

## Press release

Leidschendam, the Netherlands, 28 October 2021

### Q3 2021: Continued growth in renewables, good cash flow and solid backlog

- Revenue increased by a modest 3.7% compared to the third quarter last year. Renewables now generate 30% of Fugro's revenue, up from 23% in the first half of the year.
- The 7.6% EBIT margin continued to be impacted by pandemic related challenges, more than anticipated at the start of the year.
- Free cash flow of EUR 77.4 million as a result of good operational cash flow and lower working capital.
- 12-month backlog is up 8.9%, supported by all business lines.
- Outlook full-year 2021 reconfirmed: revenue growth, modest margin improvement and around break-even free cash flow.
- Timing of mid-term targets redefined to 2023-2024.

<b>Key figures (x EUR million) from continuing operations unless otherwise indicated<sup>1</sup> unaudited</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>
Revenue	378.0	360.7	1,051.3	1,068.2
<i>comparable growth<sup>2</sup></i>	3.7%	(15.8%)	0.1%	(12.3%)
EBITDA <sup>3</sup>	57.8	67.5	130.7	128.8
EBIT <sup>3</sup>	28.8	40.4	45.5	44.7
EBIT margin <sup>3</sup>	7.6%	11.2%	4.3%	4.2%
Cash flow from operating activities after investing (free cash flow) <sup>4</sup>	77.4	36.7	24.9	52.4
Backlog next 12 months			930.9	841.8
<i>comparable growth<sup>2</sup></i>			8.9%	(3.7%)

1 Results Seabed Geosolutions (divested per 28 June 2021) classified as discontinued operations

2 Corrected for currency effect

3 Adjusted for specific items; with a total impact on EBIT of EUR 5.8 million (impairment and restructuring costs) YTD 2021

4 Free cash flow includes cash flow from discontinued operations (EUR 11.9 million in Q3 2021)

Mark Heine, CEO: "Our revenue was up, highlighting our leading position and flexibility to shift assets and capabilities to strategic growth markets. We grew in line with the buoyant offshore wind market, which by now accounts for 30% of our revenue. Another third of our revenue was generated in the infrastructure and water markets.

With our technical innovations, digital solutions and strong reputation we are well positioned to contribute to the energy transition, climate change adaptation and sustainable infrastructure. This is demonstrated by a couple of our recent project awards, such as multiple site characterisations for offshore wind in Germany, the US, South Korea and Taiwan; various positioning projects for damage assessments in the aftermath of Hurricane Ida and research into the cause of subsidence at a former peat extraction site in the Netherlands.

We recently signed a strategic partnership with the Intergovernmental Oceanographic Commission of the UNESCO. Having been involved in UN's "Ocean Decade" planning since 2019, Fugro is committed to help build a digital ecosystem, encompassing all sources and types of ocean science data. This bold global initiative, focused on reversing the cycle of decline in ocean health, fits perfectly with Fugro's purpose to create a safe and liveable world.

I am confident that we are on track with our Path to Profitable Growth, targeting an EBIT margin of 8-12% and a free cash flow of 4-7% of revenue by 2023-2024."

## Review Q3 2021

In the quarter, revenue increased by 3.7%, led by the Americas and Asia Pacific. Overall, Fugro's ambition to support the energy transition and climate change adaptation is driving the ongoing growth in the renewables and water segments. After a slight increase in the second quarter, oil and gas related revenue declined.

Business operations continued to be impacted by the pandemic, in particular operational complexities of cross border projects in Asia Pacific, and low oil and gas activity levels in Middle East & India. In combination with a lower margin in Europe-Africa, compared to a strong third quarter in 2020, the EBIT margin came in at 7.6%, which is slightly below 8.1% in the second quarter.

Following a good order intake in August and September, the 12-month backlog is up 8.9%. The increase was supported by all business lines and all regions, except for a marginal decline in the Americas.

In the typically busy third quarter, free cash flow was EUR 77.4 million due to good activity levels and lower working capital. Working capital as a percentage of 12 months revenue was 13.0% at the end of September, compared to 16.1% at mid-year. Days of revenue outstanding decreased to 86 from 92 days at mid-year.

Net debt amounted to EUR 306.6 million compared to EUR 368.4 million at half-year 2021 and EUR 295.8 million at year-end 2020. Net leverage remained stable over the quarter at 2.0. Liquidity is good with over EUR 400 million in cash and available facilities.

