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# **DEME Half Year 2024 Results**

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PRIVATE

## DEME Half Year 2024 Results

**Carl Vanden Bussche:** Good morning, ladies and gentlemen. I am Carl Vanden Bussche, Head of Investor Relations for DEME. And it is my pleasure to welcome you to DEME's Half-Year 2024 Analysts and Investor Earnings Call.

We are really pleased to see a diverse group of analysts and investors from various countries participating in today's conference call and our webcast. Joining me today are Luc Vandenbulcke, our CEO, and Stijn Gaytant, our CFO. I'd like to extend a warm welcome to both gentlemen, with a special greeting to Stijn on his first earnings call following his appointment as DEME's new CFO, succeeding Els Verbraecken.

Both Luc and Stijn will take you through the presentation on our half year results. The presentation will be visible on screen during the webcast and is also accessible on DEME's investor portal, which has been made available since this morning.

Agenda for the presentation is displayed on slide two. Luc will kick it off with an exec summary, after which both Stijn and Luc will provide some extra colour on the Group results of the first half year, the segment performance, and some words on DEME's progress in the ESG domain to then wrap up with the outlook. After the presentation, we will open up for a Q&A round, where you will have the opportunity to ask questions to our management team.

That's it for the introduction. I give the floor now to Luc, who will kick it off from slide three onwards.

**Luc Vandenbulcke:** Thank you, Carl, and good morning, everyone. It's nice to see you all joining us today. And of course, we assume that most of you start to know who we are and how we are structured.

Just a brief recap on slide number three here regarding DEME's activities, and we will briefly outline our four core segments.

Offshore Energy and Dredging & Infra make up our two main segments, and they were responsible for 43% and 48% of turnover, respectively, in the first half of '24. The Environmental segment account for 9% of our turnover in the first half. And our Concessions segment oversees a diverse portfolio, and of course, unlike our three contracting segments, does not contribute to our top line, but to the net profit. And in the first half of this year, it contributed €11 million to the net profit.

And now I'm delighted to share DEME's record results for the first half of the year with you. It's particularly pleasing to see that we have sustained the momentum from the second half of '23, and we got it translated into these record results. These results demonstrate the high activity levels across all of our segments, and of course, they highlight the hard and effective work of our entire global DEME team.

We closed the first half with a very strong orderbook, standing at €7.6 billion, and that matches the peak levels of the last four quarters. The Group turnover increased 30% year-over-year, to €1.9 billion with double-digit growth in all of our contracting segments.

EBITDA amounted to €345 million, and EBITDA margin was 18%, up from 15% for the first half of '23, and that's largely due to strong gains in our two main segments. As a result, also net profit surged, and that to €141 million compared to €30 million a year ago.

Fuelled by a combination of higher profits, a lower investment level, and a stable operating working capital, free cash flow amounted to €278 million in the first six months, and that compares to a negative €178 million a year ago. This has also resulted in halving the net debt, and this to €352 million from €715 million in '23.

In line with our estimates at the start of the year, our investment level was lower year-on-year, and it amounted to €167 million, and that compared to €216 million for the same period in '23.

We added the Yellowstone, the largest fallpipe vessel in the world, and the Karina, an offshore survey vessel to our fleet. And we expanded the capacity of our cable layer, Viking Neptune, alongside targeted maintenance investments.

Given these strong results for the first half, and with progress ahead of schedule, we have raised our turnover outlook for the full year from an anticipated growth of at least 10%, to now a revenue growth of around 20%, representing a record turnover for '24, with an EBITDA margin comparable to '23.

For the next few years, we have refined our outlook based on some updated parameters, such as: the acceleration we saw in '24; the orderbook status; the pipeline; and our vessel capacity. And we have come to a more balanced approach, signalling a top line that is expected to stay somewhat more in line with the '24 anticipated level.

And I will now hand over to Stijn, who will outline the financial highlights in more detail.

**Stijn Gaytant:** Welcome to all of you stakeholders joining today's earnings call. As your co-guide today, I will elaborate on the key financial highlights for the first half year, focussing on orderbook, turnover, profitability, CAPEX, and net financial debt, to round off with the first flavour of this segment's financial performance, after which Luc will further go in-depth accordingly.

And while you have been able to have a glimpse of the hopper, Meuse River, employed on the River Elbe in Germany, we can move on to the key financial highlights.

To now show an overview on the left, where we compare the half-year figures of '24 and '23, complemented with the year-end figures of '23, visualises what DEME has delivered in the first half of '24. We can actually repeat our comment of the last earnings call. We can't just say solid strong results. It's much more than that. And as Luc has already mentioned during the executive summary, the first half-year figures of '24 clearly exemplify the continuation of DEME's performance in the last six months of '23.

The current presented figures show a clear year-on-year growth in all of our key figures. So also from my side, credits to the continued dedication of all the DEME colleagues.

Now, some figures to strengthen the above statements are, and we've highlighted them here on the right side, an orderbook of €7.6 billion and stable for several quarters, in combination with record high turnovers in the last 12 months. Turnover for the first half-year specifically of €1.9 billion, up 30% from €1.5 billion first half-year '23, with all segments contributing.

More importantly, profitability increased even more. EBITDA of €345 million increased by 55%, up to a margin of 18%. EBIT of €150 million even increased by 163%, up to EBIT margin of 7.8% as compared to 3.9% first half-year '23. And to top it off, a net profit of €141 million increased by 370% to a profit margin of 7.4% compared to 2% year-on-year.

The main driver of the strong profitability performance remained high activity levels and effective project execution. The variables like operational excellence and beneficial weather conditions kept triggering productivity and progress consistently also in the first six months of '24.

Now, in order to achieve such excellent results, an important element, next to of course our crew and staff, are our state-of-the-art assets, which makes the bridge to the CAPEX topic. CAPEX in first half-year '24 was good for €167 million, and it mainly reflects the latest expansion of the fleet, in addition to conversion modifications and maintenance. Current CAPEX level nicely evolving within the guidance provided for this year.

Already mentioned by Luc, but an important highlight is the very positive free cash flow of €271 million for the first half of the year, compared to minus €178 million year-on-year. Boosted by such a strong first half-year, the DEME financials remain at a very healthy level, with a significant reduction halving of the net financial debt to minus €352 million, compared to first half '23 of minus €750 million.

As a result, our net financial debt divided by EBITDA is now only 0.5, compared to 1.4 first half year of '23, and 0.9 for end of '23.

Moving on to the orderbook comparison on the left graph. With the orderbook first half '24 ending at €7.6 billion, the splits per segment clearly visualises we maintain a really balanced and diversified orderbook. This reconfirms that all operational segments, including also Environmental, are capable of having a fill rate that can offset the backlog into turnover. A small reduction of 4% in orderbook of Dredging & Infra is compensated for by the other two operational segments.

