

Full-year results 2023

Leidschendam, the Netherlands, 29 February 2024

Strong 2023 for Fugro

High growth, improved margins and boosted cash flow

- 27.5% revenue growth to EUR 2.2 billion driven by high client demand in energy markets
- Significant step-up in performance in all regions, resulting in EBITDA of EUR 397.3 million (18.2% margin) and EBIT of EUR 252.1 million (11.5% margin)
- Net result increases to EUR 254.8 million compared to EUR 74.1 million in 2022
- Boosted cash flow of EUR 213.3 million compared to EUR 23.9 million last year as a result of higher operating cash flow and strict working capital management
- Robust 12-month backlog of EUR 1.48 billion; 6.3% increase after steep growth during previous quarters
- Proposed dividend of EUR 0.40 per share
- New strategy Towards Full Potential and mid-targets for 2027 launched in November 2023
- Outlook 2024: continued revenue growth and EBIT margin within mid-term target range of 11-15%.

Key figures (x EUR million) unaudited	Q4 2023	Q4 2022	2023	2022
Revenue	560.1	452.8	2,187.4	1,766.0
comparable growth ¹	28.2%	8.5%	27.5%	14.8%
EBITDA ²	101.0	49.8	397.3	230.4
EBIT ²	64.2	17.2	252.1	107.6
EBIT margin ²	11.5%	3.8%	11.5%	6.1%
Net result			254.8	74.1
Earnings per share ³			2.27	0.70
Cash flow from operating activities after investing (free cash flow) ⁴	136.2	29.2	213.3	23.9
Backlog next 12 months	1,483.2	1,424.8	1,483.2	1,424.8
comparable growth ¹	6.3%	37.5%	6.3%	37.5%

1. Corrected for currency effect

2. Adjusted for specific items with a total impact of +EUR 0.2 million on EBIT in 2023

3. Basic earnings per share

4. Including discontinued operations

Refer for definitions of non-IFRS measures to the glossary in the additional information to the 2022 annual report. Refer to the back of this report for a reconciliation of non-IFRS performance measures to the most directly comparable IFRS figures

Mark Heine, CEO: "I am excited to announce another quarter of strong performance, concluding a year in which we made great progress in delivering on our strategy, resulting in an EBIT margin of 11.5%. By benefitting from significant investments in energy systems around the world, including offshore wind, we have realised a major step-up in our results. Better contracting conditions, substantially higher activity levels and good project execution resulted in a step change in profitability, in particular in our marine site characterisation activities. We delivered on our Path to Profitable Growth targets, and we also made good progress with our non-financial targets by improving employee engagement and reducing our vessels' carbon emissions. I am also pleased that our clean balance sheet and robust cash flow generation enable us to resume dividend payments.

Over the past years, we have created a solid foundation to seize the compelling opportunities in our markets, resulting from an ever-increasing need for Geo-data insights. With our unique client solutions, highly skilled

people, market-agnostic assets and innovative scalable technology we are ready for the next chapter of our strategic journey: Towards Full Potential. Our key strategic priority is to grow and transform our current business, which will continue to be the most important driver of our revenue and value creation in the mid term. In addition, we have defined two other priorities that offer significant potential for the long term: expanding into developing segments with a large requirement for Geo-data such as coastal resilience, and building recurring revenues with Geo-data as a service. We have set targets for 2027 for our financial, social and environmental performance. In order to deliver on our ambitions while ensuring sustainable growth, we remain committed to investing in our people, technology and execution excellence.

The macro-economic and geopolitical environment remains uncertain and we continue to navigate this carefully. At the same time, Fugro remains well positioned to benefit from of the energy transition, massive infrastructure investments and urgently needed climate change adaptation."

Performance review 2023

	Key figures (x EUR million)	Q4 2023	Q4 2022	2023	2022 ²
Marine	Revenue	427.9	313.4	1,653.1	1,234.7
	comparable growth ¹	41.6%	5.3%	37.9%	13.6%
	EBITDA			346.2	172.2
	EBIT			223.7	71.4
	EBIT margin			13.5%	5.8%
	Backlog next 12 months	1,145.8	1,080.3	1,145.8	1,080.3
	comparable growth ¹	7.9%	52.2%	7.9%	52.2%
Land	Revenue	132.2	139.4	534.3	531.3
	comparable growth ¹	(2.1%)	16.9%	3.2%	18.0%
	EBITDA			51.1	58.2
	EBIT			28.4	36.2
	EBIT margin			5.3%	6.8%
	Backlog next 12 months	337.4	344.5	337.4	344.5
	comparable growth ¹	1.2%	5.3%	1.2%	5.3%

