# Full year results 2022

28 March 2023

**Design the future.**

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# Highlights

Ken Gilmartin, Chief Executive Officer

# Highlights: a transformative year

## Delivered results in line.

- Strong revenue growth
- FY23 performance expected to be in line with CMD targets

## Delivering on our strategy.

- Transformed the Group
- Addressed legacy issues
- De-risked business - focus on cost reimbursable work
- Taking steps to optimise our portfolio

## Momentum across our business.

- Order book for delivery in 2023 increased by 10%
- Improving underlying operating cash flow
- Headcount increased by 8%

# Financial review

David Kemp, Chief Financial Officer

# Results in line with expectations

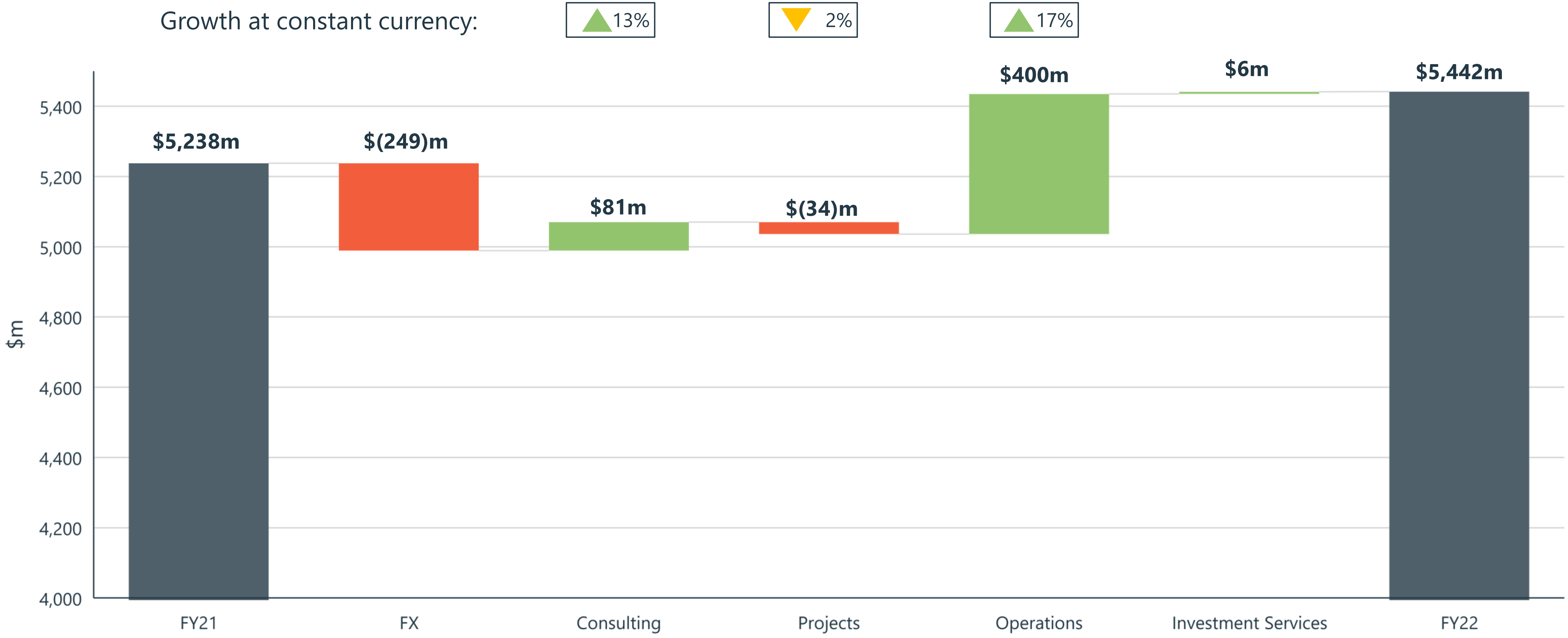
| *See note 1 for accounting treatment:* | **FY22** | **FY21** | ***Movement*** | ***Constant currency*** |
|---|---|---|---|---|
| Revenue<br>*Continuing operations* | $5,442m | $5,238m | *3.9%* | *8.3%* |
| Adj EBITDA<br>*Continuing operations* | $385m | $404m | *(4.7)%* | *0.3%* |
| Adj EBITDA margin<br>*Continuing operations* | 7.1% | 7.7% | *(0.6)ppts* | |
| Net debt excl. leases<br>*Continuing and discontinued operations* | $393m | $1,393m | *(71.8)%* | |
| Order book<br>*Continuing operations* | $6,016bn | $6,047bn | *(0.5)%* | *4.2%* |

- **Revenue up 8% at constant currency**
  - Growth in Operations and Consulting, decline in Projects
  - Return to growth in Projects in H2
- **Adjusted EBITDA at top end of January guidance**
  - Growth in Projects, decline in Operations as expected
  - FX impact of c.$20m
- **Adjusted EBITDA margin**
  - Higher in Projects, lower in Operations and Consulting
- **Net debt in line with guidance**
  - Sale of BE, WC normalisation and litigation settlement
  - Strong underlying operating cash flow in H2
- **Order book up 4% at constant currency**
  - Revenue in order book for FY23 up 10% on last year



1. Built Environment Consulting shown as discontinued operation. We have adjusted our underlying results to reflect this, including restating comparatives. Net debt measures include continuing and discontinued operations.

# Strong revenue growth



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# Adjusted EBITDA flat at constant currency




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# Exceptional items and profit on disposal

| | FY22 $m | FY21 $m |
|---|---|---|
| Impairment of goodwill and intangibles | 542.3 | - |
| Enterprise settlement | 35.6 | - |
| Power and Industrial EPC exit | 25.0 | - |
| Redundancy, restructuring and integration costs | 30.1 | 73.9 |
| Russia exit costs | 13.2 | - |
| Asbestos | 21.5 | (3.1) |
| Investigation support costs and provisions | (4.2) | - |
| Gain on divestment of business | - | (14.4) |
| Aegis Poland contract | - | 99.3 |
| **Exceptional items before interest and tax** | **663.5** | **155.7** |
| Interest and tax exceptionals | (30.5) | 15.4 |
| **Exceptional items net of interest and tax** | **633.0** | **171.1** |
| | | |
| **Profit on sale of Built Environment Consulting** | **(515.0)** | **-** |

- **Impairment of goodwill and intangibles:**
  - Built Environment disposal, increase in discount rates
- **Enterprise dispute settlement:**
  - Difference between settlement and provision
- **Power and Industrial EPC exit:**
  - Reflects Group move away from lump sum EPC
- **Russia exit costs:**
  - Costs of exit and impairment of cash balances
- **Restructuring:**
  - New strategy costs, Future Fit, business exit costs
- **Asbestos:**
  - Actuarial provision increase



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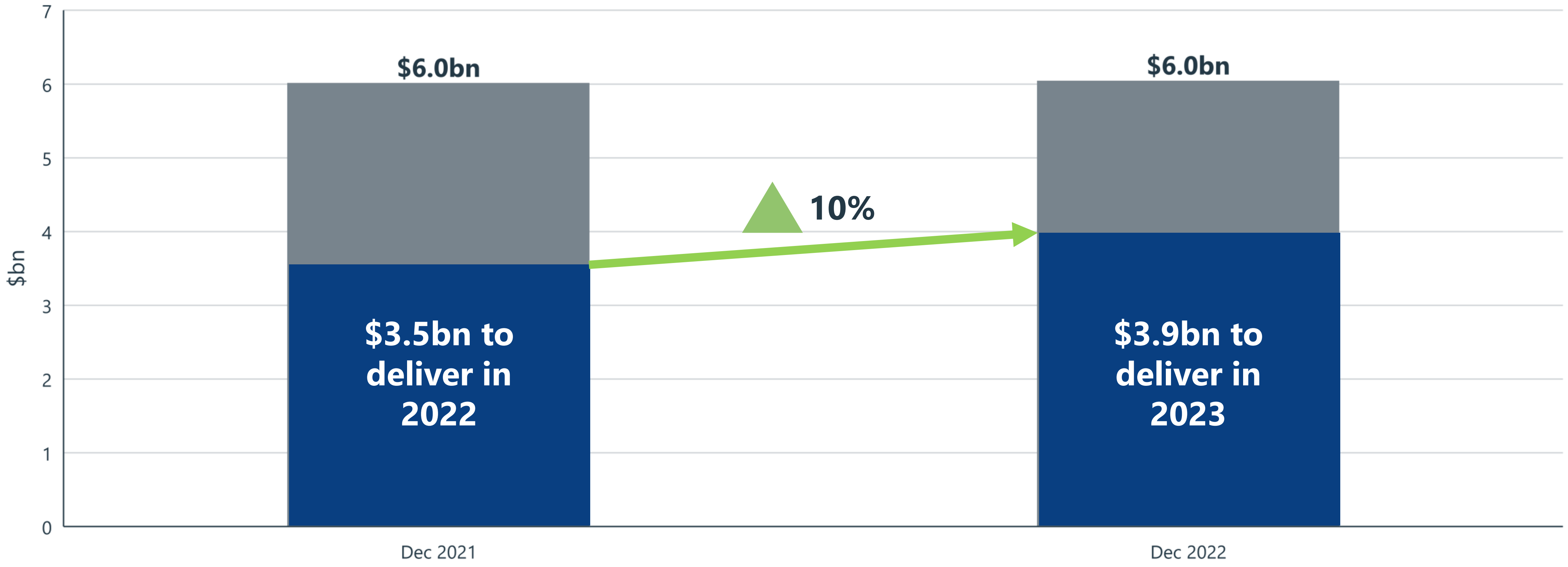
# $5.4 billion of new awards during 2022

**Order book bridge:**

# Order book for delivery in 2023 up 10%

**Order book coverage:**



# Consulting: strong revenue growth

| | FY22 | FY21 | *Movement* | *Constant currency* |
|---|---|---|---|---|
| Revenue | $625m | $599m | *4.4%* | *13.0%* |
| Adjusted EBITDA | $73m | $77m | *(5.2)%* | *4.7%* |
| Adjusted EBITDA margin | 11.7% | 12.9% | *(1.2)ppts* | |
| Order book | $476m | $491m | *(3.1)%* | *3.3%* |
| Headcount | 3,941 | 3,467 | *13.7%* | |