On the graph in the middle, showing the geographical breakdown first half-year '24, we notice increases in Asia, like the Greater Changhua and Fengmiao projects in Taiwan. In the Middle East, the Oxagon project offset the decrease in percentage on Africa and the Americas. Orderbook in the Americas went down compared to first half '23, mainly due to the high activity on the projects in US the last 12 months, resulting in an orderbook conversion into turnover, with limited additions to the orderbook for the America region.

Europe still counts for more than 60% of the overall orderbook, as was the case year-on-year as well. It confirms the importance of our home market.

Overall, DEME maintains a high-quality orderbook with visibility for the next two to three years.

On the graph on the far right, we provide the orderbook run-off for the coming years, where we expect a remaining run-off for the second half of '24 of €2.04 billion. To clarify, this overview is based on segment reporting. It means based on proportional figures, so reconciliation is needed to convert these to actual equity turnover for the Group. The main element is the reconciliation of our joint venture in Taiwan.

As a conclusion, and I would like to emphasise, we maintain a high-quality order book for an extended period of time, knowing that the last consecutive 12 months, DEME had a combined realised turnover of €3.7 billion. It showcases again the continuity, the competitiveness, and the performance of all the DEME segments.

Moving to the breakdown of turnover. As was already mentioned, a positive trend of plus 30%. The segment breakdown in the middle teaches us the following. There is an increase in turnover year-on-year for the Offshore Energy segment, reaching €0.9 billion, or plus 37%.

The Dredging & Infra segment reaching nearly €1 billion turnover, or plus 39%. And the Environmental business ending up with €0.17 billion, or realising plus 22%.

Conclusion, strong double-digit growth across the board in all of our contracting segments.

Now, when observing the geographic breakdown on a year-on-year basis on the right, you notice that both Asia and Africa remain pretty stable in their relative contribution. Additional works in the Middle East and a slightly heavier weight of Europe nicely compensated for the decline in the Americas. This is related to the project phasing of both the Vineyard and the Coastal Virginia project. It reconfirms also that Europe, with 66%, remains an important market for the Group, as was also our conclusion on the orderbook.

As I already mentioned in my introduction, our profitability for first half '24 outperforms the turnover growth, with EBITDA going up 55% year-on-year, reaching an EBITDA margin of 18%, coming from 15%.

Dredging & Infra is leading here, with an EBITDA margin of 19%, while EBITDA of Offshore Energy improved year-on-year from 12% to now 18%. For the sake of completeness, I'm sharing that EBITDA in '23 for Offshore Energy was impacted by the specific project losses on two projects.

EBIT goes up 163% to €150 million and is reaching nearly 8%. Higher depreciations and impairments do clearly not impact on the EBIT margin, confirming that recent additions contribute to increased growth and profitability. The net profit is ending up at €141 million, with the earnings per share amounting to €5.58 compared to €1.19 year-on-year.

The next overview represented the key figures once more, but we will now focus a bit on the evolution of the depreciation and impairments. In the first half of '24, we reached an amount of €195 million, as compared to €165 million year-on-year. The increase is mainly due to the depreciation of the conversion of the Sea Installer, which only kicked in from quarter three '23 onwards; the Sea Installer, which you can see in all its glory on the presented picture actually; specific equipment of the Orion used for our projects in the US; the Yellowstone started contributing to the depreciations in quarter two of '24, and we have the impact of IFRS 16 leases.

On the topic of the financial results, you will remember that the results of first half '23, which were minus €30 million were impacted by unrealised exchange rate losses on deposits in local currencies. Today, we see the opposite effect, where the financial result sees a positive impact of currency differences.

To conclude, the key elements on the share of profit for joint ventures and associates. You will notice a positive €19 million contribution, which is a combination of positive amounts of the associates, mainly driven by DEME Concessions. In addition, we now also have the positive results of some of our joint ventures. It confirms, amongst others, that our setup in Taiwan and the investment in the grid chain are contributing now since beginning of '24 equally as well.

Before we go to the segments, a few words on our Group CAPEX, where the graph shows the evolution over the last seven years. From the graph we can see that after 2022, the reduced

but clearly continued investments in our technologically advanced fleets prove also a very stable net book value compared to first half of '23, where we had the peak level also in our CAPEX of around €500 million in 2022.

First half year CAPEX mainly consists of: ongoing maintenance investments in the entire DEME fleet; increased capacity of our cabling vessel, Viking Neptune; more investments for the conversion of the Yellowstone, which you can actually see on the right, a great shot taken of it recently; and the addition of the Karina.

Relating to our balance sheet items, our net financial debt, cash and working capital figures are very well under control and they also keep improving. Please keep in mind that for these cash and debt positions, the Green Jade, our DP3 offshore vessel within our joint venture in Taiwan, is not included in this figure, nor are the cash and debt of our investment in associates and joint ventures that are consolidated according to the equity method.

We realised a free cash flow before dividend of €278 million, mainly thanks to strong profitability, a lower investment level, and a stable level of operating working capital relative to the turnover. As mentioned before, but I still want to emphasise, again, the financial debt massively improved to minus €352 million compared to the first half of '23 figure of minus €715 million, leading to a very healthy net financial debt over EBITDA ratio of 0.5.

And attached, we also have a very nice example of our vessels, the Living Stone of the Offshore segment and the Bonny River of the Dredging & Infra segment, working jointly on an assignment.

Now, while Luc will take over after this overview and give you more in-depth business and operational insights and updates, I will share some financial details already on the segments itself. We mentioned that the increase in the Group turnover was mainly driven and in continuation of the high activity as from quarter three '23 onwards. This was strengthened by favourable variables, solid execution, and no major loss-making projects resulting in an increased profitability. As the top left graph shows, this on all of our operational segments.

For the Offshore segment, some additional remarks. The combined impact of the expanded capacity in the recent two years, the Orion, Green Jade, Viking Neptune, and converted Sea Installer with high activity levels resulting in a higher turnover.

On the matter of EBITDA and EBIT, in the first half of this year, we clearly delivered well, resulting in excellent outcomes on the majority of our projects and translating it in an increased profitability for the Offshore Energy.

For the Dredging & Infra segments, there as well, the higher occupancy explains a substantial increase in turnover of 39%, and EBITDA of 19% which are robust figures for the segment, which one can also notice when comparing with the 14% of the year-on-year comparison. EBIT of almost 8%, amongst others, supported by high EBITDA with little increase in depreciation.

The Environmental projects, solid execution procedures results in historically high results. Of course, considering an exceptional favourable impact on the settlement on the completed project in the Benelux in '23 which obviously is not applicable in the first half of '24.

