Gearing up for new industry design-standards and improved market outlook

Operational highlights:

- Continued strong safety performance resulting in LTIF of 0.97 for FY 2018 (1.49 in 2017)
- Production and/or delivery of monopiles and transition pieces for Borssele 3+4, Hohe See, Albatros, Trianel and Norther offshore wind farms
- Delivery of pin piles for Peregrino and Sverdrup jacket foundations
- Innovations support decreasing LCOE for offshore wind
- Contracts won for Seamade and Borssele 1+2+3+4
- New exclusive position for 75 Kton project
- Total throughput of approximately 138 Kton of steel (2017: 232 Kton)
    - 102 Kton (or 74%) for offshore wind
    - 34 Kton (or 24%) for oil & gas
    - 2 Kton (or 2%) for other

Key figures:

- FY 2018 contribution of € 74.3 million (FY 2017: € 135.6 million)
- FY 2018 normalized EBITDA of € 13.3 million (FY 2017: € 57.1 million);
- FY 2018 profit attributable to the shareholder -€ 2.1 million (FY 2017: € 30.8 million);
- Earnings per share 2018 -€ 0.08 (€ 1.21 in 2017);
- Dividend proposal € 0.10 in cash per share (€ 0.30 for 2017);
- Year-end 2018 net working capital € 14.2 million (YE 2017: € 7.1 million)
- Year-end 2018 net debt € 30.4 million (YE 2017: € 25.1 million)
- Order book 210 Kton signed contracts for 2019; 155 Kton exclusive negotiations for 2020 and beyond

In € million	FY 2018	FY 2017	change YOY
Contribution	74.3	135.6	-45%
Normalized EBITDA	13.3	57.1	-77%
Earnings after tax	-2.1	30.8	-107%
Kton production	138	232	-41%
EPS	-0.08	1.21	-107%

Order book at year-end	For 2019	For 2020 and beyond
Contracted	210	0
Exclusive	0	155

CEO Fred van Beers:

We cushioned the anticipated low utilization in 2018 by agreeing with our client to produce monopiles for Borssele 3+4 in 2018 instead of 2019. The agreement came at a discount. Delays in production of steel and hampered transportation due to low water levels in Moselle and Rhine, partly frustrated our plans. Sif took advantage of the relatively low manufacturing activity to gear up for changing market conditions. This implies gearing up for higher utilization of our production facilities. But it also implies gearing up for changing industry standards on product surface protection (coating) and on the use of steel (less wall thickness combined with larger diameters). This underpins the efforts of the industry to reduce development, production, installation and exploitation costs of offshore windfarms by improving efficiency and applying innovative solutions.

New industry design standards are defined by the PISA working group, resulting in regulations that were ratified in the summer of 2018. These regulations allow designers to apply less wall thickness and larger diameters for the production of monopiles. As already indicated in November 2018, Sif will invest approximately € 40 million over the period 2019-2021 in coating- facilities and production equipment to match these new standards.

Offshore wind market conditions have further improved for the 2018-2027 timeframe and it is now estimated that in average 4.8 GW per year will be added to the grid- connected European wind capacity. We have seen high tender activity in 2018 that resulted in the current 365 Kton orderbook for the 2019-2021 period with still a few 2020 and 2021 projects due for (final) award somewhere during the next half year. Anticipating the effects hereof, we have brought our labor force back to strength at the end of 2018 and executed delayed maintenance on our machinery during the 2nd and 3rd quarters of 2018. Together with the planned investments, Sif is well positioned for the projects anticipated in the period 2019-2027.

FY 2018 results development

All amounts and numbers in this results press release are based on the Company’s annual accounts that will be published today and that will be presented to the Annual General Meeting of Shareholders for approval on 3 May 2019.

Contribution

Contribution in 2018 was € 74.3 million, some 45% less than in 2017. This brought the 2018 contribution per Kton to € 539 compared to € 585 per Kton for 2017.

