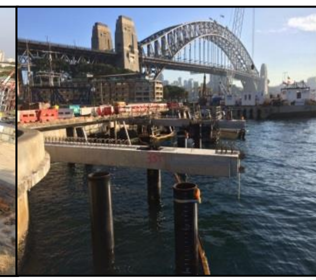
Keller Group plc

Interim Results

Half year ended June 2014








Cautionary Statements

This document contains certain 'forward looking statements' with respect to Keller's financial condition, results of operations and business and certain of Keller's plans and objectives with respect to these items.

Forward looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'potential', 'reasonably possible', 'targets', 'goal' or 'estimates'. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the regulatory and competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; and changes in interest and exchange rates.

All written or verbal forward looking statements, made in this document or made subsequently, which are attributable to Keller or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Keller does not intend to update these forward looking statements.

Nothing in this document should be regarded as a profits forecast.

This document is not an offer to sell, exchange or transfer any securities of Keller Group plc or any of its subsidiaries and is not soliciting an offer to purchase, exchange or transfer such securities in any jurisdiction. Securities may not be offered, sold or transferred in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act of 1933 (as amended).

Agenda

• Highlights	Justin Atkinson, Chief Executive
• Financial results	James Hind, Finance Director
• Divisional review	Justin Atkinson, Chief Executive
• Outlook	Justin Atkinson, Chief Executive
• Q & A	

Justin Atkinson

Chief Executive

Highlights*

- Revenue up 22% to £788.2m (2013: £644.6m)
- Constant currency revenue excluding acquisitions also up 22%
- Operating margin slightly ahead at 4.5% (2013: 4.4%)
- Earnings per share of 29.5p (2013: 28.1p), up 5%
- Cash generated from operations of £31.9m (2013: £30.2m), representing 101% of EBITDA (2013: 120%)
- Interim dividend increased by 5% to 8.4p per share (2013: 8.0p)

KELLER

* before exceptional items

James Hind

Finance Director

Group Income Statement*

£m	H1 2014	H1 2013	% change	FY2013
Revenue	**788.2**	644.6	+22%	1,438.2
EBITDA	**59.8**	51.4	+16%	124.2
Operating profit	**35.5**	28.6	+24%	77.8
Net finance costs	(3.0)	(1.8)		(3.7)
Profit before tax	**32.5**	26.8	+21%	74.1
Tax	(10.7)	(8.3)		(23.8)
Profit after tax	**21.8**	18.5	+18%	50.3
EBITDA %	**7.6%**	8.0%		8.6%
Operating profit %	**4.5%**	4.4%		5.4%

Revenue up 33% on a constant currency basis

- up 22% excluding acquisitions

Average exchange rates:

- US$1.67 (H1 2013: US$1.54)
- C$1.83 (H1 2013: C$1.57)
- €1.22 (H1 2013: €1.18)
- S$2.10 (H1 2013: S$1.92)
- A$1.82 (H1 2013: A$1.52)

£3.5m FX profit reduction in 2014

Effective tax rate 33%

- FY 2013: 32%

KELLER

* before exceptional items

Group Income Statement (continued)

£m	H1 2014	H1 2013	% change	FY 2013
Profit after tax*	**21.8**	18.5	+18%	50.3
Exceptional items	(27.6)	(9.4)		(22.1)
Tax on exceptional items	0.7	-		1.9
Non-controlling interests	(0.8)	(0.3)		(0.8)
Attributable to shareholders	**(5.9)**	8.8		29.3
Earnings per share*	**29.5p**	28.1p	+5%	73.0p
Dividends per share	**8.4p**	8.0p	+5%	24.0p

Exceptional items:
- £30m contract dispute
- £3.9m amortisation of acquired intangible assets
- £(6.9)m contingent consideration released
- £0.6m other

Interim dividend up 5% to 8.4p per share

* before exceptional items

Exceptional charge – contract dispute

- £30 million exceptional charge in respect of a dispute arising on a project that Keller's UK subsidiary, Keller Limited, completed in 2008
- The claims intimated against Keller Limited, which are currently the subject of litigation, are denied and being vigorously defended
- Given uncertainties inherent in any litigation, decision taken to make a provision
- Amount is stated before taking account of recoveries under applicable insurances which are yet to be agreed, as these cannot be recognised under IFRS

Operating Profit and Margin*

£m	H1 2014 Revenue	H1 2014 Op Profit	H1 2014 Margin	H1 2013 Revenue	H1 2013 Op Profit	H1 2013 Margin
North America	373.0	20.7	5.5%	308.0	16.5	5.4%
EMEA[1]	214.4	2.7	1.3%	185.5	1.8	1.0%
Asia	56.6	3.6	6.4%	44.4	4.8	10.8%
Australia	144.2	10.6	7.4%	106.7	8.8	8.2%
	788.2	**37.6**	**4.8%**	644.6	31.9	4.9%
Central items	-	(2.1)		-	(3.3)	
	788.2	**35.5**	**4.5%**	644.6	28.6	4.4%

Constant currency revenue up 33%

- N America: 30%
- EMEA: 20%
- Asia: 43%
- Australia: 62%

Q1 impacted by harsh winter in N America

2013 benefitted from completion of major projects

* before exceptional items

[1]EMEA = Europe, Middle East & Africa

KELLER

Group Balance Sheet

£m	June 2014		June 2013		Dec 2013	
Goodwill/intangibles		178.1		100.2		187.9
Property, plant & equipment		281.7		251.9		281.9
Other non-current assets		15.2		16.6		14.9
		475.0		368.7		484.7
Inventories	62.1		65.6		62.0	
Receivables	455.1		390.0		414.5	
Payables	(368.5)		(327.3)		(352.4)	
Working capital		**148.7**		128.3		124.1
Capital employed		**623.7**		497.0		608.8
Other liabilities/provisions		(76.4)		(57.1)		(52.0)
Retirement benefits		(22.9)		(20.2)		(23.1)
Tax		(14.0)		(8.3)		(17.4)
Net debt		(161.9)		(24.5)		(143.7)
Net assets		**348.5**		386.9		372.6

Comparisons impacted by acquisitions and exchange rates

H1 working capital ratios improved

Group banking facilities refinanced July 2014

Group Cash Flow Statement

£m	H1 2014	H1 2013	FY 2013
Cash generated from operations	**31.9**	30.2	132.0
Capex – net	(27.8)	(19.0)	(42.6)
Interest	(3.4)	(1.9)	(5.0)
Tax	(11.6)	(14.7)	(21.5)
Free cash flow	**(10.9)**	(5.4)	62.9
Acquisitions	(1.1)	(11.5)	(200.4)
Dividends	(11.7)	(10.0)	(15.6)
Other	-	57.6	57.6
Net cash flow	**(23.7)**	30.7	(95.5)
Opening net debt	(143.7)	(51.2)	(51.2)
Exchange movements	5.5	(4.0)	3.0
Closing net debt	**(161.9)**	(24.5)	(143.7)