The Concessions segment, where we mainly step into concessions when there is a clear scope for any of our three operational segments, this setup clearly works when looking at the

following. Since the start, substantial contracting revenue as well as the value of projects have seen a steady increase. Until date, own equity invested and loans now stands at €230 million.

The combination of the above initiatives, so both on the offshore wind farms and the infrastructure, generates a recurring income in the first half year of €11 million. This is lower compared to 12 months ago, which was helped by a combination of strong winds, high energy prices and a one-off related to a change in the Belgium legislation.

The biggest turnaround can be found in the combined share of profits of joint ventures and associates which now contributes €19 million compared to the €3 million of 12 months ago.

To conclude from my side, I can state I'm an extremely proud CFO for what the company has achieved in the first six months.

**Luc Vandebulcke:** Thank you very much, Stijn. Now on the backdrop, you see our foundation installation vessel, Orion, and it's at work on the Moray West project. I will now delve a little deeper into the performance of our four segments.

Let's start with Offshore. Offshore Energy continues to have a very solid orderbook. It stood at €4,003 million, which is up from €3,892 million a year ago and €3,755 million at the end of '23. The orderbook was fuelled by several major new contract awards, which will run over the following years, and they include two large cable installation projects from Prysmian for the IJmuiden Ver Alpha and Nederwiek 1 offshore grid systems in the Netherlands, as well as a big export cable project for the Belgian Princess Elisabeth Island. DEME's JV in Taiwan also expanded its orderbook to include foundation works for the Fengmiao project.

As Stijn already touched on these numbers, revenue climbed 37% year-over-year, driven by solid demand, expansion of the fleet and a robust project execution.

Offshore Energy maintained high activity levels with high fleet utilisation across different projects, 24 weeks in the first half of the year consistent with the second half of last year. And that fuelled a strong EBITDA with the margin up to 18% compared to 12% in the first half of '23.

DEME welcomed Yellowstone to its fleet, the world's largest fallpipe vessel, illustrative how we take a long-term view and anticipate future customer demand. This fallpipe vessel is particularly suited to projects further from shore and when longer distances are involved. Yellowstone will commence operations in the third quarter of the year. It will start in Europe, and then it will move to the US.

We also welcomed Karina, an offshore survey vessel, and we have put it into operation during the first half of this year already. Additional vessel improvements include installing a second cable turntable on the Viking Neptune and that vessel will instal inter-array cables for Dogger Bank B project in the UK throughout the remainder of the year.

We have some of the key projects here on slide 17 and they also, I think, nicely illustrate our coverage across the globe in the offshore wind sector.

In the UK, Offshore Energy successfully completed the foundation works for the Moray West offshore wind farm and they finalised the inter-array cabling works for both Dogger Bank A and the Neart Na Gaoithe projects. Meanwhile, in France, DEME concluded the wind turbine

installation for the Fécamp offshore wind farm and we kicked off the Îles d'Yeu and Noirmoutier project installing monopiles, a jacket and a substation during the first half.

In Asia, DEME's JV completed the installation of jacket foundations for the Zhong Neng project in Taiwan, achieving already first power on time. The JV then kicked off the Hai Long project with its new offshore installation vessel, Green Jade, and successfully installed the first jacket and topsides for the substation, as well as all the pin piles already that were scheduled for this season and that is all in line with the plan.

In the US, Offshore Energy continued installing turbines for the Vineyard 1 project and we successfully commenced the multi-year Coastal Virginia offshore wind project for Dominion Energy and that on schedule, installing the first of the 176 in total planned monopiles.

Then we go to Dredging & Infra. Amounting to about €3.3 billion, Dredging & Infra's orderbook remained robust and registered a healthy intake of diverse range of projects nearly matching the conversion of orderbook into turnover.

Noteworthy achievements in the first half include: an exemplary coastal protection programme in Grand-Lahou in Ivory Coast, Côte d'Ivoire; the expansion of a container port in Malaysia; a series of projects in Italy for the ports of Naples, Cagliari and Augusta; and a notable maintenance project for London Gateway in Europe.

A turnover at almost a €1 billion climbed nearly 40% when we compare it to the same period of last year. The performance was mainly driven by a variety of projects including capital and maintenance dredging as well as some large-scale infrastructure works.

EBITDA margin increased and this to 19% for the first six months up from 14% for the first half in '23. Vessel occupancy for both the hopper and the cutter suction dredger fleet increased compared to the first and second half of last year, driven by recent contract wins and an effective planning of the fleet.

On to slide 20, we give it here a bit more colour with some of our key projects in the first half of '24. Closer to home, we made good progress in constructing the tunnel elements for the Scheldt Tunnel, which is part of the Oosterweel connection project in Antwerp.

For the Princess Elisabeth Island, the first caissons are being built in Flushing. You can see that in the picture at the top there, and the marine works have started including seabed preparation and foundation layer installation.

The Energy Island is a world's first and it will become the cornerstone of a European high voltage grid at sea. As said before, DEME's Offshore Energy segment won during first half of '24 also the large subsea cabling contract to connect that Energy Island with the Belgian offshore electricity grid.

Other noteworthy infrastructure projects with milestones in the first half of '24 include the opening of the RijnlandRoute and the Blankenburg and New Lock Terneuzen projects that are now nearing completion.

In Denmark, the Fehmarnbelt tunnel project is progressing with the first tunnel element inaugurated by the King of Denmark in Q2 of this year.

In the dredging activity, we continued working on multi-year maintenance contracts in Belgium, in Germany, making sure that some of the most important ports in Europe remain accessible.



And in Germany, the segment is working on widening the Kiel Canal. And in the UK, the segment secured a new contract to maintain the access channel to London Gateway Port along the river Thames following the successful completion of a berth construction.

In France, next to the rock dredging works at La Pallice, La Rochelle that is, the team also continued the deepening works at Port-La Nouvelle. At the same port, the civil works advanced to the next phase with the construction of a new jetty.

A bit further afield in West Africa, Dredging & Infra initiated a coastal protection project, as I mentioned before already, in Ivory Coast. And the segment remains active with land reclamation works in Nigeria and maintenance dredging projects in Congo, Angola, Gabon, and Guinea.

Then going to the Middle East, we continued capital dredging and land reclamation works at the Abu Qir project in Egypt. While in Abu Dhabi, multiple of our hopper and cutter suction dredgers were busy. For the port of Oxagon in Saudi Arabia, a large multi-year project awarded late '23 that was, the dry excavation works are advancing well and that in anticipation of the upcoming cutter suction dredging works.

And finally, in India, we're strengthening our presence with multiple port maintenance projects ongoing on both the East and the West Coast of the country.

