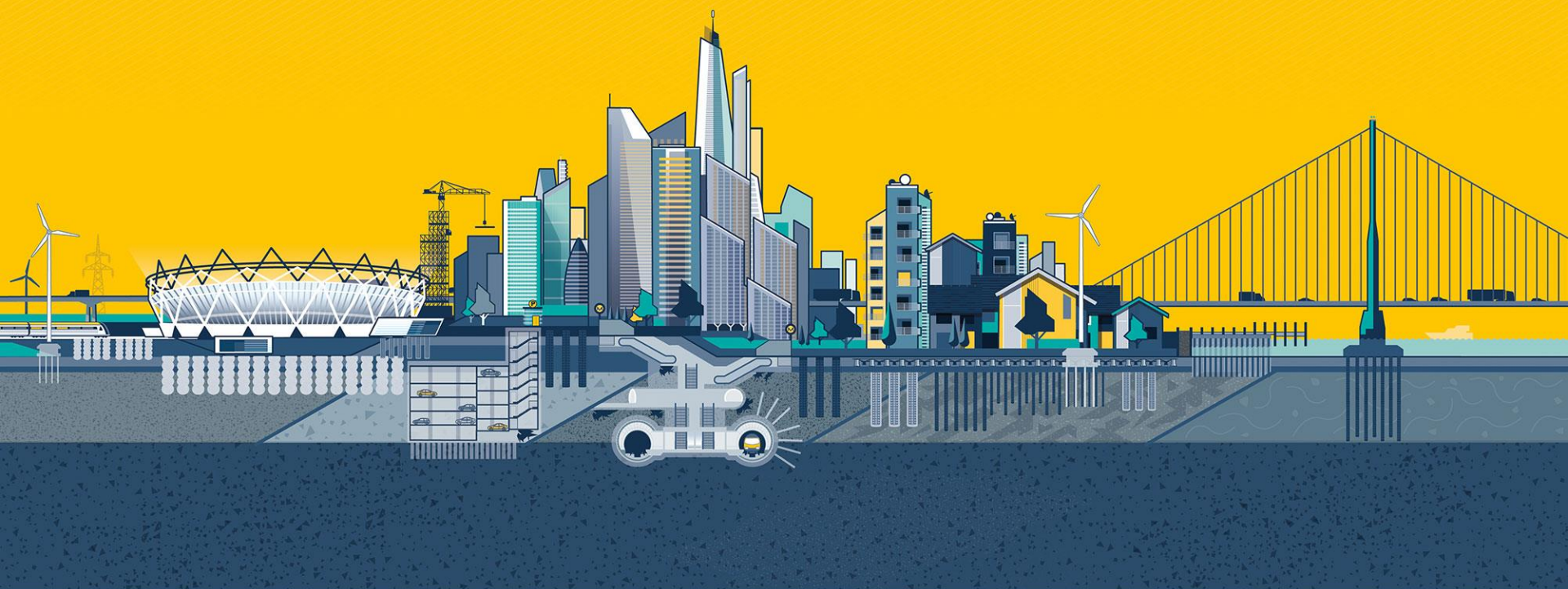




Keller Group plc Full year results 2018

4 March 2019



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.

For a more detailed description of these risks, uncertainties and other factors, please see the Risk Management approach and Principal Risks section of the Strategic Report.

