

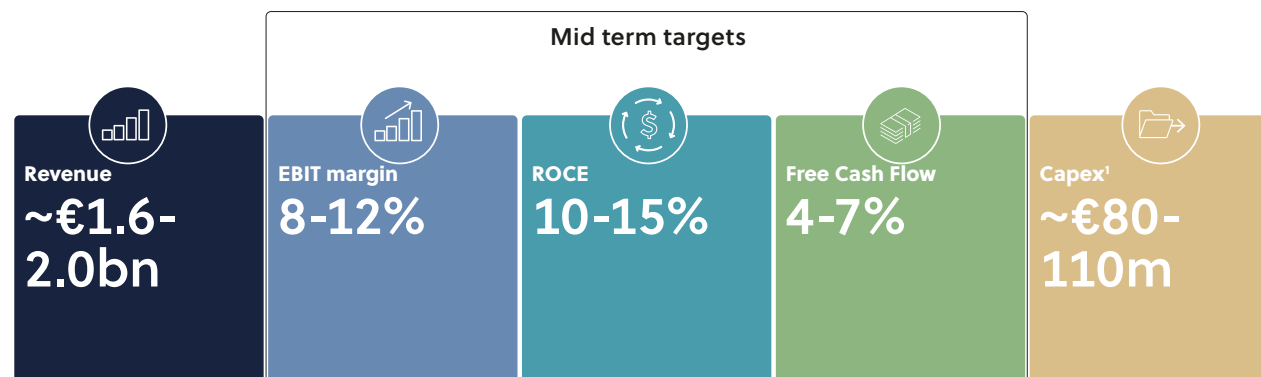
Mid-term financial guidance

For the mid-term, Fugro targets an EBIT margin of 8–12%, return on capital employed of 10-15% and a free cash flow of 4-7% of revenue, on expected revenues of EUR 1.6–2.0 billion.

Drivers for the targeted improvement in profitability are mid-term revenue growth on the back of further diversification through strong growth in renewables, disciplined management of costs, working capital and liquidity, value-based pricing, digital transformation to increase efficiency and reorganisations.

In light of Fugro's current asset base and less capital intensive business model going forward, Fugro expects average annual capital expenditure of around EUR 80 to 110 million to support profitable organic growth (excluding Seabed Geosolutions; EUR 100 to 130 million including Seabed).

Fugro intends to maintain a conservative financial policy. As a result of gradual improvement in profitability in combination with disciplined capital allocation, including selective technology differentiating acquisitions and divestment of non-core assets, Fugro targets an annual positive free cash flow resulting in a reduction of net debt, deleveraging of the balance sheet, and consequently a net leverage ratio below 1.5 times. The company will only resume dividend payments once leverage structurally allows.



Financials are excluding Seabed, unless stated otherwise. The use of 'mid-term' should not be read as an indication of any particular financial year, guidance assuming no material impact from additional Covid-19 developments.

¹ EUR 100 – 130 mln incl. Seabed.