






Record high revenue and doubled profits

■ Press release - 25 March, 2024

Rotterdam, the Netherlands, 25 March 2024 – Van Oord concluded 2023 with strong results: **revenue reached record high and profits more than doubled**. Compared to last year, we saw revenue growth across both our Dredging & Infra and Offshore Energy business units, which resulted in a significantly revenue increase of 42% to EUR 2.9 billion from EUR 2.0 billion in 2022. Net profit doubled to EUR 127 million from EUR 60 million in 2022. High fleet utilisation and the continued sharp focus on risk and contract management contributed to the improved results. Solvency was stable at 32.5% and the net debt position improved to EUR 152 million as of 31 December 2023, despite an extremely high investment level. The order book increased by 3% to EUR 4,429 million from EUR 4,300 million in 2022. From an operational and financial perspective, 2023 proved to be an extremely busy year for Van Oord and one of substantial growth and recovery.

The year in numbers

(all amounts in EUR)

	2023	2022
 Prosperity		
Revenue	2.9 billion	2.0 billion
EBITDA	379 million	243 million
Net profit	127 million	60 million
Operational cash flow	381 million	62 million
Order book	4.4 billion	4.3 billion
Net debt	152 million	178 million
Solvency ratio	32.5%	32.4%
Investment in equipment	298 million	227 million
 People		
Number of employees (FTEs)	5,766	5,243
Number of nationalities	84	89
 Planet		
Scope 1 greenhouse gas emissions (x 1,000 tonnes of CO ₂ e)	602.6	475.3
Relative scope 1 emissions per euro revenue (tCO ₂ e/ million EUR revenue)	210.3	235.2

Executive summary

Compared to 2022, revenue increased by 42%, to a new record level for Van Oord, while profitability more than doubled. Following the challenges in the 2 last years, our markets are steadily stabilising. Global inflation returned to more normal levels, alleviating some of the cost pressures experienced in 2021 and 2022 as a result of severe supply chain disruptions. Moreover, we no longer suffered from COVID-19-related travel restrictions or quarantine requirements.

In 2023, we carried out a significant repositioning, which involved the consolidation of 4 separate business units – Dredging, Netherlands, Offshore Wind and Offshore – into the 2 robust business units Dredging & Infra and Offshore Energy. This strategic repositioning allows us to sharpen our focus on our core markets. Both business units provide tailor-made services to our clients on a global scale, leveraging our extensive scale, expertise and assets across multiple markets. The synergy between the 2 business units is also clearly visible. Both business units deliver true Marine ingenuity supported by specialist knowledge and a large fleet of vessels developed in-house.

After facing challenging market conditions for over 5 years, we witnessed a clear market recovery in 2022 which continued in 2023. Climate adaptation, the energy transition and corresponding need for marine infrastructure are the drivers of this recovery. Increasing demand is clearly reflected in our revenue growth across both our business units. In 2023, our total revenue significantly increased to EUR 2.9 billion from EUR 2.0 billion in 2022, marking a record year for our company. Our net profit doubled to EUR 127 million from EUR 60 million in 2022. A strong operating cash flow enabled us to improve our net debt to EUR 152 million (2022: EUR 178 million), despite a high investment level.

Our organisation grew rapidly in 2023 as a result of the recovery of our markets. By the end of the year, Van Oord employed 5,766 FTEs. Over the past 3 years, our workforce has expanded by nearly 1,400 FTEs. Our successful recruitment efforts are proof that we are perceived as an attractive employer. Our investments in digitalisation are supporting the growth of our organisation and the further professionalisation of our processes. We achieved an important milestone in our Founding the Future programme with the selection of an ERP system to enable standardisation and streamline our global operations.