- **Revenue:** strong growth across energy
- **Adjusted EBITDA:** revenue growth, lower margin
- **Margin:** exit from Russia, weaker performance in Applied Intelligence; margins in Energy robust
- **Order book:** change in mix in energy consulting, FY23 revenue for delivery down 9% on last year
- **Outlook for 2023**
  - Revenue growth
  - Performance weighted to second half



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# Projects: turnaround complete

| | FY22 | FY21 | *Movement* | *Constant currency* |
|---|---|---|---|---|
| Revenue | $2,211m | $2,340m | *(5.5)%* | *(1.5)%* |
| Adjusted EBITDA | $169m | $168m | *0.6%* | *9.2%* |
| Adjusted EBITDA margin | 7.6% | 7.2% | *0.4ppts* | |
| Order book | $2,081m | $1,807m | *15.2%* | *21.4%* |
| Headcount | 13,918 | 12,311 | *13.1%* | |

- **Revenue:** impact of our move away from LSTK and large-scale lump sum EPC, growth in H2
- **Adjusted EBITDA:** margin expansion
- **Margin:** improved performance across contract portfolio, low level of losses in renewables LSTK
- **Order book:** growth driven by energy and chemicals, FY23 revenue for delivery up 22% on last year
- **Outlook for 2023**
  - Strong revenue growth



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# Operations: strong revenue growth

| | FY22 | FY21 | *Movement* | *Constant currency* |
|---|---|---|---|---|
| Revenue | $2,407m | $2,098m | *14.7%* | *16.6%* |
| Adjusted EBITDA | $148m | $172m | *(13.9)%* | *(11.3)%* |
| Adjusted EBITDA margin | 6.1% | 8.2% | *(2.1)ppts* | |
| Order book | $3,295m | $3,630m | *(9.2)%* | *(5.3)%* |
| Headcount | 15,787 | 15,187 | *4.0%* | |

- **Revenue:**
  - Higher activity levels
  - Stronger market conditions, esp. Europe, Middle East and Asia-Pacific
  - Higher passthrough revenue
- **Adjusted EBITDA:** reflects the lower margin
- **Margin:** lower level of contract close outs and higher passthrough activity
- **Order book:** reflects phasing of long-term awards, FY23 revenue for delivery up 4% on last year
- **Outlook for 2023**
  - Increased activity



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# Free cash flow detail

| | FY22 ($m) | FY21 ($m) | Commentary |
|---|---|---|---|
| **Adjusted EBITDA (continuing operations)** | **385** | **404** | |
| Add: adjusted EBITDA from discontinued operations | 73 | 150 | • Adding back the EBITDA from discontinued operations |
| Less: IFRS 16 benefit | (113) | (129) | • IFRS 16 benefit for continuing operations was $96m |
| Less: JV element of EBITDA | (59) | (61) | |
| Add: JV dividends | 30 | 26 | |
| **Adjusted EBITDA excl. IFRS 16 and JVs** | 316 | 390 | |
| Provisions | (44) | (76) | |
| Other | 28 | 11 | |
| Working capital | (367) | (306) | • Normalisation of payables of c.$140m, move away from LSTK and large-scale lump sum EPC, business growth |
| **Operating cash flow** | **(66)** | **20** | |
| Capex and intangibles | (129) | (93) | • Investment in ERP, software and digital |
| Interest paid | (94) | (84) | • Includes interest costs from covenant adjustments |
| Tax paid | (82) | (74) | |
| Other | (40) | (8) | |
| **Free cash flow pre-exceptionals** | **(411)** | **(239)** | |
| Exceptionals | (319) | (159) | • Includes Enterprise, SFO, Aegis, asbestos and restructuring costs |
| **Free cash flow** | **(730)** | **(398)** | |

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# Net debt materially reduced

| | FY22 $m | FY21 $m | Commentary |
|---|---|---|---|
| **Free cash flow** | **(730)** | **(398)** | |
| Disposals | 1,729 | 19 | • Proceeds from Built Environment Consulting sale less tax paid on sale in FY22 |
| **Movement in net debt** | **1,000** | **(380)** | |
| | | | |
| **Net debt excluding leases** | **393** | **1,393** | |
| Net debt / EBITDA (excluding leases) | 1.3 | 3.3 | |
| | | | |
| Leases | 343 | 450 | • Reduction reflects sale of Built Environment Consulting (c.$75m) and ongoing rationalisation of our property portfolio |
| **Net debt including leases** | **736** | **1,842** | |



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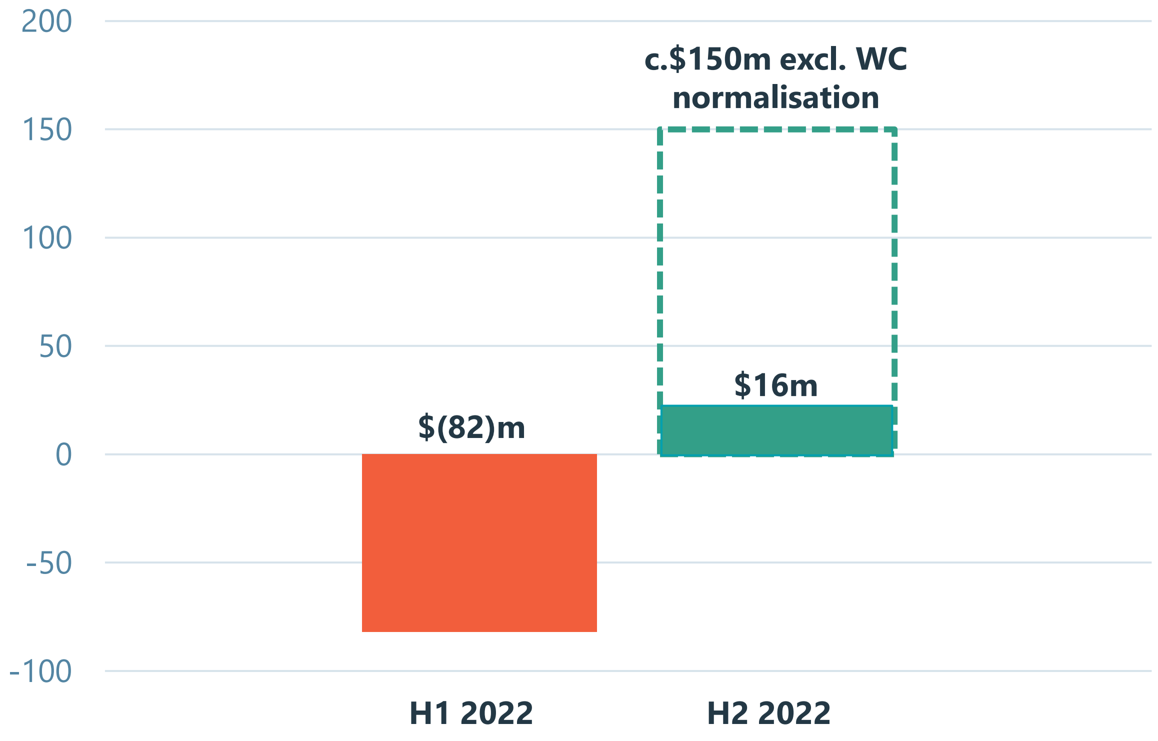
# Reducing exceptional cash (no change from CMD)

| *All cash outflows* | FY23e | FY24e | FY25e | Commentary |
|---|---|---|---|---|
| **Aegis Poland contract** | c.$20m | Nil | Nil | • Moving to commercial settlement process |
| **Asbestos (provisions)** | c.$35m | c.$30m | c.$30m | • Long term profile to 2050<br>• Gradually reducing over time |
| **SFO settlement** | c.$35m | c.$30m | Nil | • Final payment in early 2024 |
| **Restructuring costs** | n/m | n/m | n/m | • No significant restructuring expected |
| **Onerous leases** | c.$20m | c.$5m | Nil | • Reduce to nil beyond 2024 |
| **Enterprise litigation** | Nil | Nil | Nil | • Settled for $115m in November 2022 |
| **LSTK losses / working capital** | c.$25m | Nil | Nil | • Exiting LSTK, unwind of advances |
| **Total:** | **c.$135m** | **c.$65m** | **c.$30m** | |

