



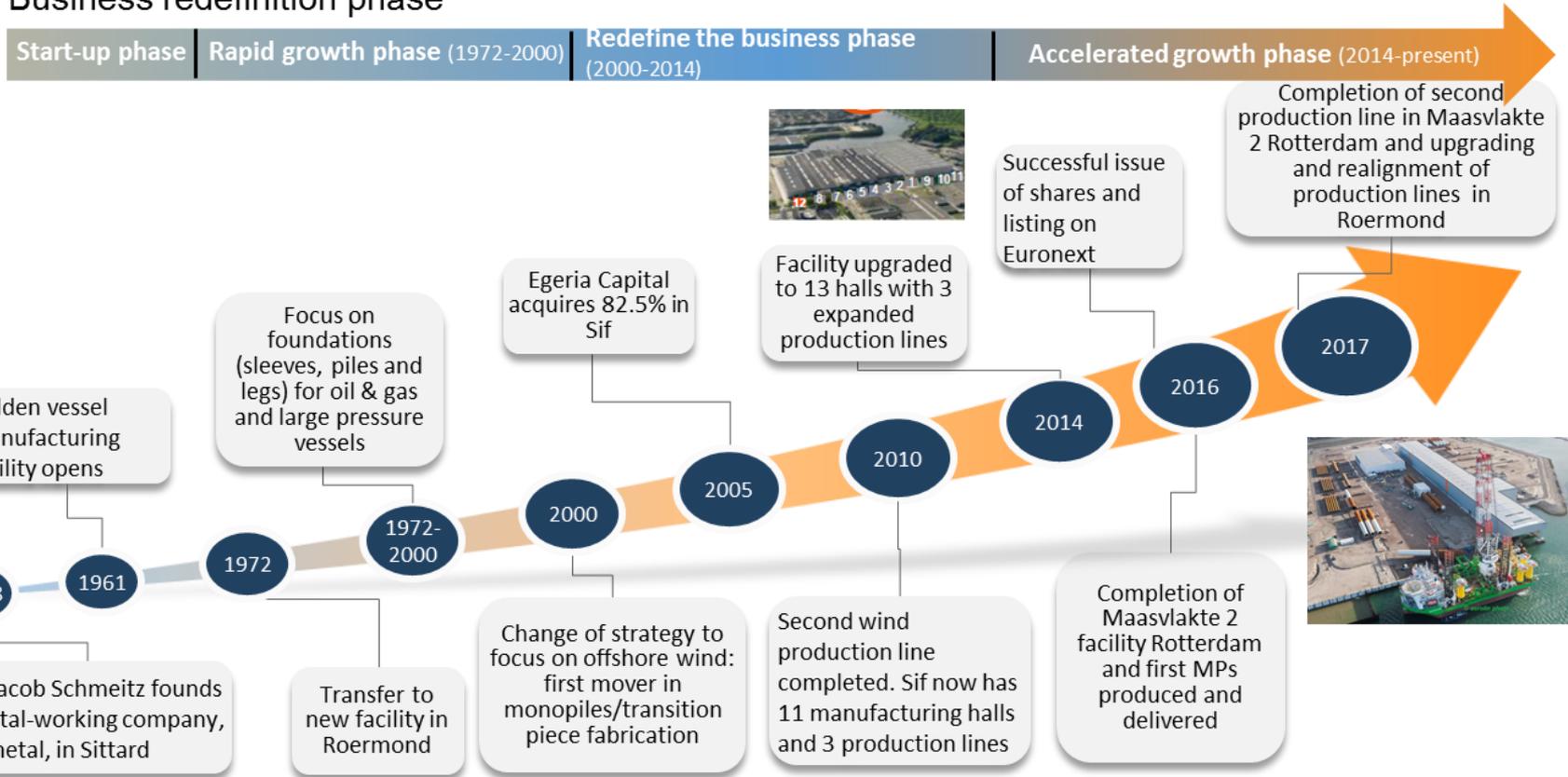
Sif

Q4 and FY 2017 results

15 March 2018

The strategic phases of Sif's evolution

Business redefinition phase

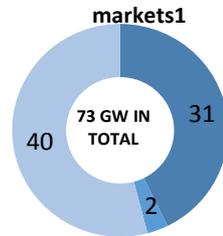


Business environment has further improved for offshore wind

Offshore Wind



Grid connected capacity addition offshore 2017- 2026 for top 20 markets¹



- Far East
- USA & Canada
- Europe

2017
-
2026

- First projects with zero subsidies (He Dreiht, OWP West and Borkum Riffgrund West II)₂
- LCOE for Germany, UK, Belgium, Netherlands below € 100/MWh in 2017; expected to drop below € 50/MWh by 2022₂
- Turbines get larger (13-15 MW under development), stable at water depths of 30- 50 meters
- More offshore wind initiatives in Far East and US
- Installed Northsea offshore capacity of 15.8 GW per 2017 expected at 24.6 GW by 2020¹

