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PRESS RELEASE

Trading update: Boskalis reports good third quarter and maintains 2019 EBITDA guidance

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THIRD-QUARTER HIGHLIGHTS

- Good revenue development with strong improvement of the result compared to the first half of the year
- Healthy utilization of trailing suction hopper dredgers within Dredging
- Strongly improved result at Offshore Energy and stable utilization of heavy transport vessels
- Order book: EUR 4.2 billion

OUTLOOK FOR 2019

- Dredging: stable market picture
- Offshore Energy: strong recovery in second half following weak first half
- Towage: sale of stake in Saam Smit Towage completed; remaining joint ventures stable
- Salvage: strong year with good results from ongoing projects
- 2019 EBITDA outlook maintained: comparable to 2018

Royal Boskalis Westminster N.V. (Boskalis) saw revenue increase slightly in the third quarter of 2019 compared to the quarterly average for the first half of the year. The operating result increased sharply in the third quarter compared to the weak first half of the year.

The order book stood at EUR 4.2 billion, slightly lower compared to the end of June. Over EUR 0.5 billion of new contracts were acquired in the third quarter, not including the recently awarded sizable Changfang and Xidao offshore wind project in Taiwan.

Boskalis maintains its earnings forecast for the 2019 full year. Barring unforeseen circumstances, a sharp improvement in profit is expected in the second half of the year compared to the first half.

Operational developments

Dredging & Inland Infra had a good third quarter. Utilization of the hopper fleet was slightly higher compared to the already busy first half and in view of the current market conditions above average. As expected, utilization of the cutter fleet was lower in the third quarter following an exceptionally busy first half. Revenue for the quarter was comparable to the quarterly average for the first half of the year with a higher operating margin.

The third quarter saw the acquisition of a variety of projects, including some related to port development and climate adaptation. For example contracts acquired in Europe included the Southsea Coastal Defence project (in the United Kingdom) and Romanian Beaches projects (in Romania). In Australia the Woodside Scarborough gas pipeline project was acquired in conjunction with the Offshore Energy division. On balance, the order book at Dredging &

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Inland Infra was virtually stable compared to mid-2019. After the end of the quarter Boskalis acquired the Gulhifalhu land reclamation project in the Maldives as well as the N3 maintenance contract in the Netherlands. Early October saw the successful launch of the mega cutter Krios in Kinderdijk, the Netherlands. Construction work on the vessel will be completed in the period ahead with the vessel expected to be taken into service in mid-2020.

For **Offshore Energy** the third quarter was considerably better than the first half, which was strongly negatively impacted by operational and contractual issues on a limited number of projects.

Revenue increased compared to the preceding two quarters, with both the contracting and services activities making a positive contribution to the operating result.

In the contracting activities, seabed intervention, including for example Nord Stream 2 and projects in the North Sea and in the Middle East, made a good contribution to the result for the quarter. It was a busy quarter for the offshore wind activities, in particular for Cables.

In the services activities, all the clusters (Marine Transport & Services, Subsea and Marine Survey) had a better quarter with increases in both revenue and result. Marine Survey (Gardline and Horizon) in particular had a good third quarter.

Utilization of the heavy transport vessels and DSVs was virtually stable compared to the first half of the year whereas the project-specific captive assets (cable-laying, crane and fallpipe vessels) saw improved utilization.

The contracting as well as services cluster acquired a number of new contracts in the third quarter.

Heavy marine transport acquired an FPSO transport contract for execution before the end of the year as well as a number of long-term transport contracts for 2021-2022. The high-end transport market is starting to show cautious signs of recovery following a number of quiet years during which transport was wholly dependent on the spot market. Finally, seabed intervention together with the Dredging division acquired the Woodside Scarborough gas pipeline project in Australia in the third quarter.

After the close of the quarter Boskalis together with its local partner was awarded the contract for a sizeable offshore wind project in Taiwan. The project comprises the transportation and installation of 62 jacket foundations and the accompanying 186 pin piles. On the back of this project Boskalis decided to invest in a new crane vessel. It will do so by converting an existing hull to create the Bokalift 2 crane vessel, with 7,500 m² of free deck space and a crane with a lifting capacity of 4,000 tons and a lifting height of over 100 meters. Straight after delivery the Bokalift 2 will make its debut on the wind project in Taiwan and is suitable for a wide range of projects: offshore wind projects, the installation and decommissioning of oil and gas structures, and salvage work.

At the **Towage & Salvage** segment Salvage revenue was slightly lower compared to the very busy first half of the year. Two salvage projects in the Gulf of Oman and the salvage of a vessel in the Arctic waters near Spitsbergen contributed to revenue for the quarter.

At Towage the sale of the interests in the joint ventures Kotug Smit Towage and Saam Smit Towage was completed at the beginning of the third and fourth quarters respectively. The contribution from the remaining towage joint ventures (Smit Lamnalco and Keppel Smit Towage) was in line with the average quarterly contribution in the first half of the year.

Outlook for 2019

The market picture for the rest of 2019 is not fundamentally different from that seen in the first nine months of the year.

At the release of the half year results, Boskalis stated that based on the fleet planning and work in the order book and barring unforeseen circumstances, it expected a sharp profit improvement in the second half of 2019 compared to the first half and that EBITDA for the full year including all exceptional income and expenses would be stable relative to the approximately EUR 350 million of last year. The Board of Management maintains this guidance.

Capital expenditure in 2019 is expected to exceed EUR 250 million, excluding acquisitions. The amount is in line with the level of depreciation and will be financed from the company's own cash flow.

The net debt position has improved strongly compared to the first half of the year. The current net debt position excluding the right-of-use assets recognized under IFRS16 amounts to approximately EUR 150 million. Boskalis thus retains a strong financial position and the company comfortably meets the covenants agreed with its financiers.

2020	FINANCIAL CALENDAR
5 March	Publication of 2019 annual results
13 May	Q1 2020 trading update
13 May	Annual General Meeting of Shareholders
20 August	Publication of 2020 half-year results
6 November	Q3 2020 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 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 700 vessels and floating equipment and 10,000 employees, including associates, Boskalis is creating new horizons around the world.

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