



Sif

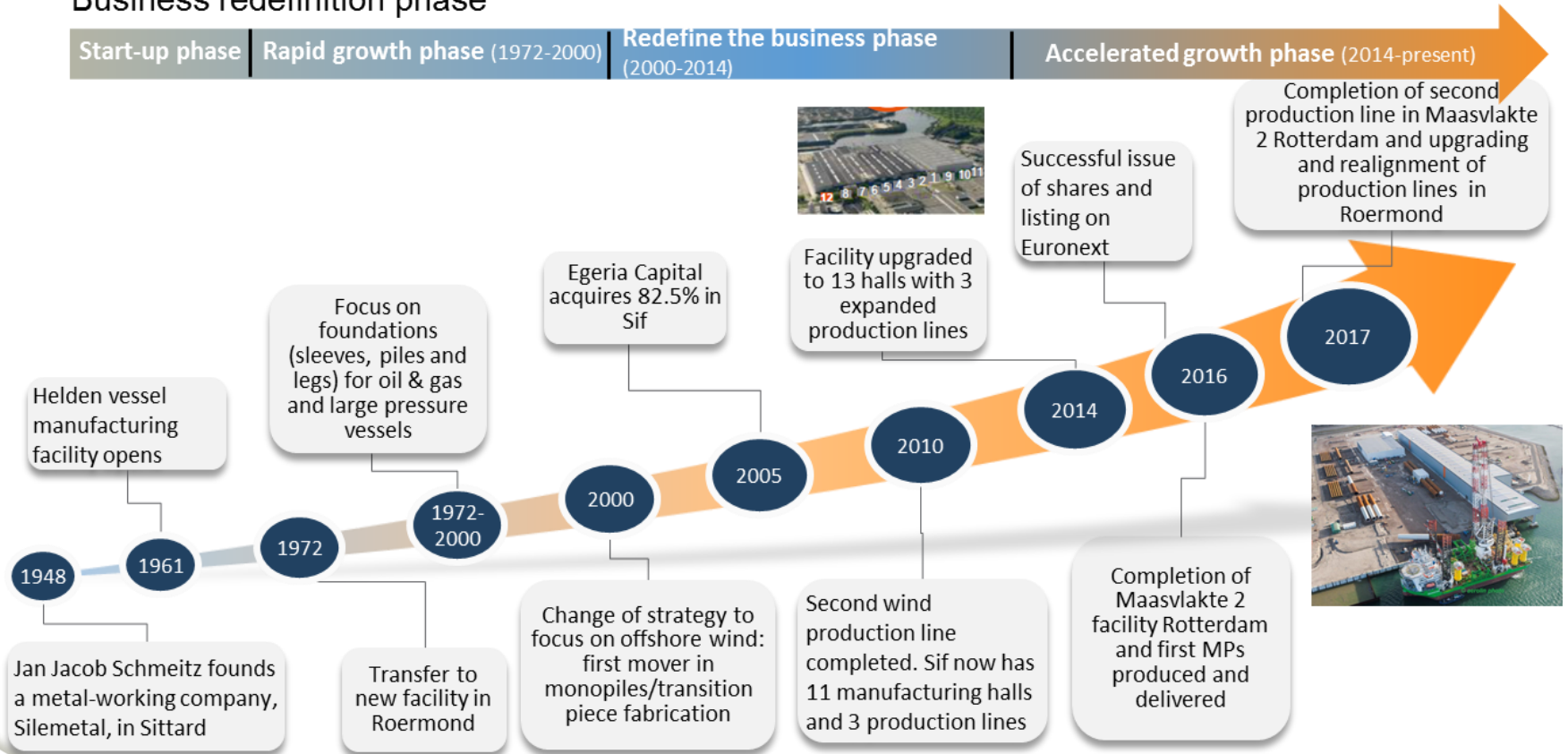
Full Year 2018 results

**Gearing up for new industry design standards and
improved market outlook**

March 21, 2019

The strategic phases of Sif's evolution

Business redefinition phase

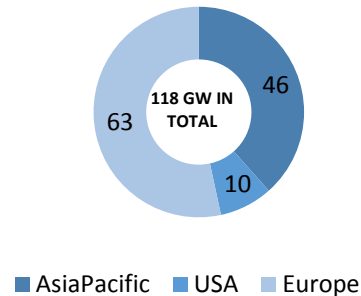


Business Environment has Further Improved for Offshore Wind Energy

Offshore Wind



Estimated Grid-connected capacity offshore wind by 2027



2018-2027

- zero-subsidy projects becoming more of a standard in various countries (Germany, The Netherlands, Denmark)
- Offshore wind in Europe is maturing. LCOE to drop below €50-€60/MWh by 2030₂)
