



Full Year 2016

Solid Results in Breakthrough
Year for Offshore Wind

Roermond, The Netherlands – 29 March 2017



Sif

Key figures and highlights

> Operational highlights:

- > Lost Time Injury Frequency below 3
- > Successful delivery of monopiles and transition pieces for Galloper, Dudgeon and Rampion
- > Successful delivery of components for Sverdrup and Maersk jackets
- > Construction of new plant at Maasvlakte 2 near Rotterdam
- > Total throughput of approximately 191 Kton of steel

> Financial key figures:

- > Contribution 2016: € 129.5 million, 28.9% higher than 2015 (€ 100.5 million)
- > Normalized EBITDA: 2016 € 65.4 million, 13.1% higher than 2015 (€ 57.8 million)
- > Net earnings 2016: € 37.4 million, 5% higher than 2015 (€ 35.6 million)
- > Earnings per share 2016: € 1.47, 5% higher than 2015 (€ 1.40)
- > Dividend proposal € 0.37 cash per share
- > Revenue 2016: € 400.3 million, 24.6% higher than 2015 (€ 321.3 million)
- > Working Capital at year end: € 8.3 million (YE 2015 € 19.3 million)
- > Net Debt at year end: € 42.0 million (YE 2015 € 26.9 million)
- > Sif Group financing arrangements modified
- > Order book: 210 Kton for 2017 and 98 Kton for 2018

Jan Bruggenthijs, CEO of Sif, comments:

"Sif has focused on the production of monopiles for offshore windfarms since the turn of the millennium. Interest in sustainable energy has gradually increased and the number of offshore wind projects is growing steadily. With Levelized Costs of Energy (LCOE) dropping well below the 2020 target of € 100 per kwh, 2016 can be considered a breakthrough year for wind farm projects.

Our results for 2016 with 191 Kton produced are solid and at 210 Kton our order book for 2017 is well filled. With the delivery of foundations and transition pieces for projects like Galloper, Rampion and Dudgeon, Sif now ranks among the largest suppliers of monopiles for wind farms.

For the longer term we foresee further growth and healthy market conditions. Our € 90 million investment programs in the new plant at Maasvlakte 2 and improvements in Roermond are increasing Sif's capacity from 225 Kton at the end of 2015 to 300 Kton on completion of the new plant at the end of 2017. The development of XL monopiles supports scale growth in offshore wind farms.

Sif is well positioned to benefit from the longer term market growth. Viewed on a year-to-year basis, utilization and results may be volatile. This is a characteristic of the project environment in which Sif is active: new projects involve large investments and complicated political or commercial decision processes. The shift of the anticipated grid connection of French and Dutch projects from 2020 to 2021 illustrates this. This will affect the wind farm supply-chain. In 2017 we will focus on the acquisition of projects matching our production schedule for 2018 and on measures that further strengthen our organization and cost- structure."

| In € million | Q4 2016 | Full Year 2016 | Full Year 2015 | Change Y on Y |
|--------------------|---------|----------------|----------------|---------------|
| Contribution | 30.9 | 129.5 | 100.5 | +28.9% |
| EBITDA normalized | 10.5 | 65.4 | 57.8 | +13.1% |
| Revenue | 86.5 | 400.3 | 321.3 | +24.6% |
| Net earnings | 3.2 | 37.4 | 35.6 | +5% |
| Earnings per share | | 1.47 | 1.40 | +5% |

| Orderbook In Kton year end | For 2017 | For 2018 | For 2019 | Total |
|----------------------------|----------|----------|----------|-------|
| Contracted | 210 | 73 | 0 | 283 |
| Exclusive negotiation | 0 | 25 | 0 | 25 |
| Total for the year | 210 | 98 | 0 | 308 |

FY 2016 results development

All amounts and numbers in this results press release are based on the Company's annual accounts which will be presented to the Annual General Meeting of Shareholders for approval on 18 May 2017.

Contribution

Contribution in Q4 2016 amounted to € 30.9 million (€ 30.9 million in Q4 2015). This brings the 2016 full-year total to € 129.5 million compared to € 100.5 million in 2015. The start-up of the Rotterdam plant had an impact on contribution in Q4. The 28.9% year-on-year increase was mainly driven by exceptionally high production volumes throughout the first three quarters of 2016 which almost reached the maximum production capacity for the wind business.

