# Full Year 2023 Results

Friday, 15th March 2024

Transcript produced by Global Lingo
London – 020 7870 7100
www.global-lingo.com

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**Fred van Beers:** A very good morning, everybody, to this call of the Annual Report of Sif. My name is Fred van Beers, CEO of the company, and next to me is Ben Meijer, CFO of the company. Welcome to those here in the room. Appreciate you coming here online on the Teams meeting, and let's go through the results and a bit of an outlook for the coming years.

Ben will start with 2023, and I will take over afterwards again to elaborate on the market and the future outlook.

**Ben Meijer:** Thank you, Fred. I would like to start with the 2023 safety performance. And before talking about this topic, today, over here in the premises, there are no evacuation drills planned for. It's good for you to know if anything will happen, the signs above the door indicate where we have to go.

So, starting with the overall safety performance, basically the conclusion is, if you look at the overall year 2023, safety performance was not good for Sif with ten lost-time injuries. And what we see is, first of all, the increased dimensions of the monopiles and the transition pieces, especially in the Roermond facility, is leaving less space to manoeuvre, which is increasing the risk of safety-related issues. Secondly, tight labour market, bringing in less experienced staff is also increasing the risk of worsening safety performance.

What is important to notice is that if you look at the year, overall performance was not good, but it was also a mixed year in terms of performance. When we reported in the month of May, we were having seven LTIs. So, beginning of the year's first five months, seven LTIs out of the ten were being reported. Not good. And we organised two safety stand-downs in both Roermond and at the Maasvlakte. Very good days, lot of training, input and ideas from production staff, how to improve the performance and also fixing things, improving the housekeeping. And as of May, we saw that the safety performance has improved. So first five months we had seven LTIs. For the remaining seven months, three LTIs. Still not good, but at least we are happy that the performance has improved, and also the awareness of the people.

Looking at sickness leave, we saw a small decrease from 7.9% in 2022 to 6.9% in 2023. The trend is good, but still, it's too high, and it's an important attention point for us as a management team.

Looking at operational highlights, first of all, on the left side you see pictures for monopiles and transition pieces for Dogger Bank A. And this was a big part of the production volume of a little bit more than 190 kilotons. So, in total, for monopiles and transition pieces for Dogger Bank, we produced roughly 130 kilotons. We also produced transition pieces only for He Dreiht and Noirmoutier, also reflecting a tonnage of 50 kilotons. And then the pictures you do not see over here is the smaller production lines in Roermond, we call it the offshore steel structure lines. Also in 2023, volumes were coming from these production lines. Not reflected in the pictures, but the total together, monopiles transitions pieces and the offshore steel structure lines in total brought us to a little bit more than 190 kilotons.

Right side – on the right side of the picture of the slide, you see a picture of the marshalling project for Siemens. It is decreasing. At the moment, it is zero because of the construction we are doing regarding the expansion of our facilities at the Maasvlakte. So compared to 2022, in 2023 you saw lower marshalling income, but it was still there.

Looking at our order book, in total, our order book per year-end 2023 is 507 kilotons. 415 kilotons is contracted, 92 kilotons is under exclusive negotiations. And basically, the conclusion is if we look for 2024, we are fully booked; 2025 we are almost fully booked; and also the beginning of 2026, we are also booked already.

Looking at the bigger projects in the order book, left side, you see Baltyk. It was already exclusive in April 2023. In February 2024, it was brought into a firm contract reflecting 120 kilotons, 100 monopiles and production in 2025/2026. Hollandse Kust plot number VI, Ecowende, it has been brought to a firm contract in December 2023, reflecting 70 kilotons and 55 TP-less monopiles. And the last one, Empire Wind 1, reflecting 54 monopiles and 54 transition pieces, 100 kilotons production in 2024/2025, and the launching product also for the new factory.

What has disappeared per year-end is Empire Wind 2, which has been terminated just before year-end. And this has been eliminated from the order book.

Looking at key ESG-related KPIs, starting with the gross-CO2 emissions, we see a significant reduction over there from 10.5 kilotons in 2022 to 6.7 kilotons in 2023. And this reduction is basically driven by two key factors. First of all, it's the compensation from the Haliade, the wind turbine at our Maasvlakte premises, and also the switch to induction preheating – from gas preheating to induction preheating – which is already starting to be reflected in the numbers.

Contribution to renewable energy has increased from 2.0 GW to 2.6 GW. And this is basically, we look at the foundations we are involved in, we look at the size of the turbines in terms of capacity, which are being installed on these foundations, to calculate basically our contribution to renewable energy. And we see an increasing trend over there.

LTIF, that is basically the number of lost-time incidents reflected to the total number of hours, we see an increasing trend, what we just discussed, and happy indeed with the performance of the safety stand-downs, but it's still a key action item.

Some key other indicators. First of all, the order book we just discussed, well filled for 2024, 2025 and the beginning of 2026. Contribution margin per tonne, it is stable at the moment at a level of around €670. So you see the increasing trend as of 2018. And for 2022/2023, it is stabilised at a level of around €670 per tonne. And the numbers over here are corrected for engineering, marshalling, but also for projects with no production volume involved.

And the last slide is the workforce per year-end. There you see an increase from 587 to 651 comparing year-end 2022 with the year-end 2023. There, the key thing is that basically what we see is less experienced staff coming in because of the challenging labour markets. And as a consequence, you need more training hours. And also because the people are less experienced, once they are in the factory, they are less productive. So also, if you look at our direct labour cost, and you compare 2023 with 2022, you see a volume increase of 14%, but direct labour costs are going up with 25%. So it's increasing more significant compared to the volume increase. And this is basically related to, first of all, you have the wage inflation, which is coming on top, but we also see that efficiency and productivity are at a lower level because of the reasons I was just mentioning.

Overall financial results, starting with production, going up from 170 kilotons to 192 kilotons, an increase of about 14 percentage points. And if we look at adjusted EBITDA, which has been corrected for one-offs in relation to the expansion of our new factories, we see basically that the recurring EBITDA is in line with prior year, a level of €42 million. And if you look at this, it is that the impact from higher volumes, and also the impact from margin from projects without production volume, is being offset by increased labour cost and the loss of marshalling income. So basically, marshalling income is – compared to 2022, it's costing us five – I'll wait for a second.

Welcome to the new people joining.

So basically, the increase of the higher volumes and also – is being offset by the increase in labour cost and also by the loss of marshalling income.

Last graph is showing negative working capital, which is positive, what we discussed before. And you see the continued focus over here on working capital. Regarding every project, we want to be cash flow positive. First get the money in before we do any payments, for example, regarding steel orders. And the part of the advance factory payments is also reflected in this number of the minus €133 million.

