PRESS RELEASE

Leidschendam, the Netherlands, 19 February 2021

2020 results: margin improvement in second half and solid cash flow

Successful refinancing provides flexibility to deliver on Path to Profitable Growth strategy

- Revenue declined by 12.4% in the full year and by 14.4% in the second half, due to the impact of Covid-19 and the downturn in oil and gas, partly offset by strong growth in offshore wind.
- Continued diversification in Fugro's business: in the second half of 2020, 59% of revenue was generated in renewables, infrastructure, nautical and other non-oil and gas related markets.
- Growth in offshore wind and cost reductions supported margin recovery to 6.5% in the second half-year compared to 0.6% in the first half of 2020.
- Strong free cash flow of EUR 105.4 million thanks to exceptionally strong working capital performance, resilient EBITDA and proceeds from the sale of Global Marine.
- Net result including discontinued operations impacted by specific items, including non-cash impairments (mainly Seabed), restructuring costs and currency revaluation losses.
- Refinancing strengthened balance sheet, resulting in net leverage of 2.1 (or 1.6 excluding IFRS-16).
- Solid 12-month backlog of EUR 866.2 million, an 8.0% decrease compared to a pre-Covid backlog at the end of 2019.
- In 2021, continued focus on managing costs and cash flow, and on operational and commercial excellence, with the aim of improving the margins.

Key figures (x EUR million) *from continuing operations unless otherwise indicated*	**2020**	**2019**	**H2 2020**	**H2 2019**
Revenue	1,386.3	1,631.3	678.9	834.5
comparable growth[1]	*(12.4%)*	*2.7%*	*(14.4%)*	*0.0%*
Adjusted EBITDA[2]	162.0	184.9	100.7	101.6
Adjusted EBIT[2]	48.2	68.0	43.9	44.7
Adjusted EBIT margin[2]	3.5%	4.2%	6.5%	5.4%
EBIT	19.8	25.6	30.5	8.8
Net result[3]	(74.0)	(39.6)	(22.4)	(22.0)
Net result incl. discontinued operations[3]	(173.8)	(108.5)	(60.7)	(22.5)
Backlog next 12 months	866.2	1,011.1	866.2	1,011.1
comparable growth[1]	*(8.0%)*	*9.9%*	*(8.0%)*	*9.9%*
Cash flow operating activities after investing	105.4	58.3	87.2	92.7
Cash flow operating activities after investing incl. disc. ops.	88.4	22.8	72.9	81.7
Net leverage[4]	2.1	4.0	2.1	4.0

[1] Corrected for currency effect
[2] Adjusted for specific items: onerous contract provisions, restructuring cost, impairment losses, and certain advisor/ other costs
[3] Attributable to the owners of the company
[4] Total debt (incl. subordinated debt) minus cash on balance sheet divided by last 12 months adjusted consolidated EBITDA for covenant purposes, including IFRS-16; 2019 numbers provided for information only as the definition was changed after the Q4 2020 refinancing

Mark Heine, CEO: "In 2020, the Covid-19 virus took hold around the world and affected all of us. Fugro's results reflect our resilient operating model, which enabled us to quickly respond to the impact of the pandemic and to continue to benefit from very strong growth in offshore wind. Despite the operational complexities and in close cooperation with clients, we have been able to continue working on the majority of our projects, while maintaining health and safety as a first priority. To protect our profitability and liquidity, we have acted decisively by promptly *implementing a comprehensive cost reduction programme. In combination with the strong growth in offshore wind, this resulted in recovery of margins in the second half of the year, despite significantly lower revenue.*

Our recent refinancing provides us with the financial flexibility to deliver on our Path to Profitable Growth strategy. Our ambition is to support the transition towards carbon neutrality, sustainable infrastructure and climate resilience. Based on our technical innovations, digital solutions and strong reputation, we are well positioned to benefit from these industry trends. For example, recently we have been involved in site investigations for the Hai Long offshore wind farm in Taiwan, a coastal zone management project in Sint Maarten, flood risk mapping in Romania and consultancy services for the construction of Germany's largest energy infrastructure project, the Suedlink power line. With almost 60% of our revenue coming from offshore wind, infrastructure, nautical and other non-oil and gas markets in the second half of the year, the diversification of our portfolio is well underway.

