PRESS RELEASE

Leidschendam, the Netherlands, 26 April 2018

Q1 2018 trading update Fugro reports revenue and backlog growth
Offshore oil and gas market stabilising

- Year-on-year revenue grew 3.3% on a comparable basis; this first increase after 12 quarters reflects a stabilising offshore oil and gas market.
- EBIT improved from a high-single digit to mid-single digit negative margin in seasonally weak first quarter, mainly as a result of lower depreciation and cost reductions.
- Cash flow from operating activities after investments was negative, mostly due to increased working capital.
- Net debt/EBITDA of 2.5; expected to improve towards year-end.
- Backlog for the next 12 months increased by 7.7% on a comparable basis year-on-year.
- Outlook 2018: After three years of sharp revenue decline Fugro expects revenue growth on a comparable basis, an improved EBIT margin and positive cash flow from operating activities after investments.

Key figures (in EUR million) unaudited	**Q1 2018**	**Q1 2017**	**reported growth**	**comparable growth**[1]
Revenue	350.4	376.7	(7.0%)	3.3%
Backlog remainder of the year	872.8	961.3	(9.2%)	7.2%
Backlog next 12 months	963.6	1,051.9	(8.4%)	7.7%

[1] Revenue and backlog growth corrected for currency effect (of around - 9%) and for portfolio changes related to the divestment of the marine construction and installation activities in 2017.

Paul van Riel, CEO: *"After three years of dealing with a strongly contracting offshore oil and gas market, we are pleased to report an increase in our activity level. Supported by the measures taken last year, results improved, but limited as we are still working on low margin contracts which were secured at the bottom of the market.*

The non-oil and gas markets that are relevant for Fugro, mostly building & infrastructure and offshore wind, continue to develop positively. Especially in offshore wind, Fugro benefits from the plans for large developments in the North Sea and elsewhere. In the offshore oil and gas market, the clear increase in the number of sanctioned projects indicates that we are at an inflection point. Currently we are still facing oversupply and a strongly competitive environment, but we are achieving some price recovery in selected markets. We continue to focus on price improvement, cost control and positive cash flow generation."

Operational review per division

Marine division

(in EUR million)	**Q1 2018**	**Q1 2017**	**reported growth**	**comparable growth**[1]
Revenue	216.2	211.0	2.5%	14.4%
Backlog remainder of the year	542.2	597.5	(9.3%)	11.0%
Backlog next 12 months	587.9	655.1	(10.3%)	8.9%

[1] Revenue and backlog growth corrected for currency effect (of around 9%) and for portfolio changes related to the divestment of the construction and installation activities in 2017.

- Revenue for the quarter increased by 14.4% to EUR 216.2 million on a comparable basis. Vessel utilisation improved from 61% to 67%.

- The EBIT margin improved compared to last year and was high single digit negative. In all divisions except Asia Pacific it was higher as the result of the cost reduction program, lower depreciation and better utilisation during the off-season.
- The site characterisation revenue increased by 28.7% at constant currencies to EUR 107.5 million reflecting the pick-up in the oil and gas market and ongoing offshore windfarm activities. The asset integrity comparable revenue increased by 3.2% to EUR 108.7 million. In both business lines the EBIT loss reduced versus last year.
- Significant project awards in the quarter include:
  - Large hydrocarbon seep survey for TGS in Brazil's Campos and Santos basins. The multibeam program will cover around 200,000 square kilometres, and follows similar programs in the Gulf of Mexico in 2016 and 2017
  - Geotechnical services on a wind farm project offshore Taiwan for Jan de Nul Group
  - Multi-year ROV drill support project for BHP in the Americas
  - Continuation of characterisation of the Hollandse Kust Noord wind farm zone. Following a geophysical survey, this award comprises geotechnical investigations, laboratory testing and development of an integrated soil model
- Backlog for the next 12 months increased by 8.9% on a comparable basis, consisting of increase in site characterisation by 12.5% to EUR 247.0 million and in asset integrity by 6.5% to EUR 340.9 million.

Land division

(in EUR million)	Q1 2018	Q1 2017	reported growth	comparable growth[1]
Revenue	109.8	121.4	(9.6%)	(1.1%)
Backlog remainder of the year	244.2	308.1	(20.7%)	(12.7%)
Backlog next 12 months	271.6	341.1	(20.4%)	(12.2%)

