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J W G PLC

Half Year Report 2020

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R

$4,085

(2019: $4,788m)

▼ **14.7%**

R

$4,012

(2019: $4,535m)

▼ **11.5%**

A EBITDA[2]

$305

(2019: $384m)

▼ **20.6%**

A EBITDA

7.5%

(2019: 8.0%)

▼ **0.5%**

A EBITDA

$299

(2019: $361m)

▼ **17.1%**

A EBITDA

7.5%

(2019: 8.0%)

▼ **0.5%**

O

$101

(2019: $168m)

▼ **39.9%**

O

$66

(2019: $139m)

▼ **52.5%**

P

$(11)

(2019: $13m)

movement:

B EPS

(2.2)

(2019: 2.1 cents)

movement:

A EPS

10.1

(2019: 18.2 cents)

▼ **44.5%**

I

(2019: 11.4 cents)

movement:

N

$1,216

(2019: $1,773m)

▼ **31.4%**

O

$7,045

(2019: $8,427m)

▼ **16.4%**

FY 2020

- Fast growing renewables activity and more resilient chemicals & downstream and built environment markets account for c65% of revenues
- Revenue of $4.1bn down 14.7% (11.5% on a like for like basis)

- Benefitting from active management of operational utilisation
- Actions to deliver >$200m overhead savings complete; $70m impact in H1
- Improved margins in ASEAAA and TCS compared to H1 19, offset by reduced margins in ASA
- Adjusted EBITDA of $305m at upper end of guidance and operating profit before exceptionals of $101m ahead of guidance

- Net debt excluding leases reduced significantly to $1.22bn at 30 June 2020 (30 June 2019: $1.77bn and 31 December 2019: $1.42bn), benefitting from disposal proceeds and steps taken to protect cashflow
- Net debt excluding leases : adjusted EBITDA (excluding IFRS 16) 1.96x[3] (30 June 2019: 2.5x and 31 December 2019: 2.0x). Covenants at 3.5x
- No interim dividend while uncertainty arising from Covid-19 and oil price volatility persists
- Considerable levels of financial headroom: undrawn facilities $1.627bn

- Over 40,000 staff successfully working remotely and others continuing to work onsite safely supporting vital services
- Commitment to reduce scope 1 and 2 greenhouse gas emissions by 40% by 2030
- Third party recognition of environmental, social and corporate sustainability leadership

- Relative resilience in chemicals & downstream, renewables and built environment, continuing to help mitigate challenges in upstream/midstream
- Successful diversification evident in breadth of new orders of $3.3bn secured in H1
- Order book at 30 June $7.0bn (down 16.4% on June 2019 on a like for like basis)
- $3.1bn of order book due to be delivered in H2 2020, giving higher than typical visibility: c90% of forecast revenue delivered or secured at this point in 2019
- Recent signs of stabilisation but risks of downward scope variations, deferrals and cancellation of secured work persist: prepared for a wide range of outcomes
- Focused on controlling what we can control to deliver full year EBITDA margins at the 2019 level of 8.6%
- Confident of delivering stronger second half margin: managing operational utilisation and impact of >$200m of overhead cost reductions from actions completed in H1
- Expect good cash generation and a further reduction in net debt in the second half
- Well placed for medium term growth as markets recover and the energy transition gathers pace

1. Revenue on a like for like basis is calculated as revenue less revenue from disposals executed in the first half of 2020 and adjusted EBITDA on a like for like basis is calculated as adjusted EBITDA less the adjusted EBITDA from those disposals. In H1 2020 executed disposals consisted of our nuclear and industrial services businesses. Comparative figures also exclude revenue and adjusted EBITDA from the disposal of TNT, completed in H1 2019. These amounts are presented as a measure of underlying business performance excluding businesses disposed. These disposals accounted for $73m of revenue in H1 2020 (H1 2019: $253m) and adjusted EBITDA of $6m (H1 2019: $23m).
2. A reconciliation of adjusted EBITDA to operating profit (pre-exceptional items) is shown in note 2 to the interim financial statements.
3. Net debt excluding leases is total group borrowings, offset by cash and cash equivalents. Borrowings comprise loans drawn on the Group's revolving credit facility, term loans, overdrafts and unsecured senior loan notes issued in the US private placement market. Borrowings do not include obligations relating to leases. Cash and cash equivalents include cash at bank and in hand and short-term bank deposits. Borrowings, cash and cash equivalents contained within assets classified as held for sale are also included in net debt. The net debt: adjusted EBITDA ratio is calculated on the existing basis prior to the adoption of IFRS 16 in 2019 and is based on net debt excluding leases. These measures are presented as they closely aligned to the measure used in our financing covenants.
4. Order book comprises revenue that is supported by a signed contract or written purchase order for work secured under a single contract award or frame agreements. Work under multi-year agreements is recognised in order book according to anticipated activity supported

A EBITDA[2]

$305

A EBITDA

7.5%

R W Chief Executive

"In the first half of 2020, we took early and decisive actions in response to the unprecedented impact of Covid-19 on the global economy and oil price volatility. Focusing first on the safety of our people, we took action to reduce cost, protect margins & cashflow and ensure balance sheet strength, while delivering for customers. We are benefitting from our broader market exposure and have seen relative resilience in two thirds of our revenue which is derived from chemicals & downstream, renewables and built environment markets. We have successfully protected margins, and delivered trading performance at the upper end of guidance while reducing net debt as a result of portfolio optimisation and steps taken to protect cashflow. Our objectives are to maintain full year margins in line with 2019 and deliver strong cashflow to further reduce debt in the second half."

$66 (2019: $139m)

$(11) (2019: $13m)

EPS

▼ 44.5%

▼ 31.4%

▼ 16.4%

In the first half of 2020, our agility and focus on controlling what we can control enabled us to take early and decisive action in response to both the unprecedented impact of Covid-19 on the global economy and the significant levels of oil price volatility.

Ensuring the safety of our people, clients and suppliers has been our top priority. Since the start of April over 40,000 of our people have been successfully working remotely. Their effectiveness in delivering for customers supports the continued demand for our services and informs our cautious approach to plans for returning to the workplace. In

Uncertainty around the impact of Covid-19 and volatility in oil prices continues and our focus on balance sheet strength remains. As a result, the Board considers it prudent not to pay a 2020 interim dividend. The Board recognises the importance of dividends to shareholders and is committed to reviewing the future policy once there is greater clarity on the impact of Covid-19 and recent significant levels of oil price volatility.

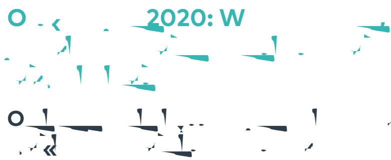
Ensuring balance sheet strength remains a key objective. Net debt excluding leases significantly reduced to $1.22bn at the end of June. This compares to net debt excluding leases at 31 December 2019 of $1.42bn and $1.77bn at 30 June 2019. The ratio of net debt excluding leases to adjusted EBITDA (pre IFRS 16) at 30 June was 1.96x (30 June 2019: 2.5x and 31 December 2019: 2.0x).