We expect to return to more normal market conditions in the second half of the year. Our management agenda is: to manage our cost base and cash flow; to complete the turnaround of the land business; to further strengthen operational and commercial excellence; to enhance our service delivery with new market leading digital solutions; to divest Seabed Geosolutions and to accelerate our ESG roadmap. For Fugro's own operations, our target is to be carbon neutral by 2035."

Strengthened balance sheet following successful refinancing

In December 2020, the refinancing of the company was completed. After raising EUR 82 million through a sub-10 equity issue in February, Fugro raised EUR 250 million in new equity in the fourth quarter. In addition, the EUR 575 million revolving credit facility was replaced with a new EUR 250 million revolving credit facility and a EUR 200 million term loan, both maturing in December 2023. Fugro bought back a substantial part of the convertible due in 2021, with a remaining nominal amount of EUR 59 million outstanding at year-end 2020. Following the completion of the refinancing, on 18 December 2020, a 2:1 share consolidation was implemented. At year-end, Fugro had 103,190,366 (certificates of) shares outstanding.

Performance review 2020

Currency comparable revenue declined by 12.4% to EUR 1,386.3 million, as a result of the operational challenges caused by the pandemic and the related reduced spending by oil and gas clients. With 19.3%, revenue decline was the strongest in the second quarter and had reduced to 12.8% in the fourth quarter. The full year decline in oil and gas revenue of 23% was partly offset by 28% growth in offshore wind.

In March 2020, Fugro immediately started with the implementation of a comprehensive cost reduction programme to deal with the impact of the pandemic. This included a workforce reduction by around 10%, a reduction of overhead costs, a cut on executive pay and minimised usage of short-term charters. The implementation is on track and is expected to achieve annualised savings of around EUR 130 million, EUR 10 million in excess of the initial target of EUR 120 million; to date savings of around EUR 95 million have been realised.

Adjusted EBITDA was higher than expected at EUR 162.0 million (2019: EUR 184.9 million). Adjusted EBIT amounted to EUR 48.2 million (2019: EUR 68.0 million), resulting in an adjusted EBIT margin of 3.5%, only slightly down from 4.2% in 2019. The margin improved to 6.5% in the second half-year compared to 5.4% in the second half of 2019, and 0.6% in the first half-year. In the second half-year, the margin of the Marine business was still lower compared to the second half of 2019, but this was offset by the Land business where restructuring contributed to an improved margin.

EBIT was impacted by EUR 28.4 million specific items. This included EUR 17.6 million of restructuring costs and EUR 5.9 million impairment losses. Net result includes specific items, including non-cash impairments (mainly deferred tax assets), restructuring costs and currency revaluation losses.

Fugro's 12-month backlog at year-end was solid at EUR 866.2 million, which represents an 8.0% decrease compared to a growing pre-Covid backlog at the end of 2019. The marine site characterisation and land asset integrity backlogs were up, offset by a decrease in the other two business lines.

Cash flow from operating activities after investing was strong at EUR 105.4 million, as a result of solid EBITDA performance, exceptionally good working capital management and proceeds from the sale of Global Marine (EUR 49.9 million). Working capital as a percentage of 12-months rolling revenue was 8.1% at the end of December, in part related to deferred tax payments (of around EUR 20 million), compared to an already low level of 9.5% a year ago. Days of revenue outstanding decreased to 83 days compared to 88 last year. Cash flow from operating activities after investing for discontinued operations was negative EUR 17.0 million.

The equity raise and the positive cash flow resulted in a significant reduction in net debt to EUR 295.8 million (including Seabed Geosolutions) as per 31 December 2020, from EUR 593.1 million at half-year 2020 and EUR 666.3 million at year-end 2019. Excluding the impact of IFRS-16 lease accounting, net debt decreased to EUR 163.1 million from EUR 503.3 million.

