wood.

Full year results 2021

20 April 2022

Disclaimer

This document has been prepared by John Wood Group Plc (the "Company") solely for use at a presentation in connection with the Company's full year results announcement for the twelve months ended 31 December 2021. For the purposes of this notice, the presentation that follows (the "Presentation") shall mean and include the slides that follow, the presentation of the slides by the Company, the question and answer session that follows that presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation.

The Presentation does not constitute or form part of and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, securities of the Company in any jurisdiction or an inducement to enter into investment activity. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

Statements in this Presentation, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, as well as statements about the Company's or its management's beliefs or expectations, may constitute forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond Wood's control. These risks, uncertainties and factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no representation is made that any of the forward-looking statements will come to pass or that any forecast results will be achieved. Forward looking statements in the Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. They speak only as at the date of this Presentation and the Company undertakes no obligation to update these forward-looking statements.

The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the Presentation and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained herein.

In no circumstances, to the fullest extent permitted by law, will the Company, or any of its respective subsidiaries, shareholders, affiliates, representatives, partners, directors, officers, employees or advisers be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from or in connection with the use of this Presentation, its contents, any omissions or any reliance placed upon it.

What we will cover

1. Performance in 2021

2. De-risking our Projects business

3. Improving business momentum

4. Sale of Built Environment progressing well

5. Significant opportunities ahead

wood.

Wood today: operate across the asset life cycle

Plan > **Design >** **Build >** **Operate / Optimise >** **Asset re-purpose**

Consulting

Projects

Operations

wood.

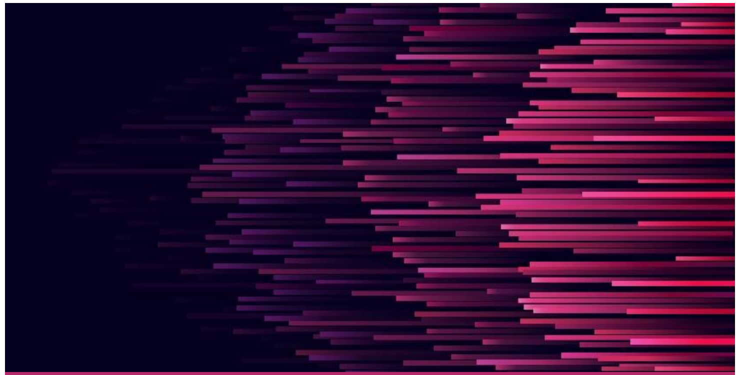
Wood today: our markets

		% of Consulting	% of Projects	% of Operations	% of Group[1]
Conventional energy 	Upstream and midstream oil and gas	13%	24%	78%	**38%**
Process & chemicals 	Refining, petrochemicals (incl. CCUS & hydrogen), specialty chemical	5%	32%	11%	**17%**
Renewables & other 	Renewable power, mining & minerals, industrial processes and power	12%	38%	8%	**22%**
Built environment 	Infrastructure, water & waste, and environmental	70% Proposed sale	6%	3%	**23%**
		100%	**100%**	**100%**	

1. Also includes revenue from investment services

wood.

Overview of 2021 performance



Challenging year

- Pressures of Covid-19 pandemic: operational and commercial
- Challenges in Projects in Americas
- Aegis write-down
- Disappointing cash performance

De-risking our Project business

- Significant reduction in exposure to lump sum turnkey (LSTK) contracts
- Successful reorganisation to a global Projects business unit
- Improved margin in Projects

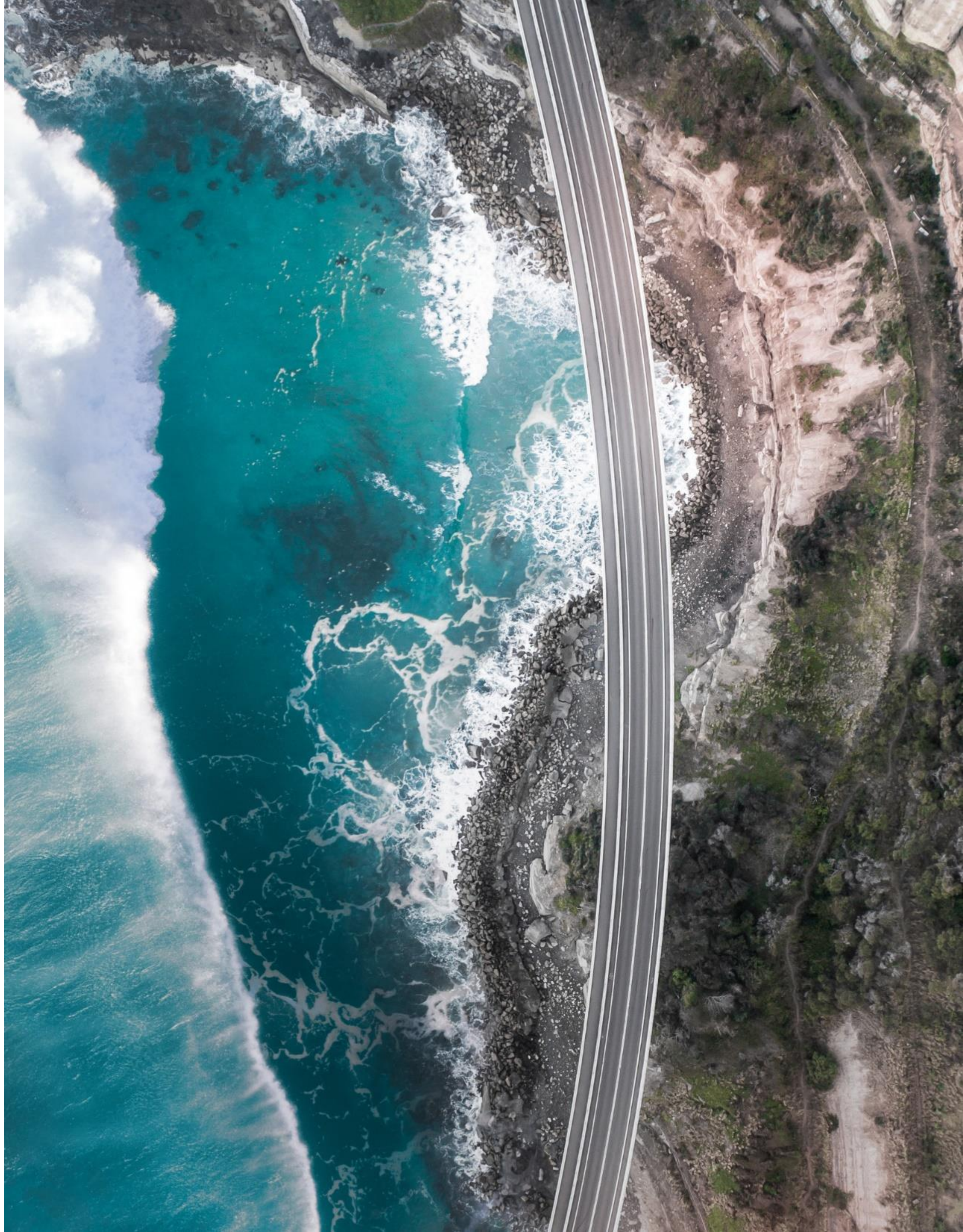
Improving business momentum

- Revenue growth in Consulting and Operations
- H2 stronger than H1
- Order book up 19% to $7.7bn
- Maintaining strong win rates

wood.

Financial Review

David Kemp, Chief Financial Officer



Underlying financial results overview

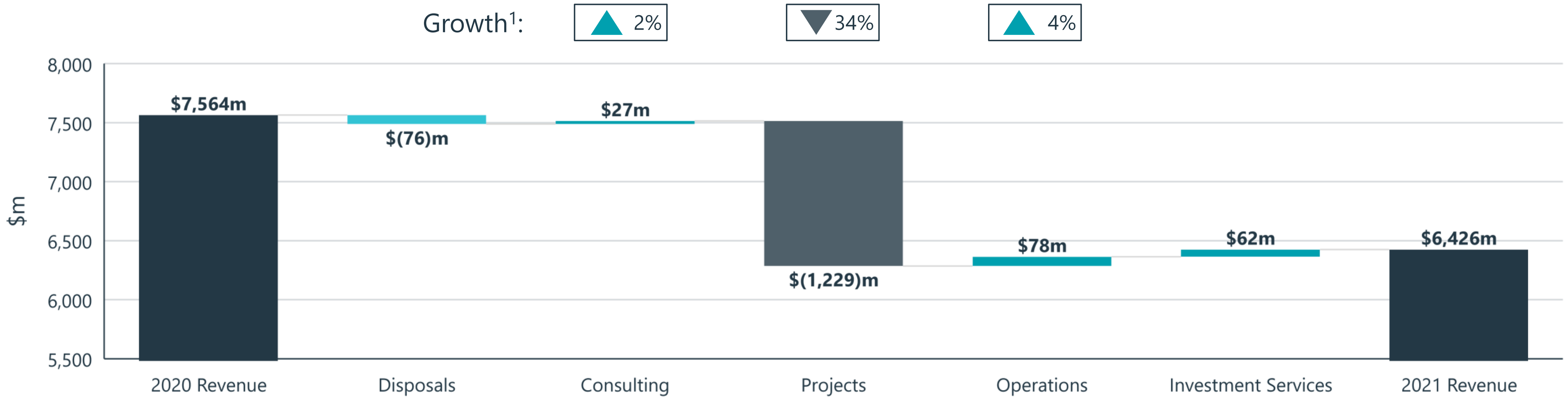
	FY21	FY20
Revenue[1]	$6,426m	$7,564m
Adjusted EBITDA	$554m	$630m
Adjusted EBITDA margin	8.6%	8.3%
Operating profit before exceptional items	$192m	$214m
Adjusted diluted EPS	17.5c	23.2c
Free cash flow (excluding leases)	$(398)m	$(46)m
Net debt excluding leases	$1,393m	$1,014m
Net debt / EBITDA (reported basis)	3.3x	2.1x
Order book	$7,748m	$6,524m
Order book for delivery next year	$4,655m	$4,399m

- **Revenue down 14% on a like-for-like basis[2]**
  - Reduction from lower Projects activity, offset by increased revenue in Consulting and Operations
- **Adjusted EBITDA down 10% on a like-for-like basis[2]**
  - Improvement in Consulting offset by reductions in Projects and Operations
- **Adjusted EBITDA margin increased to 8.6%**
  - Cost efficiencies, revenue mix, improved project execution
- **Negative free cash flow, net debt increased to $1.4bn**
  - WC outflow of $306m, mostly due to unwind in Projects
  - Exceptional cash costs $159m, incl. investigation settlements of $75m and restructuring costs of c.$50m
- **Order book up 19%**
  - **6% increase** in revenue to deliver in the year ahead

1. Revenue for FY21 includes an exceptional item of $(25.4) million related to Aegis Poland. Revenue is shown here pre-exceptional items
2. Like-for-like basis excludes the contribution from disposals completed in 2020 and 2021

wood.

