

wood.

# Investor Presentation

January 2024



**Design the future.**

# Disclaimer

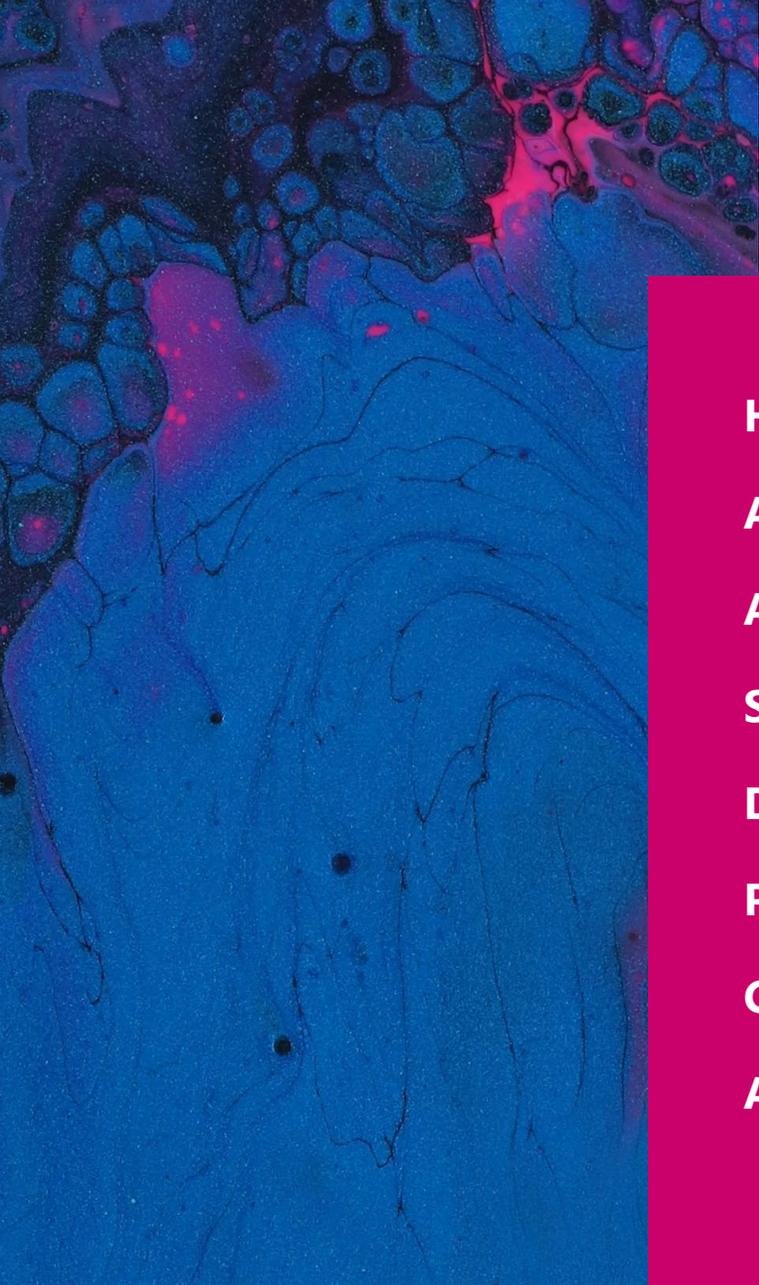
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# Highlights

## **Leading global engineering and consultancy company**

- Strong competitive positions across our markets
- Lower risk business model
- Well-diversified across markets and geographies

## **A transformed business**

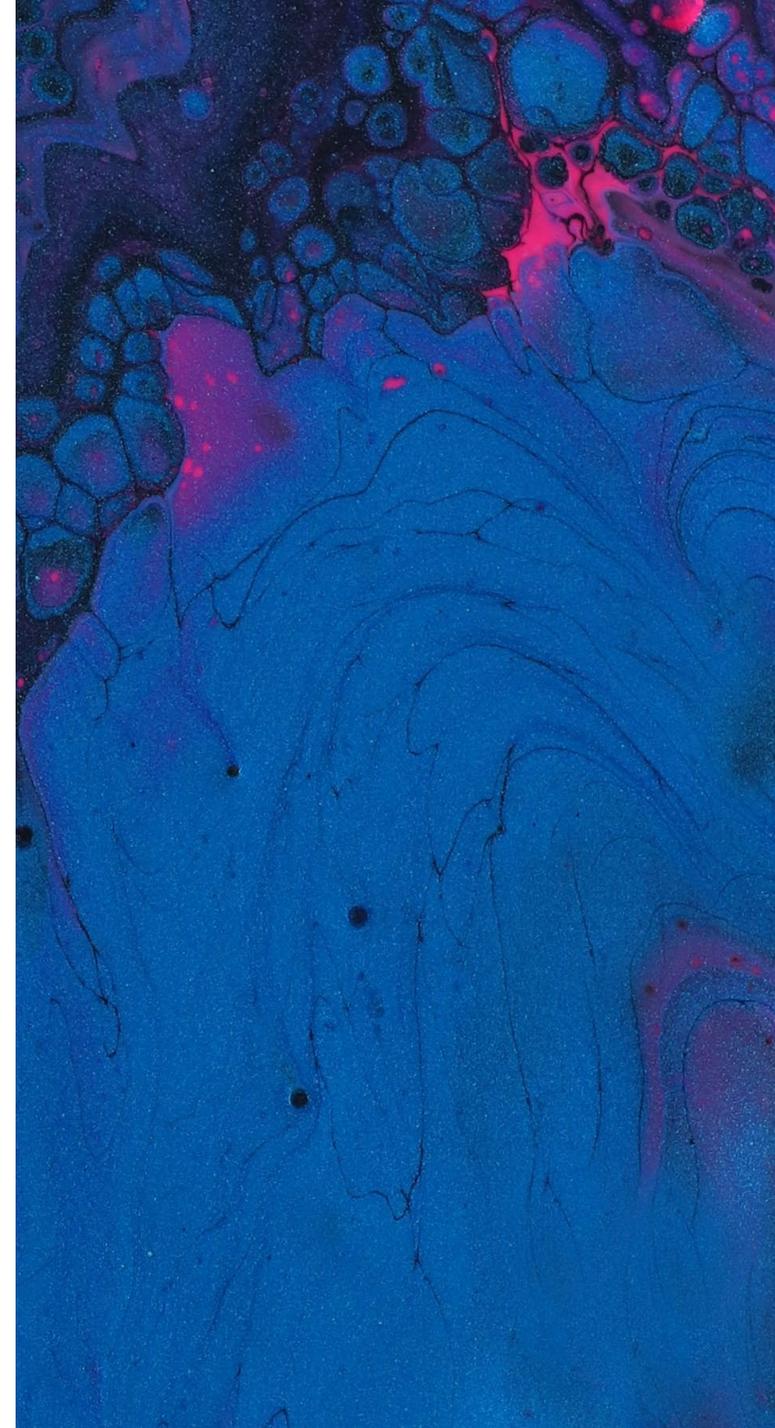
- Significant transformation over the last few years
- New leadership team in place