On 26 October, Fugro redeemed the remainder of the outstanding 2021 convertible for a nominal amount of EUR 59 million plus accrued interest. In addition, in July, EUR 12 million proceeds from the Seabed Geosolutions' divestment were used to repay part of the term loan.

## Outlook 2021

For the remainder of the year, Fugro expects further revenue growth in the renewables, infrastructure and water markets, despite ongoing pandemic related challenges. These challenges are more persistent than anticipated at the start of the year, albeit with strong regional differences. The expected modest recovery of oil and gas related revenue has not yet materialised.

For full-year 2021, Fugro reconfirms its guidance of revenue growth, a modest margin improvement and around break-even free cash flow. Capex is estimated at around EUR 80 to 90 million.

## Mid-term outlook

The timing of the mid-term targets has been redefined to 2023-2024, by when Fugro aims to achieve an EBIT margin of 8-12%, free cash flow<sup>1</sup> of 4-7% and return on capital employed of 10-15%.

Fugro's Path to Profitable Growth strategy targets improvements in profitability and cash flow, based on the following drivers: revenue growth, in particular in renewables, infrastructure and water; value-based pricing; integrated digital solutions; disciplined cost management; operational excellence and digital transformation to increase efficiency.

In light of its less capital intensive asset base, Fugro expects an average annual capital expenditure of around EUR 80-110 million.

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<sup>1</sup> Of revenue, after lease payments

## Review by business

### Marine

Key figures (x EUR million)	Q3 2021	Q3 2020 <sup>1</sup>	YTD 2021	YTD 2020 <sup>1</sup>
Revenue	276.2	255.5	743.4	766.4
<i>comparable growth<sup>2</sup></i>	6.7%	(22.3%)	(2.0%)	(14.5%)
Backlog next 12 months			624.9	574.4
<i>comparable growth<sup>2</sup></i>			6.6%	(6.3%)

<sup>1</sup> Adjusted for reclassification of nearshore infrastructure services in Europe-Africa from Land to Marine (with EUR 15.3 million revenue YTD 2020 and 3.6 million in Q3 2020)

<sup>2</sup> Corrected for currency effect

- Revenue increased 6.7% led by the asset integrity business line, in all regions. In the site characterisation business line, higher revenue in Asia Pacific was offset by declines in the other regions. Vessel utilisation was 76% compared to 74% in the third quarter of 2020, driven by Asia Pacific and Middle East & India.
- Backlog is up in both business lines, most notably in asset integrity.

### Land

Key figures (x EUR million)	Q3 2021	Q3 2020 <sup>1</sup>	YTD 2021	YTD 2020 <sup>1</sup>
Revenue	101.8	105.3	307.9	301.8
<i>comparable growth<sup>2</sup></i>	(3.7%)	5.2%	5.4%	(6.0%)
Backlog next 12 months			306.0	267.4
<i>comparable growth<sup>2</sup></i>			13.7%	2.7%

<sup>1</sup> Adjusted for reclassification of nearshore infrastructure services in Europe-Africa from Land to Marine (with EUR 15.3 million revenue YTD 2020 and 3.6 million in Q3 2020)

<sup>2</sup> Corrected for currency effect

- The 3.7% revenue decline was fully driven by site characterisation, where double-digit growth in the Americas was offset by declines in the other regions, in particular Middle East & India. Asset integrity revenue was up in all regions except in Asia Pacific.
- The increase in 12-month backlog is supported by both business lines, in particular site characterisation.

## Review by region

### Europe-Africa

Key figures (x EUR million)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	172.1	167.9	491.9	458.2
<i>comparable growth<sup>1</sup></i>	0.2%	(7.2%)	6.0%	(10.8%)
Backlog next 12 months			408.9	339.5
<i>comparable growth<sup>1</sup></i>			17.1%	(6.7%)

<sup>1</sup> Corrected for currency effect

- Revenue in the quarter was stable year-on-year due to some vessel downtime in the marine business and project postponements in the land business.
- The backlog for the next 12 months is solid, especially in both marine business lines.
- Recent project awards include follow-on contracts in relation to the world's first offshore artificial energy island for Energinet and offshore wind developments in Germany for the Federal Maritime and Hydrographic Agency; a dike reinforcement project between Tiel and Waardenburg in the Netherlands; and environmental baseline and monitoring surveys over multiple blocks for TotalEnergies E&P Angola.

