Interim 2019 results

August 28, 2019

The strategic phases of Sif's evolution

Business redefinition phase

Start-up phase | **Rapid growth phase** (1972-2000) | **Redefine the business phase** (2000-2014) | **Accelerated growth phase** (2014-present)

- **1948** – Jan Jacob Schmeitz founds a metal-working company, Silemetal, in Sittard
- **1961** – Helden vessel manufacturing facility opens
- **1972** – Transfer to new facility in Roermond
- **1972-2000** – Focus on foundations (sleeves, piles and legs) for oil & gas and large pressure vessels
- **2000** – Change of strategy to focus on offshore wind: first mover in monopiles/transition piece fabrication
- **2005** – Egeria Capital acquires 82.5% in Sif
- **2010** – Second wind production line completed. Sif now has 11 manufacturing halls and 3 production lines
- **2014** – Facility upgraded to 13 halls with 3 expanded production lines

- **2016** – Successful issue of shares and listing on Euronext
- **2016** – Completion of Maasvlakte 2 facility Rotterdam and first MPs produced and delivered
- **2017** – Completion of second production line in Maasvlakte 2 Rotterdam and upgrading and realignment of production lines in Roermond
- **2019** – Start of Logistic Services at MV2

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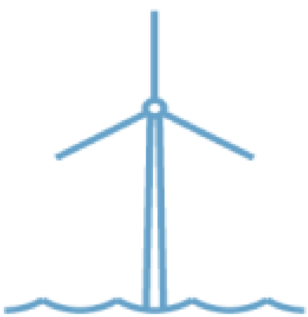
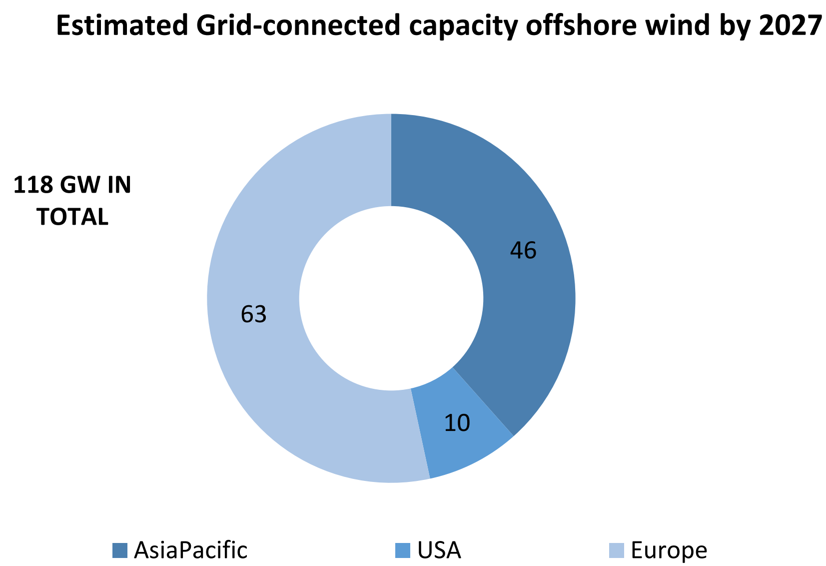
Business Environment has Further Improved; Offshore Wind in Europe Maturing

