

## Sale of Built Environment consulting business agreed

1 June 2022

This announcement contains inside information

John Wood Group PLC ('Wood' or 'the Group') announces it has signed an agreement for the sale of its Built Environment consulting business ('Built Environment Consulting') to WSP Global Inc ('WSP') for gross proceeds of approximately \$1.9 billion.

### Transaction highlights

- x Agreement to sell Built Environment Consulting to WSP for gross proceeds of approximately \$1.9 billion and a total enterprise value of \$1.81 billion
- x Consideration implies an EV/EBITDA multiple of 16x based on FY21 pro forma pre-IFR, compared to net debt/EBITDA of 3.3x as previously reported
  - x Divestment provides enhanced financial flexibility which will allow the Group to consider further options on the use of proceeds. These include: (i) reinvestment in the Group, for example through R&D, (ii) share buybacks, (iii) debt reduction, (iv) acquisitions, (v) special dividends, (vi) other strategic opportunities
  - x The transaction is subject to various conditions, including Wood shareholder approval and regulatory approvals
  - x Class 1 circular and notice of General Meeting to be published in due course
  - x Completion expected in the second half of 2022
  - x Sale will significantly reduce the Group's leverage and help us accelerate our strategy to build a more resilient business across energy security and sustainability

Robin Watson, Chief Executive, said:

"We are very pleased to have agreed this sale with WSP. This transaction will deliver significant value to our shareholders and marks a new chapter for Wood. It enables us to move onto our next strategic phase."





## FURTHER INFORMATION

### Information on Built Environment Consulting

Built Environment Consulting is a leading environmental consulting and engineering services business that provides critical activities in a complex regulatory context, providing solutions for environmental risks, increased climate resilience, helping to build more sustainable infrastructure and improving mobility. It operates across the government, industrial, infrastructure, power, water, energy and mining markets, 2.1 (t)-10.4 (e)4.4 (o)-2.4 (v) (a)-4

The Board expects that, subject to the satisfaction and/or waiver (where applicable) of the conditions precedent to the transaction, completion will occur in the second half of 2022.

Important information regarding forward -

#### Non-IFRS measures

In the ordinary course of the Group's report, Wood's directors and management use adjusted measures to evaluate performance, including "Adjusted EBITDA", "Adjusted EBITDA (on a pro-IFRS 16 basis)" and "Net Debt (excluding leases)

Adjusted EBITDA is earnings before interest, taxes, depreciation, and amortisation, including Wood's share of joint venture profits and excluding exceptional items, which has been calculated as set out above

Adjusted EBITDA (on a pro-IFRS 16 basis) is the Adjusted EBITDA stated before the impact of IFRS 16.

Net Debt (excluding leases) is total group borrowings less cash and cash equivalents.

Full details explaining how these measures have been calculated and reconciled to the historical financial information prepared in respect of Built Environment Consulting for the purpose of the Transaction will be set out in the circular that Wood will issue in due course.

#### No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period.

No statement in this announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Group or the Continuing Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for Wood or the Continuing Group, as appropriate.

#### No offer or solicitation

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.

#### Important information relating to financial advisers

J.P. Morgan Securities PLC, which conducts its UK investment banking business as J.P. Morgan Cazenove, is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated by the FCA and PRA. J.P. Morgan Cazenove is acting as sponsor and financial adviser exclusively for Wood and no one else in connection with the Transaction and the matters set out in this announcement and will not regard any other person as its client in relation to the Transaction and will not be responsible to anyone other than Wood for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to the Transaction or any other matters referred to in this announcement. Apart from the responsibilities set out in the prospectus, J.P. Morgan Cazenove is not providing any other services to Wood in connection with the Transaction.

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