1. Corrected for currency effect

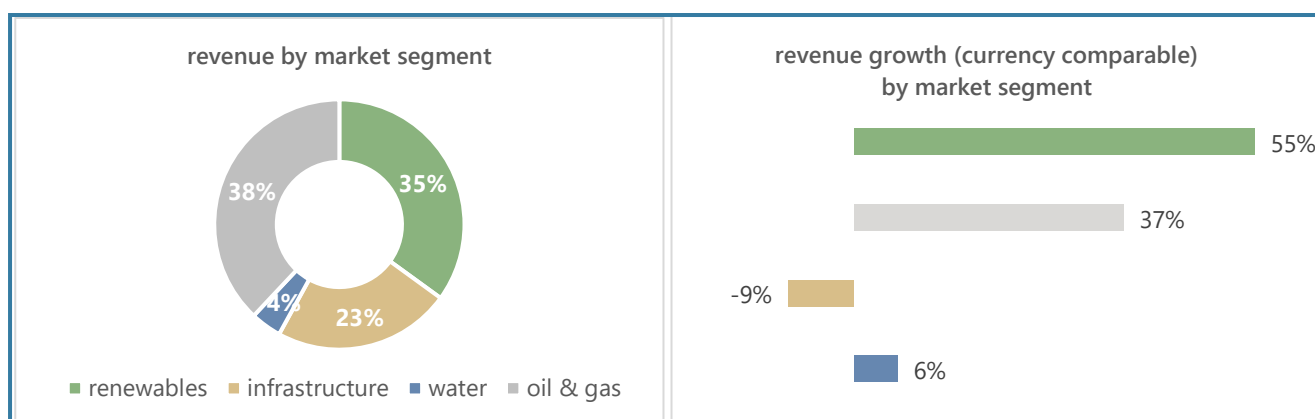
2. 2022 revenue, EBITDA & EBIT adjusted for reclassification of German offshore business from Land to Marine from 2023 onwards

Fourth quarter

Revenue in the fourth quarter increased by 28.2% on a currency comparable basis, in line with the growth during the previous quarters. At 11.5%, the EBIT margin was remarkably strong for a typically low season, as a result of strong project execution in marine and improved terms & conditions.

Full-year

For the full year, we realised 27.5% revenue growth on a currency comparable basis by successfully capturing high client demand in the offshore wind (+55%), and oil & gas (+37%) markets. Marine increased by 37.9% while the utilisation of Fugro's owned and long-term chartered fleet amounted to 75% compared to 72% last year. In Land, growth was limited to 3.2% as a result of subdued revenues in the infrastructure market (-9%) in some key geographies and business rationalisations in 2022 (France, Russia).



The group's EBIT margin improved to 11.5%; all regions reported higher results as a result of top line growth in combination with operational efficiencies. In marine, both site characterisation and asset integrity business lines reported strongly improved margins; in particular site characterisation performance in Europe-Africa was exceptional. Land reported a lower margin due to limited revenue growth and downtime on a jack-up platform in the Middle East in the first half year.

Operating cash flow before changes in working capital increased by EUR 167.9 million to EUR 347.3 million. Working capital decreased to 8.9% of revenue; an exceptionally low number of days of revenue outstanding of 75 at year-end resulted in a significant unwind of working capital in the fourth quarter. Capital expenditure amounted to EUR 182.0 million, below our guidance of EUR 200 million, excluding the impact of the unwind of the sale and lease back arrangement of the Fugro Scout and Fugro Voyager vessels.

Net debt declined to EUR 110.5 million from EUR 207.4 million in December 2022. At year-end, net leverage amounted to 0.3x.

Subject to approval by the annual general meeting of shareholders on 25 April 2024, a dividend of EUR 0.40 per share will be paid over the full-year 2023 in cash. As announced at the third quarter trading update, Fugro has amended its dividend policy to 25-45% of net result.

Outlook 2024

In line with the new strategy Towards Full Potential and related mid-term guidance, Fugro expects:

- Continued revenue growth, primarily driven by the energy markets
- EBIT margin within mid-term target range of 11-15%
- Ongoing investments in assets, technology, people and execution excellence
- Capex of around EUR 250 million.

Recent project awards

- Europe-Africa region: a 10-year framework agreement with Dutch network operator Gasunie for environmental management services in relation to the development of future proof energy infrastructure; mapping of the coastal habitats of the entire Italian coast as part of the Italian government's Marine Ecosystem Restoration Project; geotechnical and geophysical surveys for Lithuania's first offshore wind farm with Ignitis Renewables; a geophysical survey for Doordewind offshore wind farm zone; nearshore investigation for RWE Awel y Môr in Wales; metocean floating lidar surveys for ACCIONA Energía in Italy.
- Americas region: an offshore wind project with Attentive Energy in NY (US East Coast) for wind, metocean and environmental monitoring; airborne lidar mapping over Puerto Rico and the US Virgin Islands for the US

Geological Survey's 3D Elevation Programme; a hydrographic survey in the Seychelles to update nautical charting under contract to the UK Hydrographic Office; and a 5-year contract for road condition assessment and asset monitoring services from Harris County, Texas, the third largest county in the US.

- Asia Pacific region: a combined geotechnical and geophysical site characterisation of a gas development in Indonesia; a geophysical survey with a deepwater autonomous underwater vessel offshore Malaysia; deployment of three LiDAR buoys to support wind resource and early metocean characterisation in the coastal waters of South Korea; and a two-year agreement to provide geotechnical consultancy in Hong Kong to support the infrastructure market.
- Middle East & India region: offshore geophysical and geotechnical services for Saudi Aramco's Zuluf and Qatif fields; geotechnical site investigations for NEOM's Trojena infrastructure development; asset integrity operations for McDermott for the North Field Production Sustainability project offshore Qatar; and a pilot project for Saudi Aramco at Tanajib with uncrewed surface vessel Fugro Pegasus.

