

PRESS RELEASE

Leidschendam, the Netherlands, 18 February 2022

Solid 2021 results underpin Fugro's Path to Profitable Growth Strong fourth quarter with growth in all regions

- Full year revenue up 5.8% with continued diversification towards wind, infra and water at 61% of revenue.
- EBITDA increased to EUR 175.6 million driven by Europe-Africa and Americas, and an EBIT margin of 4.3%.
- Q4 revenue growth of 24.8% and Q4 EBIT margin of 4.3%.
- Resilient performance due to cost control, operational delivery and early signs of improved pricing.
- Free cash flow of EUR 39.5 million due to operational performance and good working capital management.
- Positive net result of EUR 71.1 million.
- Further deleveraging to 1.7x.
- 12-month backlog increased by 11.6% to EUR 1,014.1 million, back to pre-pandemic level.
- Outlook 2022: continued revenue growth and further margin expansion towards 2023-2024 target.

Key figures (x EUR million) from continuing operations unless otherwise indicated	Q4 2021		Q4 2020	
	Q4 2021	Q4 2020	2021	2020
Revenue	410.4	318.1	1,461.7	1,386.3
comparable growth ¹	24.8%	(12.8%)	5.8%	(12.4%)
EBITDA ²	44.9	33.2	175.6	162.0
EBITDA margin ²	10.9%	10.4%	12.0%	11.7%
EBIT ²	17.4	3.5	63.0	48.2
EBIT margin ²	4.3%	1.1%	4.3%	3.5%
Net result ³			59.6	(74.0)
Net result incl. discontinued operations ³			71.1	(173.8)
Backlog next 12 months	1,014.1	866.2	1,014.1	866.2
comparable growth ¹	11.6%	(8.0%)	11.6%	(8.0%)
Cash flow operating activities after investing (free cash flow) ⁴	14.6	36.1	39.5	88.4
Net leverage ⁵	1.7	2.1	1.7	2.1

¹ Corrected for currency effect

² Adjusted for specific items: onerous contract provisions, restructuring cost, impairment losses, and certain advisor/ other costs of EUR 2.7 million in 2021 (2020: EUR 28.4 million)

³ Attributable to the owners of the company

⁴ Incl discontinued operations; 2020 free cash flow includes EUR 49.9 million proceeds from the sale of Global Marine

⁵ Total debt (incl. subordinated debt) minus cash on balance sheet divided by last 12 months adjusted consolidated EBITDA for covenant purposes, including IFRS-16

Mark Heine, CEO: "We delivered a clear improvement in our results. The margin was up, in particular in Europe-Africa and Americas, and we generated a positive free cash flow and a positive net result. We won numerous exciting new projects, including follow-up contracts for Denmark's Energy Island, multiple wind farm site characterisations on the east coast of the US and several investigation works in support of the future Hong Kong-Shenzhen Innovation and Technology Park.

Considering the impact of the pandemic throughout the year, I am particularly grateful for the unwavering commitment and flexibility of Fugro's employees to delivering high quality services to our clients. The resilient performance was a combination of strict cost management, operational delivery, and early signs of improved pricing, particularly driven by a tightening supply market and new digital Geo-data solutions. We successfully advanced our digital technology journey focused on robotics, remote, analytics and insights.

In a rapidly changing world with an increasing need for insightful Geo-data, our services are more relevant than ever. The energy transition, climate change adaptation and sustainable infrastructure are at the heart of our strategy and we are well positioned to support clients with their transformation in light of these urgent global themes. By now, we generate 61% of our revenue in wind, infra and water. The strong growth, quality and composition of our backlog underline our ambition to further diversify in these growth markets.

The positive market outlook reinforces our Path to Profitable Growth strategy. On the trajectory towards our mid-term targets, our 2022 management agenda is focused on the following topics: further implementation of our digital transformation, innovation and sustainability agenda, excellence in commercial and operational delivery; another step-change in safety and employee engagement and the roadmap to reach our net zero carbon emission ambition by 2035."

