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PRESS RELEASE

Boskalis: operationally strong 2020, record order book and very solid financial position

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HIGHLIGHTS 2020

- Revenue: EUR 2.5 billion
- EBITDA: EUR 404 million
- Operating result: EUR 140 million
- Net operating profit: EUR 90 million
- Exceptional charges: EUR 195 million
- Record order book: EUR 5.3 billion
- Positive net cash position of EUR 439 million
- Dividend proposal: EUR 0.50 per share all cash

OUTLOOK

- Very well-filled order book provides solid foundation for 2021
- Dredging: gradual improvement in the course of 2021
- Offshore Energy: continuation of strong 2020 picture
- Improved medium-term outlook

Royal Boskalis Westminster N.V. (Boskalis) has exceeded expectations in what has proven to be a very turbulent and challenging 2020 with an EBITDA of EUR 404 million. Net operating profit amounted to EUR 90 million. Furthermore, despite COVID-19 restrictions, many new projects were acquired resulting in a record high order book of EUR 5.3 billion. Tightened financial management further strengthened the balance sheet and improved the net cash position to EUR 439 million.

Nevertheless, the COVID-19 pandemic has had far-reaching consequences for Boskalis. The prolonged disruptions for international air travel and stringent quarantine measures affected projects outside Europe, particularly in the Dredging division. In the Offshore Energy division mainly the services activities suffered from the unexpected sharp fall in the oil price, resulting in a drop in demand in parts of the offshore market.

In light of the COVID-19 pandemic and the sharp drop in the oil price, Boskalis once again undertook a critical review of the valuation of vessels and balance sheet assets across the board. This resulted in a virtually exclusively non-cash exceptional charge of EUR 195 million of which three quarters had already been recorded in the first half of the year. This charge consist mainly of an impairment on goodwill and vessels in two joint ventures as well as of a limited number of own assets and an impairment on brand names.

Compared to last year, revenue decreased by 4.5% to EUR 2.525 billion (2019: EUR 2.645 billion). Adjusted for (de)consolidation and currency effects, revenue was 6.9% lower.

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EBITDA totaled EUR 404 million and the Operating result amounted to EUR 140 million, both excluding exceptional charges. In 2019, EBITDA amounted to EUR 376 million and the Operating result to EUR 28 million.

In 2020, a net operating profit of EUR 90 million was realized. Including exceptional charges, a net loss of EUR 97 million remains (2019: net profit EUR 75 million).

In both 2020 and 2019, the result was affected by a number of exceptional items. In 2020, this concerned the previously mentioned almost entirely non-cash charge of EUR 195 million, which is largely recognized at group level. In 2019, this concerned book gains of EUR 82 million from various sales transactions.

In the Dredging & Inland Infra segment, revenue decreased by 13% at a lower profit margin. This development is largely attributable to COVID-19. The pandemic caused delays in some major projects and, in addition, global travel restrictions and quarantine measures led to operational inefficiencies. The largest revenue contribution came from projects in Southeast Asia, the Indian subcontinent, the Middle East, Canada and the Dutch market.

Revenue from Offshore Energy increased by more than 4%. Contracting revenue was virtually stable with a busy year at Seabed Intervention. In Services, the consolidation of the survey activities of Horizon as of early 2020 resulted in a net increase in the revenue. Over the past year, Services was impacted most by the strong decline in the oil price. The divisional operating result improved significantly, with good project results at Seabed Intervention and Subsea Cables, a positive contribution from Marine Transport Services and the consolidation of Horizon.

In the Towage & Salvage segment, Salvage had an excellent year with substantially higher revenues and good results on projects in the Indian and Atlantic Ocean and in the Arctic near Spitsbergen. The contribution from the Towage joint ventures was lower but this was more than offset by Salvage's good result.

The customary holding and non-allocated group costs were reduced thanks to a wide range of cost-cutting measures taken in response to the COVID-19 outbreak.

The financial position of Boskalis remains strong and improved further in the second half of the year. At year-end Boskalis was net debt free with a cash position of EUR 439 million, compared to a net cash position of EUR 26 million at the start of 2020. Solvency remains high at 50.5% and Boskalis comfortably meets its financial covenants.

The order book increased by over 12% to a record EUR 5.306 billion (year-end 2019: EUR 4.722 billion). In the fourth quarter Boskalis successfully acquired the Dredging project for the new airport in Manila. With an estimated value of EUR 1.5 billion, this concerns the largest project ever taken on by Boskalis.