- Turbines are growing larger (13-15 MW under development), stable at water depths of 55-60 meters
- More offshore wind initiatives in Far East and US
- Connected North Sea offshore capacity of 19 GW by end of 2018 and expected at 63 GW by 2027¹

Offshore Oil & Gas



Pricing levels for oil & gas increase and revive interest in offshore exploration and production

- UK Brent oil price back at \$ 65 per barrel
- Results in increased offshore exploration and development

Organization



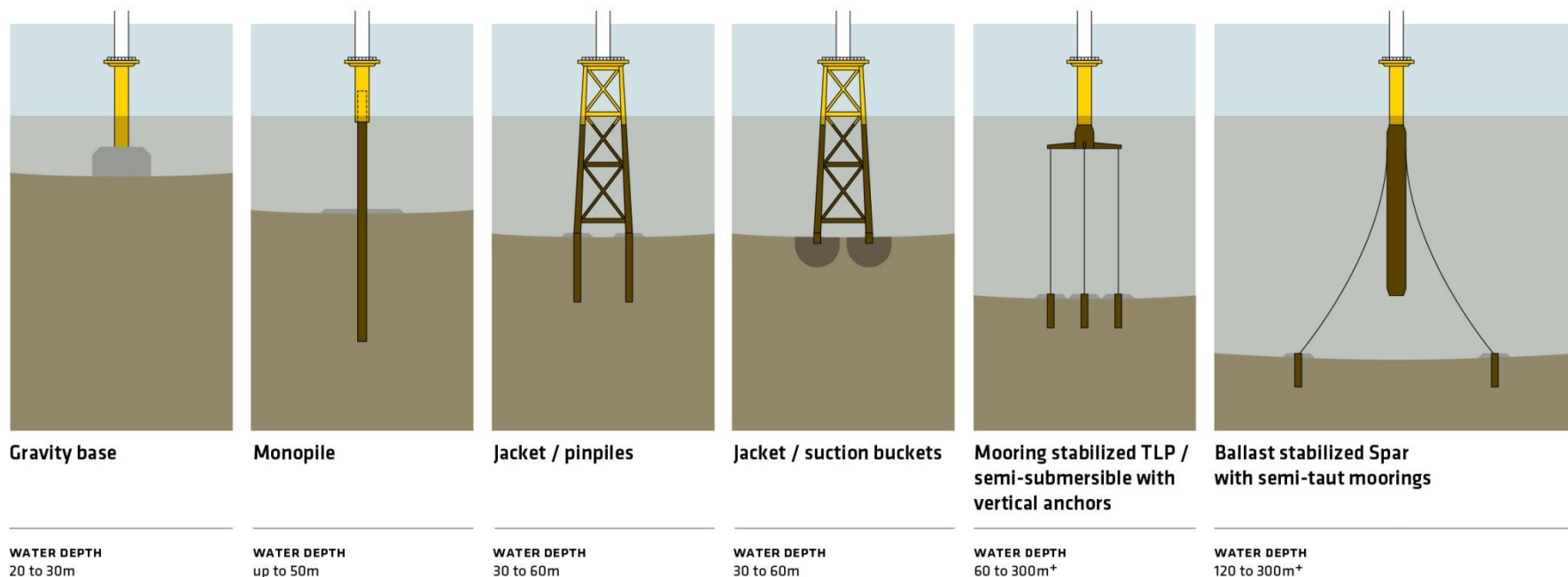
Reinforce organization and cost-leadership . Gear-up for new industry design standards

