

# Jan De Nul Group 2017: forward with great confidence

## **KEY FIGURES**

Turnover of **€ 1,758 million**

Leading **EBITDA margin** of 21%  
or **EBITDA** of € 365 million

**Net profit** totalling € 70 million

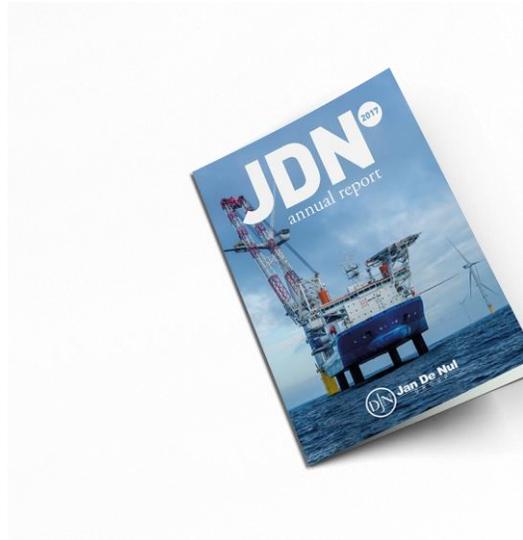
**A record solvency ratio** of 75% thanks to  
continuous profit reservations

**Net debt free** for the fourth year in a row

**A stable order portfolio** of € 2.61 billion

**Strong order intake** in the first months of  
2018

A consistent, targeted **investment policy**



## **Jan De Nul Group shows clout, flexibility and multidisciplinary**

2017 did not bring the new start for the global economy and investment climate that we all hoped for. The dredging market even showed a contraction. Furthermore, low oil and gas prices are keeping the oil and gas market in a power save mode. A bright spot, however, is the increasing awareness of climate change and the need for an energy transition. As a result, Jan De Nul Group benefits from increased activities in the market of offshore renewables, also outside Europe. Next to its maritime activities, Jan De Nul Group continues to leverage its knowledge and expertise on the civil engineering and environment market.

These market evolutions in 2017 resulted for Jan De Nul Group in an annual turnover of 1,758 million euro, which for the first time after a period of six consecutive years falls short of the 2 billion euro mark. More important, however, is the continued and even increasing profitability of Jan De Nul Group's activities. The EBITDA in 2017 amounted to 365 million euro, rising to 21% of our turnover, an increase of the EBITDA margin compared to last year of no less than 4%. Besides, Jan De Nul Group has a well-filled order backlog for the future of 2.61 billion euro, which is in line with the previous years.

Jan De Nul Group maintains its primary focus on the successful execution of its core activities, being maritime works, which entail both dredging and offshore activities, civil works and environmental works. The **growing diversification and integration** of activities ensure that the Group can maintain its strong position, also in case of a temporary recession in any of its partial markets. The Group proved the added value of an integrated approach, among others in the following multidisciplinary projects:

- the extension of the territory of Monaco, reclaiming 14.36 acres from the sea: the dredging division is responsible for dredging and land reclamation works, the environment division for processing the contaminated sediments and the offshore division for submarine rock installation works.
- the design and construction of two Gravity-Based Foundations (GBF) for the Danish wind farm Kriegers Flak: the civil division is responsible for the construction of the GBFs and, subsequently, the offshore division installs and stabilises the constructions at sea.

The young, multifunctional fleet and comprehensive dry fleet, and the experienced and skilled employees of Jan De Nul Group warrant top performances for every project.

Jan De Nul Group is still characterised by its various **maritime activities**. In 2017, Jan De Nul Group executed, among others, major **port infrastructure projects** in France (Calais), Morocco (Nador), India (Mumbai), Mozambique (Maputo), Ghana (Takoradi) and Colombia (Buenaventura), **land reclamation projects** in Monaco, Taiwan, Indonesia, Mexico, the Bahamas and Panama and several **maintenance dredging** and **coastal protection projects** worldwide.