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

01 Summary

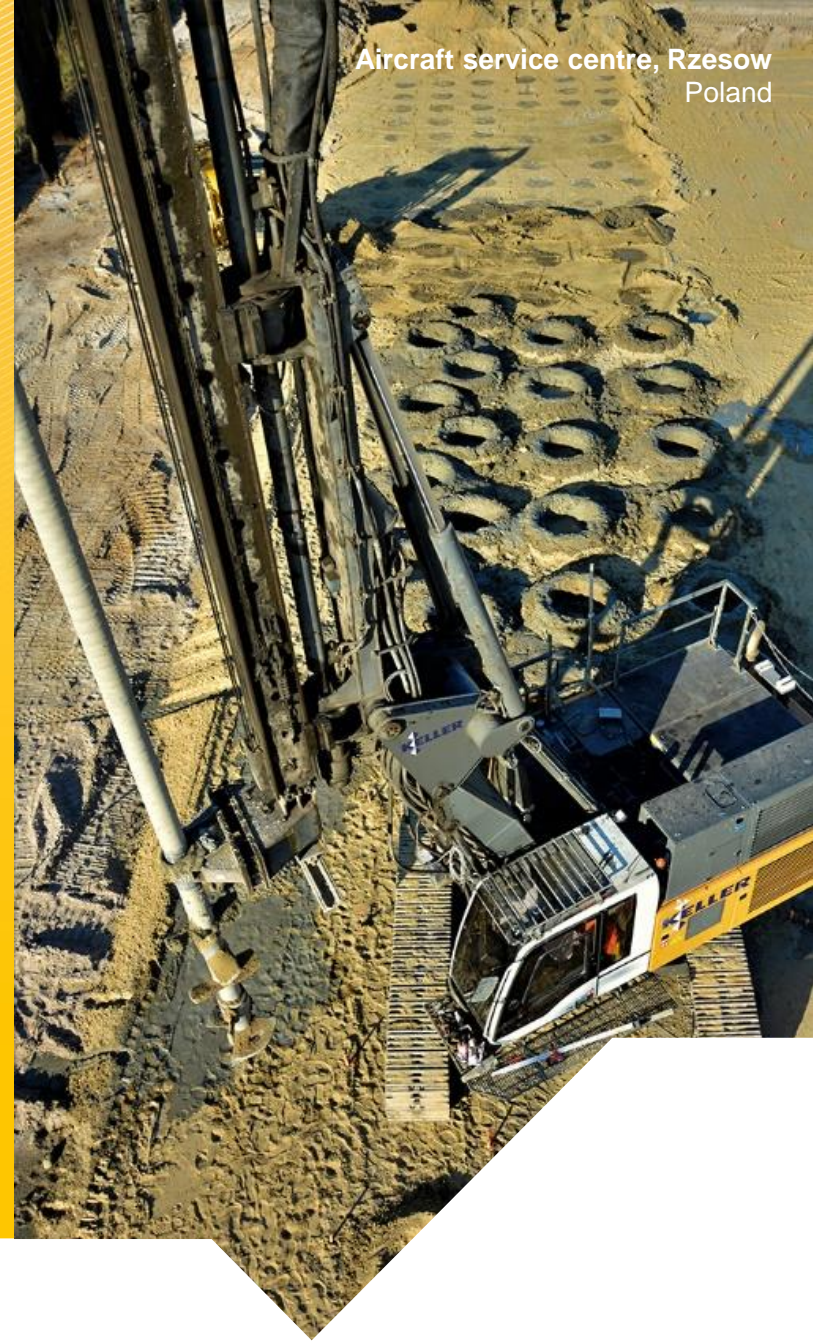
02 Financial results

03 Business update

04 Outlook

05 Questions and answers

Aircraft service centre, Rzesow
Poland



Summary

| Revenue | Underlying operating profit | Underlying operating margin | Underlying EPS | Order book | Dividend |
|---------------------|-----------------------------|-----------------------------|--------------------------|---------------|--------------|
| £2,225m | £96.6m | 4.3% | 79.1p | £1.0bn | 35.9p |
| Up 7% (Up 11%cc) | Down 11% (Down 8%cc) | Down 0.9% | Down 22% (Down 20%cc) | No change | Up 5% |

- **Disappointing performance** with strong H1 and weak H2. Losses in ASEAN and Waterway, large projects completion in EMEA and mixed performance in North America
- Underlying **operating profit** at **£96.6m**, an 11% decrease on prior year
- **Net debt** of **£286.2m** better than consensus, with leverage reduced to **1.7x** and **good cash generation**
- **Decisive actions to restore and improve performance** with **significant restructuring** in more challenged business units
- Healthy order book of **£1.0bn**
- Confidence in prospects - **total dividend of 35.9p**, a growth of 5%
- Expect to show **good profit recovery in 2019**

2018 issues and remediation actions

Area

ASEAN
Waterway

Issue

- Tough markets and poor project performance – significant loss

Remediation actions

- New business unit leadership
- Comprehensive restructuring – 350 job losses
- Exit of product lines (heavy foundations and bridge work)
- ASEAN now focused on ground improvement
- Waterway reset
- Controls enhanced

