DEME

# IR presentation 2023

3Q23

# AGENDA

01 Introduction to DEME

02 ESG

03 Financial Highlights 2022 & YTD2023

04 Appendix

# 01
# Introduction to **DEME**

# DEME, a global marine solution provider

Market leading in healthy segments with high barriers to entry

Growth trajectory supported by secular underlying trends in each of the industries

One of the largest and most technologically advanced fleet in the world

ESG and safety at the core of DEME's activities

Attractive financial profile supported by a healthy balance sheet

# Working towards a sustainable future

## Offering solutions for global challenges

- Reduction of emissions
- Rising sea levels
- Growing population & urbanisation
- Increasing maritime trade activity
- Polluted rivers and soils

Innovative solutions provided through 4 different segments

**OFFSHORE ENERGY**

**DREDGING & INFRA**

**ENVIRONMENTAL**

**CONCESSIONS**

# Leading in offshore energy,  dredging, marine infrastructure and environmental solutions

## OFFSHORE ENERGY

Unrivalled track record in construction offshore wind farms and other offshore energy-related infrastructure

35% of DEME turnover

## DREDGING & INFRA

145+ years of experience in dredging, land reclamation and marine infrastructure

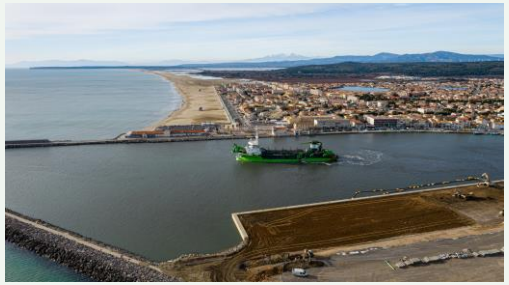
57% of DEME turnover

## ENVIRONMENTAL

Innovative solutions for soil remediation, brownfield development, environmental dredging and sediment treatment

8% of DEME turnover

## CONCESSIONS



Developing, building and operating greenfield and brownfield projects in offshore wind, infra & dredging, green hydrogen and deep-sea harvesting

Contributed 8% to DEME's net profit

Note: 1. Turnover per segment based on 2022 results

# OFFSHORE ENERGY

# Market dynamics

## Current market drivers

**Decarbonisation** with increased targets for renewables

**Ukraine war** & the acceleration towards energy independence

**Regulatory**
Tailwinds including EU Green Deal

**Oil & Gas** revival

**Levelized cost of energy** fueled by increasing turbine size making offshore wind increasingly more competitive

**Technological innovations** resulting in offshore wind farms at locations previously deemed unsuitable

Potential equipment and skilled resource **shortage**

## Energy mix 2050

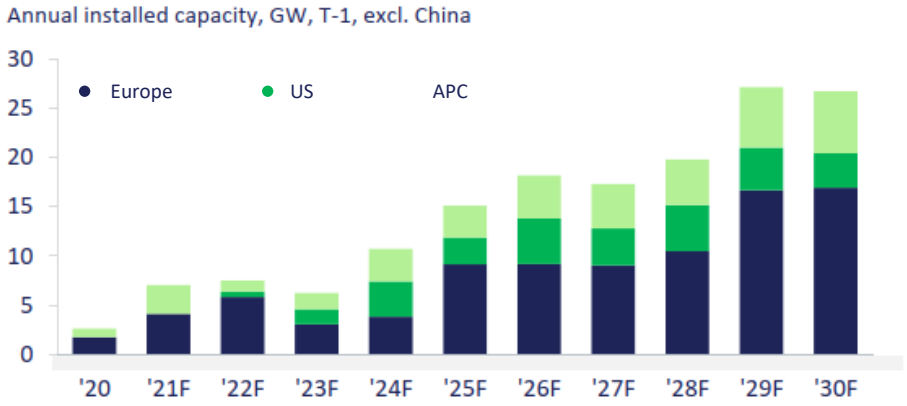
**Offshore renewables**
- Key vector in global response to climate change
- **Significant growth i**n the coming decades

**Oil & Gas**
- **Fossils to** still account for +**50% of energy mix by 2050**
- Russia being phased out ; **Project boom** (old & new) in **Middle East ’23-’27 ;** New developments in Far East & Africa
- **Carbon capture** utilisation & storage to **pick up** after 2050

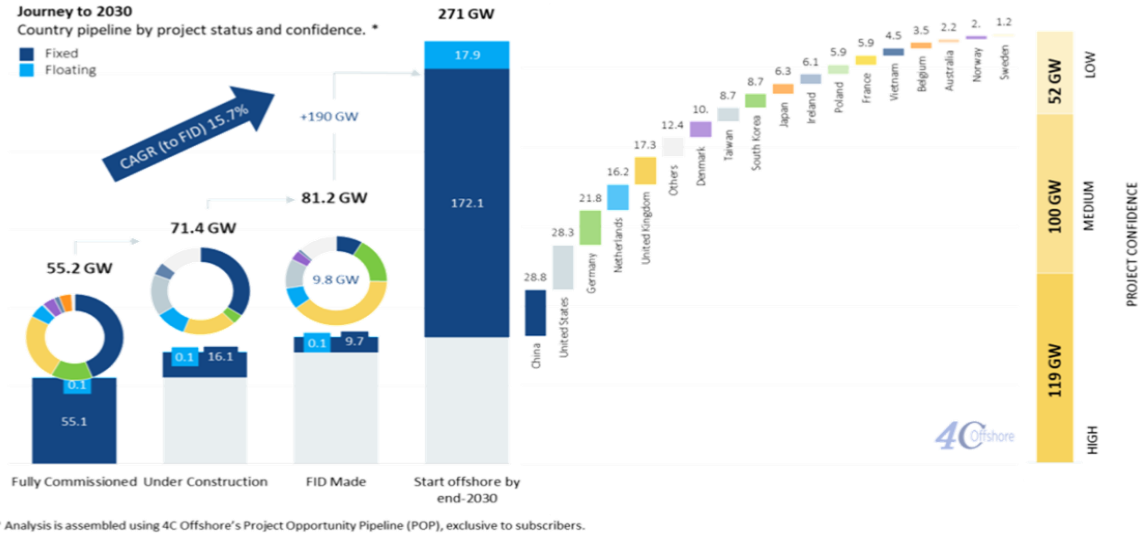
**Nuclear power**
- Backbone of **low-carbon electricity generation**

# Market dynamics | Offshore Wind

## Supporting the energy transition




*Source: Bloomberg NEF - BNEF green scenario*




* Analysis is assembled using 4C Offshore's Project Opportunity Pipeline (POP), exclusive to subscribers.

*Source: 4C Offshore – Global market overview Q3 2022, 12.09.2022*

**Studies & reports signal significant market growth**

- From ~5GW installed pa in 2022 to ~25GW pa in 2030
- Total market by end 2030 271 GW*
  - by end 2030 (excl China): 212 GW or + ~180 GW
  - by end of 2035: 328 GW
  - CAGR '22-'30: ~15% (total market)

**DEME addresses 90% of total market growth** (excl. China)

- US +30 GW
- UK +24 GW
- Taiwan +12 GW
- Japan +7 GW
- Rest of EUR +90 GW

**DEME assumes that the projected market growth could be constrained** by permitting, financing, supply shortages, capacity …

**GWEC outlook of total capacity of 317 GW by 2030.*

# Market dynamics | Offshore Wind

## Turbine size continues to increase

**+15MW turbines now becoming the standard**

- Impact on installation methods, vessels, foundation sizes, …

**Next-gen 17-18 MW** turbines at the horizon/in development (GE, China)

## Impact of increased demand

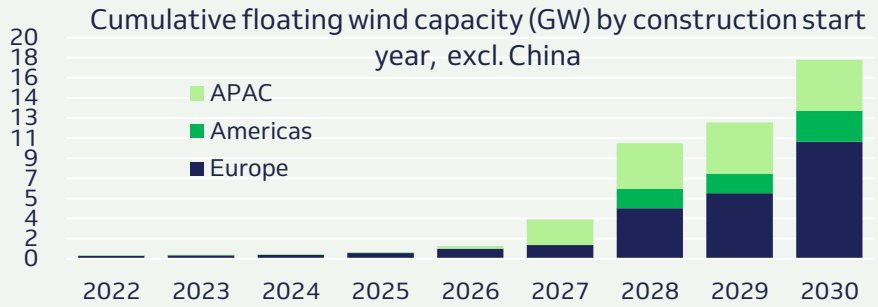
**Increased demand for vessel capacity ;** Industry heavily investing in WTG and FOU vessels

Clients are willing to reserve vessel capacity up to 3-4 years before offshore construction

High workload on tender department, for works beyond 2025

Long-term commitments

## Floating Wind at the horizon

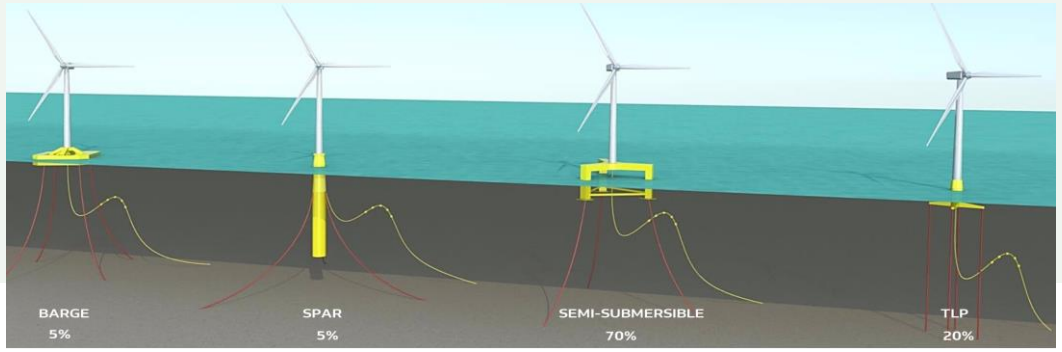



*Source: 4C Offshore – Global market overview Q3 2022, 12.09.2022*

While floating is gaining momentum, some projects have been delayed or cancelled due to unproven technology and financing challenges

DEME actively monitors evolution but expects real growth to come after 2030

When market takes off, it will be large (also fueled by higher CAPEX / MW)



# DEME Offshore Energy supports the energy transition

**2000**
Start offshore wind activities

**+14k MW**
Capacity of installed wind turbines

**€958M**
Turnover (2022)

**€222M**
EBITDA (2022)

## RENEWABLES

>75% of turnover

### OFFSHORE WIND FARMS

- 350 successfully executed projects, incl 30 EPCI contracts
- Many world-firsts, including Offshore Foundation Drill, Dual-lane Cable Installation System and Motion Compensated Pile Gripper on floating offshore vessels

21 dedicated offshore energy vessels[1]

Innovation focused with many industry-firsts

## NON-RENEWABLES & NUCLEAR

<25% of turnover

### DECOMMISSIONING & SALVAGING

Planning, engineering, removal, transport, onshore disposal and recycling

Hedged against future industry movements

### HYDROCARBONS & NUCLEAR

Landfalls and civil works, rock placement, heavy lifting, umbilicals, and installation services

Leveraging global developments

Note: 1. Including 1 vessel under construction, and two DP2 heavy lift crane vessels that are accessible through Scaldis NV and Normalux SA

# One of the most technologically advanced fleet

## Driven by continuous investments

Selected vessels from DEME's renowned fleet

### ORION

- DP3 floating installation vessel
- 5,000-ton lifting capacity
- Dual-fuel engine
- Delivered 2022

### GREEN JADE

- DP3 floating installation vessel
- 4,000-ton lifting capacity
- Dual-fuel engine
- Delivered 2023

### VIKING NEPTUN

- DP3 cable laying vessel
- Two turntables: 4,500-ton and 7,000-ton cable capacity
- Built 2015 ; conversion in 2023

### APOLLO

- DP2 jack-up vessel
- 106m legs length
- 800-ton lifting capacity
- Delivered 2018

# Broad service offering

## Providing flexible solutions for the most demanding offshore wind projects

### FOUNDATIONS

2k foundations installed[1]

16% Market share

### TURBINES

+2.5k turbines installed[1]

20% Market share

### CABLES

2000 km of cable installed[2]

6% Market share
(11% forward-looking[2])

### ROCK PLACEMENT

+3,300k tonnes of rock used for scour protection

30% Market share

The core service offering is supplemented by four key supportive activities

### SUBSTATION INSTALLATION

### MAINTENANCE

### GEOSCIENCES

### SUCTION PILE TECHNOLOGY

Note 1: Cumulative figure from year 2000 up to year-end 2021, source: 4C Offshore; Note 2: 1,900 km includes inter-array and export cables, current market share based on inter-array and export cables installed, forward-looking market share based on inter-array and export cables in construction/planning, source: Management estimate; Note 3: Management estimate

