

Fugro delivers increased margin, robust cash flow and backlog growth

- Strong revenue growth in Europe-Africa and Asia Pacific, offset by short-term market driven challenges in the Americas and ongoing conflicts in the Middle East, resulting in lower than anticipated top-line.
- Further increase in EBIT margin to 16.7% driven by improvement in Europe-Africa and Asia Pacific.
- Operating cash flow of EUR 124.2 million; free cash flow up by 53% due to higher EBITDA and lower working capital.
- Robust 12-month backlog with 16.8% increase.
- Outlook full-year 2024: mid-single digit revenue growth, EBIT margin around 13%.

Key figures (x EUR million) unaudited	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue	596.5	608.9	1,687.6	1,627.2
comparable growth ¹	(0.7%)	32.6%	4.2%	27.2%
EBITDA ²	140.3	135.9	364.3	296.3
EBITDA margin ²	23.5%	22.3%	21.6%	18.2%
EBIT ²	99.3	97.5	242.8	187.8
EBIT margin ²	16.7%	16.0%	14.4%	11.5%
Operating cash flow before changes in working capital	124.2	134.7	311.2	265.7
Cash flow from operating activities after investing (free cash flow) ³	102.6	66.9	(2.6)	77.1
Backlog next 12 months			1,686.2	1,477.4
comparable growth ¹			16.8%	14.5%

1. Corrected for currency effect

2. Adjusted for specific items with a total impact of EUR (7.5) million YTD 2024

3. Including discontinued operations

Mark Heine, CEO: "In the typically busy summer season we delivered another strong set of results, by successfully executing numerous projects for clients across the energy, infrastructure and water markets. In Europe-Africa and Asia Pacific we are capitalising on the strong market backdrop, in particular in marine and nearshore, enabled by the expansion of our geotechnical vessel fleet; this resulted in significant top-line growth and improved margins.

We have achieved these results despite short-term market-driven challenges linked to subdued activity levels in the Americas, especially in offshore wind and LNG, and ongoing conflicts and slippage of key oil and gas projects in the Middle East. In both regions, effective cost management helped mitigate the effects of lower revenues. Overall, our well-diversified portfolio of markets and regions highlights the resilience of our overall performance. Additionally, continued focus on cash collection has led to a decrease in working capital and strong cash generation.

We continue to execute on our plans and realise further margin progression through our ongoing commitment to operational and commercial excellence. We see steady activity levels in the fourth quarter, resulting in a mid-single digit growth for the full year. I am confident about the overall market fundamentals and prospects for our Geo-data solutions. A great example is our recently announced partnership with Autodesk on game-changing software integration for smarter, safer construction of infrastructure. Our talented team, market agnostic asset base, cutting-edge technology and innovative solutions are key factors allowing us to effectively address our clients' needs and deliver on our strategic goals and mid-term targets."

Review Q3 2024

On a currency comparable basis, revenue was in line with the strong third quarter of last year. Growth in Europe-Africa (+9.4%) and Asia Pacific (+37.6%) was offset by client induced postponements of offshore wind, carbon capture & storage and LNG projects in the US, compounded by uncertainty in the run up to the elections (Americas -20.9%), and the impact of elevated tensions and cautious spending in the Middle East triggered by lower oil prices (Middle East & India -41.8%).

Overall, the utilisation rate of Fugro's owned and long-term chartered fleet was 72% versus 75% a year ago as a result of higher utilisation of our geotechnical vessels in combination with lower utilisation of our geophysical fleet. On balance, revenue in Marine increased by 0.3%. Land revenue decreased slightly, by 4.2%, due to lower activity levels in the Middle East and a restructuring of the onshore site investigation business in the UK.

The group's profitability continued its upward trajectory, with an EBIT margin of 16.7%. In Europe-Africa and Asia Pacific, the margin increased driven by top line growth, operational leverage and solid project execution. In Americas and Middle East & India, active cost management reduced the impact of lower revenues.

We continue to see solid order momentum, resulting in a 16.8% increase in our 12-month backlog.

Driven by higher EBITDA and a lower working capital, free cash flow improved by 53.3% to EUR 102.6 million. At the end of September, working capital as a percentage of 12-month revenue amounted to 14.4% compared to 15.6% a year ago, and in line with previous years, it is expected to be further unwound in the fourth quarter. Capital expenditure was EUR 51.7 million compared to EUR 31.7 million in the comparable period last year.

Net leverage declined to 0.6x at the end of the quarter. On the final conversion date of the 2024 convertible bonds, 24 October, Fugro received notices of EUR 42.1 million in total, converting into 2,190,214 shares. This has resulted in a total number of outstanding shares of 113,456,518 excluding 2,243,098 treasury shares. The remaining outstanding amount of EUR 0.4 million will be repaid.

On 25 January 2019, the Brumadinho dam in Brazil collapsed, leading to the loss of many lives, including four of our colleagues. On 2 September 2024, the federal public prosecutor concluded its formal investigation into the matter. Based on the report, Fugro was, as has continuously been the case, not indicted, confirming Fugro's earlier stated position in respect of the incident or Fugro's liability in respect thereof.