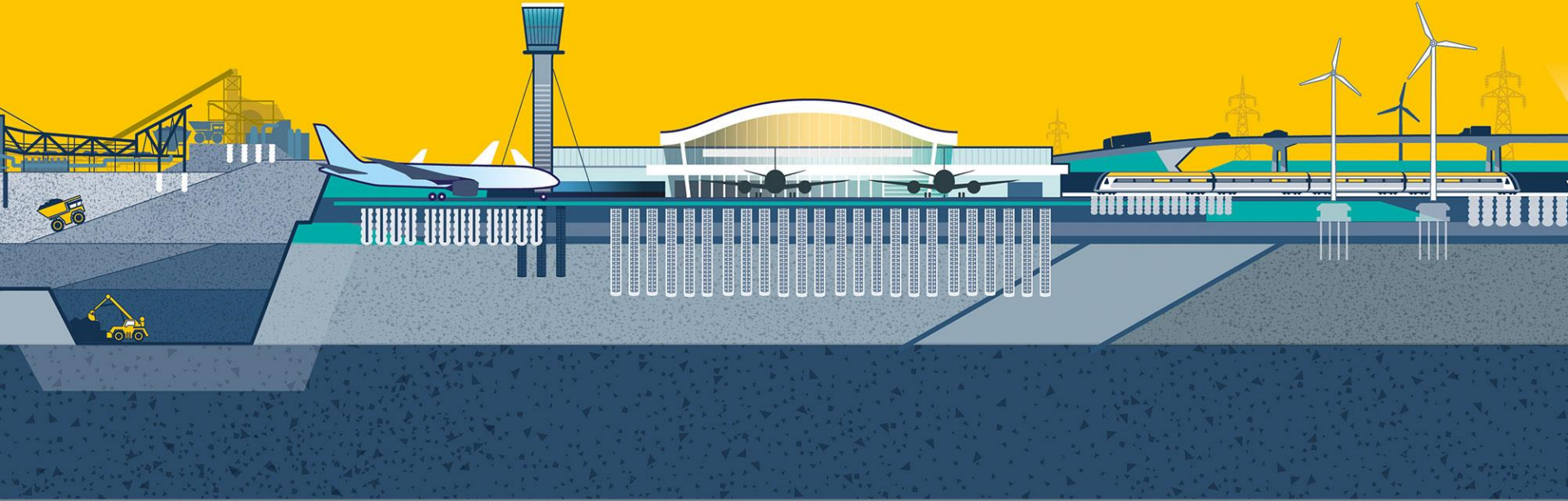
Brazil
Franki Africa

-
- Very difficult markets – small loss

-
- Significant cost reductions and restructuring (350 job losses)

2018 issues and remediation actions (continued)

| Area | Issue | Remediation actions |
|------------------------|---|---|
| Suncoast | <ul style="list-style-type: none">• Steel cost increases and margin compression• £7m reduction in YoY profit | <ul style="list-style-type: none">• Pricing increases passed through and margin substantially restored |
| Large project pipeline | <ul style="list-style-type: none">• Successful completion of two large EMEA projects• £29m YoY reduction in profit | <ul style="list-style-type: none">• Strong improvement in EMEA core business• Active engagement globally on prospects in 2020+ |