Performance review 2021

In the fourth quarter of 2021, revenue growth at 24.8% was particularly strong and supported by all regions, business lines and market segments. EBIT margin was 4.3% compared to 1.1% in the comparable period last year as a result of improved performance in Americas and Middle East & India, in particular in marine.

Full-year revenue increased by 5.8% on a currency comparable basis. Revenue from renewables sustained its growth trajectory with an increase of 21%. Infrastructure and water were up by 5% and 11% respectively. In the fourth quarter, oil and gas related revenue increased in all regions, whereas for the full year, revenue declined versus 2020.

EBITDA for the full year increased to EUR 175.6 million, driven by improvements in Europe-Africa and Americas, resulting in an EBIT margin of 4.3% compared to 3.5% in 2020. Results in the marine and land asset integrity business lines were higher in all regions. Throughout the year, operations were still impacted by the pandemic, in particular operational complexities of cross border projects in Asia Pacific in combination with lower government cost compensation, and low activity levels in Middle East & India. As a result, marine and specifically land site characterisation margins declined.

Fugro generated a positive net result of EUR 71.1 million driven by improved EBIT, net finance expense and income tax.

Fugro's 12-month backlog grew by 11.6% to EUR 1,014.1 million, which represents the largest increase since the end of 2018, and was supported by all business lines in all regions.

Free cash flow was EUR 39.5 million compared to EUR 38.5 million in 2020 excluding EUR 49.9 million proceeds from the sale of Global Marine Group. An increase in cash flow from operating activities by EUR 32.9 million was offset by higher working capital related to the revenue growth in the second half of year. Working capital as a percentage of 12-months rolling revenue was 10.9% at the end of 2021 compared to a particularly low level of 8.1% a year ago. Days of revenue outstanding was 82 days at the end of 2021 compared to 83 at year-end 2020. Capex amounted to EUR 79.7 million, in line with EUR 81.2 million in the previous year. Net debt was EUR 292.7 million as at 31 December 2021 compared to EUR 368.4 million at half-year 2021.

Fugro is reviewing the possibility to extend its debt maturity profile. At this stage, it is uncertain whether Fugro will proceed and, if so, when this might happen.

Outlook 2022

For 2022, Fugro expects an increase in revenue in offshore wind, infrastructure and water markets, plus modest growth in the oil & gas market, resulting in overall continued revenue growth. In addition, the company is focused on further margin expansion towards its 2023-2024 mid-term targets of an EBIT margin of 8-12% and a free cash flow of 4-7%, on the back of higher pricing, increasing asset utilisation, disciplined cost management, operational excellence and digital transformation. At the same time, the company will continue to focus on actively managing any impacts of the pandemic, inflationary pressures and a tight labour market. To support the anticipated growth and the company's transformation agenda, capex is estimated at around EUR 100 million.

Review by business

Marine

Key figures, adjusted ¹ (x EUR million)	Q4 2021	Q4 2020 ²	2021	2020 ²
Revenue	294.4	214.0	1,037.9	980.4
comparable growth ³	33.7%	(18.7%)	5.8%	(15.2%)
EBITDA			145.2	124.8
EBIT			52.3	33.3
EBIT margin			5.0%	3.4%
Backlog next 12 months	695.9	597.2	695.9	597.2
comparable growth ³	11.0%	(11.4%)	11.0%	(11.4%)
Capital employed	781.3	701.8	781.3	701.8

¹ EBIT(DA) adjusted for specific items

² Adjusted for reclassification of nearshore infrastructure services in Europe-Africa from Land to Marine (EUR 17.3 million revenue in full-year 2020)

³ Corrected for currency effect

- Throughout the year, buoyant offshore wind activity levels led to a 21% growth in renewables, with numerous projects executed in Europe-Africa, Americas and Asia Pacific. In the fourth quarter, oil and gas revenue increased in all geographies; for the full-year, it was down everywhere except in Europe-Africa. On balance, vessel utilisation was 72% compared to 66% in 2020.
- EBIT margin improved driven by asset integrity in all regions. Site characterisation margin was lower, mostly related to subdued activity levels in Middle East & India.