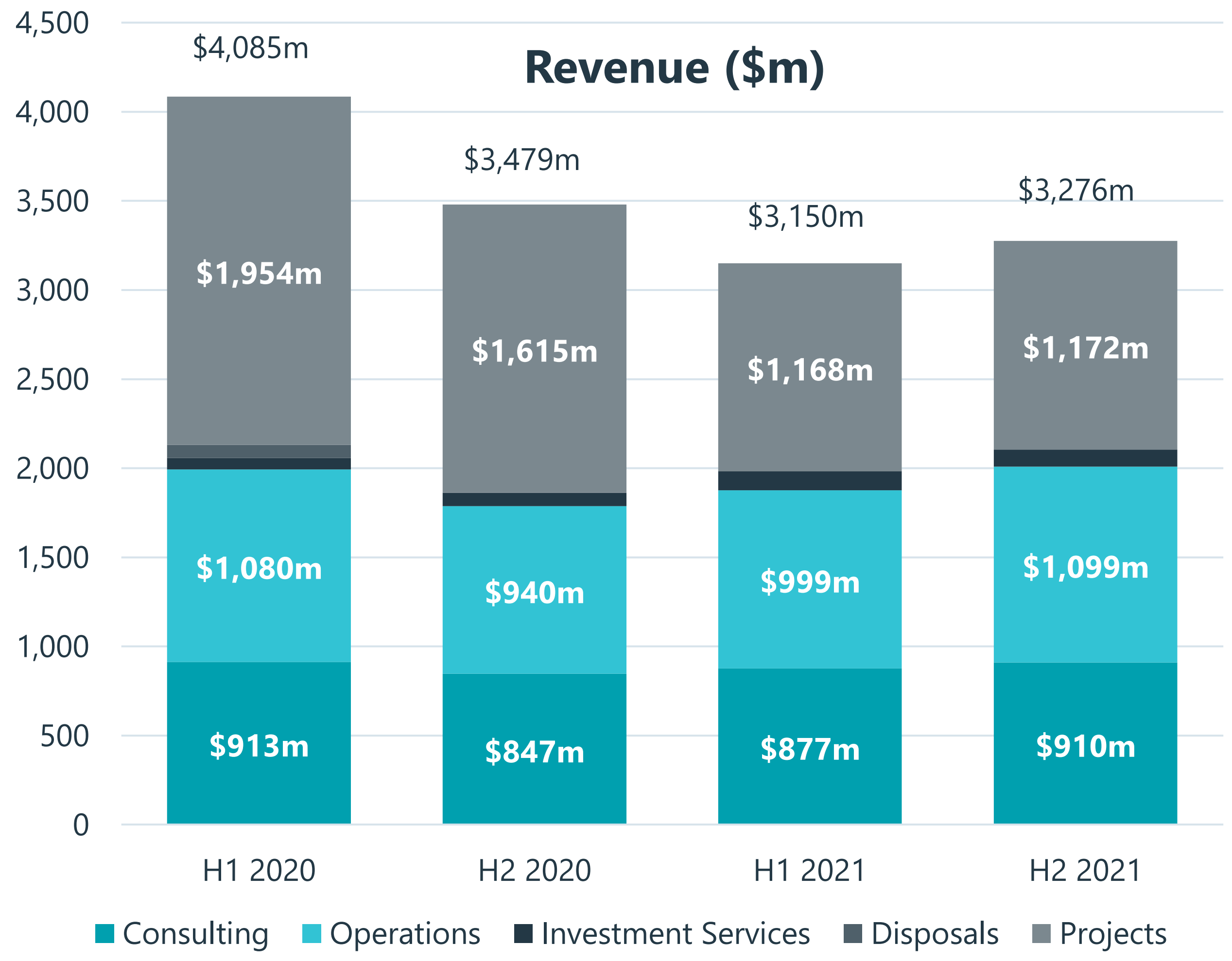
Revenue reflects decline in Projects business



- **Growth in Operations:** improving market conditions in conventional energy
- **Growth in Consulting:** led by built environment
- **Lower activity in Projects:** large EPC projects completing & impact of de-risking our project portfolio

1. Like-for-like basis excludes the contribution from disposals executed in 2020 and 2021

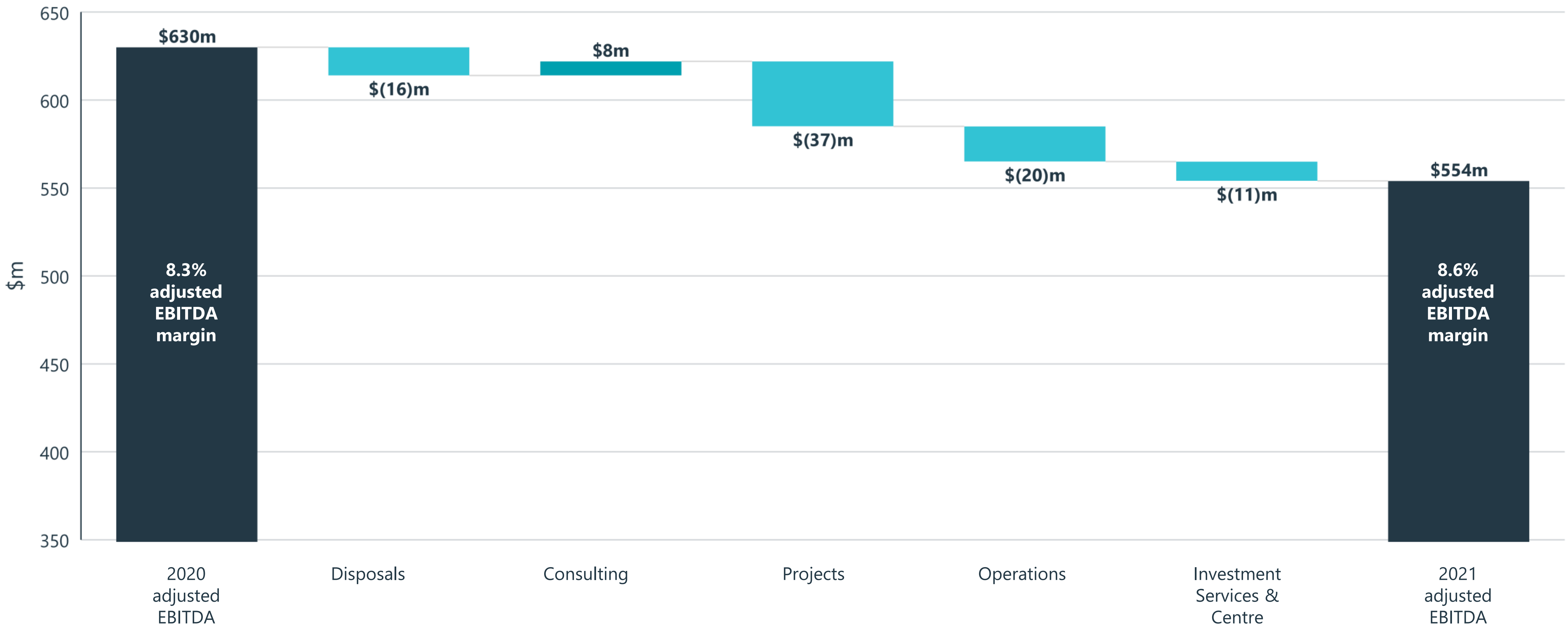
Improving market conditions drove a stronger H2



- **Stronger H2 2021 revenue performance:**
  - Up over 4% on H1 2021
- **Continued growth in Consulting and Operations:**
  - Increased activity relative to both H2 2020 and H1 2021
- **Stabilisation in Projects:**
  - Revenue in line with H1 2021 as markets stabilised
  - Slower recovery than expected in H2

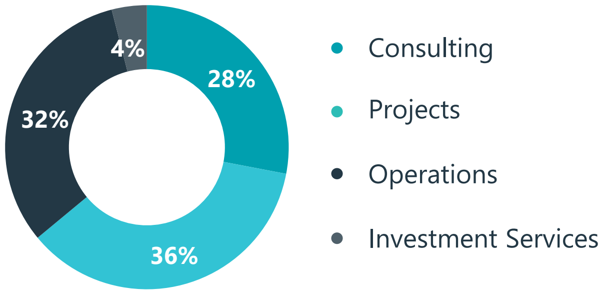
wood.