The anticipated gap in our production schedule and logistic hurdles were important reasons for the production decrease. Total production was 138 Kton compared to 232 Kton in 2017. To limit underutilization effects Sif agreed with clients to move production for Borssele 3+4, initially scheduled for manufacturing in 2019, forward to 2018. Steel production delays and logistic challenges related to drought and low water levels in rivers Moselle and Rhine, caused unexpected execution delays at Sif and a shift of part of the Borssele 3+4 project back into 2019. In addition we chose to subcontract another project to avoid liquidated damages from late delivery already in 2017. This also impacted contribution.

This is reflected in Revenues and Contribution numbers: offshore wind accounted for approximately 69% of the total contribution and for 83% of revenues. Revenue for 2018 (€ 235.1 million) was 28% lower than for 2017 (€ 327.2 million).

We define contribution as revenue minus cost of sale. Cost of sale includes the costs of raw materials, subcontracted work and other external charges, logistics and other project-related expenses.

EBITDA

EBITDA normalized for amortization of IPO costs was € 13.3 million in 2018 compared to € 57.1 million in 2017. The main reasons for the Y-on-Y development were the low utilization of production capacity and lower sales margins on projects. To manage the risks of this volatile project environment, Sif employs a relatively large flexible workforce shell. A relatively small part of the

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flexible workforce however was retained given the temporary slow market situation combined with the improving industry outlook. Redundant staff were employed to delayed maintenance activities.

EBITDA is calculated as profit before finance expense, tax, depreciation and amortization

Net debt

Net debt at the end of 2018 amounted to € 30.4 million (end of 2017: € 25.1 million), a decrease by € 22.1 million on the € 52.5 million net debt position at the end of the first half of 2018.

CAPEX in 2018 was € 4.6 million. Normal annual maintenance CAPEX is at levels of € 6 - 8 million and annual depreciation at levels between € 13 and 15 million.

Operating working capital and cash flows

Cash flow from operating activities in 2018 was € 5.5 million. Operating working capital stood at € 14.2 million at the end of 2018 (€ 7.1 million at the end of 2017), a decrease by € 18.5 million compared to the period ending 30 June 2018.

Order book tonnage and outlook

Early in 2017 we informed the market that delays in the development of projects would lead to a lower level of activity in 2018. This has proven to be the case as total production for 2018 came in at 138 Kton.

The manufacturing of project Borssele 3+4 was further delayed and partly shifted into the first quarter of 2019. Main reasons were low water levels due to extreme drought in the summer of 2018 and production delays at our steel- supplier. This caused underutilization in 2018 but also impacts results in mainly Q1 2019 since Borssele 3+4 was acquired at a discount. With a signed contracts order book for 2019 at 210 Kton and 155 Kton in exclusive negotiations for the years beyond, expectations for the near future look healthy. For 2019 we expect earnings to gradually recover after the first quarter. In view of the expectations for the offshore wind market in the period after 2019 it is anticipated that virtually all or a very large part of the production facilities' capacity will be utilized as the expected average annual growth of North Sea offshore wind amounts to 4.8 GW. In view of these expectations, we increased our staffing and expect to return to close to 600 FTE during 2019 with approximately 40% flexible and 60% permanent staff.

The offshore wind industry is in transition. This is evidenced by amongst others industry- specific design- and engineering specifications that recently have been adopted. These will affect the whole offshore wind production chain and also Sif's business in the next few years. This trend could create additional business opportunities. For 2019 this will require an investment by Sif of approximately € 8 million in additional coating capacity to match increased coating requirements by clients. Our coating facilities will be extended from 4 to 6 units at Maasvlakte 2. For 2019 to 2021 the implementation of PISA guidelines will require investments up to approximately € 32 million in total to adjust production lines and support- equipment. This is required to be able to handle larger diameters (up to 11 meter) in combination with lower wall thicknesses. Financing arrangements for Sif have been extended post-closing of 2018 and allow for these foreseen investments and the required working capital as well as for the proposed dividend 2018.