# Offshore Energy

## Performance Dashboard 1H23

40% turnover growth, fueled by strong backlog and solid project execution

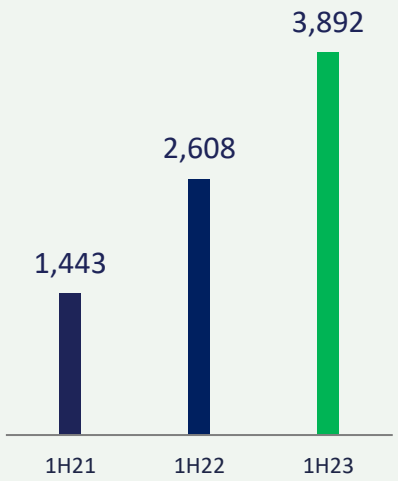
EBITDA and EBITDA margin down due to project start-ups, losses recorded on 2 projects (pending ongoing client discussions regarding supply chain and operational issues) and absence of prior year settlement of liquidated damages

Strong orderbook growth (+49%), reflecting new contract awards in Europe and US

Fleet utilisation lower due to technical adjustments for project execution in US and upgrade works across the fleet

Adding 'Viking Neptun' and 'Green Jade' to the fleet

### Orderbook



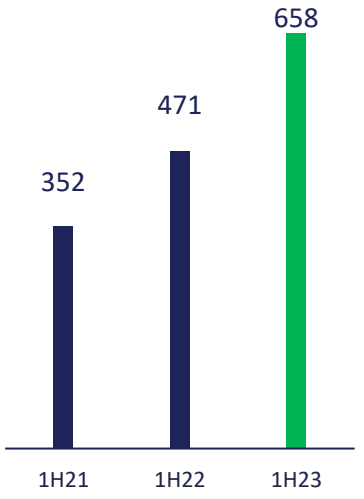

(in million euro)

**EMPIRE WIND 1&2 (1 GW)**

**ILE D'YEU AND NOIRMOUTIER (2.6 GW)**

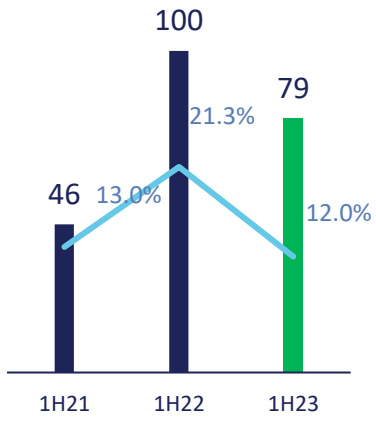
**DIEPPE LE TRÉPORT (3.6 GW)**

### Turnover




(in million euro)

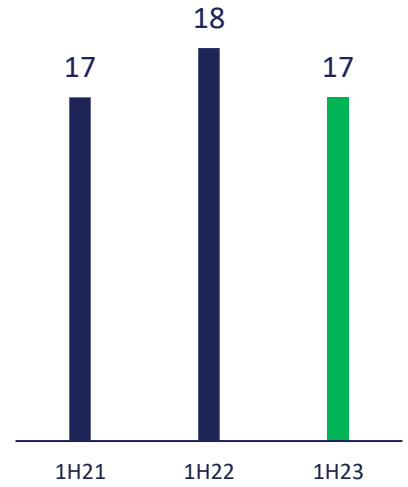
### EBITDA & Margin




(in million euro)

EBITDA margin

### Fleet utilisation rate




(in weeks)

# Offshore Energy

## Key Projects 1H23

**A**

### VESTERHAV OWF
41 XXL monopiles foundations

**B**

### FÉCAMP
Offshore substation jacket and topside

**C**

### DOGGER BANK (3.6GW)
Inter-array cables

**D**

### ZHONG NENG (300MW)
31 jacket foundation, pin piles and wind turbines

**E**

### VINEYARD WIND (800MW)
62 monopile foundations & WTG installation
First commercially scaled offshore wind farm in the US

**F**

### HINKLEY NUCLEAR POWER STATION
Intake and outfall heads for nuclear power station; dual lifting in undeep water

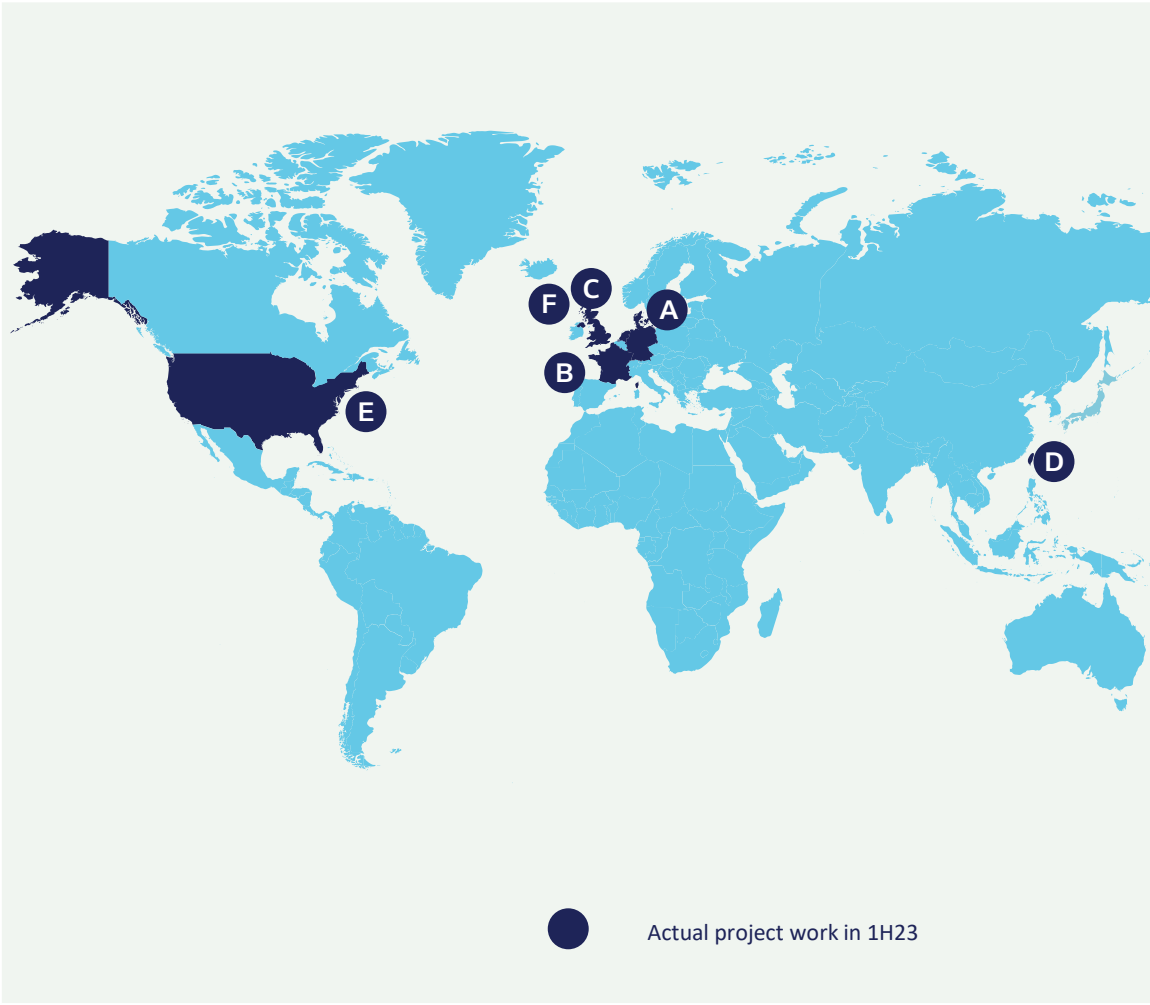
### INNOVATION
- DP2 jack-up vessel
- 1,500-ton lifting capacity

### ORION
- DP3 floating installation vessel
- 5,000-ton lifting capacity

### LIVINGSTONE
- DP3 cable laying & multi-purpose vessel
- 2*5,000-ton cable capacity

### APOLLO
- DP2 jack-up vessel
- 800-ton lifting capacity

### SEA CHALLENGER
- DP2 jack-up vessel
- 900-ton lifting capacity



# Key projects 2023 & beyond

A

**VINEYARD WIND 1 (800 MW)**
Monopile foundations & WTG installation
Execution: 2023

B

**COASTAL VIRGINIA (2.6GW)**
Largest US offshore wind farm
176 monopiles transition piece foundations, offshore sub and cables
Execution: 2024-2026

C

**YEU & NOIRMOUTIERS**
XXL monopile foundations, substation jackets & topsides; Installation in rocky seabed require drilling technique
Execution: 2023 - 2024

D

**HAI LONG (1GW)**
73 wind turbines & offshore substations
Execution: 2024

E

**DOGGER BANK (3.6GW)**
Inter-array cables
Execution: 2023-2026

F

**MORAY WEST**
XXL monopiles and transition pieces ; installation in winter ; vibro hammer deployment
Execution: 2023-2024

G

**VESTERHAV OWF**
XXL wind turbines foundations
Execution: 2023

H

**NEART NA GAOITHE**
EPCI for inter-array cables & interconnector cables
Execution: 2023

# Contract win : Ile de Yeu et Noirmoutier

## Winning major French offshore project

### France, Loire Atlantique


### Project characteristics

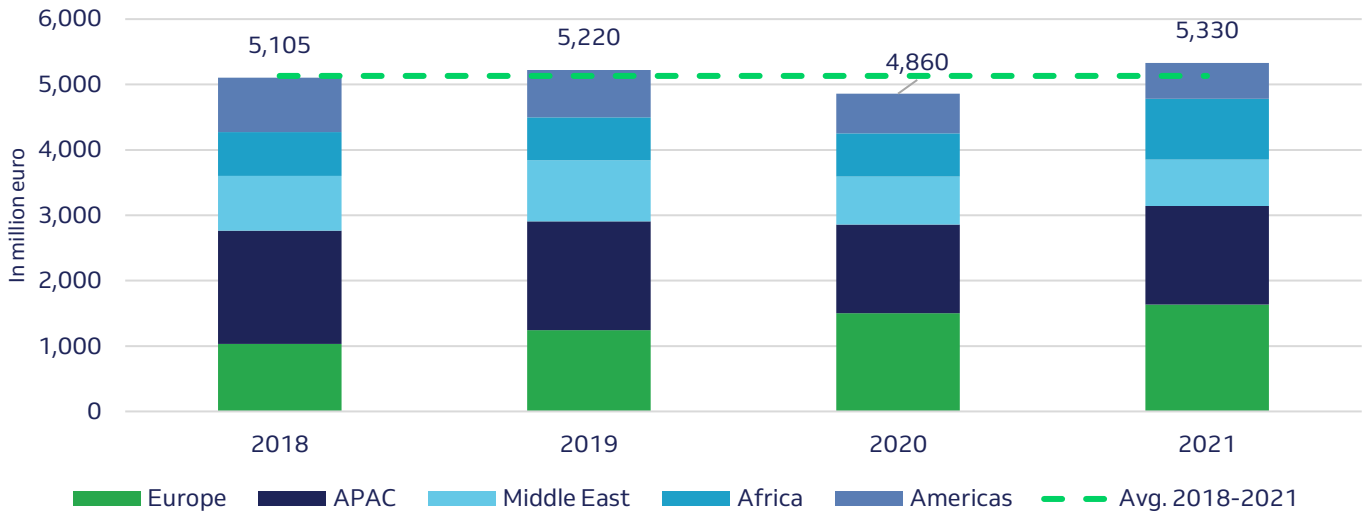
- Customer: EMYN (Ocean Winds, Sumitomo corp and La Banque des Territoires and Vendée Energie)
- Scope includes T&I for foundations and offshore substations
- Rocky seabed and challenging ocean conditions
- A €+300m project
- Scheduled to start in 1H24

- Follows the successful deployment with industry-first technology at Saint-Nazaire ; will require same innovative drilling technology (MODIGA)
- Building an impressive track record of French projects:
  - Saint Nazaire
  - Ile de Yeu et Noirmoutier
  - Fécamp
  - Dieppe Le Tréport

# DREDGING & INFRA

# Addressable Dredging market of € 5-6bn [1]

## Addressable market




## Addressable market [2]

| Area | Market Today *(in million euro)* |
|---|---|
| Europe | ~900 |
| APAC | ~2,000 |
| Middle East | ~1,500 |
| Africa | ~800 |
| Americas | ~500 |
| Total | **5-6 bn** |