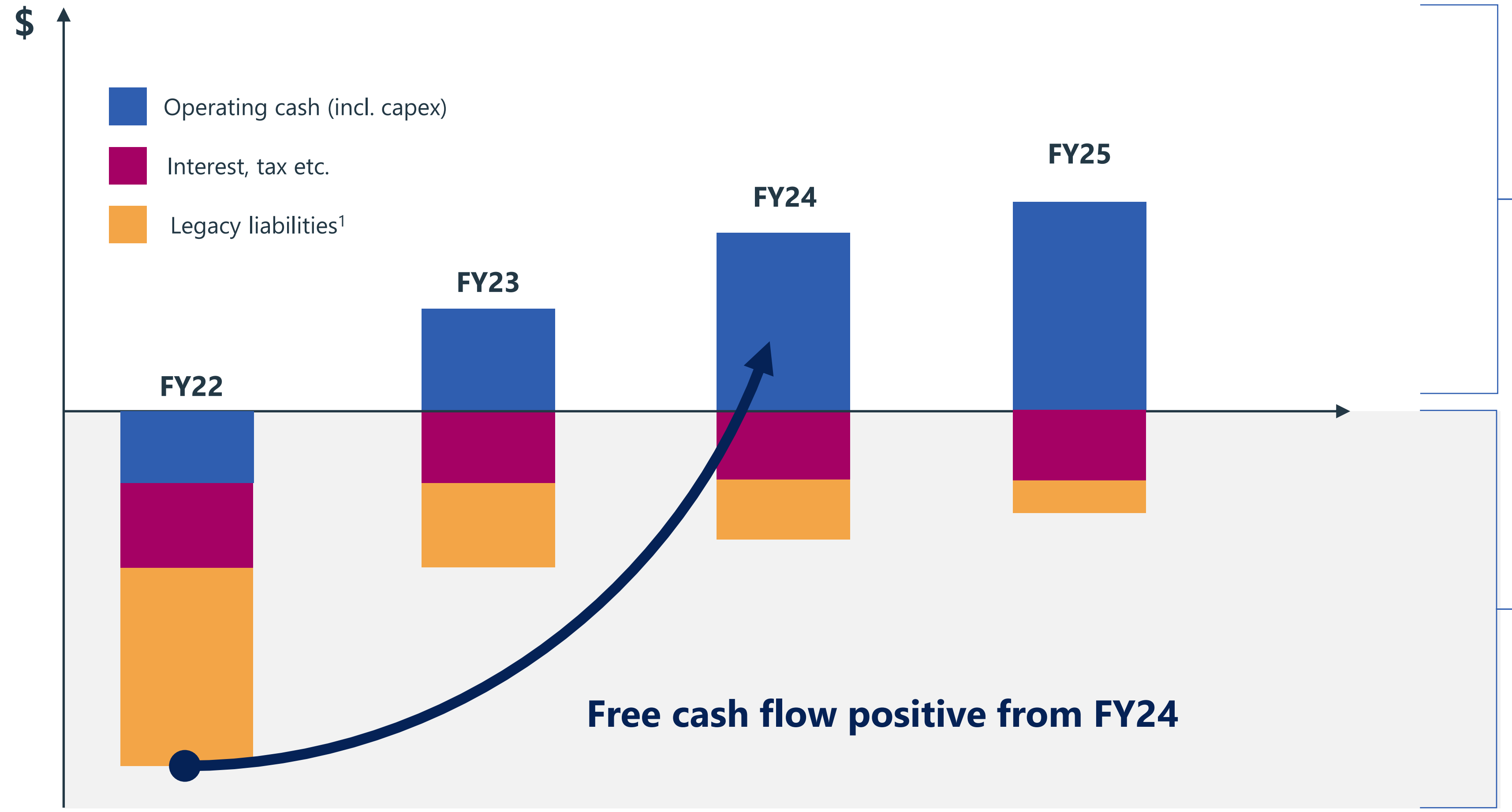
# Improving operating cash flow

## Operating cash flow (pre capex), $m




- Significant improvement in working capital expected in 2023
- Consulting and Operations to maintain > 90% operating cash conversion (pre-capex)
- Projects moving to > 90% by 2024

# Clear pathway to sustainable free cash flow




**Growing operating cash flow**

**Reducing cash drags from legacy liabilities**

**Note:** chart not to scale

1. Includes asbestos, SFO payments, onerous leases and LSTK working capital. FY22 includes restructuring costs and the $115m Enterprise settlement

# Our capital allocation policy

**Strong balance sheet**

- Medium term target leverage range around 0.5x to 1.5x (pre-IFRS 16)

**Invest in our business**

- Invest in the business to secure growth

**Legacy issue payments**

- Schedule of payments related to legacy issues, reducing each year to only asbestos from 2025

**Ordinary dividends** | **Share buybacks** | **M&A**

- Potential for share buybacks and ordinary dividend once we have sustainable free cash flow
- Potential selective M&A in medium term

# Medium term actions to support margins and cash

We continue to target cost savings in two key areas to support our targets – continued rationalisation of our property portfolio and IT cost savings

## Rationalisation of property

- As our leases expire and reflecting post-Covid working patterns
- **Annualised savings of $15m to $20m** by the end of 2025, with benefits accruing from 2024
- EBIT will benefit by $10m to $15m per year

## IT cost savings

- Licence rationalisation and other efficiency measures
- **Targeting savings of $10m to $15m** per year
- Material benefit accruing from 2024 onwards

## UK pension scheme

- As at 31 Dec 2022, main UK defined benefit scheme now fully funded: surplus of **$432m** (IAS 19 basis)
- Estimated surplus of around **$130m** on more prudent Technical Provisions basis at 31 March 2023
- Working with trustee to agree a preferred direction regarding future of plan

# Outlook for 2023 unchanged

- While mindful of the uncertain economic outlook, our **expectations for 2023 remain unchanged**
- **Adjusted EBITDA margins** to be flat in the nearer term, partly as we reinvest in the business to secure growth. In the medium term, we continue to see opportunity for margin improvement
- **Adjusted EBITDA** to grow at mid to high single digit CAGR over the medium term, with momentum building over time as our strategy delivers
- As is typical for our business, performance will be **weighted** to the second half of the year
- We expect a material improvement in cash flow in FY23 with a significant improvement in **operating cash flow**, reflecting a much-improved working capital performance
- As previously guided, we expect significantly lower exceptional cash flows in FY23 of around $135 million. This, plus the remaining tax payable on the sale of Built Environment Consulting of around $60 million, partially offset by disposal proceeds of around $25 million, will lead to higher **net debt** in FY23
- The exceptional cash outflows in FY23 are **weighted** to the first half of the year, and the tax payable on the sale of Built Environment will be paid in the first half of the year
- The improved operating cash flow performance of the Group, along with a continued reduction in exceptional cash outflows, will enable a return to **positive free cash flow (after exceptionals) in FY24**

# Building momentum

Ken Gilmartin, Chief Executive Officer

# Building momentum towards 2025

## 2022

- Built Environment sale completed
- New leadership team in place
- Launched new strategy
- Addressed legacy issues
- De-risked business model
- Revenue growth in H2

## 2023

- Strategic KPIs in place to realise strategy
- Measuring results quarterly
- Momentum in core markets
- High quality pipeline reflects focus and selectivity
- Improvement in operating cash flow
- Improvement in employee engagement
- Strong safety performance

## to 2025

- Free cash flow growth
- Top quartile employee engagement
- Further increase Global Execution Centre utilisation to increase competitiveness
- Achieve zero FPI target for safety
- Leadership diversity on track to achieve 2030 target

# A clear strategic direction

## Profitable growth.

## Performance excellence.

## Inspired culture.

# Energy.

**Oil & Gas | Hydrogen | Carbon Capture**

**Energy security:**
delivering safe, reliable and affordable energy

**Energy transition:**
enabling a low carbon energy future

# Materials.

**Minerals | Chemicals | Life Sciences**

**Raw materials demand:**
sustainably deliver key minerals and chemicals

**Life sciences growth:**
advanced, scalable manufacturing post-pandemic

**Decarbonisation**

**Digitalisation**

# Delivering on our strategy

## Profitable growth.

**A higher-grade business**

- Results in line with expectations
- De-risked business - focus on cost reimbursable work
- Legacy liabilities unchanged since Capital Markets Day
- Optimising portfolio: addressing underperforming businesses
- Completed sale of Gulf of Mexico offshore labour supply business

## Performance excellence.

**Results focused and delivering**

- New, strengthened leadership team in place
- High quality pipeline reflecting focus and selectivity
- Growth in Global Execution Centres (over 3,000 employees)

## Inspired culture.

**Creating a great place to work**

- Significant improvements in employee engagement score (+8 points)
- 32% female leadership
- AA MSCI rating for eighth consecutive year
- Improved safety performance



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# The opportunity: well-positioned for market growth

**c.$230bn**

2025 total addressable market in core geographies[1]

## Large markets with solid growth.

**Oil & Gas**
Delivering energy security

**Chemicals**
Rising global demand

## Small markets with substantial growth.

**Hydrogen**
Enabling energy transition

**Carbon Capture**
Enabling energy transition

## Large markets where we will significantly grow our share.

**Minerals**
Minerals for net zero

**Life sciences**
Rising global demand

1. Addressable market sizes estimated using secondary sources, details on slides 52 and 53



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# Strong momentum across our priority markets

## Energy

### Oil & Gas

**6%**

market CAGR 2022-2025[1]

**Latest dynamics:**
- Energy security driving increased investment
- Uplift across digital and decarbonisation solutions

### Hydrogen and Carbon Capture

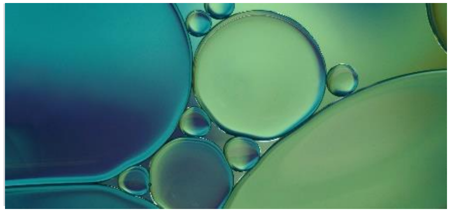
**67%/29%**

market CAGR 2022-2025[1]

**Latest dynamics:**
- Inflation Reduction Act driving investment in USA
- European IRA expected
- Momentum building in Middle East pre-COP28

## Materials

### Chemicals



**1%**

market CAGR 2022-2025[1]

**Latest dynamics:**
- Energy majors investing / acquiring across Biofuels
- Focus on circular economy and plastics recycling
- Sustainability investment growing

### Minerals

**7%**

market CAGR 2022-2025[1]

**Latest dynamics:**
- Increased demand for minerals critical to net zero
- Cautious approach to capex investment in 2023

### Life Sciences

**6%**

market CAGR 2022-2025[1]

