



Sif

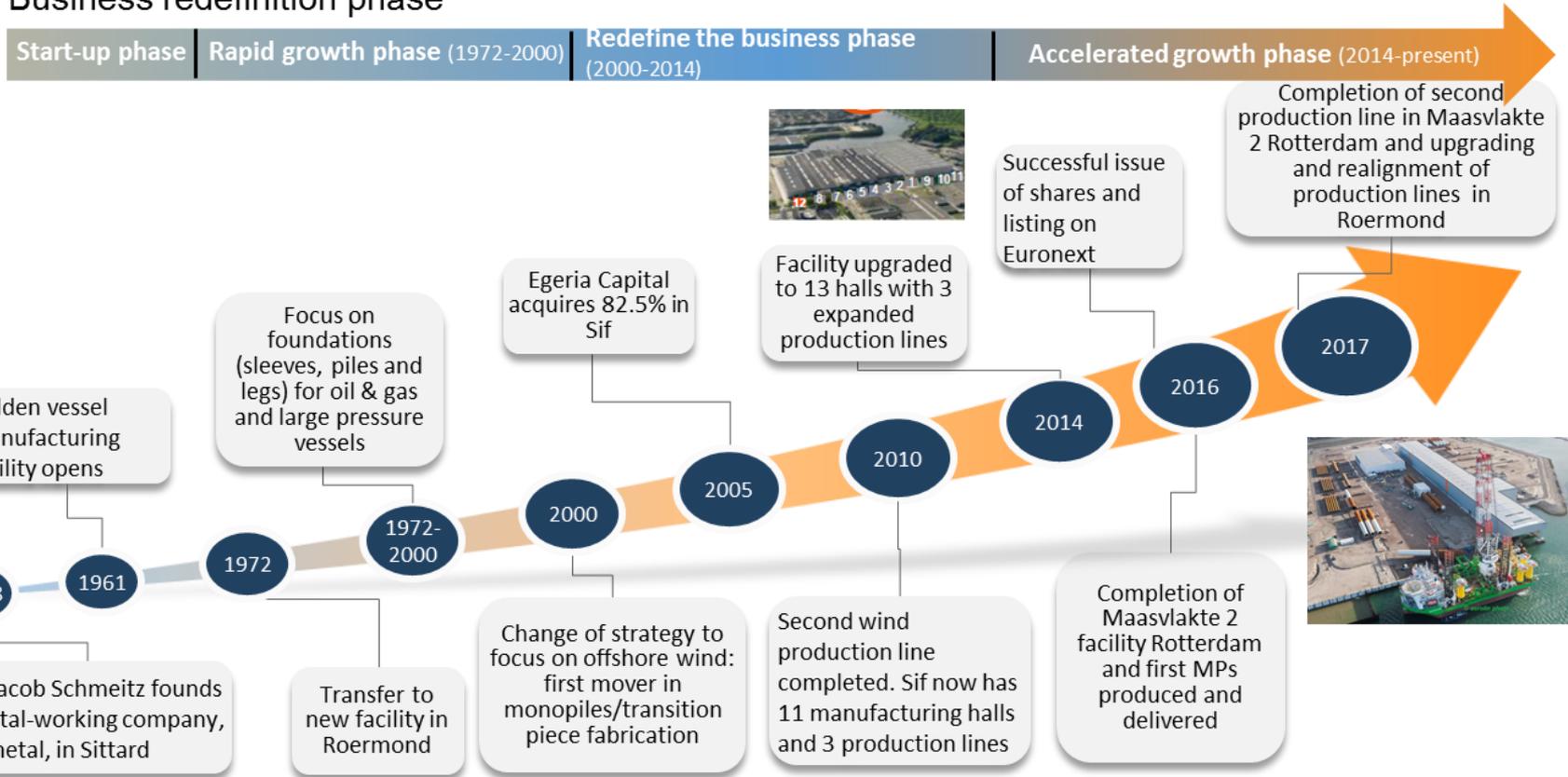


Full Year 2018 results
Gearing up for new industry design standards and
improved market outlook