## **Significant growth potential**

- Well-positioned for market growth across energy and materials
- Significant sustainable solutions business

## **Financial recovery increasingly visible**

- Strong momentum in revenue, order book and pipeline
- Return to cash flow positive in 2024



# About Wood

The background features a vibrant blue-to-cyan gradient. Scattered throughout are numerous small, multi-colored spheres that resemble bubbles or beads. Several larger, semi-transparent spheres in shades of blue, purple, and pink are also present, some overlapping each other. A solid magenta vertical bar is positioned on the left side of the image, partially overlapping the text.

# Leading global engineering and consultancy company

## Advise

- Feasibility studies
- Concept design
- Pre-FEED
- Strategy planning

## Design

- FEED
- Detailed design
- Owner's engineer

## Deliver

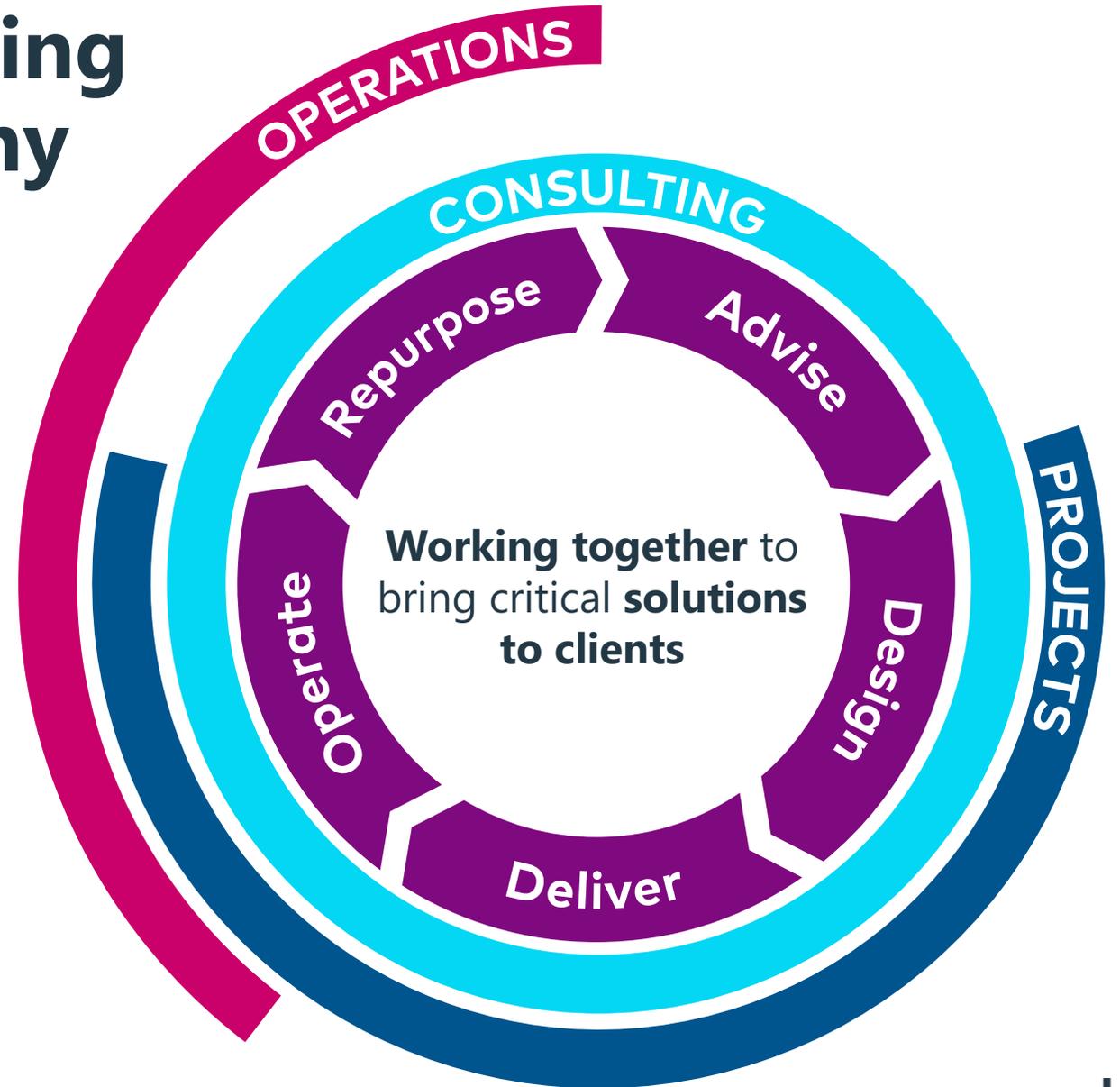
- PMC
- EPCm
- Commissioning

## Operate

- Maintenance
- Modifications
- Brownfield engineering
- Asset management
- Asset optimisation

## Repurpose

- Life extension
- Asset repositioning
- Decommissioning



# Strong competitive positions across our markets

## Outstanding global expertise

- World class SMEs and engineers

**c.36,000 people**

## Long-term client relationships

- Decades long relationships with major clients
- Including Exxon, Chevron, Shell, BP, Dow, GSK

**> 90% repeat business**

## Highly valued by our clients

- NPS 20% higher than market average<sup>1</sup>
- Ranked 1<sup>st</sup> amongst nine closest peers<sup>1</sup>

**20% ↑ NPS**

## Top global engineering firm

- Top 5 ENR design rankings: North America, Petroleum, Industrial and Manufacturing

**ENR top 10 global**

# Our competitive landscape

## Consulting



## Projects



## Operations



# Differentiated from the competition



Increasingly  
balanced across  
energy and  
materials

World class  
technical  
expertise

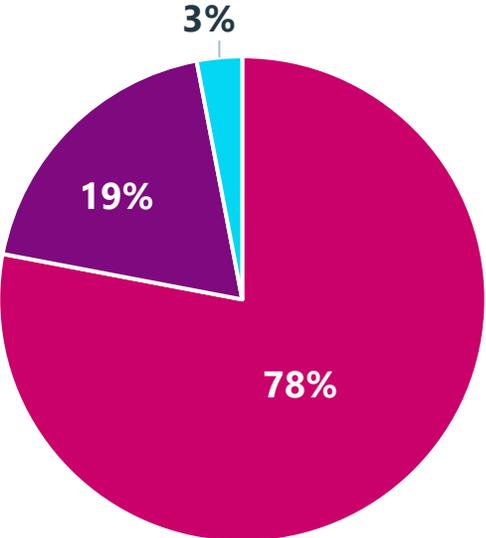
Only one peer  
competes across  
our business

9 Wood analysis as of November 2022, based on published company reports and statements. Illustrative chart only, not to scale.

