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ASX release

HALF YEAR 2025 RESULTS

Growth in earnings and margins - on track to deliver FY25 outlook

Worley Limited (ASX: WOR) ("Worley") today reported its half year results for the six months ended 31 December 2024 (HY25). Statutory Net Profit was \$216 million up 55.4% on the prior corresponding period (pcp). Underlying EBITA grew 9.0% on pcp to \$376 million and operating margins increased to 8.4%.

HY25 Results Highlights

- Aggregated revenue of \$5,989 million, up 6.8% on pcp
- Underlying EBITA of \$376 million, up 9.0% on pcp
- Underlying EBITA margin excluding procurement of 8.4%, up from 7.5% pcp
- Underlying NPATA \$216 million up 14.9% on pcp
- Interim dividend declared of 25 cents per share unfranked
- Bookings are \$6.6 billion, up from \$6.2 billion in HY24, but marginally down on H2 FY24
- Backlog of \$12.7 billion is down but wins continue to outpace work delivered
- FY25 outlook reconfirmed - targeting low double-digit EBITA growth
- Intention to undertake an on-market share buy-back of up to \$500 million

Chief Executive Officer and Managing Director Chris Ashton said, "Worley has continued to deliver growth in earnings and margins in line with our expectations. These results are underpinned by our continued focus on doing what we do best and deliberate actions to drive ongoing increases in operating margins."

"We're currently operating in a market that is requiring us to adapt to economic and political shifts and this is impacting our customer's decisions around investment spend. Our performance reflects our strength as a diversified business with breadth of capability, disciplined strategy execution, a global footprint and strong customer relationships."

"Our strategic initiatives include investments in growth markets, and innovations in how we deliver projects, which - along with our focus on sustainability - supports us in leveraging long term macro trends across the energy, chemicals and resources sectors, strengthening Worley's position as a global leader."



Financial performance and margin growth in line with our medium-term targets

Aggregated revenue for the half year was \$5,989 million up 6.8% on pcp with increases across the Americas and EMEA regions and the energy and resources sectors.

Underlying EBITA grew by 9.0% to \$376 million up from \$345 million pcp. Growth in earnings is higher than the rate of growth in revenue, supported by increasing margins as the company focuses on winning higher quality work with quality customers.

The underlying EBITA margin including procurement increased to 6.3% from 6.1% for the six months to 31 December 2024. This reflects an increase in construction and fabrication and procurement as the mix of projects with material procurement requirements increased. Underlying EBITA margin on revenue excluding procurement is 8.4%, up from 7.5% pcp.

Statutory NPATA is \$216 million up 55.4% on pcp and underlying NPATA is \$216 million up 14.9% on pcp, noting that during H1 FY24 a \$58 million write off of the net exposure in relation to historic services provided in Ecuador was excluded from the underlying result.

The Worley Board today determined to pay an interim dividend of 25 cents per share, unfranked. The dividend will be paid on Wednesday, 2 April 2025 with a record date of 5 March 2025.

Mr Ashton said, "We've continued to deliver earnings growth, with earnings growing at a higher rate than revenue. This has been underpinned by a deliberate strategy to drive higher margins through a focus on winning higher margin work, driving operational leverage and business productivity, and considered capital investments that support our future growth. We continue to focus on maintaining high single digit EBITA margins ex procurement as we retain our focus on these strategic actions."

Prudent capital management underpins a strong balance sheet

Worley's strong capital management position reflects a focus on prudent cash flow management and enduring balance sheet strength.

The reported cash conversion ratio is 97.5% whilst the normalised cash conversion ratio excluding advanced billings is 116.2% above 95.7% pcp, reflecting timing of payments during the period.

Balance sheet strength is supported by leverage at 1.5x remaining unchanged from 30 June 2024. This reflects the prudent use of free cash flow to reduce risk, increase liquidity, maintain a sound dividend payout ratio and focus on providing appropriate capacity to invest in business growth.

Disciplined investment supporting growth and driving shareholder value

Over the last six months, the company invested \$23 million to support growth and expects to invest a further circa \$58 million in the second half of FY25. These investments have focused on scaling our operations in growth markets and investing in digital enablement and AI to produce accretive returns and contribute to margin improvement.