Offshore Wind

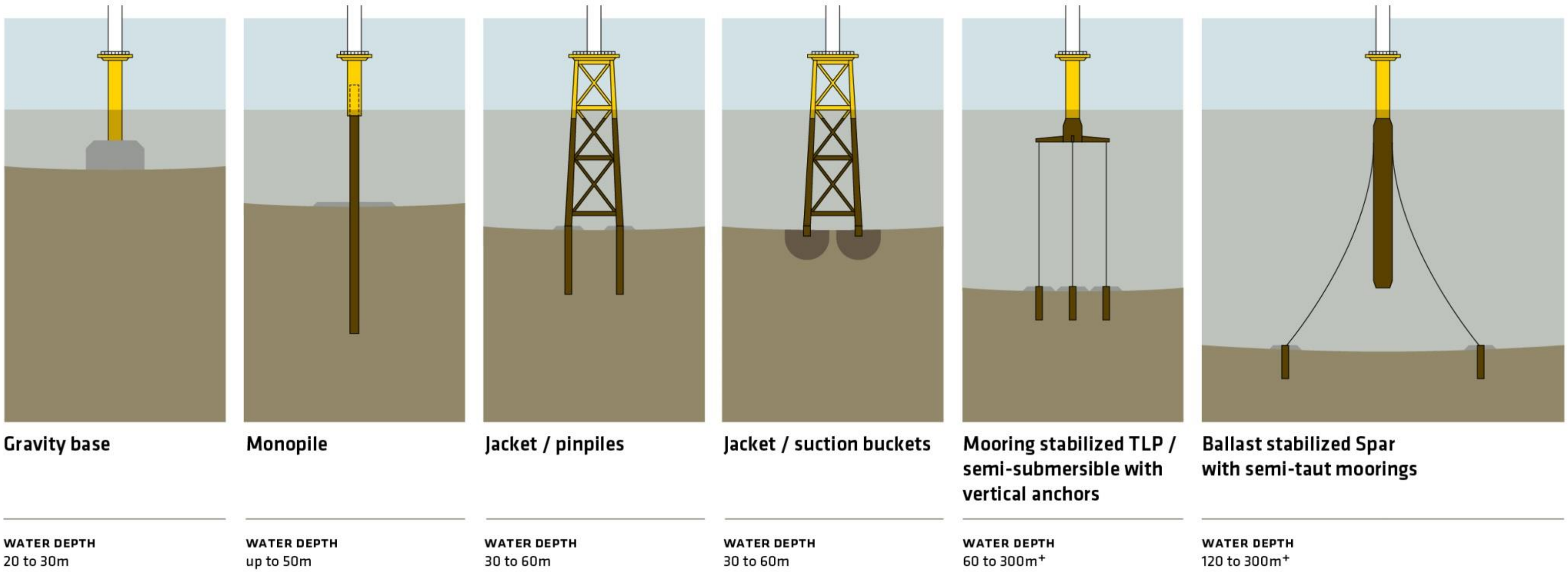




- zero-subsidy projects standard in Germany, The Netherlands, Danmark and LCOE below €60/MWh by 2030[2]
- Larger Turbines (12 MWh test on Sif property; 13-15 MW under development), stable at water depths of 60 meters
- More offshore wind initiatives in Far East (Taiwan, Japan) and US
- Connected North Sea offshore capacity of 19 GW by end of 2018 and expected at 63 GW by 2027[1]

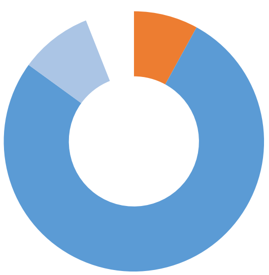
[1] Source: WOOD MACKENZIE December 2018
[2] Source: BVG associates