Offshore Oil & Gas



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

- UK Brent oil price back at \$ 60 per barrel in October 2017
- May result in increased offshore exploration and development

Organization



Reinforce organization and cost-leadership (internal)

- LEAN production method implemented (process to project orientation)
- Further optimize and innovate key processes (rolling, welding)
- Implement ERP system

¹ Source: MAKE Consult
² Source: MAKE Consultants

Sif operational highlights in 2017

Key offshore
wind projects
Blyth (gravity-
based) and Rentel



Sif operational highlights in 2017

Key offshore wind project Galloper, Hohe See and Norther



Sif operational highlights in 2017

Components and piles for Aegir jacket for Sverdrup (oil & gas) and piles for Beatrice jackets (offshore wind)



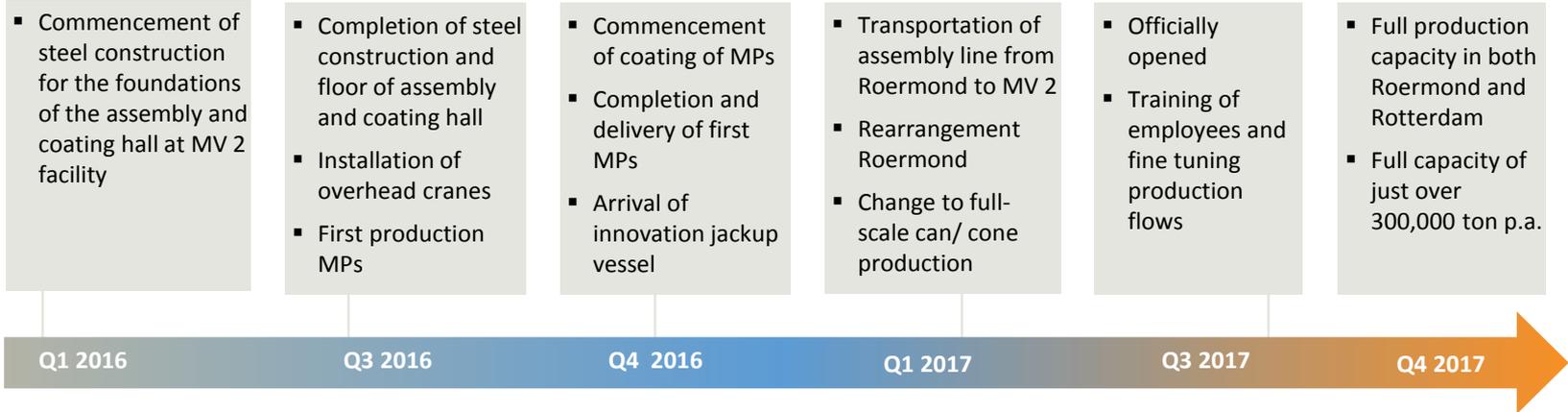
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Sif operational highlights in the first 3 quarters of 2017

Piles for Oseberg jacket (offshore oil & gas)



Maasvlakte 2 (MV2) facility: officially opened and at full capacity



- ✓ First load in of sections in August 2016
- ✓ First production in September 2016
- ✓ First coating in October 2016
- ✓ First delivery of monopiles in December 2016
- ✓ First arrival of jackup vessel in January 2017
- ✓ Commissioning of second production line in August 2017
- ✓ Official opening of assembly plant in September 2017
- ✓ Running at full capacity in December 2017