Now, I would like to hand over to Fred.

**Fred van Beers:** Thanks, Ben, for explaining 2023. So, what's ahead of us? I'd like to take you through two things here: the outlook from a market and monopile development perspective, and also, of course, on the progress we make on the expansion with our new factory at Maasvlakte.

So, let us start first with some development on the monopile itself. This picture is probably known to most of you. We showed it at the Capital Market Day as well. And as you can see on the left side, the diameter is basically determined by the water depth, the soil conditions in the region and the size of the turbine. And I think what's worthwhile mentioning is that over the last months, we've seen basically all three OEMs active in Europe, reducing their ambitions on developing new turbines.

GE announced that it stops the development of the 18 MW. Vestas for a long time, already, has said, 'We focus on the 15 MW and develop on that one.' And also Siemens, who has – is building a test turbine, that is, we think, in the range of 20 MW. That test will take at least till the end of this year. But already Siemens has announced that not before 2030, this machine will be offered to the market because they also want to focus first on getting good returns on their existing platform. And I think these are very encouraging and good signs that actually show that throughout the whole supply chain, there is a sense of reality that says, let's first industrialise and optimise based on the existing platforms, make sure that we earn a decent amount of money before we start investing again in new platforms.

And that also means that we see that the forecast to the right-hand side is basically showing two things here. First of all, we see that the demand for monopiles will be pushed a little bit more forward, since things are not accelerating as quick as some ambitions want you to believe. But other side is also that the demand for 9-11.5 metre monopiles will remain extremely high and even will last longer than we initially thought when we announced the expansion of our factory. And that's good news in a way because that means that we believe that the sweet

spot for what we are building today at Maasvlakte will not be three to four years, which is basically the sort of horizon we took in our FID, but will be longer.

You can see maybe for those of you very – with a lot of attention to the graph, there is in 2025 a big peak in bigger than 11.5 metres. That's what we took from the information we received. However, the reality shows, with some deeper investigation, that these are actually monopiles that are just above 11.5 metre, and from what we know lately is they are being redesigned below 11.5 metres. So also there we see that initially announced diameters are being reduced now to optimise in line with what the supply chain can offer.

Then looking at the ambitions, this is an updated graph that we've shown already many times as well. And I think the biggest news here is that we are seeing a slower ramp-down – ramp-up of ambitions, but also a push forward of ambitions. Yes, ambitions have increased, actually, if you look at power – the European power pack announcement, end of last year, beginning this year, whereby the EU wants to increase the ambitions for 2030 from 62 GW to 111 GW installed offshore wind. We, on the other hand, see that the reality of life is that this is not realistic and that we see a push forward towards – from 2030 to 2035.

What remains a fact though is that the majority of demand is in EU and UK also for the years to come. And that means that our focus area is and will remain the EU as a first priority, as a second priority and a third priority. And if the US or other areas are needed, we will look into it, but first UK and EU.

Then when you look at the updated graph on the supply-demand, then you can see an interesting development here. First of all, we do see that – and they're all listed on the right-hand side, that in the meantime, there are actually three Chinese companies that we take into account in our analysis of competition. Besides Dajin, it's CNOOD. So, "C" from China that now has booked an order too – for Inch Cape together with Dajin, that combination. And we have still the Titan investment case that we are watching in Cuxhaven, that, in – according to our information, is slowly building up and has ordered rollers and is looking at expansion at Cuxhaven. There's not a lot, or actually nothing in the press on this, but we do try to keep track of what's happening there.

We consider, as before, not only the Chinese but also the European developments 100% successful. And although we, for example, know that Bladt, nowadays CS Wind, has suffered some issues, we also have reasons to believe that they will succeed in setting up their Lindo facility. Like Haizea, like Navantia-Windar, like SeAH in the UK, we probably all see now and then the pictures on LinkedIn of what's being built at Teesside in the UK. And that's a very impressive big plant that will be successful in building monopiles. But if we add that all up and consider them all successful within the announced timeline, then still from 2027 onwards there is a massive gap showing. The gap is actually increasing if you simply plot ambitions and compare them with the capacity theoretically available in those years.

So, two things on a recap. The wave is increasing that is also being pushed forward again a few years. And even with all us and others successful in ramping up their capacity, it's still by far not enough to deal with this ambition. Meaning that we have more reasons to believe that this gap will lead to a further delay. Demand will go down and will be pushed forward from 2030 to 2035.

So, what's the operational situation today? If you look at it from a supply chain perspective, then we can announce, like before, that all the steel we need and all the flanges we need are secured in long-term capacity frame agreements. You may have seen the announcement this week from Orsted that they have captured capacity from Dillinger on their future green steel production. Well, we can tell you that we have a similar deal with that. Under our capacity frame agreement, we will be able to get also, if we want, the whole capacity in green steel or grey steel, depending on how the market develops. But we are also very happy with the relation with Dillinger with the capacity frame agreement and the fact that we can basically choose between green and grey, whereby we firmly believe that green steel should be and will be adapted as soon as possible.

From 2028 onwards, the first electric arc furnace will be delivering steel, and we plan to be part of that.

The ramp-up, as I said already, is slowing down, but again, we consider everybody successful. We constantly focus on this investment line, and we constantly make sure that we are prepared for the ramp-up whenever it comes. Because we feel it is extremely important that we took this FID last year, despite all the turmoil in the market. So that makes us ready to facilitate whenever the ramp-up comes. Although we are completely relaxed at this moment on our order book situation and our near-term order book supplies that we are actually delivering on the business plan that we communicated last year.

We see – we still see that we – not only us, in monopile land, but also in installation vessels land, there is still a shortage of vessels. So, we constantly keep an eye on that as well, together with the OEM developments, since they postponed not only their turbine size, but we also are keen to see if they are able to deliver on their order book. We know that GE has some issues on delivering on the order book for Dogger Bank and Vineyard Wind, and we closely monitor also the developments at Vestas and Siemens, which seem to be more on track in delivering the order books. But that also, of course, determines how quickly this whole supply chain can ramp up.

Then on the tender side, we don't see decreases. Yes, we see delays, but we don't see decreases in the number of tenders or cancellation of tenders or what have you. So we're quite busy still on tenders. We are still in the circumstance that we can apply a very explicit tender strategy in dealing with tenders that fit us better than other tenders. We are well on track on that. We all know that the US re-auction that took place in New York has been successful. Empire Wind has been re-granted the project again, and it's full-fledged ahead now in the delivery. I think yesterday there was another announcement on another permit granted to Empire, now, 100% Equinor, which, in our view, makes dealing with Empire a little bit easier. It's 100% Equinor, and we have a very strong relation with Equinor, so can act quite quickly, and that looks really good.

