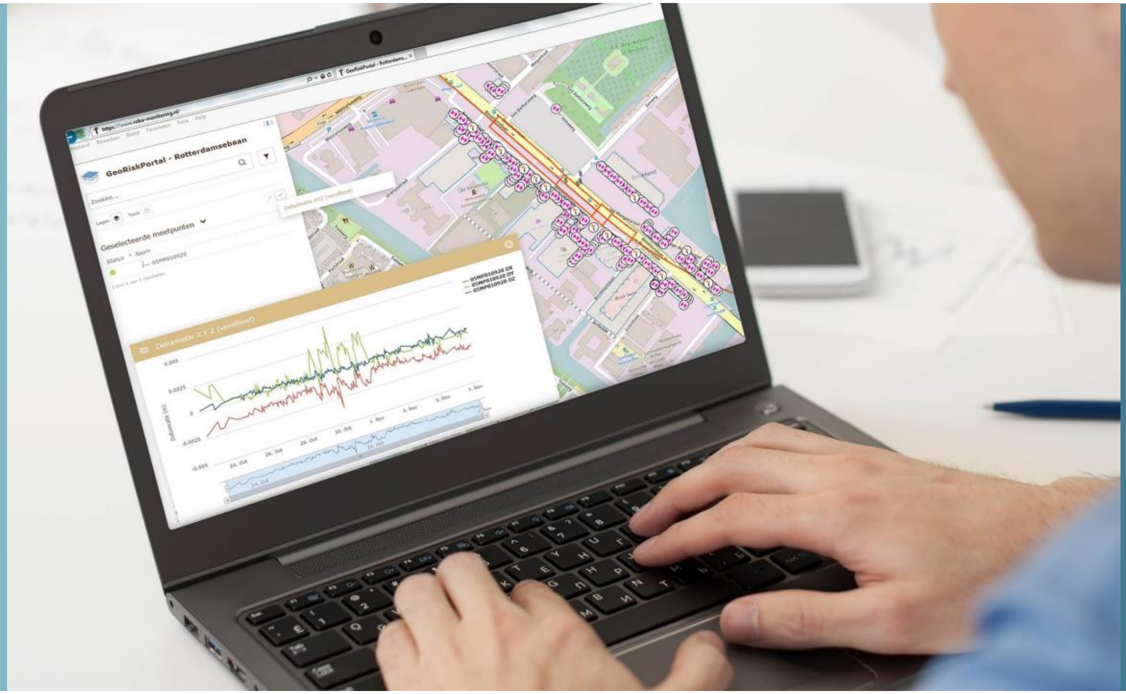


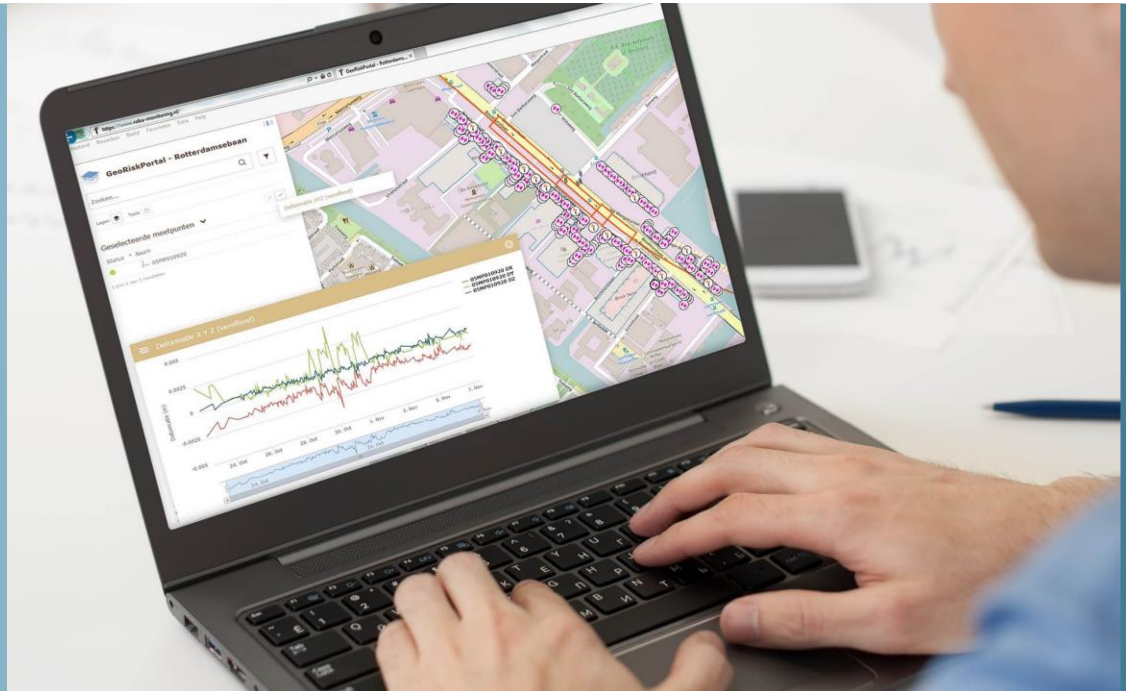
2. Financial update

by Paul Verhagen

Financial key takeaways

1. Improved results and marginally positive EBIT margin in 2018
2. Capital allocation: priority to organic growth and deleveraging
3. Significant improvements in EBIT, ROCE and cash flow in the mid-term (2021-2023):
   - Return On Capital Employed 10-15%
   - EBIT margin 8-12%
   - Free cash flow 4-7% of revenue

Note: All figures in this presentation are pre-IFRS 16 impact, unless stated otherwise



