

Operational highlights

- Production of transition pieces and monopiles for Seamade and Triton Knoll and production of monopiles for Borssele 3&4
- Load-out for Hohe See and Albatros completed
- Construction of new coating facilities on schedule for completion in July 2019
- AX ERP system is being implemented; final stations operational in May 2019
- Workforce end Q1 at 512 FTE (292 permanent and 220 flexible), increased by 83 FTE from 429 at the end of 2018
- Total throughput of approximately 42 Kton steel (38 Kton in Q4 2018):
 - 92% for offshore wind
 - 8% for offshore oil and gas

Key figures

- (only) Q1 2019 numbers reflect implementation of IFRS 16;
- Contribution €18.8m (€17.3m Q4 2018)
- EBITDA €4.1m (€0.3m Q4 2018)
- Net Working Capital at the end of Q1 2019 -/- €21.8m (€14.2m at year-end 2018)
- Net debt at the end of Q1 2019 €8.4m (€30.4m at year-end 2018)
- Order book approximately 210 Kton for 2019 and 155 Kton for 2020 and beyond

Fred van Beers, CEO of Sif Group, comments:

We have started our work for Seamade and continued working on Triton Knoll and Borssele 3&4. For Sif, the Seamade and Triton Knoll projects together constitute 130 Kton of steel, or the equivalent of 148 monopiles and 58 transition pieces. From the third quarter onwards, we will also initiate works on Borssele 1&2. After ramping up in Q2, we will then be back on more normalized quarterly production levels of close to 60 Kton, to end the year with total production numbers of approximately 210 Kton or 272 monopiles and 150 transition pieces.

Investments in coating facilities are on schedule for completion in July 2019, as is the buildup of our workforce. To deliver the estimated production volumes, we will partially lift the option to work 24 hours, seven days a week, at some production points, between the end of Q2 2019 and the end of the year. With a full order book for 2019 and a sound funnel of projects for the years thereafter, we are well placed to contribute to the planned growth of the offshore wind industry, both in Europe and emerging markets in Asia and the north-eastern USA. We are negotiating exclusively on two projects and are involved on a non-exclusive basis in all other projects on the market. We feel confident we are well placed to win our fair share of available projects though given the nature and characteristics of the industry, exact timing remains difficult to predict.