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

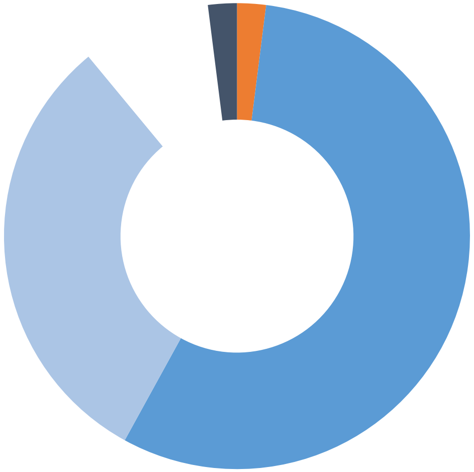


- gravity based 2%
- monopiles 87%
- jackets 9%
- other
- floating 1%

installed end of 2017



Installed end of 2027



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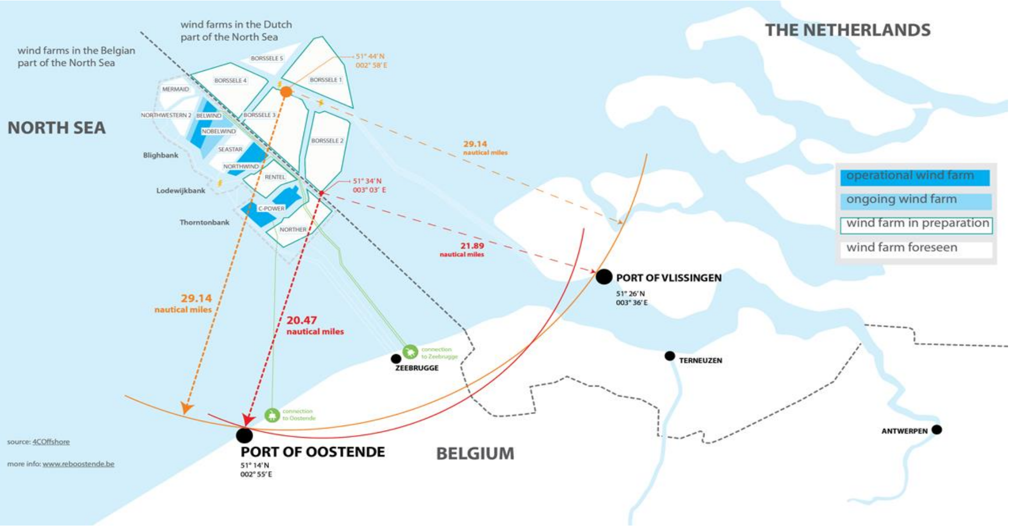
Sif Operational Highlights First Half 2019

Monopiles and transition pieces for key offshore wind projects Borssele 3+4 , Triton Knoll, Seamade and Borssele 1+2



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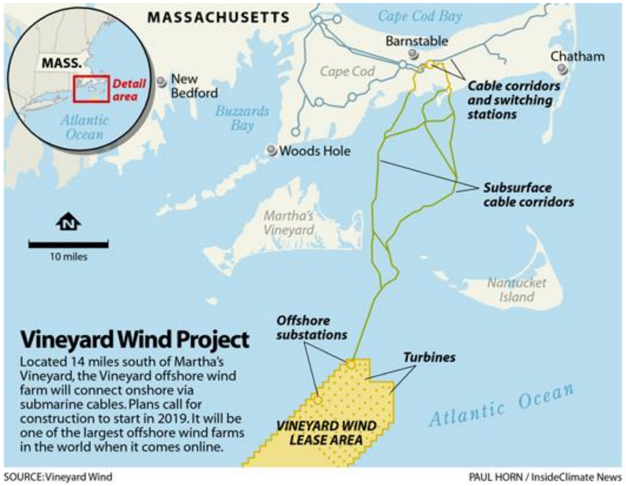
Sif Contract Wins YTD 2019

Monopiles for Hollandse Kust Zuid (Netherlands) and Vineyard Wind in the US.
Federal permit delay illustrates US offshore Market is as volatile as any other Offshore wind market.



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Key Figures for first half 2019

- Total production at 94 Kton compared to 81 Kton in first half 2018 ;
- Contribution of € 45.5 million compared to € 45.6 million in the first half of 2018;
- Adjusted EBITDA result of € 12.7 million compared to € 14.0 million in first half 2018:
  - Workforce at 429 Fte end of 2018 and at 582 Fte at the end of first half 2019;
  - Result under pressure of low margin business in mainly first quarter 2019 (Borssele 3-4 project). Start- up of new projects in second quarter 2019 (Seamade Borssele 1-2 , Triton Knoll)

Capacity utilization with 52 Kton in Q2 nearing 'normal levels'

- Contribution per ton at € 484 in first half 2019 compared to € 561 in first half 2018
- Working capital at end of first half 2019 - € 11.7 million (€ 14.2 million at the end of 2018; € 32.7 million at the end of first half 2018);
- Net debt excluding ground lease IFRS 16 at YE 2019 € 14.9 million (€ 30.4 million at YE 2018 and € 52.2 million at the end of the first half of 2018);
- Orderbook FY2020-2021 300 Kton, of which 80 Kton exclusive negotiations and 220 Kton signed contracts.