The UK will be the next exciting one, the CfD 6. What will happen there? The high strike price, an all-time high pot of money. But let's see now how that boils down in the real – in the actual auction on the difference between actual energy price, the strike price, and to what extent the £800 million will be consumed by just a few projects already. So let's see how that works out. And then, as said before, the EU has announced its power pack plan, which actually is, I think, a very good sign of the EU trying to protect the European supply chain by creating a true level playing field and better transparency in the long-term pipeline of projects.

Then on personnel and facilities, as you all know, this is the biggest concern we have: can we find enough skilled or trained workers or people that we can train? And that, although it remains stretched, we are a lot more positive on the inflow of people for our new factory. We're well on track, I would say. It could even be that we have maybe a little bit too many candidates at the moment than too little in order to fill the production lines. And although we're not 100% sure yet, we are a lot more confident that we can fill the factory with the right type of people with the right level of diversity. We're very happy with the fact that already, it may sound low, but that five female workers have joined our production work, and that's a good start. And in general, I think we see that the diversity level in the company is increasing to a more balanced, sort of, comparison between the various – the genders, so to say.

Priority is and remains high on safety culture. We are now at 170 days without LTI. Ben already explained that it is a lot less in the last half of 2023, and also this year is without lost time injuries. Still, as said, the 170 days. So that starts looking good and more and more healthy for us and everybody, I would say. Sick leave is a concern, but we're working on that. The flu doesn't help us at the moment.

And we are working hard on various ESG items like the Code of Conduct, human rights policy, whistle-blower, etc., to bring that in shape. Next year, we need to report on CSRD requirements, and that the preparation for that is full-fledged going on, I would say.

What's the outlook for 2024? First of all, on the CAPEX, expansion plan will be completed by the end of this year. We're fully on schedule on that one – I come back to that a little bit later on – and we are ready to start full-fledged operations in January and the start-up in end of July with the first production line. Of course, it will be an extremely exciting year. That's also what we released in our press release on the guidance of the EBITDA: we now have to connect or will connect the two factories. I hope most of you will come along and visit our site shortly because then you will see that the connection is being made, that we are fully – full-fledged going on with the installation of equipment.

And then the second half of this year will be a bit of a slowdown in the production because we are connecting the factory, still need to finalise Dogger Bank C and have to ramp up Empire Wind 1, and that's – it's all in control, but it will be exciting.

ESRS criteria for 2024, I said it already, but on the climate change fact we are further reducing emissions. The Haliade-X is running quite smoothly, knock wood, but it's quite – it's really looking good at the moment. So we will have a lot of contribution of green power from that one this year.

We're working on the employee conditions because we want to remain or become an employer of choice, and that requires quite some action in order to fulfil not only the reporting requirements but also to actually be the employer of choice.

And we're working hard on the circularity and biodiversity with research projects and our deal with Dillinger on the green steel that will help us a lot. But also, for example, on green transport between the locations, we're working on projects to see if we can work with inland waterway owners to running on hybrid or green fuel. And we are building now a plan to start actually the build of a full-fledged shore power installation at Maasvlakte for the installation vessels of 12 MW.

Financially, order book healthy. Ben didn't mention it, but we are coming closer to a deal on exclusive tonnage in our order book. I can't mention the name, but we are making very good progress there and are pretty confident that we will turn that exclusive part into a firm order. And there is a few other projects in the pipeline that are at a stage of reaching exclusivity or even order phase.

Besides the fact that we shortly will announce also some additional capacity agreement on the offshore steel structures because also the offshore steel structures for the smaller diameter lines starts looking good for the coming ten years – we start seeing an order pipeline that could well fill us up for the coming ten years on the small diameters - which is a very strong signal also to our Roermond facility that, on one side, we will continue producing transition pieces and top sections in wind, and on the other side, we'll revamp, to some extent, the small diameters offshore steel structure lines. And that business is for 90% also relating to wind. So, structural steel and pin piles for substations and for some gas stations that are in the market and pin piles for jacket foundation projects.

So very, very encouraging development on that side, meaning that for this year we say hey, this is a damn difficult year. We need to bring these things together. We need to do that in a controlled way. We have to make sure that the new factory can have its time to ramp up decently in a controlled way. Meaning that our output will go down to 165 kilotons, all well within contracts and what have you. Meaning that the EBITDA will follow in relation to the tonnage, more or less. But then we will be ready and will go full-fledged for what we have guided for now for quite a while, €135 million in 2025, and €160 million from 2026 onwards.

Expansion plan, where are we? This slide is a slide that we've shown before as well. There are six elements that are important on this schedule. And as you can see, they're all green. So the construction of the manufacturing plant is on schedule, is within budget. We have the order book as we would like to see it at a sufficient volume and the right price to make sure that we can achieve our payback, as we have guided for. Key supplier contracts in shape and signed. The standards of safety are starting to look better, but are at an even higher standard in the new factory. That's looking good. Also in the building process. So far, we haven't had any LTI or serious medical treatment. The funding is coming in as planned for. So Ben is sleeping well on this. And as said before, we have no budgetary issues. It's boring, but it looks good.

Is that – does that mean we stop thinking about the future? No, we don't. First of all, I think on the Total Solutions concept, we are working hard on this, together with Ballast Nedam, in this setup for decom, to look at future business of decommissioning. And one of the aspects we are now investigating, for example, is will these wind farms extend the lifecycle? Will they be used to do other, to bring in other green energy sources, like solar, etc., when the turbine goes off? Or will it actually be decommissioned and will there be a replacement with bigger turbines and bigger foundations?

What we do know is a few things. There will be wind farms decommissioned shortly. That will increase in the coming five years. To what extent, again, is what we're looking at. And the other thing we know is that scrap is the gold of the future. Scrap – steel scrap, is a very important source to make green steel. In a traditional blast furnace setup, it's about 10-15% inflow of scrap. In an electric arc furnace, green steel production, it's about 50%. And as steel is already a well, sort of – steel circularity is a well-established business, there is an enormous demand for more scrap. And that makes us – does make us believe that getting the whole

monopile out of the soil is, not only from an environmental perspective, the right thing to do, but also from an economical perspective, is the right thing to do to create inflow of steel into the, in our case, Dillinger production process.

Then we continue to keep an eye on the geographical expansion. We are progressing slowly but gradually and consistently on the cooperation with GS Entec on the licence. GS Entec is progressing, and we are bringing in the support. And they are already investing in their Korean factory in welding equipment, rolling equipment to start producing hopefully soon the first Korean wind farm – or foundations for a wind farm.