Cash from operations includes usual seasonal working capital outflows

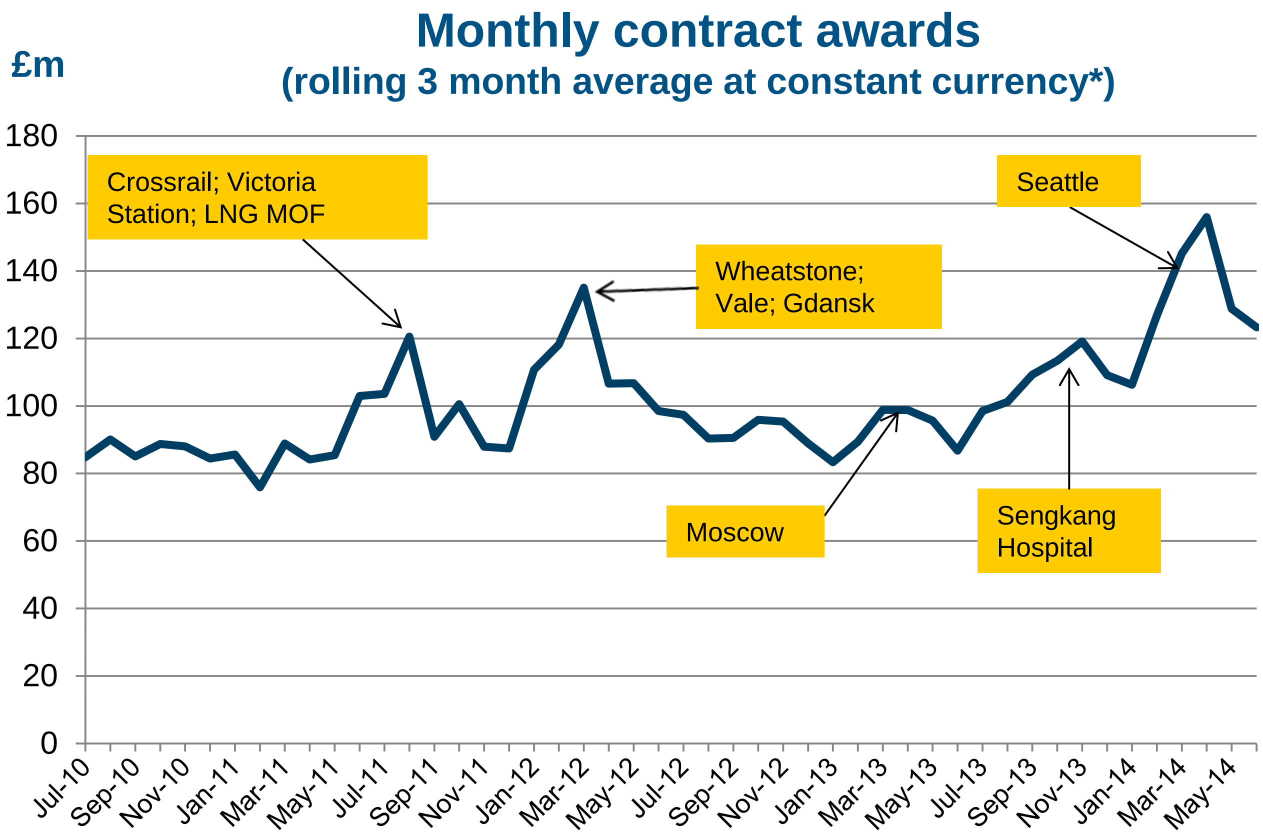
Last 12 months' cash from operations represents 101% of EBITDA (H1 2013: 120%)

Acquisitions:
- £2.8m purchase of Brazil minority shareholder
- £1.7m received for Franki Africa purchase price adjustment

Other in 2013 represents net proceeds of share placing

KELLER

Group Contract Awards



Strong contract awards order intake during H1 2014

Like-for-like order book up 9%

- some work in Canada and Australia at lower margins

*at current exchange rates

2014 Guidance

- Usual seasonal H2 bias
  - not as pronounced as in 2013
- Full year expected to be in line with expectations
  - despite adverse £8m impact from foreign exchange
- Expected effective tax rate of 33%
- Capex to be around £60m

KELLER

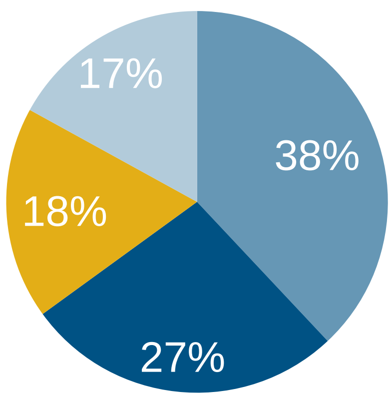
Justin Atkinson

Chief Executive

Group Revenue by End Market

H1 2014

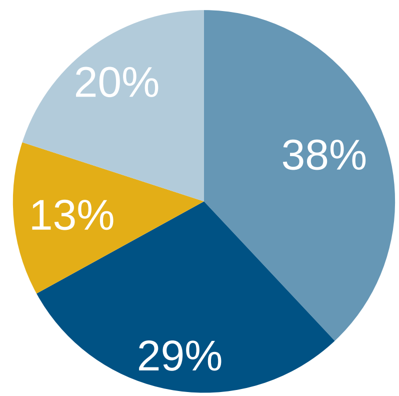
Total revenue £788m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

H1 2013

Total revenue £645m



- Infrastructure/Public Buildings
- Power/Industrial/Manufacturing
- Office/Commercial
- Residential

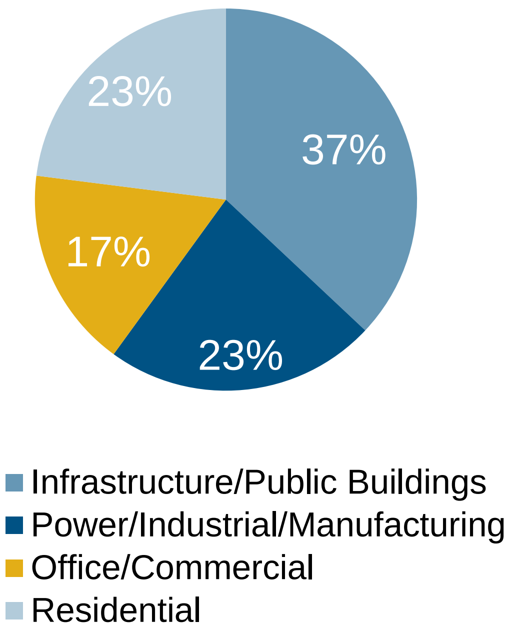
Keller operates across all sectors of the construction market

Infrastructure/Public Buildings consistently the largest sector

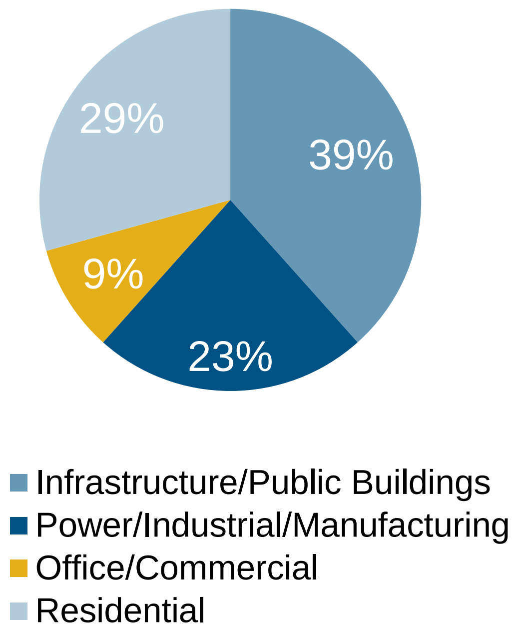
- reflects construction spending generally