Adjusted EBITDA bridge



Group margin improvement of 0.4ppts

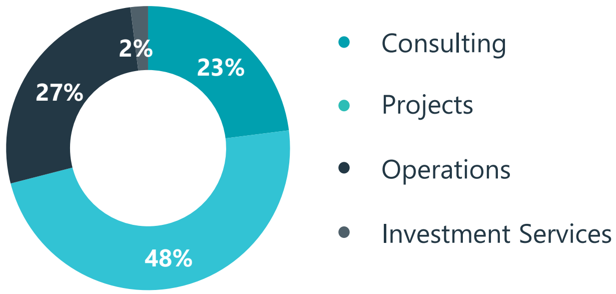
2021 revenue:



2021 margin (like-for-like):

Consulting	**12.7%**
Projects	**7.2%**
Operations	**10.7%**
Group[1]	**8.6%**

2020 revenue:



2020 margin (like-for-like):

Consulting	**12.4%**
Projects	**5.7%**
Operations	**12.1%**
Group[1]	**8.2%**

- Margin helped by cost efficiencies, incl. c.$40m benefit from Future Fit
- Margin in Projects helped by:
  - Improved overall project execution
  - Lower level of losses in underperforming contracts
- Lower margin in Operations mainly due to lower contract close-outs
- Group margin also helped by revenue mix

1. Like-for-like basis excludes the contribution from disposals completed in 2020 and 2021

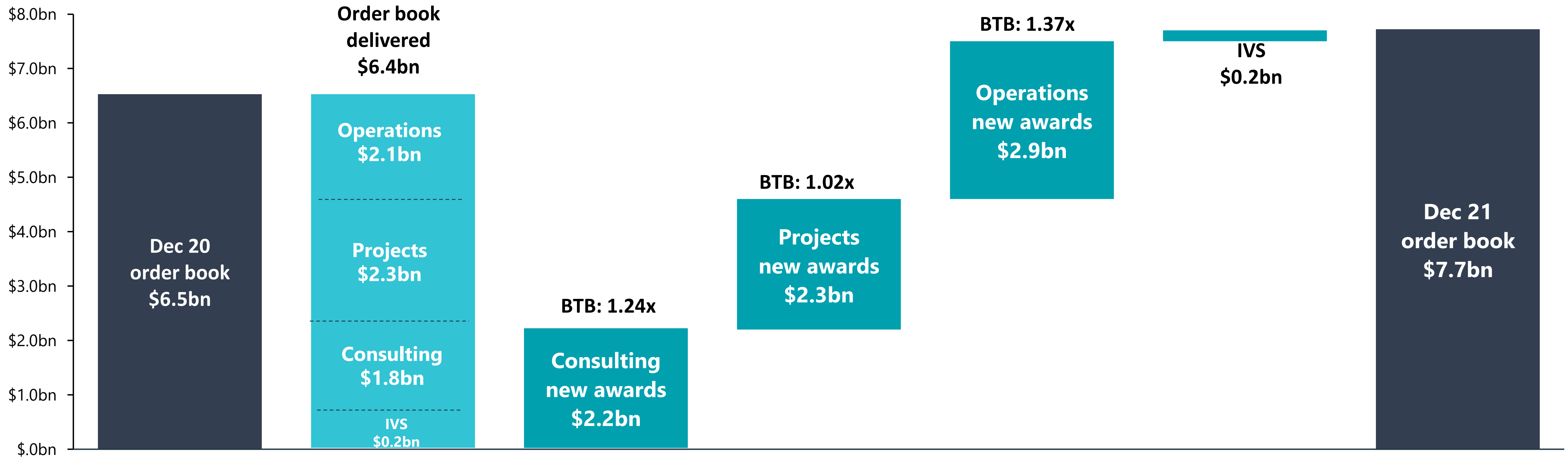
wood.

Exceptional items

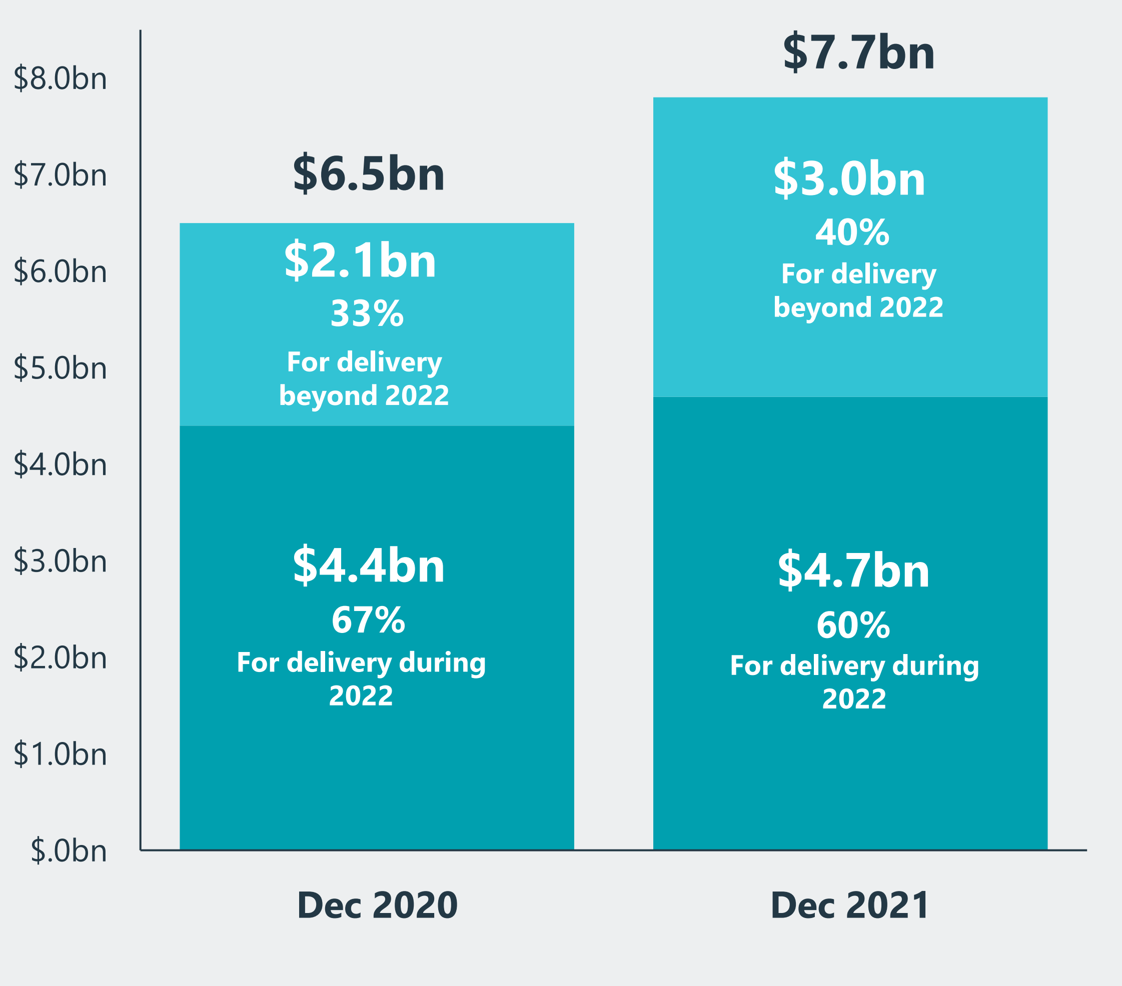
	FY21 $m	FY20 $m
Gain on disposals	(14)	(59)
Aegis	99	-
Impairments	-	20
Restructuring costs	78	101
Investigation costs	-	162
Asbestos	(3)	19
Pension equalisation	-	4
Total (net of interest and tax)	**160**	**247**

- **Aegis:**
  - Legacy construction contract awarded in 2016 with US Army Corps of Engineers for missile defence facility
  - Total project loss of $222m, incl. additional loss of $99m recognised in FY21
  - Expected to complete in H2 2022
  - c.$45m cash outflow expected in FY22
- **Restructuring costs:**
  - Future Fit
  - Exit of underperforming operations

Significant order book growth, up 19%



Order book: increasing visibility and de-risking



- **Order book:**
  - $7.7bn at 31 December 2021
  - Up 19% year-on-year
- **$4.7bn for delivery in 2022:**
  - 6% increase YoY
  - Supporting expectations of increased activity in 2022
  - Increased visibility beyond 2022, reflecting multi-year renewals in Operations
- **Lower risk profile:**
  - Order book growth largely from reimbursable contracts, making up 80% (PY: 76%) of total order book
  - Mitigating risks of cost inflation
  - Proportion of fixed price contracts <$100m has reduced to 18% (PY: 22%)
  - Proportion of fixed price contracts >$100m has remained at 2% of total order book

BU performance: Consulting

	FY20	Disposals	Trading	FY21
Revenue	$1,823m	$(63)m	$27m	$1,787m
Adjusted EBITDA	$224m	$(5)m	$8m	$227m
Adjusted EBITDA margin	12.3%	0.1ppt	0.3ppt	12.7%
Order book	$1,771m			$2,196m

- **Revenue up 2%[1]:** led by built environment
- **Adjusted EBITDA up 4%[1]:** revenue growth and margin expansion
- **Margin:** efficiency improvements and increased utilisation in the second half
- **Order book:** up 24%, with $1.5bn to deliver in FY22 (PY: $1.3bn)
- **Outlook:** strong growth given increase in order book

1. Like-for-like basis excludes the contribution from disposals executed in 2020 and 2021

wood.