2. Financial update

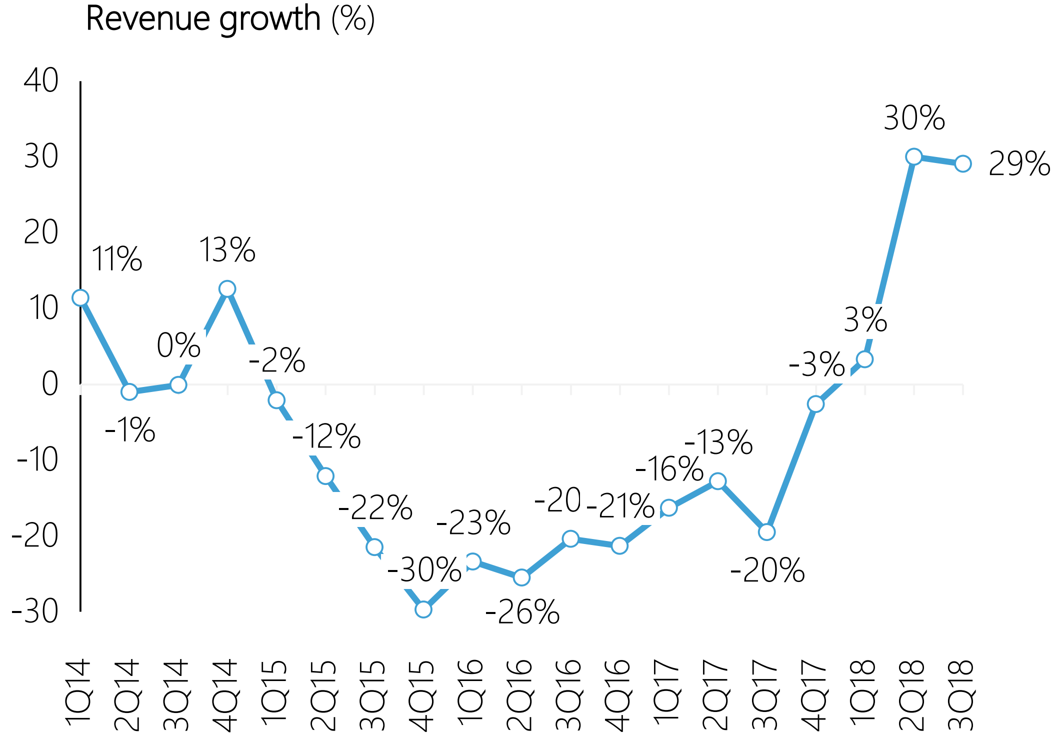
A. YTD performance

B. Mid-term outlook

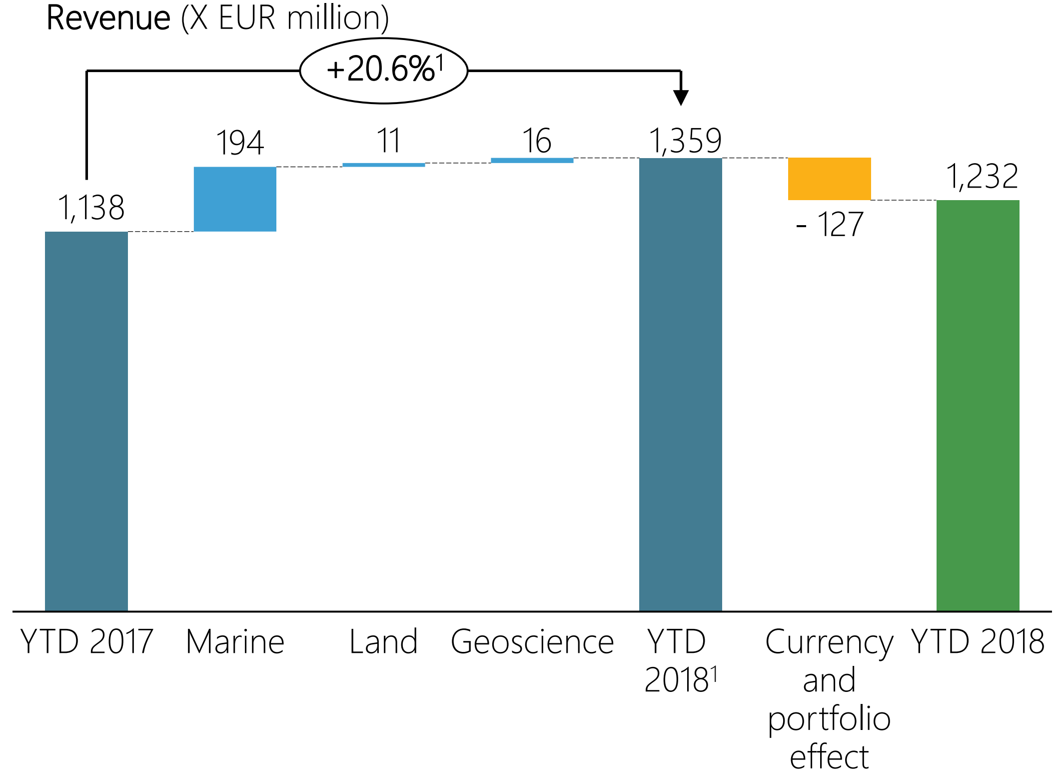
C. IFRS 16 update

YTD 2018 – third quarter of revenue growth after 12 quarters of decline

Strong year-on-year revenue growth[1]