Mr Ashton said, "Worley will continue to invest in strategic initiatives to drive organic growth and operational efficiency and will consider disciplined investment in new opportunities which are aligned with Worley's growth strategy. This capital management strategy is consistent with supporting continued growth while maximizing shareholder returns."

As a further initiative to drive shareholder returns, Worley has today announced its intention to undertake an on-market share buy-back of up to \$500 million. The share buy-back will commence in March 2025 and the timing and value of shares purchased will be dependent on prevailing market conditions, share price and other factors.

This initiative reflects the Board's confidence in the company's financial position and growth outlook. Supported by a strong balance sheet position, the buy-back forms one component of Worley's broader capital management strategy to enhance shareholder value which includes growth investments and supplements the existing dividend policy.

Strategy execution and business diversification underpins our results

Mr Ashton said, "As expected, the last six months has presented a more challenging environment leading to more moderated growth. A higher cost of capital as well as policy and economic headwinds, are influencing the pace of the energy transition. This has resulted in customers needing to rebalance their portfolios and reassess capital allocation decisions. This has led to a small number of large project cancellations, which is not unusual in the normal course of business but is particularly evident during times of increased uncertainty. This uncertainty has been further driven by ongoing geopolitical tensions, global inflation and supply chain challenges that continue to disrupt global markets in the sectors we serve.

"We have won \$6.6 billion of work over the six month period, which is an increase on \$6.2 billion booked over the same period last year but marginally down on the prior period. Our project wins play into our core strategy, fortifying the strength of our energy, chemicals and resources presence, expanding into attractive adjacencies and growth markets, and unlocking high growth opportunities through innovation. Our strategic focus on winning higher margin work has been an important driver of our earnings growth as we navigate short-term shifts in the market. We're also well positioned in managing our risk exposure with 82% of our work being through lower risk reimbursable contracts.

"Our backlog is a healthy \$12.7 billion but also reflects market dynamics and is lower than the \$13.8 billion reported at 30 June 2024, with much of the change in the backlog resulting from the cancellation of the NorthVolt Sweden battery materials project announced at Worley's November 2024 AGM which reduced our backlog by approximately \$1.6 billion. Importantly, we continue to win more than we deliver.

"The proportion of the backlog represented by sustainable projects continues to increase and, together with transitional work, now represents 62% of total expected revenue. This reinforces Worley as a leader in supporting our customers who continue to invest in sustainability-related projects as the energy transition evolves.

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"Our pipeline remains consistent with our view that FY25 will be a moderated year, albeit we are seeing some positive trends emerging. While our factored sales pipeline has seen a marginal decline in the six-month period to January, it remains broadly in line with the same time last year and we're confident in the high-quality work we continue to win.

"Our work on Venture Global's CP2 LNG export facility, continues under a Limited Notice to Proceed, but the majority of our CP2 scope remains in our factored sales pipeline. We expect to mobilize to site under a full Notice to Proceed mid calendar year 2025 once FID is granted, at which point the full scope of work will shift from our pipeline to our backlog.

"Importantly, we continue to meet our customers' needs with strong expertise across traditional, transitional and sustainable work. We're strategically diversified with breadth of expertise across each of these areas and in our core sectors where we have market dominance. Our global footprint, partnership approach and strong balance sheet remain attractive drawcards for our customers to work with Worley.

"Our diversified business, agility and flexibility to meet customers' needs, together with a risk-adjusted approach and strong capital management, position Worley well to navigate short-term market dynamics."

EMEA has been a key growth market underpinning growth in group revenue

Total aggregated revenue grew 6.8% on pcp but was down marginally on the prior period. Revenue from Europe Middle East and Africa (EMEA) continues to represent a significant growth market contributing 42% of total aggregated revenue up 13.8% on pcp and up 5.5% on the prior period, with a growing contribution from Morocco and the Middle East.

Contribution of revenue from the Americas was 41% with an increase of 9.2% on pcp but down 2.8% on the prior period due to the suspension of the Umicore project and as market disruption causes some customers to pause investment decisions. A change in project mix in the Americas has resulted in growth in earnings contributed from construction and fabrication as well as procurement. The Asia Pacific (APAC) region experienced lower activity particularly in Australia New Zealand, but this was somewhat offset by growth in contribution from India.