Key financial performance

Van Oord increased its revenue to EUR 2,866 million in 2023 (2022: EUR 2,021 million) and realised a net profit of EUR 127 million (2022: EUR 60 million). The award volume was balanced between the 2 business units. The business unit Dredging & Infra achieved strong results, while Offshore Energy saw a recovery of the offshore wind market. The conventional offshore activities were more negatively affected by a loss-making project in 2023. In 2023, we took on new projects totalling a net amount of EUR 3.0 billion, signalling a clear and strong recovery of our markets. Our order book increased slightly to EUR 4.4 billion, accompanied by improving margins. Our operating cash flow rose substantially to EUR 381 million, significantly higher than the previous year's EUR 62 million. This strong operating cash flow enabled us to reduce net debt from EUR 178 million in 2022 to EUR 152 million in 2023. This net debt improvement was achieved despite a high investment level of EUR 316 million (compared to EUR 187 million in 2022). Our leverage ratio was 0.5. We ended the year with a robust balance sheet. Our return on capital employed (ROCE) of 11.4% indicates a positive trajectory towards acceptable return levels.



Continuation of family leadership

Pieter van Oord, CEO: 'In April 2024, after more than 15 years as CEO, I am pleased to hand over this company to a new generation and entrust my cousin Govert van Oord with the leadership of Van Oord. The transition from the fourth to the fifth generation of the Van Oord family marks an important milestone in our company's history. I would like to thank our colleagues around the world for their commitment and contribution to this successful year, and for the last 30 years in helping me to make Van Oord a successful company. After a difficult period, we have proven that with resilience and hard work, we are able to meet our clients' expectations and return to healthy margins.'

Pieter van Oord, a fourth generation member of the Van Oord family, has served as Van Oord's CEO for more than 15 years. With a total of 30 years of experience as well as a lifetime of dedication to the company, Pieter was the driving force behind Van Oord's successful venture into offshore wind and pipelaying activities. In his various roles, he helped establish Van Oord as a global market leader. Furthermore, he helped establish 2 equal-sized business units, Dredging & Infra and Offshore Energy. Pieter is expected to transition to Van Oord's Supervisory Board in due course. Starting 1 June 2024, Pieter will bring his vision and leadership to the Royal Schiphol Group, where he will take up the reins as the new CEO.

Govert van Oord (fifth generation) has been with Van Oord since 2002 and has worked for the company in the Middle East, Spain and Brazil, as well as other regions. Govert is 53 years old, studied civil engineering in Delft, and obtained his MBA from IMD in Switzerland.



The Dredging & Infra business unit grew its revenue to EUR 1,442 million (2022: EUR 1,214 million) including amongst others the Fehmarnbelt Fixed Link project and Afsluitdijk. Compared to 2022, the Offshore Energy business unit had a busy year with EUR 1,424 million in revenue (2022: EUR 807 million) due to the Saint-Brieuc, Hollandse Kust Noord and Sofia offshore wind projects. The financial position of our company at year-end 2023 improved compared to last year and remained solid. Equity amounted to EUR 1,075 million (2022: EUR 985 million) and solvency was 32.5% (2022: 32.4%). The operational cash flow of EUR 381 million (2022: EUR 62 million) was higher than our investment cash flow of EUR 317 million (2022: EUR 187 million) and consequently net debt decreased to EUR 152 million, which is well within the terms and conditions of our credit facilities. The financing cash flow amounted to EUR –84 million (2022: EUR 143 million). The total order book of EUR 4,429 million at year-end 2023 increased compared to 2022 (EUR 4,300 million) as revenue was slightly below the award volume including variations.