We saw a working capital outflow in the first half of $67m (H1 2019: $140m outflow). This was driven by the expected unwind of advance payments, principally related to a large US contract due to complete in H2. We saw an inflow from receivables and delivered an improvement in receivables days from 71 in the first half of 2019 to 62. A reduction in payables reflected lower activity and the temporary benefit of government payment deferral schemes.

Cash exceptional costs of $62m (2019: $30m) included restructuring, redundancy and integration costs of $41m relating to actions taken in response to Covid-19 and oil price volatility. Cash generated from operations (excluding the impact of leases) was $6m (H1 2019: $28m).

We made excellent progress with our portfolio optimisation strategy as we focus on premium, differentiated, higher margin activities. In Q1 2020 we completed the disposals of our industrial services and nuclear businesses, generating $394m in proceeds.

Net debt also benefitted from the steps taken to protect cashflow and ensure balance sheet strength including the withdrawal of the final dividend of c$160m and the implementation of capex reductions in relation to ERP and other discretionary spend. We remain committed to a strong balance sheet and achieving our target leverage of 1(t debmenrluO (ations8)o ER2 [C)7.5 (asadjus also beneEalso Ar)2O (c2 ( )o 62)-1i



We continue to win and execute work and are seeing relative strength in the c65% of our business which derives from the chemicals & downstream, renewables and built environment markets, which is helping to mitigate challenges in upstream/midstream. Our success in diversifying our end market exposure is evident in the breadth of work secured in H1 and highlights the enduring relevance of our market positioning. We booked new orders of $3.3bn of which $1.7bn were booked since early March. These include; engineering, procurement and construction work for GSK, onshore wind and solar EPC awards in the US, EPCm to increase production of an oilfield in Iraq, a UK upstream contract extension and an LNG renewal in Asia Pacific. We also secured a five year framework agreement with the US Navy for engineering, design and maintenance of fuel installations.

Order book at the end of June was $7.0bn (down 16.4% on June 2019 on a like for like basis), with $3.1bn due to be delivered in H2 2020. We continue to see lower levels of short cycle work coming to market, although our order book gives us higher visibility than is typical at this point in the year. In 2019 we had c90% of forecast revenue either delivered or secured at this point in the year. Whilst we are starting to see early indications of trading conditions stabilising, the risks of downward scope variations, deferrals and cancellation of secured work persist. We are prepared for a wide range of outcomes across our end markets.

Our focus remains on controlling what we can control. We will continue to maintain high operational utilisation and EBITDA will benefit from the >$200m full year impact of overhead cost reductions. We expect these actions and the progression to completion of the legacy energy projects in ASA early in Q3, to deliver a stronger second half margin as we look to maintain EBITDA margins at the 2019 level of 8.6%. Looking further ahead, we remain committed to delivering our medium term EBITDA margin target of 100bps improvement on 2019.

Delivering strong free cashflow generation continues to underpin our investment case. Risks to second half activity persist and the full year working capital movement will be dependent on activity and the general trading environment. We currently expect a further unwind of the balance of advances on EPC work in H2 to be more than offset by improved working capital performance. We expect to benefit from a significant reduction in provision movements to around $110m for the full year, relating to projects, asbestos and disposed businesses, particularly as legacy AFW items close out or complete. Compared to previous expectations, exceptional items in 2020 will be higher at around $85m, as a result of costs to deliver overhead savings which are heavily weighted to H1. The timing of any settlements on regulatory investigations is uncertain and could impact on the outlook on exceptionals. On capex, we have pulled back the pace of the next phase of our ERP implementation which is expected to reduce the cash outflow for the full year to around $95m.

Overall, we expect good cash generation and a further reduction in net debt in the second half of 2020.

The macro challenges in the first half of 2020 have reinforced our view that our strategy to broaden across diverse energy and built environment markets has been the right one. We are well placed to grow as markets recover. Our differentiated capabilities in consulting, projects and operations position us well to benefit from opportunities to engineer the solutions necessary to achieve lower carbon energy systems and sustainable infrastructure, which we expect to benefit from increased government spending. As the energy transition gathers pace, we expect to increase the proportion of revenue derived from renewables, alternative energies and the built environment in the next strategic cycle and to reduce the proportion of revenue derived from traditional upstream oil and gas markets.

Adjusted EBITDA on a like for like basis, is down 8%. Margins are slightly up on 2019 reflecting continued strength in execution, the benefits of maintaining strong operational utilisation and overhead reductions made in response to lower activity.

Order book is $3.4bn with $1.1bn due to be delivered in H2 2020. Order book is down 13.5% compared to June 2019 reflecting the work-off of existing

Financial review

Trading performance

Trading performance is presented in line with how it is used by management to run the business with adjusted EBITDA including the contribution from joint ventures. A reconciliation of operating profit to adjusted EBITDA is included in note 2 to the financial statements.

	Interim June 2020 $m	Interim June 2019 $m	Full Year 2019 $m
Revenue	**4,084.7**	4,788.2	9,890.4
Adjusted EBITDA[1]	**304.9**	384.1	855.4
Adjusted EBITDA margin %	**7.5%**	8.0%	8.6%
Depreciation (pre-IFRS 16)	**(23.7)**	(26.5)	(53.6)
Depreciation on right of use asset (IFRS 16)	**(59.4)**	(61.9)	(128.4)
Amortisation - software and system development	**(53.1)**	(47.2)	(99.5)
Amortisation - intangible assets from acquisitions	**(62.1)**	(72.1)	(144.2)
Adjusted EBIT	**106.6**	176.4	429.7
Tax and interest charges on joint ventures included within operating profit but not in adjusted EBITDA	**(5.8)**	(8.7)	(18.7)
Operating profit before exceptional items	**100.8**	167.7	411.0
Exceptional items	**(35.2)**	(28.9)	(107.6)
Operating profit	**65.6**	138.8	303.4
Net finance expense	**(52.1)**	(61.7)	(126.5)
IFRS 16 interest charge	**(12.6)**	(14.9)	(28.2)
Profit before tax	**0.9**	62.2	148.7
Taxation	**(11.4)**	(49.1)	(75.9)
Profit/(loss) after tax	**(10.5)**	13.1	72.8
Basic EPS (cents)	**(2.2)**	2.1c	10.7c
Adjusted basic EPS (cents)[2]	**10.1**	18.2c	46.0c

In the table above depreciation, amortisation and exceptional items include the contribution from joint ventures.

At 30 June 2020 total bank borrowings amounted to $624.1m, including term loans of $300.0m, of which $100.0m is repayable in September 2021 and $200.0m is repayable in May 2022, and $319.3m of drawdowns under the Group's $1.75bn Revolving Credit Facility. A further $4.8m of funding has been drawn under the Group's other short-term facilities. The maturity of the Revolving Credit Facility is in May 2022.

The Group also has $878.5m of unsecured loan notes issued in the US private placement market which mature at varying dates between 2021 and 2031, of which $77m matures between August and November 2021 with the remainder weighted to later dates. Interest is payable at an average rate of 4.31% on these loan notes.

In total the Group has undrawn facilities of $1,627.1m at 30 June.