Revenue from projects in the energy and resources sectors grew 13.1% and 33.2% on pcp respectively. Worley's work in the energy sector has continued to benefit from global investment across the traditional, transitional and sustainable segments. Work in the resources sector has seen particularly strong growth contribution from fertilizers across Middle East, Africa and the Americas. Chemicals has seen a slowdown however this was partially offset by continuing work on DAC projects.

Mr Ashton said, "While political uncertainty in the US remains, there has been a positive shift in sentiment, and we are starting to see an uptick in activity. In other markets in which we operate, we continue to see the Middle East as a key growth market, and we are focused on fostering customer relationships within this region. Europe and APAC are expected to make a lower contribution to revenue in the second half of FY25 but both regions remain important contributors to our success over the longer term.



Our commitment to ESG and our people

"Our purpose of delivering a more sustainable world continues to inspire the work we do. We continue to make good progress in delivery of our aspiration to derive 75% of our aggregated revenue from sustainability-related work (including transitional) by FY26, subject to market conditions.

"We remain committed to our ESG targets and importantly, we're on track to meet our net zero Scope 1 and Scope 2 GHG emissions reduction targets.

"Our success is thanks to our energized and empowered people. Our highest priority is to keep our people safe and well, feeling included and respected. Our Total Recordable Case Frequency Rate was 0.12 across the Group unchanged from the prior period. We're creating a secure and supportive environment, leading to greater engagement, innovation and productivity.

"Importantly, to attract and retain global talent who can help the business deliver long term growth, we have created a remuneration policy that is both attractive and incentivizes outperformance. We see this as essential to resource the growth ahead of us.

"Our Global Integrated Delivery (GID) centre in India continues to remain an important part of our drive to enhance productivity. We now have more than 7,600 people in our India business and the proportion of work delivered through GID has increased to 14.4% from 14.2% on pcp.

Confident in our long-term growth strategy

"Our markets are positively leveraged to global macro trends and we're positioned well as the investment momentum in the energy transition continues to evolve. Our business model and strong balance sheet is characterized by its high cash-generative nature and low-capital intensity, which enhances earnings while supporting our growth plans.

"We have the agility, flexibility and breadth of capability to support customers across geographies and the energy, chemicals and resources sectors as they rebalance their investment in traditional, transitional and sustainable portfolios.

"We're continuing to make strategic investments to generate positive accretive growth by opening up new addressable markets, expanding market share and unlocking growth opportunities through innovation. Benefits from our \$100 million strategic capital investment program are being seen in our enhanced capabilities and profitable growth, and we continue to make disciplined investment decisions in growth areas. We have developed differentiated solutions giving us a leading position in new markets including carbon capture, blue hydrogen and copper where we continue to see strategic wins.

"Importantly, the world remains committed to achieving net zero and while the pace of progress may vary, we still see significant growth ahead as those commitments are met and the demand for energy, chemicals and resources continues to increase.

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Group outlook¹

"We reconfirm our outlook expectations for FY25 and are targeting low double-digit EBITA growth and expect the underlying EBITA margin (excluding the impact of procurement) to be within a range of 8.0-8.5%.

"We're successfully executing our strategy which supports maintaining high single digit EBITA margins and targets low double digit EBITA CAGR.

"As a leading global solutions provider in the markets we serve, we continue to be encouraged by the work we win as we support our customers across their traditional, transitional and sustainable portfolios."

HY25 investor briefing presentation

Chris Ashton, Chief Executive Officer and Managing Director and Tiernan O'Rourke, Chief Financial Officer will be holding an audio briefing for investors and analysts to discuss the results at 10.00am AEDT today using the following link:

<https://edge.media-server.com/mmc/p/bu44d28p>

The results briefing will be webcast live and an archive will be available on Worley's website shortly after the briefing concludes.

Authorized for release by Nuala O'Leary, Group Company Secretary.

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About Worley: Worley is a leading global professional services company of energy, chemicals and resources experts. We partner with customers to deliver projects and create value over the life of their assets. We're bridging two worlds, moving towards more sustainable energy sources, while helping to provide the energy, chemicals and resources needed now.

Worley Limited is headquartered in Australia and listed on the Australian Securities Exchange (ASX: WOR).

¹All forward-looking statements, remain subject to no material deterioration in current market conditions, including forward estimates of timing, award and delivery of future projects.