**Latest dynamics:**
- Long-term demand for new facilities
- Onshoring commitments underpin investment

**Decarbonisation and digitalisation**

1. See details on slides 52 and 53

# Delivering one of Europe’s lowest carbon chemical plants

Chemicals

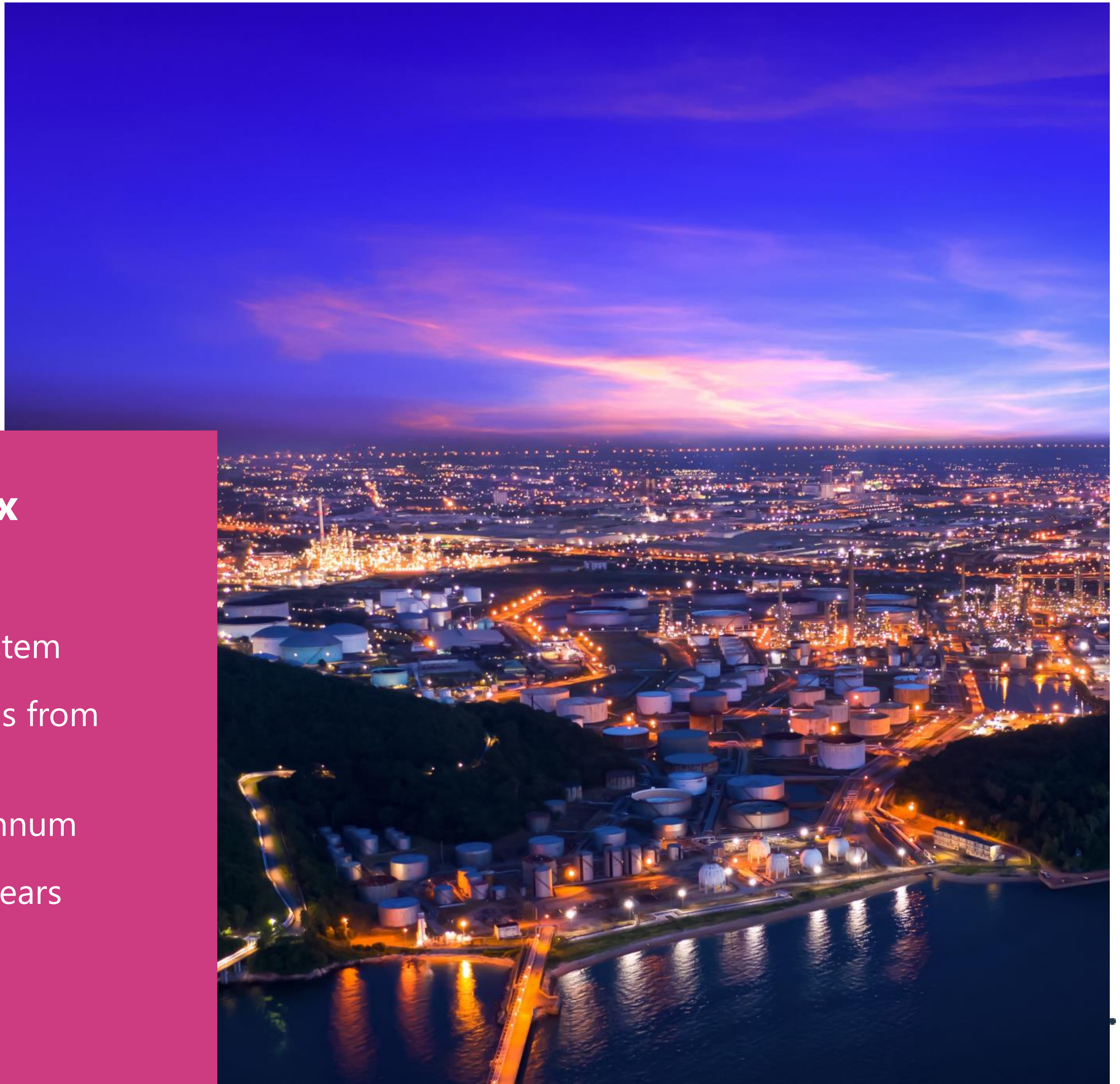
## INEOS - Project One

Antwerp, Belgium

- Four-year EPCm contract worth $135m
- World-class ethane cracker could save up to 2m tons of $CO_2$
- Underpinned by leading-edge digital strategy

# Capturing 95% of $CO_2$ emissions from gas power plant

Carbon Capture



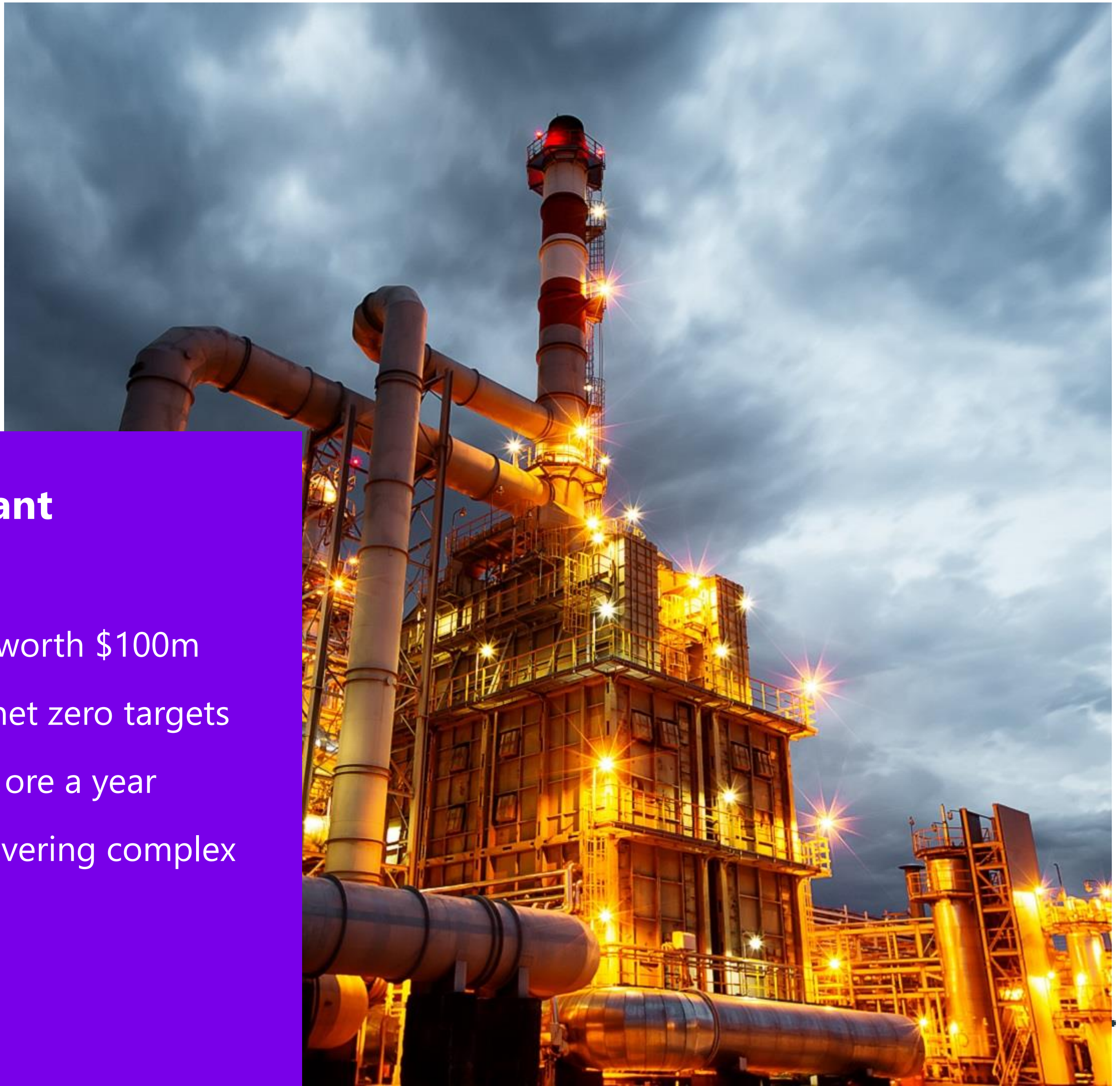
## Shell - Deer Park Chemicals Complex

Houston, Texas, United States

- Delivering FEED design for carbon capture system
- Design will help capture 95% of CO2 emissions from gas power plant in Texas
- Reduction of around 5m tonnes of CO2 per annum
- Wood has supported Shell for more than 50 years

# Designing the world's largest copper concentrator

Minerals



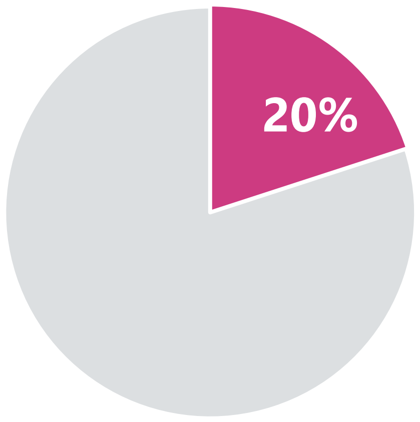
**Enter Engineering – MOF-3 Copper plant**

Almalyk, Uzbekistan

- Delivering FEED and detailed design contract worth $100m
- Mineral processing plant critical to achieving net zero targets
- Capacity to process up to 60m tons of copper ore a year
- Building on experience and reputation for delivering complex projects

# Over 20% from sustainable solutions today

**Revenue split, FY22[1]**




The majority of the work we do across our businesses reduces the carbon intensity of our clients', so this figure is a conservative view

## Our sustainable solutions

**Energy**

- Renewable energy
- Hydrogen
- Carbon capture & storage
- Power & electrification
- Battery storage
- LNG

**Materials**

- Waste-to-energy
- Sustainable fuels/feedstocks
- Materials recycling
- Circular economy
- Energy transition minerals
- Life sciences

**Decarbonisation**

- Carbon reduction activities
- Asset optimisation / efficiency improvements
- Late life asset solutions / decommissioning

1. Sustainable solutions consists of activities related to those shown on this slide. In the case of mixed scopes including a decarbonisation element, these are only included in decarbonisation if 75% or more of the scope relates to that element

# Growing momentum across our business units

## Consulting

- **Revenue** up 13%[1]
- **Order book** up 3%[1]
- **Headcount** up 14%
- Strong **cash conversion**
- Improved **operating model** launched Feb 2023

## Projects

- **Revenue growth** in H2
- **Order book** up 21%[1]
- **Headcount** up 13%
- Recovering **cash conversion**
- **De-risked** business as LSTK rolls off

## Operations

- **Revenue** up 17%[1]
- **Order book** for delivery in 2023 up 4%
- **Headcount** up 4%
- Strong **cash conversion**
- Maintained **business retention rates** > 90%