And we continuously monitor the US market. We don't believe it will be at short notice that we will do anything there or that something will happen. We believe this whole supply chain development in the US is delaying easily another five years. Well, given also the fact that we get the strong message that people do want to wait, who wins the elections, although short-term, that will not have a lot of effect. Longer term, it could have an effect. And we also see that the price of steel, the fact that still the states are very much oriented on their own supply chain and a very difficult, I would say, labour market related to unionisation does make it quite expensive and difficult to build a sound business case in the US at this moment.

Then, and last but not least, we are scaling up our capabilities, whether it's on promoting the TP-less design with our Skybox, that will go through its final test this year in the end, so to have full one-to-one certification this year. And we are pushing and working hard on the fact that, do we need these bigger diameters, yes or no? And for example, we are facilitating a lot the process of alternative installation techniques, because we do see that the traditional installation technique of hammering a monopile in the ground in the traditional way is creating big challenges in respect to noise, noise and noise mitigation. 160 dB are being achieved now with these bigger diameters, or more than 160 dB. And that is something that could stop also the development of bigger monopiles. So we are very much involved also in alternative installation techniques from drilling, so, vibration and what have you.

And I think that's it from my side also in this moment. And I think here we are to open the floor for questions. We have a few of these things here. So who can I invite to ask questions, if any?

## Questions and Answers

**Maarten Verbeek (The Idea):** Firstly, within your results, you have a €7 million termination fee concerning EW 2. First of all, did you already receive the cash for that? Secondly, is that the full compensation you expect in this matter?

**Ben Meijer:** Two comments. First of all, your remark about the €7 million termination fee is not correct. What we have disclosed is, basically, we have said €7 million of contribution margin is related to projects with no volumes associated. And that is part of the termination fee, which is unconditional. It's a relatively small part of the overall termination package, but is, for example, also including GS Entec. So your conclusion, indeed, that the €7 million is fully related to the termination of Empire 2 is not correct.

Then your second question, Maarten, about the cash in, this is more accounting-wise, the impact. But from a liquidity point of view, the money has not come in yet.

**Maarten Verbeek:** Okay, thanks for that. And as a follow-up on this matter, you mentioned that you're still negotiating with the owners of EW 2, and a final agreement should be made this year. That part, that fee you most likely will get, is that included into your EBITDA guidance for this year?

**Ben Meijer:** Yes, part of what we are expecting is indeed included in the EBITDA guidance.

**Maarten Verbeek:** Could you give a rough figure? Is that – is that a handful or two handfuls, or?

**Fred van Beers:** No, that's not possible because of two reasons. First of all, because of a confidentiality agreement we have. And also, secondly, if we give this indication, it's also information our competitors would be very interested in, so we cannot disclose that number.

**Maarten Verbeek:** Okay. Then you have reiterated your guidance for 2025 and 2026. 2024, okay, that's fine. 2025 you are almost booked, but then for 2026, you have hardly anything. So you must be very confident that you will fill your order book and can produce up to – in 2026. You just mentioned that you're on the eve of signing a new contract, but that is going to be not enough, just signing one contract. So you must be very confident that you will fill your production in 2026 and beyond.

**Fred van Beers:** Yeah, as I said, I try to say at least two things. One is that we are at the edge of signing the one that is exclusive to a firm, that's for 2026. And we have – as I said, as well, we have a few other projects that are at the – at the doorstep of becoming exclusive or even firm for the same period. And by – that's one. And then we quickly start moving into 2027 with Ijmuiden Ver, the North Sea Cluster in Germany, etc., that are projects that are well-positioned, so to say, for Sif.

**Maarten Verbeek:** So you're not depending for those new contracts at this moment on the outcome of the CfD 6 in the UK?

**Fred van Beers:** No.

**Maarten Verbeek:** Okay. And then lastly, and this is definitely one for Ben. In your balance sheet, you now have €72 million stated current liabilities, non-current. What is it exactly?

**Ben Meijer:** That is basically, if you look at the advance factory payments, it was – in total it was €100 million. €30 million is converted per year-end to perpetual. The remaining part is €70 million. That's basically related to the advance factory payments.

**Tijs Hollestelle (ING):** Tijs Hollestelle, ING. I think I also had that question on the remarks at the beginning on the trade working capital. So that's indeed the difference. So part of it is included in the trade working capital, and the other part is on another, let's say, more debt position –

**Ben Meijer:** Correct.

**Tijs Hollestelle:** – in the balance sheet. And the preference shares, the preference equity is also part of reported equity.

**Ben Meijer:** Correct.

**Tijs Hollestelle:** Okay. And your remarks about marshalling, you already predicted that. Do you expect, let's say, marshalling income to come back at a later stage?

**Fred van Beers:** Yes.

**Tijs Hollestelle:** But not this year. But next year?

**Fred van Beers:** It's – no, not this year. I mean, you need to restart the whole process again. But what we expect is that we should be able to announce this year when this will start materialising.

**Tijs Hollestelle:** Okay, that's helpful. And I think a year ago that was not the case.

**Fred van Beers:** No. Then we said we are working on pieces of land that could help us. Well, we have made good progress with the port of Rotterdam on that, but it's a little bit too early to confirm when and how.

**Tijs Hollestelle:** Okay, that's good. Oh, yeah. I mean, you gave, let's say, a split on the CAPEX amount for 2023. So how much related to the expansion and how much, let's say, more recurring. The initial investment amount, €328 million. Is that still the case? You're exactly on budget.

**Ben Meijer:** Still the case.

**Fred van Beers:** Yes.

**Tijs Hollestelle:** And most of it will be cash out this year, I guess.

**Ben Meijer:** No, also a big part already was cash out in 2023.

**Tijs Hollestelle:** Yeah. But from the remaining, the remaining part –

**Ben Meijer:** Yes.

**Tijs Hollestelle:** – that will be traded in this year?

**Ben Meijer:** Yes, absolutely.

**Fred van Beers:** Yeah.

**Tijs Hollestelle:** And the recurring CAPEX will be again between zero and €10 million or so?

**Ben Meijer:** Around €10 million is a good proxy.

**Tijs Hollestelle:** Okay. Yeah, then, I mean, you explained already a lot, but I was still a bit surprised because the way I looked at it, I thought that the old production facilities would just continue to produce this year. But apparently, I think, let's say, the logistical inflow in Roermond means that when you start to produce on the new production lines, you have to basically do a complete shutdown of the whole production process in order to get it going. Now, can you then give me a lot of details on what exactly is happening this year?