The Group recognised interest costs in relation to lease liabilities of $12.6m (June 2019: $14.9m), which relates to the unwinding of discount on the IFRS 16 lease liability.

Net debt excluding leases to adjusted EBITDA (excluding impact of IFRS 16) at 30 June was 1.96 times (June 2019: 2.50 times) against our covenant of 3.5 times. This is calculated pre IFRS 16 as our covenants are calculated on a frozen GAAP basis.

E[illegible]

	[illegible] J[illegible] 2020 $[illegible]	Interim June 2019 $m	Full year 2019 $m
(Gain)/loss on divestment of business	**(55.8)**	8.9	9.4
Impairment losses on non core business	**19.0**	-	-
Redundancy, restructuring and integration costs	**40.5**	11.2	41.7

Taxation

The effective tax rate on profit before tax, exceptional items and amortisation and including Wood's share of joint venture profit on a proportionally consolidated basis is set out below, together with a reconciliation to the tax charge in the income statement.

	Interim June 2020 $m	Interim June 2019 $m	Full year 2019 $m
Profit from continuing operations before tax, exceptional items and amortisation	**155.4**	217.3	512.8
Effective tax rate on continuing operations (excluding tax on exceptional items and amortisation)	**23.5%**	23.4%	23.9%
Tax charge (excluding tax on exceptional items and amortisation)	**36.5**	50.8	122.5
Tax charge in relation to joint ventures	**(4.1)**	(6.9)	(12.8)
Tax (credit)/charge in relation to exceptional items	**(2.1)**	18.3	19.5
Tax credit in relation to amortisation	**(18.9)**	(13.1)	(53.3)
Tax charge in the income statement	**11.4**	49.1	75.9

The effective tax rate reflects the rate of tax applicable in the jurisdictions in which the Group operates and is adjusted for permanent differences between accounting and taxable profit and the recognition of deferred tax assets. Key adjustments impacting on the rate in the six months ended 30 June 2020 are: restrictions on the deductibility of interest in the UK; current year losses not recognised; branch or withholding tax in excess of double tax relief; changes in deferred tax utilisation and recognition, primarily in the US; the release of provisions to uncertain tax position; Covid-19 changes in tax legislation benefits and reductions in prior year tax provisions in light of revised guidance from authorities.

We currently anticipate a rate of 23-24% in 2020, with key factors being profits in the US compared to forecasts and the level of actuarial adjustments to the UK pension scheme, as the deferred tax liability supports UK deferred tax recognition. In addition to the effective tax rate, the total tax charge in the income statement reflects the impact of exceptional items and amortisation which by their nature tend to be expenses that are more likely to be not deductible than those incurred in ongoing trading profits. The income statement tax charge excludes tax in relation to joint ventures.

Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year excluding shares held by the Group's employee share trusts. For the calculation of adjusted diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares, only when there is a profit per share. Adjusted diluted earnings per share is disclosed to show the results excluding the impact of exceptional items and amortisation related to acquisitions, net of tax.

	Interim June 2020			Interim June 2019			Full year 2019		
	Earnings/ (losses) attributable to equity shareholders ($m)	Number of shares (millions)	Earnings per share (cents)	Earnings/ (losses) attributable to equity shareholders ($m)	Number of shares (millions)	Earnings per share (cents)	Earnings/ (losses) attributable to equity shareholders ($m)	Number of shares (millions)	Earnings per share (cents)
Basic	**(14.9)**	**671.7**	**(2.2)**	13.8	670.9	2.1	72.0	670.9	10.7
Effect of dilutive ordinary shares	**-**	**-**	**-**		15.9	(0.1)		15.8	(0.2)
Diluted	**(14.9)**	**671.7**	**(2.2)**	13.8	686.8	2.0	72.0	686.7	10.5
Adjusted diluted earnings per share calculation									
Basic	**(14.9)**	**671.7**	**(2.2)**	13.8	670.9	2.1	72.0	670.9	10.7
Effect of dilutive ordinary shares	**-**	**-**	**-**	-	15.9	(0.1)	-	15.8	(0.2)
	(14.9)	**671.7**	**(2.2)**	13.8	686.8	2.0	72.0	686.7	10.5
Effect of dilutive ordinary shares (adjusted)	**-**	**20.2**	**-**	-	-	-	-	-	-
Exceptional items, net of tax	**33.1**	**-**	**4.8**	47.2	-	6.9	127.1	-	18.5
Amortisation of intangibles on acquisition, net of tax	**51.9**	**-**	**7.5**	64.1	-	9.3	117.1	-	17.0
Adjusted diluted	**70.1**	**691.9**	**10.1**	125.1	686.8	18.2	316.2	686.7	46.0

Basic and diluted loss per share for the period was 2.2 cents per share (June 2019: basic earnings 2.1 cents). Due to the challenging trading environment as a result of Covid-19 and the significant volatility in oil price, partly offset by actions to reduce cost and protect margins, the Group incurred a small loss in the first half.

D

In light of the uncertainties caused by the Covid-19 pandemic and the volatility in oil prices, the Board withdrew its recommendation for the 2019 final dividend payment to protect cash flows and ensure balance sheet strength. The uncertainty around the impact of Covid-19 and volatility in oil prices continues and as a result the Board considers it prudent not to pay a 2020 interim dividend. The Board recognises the importance of dividends to shareholders and is committed to reviewing the future policy once there is greater clarity on the impact of Covid-19 and oil price volatility; any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements and focus on maintaining balance sheet strength.

C

The cash flow for the year is set out below:

	Excluding leases June 2020 $m	Leases June 2020 $m	Interim June 2020 $m	Restated* Interim June 2019 $m	Restated* Full year 2019 $m
A EBITDA	**229.9**	**75.0**	**304.9**	**384.1**	**855.4**
Less JV EBITDA and add back JV dividends	(22.7)	(3.1)	(25.8)	(7.9)	(37.7)
Decrease in provisions	(74.7)	-	(74.7)	(115.7)	(216.1)
Other **5.586 .1**)3161 ns	2.5	-	2.5	5.3	3.9

S [illegible]

The reduction in cash generated from operations in 2020 to $84.5m from $107.3m was primarily due to the challenging trading environment. The Group also had higher cash outflows associated with exceptional items driven by the integration costs associated with the formation of the TCS business unit and actions taken to reduce costs and protect margin in response to the current macro conditions.

There are a number of risks associated with net cash flow from operations, including:

- Market risks, such as variability in commodity prices which impacts on activities by our customers;
- Project risks, which include delays and disputes which can influence our ability to collect cash from our customers; and
- Other risks, including the actions of governments and other third parties which can affect our ability to service our increasingly global customer base.

The Group remain committed to a strong balance sheet. Our uses of cash include:

- Servicing and repayment of our debt facilities;
- Dividends at the point the Board considers appropriate;
- Organic capex; and
- Future acquisitions.