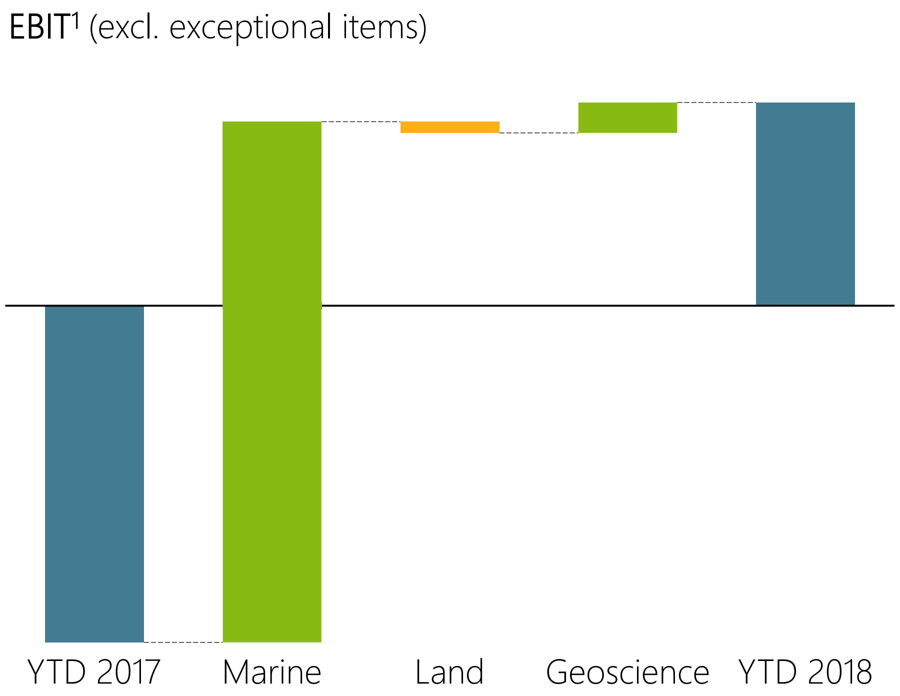
Revenue growth in all divisions



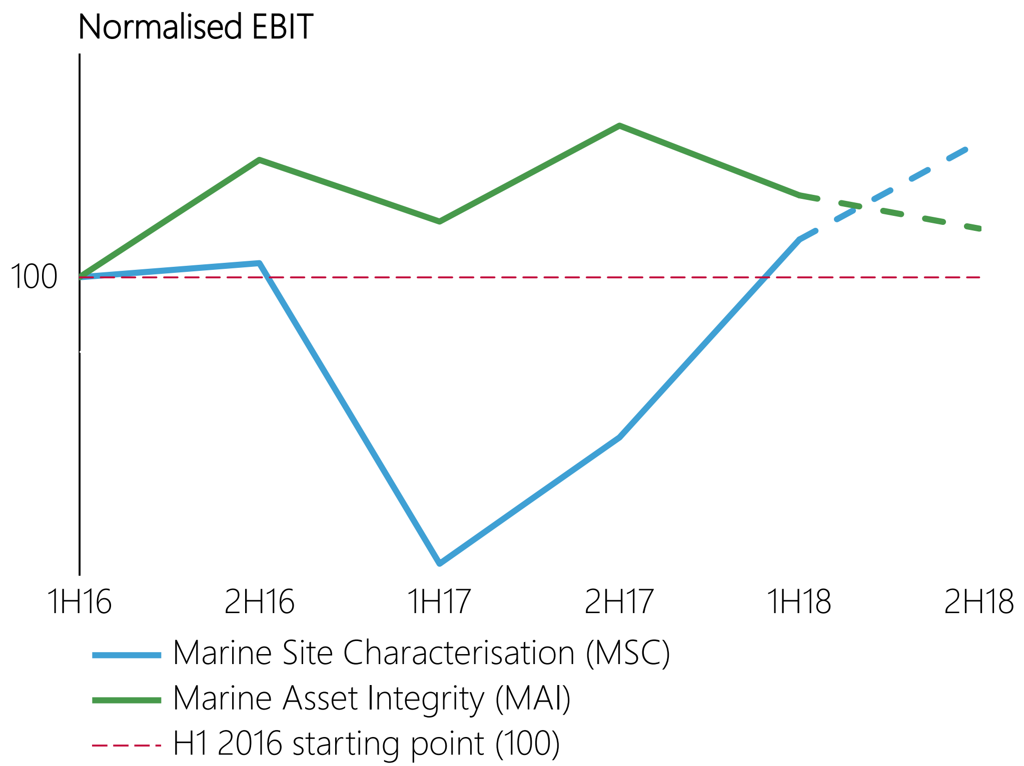
1. Corrected for FX effect and divestment of marine construction & installation activities in 2017

YTD 2018 – EBIT improvement driven by early cyclical MSC whilst late cyclical MAI is lagging