Within the maritime cluster, the **offshore division** of Jan De Nul Group offers specialised services for the installation of submarine structures, both for the renewable energy and the oil and gas market. Often, Jan De Nul Group offers a combination of these services (multi-contracts) or turnkey projects according to EPCI contracts (Engineering, Procurement, Construction, Installation). At present, the offshore market is mainly driven by the **renewable wind energy industry**, in which Jan De Nul Group is expanding its services, also geographically. In 2017, the Group successfully completed the wind park Nobelwind (Belgium) and was a major contributor to the construction of other offshore wind parks, among others in Tahkoluoto (Finland) and Blyth (UK). In addition, we also realised several **cable installation projects** in and outside Europe.

The **civil division** of Jan De Nul Group is predominantly active in the Benelux and focuses on the design, engineering and execution of **complex buildings** and **infrastructure projects**. In this context, Jan De Nul Group is also known as a reliable PPP-partner (Public Private Partnership). In September 2017, we successfully completed the A11 highway between Bruges and Knokke within the pre-set time frame. In the Netherlands, the Group contributes to the construction of the Princess Beatrix lock. The consortium with Jan De Nul Group also signed the contract for the long-awaited renovation of the Leopold II tunnel in Brussels.

**Foundation specialist Soetaert** is an integrated part of Jan De Nul Group's comprehensive offer for works worldwide. In 2017, Soetaert was, among others, active in Panama (construction of quay for PSA Panamá), France (vibro-flotation in the port of Calais), the Netherlands (sheet pile and diaphragm walls for the Beatrix lock) and Belgium (more than 150 sites).

Soil and groundwater remediation, environmental dredging and sediment treatment, treatment and valorisation of waste are activities carried out by the **environment division** of Jan De Nul Group. 2017 featured a further expansion of its network of **soil and sediment treatment centres** across Europe and **increased cooperation** with the dredging and civil division of the Group. Envisan was internationally active in, among others, Malta (Valetta), Sweden (Oskarshamn) and Norway (Trondheim).

Through its **brownfield developer PSR**, Jan De Nul Group also combines remediation and civil construction works with project development.

### **TURNOVER AND RESULT**

In 2017, Jan De Nul Group realized a **turnover of EUR 1,758M**. More important, however, is the continued and even increasing profitability of Jan De Nul Group's activities. The EBITDA in 2017 amounted to EUR **365M**, rising to 21% of our turnover, an increase of the EBITDA margin compared to last year of no less than 4%. The net profit amounted to EUR **70M**.

The turnover can be subdivided into **72%** dredging and offshore activities, **24%** civil activities and **4%** environmental activities. The ratio between our different activities and the total turnover were in line with the previous years.

### **SOLID FINANCIAL STRUCTURE**

At the end of 2017, the **solvency position** of Jan De Nul Group reached an unseen height, with a ratio of no less than **75%**. These strong solvency figures remain and are the direct result of our profit reservations over many years.

This enables the Group to finance its investments over the years for a great part with its own cash flow resources. Even with its continuous investment and replacement policy, Jan De Nul Group is a **net debt-free** company for the fourth year in a row. The net cash position (positive balance) at the end of 2017 amounted to **345 million euro**.

### **STABLE ORDER BOOK**

The year 2017 was concluded with an **order book of EUR 2.61B**. The order book of Jan De Nul Group includes several challenging projects:

- In **Mumbai (India)**, a joint venture with Jan De Nul Group is deepening and widening the access channel to the Jawaharlal Nehru Port. The works started in 2017. The areas to be dredged include the access channel of 35.5 km long and several turning basins and berths. In all, over 40M m<sup>3</sup> of sand, sludge, clay and rock must be removed. Jawaharlal Nehru Port is India's largest container port and will, after the completion of the project, be able to welcome larger container ships.
- In **Cotonou (Benin)**, we will build for the local authorities a submarine breakwater of 4 km for protecting the coast.
- In **Texel (the Netherlands)**, we will reinforce the seaside of the Prins Hendrikzand dike, which is over 3 km long, with sand. This will expand Texel by almost 500 acres. Starting in 2018, Jan De Nul Group will build – ahead of the current dike – a dynamic and unique nature reserve with dunes, salt marshes and beaches. The reinforcement of the Prins Hendrikzand dike is part of the ambitious dike reinforcement programme of the Netherlands.