S [illegible] B[illegible] S[illegible]

	[illegible] J[illegible] 2020 $[illegible]	Restated* Interim June 2019 $m	Restated* Full year 2019 $m
Goodwill and intangible assets	**6,117.5**	6,364.5	6,299.0
Right of use assets	**383.0**	469.9	412.1
Other non-current assets	**860.7**	902.2	964.8
Trade and other receivables	**2,067.4**	2,635.4	2,306.0
Net held for sale assets and liabilities	**63.4**	259.6	412.9
Trade and other payables	**(2,297.9)**	(2,539.8)	(2,619.6)
Net debt excluding leases	**(1,215.9)**	(1,773.0)	(1,424.0)
Lease liabilities	**(516.1)**	(617.5)	(583.3)
Provisions	**(761.9)**	(852.8)	(792.2)
Other net liabilities	**(468.2)**	(526.6)	(551.4)
N[illegible]	**4,232.0**	4,321.9	4,424.3
N[illegible]	**(226.4)**	235.2	(224.1)

*the balance sheet as at 30 June 2019 and 31 December 2019 has been restated to correct differences identified on the adoption of IFRS 16 at 1 January 2019. See note 1 for details.

At 30 June 2020, the Group had net current liabilities of $226.4m (June 2019: $235.2m assets).

Goodwill and intangible assets include $4,307.2m (June 2019: $4,766.7m) of goodwill and intangibles relating to the acquisition of Amec Foster Wheeler. The balance has decreased during the year primarily because of the disposal of the nuclear business and the amortisation of intangible assets.

Right of use assets and lease liabilities amount to $383.0m and $516.1m respectively. Lease liabilities also include $21.5m of leases previously classified as finance leases.

The reduction in trade receivables is primarily due to better collection of cash during 2020 compared with 2019 and reduced activities caused by Covid-19 and a depressed oil price. There have been no instances of material default by our customers as a result of the current market conditions.

Trade and other payables have reduced by $321.7m since December 2019 and this is partly due to a reduction in gross amounts due to customers of $135.5m and relates to the unwinding of a major contract in ASA during the first half of 2020.

The provisions balance reduced by $30.3m to $761.9m since December 2019. The reduction in provisions was driven by utilisations and releases totalling $85.8m and was offset by reclassifications and an income statement charge of $67.9m. Foreign exchange movements of $12.4m were also recognised. The amounts utilised during the period total $51.9m, which mainly related to asbestos. Provisions released to the income statement amounted to $33.9m and included legacy provisions which were no longer considered necessary. The income statement charge of $40.0m mainly related to asbestos and was driven by an update in the discount rate. Due to the magnitude of the movement, and in line with Group policy, the $25.6m of the charge has been reflected as an exceptional item.

F [illegible]

C [illegible]

	[illegible] J[illegible] 2020 $[illegible]	Interim June 2019 $m	Full year 2019 $m
Trade receivables	**849.8**	1,320.1	943.5
Amounts due from customers	**802.9**	976.4	962.8
Amounts due to customers	**(345.0)**	(520.0)	(480.5)
	1,307.7	1,776.5	1,425.8

The reduction in trade receivables is primarily due to better collection of cash during 2020 compared with 2019 and reduced activities

C

Details of the Group's contingent liabilities are set out in note 19 to the financial statements.

D

During 2020, the Group completed the divestments of the nuclear and industrial services business for a consideration of $394.3m net of cash disposed and before transaction costs of $5.0m.

At 30 June 2020, the Group has treated the assets and liabilities of some non-core businesses as held for sale as management are committed to a plan to dispose of these businesses and expect that they will complete within 12 months of the balance sheet date.

P

The principal risks and uncertainties facing the Group in the second half of 2020 that could lead to a significant loss of reputation or could impact on the performance of the Group, along with our approach to managing, mitigating and monitoring these risks, remain broadly unchanged from those described in the Group's 2019 Annual Report, with the addition of a principal risk that recognises the potential HSSE, financial and business disruption risks of the continuing impact of Covid-19. The key risks are in the following categories:

- Strategic
- Health, Safety Security Environment
- Financial
- Technology
- Commercial and Operations
- Compliance and Litigation

The mitigating factors are designed to reduce, but cannot be relied upon to eliminate, the risk areas identified. For further details on the management of risk and the principal risks and uncertainties see pages 45 to 49 of the Group's 2019 Annual Report.

F

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G[illegible]

[illegible] 30 J[illegible] 2020

		U[illegible] I[illegible] J[illegible] 2020			Unaudited Interim June 2019			Audited Full Year December 2019		
	N[illegible]	P[illegible] $	E[illegible] ([illegible] 4) $	T[illegible] $	Pre-exceptional items $m	Exceptional items (note 4) $m	Total $m	Pre-exceptional items $m	Exceptional items (note 4) $m	Total $m
Revenue	2,3	4,084.7	-	4,084.7	4,788.2	-	4,788.2	9,890.4	-	9,890.4
Cost of sales		(3,647.3)	-	(3,647.3)	(4,233.4)	-	(4,233.4)	(8,768.5)	-	(8,768.5)
G[illegible]		437.4	-	437.4	554.8	-	554.8	1,121.9	-	1,121.9
Administrative expenses		(352.6)	(31.4)	(384.0)	(407.8)	(28.9)	(436.7)	(760.4)	(106.3)	(866.7)
Share of post-tax profit from joint ventures		16.0	(3.8)	12.2	20.7	-	20.7	49.5	(1.3)	48.2
O[illegible]	2	100.8	(35.2)	65.6	167.7	(28.9)	138.8	411.0	(107.6)	303.4
Finance income		3.2	-	3.2	3.4	-	3.4	9.6	-	9.6
Finance expense		(67.9)	-	(67.9)	(80.0)	-	(80.0)	(164.3)	-	(164.3)
P[illegible]/([illegible]) [illegible]		36.1	(35.2)	0.9	91.1	(28.9)	62.2	256.3	(107.6)	148.7
Taxation	8	(13.5)	2.1	(11.4)	(30.8)	(18.3)	(49.1)	(56.4)	(19.5)	(75.9)
P[illegible]/([illegible]) [illegible]		22.6	(33.1)	P[illegible]6	(33.1)					

G[illegible]

[illegible] 30 J[illegible] 2020

	U[illegible] I[illegible] J[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
(L[illegible])/[illegible]	**(10.5)**	13.1	72.8
O[illegible] ([illegible])/[illegible]			
Items that will not be reclassified to profit or loss			
Re-measurement losses on retirement benefit obligations	**(73.7)**	(133.6)	(56.1)
Movement in deferred tax relating to retirement benefit obligations	**9.9**	21.9	6.8
Total items that will not be reclassified to profit or loss	**(63.8)**	(111.7)	(49.3)
Items that may be reclassified subsequently to profit or loss			