Now we are moving to our Environmental segment with a nice picture here of a large environmental project in the UK, that is the Bowling project.

Turnover for our Environmental segment increased 22% compared to the same period last year, and it stands now at €175 million. The top line growth was fuelled by ongoing work on long-term and complex remediation and flood defence projects in Belgium, in the Netherlands, in the UK, and Norway.

Environmental's orderbook remained healthy and stable at around €330 million in the first half from that was around €326 million a year ago. EBITDA for the first half of '24 was €23 million with an EBITDA margin of 13%, down from 23% a year ago. But mind you, the EBITDA result in '23, as Stijn already mentioned, was favourably impacted by a one-off settlement.

With decades of experience in handling polluted brownfield sites, DEME Environmental is really well-positioned to leverage its expertise for redevelopment and is actively continuing to explore targeted opportunities in Italy and the UK.

The segment has recently signed a long-term contract for the reconversion of a former ArcelorMittal site near Liège, a project which we will be doing in collaboration with public and private partners.

In Belgium, you can see a number of key projects here. In Belgium, the main ongoing projects are: Blue Gate and Oosterweel in the Antwerp region; Felluy and Cokeries du Brabant. And commencing in 2016, the redevelopment of the Blue Gate project in Antwerp, which is a 66-hectare site, is now moving into its next phase. And that is the full-scale development of the site.

And in a highly complex remediation project at a former fuel terminal near Glasgow, DEME Environmental has advanced well with the vast majority of the material now being cleaned and reused. And with an area of 41 hectares, this is one of the largest remediation sites in the UK.

In the Netherlands, we are further expanding our footprint on major dyke reinforcement projects, part of the Netherlands, what we call the National Flood Protection Programme, and other projects such as GoWA, the Sterke Lekdijk, and now also around the historic island of Marken.

And then let's finally move to our Concessions segment with a view on the project of Port-La Nouvelle.

The Concessions segment delivered a net result of €11 million. The first half of 2024 saw relatively high wind production, but meets with a challenging first-half comparison base compared to 2023, which benefited from a combination of a buoyant wind generation, higher electricity prices, and as you remember, a one-off result from a new legislation in Belgium.

In Offshore, the Concessions segment remains its stakes in operational wind farms that have a total installed capacity of more than one gigawatt. Additionally, the segment continues working on the two-gigawatt Scotwind concession and is preparing for, as we have announced, the upcoming tenders in Belgium.

For Dredging & Infrastructure, Concessions maintained its focus on projects both in its portfolio, but also under construction, and they include the Blankenburg Connection in the Netherlands, the Port-La-Nouvelle port project in France, and the port of Duqm in Oman.

As well as exploring new opportunities, the team continued working on the preliminary awarded project for the construction and operation of a new deepwater terminal that is for the Port of Swinoujscie in Poland.

Then we have the longer-term growth initiatives in the Concessions agreement – in the Concessions segment, I mean. DEME's HYPOR Energy is advancing its position to be amongst the first in the world to produce green molecules from renewable energy. In July, DEME and OQ announced a strategic partnership with energy giant, BP. In this partnership, BP becomes an equity partner and an operator of our flagship green hydrogen project called HYPOR Duqm, acquiring a 49% stake, while OQ and DEME each retain a 25.5% share.

HYPOR Energy also struck a new cooperation agreement with the Egyptian government and that to study a next industrial-scale green hydrogen project in the Gargoub port area.

And Global Sea Mineral Resources, our subsidiary focussing on the responsible deep sea minerals sector, they remain actively engaged in the legislative process and progress which is going on at the International Seabed Authority.

Then let's move on from our four segments, and I would like to shed some light on some of the key achievements in our ESG and our safety performance.

Firstly, Environmental. So DEME advanced this strategy to promote the transition to clean energy during the first semester, doing installation works, as you have seen, for offshore wind farms projects now in Europe, in Asia, and in the US. And we have been touching on these projects, of course, in the offshore segments.

In its large infra-activity, DEME is involved in construction of the longest immersed road and rail tunnel in the world, which is the Fehmarnbelt Fixed Link project between Denmark and Germany. The tunnel will foster sustainable trade and tourism, reducing travel time and facilitating green transport by the use of electric freight trains. And as mentioned before, the

same segment also started already now the building of the first caissons for the Princess Elisabeth Energy Island here in Belgium.

Finally, DEME remains actively engaged in long-term renewable energy initiatives, including the production and storage of green hydrogen. And the main milestone we mentioned already before was the announcement in July of the strategic cooperation with BP for the ongoing green hydrogen project in Oman, the HYPOR Energy Duqm.

The company has also set an ambitious target regarding its energy efficiency within its operations. And we are focussing on three strategic pillars: the operational efficiency, technical efficiency, and the shift to more sustainable fuels.

The newly added Yellowstone vessel that adheres to all three pillars is the industry first dual fuel fallpipe vessel. It fully complies with the latest emission standards and it is prepared for green methanol. It's also equipped with a hybrid power plant and a waste heat recovery system to further optimise our energy efficiency.

On the social dimension, DEME continue to invest in retaining and attracting talent to support the DEME's short and long-term growth with the most prominent initiatives called our Where Next campaign. And that is an international employer branding and recruitment programme that includes targeted career days and participation in job fairs and other kinds of events.

As part of our commitment to safety, the Group has held its Annual Safety Week. And we initiated the Safety Success Stories campaign. Later on the year, in the second half, we will have our dedicated safety moment.

I would also like to mention a number of governance aspects. During the Annual General Meeting, the shareholders approved the appointment of Ms Gaëlle Hotellier and Ms Marieke Schöningh as independent directors. We welcome them on our Board.

This will bring the total numbers of female Board directors to four, four out of a total of 11, elevating the gender diversity of the Board to 36% female representation.

Regarding the changes in our Executive Committee, as Carl mentioned, Stijn, our new CFO succeeded Els Verbraecken in May and became a member of the Executive Committee. Appointing Stijn was clearly the right decision. The transition between Els and Stijn was well managed. And we are really fully confident that Stijn will excel in its future endeavours as DEME's CFO.

And lastly, regarding ESG assessments, DEME Group maintained, as you can see, its A-score from MSCI and achieved a Sustainalytics score of 30.6. And that is an improvement compared to the 31.8 in '23. The Ecovadis assessment in '24 led to a silver score for both the Environmental and the Offshore Energy segments. And CDP scores for DEME Offshore will become available also later this year.

And finally, of course, let's go to the outlook. As you can see, DEME remains strategically well-positioned to drive the energy transition, to tackle environmental challenges, and to ensure reliable, open access of marine trade. We have clearly made the strategic investments needed to have the world's most advanced fleet. And we continue to ensure that we have the best people in the business.