1. At constant currency

# Highlights

## Delivered results in line.

- Strong revenue growth
- FY23 performance expected to be in line with CMD targets

## Delivering on our strategy.

- Transformed the Group
- Addressed legacy issues
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- Taking steps to optimise our portfolio

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- Order book for delivery in 2023 increased by 10%
- Improving underlying operating cash flow
- Headcount increased by 8%

# Q&A

Ken Gilmartin, Chief Executive Officer

David Kemp, Chief Financial Officer

# Future events for 2023

**Q1 trading update**
11th May

**Decarbonisation webinar & Milan site visit**
June (date TBC)

**HY23 trading update**
13th July

**HY23 results**
22nd August

**Q3 trading update**
9th November

**Digitalisation webinar & Houston site visit**
November (date TBC)

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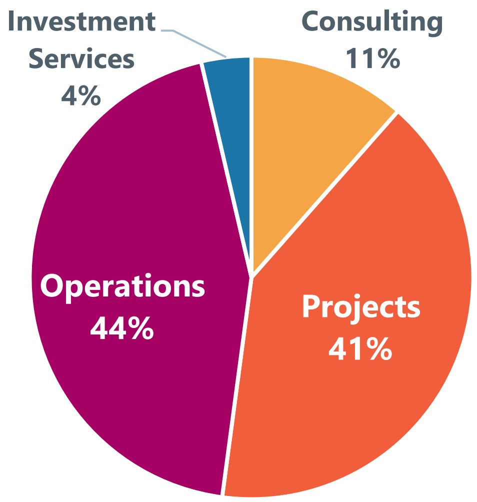
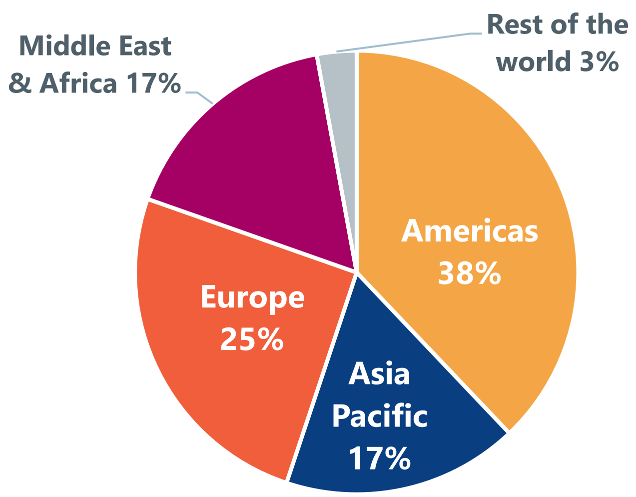
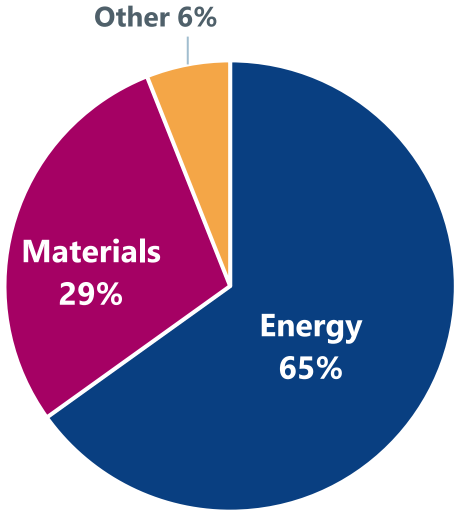
# **Appendix:** business splits