Contribution is calculated as revenue minus the cost of raw materials, subcontracted work, logistic and other external project related charges and is considered a key financial indicator for Sif.

EBITDA

Normalized EBITDA for 2016 amounted to € 65.4 million compared to € 57.8 million in 2015. The reported EBITDA of € 58.6 million has been normalized for IPO related costs of € 6.8 million. EBITDA in any reporting period can be volatile as Sif's order book contains a relatively limited number of projects (23 for offshore wind and oil & gas in 2016).

EBITDA is calculated as profit before finance expenses, tax, depreciation and amortization.

Net debt

Net debt increased from approximately € 27 million at the end of 2015 to approximately € 42 million at the end of 2016. Most of this increase was due to the € 90 million investment program that Sif implemented in 2016 when constructing the new plant in Maasvlakte 2 and new offices in Roermond.

These investments will increase annual capacity from 225 Kton to 300 Kton in the course of 2017. The financing arrangements of Sif Group were modified at the end of 2016. The key amendments were an increase of the Revolving Credit Facility (RCF) from € 30 million to € 90 million, repayment of the Term loan of € 56 million, an increase of the Committed Guarantee Facility (CGF) from € 85 million to € 160 million, cancellation of the CAPEX covenant and the extension of the facility to 30 June 2019.

The production expansion program

On 2 January 2017, just 14 months after the first piles were driven, the first load-out of monopiles manufactured in the new Maasvlakte 2 plant marked the technical completion of the new facility. The completion of the two planned production lines will increase Sif's production capacity from 225 Ktons to 300 Ktons. The lease agreement with the Port of Rotterdam has added 42 hectares of shore-front production and storage capacity to Sif's production and storage facilities. In the second half of 2017 the second production line in Maasvlakte will become operational and the upgrading of Sif's production capacity to 300 Kton per annum will be complete.



Employees

Sif employed 620 people at the end of 2016, an increase of 22.5% compared to 2015 (end of 2015: 506). Of these 620 employees, 223 are permanent staff on Sif's payroll. Safety is of primary importance and Lost Time Injury Frequency (LTIF) is, therefore, considered a key performance indicator. With an LTIF of 2.83 in 2016, the LTIF target of below 3 (compared to 7.19 in 2015) was met. Sickness leave remained stable at 4% in 2016.

Executive Board statement

The financial statements included in the 2016 Annual Report were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and with Part 9 of Book 2 of the Dutch Civil

Code. To the best of the Executive Board's knowledge these financial statements give a fair view of the assets, liabilities, financial position and profit or loss of Sif Group and its consolidated companies during 2016. To the best of the Executive Board's knowledge the Executive Board report included in the 2016 Annual Report gives a fair view of the situation on the balance sheet date and developments during the financial year of Sif Holding N.V. and its affiliated companies included in the consolidated financial statements and of the main risks faced by Sif Group.

Outlook

In 2016, 191 Kton of the 225 Kton production capacity available was utilized. The maximum capacity for 2017 has already increased and will increase further to 300 Kton on a full year basis once the second production line becomes operational in the second half of 2017. At 210 Kton the orderbook for 2017 is well filled and will result in another year of high utilization.

Long-term projections for European offshore wind look healthy with a 12% compound annual growth rate for the period 2015- 2025 (source: MAKE Consultants). The awarding of projects is subject to complicated (political) decision processes and may be volatile on a year-to-year basis. Projects schedules may change, as is currently the case for projects in France and The Netherlands where the anticipated grid connection has moved from 2020 to 2021. This is also reflected in Sif's order book for 2018 with 98 Kton and lead times for new projects of at least one year.

Dividend proposal

Net earnings for 2016 amounted to € 37.4 million. During the Annual General Meeting Shareholders on 18 May 2017 the Executive and Supervisory Boards will propose that 25% of net earnings be paid out as a dividend. With 25,501,356 shares issued and listed this amounts to € 0.37 or 25% of € 1.47 earnings per share. This is in line with the dividend policy of Sif.