## Closed market

| Area | Market Today *(in million euro)* |
|---|---|
| US | 800 – 1,200 |
| China | 3,000 – 4,000 |
| Japan, Korea, Iran | ~200 |
| Russia | ~200 |

On average, we expect market to grow consistent with GDP growth but with significant upside potential with large capital dredging projects

Note: 1. All international companies can compete on the 'open' or 'addressable' market whereas the closed market is characterized by regulatory or political barriers preventing international contractors from operating Sources: International Associations of Dredging Companies (2020); Review of Maritime Transport 2021; 2018 Revision of World Urbanization Prospects, multimedia library - United Nations Department of Economic and Social Affairs; Satellite sea level observations, NASA
Note 2: management assessment for the years 2022 and 2023

# Market dynamics

## Secular market drivers

### Trade activity
+80% of international trade is carried by sea, requiring dredging & infra works to ensure ship access and suitable ports
New sea routes with more regional trades

### Population and urbanisation
Population in large cities located near coastlines and rivers is set to grow, creating need for land reclamation

### Rising sea levels
Rising sea level necessitating new types of marine infrastructure and coastal protection

### Energy Transition
Oil & Gas remains part of the energy mix, leading to mega-projects in oil-rich countries and buildout of new receiving, storing, and exporting terminals
New offshore energy islands

### Multipolar world
Increased investments in national security (naval bases, ...)
Countries reducing dependency of China

## Challenges

### Chinese competition
as part of their “Belt and road” initiative

### Ukraine conflict

### Trade restrictions

### Inflation

## High barriers to entry

- **Complex engineering and design**
- **Capital intensive**
- **Versatile fleet of scale**
- **Track record of execution**
- **Specialist crew and staff**

# Global dredging powerhouse

## Complemented by Infra activities in core markets

### DREDGING

#### DREDGING ACTIVITIES:

- Capital and maintenance dredging
- Land reclamation
- Marine aggregates services
- Coastal protection

#### KEY KPIs:

**c. 17%** market share

**47** dredgers

**90+** active countries

#### FOCAL MARKETS:

**WORLDWIDE**

**€1,524M**
Turnover (2022)

**€255M**
EBITDA (2022)

**+2,300**
FTEs

- Keep state-of-the-art fleet highly competitive
- Build on its growing track record and expertise
- Push sustainable solutions
- Tailored offering and collaborations with local economies
- Leverage on DEME Concessions' activities

### INFRA

#### INFRA ACTIVITIES:

- Inland waterway infrastructure
- Port construction
- Bored and immersed tunnels
- Other marine infrastructure

#### KEY KPIs:

**12** ongoing projects

**7** immersed tunnel projects executed[1]

**6** active countries[2]

#### FOCAL MARKETS:

**EUROPE**

Note: 1. In addition to 3 immersed tunnel projects currently ongoing; 2. Active countries include BE, NL, DK, DE, FR and IT

# One of the most technologically advanced fleet

## Driven by continuous investments

Selected vessels from DEME's renowned fleet

### SPARTACUS

- World’s largest CSD
- Dual fuel
- Size: 44,580 kW total installed power
- Delivered 2021

### BONNY RIVER

- Dredges hard soils and in deep waters (>100m)
- Size: 15,016m3
- Delivered 2019

### AMBIORIX

- Operates in heavy soil and rock conditions
- Size: 26,100 kW total installed power
- Delivered 2012

### SCHELDT RIVER

- KNVTS3 Ship of the Year 2018 award
- Pioneering dual fuel TSHD
- Size: 8,400m3
- Delivered 2017

Note: 1. CSD: Cutter Section Dredger; 2. TSHD: Trailing Suction Hopper Dredger; 3. KNVTS is the abbreviation for 'Royal Dutch Association of Technicians in the Shipping Area'

# Dredging & Infra
## Performance Dashboard 1H23

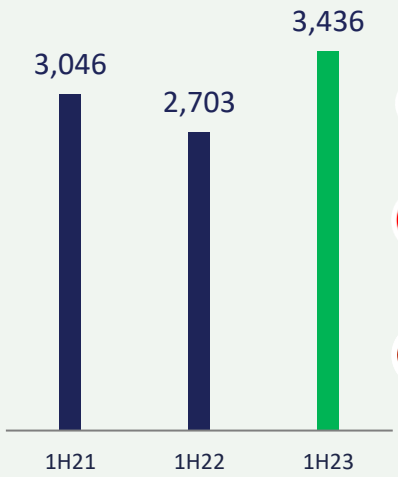
Turnover decreased 4% y-o-y compared to a strong 1H22

EBITDA increased y-o-y thanks to successful project execution and settlement of variation orders, partly offset by high level of repairs

Orderbook increased 27% with contract wins in Europe (including Princess Elisabeth island) and Middle-East

Fleet utilisation, stable for the hopper-fleet (TSHD) and softer for cutters ; projected to strengthen during 2H23

### Orderbook



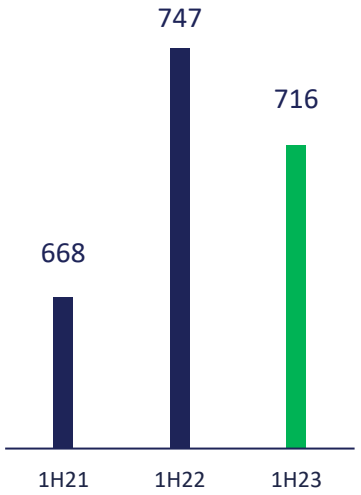

(in million euro)

**PRINCESS ELISABETH ISLAND**
(Artificial Energy island)

**ABU DHABI**
(Deployment of trailers and cutters)

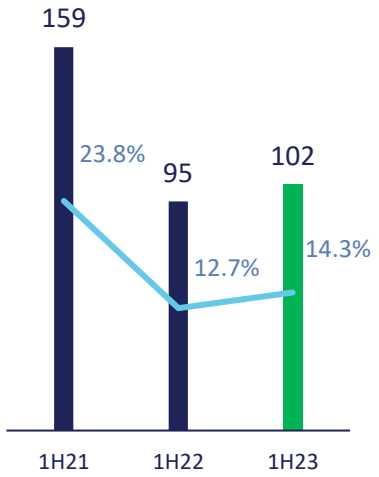
**HAMBURG - ELBE**
(Maintenance dredging)

### Turnover




(in million euro)

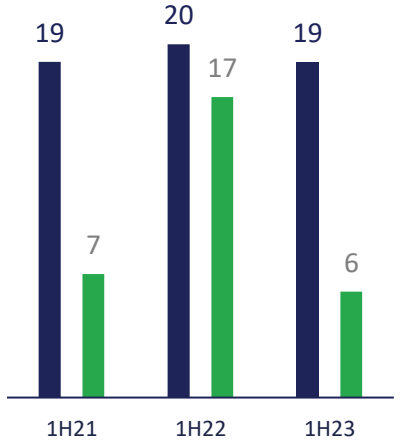
### EBITDA & Margin




(in million euro)

EBITDA margin

### Fleet utilisation rate




(in weeks)

TSHD [1] CSD [2]

1. TSHD: Trailing Suction Hopper Dredger
2. CSD: Cutter Suction Dredger

# Dredging & Infra

## Key Projects 1H23

**A**

### FEHMARNBELT FIXED LINK

Longest immersed road and rail tunnel in the world, connecting Denmark with Germany