# A summary of the Group

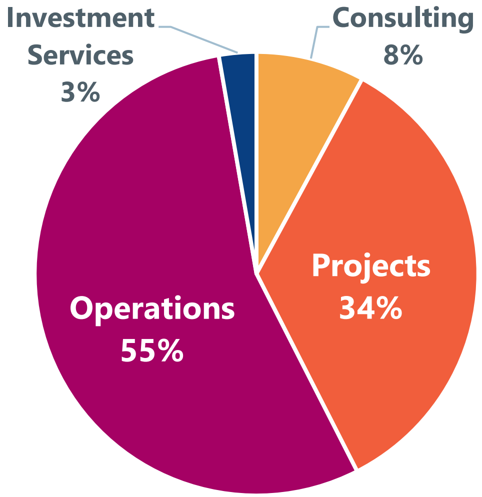
**FY22 revenue:**

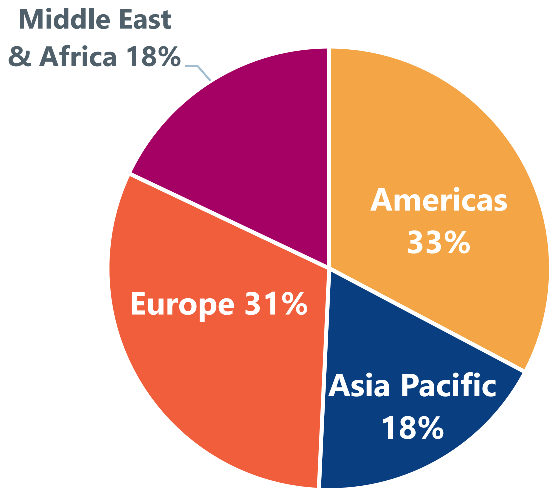


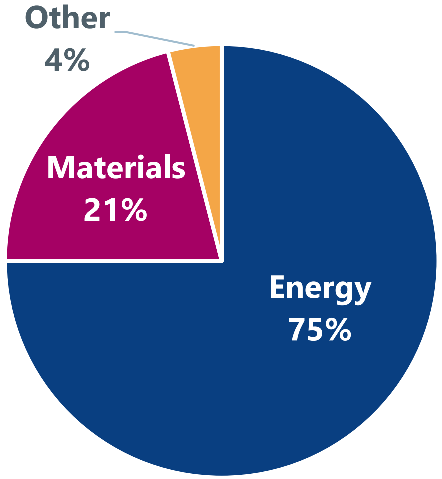



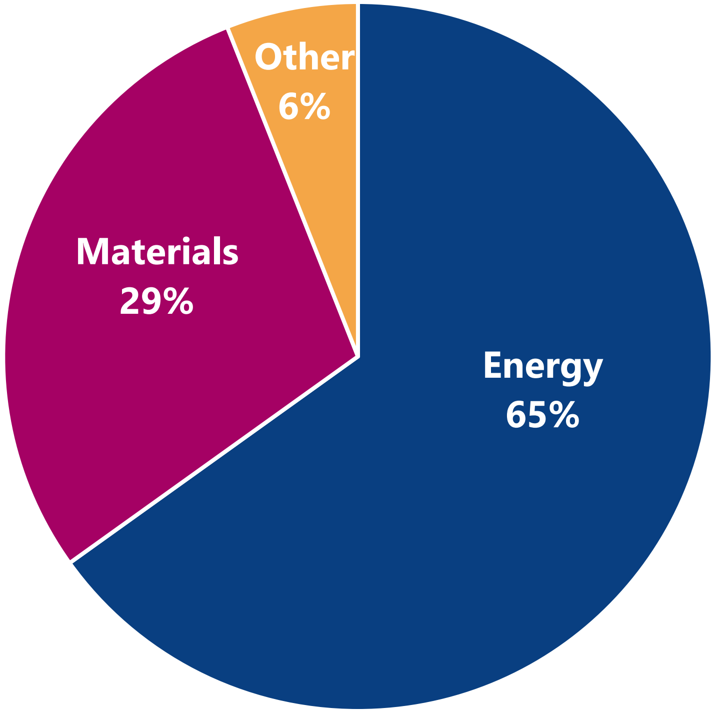

**Order book at Dec 22:**

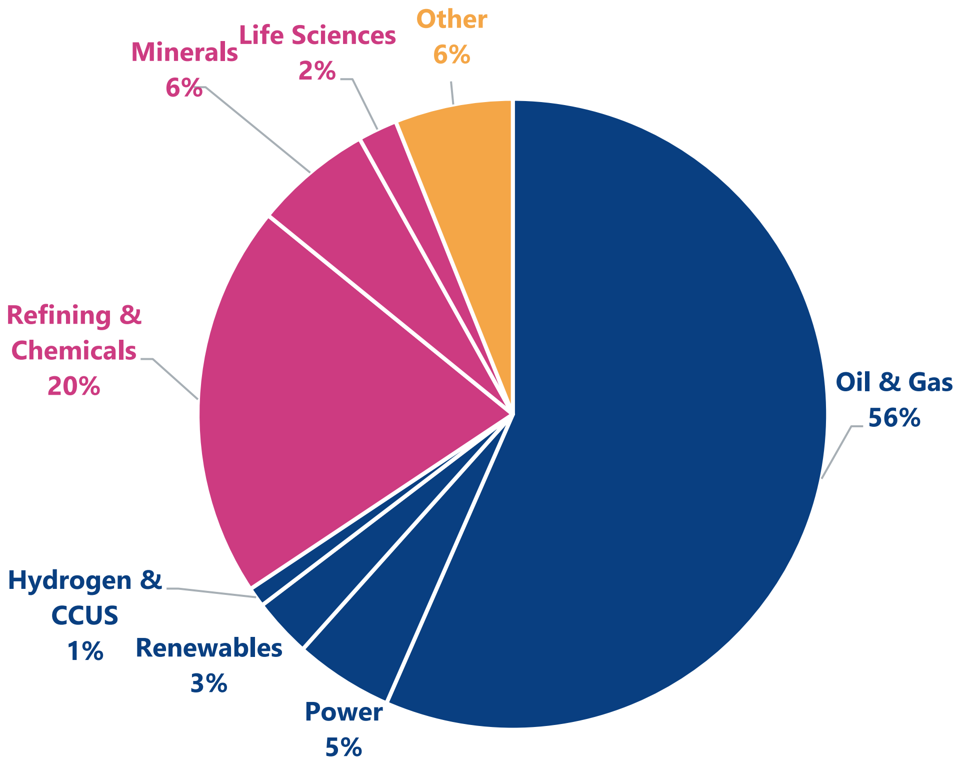


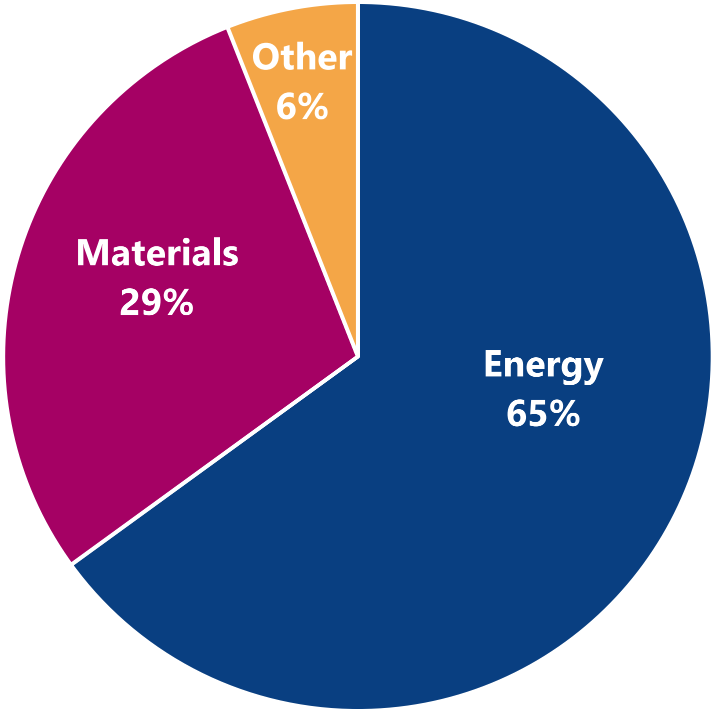
# FY22 Group revenue by market



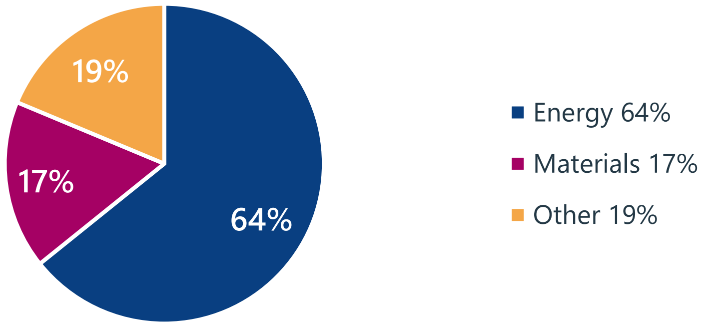



# FY22 revenue by market

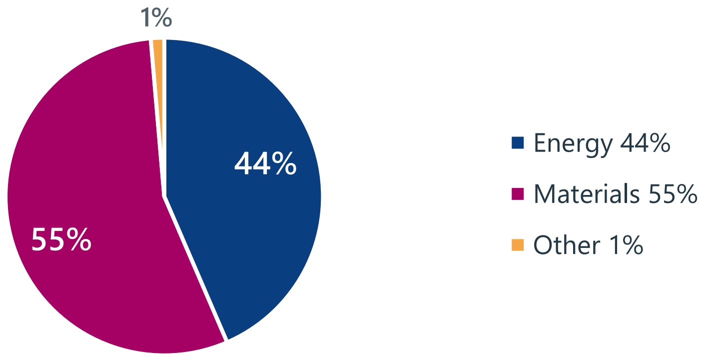
## Group



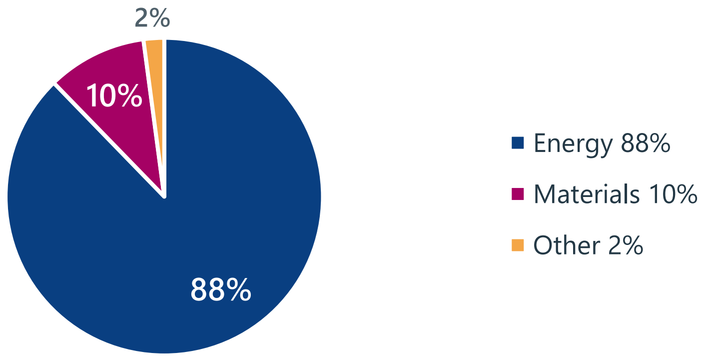

**Consulting**




**Projects**

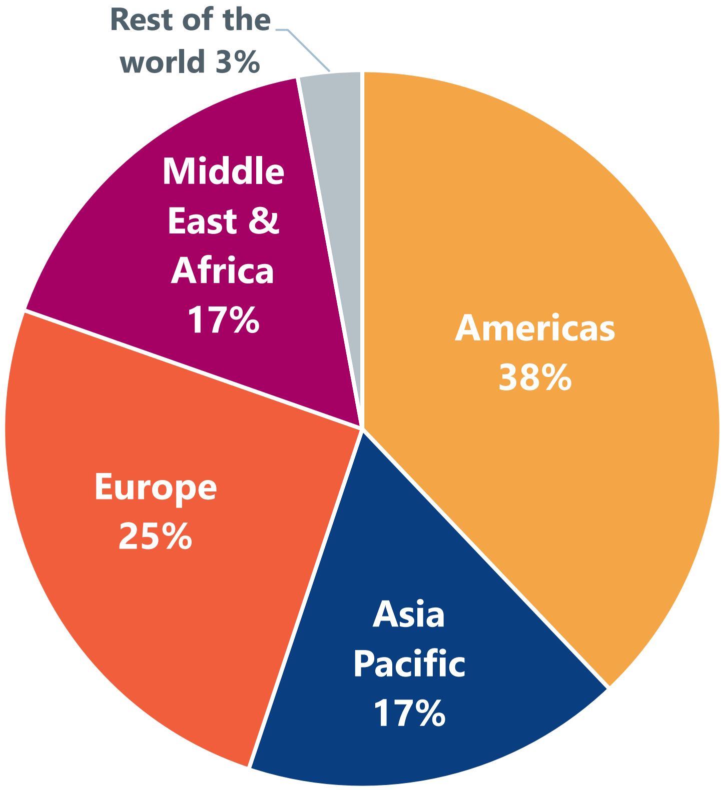



**Operations**

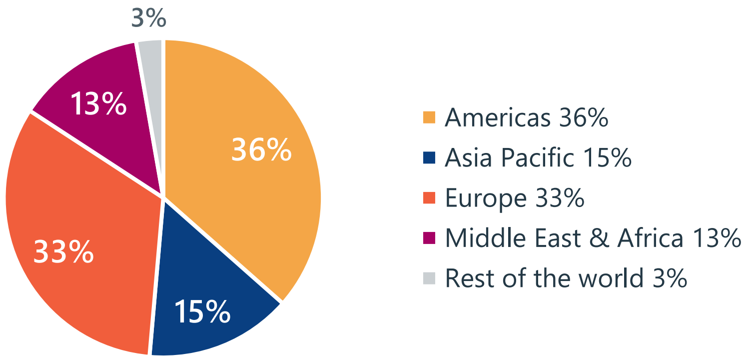


# FY22 revenue by region

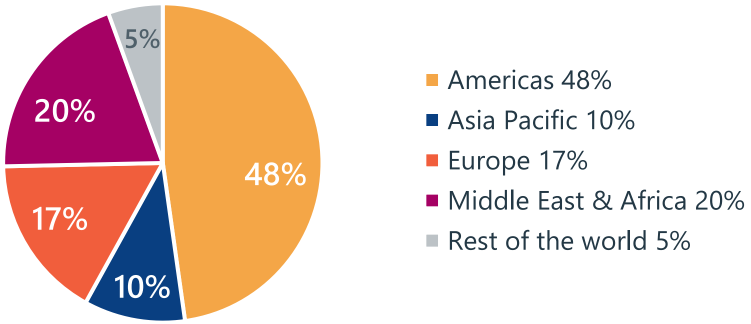
## Group



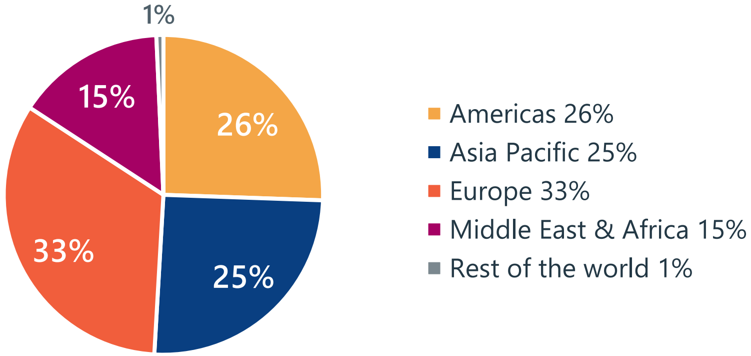

### Consulting




### Projects

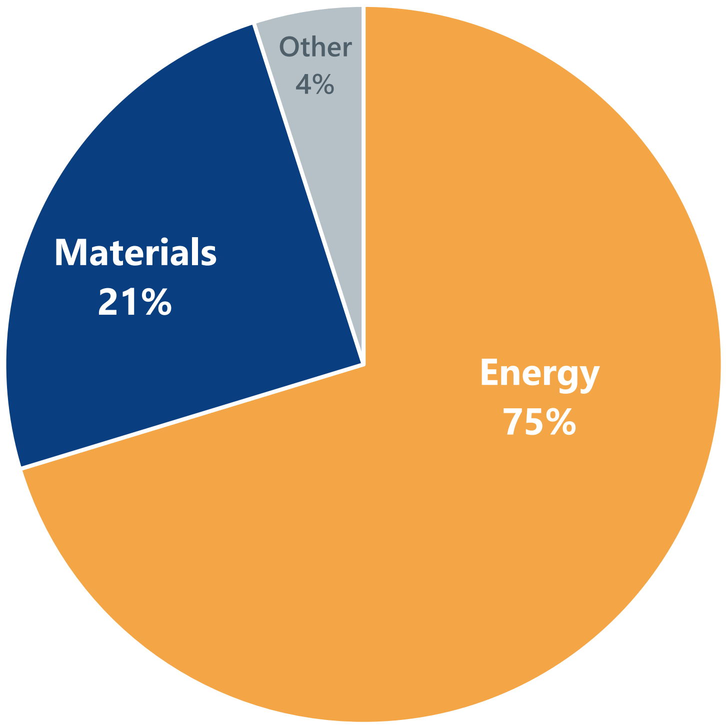


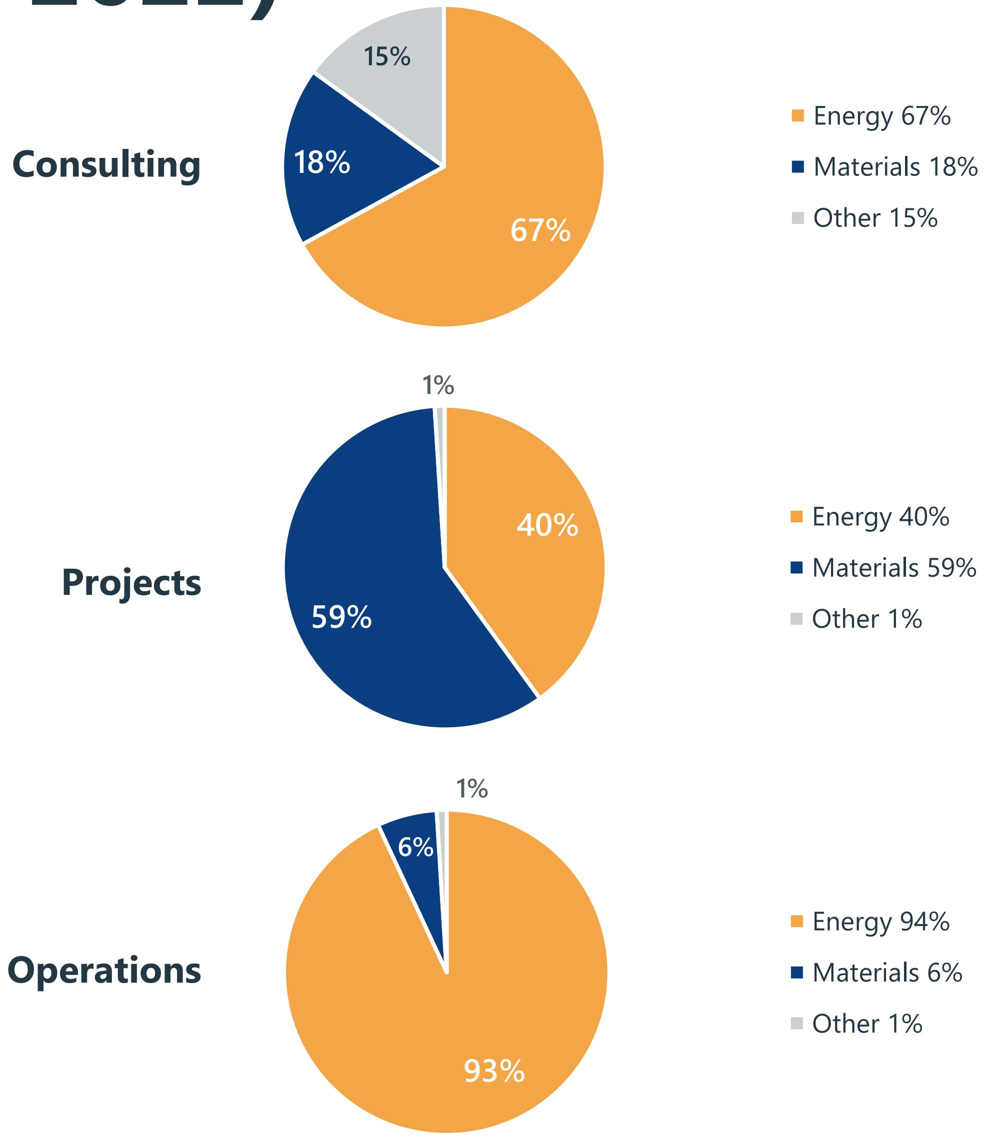

### Operations



# Orderbook by market (Dec 2022)

## Group



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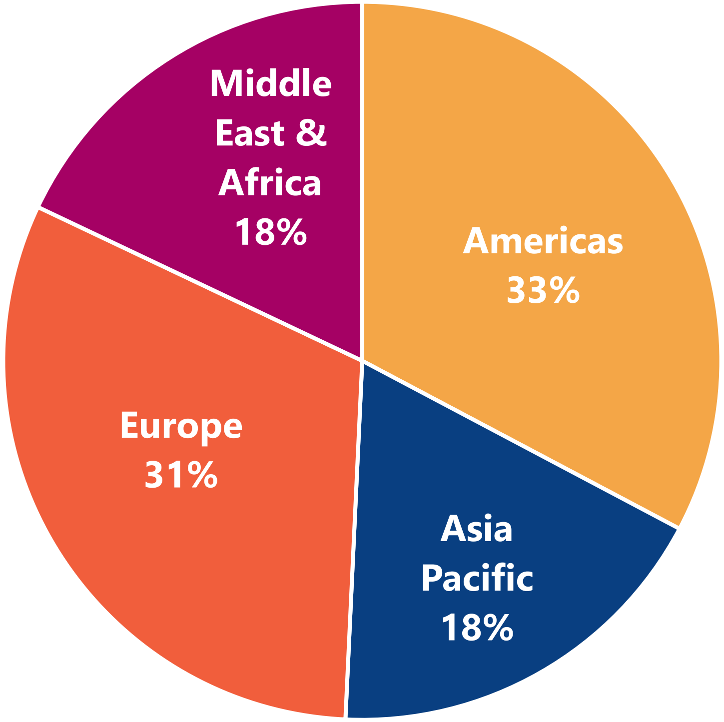
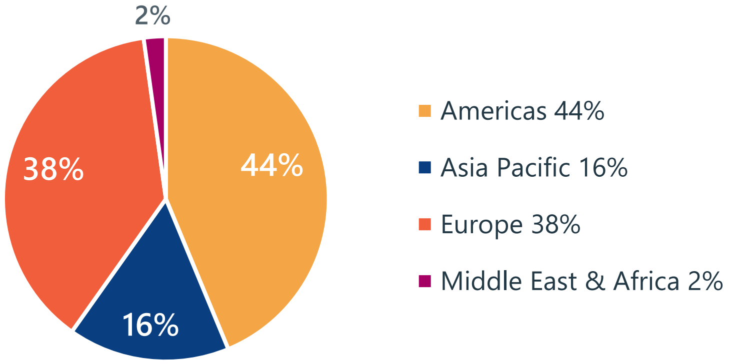
# Orderbook by region (Dec 2022)

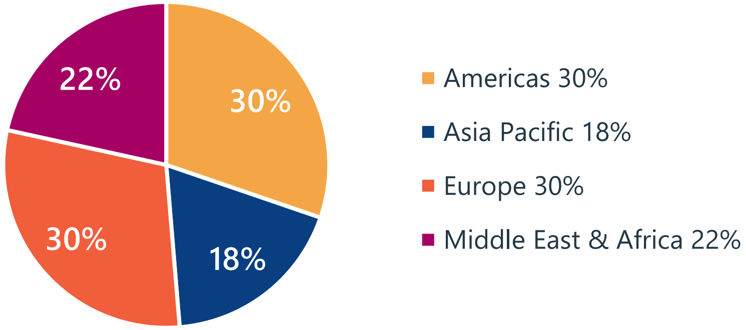
## Group



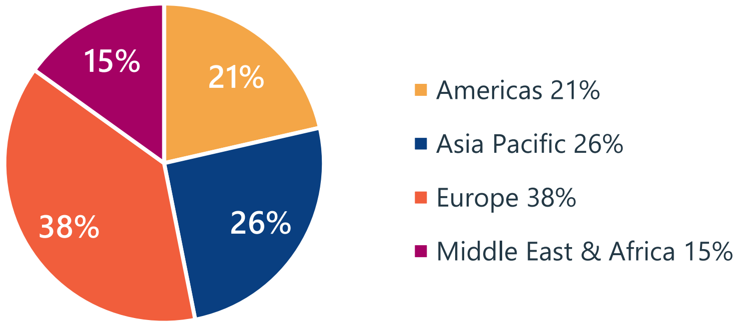