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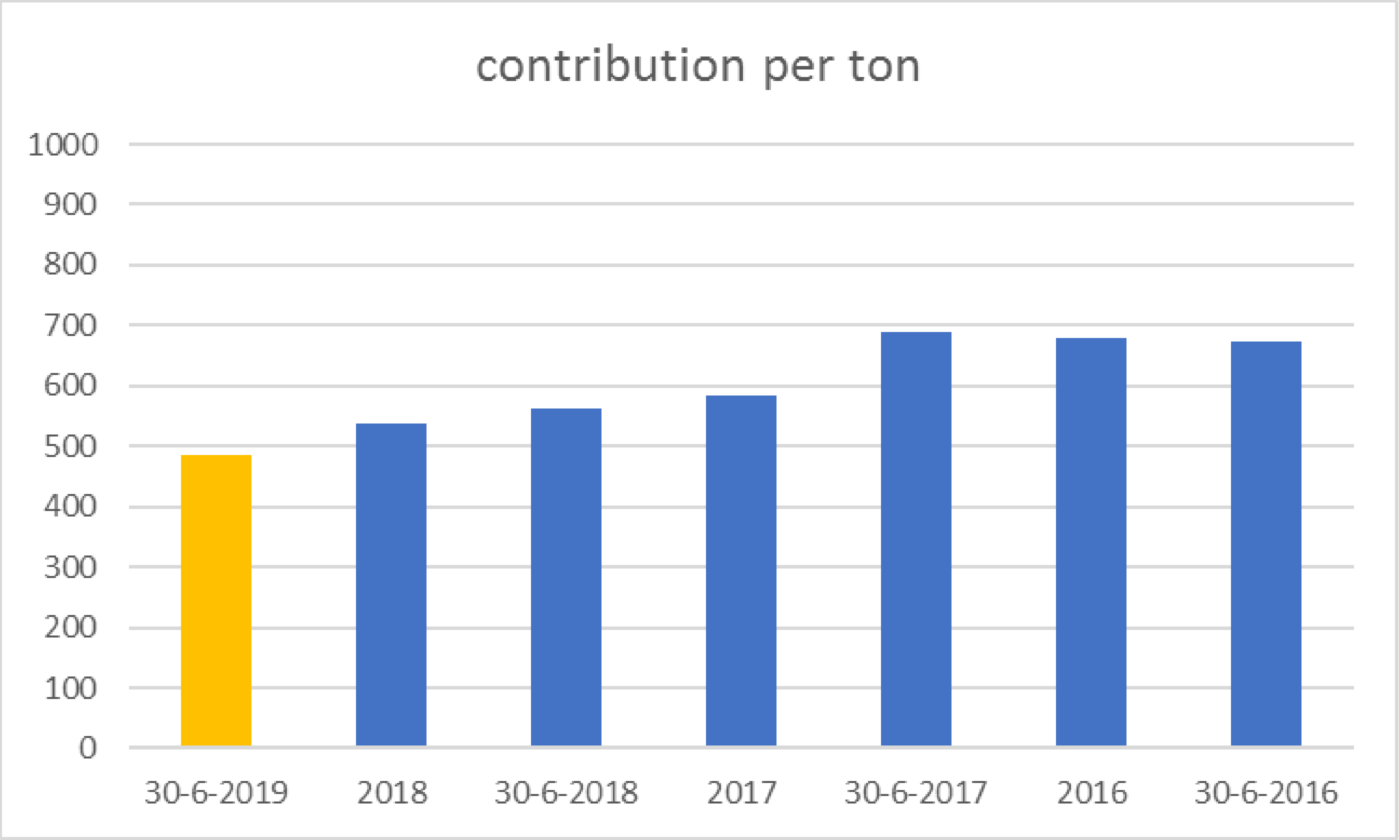
Movements in Contribution per ton

Contribution per ton halfyear 2016-2019 (€m)