North America Revenue by End Market

H1 2014
Total revenue $623m



H1 2013
Total revenue $474m

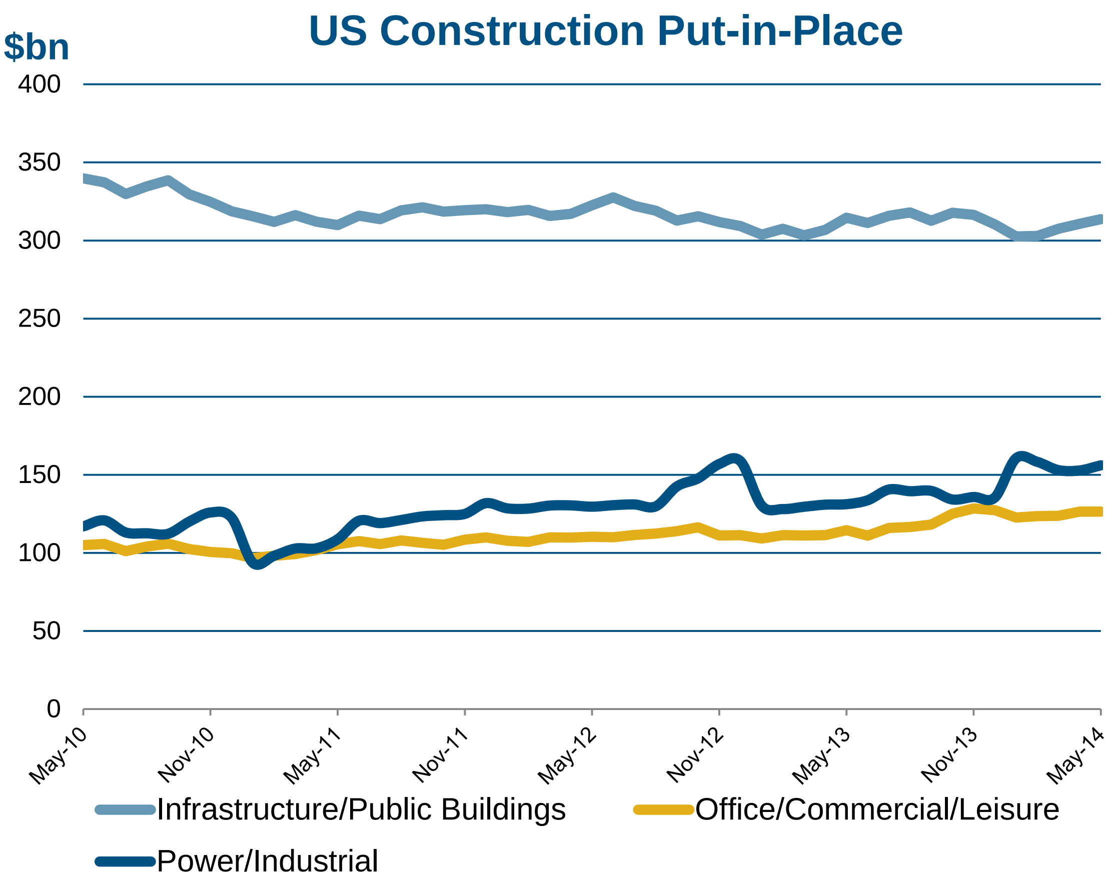


Infrastructure/Public Buildings less dominant
- down from 50% in 2010

Power/Industrial still robust

Revenue from Office/Commercial more than doubled
- decrease in residential reflects the inclusion of Keller Canada

US Non-residential Construction Market



YTD total non-residential expenditure up 7%

Private non-residential construction expenditure up 12%
- driven by power and commercial sector

Public expenditure on construction broadly flat

KELLER

Source: US Census Bureau, July 2014

US - Foundations

Wet soil mixing and auger cast piles

Oceana Bal Harbour, Miami

Revenue and profit up despite adverse weather conditions in Q1 and H1 2013 benefitting from profitable large contracts

Coast to coast national coverage and on-going refocusing work enables advantage to be taken of improved market conditions

US piling companies had a steady first half

Hayward Baker has performed strongly
- large contracts won in Seattle, Miami and Hawaii

KELLER

US Case Studies

Specialty jet grouting

Elliot Bay sea wall, Seattle

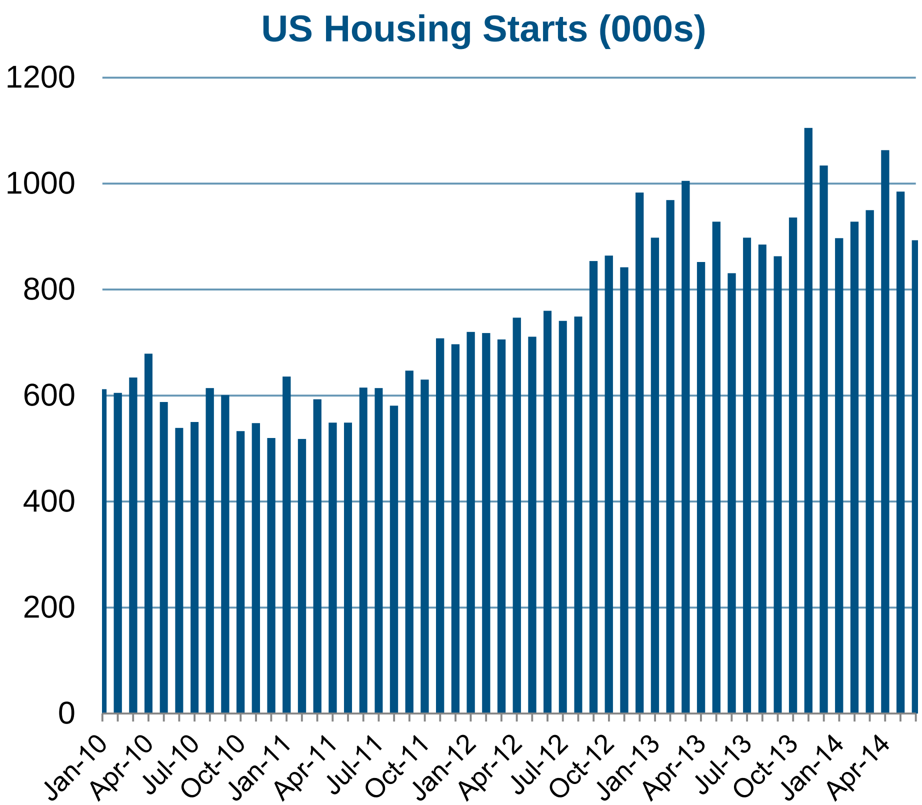
Hayward Baker contracted to provide large specialty grouting project

Constructing a grid of 5,700 soilcrete columns at depths of up to 85 feet

Columns will provide seismic stability and foundation support for a new sea wall

Working around the existing timber piles

US Suncoast



Improving housing starts driven by multi-family units

- represent one-third of housing starts

Houston high-rise market buoyant

Suncoast revenue up 20% YTD

Continued margin improvement

Challenge to recruit sufficient people to supplement the workforce

Source: US Census Bureau, Housing Starts

Canada

Near shore piling

Marina refurbishment, Vancouver

Investment in Canadian resources markets declined very materially in recent months

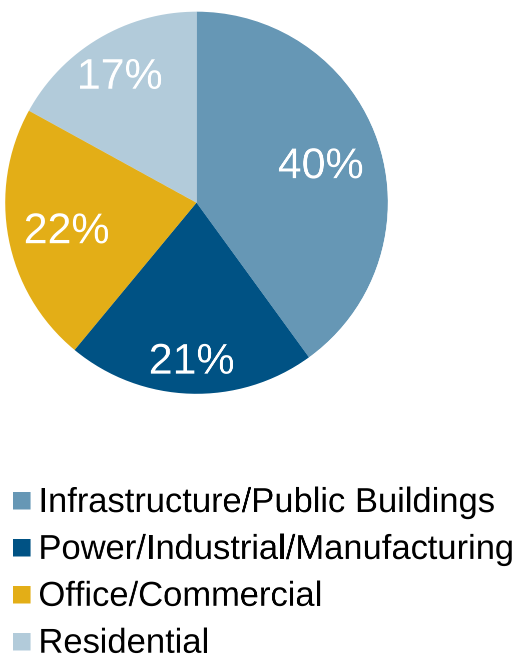
Revenue from projects in the Alberta oil sands and other resource markets replaced in part by lower margin commercial work