**B**

### STADE

New terminal works in Germany

**C**

### EKO ATLANTIC, NIGERIA

Starting up the next phase of land reclamation project

**D**

### ABU QIR PORT EXPANSION

Capital dredging ; Expansion of Egyptian Abu-Qir port

**E**

### GDANSK

New terminal works in Poland

**F**

### PORT-LA-NOUVELLE

Port expansion via dredging and construction of terminals

**G**

### ALTAMIRA, MEXICO

Deepening of the access channel to the port

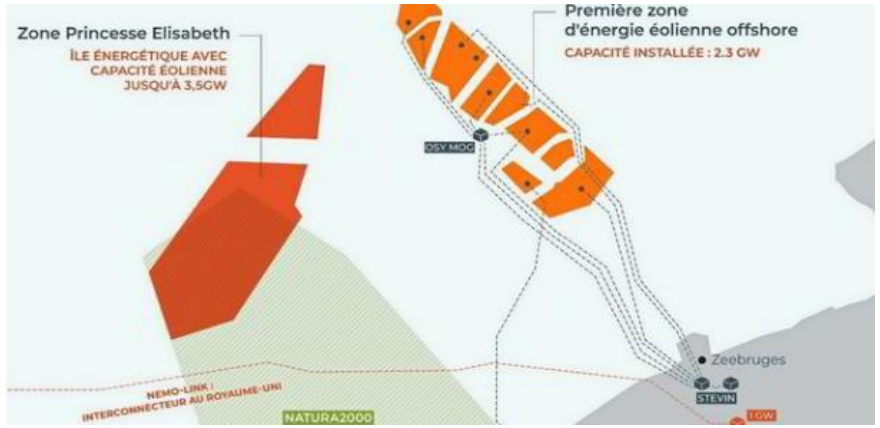
**H**

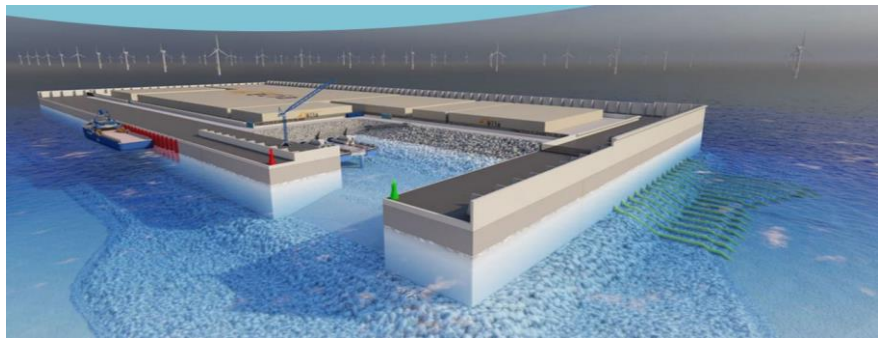
### SRI LANKA

Reclamation works for the West Container Terminal

# Contract win : Princess Elisabeth Island

## Industry-first, artificial energy island to be deployed by end 2026



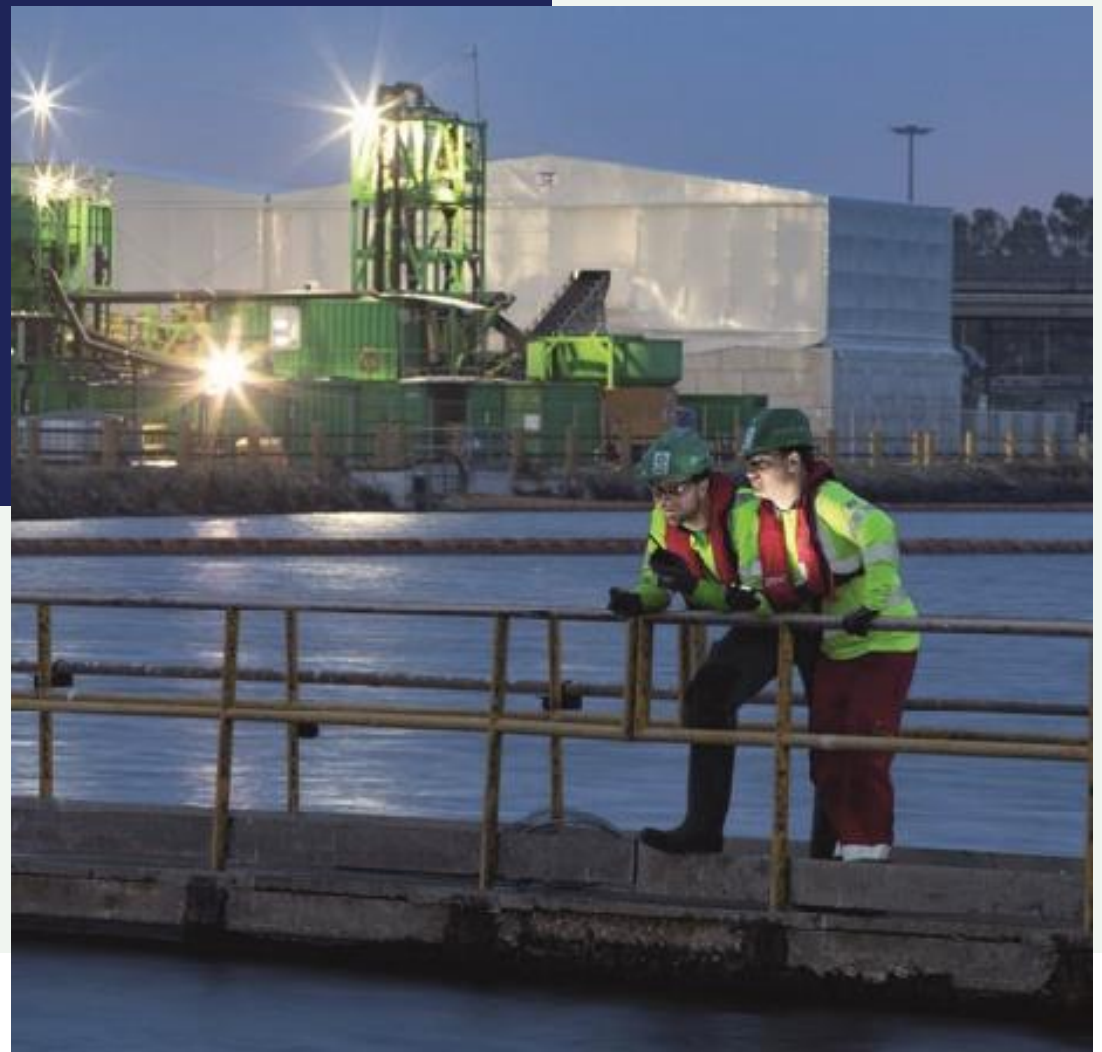
### Project characteristics

- Customer: ELIA ; won by TM EDISON (Jan De Nul & DEME)
- EPCI contract including further design & construction
- Construction to start early 2024 and expected to last 2.5 years
- A €+600m project (excluding high voltage infrastructure)
- Island is first building block of an integrated European offshore electricity grid, bundling the wind farm export cables of the Princess Elisabeth zone & serving as a hub for future interconnectors with UK & Danmark
- Combining DEME's offshore and Dredging & Infra capabilities

- Customer expressed the ambition to have all new offshore wind farms (3.5 GW) connected with the onshore grid by 2030


- Paving the way for the Danish North Sea Energy Island (10 GW) (& others)
  - Tender launched ; award probably in 2025
  - Expected timeline: start 2027 - 2032

# ENVIRONMENTAL



# DEME Environmental

## Thriving on growing sustainability awareness and regulatory initiatives

### Fundamental long term market drivers

**Regulations**
Local regulations to protect the environment (traceability of soil, waste management, underground water quality, ...)

**Increased sustainability awareness**

**New environmental issues**
New technologies to proactively solve emerging environmental issues

**Urbanisation**
Continued expansion of large cities drive need for more commercial and residential plots

**Global warming**
Rising sea levels drive preventive and mitigating investments to protect the coast

### European growth opportunities

**€680bn**

EU Funding framework budget over past 7 years supporting brownfield redevelopments

**50% by 2050**

European Action plan to boost transport by inland waterways by 25% by 2030 and by 50% by 2050

### Dutch and Belgian growth opportunities

**€30bn**

Total value of waterway constructions in the Netherlands for the period 2018-2028 is estimated at €30bn

Objective of starting remediation of all historically contaminated soils in Flanders by 2036

In 2021, 5,688 ha of sites in Wallonia investigated under the “soils decree” were polluted

Note: 1. PFAS (collective name for poly- and perfluoralkyl substances), present in soil and used in household products, significantly impacts the environment
Sources: Sustainable Brownfields Redevelopment in the European Union: An Overview of Policy and Funding Frameworks (2021); OVAM; Etat de l’environment Wallon; EIB; EC Europa

# Leading environmental specialist in Benelux

## Offering wide range of services

### SOIL REMEDIATION & BROWNFIELD DEVELOPMENT

- Cleaning and recycling of polluted soils
- Broad network of fixed and mobile treatment centres
- Proactively creating solutions for contaminated land

### ENVIRONMENTAL DREDGING & SEDIMENT TREATMENT

- Fluvial dredging with minimal environmental impact
- Frontrunner treatment of sediments
- Executing innovative environmental dredging techniques

### HIGH WATER PROTECTION

- Offering tailored solutions for high water and flood protection infrastructure
- Rehabilitation of old dikes with both infra and soil remediation expertise

**1988**
Start of environmental activities

**14**
Soil and sediment treatment centres

**1.6M TONNES**
Polluted soils and sediments treated in 2021

**>85%**
Recovery rate of soils and sediments in projects

**535HA**
Former brownfield sites are ready for reuse

**LOCATIONS**
Begium, The Netherlands & France

**€206M**
Turnover (2022)

**€25M**
EBITDA (2022)

Note 1: Cumulative figure from year 2000 up to year-end 2021, source: 4C Offshore; Note 2: 1,900 km includes inter-array and export cables, current market share based on inter-array and export cables installed, forward-looking market share based on inter-array and export cables in construction/planning, source: Management estimate; Note 3: Management estimate

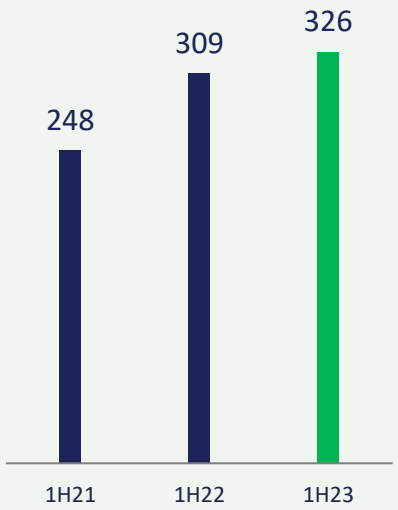
# Environmental
## Performance Dashboard 1H23

Strong turnover growth of 58%, fueled by projects in Belgium, the Netherlands, France, UK and Norway

Orderbook growth mainly driven by project wins in Belgium

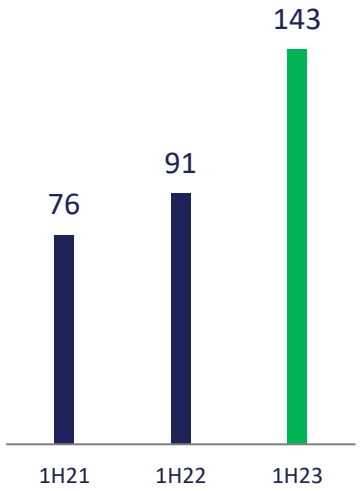
Strong increase in EBITDA reflecting impact of positive settlement and disciplined project management

### Orderbook



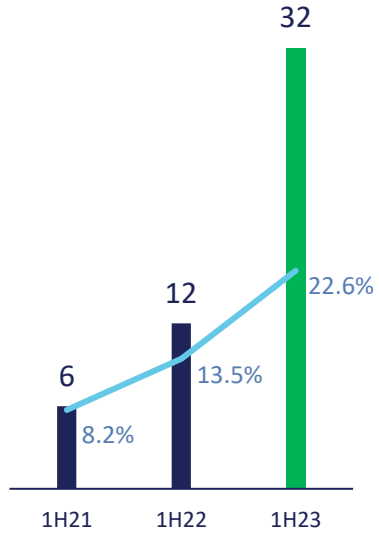

(in million euro)

### Turnover




(in million euro)

### EBITDA & Margin




(in million euro)

EBITDA margin

# Environmental
## Key Projects 1H23

### Soil remediation and brownfield development

A

**BLUE GATE**
Converting historically heavily polluted brownfield site into sustainable business park

Period: 2016-2036

B

**FORMER OIL TERMINAL**
Turning oil-polluted former oil terminal into residential plot for houses. 150,000 tonnes of soil treated and >90% of soil reused

Period: 2020-2023

### High water protection

C

**CONDE-POMMEROEUL**
Largest inland dredging project in France with re-opening of 6km of Canal

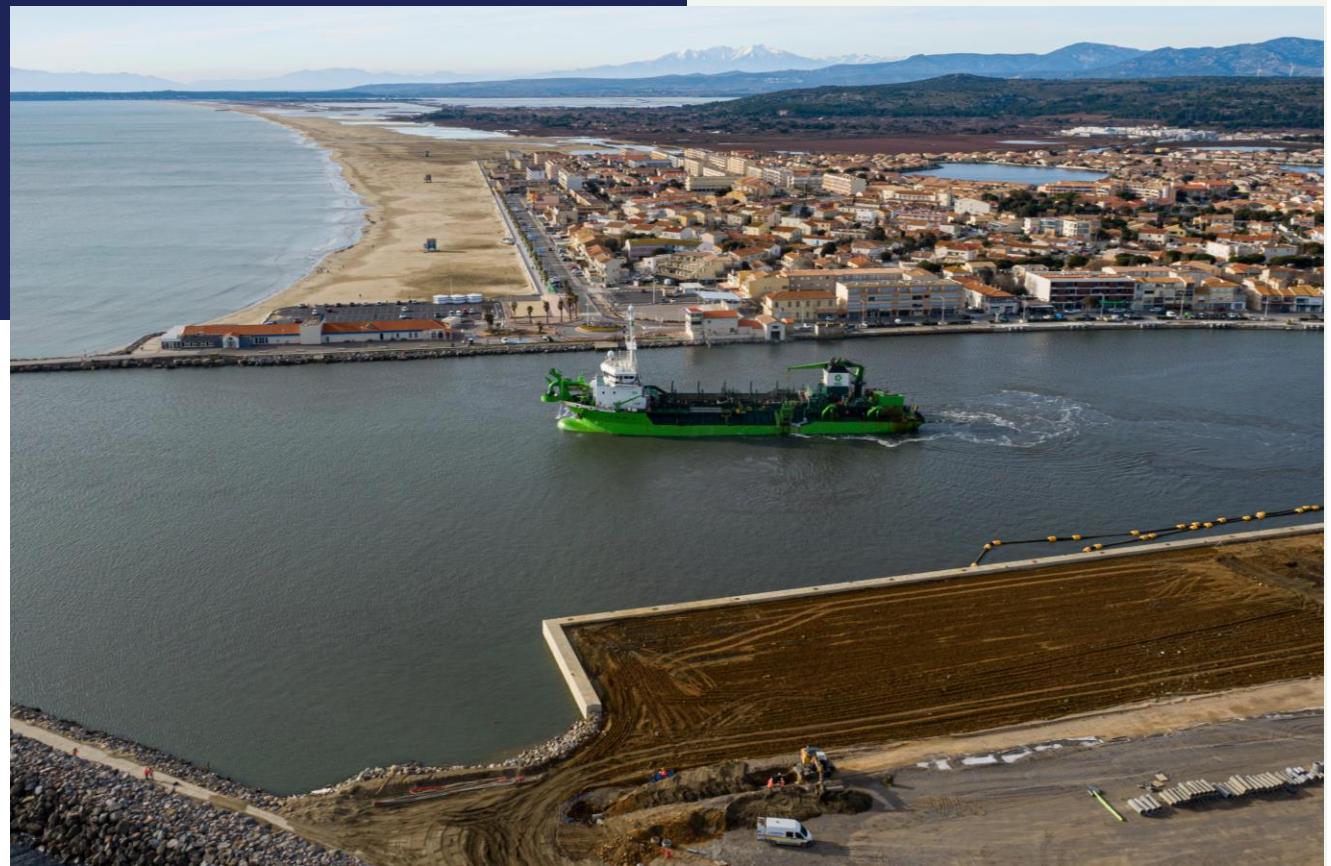
Period: 2017-2023

D

**GOWA**
Dike reinforcement, part of the Netherlands Flood Protection Programme

Period: 2017-2026

# CONCESSIONS



# Infrastructure developer, investor and manager

## Leveraging unique combination of technical and financial capabilities

### At a glance

- **Early involvement** in the development process
- **Strong additionality** with contracting side of DEME
- **Strengthens and diversifies DEME's financial position** (through recurring income & return on equity invested)
- **Offers high growth potential** in existing and new markets

**6 PORTFOLIO PROJECTS**
In operations or construction (20+ year projects)

**8 PIPELINE PROJECTS**
In the development pipeline

**2.3 BN €**
Contracting revenue generated by current and historical portfolio for DEME's contracting segments

**38**
Experienced and multi-disciplinary professionals supported by dedicated project teams

### Active in 4 sectors

**OFFSHORE WIND**

**INFRA & DREDGING**

H2

**GREEN HYDROGEN**

**DEEP-SEA HARVESTING**

### With clear added value

- **Global network** to source new project leads and forge successful partnerships
- **Contracting expertise** to de-risk project development and construction
- **Market intelligence** to provide insights on key technological developments