Review by region

Europe-Africa

Key figures excluding specific items (x EUR million)	Q4 2023	Q4 2022	2023	2022
Revenue	239.4	208.5	953.7	788.3
<i>comparable growth¹</i>	15.8%	28.6%	23.4%	19.8%
EBIT			147.4	78.0
EBIT margin			15.5%	9.9%
Backlog next 12 months	629.3	569.8	629.3	569.8
<i>comparable growth¹</i>	11.0%	32.9%	11.0%	32.9%

1. Corrected for currency effect

- Revenue increased by 23.4% corrected for currency effect, most notably in Marine thanks to strong demand in both the offshore wind and oil & gas markets. Both marine business lines reported strong growth with higher vessel capacity and utilisation. Revenue in Land increased slightly as higher nearshore activity in UK was largely offset by subdued infrastructure markets in certain geographies, including the Netherlands, and the divestment of the French site characterisation activities and closure of Russian business in 2022.
- The region's margin expanded to 15.5%. In Marine, EBIT improved significantly as a result of improved contract terms and conditions coupled with good operational execution; site characterisation performed particularly well. Land reported an EBIT decline as a result of the limited revenue growth.
- The backlog increased by 11.0%, mainly supported by ongoing growth in Marine.

Americas

Key figures excluding specific items (x EUR million)	Q4 2023	Q4 2022	2023	2022
Revenue	150.9	111.7	567.6	454.1
<i>comparable growth¹</i>	42.2%	(4.6%)	28.3%	14.2%
EBIT			57.2	5.3
EBIT margin			10.1%	1.2%
Backlog next 12 months	370.7	386.2	370.7	386.2
<i>comparable growth¹</i>	(1.9%)	38.4%	(1.9%)	38.4%

1. Corrected for currency effect

- Revenue increased by 28.3% corrected for currency effect, with most growth in marine site characterisation, driven by strong demand in the energy market. Land showed modest growth as increased activities in South America were partly offset by lower nearshore activity from LNG projects compared to last year.
- The margin expanded to 10.1% on the back of improved operational execution, compared to a challenging 2022 in marine, operating leverage and better terms & conditions.
- The 12-month backlog is slightly lower, as increases in marine and land asset integrity were offset by the timing of renewable offshore wind projects and reduced LNG activity in the nearshore environment.

Asia Pacific

Key figures excluding specific items (x EUR million)	Q4 2023	Q4 2022	2023	2022
Revenue	103.2	77.3	404.8	310.5
<i>comparable growth¹</i>	42.5%	(17.3%)	37.3%	(5.9%)
EBIT			31.9	22.9
EBIT margin			7.9%	7.4%
Backlog next 12 months	293.9	264.4	293.9	264.4
<i>comparable growth¹</i>	16.1%	40.6%	16.1%	40.6%

1. Corrected for currency effect

- Revenue increased by 37.3% corrected for currency effect, most notably in the marine business lines thanks to strong demand in the energy and renewables markets in both South and North-East Asia.
- The region's margin expanded to 7.9%. In Marine, EBIT improved with increased geotechnical and geophysical activity levels and better pricing.
- The backlog remained strong with 16.1% growth in all business lines.

Middle East & India

Key figures excluding specific items (x EUR million)	Q4 2023	Q4 2022	2023	2022
Revenue	66.6	55.3	261.3	213.1
<i>comparable growth¹</i>	26.2%	17.9%	26.6%	38.3%
EBIT			15.5	1.4
EBIT margin			5.9%	0.7%
Backlog next 12 months	189.4	204.5	189.4	204.5
<i>comparable growth¹</i>	(3.9%)	46.6%	(3.9%)	46.6%

1. Corrected for currency effect

- Revenue increased by 26.6% corrected for currency effect due to increased energy market activity for the marine business, particularly in the second half of the year.
- The EBIT margin increased to 5.9% due to increased activity including strong operational performance on the Lower Zakum project for ADNOC in UAE. The margin of the land activities saw only modest improvement on last year due to the impact of downtime on a jack-up platform.
- Backlog is marginally lower, attributable to the execution of the Lower Zakum project, for which new projects for 2024 are yet to be awarded.

Analyst meeting

Today at 12 CET, Fugro will host an analyst meeting, which can be followed via webcast via <https://www.fugro.com/investors>.

Financial calendar

7 March 2024
25 April 2024
25 April 2024
1 August 2024

Publication annual report 2023
Publication first quarter 2024 trading update
Annual general meeting of shareholders (at 2:00 CET)
Publication half-year 2024 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 11000 talented people in 55 countries, Fugro serves clients around the globe, predominantly in the energy, infrastructure and water industries, both offshore and onshore. In 2023, revenue amounted to EUR 2.2 billion. Fugro is listed on Euronext Amsterdam.

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