Keller Canada profits are below those expected at the time of acquisition

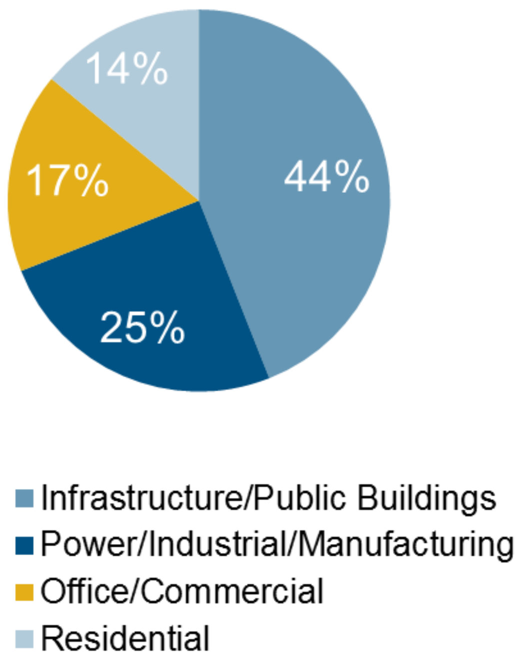
Strong trading at Geo-Foundations

EMEA[1] Revenue by End Market

H1 2014
Total revenue €262m



H1 2013
Total revenue €219m

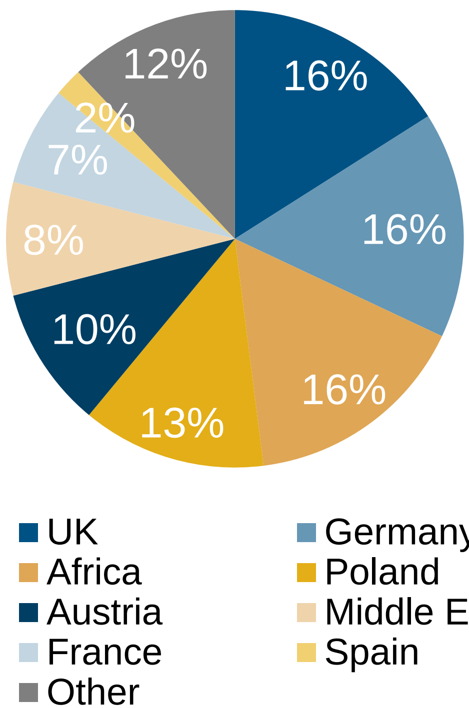


Infrastructure/Public Buildings reducing as some large projects complete

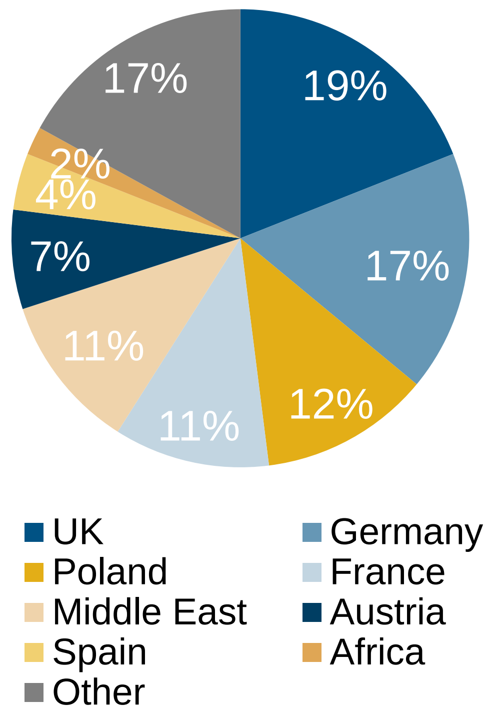
[1]EMEA = Europe, Middle East & Africa

EMEA[1] Regional Split

H1 2014
Total revenue €262m



H1 2013
Total revenue €219m



Revenue from UK, Germany and Poland still c.50%

Africa included for the first time

People and equipment redeployed to more active markets

[1]EMEA = Europe, Middle East & Africa

EMEA Highlights

Stone columns

Motorway upgrade, Maranhão, Brazil

Mature markets stable but challenging
- on-going programme of cost controls and business improvements made important contribution

Good results from Germany and Poland

Southern European markets remain disappointing

Good start from Franki Africa
- market in South Africa picked up
- transfer of technologies ahead of schedule

Brazil business growing and profitable

EMEA Case Studies

Complete excavation pit

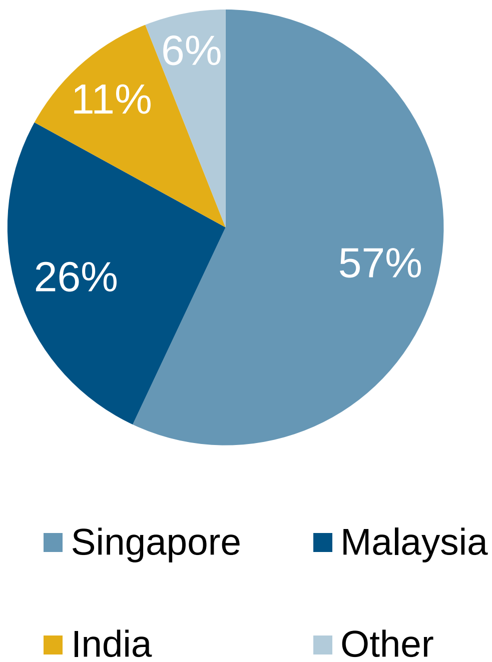
Berlin State Opera House, Germany

Diaphragm walls

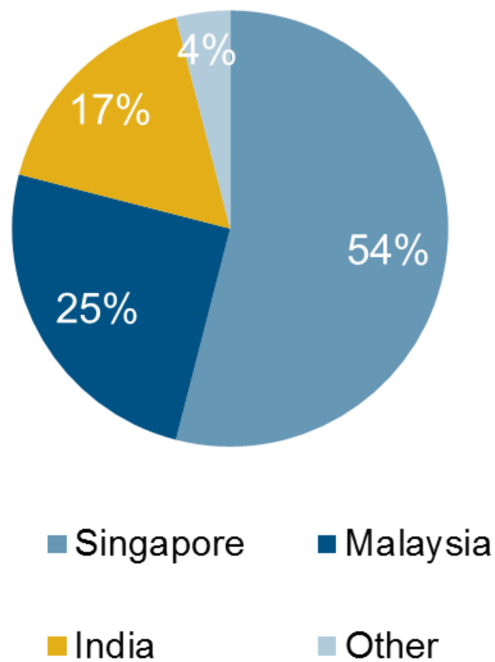
Nowy Swiat Financial Centre, Warsaw, Poland

Asia Regional Split

H1 2014 Revenue by Country
Total revenue S$119m



H1 2013 Revenue by Country
Total revenue S$85m



Singapore busy but increased competition

Malaysian market remains buoyant

India now busy

Other reflects projects in Hong Kong, Indonesia and Vietnam

Asia Highlights

Bored piling

Melawati Mall, Selangor, Kuala Lumpar, Malaysia

Malaysia performing well
- won first major contract in Johor

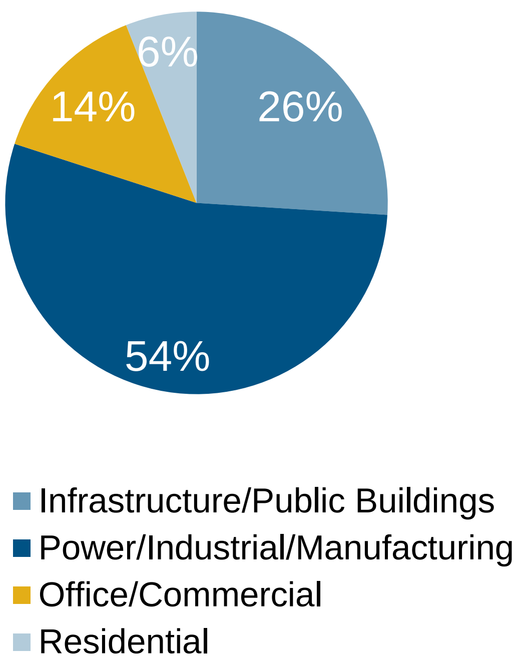
Agreed acquisition of Ansah in Malaysia gives greater access to large foundation solution packages in both Malaysia and Singapore