Financial Calendar

| | |
|------------------|---|
| 29 March 2017 | Publication of 2016 results |
| 18 May 2017 | Annual General Meeting of Shareholders |
| 19 May 2017 | Q1 2017 trading update |
| 22 May 2017 | Ex- dividend date |
| 23 May 2017 | Dividend record date |
| 30 May 2017 | Payment date for dividend to intermediaries |
| 24 August 2017 | Publication of 2017 interim results |
| 10 November 2017 | Q3 2017 trading update |

Explanation of 2016 results

Following this release, the CEO and CFO of Sif will present the 2016 figures during a conference call on 29 March 2017 at 10.00 AM CET. This call will be audio- webcast and a transcript will be available shortly after the call ends. The conference call with Q and A can be followed through the link on the Company's website: www.sif-group.com

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disclaimer

Some of the statements contained in this release that are not historical facts are statements of future projections and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Historical results are no guarantee for future performance. Forward-looking statements are subject to business to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects" or "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. Sif does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances. The content of this trading update is for information purposes only and not intended as investment advice, or offer or solicitations for the purchase or sale in any financial instrument. Sif does not warrant or guarantee the completeness, accuracy, or fitness for any particular purposes in respect of the information included in this release.

Consolidated statement of profit or loss and other
comprehensive income for the year ended 31 December 2016

| Amounts in € 000 | 2016 | 2015 |
|---|----------------|----------------|
| Total revenue | 400,318 | 321,343 |
| Raw material | 138,350 | 103,630 |
| Subcontracted work and other external charges | 115,576 | 102,645 |
| Logistic and other project related expenses | 16,912 | 14,532 |
| Direct personnel expenses | 30,127 | 21,996 |
| Production and general manufacturing expenses | 12,927 | 7,439 |
| Indirect personnel expenses | 12,479 | 8,036 |
| Depreciation and amortization | 8,684 | 6,986 |
| Facilities, housing and maintenance | 3,850 | 2,031 |
| Selling expenses | 670 | 577 |
| General expenses | 4,079 | 5,389 |
| Other (income)/ expenses | 6,732 | (184) |
| Operating profit | <u>49,932</u> | <u>48,266</u> |
| Finance income | 34 | 99 |
| Finance costs | (2,052) | (2,065) |
| Net finance costs | <u>(2,018)</u> | <u>(1,965)</u> |
| Profit before tax | 47,914 | 46,301 |
| Income tax expense | 10,549 | 10,673 |
| Profit attributable to the shareholder | 37,365 | 35,628 |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>37,365</u> | <u>35,628</u> |

Earnings per share

| | | |
|---------------------------------------|------------|------------|
| Number of ordinary shares outstanding | 25,501,356 | 25,501,356 |
| Basic earnings per share (€) | 1.47 | 1.40 |
| Diluted earnings per share (€) | 1.47 | 1.40 |



Consolidated statement of financial position as at 31
December 2016

| Amounts in € 000 | 31-12-2016 | 31-12-2015 |
|--|----------------|----------------|
| Assets | | |
| Intangible fixed assets | 143 | - |
| Property plant and equipment | 115,103 | 51,703 |
| Investment property | 375 | 375 |
| Investment in joint ventures | 16 | - |
| Other financial assets | 719 | - |
| Total non- current assets | 116,356 | 52,078 |
| Inventories | 190 | 196 |
| Work in progress- amounts due from customers | 17,390 | 64,530 |
| Trade receivables | 69,112 | 67,040 |
| Other financial assets | 5 | 67 |
| Prepayments | 3,223 | 547 |
| Cash and cash equivalents | 304 | 28,733 |
| Total current assets | 90,224 | 161,112 |
| Total assets | 206,580 | 213,189 |

Consolidated statement of financial position as at 31
December 2016 (continued)

| Amounts in € 000 | 31-12-2016 | 31-12-2015 |
|---|----------------|----------------|
| Equity | | |
| Share capital | 5,100 | 45 |
| Additional paid-in capital | 1,059 | 1,059 |
| Retained earnings | 28,391 | (2,182) |
| Result for the year | 37,365 | 35,628 |
| Total equity | 71,915 | 34,551 |
| Liabilities | | |
| Loans and borrowings | 42,273 | 49,376 |
| Other non-current financial liabilities | 392 | 960 |
| Employee benefits | 252 | 218 |
| Deferred tax liabilities | 328 | 812 |
| Total non-current liabilities | 43,245 | 51,367 |
| Loans and borrowings | - | 6,250 |
| Trade payables | 50,536 | 70,995 |
| Work in progress-amounts due to customers | 31,113 | 41,969 |
| Employee benefits | 1,445 | 871 |
| Wage tax and social security | 923 | 556 |
| VAT payable | 510 | 1,044 |
| CIT payable | 2,258 | 2,267 |
| Other current liabilities | 4,635 | 3,320 |
| Total current liabilities | 91,420 | 127,272 |
| Total liabilities | 134,665 | 178,639 |
| Total equities and liabilities | 206,580 | 213,189 |