Key figures for 2017

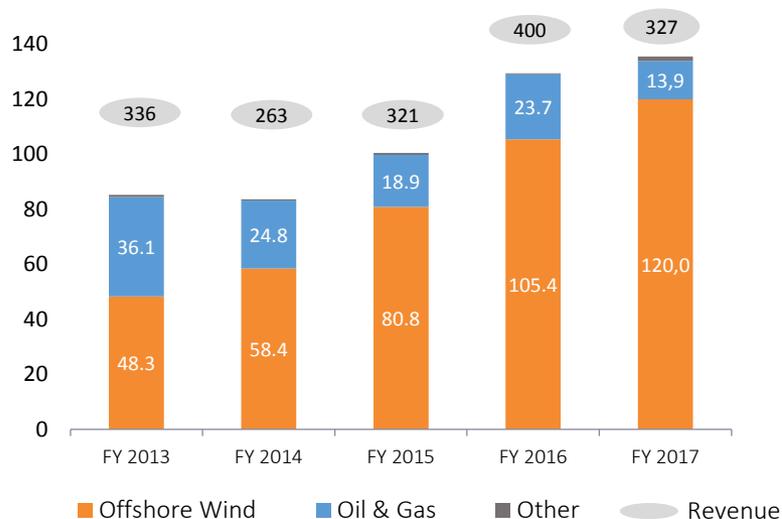
- Total production in Kton 21.5% higher at 232 Kton compared to same period in 2016 (191Kton). Production of 66 Kton in Q4 2017.
- Normalized EBITDA result with € 57.1 million lower than same period 2016 (€ 65.4 million), due to:
 - Lower contribution per Kton due to larger weights and diameters and due to less favorable market conditions
 - Recurring and non- recurring expenses in mainly Q3 and part of Q4 relating to set up and start- up & training Roermond & Rotterdam facilities

**Slightly better
EBITDA than
guided in
November 2017**

- Contribution + 4.7% to € 135.6 million on production of 232 Kton
- Contribution per Kton decreased from € 678 in 2016 to € 585
- Profit attributable to shareholders decreased by 17.7% from € 37.4 million to € 30.8 million resulting in eps of € 1.21 compared to € 1.47 in 2016
- Working capital at end 2017 € 7.1 million (€ 6.5 million end Q3 2017)
- Net debt at end 2017 € 25.1 million (€ 32.1 million end Q3 2017)
- Orderbook 2018 115 Kton signed orders, 70 Kton exclusive negotiations), 2019 60 Kton (signed orders)

Development of contribution

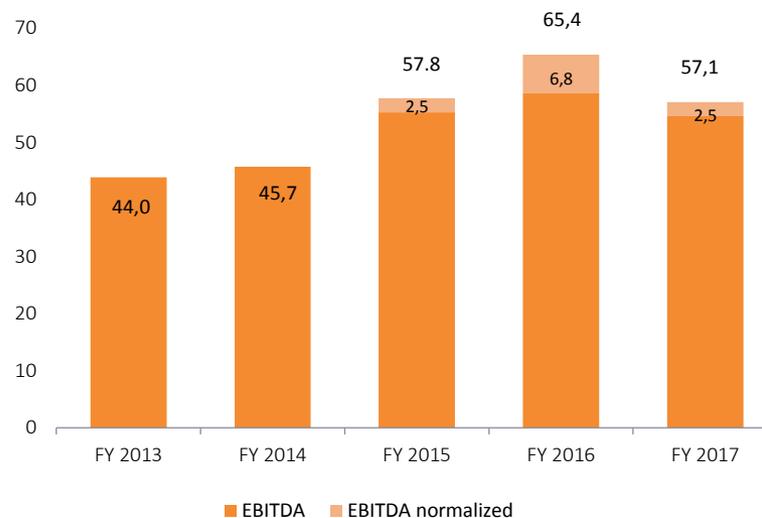
Contribution by segment FY 2013-2017 (€m)



Contribution is leading financial indicator because it excludes:

- Steel price fluctuations
- Raw materials supplied by customers
- Level of sub-contracting

(normalized) EBITDA FY 2013-2017 (€m)