Financial results

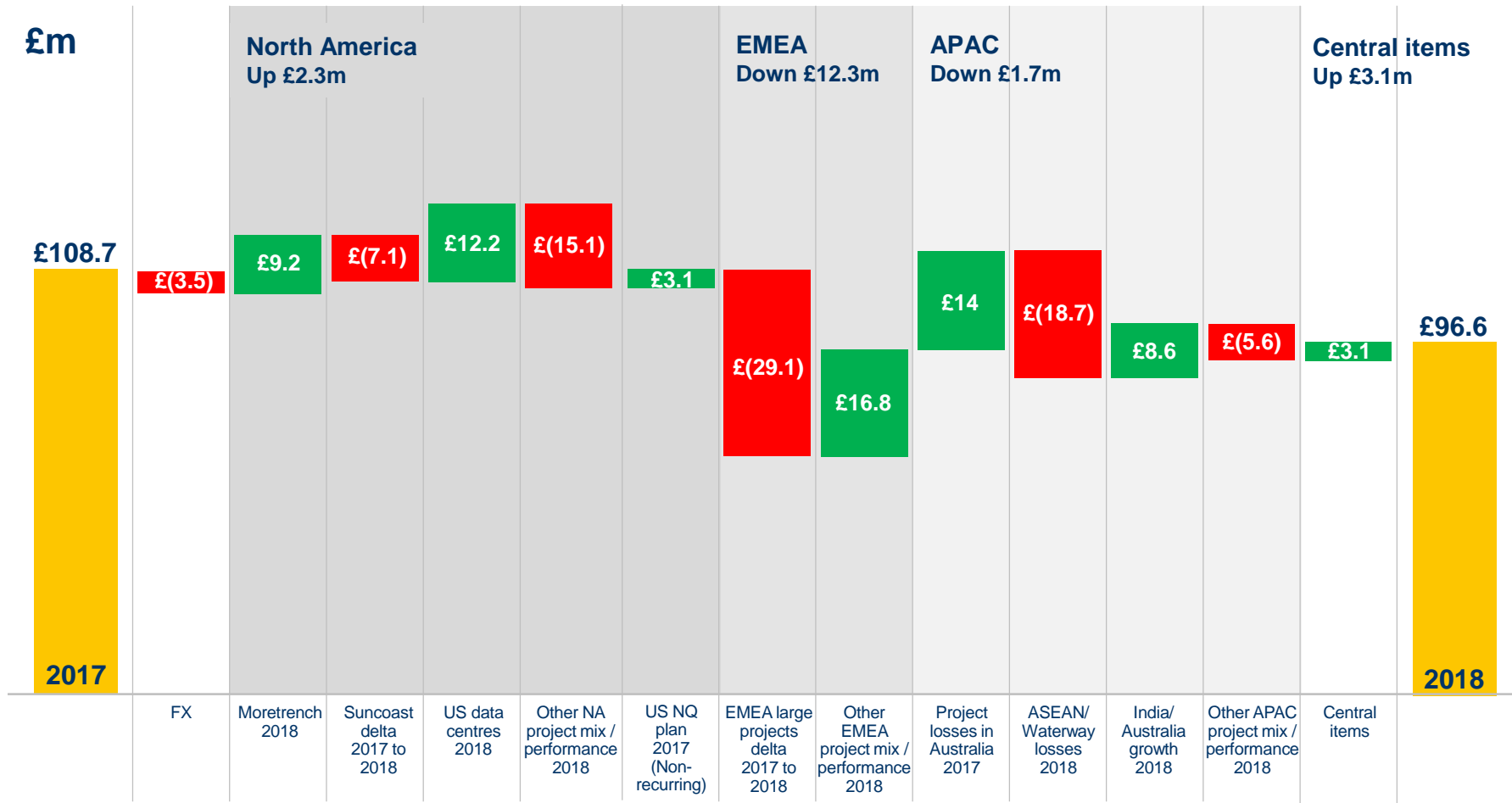
Summary income statement

| £m | 2018 (Audited) | | | 2017 (Audited) | | |
|--------------------------------------|------------------|----------------|------------------|----------------|----------------|-----------|
| | Underlying | Non-underlying | Total | Underlying | Non-underlying | Total |
| Revenue | 2,224.5 | - | 2,224.5 | 2,070.6 | - | 2,070.6 |
| Operating costs | (2,129.5) | (64.2) | (2,193.7) | (1,961.9) | (1.6) | (1,963.5) |
| Amortisation of acquired intangibles | - | (7.9) | (7.9) | - | (9.0) | (9.0) |
| Other operating income | - | 0.5 | 0.5 | - | 23.2 | 23.2 |
| Share of post-tax profits from JVs | 1.6 | - | 1.6 | - | - | - |
| Operating profit | 96.6 | (71.6) | 25.0 | 108.7 | 12.6 | 121.3 |
| Operating profit margin (%) | 4.3% | - | 1.1% | 5.2% | - | 5.9% |
| Net finance costs | (16.1) | (0.5) | (16.6) | (10.0) | (0.7) | (10.7) |
| Profit before tax | 80.5 | (72.1) | 8.4 | 98.7 | 11.9 | 110.6 |
| Taxation | (22.5) | 0.3 | (22.2) | (24.7) | 1.6 | (23.1) |
| Profit/(loss) for the period | 58.0 | (71.8) | (13.8) | 74.0 | 13.5 | 87.5 |
| Diluted earnings per share (p) | 79.1p | - | (20.6)p | 101.8p | - | 120.5p |
| Full year dividend per share (p) | | | 35.9 | | | 34.2 |

Summary income statement

| £m | 2018 (Audited) | | | | |
|--------------------------------------|----------------|----------------|----------------|---|------------|
| | Underlying | Non-underlying | Total | | |
| Revenue | 2,224.5 | - | 2,224.5 | Revenue | |
| Operating costs | (2,129.5) | (64.2) | (2,193.7) | Total growth | 7% |
| Amortisation of acquired intangibles | - | (7.9) | (7.9) | FX | -4% |
| Other operating income | - | 0.5 | 0.5 | Constant currency | 11% |
| Share of post-tax profits from JVs | 1.6 | - | 1.6 | Moretrench | 5% |
| Operating profit | 96.6 | (71.6) | 25.0 | Organic | 6% |
| Operating profit margin (%) | 4.3% | - | 1.1% | Operating profit | |
| Net finance costs | (16.1) | (0.5) | (16.6) | Total | -11% |
| Profit before tax | 80.5 | (72.1) | 8.4 | FX | -3% |
| Taxation | (22.5) | 0.3 | (22.2) | Constant currency | -8% |
| Profit/(loss) for the period | 58.0 | (71.8) | (13.8) | Moretrench | 9% |
| Diluted earnings per share (p) | 79.1p | - | (20.6)p | Organic | -17% |
| Full year dividend per share (p) | | | 35.9 | Net financing costs | |
| | | | | US NQ plan | 3.1 |
| | | | | Other net | <u>3.0</u> |
| | | | | Total increase | <u>6.1</u> |
| | | | | Majority of other increase attributable to Moretrench acquisition | |
| | | | | Taxation | |
| | | | | Effective tax rate | 28% |
| | | | | Prior year included benefit of one-off £9.7m from US tax reforms | |
| | | | | Dividend | |
| | | | | Board recommendation | 35.9p |
| | | | | Growth of | 5% |
| | | | | Earnings cover | 2.2x |

Underlying operating profit bridge



Summary income statement

| £m | 2018 (Audited) | | |
|--------------------------------------|----------------|----------------|-----------|
| | Underlying | Non-underlying | Total |
| Revenue | 2,224.5 | - | 2,224.5 |
| Operating costs | (2,129.5) | (64.2) | (2,193.7) |
| Amortisation of acquired intangibles | - | (7.9) | (7.9) |
| Other operating income | - | 0.5 | 0.5 |
| Share of post-tax profits from JVs | 1.6 | - | 1.6 |
| Operating profit | 96.6 | (71.6) | 25.0 |
| Operating profit margin (%) | 4.3% | - | 1.1% |
| Net finance costs | (16.1) | (0.5) | (16.6) |
| Profit before tax | 80.5 | (72.1) | 8.4 |
| Taxation | (22.5) | 0.3 | (22.2) |
| Profit/(loss) for the period | 58.0 | (71.8) | (13.8) |
| Diluted earnings per share (p) | 79.1p | - | (20.6)p |
| Full year dividend per share (p) | | | 35.9 |