BU performance: Projects

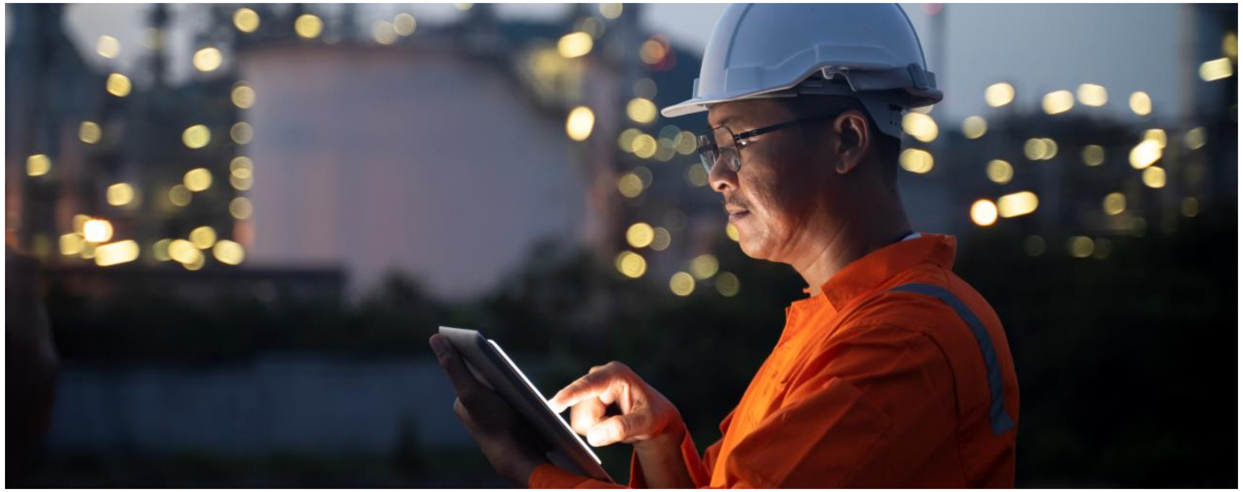
	FY20	Disposals	Trading	FY21
Revenue	$3,569m	-	$(1,229)m	$2,340m
Adjusted EBITDA	$205m	-	$(37)m	$168m
Adjusted EBITDA margin	5.7%	-	1.5ppt	7.2%
Order book	$1,769m			$1,807m

- **Revenue down 34%[1]:** completion of large EPC contracts, move away from LSTK[2] contracts, new work at an earlier stage
- **Adjusted EBITDA down 18%[1]:** lower revenue, margin improvement
- **Margin:** improved overall project execution, lower losses in North America, cost efficiencies, project mix and close outs
- **Order book:** up 2%, with $1.3bn to deliver in FY22 (PY: $1.5bn)
- **Outlook:** modest revenue growth weighted towards H2

1. Like-for-like basis excludes the contribution from disposals executed in 2020 and 2021
2. Lump sum turnkey

BU performance: Operations

	FY20	Disposals	Trading	FY21
Revenue	$2,033m	$(13)m	$78m	$2,098m
Adjusted EBITDA[2]	$256m	$(11)m	$(20)m	$225m
Adjusted EBITDA margin	12.6%	(0.5)ppt	(1.4)ppt	10.7%
Order book	$2,848m			$3,625m



- **Revenue up 4%[1]:** led by stronger H2 in conventional energy
- **Adjusted EBITDA down 8%[1]:** lower margin
- **Margin:** lower level of contract close outs vs. FY20, one-off benefits of c.$12 million in FY21
- **Order book:** up 27%, with $1.8bn to deliver in FY22 (PY: $1.5bn)
- **Outlook:** revenue growth, EBITDA will see smaller benefit from contract close outs

1. Like-for-like basis excludes the contribution from disposals executed in 2020 and 2021
2. Adjusted EBITDA includes $54 million from joint ventures in FY21 (FY20: $60 million). Revenue does not include any contribution from joint ventures

Free cash flow

	FY21 $m	FY20 $m	2021 Commentary
Adjusted EBITDA	**554**	**630**	
Less: IFRS 16 benefit	(135)	(151)	
Less: JV element of EBITDA	(54)	(60)	
Add: JV dividend	26	30	
Adjusted EBITDA excl. IFRS 16 and JVs	**391**	**449**	
Provisions	(76)	(45)	• Increased outflow from provisions including $29m related to asbestos
Other	11	7	
Working capital	(306)	(114)	• $265m working capital outflow in Projects, including impact of lower EPC activity
Operating cash flow	**20**	**297**	
Capex and intangibles	(93)	(82)	• Technology investment (software licences, ERP, digital & technology)
Interest paid	(84)	(84)	
Tax paid	(74)	(43)	
Other	(8)	(19)	
Free cash flow pre-exceptionals	**(239)**	**70**	
Exceptionals	(159)	(115)	• Includes investigation settlements ($75m), costs to deliver Future Fit & other restructuring (c.$50m), onerous leases ($29m)
Free cash flow	**(398)**	**(46)**	

wood.

Net debt movement

	FY21 $m	FY20 $m	2021 Commentary
Free cash flow	**(398)**	**(46)**	
Acquisitions	-	-	
Disposals	19	456	• 2021 relates to disposal proceeds for JV interest in Sulzer Wood
Dividends paid	-	-	
Other	-	-	
Movement in net debt	**(379)**	**410**	
Net debt excluding leases	**(1,393)**	**(1,014)**	
Net debt / EBITDA (reported basis)	**3.3x**	**2.1x**	

Reasons for our negative free cash flow in 2021

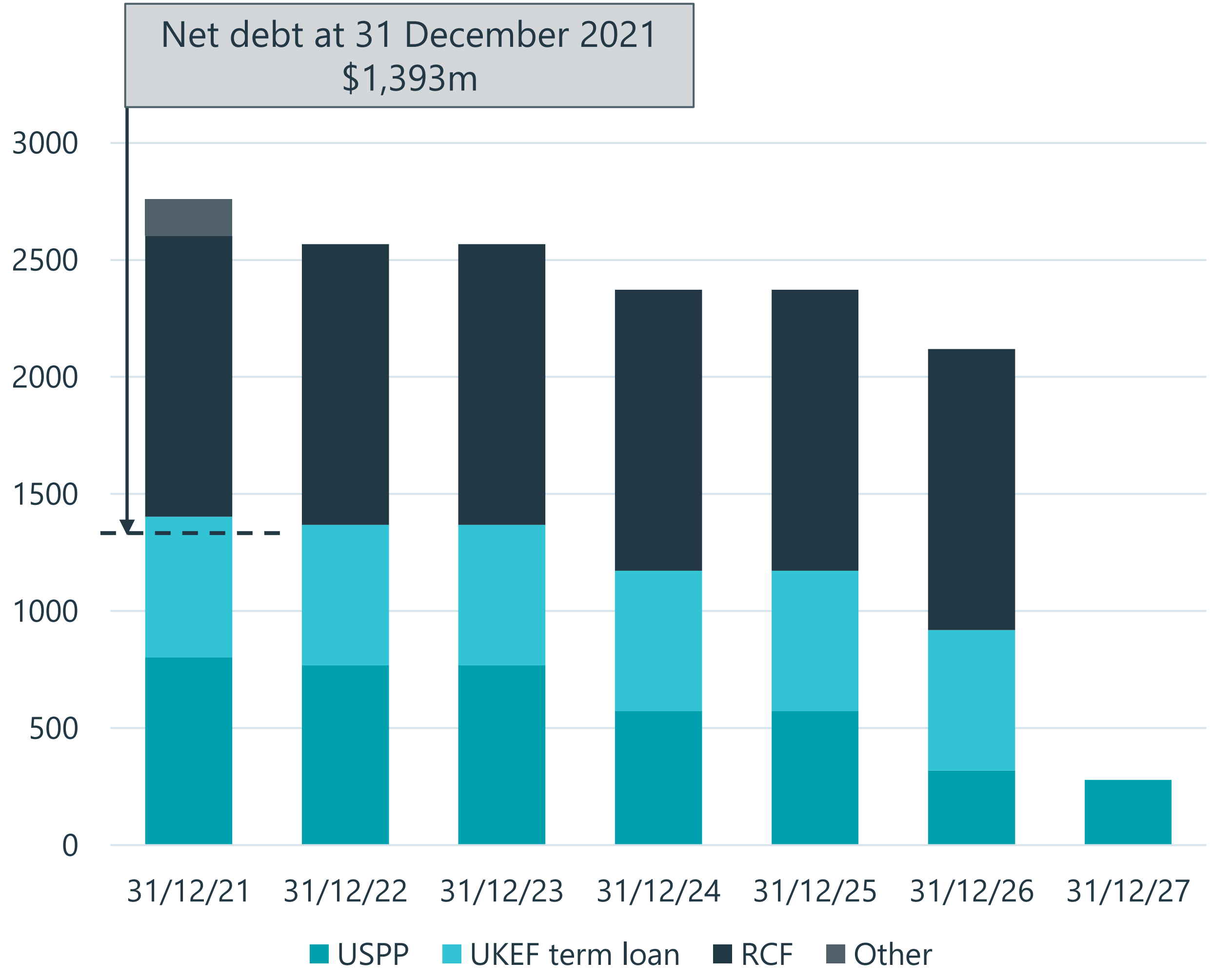
1.	**Projects performance**	• Working capital outflow from de-risking and lower activity • Loss-making contracts continuing to drag on cash flow
2.	**Aegis**	• Cash outflow of $44m • Costs exceeded fixed price contract
3.	**Exceptional cash costs**	• Total of $159m • SFO payments, restructuring, onerous leases

2022 cashflow outlook

	FY21	FY22 (est.)	Commentary
Aegis: **- Working capital (FY21)** **- Exceptional items (FY22)**	**$(44)m**	**c.$(45)m**	• Project completing in H2 2022 • Treated as exceptional cash flow in FY22
Asbestos (provisions)	**$(29)m**	**c.$(35)m**	• Slightly higher outflow in 2022 due to settlements reached late 2021 • Long term profile with cash flows reducing overall
Exceptional items:			
• **Investigation settlements**	**$(75)m**	**c.$(40)m**	• Further c.$40m payable in both 2023 and 2024
• **Restructuring**	**c.$(50)m**	**c.$(10)m**	• Future Fit & other restructuring costs rolling off
• **Onerous leases**	**$(29)m**	**c.$(20)m**	• Reducing to nil by 2024
• **Aegis (as above)**			

wood.

Liquidity: significant headroom



- $2.6bn of total available borrowings and facilities
- **USPP:** long term profile with maturity dates to 2031, weighted to later dates
- **UKEF:** $600m backed term loan maturing July 2026
- **RCF:** $1.2bn, maturing October 2026
- **Financial covenants:**
    - Net debt to EBITDA < 3.5x
    - Interest cover: adjusted EBITA > 3.5x interest

FY22 outlook

- We expect higher revenue across our business supported by the growth in our order book, with revenue in our order book for 2022 of $4,655 million (up 6% on comparable figure last year)

- The proposed sale of the Built Environment business will have a significant impact on our reported results and, as such, we are not providing detailed financial guidance at this stage

- Cash performance will be impacted by ongoing exceptional cash drags (including SFO payments, restructuring costs, onerous leases and outflows on our Aegis Poland contract). As such we expect any improvement in our net debt to come from the proceeds from the sale of Built Environment

- As usual in our business, we expect a working capital outflow in the first half of the year. As such our net debt is expected to be higher at June 2022 than at December 2021

wood.

wood.