Improved EBIT mainly due to marine division

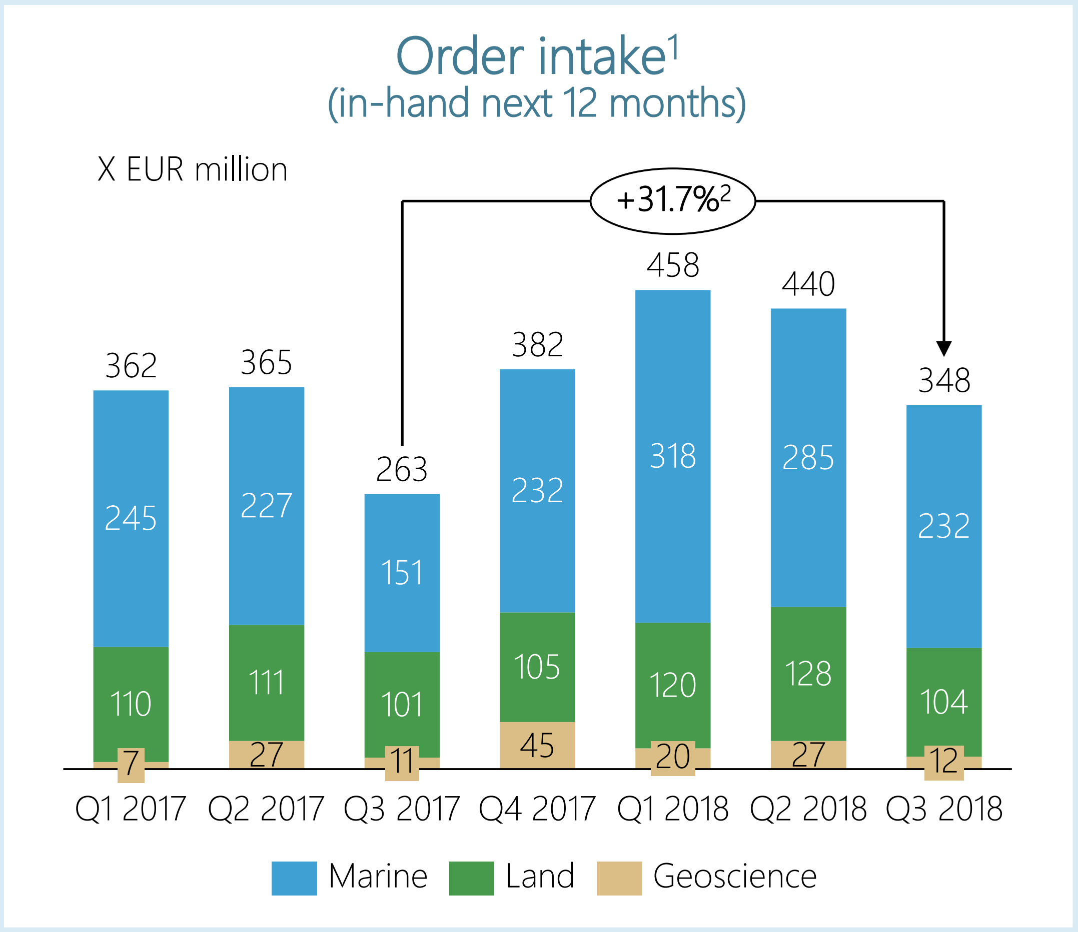


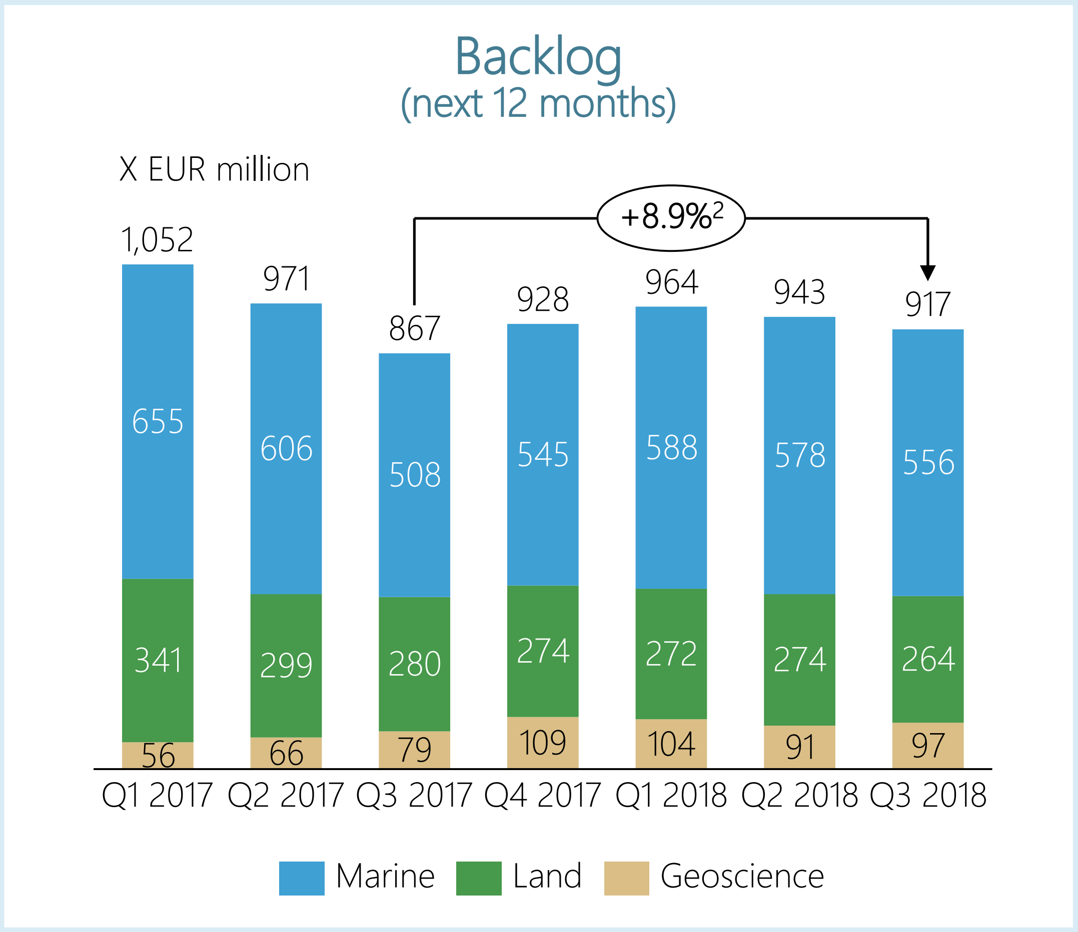
EBIT recovery in MSC, not yet in MAI



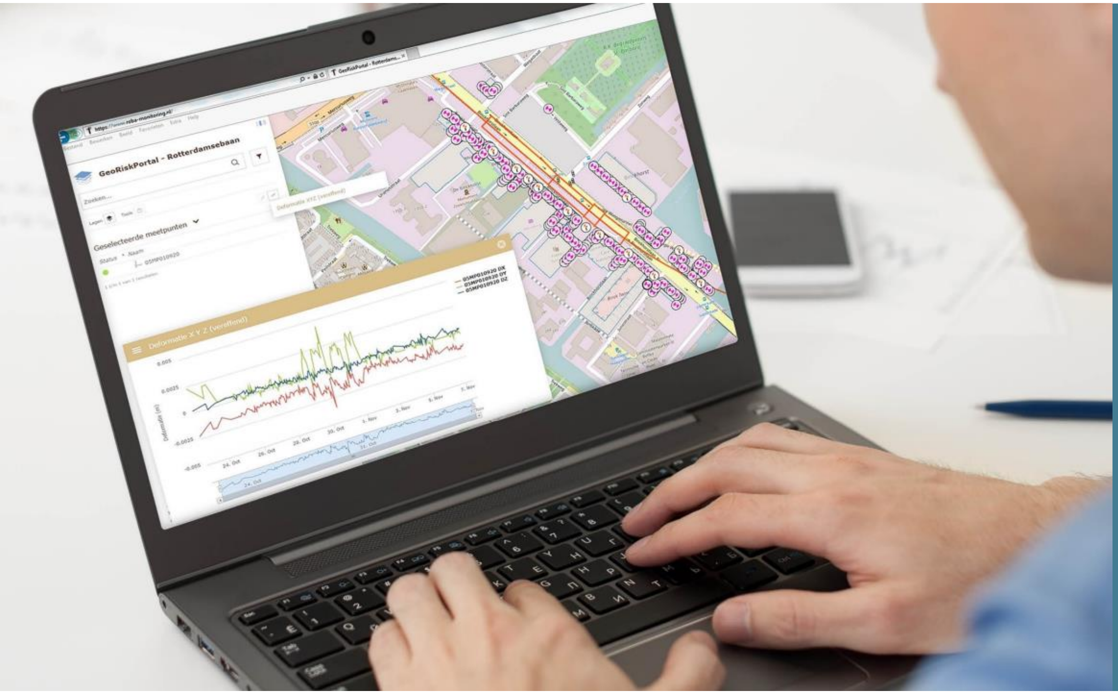
1. Corrected for one-offs related to contractual settlement in 2017 in Land and sale of spare cable assets in 2018 in Geoscience

Q3 2018 – Strong growth in order intake and backlog





1. Revenue in the quarter + change in-hand 12 month backlog in the quarter
2. Corrected for FX effect and divestment of marine construction & installation activities in 2017



2. Financial update

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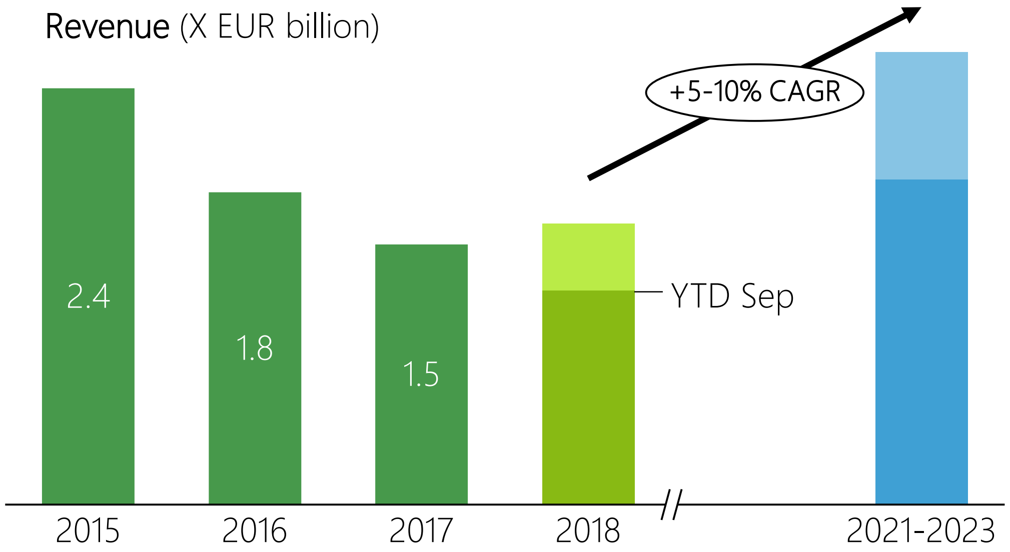
Mid to high single digit comparable revenue growth