- Build up flexible workforce
- Further optimize and innovate key processes (rolling, welding)
- Increase coating capacity (€ 8 million investment 2019)
- Adjust factory lay-out Roermond and Rotterdam to prepare for PISA (€ 32 million investment 2019-2021)

¹ Source: WOOD MACKENZIE December 2018

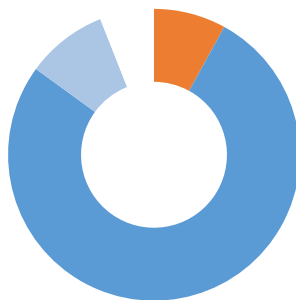
² Source: BVG associates

Monopile Foundations: the Foundation of Preference with approx 80% Market Share in 2018

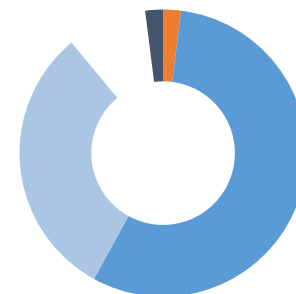


installed end of 2017

- gravity based 2%
- monopiles 87%
- jackets 9%
- other
- floating 1%



end of 2027



Sif Operational Highlights in 2018

Monopiles and transition pieces for key offshore wind projects
Hohe See, Trianel,
Nortner, Albatros
and Borssele 3+4



Sif Operational Highlights in 2018

Legs, pile sleeves
and piles for
Sverdrup and
Peregrino oil & gas
jackets



Sif Contract Wins in 2018

Monopiles for
Borssele 3+4
offshore wind farm

Legs and piles for
Tyra oil & gas
jackets (client
supplied materials)



2018 Highlights and developments

Sif entered into exclusive negotiations for 155 Kton projects for production in 2020 and beyond

Successful Testing of new Blue 25 hammer installation technology

Nomination of Fred van Beers as CEO



Key Figures for 2018

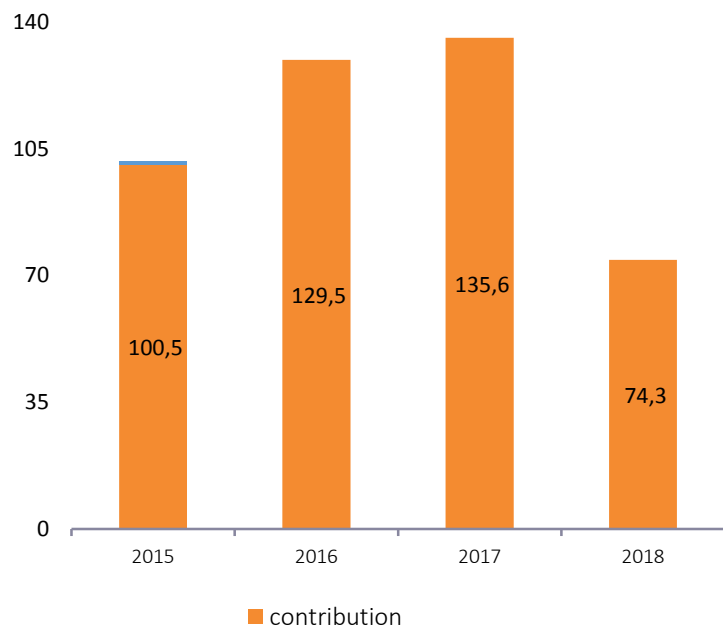
- Total production at 138 Kton compared to 232 Kton in 2017
- Adjusted EBITDA result of € 13.3 million compared to € 57.1 million in 2017:
 - Low utilization due to insufficient demand for 2018 (limited number of projects for entire market in 2018)
 - Cut back on flexible workforce in 2018 but retained key personnel for expected market improvement 2019 and beyond
 - delayed maintenance and adjustments of factory lay-out in Roermond