# Uniquely positioned

## Co-investing on back of vast sector expertise & additionality principle

### Good portfolio of operational projects in Belgium[1]

**A** **C-POWER**
325 MW | 6% | Operational

**B** **RENTEL**
309 MW | 19% | Operational

**C** **SEAMADE**
488 MW | 13% | Operational

### Growing pipeline of projects in development elsewhere[1]

**D** **SCOTWIND E3**
1 GW | 42% | Development

**E** **SCOTWIND NE2[2]**
1 GW | 42% | Development

### Leveraging “additionality” to de-risk investment for all stakeholders

Secure scarce **installing capacity** for project sponsors

**Expert insights** on site conditions, technology selection, optimal design and project costs

Co-investing contractor enforces **project credibility**


Note: 1. Percentages shown in table underneath correspond to DEME’s participation; 2. ScotWind NE2 will be a floating offshore wind farm

# DEME Infra & Dredging Concessions

## Leveraging deep industry network and know-how

### Involved in major marine infrastructure projects[1]

A **BLANKENBURG**
Infrastructure PPP | 15% | Construction

B **PORT-LA-NOUVELLE**
Port Development | 24% | Construction

C **CAP DUQM**
Port Management | 30% | Operational

### Providing key benefits to project stakeholders

Proven **track record** in port development and management

**Vast network** of shipping lines, terminal operators and port authorities

**Expert assessment** and management of operational and sedimentation risks


Note: 1. Percentages shown in table underneath correspond to DEME's participation

# Frontrunner in green hydrogen

## Developing, building and operating industrial-scale production facilities

### A promising market

**NET ZERO**
Green hydrogen is **key ingredient to path to Net Zero**

**+300 MT**
Annual demand for green hydrogen is expected to **reach +300 mt by 2050**

**+3,500 GW**
Electrolyser capacity is expected **to reach +3,500 GW by 2050** (vs 300 MW at mid-2021)

### Spearheaded by DEME's HYPORT® projects in Oman


Green electricity generation | Electrolysis | Conversion (e.g. Haber-Bosch) | Storage H2 derivatives (e.g. ammonia) | Export or local use

### In which DEME is building a portfolio of green hydrogen investments

**HYPORT® DUQM**
Developing first phase of 1.5 GW (electrolyser capacity) **green ammonia production facility** in Duqm, Oman

**HYVE**
Co-founded HYVE, Belgian consortium to develop the **next generation of electrolysers**

### With concrete ambitions moving forward

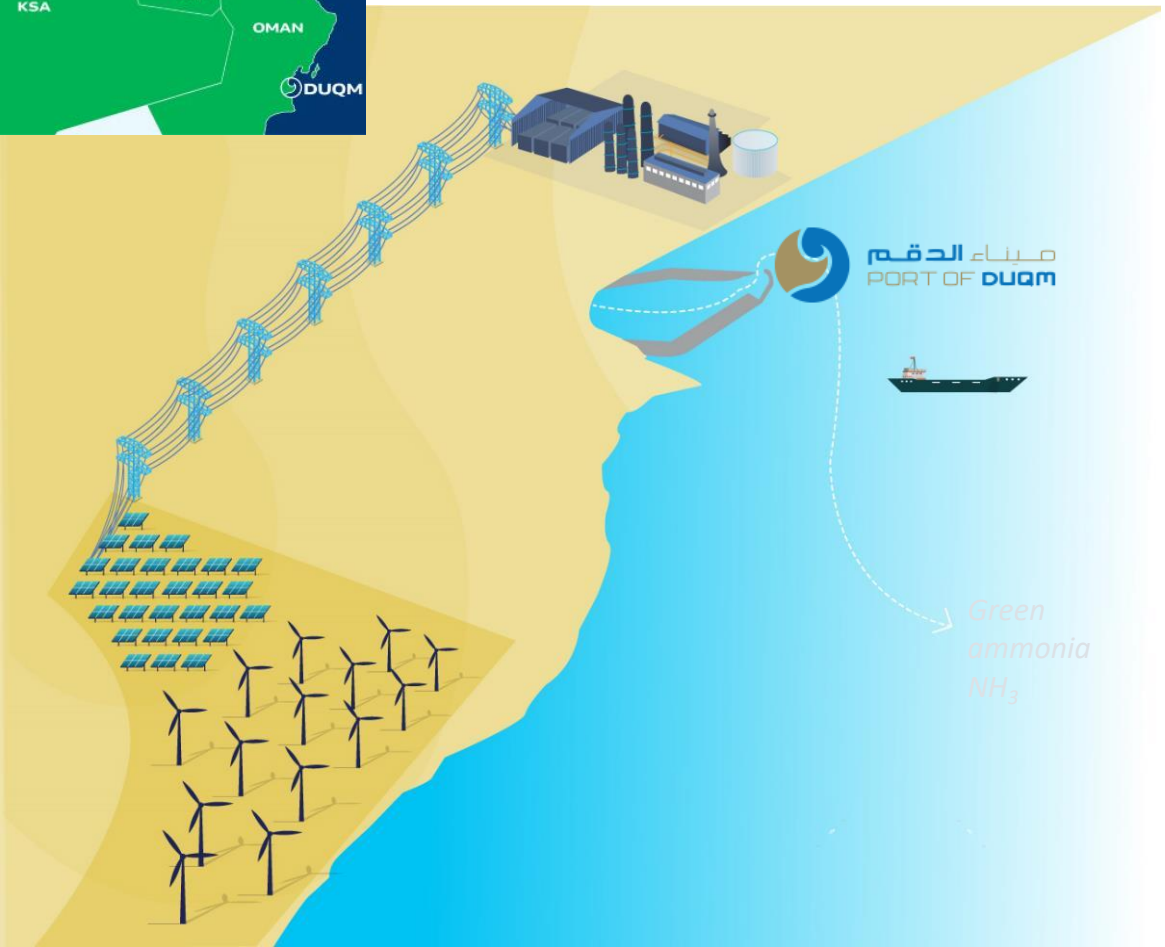
- Introduce HYPORT® concept to other strategic locations
- Look at opportunities to combine both offshore wind and production of green molecules

Source: International Energy Agency – Net Zero Emission Scenario (2021)

# HYPORT® Duqm
## Flagship project in Oman


DEME | CONCESSIONS OQ

Cooperation Agreement Signed 2020




**Size:**
- **1.5GW** electrolyzer
- **>3GW** renewable generation
- **>1m** mt/yr green ammonia
- **>180k** mt/yr green hydrogen

**Location:**
- 150km² in Duqm, Oman

Land Reservation Agreements Signed 2021 & 2022

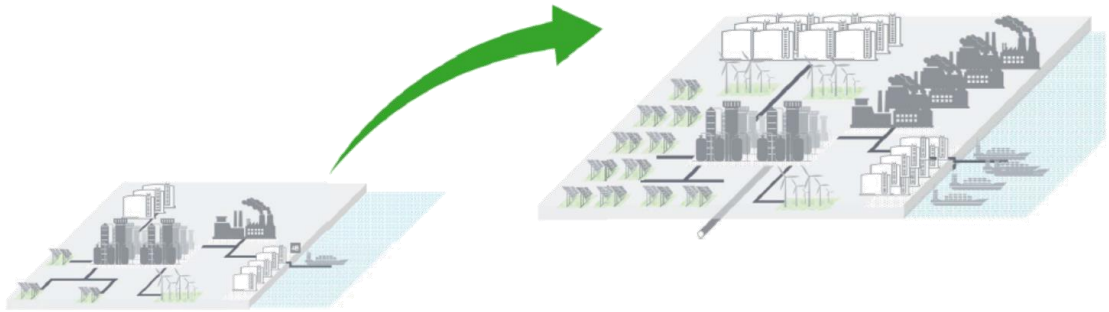
Port of Duqm

DEME | CONCESSIONS · Port of Antwerp · اسياد ASYAD

**Phase 1:**
- **500MW** electrolyzer
- **>1GW** renewable generation
- **>60k** mt/yr green hydrogen
- **>300k** mt/yr green ammonia

**HYPORT Duqm – Phase 1**
Commercial scale demonstration project

**HYPORT Duqm – Further phases**
Green hydrogen hub & economy



# Collecting metals

## To power our future in most responsible way

### Deep-sea harvesting avoids environmental & social terrestrial impacts

Increasing global demand for metals

Terrestrial mining unlikely to satisfy demand

Polymetallic nodules found on seafloor rich in critical metals

Better alternative to terrestrial metals when sourced responsibly

40% less $CO_2$[1] produced compared to terrestrial mining

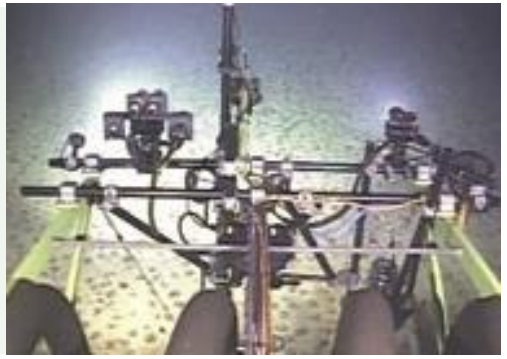

### GSR is taking concrete steps

**Disruptive technologies** to source nodules in most **responsible** way, from social and environmental perspective

Precautionary approach based on **environmental research and collaborations**

**Exclusive rights** in (i) Clarion Clipperton Fracture Zone[2] (CCFZ) regulated **by ISA**[3], and (ii) Cook Island's exclusive economic zone

GSR will only apply for operating contract if & when scientifically approved as **responsible metals source** compared to sourcing land-based mined metals



Note: 1. per kg metal; 2. CCZ covers a 4.5m km2 area with an estimate of 5.9bn tonnes of manganese, 274m tonnes of nickel, 226m tonnes of copper and 44m tonnes of cobalt; 3. International Seabed Authority
Source: Journal of Cleaner Production – "Prospective life cycle assessment of metal commodities obtained from deep-sea polymetallic nodules" (2022)

# Concessions 1H23

## Net result

| (in million euro) | 1H23 | 1H22 |
|---|---|---|
| Net result from associates | 18 | 3 |

## Offshore Wind

Increase in net result mainly driven by stronger wind and part of the increase of electricity prices

Building pipeline with +2GW in Scotland and additional opportunities

## Global Sea Mineral Resources

- Strategic cooperation with Transocean whereby Transocean takes a non-controlling stake in GSR and contributes ultra-deepwater drilling vessel and makes a cash investment
- ISA council pushing out regulatory framework to 2025

## Dredging & Infra

Involved in marine infrastructure projects

PORT-LA-NOUVELLE

BLANKENBURG

CAP DUQM

## Green Hydrogen

- Advancing hydrogen development initiatives
- **HYPORT® Duqm** signs Project Development Agreement with Oman government

# 02
# ESG & SAFETY

# Clear company values

## Contributing to global sustainability developments

| Originating from **OUR COMPANY VALUES** | We aim to EXCEL **THROUGH INNER SHIFTS** | As we seek to EXPLORE **A STRUCTURAL IMPACT** | In global areas **SUSTAINABLE VALUE** | UN SDGs **UN SDGs** |
|---|---|---|---|---|
| **S**afety | • Reduced GHG emissions<br>• Managing environmental impact<br>• Innovation campaigns andpartnerships<br>• Minimum waste and circular use of materials<br>• Safe, secure and healthy work environment<br>• Inclusive working environment and talent management<br>• Conduct business with integrity<br>• Empowering local communities | • Offshore wind farms<br>• Production, storage & transport of green hydrogen<br>• Energy Islands<br>• Coastal protection<br>• Aquaculture<br>• Regreening ecosystems<br>• Responsible deep-sea mineral harvesting<br>• Soil remediation & brownfield development<br>• Environmental dredging & sediment treatment | **CLIMATE AND ENERGY** |  |
| **T**echnical leadership | | | **NATURAL CAPITAL** |  |
| **R**espect & integrity | | | **SUSTAINABLE INNOVATION** |  |
| **I**nnovation | | | **WASTE AND RESOURCE MANAGEMENT** |  |
| **V**alue creation | | | **HEALTH AND WELLBEING** |  |
| **E**nvironment | | | **DIVERSITY AND OPPORTUNITY** |  |
| | | | **ETHICAL BUSINESS** |  |
| | | | **LOCAL COMMUNITIES** |  |

# Leading and creating a more sustainable world

## Expressed in KPI's and targets

### Sustainability activities

THROUGH ITS VARIOUS ACTIVITIES, DEME IS PUSHING TOWARDS A MORE SUSTAINABLE WORLD

Driving the energy transition:

Installed more than 2,670 offshore wind turbines


Investing in and developing large-scale green hydrogen production facilities

Shift towards circular economy:

535 ha of former brownfield sites were remediated in 2021

1.6m tonnes polluted soils and sediments treated in 2021

### Sustainability targets

**Reduce GhG emissions by 40%** by 2030 relative to 2008 per unit work

**17% of low carbon fuels** consumed to total consumed fuels by 2026

**Reduction to 65 grams $CO_2$/km** for lease cars by 2025 in Benelux

**Climate neutral operations** in Benelux by 2030

**Climate neutral headquarters** by 2025

### DEME's alignment with EU Taxonomy

DEME'S OFFSHORE WIND ACTIVITY AS WELL AS ITS INFRA ACTIVITIES REGARDING RAIL-INFRASTRUCTURE ASSESSED 'ELIGIBLE' AND LARGELY 'ALIGNED' WITH EU TAXONOMY

| | 2022 | 2021 |
|---|---|---|
| Turnover Eligible activities | 29% | 28% |
| Turnover Aligned activities | 26% | 24% |
| CAPEX Eligible activities | 52% | 32% |
| CAPEX Aligned activities | 52% | 32% |

Note: 1. Such as the construction of bridges and tunnels for rail infrastructure and the construction or modernization of port infrastructure ; 2. International Marine Contractors Association

# Update on progress 2022

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Average # personnel (in FTE) | 5,153 | 4,880 | 4,976 |
| Contributed capacity (MW Installed foundations)[1] | 2,798 | 1,867 | 2,499 |
| Low carbon fuels (% of total volume)[2] | 6.0% | N/A | N/A |
| Worldwide Lost Time Incident Frequency Rate (Worldwide LTIFR)[3] | 0.23 | 0.19 | 0.19 |

| | 2022 | 2021 |
|---|---|---|
| CDP[4] | B | C |
| ecovadis[4] | Gold (71) (Top 5%) | Silver (63) |
| MSCI | AA (Top 23%) | AA |

Milestone projects in the **transition to clean energy**:

- Offshore wind @ Saint-Nazaire (France) and RWE's Kaskasi; Securing the rights to develop two 1GW projects in Scotland; Initiatives @ Port-La-Nouvelle, including a strategic hub for offshore wind
- Frontrunning on the production and storage of green hydrogen

**+50% MW "contributed capacity" installed wind turbine foundations** in 2022 vs 2021

**Lowering DEME's carbon footprint**
Consumption of low carbon fuels in 2022 @ 6% of total volume

**Worldwide LTIFR: slightly above target of 0.2** but ramping up all underlying initiatives to drive future improvements

Converting loans into sustainability-linked loans for € 843m

Ratings & awards

- Maintaining or advancing ratings on external evaluations
- Trends 1st Global impact award

1. Contributed capacity is calculated counting total number of foundations installed by DEME during the reporting period (between January 1st and December 31st) and multiplying by the corresponding turbine capacity. The turbine capacity is also called the rated power of the turbine. It is the power that the turbine generates for wind speeds above the "rated" level. Each installed turbine has a specific rated power, expressed as a number of MW.
2. Low carbon fuels combine the fuels for which the CO2 emissions are lower compared to conventional fuel (marine gas oil). This category includes fuels such as LNG (Liquified Natural Gas) and blended bio-fuels.
3. The Worldwide Lost Time Injury Frequency Rate (Worldwide LTIFR) is the metric reflecting accidents of DEME employees and DEME temporary employees involving work incapacity (≥ 24 hours or ≥ 1 shift) multiplied by 200,000 and divided by the number of hours worked. The 'Worldwide' method is a risk-based method that combines "risk level rate" (= event that resulted in the injury) and "injury rate" (= type of injury).
   To determine if an incident scores as 'Worldwide', the "risk level rate" and "injury rate" are multiplied. For this parameter, the validation process is ongoing - pending approval by EY.
4. Scope limited to DEME Offshore


# 03
# FINANCIAL HIGHLIGHTS
# **FY22 & 1H23**

# **FY22** – Key Financial Highlights

| (in million EUR) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Orderbook<br>y-o-y growth | 6,190<br>+5% | 5,905 | 4,500 |
| Turnover<br>y-o-y growth | 2,655<br>+6% | 2,511 | 2,196 |
| EBITDA<br>Margin | 474<br>17.9% | 469<br>18.7% | 369<br>16.8% |
| EBIT<br>Margin | 155<br>5.8% | 143<br>5.7% | 64<br>2.9% |
| Net Profit | 113 | 115 | 50 |
| CAPEX | 484 | 282 | 202 |
| Net Financial Debt (NFD) | -521 | -393 | -489 |

Record high orderbook & turnover

EBITDA and EBIT up slightly
includes liquidated damages

No impairments but higher depreciations vs 2021

Net Profit slightly lower vs 2021
impacted by negative exchange rate results

CAPEX reflect further expansion of the DEME fleet and includes important dockings

NFD / EBITDA = 1.1

# FY22 – Segments

## Complementary segments result in diversified sources of income

| (in million EUR) | OFFSHORE ENERGY 2022 | OFFSHORE ENERGY 2021 | DREDGING & INFRA 2022 | DREDGING & INFRA 2021 | ENVIRONMENTAL 2022 | ENVIRONMENTAL 2021 |
|---|---|---|---|---|---|---|
| Turnover[1] | 958 | 916 | 1,524 | 1,478 | 206 | 166 |
| YOY growth | +5% | | +3% | | +24% | |
| EBITDA | 222 | 171 | 255 | 306 | 25 | 17 |
| Margin | 23% | 19% | 17% | 21% | 12% | 10% |
| EBIT[2] | 117 | 75 | 45 | 74 | 17 | 9 |
| Margin | 12% | 8% | 3% | 5% | 8% | 5% |

| | 2022 | 2021 |
|---|---|---|
| Net result share of the Group | 113 | 115 |

### CONCESSIONS

| (in million EUR) | SINCE START |
|---|---|
| Value of projects at closing (Debt & Equity) | c. 6,000 |
| Own equity invested | c. 200 |
| Contracting revenue generated | c. 2,300 |

| | 2022 | 2021 |
|---|---|---|
| Net result from associates | 9 | 11 |

1. The reconciliation between the segment turnover and the turnover as per financial statements refers to the turnover of joint ventures. They are consolidated according to the proportionate method in the segment reporting but according to the equity consolidation method in the financial statements
2. EBIT before DEME's share in the result of joint ventures and associates

# Executive Summary on **1H23**

- **All time high orderbook** for each segment and for the Group (€ 7.7bn)
- **Turnover increased 14% y-o-y** fueled by Offshore Energy & Environmental
- **EBITDA grew along with turnover** for a y-o-y stable margin ; **Net Profit** down mainly due to negative exchange rate results
- **Reiterating outlook for the year** calling for turnover higher than 2022 and EBITDA margin comparable to 2022
- **Capital expenditure remains high** reflecting further expansion of DEME's fleet
- Welcoming **'Viking Neptun'** and **'Green Jade'** to the fleet
- **Progress on long term growth initiatives** such as Green Hydrogen (Hyport) & deep sea harvesting

# **1H23** – Key Financial Highlights

| (in million euro) | 1H23 | 1H22 | FY22 |
|---|---|---|---|
| Orderbook<br>*y-o-y growth* | 7,654<br>*+36%* | 5,620 | 6,190 |
| Turnover<br>*y-o-y growth* | 1,475<br>*+14%* | 1,292 | 2,655 |
| EBITDA<br>*Margin* | 222<br>*15.0%* | 191<br>*14.8%* | 474<br>*17.9%* |
| EBIT<br>*Margin* | 57<br>*3.9%* | 40<br>*3.1%* | 155<br>*5.8%* |
| Net Profit | 30 | 39 | 113 |
| CapEx | 216 | 226 | 484 |
| Net Financial Debt (NFD) | -715 | -574 | -521 |

Record high orderbook & turnover

EBITDA and EBIT up with 16% and 43%
EBITDA margin stable with 1H22

Higher depreciations vs 1H22
as'Orion' and 'Viking Neptun' recently joined the fleet

Net Profit lower vs 1H22
mainly impacted by negative exchange rate results

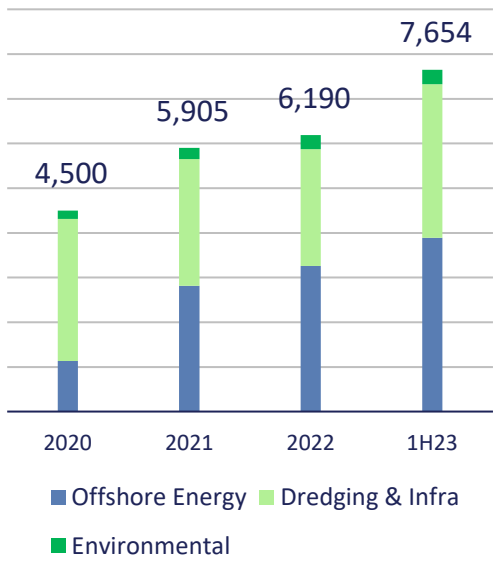
CapEx remains high due to further expansion of the DEME fleet and includes maintenance, modification and conversion investments

NFD / EBITDA = 1.4

# **1H23** – Orderbook

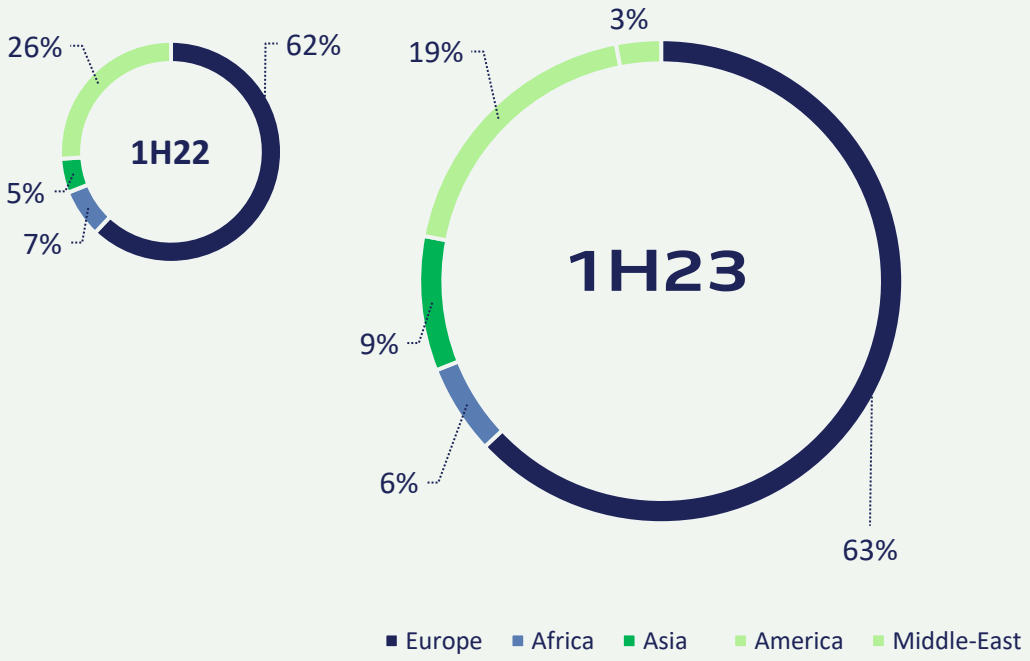
## Orderbook increase fueled by healthy market demand and strong positioning

### Orderbook at all-time high

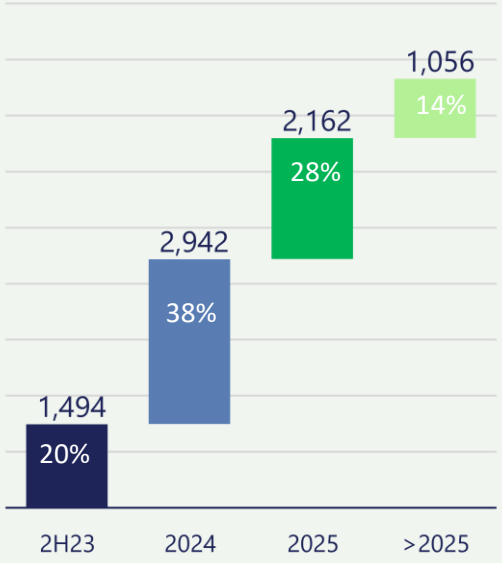



(in million euro)

### Geographic breakdown 1H23 vs 1H22




### Orderbook run off indicates a promising future




(in million euro & %)