30 J 2020

	N	U I J 2020 $	Unaudited Interim June 2019 (Restated*) $m	Audited Full year December 2019 (Restated*) $m
Assets				
N -				
Goodwill and other intangible assets	**10**	**6,117.5**	6,364.5	6,299.0
Property plant and equipment		**136.5**	173.0	164.3
Right of use assets		**383.0**	469.9	412.1
Investment in joint ventures		**171.5**	160.7	168.3
Other investments		**75.2**	78.0	81.4
Long-term receivables		**83.7**	122.2	95.7
Retirement benefit scheme surplus	**9**	**297.8**	284.3	368.0
Deferred tax assets		**96.0**	84.0	87.1
		7,361.2	7,736.6	7,675.9
C				
Inventories		**20.8**	12.2	14.5
Trade and other receivables		**2,067.4**	2,635.4	2,306.0
Financial assets		**15.7**	2.8	10.1
Income tax receivable		**48.9**	49.3	39.8
Assets held for sale	**12**	**64.2**	331.0	518.9
Cash and cash equivalents	**15**	**661.9**	1,156.7	1,847.0
		2,878.9	4,187.4	4,736.3
T		**10,240.1**	11,924.0	12,412.2
Liabilities				
C				
Borrowings	**15**	**381.1**	892.4	1,752.7
Trade and other payables		**2,297.9**	2,539.8	2,619.6
Income tax liabilities		**199.3**	201.2	199.5
Lease liabilities	**15**	**115.4**	145.1	142.0
Provisions	**11**	**110.8**	102.3	140.6
Liabilities held for sale	**12**	**0.8**	71.4	106.0
		3,105.3	3,952.2	4,960.4
N		**(226.4)**	235.2	(224.1)
N -				
Borrowings	**15**	**1,498.1**	2,067.7	1,573.2
				88.4

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30 J 2020

	N	$	$	$	$	$	$	$	$
A 1 J 2019		40.7	63.9	1,806.7	2,790.8	(111.3)	**4,590.8**	19.0	**4,609.8**

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G[illegible]

[illegible] 30 J[illegible] 2020

	N[illegible]	U[illegible] I[illegible] J[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full year Dec 2019 $m
C[illegible]	**14**	**84.5**	107.3	746.2
Tax paid		**(25.0)**	(52.2)	(84.3)
N[illegible]		**59.5**	55.1	661.9
C[illegible]				
Acquisition of subsidiaries (consideration paid less cash acquired)		**(17.3)**	-	(5.6)
Disposal of businesses (net of cash disposed)	**12**	**389.3**	41.8	43.1
Purchase of property plant and equipment		**(7.0)**	(14.0)	(52.0)
Proceeds from sale of property plant and equipment		**1.0**	2.6	19.4
Purchase of intangible assets	**10**	**(51.0)**	(52.4)	(94.6)
Interest received		**3.2**	2.5	3.9
Cash from short-term investments and restricted cash	**15**	**-**	11.7	11.7
Investment in joint ventures		**-**	-	(0.8)
Repayment of loans from joint ventures		**3.9**	-	30.0
N[illegible]		**322.1**	(7.8)	(44.9)
C[illegible]				
(Repayment of)/proceeds from bank loans and overdrafts	**15**	**(1,377.1)**	(92.1)	770.9
(Repayment of)/proceeds from long-term borrowings	**15**	**(78.4)**	148.5	(348.2)
Payment of lease liabilities	**15**	**(90.4)**	(80.6)	(165.6)
Proceeds from disposal of shares by employee share trusts		**-**	0.4	0.4
Interest paid		**(48.2)**	(59.4)	(121.2)
Dividends paid to shareholders	**5**	**-**	(159.0)	(235.5)
Dividends paid to non-controlling interests		**(2.0)**	-	(1.2)
N[illegible]		**(1,596.1)**	(242.2)	(100.4)
N[illegible]		**(1,214.5)**	(194.9)	516.6
Effect of exchange rate changes on cash and cash equivalents		**(24.1)**	5.1	8.4
Opening calents		**(2 4(1,214.5)**		

N [illegible]

[illegible] 30 J[illegible] 2020

1 B[illegible]

The interim report and condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union. The interim report and condensed financial statements should be read in conjunction with the Group's 2019 Annual R3n 5 (erim r)n acu6 (mon)6.5 (ts which.1 (2O 1av)6.5 (e been pr)17.5 (epar)19 (nd in1ac)6.5 (c)e E9r)

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The directors have also considered severe, but plausible downside scenarios. The most severe of these reflect further material reductions in revenue and EBITDA from the base scenario. This could result from a worsening of the pandemic in 2021 leading to contractions in economic growth and a significantly reduced oil price. The downside case also modelled the impact of unexpected working capital outflows and other significant unforeseen cash payments. In each of the scenarios modelled, the financial covenants were comfortably met with significant facility headroom remaining available.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

J E : I C -19

Management have considered the impact on accounting policies, judgements and estimates in light of the Covid-19 pandemic. With the exception of the estimates noted below, in preparing these condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2019. Where the extent of estimation uncertainty has been impacted as result of Covid-19 this has been explained below:

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Impairment reviews of goodwill are ordinarily performed on an annual basis. Additional impairment reviews of PP&E, investment

R[illegible] D[illegible] 2019 [illegible]

The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective approach. During 2020, immaterial calculation and classification differences were identified that led to adjustments on the transition balances. The differences impacted the opening right-of use asset, short and long-term lease liabilities and onerous lease liabilities. These differences have been corrected at 1 January 2019 and the balance sheet has been restated. As a consequence, the balance sheet at 30 June 2019 has also been restated. The impact on the statement of comprehensive income for the year to 31 December 2019 is not material and it has not been restated. The table below reconciles the amounts on the reported balance sheet to the restated figures now included as comparatives. As a result of the calculation differences identified, an additional $21.3m was recorded through retained earnings.

	R[illegible] B[illegible] S[illegible] 1 J[illegible] 2019 $	P[illegible] 2019 $	R[illegible] 2019 $	R[illegible] B[illegible] S[illegible] 1 J[illegible] 2019 $
Right of use assets	450.6	(9.9)	-	440.7
4509.5 Lease investment (included within right of use assets)(440527(			TQ(it)TjO	

2 S[illegible]

The Group operates through four segments, Asset Solutions EAAA ('AS EAAA'), Asset Solutions Americas ('AS Americas'), Technical Consulting Solutions ('TCS') and Investment Services ('IS'). Under IFRS 11 'Joint arrangements', the Group is required to account for joint ventures using equity accounting. Adjusted EBITDA as shown in the table below includes our share of joint venture profits and excludes exceptional items, which is consistent with the way management review the performance of the business units.