**Shortfall capacity
utilization in 2018
close to 40%**

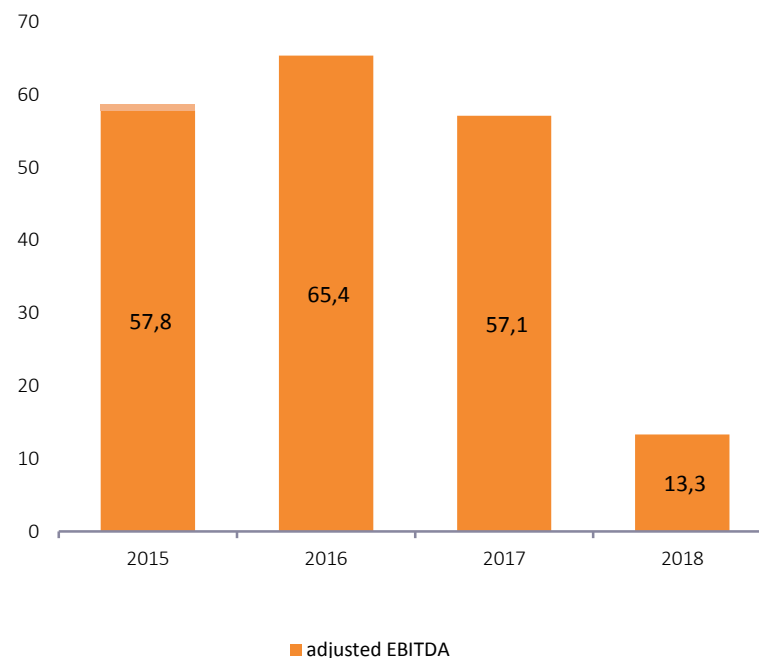
- Contribution per Kton decreased by 8% from € 588 in 2017 to € 539 in 2018
- Profit attributable to shareholders came in at minus € 2.1 million (€ 30.8 million in 2017) resulting in EPS of minus € 0.08 (compared to € 1.21 in 2017)
- Working capital at end 2018 € 14.2 million (€ 7.1 million at YE 2017)
- Net debt at YE 2018 € 30.4 million (€ 25.1 million at YE 2017)
- Orderbook FY2019 210 Kton, FY2020 and beyond 155 Kton
- Dividend proposal to AGM € 0.10 per share in cash (€ 0.30 per share in 2017)

Movements in Contribution and (adjusted) EBITDA

Contribution 2015-2018 (€m)



(Adjusted) EBITDA 2015-2018 (€m)



Contribution is leading financial indicator because it excludes:

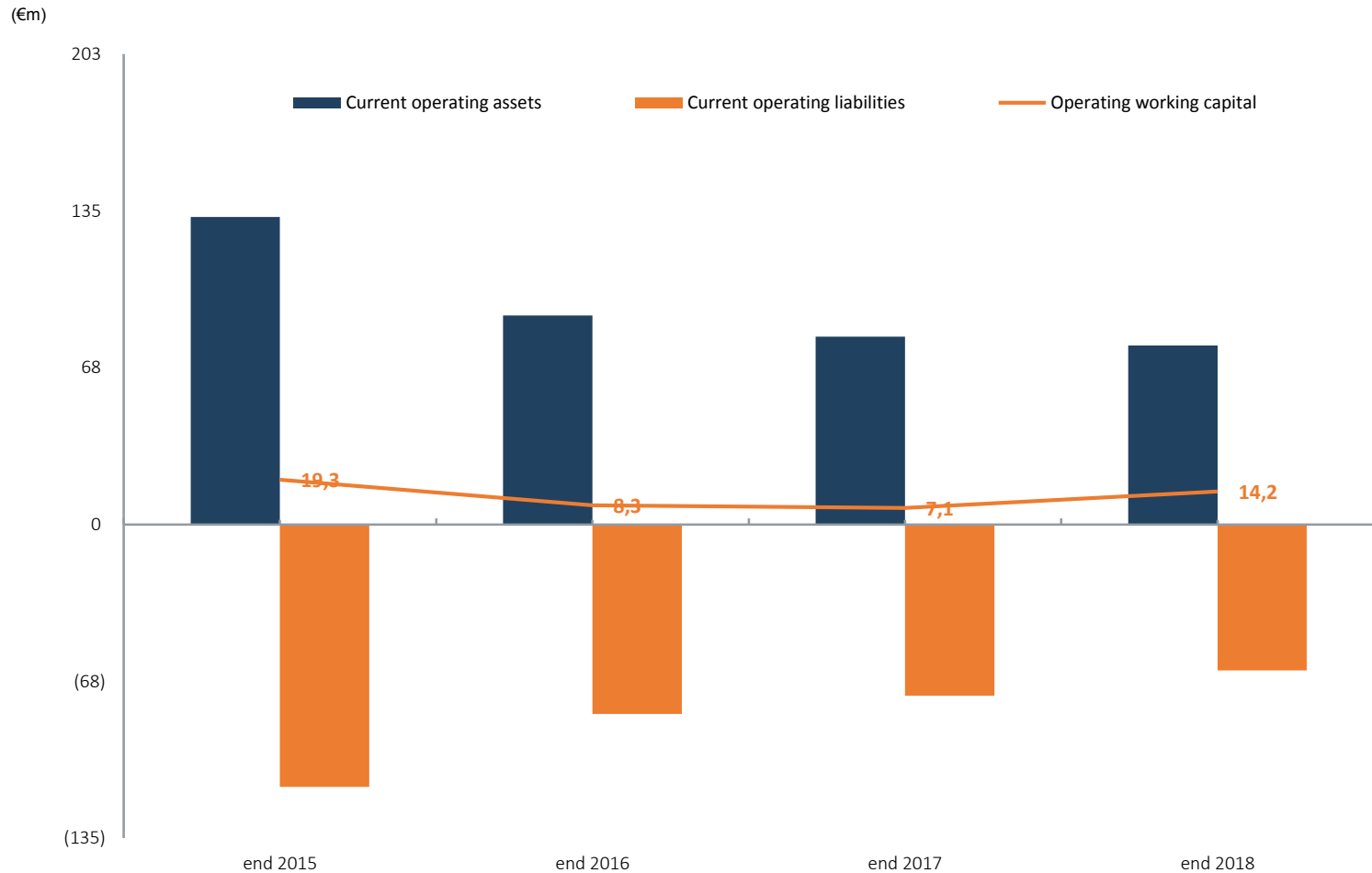
- Steel price fluctuations
- Raw materials supplied by customers
- Level of subcontracting

The change in 2018 EBITDA was mainly due to:

- Good but volatile market with only few projects in manufacturing phase
- Overdue maintenance activities and adjustment of factory layout in Roermond