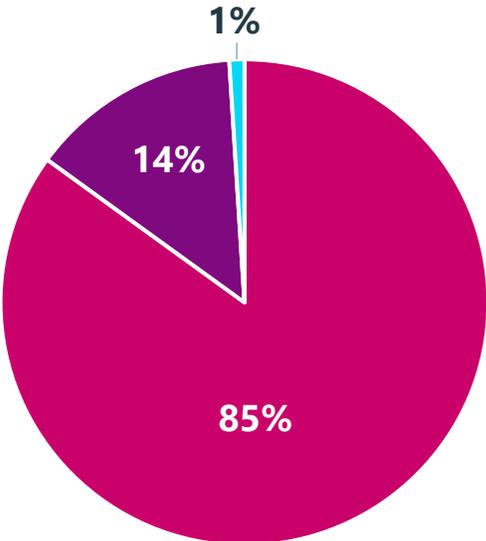
1. O&G exposure includes upstream, midstream and downstream / chemicals. Wood position includes oil & gas and refining & chemicals

# Lower risk business model

Revenue split (HY23)



Order book split (June 2023)



- Cost reimbursable
- Fixed price services (incl. fixed price Consulting)
- Lump sum turnkey (LSTK)

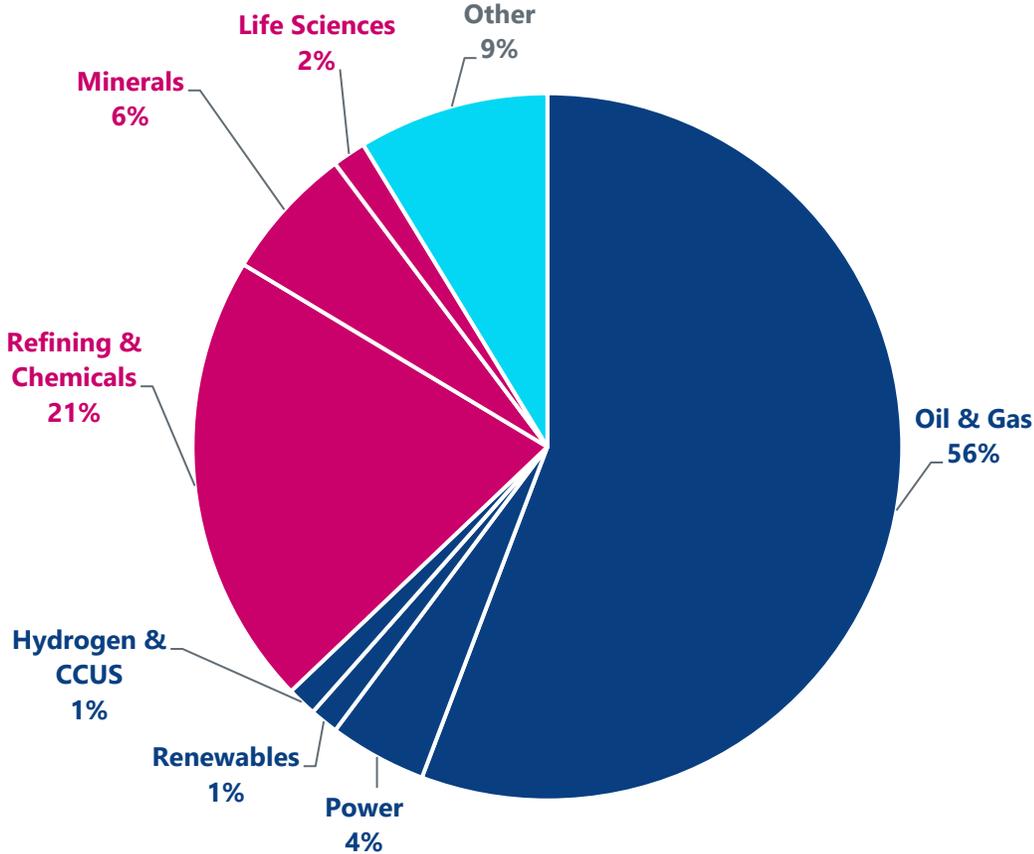
Mostly cost reimbursable contracts

Fixed price services average contract size < \$10m

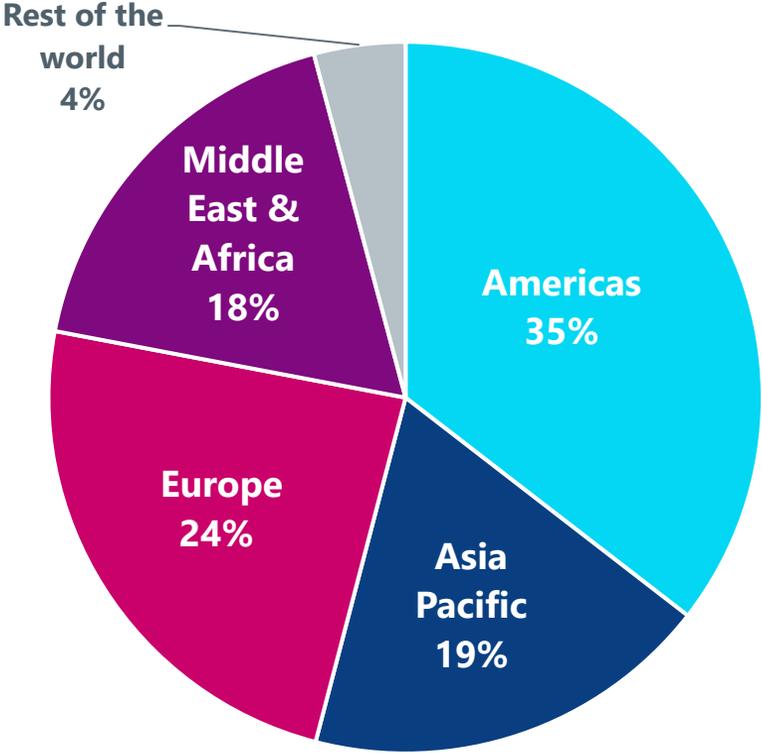
LSTK only in exceptional circumstances

# Well-diversified by markets and geography

Revenue split by market (HY23)