**Consulting**




**Projects**




**Operations**



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# Appendix:
additional financial details

# Income statement detail (1/2)

| | FY22 Reported | FY21 Restated | Notes |
|---|---|---|---|
| Consulting | 625.3 | 599.2 | |
| Projects | 2,211.2 | 2,339.8 | |
| Operations | 2,406.9 | 2,098.1 | |
| Investment Services | 198.8 | 200.6 | |
| **Total revenue** | **5,442.3** | **5,237.7** | |
| | | | |
| Consulting | 73.1 | 77.2 | |
| Projects | 168.7 | 167.7 | |
| Operations | 147.6 | 171.6 | |
| Investment Services | 69.3 | 64.4 | Includes Turbines JVs |
| Central costs | (73.6) | (76.6) | |
| **Total adjusted EBITDA** | **385.1** | **404.3** | |
| | | | |
| *Consulting* | 11.7% | 12.9% | |
| *Projects* | 7.6% | 7.2% | |
| *Operations* | 6.1% | 8.2% | |
| *Investment Services* | 34.9% | 32.1% | Includes Turbines JVs |
| ***Total adjusted EBITDA margin %*** | 7.1% | 7.7% | |
| | | | |
| Depreciation (PPE) | (29.3) | (35.1) | |
| Depreciation (right of use asset) | (90.5) | (85.9) | |
| Impairment of PPE and right of use assets | (2.4) | (5.3) | |
| Amortisation - software and system development | (89.0) | (90.8) | |
| Amortisation - intangible assets from acquisitions | - | - | Excluded from adjusted results |
| **Total adjusted EBIT** | 173.9 | 187.2 | |

