

Royal Boskalis
Westminster N.V.
PO Box 43
3350 AA Papendrecht
The Netherlands

Page
1 | 3

PRESS RELEASE

Trading update: Boskalis maintains 2018 profit outlook

Papendrecht, 9 November 2018

HIGHLIGHTS THIRD QUARTER

- Good revenue development during the quarter with a higher operating result compared to the first half year quarterly average
- Healthy utilization of trailing suction hopper dredgers (Dredging)
- Stable utilization of heavy transport vessels (Offshore Energy)
- Order book virtually stable at EUR 3.8 billion

OUTLOOK FOR 2018

- Market picture unchanged
- Dredging & Inland Infra: stable market volumes and stable margins
- Offshore Energy contracting: good projects in the order book
- Offshore Energy services: positive contribution to operating result following the termination of loss-making low-end transport activities
- Towage: stabilizing at current levels
- Salvage: positive outlook based on projects in hand
- Profit outlook 2018: sharp improvement in net operating profit compared to first half year

Royal Boskalis Westminster N.V. (Boskalis) saw revenue increase in the third quarter compared to the quarterly average for the first half of the year. The operating profit (EBIT adjusted for extraordinary charges) also increased compared to the quarterly average for the first half of the year.

The order book stood at EUR 3.8 billion, virtually stable compared to the end of June. Around EUR 0.5 billion of new contracts were acquired in the third quarter.

Boskalis maintains its profit outlook for the full year 2018. Barring unforeseen circumstances net operating profit in the second half of the year is expected to be sharply higher compared to the first half (EUR 34.5 million). However, the net result is not expected to match the level achieved in the second half of 2017 (EUR 75 million).

FOR FURTHER INFORMATION

Investor relations:
Martijn L.D. Schuttevâer
ir@boskalis.com

Press:
Arno Schikker
press@boskalis.com

T +31 78 6969310

Operational developments

The third quarter at **Dredging & Inland Infra** was relatively stable compared to the first half of the year. After a busy first half, the utilization of the hopper fleet was a few weeks lower but on balance good given the conditions in the market. As expected, utilization of the cutter fleet was low in the third quarter but improved with the deployment of the Helios on the Duqm project as from September. Revenue for the quarter was slightly higher than the quarterly average for the first half of the year. The results from ongoing dredging projects were lower compared to the first half of the year but there was also the usual positive contribution from the financial close out of projects that were technically completed previously. The projects acquired in the third quarter were mainly port-related, in countries including Germany (maintenance dredging in the Weser), Kenya (Mombasa) and Finland (Mussalo). Additional work was also acquired on the Duqm project in Oman which will ensure utilization of the Helios well into 2019. On balance, there was a slight decrease in the order book at Dredging & Inland Infra compared to mid-2018. Since the end of the quarter Boskalis won the tender for the N69 New Connection road construction project in the Netherlands and announced it will carry out the dredging works for the development of the first large-scale LNG export facility in Kitimat, Canada (LNG Canada).

Offshore Energy performed better in the third quarter than in the first half of the year, partly due to the decision to terminate the low-end transport activities. Revenue and the segment result both rose compared to the previous quarters. Nevertheless, market conditions remain challenging and the first signs of recovery in the market have so far only had a limited effect on work in progress.

In the contracting activities Seabed Intervention with the TurkStream project and various cable-laying projects made a good contribution to the result for the quarter.

In the services activities Marine Transport & Services had a reasonable quarter given market circumstances. Despite the continuing pressure on volumes, utilization of the heavy transport vessels was stable compared to the first half of the year. Following the decision to decommission eleven heavy transport vessels the first of these will be scrapped in the fourth quarter. Subsea Services had a reasonable quarter given market circumstances. Two modern DSVs were purchased at the end of 2017 and establishing a position in this market is known to take time. Finally Marine Survey (Gardline) continued the upward trend seen in the first half with results well above the cautious initial expectations. Noteworthy contracts acquired in the third quarter include the Triton Knoll cable-laying contract, a sizable logistical management transport contract and a topside float-over contract for the Bokor platform in Malaysia. On balance there was a slight decline in the order book at Offshore Energy compared to mid-2018. At the start of the fourth quarter Boskalis won the subsea contract for the redevelopment of the Tyra offshore gas field in Denmark, an important step towards broadening the subsea footprint with SURF activities (Subsea Umbilicals, Risers & Flowlines).

At the **Towage & Salvage** segment the third quarter for Salvage was dominated by two large follow-up assignments after the earlier completion of two contracts. Consequently both revenue and the result increased compared to the quarterly average achieved in the first half of the year.

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 in the quarter compared to the first half of the year. The contribution of these activities to the result was on balance similar.

Composition of the Board of Management

At the Annual General Meeting (AGM) in May 2019 the shareholders' approval will be sought for the reappointment of Peter Berdowski (60) as CEO and of Theo Baartmans (57) as a member of the Board of Management, both for a four-year term. The term of office of the incumbent CFO, Hans Kamps, ends on the date of this AGM. Carlo van Noort (43) will be proposed as his successor at the AGM. Mr. Van Noort is currently financial director of Boskalis Nederland.

Outlook

The Board of Management maintains the profit outlook given at the release of the first half year results. Based on the fleet planning and work in the order book and barring unforeseen circumstances, a sharp improvement is expected in the net operating profit in the second half of 2018 relative to the first half of the year (EUR 34.5 million). However, the net result is not expected to match the level achieved in the second half of 2017 (EUR 75 million).

Capital expenditure in 2018 is expected to total around EUR 235 million, excluding acquisitions. The amount is in line with the level of depreciation and will be financed from the company's own cash flow. Boskalis retains a strong financial position and the company comfortably meets the covenants agreed with its financiers.

2019	FINANCIAL CALENDAR
7 March	Publication of 2018 annual results
8 May	Q1 2019 trading update
8 May	Annual General Meeting of Shareholders
22 August	Publication of 2019 half-year results
8 November	Q3 2019 trading update

FOR FURTHER INFORMATION

Investor relations:
Martijn L.D. Schuttevâer
ir@boskalis.com

Press:
Arno Schikker
press@boskalis.com

T +31 78 6969310

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. 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 10,700 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.