| Non underlying operating costs | |
|--------------------------------|-------------|
| Goodwill | 30.1 |
| Asset impairments | <u>22.8</u> |
| Total non cash | 52.9 |
| Redundancies, reorganisation | <u>8.5</u> |
| Total restructuring | 61.4 |
| Other – non-restructuring | <u>2.8</u> |
| Total | <u>64.2</u> |

| Amortisation of acquired intangibles | |
|--------------------------------------|------------|
| Moretrench (nine months) | 1.7 |
| All other | <u>6.2</u> |
| Total | <u>7.9</u> |

| Other operating income | |
|------------------------------------|-----|
| Deferred acquisition consideration | 0.5 |

| Statutory loss | |
|----------------------|---------------|
| Underlying profit | 58.0 |
| Non-underlying items | <u>(71.8)</u> |
| Statutory loss | <u>(13.8)</u> |

Cash flow

| £m | 2018 | 2017 | |
|---|----------------|---------|---|
| Underlying operating profit | 96.6 | 108.7 | |
| Depreciation and amortisation | 70.9 | 68.5 | Depreciation/Capex Capex/Depreciation 109% Fleet renewal programme complete |
| Underlying EBITDA | 167.5 | 177.2 | |
| Non-cash items | 3.6 | 5.7 | |
| Dividends from joint ventures | 0.9 | - | Working capital Volume (Q4 volume +3.6%) (6.6) Performance 8.1 |
| (Increase)/decrease in working capital | 1.5 | (40.9) | 1.5 |
| Outflows from provisions and retirement benefit liabilities | (10.1) | (5.9) | |
| Net capital expenditure | (77.1) | (74.5) | |
| Sale of other non-current assets | 3.5 | - | Cash tax Reduced from £26m to £16.7m due to reduction in US tax rate and completion of Caspian project |
| Operating cash flow | 89.8 | 61.6 | |
| Adjusted operating cash flow to adjusted operating profit | 93% | 57% | |
| Net interest paid | (15.1) | (12.2) | |
| Cash tax paid | (16.7) | (26.0) | Free cash flow Strong free cash flow Dividend 2.2x cash cover |
| Free cash flow | 58.0 | 23.4 | |
| Dividends paid to shareholders | (26.3) | (21.2) | |
| Acquisitions | (77.5) | (6.5) | Acquisitions Moretrench completed in March 2018 Gross consideration \$90m 2018 EBITDA (nine months) \$16m |
| Non-underlying items | (5.2) | 72.6 | |
| Foreign exchange movements | (5.7) | 7.8 | |
| Movement in net debt | (56.7) | 76.1 | |
| Opening net debt | (229.5) | (305.6) | |
| Closing net debt | (286.2) | (229.5) | |
| Leverage ratio | 1.7x | 1.3x | |

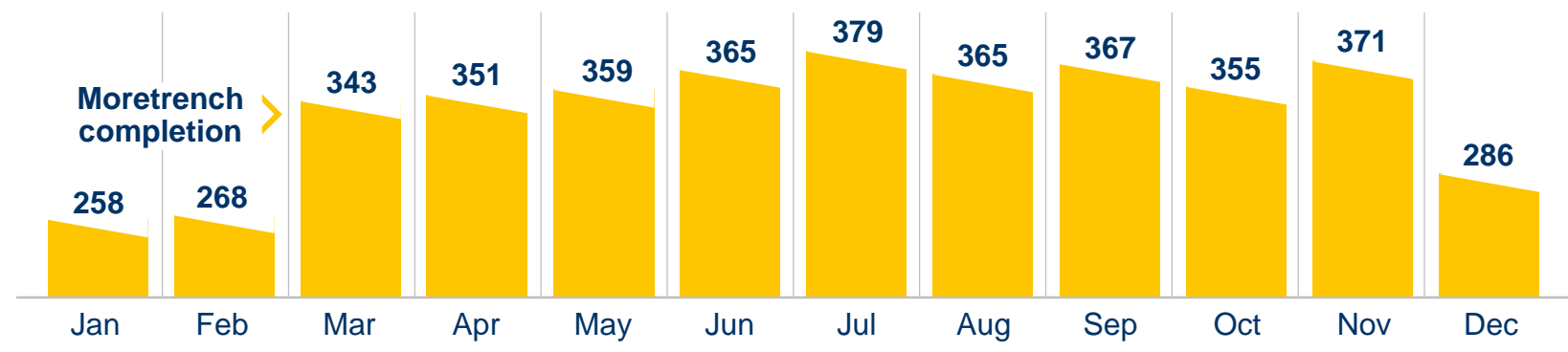
Balance sheet

| £m | 31 December 2018 (Audited) | 31 December 2017 (Audited) |
|---|-------------------------------|-------------------------------|
| Intangibles | 153.4 | 170.9 |
| Managed assets | | |
| Tangible fixed assets | 422.0 | 399.2 |
| Debtors and inventory | 691.2 | 661.8 |
| Other non-current assets | 26.1 | 27.4 |
| Total managed assets | 1,139.3 | 1,088.4 |
| Trade payables, provisions, tax & other | (561.2) | (557.6) |
| | 731.5 | 701.7 |
| Funded by: | | |
| Net debt | 286.2 | 229.5 |
| Shareholders' funds | 445.3 | 472.2 |
| Total | 731.5 | 701.7 |

