

Design the future.

Q1 trading update

11 May 2023

Good momentum continues, trading in line with expectations

John Wood Group PLC ('Wood' or 'the Group') is today holding its Annual General Meeting ('AGM'), and also announces a trading update for the quarter ended 31 March 2023 ('Q1').

Q1 trading

Against a backdrop of a weak Q1 2022, Group revenue in Q1 increased to around \$1,450 million, reflecting good momentum across all business units and higher pass-through revenue.

Group adjusted EBITDA was in line with our expectations and we continue to invest in our business to deliver on our growth potential.

Our order book at 31 March 2023 was around \$5.7 billion, slightly lower than at December 2022 and reflecting the phasing of large multi-year awards in Operations. The order book for delivery in 2023 has continued to build and is up significantly on the position a year ago.

In line with our strategy, we completed the disposal of the Gulf of Mexico labour operations business for \$17 million in March 2023. This business contributed around \$90 million of revenue and around \$3.5 million of adjusted EBITDA in 2022.

Outlook for 2023 unchanged

While we remain mindful of the uncertain economic outlook, our expectations for 2023 remain unchanged. As outlined in March, performance for 2023 will be weighted to the second half of the year.

The exceptional cash outflows in 2023 are weighted to the first half of the year, and the tax payable on the sale of Built Environment Consulting was paid in the first quarter.

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Note

As announced on 17th April 2023, Apollo Management Holdings, L.P. ("Apollo") is required either to announce a firm intention to make an offer for Wood or to announce that it does not intend to make an offer by no later than 17th May 2023. Further announcements will be made as appropriate.

Appendix: Profit forecasts

1. Wood Profit Forecasts

1.1 The following guidance in relation to FY23 included in this announcement constitutes a profit forecast for the purposes of the City Code on Takeovers and Mergers (the "**Code**"):

"Outlook for FY23 unchanged

While we remain mindful of the uncertain economic outlook, our expectations for 2023 remain unchanged."

1.2 On 29 November 2022 in its Capital Markets Day announcement, John Wood Group PLC ("Wood") provided the following guidance in relation to medium term EBITDA targets (the "**CMD Statements**", together with the statement referred to in paragraph 1.1, the "**Profit Forecasts**"), which for the purposes of the Code constitutes a profit forecast:

"Medium term financial targets

The combination of these should result in Wood's revenue outperforming the combined market CAGR or around 5% over the medium term¹

¹ *Estimated total growth rate across our addressable markets in Energy and Materials from 2022 to 2025."*

"We expect 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 see opportunity for some margin improvement."

"We expect adjusted EBITDA to grow at mid to high single digit CAGR over the medium term, with momentum building over time as our strategy delivers."

2. Basis of preparation

2.1 The Profit Forecasts are based on the current internal forecasts for the remainder of the year ending 31 December 2023 and the financial period from and including 1 January 2023 to and including 31 December 2025 (as applicable) in respect of John Wood Group PLC and its subsidiaries (the "**Group**").

2.2 The basis of accounting used for the Profit Forecasts is consistent with the Group's existing accounting policies, which are in accordance with UK adopted International Accounting Standards, International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and IFRS as issued by the International Accounting Standards Board, the accounting policies which were applied in the preparation of the Group's financial statements for the year

ended 31 December 2022 and the accounting policies which are expected to be applied in the preparation of the Group's financial statements for the year ending 31 December 2023.

2.3 The Profit Forecasts have been prepared on the basis referred to above and subject to the principal assumptions set out below. The Profit Forecasts are inherently uncertain and there can be no guarantee that any of the factors referred to under paragraph 3 (Principal Assumptions) will not occur and/or, if they do, their effect on the Group's results of operations, financial condition or financial performance, may be material. The Profit Forecasts should therefore be read in this context and construed accordingly.

3. Principal assumptions

In confirming the Profit Forecasts remain valid, the directors of Wood (the "**Wood Directors**") have made the following principal assumptions in respect of the financial year ending 31 December 2023 and the financial period from and including 1 January 2023 to and including 31 December 2025:

Factors outside the influence or control of the Wood Directors:

- no material change to the Group's assumptions in the forecast period for growth of the Group's business;
- no material change to the Group's assumptions in the forecast period in relation to the Group's ability to access addressable markets through its capabilities, business locations and relationships with its key customers;
- no material change to the Group's assumptions in the forecast period in relation to the Group's current cost savings plan related to rationalisation of the property portfolio, IT spend from licence rationalisation and other efficiency measures;
- achieving anticipated annualized savings of \$15 million to \$20 million by the end of 2025, with benefits accruing from 2024 and EBIT to benefit by \$10 million to \$15 million per year;
- achieving anticipated IT cost savings of \$10 million to \$15 million from licence rationalization and other efficiency measures, with material benefit accruing 2024 onwards;
- no material change to the Group's historic levels of performance, business improvement initiatives, and market positioning;
- no material adverse events which would have a significant impact on the operating results or financial position of the Group;
- no material change in market conditions over the forecast period in relation to the Group's customers or competitive environment;
- no change to average time taken by customers to pay the Group;
- no adverse change to current prevailing global macroeconomic and political conditions (including geopolitical tension, further escalation of conflict or war in or affecting areas

where the Group operates or intends to operate (or any sanctions imposed in response to any such events) which is material in the context of the Profit Forecasts;

- no change in legislation, taxation or regulatory requirements relating to the Group or the legislative or regulatory environment within which the Group operates;
- no change in general sentiment towards the Group and/or its operations which has an impact on its ability to attract customers and to operate its business;
- no business disruption affecting the Group, its customers or other stakeholders (including, but without limitation, any pandemic related lockdowns and restrictions or similar, natural disasters, severe adverse weather, acts of terrorism, cyberattacks, workforce shortage or labour disputes);
- no litigation or contractual disputes which are material in the context of the Group, other than the ones already disclosed to the market and no material adverse outcome from any ongoing or future disputes with any customer, competitor, supplier, regulator or tax authority;
- no material movements in inflation, interest rates, tax rates and foreign exchange rates compared with the Group's estimates;
- no change in the Group's existing debt arrangements, or its ability to access external financing; and
- no change in the accounting standards or policies which were used for the Profit Forecasts.

Factors within the influence or control of the Wood Directors:

- no material change to the strategy, budget or operation of the Group's business;
- no material change to the Group's current cost savings plan related to rationalisation of the property portfolio, IT spend from licence rationalisation and other efficiency measures;
- no material change in the Group's relationship with its key customers;
- no material health and safety issues experienced by the Group;
- no major regulatory investigation into the Group;
- no material change in capital policies of the Group;
- no unplanned capital expenditure or significant acquisitions, disposals, developments, partnership or joint venture agreements being entered into by the Group which would have an adverse impact on the Group's income, expenditure or cashflow which is material in the context of the Profit Forecasts;
- no significant acquisition, disposals, developments, partnerships or joint venture agreements will be entered into by the Group and no existing partnerships or joint venture agreements will be terminated or amended, in each case, which would have an adverse impact on the Group's income, expenditure or cashflow which is material in the

context of the Profit Forecasts;

- no material changes in key management of the Group; and
- consistent application of the Group's accounting policies in the period to 31 December 2025.

4. Directors' confirmation

The Wood Directors confirm that the Profit Forecasts remain valid and that they have been properly compiled on the basis of the principal assumptions stated above and that the basis of accounting used is consistent with Wood's accounting policies set out above.