



News Release

Completion of Built Environment Consulting sale

21 September 2022

John Wood Group PLC (**'Wood'** or **'the Group'**) is pleased to announce that it has completed the sale of its Built Environment consulting business (**'Built Environment Consulting'**) to WSP Global Inc. (**'WSP'**).

Details of the sale

The sale completed for an enterprise value of \$1,801 million¹, representing an EV multiple of 16 times including expected standalone costs.

Wood has received gross cash proceeds of \$1,801 million which has immediately reduced our net debt position. The net proceeds from the sale are expected to be around \$1,672 million after the deduction of estimated tax and transaction costs.

	\$m
Gross proceeds	1,942
Working capital	(141)
Gross cash proceeds	1,801
Estimated tax and transaction costs	(129)
Estimated net cash proceeds²	1,672

The estimated tax costs of c.\$85 million will be paid over the next year while the estimated transaction costs of c.\$44 million will be paid in this financial year, with around \$10 million already paid in the first half of the year.

Use of proceeds

The completion of this transaction has reduced the Group's net debt and has restored our financial flexibility. We are currently exploring our capital allocation options, with a particular focus on options that will improve free cash flow generation.

The Group's target leverage is a ratio of net debt (excluding leases) to adjusted EBITDA of 0.5 to 1.5 times over time. We expect our leverage will remain within this target range after some capital is applied to options for the use of proceeds.

Capital markets day

We will be holding a Capital Markets Day on 29th November 2022 to outline our updated strategy in detail.

Ken Gilmartin, CEO, said:

"We are very pleased to have completed the sale of our Built Environment Consulting business to WSP. This transaction marks a new chapter for Wood – the proceeds have transformed our balance sheet and restored financial flexibility to the Group."

“Wood has an exciting future ahead as we capture growth opportunities across the energy and materials markets. We are developing our updated strategy and will outline more details, including our approach to capital allocation, at our capital markets day in November”.

For further information:

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JP Morgan and Morgan Stanley acted as joint financial advisers to Wood on this transaction.

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Notes

1. This compares to \$1,810 million in the Circular issued on 7 July 2022. The difference of \$9 million relates to the Built Environment Consulting business in Saudi Arabia which will complete at a later date.
2. This compares to \$1,623 million in the Circular. The difference relates to working capital movements.