Sengkang hospital in Singapore completed ahead of schedule

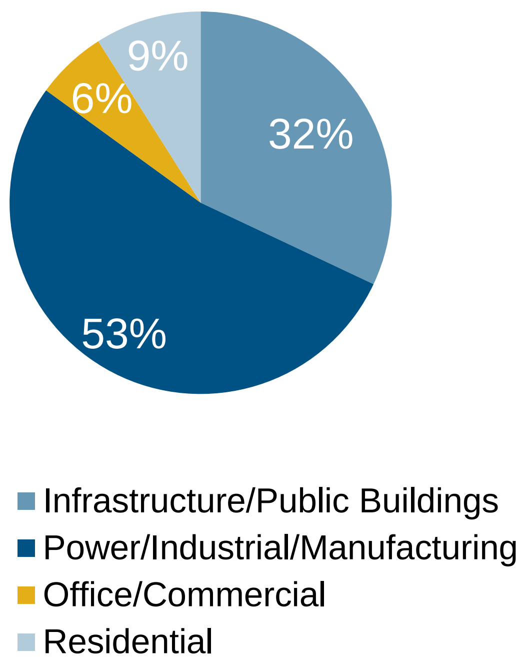
KELLER

Australia Revenue by End Market

H1 2014
Total revenue A$262m



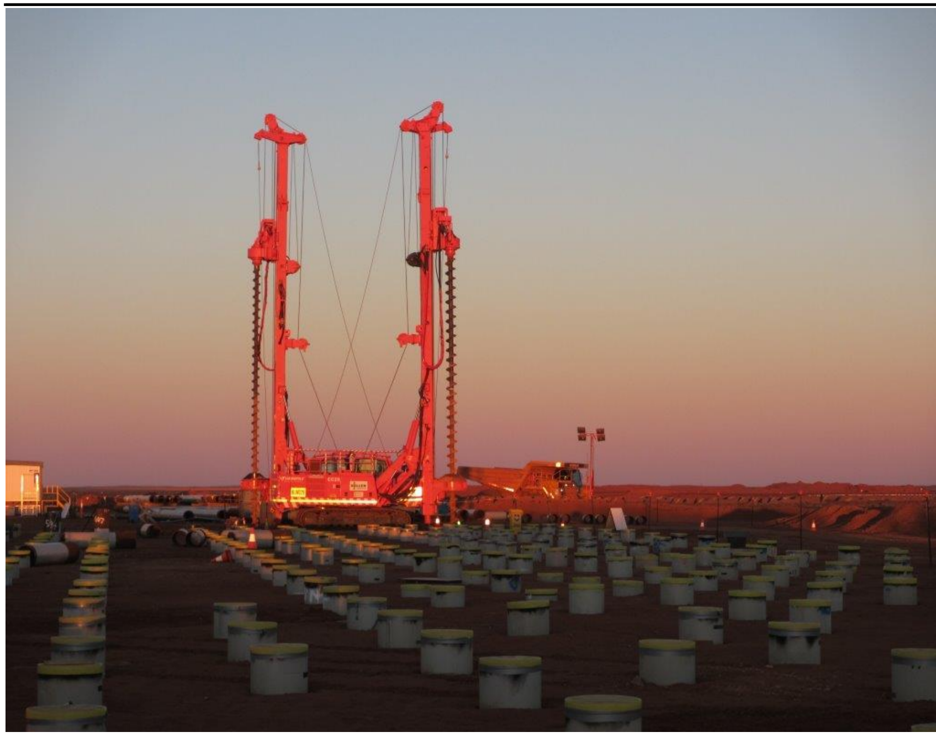
H1 2013
Total revenue A$162m



Revenue by segment significantly impacted by major natural resource related projects

Some signs of recovery in the commercial and infrastructure sectors

Australia Highlights



Piling, on-shore LNG processing plant

Wheatstone, Western Australia

H1 performance encouraging

- Wheatstone a key contributor

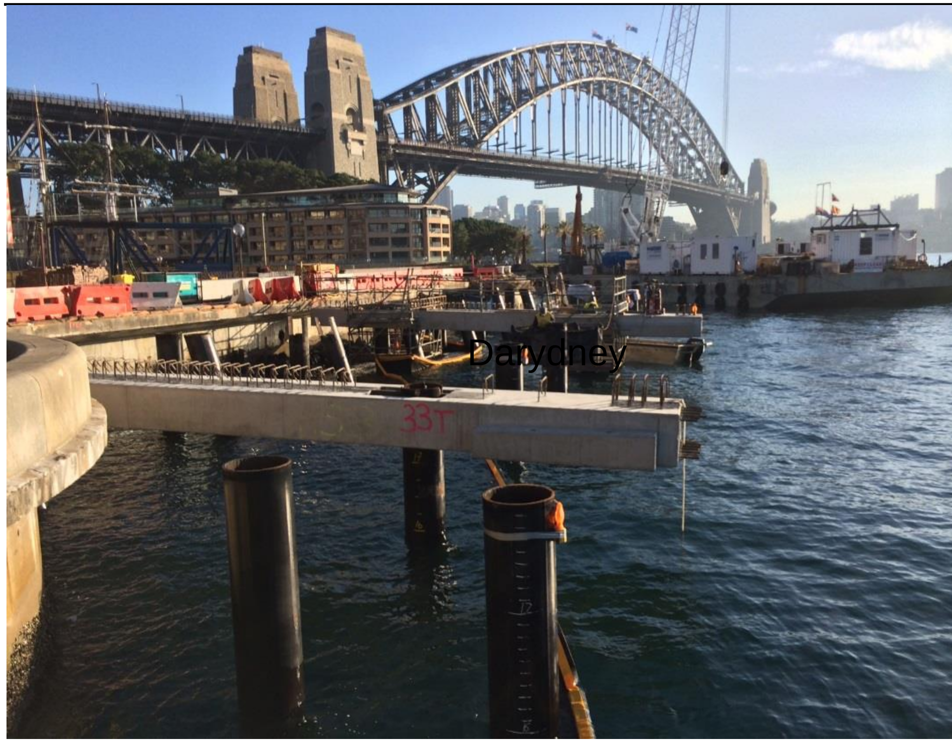
Wheatstone project progressing well with over 19,000 piles installed – due to substantially complete in September

Order book (exc. Wheatstone) well up on last year

- average margins reduced

Better prospects for infrastructure spend in NSW and Victoria

Australia Case Studies



Near shore piling for wharf extension

Overseas Passenger Terminal, Sydney

Various categories of piling

Darling Harbour Live, Sydney

Strategy

- Our Objective
  - to extend our global leadership in specialist ground engineering through:
    - organic growth, particularly in developing markets
    - targeted acquisitions
- Our Execution
  - expansion into new higher growth geographic regions
  - development of new technologies and techniques
  - transfer of technologies and techniques within our current geographic regions
  - offering design and build capability and alternative solutions
  - continuous improvement to maintain our competitive edge