All of this will allow us to continue to deliver robust, sustainable, and profitable outcomes. And thanks to the impressive result of the first half, we have raised our turnover outlook for the full year, and we now anticipate revenue growth of around 20%, representing a record turnover level.

The EBITDA margin is expected to compare to '23. Remaining unchanged, the CAPEX for the year is estimated at between €300 million and €350 million. And then looking ahead, management expects the top line for the next few years to be in accordance with our anticipated result in '24, taking into account the acceleration in '24, our current project schedules, new projects in the pipeline, and of course, our vessel capacity. The EBITDA margin is anticipated to range between 16% and 20%.

That concludes it from my side. And on behalf of myself and the entire DEME management team, I would also like to thank you already now for joining us. And I'll now give the floor back to Carl for the Q&A session.

## Questions and Answers

**Carl Vanden Bussche:** Thank you, Luc and Stijn, for your insights on our half-year results. We will now begin the question-and-answer session. I assume most of you know the drill. But there are essentially two ways of asking questions. For participants on the conference call line, please dial star one, and the operator will place you in the waiting room before you can ask the question. For participants in the webcast, you can use the chat forum to submit your questions. From our side, we will mix and manage the flow, do our best to field questions from the different angles. And so for those using the webcast chat, kindly submit one question at a time. And for participants on the conference call, as usual, please limit yourself to one or max-max two questions at a time. If you have additional questions, please then queue again. This approach will enable us to cover the questions from various participants effectively.

We are now ready for the first question, so please go ahead. And I see already some activity on the conference call line. And we'll take the question from Thijs Berkelder from ABN AMRO first. Thijs, welcome to the call.

**Thijs Berkelder (ABN AMRO-ODDO BHF):** Yeah, good morning all. Congratulations with strong results. And Stijn, welcome to the team. You've done so far very well. If this is a first step to what is coming in the near future, we are very curious.

First question. I have many, many questions, but I limit it to one. Primarily on your outlook statements, your H1 margin was 300 basis points higher than a year ago, and still you expect a flat margin for the full year. So implicitly, you expect margins to show a decline in the second half versus last year. Can you explain why? And in addition on the medium-term outlook, looking at the strengths of your order backlog, your confidence on your revenues for the coming years, and the fact that you are still in startup phase on many large projects, so margin recognition will come in later, why would it be possible to still deliver a margin of just 16-18%, the low end of your medium-term guidance range, without countering major mistakes, delays or whatever?

**Carl Vanden Bussche:** Okay. Thank you, Thijs. So I'll split it out in two questions still. So perhaps the first question on the near-term, the 2024 outlook, and the EBITDA margin for the full year in terms of guidance and keeping it comparable to 2023. Luc or Stijn?

**Luc Vandebulcke:** Yeah. Good morning, Thijs. I'll take maybe your questions, and Stijn will jump in as needed or as he feels to.

First of all, let's look at this year. And you have your questions. We have had a strong first half of the first half year, that is continuing, I would say, the evolution of the second half of last year, which was already pretty strong.

And so we were now, of course, heading for the second one, which we will have to compare an already strong second half of last year. And I think based on that, we have raised, of course, the top line in terms of EBITDA. You see that we give rather – we don't give an exact range, but we say rather in line with the overall year of last year, which based on the orderbook, on the outlooks on a strong half year, we think is really realistic.

Now, then going to your –

**Thijs Berkelder:** So you're guiding for a lower EBITDA margin in the second half than the second half of '23?

**Stijn Gaytant:** Well, yeah. Okay, we see that Stijn has a technical problem. Well, we're guiding for the overall year, Thijs, and that is based on what we see in the orderbook, the progress of the projects, the occupation of the fleet, which was very high in the first half year. So I think what we are guiding now is really realistic, the overall EBITDA figure or margin. Yeah.

**Luc Vandebulcke:** Maybe to add to that, current EBITDA margin is 18%. EBITDA margin last year was 18.2%. We say comparable, so there is still a potential increase of EBITDA margin of 18% for potentially the second half. So it is not that we are fully flattening it out, of course, Thijs.

**Carl Vanden Bussche:** Yeah. No, thank you, Luc and Stijn. Then perhaps on the second part of the question, so more looking to the EBITDA margin range that we apply for the guidance over the next few years. Luc?

**Luc Vandebulcke:** There, Thijs, I fully understand your question. Let me say it like that. We are a project company, so that's why we have taken historically relatively broad range. That's true. But looking back, many people may be surprised about our results. I'm not. Last year we already said, in the second half, we had a strong half year. But of course, we had the project starting up, as we mentioned, in both Asia and the US. And a project business, we have to have, I think, a relatively broad range. But that being said, also in the encounters that we had, the management is and should be aiming for the rather upper side of the range and without any major hiccups, I think that should be the aim. And that you well understood.

Keeping the lower end is really a bit protecting against major geopolitical changes, hiccups in the projects, which could go pretty fast because you're working with big equipment. We're working across the world. So I understand your question. And yes, probably the 16% would be really preparing for a more accidental course of a year. But rest assured, we're aiming for the top side.

**Carl Vanden Bussche:** Yeah, thank you. Thank you, Thijs, for your first questions. We'll move on and take the questions from David Kerstens. So David, welcome to the call.

**David Kerstens (Jefferies):** Hi. Good morning, gentlemen. I have two questions, please. First, can you talk about the drivers of the strong profitability improvements in Taiwan and the impact on your P&L, particularly the reconciliation line in EBITDA, making a big move from €15 million positive to €24 million negative? And also the strong improvement in the net profit from associates. Can you talk about what's driving that and how sustainable that is going forward?

Then my second question is about your comments about the Karina, the offshore survey vessel that you added to the fleet in the first half of the year. Can you talk about your strategy in offshore survey and how much you are planning to invest going forward? And is the plan to reduce the dependence on external survey providers? Thank you very much.

**Carl Vanden Bussche:** Okay. David, thank you for the questions. Just looking to Luc and Stijn for the first question on performance Taiwan and how that kicks it into the profit lines.

**Luc Vandenbulcke:** Yeah. Here again, I think, David, thanks for your valid questions. We have to look at what is driving the Taiwan results, which is a market where we have a good local partner. We have solid execution. And you have to see that we're comparing the figure with the last year where we have mentioned that there is not so many projects. And as soon as you have a bit of a hiccup and/or delay or a problem on a project, that impacts those results.

So you have to bear in mind, David, that we're comparing to last year in which we clearly said we had a project with some problems. So I think we're going to good execution, strong execution with normally unexpected margins in Taiwan.

Maybe, Stijn, you want to add something on the net profit for associates and JVs?

