 'blue' ammonia facility in Louisiana for St. Charles Clean Fuels; a new 5-year contract for road condition assessment services from South Carolina Department of Transportation; and a geotechnical contract from Community Offshore Wind building on Fugro's previous surveys in the New York Bight.
- Asia Pacific region: Two geotechnical site investigations and one geophysical survey for offshore wind projects in South Korea; site investigation work for the Bataan-Cavite Interlink bridge in the Philippines; and pipeline inspection services utilising uncrewed surface vessels for Santos in Australia.
- Middle East & India region: a package of offshore surveys (including remote-operated subsea inspection works using Fugro's Blue Essence USV in support of cable laying activities for ADNOC's Das Island project; a nearshore geotechnical survey for an industrial port development in Saudi Arabia operated by Aramco and a contract for ROV services with Saipem for the North Field Production Sustainability project offshore Qatar.

Outlook 2023

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

In the fourth quarter, Fugro will unwind the sale and leaseback arrangement for the Fugro Scout and Fugro Voyager. Enabled by its strong liquidity, Fugro will take early delivery of the vessels instead of extending the financing arrangement, resulting in a further reduction of gross debt and financing costs. The cash consideration, net of deposits, of USD 39 million will be financed from existing cash resources.

Total capital expenditure for 2023 is estimated at around EUR 200 million, excluding the reclassification of the Fugro Scout and Voyager from right-of-use assets to fixed assets.

In conjunction with benefiting from further opportunities in the market, Fugro will amend its dividend policy to 25-45% of net result. For full-year 2023, Fugro intends to resume dividends with a pay-out EUR 0.40 per share subject to shareholder approval.

Analyst call

At 10:00 CET, Fugro will host an analyst call. The dial-in numbers are +31 20 708 5073 or +44 33 0551 0200; please quote Fugro when prompted by the operator. This call can also be followed via audio webcast: <https://www.fugro.com/investors/results-and-publications>

Financial calendar

14 November 2023
29 February 2024
25 April 2024

Capital Markets Day
Publication 2023 results
Publication Q1 2024 trading update

For more information

Media

Serge van de Ven
s.vandeven@fugro.com
+31 70 31 11129
+31 6 3094 2428

Investors

Catrien van Buttingha Wichers
c.vanbuttingha@fugro.com
+31 70 31 15335
+31 6 1095 4159

About Fugro

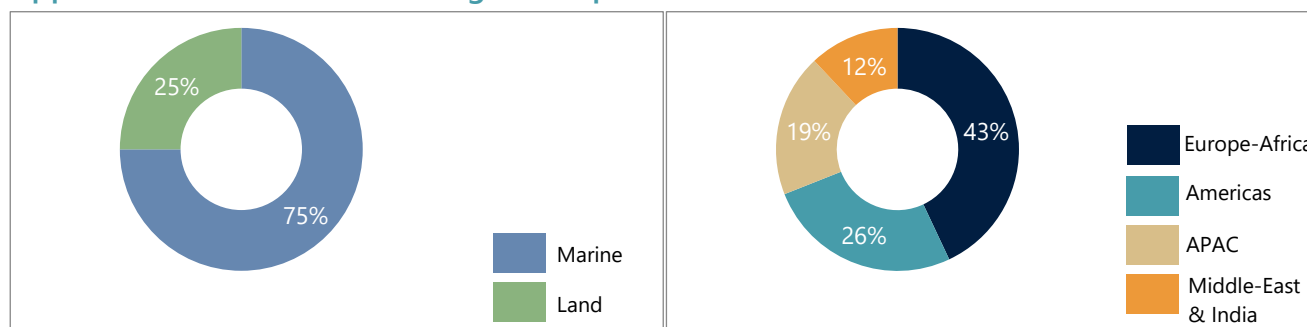
Fugro is the world's leading Geo-data specialist, collecting and analysing comprehensive information about the Earth and the structures built upon it. Adopting an integrated approach that incorporates acquisition and analysis of Geo-data and related advice, Fugro provides solutions. With expertise in 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 10,000 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, market developments, 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



revenue split year-to-date 2023

Overview by business

	Key figures (x EUR million)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Marine	Revenue	476.7	339.6	1,225.1	921.4
	<i>comparable growth¹</i>	46.6%	14.1%	36.7%	16.8%
	Backlog next 12 months			1,112.4	978.9
	<i>comparable growth¹</i>			18.3%	45.8%
Land	Revenue	132.2	140.6	402.1	391.8
	<i>comparable growth¹</i>	(1.1%)	26.2%	5.1%	18.4%
	Backlog next 12 months			365.0	369.4
	<i>comparable growth¹</i>			4.2%	9.7%

Overview by region

	Key figures (x EUR million)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Europe-Africa	Revenue	270.7	222.4	714.2	579.7
	<i>comparable growth¹</i>	23.9%	28.3%	26.1%	16.9%
	Backlog next 12 months			596.7	510.0
	<i>comparable growth¹</i>			17.2%	27.3%
Americas	Revenue	158.8	125.9	416.7	342.5
	<i>comparable growth¹</i>	34.2%	10.5%	23.8%	22.3%
	Backlog next 12 months			366.4	348.1
	<i>comparable growth¹</i>			11.8%	24.1%
Asia-Pacific	Revenue	98.8	78.0	301.6	233.1
	<i>comparable growth¹</i>	38.1%	(10.9%)	35.6%	(1.2%)
	Backlog next 12 months			310.4	301.3
	<i>comparable growth¹</i>			11.2%	48.4%
Middle-East & India	Revenue	80.6	53.9	194.7	157.9
	<i>comparable growth¹</i>	57.3%	48.3%	26.8%	48.4%
	Backlog next 12 months			203.9	188.9
	<i>comparable growth¹</i>			16.9%	57.6%

1. Corrected for currency effect