CEO review

Robin Watson, Chief Executive

Contract mix across the Group

Lower risk — Higher risk

FY21 revenue:

Reimbursable
c.$4.7bn (c.74%)

- Costs reimbursable

Consulting fixed price
c.$650m (c.10%)

- Fixed-fee consultancy work
- Shorter timescales

Lump sum E / EP / EPCm / C
c.$750m (c.11%)

- Mostly services led work
- Limited and defined scopes
- Predictable work packages
- Shorter time duration

Lump sum turnkey (LSTK)[1]
c.$300m (c.5%)

- Larger scope and risk transfer
- Lump sum covers process from start to finish

83% of revenue in FY21
(76% in FY20)

17% of revenue in FY21
(24% in FY20)

1. LSTK includes contracts where Wood has the risk until mechanical completion, with commissioning and start up the responsibility remaining with the owner

wood.

De-risking: reducing lump sum turnkey risk

2018-2021

LSTK[1] revenue **c.$3.1bn** over four years

- Included Aegis, largescale chemical projects and renewables & energy projects

Wide range of performance outcomes

2022+

LSTK[1] revenue **c.$350m p.a**

- Renewables, industrials & energy projects continue

Improved and more predictable performance outcomes

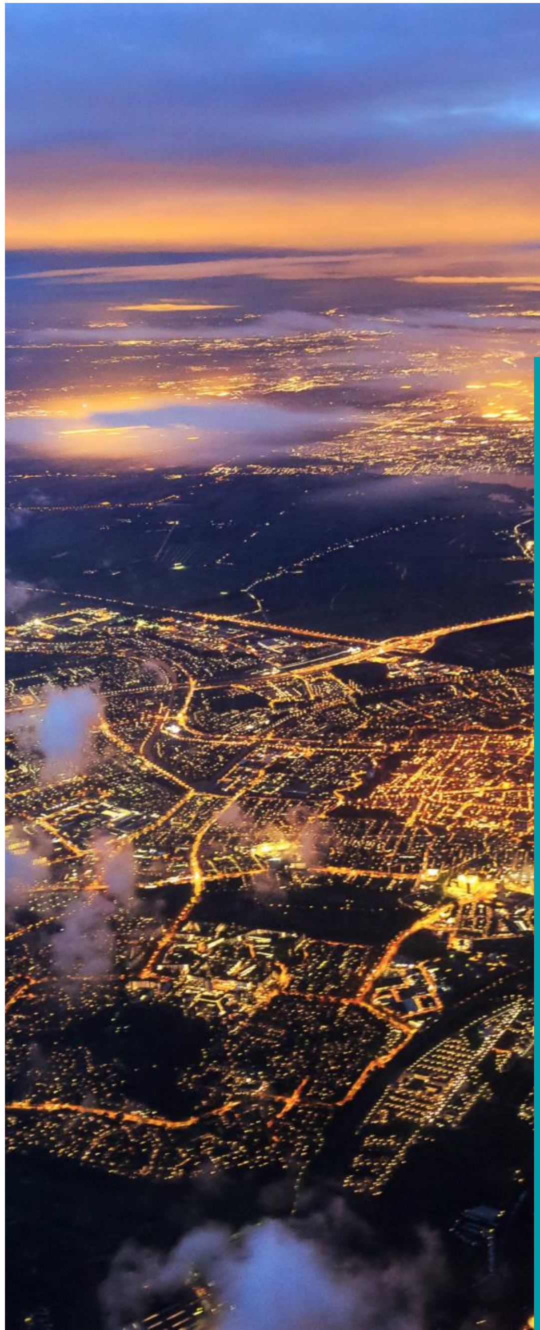
Changes made:

- Global projects business unit created Oct 2020
- Change in management
- Improved governance
- Stopped bidding largescale LSTK projects in 2018
- Exited largescale power and industrial EPC market in 2021
- c.$2bn of factored opportunities taken out of bidding pipeline as we lower our risk appetite

1. LSTK includes contracts where Wood has the risk until mechanical completion, with commissioning and start up the responsibility remaining with the owner

Improving business momentum

Order book progression by quarter



Order book of $7.7 billion

Up 19% YoY

Strong win rates

wood.

Sale of Built Environment progressing well

- Delivering significant value for shareholders
- Strengthen our balance sheet
- Options to improve cash conversion
- Potential for shareholder returns, e.g. resuming an ordinary dividend
- Enabling investment in energy transition

wood.

Opportunities across energy security & sustainability

Energy sustainability | **Energy security**

- Net zero pledges now cover over 75% of global CO_2 emissions
- >$100tn required to achieve net zero by 2050
- Demand for green services will exceed supply
- Wood has decades of experience across hydrogen, carbon capture and wind

- Need for increased non-Russian production
- Increase in shale gas in North America
- North Sea investments increasing
- Wood has decades of experience helping customers provide secure energy across the world

Well placed across the global energy market

Energy sustainability ↔ **Energy security**

End markets post sale of Built Environment:

Renewables & other	Process & Chemicals	Conventional energy
29%	**22%**	**49%**

Growth drivers:

Low-carbon energy
- Solar
- Wind
- Green hydrogen
- Transmission and distribution of clean energy

Resourcing energy transition
- Crude oil to chemicals
- Sustainable extraction
- Minerals to support the EV revolution
- Bio-refining
- Sustainable fuels
- Feedstock substitution (biofuels and bio-refining)

Industrial decarbonisation
- Carbon capture and storage
- Blue hydrogen

Carbon intensity reduction
- Efficiency improvements & facility upgrades to drive lower carbon intensity
- Reducing flaring
- Methane abatement
- Carbon capture and storage
- Renewable power supply

Energy security
- Supporting our customers to provide secure and affordable energy

Examples of the work we are doing today

Low-carbon energy

- **ADNOC** - pre-FEED on blue ammonia facility to build hydrogen supply in region
- **HyNet** – leading hydrogen storage and distribution project (85km), saving 10m tons of CO2 p.a. by 2030

Resourcing energy transition

- **Green Lithium** – helping deliver the UK's first commercial lithium factory
- **Sustainable aviation fuel** - partnering with Honeywell to combine technologies to produce carbon-neutral aviation fuel

Industrial decarbonisation

- **Shell & DOE** – study to capture 95% of emissions from US chemicals complex
- **Acorn** – FEED work on industrial-scale carbon capture project in Scotland

Carbon intensity reduction

- **Nevada Gold** – 120MWac solar plant, delivering a zero emissions mine
- **Chevron** – decarbonising shale field activity through solar power
- **Equinor** - optimising operations and reducing emissions in the Norwegian North Sea for Equinor

Energy security

- **North Sea** - over $500 million of contracts for oil and gas operations work in the North Sea
- **Middle East -** engineering and project management services on the Safaniyah and Manifa fields for Aramco

wood.

Progress on our ESG strategy

Delivering our purpose

To be consistently ranked in the top quartile ESG investment ratings within our sector by 2025

Maintained our AA “Leader” rating from MSCI in 2021

Developing an inclusive & diverse workforce

Improve gender balance: 40% female representation in senior leadership roles by 2030

Increased female representation in senior leadership roles in 2021

Managing our environmental impact

Reduce our carbon emissions (Scope 1 & 2) by 40% by 2030 on our journey to ‘net zero’

31% reduction in scope 1 and 2 emissions in 2021

Embedding fair working practices

100% of Wood labour suppliers to sign up and comply with the Building Responsibly Principles by 2025

Progress in the year

Positively impacting communities

Contribute $10 million to our global causes by giving our time, energy, resources and funding by 2030

Over $1 million to charitable causes in 2021

wood.

Conclusion

Improving business momentum

- Growth in Consulting and Operations
- Continued de-risking
- Order book up 19%

Sale of Built Environment will reset Wood

- Significant value for shareholders
- Financial reset
- Options for shareholder returns
- Options for investing in energy transition

Significant growth potential in energy security & sustainability, and industrial decarbonisation

- Differentiated track record and heritage
- Engineering skills and experience
- Significant market opportunities

Q&A

Appendix

Revenue & adjusted EBITDA

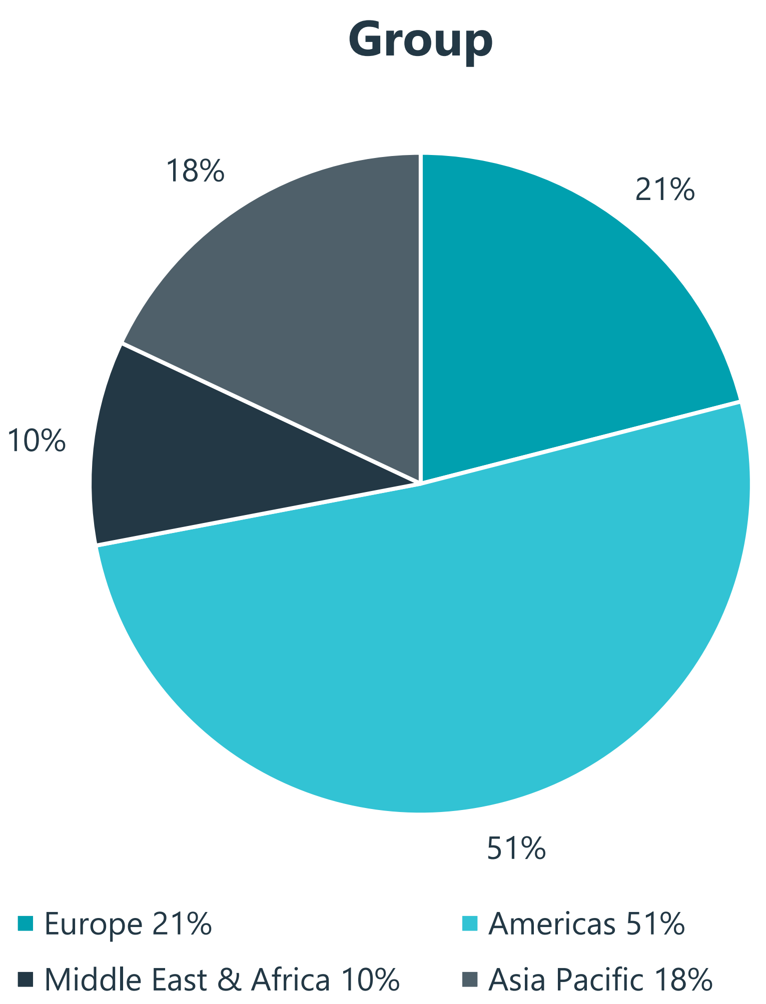
Revenue and adjusted EBITDA by business and end market (reported)