Net leverage based on the new covenant definition (including total net debt and the impact of IFRS-16) was 2.1 at year-end, versus a comparable net leverage of 4.0 a year ago. Excluding the impact of IFRS 16, net leverage decreased to 1.6 compared to 3.9 a year ago. Liquidity at year-end 2020 is solid with over EUR 400 million in cash and available facilities. Solvency at year-end amounted to 41.3%; at the end of 2019 the comparable number was 29.1%.

Review by business

Marine

Key figures, adjusted[1] (x EUR million)	**2020**	**2019**	**H2 2020**	**H2 2019**
Revenue	*963.1*	1,171.6	*463.9*	608.7
comparable growth[2]	*(15.2%)*	*5.7%*	*(20.0%)*	*2.5%*
EBITDA	125.3	160.0	73.7	92.1
EBIT	33.8	66.5	27.6	46.5
EBIT margin	3.5%	5.7%	5.9%	7.6%
Backlog next 12 months	597.2	704.0	597.2	704.0
comparable growth[2]	*(9.1%)*	*11.6%*	*(9.1%)*	*11.6%*
Capital employed	701.8	878.5	701.8	878.5

1 EBIT(DA) adjusted for specific items
2 Corrected for currency effect

- Revenue decline in the second half-year of 20% was similar to the decline in the second quarter when the pandemic and downturn in oil and gas started to impact the business. Both site characterisation and asset integrity were impacted, although site characterisation to a lesser extent thanks to a 28% increase in offshore wind revenue. Overall vessel utilisation was 66% compared to 71% in 2019.
- The impact of the revenue decline was to a large extent offset by cost reductions. The decline in EBIT is mostly related to asset integrity in Europe-Africa and site characterisation in Middle-East & India, both significantly exposed to the oil and gas market.

- Site characterisation backlog increased slightly, benefitting from the strong growth in offshore wind activities. Asset integrity backlog declined strongly in all regions except the Americas. Furthermore, backlog was impacted by selective tendering, following actions to rationalise the portfolio and improve profitability.

Land

Key figures, adjusted[1] (x EUR million)	2020	2019	H2 2020	H2 2019
Revenue	*423.2*	459.7	*215.0*	225.7
comparable growth[2]	*(5.4%)*	*(3.8%)*	*0.6%*	*(6.1%)*
EBITDA	36.7	24.9	27.0	9.5
EBIT	14.4	1.5	16.3	(1.8)
EBIT margin	3.4%	0.3%	7.6%	(0.8%)
Backlog next 12 months	269.0	307.1	269.0	307.1
comparable growth[2]	*(5.4%)*	*6.3%*	*(5.4%)*	*6.3%*
Capital employed	173.0	231.9	173.0	231.9

[1] EBIT(DA) adjusted for specific items
[2] Corrected for currency effect

- After a 11.2% decline in the first half-year due to the pandemic, revenue was slightly up in the second half. For the full year, site characterisation decreased slightly; asset integrity showed a double-digit decline. The decline was particularly large in the Americas due to operational complexities and project delays caused by Covid-19. Europe-Africa showed a decline as well, but much less.
- The EBIT margin amounted to 7.6% in the second half-year, up from a marginal loss in the first half-year. On a full year basis, the margin also improved, partly as the result of the ongoing turnaround programme. In addition, in the second half of 2020, EBIT benefitted from a transaction result on a property sale in China. In various countries, negative Covid-19 impacts were mitigated by government support. The margin of asset integrity was still negative, due to the strong revenue decline and continued investment to scale the business.
- Asset integrity backlog was up while site characterisation backlog was down compared to a strong pre-Covid-19 backlog at the end of 2019.