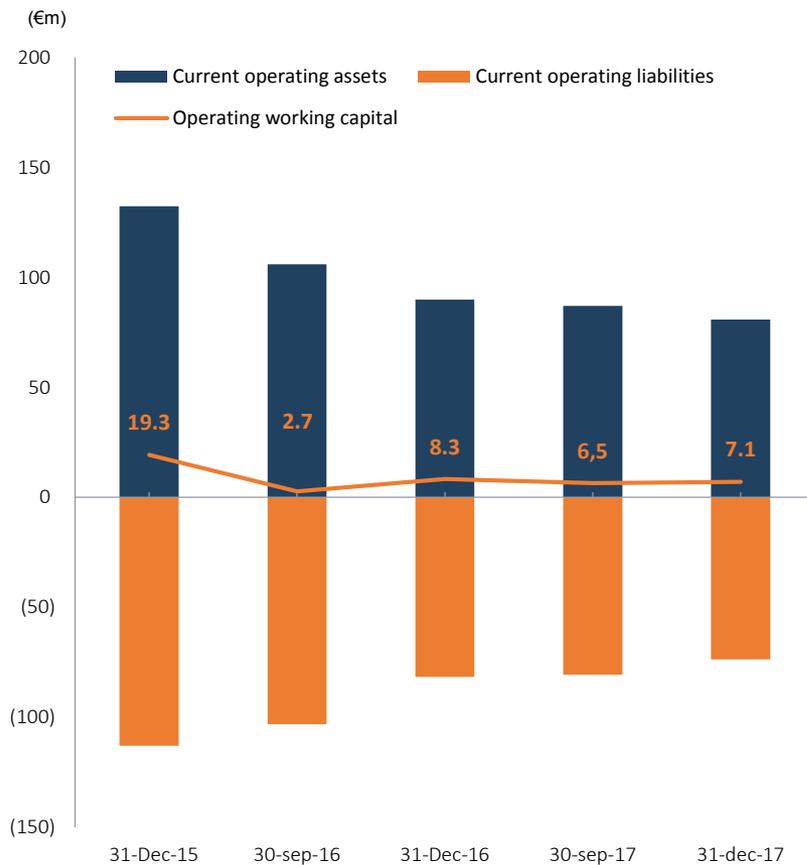


The change in EBITDA was mainly due to:

- A slow start to 2017 with set-up costs, training and maintenance
- Longer-than-expected production line adjustments to facilitate larger products
- Relatively low production efficiency due to factors including the required fine-tuning of transfers from Roermond to Rotterdam

Stable operating working capital requirement

Operating working capital (€m)



Comments

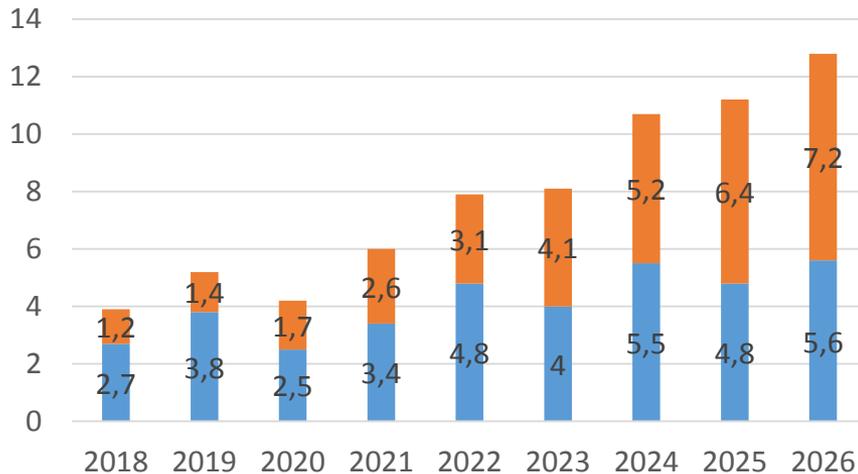
- Healthy working capital dynamics
- Maintenance CAPEX approx. € 6-8 million per annum following completion of Maasvlakte 2 plant
- Expansion program Maasvlakte 2 and Roermond (€ 90 million) completed
- Total CAPEX in 2017 € 19.6 million

Offshore wind market continues to show strong momentum; average addition Europe 2018- 2026 **4.1 GW**; average global addition **7.8 GW**

Growth in offshore wind

Expected annual global and European offshore wind installations (in GW) (by grid connection/commissioning date),

■ europe ■ rest of the world



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: 8 June 2017 – Source: Bloomberg; Jess Shankleman

The world could see as much as 237MW of floating offshore wind capacity installed by 2020.

Date: 26 March 2017 – Source: Bloomberg New Energy Finance (BNEF)

Offshore wind now at the heart of UK economy growth.

Date: 23 January 2017 – Source: Rechargenews

Consortium builds Borssele 3 and 4 for historically low price.

Date: 12 December 2016 – Source: AD

First U.S. offshore wind farm begins operation.

Date: 21 December 2016 - Source: Offshore Wind Industry

Europe's offshore wind industry booming as costs fall.