The application of IFRS 16 will impact balance sheet and EBITDA as of 2019. The capitalization of leases will impact EBITDA positively by approximately € 3.5 million per year. It will lead to an increase of the balance sheet with approximately € 30 million.

Dividend proposal

Profit attributable to the shareholders amounted to - € 2.1 million. The Executive and Supervisory Boards will propose to the General Meeting of Shareholders on 3 May 2019 that € 2.55 million will be paid as a dividend resulting in a dividend per share of € 0.10 in cash. The ex- dividend date is 8 May 2019 which is also the dividend record date. Payment of net dividend to financial intermediaries is scheduled for 9 May 2019.

Employees

Safety is a priority at Sif. In 2018 LTIF (Lost Time Injury Frequency) decreased to 0.97 from 1.49 in 2017. Sif employed 429 FTEs at the end of 2018 compared to 615 at the end of 2017. The flexible workforce at the end of 2018 was 157 FTE (363 FTEs end of 2017).

	FTE 2018	FTE 2017
fixed contract	272	252
externally hired*	157	363
total	429	615

* Externally hired on a temporary basis

Annexes

Statement by the Management Board

The Executive Board declares that, to the best of its knowledge:

1. The financial statements as included in this release and the 2018 Annual Report provide a true and fair view of the assets, liabilities, financial position and profit for the financial year of Sif Holding N.V. and the Group companies included in the consolidation;
2. The report of the Executive Board as included in the 2018 Annual Report provides a true and fair view of the situation on the balance sheet date and the business development during the financial year of Sif Holding N.V, and its affiliated Group companies included in the consolidated financial statements. The report of the Executive Board describes the material risks to which Sif Holding N.V. is exposed.

Financial calendar

21 March 2019	FY 2018 Earnings
3 May 2019	AGM and Trading Update Q1 2019
28 August 2019	HY 2019 Earnings
7 November 2019	Trading Update Q3 2019

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Presentation of 2018 results

Following this release the CEO and CFO of Sif will present the 2018 results during a webcast live analysts meeting on 21 March 2019 at 09:30 hours CET. A transcript of the meeting will be published on Sif's website shortly after the meeting. A road show will be organized in Amsterdam (21 - 22 March), London (25 March), Paris (3 April) and Frankfurt (4 April).

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Disclaimer

Some of the statements contained in this release that are not historical facts are statements of future projections and other forward-looking statements. These statements are based on the management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from the statements. Historical results are no guarantee of future performance. Forward-looking statements are subject to various risks and uncertainties, which may cause Sif's actual results and business performance to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects", "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. Sif neither intends nor assumes any obligation to update any industry information or forward-looking statements set forth in this release in order to reflect subsequent events or circumstances. The content of this trading update is for information purposes only and is not intended as investment advice, nor does it constitute an offer or solicitation for the purchase or sale of any financial instrument. Sif does not warrant or guarantee the completeness, accuracy, or fitness for any particular purposes of the information included in this release.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018

Amounts in EUR '000	**2018**		2017	
Total revenue from contracts with customers		**235.140**		327.180
Raw materials	**104.839**		144.627	
Subcontracted work and other external charges	**44.829**		23.529	
Logistic and other project related expenses	**11.136**		23.390	
Direct personnel expenses	**24.165**		36.208	
Production and general manufacturing expenses	**9.689**		14.415	
Indirect personnel expenses	**14.808**		15.663	
Depreciation and amortization	**13.682**		13.153	
Facilities, housing and maintenance	**6.648**		6.192	
Selling expenses	**648**		781	
General expenses	**4.073**		5.721	
Other expenses	**1.716**		2.074	
Operating profit		**(1.094)**		41.427
Finance income	**-**		-	
Impairment losses on financial assets	**(39)**		-	
Finance costs	**(1.677)**		(1.442)	
Net finance costs		**(1.716)**		(1.442)
Share of profit of joint ventures		**13**		12
Profit before tax		**(2.797)**		39.997
Income tax expense		**(746)**		9.237
Profit after tax		**(2.051)**		30.760
Attributable to:				
Non-controlling interests		**-**		-
Equity holders of Sif Holding N.V.		**(2.051)**		30.760
Profit after tax		**(2.051)**		**30.760**
Earnings per share				
Number of ordinary shares outstanding		**25.501.356**		25.501.356
Basic earnings per share (EUR)		**(0,08)**		1,21
Diluted earnings per share (EUR)		**(0,08)**		1,21