Land

Key figures, adjusted ¹ (x EUR million)	Q4 2021	Q4 2020 ²	2021	2020 ²
Revenue	116.0	104.1	423.8	405.9
comparable growth ³	6.5%	2.4%	5.7%	(3.8%)
EBITDA			30.4	37.2
EBIT			10.7	14.9
EBIT margin			2.5%	3.7%
Backlog next 12 months	318.2	269.0	318.2	269.0
comparable growth ³	12.9%	0.7%	12.9%	0.7%
Capital employed	225.6	173.0	225.6	173.0

¹ EBIT(DA) adjusted for specific items

² Adjusted for reclassification of nearshore infrastructure services in Europe-Africa from Land to Marine (EUR 17.3 million revenue in full-year 2020)

³ Corrected for currency effect

- Revenue increased by 5.7%, amongst others thanks to a 5% growth in infrastructure revenue. Only in Middle East & India, revenues were lower.
- Operational performance improved, in particular in asset integrity. However, this was offset by Covid related operational challenges in combination with lower cost compensation in Asia Pacific, and a transaction result

on a property sale in China in 2020. In Middle East & India, the margin declined as a result of lower activity levels.

Review by region

Europe-Africa

Key figures, adjusted ¹ (x EUR million)	Q4 2021	Q4 2020	2021	2020
Revenue	165.7	137.2	657.6	595.4
<i>comparable growth²</i>	17.2%	(12.1%)	8.6%	(11.1%)
EBIT			62.3	46.8
EBIT margin			9.5%	7.9%
Backlog next 12 months	439.5	383.2	439.5	383.2
<i>comparable growth²</i>	12.0%	2.7%	12.0%	2.7%

¹ EBIT (margin) adjusted for specific items

² Corrected for currency effect

- Europe-Africa reported 8.6% growth, backed by a significant increase in the second and fourth quarter, when the sustained expansion of the offshore wind business was combined with recovery in the oil and gas market.
- The region's EBIT improved, driven by marine asset integrity, due to higher utilisation of vessels, supported by an increased utilisation of remote operations centres.
- The backlog shows an upward trend, both in marine and land. Growth was particularly strong in marine asset integrity.
- Recent project awards include geotechnical site investigations for Ørsted's UK Hornsea Three and Four offshore windfarms, and follow-up work for Denmark's Energy Island project and for the SuedOstLink Renewables Powerline in Germany.

Americas

Key figures, adjusted ¹ (x EUR million)	Q4 2021	Q4 2020	2021	2020
Revenue	107.6	78.8	355.5	340.2
<i>comparable growth²</i>	33.2%	(10.3%)	7.8%	(12.6%)
EBIT			1.7	(9.4)
EBIT margin			0.5%	(2.8%)
Backlog next 12 months	259.8	214.1	259.8	214.1
<i>comparable growth²</i>	13.8%	(9.8%)	13.8%	(9.8%)

¹ EBIT (margin) adjusted for specific items

² Corrected for currency effect

- Revenue increased 7.8% over last year, as a result of strong utilisation of the geophysical vessel fleet, a higher number of ROV support contracts in Brazil, increased positioning work in the Gulf of Mexico in the aftermath of hurricane Ida and more land asset integrity work.
- The region's margin improved thanks to higher marine asset integrity revenue and an improved margin in land site characterisation.
- The backlog increased substantially and is reflected in all business lines.
- Significant awards include the Cayman Islands hydrography survey for the UK Hydrographic Office; geotechnical and geological investigations for the Sites Project Authority in California; multiple wind farm site characterisations on the east coast of the US and a project involving Fugro's ROAMES solution for a power distribution network assessment, also in the US.