Operating Working Capital Requirement in Line with Developments

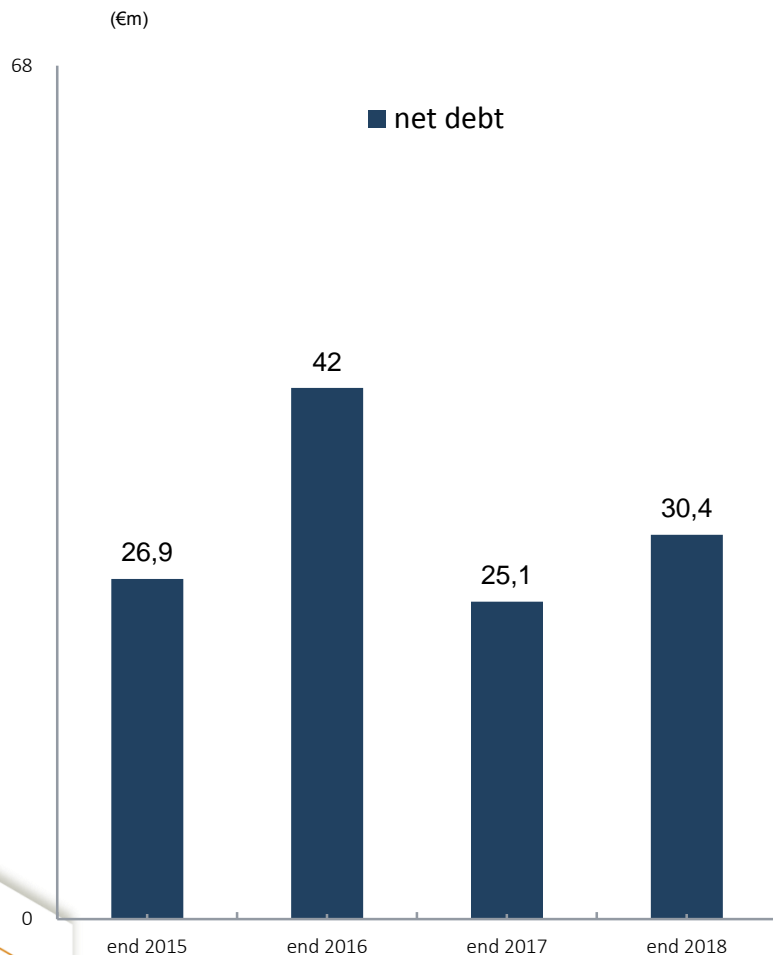
Operating Working Capital (€m)



Sif

Stable net debt development and renewed banking facilities

Net debt (€m)



	Current facilities	Facilities as of 1 April 2019
Revolving credit facility	€ 90	€ 100
Committed guarantee facility	€ 150	€ 250
Leverage covenant	1.5	2.5
Solvency covenant	NA	>30% 2019 >35% years beyond



Sif

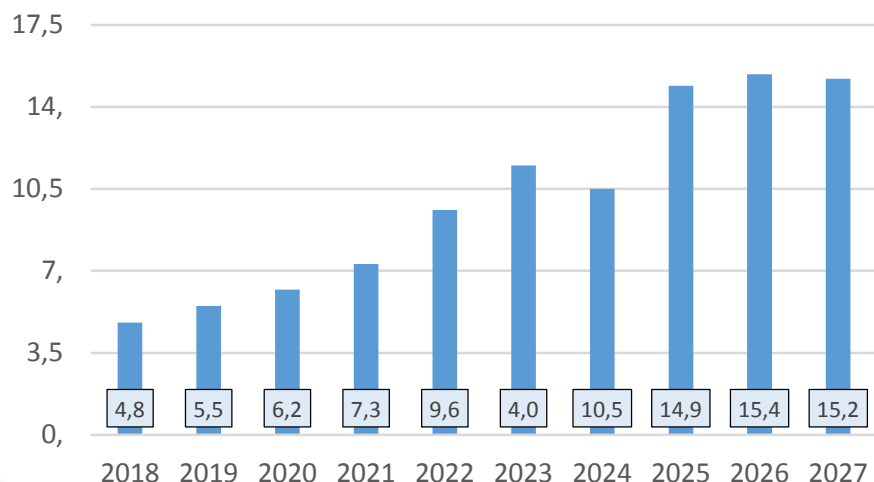
Outlook: Market for Offshore Wind is growing;

Average Addition Europe 2018-2027 **4.8 GW**; Average Global Addition **10 GW**

Growth in Offshore Wind Energy

Expected Annual Global Offshore Wind Installations (in GW) (by grid connection/commissioning date)₁

■ global grid- connected addition in GW



A record 3.8 GW of offshore projects awarded in Taiwan.

Date: May 8, 2018 – Source: MAKE consultants

The governments of Germany, Denmark and Belgium backed a pledge to install 60 GW of new offshore wind power next decade, more than five times the existing capacity.

Date: June 8, 2017 – Source: Bloomberg; Jess Shankleman

US offshore wind developers eye subsidy-free contracts within a few years.