- In **Germany**, Jan De Nul Group will install 32 offshore wind turbines of 6.33 MW for the offshore wind farm Trianel Borkum II. Jan De Nul Group will also be responsible for the electric and mechanical equipment of the wind turbines. In Germany, the Group is currently executing three other offshore wind farm projects: the installation of the HVAC export cable for the wind farm project Trianel Borkum II, the installation of the HVAC export cable for the wind farm Borkum Riffgrund II and the installation of 36 foundations for the wind farm Borkum Riffgrund II.
- In **Belgium**, the consortium with Jan De Nul Group, CIRCUL 2020, will execute the renovation works in the Leopold II tunnel in Brussels. It concerns a renovation and maintenance contract for the next 25 years. The preparatory works start in May 2018. With its 2.5 kilometres, the Leopold II tunnel is the longest and also one of the most complex traffic tunnels in the Belgian capital.
- In the spring of 2018, Jan De Nul Group succeeded in signing several additional contracts, including two major contracts for the construction of two offshore wind farms in Taiwan: the Formosa 1 (phase 2) Offshore Wind Farm and the Changhua (phase 1) Offshore Wind Farm. Also the other divisions of the group were awarded with several contracts, **which enables Jan De Nul Group to look forward to the future with great confidence.**

## **STRATEGIC INVESTMENTS**

In the summer of 2017, the multi-purpose vessels *Adhémar de Saint-Venant* and *Daniel Bernoulli* were completed in China. Immediately after their delivery, the vessels got down to work for, among others, rock installation works, trenching operations, the installation of a gravel bed and the ballasting of Gravity Based Foundations. Activities that show the multifunctional deployability of these new vessels.

In 2017, Jan De Nul Group ordered three hopper ( TH ) dredges, two with a capacity of 6,000 m<sup>3</sup> each and one 18,000 m<sup>3</sup> hopper dredge, showing the group's focus on market leadership through the use of a diversified and modern fleet. Both 6,000 m<sup>3</sup> hopper dredges will be built by Keppel Offshore & Marine in Singapore with scheduled deliveries at the end of 2019 and in the first semester of 2020. The larger hopper dredge will be built in China by COSCO; the completion of this vessel is scheduled for 2020.

Our newest and biggest self-propelled cutter suction ( CS ) dredge *Willem van Rubroeck* was launched in August 2017 on the shipyard Uljanik in Croatia. However, the construction of the vessel is set back following a reorganisation on the shipyard. Its delivery is now planned for autumn 2018.

The construction of three hopper dredges with a capacity of 3,500 m<sup>3</sup> each by Keppel Singmarine in China is going according to plan. The delivery of these vessels is scheduled for the second half of 2018 and the first half of 2019. These vessels will be named after the Portuguese explorers *Afonso de Albuquerque*, *Diogo Cão* and *Tristão da Cunha*.

Next to its fleet investments, Jan De Nul Group also continuously invests in support of its other activities, a/o in foundation installations, various dry equipment, soil treatment centres, plots of land for project development...

**ONLINE ANNUAL REPORT 2017-** On [annualreport.jandenu.com](http://annualreport.jandenu.com), you can download the complete annual report of Jan De Nul Group with an overview of its activities and a financial report. The report

also describes some of our star projects of 2017.

### **About Jan De Nul Group**

*Knowledge, innovation and sustainability. That's the strength of Jan De Nul Group. Thanks to the enthusiasm and commitment of its employees and its state-of-the-art fleet, the group is market leader in dredging and marine works and in specialised services for the offshore oil, gas and renewable energy market. The Group is also a major player in the civil engineering and environmental works industry.*

*Our professional and innovative solutions have the industry's confidence. Whether it concerns the deepening of Linkou Port in Taiwan, the installation of the offshore wind park Nobelwind off the Belgian coast or the remediation of the port of Oskarshamn in Sweden, together with its clients, Jan De Nul Group contributes to sustainable economic development.*

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