March 21, 2019

The strategic phases of Sif's evolution

Business redefinition phase

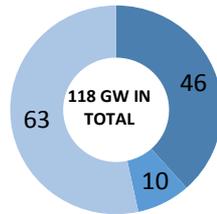


Business Environment has Further Improved for Offshore Wind Energy

Offshore Wind



Estimated Grid-connected capacity offshore wind by 2027



■ AsiaPacific ■ USA ■ Europe

2018-2027

- zero-subsidy projects becoming more of a standard in various countries (Germany, The Netherlands, Denmark)
- Offshore wind in Europe is maturing. LCOE to drop below €50-€60/MWh by 2030₂)
- Turbines are growing larger (13-15 MW under development), stable at water depths of 55-60 meters
- More offshore wind initiatives in Far East and US
- Connected North Sea offshore capacity of 19 GW by end of 2018 and expected at 63 GW by 2027¹

Offshore Oil & Gas



Pricing levels for oil & gas increase and revive interest in offshore exploration and production

- UK Brent oil price back at \$ 65 per barrel
- Results in increased offshore exploration and development

Organization



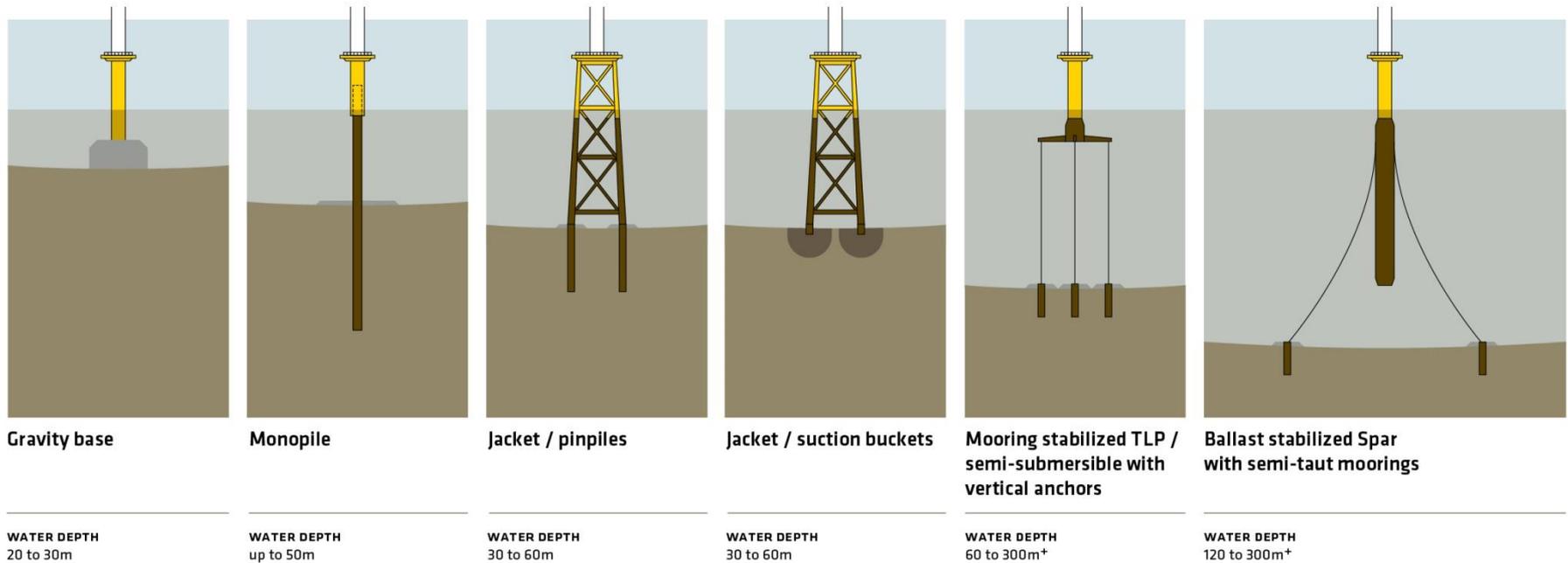
Reinforce organization and cost-leadership . Gear-up for new industry design standards

- Build up flexible workforce
- Further optimize and innovate key processes (rolling, welding)
- Increase coating capacity (€ 8 million investment 2019)
- Adjust factory lay- out Roermond and Rotterdam to prepare for PISA (€ 32 million investment 2019-2021)