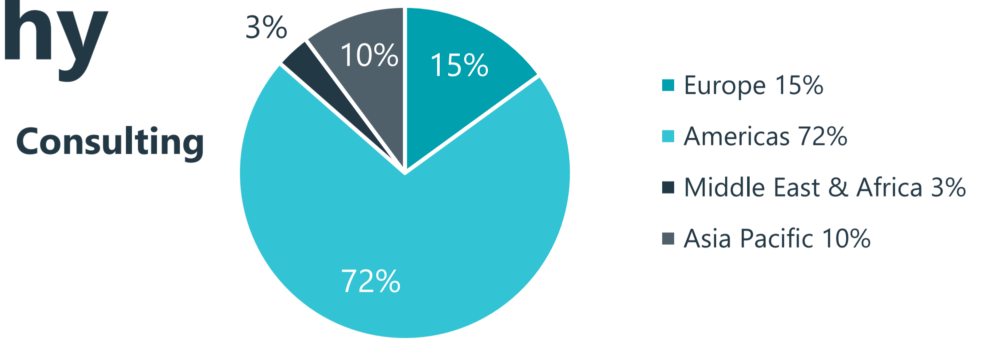
	2021						2020					
	Consulting	Projects	Operations	Investment Services	Central costs	Total	Consulting	Projects	Operations	Investment Services	Central costs	Total
Revenue:												
Renewables & other	*210*	*878*	*159*	*201*	-	**1,448**	*324*	*1,358*	*180*	*88*	-	**1,950**
Process & chemicals	*93*	*756*	*227*	-	-	**1,076**	*88*	*1,321*	*254*	-	-	**1,663**
Conventional energy	*232*	*564*	*1,643*	-	-	**2,439**	*265*	*700*	*1,536*	-	-	**2,501**
Built environment	*1,252*	*142*	*69*	-	-	**1,463**	*1,146*	*190*	*63*	*51*	-	**1,450**
Total	**1,787**	**2,340**	**2,098**	**201**	-	**6,426**	**1,823**	**3,569**	**2,033**	**139**	**-**	**7,564**
Adj. EBITDA	227	168	225	11	(77)	554	224	205	256	13	(68)	630
Adj. EBITDA margin	*12.7%*	*7.2%*	*10.7%*	*5.5%*		*8.6%*	*12.3%*	*5.7%*	*12.6%*	*9.4%*		*8.3%*

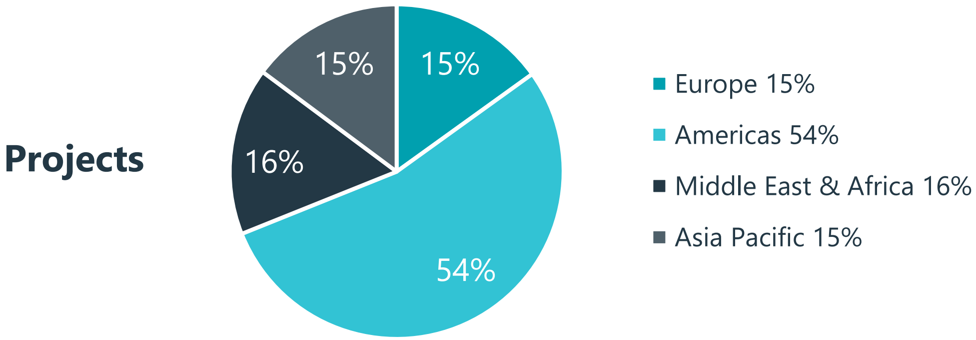
Revenue and adjusted EBITDA by business unit and end market (like-for-like)

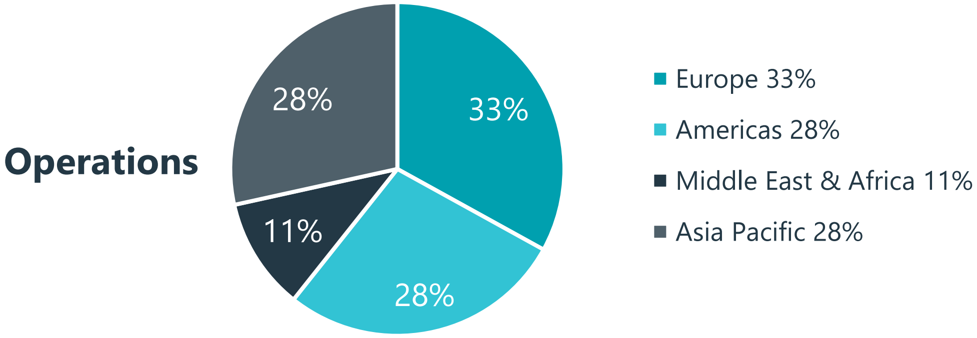
	2021						2020					
	Consulting	Projects	Operations	Investment Services	Central costs	Total	Consulting	Projects	Operations	Investment Services	Central costs	Total
Revenue:												
Renewables & other	*210*	*878*	*159*	*201*	-	**1,448**	*261*	*1,358*	*169*	*88*	-	**1,876**
Process & chemicals	*93*	*756*	*227*	-	-	**1,076**	*88*	*1,321*	*254*	-	-	**1,663**
Conventional energy	*232*	*564*	*1,643*	-	-	**2,439**	*265*	*700*	*1,534*	-	-	**2,499**
Built environment	*1,252*	*142*	*69*	-	-	**1,463**	*1,146*	*190*	*63*	*51*	-	**1,450**
Total	**1,787**	**2,340**	**2,098**	**201**	-	**6,426**	**1,760**	**3,569**	**2,020**	**139**	**-**	**7,488**
Adj. EBITDA	227	168	225	11	(77)	554	219	205	245	13	(68)	614
Adj. EBITDA margin	*12.7%*	*7.2%*	*10.7%*	*5.5%*		*8.6%*	*12.4%*	*5.7%*	*12.1%*	*9.4%*		*8.2%*