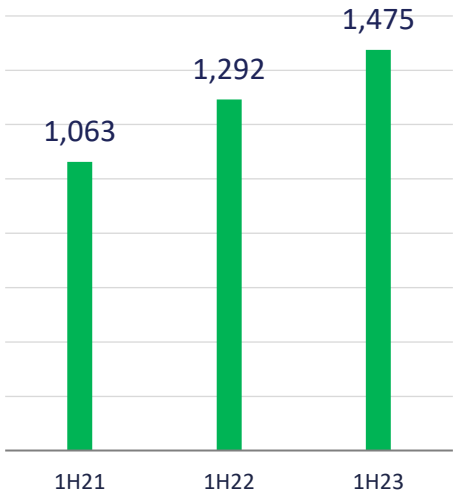
Orderbook reached all-time high, increasing 24% compared to the end of last year

Strong demand in all contracting segments, each of which attained all-time high orderbooks: Offshore Energy: +49% y-o-y ; Dredging & Infra: +27% y-o-y ; Environmental: +5% y-o-y

# **1H23**– Group Turnover

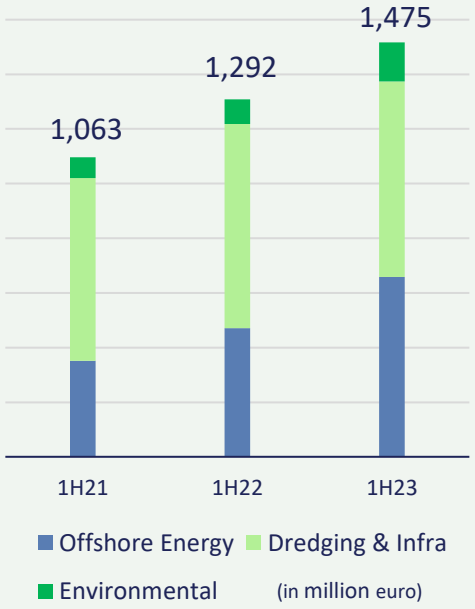
## Y-o-y increase on significant step-ups in Offshore Energy and Environmental

### Turnover up 14% vs 1H22



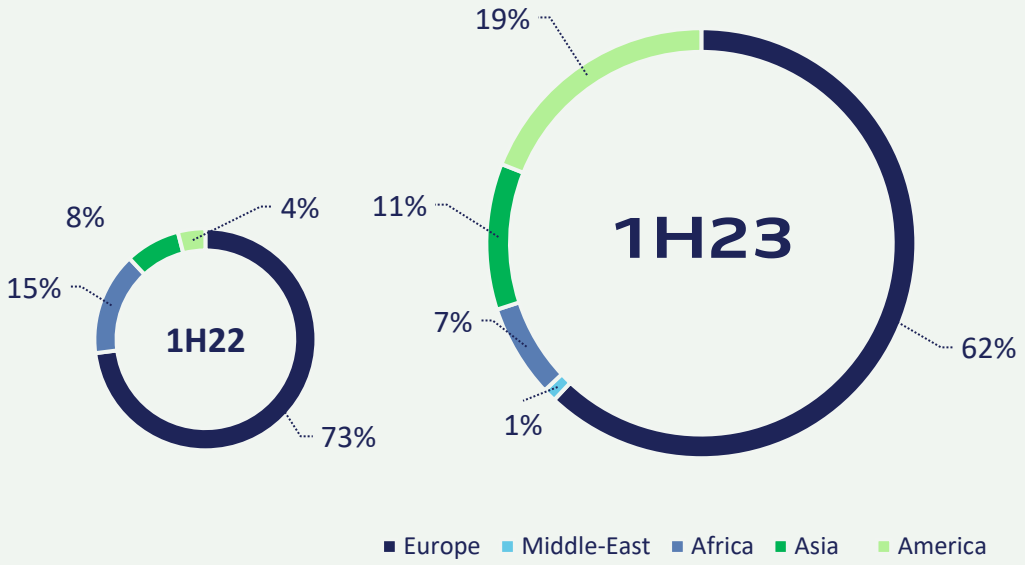

(in million euro)

### Segment breakdown




(in million euro)

### Geographic breakdown




Strong y-o-y growth, +14%

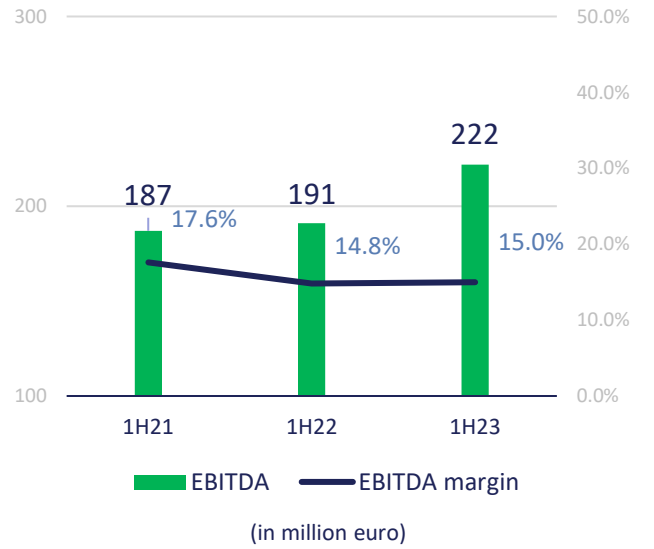
Environmental and Offshore Energy with strong first half of the year ; Dredging & Infra slightly lower vs 1H22

Turnover becoming more diversified with lower contribution from Europe and significant growth in America

# **1H23** – Group Profitability

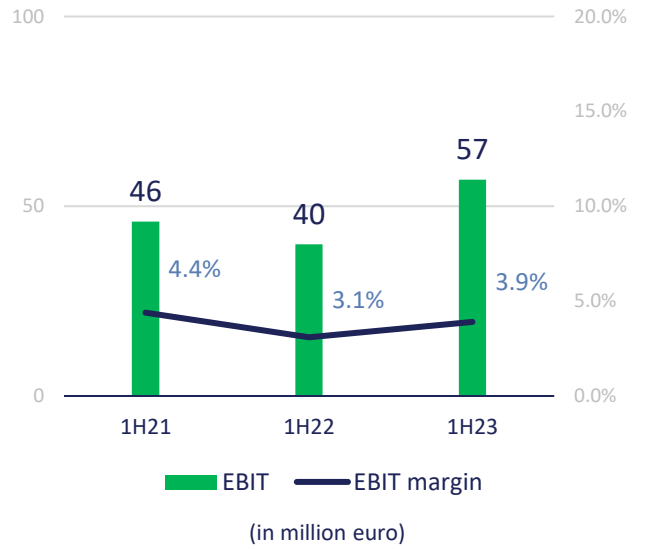
## EBITDA & EBIT trend upward ; Net profit down due to negative exchange rate results

### EBITDA & EBITDA Margin



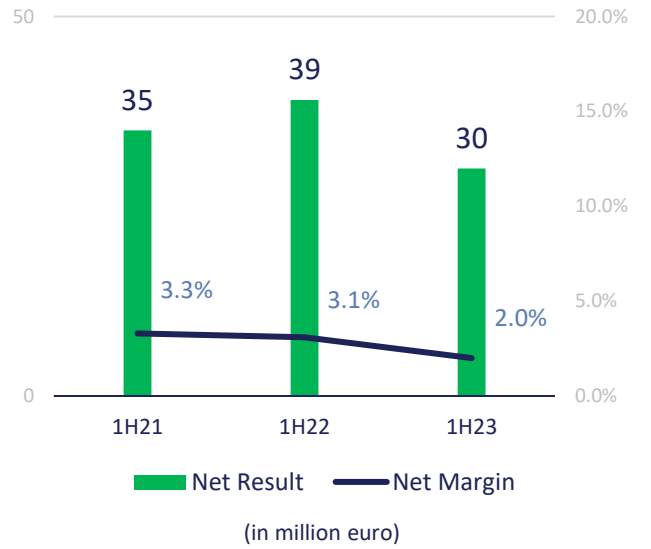

(in million euro)

### EBIT & EBIT Margin




(in million euro)

### Net Result & Margin




(in million euro)

- EBITDA grew along with turnover ; +16% in absolute value y-o-y & margin stable
- Offshore Energy down due to project start-ups, recorded losses on 2 projects (pending client discussions) and absence of prior year settlement of liquidated damages ; Dredging & Infra increased as well as Environmental due to disciplined project execution and impact of settlements
- EBIT increased 43% vs 1H22; EBIT margin @ 3.9%, up from 3.1%
- Higher depreciations resulting from ‘Orion’ and ‘Viking Neptun’ recently joining the fleet
- Net profit lower vs 1H22 mainly due to negative exchange rate results
- Earnings per share € 1.19

# **1H23** – Group Profitability

## Group EBITDA, EBIT and Net Profit

### Key profit and loss items

| (in million euro) | 1H23 | 1H22 | 1H21 |
|---|---|---|---|
| Turnover | 1,475 | 1,292 | 1,063 |
| EBITDA | 222 | 191 | 187 |
| Depreciation and impairment | -165 | -151 | -141 |
| EBIT | 57 | 40 | 46 |
| Financial Result | -13 | 4 | -5 |
| Share of profit (loss) of joint ventures & associates | 3 | 7 | 5 |
| Net Profit | 30 | 39 | 35 |

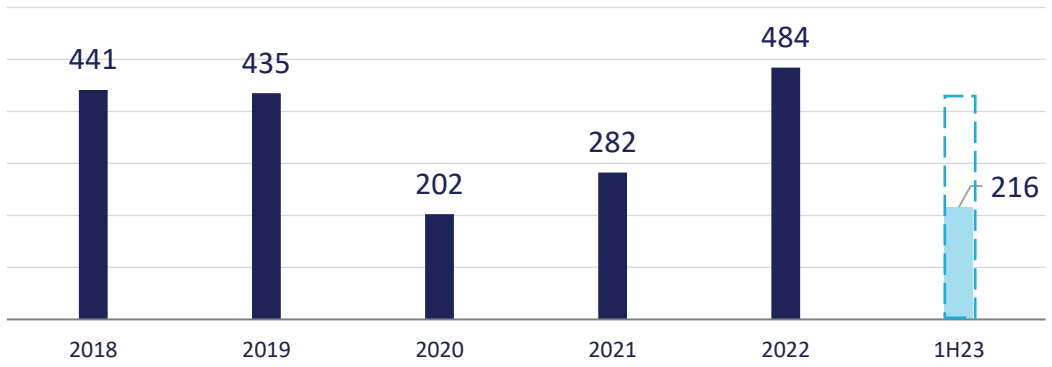
Depreciation charges increased due to new arrivals in the fleet

Financial Result includes negative exchange rate result

# 1H23 - CAPEX

## Continued investments in technologically-advanced fleet

### Evolution of CapEx[1]




(in million euro)


### CAPEX Highlights

- Conversion investments for ‘Sea Installer’ and ‘Yellowstone’
- Maintenance investments in entire DEME fleet as well as modification investments
- Conversion of ‘Yellowstone’, a former bulk carrier into a DP fallpipe vessel
- ‘Green Jade’[2] inaugurated end of June and operational over summer

**€ 2,567m**

**NET BOOK VALUE PROPERTY, PLANT & EQUIPMENT**

(up from € 2,422m a year ago)

1. Excluding investments in financial fixed assets
2. ‘Green Jade’, inaugurated in June, was constructed in Taiwan by CDWE, joint-venture between CSBC and DEME, and the associated investments are excluded from the CAPEX amount

# **1H23** – Key balance sheet items

## Key balance sheet items

| (in million euro) | 1H23 | 1H22 | FY22 |
|---|---|---|---|
| Net Financial Debt | -715 | -574 | -521 |
| Cash & cash equivalents | 309 | 675 | 522 |
| Operating Working Capital[1] | -411 | -399 | -506 |

Net Financial Debt/EBITDA @ 1.4

Increase in Net Financial Debt mainly driven by sustained high level of investments and cyclical effects on the cash flow generation/operating working capital during the first half

1. Operating working capital (+ is receivable, - is payable) is net working capital (current assets less current liabilities), excluding interest-bearing debt and cash & cash equivalents and financial derivatives related to interest rate swaps and including other non-current assets and non-current liabilities (if any) as well as non-current financial derivatives (assets and liabilities), except for those related to interest rate swaps.