¹ Source: WOOD MACKENZIE December 2018

² Source: BVG associates

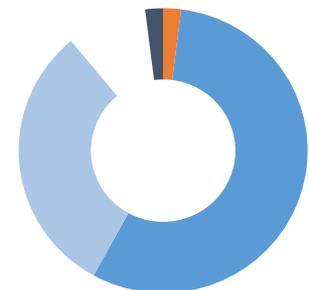
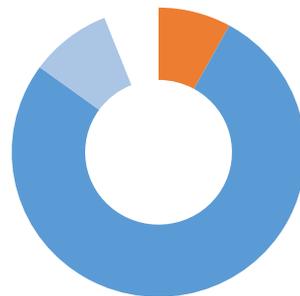
Monopile Foundations: the Foundation of Preference with approx 80% Market Share in 2018



installed end of 2017

end of 2027

- gravity based 2%
- monopiles 87%
- jackets 9%
- other
- floating 1%



Sif Operational Highlights in 2018

Monopiles and transition pieces for key offshore wind projects
Hohe See, Trianel, Norther, Albatros and Borssele 3+4



Sif Operational Highlights in 2018

Legs, pile sleeves
and piles for
Sverdrup and
Peregrino oil & gas
jackets



Sif Contract Wins in 2018

Monopiles for
Borssele 3+4
offshore wind farm

Legs and piles for
Tyra oil & gas
jackets (client
supplied materials)



2018 Highlights and developments

Sif entered into exclusive negotiations for 155 Kton projects for production in 2020 and beyond

Successful Testing of new Blue 25 hammer installation technology

Nomination of Fred van Beers as CEO



Key Figures for 2018

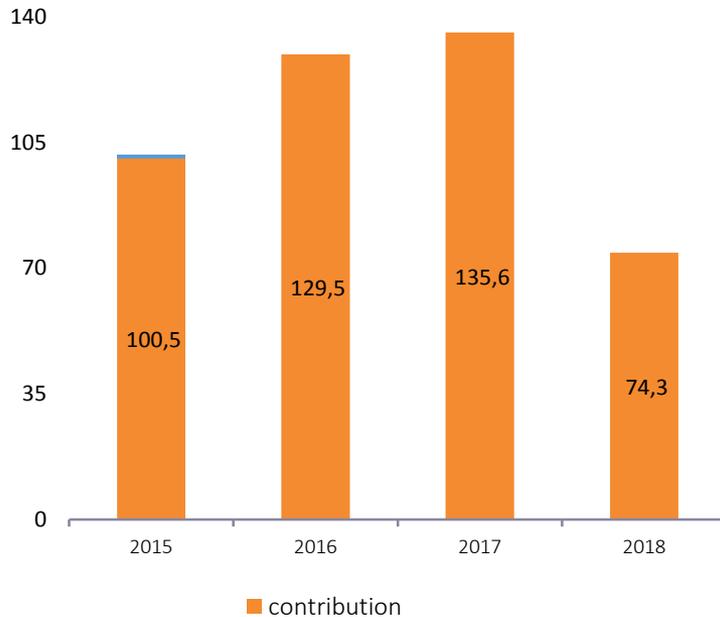
- Total production at 138 Kton compared to 232 Kton in 2017
- Adjusted EBITDA result of € 13.3 million compared to € 57.1 million in 2017:
 - Low utilization due to insufficient demand for 2018 (limited number of projects for entire market in 2018)
 - Cut back on flexible workforce in 2018 but retained key personnel for expected market improvement 2019 and beyond
 - delayed maintenance and adjustments of factory lay-out in Roermond

**Shortfall capacity
utilization in 2018
close to 40%**

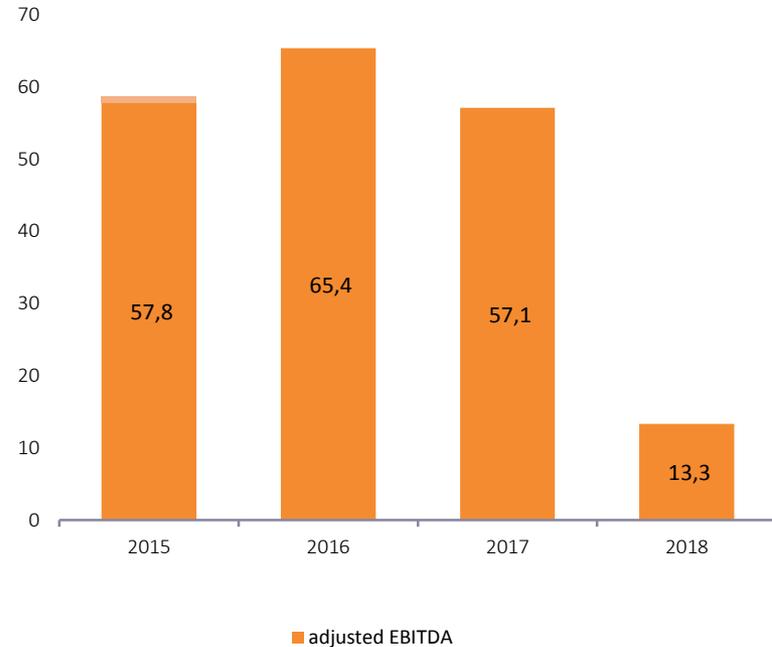
- Contribution per Kton decreased by 8% from € 588 in 2017 to € 539 in 2018
- Profit attributable to shareholders came in at minus € 2.1 million (€ 30.8 million in 2017) resulting in EPS of minus € 0.08 (compared to € 1.21 in 2017)
- Working capital at end 2018 € 14.2 million (€ 7.1 million at YE 2017)
- Net debt at YE 2018 € 30.4 million (€ 25.1 million at YE 2017)
- Orderbook FY2019 210 Kton, FY2020 and beyond 155 Kton
- Dividend proposal to AGM € 0.10 per share in cash (€ 0.30 per share in 2017)