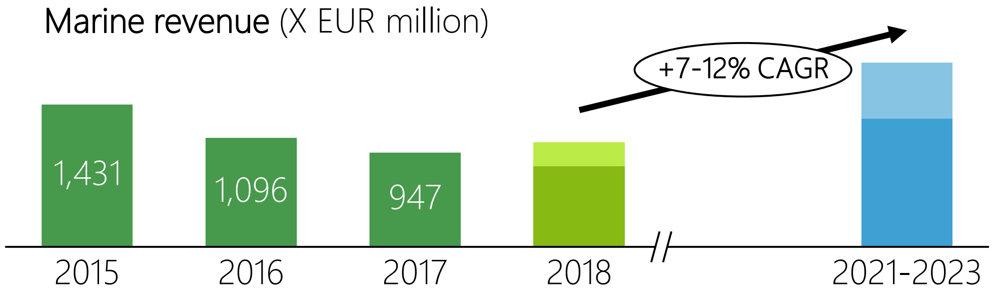
Group revenue

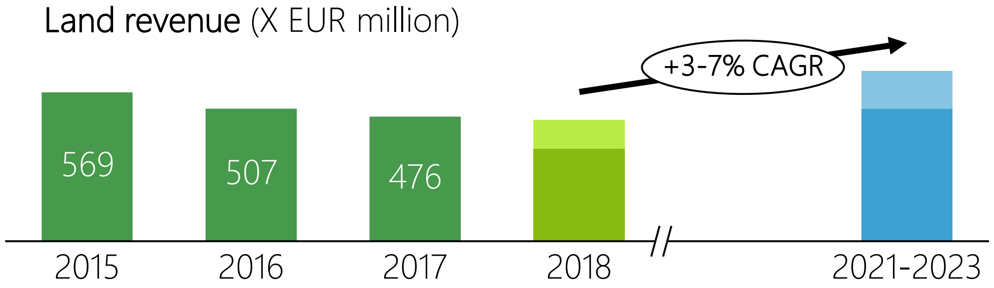


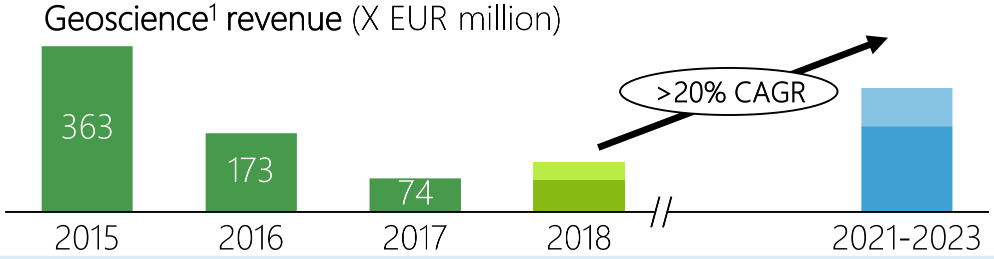
Revenue growth drivers

- Capture the upturn in energy & infrastructure
- Differentiate by integrated digital solutions
- Leverage core expertise in new growth markets

Divisional revenue





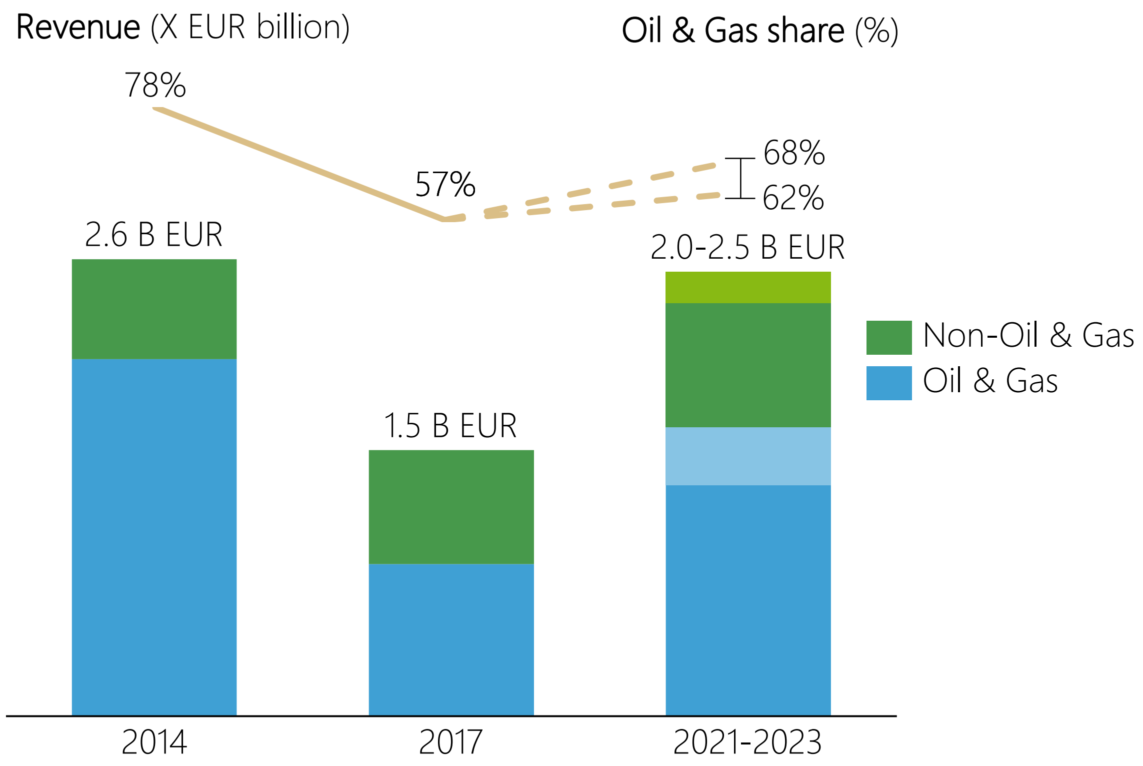


1. Geoscience revenue is equal to Seabed Geosolutions revenue except for 2015, which also includes EUR 19 million multiclient sales