**Stijn Gaytant:** Yes, so we have the share of profits of joint ventures and associates, €19 million. Out of that, €11 million is on the net results from associates, which is mainly driven by the recurring income that we see on our Concessions segment, which is the offshore wind parks and also some of the contributions from also the infrastructural part of the Concessions. That means from the joint ventures, the difference between the €19 million and €11 million, you can make the calculations to see what is the contribution also of our joint ventures which indeed Taiwan is a considerable part of as of today.

**Luc Vandenbulcke:** Yeah, and then maybe I take your second question because that was on Karina and strategy in the geo and the offshore surveys.

Now, DEME – of course, part of it is what you seem to suggesting is our own works. But we do a lot of works towards third parties, towards the market. Karina, I think the ones who are more specialised and deeper into that, you know this is a geophysical survey vessel. Geophysical work and the interpretation of that is very much a high-tech business. It's something which we use in all the areas and the fields that we are operational in, be it the offshore wind, be it the concessions and the upstream evaluation of our concessions, be it the dredging and the infra where, of course, this geophysical, which is really a surface survey where you can, let's say, analyse upstream the dredgability and the variance of what you have.

So those geophysical works are something which we want to continue to do, both for the internal market but also for the externals. And we think that really this is a relevant business for us because it's high tech, it's data processing, it's what we need for all our segments. And that's really the area of geotechnical/geo-investigations that we want to continue to develop.

**Carl Vanden Bussche:** Yeah. Thank you, Stijn.

**David Kerstens:** How important is that today, the external market?

**Luc Vandenbulcke:** Well, I don't think we give detailed figures, but the external market for this field is important compared to a business which is not a very big business in the entirety of the Group. But it's certainly not, let's say, a captive business. Our companies like G-Tec and Cathie Associates are doing the vast majority of their work for outside clients.

**David Kerstens:** Thank you very much.

**Carl Vanden Bussche:** Yeah. Thank you, Stijn and Luc and David, for the questions. A lot of questions in the conference call. Next in line, Luuk van Beek from Degroof Petercam.

**Luuk van Beek (Degroof Petercam):** Yes, I have two quick questions. First is on H2. In H1, the utilisation relapses were very high. So should we expect any additional maintenance, lower occupancy in the second half of the year or any other special project effects?

My second question is on the longer-term outlook. Would you say that you are more or less fully booked for the next couple of years? So that's the reason why you expect such revenues in the next couple of years? Or is it more because you – so is that the key reason, basically?

**Carl Vanden Bussche:** No. Clear questions, Luuk. Thank you for that. So first, some comments, Stijn, on the utilisation first half towards the second half and plant maintenance.

**Stijn Gaytant:** Plant maintenance. I think you're probably also referring to the CAPEX that is foreseen. So CAPEX, we are at the moment at €167 million. Our range is between €300 million and €350 million towards the year end. And yes, that includes recording maintenance also in the second half of the year, which is not something which is exceptional. We've shared also with you the graph from the CAPEX on the period of seven years. And you see there is always minimum amount on a yearly basis, which is foreseen. So nothing exceptional compared to previous years.

**Carl Vanden Bussche:** Okay. And I think, Luuk, you had also that question on the longer-term outlook, what are the drivers? I think we touched briefly on it in a previous question. But perhaps.

**Luc Vandenbulcke:** Yeah. But I think I understood your question to be on the longer-term outlook and whether we were fully booked. I can say that is not the case. So we can see that also from our orderbook. But what we rather see is that, of course, we have – we should acknowledge we have made a significant or we're about to make a significant jump at 20% in a contracting environment, which you depend on, of course, on the amount of people that you have and on the amount of assets. That is – we are making that jump.

And based on that and on an already high occupancy, we think that this is more or less a sustainable level, which we are heading to. We are guiding, as you can see, for in-line width. But we really think we made a significant jump in turnover already. But it's not to say that we are for years and years, fully booked. It is what we think we can book based on the provisions and on the fleet that we have.

**Carl Vanden Bussche:** Yeah. What we would call the fleet...

**Luuk van Beek:** The background of my question –

**Carl Vanden Bussche:** Sorry, Luuk, say again.

**Luuk van Beek:** So the background of my question is also if, say, the new vessels and concessions that you have in the pipeline were at significant capacity or at the best level that you expect to achieve this year is more or less what you can do with the capacity that you have in the pipeline?

**Luc Vandenbulcke:** Well, I think we have to be careful with drawing too much conclusions on that. Yes, we have a significantly high occupation of the vessel. But at the same time, it depends on the mix of portfolio. So I don't think you should see that we are limited to an absolute figure of turnover in the mid-to long-term future because we have a mix of infra, environmental. Sometimes we do, as you know, EPC projects for offshore wind, which we currently don't have in portfolio.

So you have to, let's say, not base itself only on the occupation of the vessels. But we do see occupation is pretty high. And based on those occupations on the orderbook and what we are negotiating, we think that the guidance is pretty accurate.

**Luuk van Beek:** Okay, thank you. That's all for now.

**Carl Vanden Bussche:** Okay. Thank you, Luuk. We'll move on with the questions from Christoph Greulich from Berenberg. Good morning, Christoph.

**Christoph Greulich (Berenberg):** Yeah. Good morning, and thanks a lot for taking my question. I would like to talk about the Vineyard project in the US. Last year in H1, we had those extra costs that were related to, let's say, pending resolutions of certain claims and variation orders. If I remember correctly, you have accounted for some income from that already in H2 last year. I was just wondering if you could provide a bit of an update, if you also have seen some additional income from that in H1 this year and if this is all fully resolved now or if there's still ongoing discussion? There might be some further additional income in H2 or in the coming years from that?

And then just on the same project, I mean, more recently there has been a plate failure which I understand also has led to stop off the installation work. Just wondering if it's already clear what was the reason for this plate failure, if it was the material, if it was related to installation and if it's already clear who's bearing the additional costs? Or basically if there's any risk for DEME to see some additional costs from the plate failure? Thank you.

**Luc Vandenbulcke:** Yeah. So on the first part, maybe, Christoph, of your question, we are continuing negotiations with the clients and I don't think there is something which we really want to update on that in the first half of the year.

In terms of the second, so just on that first part, as we did last year, we made a thorough assessment of the likely income of our discussions and that has been taken into the figures.

As to the second part of your question, blade failure, I think it's not up to us to discuss technicalities about causes and stuff like that. That's really up to the client and the OEM who produced the turbines. As for ourselves, as you know, we are installing the turbines and the authorities have authorised now to continue the installation of the turbines. So we are doing the installation with DC installer of what we call hammerheads. And hammerheads simply means we are installing the towers and the nacelles without the blades. So for us, the installation is simply continuing on the project.