| Intangibles | |
|---------------------------------|--------|
| Opening | 170.9 |
| Acquisitions inc Moretrench | 20.2 |
| Impairment goodwill | (30.1) |
| Impairment acquired intangibles | (1.2) |
| Amortisation acquired | (7.9) |
| Amortisation other | (1.2) |
| Other | 2.7 |
| Closing | 153.4 |

| Tangible fixed assets | |
|------------------------------|--------|
| Opening | 399.2 |
| Acquisitions inc Moretrench | 28.2 |
| Capex | 85.1 |
| Disposals/transfers | (12.0) |
| Depreciation | (69.7) |
| Impairment | (16.2) |
| Other | 7.4 |
| Closing | 422.0 |

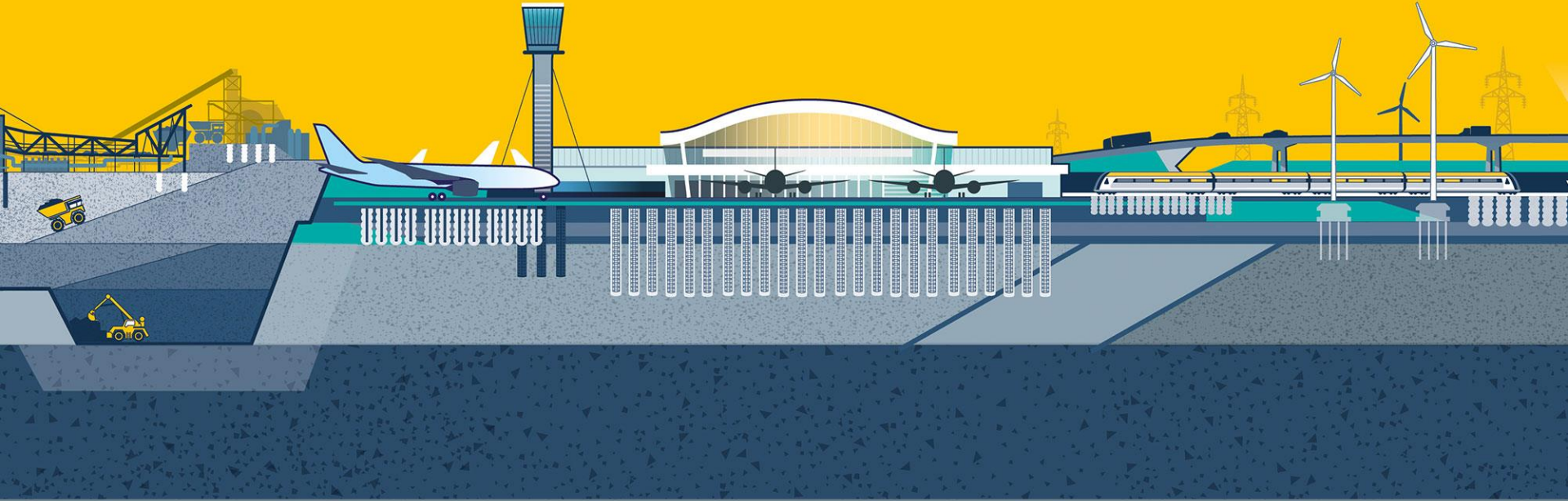
Net debt profile



- Term debt and committed facilities comprise \$125m of US private placements maturing 2021 to 2024 and £375m multi-currency credit facility expiring 2023
- At year end, group had undrawn borrowing facilities of £213.6m
- Credit facility renewed Nov 2018, increasing to £375m, maturing Nov 2023 with two options to extend
- Group is operating well within all covenant limits
 - Net debt to EBITDA ratio at year end was 1.7x, well within limit of 3.0x
 - Recognising equity capital market sentiment to UK construction market, Board reduced leverage guidance from 1.5x-2.0x to 1.0x-1.5x
 - Covenants protected from effect of IFRS 16 “Leases”
- Average month end debt was £339m and minimum headroom on banking facility was £80.5m (cash balance at that time was £78.0m)
- No material discounting or factoring in place and low incidence of pre-payments