FUGRO

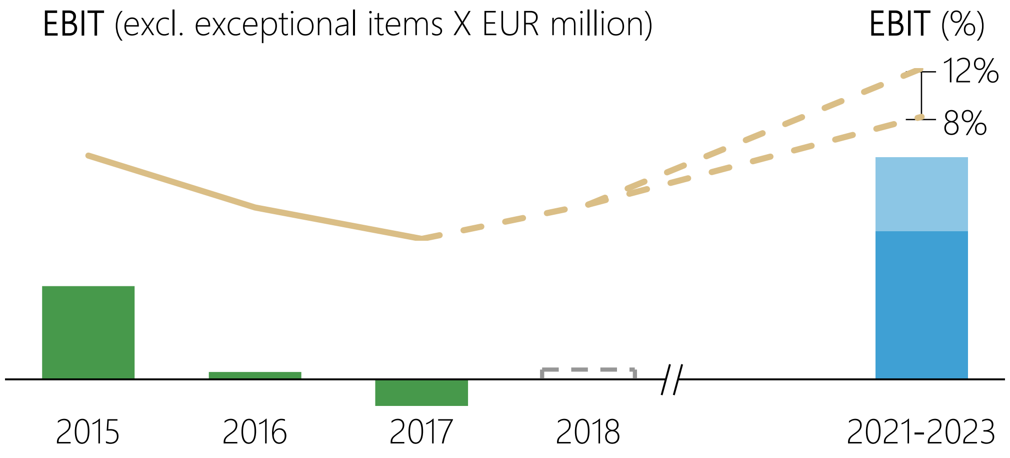
Revenue growth in all market segments

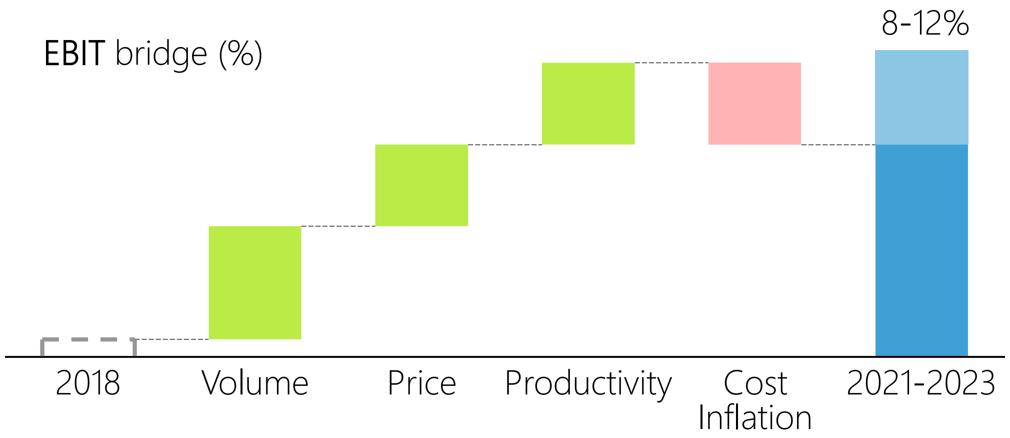
Revenue per market segment



- Revenue growth in all market segments
- Share of O&G expected to increase, although it will remain well below pre-downturn level
- Share in non-O&G expected to be between 32-38% in 2021-2023

EBIT margin targeted to improve to 8-12% of revenue





Minimum improvement required to achieve low-end of EBIT margin range

EBIT margin impact (pp[1])

	Per year	By 2021
Volume Mid single digit volume growth	1-2	4-5
Price Price recovery driven to a large extent by oil & gas and offshore wind market	1	3
Productivity/other Efficiency and cost reduction initiatives	1	3
Cost inflation Cost inflation on most expenses	-1	-3

1. pp: percentage points

Drivers of margin improvement

Drivers	Estimated annual EBIT Impact[1] (in EUR million)	Proof points and actions
Vessel based volume: +1%		▪ Revenue growth with disciplined cost management benefiting from operating leverage ▪ Reduction of personnel, depreciation and other expenses as % of revenue; from 64.5% in 1H17 to 56.3% in 1H18
▪ Owned vessels utilisation	4	
▪ Chartered vessels	2	
Non-vessel based volume: +1%	2	
Price: +1%	15	▪ Price erosion experienced during downturn in Marine service lines between 10-50% ▪ Initial price increases of 5-10% realised in MSC in 2018
Productivity: +1%	14	▪ Fully leverage technology ▪ Increase efficiencies through digitalisation ▪ Strengthen procurement ▪ Drive uptime of assets and equipment ▪ Further leverage shared service centers

1. Based on 2017 financials

Free cash flow 4-7% of revenue by 2021-2023

Drivers of free cash flow improvement

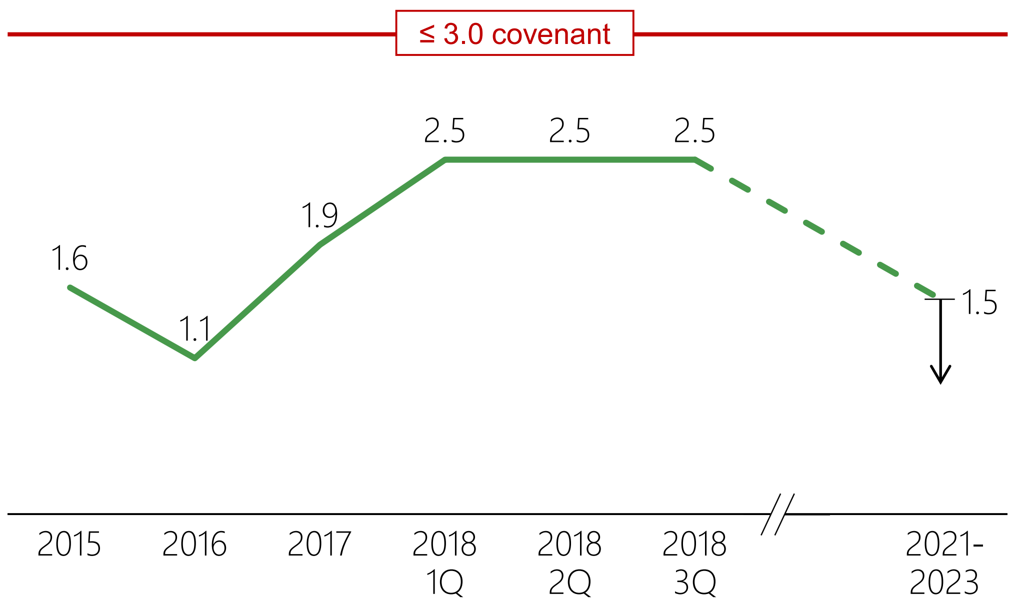
- Gradual improvement of EBIT margin to 8 -12%
- Less capital intensive business model with average annual CAPEX of EUR 100 to 130 million
  - Maintenance EUR 50-60 million
  - Project, innovation and growth EUR 50-70 million
- Continuing good working capital management, resulting in 12-15% of revenue
- Lower effective tax rate due to deferred tax assets
- Positive annual free cash flow