**Carl Vanden Bussche:** I think I can add to that, in a conference call last week, GE admitted that the fault of the topic was fully with them. So it is related to a quality issue in their production plant. So just to make it sure, nothing to do and out of our control in terms of installation. So I think that covers it for Vineyard for now.

**Christoph Greulich:** Yeah, very clear. Thank you.

**Carl Vanden Bussche:** Yeah, okay. Thank you. And we'll move on with a question from Guy Sips from KBC Securities.

**Guy Sips (KBC Securities):** Yes, thank you. I also have some questions on the utilisation rate, but you already elaborated on that. Perhaps we can focus on the Duqm BP investment. I know it was passed after the closing of the first half. But can you give some more colour on that? And what can we expect going forward in the numbers of DEME of this transaction? Thank you.

**Carl Vanden Bussche:** Okay. Luc, you want to do Duqm.

**Luc Vandenbulcke:** Yeah. Thank you, Guy. So we had our project in HYPOR Duqm. Now we have BP stepping in. They will take a 49% share, whilst OQ and DEME keep a 25.5% share in the project. So that's now the new configuration of the project.

What are the next steps? Because I think that's probably what you are asking mostly. We will do – we are in the process now of a detailed analysis together with BP, who also take – by the way, because that's an important point which I needed to say. They take the operator role of the project, meaning that they will have the full operational control and are revising the assumptions – reviewing is the right word – reviewing the assumptions that we have made before. So the technical part of it.

And secondly, of course, most importantly for such a project is the offtake. And with the offtake will also go the phasing of the project. So, of course, we want them to be aligned, the offtake and the phasing. And that's what's going on right now. So we are having detailed conversations and further analysing the project and looking at the different possible scenarios of going forward. And that will take, well, at least a year, if not a bit more time before we will then come back to the market and saying, this is how the project itself will be rolled out in more detail.

**Carl Vanden Bussche:** Yeah, I think that completes it for the Duqm. Yeah, go ahead, Guy. So then I assume you're good with the response so far. And we'll move on with another question from the conference call line from Andre Mulder from Kepler Cheuvreux.

**Andre Mulder (Kepler Cheuvreux):** Yeah, good morning. Two questions. Firstly, dredging margins. I think at the last occasion you hinted at the fact that for a number of projects you were reaching the end phase, and as such the margins in that part were rather high. Did that play a role in the first half? And would you expect the same to happen in the second half?

Secondly, on CAPEX. Also in the last meeting, you said that yards are becoming a bit more hungry and that would be a good time to start ordering vessels. What's your time path there?

**Carl Vanden Bussche:** Yeah. Thank you, Andre. Good questions. Perhaps the first one, Stijn, on the margins in dredging first half and how we see that evolving.

**Stijn Gaytant:** Well, we've seen a very steady performance within the first half year of the dredging segment. We do have a large amount of projects in different sizes. You mentioned at the end phases sometimes the margins are higher. I think the main thing is that we have a continuation with a project starting up. The phasing is importing, projects ending. So there is not necessarily a special effect in the first half year, neither do we expect actually in the second half year. So this is a bit project-wise and phasing a standard period for the time being.

**Luc Vandenbulcke:** Yeah. In terms of your second question, well, maybe a couple of comments on that. We keep an eye on the shipbuilding prices. I don't remember half a year ago how our view was exactly. But I think honestly it's still the same as today. We see pretty high prices. Of course, we're keeping an eye on the market, both on the Asian market and on the European market.

So I would say they are still high. Of course, nobody knows what they will be going forward. And we will only know in 10 years looking back whether we are at the top of a cycle or whether prices will remain at that level. So that being said, of course, we are continuing to consider investments. So I cannot go into more details now.

But it's certainly not that we have ambitions of net zero financial debt or things like that. We are optimistic in all our segments. And we always, as our shareholders say when they come to us, as engineers, we always have plans for investments. But we don't have any announced. You know that. We will come to you as soon as that is the case. But I would say the prices are today, to my opinion, still quite high.

**Carl Vanden Bussche:** Yeah, thank you.

**Andre Mulder:** Can you give a view? Can you give a view of what CAPEX should look like for next year?

**Stijn Gaytant:** No, we haven't guided yet.

**Luc Vandenbulcke:** We don't necessarily give at this time any guidance on what CAPEX could be for next year. No.

**Andre Mulder:** Okay, thank you.

**Carl Vanden Bussche:** We'll move on with the next question in line from Thomas Martin from BNP Paribas.

**Thomas Martin (BNP Paribas Exane):** Hi. Thanks for taking the call and the questions. We touched on this before, but can I maybe try and expand a little bit? Your long-term guidance basically for flattish revenues from the higher 2024 level. Can I ask, does your existing backlog broadly incorporate flat pricing? You've already noted the high vessel occupancy levels that you've got. So I'm trying to understand broadly if flattish long-term revenue guidance incorporates flattish pricing and ongoing high activity levels, or is there one moving in opposition to the other there?

Second question related to the comments just made, I guess. Maybe you could expand for us a little bit. Do you believe offshore wind activity across the industry is now plateauing? Some developers have slowed their expansion plan. Or if it's likely to increase, are you happy to see your market share reduce? And I guess, I'm thinking that if you believe in growth and your market shares are going to come down, then at some point in time, you do need to invest in

additional capacity. And it looks like you need to do that relatively soon, given your high utilisation levels. Your market views would be appreciated. Thanks.

**Carl Vanden Bussche:** Thank you, Thomas. Broad questions, I'm inclined to say. Anyone willing to take the first one on the longer-term guidance related to backlog and pricing levels?

**Luc Vandenbulcke:** Yeah.

**Carl Vanden Bussche:** Yeah, Luc.

**Luc Vandenbulcke:** Well, I think a couple of years ago at the beginning, we were saying, and we've all seen that – I'm talking maybe now specifically for the offshore, that the order intake was at the prices that had been, let's say, taken into account from two, three years, four years ago, because they have quite long lead times.

Certainly, we see an improved pricing there. And I think we see that more or less across our segments. But that being said, what we have is a product mix. We have an occupation of the vessel. We have the project outlook. We have the performance on the project, which again, I cannot stress enough, is a key driver. I'm not surprised by the results of this year.

You also have the results of the second half of last year. If in a project business and at the levels of activity and margins that we have today, you have no hiccups on the projects, this is really what we are delivering. So I would say it's a mix. I wouldn't go as far as saying there's a flattish pricing or there will be less occupation. It's a mix of many factors.

In terms of offshore wind plateauing, the offshore wind continues. And you all know to have very strong ambitions. People are talking towards the end of the decade of 25 gigawatt. We are also seeing continued growth and a lot of projects in the pipeline. There's a number of things which will need to happen for it all to materialise. And I think the production of the turbines, the OEMs, the permits are part of that.