Asia Pacific

Key figures, adjusted ¹ (x EUR million)	Q4 2021	Q4 2020	2021	2020
Revenue	90.4	73.4	307.1	291.2
<i>comparable growth²</i>	19.8%	0.8%	5.9%	(10.0%)
EBIT			1.7	6.3
EBIT margin			0.5%	2.2%
Backlog next 12 months	182.4	161.5	182.4	161.5
<i>comparable growth²</i>	6.7%	(22.3%)	6.7%	(22.3%)

¹ EBIT (margin) adjusted for specific items

² Corrected for currency effect

- Revenues increased by 5.9%. The largest contributor was marine site characterisation which, after a slow first quarter, reported a strong recovery, on the back of renewable energy projects in Japan, South Korea, Taiwan and Vietnam.
- Asia Pacific was the region which sustained the largest impact from higher Covid-19 related mobilisation costs and delays, while the related government cost compensation was significantly below 2020. This impacted in particular the site characterisation business lines. In addition, the second half-year of 2020 included a positive transaction result on a property sale in China. The marine and land asset integrity businesses reported an improved EBIT.
- The backlog increased by 6.7% with land site characterisation showing the largest increase.
- Recently awarded contracts include two significant projects in Hong Kong, one relating to the development of the Hong Kong-Shenzhen Innovation and Technology Park, and another to the development of artificial islands in the Central Waters. In marine, apart from additions to the scope for the INPEX and Woodside IRM campaigns in Australia, several contracts were won for wind farm related work in Japan.

Middle East & India

Key figures, adjusted ¹ (x EUR million)	Q4 2021	Q4 2020	2021	2020
Revenue	46.7	28.7	141.5	159.5
<i>comparable growth²</i>	51.2%	(39.5%)	(9.5%)	(20.4%)
EBIT			(2.7)	4.5
EBIT margin			(2.0%)	2.8%
Backlog next 12 months	132.4	107.4	132.4	107.4
<i>comparable growth²</i>	13.4%	(11.2%)	13.4%	(11.2%)

¹ EBIT (margin) adjusted for specific items

² Corrected for currency effect

- Full year revenue declined owing to low activity levels during the first three quarters of the year impacting all business lines in the Gulf region, particularly marine and land site characterisation. After seven quarters of decline, revenue increased strongly in the fourth quarter, as several long-delayed contracts finally started and utilisation of the marine fleet increased significantly.
- EBIT declined as a result of lower revenue, mainly in marine and land site characterisation. Land asset integrity showed a significant improvement due to increased activity and efficient operations for the NEOM mega city development in Saudi Arabia.
- Backlog was up by 13.4% mainly due to growth in the fourth quarter, in all business lines.
- Recent significant contract awards include the second phase of Maldives Mali-Thilafushi bridge project, a site screening for the NEOM Ten Towers development and a multi-year seabed fieldwide geophysical survey for QatarEnergy's North Field development.



Media call and analyst meeting

Today at 7:30 CET, Fugro will host a news wire media call. At 11:30 CET, Fugro will host an analyst call. The dial-in numbers are +31 (0)20 7038218 or +44 (0)3303369601 and the confirmation code is 1721672. This call is also accessible via audio cast: <http://www.fugro.com/investors/results-and-publications/quarterly-results>.

For the full year report 2021 containing more disclosures (including financial statements), see <https://www.fugro.com/investors/results-and-publications/quarterly-results>

Financial calendar

28 February 2022	Publication annual report 2021
22 April 2022	Publication first quarter 2021 trading update
	Annual general meeting of shareholders
28 July 2022	Publication half-year 2021 results
28 October 2022	Publication Q3 2022 trading update

For more information please contact

Media Edward Legierse e.legierse@fugro.com +31 70 31 11147 +31 6 4675 2240	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 lifecycle. Employing approximately 9000 talented people in 59 countries, Fugro serves clients around the globe, predominantly in the energy and infrastructure industries, both offshore and onshore. In 2021, revenue amounted to EUR 1.5 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, developments in the oil and gas industry and related markets, 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.