[1] Corrected for currency effect

- Divisional revenue decreased by 1.1% at constant currencies due to adverse weather conditions in the USA and Australia, which delayed operations. In the traditionally low season, EBIT margin was low single digit positive, which is similar to the comparable period last year.
- Site characterisation revenue increased by 4.6% at constant currencies to EUR 88.8 million driven by improved revenue in Europe. EBIT margin was low-single digit and slightly increased compared to last year.
- Asset integrity revenue decreased by 19.7% at constant currencies to EUR 21.1 million mostly due to exceptional weather conditions in the USA and Australia. EBIT was negative and below last year.
- Significant project awards in the quarter included:
  - Add-on to the existing 2018 program for inspection of Essential Energy's power distribution network in Australia.
  - Nearshore site investigation and materials testing for the Tung Chung New Town extension project in Hong Kong for the Build King/Samsung C&T joint venture.
  - Site characterisation work on the High Speed 2 Rail Project (Section C1) in the United Kingdom for the ALIGN consortium
  - Geoconsulting contract for the Harris County Toll Road Authority in Texas, USA.
- Backlog for the next 12 months is down by 12.2% at constant currencies compared to last year and is stable compared to last quarter. Site characterisation decreased by 16.7% at constant currencies, mostly as a consequence of the finalisation of activities on a large nuclear power plant in Europe and on the third runway in Hong Kong. This is being replaced by shorter duration projects, which leads to lower visibility in the 12-month backlog. Asset integrity backlog increased by 4.7%.

Geoscience division

The Geoscience division almost fully consists of Fugro's 60% stake in Seabed Geosolutions (100% consolidated). It also covers some indirect interests in Australian exploration projects, via Finder Exploration.

(in EUR million)	Q1 2018	Q1 2017	reported growth	comparable growth[1]
Revenue	24.4	44.3	(44.9%)	(36.2%)
Backlog remainder of the year	86.4	55.7	55.1%	80.0%
Backlog next 12 months	104.1	55.7	86.9%	116.7%

[1] Corrected for currency effect

- Revenue declined strongly due to idleness of the shallow water crew and low utilisation of the ocean bottom node (OBN) crews. One OBN crew completed the Lula project for Petrobras at the end of January and mobilised for a 4D monitor project for Shell in Nigeria towards the end of March. Mid-March, a second OBN crew started on the BHP project in Trinidad.
- Despite the low revenue generation in the quarter, EBIT margin was low-single digit positive compared to mid-single digit positive last year
- In the Middle East a contract of around US$ 25 million was secured for shallow water operations after an extended idleness period. It is expected that the crew will start to mobilise in the third quarter of 2018.
- Upon completion of the Trinidad project, towards the end of the second quarter the crew will mobilise for the industry's largest deepwater OBN survey to date in Petrobras' Santos basin on the Buzios field.
- The 12-month backlog increased by 116.7% on a currency comparable basis. The pipeline of potential projects remains solid with significant tendering activity, confirming the anticipated growth of the market.

Financial position

Cash flow from operating activities after investments in the quarter was negative mainly due to increased working capital. Working capital was 13.3% of revenue compared to 11.0% at the end of last year and 9.3% a year ago. Days of revenue outstanding was 93 days, compared to an exceptionally low level of 85 at the end of last year and 91 at the end of March 2017.

Net debt increased compared to the end of 2017 due to the negative cash flow and exchange rate variances on cash balances. As a result of the net debt increase and limited EBITDA improvement, the debt/EBITDA ratio increased from 1.9 at the end of 2017 to 2.5 at the end of March. This is within the covenant requirement of not exceeding 3.0. The net debt/EBITDA ratio is expected to decrease towards the end of the year, based on improved results.

In the first quarter a covenant with the owner of two geotechnical vessels was adjusted to create additional headroom for adverse currency translation effects. Under the amended covenant, total net debt excluding the debt component of the EUR 100 million subordinated convertible bonds should not exceed EUR 430 million (previously: EUR 400 million).

Outlook

The oil and gas market is stabilising. Clients are increasingly taking final investment decisions regarding new offshore field developments. As there is still overcapacity in the oil field services market, it is uncertain at what pace the challenging pricing environment in this market will improve. In the building & infrastructure and renewables markets Fugro expects continued growth, driven by global economic growth, population growth, urbanisation and an ongoing shift towards renewable energy.

Supported by an increased backlog, Fugro expects revenue growth, an improved EBIT margin and a positive cash flow from operating activities after investments. Capex is expected to be around EUR 80 million.

Media and analyst calls

Fugro will host a media and wire call at 07:30 CET. At 08:00 CET, Fugro will host an analyst call. The dial-in number for this call is +31 (0) 20 703 8261 or +44(0)330 336 9411. The confirmation code is 1336110. This call will be accessible via audio cast: http://www.fugro.com/investors/results-and-publications/quarterly-results

Financial calendar

1 August 2018	Publication half-year results 2018
26 October 2018	Publication third quarter trading update

For more information

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Fugro is the world's leading, independent provider of geo-intelligence and asset integrity solutions. Fugro acquires and analyses data on topography and the subsurface, soil composition, meteorological and environmental conditions, and provides related advice. With its geo-intelligence and asset integrity solutions Fugro supports the safe, efficient and sustainable development and operation of buildings, industrial facilities and infrastructure and the exploration and development of natural resources.

Fugro works around the globe, predominantly in energy and infrastructure markets offshore and onshore, employing approximately 10,000 people in 65 countries. In 2017, revenue amounted to EUR 1.5 billion. The company is listed on Euronext Amsterdam.