Movements in Contribution and (adjusted) EBITDA

Contribution 2015-2018 (€m)



(Adjusted) EBITDA 2015-2018 (€m)



Contribution is leading financial indicator because it excludes:

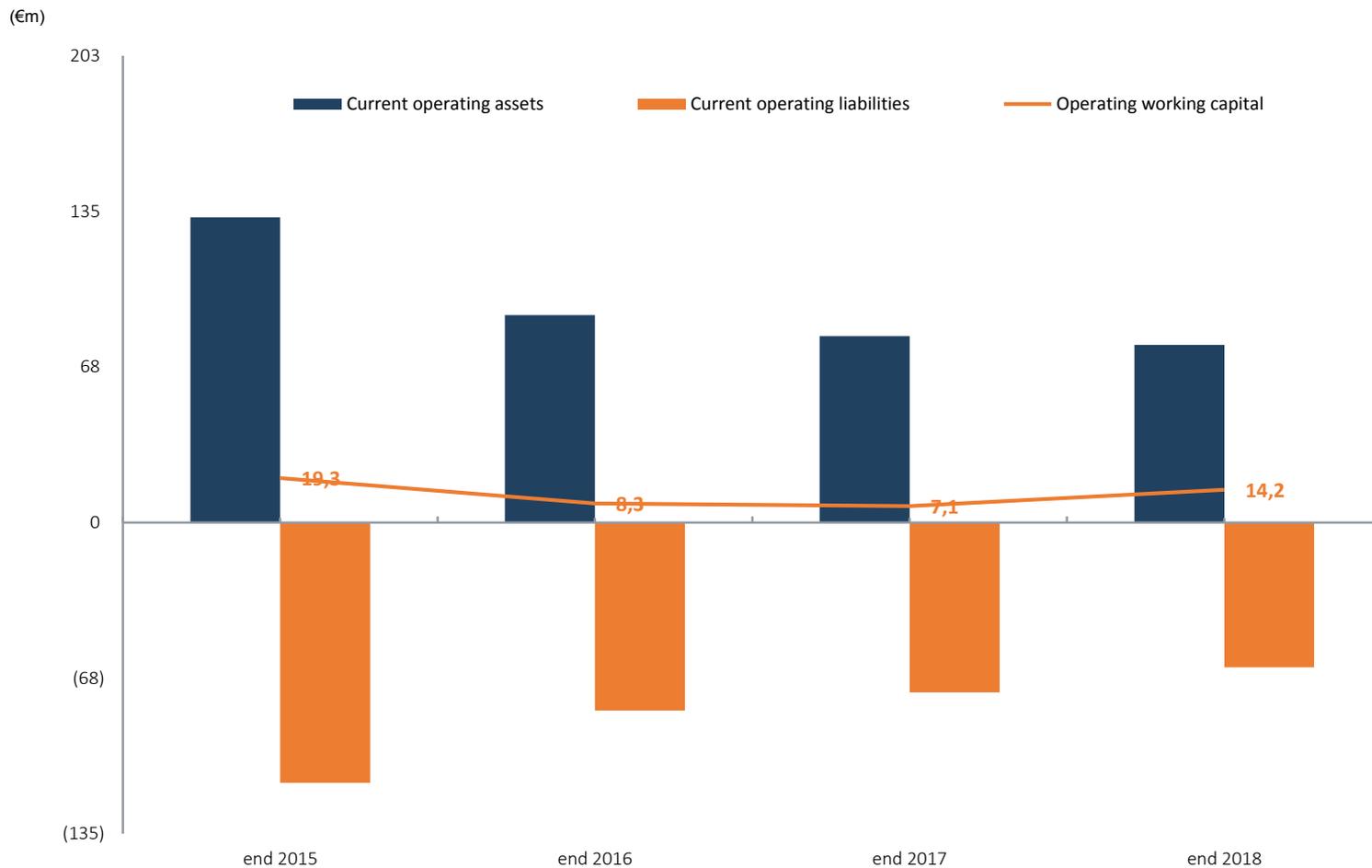
- Steel price fluctuations
- Raw materials supplied by customers
- Level of subcontracting