Investments

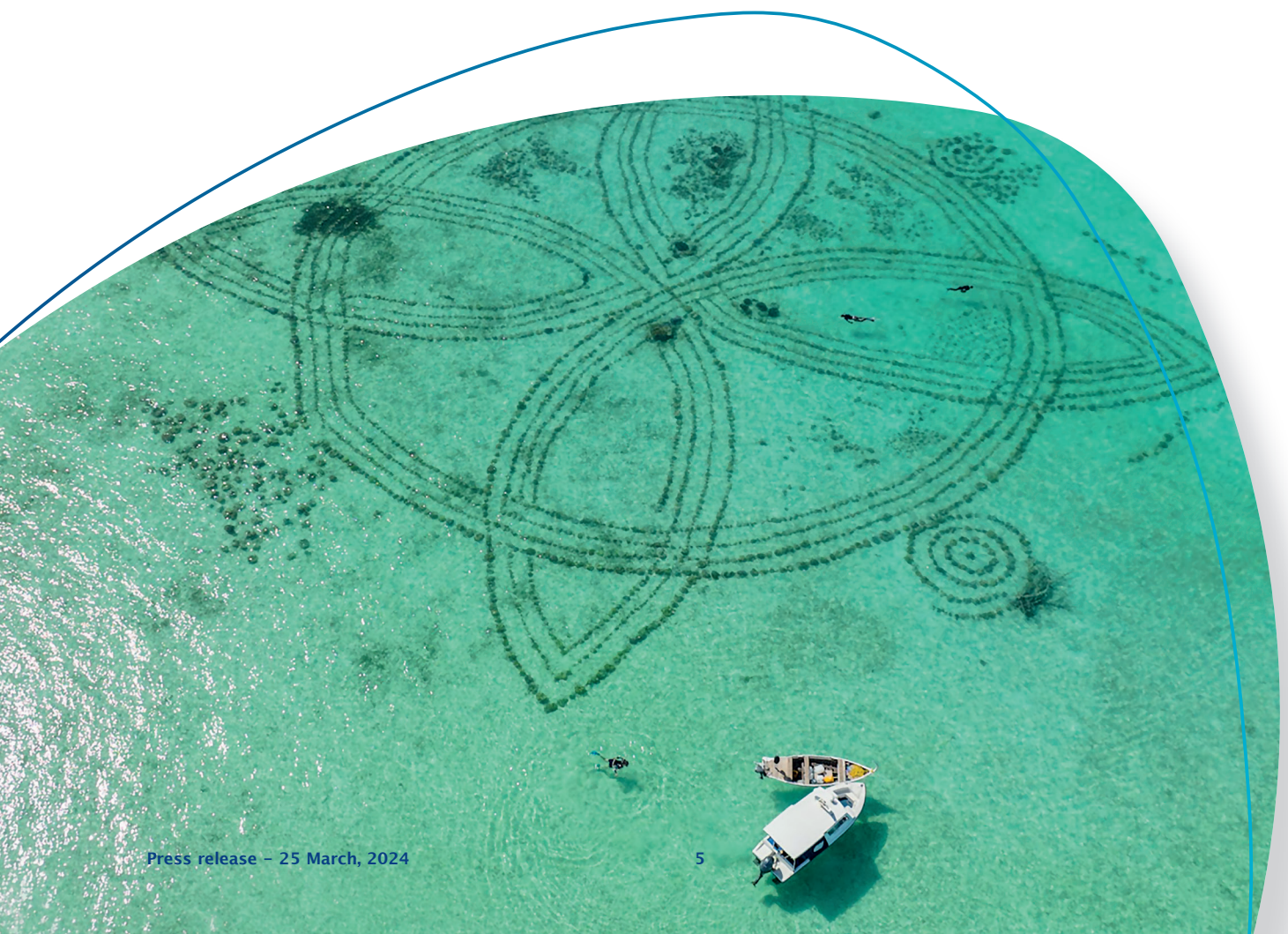
Van Oord is investing in innovation, sustainable equipment, people, and the future to further strengthen its position as a leader in the industry. Our investment activities were on a very high level (EUR 298 million investment in equipment) and 3 state-of-the-art vessels were delivered. In 2023, we rounded out our fleet of LNG trailing suction hopper dredgers with the commissioning of the Vox Apolonia and Vox Alexia. In addition, we celebrated the arrival of Calypso, our ultramodern and future-proof cable-laying vessel that will play a key role in our efforts to enhance the energy transition. The ceremonies at the Wilhelminapier in Rotterdam were attended by over 3,500 guests, including Van Oord employees, their families, and Her Royal Highness Princess Alexia of the Netherlands, who christened the vessel named after her. The introduction of the Vox Ariane, Vox Apolonia and Vox Alexia marks the renewal of the midsize section of our trailing suction hopper dredger fleet. These dual-fuel vessels, capable of running on LNG, represent the cutting edge of maritime technology and received the 2022 Maritime KNVR Shipping Award, in recognition of their contribution to innovation in the Dutch shipping industry. The Calypso, our new cable-laying vessel, is equipped with 2 carousels, making it suitable for installing High Voltage Direct Current (HVDC) cables. These cables will play an important role, particularly for offshore wind farms that are located farther off the coast. The construction of the largest investment in our company's history, the Boreas, continued throughout 2023. This offshore installation vessel is being built at the CIMC Raffles yard in Yantai, China. The vessel is designed to install wind turbines and monopiles with a capacity of up to 25 MW and will be able to operate on methanol. It has an advanced jacking system and can lift more than 3,000 tonnes.