Revenue split by geography (HY23)

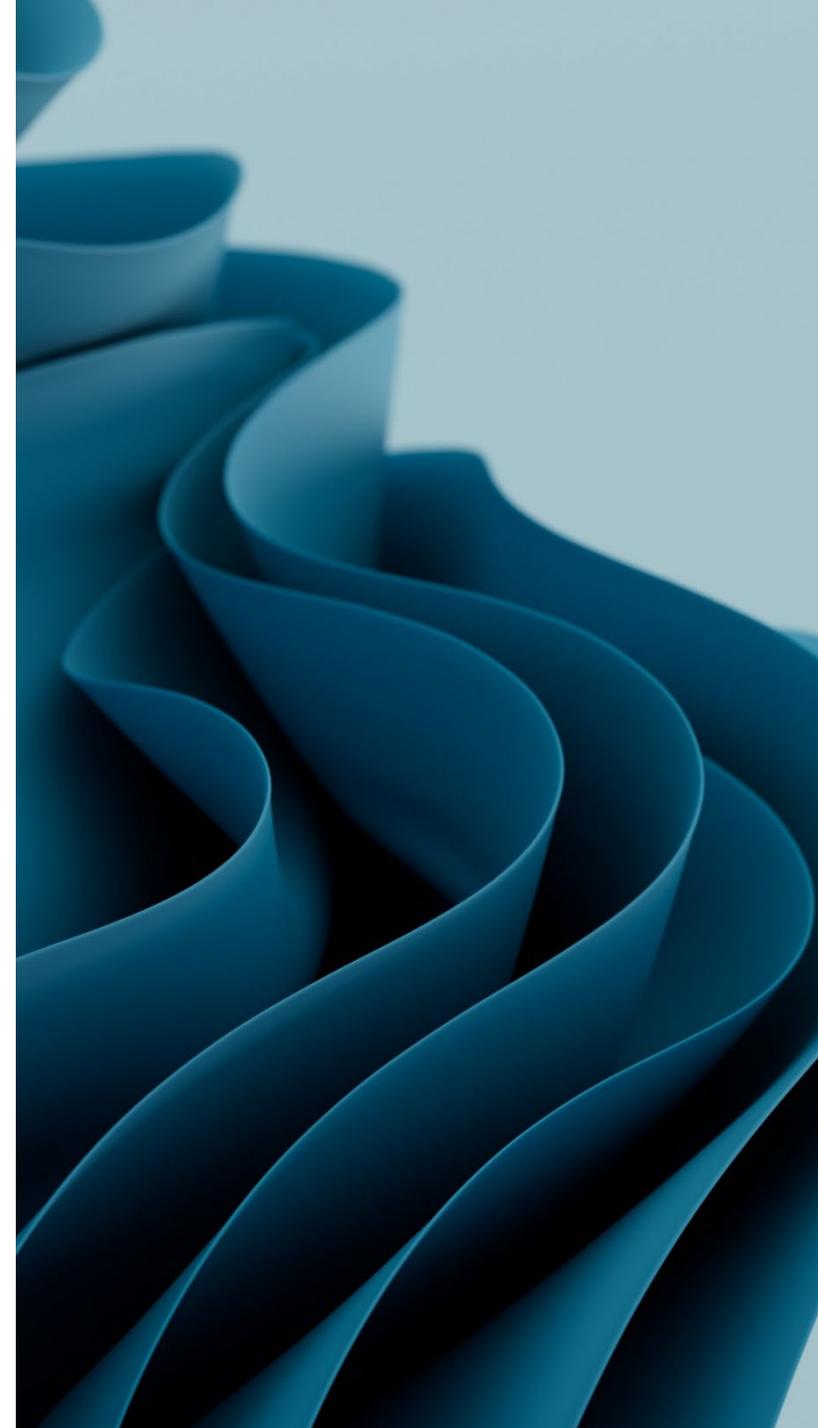




# **A transformed business**

# Significant transformation over the last few years

- **New leadership team** in place
- **Fixed the balance sheet** - sold Built Environment Consulting business in September 2022
- **De-risked contract portfolio** – lump sum turnkey now only 1% of order book
- **Addressed legacy issues** – cash outflows mostly end in 2024
- **Dedicated focus on culture** – re-engaged our teams
- **Defined priority markets and geographies** to focus on for growth



# A new leadership team in place



Chief Executive  
**Ken Gilmartin**

Joined ELT Aug 2021  
CEO from July 2022



Chief Financial Officer  
**David Kemp**

Joined ELT  
May 2015  
*Announced intention  
to retire*



Executive President,  
Strategy &  
Development  
**Jennifer Richmond**

Joined ELT  
April 2022



Executive President,  
Business  
Sustainability &  
Assurance  
**Mike Collins**

Joined ELT  
October 2020



Chief Human  
Resources Officer  
**Marla Storm**

Joined ELT  
Jan 2024



Group General  
Counsel  
**Michael Rasmuson**

Joined ELT  
Jan 2024



Executive President,  
Consulting  
**Azad Hessamodini**

Joined ELT  
June 2022



Executive President,  
Projects  
**Craig Shanaghey**

Joined ELT  
July 2022



Executive President,  
Operations  
**Steve Nicol**

Joined ELT  
Feb 2023

# Focused on the right markets

**c.\$235bn**

2025 total addressable market in core geographies<sup>1</sup>

**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

# Significant growth potential

# Well-positioned for market growth

	Energy			Materials		
Focus markets <sup>1</sup>	 <b>Oil &amp; Gas</b>	 <b>Hydrogen</b>	 <b>Carbon capture</b>	 <b>Mineral processing</b>	 <b>Chemicals</b>	 <b>Life sciences</b>
Market drivers	<ul style="list-style-type: none"> <li>• Energy security</li> <li>• Net zero agenda</li> <li>• High commodity prices</li> </ul>	<ul style="list-style-type: none"> <li>• Energy transition</li> <li>• Supportive policy</li> <li>• Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Net zero agenda</li> <li>• Improving economics</li> <li>• Supportive policy</li> </ul>	<ul style="list-style-type: none"> <li>• Transition to net zero</li> <li>• Supportive policy</li> <li>• Technology advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer demand</li> <li>• Circular initiatives</li> <li>• Net zero agenda</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer demand</li> <li>• Onshoring commitments</li> <li>• Aging populations</li> </ul>
Addressable market (2025) <sup>2</sup>	<b>\$124bn</b>	<b>\$4bn</b>	<b>\$4bn</b>	<b>\$21bn</b>	<b>\$50bn</b>	<b>\$26bn</b>
Market CAGR 2022-2025 <sup>3</sup>	<b>6%</b>	<b>67%</b>	<b>29%</b>	<b>7%</b>	<b>1%</b>	<b>6%</b>
Market CAGR 2022-2030 <sup>3</sup>	<b>2%</b>	<b>31%</b>	<b>15%</b>	<b>7%</b>	<b>2%</b>	<b>6%</b>
Wood share today	<b>High</b>	<b>Low</b>	<b>Low</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
Market share growth						