Review by region

Europe-Africa

Key figures, adjusted[1] (x EUR million)	2020	2019	H2 2020	H2 2019
Revenue	595.4	682.2	305.1	343.7
comparable growth[2]	*(11.1%)*	*4.9%*	*(9.5%)*	*3.5%*
EBIT	46.8	71.4	39.2	35.6
EBIT margin	7.9%	10.5%	12.8%	10.4%
Backlog next 12 months	383.2	386.3	383.2	386.3
comparable growth[2]	*2.7%*	*27.2%*	*2.7%*	*27.2%*

[1] EBIT (margin) adjusted for specific items
[2] Corrected for currency effect

- Revenue declined across all business lines, but particularly in marine asset integrity which is most exposed to the oil and gas market.
- EBIT margin for the full year declined most strongly in marine asset integrity caused by the steep revenue decline. In the second half-year, the margin improved to 12.8% from 2.6% in the first half of 2020 and 10.4%

in the second half of 2019, thanks to strong performance of the marine site characterisation business, supported by growth in offshore wind, and the positive impact of the cost reduction measures.

- Backlog increased slightly due to good order intake in marine site characterisation and land asset integrity.
- Significant recent project awards include three geotechnical site investigations for IJmuiden Ver, the largest Dutch offshore wind park; a geotechnical and water consulting contract to support Vössing Engineers with the planning and installation of underground cables for Germany's Suedlink power line; a multidisciplinary survey for the "Tyrrhenian Link' power cable connection between the Italian peninsula and Sicily for the national grid company Terna SpA; and a combined geotechnical and environmental survey for Eni's Agogo field development in Block 15/06 in Angola.

Americas

Key figures, adjusted[1] (x EUR million)	**2020**	**2019**	**H2 2020**	**H2 2019**
Revenue	340.2	411.6	168.1	218.1
comparable growth[2]	*(12.6%)*	*17.9%*	*(14.8%)*	*18.7%*
EBIT	(9.4)	(11.4)	0.8	2.6
EBIT margin	*(2.8%)*	*(2.8%)*	*0.5%*	*1.2%*
Backlog next 12 months	214.1	272.0	214.1	272.0
comparable growth[2]	*(9.8%)*	*(6.4%)*	*(9.8%)*	*(6.4%)*

[1] EBIT (margin) adjusted for specific items
[2] Corrected for currency effect

- Revenue decreased due to the pandemic and resulting downturn in the oil and gas market. Numerous projects were postponed and some cancelled. The decline in marine site characterisation was limited by an ongoing strong offshore wind market.
- EBIT improved from a 5.9% loss in the first half-year to a marginally positive margin in the second half-year, driven by marine site characterisation and the land business. In particular in the first half-year, results were impacted by Covid-19 related cancellations and delays. Land performance improved as a result of cost measures and simplification of the organisation.
- Backlog declined due to Covid-19 related prolonged and delayed tender processes, a situation which is expected to normalise in the upcoming period. Site characterisation business lines were down, whereas asset integrity was up.
- Significant contract awards in the fourth quarter include a combined geophysical, environmental and geotechnical cable route survey for New England Aqua Ventus with respect to a floating wind park offshore Maine; a 2-year contract from Petronas Suriname E&P for positioning services in Block 52; and a multi-year contract by the California and Virginia Departments of Transportation for roadway condition assessments.

Asia Pacific

Key figures, adjusted[1] (x EUR million)	**2020**	**2019**	**H2 2020**	**H2 2019**
Revenue	291.2	331.3	143.8	173.0
comparable growth[2]	*(10.0%)*	*(11.4%)*	*(13.4%)*	*(15.1%)*
EBIT	6.3	1.4	7.9	7.4
EBIT margin	2.2%	0.4%	5.5%	4.3%
Backlog next 12 months	161.5	219.5	161.5	219.5
comparable growth[2]	*(22.3%)*	*(0.3%)*	*(22.3%)*	*(0.3%)*