Consolidated statement of changes in equity for the year
ended 31 December 2016

| Amounts in € 000 | Share capital | Additional paid-in capital | Retained earnings | Result for the year | Total equity |
|--|---------------|----------------------------|-------------------|---------------------|---------------|
| Balance as at January 2016 | 45 | 1,059 | (2,182) | 35,628 | 34,551 |
| Appropriation of result | - | - | 35,628 | (35,628) | - |
| Issue of share capital | 5,055 | - | (5,055) | - | - |
| Total comprehensive income | | | | | |
| Profit attributable to the shareholder | - | - | - | 37,365 | 37,365 |
| Total comprehensive income | - | - | - | 37,365 | 37,365 |
| Transactions with owners of the company | | | | | |
| Dividend distribution | - | - | - | - | - |
| Total transactions with owners of the company | - | - | - | - | - |
| Balance as at 31 December 2016 | 5,100 | 1,059 | 28,391 | 37,365 | 71,915 |
| Balance as at 1 January 2015 | 45 | 1,059 | 26,376 | 27,996 | 55,476 |
| Appropriation of result | - | - | 27,996 | (27,996) | - |
| Total comprehensive income | | | | | |
| Profit attributable to the shareholder | - | - | - | 35,628 | 35,628 |
| Total comprehensive income | - | - | - | 35,628 | 35,628 |

Transactions with
owners of the
company

| | | | | | |
|------------------------|---|---|----------|---|----------|
| Dividend distributions | - | - | (56,553) | - | (56,553) |
|------------------------|---|---|----------|---|----------|

| | | | | | |
|--------------|---|---|----------|---|----------|
| Total | - | - | (56,553) | - | (56,553) |
|--------------|---|---|----------|---|----------|

transactions with
owners of the
company

| | | | | | |
|--------------------------------|----|-------|---------|--------|--------|
| Balance as at 31 December 2015 | 45 | 1,059 | (2,182) | 35,628 | 34,551 |
|--------------------------------|----|-------|---------|--------|--------|



Consolidated cash flow statement for the year ended 31 December 2016

| Amounts in € 000 | 2016 | 2015 |
|--|-----------------|-----------------|
| Cash flow from operating activities | | |
| Profit before tax | 47,914 | 46,301 |
| Adjustments for: | | |
| Depreciation and amortization | 8,684 | 6,986 |
| Net finance costs | 2,018 | 1,965 |
| Changes in net working capital | | |
| • inventories | 6 | 92 |
| • work in progress amounts due/from customers | 36,284 | (15,874) |
| • trade receivables | (2,072) | (60,548) |
| • prepayments | (3,386) | (441) |
| • trade payables | (24,760) | 52,469 |
| | 16,774 | (15,350) |
| VAT payable and receivable | (535) | 1,044 |
| Other financial assets | 71 | 203 |
| Employee benefits | 608 | (57) |
| Wage tax and social security | 368 | (802) |
| CIT payable | - | 2,267 |
| Other current liabilities | 1,315 | 2,844 |
| | 1,827 | 5,499 |
| Income taxes paid- via shareholder | - | (8,905) |
| Income taxes paid | (11,041) | - |
| Interest paid- via shareholder | - | (606) |
| Interest paid | (2,587) | (1,518) |
| Net cash from operating activities | 52,887 | 25,421 |
| Cash flow from investing activities | | |
| Purchase of intangible fixed assets | (156) | - |
| Purchase of property, plant and equipment | (67,771) | (14,491) |
| Investments in joint ventures | (20) | - |
| Loans and borrowings to joint ventures | (15) | - |
| Current account with shareholders | - | (1,930) |
| Net cash from (used in) investing activities | (67,962) | (16,421) |
| Cash flow from financing activities | | |
| Proceeds from new borrowings | 42,896 | 20,626 |
| Repayments of borrowings | (56,250) | (2,000) |
| dividends | - | (23,887) |
| Net cash from (used in) financing activities | (13,354) | (5,261) |
| Net increase/ (decrease) in cash and cash equivalents | (28,429) | 3,740 |
| Cash and cash equivalents as at 1 January | 28,733 | 24,993 |
| Cash and cash equivalents as at 31 December | 304 | 28,733 |