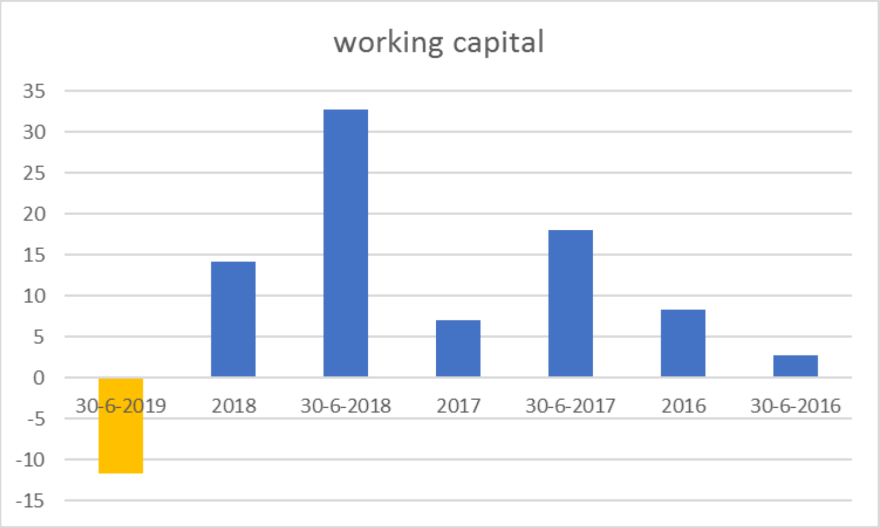
Contribution is leading financial indicator because it excludes:

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

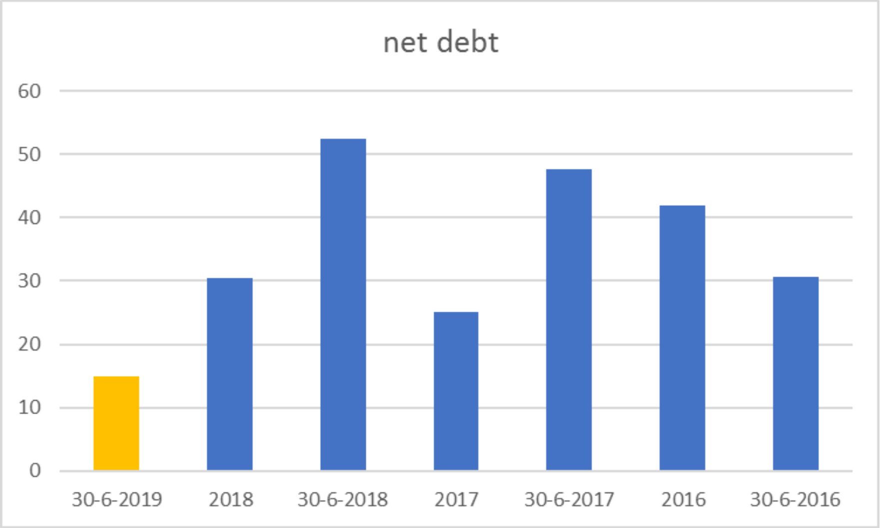
Operating Working Capital and Net Debt in Line with Developments

Operating Working Capital (€m)

(€m)



Net Debt (€m)



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IFRS 16 effects

RECONCILIATION OPERATING LEASE OBLIGATION AS AT 31 DECEMBER 2018 TO LEASE LIABILITY AS AT 1 JANAURY 2019:

AMOUNTS IN EUR ’000	
Operating Lease obligations at 31 December 2018	**33,123**
Relief option for short-term leases	-338
Gross lease liablities at 1 January 2019	**32,785**
Discounting	2,795
Lease liabilities as at 1 January 2019	**29,990**

IMPACT ON THE STATEMENT OF PROFIT OR LOSS (INCREASE/(DECREASE)) FOR THE SIX MONTHS ENDED 30 JUNE 2019:

AMOUNTS IN EUR ’000	
Depreciation expense	-1,754
Operating lease expense	1,576
Operating result	**-178**
Finance costs	-258
Income tax expense	109
Result for the year	**-327**