The segment information provided to the Group's Chief Executive for the reportable operating segments for the period included the following:

R[illegible]

	R[illegible]			A[illegible] EBITDA[1]			O[illegible]		
	U[illegible] I[illegible] J[illegible] 2020 $	Unaudited Interim June 2019 $m	Audited Full Year 2019 $m	U[illegible] I[illegible] J[illegible] 2020 $	Unaudited Interim June 2019 $m	Audited Full Year 2019 $m	U[illegible] I[illegible] J[illegible] 2020 $	Unaudited Interim June 2019 $m	Audited Full Year 2019 $m
Asset Solutions EAAA	**1,282.9**	1,484.6	3,147.6	**139.0**	157.6	352.7	**45.6**	72.0	164.7
Asset Solutions Americas	**1,650.9**	1,845.4	3,894.5	**71.0**	120.7	238.0	**10.1**	52.3	107.5
Technical Consulting Solutions	**1,096.7**	1,425.0	2,779.1	**119.0**	138.2	299.6	**75.8**	80.1	183.8
Investment Services	**54.2**	33.2	69.2	**10.7**	14.8	36.3	**6.3**	14.0	35.5
Central costs [2]	**-**	-	-	**(34.8)**	(47.2)	(71.2)-3.5 56/T5 ()]TJ/T1(-)Tj5.85 Tw 5.175 O TdeolO11			

2 [illegible] (continued)

[illegible]

	[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
[illegible]	**65.6**	138.8	303.4
Exceptional items (note 4)	**35.2**	28.9	107.6
[illegible]	**100.8**	167.7	411.0
[illegible]	**65.6**	138.8	303.4
Share of joint venture finance expense and tax	**5.8**	8.7	18.7
Exceptional items (note 4)	**35.2**	28.9	107.6
Amortisation	**115.2**	119.3	243.7
Depreciation	**23.7**	26.5	53.6
IFRS 16 depreciation on right of use asset	**59.4**	61.9	128.4
A[illegible] EBITDA	**304.9**	384.1	855.4

Amortisation and depreciation expense includes amounts relating to joint ventures of $1.1m and $3.7m respectively (June 2019: $0.7m and $3.6m respectively).

A[illegible]

	A[illegible] EBITDA[1]			**O[illegible]**		
	[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full Year 2019 $m	[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full Year 2019 $m
Asset Solutions EAAA	**26.5**	35.0	74.7	**15.6**	28.1	60.1
Asset Solutions Americas	**3.3**	3.6	9.2	**2.4**	3.4	8.7
Technical Consulting Solutions	**-**	0.9	0.9	**-**	0.9	0.9
Investment Services	**-**	(2.8)	(2.8)	**-**	(2.8)	(2.8)
T[illegible]	**29.8**	36.7	82.0	**18.0**	29.6	66.9

3 [illegible]

In the following table, revenue is disaggregated by primary geographical market and major service line. The tables provided below analyses total revenue excluding our share of joint venture revenue.

P[illegible]	ASEAAA J[illegible] 2020 $	ASEAAA J[illegible] 2019 $	ASA [illegible] J[illegible] 2020 $	ASA [illegible] J[illegible] 2019 $	TCS J[illegible] 2020 $	TCS J[illegible] 2019 $	IS J[illegible] 2020 $	IS J[illegible] 2019 $	T[illegible] J[illegible] 2020 $	T[illegible] J[illegible] 2019 $
US	**-**	-	**1,445.0**	1,592.6	**523.6**	629.7	**16.0**	3.9	**1,984.6**	2,226.2
Europe	**455.1**	634.8	**-**	0.7	**200.1**	292.2	**25.4**	17.1	**680.6**	944.8
Rest of the world	**827.8**	849.8	**205.9**	252.1	**373.0**	503.1	**12.8**	12.2	**1,419.5**	1,617.2
Revenue	**1,282.9**	1,484.6	**1,650.9**	1,845.4	**1,096.7**	1,425.0	**54.2**	33.2	**4,084.7**	4,788.2
M[illegible]										
Upstream/midstream	**737.2**	839.9	**517.0**	811.2	**138.0**	250.6	**-**	-	**1,392.2**	1,901.7
Chemicals & downstream	**412.9**	414.0	**526.4**	510.0	**46.5**	77.9	**-**	-	**985.8**	1,001.9
Built Environment	**86.1**	89.8	**-**	-	**582.2**	633.5	**4.0**	-	**672.3**	723.3
Renewables and other energy	**46.7**	140.9	**607.5**	524.2	**330.0**	463.0	**50.2**	33.2	**1,034.4**	1,161.3
R[illegible]	**1,282.9**	1,484.6	**1,650.9**	1,845.4	**1,096.7**	1,425.0	**54.2**	33.2	**4,084.7**	4,788.2

The Group's revenue is largely derived from the provision of services over time.

For the 6 months to 30 June 2020, 68% (June 2019: 69%) of the Group's revenue came from reimbursable contracts and 32% (June 2019: 31%) from lump sum contracts. The calculation of revenue from lump sum contracts is based on estimates and the amount recognised could increase or decrease.

C[illegible]

The following table provides a summary of receivables, contract assets and contract liabilities arising from the Group's contracts with customers:

	U[illegible] J[illegible] 2020 $	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
Trade receivables	**849.8**	1,320.1	943.5
Gross amounts due from customers	**802.9**	976.4	962.8
Gross amounts due to customers	**(345.0)**	(520.0)	(480.5)
	1,307.7	1,776.5	1,425.8

The contract asset balances include amounts the Group has invoiced to customers (trade receivables) as well as amounts where the Group has the right to receive consideration for work completed which has not been billed at the reporting date (gross amounts due from customers). Gross amounts due from customers are transferred to trade receivables when the rights become unconditional which usually occurs when the customer is invoiced. Gross amounts due to customers primarily relates to advance consideration received from customers, for which revenue is recognised over time.

The reduction in trade receivables is primarily due to better collection of cash during 2020 compared with 2019 and reduced activities caused by Covid-19 and a depressed oil price. There have been no instances of material default by our customers as a result of the current market conditions. The reduction in gross amounts due to customers of $135.5m relates to the unwinding of a major contract in the ASA business during the first half of 2020.

Trade receivables and gross amounts due from customers are included within the 'Trade and other receivables' heading in the Group balance sheet. Gross amounts due to customers is included within the 'Trade and other payables' heading in the Group balance sheet.

Revenue recognised in 2020 which was included in gross amounts due to customers at the beginning of the year of $379.4m represents amounts included within contract liabilities at 1 January 2020. Revenue recognised from performance obligations satisfied in previous periods of $26.8m represents revenue recognised in 2020 for performance obligations which were considered operationally complete at 31 December 2019.

As at 30 June 2020, the Group had received $200.0m (June 2019: $191.5m) of cash relating to a non-recourse financing arrangement with one of its banks. An equivalent amount of trade receivables was derecognised on receipt of the cash.

T[illegible]

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2020 was as follows:

$	Year 1	Year 2	Total
Revenue	3,112.0	2,594.0	**5,706.0**

The Group has not adopted the practical expedients permitted by IFRS 15, therefore all contracts which have an original expected duration of one year or less have been included in the table above. The estimate of the transaction price does not include any amounts of variable consideration which are constrained.

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Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

retunce sheet das (o)rrwstmpairmen]JO	U ˏ` .ˈ I .ˈ J ˈ 2020 $	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
(Gain)/loss on sale of business	**(55.8)**	8.9	9.4
Impairment losses on non core business	**19.0**	-	-
Redundancy, restructuring and integration costs	**40.5**	11.2	41.7
Investigation support costs (note 11)	**5.9**	8.8	56.5
Updated discount rate on asbestos related provision (note 11)	**25.6**	-	-
	35.2	28.9	107.6
Tax (credit)/charge	**(2.1)**	18.3	19.5
E, ˈ . ˏ˂.ˈ ˏ ˂ .ˏ	**33.1**	47.2	127.1

The gain on sale of business relates to the disposals of the nuclear and industrial services businesses totaling $59.1m, partially offset by the $3.3m loss on disposal of an owned property in Aberdeen.