Financial modelling considerations

| | 2018 | 2019 |
|---------------------------|---------------------|-------------------------------|
| Trading/profit | | |
| NA Moretrench acquisition | £9.2m | Small annualisation effect |
| NA Suncoast pricing | £(7.1)m YoY | Substantial recovery expected |
| EMEA large projects | £(29.1)m YoY | £(16)m YoY |
| APAC recovery | £(18.0)m loss | Return to profit H2 |
| Operating profit | Reduction | Recovery |
| Operating profit phasing | H1 bias | Normal H2 bias |
| Interest | £(16.1)m | US rates up, debt down |
| Tax rate | 28% | 28% +/- 1% |
| Cash/debt | | |
| Net capex | £77.1m | < Depreciation |
| Working capital | Flat despite growth | = Flat |
| Acquisitions | Moretrench | No material acquisitions |
| Leverage guidance | 1.5-2.0x | 1.0-1.5x |



Business update

Safety performance

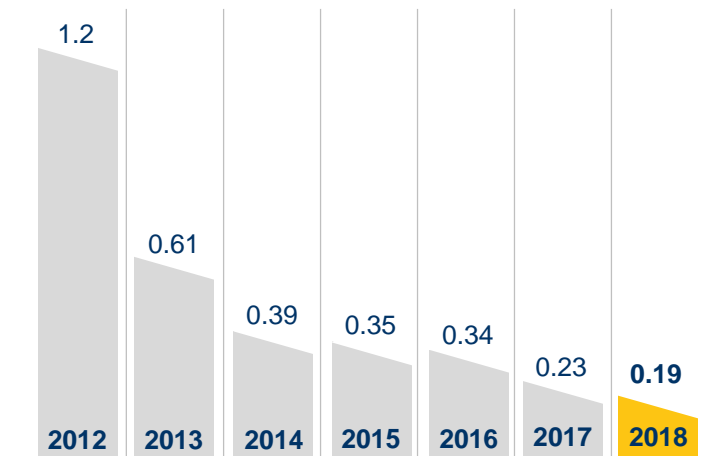
Sadly three fatalities in 2018 – thorough investigations and lessons learned shared

Accident Frequency Rate of 0.19 at all time low (69% decrease in last five years) compared to US industry norm of 0.6*

Focus on key risk – rig overturns, with launch of group wide standard

Accident Frequency Rate (AFR)

Per 100,000 hours



*US Bureau of Labor Statistics

Notable projects

1 Platform, Canada
First ever cutter soil mixing job in Canada



2 Texas Rangers stadium, USA
Retention system more than 4,000ft long - believed to be largest permanent soil nail wall ever constructed in US



3 New Chancellor's Square, Germany
Creation of one of Germany's largest excavation pits in the heart of Bonn



4 Dubai Harbour, UAE
Innovative use of a large crawler crane saved million cubic metres of sand



5 Kattupalli, India
India's first strategic marine project - marine piles, 1.4m diameter to depth of 64m from top of gantry



6 405 Bourke Street, Melbourne, Australia
Four 2.1m/one 2.5m piles carrying 140MN load, believed to be Australian record for highest loads on single pile



7,000 projects
per year

Average size
£325k

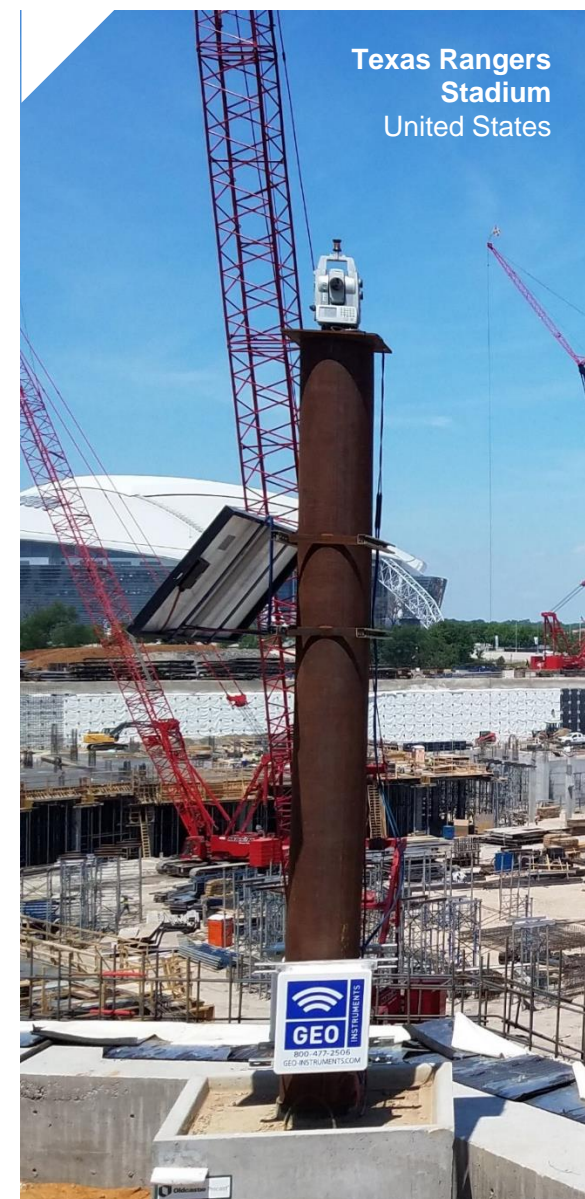
North America

Operating review

| £m | 2018 £m | 2017 £m | Constant currency |
|------------------------------|----------------|------------|----------------------|
| Revenue | 1,161.4 | 968.7 | +24% |
| Underlying operating profit | 78.6 | 78.7 | +3% |
| Underlying operating margin | 6.8% | 8.1% | |
| Order book - next 12 months* | 531.7 | 448.1 | +19% |