KELLER

Outlook

- Global markets remain mixed
  - North America: continued gradual improvement in the US; Canada subdued
  - Europe: no material changes in current challenging market conditions
  - signs of recovery in certain Australian construction markets
  - good opportunities in Africa and Asia
- Contract awards remain at a healthy level
- 2014 expected to be another year of progress

Q & A

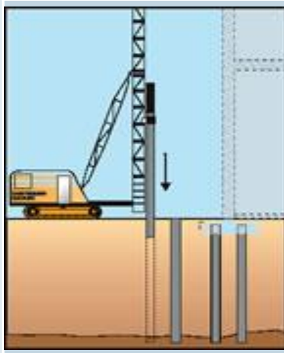
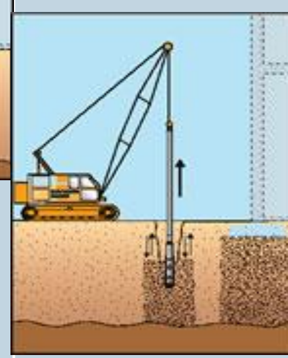
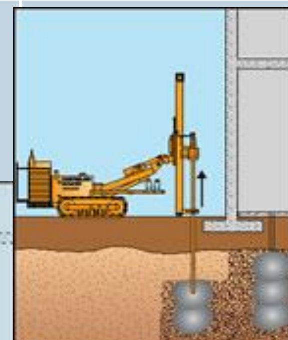
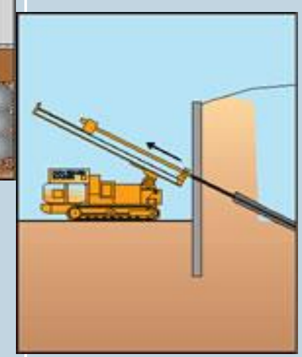
KELLER

Appendix

Introduction

- **The world's largest independent ground engineering contractor**
  - ground engineering is a small, niche sub-sector of construction
  - growing faster than construction, reflecting:
    - more pressure to build on brownfield and marginal land
    - more ambitious development and infrastructure projects
- **Unrivalled geographic coverage, working in over 40 countries**
  - clear market leader in North America, Australia and Southern Africa
  - prime positions in most established European markets
  - strong profile in many other developing markets
- **Generally work as a subcontractor for main contractors**
- **Typical contracts are**
  - short duration and less than £500k
  - across the construction spectrum

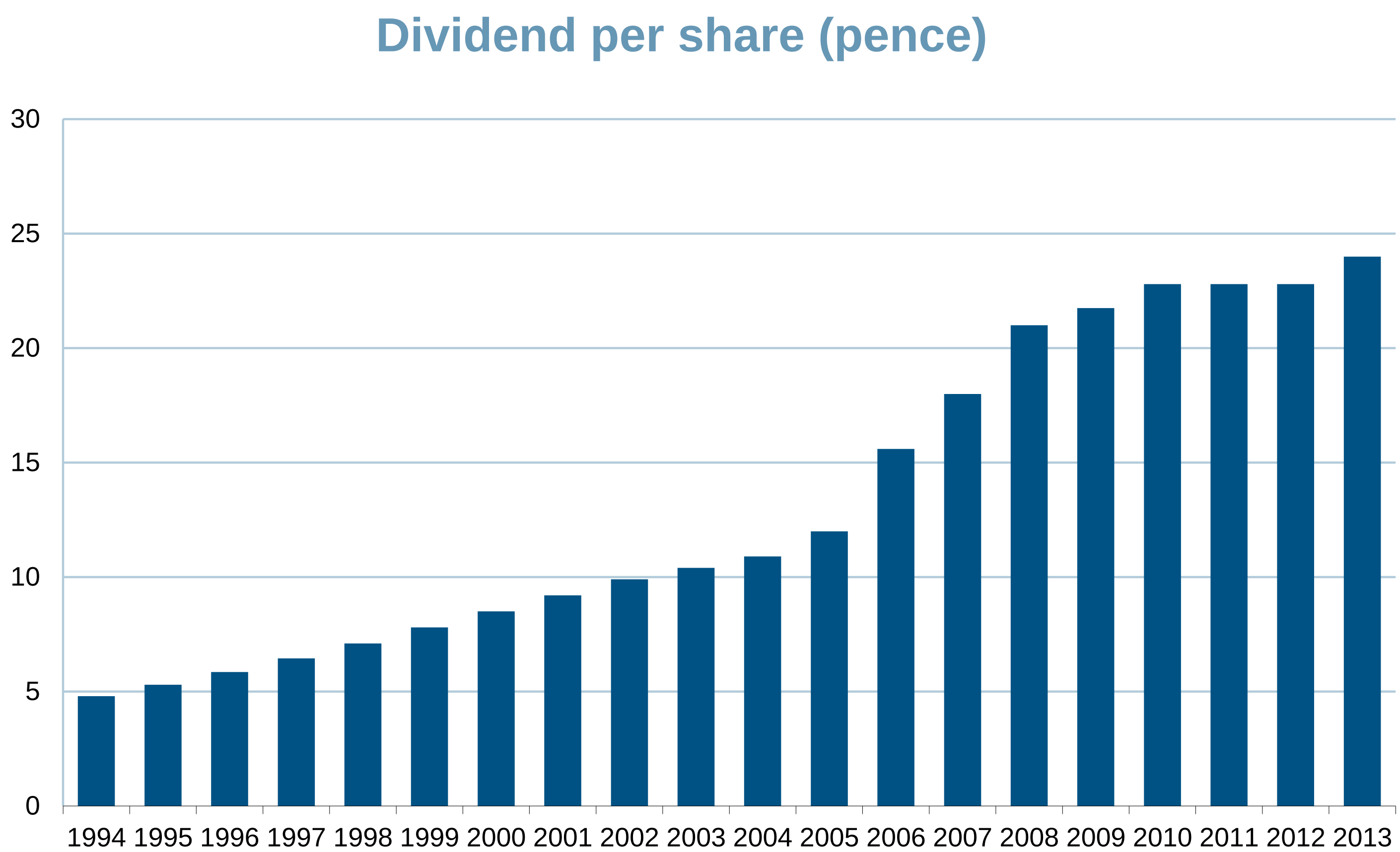
Ground Engineering Worldwide

Activities	Piling	Ground improvement	Specialty grouting	Anchors, nails, minipiles	Post-tension concrete
% of 2013 revenue	45%	20%	12%	15%	8%
Applications	Foundation support Earth retention	Foundation support Seismic risk protection	Control of building settlement Ground water control	Excavation support Slope protection Underpinning	Slab-on-grade foundations High-rise structures
					

History of Keller

- **1860** – Acquired **Johann Keller in Germany** marking international expansion
- **1958** – Est. 1958 Ground test services
- **1960's** – Expansion into a UK national piling & ground improvement company
- **1974** – Acquired **Johann Keller in Germany** marking international expansion
- **1984** – Acquired Hayward Baker (US)
- **1990** – Management buyout from GKN plc
- **1994** – Acquired Case (US); IPO on London Stock Exchange
- **2001** – Acquired Suncoast (US)
- **2002** – Acquired McKinney (US)
- **2006** – Acquired Piling Contractors (Australia)
- **2007** – Acquired HJ Foundation (US)
- **2009** – Acquired Resource Piling (Singapore)
- **2010** – Acquired Waterway Constructions (Australia)
- **2013** – Acquired Geo-Foundations (Canada); Acquired Keller Canada (Canada); Acquired Franki Africa (South Africa)
- **NOW** – **c.9,000 employees** / **Offices in >40 countries** / **Revenue £1.6bn**