The change in 2018 EBITDA was mainly due to:

- Good but volatile market with only few projects in manufacturing phase
- Overdue maintenance activities and adjustment of factory layout in Roermond

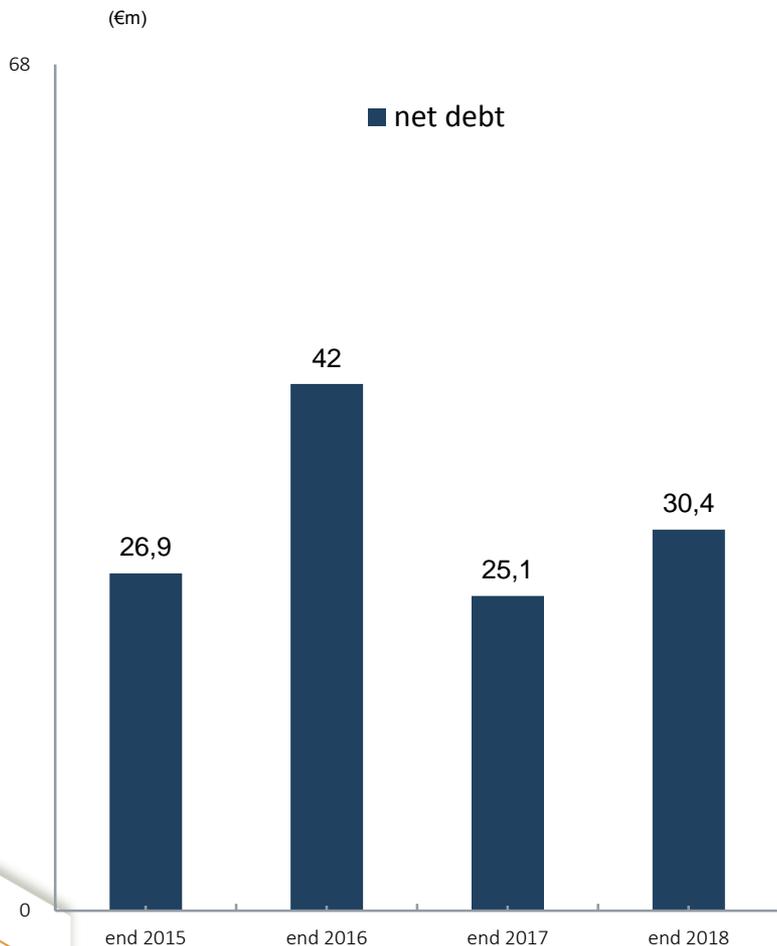
Operating Working Capital Requirement in Line with Developments

Operating Working Capital (€m)



Stable net debt development and renewed banking facilities

Net debt (€m)



	Current facilities	Facilities as of 1 April 2019
Revolving credit facility	€ 90	€ 100
Committed guarantee facility	€ 150	€ 250
Leverage covenant	1.5	2.5
Solvency covenant	NA	>30% 2019 >35% years beyond

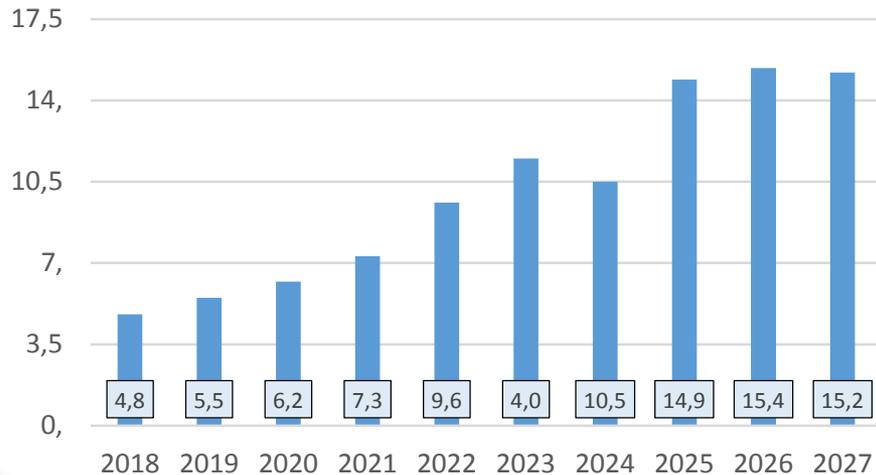
Outlook: Market for Offshore Wind is growing;