A gain of $57.2m has been recognised on completion of the sale of Wood's nuclear business. Proceeds of $292.5m (net of cash disposed) were received compared to the net book value of $232.2m which included an allocation of goodwill and intangible assets arising on the AFW acquisition of $233.9m, and costs relating to the disposal of $2.5m. In addition, as the nuclear business was a GBP functional currency entity, a cumulative foreign currency translation loss of $0.6m has been recognised through the income statement.

A further gain of $1.9m was recognised in relation to the sale of Wood's industrial services business. Proceeds of $101.8m (net of cash disposed) were received compared to the net book value of $76.1m which included goodwill and intangible assets arising on the original acquisition of the business in 2013 of $26.6m. In addition, as the industrial services business was a GBP functional currency entity, a cumulative foreign currency translation loss of $16.7m has been recognised through the income statement as required by IAS 21. Costs of $2.5m relating to the disposal were incurred and a provision of $4.6m has been made for future obligations.

Impairment losses recognised in the period to 30 June mainly relate to the Group's strategic decision to exit YKK, our Kazakh provider of training and related services. An offer has been accepted for the business. Management are confident that the deal will complete within 12 months of the balance sheet date and therefore have classified the assets and liabilities of the business as held for sale. The net asset value, including goodwill, has been written down in the period by $16.0m to reflect the agreed sale price.

5 D[illegible]

	[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
Dividends on ordinary shares			
Final paid	**-**	159.0	159.0
Interim paid	**-**	-	76.5
T[illegible]	**-**	159.0	235.5

In the first half of 2020, the directors withdrew their proposed 2019 final dividend payment of $160.4m (23.9 cents per share) to protect cashflows and preserve long-term value of the Group. No decision has been taken to resume the dividend and this will be kept under review by the directors. Any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements.

An interim dividend of 11.4 cents per share was declared in the comparative period to June 2019 which was paid in September 2019. This is shown as an appropriation of retained earnings in the financial statements for the year ended 31 December 2019.

6 A[illegible]

Estimated contingent consideration liabilities at 30 June 2020 amounted to $2.2m (June 2019: $24.2m) and are expected to be paid over the next year. The reduction of the liability was largely due to the settlement of deferred consideration of $17.3m during the period. The amount of contingent consideration payable is dependent, in part, on the post-acquisition profits of the acquired entities and the provision made is based on the Group's estimate of the likely profits of those entities.

7 E[illegible]

	[illegible] 2020			Unaudited Interim June 2019			Audited Full Year December 2019		
	E[illegible] ($[illegible])	N[illegible] ([illegible])	E[illegible] ([illegible])	Earnings/ (losses) attributable to equity shareholders ($m)	Number of shares (millions)	Earnings per share (cents)	Earnings/ (losses) attributable to equity shareholders ($m)	Number of shares (millions)	Earnings per share (cents)
B[illegible]	**18.2**	**671.7**	**2.7**	61.0	670.9	9.1	199.1	670.9	29.7
Exceptional items, net of tax	**(33.1)**	**-**	**(4.9)**	(47.2)	-	(7.0)	(127.1)	-	(19.0)
B[illegible]	**(14.9)**	**671.7**	**(2.2)**	13.8	670.9	2.1	72.0	670.9	10.7
Effect of dilutive ordinary shares	**-**	**-**	**-**	-	15.9	(0.1)	-	15.8	(0.2)
D[illegible]	**(14.9)**	**671.7**	**(2.2)**	13.8	686.8	2.0	72.0	686.7	10.5
A[illegible]									
B[illegible]	**(14.9)**	**671.7**	**(2.2)**	13.8	670.9	2.1	72.0	670.9	10.7
Effect of dilutive ordinary shares	**-**	**-**	**-**	-	15.9	(0.1)	-	15.8	(0.2)
D[illegible]	**(14.9)**	**671.7**	**(2.2)**	13.8	686.8	2.0	72.0	686.7	10.5
Effect of dilutive ordinary shares (adjusted)	**-**	**20.2**	**-**	-	-	-	-	-	-

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8 T[illegible]

The taxation charge, including profits from joint ventures, for the six months ended 30 June 2020 is 23.5% (June 2019: 23.4%) which is the anticipated effective rate on profit before taxation, exceptional items and amortisation for the year ending 31 December 2020.

The key factors driving the rate which may result in the rate differing at the year-end are: the profits for the US business, both current year and forecast, and the impact of actuarial adjustments to the UK pension scheme reducing the deferred tax liabilities which support deferred tax asset recognition.

Without the impact of reduced activity and the benefit of Covid-19 related tax legislation in the US, the effective rate forecasted would have been 21.5%.

The table below shows how these rates reconcile to the amounts presented in the income statement.

	U[illegible] J[illegible] 2020 $[illegible]	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
Profit before tax and exceptional items per the income statement	**36.1**	91.1	256.3
Joint venture tax	**4.1**	6.9	12.8
Amortisation (including joint venture amortisation)	**115.2**	119.3	243.7
P[illegible] ([illegible])	**155.4**	217.3	512.8
Tax charge excluding exceptional items per the income statement	**13.5**	30.8	56.4
Joint venture tax	**4.1**	6.9	12.8
Tax credit on amortisation	**18.9**	13.1	53.3
T[illegible] ([illegible])	**36.5**	50.8	122.5
E[illegible]	**23.5%**	23.4%	23.9%

9 R[illegible]

The Group operates a number of defined benefit pension schemes which are largely closed to future accrual. The surplus or deficit recognised in respect of each scheme represents the difference between the present value of the defined benefit obligations and the fair value of the scheme assets. The assets of these schemes ad b9efin2sv6hese ad b9 (at)2.5 (e)9 (tr)5 (ust)2.5 (ee administ)0.6 (er)19.5 these schemes has been carried out at 30 June 2020 and the related actuarial losses of $73.7m (June 2019: $133.6m) are recorded 6hethe Group statement of comprehensive income. The losses are largely a result of a decrease in the discount rate in the period. The discount rate is determined by the scheme actuaries and reflects the return on high quality corporate bonds. A decrease in the discount rate will increase the defined benefit obligation.

Under the Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into US law in March 2020, the Group obta6hed relief allowing minimum required contributions on the FW Inc SEPP and FW Inc PPCE schemes o be deferred to January 2021. The effect of this relief at 30 June 2020 is $4.3m, with additional benefits of $13.5m anticipated for the second half of 2020.

9 R (continued)

The principal assumptions used in calculating the Group's defined benefit pension schemes are as follows:

	J -20 W P P %	**J -20 FW I SEPP %**	**J -20 FW I PPCE %**	Jun-19 Wood Pension Plan %	Jun-19 FW Inc SEPP

9 R[illegible] (continued)

The directors have reviewed the asset values at 30 June 2020 and consider that the valuations, adjusted on the basis set out above, continue to represent the best estimate of fair value, recognising that there is short-term volatility driven by the market conditions at the reporting date. As a sensitivity, the following impacts are observed when applying a percentage change in the index applied.