## Americas

Key figures (x EUR million)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	97.7	89.3	247.9	261.4
<i>comparable growth</i> <sup>1</sup>	9.0%	(18.5%)	0.2%	(13.3%)
Backlog next 12 months			237.6	237.2
<i>comparable growth</i> <sup>1</sup>			(1.1%)	6.7%

<sup>1</sup> Corrected for currency effect

- The revenue increase was primarily due to marine asset integrity, with a higher number of ROV support contracts in Brazil and more positioning work in the Gulf of Mexico. The land business lines performed better as the land and nearshore site investigation activities in the US and Brazil evolved positively in the quarter.
- The 12-months backlog decreased marginally; an increase in land asset integrity was offset by the development in the marine business lines, despite an ongoing expansion in the renewables business.
- Significant awards include geotechnical site investigations and geoconsulting on the Mayflower and US Wind offshore wind farms; multiple positioning projects for damage assessment in the aftermath of hurricane Ida; and a combined nearshore and onshore ground investigation and foundation engineering studies for a Gas fired power station and a Gas to Liquids plant in Guyana.

## Asia Pacific

Key figures (x EUR million)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	76.8	70.4	216.7	217.8
<i>comparable growth</i> <sup>1</sup>	8.4%	(24.8%)	1.2%	(13.2%)
Backlog next 12 months			181.9	168.5
<i>comparable growth</i> <sup>1</sup>			7.9%	(11.6%)

<sup>1</sup> Corrected for currency effect

- Marine site characterisation was the largest contributor to the 8.4% revenue growth in the quarter, in particular on the back of renewable projects in Japan, South Korea, Taiwan and Vietnam. Overall, Asia Pacific is the region which sustained the most impact from the operational complexities in relation to ongoing Covid-caused lock-downs in several countries and related restrictions resulting in higher mobilisation costs and delays.
- Nevertheless, the backlog is up; the largest contributors to this increase are marine asset integrity and land site characterisation, the latter mainly driven by civil and railway infrastructure projects in Hong Kong.
- Significant recent awards include a series of metocean geophysical and geotechnical contracts in relation to offshore wind developments in South Korea and Taiwan; an installation, repair and maintenance contract in Malaysia as well as the infrastructure projects in Hong Kong as mentioned above.

## Middle East & India

Key figures (x EUR million)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	31.4	33.2	94.8	130.8
<i>comparable growth</i> <sup>1</sup>	(3.4%)	(24.3%)	(22.7%)	(13.8%)
Backlog next 12 months			102.5	96.6
<i>comparable growth</i> <sup>1</sup>			6.1%	(2.3%)

<sup>1</sup> Corrected for currency effect

- In the quarter, revenue declined by 3.4%. The region is still strongly affected by low oil and gas activity levels, project delays and ongoing Covid related travel and vessel quarantine restrictions in the UAE and Gulf

region. Land site characterisation's revenue and performance was in particular impacted, whereas a reorganised land asset integrity business recorded higher revenues related to a large aerial drone survey for the Neom Megacity Spine Infrastructure Project in Saudi Arabia.

- Backlog was up by 6.1%, supported by the land business lines, including awards in relation to the Neom Spine and Ten Towers projects. In addition, OCS Services has awarded a 2-year contract for remote positioning services off India's west coast, controlled from one of Fugro's remote operations centres.

## Media and analyst calls

At 07:30 CET, Fugro will host a media call. The dial-in number is +31 (0) 20 721 9250 with conference ID 519056.

At 11:00 CET, Fugro will host an analyst call. The dial-in numbers are +31 (0) 20 721 9250 or +44 (0)330 336 9104 with conference ID 891048. This call can also be followed via audio webcast:

<http://www.fugro.com/investors/results-and-publications/quarterly-results>

## Financial calendar

18 February 2022

21 April 2022

21 April 2022

Publication 2021 annual results

Publication Q1 2022 trading update

Annual general meeting of shareholders

## For more information

### Media

Edward Legierse

[e.legierse@fugro.com](mailto:e.legierse@fugro.com)

+31 70 31 11147

+31 6 4675 2240

### Investors

Catrien van Buttingha Wichers

[c.vanbuttingha@fugro.com](mailto: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 9000 talented people in 61 countries, Fugro serves clients around the globe, predominantly in the energy and infrastructure industries, both offshore and onshore. In 2020, revenue amounted to EUR 1.4 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 & 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.