1. Oil & Gas refers to upstream and midstream. Chemicals excludes refining  
 2. Addressable market sizes estimated using secondary sources, details available in our Capital Markets Day presentation (Nov 2022)  
 3. Market CAGR assumptions shown are nominal growth rates based on a range of global inflation assumptions from 0% to 2.5%

# Significant sustainable solutions business

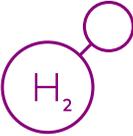
## Energy.

## Materials.

### Energy Transition

### Sustainable Materials

### Life sciences



Hydrogen



Carbon Capture



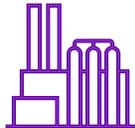
Renewable Energy



Power  
Electrification  
Battery storage



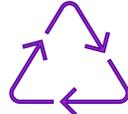
LNG



Minerals Processing  
Energy transition materials



Waste to energy



Materials Recycling



Sustainable fuel/feedstocks



Pharma

Decarbonisation<sup>1</sup> across all markets

**Over \$1 billion a year business, growing at 20% (HY23)**

18 1. Only included if the decarbonisation scope(s) are greater or equal to 75% of total contract value

# Leading capabilities across hydrogen and carbon capture

Performed **over 175 carbon capture studies**, worked on over a third of the world's projects<sup>1</sup>

Helping deliver **world's largest CCUS hub** in Middle East

**Setting standards in CCUS** – leading joint industry partnership

Designing **400km of CCUS pipeline** in Canada

Designed and built **over 130 hydrogen plants** in 40 years

**Blue hydrogen** technology that can capture up to 95% of CO<sub>2</sub>

Involved in **three industrial cluster** projects in the UK

FEED to eliminate 95% of CO<sub>2</sub> emissions in some **US Gulf Coast** complexes



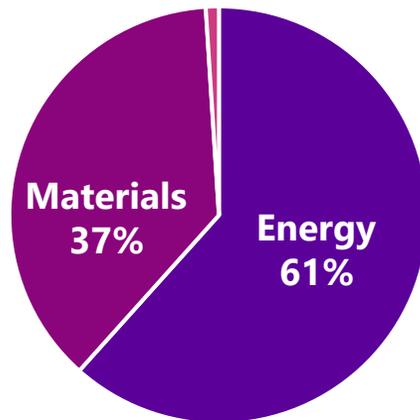
# A higher grade, growing pipeline

## Factored pipeline (24 months)

Not to scale



## Total pipeline market split %



- **Disciplined in where we bid**
  - Strategic clean up in Q4 2022 to remove LSTK and large EPC
  - Significant opportunity to grow within our risk appetite
- **Double digit growth in factored pipeline**
  - Strong market growth across our focus markets
  - Demand for Wood's offering
- **Continued diversification of pipeline**
  - Materials 37% (vs. 28% of HY23 revenue)
  - Growing across energy and materials markets
- **Growth in sustainable solutions**
  - 10% increase in sustainable pipeline in H123 to \$600M
- **Improving pricing**
  - Gross margin as a percentage of revenue starting to increase

# Delivering on our strategy

# Our strategy



**Profitable growth.**



**Performance excellence.**



**Inspired culture.**

## Energy.

Oil & Gas | Hydrogen | Carbon Capture

## Materials.

Minerals | Chemicals | Life Sciences



# Good progress since our CMD in November 2022

	Targets	HY23 progress	Future focus
 <p><b>Profitable growth.</b> A higher-grade business</p>	<ul style="list-style-type: none"> <li>• EBITDA mid to high single digit CAGR</li> <li>• Strong operating cash flow</li> <li>• Return to positive free cash flow</li> <li>• Focus on reimbursable contracts</li> </ul>	<ul style="list-style-type: none"> <li>• EBITDA up 12%<sup>1</sup></li> <li>• Significant improvement in operating cash flow</li> <li>• LSTK now only c.1% of order book</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to improve pricing</li> <li>• Selective market focus</li> <li>• Optimise portfolio – reviewing c.4% of business</li> <li>• Improve cash generation</li> </ul>
 <p><b>Performance excellence.</b> Results focused and delivering</p>	<ul style="list-style-type: none"> <li>• Grow order book</li> <li>• Increase use of Global Execution Centres (GEC)</li> <li>• Consistent Project outcomes</li> <li>• Increase % sustainable solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Order book up 5%<sup>2</sup></li> <li>• GEC headcount over 3,000</li> <li>• Sustainable solutions revenue up 20%</li> </ul>	<ul style="list-style-type: none"> <li>• Continued focus and discipline in where we bid</li> <li>• Further GEC growth</li> <li>• Continue to grow sustainable solutions</li> </ul>
 <p><b>Inspired culture.</b> Creating a great place to work</p>	<ul style="list-style-type: none"> <li>• Improve employee engagement</li> <li>• Lower voluntary turnover</li> <li>• Reduce recordable safety incidents</li> <li>• 40% leadership female by 2030</li> </ul>	<ul style="list-style-type: none"> <li>• Employee NPS up 23 points YoY</li> <li>• Lower voluntary turnover across professional roles</li> <li>• 35% leadership female (vs. 32% at Dec 2022)</li> </ul>	<ul style="list-style-type: none"> <li>• Continual focus on safety</li> <li>• Develop employee experience</li> <li>• Further increase diversity</li> <li>• Expand graduate intake</li> <li>• Continue SME recruitment</li> </ul>



# Progress towards our financial targets

# Highlights from HY23 results

## Good trading across business.

- Revenue up **20%**<sup>1</sup>
- Adjusted EBITDA up **12%**<sup>1</sup>
- **Improved** operating cash flow
- **Increased** FY23 guidance<sup>2</sup>

1. At constancy currency

2. For revenue and adjusted EBITDA

3. Excludes Gulf of Mexico labour operations business sold in March 2023

## Delivering on our strategy.

- **Double-digit growth** in key markets (revenue and pipeline)
- **Significant contract wins** across energy and materials
- Employee NPS **+23ppt** YoY

