

Q3 Trading Update

Thursday, 11th November 2024

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Ken Gilmartin

Chief Executive Officer, Wood

Introduction

Operator: Good day, and thank you for standing by. Welcome to the Wood Third Quarter Trading Update Conference Call. At this time, all participants are in listen-only mode. After the speaker's presentation, there will be the question-and-answer session. To ask a question during the session, you need to press star, one, one on your telephone keypad. You will then hear an automatic message advising your hand is raised. To withdraw a question, please press star, one, one again.

Please be advised that today's conference is being recorded. I would now like to hand the conference over to our first speaker today, Ken Gilmartin. Please go ahead.

Ken Gilmartin: Yeah, thank you very much and welcome, everybody, to our Q3 trading update call. So I'm here with Arvind Balan, our CFO, to talk with you about today's trading statement ahead of taking your questions.

Group Performance

So let me start with Group performance. So we continue to make progress on our turnaround
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an update as appropriate following its conclusion, noting the results presented in this trading update and our full-year outlook are before any potential impacts from the independent review.

Performance Across Businesses

Turning now to the financial performance in our business units.

So Consulting continues to expand its margins. Consulting managed to grow its EBITDA despite the weaker top line and is showing the benefits of higher pricing, as well as the work they have done to shift their business mix to higher-margin work. The top line in Consulting

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FY24 Outlook Confirmed

So, moving on to our outlook, the full-year outlook remains unchanged. We expect high single-digit growth in adjusted EBITDA before the impact of disposals, helped by an expected strong performance in the fourth quarter. Net debt excluding leases at December 2024 is expected to be at a similar level to December 2023 after disposal proceeds. This is of course dependent on the sale of Ethos completing.

Conclusion

So, to conclude, we continue to make progress in building a higher-quality, simpler business. I'm pleased with the performance in our Consulting and Operations business, and we're resolute in taking actions to improve the performance in Projects. We expect a strong fourth quarter leading to confirmed full-year guidance.

So, with that, Arvind and I will now take your questions.

Q&A

Operator: Thank you. Dear participants, as a reminder, if you wish to ask a question, please press star, one, one on your telephone keypad and wait for your name to be announced. To withdraw a question, please press star, one, one again. Please stand by while we compile the Q&A roster. This will take a few moments.

And now we're going to take our first question. And it comes from the line of Guilherme Levy from Morgan Stanley. Your line is open. Please ask your question.

Guilherme Levy (Morgan Stanley): Hi, good morning, everyone. Thanks for taking my questions. I have two, please.

The first one, just following up on the independent review commission by the Board. Just wondering if you can expand a little bit on that. How long is that expected to take? Why has that been decided at this point? And, perhaps just on the focus of the investigation, I know that's related to Projects, but if you can expand a little bit further?

And then on guidance for next year, in the press release you didn't explicitly say that you expect free cash flow to be significant for next year. So I was wondering if that was on purpose, or if something changed in terms of your expectations for 2025? Thank you.

Ken Gilmartin: All right, yeah, thank Gui, thanks for the questions. So first of all, on the independent review, so I'll go back to kind of the statement. So it follows, you know, the exceptional contract write-offs from our exit – to the exit from the lump sum turnkey and the large-scale EPC that reported at the half-year 2024 results. So, in conjunction with the auditor's ongoing work, and in response to the dialogue with the auditor, we have agreed to commission that independent review, to be completed by the end of the year.

we need to assess these alongside our budgets as they are finalised. We will be giving guidance at the full-year results.

Guilherme Levy: Thank you.

Operator: Thank you. Now we're going to take our next question, and it comes from the line

Operator: This concludes today's conference call. Thank you for participating. You may now all disconnect.

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