FY21 revenue by geography

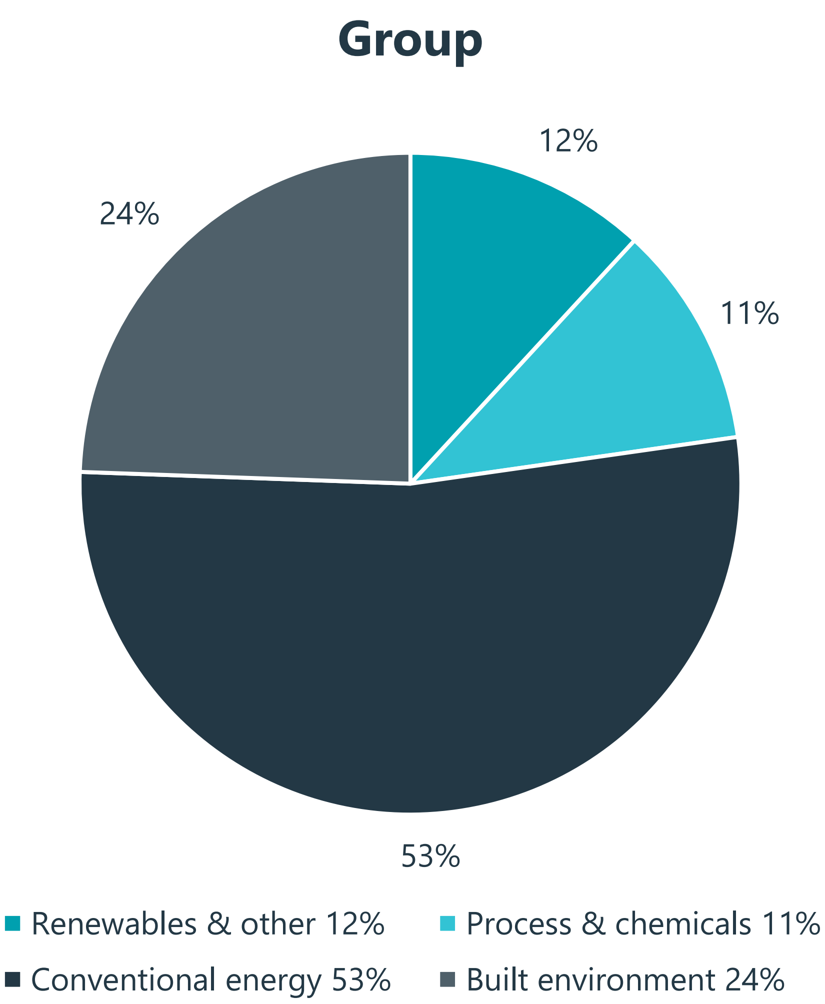


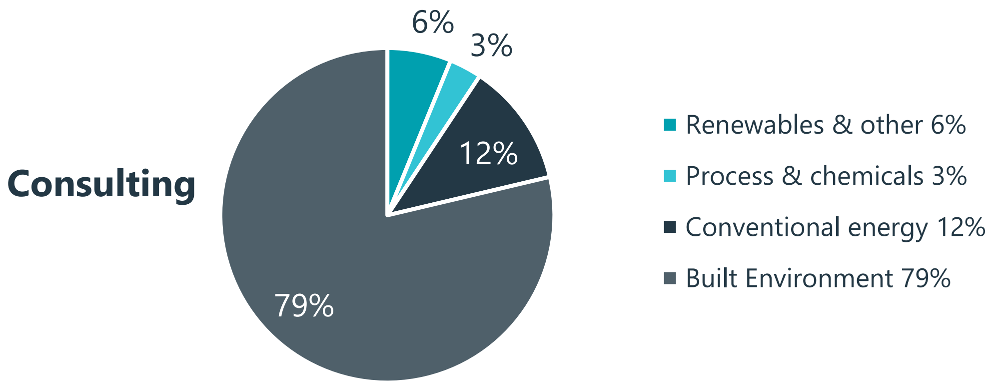


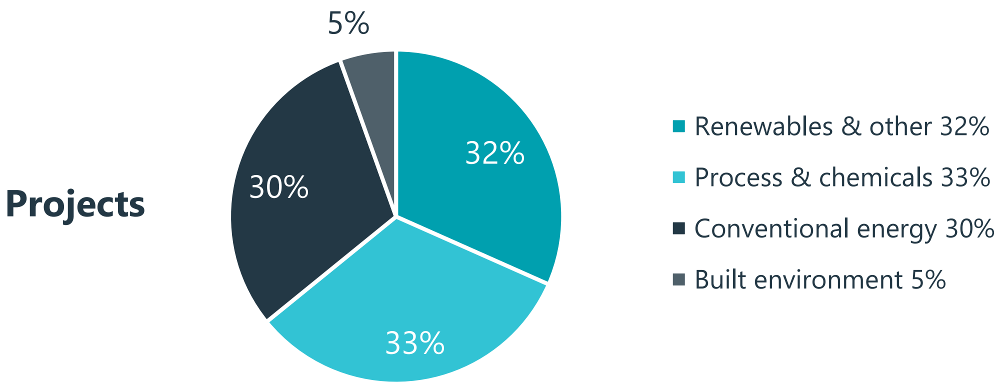


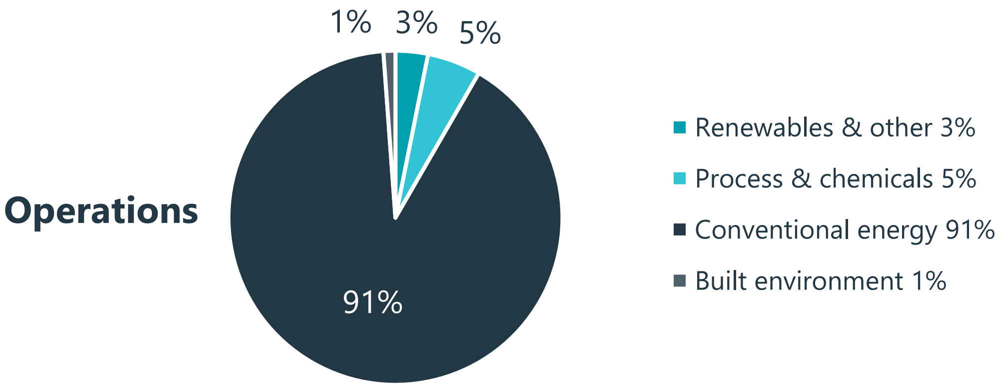


Orderbook (Dec 2021)





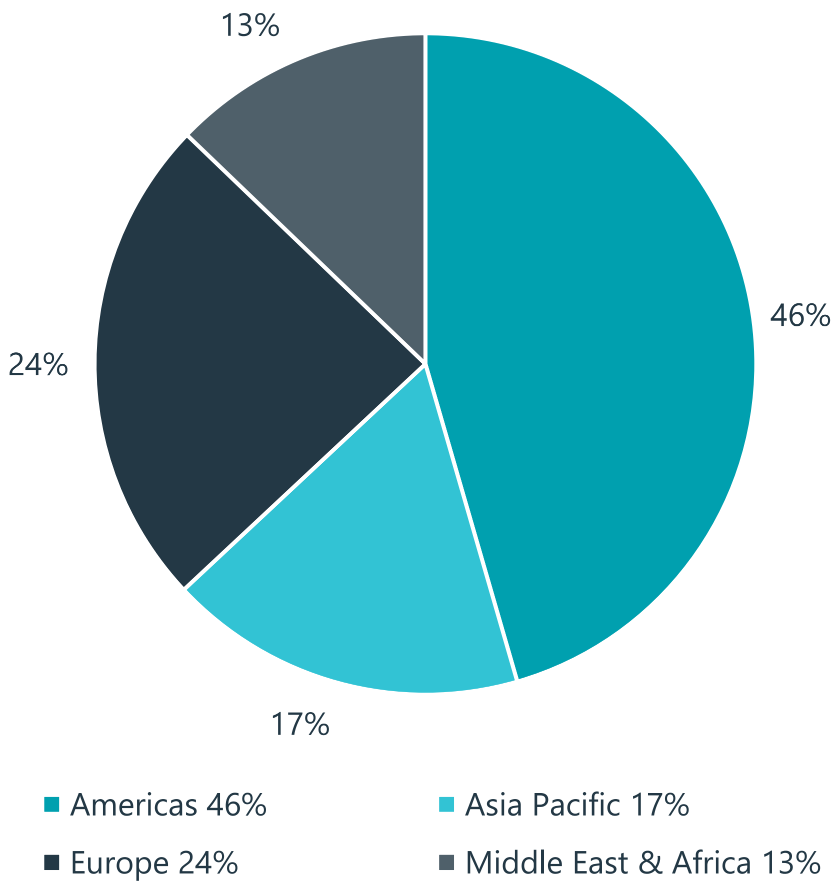




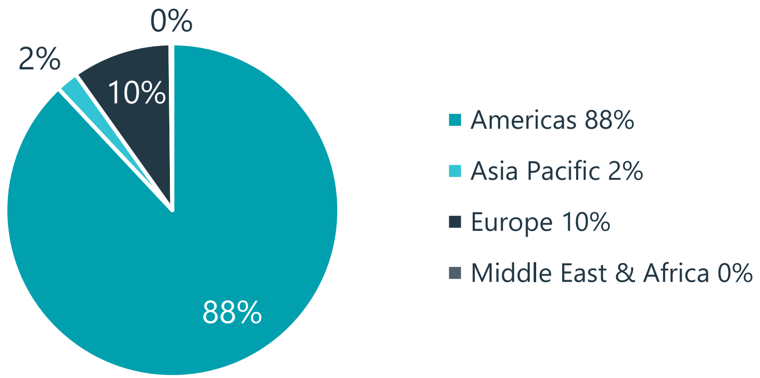
wood.

Orderbook (Dec 2021)