**Fred van Beers:** Not a lot, but we can give details. That is that, first of all, the offshore steel structures will continue undisturbed, but that's not a lot of tonnage. Then the transition pieces business for Smulders and Empire Wind will continue like before. The ramp-down in Roermond is on the rolling of cans for Empire, because they will all be rolled in the new factory. And that's where you, sort of, see Roermond completely going down. So they will only roll cans for the transition pieces. And we have to slowly start up the plate lines and the rolling capacity at

Maasvlakte. And that creates a sort of window whereby there is less production outcome in – at Maasvlakte because, first, these cans have to start up gradually. And the first week, we will maybe roll five cans, or something like that, instead of 100. And that sort of delays then also the output, of course, out of the existing facility, whereby in the existing hall at Maasvlakte, we are reshuffling the equipment.

So we have started with that already two months ago by taking out one piece of equipment that's being modified, that our supplier will be install back. Next one will go out, and then the big chunk of that will be done in this period, when we also slowly start up the can rolling in Maasvlakte. So that means the second half of 2024 is having quite a few – is a few months of slowdown and controlled start-up of the whole new process. And we decided to do that already some time ago because the last thing we want to see happening is a repeat of what happened basically in 2018 and 2019. As you can remember, probably we had nothing. Then we started up with Borssele 3-4 that started too late, a full order book after that, and that created all sorts of operational issues that we have learned from the hard way, we can't repeat in this situation. Because we know that after this year, our order book is full and will be filled, although the questions on 2026 don't make it hard to believe for some yet, but, Maarten will see it happening, that we – so we can't afford another repeat of what we saw in 2018 and 2019.

**Tijs Hollestelle:** Yeah, because indeed, that was my understanding, let's say, a year, two years ago. Now you're simultaneously doing it so that indeed, if that's successful, then yeah, you don't have to do, let's say, a revamp of the old facilities after you finish this –

**Fred van Beers:** Yeah. And that means – and after we have done that, then we have immediately created that Roermond is more in a sweet spot because – and we're looking at possibilities to revamp that up a little bit. That's for later to announce. But we have some ideas of how we can bring it further in the sweet spot on the existing business in Roermond. But indeed, we will have a more balanced load from the end of this year in both Roermond and in Maasvlakte. And hopefully then also this revamp of the marshalling and logistics.

**Tijs Hollestelle:** I mean, maybe it's a stupid question, but in total, and going into 2026, how much, let's say, different production lines would Sif have for the big projects?

**Fred van Beers:** Different? Parallel, you mean?

**Tijs Hollestelle:** Yeah, parallel. Yeah.

**Fred van Beers:** Yeah. Difficult to say. Basically, you have to come and look at the factory. But we actually have one production line where we can weld in six parallel lines, plates. We have four rollers in – at Maasvlakte, we have eight rollers at Roermond, and we have four build stations at Maasvlakte, and three build stations in Roermond for three TP. So we have a lot of very different production lines. I'm not sure because –

**Tijs Hollestelle:** Because in your press release, you're saying 'We start monopiles as of July,' and that's in the planning. And then going into January next year, you expect to be, let's say, fully on speed going into that next year. But then the year thereafter, your EBITDA is basically even higher. So it tells me that there's additional capacity coming.

**Fred van Beers:** Good question. Meaning that we – and what does – is a good question. Because we have decided that we are ramping up at 2025, at a little bit underutilisation to make sure that if we have some issues, we can still deal with them. But basically, we are

working on all – let's put it then in the simple terms, on all production lines in the factory in both locations.

**Tijs Hollestelle:** Yeah. So you built in, let's say, some safety room in order to –

**Fred van Beers:** Some float. There is some float in –

**Tijs Hollestelle:** Yeah, client first, he needs to have the monopile. So therefore you're a bit cautious. Okay.

**Fred van Beers:** Yeah.

**Tijs Hollestelle:** Yeah. And then a final question. I'll pass on the mic. The slide 12 or 13, the overview of the capacity of the competitors, was that in kilotons or in monopiles?

**Ben Meijer:** Kilotons.

**Tijs Hollestelle:** That's in kilotons. Okay, that gives us an idea of the kiloton capacity. So, but then Maarten is right, then if you've just subtracted from the order book, you basically have not much in 2026.

**Ben Meijer:** No, [inaudible].

**Tijs Hollestelle:** But that's okay. Right?

**Ben Meijer:** But it doesn't mean we can't fill it.

**Tijs Hollestelle:** Okay. Yeah. Thank you.

**Andre Mulder (Kepler):** Hi. Andre Mulder, Kepler. First question again on 2025. Fully booked. What does that mean in number of production tonnes?

**Fred van Beers:** We have the guidance for that. Or not?

**Ben Meijer:** No, not the latest number. Basically, fully booked, what I say is almost fully booked. So regarding transition pieces, there is – at the moment, we're still working to book one additional project. In terms of production volumes, what I can say without giving the absolute number, compared to the numbers we presented during the Capital Markets Day, what we see is that the volumes will most likely be a little bit lower. And this has to do with the size of the monopiles. But this will be offset by higher contribution margins per tonne than what we have communicated before.

**Andre Mulder:** And where's that coming from? Simply pricing or?

**Ben Meijer:** Pricing. And basically also what we said in terms of pricing, if it is a relatively smaller monopile, but it is still consuming quite some time in the new factory, then we look more at the throughput time in the new factory and say okay, it's rather a complicated project to produce, so the margin per tonnage needs to be higher to offset for the lower volumes, basically. And for us, in the end, it's more about the bottom line. So if you basically look at the contribution margin in absolute numbers, we say volumes can be lower depending on more, like, the specific project and the design of the project. If it is then more difficult to produce, it has to be offset by higher margins per tonne.

**Andre Mulder:** And fully booked means utilisation rates 75%, 80%.

**Fred van Beers:** 70%.

**Andre Mulder:** On the staff, you initially said we need 200 additional people. I can imagine that you've scaled down that number a bit. Where does the current tally stand?

**Fred van Beers:** So indeed, we – since we are a little bit slower in the start-up, we've scaled it down a little bit. We, at this moment, are looking at a pipeline of having in about 25, 30 of what we need, but we can't have them in now already because we haven't got the equipment, and a pipeline of 800. And then we don't need all 800, so it's quite – it's quite well filled to bring in another 100 or so in the coming months. And that should do for the beginning. And then towards the end of this year, we need another 50 or 60 or so.

**Andre Mulder:** And are people moving from Roermond to Rotterdam?

**Fred van Beers:** Some, about 25.

**Andre Mulder:** On 2024, there are a lot of different things there. Can you give a, sort of, rough split between the first half and the second half as production is concerned so that we are not wrong-footed by any big changes compared to what we expect?