## Continuing to build momentum.

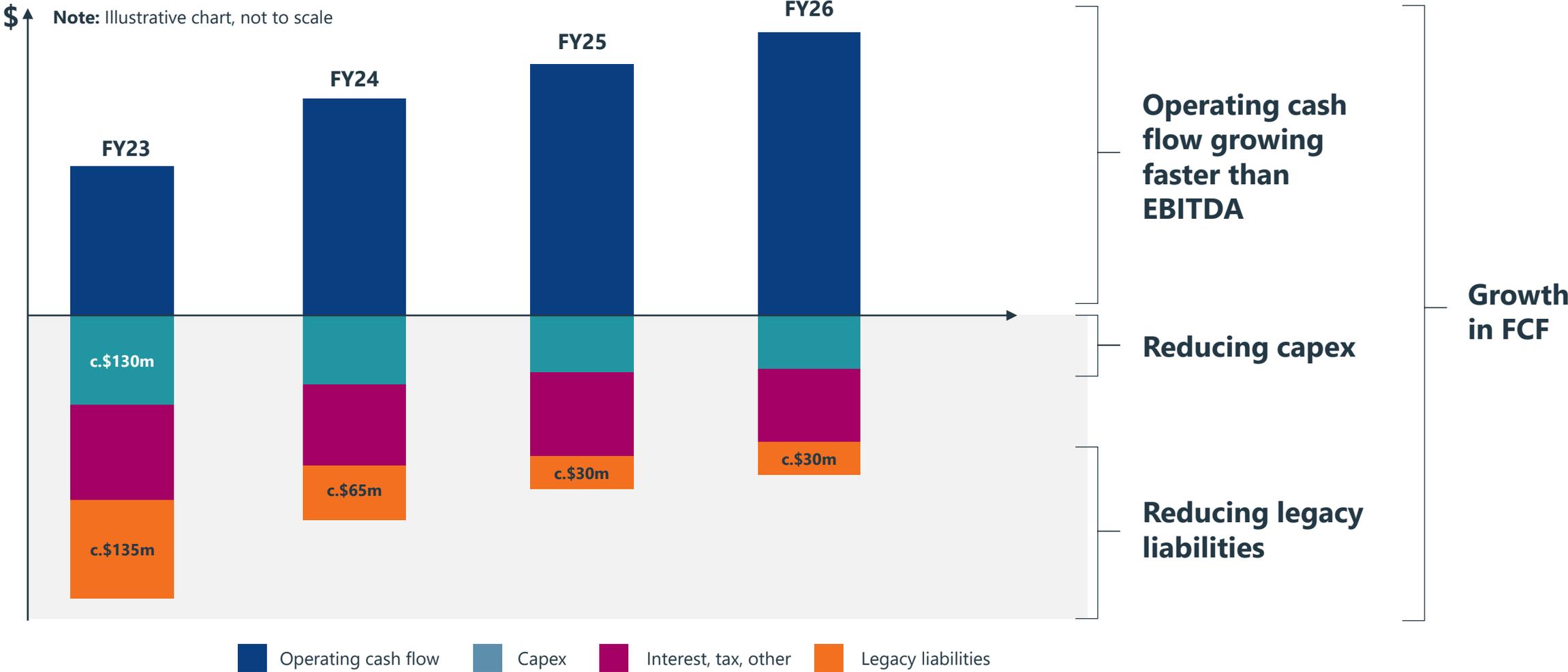
- **\$6bn** order book, up **5%**<sup>1,3</sup> vs. Dec 2022
- Sustainable solutions revenue up **20%** YoY to over **\$600 million**
- Headcount up **5%** YoY

# Medium-term financial targets

- **Revenue** to outperform market CAGR of around 5%
- **EBITDA margins** flat in the nearer term, opportunity for some improvement in the medium term
- **Adjusted EBITDA** to grow at mid to high single digit CAGR with momentum building as our strategy delivers



# On track for positive free cash flow from 2024



# Conclusion

# Conclusion

## **Leading global engineering and consultancy company**

- Strong competitive positions across our markets
- Lower risk business model
- Well-diversified across markets and geographies

## **A transformed business**

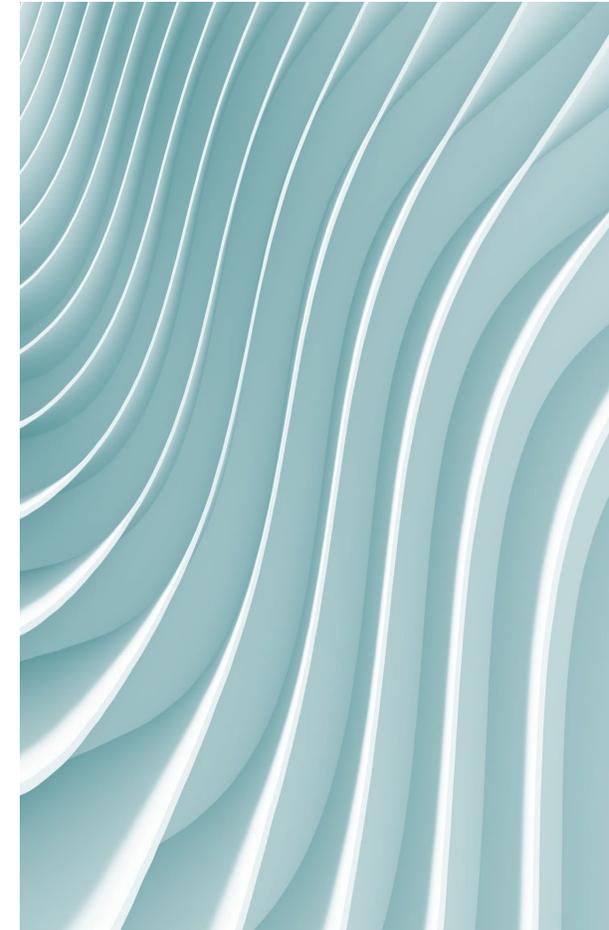
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- New leadership team in place

## **Significant growth potential**

- Well-positioned for market growth across energy and materials
- Significant sustainable solutions business