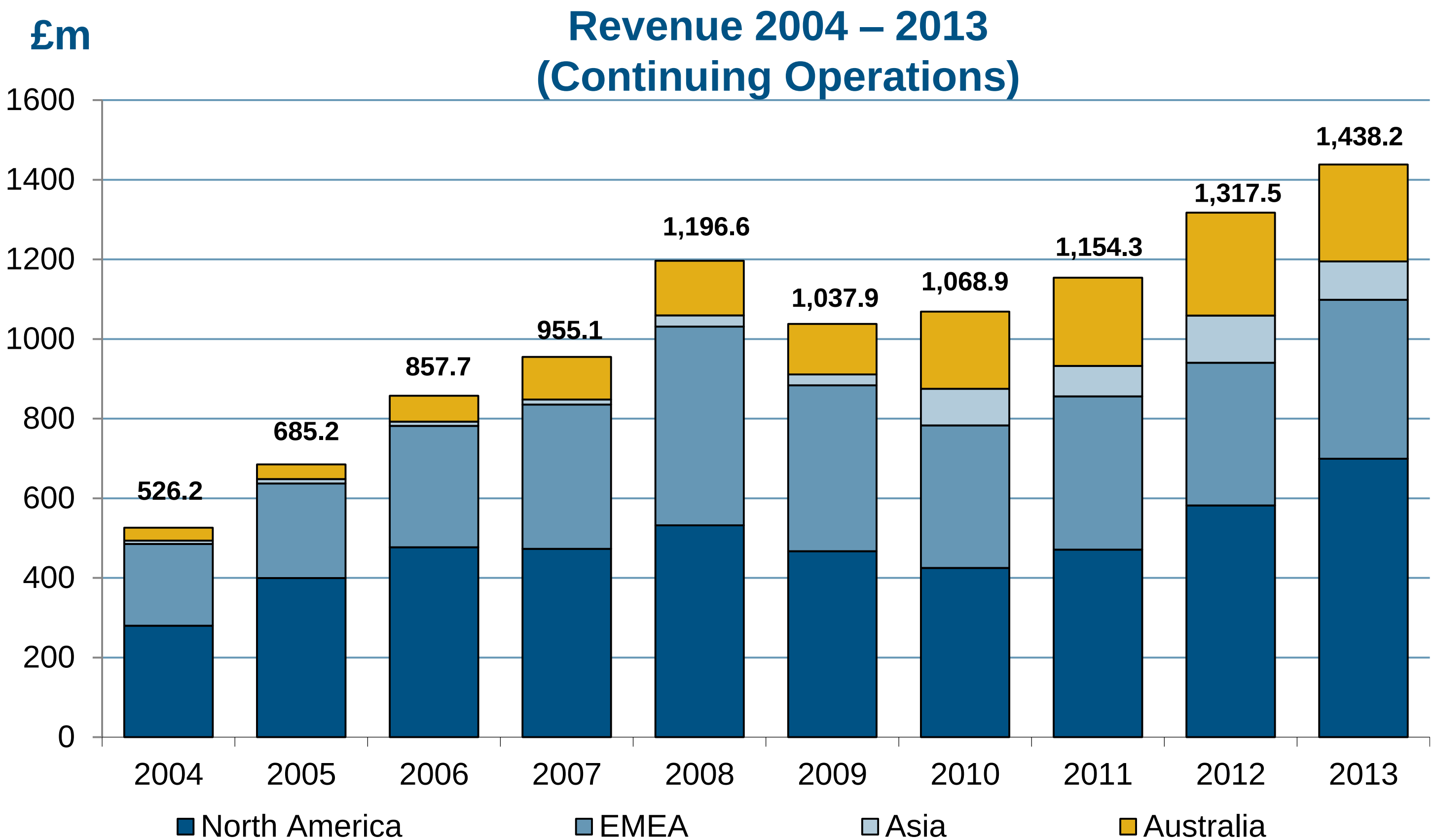
Dividend History



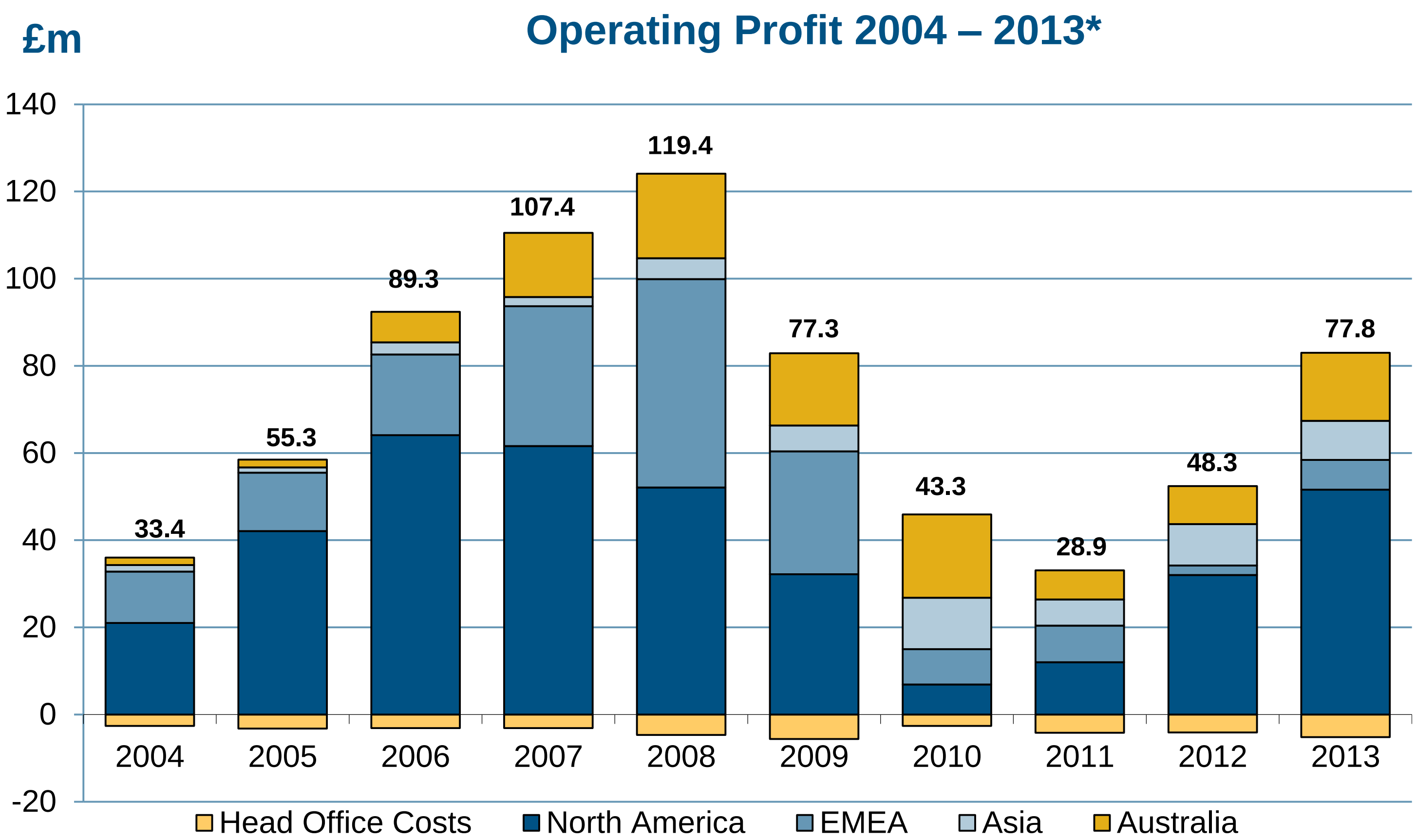
Dividend increased or maintained every year since 1994 flotation