**Ben Meijer:** Good question. I would say 60% first half, 40% second half. Yeah.

**Andre Mulder:** Okay, last question. You said the Western OEMs are, sort of, stopping short at 15-16 MW. The Chinese, however, are continuing. What's your – in your view, would you expect that Western OEMs will move up to the Chinese simply because of competition?

**Fred van Beers:** Not soon, no. I think that the Europeans will not walk in the trap to, sort of, be on par with the MingYang 22 MW, for example, soon, no. And the question here is also, of course, what – will we see the MingYang turbine coming to the European market? Well, if you look at what the EU is pushing out in their power pack, chances are lower. But if you now see and look at the pressure for developers to make their business case fly, they could allow them in. But again, from a security perspective, independency perspective, it's quite interesting to now monitor, okay, what part of the game will win. But I don't see the OEMs ramping up following just because of that. They – as I just said, they have made pretty conscious decisions to stick to the 15 MW platform in order to make money.

**Andre Mulder:** Last question on the US projects. If I look at those projects, I can only see ocean wind being fully cancelled, whereas European – Empire Wind has been put in, sort of, dormant status. So that means –

**Fred van Beers:** Empire 2.

**Andre Mulder:** Yeah, Empire 2. So that could mean that will come to – will, at some point in time, will come to the market.

**Fred van Beers:** Yeah, I think the press release was quite encouraging from Empire, whereby they said, listen, Empire 1 is now final, in good English, but Empire 2 actually also was won. And they had good reasons to believe that it will come back into operation close to 2030 or so.

**Andre Mulder:** Okay.

**Fred van Beers:** So we keep – there's no – there's no indications or there's no actual action on offering or what have you at this moment, but it's looking quite promising. And I think also the announcements made by the state of New York are quite encouraging in this respect.

**Andre Mulder:** Okay, thanks.

**Fred van Beers:** But it's really from state to state to monitor.

**Jeremy Kincaid (Van Lanschot Kempen):** Jeremy Kincaid from Van Lanschot Kempen. First question, just on the slide, you showed supply and demand, and it showed that supply was actually exceeding demand for FY 2025/2026. Could you just make a comment around market prices and if there's a change in the direction of travel on a contribution per margin output per tonne basis?

**Ben Meijer:** Basically, what we see at the moment, if we look at the order book, but that's basically already for 2025 and 2026, we see that contribution margins per tonne at a significantly higher level compared to where we are at the moment for 2023. And also, if we look at the tenders we are working on at the moment, also because of the supply-demand imbalance, we also see that contribution margins per tonne are at a significantly higher level.

**Fred van Beers:** Now, if I may add something to that, what we see also in our discussions with the customers is that they have a – they prefer to talk about the number of weeks they actually rent our production facility in the pricing. So, and I mention this for a few reasons. One, first of all, that also customers are moving away from this contribution per tonne sort of discussion or price per tonne discussion, and more moving to, okay, if at Sif, we can produce in 20 weeks a complete wind farm, we may pay a high price per week. But if we compare that to a competitor that takes – that needs 40 weeks to produce the same wind farm, actually the price of the project via Sif is a lot more attractive than the price of a project for – from a competition.

So, the decision we took quite a long time ago to stick to these four monopiles per week in order to make sure that we can build in a relative fast period the whole project, is start – seems to start paying off in the price setting. So I think we all need to be aware of the fact that this contribution per tonne is a nice indicator, but not a real good one to follow. It's really now time that you need for a complete project in relation to the cost for renting a complete facility in that period.

**Jeremy Kincaid:** Okay. And are you the fastest then in the market at delivering monopiles?

**Fred van Beers:** Yes.

**Jeremy Kincaid:** And what – so were those numbers in the report?

**Fred van Beers:** But that's what we said. Four monopiles, 2,500 tonnes per week as a reference. So 10,000 tonnes per week, four monopiles is what we can deliver. And if the monopile is smaller, we can deliver more monopiles per week or less. But that's in our analysis so far, the number that needs to be out beaten by anybody.

**Jeremy Kincaid:** Okay, sure. Just on some of the numbers, I was expecting the production and manufacturing costs to come down a little bit. I thought electricity prices were high in the prior year, and I thought they could have come down a little bit more this year. Was there something else in there we should be aware of, or do you think that number could come down a little bit more into FY24?

**Ben Meijer:** I think on this one, first, regarding your remark about electricity – utility prices, what we saw in 2023, it was roughly overall at the same level compared to 2022. And basically because also a significant part of the electricity prices, we had already fixed it some time ago. So there is no major benefit over there. And manufacturing costs to come down, that is indeed

where we are confronted with in the challenging labour market. So you're bringing in less experienced people, and it's costing a lot of additional training. You're talking about significant numbers. I think if you look at the additional training hours, and you compare 2023 with 2022, you're talking about additional training of roughly €2 million.

So much more training time. So basically, meaning that the efficiency is going down. And also, if you have less experienced staff, you have them trained, and they're starting in the production facilities, the productivity will not be at the same level as the experienced workers we already have on board. And also for 2024, this situation, it will still be challenging. Of course, we're targeting some improvement, but it will be challenging. And I think if you look at productivity and also efficiency, the basic step-up we will see in 2025, when the new facility is being fully operational, then you will also see the impact from more automated processes, a better flow at the Maasvlakte, also a better flow in Roermond, and then you will see manufacturing costs coming down relatively.

**Jeremy Kincaid:** Okay. Sure. And final question, just on tenders, you made some comments around the CfD 6 in the UK looking strong and other markets. Is that a reflection of where your – where the tenders are and where most you think your business is going, or do you think the tenders you're looking at now are actually still broad-based across the world and across Europe?

**Fred van Beers:** We do see that the tenders that we're working on are actually, sort of, covered by a possibility to win the tender also for the developer in the auction round or because of tenders being opened, for example, in Germany. I mean, the German tenders look quite promising. They seem to have a good balance between strike price – or energy price and development cost. We – and – but the CfD said it looks promising. But I'm not so sure yet because of the fact that the actual electricity price in the auction could mean that the subsidy needed out of the pot is so high that only a few projects can be granted because then the pot is empty. So that is now to be seen how that – how that works out. So, but there was an earlier question. Do you have projects in that CfD? Well, there are a few, but we don't – we are not dependent on that for 2026 only.

**Tijs Hollestelle:** Tijs Hollestelle, again. Yeah. The cash flow, the advanced factory payments, they are, kind of, very early prepayments related also to the project. So, is it fair to say that there's, let's say, deadline on when you have to return that money? But that means that Sif itself has to, let's say, finance the purchase of steel, etc., because this money was –

**Ben Meijer:** No, this is basically how it is working, Tijs, is that the advance factory payments are being set off against the last payment you would normally receive from the project. So, for example, for one particular product, it basically means that money that normally would have come in by the end of 2025 has now already come in at the start of the financing of the new factory. And that basically means, indeed, that the advance factory payments, they will result in lower cash flow for Sif in 2025 and 2026.