Recent project awards

- Europe-Africa region: preliminary geotechnical surveys for TotalEnergies to support the planning and design of new offshore wind farms in Germany; geo-monitoring of bridges, tunnels and viaducts and other infrastructure assets for the Dutch Ministry of Infrastructure; preliminary geotechnical site investigations for the French Directorate General for Energy and Climate for the development of offshore wind farms; metocean monitoring services to support safe future field development activities and the design basis for offshore facilities for GALP and its partners CUSTOS and NAMCOR off the coast of Namibia¹.
- Americas region: Geotechnical site investigation for Ocean Winds' Bluepoint Wind in the New York Bight; geotechnical services for a floating production storage and offloading (FPSO) installation in Guyana; vessel-based bathymetric surveys for the Florida Department of Environmental Protection's ongoing seafloor mapping initiative; site investigation and related safety analysis for Enercon Services East in the US to support future construction permitting of two small modular reactors for a nuclear project; geoconsulting services for Arcadis during the final design phase of the Fraser River Tunnel Project in British Columbia.

¹ GALP holds an 80% interest in PEL 83 and operates the license since 2016 in partnership with Namibian companies Namcor (10%) and Custos (10%)

- Asia Pacific region: Multi-year contract in Hong Kong providing consultancy services for slope monitoring and landslide mitigation; support services for subsea maintenance of asset infrastructure off the North-West shelf of Australia; geotechnical investigations offshore Thailand to manage geo-risk for a client across multiple concessions and ROV services onboard a Solstad construction support vessel supporting Changfang and Xidao offshore wind farms in Taiwan.
- Middle East & India region: Seabed characterisation and ROV services in support of the North Field Expansions and North Field Production Sustainability projects; ROV pipeline inspection services for BGP in Qatar; onshore geophysics ground investigations for contractor MACE in Saudi Arabia in support of an island development; contract renewal for marine inspection and monitoring services for Gupco in Egypt.

Outlook 2024

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

- Mid-single digit revenue growth, primarily driven by the energy markets
- EBIT margin around 13%
- Ongoing investments in assets, technology, people and execution excellence
- Capex of around EUR 250 million.

Analyst call

At 9:30 CET today, 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

28 February 2025

Publication full-year 2024 results

24 April 2025

Publication Q1 2025 trading update

For more information

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About Fugro

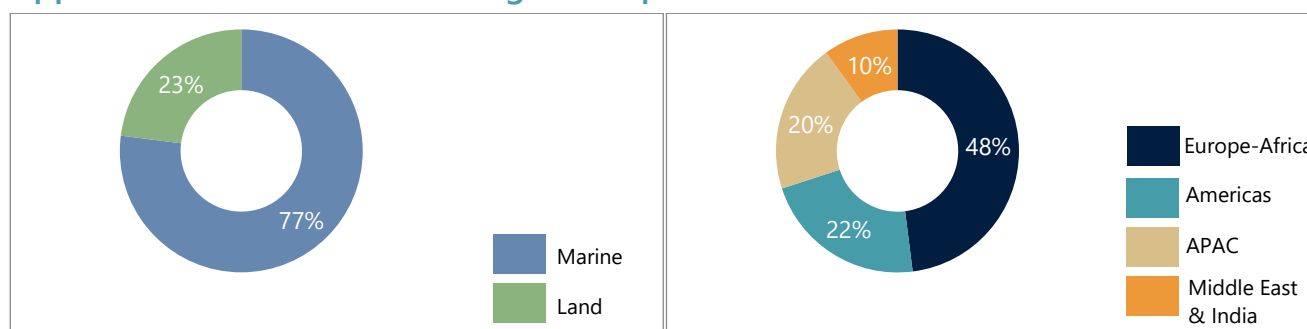
Fugro is the world's leading Geo-data specialist, collecting and analysing comprehensive information about the Earth and the structures built upon it. Adopting an integrated approach that incorporates acquisition and analysis of Geo-data and related advice, Fugro provides solutions. With expertise in 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 close to 11000 talented people in 55 countries, Fugro serves clients around the globe, predominantly in the energy and infrastructure industries, both offshore and onshore. In 2023, revenue amounted to EUR 2.2 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



Overview by business

Key figures (x EUR million)		Q3 2024	Q3 2023	YTD 2024	YTD 2023
Marine	Revenue	472.1	476.7	1,304.0	1,225.1
	comparable growth ¹	0.3%	46.6%	6.8%	36.7%
	Backlog next 12 months			1,327.8	1,112.4
	comparable growth ¹			21.8%	18.3%
Land	Revenue	124.3	132.2	383.6	402.1
	comparable growth ¹	(4.2%)	(1.1%)	(3.7%)	5.1%
	Backlog next 12 months			358.4	365.0
	comparable growth ¹			1.5%	4.2%

Overview by region

Key figures (x EUR million)		Q3 2024	Q3 2023	YTD 2024	YTD 2023
Europe-Africa	Revenue	297.8	270.7	817.0	714.2
	comparable growth ¹	9.4%	23.9%	13.7%	26.1%
	Backlog next 12 months			692.0	596.7
	comparable growth ¹			15.0%	17.2%
Americas	Revenue	119.8	158.8	365.5	416.7
	comparable growth ¹	(20.9%)	37.6%	(10.6%)	23.8%
	Backlog next 12 months			430.7	366.4
	comparable growth ¹			24.8%	11.8%
Asia-Pacific	Revenue	132.8	98.8	340.8	301.6
	comparable growth ¹	37.6%	38.1%	14.7%	35.6%
	Backlog next 12 months			307.0	310.4
	comparable growth ¹			1.2%	11.2%
Middle East & India	Revenue	46.0	80.6	164.3	194.7
	comparable growth ¹	(41.8%)	57.3%	(15.2%)	26.8%
	Backlog next 12 months			256.5	203.9
	comparable growth ¹			31.2%	16.9%

1. Corrected for currency effect