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Q3 trading update

9 November 2023

Continued growth in Q3, full year outlook confirmed

John Wood Group PLC ('Wood' or 'the Group') announces a trading update for the quarter ended 30 September 2023 ('Q3').

Ken Gilmartin, CEO, said:

"We have delivered another quarter of strong growth in revenue and EBITDA as we continue to execute against the growth strategy we set out a year ago. I am particularly pleased to see continued progress across sustainable solutions, now making up 35% of our pipeline, and some excellent contract wins in the period.

"Reflecting the momentum that we are building in the business, we remain confident that our actions, business model and strategy are delivering."

Continued growth in Q3

Group Q3 revenue was \$1,477 million, representing growth of 8% (10% at constant currency) compared to \$1,365 million in Q3 2022, with all of our business units seeing growth.

Group revenue for the first nine months of the year (YTD) was \$4,463 million, representing growth of 13% (15% at constant currency) and in line with our expectations of around \$6 billion for the full year.

Group adjusted EBITDA for Q3 and YTD was in line with our expectations, with growth across all of our business units in the third quarter.

Consulting Q3 revenue was up 22% to \$190 million with YTD revenue up 17% to \$546 million. Growth was led by a strong performance across digital consulting in the quarter, supported by continued growth in technical consulting across energy.

Consulting YTD EBITDA was broadly flat compared to last year, reflecting strong underlying trading and the timing of sales in our energy asset development business, with a strong performance expected in Q4.

Projects Q3 revenue was up 6% to \$604 million, with YTD revenue up 19% to \$1,849 million, with very strong growth continuing across energy, and some benefit from higher pass-through revenue. As expected, growth was lower in Q3 than the first half of the year, reflecting both a stronger 2022 comparator and lower volumes in our minerals and chemicals businesses.

Projects YTD EBITDA was higher than last year, reflecting the revenue growth and an improved contract performance overall.

Operations Q3 revenue was up 4% to \$613 million, with growth of 9% excluding the sale of Gulf of Mexico¹. YTD revenue was up 5% to \$1,857 million (9% excl. Gulf of Mexico¹). The revenue growth reflects

higher activity levels, particularly in Europe and the Middle East, and higher pass-through revenue compared to last year.

Operations YTD EBITDA was higher than last year, helped by good operational performance.

Investment Services Q3 revenue was up 31% to \$71 million, with YTD revenue up 45% to \$212 million. This growth reflects higher activity in our heavy civils business, and the facilities business transferred from Projects at the start of the year.

Continued business momentum

We continue to grow and develop our **pipeline**, particularly across sustainable solutions which now represent around 35% of our pipeline compared to 33% at June 2023². We had around \$900 million of sustainable revenue in the first nine months of the year, on course for well over \$1 billion for the full year.

Significant contract wins in the period were aligned to our strategic delivery and included:

- New strategic partnership with Harbour Energy for its UK North Sea operations, with associated contracts for five years (with five one-year extensions) worth around \$330 million
- Global framework agreement with Shell for Wood to deploy our expertise in decarbonisation, digitalisation and asset life extension to enhance Shell's assets worldwide
- c.\$250 million contract extension in SE Asia for operations and brownfield engineering services
- Collaboration agreement with OMV for the licensing of its ReOil® plastic recycling technology
- Five-year framework agreement with National Gas in the UK to apply our digital solutions to transform and modernise their infrastructure
- Contract extension with Woodside Energy for brownfield engineering services for the North West Shelf Project in Australia
- Detailed design engineering for the Gulf of Mexico's deepest floating production unit

Our **order book** at 30 September 2023 was around \$5.9 billion, flat on a comparable basis to September 2022³ and slightly lower than the position at June 2023 (\$6 billion). This order book position supports our expectations for 2024, and reflects continued growth across Consulting and the phasing of awards in Projects and Operations, with a stronger Q4 for bookings expected in both these businesses.

Full year outlook confirmed

Our expectations for 2023 remain unchanged:

- Revenue is expected to continue to grow in the second half, albeit at a lower rate than the first half, which included the benefits of higher pass-through activity and a weak 2022 comparator. Overall, revenue for FY23 is expected to be around \$6 billion
- Our adjusted EBITDA margin is expected to be flat in the nearer term at around 7%, partly reflecting investments being made in the business and the level of low margin pass-through revenue activity
- As such, adjusted EBITDA for FY23 is expected to be within our medium-term target of mid to high single digit growth
- We continue to expect a significant improvement in operating cash flow in FY23 and our guidance on exceptional cash outflows remains unchanged. As always, we are subject to the timing of customer collections in the final month of the year and we expect modest positive free cash flow in the second half

Presentation

A conference call will be held today at 2:00pm (UK time) with Ken Gilmartin (CEO) and David Kemp (CFO). The webcast will be live at <https://edge.media-server.com/mmc/p/dehgsrrk>.

To join the conference call, and ask any questions, please register via:
<https://register.vevent.com/register/Blba52f0f24b0a4b158f8218eb8d93342e>.

The webcast and transcript will be available after the event at www.woodplc.com/investors.

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Notes

1. *Gulf of Mexico labour operations was sold in March 2023. It contributed \$25 million of revenue in Q3 2022 (\$74 million in the first nine months of 2022 and \$99 million in FY22). It contributed \$22 million of revenue in FY23 up to its disposal.*
2. *Estimated share of pipeline related to sustainable solutions: renewable energy, hydrogen, carbon capture & storage, electrification and electricity transmission & distribution, LNG, waste to energy, sustainable fuels & feedstocks and recycling, processing of energy transition minerals, life sciences, and decarbonisation in oil & gas, refining & chemicals, minerals processing and other industrial processes. 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.*
3. *At constant currency and excluding the Gulf of Mexico labour operations business.*