# Income statement detail (2/2)

| | FY22 Reported | FY21 Restated | Notes |
|---|---|---|---|
| Tax and interest charges on JVs | (14.3) | (15.3) | |
| Exceptional items | - | - | Excluded from adjusted results |
| Net finance expense | (103.9) | (85.9) | |
| Interest charge on lease liability | (16.4) | (17.7) | |
| **Adjusted profit before tax** | **39.3** | **68.3** | |
| | | | |
| Adjusted tax charge | (59.2) | (49.9) | Represents the tax charge related to adjusted results |
| Profit/(loss) from discontinued operations | 63.3 | 103.9 | |
| **Adjusted profit for the period** | **43.4** | **122.3** | |
| | | | |
| Non-controlling interest | (4.6) | (4.0) | |
| **Adjusted earnings** | **38.8** | **118.3** | |
| | | | |
| Number of shares (m) – diluted | 680.4 | 675.6 | |
| **Adjusted diluted EPS (cents)** | **5.7** | **17.5** | |



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# Free cash flow reconciliation

| Pre-IFRS 16 to post-IFRS 16 free cash flow reconciliation | FY22 | | | FY21 | | |
|---|---|---|---|---|---|---|
| | Excluding leases | Leases | Full year | Excluding leases | Leases | Full year |
| **Adjusted EBITDA (includes continued and discontinued operations)** | **337** | **121** | **458** | **419** | **135** | **554** |
| Less: JV element of EBITDA | (51) | (8) | (59) | (54) | (7) | (61) |
| Add: JV dividend | 30 | | 30 | 26 | - | 26 |
| **Adjusted EBITDA excl. IFRS 16 and JVs** | **316** | **113** | **429** | **391** | **128** | **519** |
| Provisions | (44) | | (44) | (76) | - | (76) |
| Other | 28 | | 28 | 11 | 4 | 15 |
| Working capital | (367) | | (367) | (306) | - | (306) |
| **Operating cash flow** | **(66)** | **113** | **47** | **20** | **132** | **152** |
| Net capex | (129) | | (129) | (93) | - | (93) |
| Interest paid | (94) | | (94) | (84) | - | (84) |
| Tax paid | (82) | | (82) | (74) | - | (74) |
| Other | (40) | (6) | (46) | (8) | 15 | 7 |
| Non-cash movement in leases | - | (15) | (15) | - | (76) | (76) |
| **Free cash flow pre-exceptionals** | **(411)** | **92** | **(319)** | **(239)** | **71** | **(168)** |
| Exceptionals | (319) | 15 | (304) | (159) | 21 | (138) |
| **Free cash flow** | **(730)** | **107** | **(623)** | **(398)** | **92** | **(306)** |
| Divestments | 1,729 | | 1,729 | 19 | - | 19 |
| **(Increase)/decrease in net debt** | **1,000** | **107** | **1,107** | **(379)** | **92** | **(287)** |

# Strong liquidity position (position at Dec 2022)

| Facility | Costs | Size | Maturity |
|---|---|---|---|
| **RCF** | 5.4% | $1,200m | 2026 |
| **UKEF** | 6% | $200m | 2026 |
| **USPP** | c.5% | $90m | 2024 |
| | | $116m | 2026 |
| | | $18m | 2027 |
| | | $128m | 2029+ |
| | | **$352m** | |
| **Total** | | **$1,902m** | |



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# De-risked balance sheet

## Goodwill and intangibles

**c.$4.4bn**
2021: c.$6.1bn

- Relates to acquisitions, mostly AFW in 2017
- c.$1bn reduction with sale of Built Environment Consulting
- Impairment of $541m due to sale of Built Environment Consulting and higher discount rates

## Leases

**c.$340m**
2021: c.$450m

- Mainly relates to office leases
- c.$75m reduction with sale of Built Environment Consulting
- Balance will reduce over time as we rationalise property portfolio

## Provisions

**c.$460m**
2021: c.$635m

- Asbestos c.$300m
- Insurance and property c.$75m
- Project provisions c.$65m
- Litigation c.$80m lower following settlement of Enterprise

## Pension

**c.$430m net surplus**
2021: c.$260m net surplus

- Net surplus (IAS 19)
- Estimated actuarial surplus



Balance sheet positions at 31 December 2022 and 31 December 2021

# Our joint ventures

| EthosEnergy | RWG REPAIR & OVERHAUL EXPERTISE | Others |
|---|---|---|
| Turbine services across gas turbines, steam turbines, generators, compressors and transformers | Maintenance, repair and overhaul services for Siemens Energy industrial aero-derivative gas generators and power turbines | Around 20 joint ventures across the rest of the Group. Typical business model to enter different territories. |
| 51% share (Siemens Energy own 49%) | 50% share (Siemens Energy own 50%) | % share varies |
| FY22 EBITDA contribution of $20m | FY22 EBITDA contribution of $19m | FY22 EBITDA contribution of $19m |
| Included in Investment Services | | Included across three BUs |

**Total JV contribution to Group's results in FY22: $59m EBITDA, $30m dividends**



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# Appendix:
details on our markets and contract mix

# Selective but significant growth

| | Energy | | | Materials | | |
|---|---|---|---|---|---|---|
| Focus markets[1] | Oil & Gas | Hydrogen | Carbon capture | Mineral processing | Chemicals | Life sciences |
| Market drivers | • Energy security<br>• Net zero agenda<br>• High commodity prices | • Energy transition<br>• Supportive policy<br>• Technology | • Net zero agenda<br>• Improving economics<br>• Supportive policy | • Transition to net zero<br>• Supportive policy<br>• Technology advancement | • Consumer demand<br>• Circular initiatives<br>• Net zero agenda | • Consumer demand<br>• Onshoring commitments<br>• Aging populations |
| Addressable market (2025)[2] | $124bn | $4bn | $4bn | $21bn | $50bn | $26bn |
| Market CAGR 2022-2025[3] | 6% | 67% | 29% | 7% | 1% | 6% |
| Market CAGR 2022-2030[3] | 2% | 31% | 15% | 7% | 2% | 6% |
| Wood share today | High | Low | Low | High | Medium | Low |
| Market share growth |  |  |  |  |  |  |

1. Oil & Gas refers to upstream and midstream. Chemicals excludes refining
2. Addressable market sizes estimated using secondary sources, details on slide 53
3. Market CAGR assumptions shown are nominal growth rates based on a range of global inflation assumptions from 0% to 2.5%



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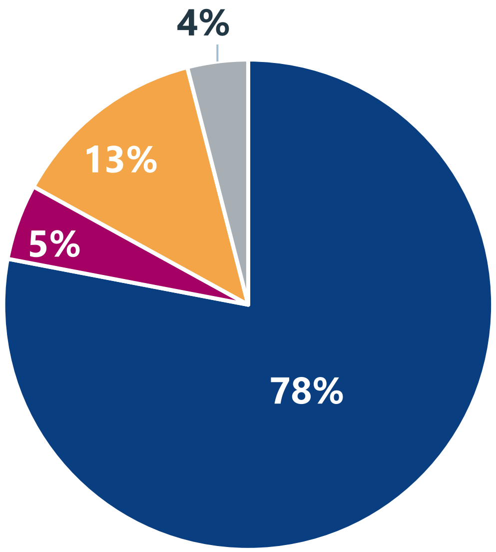
# Addressable markets methodology

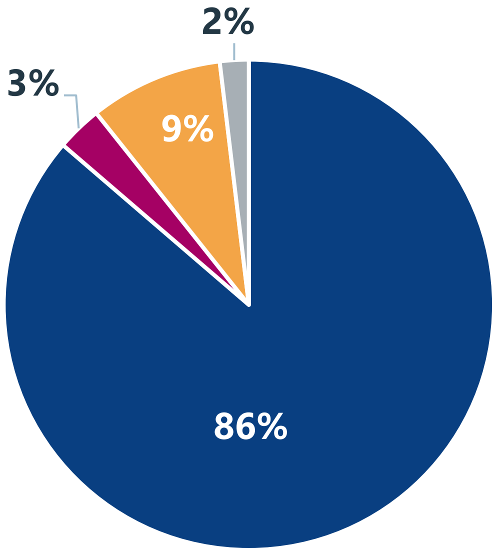
| Market | Addressable geographies | Addressable segments | Source |
|---|---|---|---|
| **Upstream O&G** | Western Europe, Middle East and North America | Engineering, Maintenance Services, Operational and Professional Services | Rystad |
| **Midstream O&G** | Australia, Europe, Middle East and North America | Liquefaction, Regasification and Pipelines | GlobalData |
| **Hydrogen** | UK, Australia, North America | Blue (retrofit and new build) and Green Hydrogen | Market modelling, based on IEA, Expert interviews and other secondary sources |
| **Carbon Capture** | UK, Australia, North America | Target industries (Natural gas, oil), Future potential industries (Waste incineration, cement, iron & steel) | Market modelling, based on IEA, Expert interviews and other secondary sources |
| **Downstream O&G** | UK, Australia & New Zealand, North America and Middle East | Manufacture of Refined Petroleum Products | IHS |
| **Chemicals** | UK, North America, China (Mainland), Singapore, Vietnam, Thailand, Central America and Middle East | Commodities, Agricultural, Specialty (Commodity), Specialty (Target) | IHS |
| **Mining** | Latin America, Australia, SE Asia, North America, Africa and Europe (Other) | Gold, Copper, Lithium, Nickel, Silver | GlobalData; IEA |
| **Life sciences** | Germany, Ireland, Italy, Switzerland, UK, Thailand, Vietnam, Singapore, Australia and USA | Pharma, Biologics and R&D | IHS |

# Contract portfolio de-risked

## Revenue split (FY22)




## Order book split (Dec 2022)




Cost reimbursable
Consulting fixed price
Fixed price services
LSTK[1]

**Predominantly reimbursable services**

**Selective in our pipeline**

**Improved discipline on where to bid**

**Shift in mix improves cash conversion in Projects**

1. Lump sum turnkey contracts.

Design the future.