Business unit highlights

Dredging & Infra

In 2023, the Dredging and Netherlands business units merged to move forward under the name Dredging & Infra. The repositioning is strengthening our market position and enables Van Oord to combine the capacity and capabilities required to execute major climate adaptation projects in a cyclical market. The newly formed business unit engaged in 146 projects in 35 countries around the world and looks back on a strong operational and financial year. The year saw high revenue totalling EUR 1,442 million compared to EUR 1,214 million in 2022, as well as improved fleet utilisation, particularly within the suction hopper dredger fleet. We also saw an increase in winning tenders in 2023, from a total volume of EUR 1,150 million in 2022 to EUR 1,481 million in 2023. Various new projects concern climate adaptation. The dredging market is recovering while the Dutch infrastructure market is still affected by the ongoing nitrogen crisis, resulting in cancellations or delays of new projects. Meanwhile, the repair and maintenance market is faced with insufficient budgets.

The Fehmarnbelt Fixed Link project progressed well. The project involves dredging an 18-kilometre-long tunnel trench in the seabed between Germany and Denmark and reusing the dredged material to create a recreational nature reserve. In Egypt, we began work on the Ain Sokhna Port project. We are deploying a large cutter suction dredger and a fleet of sand carriers for the deepening and expansion of the port. The unique set of equipment enables us to work very efficiently. In the Netherlands, good progress was made on the A16 Rotterdam motorway project. Another large Design, Build, Finance and Maintain (DBFM) project, the Afsluitdijk, also made good progress. The renewal of both the Waddenzee and IJsselmeer side of the dyke has been completed. We are finalising work on the discharge sluices (Nieuwe Spuimiddelen) and large pumps to accommodate anticipated high water levels in the IJsselmeer. In addition, we executed a number of beach nourishment projects using our new LNG-powered vessels Vox Ariane, Vox Apolonia and Vox Alexia. The business unit Dredging & Infra closed out the year with an order book of EUR 2,239 million compared to EUR 2,220 million in 2022. Because of our high level of activity, we recommissioned trailing suction hopper dredgers Vox Maxima and Volvox Terranova. After several years of being idle, they were reactivated for deployment on projects in the Far East and Middle East.