[1] EBIT (margin) adjusted for specific items
[2] Corrected for currency effect

- Marine site characterisation revenue decreased significantly due to Covid-19 delays and the deferral of several awarded projects including the Abadi LNG survey for INPEX which was originally planned for 2020. Revenues of the other three business lines were up.
- EBIT improved mainly because of better performance in the land site characterisation business line, stringent cost measures and a positive transaction result on a property sale in China. Losses due to Covid-19 were mitigated by government support. In the second half-year, the margin improved to 5.5% from minus 1.1% in the first half of 2020 and 4.3% in the second half of 2019.
- The lower backlog is the result of both the Covid-19 challenges in the land business and the decision to rationalise the marine business by focusing on smaller sized assets (autonomous vessels) and remote operations opportunities with increased margin potential.
- Significant recent contract awards include a marine site characterisation survey for Excelerate Energy in the Philippines; a geotechnical investigation for OMV New Zealand in the Taranaki basin; a nearshore site characterisation for the Chu Feng windfarm in Taiwan and two power distribution network modelling contracts in Australia.

Middle East & India

Key figures, adjusted[1] **(x EUR million)**	**2020**	**2019**	**H2 2020**	**H2 2019**
Revenue	159.5	206.1	61.9	99.5
comparable growth[2]	*(20.4%)*	*(3.5%)*	(32.4%)	(12.8%)
EBIT	4.5	6.6	(4.0)	(1.0)
EBIT margin	2.8%	3.2%	(6.5%)	(1.0%)
Backlog next 12 months	107.4	133.3	107.4	133.3
comparable growth[2]	*(11.2%)*	*27.2%*	*(11.2%)*	*27.2%*

[1] EBIT (margin) adjusted for specific items
[2] Corrected for currency effect

- Revenue decline came from Marine and was caused by the large exposure to the oil and gas market. Revenue was further affected by Covid-19 delays and the rationalisation of the loss making diving services. Land site characterisation grew particularly in the UAE, slightly offset by a reduction in testing services in Saudi Arabia. Land asset integrity revenue was impacted by ongoing restructuring and discontinuation of activities in Oman and UAE.
- In marine site characterisation, EBIT went down due to the revenue decline. In marine asset integrity, full year EBIT improved amongst others thanks to restructuring measures including discontinuation of the diving services; the margin however turned negative in the second half-year due to the very significant revenue decline. Land site characterisation improved driven by revenue growth and the effect of restructuring.
- The backlog decreased mainly as a result of the challenging oil and gas market.
- Significant contract awards in the fourth quarter include several surveys for the McDermott Qatar North Field Production Sustainability Project and ROV support services during construction activities on a project for NPCC in India and additional site characterisation work on the Hatta pumped-storage hydroelectric plant in the UAE.

Held for sale: Seabed Geosolutions

Fugro's stake in Seabed Geosolutions is classified as 'held for sale' as per half year 2019 and therefore no longer part of Fugro's continuing operations. Fugro considers it highly probable that Seabed's business will be sold in the first half of 2021.

Key figures, adjusted[1] (x EUR million)	**2020**	**2019**	**H2 2020**	**H2 2019**
Revenue	62.8	135.6	2.2	62.4
comparable growth[2]	*(52.7%)*	*31.7%*	*(92.4%)*	77.1%
EBITDA	3.6	(10.9)	(7.8)	(0.6)
EBIT	3.6	(20.5)	(7.8)	(0.9)
EBIT margin	5.7%	(15.1%)	(354.5%)	(1.4%)
Backlog next 12 months	67.1	110.1	67.1	110.1
comparable growth[2]	*(33.1%)*	*(22.7%)*	*(33.1%)*	*(22.7%)*
Capital employed	0.4	86.1	0.4	86.1

[1] EBIT(DA) (margin) adjusted for specific items
[2] Corrected for currency effect

- After operating up to three crews early in the year, activities came to a halt after the outbreak of the pandemic. The S-79 project in the Middle East was suddenly terminated and a planned project in Brazil was postponed. No crews have been active since May 2020. Operations restarted towards the end of the year with the mobilisation of the previously postponed Brazil survey. With an expected start of the Petrobras Sapinhoa project immediately thereafter, the crew on these projects is firmly booked until the end of the third quarter.
- Immediately following the outbreak of the pandemic, a major restructuring plan was announced and implemented, resulting in a total FTE reduction of around 60% as compared to the start of 2020.
- EUR 98.9 million of specific items have been recognised, consisting of non-cash impairments of assets (EUR 70.0 million), one-off project charges and onerous contract provisions due to early termination of the S-79 project (EUR 24.8 million) and restructuring charges (EUR 4.1 million).
- The 12-month backlog increased in the fourth quarter as a result of the award of two surveys in Brazil in October. Year-on-year, the 12-month backlog decrease reflects the current market dynamics and company restructuring. Nevertheless, tendering activity continues in certain core markets, especially the US Gulf of Mexico and Brazil.