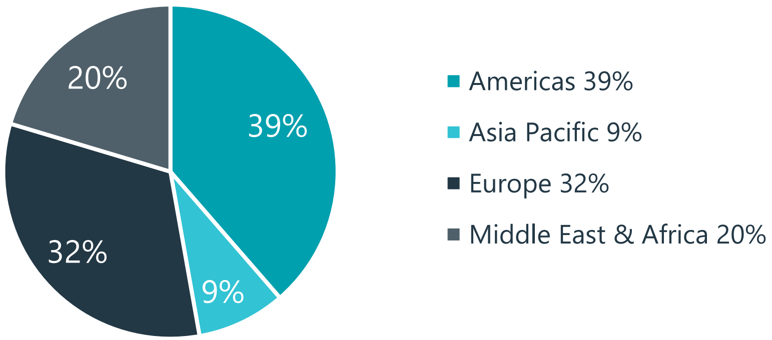
Group



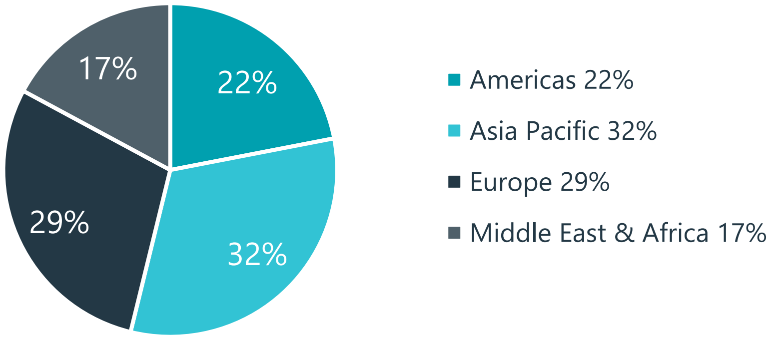
Consulting



Projects

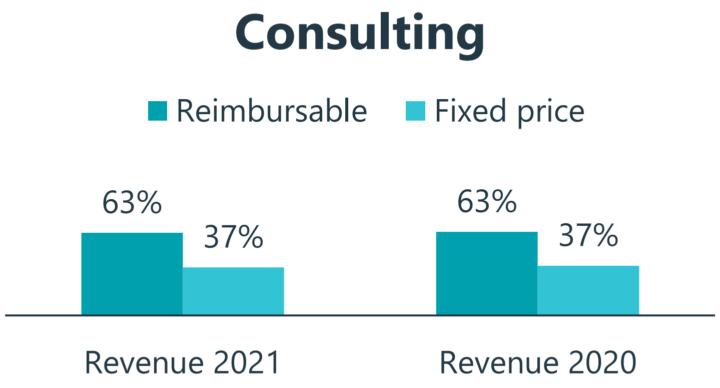


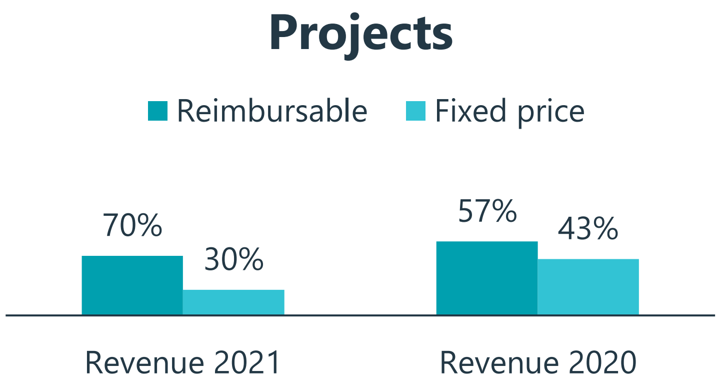
Operations

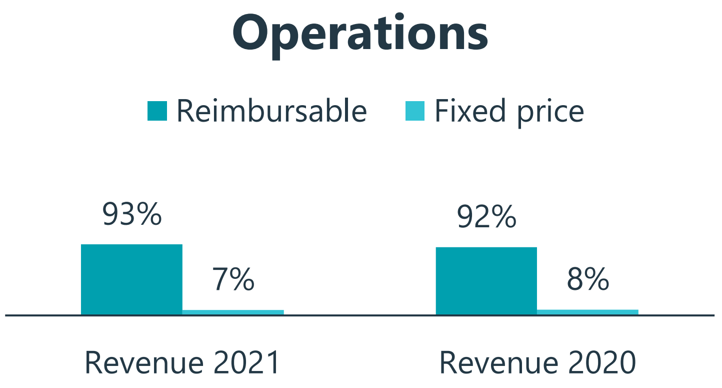


Contract splits

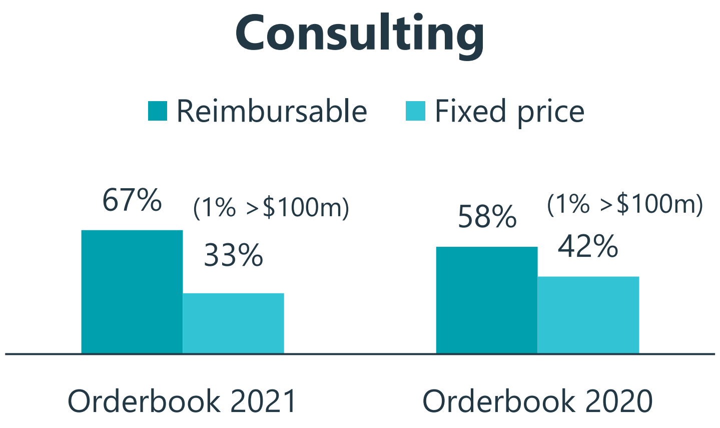
Reimbursable vs fixed price, FY21 revenue

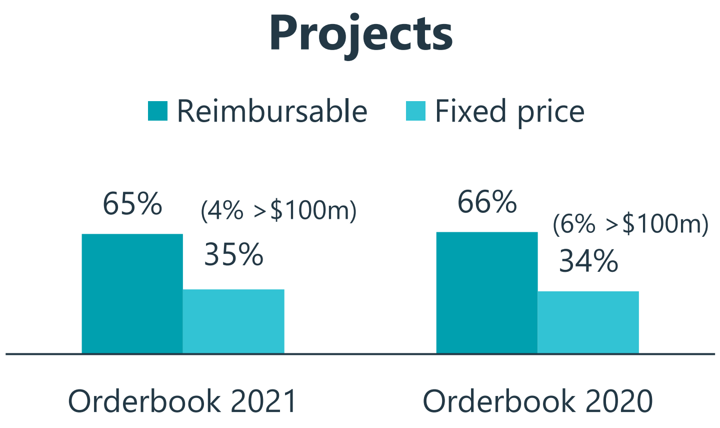


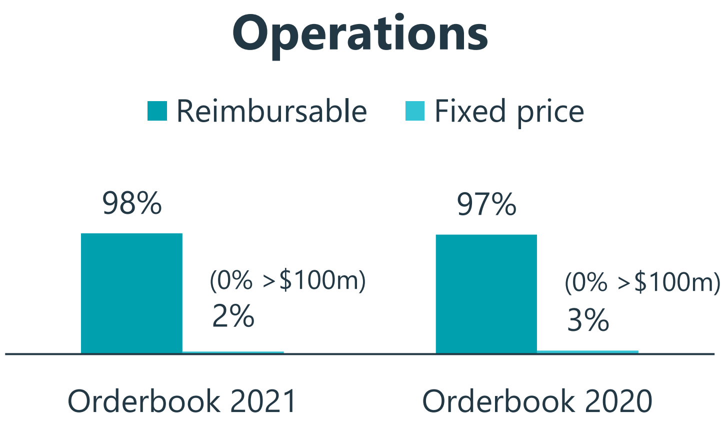




Reimbursable vs fixed price, Order book at Dec 2021







wood.

Revenue & EBITDA with Consulting split

	2021							2020						
	BE Consulting	Wood Consulting	Projects	Operations	Investment Services	Central costs	Total	BE Consulting	Wood Consulting	Projects	Operations	Investment Services	Central costs	Total
Revenue	*1,188*	*599*	*2,340*	*2,098*	*201*		***6,426***	*1,146*	*677*	*3,569*	*2,033*	*139*		***7,564***
Adj. EBITDA	*149*	*78*	*168*	*225*	*11*	*(77)*	***554***	*136*	*88*	*205*	*256*	*13*	*(68)*	***630***
Adj. EBITDA margin	*12.5%*	*13.0%*	*7.2%*	*10.7%*	*5.5%*		***8.6%***	*11.9%*	*13.o%*	*5.7%*	*12.6%*	*9.4%*		***8.3%***
Order book	*1,706*	*490*	*1,807*	*3,625*	*120*		***7,748***	*1,336*	*435*	*1,769*	*2,848*	*136*		***6,524***

Note:

- This shows our Consulting business unit splits into Built Environment ("BE Consulting") and non-Built Environment ("Wood Consulting")
- BE Consulting will be disposed of once the sale of Built Environment completes, at a future date

wood.

Impact of the sale of Built Environment business

	FY 2021
Revenue	$1,188m
Adjusted EBITDA	$149m
Adjusted EBITDA margin	12.5%
Pre-IFRS 16 EBITDA	$121m
Capex	$3m
Order book	$1,706m

- Significant growth expected in 2022
- Expect to sign SPA in Q2 of 2022, completion subject to shareholder and regulatory approval
- Group effective tax rate expected to increase post-sale

Balance sheet review

	FY 2021 $m	FY2020 $m	Commentary
Goodwill and intangible assets	**6,075**	6,216	Decrease due to amortisation of intangibles
Right of use assets	**356**	409	Rationalisation of the Group's property portfolio
Other non-current assets	**791**	831	
Trade and other receivables	**1,791**	1,699	Increased activity during Q4 2021 in comparison to Q4 2020
Trade and other payables	**(1,999)**	(2,020)	Reduction in amounts due to customers and deferred income primarily related to the unwind of advances received on contracts in the Projects business. Partially offset by reclassification of payable related to investigations settlements (current portion) from provisions
Net debt excluding leases	**(1,393)**	(1,014)	Lower cash generation from operations during 2021 combined with large working capital outflow
Lease liabilities	**(450)**	(541)	Rationalisation of the Group's property portfolio
Provisions	**(635)**	(943)	Reclassification on investigations settlement from provisions
Other net liabilities	**(451)**	(464)	
Net assets	**4,085**	4,173	
Net current liabilities	**(368)**	(457)	Primarily due to an extension of the maturity of the Group's debt facilities

wood.

Provisions detail

Provisions	FY 2021 $m	FY 2020 $m	Summary
Asbestos	**342**	404	Provisions relate mostly to legacy US AFW subsidiaries in connection to work performed in the 1970's and earlier. The Group has worked with its advisors to estimate the amount of asbestos-related indemnity and defense costs through to 2050. During the year c.$45m of the provision was utilised and c.$20m reclassified.
Insurance and property	**88**	105	Insurance and property provisions are split between the Group's captive insurance company, Garlan Insurance Limited (c.$55m) and property dilapidations (c.$30m). During the year a c.$10m charge and c.$25m release were taken to the income statement.
Litigation	**93**	333	The Group is party to litigation involving clients and subcontractors arising from its contracting activities. During 2021, the Group reached settlements totaling c.$185m with authorities in the UK, US and Brazil to resolve legacy bribery and corruption investigations, with c.$65m being paid in the year (ex. legal fees). The remaining provision of $120m at 31 December has been reclassified to trade and other payables and other non-current liabilities.
Project provisions	**112**	101	The Group has numerous provisions relating to projects it undertakes for customers. The value of these provisions relies on specific judgements in areas such as future estimated costs or the outcome of disputes and litigation. During the year Aegis Poland contract losses increased by c.$100m due to the adoption of a more prudent view of contract recovery and future legal costs, and at 31 December 2021 a $30m provision has been recognised in relation to the project. During the year $22m of project related provisions were released as claims were closed out.
Total at 31 December	**635**	943	

Free cash flow reconciliation

Pre-IFRS 16 to post-IFRS 16 free cash flow reconciliation

	2021			2020		
	Excluding leases	Leases	Full year	Excluding leases	Leases	Full year
Adjusted EBITDA	**419**	**135**	**554**	**479**	**151**	**630**
Less: JV element of EBITDA	(54)	(7)	(61)	(60)	(8)	(68)
Add: JV dividend	26	-	26	30	-	30
Adjusted EBITDA excl. IFRS 16 and JVs	**391**	**128**	**519**	**449**	**143**	**592**
Provisions	(76)	-	(76)	(45)	-	(45)
Other	11	4	15	7	-	7
Working capital	(306)	-	(306)	(114)	-	(114)
Operating cash flow	**20**	**132**	**152**	**297**	**143**	**440**
Net capex	(93)	-	(93)	(82)	-	(82)
Interest paid	(84)	-	(84)	(83)	-	(83)
Tax paid	(74)	-	(74)	(43)	-	(43)
Other	(8)	15	7	(19)	24	5
Non-cash movement in leases	-	(76)	(76)	-	(147)	(147)
Free cash flow pre-exceptionals	**(239)**	**71**	**(168)**	**70**	**20**	**90**
Exceptionals	(159)	21	(138)	(115)	22	(93)
Free cash flow	**(398)**	**92**	**(306)**	**(45)**	**42**	**(3)**
Divestments	19	-	19	455	-	455
(Increase)/decrease in net debt	**(379)**	**92**	**(287)**	**410**	**42**	**452**

wood.

Future Events

Annual General Meeting

22 June 2022

Expected announcement of SPA for sale of Built Environment business

Late Q2 2022 (estimated)

Half year trading update

Early July 2022 (tbc)

Half year results

Late August 2022 (tbc)

Capital Markets Day

Post completion of sale of Built Environment (date tbc)

wood.