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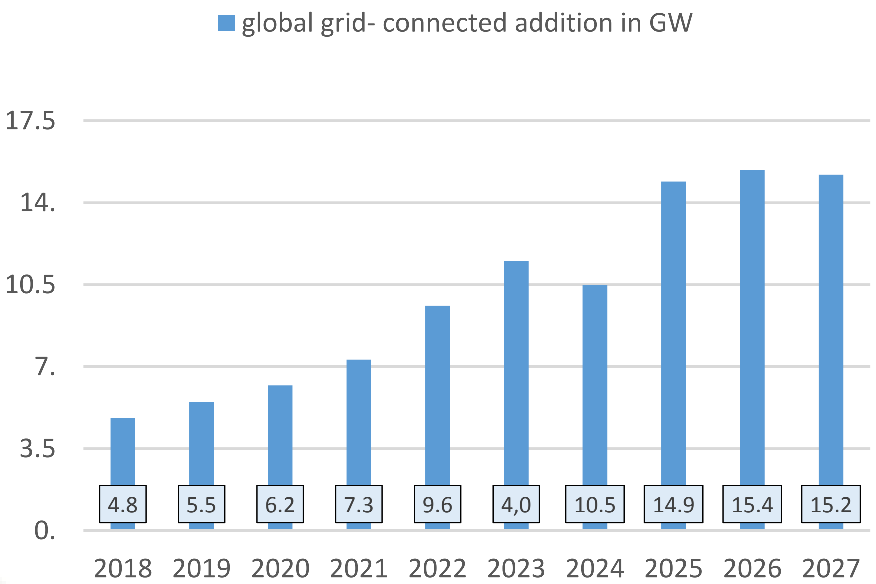
Outlook: Market for Offshore Wind is growing;

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]



! Foundation components sold to customer 1-2 years on average prior to grid connection date

Source: WoodMackenzie december 2018

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

France increases offshore wind tendering target from 600 MW pa to 1 GW pa until 2028.
Date: June 13, 2019 – Source: offshorewind.biz/2019/06/13/ france-to-set-1gw- annual-offshore-wind-tendering-target

Japan identifies eleven offshore wind areas
Date: July 31, 2019 –Source: offshorewind.biz/2019/07/31/japan-identifies-eleven-offshore-wind-areas/

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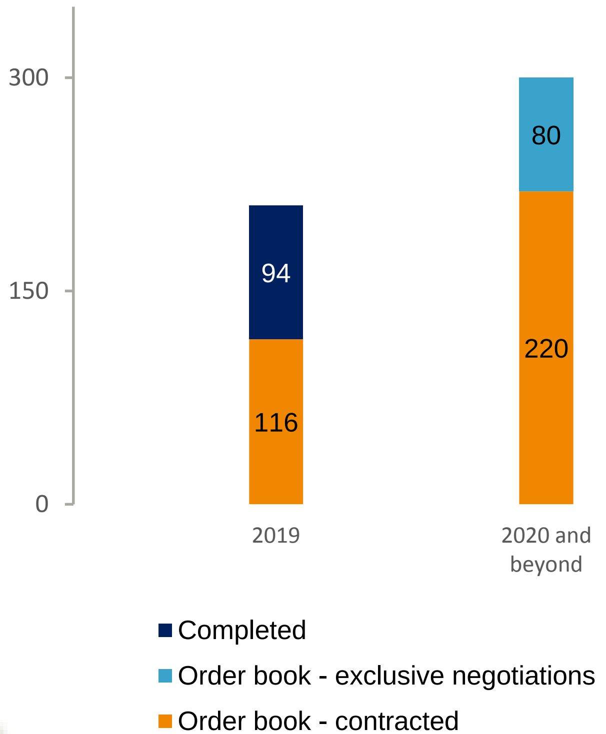
Outlook: Strong Order Book

Order Book (Kton)



Comments

- Order Book 2020 and beyond
  - 220 Kton contracted;
  - 80 Kton exclusive negotiations
- PISA effects require € 32 mln investment in adjustments to production facilities in period 2019-2021; € 10.5 mln committed first half 2019

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

- Saint Nazaire and Courseuilles in **France**
- Hollandse kust Zuid 4th part and Fryslan in **the Netherlands**

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