Offshore Energy

The Offshore Wind and Offshore business units merged in 2023 to become Offshore Energy. The new business unit will serve clients in the global energy market with a shared set of products and services, and a mutual ambition to facilitate and accelerate the global energy transition towards renewable energy. Our market offers a tremendous opportunity, however, it also comes with risks. The year 2023 was dynamic for the Offshore Energy business unit. In total, 63 complex projects were delivered across 21 countries. These projects were often delivered under challenging circumstances, and many projects incorporated sustainability measures that contribute to Van Oord's strategic objectives. We successfully resolved key financial matters related to cost escalations in 2022, and various highly technical and challenging projects were completed to the satisfaction of our clients. Notably, the completion of the Saint-Brieuc offshore wind project off the French coast, acknowledged as the most challenging foundation contract in offshore wind history, was a major achievement. Our revenue soared to a record high of EUR 1,424 million compared to EUR 807 million in 2022. Over the last 2 decades, Van Oord has developed into a market leader in offshore wind in the Netherlands. However, higher interest rates and supply chain disruptions in previous years have had a significant impact on the levelized cost of energy for offshore wind, leading to some of the offshore wind projects recently awarded to developers being cancelled or delayed. Despite these challenges in renewable energy, the engineering, procurement, and construction (EPC) offshore wind industry is recovering, as evidenced by a return to healthier price levels and more balanced risk allocation provisions across the value chain. We therefore remain optimistic about the future of offshore wind. For the first time in our 155-year history, we embarked on a project in the United States. We have installed 12 turbines as part of the South Fork project for our client Ørsted. The offshore wind farm will deliver clean energy to households in the New York area. We were also contracted by Mitsubishi for the first phase of the early works for 3 large offshore wind projects in Japan. Our scope includes project management, engineering and design and procurement services. Our fleet of 3 subsea rock installation vessels was highly active throughout 2023, setting world records in the process. The flexible fallpipe vessel *Stornes* successfully deployed rock at a remarkable depth of 1,364 metres, while *Nordnes* achieved a huge milestone by surpassing 20 million tonnes of installed rocks. After years of inactivity, our shallow water pipe lay barge, *Stingray*, successfully completed the installation of 5 pipelines for the Dos Bocas Monobuoys project in Mexico. Furthermore, we started a complex pipeline project for ExxonMobil in Guyana. The project will be finalised in 2024 and will enable Guyana to transport and use natural gas to generate electricity. The business unit Offshore Energy ended the year with an order book of EUR 2,190 million compared to EUR 2,429 million in 2022.

Safety

Van Oord takes the utmost care to guarantee safe working conditions in its day-to-day operations. We continued to hold ourselves to the highest safety standards in 2023. We remain focused on strengthening our safety culture and are actively developing new tools, trainings and interventions. The focus of our Say Yes to Safety programme is to ensure that our employees and subcontractors return home safely every day. All our safety efforts over the past 2 decades have greatly improved our safety culture. The Lost Time Injury Frequency Rate (LTIFR) remained relatively stable at 0.16 (2022: 0.15). The Total Recordable Injury Rate (TRIR) increased to 0.79 (2022: 0.51). Fortunately, the severity of these personal injuries was relatively low. There were no injuries resulting in permanent disability and no fatal accidents in 2023. When it comes to safety, it is never appropriate to be satisfied with your performance. In addition to investing in safety training, we also acknowledge that safety is about more than knowing the rules and procedures. Therefore, we are focused on proactive safety leadership and we remain committed to continuously improving our safety culture.

Sustainability

In 2023, major strides were made with regards to sustainability. The Sustainable Earth Actions (S.E.A.) programme developed a 3-year plan to provide the necessary focus and outlook to maximise our impact along 4 pillars: enhancing the energy transition, accelerating climate actions, empowering nature & communities and achieving net-zero emissions. We made progress by executing impactful projects, expanding our sustainable business portfolio, and establishing industry partnerships. In 2023, Van Oord was involved in installing 1,731 MW of offshore wind capacity, for a total cumulative capacity of 18,254 MW. We worked on coastline protection and dyke improvement and reached a total cumulative length of coastline protection of 546 kilometres. With respect to achieving net-zero emissions, we have committed to the Science Based Targets initiative (SBTi). We are actively outfitting our fleet with various fuel systems, introducing battery technology on several of our new vessels and utilising biofuels for numerous projects. We have the intention to launch a Green Fuel Fund to provide our clients with fuel options that have a reduced greenhouse gas footprint. Together with our partners, we developed the world's first major charging station, WattHub, for high-capacity battery packs to power heavy electric construction equipment. The facility is powered by renewable solar and wind energy. We place great emphasis on integrating sustainability into our service offering during tender submissions.