Peter Berdowski, CEO of Boskalis:

“Exactly twelve months ago, we confidently presented our new three-year business plan. A couple of days later, we sailed into the thick corona fog and many certainties fell away. We immediately drew up a crisis plan in which the safety of our colleagues was paramount.

Besides the health of our colleagues, business continuity was a key priority. Projects had to continue as much as possible, vessels had to keep running and cash flows had to be maximized. We managed to provide relief to the projects and vessels through various creative solutions. We set up our own test facilities and, where necessary, organized our own chartered flights allowing us to move thousands of colleagues around the world. We have provided support to homeworkers and are doing all we can to

make mandatory quarantine periods bearable. Looking back on all these challenges, it is all the more impressive what we achieved together in 2020.

With an EBITDA of EUR 404 million, we even exceeded our 2019 performance. Thanks to our tight cash management, we significantly improved our net cash position to EUR 439 million. And despite the COVID-19 constraints, we managed to win many compelling new projects, bringing our order backlog to a record EUR 5.3 billion.

Offshore Energy had an extra challenging year with the combination of COVID-19 and the strong oil price decline. Nevertheless, the division's result improved significantly compared to the previous year. The BOKA Vanguard broke records with the transport of the heaviest (91,000 ton weighing FPSO) and largest cargo ever (385 meters long fish farm). A lot of work was also executed in offshore wind - ranging from survey work on the east coast of the United States, transporting and installing cables and foundations in Europe to rock installation for scour protection in Taiwan. The transport and installation of the Kincardine floating offshore wind farm also demonstrates the potential of Boskalis' unique range of equipment and expertise in this new floating wind market.

The salvage business had an exceptionally busy and successful year. On two major contracts in the Indian Ocean we prevented enormous quantities of oil from ending up in the ocean, and through the removal of a wreck in Spitsbergen, the sea has been cleaned up.

Finally, just before the end of the year, Dredging succeeded in winning a EUR 1.5 billion contract for the land development of the new Manila airport in the Philippines, making this the largest project win in our 110-year history. This contract provides visibility for the utilization of the large hoppers for the coming years.

I am proud and grateful of the fantastic performance that we as a team achieved in this extraordinary year of extreme challenges which was made possible by the enormous commitment and flexibility of all Boskalis colleagues."

Market developments

The demand for Boskalis' services is mainly determined by a number of macro trends. The structural growth and rising prosperity of the global population that increasingly lives in coastal areas drive demand for infrastructure, raw materials and energy and stimulates global trade. Climate change necessitates massive investments in the energy transition away from fossil fuels towards renewable energy sources. Despite all the measures aimed at emission reduction, emissions will rise further in the medium term and the damaging effects of climate change will continue to increase in the coming decades. Adequately addressing these effects through adaptive measures requires huge investments. Collectively these macro trends are propelling demand for maritime infrastructure and as such are key drivers of sustainable growth for our activities.

Early 2020, a new Corporate Business Plan for the period 2020-2022 was published with an analysis of the relevant business drivers, their impact on our markets resulting in a multi-year plan founded on three strategic pillars. Despite the global impact of COVID-19, many of these strategic initiatives have been implemented over the past year. Nonetheless, now that the dust from the COVID-19 crisis is slowly settling, there is a clear need to update the corporate business plan. Boskalis will therefore carry out a complete reassessment of the business plan in the course of 2021, with the aim of publishing a new Corporate Business Plan for the period 2022-2024 in March 2022.

Outlook

Boskalis is in good shape as a company with its very well-filled order book and strong financial starting position. Nevertheless, the further course of the COVID-19 pandemic and the start-up of several large projects will be key factors in 2021.

At Dredging & Inland Infra, we expect a stable picture until the summer with all COVID-19 related restrictions and based on the projects in hand. Thereafter, the volume of work and vessel utilization is expected to increase, in part due to the start-up of the large project in the Philippines, in addition to large ongoing projects in Singapore, Denmark and the Netherlands.

At Offshore Energy, the portfolio provides a good basis for 2021. Prospects in Contracting are good with a number of large projects for Seabed Intervention and the start-up of the Changfang & Xidao offshore wind project in Taiwan. The outlook at Marine Transport Services is also positive despite COVID-19 as a number of delayed cargoes from 2020 will contribute to the 2021 utilization. In Survey, in addition to the traditional markets, the strong emerging offshore wind market is expected to contribute to a good year. Finally, Subsea Services will be focusing on the integration of the recently acquired Rever Offshore.