Date: 20 October 2016 – Source: The Guardian

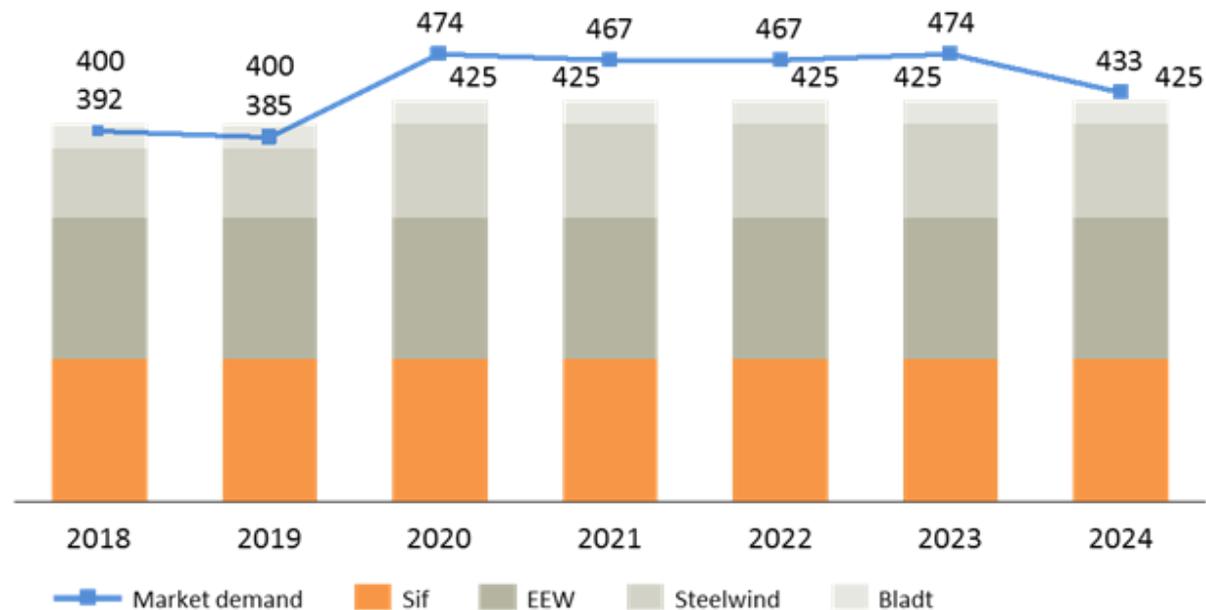


! Foundation components sold to customer 1-2 years on average prior to grid connection date

Source: MAKE consultants January 2018

Updated market demand with latest MAKE grid connection estimates

Expected total monopile capacity²⁾ and demand¹⁾ (kt) in Europe



1) MP demand shifted 1,5 years from grid connection planning.

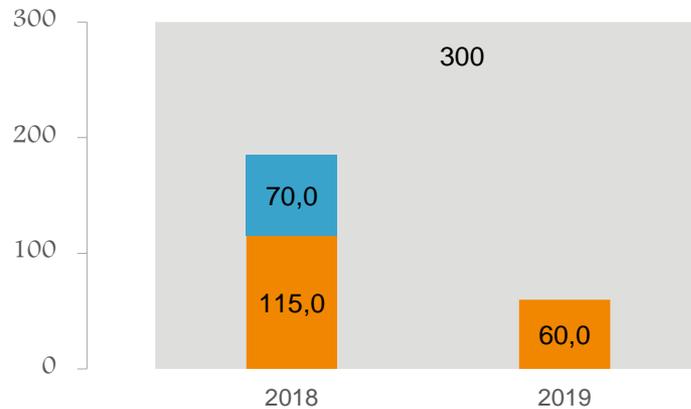
2) New EEW facility added; Ambau stopped offering MPs

Source: Sif (2018 market demand; capacity, % MP foundations; turbine ratings, MP weight) ; MAKE (total GW connected)



Order book

Order book (Kton)



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

Comments

- Order book 2018
 - 115 Kton contracted
 - 70 Kton exclusive negotiations
- Demonstrates volatile character of the project-driven industry with few large projects shifting to 2021 grid connection (France, The Netherlands)

Near term project- awards and tenders (for manufacture in 2019- 2021)

- Saint Nazaire and Courseuilles in France
- Borssele 1-4 and Fryslan in the Netherlands
- Seastar and Mermaid in Belgium

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