

PRESS RELEASE

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Trading update: Boskalis maintains 2017 profit forecast

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HIGHLIGHTS THIRD QUARTER

- Good revenue development during the quarter with a lower result
- Good utilization of trailing suction hopper dredgers (Dredging)
- Slightly lower utilization of heavy transport vessels (Offshore Energy)
- Slight decline in order book to EUR 3.1 billion

OUTLOOK

- Persistently difficult market conditions characterized by low work volumes and pressure on utilization rates and margins
- Profit outlook 2017: net profit in the second half of the year comparable to the first half of the year, excluding restructuring charges

Royal Boskalis Westminster N.V. (Boskalis) saw a slight increase in revenue in the third quarter of 2017 compared to the quarterly average reported for the first half the year, whilst the result failed to keep pace.

Compared to the third quarter of last year both revenue and the result were considerably lower, in line with expectations. In 2016 Offshore Energy still had a good year, boosted by a number of large offshore wind farm installation projects in progress.

With regard to the 2017 full year Boskalis expects net profit in the second half, excluding restructuring charges of approximately EUR 15 million, to be comparable to the net profit of EUR 75 million realized in the first half of the year.

Compared to end-June the order book declined by 4% to EUR 3.1 billion. Approximately EUR 0.5 billion of new work was acquired in the third quarter. In addition two preferred bidder agreements were signed for the installation of offshore wind farm cables with a combined value of around EUR 160 million. These contracts will be added to the order book at the financial close in 2018. Furthermore at the end of October Boskalis acquired the Borssele Beta export cables installation contract (value: EUR 70 million) as well a multi-year Dredging maintenance contract with a total value in excess of EUR 260 million.

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Operational developments

The third quarter at **Dredging & Inland Infra** was busier than the first half of the year. Considering conditions in the market there was good utilization of the hopper fleet and quarterly revenue was slightly higher than the quarterly average reported for the first half of the year. The results from ongoing dredging projects were mediocre and there was a positive contribution from projects technically completed previously.

The projects acquired in the third quarter were mainly port-related, in countries including the Netherlands, Sweden and Panama. On balance, there was a slight decrease in the order book at Dredging & Inland Infra compared to mid-2017.

At **Offshore Energy** the third quarter was in line with expectations. Revenue and the segment result were lower compared to the previous quarters, partly as a result of the poor conditions in the oil and gas sector. Within the division there is a difference in the picture between Services on the one hand and the more project-related activities of Installation & Intervention and offshore wind energy on the other. At Services margins were under pressure and utilization of the heavy transport vessels declined compared to the first half of the year. There was a good contribution from the Aasta Hansteen and Mariner long-term transport contracts. The completion of these projects will further increase dependence on the spot market. Utilization levels remained stable at Subsea Services with vessels also being deployed internally on offshore wind farm and unexploded ordnance clearance projects.

At the more project-related activities VBMS and its cable-laying activities can look back on another busy period in which they made a substantial contribution to the division's result.

Notable contracts acquired in the third quarter include rock placement work for Nordstream 2 (Baltic Sea), a transport contract for West White Rose (Canada) and a logistical management contract for a petrochemical plant in the Middle East. On balance there was a slight increase in the order book at Offshore Energy compared to mid-2017.

At the **Towage & Salvage** segment revenue at Salvage picked up in the third quarter after a very quiet first half with two medium-sized and numerous small emergency response contracts contributing to the increase. The absence of large wreck removal projects means that 2017 will be a quiet year compared to the last few years. At the strategic Towage partnerships (Smit Lamnalco, Keppel Smit Towage, Saam Smit Towage and Kotug Smit Towage) there was no material change in the picture compared to the first half of the year. The contribution to the result was on balance slightly higher with a modest rise in the contributions from Saam Smit Towage and Keppel Smit Towage.

Corporate Business Plan - Expanding Subsea

An important objective stated in the Corporate Business Plan 2017-2019 presented by Boskalis at the start of the year is to strengthen the group's market position in the area of Subsea Services. In a persistently challenging market there tend to be interesting opportunities for anti-cyclical investments in companies or equipment that will result in Boskalis being well-positioned when end-markets recover again. In mid-August Boskalis took a first step in this direction with the acquisition of subsea survey specialist Gardline. In addition, Boskalis recently acquired the DSV Constructor for around EUR 40 million. Boskalis recently exercised a purchase option on this leased vessel, which had been part of the fleet for some considerable time. Furthermore, Boskalis is in advanced stages of negotiation for the purchase of an existing modern high-end SAT DSV.

Share buyback

On 6 June 2017 Boskalis issued over 3.2 million new shares to distribute as 2016 stock dividend. On 3 July Boskalis launched a share buyback program in order to neutralize the resulting dilution. As at 9 November Boskalis has repurchased over 2.3 million shares at an average purchase price of EUR 29.12 per share.

Outlook

At the presentation of the half year results it was stated that based on the fleet planning and work in the order book, and barring unforeseen circumstances, expectations were that net profit in the second half of 2017, excluding restructuring charges, would be comparable to the net profit of EUR 75 million achieved in the first half of the year. The Board of Management maintains this forecast.

The implementation of the cost-reduction program initiated at the beginning of the year will be largely completed before the end of the year. The costs of around EUR 15 million associated with the program will be recognized in the second half of 2017.

Total capital expenditure in 2017 is expected to be EUR 250 million, excluding the acquisition of Gardline and the purchase of second-hand vessels such as the previously referred to DSVs.

The net cash position has declined since the middle of 2017 in part due to the share buyback program and the acquisition of Gardline. The financial position of Boskalis is unabated strong. Boskalis comfortably meets the covenants agreed with its financiers.

2018	FINANCIAL CALENDAR
8 March	Publication of 2017 annual results
9 May	Q1 2018 trading update
9 May	Annual General Meeting of Shareholders
16 August	Publication of 2018 half-year results
9 November	Q3 2018 trading update

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This is a Boskalis press release on the grounds of article 17 paragraph 1 of the European Market Abuse Regulation (596/2014).

This is an English translation of the Dutch press release. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail.

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world with services including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. In addition, Boskalis offers a wide variety of marine services and contracting for the oil and gas sector and offshore wind industry as well as salvage solutions (SMIT Salvage). Furthermore, Boskalis has a number of strategic partnerships in harbor towage and terminal services (Kotug Smit Towage, Keppel Smit Towage, Saam Smit Towage and Smit Lamnalco). With a versatile fleet of more than 900 vessels and floating equipment and 11,700 employees, including associated companies, Boskalis operates in 90 countries across six continents.

This press release can also be found on our website www.boskalis.com.