Outlook

In the longer term, population growth, urbanisation and climate change are driving the growth of the energy, infrastructure and nautical markets. This is leading to increased spending on renewable energy, power and electricity networks, subsea telecom cables, coastal defence, hydrography and freshwater development projects. This will create ample opportunities for Fugro. Energy transition, sustainable infrastructure, digitalisation and climate change adaptation are key trends in our markets.

For 2021, offshore wind, in which Fugro has a strong position and reputation, is anticipated to show continued growth. After a stagnation in 2020, growth in the infrastructure markets is expected to resume as of 2021, driven by governmental investments to fuel the economy. The oil and gas market is expected to remain volatile in 2021.

The Covid-19 pandemic is expected to continue to impact societies and thus economic activity in the coming quarters, although Fugro anticipates a return to more normal market conditions in the second half of the year. The company continues to focus on managing costs and cash flow, and operational and commercial excellence, with the aim of improving the margins. Capex for continuing operations will be around EUR 80-90 million.

Press call and analyst meeting

Today at 7:30 CET, Fugro will host a news wire media call. The dail-in numbers are +31 (0) 20 703 8211 or +44 (0)330 336 9125 and the confirmation code is 6982354. At 11:30 CET, Fugro will host an analyst call. The dial-in numbers are +31 (0)20 7038261 or +44 (0)3303369411 and the confirmation code is 1389538. This call will also be accessible via audio cast: http://www.fugro.com/investors/results-and-publications/quarterly-results

For the full year report 2020 containing more disclosures (incl financial statements), see https://www.fugro.com/investors/results-and-publications/quarterly-results

Financial calendar

26 February 2021	Publication annual report 2020
22 April 2021	Publication first quarter 2021 trading update
	Annual general meeting of shareholders
28 July 2021	Publication half-year 2021 results

For more information please contact

Media	Investors
Edward Legierse	Catrien van Buttingha Wichers
e.legierse@fugro.com	c.vanbuttingha@fugro.com
+31 70 31 11147	+31 70 31 15335
+31 6 4675 2240	+31 6 1095 4159

About Fugro

Fugro is the world's leading Geo-data specialist, collecting and analysing comprehensive information about the Earth and the structures built upon it. Adopting an integrated approach that incorporates acquisition and analysis of Geo-data and related advice, Fugro provides solutions. With expertise in site characterisation and asset integrity, clients are supported in the safe, sustainable and efficient design, construction and operation of their assets throughout the full lifecycle. Employing approximately 9,000 talented people in 61 countries, Fugro serves clients around the globe, predominantly in the energy and infrastructure industries, both offshore and onshore. In 2020, revenue amounted to EUR 1.4 billion. Fugro is listed on Euronext Amsterdam.

This press release contains information that qualifies, or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This announcement may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including (but not limited to) statements expressing or implying Fugro's beliefs, expectations, intentions, forecasts, estimates or predictions (and the assumptions underlying them). Forward-looking statements necessarily involve risks and uncertainties. The actual future results and situations may therefore differ materially from those expressed or implied in any forward-looking statements. Such differences may be caused by various factors (including, but not limited to, developments in the oil and gas industry and related markets, currency risks and unexpected operational setbacks). Any forward-looking statements contained in this announcement are based on information currently available to Fugro's management. Fugro assumes no obligation to in each case make a public announcement if there are changes in that information or if there are otherwise changes or developments in respect of the forward-looking statements in this announcement.