Date: June 13, 2018 – Source: NewEnergyUpdate.com

The European Commission, the European Parliament and the European Council have made a political agreement on a binding renewable energy target for the EU for 2030 of 32%.

Date: June 14, 2018 – Source: offshorewind.biz

The Netherlands now has the most ambitious offshore wind program in Europe, with 700 MW to be installed annually up to 2023 and 1 GW a year until 2030.

Date: June 20, 2018 – Source: Recharge news.com; Bernd Radowitz

Danish parliament unanimously voted in favor of a new energy agreement for the country on Friday, June 27, which includes building three new offshore wind farms by 2030 with a total capacity of at least 2.4 GW.

Date: July 4, 2018 – Source: Offshorewind.biz

The Federal Parliament of Belgium has proposed a target of 4 GW of total installed offshore wind capacity by 2030 in the draft of the National Energy and Climate Plan

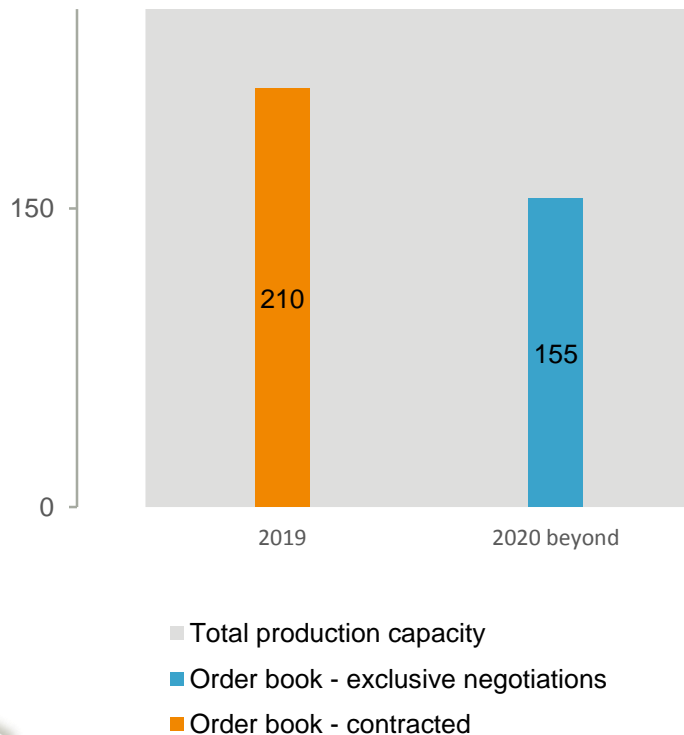
Date: 20 February 2019 – offshore wind.biz/search/belgium

France plans to issue offshore wind tenders with a combined capacity of up to 6 GW by 2028 according to Multiannual Energy Programme.

Date: January 29, 2019 – Source: offshorewind.biz/2019/01/28/france-tender-6gw-offshore

Outlook: Strong Order Book for 2019, 2020 and years beyond

Order Book (Kton)



Comments

- Order Book 2019 & 2020 and beyond
 - 210 Kton contracted;
 - 155 Kton exclusive negotiations
- Progressive coating requirements in the industry require € 8 mln investment in extension of coating facilities at Maasvlakte 2 in 2019
- PISA effects require € 32 mln investment in adjustments to production facilities in period 2019-2021

Near term project awards and tenders (for manufacture in 2020-2021)

- Saint Nazaire and Courseulles in **France**
- Hollandse kust Zuid 1/2/3/4 and Fryslan in **the Netherlands**
- Kaskasi in **Germany**
- Vineyard in **USA**

> Disclaimer

Some of the statements contained in this release that are not historical facts are statements of future projections and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Historical results are no guarantee for future performance. Forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of Sif's business to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects" or "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. Sif does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances. The content of this trading update is for information purposes only and not intended as investment advice, or offer or solicitations for the purchase or sale in any financial instrument. Sif does not warrant or guarantee the completeness, accuracy, or fitness for any particular purposes in respect of the information included in this release.