

Royal IHC restructures to safeguard a sustainable future

PRESS RELEASE

- Royal IHC is changing its organisation with the aim of returning to profitability while maintaining a loyal and satisfied customer base, and the high levels of technological leadership and quality for which it is renowned. The organisation is restructured in line with a realistic turnover ambition of EUR 600-700 million. With this action, IHC expects to create a sustainable future perspective for its employees.
- As a result of these changes, approximately 300 jobs will be lost in The Netherlands over the coming months, with a similar number of redundancies taking place outside of the country. This mainly concerns management and office roles. In addition, a contingent workforce of around 500 will be phased out.
- A two-year Social Plan has been agreed with the trade unions. This gives IHC the space to further optimise the organisation in the coming period. The aim is to help employees as much as possible from work to work, for example through collaborations with (local) government and industry.
- From now on, the company will focus on its core activities in the dredging and offshore market. Activities in the (wet) mining and defence markets have been designated as potential core activities, with opportunities to develop further. A number of subsidiaries will also be divested.
- With this approach, IHC ensures that it has a sustainable future. Unique and high-quality technology and knowledge are retained for customers in the maritime cluster.

In order to return to profitability, after its takeover by an industry consortium, and to offer it a sustainable future, Royal IHC is returning to its core activities in the dredging and offshore market. In addition, the size of the organisation will be brought in line with the expected turnover for the coming years. As a result of these changes, about 300 jobs will be lost in The Netherlands in the coming months. A similar number of redundancies will take place at its various offices outside The Netherlands. This mainly concerns management and office roles.

CEO Gerben Eggink comments: "Royal IHC has a long history, in which it has built up extensive technological knowledge and a leading position in the Dutch maritime cluster. This was only possible through the knowledge, commitment and talent of its employees. It is very painful that we now have to say goodbye to some of those colleagues. However, I am convinced that given their own qualities and with the guidance we provide them, they will be successful in moving from work to work."

"Because we are now adapting the organisation to the expected turnover and structuring the company in such a way that we can respond efficiently and flexibly to market movements, IHC can continue to fulfil its leading role in the Dutch maritime industry. This is how we preserve the unique and high-quality technology and knowledge in The Netherlands."

Core focus

It was clear at the time of its acquisition by an industry consortium last June that IHC would define a new strategy in which it would return to its strong foundations. Moving forwards, the company will focus on its core activities in the dredging and offshore market. Activities in the (wet) mining and defence markets have been designated as potential core activities, with opportunities to develop further.



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Other activities and business units will be divested, with the key objective being job retention. With this approach, IHC is helping to ensure that the company has a strong future, and that unique and specialist knowledge and technology is retained for its customers in the maritime sector.

Sustainable perspective

In order to achieve a sustainable future perspective, the organisation needs to be restructured in line with its current workload and turnover ambitions for the coming years. In view of the global economic situation, an order book with a value of EUR 600-700 million is a realistic starting point. The aforementioned organisational changes, a reduction in employee numbers and the phasing out of the contingent workforce are all necessary steps in this process.

From work to work

IHC has agreed an appropriate redundancy plan with the unions, based on as much guidance as possible in helping workers make the transition into new roles and offering support in increasing their employability skills in the labour market. Various training and education courses are being offered for this purpose.

The aim is to help employees as much as possible, for example through collaborations with various companies in the region and (local) government to help preserve the unique craftsmanship within the maritime sector. The works council has advised on the plans, which are also backed by the various social partners involved, all of whom recognise the necessary steps that have been taken to give IHC a stronger future perspective.

Change in the Supervisory Board

Now the new organisational structure is in place and conditions for a sustainable future have been created, Chairman of the Supervisory Board Jaap Huijskes has stepped down. As chairman, he guided IHC through an important period, for which the company is very grateful. Commissioner Menno Snel takes over as Chairman of the Supervisory Board from 1 November.



Note for the editors, not for publication:

About Royal IHC

In an ever-changing political and economic landscape, Royal IHC enables its customers to execute complex projects from sea level to ocean floor in the most challenging of maritime environments.

We are a reliable supplier of innovative and efficient equipment, vessels and services for the offshore, dredging and wet mining markets. With a history steeped in Dutch shipbuilding since the mid-17th Century, we have in-depth knowledge and expertise of engineering and manufacturing high-performance integrated vessels and equipment, and providing sustainable services. From our head office in The Netherlands and with sites and offices on a global basis, we are able to ensure a local presence and support on every continent.

Dredging operators, oil and gas corporations, offshore contractors, mining houses and government authorities all over the world benefit from IHC's high-quality solutions and services. With our commitment to technological innovation, in which sustainability and safety are key, we strive to continuously meet the specific needs of each customer in a rapidly evolving world.

For more information on Royal IHC, visit www.royalihc.com

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