Incremental free cash flow opportunities from divestment of non-core assets

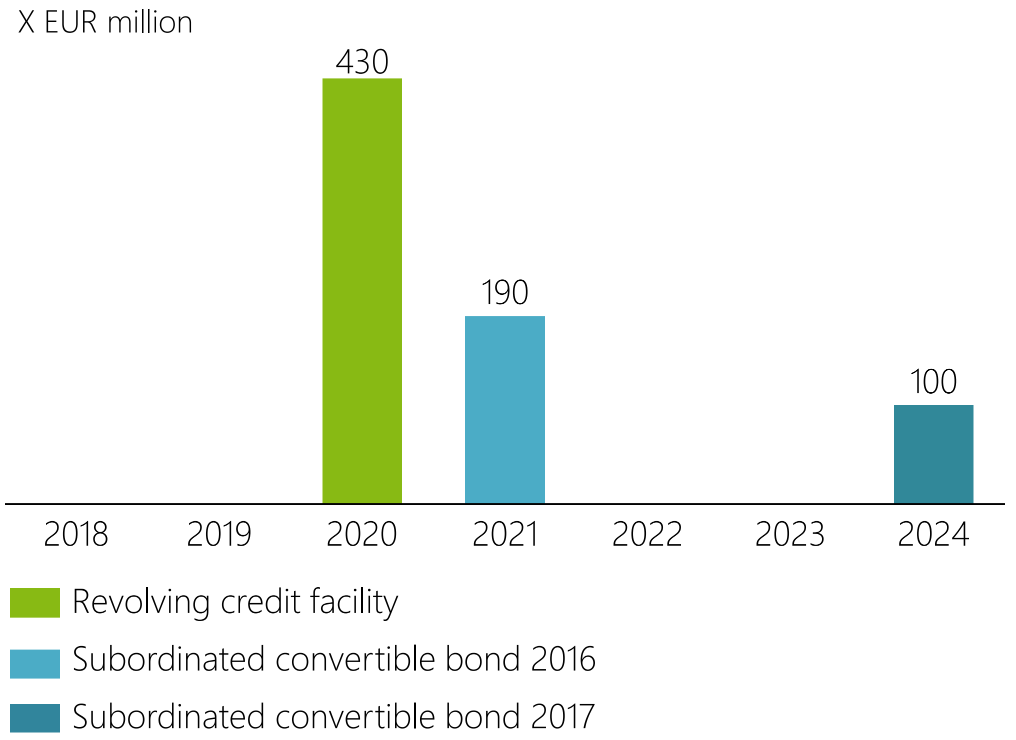
- 60% stake in Seabed Geosolutions
- 23.6% stake in Global Marine
- Monetise Finder's license agreements (indirect interests in Australian exploration licenses)

Resulting in further deleveraging

Net debt / EBITDA



Debt maturity per June 2018



Benefits expected from significant Deferred Tax Assets (DTA)

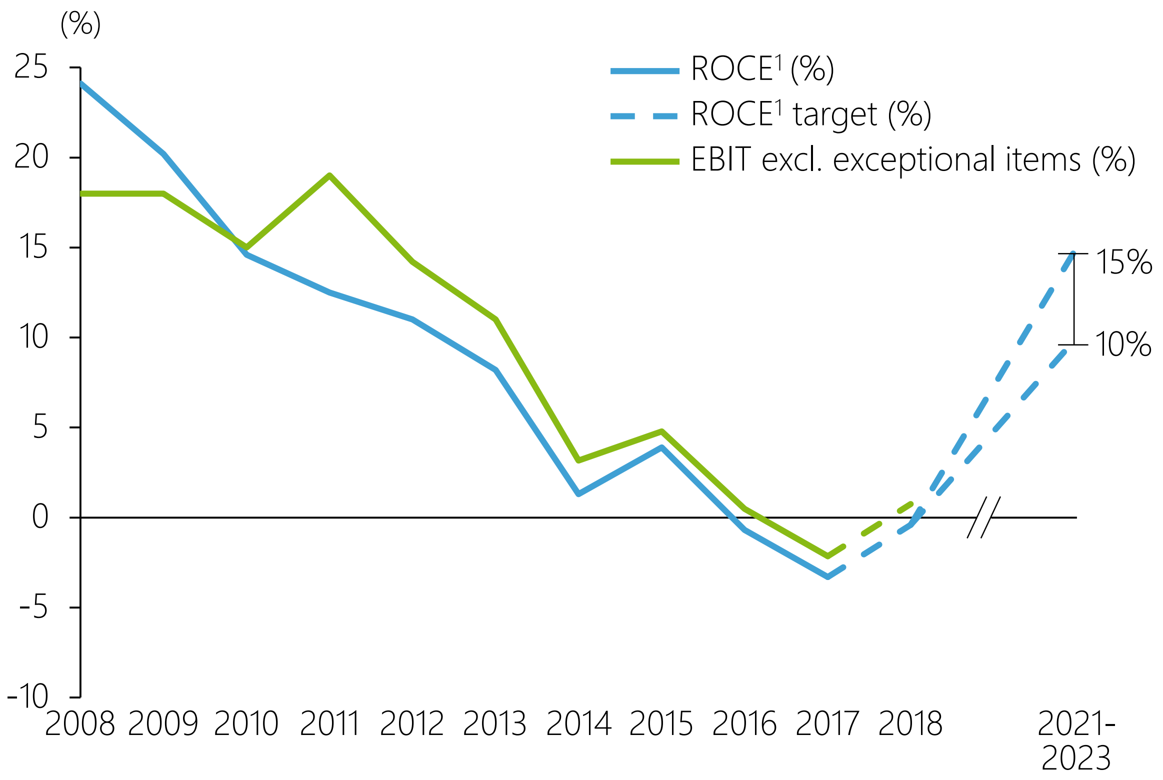
Significant DTAs with limited expiration..

- DTA at year-end 2017:
  - Recognised EUR 39 million
  - Unrecognised EUR 232 million
- Less than EUR 20 million DTA expiration by 2023

..expected to result in substantial tax benefits

- In 2017, EUR 1 million tax benefit realised from DTA
- In subsequent years increased DTA realisation expected, based on improved profitability

ROCE to improve to 10-15%



- ROCE of 10-15% will require an EBIT margin of 8-12%
- We will operate a more asset light business model, resulting in lower CAPEX in the coming years
- Average annual CAPEX
  - 2008-2014: EUR 283 million
  - 2015-2018: EUR 115 million
  - 2019-2023: EUR 100-130 million