10 [illegible] (continued)

We have prepared forecasts for the second half of 2020 and whole of 2021, which include the short-term growth rate, and

11 P

11 P[illegible] (continued)

[illegible]

The Group has liabilities in relation to its captive insurance companies and for property dilapidations.

The Group currently has two captive insurance companies, Garlan Insurance Limited which is active and is based in Guernsey and

11 P (continued)

Discussions concerning possible resolutions of the investigations by the authorities in the US, Brazil and Scotland have progressed to the point where the Group believes that it is likely to be able to settle the relevant matters with these authorities at an aggregate cost of approximately $46.0m, which was recognised as a provision as at 31 December 2019. The Group have reassessed the provision as at 30 June 2020 and concluded the $46.0m provision remains an appropriate estimate. Achieving resolution of the relevant matters will involve negotiations with six authorities in three separate jurisdictions, and accordingly there is no certainty that resolution will be reached with any or all of those authorities or that the aggregate settlement amount will not exceed the amount of the provision.

As set out in note 19, at this time it is not possible to make a reliable estimate of the expected financial effect that may arise in relation to the SFO's investigation and therefore no provision has been made for it in the financial statements.

P

The Group has numerous provisions relating to the projects it undertakes for its customers. The value of these provisions relies on specific judgements in areas such as the estimate of future costs or the outcome of disputes and litigation. Whether or not each of these provisions will be required, the exact amount that will require to be paid and the timing of any payment will depend on the actual outcomes. During the year $27.6m from project accruals were reclassified to provisions, which the Group considered to be a more appropriate classification.

A P

This legacy AFW project involves the construction of various buildings to house the Aegis Ashore anti-missile defence facility for the United States Army Corps of Engineers. The project was around 86% complete by value at 30 June 2020 and 93% complete by physical progress and is expected to be operationally complete during January 2021. Management's latest estimate is that the loss at completion will be $120m representing the expected loss to complete less estimated revenue to be earned. A charge of $7m was made to the income statement during 2020 in relation to this project and the full amount of this loss has been recognised to date.

During the year provisions of $9.0m were utilised and $16.0m remains on the balance sheet at 30 June 2020. In reaching its assessment of this loss, management have made certain estimates and assumptions relating to the date of completion, productivity of workers on site and the costs to complete. If the actual outcome differs from these estimates and assumptions, the ultimate loss will be different. In addition, the Group's assessment of the ultimate loss includes change orders which have not been agreed with the customer and management's assessment of liquidated damages and the current estimate is that these will not be settled until 2021 at the earliest. If the amounts agreed are different to the assumptions made, then the ultimate loss could be materially different.

The balance of project related provisions relates to a number of provisions which are not individually material or significant.

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12 [illegible]

[illegible]

During the first half of 2020 the Group disposed of the nuclear and industrial services businesses, both of which were classified as held for sale as at 31 December 2019. The assets and liabilities disposed of are set out in the table below:

	$
Intangible assets	260.5
Property, plant and equipment	29.2
Right of use asset	15.5
Inventory	1.4
Trade and other receivables	180.7
Trade and other payables	(133.6)
Current tax	(20.2)
Deferred tax on intangibles	(7.1)
Right of use lease liability	(18.1)

14 C[illegible]

	[illegible] 2020 $	Unaudited Interim June 2019 $m	Audited Full Year December 2019 $m
[illegible]:			
Operating profit	**65.6**	138.8	303.4
Less share of post-tax profit from joint ventures	**(12.2)**	(20.7)	(48.2)
	53.4	118.1	255.2
A[illegible])			
Depreciation	**76.3**	84.8	169.5
Loss/(gain) on disposal of property	**-**	1.5	(1.9)
Gain on disposal of investment in joint ventures	**-**	-	(3.6)
Gain on disposal of businesses	**(55.8)**	-	-
Impairment charges	**19.0**	-	-
Gain on disposal of subsidiaries	**-**	(3.6)	-
Amortisation of intangible assets	**114.1**	118.6	242.4
Share based charges	**9.6**	12.3	23.4
Decrease in provisions	**(74.7)**	(115.7)	(216.1)
Dividends from joint ventures	**4.0**	25.8	43.0
Exceptional items – non-cash impact	**6.6**	22.3	69.9

C[illegible]
([illegible] D 9)

16 S[illegible]

Share based charges for the period of $9.6m (June 2019: $12.3m) relate to options granted under the Group's executive share option schemes and awards under the Long-term Plan. The charge is included in administrative expenses in the income statement.

17 F[illegible]

F[illegible]

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and cash flow interest rate risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2019 Annual Report and Accounts.

There have been no material changes in the risk management function or in any risk management policies since 31 December 2019.

F[illegible]

The fair value of short-term borrowings, trade and other payables, trade and other receivables, short-term deposits and cash at bank and in hand approximates to the carrying amount because of the short maturity of interest rates in respect of these instruments.

D[illegible]

The Group enters into forward contracts to hedge foreign exchange exposures arising in the normal course of business. The Group also hedges against changes in interest rates by entering into interest rate swaps. The fair values of these derivative financial instruments are included in financial assets and trade and other payables in the Group balance sheet. The fair values at 30 June 2020 are not significant.

18 C[illegible]

At 30 June 2020 the Group had entered into contracts for future capital expenditure amounting to $0.7m. The expenditure relates to property plant and equipment and intangible assets and has not been provided for in the financial statements.

19 C[illegible]

C[illegible]

At the balance sheet date, the Group had cross guarantees without limit extended to its principal bankers in respect of sums advanced to subsidiaries.

L[illegible]

From time to time, the Group is notified of claims in respect of work carried out. For a number of these claims the potential exposure is material. Where management believes we are in a strong position to defend these claims no provision is made. At any point in time there are a number of claims where it is too early to assess the merit of the claim, and hence it is not possible to make a reliable estimate of the potential financial impact.

E[illegible]

The Group is aware of challenges to historic employment practices which may have an impact on the Group. This includes a challenge by HMRC into the historic application of employer's National Insurance Contributions to workers on the UK Continental Shelf. We believe that we are in a strong position to defend this challenge and that our technical position is robust, therefore as a result we do not expect that it is probable that a liability will arise and no provision has been made. The maximum potential exposure to the Group in relation to tax and interest should we be unsuccessful in our position, is around $27.0m.

I[illegible]

The Group has agreed to indemnify certain third parties relating to businesses and/or assets that were previously owned by the Group and were sold to them. Such indemnifications relate primarily to breach of covenants, breach of representations and warranties, as well as potential exposure for retained liabilities, environmental matters and third party claims for activities conducted by the Group prior to the sale of such businesses and/or assets. We have established provisions for those indemnities in respect of which we consider it probable that there will be a successful claim. We do not expect indemnities or retained obligations for which a provision has not been established to have a material impact on the Group's financial position, results of operations or cash flows.

We confirm that to the best of our knowledge:

- the interim condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB and adopted by the EU;
- the interim management report includes a fair review of the information required by:

  a.

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