# **1H23** – Segments

## Complementary segments result in diversified sources of income

| (in million euro) | OFFSHORE ENERGY 1H23 | OFFSHORE ENERGY 1H22 | DREDGING & INFRA 1H23 | DREDGING & INFRA 1H22 | ENVIRONMENTAL 1H23 | ENVIRONMENTAL 1H22 |
|---|---|---|---|---|---|---|
| Turnover[1]<br>*Y-o-y growth* | 658<br>*+40%* | 471 | 716<br>*-4%* | 747 | 143<br>*+58%* | 91 |
| EBITDA<br>*Margin* | 79<br>*12.0%* | 100<br>*21.3%* | 102<br>*14.3%* | 95<br>*12.7%* | 32<br>*22.6%* | 12<br>*13.5%* |
| EBIT[2]<br>*Margin* | 20<br>*3.0%* | 53<br>*11.2%* | -1<br>*-0.2%* | -8<br>*-1.0%* | 28<br>*19.2%* | 8<br>*9.1%* |

| | 1H23 | 1H22 |
|---|---|---|
| Financial result | -13 | 4 |
| Net result share of the Group | 30 | 39 |

CONCESSIONS

| | 1H23 | 1H22 |
|---|---|---|
| Net result from associates | 18 | 3 |

1. Representation is according to the proportionate method in the segment reporting
2. EBIT before DEME's share in the result of joint ventures and associates

# Outlook

***Management is confident** about DEME's long term growth prospects and expects **for the next few years** ...*

A gradual increase in
**TURNOVER**

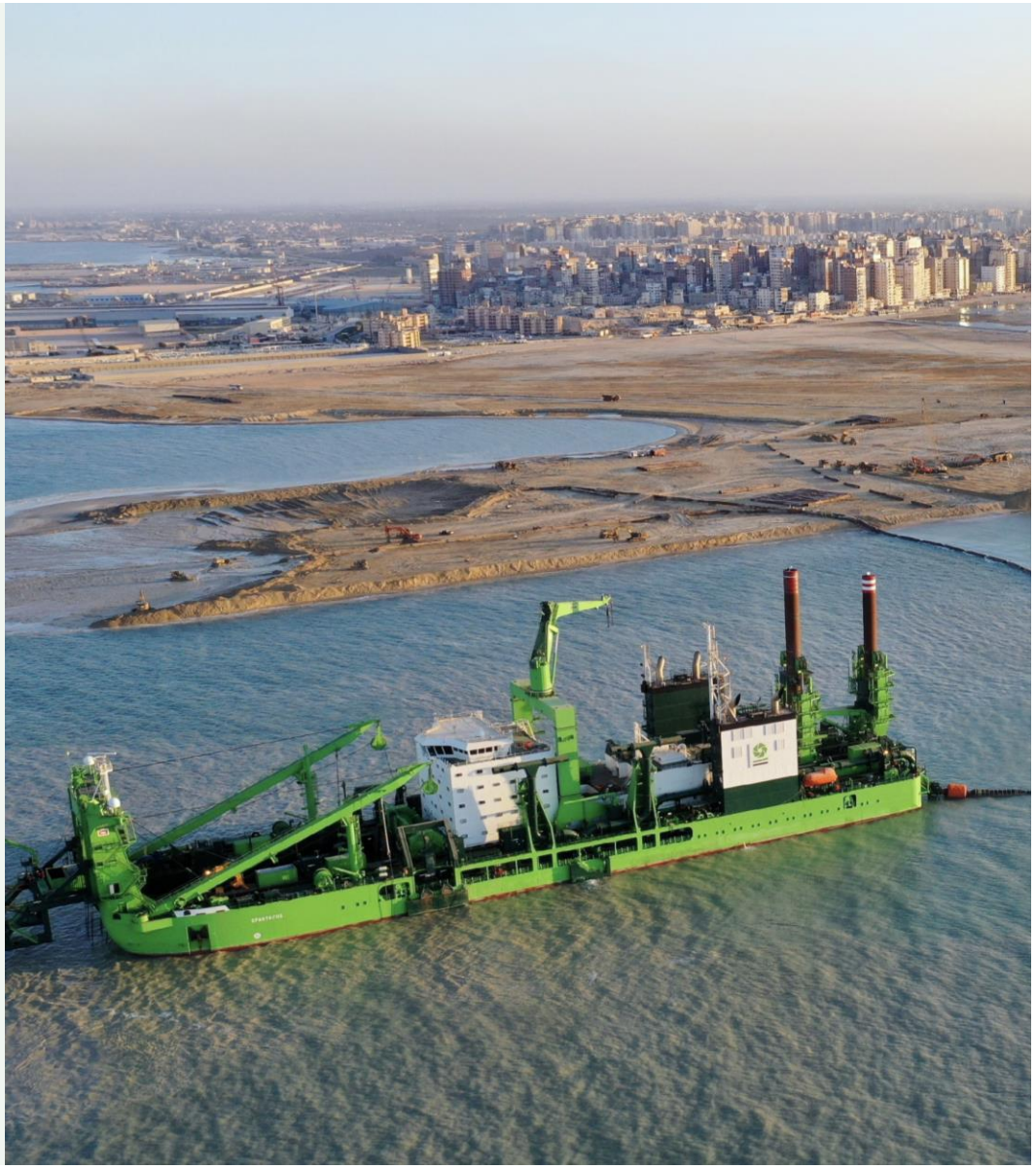
**EBITDA MARGIN**
to vary but to stay between 16% to 20%

***For 2023** ... taking into account present market conditions, current orderbook and fleet capacity, management expects...*

**TURNOVER**
higher than in 2022

**EBITDA MARGIN**
comparable to 2022

**CAPEX** for the year anticipated around
**€ 425M**



This slide includes forward-looking statements which, although based on assumptions that the Company considers reasonable, are subject to risks and uncertainties which could cause events or conditions to materially differ from those expressed or implied by the forward-looking statements. The Company confirms that the outlook has been compiled and prepared on a basis which is (i) comparable with the historical financial information and (ii) consistent with the Company's accounting policies.

# Thank you

For more information
vanden.bussche.carl@deme-group.com

# FINANCIAL CALENDAR

| | |
|---|---|
| 22/11/2023 | Quarterly results Q3 2023 |
| 28/02/2024 | Full Year 2023 results |
| 28/03/2024 | Annual Report 2023 |
| 14/05/2024 | Quarterly results Q1 2024 |
| 15/05/2024 | General Assembly |
| 29/08/2024 | Half Year 2024 results |

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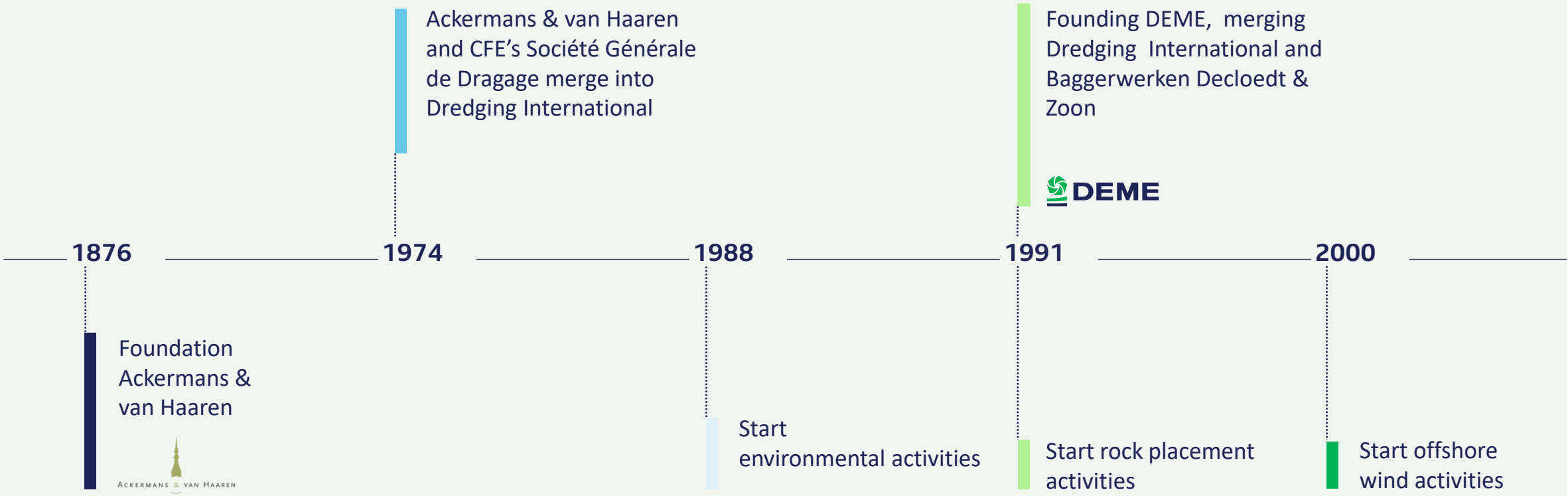
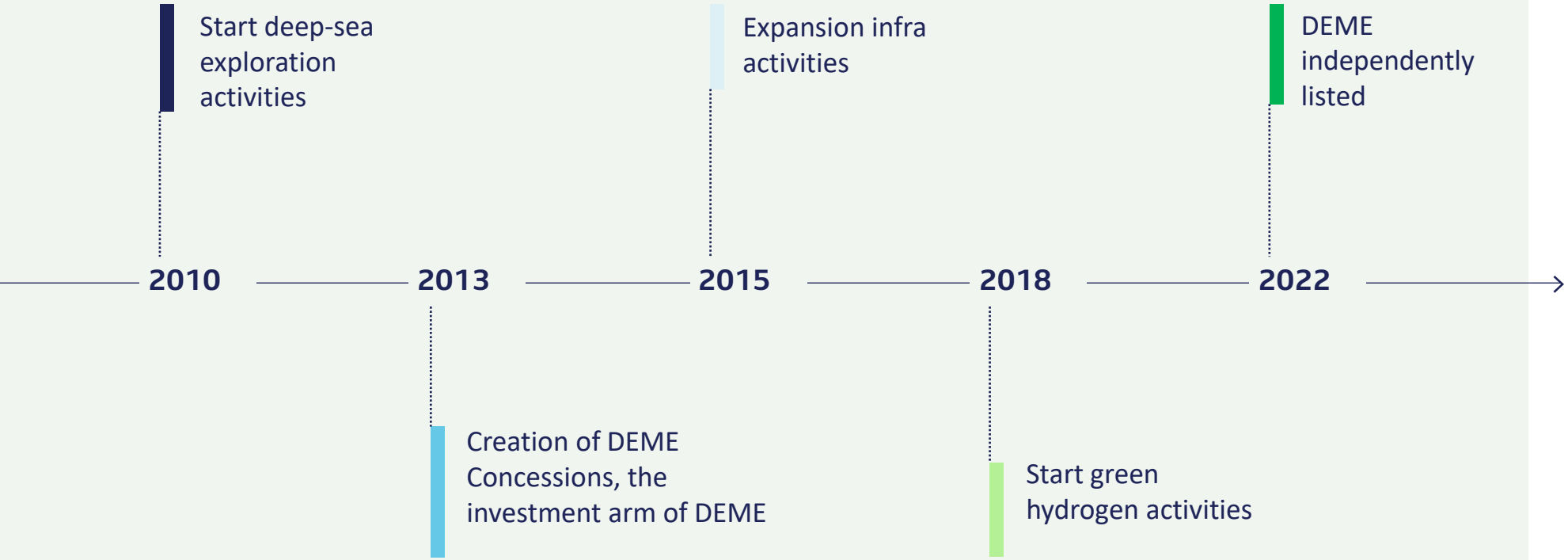
# 04
# Appendix slides

# Long heritage of exploring new horizons and creating sustainable marine solutions






- Unlock full potential of DEME and allow for better sector specialization
- Enhance governance and management focus
- Better alignment of capital allocation decisions
- Attract most appropriate investor base

# Project characteristics

## A cautious approach

### Preparation

- Project budget based on "Costs DOP + risk + margin"
- Trying to avoid fixed price contracts

### Orderbook

- A contract is typically only taken into orderbook upon sufficient certainty of realisation ( Permits, Financial close, ...)

### Remeasurable contract

- Price revision mechanisms to trigger variation orders related to variables such as
  - Soil conditions, cubic meters
  - Sailing distance
  - Weather
  - ...
- Escalation clauses cover for commodities such as materials fuel, steel prices; inflation...

### Project execution

- Diligent project execution is a must to deliver results

### Project profit recognition

- Recognize profit only after 10% of project completed

### Payment protection

- Credendo, bank guarantee, letter of credits, prepayments, ...
- Currency risks hedged

# DEME Campus “in the making”

DEME LABS finished June 2023

PAVILION  finished May 2024

DEME HQ start July 2024