Key challenges are sourcing alternative fuels at the right price and in various parts of the world, adapting our fleet to be able to bunker these fuels, and lowering the financial barrier to adopting these fuels through mechanisms like a Green Fuel Fund. As a result of these challenges, high fleet occupancy and a substantial increase in revenue, our absolute emissions (scope 1, 2 and 3 combined) increased. Relative emissions (scope 1 t CO₂e/EUR million revenue) decreased due to changes in the structure of our revenue with a larger share linked to procured products and services. The increase, however, was less than forecast due to ongoing improvements in the energy efficiency of our fleet. Our biofuel use decreased due to a larger uptake of LNG by our 3 new trailing suction hopper dredgers, specifically related to the business case of different fuel types for projects within the Netherlands. Biofuels represented 1.1% of our total fuel consumption, compared to 4.3% in 2022.

Newly awarded contracts

A series of contract awards for projects around the globe, including in new geographical regions, boosted the orderbook. Van Oord is proving to be a preferred partner for projects that protect against the impact of climate change. For the Dredging & Infra business unit, among the most important awarded contracts are 3 new projects to reinforce the Romanian coast. As part of the project scope, marine habitats will be enhanced through artificial reefs and bio-structures. We were also awarded several large-scale projects in Abu Dhabi and Dubai.

The Offshore Energy business unit has been contracted by Ecowende for the construction of the offshore wind farm Hollandse Kust West (lot VI). Ecowende, a joint venture of Shell and Eneco, is determined to fostering a sustainable future for offshore wind and positively contribute to ecological health of the North Sea. Van Oord was also selected to build Baltic Power, Poland's first offshore wind farm, located 23 kilometres off the northern coast in the Baltic Sea. With a production capacity of up to 1.2 GW, the wind farm is expected to ultimately supply renewable energy to more than 1.5 million households in Poland. Like Poland, Taiwan also offers an ideal environment for developing offshore wind energy infrastructure due to its geographical location and weather conditions.

In addition, Van Oord was awarded the Greater Changhua 2b and 4 project. These wind farms are being constructed by Ørsted, 50 kilometres off the western coast of Taiwan. With a total capacity of 920 MW, they will supply renewable energy to approximately 1 million Taiwanese households per year.

Strategy and outlook

Over the last few years, we have been implementing our strategy Building the Future Together. As part of this strategy, we continue to build and expand our synergistic portfolio of maritime activities. That requires profitable growth, and we are confident that our business will continue to grow over the coming years. After facing challenging market conditions for over 5 years, we witnessed a clear market recovery in 2022 and 2023. Climate adaptation, the energy transition and corresponding need for marine infrastructure are the drivers of this recovery. Looking ahead, we remain optimistic about our markets. We expect our order book to increase further this year. Our margins will continue to improve barring any unforeseen events. The year 2023 was exceptionally busy for Van Oord and we are grateful to our colleagues around the world for their commitment and contribution to this successful year.

About Royal Van Oord

Royal Van Oord is a Dutch family-owned company with more than 155 years of experience as an international marine contractor. The focus is on dredging, infrastructure and offshore energy. Its head office is in Rotterdam. Van Oord employs around 5,800 FTEs, who in 2023 worked on 198 projects across 43 countries. The fleet consists of approximately 60 vessels as well as a substantial inventory of special-purpose and auxiliary equipment. Marine ingenuity is characteristic of Van Oord. By using innovative, smart and sustainable solutions, Van Oord aims to contribute to a better world for future generations.

More information:

Please contact Mrs Annette Frijns-Schilder, Director of Communications, **M** +31 6 300 61 627, **E** press@vanoord.com. This press release and the accompanying photo/photos can be used royalty-free. See also: <https://www.vanoord.com/news>