1. Definition of ROCE can be found in glossary of the Fugro annual report

Capital allocation: priority to organic growth and deleveraging

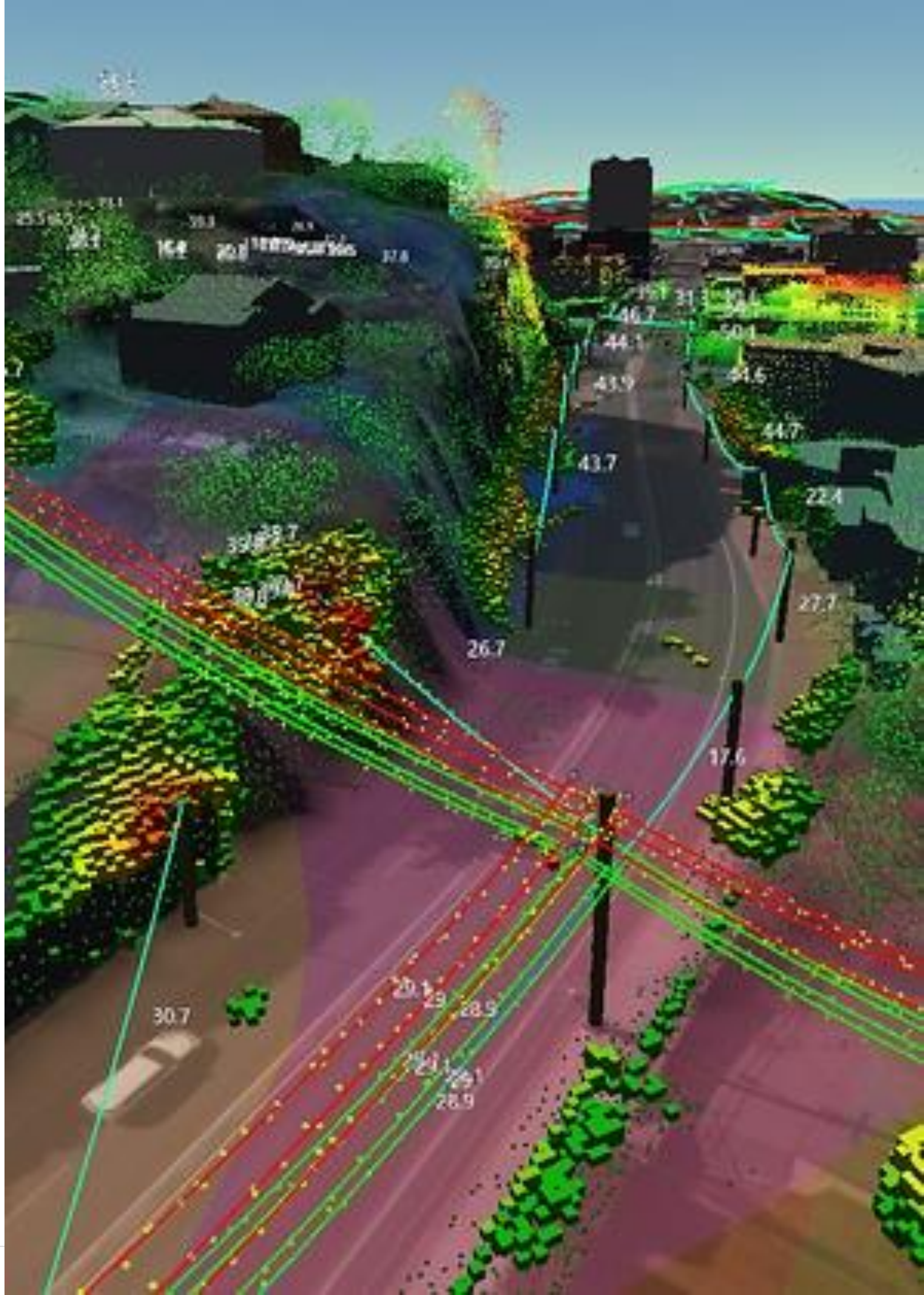
1	Capital Expenditure	Support profitable organic growth through maintenance, project and innovation related CAPEX	EUR 100 -130 million per year on average
2	Balance Sheet	Further strengthen balance sheet	Targeting mid-term net debt/EBITDA below 1.5
3	Acquisitions	Disciplined bolt-on acquisitions	Selective opportunities judged on their merits
4	Dividend Policy	Resume dividend payments	35%-55% of net profit once leverage allows

Updated mid-term targets (2021-2023)

	ROCE	EBIT	FCF[1]
Group	10 – 15 %	8 – 12 %	4 – 7 %
Marine	>10 %	10 - 13 %	
Land	>10 %	6 - 9 %	
Seabed	>10 %	8 - 12 %	

1. As % of revenue

Note: All figures in this presentation are pre-IFRS 16, unless stated otherwise



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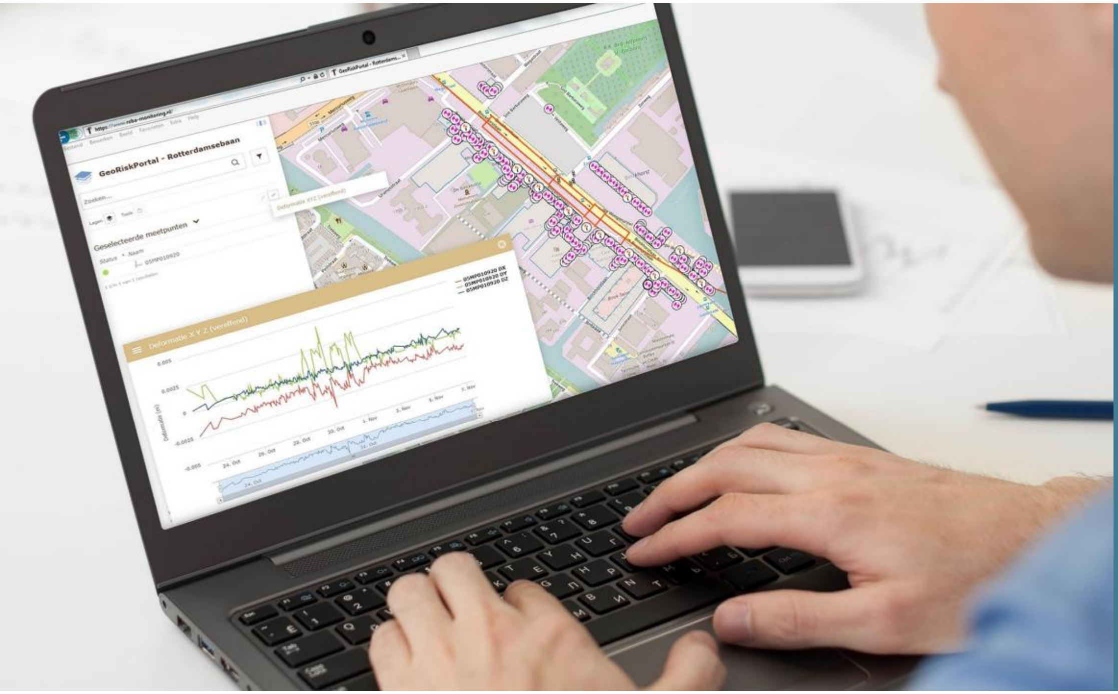

2. Financial update

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Long-term operating lease commitments on balance sheet as of 2019

	Actual situation As per year end 2017		2019 (IFRS 16) Current estimate
Off balance sheet lease commitments	EUR 320 million	Short term leases	Short term leases
Balance sheet: assets/liabilities		Long term leases	EUR 200-225 million*

* discounted

- No change in economics, only in accounting
- No impact on covenants due to "frozen GAAP" clause
- All operating leases on balance sheet as of 2019, except for low-value and short term leases
- Comparative numbers 2018 will not be restated

Long-term operating lease commitments on balance sheet as of 2019

	2019 excluding impact IFRS 16		2019 impact IFRS 16 Current estimate	
Revenue	€€€		€€€	=
Operating costs	EUR 35-45 million lease expenses		- EUR 35-45 million	↓
EBITDA			+ EUR 35-45 million	↑
Depreciation		Recognised as depreciation	+ EUR 30-35 million	↑
EBIT			+ EUR 5-10 million	↑
Finance expense		Recognised as finance expense	+ EUR 10-16 million	↑
EBT (Earnings Before Tax)			- EUR 5-6 million	↓

- Over lifetime of leases, this change has no impact on EBT
- Due to 'front-loading effect' (higher interest expenses in early years) negative effect on EBT in early years