Consolidated statement of financial position as at 31 December 2018

Amounts in EUR '000	**31-dec-2018**	31-dec-2017
Assets		
Intangible fixed assets	**1.230**	91
Property, plant and equipment	**111.370**	121.574
Investment property	**400**	400
Investments in joint ventures	**41**	28
Other financial assets	**-**	10
Total non-current assets	**113.041**	122.103
Inventories	**367**	303
Contract assets	**28.891**	30.510
Trade receivables	**47.608**	48.632
Other financial assets	**90**	5
Prepayments	**754**	1.842
CIT receivable	**543**	-
Cash and cash equivalents	**505**	877
Total current assets	**78.758**	82.169
Total assets	**191.799**	204.272
Equity		
Share capital	**5.100**	5.100
Additional paid-in capital	**1.059**	1.059
Retained earnings	**79.430**	56.320
Result for the year	**(2.051)**	30.760
Total equity	**83.538**	93.239
Liabilities		
Loans and borrowings	**-**	25.984
Other non-current financial liabilities	**50**	-
Employee benefits	**315**	294
Deferred tax liabilities	**80**	177
Other non-current liabilities	**1.981**	407
Total non-current liabilities	**2.426**	26.862
Loans and borrowings	**30.882**	-
Provision	**263**	-
Trade payables	**42.353**	52.592
Contract liabilities	**21.079**	21.624
Employee benefits	**1.555**	1.371
Wage tax and social security	**1.471**	1.353
VAT payable	**4.276**	1.504
CIT payable	-	1.921
Other current liabilities	**3.956**	3.806
Total current liabilities	**105.835**	84.171
Total liabilities	**108.261**	111.033
Total equity and liabilities	**191.799**	204.272

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Consolidated cash flow statement for the year ended 31 December 2018

Amounts in EUR '000	**2018**	2017
Cash flows from operating activities		
Profit before tax	**(2.797)**	39.997
Adjustments for:		
Depreciation and amortization	**13.682**	13.153
Fair value adjustment on investment property	**-**	(25)
Unrealized changes in joint ventures	**(13)**	(12)
Impairment losses on financial assets	**(39)**	-
Net finance costs	**1.677**	1.442
Changes in net working capital		
o Inventories	**(65)**	(113)
o Contract assets and liabilities	**1.074**	(22.609)
o Trade receivables	**540**	20.480
o Prepayments	**1.014**	2.090
o Trade payables	**(11.811)**	10.071
	6.059	24.477
VAT payable and receivable	**2.772**	994
Employee benefits	**206**	(116)
Provisions	**263**	-
Wage tax and social security	**118**	430
Other current liabilities	**2.181**	(579)
	5.540	729
Income taxes paid	**(1.815)**	(9.725)
Interest paid	**(1.439)**	(1.592)
Net cash from operating activities	**5.548**	53.886
Cash flows from investing activities		
Purchase of intangible fixed assets	**(1.191)**	-
Purchase of property, plant and equipment	**(1.952)**	(27.587)
Loans and borrowings to joint ventures	**(75)**	-
Net cash from (used in) investing activities	**(3.218)**	(27.587)
Cash flows from financing activities		
Movements in revolving credit facility	**4.899**	(16.289)
Proceeds from new borrowing	**50**	-
Dividends	**(7.650)**	(9.436)
Net cash from (used in) financing activities	**(2.701)**	(25.725)
Net increase / decrease in cash and cash equivalents	**(372)**	573
Cash and cash equivalents at 1 January	**877**	304
Cash and cash equivalents at 31 December	**505**	877