At Towage & Salvage, the remaining joint ventures (Smit Lamnalco and Keppel Smit Towage) are expected to have a stable year. The Salvage result will, as always, strongly depend on the inherently unpredictable flow of projects and settlement results on previously executed projects.

In view of the project-based nature of a significant part of our activities and the uncertainties related to COVID-19, it is difficult at this early stage of the year to make a specific quantitative statement about the projected annual result for 2021. The well-filled order book however offers a solid basis to match the EBITDA level of 2020.

Capital expenditures in 2021 are expected to be in excess of EUR 300 million, excluding possible acquisitions. This is in line with the multi-year investment program presented early 2020, albeit that certain 2020 investments have been deferred into 2021 and 2022. The largest investment for the coming year is the conversion of the Bokalift 2 crane vessel, which is almost fully booked for 2022.

Dividend policy and dividend proposal

The main principle underlying the Boskalis dividend policy is to distribute 40% to 50% of net profit from ordinary operations as dividend, while pursuing a stable long-term development of dividend. The choice of dividend form (in cash and/or fully or partly in shares) takes into account the company's desired balance sheet structure as well as the interests and wishes of the shareholders.

Given the robust balance sheet and healthy cash flow, it was decided to propose a stable dividend for 2020 relative to the paid dividend in recent years and in doing so paying out more than the bandwidth formulated in the policy. Boskalis will therefore propose to the Annual General Meeting of Shareholders on 12 May 2021 that a dividend of EUR 0.50 per share be distributed fully in cash, equal to approximately 74% of the net operating profit. The dividend will be made payable from 24 May 2021.

>>> go to [boskalis.com](https://www.boskalis.com) for the full version of the 2020 financial review including all the financial details or for the annual report<<<

KEY FIGURES	2020	2019
<i>(in EUR million)</i>		
Revenue	2,525	2,645
EBITDA	404	376
Net result from JVs and associates	19	26
Operating result	140	28
Exceptional items (charges / income)	-195	82
EBIT	-56	111
Net operating profit	90	-1
Net profit (loss)	-97	75
Dividend (proposal) per share (in EUR)	0.50	-
	End 2020	End 2019
Net financial position: cash (debt)	439	26
Solvency	50.5%	54.3%
Order book	5,306	4,722

EBIT(DA) and operating result include our share in the net result of joint ventures and associates. EBITDA is EBIT before depreciation, amortization, impairment and other exceptional charges; Operating result is EBIT adjusted for exceptional items; Net operating profit is Net profit adjusted for exceptional items; Net result from joint ventures and associates are presented excluding impairment charges

Live webcast

The Board of Management of Royal Boskalis Westminster N.V. will comment on the 2020 full year results at the analyst meeting (11.00 – 12.30 CET) on 4 March 2021. This meeting can be followed by means of a live webcast, details of which can be found on the website (www.boskalis.com).

Publication of Annual Report and Sustainability Report

Royal Boskalis Westminster N.V. will publish both its Annual Report 2020 and its Sustainability Report 2020 today, 4 March. The reports will be made available in the course of the day on www.boskalis.com.

2021	FINANCIAL AGENDA
4 March	Publication of 2020 annual results
12 May	Trading update on first quarter of 2021
12 May	Annual General Meeting of Shareholders
14 May	Ex-dividend date
17 May	Record date for dividend entitlement (after market close)
24 May	Date of dividend payment
19 August	Publication of 2021 half-year results
12 November	Trading update on third quarter of 2021

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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).

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 core activities such as coastal defense, riverbank protection and land reclamation Boskalis is able to provide adaptive and mitigating solutions to combat the effects of climate change, such as extreme weather conditions and rising sea levels, as well as delivering solutions for the increasing need for space in coastal and delta regions across the world. The company facilitates the development of offshore energy infrastructure, including renewable wind energy. Boskalis is furthermore active in the construction and maintenance of ports, waterways, access channels and civil infrastructure, thus helping to facilitate trade flows and regional socio-economic development. In addition, Boskalis is a global marine salvage expert and has a number of strategic partnerships in harbor towage and terminal services (Keppel Smit Towage and Smit Lamnalco). With a versatile fleet of more than 650 vessels and floating equipment and 9,900 employees, including associates, Boskalis is creating new horizons around the world.

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