Average Addition Europe 2018-2027 **4.8 GW**; Average Global Addition **10 GW**

Growth in Offshore Wind Energy

Expected Annual Global Offshore Wind Installations (in GW) (by grid connection/commissioning date)¹

■ global grid- connected addition in GW



A record 3.8 GW of offshore projects awarded in Taiwan.

Date: May 8, 2018 – Source: MAKE consultants

The governments of Germany, Denmark and Belgium backed a pledge to install 60 GW of new offshore wind power next decade, more than five times the existing capacity.

Date: June 8, 2017 – Source: Bloomberg; Jess Shankleman

US offshore wind developers eye subsidy-free contracts within a few years.

Date: June 13, 2018 – Source: NewEnergyUpdate.com

The European Commission, the European Parliament and the European Council have made a political agreement on a binding renewable energy target for the EU for 2030 of 32%.

Date: June 14, 2018 – Source: offshorewind.biz

The Netherlands now has the most ambitious offshore wind program in Europe, with 700 MW to be installed annually up to 2023 and 1 GW a year until 2030.

Date: June 20, 2018 – Source: Recharge news.com; Bernd Radowitz

Danish parliament unanimously voted in favor of a new energy agreement for the country on Friday, June 27, which includes building three new offshore wind farms by 2030 with a total capacity of at least 2.4 GW.

Date: July 4, 2018 – Source: Offshorewind.biz

The Federal Parliament of Belgium has proposed a target of 4 GW of total installed offshore wind capacity by 2030 in the draft of the National Energy and Climate Plan

Date: 20 February 2019 – offshore wind.biz/search/belgium

France plans to issue offshore wind tenders with a combined capacity of up to 6 GW by 2028 according to Multiannual Energy Programme.

Date: January 29, 2019 – Source: offshorewind.biz/2019/01/28/france-tender-6gw-offshore

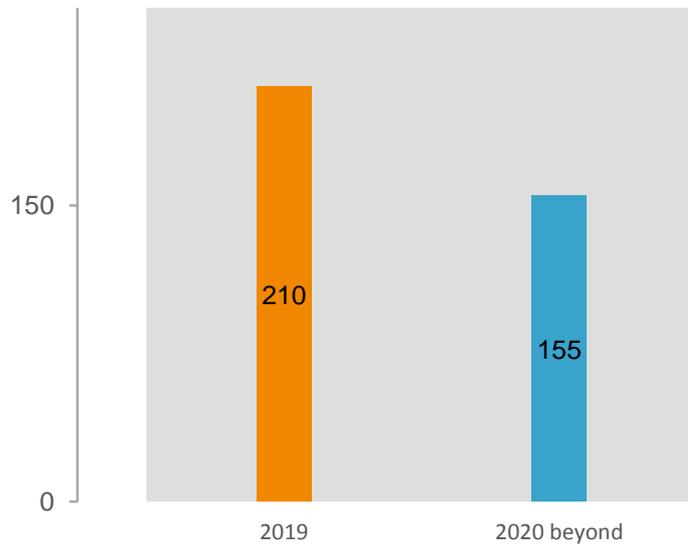


¹ Foundation components sold to customer 1-2 years on average prior to grid connection date

Source: WoodMackenzie december 2018

Outlook: Strong Order Book for 2019, 2020 and years beyond

Order Book (Kton)



- Total production capacity
- Order book - exclusive negotiations
- Order book - contracted

Comments

- Order Book 2019 & 2020 and beyond
 - 210 Kton contracted;
 - 155 Kton exclusive negotiations
- Progressive coating requirements in the industry require € 8 mln investment in extension of coating facilities at Maasvlakte 2 in 2019
- PISA effects require € 32 mln investment in adjustments to production facilities in period 2019-2021

Near term project awards and tenders (for manufacture in 2020-2021)

- Saint Nazaire and Courseulles in **France**
- Hollandse kust Zuid 1/2/3/4 and Fryslan in **the Netherlands**
- Kaskasi in **Germany**
- Vineyard in **USA**



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