**Tijs Hollestelle:** And there's no, let's say, additional impact from other prepayments and maybe from some new projects?

**Ben Meijer:** No, on this one, of course, what we also always are doing is that every project in itself has to be cash flow positive. That means that at the beginning, also when signing the contract, there needs to already be an upfront payment, then a lot of money needs to come in before we are ordering the steel. So that's the reason why we structurally have a negative

working capital. And of course, what we try to do is additionally, also these advance factory payments, or advance payments, okay, to try to bring in additional funding, but that is not being budgeted for.

**Tijs Hollestelle:** Okay, yeah, that's clear. Because, I mean, let's say, prior to the increase in interest rates, clients were dumping cash at Sif and at other suppliers. But that, of course, has now ended. So that, from the client perspective, will also be a bit more strict. But there will, of course, for the projects, for 2027, that you again start receiving prepayments maybe in 2026 already. That is the flow of cash flow, I should think of there?

**Ben Meijer:** But for the moment, it's also regarding – of course, the pressure also with the high interest rates, it has changed. But for us, it's very simple. If we talk about projects, a couple of concepts are non-negotiable. And first of all, it always has to be cash flow positive. And, for example, when we talk about cancellation fees, also, that's a very important topic for us. If that is not part of the overall contract, then we are basically not interested in the assignment.

**Tijs Hollestelle:** Yeah. Okay. You're very strict on that. Okay. That's helpful. And then it's a bit technical, but on the – let's say, the 5% interest on the preference shares, I guess that is not a cash outflow this year and next year, but that is, kind of, a big interest. So you add it to the total debt, and then once you redeem the preference shares, it's for the – let's say, the initial amount plus all the accumulated interest.

**Ben Meijer:** Again, correct, Tijs.

**Tijs Hollestelle:** Okay. And the – oh, yeah, the perpetual, what were the conditions on the perpetual?

**Ben Meijer:** Perpetual, we have to start accruing interest on this one starting as of January 2026. And it's starting at a level of Euribor plus 5%. And after that, there's basically more like an annual increase. Also, that there is an incentive for Sif to pay back the perpetual.

**Tijs Hollestelle:** Okay. Just like with the preference shares, there's that gradual increase after January 2026, but there are different durations on this.

**Ben Meijer:** Yes.

**Tijs Hollestelle:** Yeah. Okay. Let's say the – we're not going to do that. The cash – the cash – the cash liquidity Sif needs at any given moment. So the gross cash position, is there an amount, or can you also go zero, or you have some interval?

**Ben Meijer:** On this one, indeed, you can go to zero. And we have a revolving facility of €50 million. But of course, I would like to keep that basically in the back pocket. It might be the case that, temporarily, you need it. But, so it can be the case that on a certain amount of time, that you will have basically a cash position of zero. Because you have a facility if you need that – if you need that amount of money.

**Tijs Hollestelle:** Yeah. Just for the flexibility, okay, you use the RCF. I remember the question. It's my last one. There were three different, let's say, refinancing costs visible in the cash flow statements. So you basically gave a breakdown of that. Does that – these costs show up anywhere in the profit and loss account of 2023?

**Ben Meijer:** Yes.

**Tijs Hollestelle:** But not in the net interest or net financial income?

**Ben Meijer:** Basically, if you look at the refinancing cost, it's a combination. First of all, you see it, of course, in the interest cost. Part of it is reflected in the P&L. Then also certain interest costs which are directly related to the debt facilities, you can capitalise it as negative financing fees. And then also part of the financing costs are part of the overall capitalisation because it is directly related to the expansion plans.

**Tijs Hollestelle:** Yeah. The preference shares and the rights issue cost.

**Ben Meijer:** Yes, they are included over there, I think. Yeah.

**Tijs Hollestelle:** Yeah, okay. Okay, yeah. Thank you.

**Fred van Beers:** We don't forget you, HSBC, Sean, a little bit later. One more here from the table. Two more from the table.

**Maarten Verbeek:** There are two from my end. Firstly, getting just back on this perpetual bond of about €30 million, once Equinor provides you – gives you another order, and if not, it's EW II, but any other order, will that €30 million first be used for paying you for the production?

**Ben Meijer:** I cannot give any comments on that one. So, basically, right now, we are also in discussion with Equinor, also regarding the cancellation of Empire 2. It's progressing well, and this is, of course, one of the topics. And at the moment, I cannot give any further information on that.

**Maarten Verbeek:** And then my second question, you stated you want to be free cash flow positive on any project. That's always good to hear. Do you also have a kind of target, what kind of free cash flow yield you want to achieve?

**Ben Meijer:** And you mean basically, as of 2025/2026, then basically we're targeting more like – if you look at the free cash flow, operating cash flow as a percentage of EBITDA, we are targeting a number of around 90%. And that basically means because you have your EBITDA performance, so once the facility is fully operational, your working capital should remain negative, basically. And also your CAPEX level will be at a much lower level at that time. You will have some maintenance CAPEX, but it will be significantly – you can compare it, of course, with the expansion CAPEX, and that basically brings to a number of around 90%.

**Speaker:** And what kind of maintenance CAPEX do you expect?

**Ben Meijer:** At the moment, it's around €10 million. When you have the new facilities in place, it might be a little bit higher, but let's say a number between €10 million and €20 million.

**Fred van Beers:** That brings us to a question, I think, Sean from HSBC, correct?

**Sean McLoughlin (HSBC):** Yeah, bear with me. I'm struggling with my camera here. Can you hear me?

**Ben Meijer:** Yes.

**Sean McLoughlin:** Perfect. So, a couple of questions. Firstly, just coming back to slide 12 on the competitive environment, I'm just trying to square your comments around higher contribution margins for deliveries in 2025 with, obviously, what are an increasing number of players in the market and what appears to be still a fully supplied, let's say, capacity in 2026. I mean, how – what are risks to pricing for the 2026 orders that you need to fill, to fill your

backlog? And secondly, just looking at the hockey stick as we get to 2027/2028, is that adjusted for available installation capacity, and is there a risk of that, kind of, moving further to the right?

**Fred van Beers:** To start with the last one, yes, we will see that one, that hockey stick, so to say, moving right. In the end, there will be – there's always this balance between supply and demand that's there.