## **Financial recovery increasingly visible**

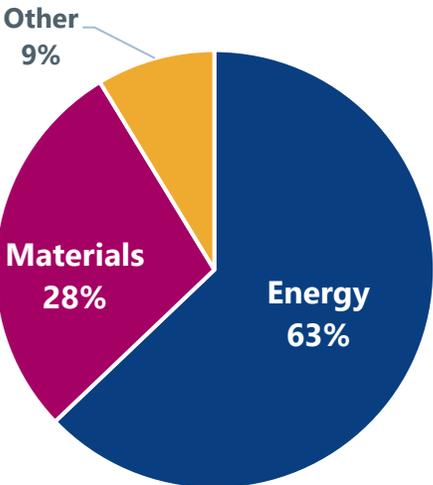
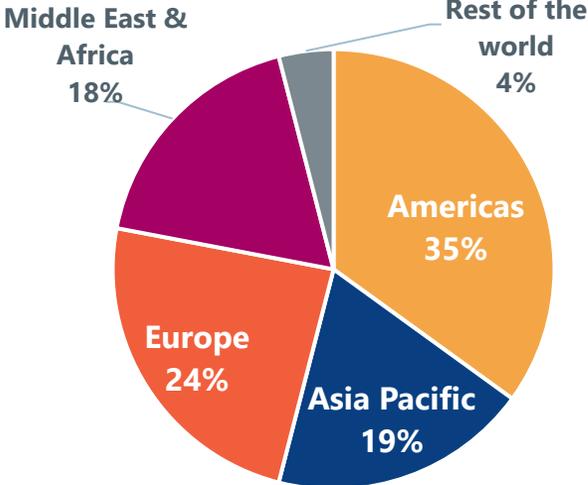
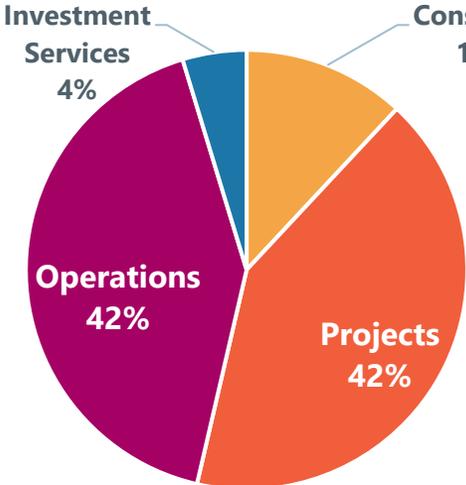
- Strong momentum in revenue, order book and pipeline
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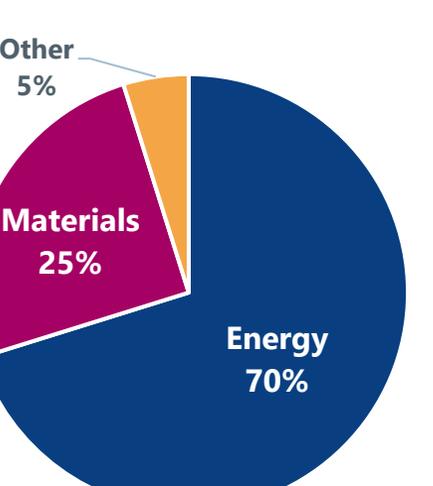
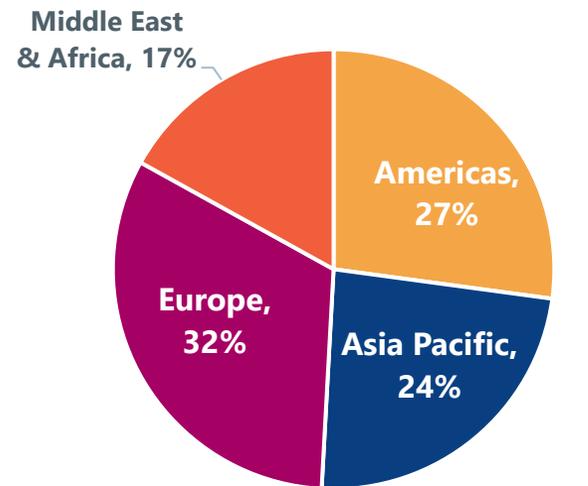
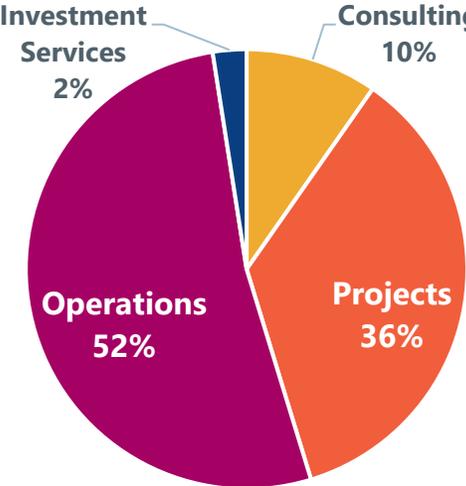
# Appendix

# A summary of the Group

**HY23  
revenue:**



**Order book  
at June 2023:**



# Business model across our BUs

	Consulting	Projects	Operations
Number of employees (Dec 2022)	c.4,000	c.14,000	c.16,000
Average contract length	5 months	12 months	3 years
Average contract size	c.\$0.1m	c.\$10m	c.\$90m
Contract mix:			
- Cost reimbursable	c.60%	c.70%	c.95%
- Fixed price services	c.40%	c.22%	c.5%
- Lump sum turnkey	Nil	c.8%	Nil
Level of repeat business	c.85%	c.90%	c.95%
Capex/opex exposure	Both	Capex-led	Opex-led
EBITDA margins (FY22)	11.7%	7.6%	6.1%
Operating cash conversion profile	> 90%	> 90% by 2024	> 90%

# Adjusted income statement detail (1/2)

	HY23 Reported	HY22 Restated	FY22 Restated	Notes
Consulting	355.8	312.5	652.4	Restatement <sup>1</sup> : FY22 \$27m, HY22 \$10m
Projects	1,245.3	990.0	2,211.2	
Operations	1,244.5	1,176.9	2,407.0	
Investment Services	140.8	91.3	198.8	
<b>Total revenue</b>	<b>2,986.2</b>	<b>2,570.7</b>	<b>5,469.3</b>	
Consulting	37.8	40.1	76.2	Restatement <sup>1</sup> : FY22 \$3m, HY22 \$1m
Projects	91.6	81.3	168.8	
Operations	76.7	76.0	147.6	
Investment Services	26.2	26.6	69.3	Includes Turbines JVs
Central costs	(30.6)	(38.2)	(73.6)	
<b>Total adjusted EBITDA</b>	<b>201.7</b>	<b>185.8</b>	<b>388.3</b>	
<i>Consulting</i>	10.6%	12.8%	11.7%	Restatement <sup>1</sup>
<i>Projects</i>	7.4%	8.2%	7.6%	
<i>Operations</i>	6.2%	6.4%	6.1%	
<i>Investment Services</i>	18.6%	29.3%	34.9%	Includes Turbines JVs
<b>Total adjusted EBITDA margin %</b>	<b>6.8%</b>	<b>7.2%</b>	<b>7.1%</b>	
Depreciation (PPE)	(15.1)	(14.2)	(29.3)	
Depreciation (right of use asset)	(44.8)	(43.6)	(90.5)	
Impairment of PPE and right of use assets	(0.4)	(0.4)	(2.4)	
Amortisation - software and system development	(52.0)	(45.7)	(89.0)	
<b>Total adjusted EBIT</b>	<b>89.4</b>	<b>81.9</b>	<b>177.0</b>	