Dividend policy of sustainable growth

Ten Year Track Record

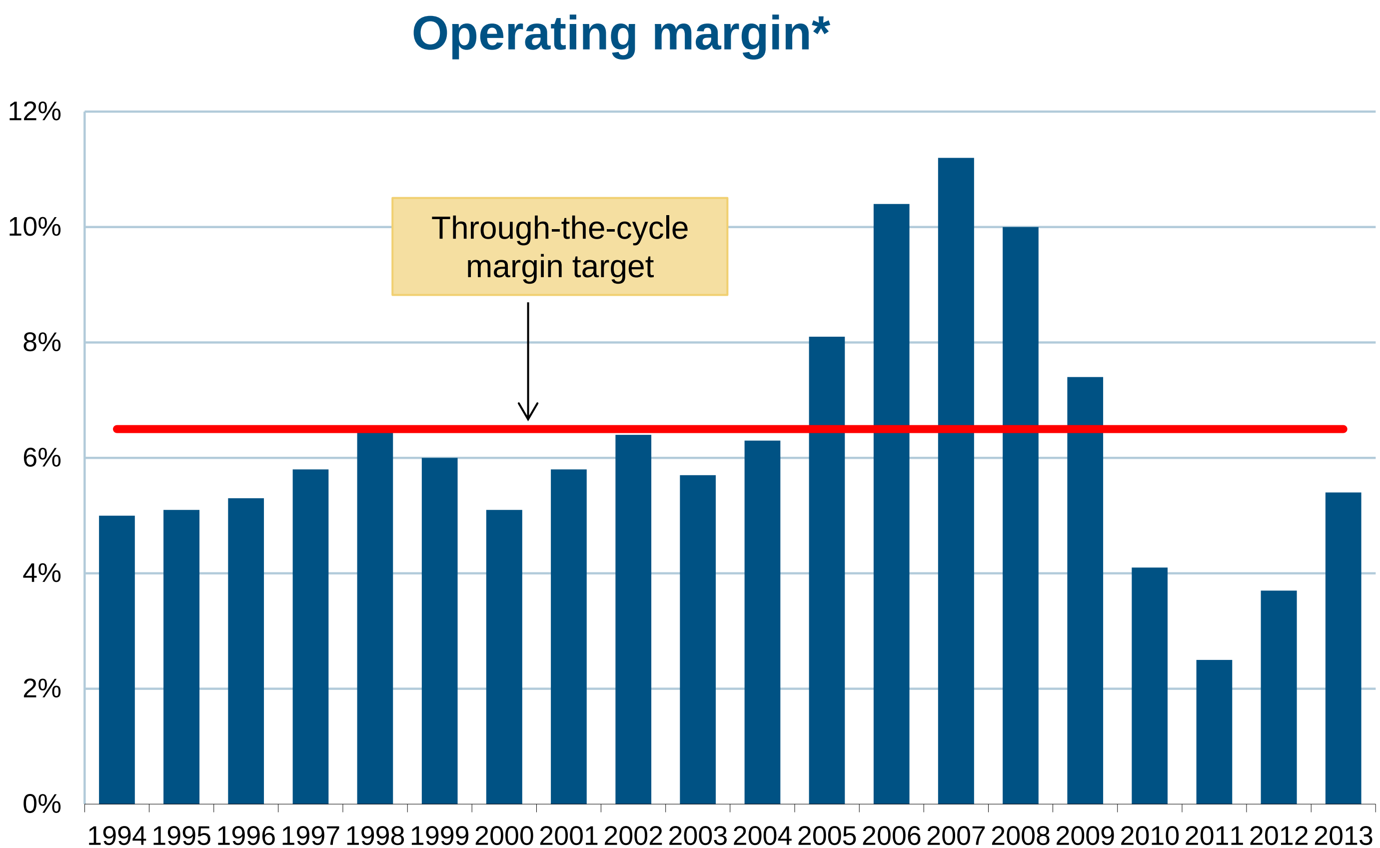


Ten Year Track Record



* from continuing operations and before exceptional items

Operating Margin Trend

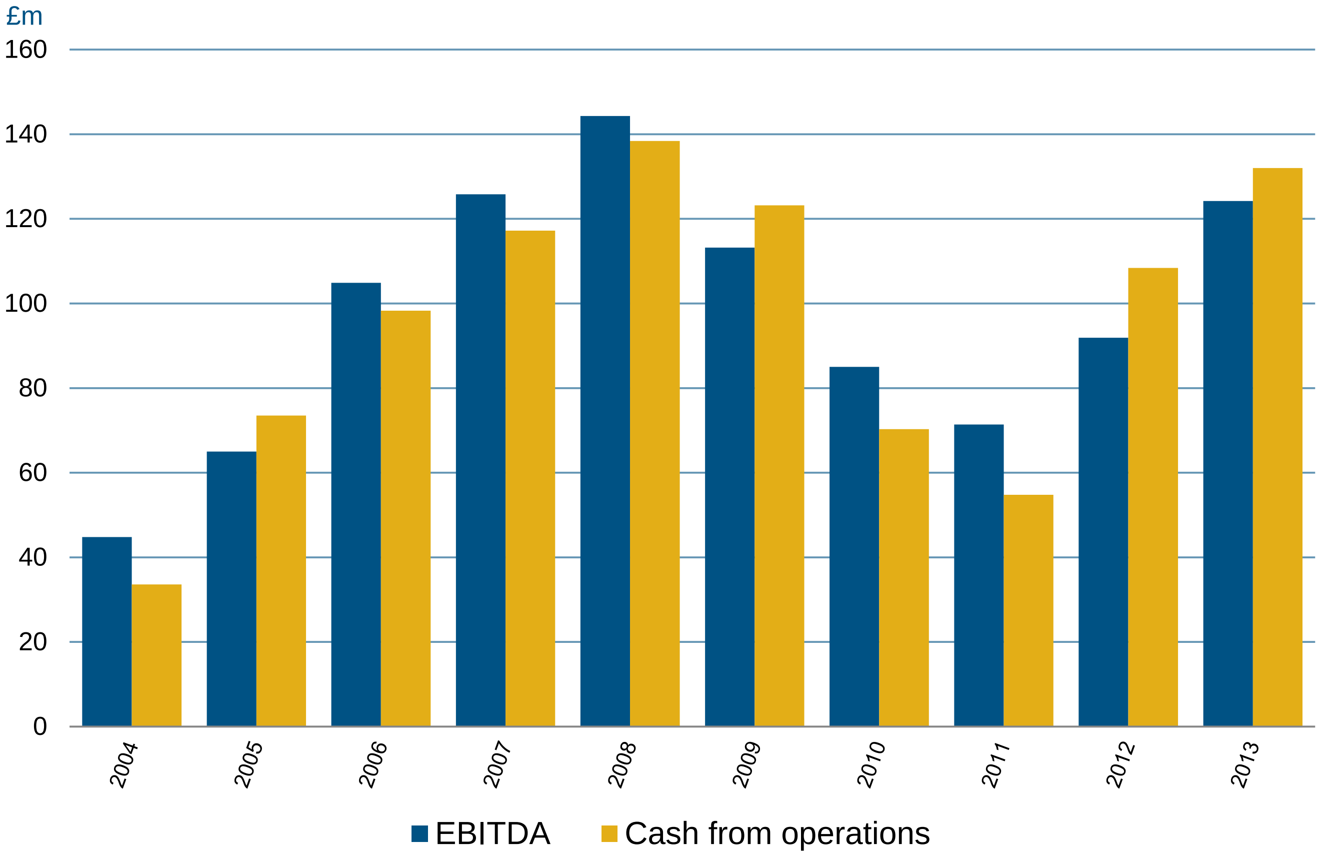


Operating margin recovering from historic low

Peak and trough margins unlikely to repeat

* from continuing operations and before exceptional items

Cash Flow History



10-year cash conversion rate of 98%

10-year aggregate EBITDA of £970.5m

10-year aggregate cash from operations of £949.7m

KELLER