The evolution of the US market, of course, we may see a change, a little bit in attitude, although a lot of the projects are now being – or that we will see quite a lot of projects awarded this year. I think I was talking about 10. It will be probably rather seven, eight but close to 10 in terms of award. So we also see continued growth there.

And in terms of then your question, if we are seeing that growth, should we continue to invest in that business? We are continuing to invest. We have doubled the capacity on the Viking Neptune on the cable layer. We have almost doubled our capacity in rock protection works with the Yellowstone joining the fleet. You see that vessels like Green Jade and Orion are showing their real strength this year in terms of what we can install in a number of foundations. We are seeing that we learn a lot about their capability of working in harsher weather conditions.

So we see them operating really through the seasons. So I think in a natural way – we have been investing in a natural way. The capabilities of our vessels are being further discovered and heightened.

And of course, on the last point, in the subsegments, which you know, which are the foundation installation, the cables and the turbine installation, we see quite different supply-demand landscapes. And we will try to focus on the ones where we see the highest supply-demand and balances. And also there, I can say, as I said earlier, I don't – I think it was to Christoph or to Andre, we are continuing to look at opportunities and investments also in that field, for sure.

**Carl Vanden Bussche:** Okay. Thank you, Luc. And perhaps one question from the chat a bit related to that, but then specific on the US. The question is, what is the status of the US market and what could be the impact of US elections on our – in general, the offshore market, I think, is meant here.

**Luc Vandenbulcke:** Yeah.

**Carl Vanden Bussche:** If you can give some colour on that.

**Luc Vandenbulcke:** Yeah. Well, I gave you a brief flavour of that. What we see is that the States today and the national government is awarding quite a number of projects. So that is – of course, that gives you a flavour of what the Biden-Harris administration and probably in continuation, if it's the case, the Harris-Walz administration would do. So I think there is the need for renewable energy in the Northeast and also in the Southwest, which you see now coming up. So I'm pretty optimistic on the demand continuing there.

Of course, if we would see a Trump administration coming back, there we may, I think, see some symbolic actions. We know that Mr Trump is not particularly fond of offshore wind. That's maybe since we built one of the wind farms in front of his golf court in Scotland, but that's probably a personal attitude of him. But that, all laughing apart, I think the States need this renewable. The states I'm talking about need this renewable energy. I'm talking about Virginia. I'm talking about Maryland, Massachusetts. Name them, all the Northeastern states.

And the central government can have a little bit of steering/adjustments, which may affect a couple of the projects and create a little bit of bad press, as he can do. But I don't see it really in the long-term affecting significantly the demand in offshore wind in the US. But that's probably my personal opinion.

**Carl Vanden Bussche:** Okay. I see still two more hands in the conference call line. One from Andre Mulder, if that is a new question in addition to the ones said before. Andre?

**Andre Mulder:** Yeah, it certainly is. For dredging, you split your utilisation rates in the hoppers and cutters. Could you give an indication of at least a qualitative one of how the utilisation rates look for the main categories in Offshore Energy? For example, on a foundation installation, turbine installation, or cable layers?

**Luc Vandenbulcke:** Yeah. We don't give a subdivision there of the utilisations for the Offshore Energy segment. So we give an overall figure which is really high these days. And going to a further subsegment, first of all, I do think that is commercially sensitive. But secondly, on a quite technical point, there is some of the vessels, significant vessels like the Innovation. Innovation is today installing and drilling monopiles. It was, until yesterday, by means of speaking, beginning of the year, it was installing turbines. Same goes for Sea Installer, and Sea Challenger.

So I think you would get a figure which hardly reflects a reality as you quite clearly see in the dredging category. So we will not go into further detailing of the occupation of the fleet in these sub-segments.

**Carl Vanden Bussche:** Mindful about the time.

**Andre Mulder:** If you would split it in the installation part and the cable layers, is there a main difference in utilisation rates? We don't need, of course, the decimals, but just a feeling of what the position is of both areas.

**Luc Vandenbulcke:** Well, you can see, Andre, a very high occupation these days. So today, I can tell you that the vessels of the fleet, being the cable layers or the installation vessels, if you split it in those, both have high to, let's call it, very high occupation rates.

**Carl Vanden Bussche:** Yeah, thank you.

**Andre Mulder:** Okay, thank you.

**Carl Vanden Bussche:** Yeah. Thank you, Andre. And mindful about time. I think we have time for one last question. I know there are more questions in the call, but don't hesitate to come back to me later on. Luuk, you were queuing for already quite some time. If that is with a new question, please go ahead.

**Luuk van Beek:** Yes, I have one final question on new investments, because you referred specifically to the price levels in the yard. But is that the only thing keeping you from taking decisions, or are you also looking for a bit more visibility on what types of capacity[? 00:23:06.9] you will need, say, in the coming ten years?

Related to that, if it takes a long time to take a decision, then your balance sheet keeps on deleveraging, is there a certain point at which you consider it underleveraged and consider additional shareholder remuneration?

**Luc Vandenbulcke:** Yeah, so if I understand your question well, of course, the yard prices I mentioned before, we're observing them, but I see them stabilising, so they haven't gone down yet, but that, of course, only one of the aspects for sure, the visibility on the different supply demand in the subsegments is probably the most important question. And then the evolutions, for instance, which we had in many analyst talks, the evolution on turbine size, which in one way seemed to plateau for the next years, but then, of course, we will see an uptake again.

We have now Chinese suppliers coming in. They seem to have, let's say, parted with the view that the turbine sizes were going to be, in the next years, between 15 and a little bit more. So the platform of the 15-megawatt turbine was going to be used. You see announcement in China of a much larger turbine. So that is all indeed factors which are much more important, which we take into account.

I mentioned also before, we have ambitions of sustainably creating value and investing our money in new assets in the further development of the company. So that is what we are aiming for. Net debt/dividends play a role, but growing the companies for us as a management I think we are aligned with our shareholders. They're the most, let's say, the most important driver.

**Carl Vanden Bussche:** Okay. Thank you. Thank you, Luuk. And I regret to bring it to an end here. We're part of a disciplined organisation. We try to start on time. We try to stop on time as well. I know there are a couple of additional questions or questionnaires pending. Do not hesitate to reach out to me later today or tomorrow to discuss those. Or if you wish to provide the feedback, you know where to find me.

Against the backdrop of our financial calendars, I'd like to thank all of you for your participation, and Stijn and Luc for their insightful presentation and for addressing these questions. We are

looking forward to meeting many of you during the roadshows and conferences that we have on the plan for the coming weeks. And for now, thanks again and have a great day.

[END OF TRANSCRIPT]