# Adjusted income statement detail (2/2)

	HY23 Reported	HY22 Restated	FY22 Restated	Notes
Tax and interest charges on JVs	(8.3)	(5.2)	(14.3)	
Exceptional items	-	-	-	
Net finance expense	(34.8)	(50.9)	(103.9)	
Interest charge on lease liability	(8.5)	(7.5)	(16.4)	
<b>Adjusted profit before tax</b>	<b>37.8</b>	<b>18.3</b>	<b>42.4</b>	
Adjusted tax charge	(28.3)	(34.0)	(59.2)	
Profit/(loss) from discontinued operations	-	56.5	60.2	Restatement <sup>1</sup>
<b>Adjusted profit for the period</b>	<b>9.5</b>	<b>40.8</b>	<b>43.4</b>	
Non-controlling interest	(2.3)	(0.4)	(4.6)	
<b>Adjusted earnings</b>	<b>7.2</b>	<b>40.4</b>	<b>38.8</b>	
Number of shares (m) – diluted	684.9	706.1	680.4	
<b>Adjusted diluted EPS (cents)</b>	<b>1.1</b>	<b>5.7</b>	<b>5.7</b>	

# Free cash flow reconciliation

Pre-IFRS 16 to post-IFRS 16 free cash flow reconciliation	HY23			HY22			FY22
	Excluding leases	Leases	Total	Excluding leases	Leases	Total	Total
<b>Adjusted EBITDA (includes continued and discontinued operations)</b>	<b>151</b>	<b>51</b>	<b>202</b>	<b>190</b>	<b>61</b>	<b>250</b>	<b>458</b>
Less: JV element of EBITDA	(25)	(4)	(29)	(20)	(3)	(22)	(59)
Add: JV dividend	8	-	8	16	-	16	30
<b>Adjusted EBITDA excl. IFRS 16 and JVs</b>	<b>134</b>	<b>47</b>	<b>181</b>	<b>186</b>	<b>58</b>	<b>244</b>	<b>429</b>
Provisions	(12)	-	(12)	(74)	-	(74)	(44)
Other	11	-	11	15	1	16	28
Working capital	(94)	-	(94)	(208)	-	(208)	(367)
<b>Operating cash flow</b>	<b>39</b>	<b>47</b>	<b>86</b>	<b>(82)</b>	<b>59</b>	<b>(23)</b>	<b>47</b>
Net capex	(76)	-	(76)	(57)	-	(57)	(129)
Interest paid	(41)	-	(41)	(51)	-	(51)	(94)
Tax paid	(43)	-	(43)	(29)	-	(29)	(82)
Other	1	-	1	(30)	-	(30)	(46)
Non-cash movement in leases	-	(28)	(28)	-	(41)	(41)	(15)
<b>Free cash flow pre-exceptionals</b>	<b>(121)</b>	<b>19</b>	<b>(102)</b>	<b>(250)</b>	<b>18</b>	<b>(231)</b>	<b>(293)</b>
Exceptionals	(99)	6	(93)	(102)	8	(94)	(304)
<b>Free cash flow</b>	<b>(219)</b>	<b>25</b>	<b>(194)</b>	<b>(352)</b>	<b>26</b>	<b>(325)</b>	<b>(597)</b>
FX movements on cash and debt facilities	(22)	(8)	(30)	(12)	24	12	(26)
Divestments	(20)	-	(20)	-	-	-	1,729
<b>(Increase)/decrease in net debt</b>	<b>(261)</b>	<b>17</b>	<b>(244)</b>	<b>(364)</b>	<b>50</b>	<b>(313)</b>	<b>1,107</b>

# Reducing legacy liabilities (unchanged since CMD)

<i>All cash outflows</i>	<b>FY23e</b>	<b>FY24e</b>	<b>FY25e</b>	<b>Commentary</b>
<b>Aegis Poland contract</b>	c.\$20m	Nil	Nil	<ul style="list-style-type: none"> <li>Project complete, in commercial settlement process</li> </ul>
<b>Asbestos (provisions)</b>	c.\$35m	c.\$30m	c.\$30m	<ul style="list-style-type: none"> <li>Long term profile to 2050</li> <li>Gradually reducing over time</li> </ul>
<b>SFO settlement</b>	c.\$35m	c.\$30m	Nil	<ul style="list-style-type: none"> <li>Final payment in early 2024</li> </ul>
<b>Restructuring costs</b>	n/m	n/m	n/m	<ul style="list-style-type: none"> <li>No material costs expected</li> </ul>
<b>Onerous leases</b>	c.\$20m	c.\$5m	Nil	<ul style="list-style-type: none"> <li>Reduce to nil beyond 2024</li> </ul>
<b>LSTK losses / working capital</b>	c.\$25m	Nil	Nil	<ul style="list-style-type: none"> <li>Exiting LSTK, unwind of advances</li> </ul>
<b>Total:</b>	<b>c.\$135m</b>	<b>c.\$65m</b>	<b>c.\$30m</b>	

# Our joint ventures



Turbine services across gas turbines, steam turbines, generators, compressors and transformers

51% share (Siemens Energy own 49%)

HY23 EBITDA contribution of \$14m

Included in Investment Services



Maintenance, repair and overhaul services for Siemens Energy industrial aero-derivative gas generators and power turbines

50% share (Siemens Energy own 50%)

HY23 EBITDA contribution of \$7m

## Others

Around 20 joint ventures across the rest of the Group. Typical business model to enter different territories.

% share varies

HY23 EBITDA contribution of \$8m

Included across three BUs

Total JV contribution to Group's results in HY23: \$29m EBITDA, \$8m dividends

# Liquidity position at June 2023

Facility	Costs	Size	Maturity
<b>RCF</b>	c.7.5%	\$1,200m	 2026
<b>UKEF</b>	c.8%	\$200m	 2024 • <i>Expected to be repaid in September 2024</i>
<b>USPP</b>	c.4.5%	\$90m	 2024
		\$116m	 2026
		\$18m	 2027
		\$128m	 2029+
		<b>\$352m</b>	
<b>Overdrafts &amp; other</b>		<b>\$150m</b>	
<b>Total</b>		<b>\$1,902m</b>	

# 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**