To come back, first of all, to your first question, as we said in our analysis here, we took a very conservative approach that we – that we, but also our competitors are fully – will be fully on time and are fully ramping up to the announced capacity in the year, they said. And that's what's in this planning. Some of them are not coming to that line. And that's one comment. So there is still – but it's – we still assume a balanced year 2026.

Then the question comes, okay, where are these projects situated? And then we have reasons to believe that the position of us being at Maasvlakte, Rotterdam is an advantage for the projects that we are targeting here to bring the development costs to the minimum for the developer. For example, the Chinese are less favourable in general, I would say. I mean, we have seen four or five orders now going to China, but basically all of them went to China because the European supply chain could not deliver in the given time slot. And so from a monetary perspective, these supplies are not cheaper or better for the developer. They're purely in the game because the European supply chain can't supply.

So the preference is always on the European supply chain. And those two elements, so in reality, they are not ramping up as quick as they show in this graph. And preference for the European supply chain and the fact that we are well-positioned compared to the wind farms to be built make us quite confident and also shows in our tenders that we can keep the prices that we just explained. Long answer.

**Sean McLoughlin:** Thank you. Can I ask the other – yeah, that's very comprehensive. Thank you. A second question on green steel or low-carbon steel, which certainly is a topic that looks to be, I think, gaining in certain – at least in interest. I mean, we had – Orsted now has signed an agreement with Dillinger. I mean, Vestas has been talking also about low-carbon steel. So, I mean, from your perspective, first of all, how confident are you on the actual steel quality produced via this alternative method? And secondly, just thinking about the cost, who do you think is actually going to pay the premium? And is the push from the developers, or is it from the supply chain?

**Fred van Beers:** Do we all have one hour left? Because this is a very interesting topic to explore, to be honest. I mean, I will spend a bit of time on this.

First of all, I think there is a lot of confusion on the definition of green steel. There is traditional blast furnace suppliers that are claiming they can supply green steel by simply modifying the coke process a little bit and, by that, reducing 5% CO2 and claiming that it's green steel. So that's one element. Whereas there is – if you look at a real true electric arc furnace setup with – including hydrogen, you reduce 70% of CO2. So that's one thing. So we have to be very careful to look when we see all these announcements that we make the right judgement on how green is this.

If you look at the Dillinger setup, it's a true – it's a complete new facility. So that initially will reduce 50%, and then later on, it goes to 20% when they can bring the hydrogen part in. And I think the Dillinger one is the first one that can actually deliver the volume at the quality needed, because the steel production is one thing, but then the rolling afterwards is the second thing. And the rolling together with the furnaces determine the quality of steel. And the Dillinger rolling process is, I would say, second to none compared to competitors because they're so specialised in this thick big plate production. And that will not change in this new setup.

So, yes, coming back to your question, we are very confident that the Dillinger steel will be the right quality. We are very confident that the Dillinger steel will be true green steel and will – and that the Dillinger facility will be able to deliver the volume. Because we indeed – some other announcements we have seen are actually delivering green steel for part of towers or only at small volumes. And that's not really a game-changer yet. It's a good start, and we all need it. But this one is, in our view, the first one that actually can deliver for the industry in the right amount. Is that some sort of answer?

**Sean McLoughlin:** That is – that is great. And I guess then I'd ask where's the push coming from and who's going to pay? Who's going to pay the premium? Do you have any view on that?

**Fred van Beers:** Yeah, I think – first of all, I think that in – if you look ten years from now everybody will use green steel, because they all have to make the transition for environmental reasons. So the real question now is, okay, what will happen in the transition period? And then I come back to the tenders again. To what extent is the EU, to start with, able to push through the power pack on non-pricing criteria, meaning CO2, into the tenders actually, by doing – because that, I think, is the only way where you can push green steel into reality. And that is – again, it's for the transition period of the coming five to ten years, where we – where we will – also we are, with interest, looking at these dynamics. We as a company will start pushing heavily for green steel, and if it's up to us, we will – we will offer that as per default. And then in parallel, though, having the ability to fall back onto a grey steel, so to say, also together with our partner Dillinger, because they can – initially they can deliver both. They will be able, from 2028 onwards, from one blast furnace still to deliver grey and from the electric arc furnace deliver green.

We believe green should be it. We believe tenders should facilitate for this green steel in order to deal with this premium that we all, indeed, are aware of, will need to be paid. And we haven't got a clue what the exact number is on the premium, but there will be a premium, because that could be your next question, I guess.

**Sean McLoughlin:** No, thank you, Fred. That's all for me.

**Fred van Beers:** All right. Thank you very much. Roald, I think you have a question. No. Or you're on mute? No. You don't have a question? No.

**Speaker:** This meeting is no longer being recorded.

**Fred van Beers:** Thanks, Roald. Are there any more questions? Should we wait for Roald to come back online or no? He will call you, I guess. Then we will, if not, then –

**Fons van Lith:** One here. It's a question by Renews. Have you started work on Noirmoutier for France? Do you have any other French projects in the pipeline? And did I hear you say that the 2030 targets will move to 2035 because of supply-demand issues?

**Fred van Beers:** So when I start with the first question on Noirmoutier, we finished that project in January. We made the primary steel for transition pieces, and they're now being completed at Smulders. So that's on the Noirmoutier. Then there was a second question, I forgot it.

**Fons van Lith:** Do you have more French projects?

**Fred van Beers:** Do we have more French projects? At the moment, not.

**Fons van Lith:** And do 2030 targets move to 2035 because of supply-demand issues?

**Fred van Beers:** Do 2023 targets?

**Fons van Lith:** 2030.

**Fred van Beers:** 2030 targets? Yeah, we will see where they move to, but we have reasons to believe that the whole peak or the realisation of ambitions in 2030 will at least move to 2035 now. Thank you. Those were the questions, Fons, from online? So, if there are no more questions – yes, there is one. Andre?

**Andre Mulder:** Yeah, a question. Two questions, actually. First one, are you involved in any floating of your wind projects?

**Fred van Beers:** No, we're not involved in floating.

**Andre Mulder:** And on the monopiles, I know that Equinor also has a number of projects outside Europe. Are you involved in any way? Is there a possibility you will deliver monopiles for those markets since there's no local supply chain?

**Fred van Beers:** I mean, Equinor is an important partner for us, so if there are projects outside Europe, we, of course, will take them serious and have the debate with them if need be. We can't give any disclosure on that at this moment.

**Andre Mulder:** Okay.

**Fred van Beers:** If there are no more questions, I suggest we close the floor. And I think we thank you all for your interest and good questions and good dialogue, and look forward to seeing you again when we present the half-year numbers later on. And I invite you all to make an appointment with Fons to visit the new facility, because seeing it is believing it is everything what we've said so far. Thank you very much.

**Ben Meijer:** Thank you.