* Comparative order book stated at constant currency

- All businesses had good revenue growth
- Margin decline, reflecting decrease in Suncoast and adverse project mix, claims income and performance
- Moretrench integrated successfully and strengthened position
- Largest business, Hayward Baker strong revenue growth but profit below the record 2017 level
- Case, McKinney and HJ Foundation improved revenue and profits
- Healthy revenue growth in Suncoast offset by steel price increase and bad weather
- Good progress in eastern Canada, mid-west difficult
- Increasing collaboration and new leadership structure
- Order book 19% above last year (4% excluding Moretrench)



Moretrench acquisition

Geotechnical contracting company, mainly on East Coast of US

| | |
|--|----------------------|
| Acquired March 2018 for US\$90m | 500 employees |
|--|----------------------|

Teams successfully integrated and synergies delivered ahead of plan

| | |
|-------------------------------|--------------------------------------|
| 2018 revenue \$127m | EBITDA (nine months) \$16m |
|-------------------------------|--------------------------------------|



Benefits to Keller

Global access to specialised dewatering and ground freezing services

Stronger geographical footprint and enhanced presence on US East Coast

Greater sector diversity

Well positioned for infrastructure renewal

Growing our product range

Building strong customer-focused businesses

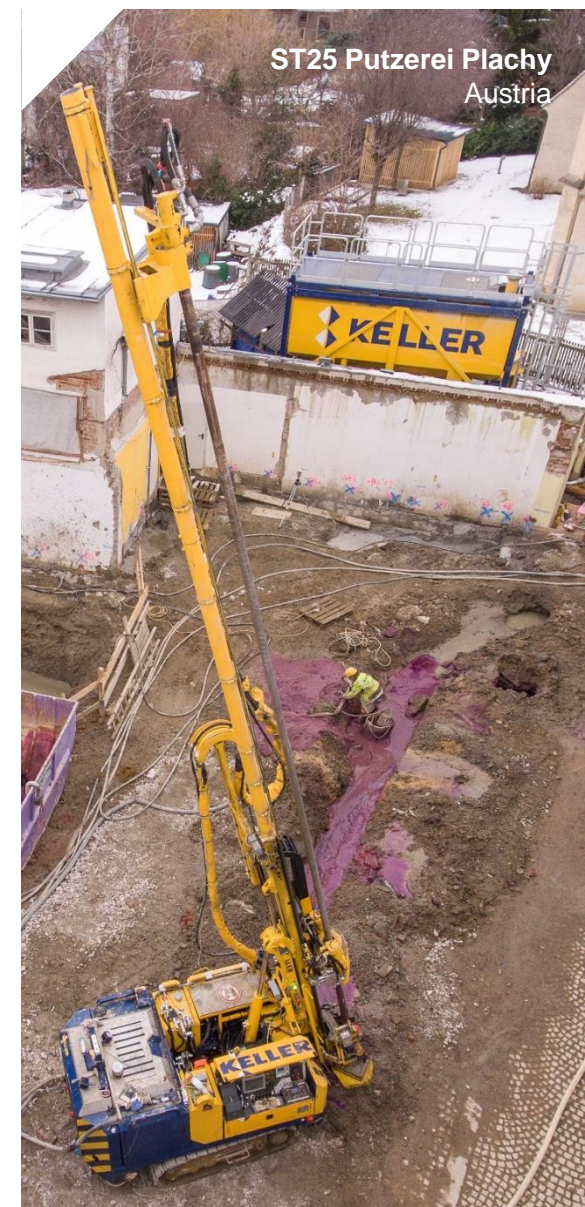
EMEA

Operating review

| £m | 2018 £m | 2017 £m | Constant currency |
|-----------------------------|--------------|------------|----------------------|
| Revenue | 668.2 | 737.2 | -8% |
| Underlying operating profit | 39.7 | 53.3 | -24% |
| Underlying operating margin | 5.9% | 7.2% | |
| Order book - next 12 months | 242.8 | 264.1 | -8% |

* Comparative order book stated at constant currency

- Revenue and profit decrease due to two large projects ending- £29m YoY profit impact
- Excluding large projects, core performance improved significantly
- Main businesses in Continental Europe performed well
- Another record year for South East Europe
- UK (3% of revenue) saw hesitant investment climate but major infrastructure projects developing (HS2)
- Middle East quiet, but new projects secured
- Brazil and South Africa had a difficult year – significant restructuring
- Healthy 12 month order book, down 4% excluding large project run off



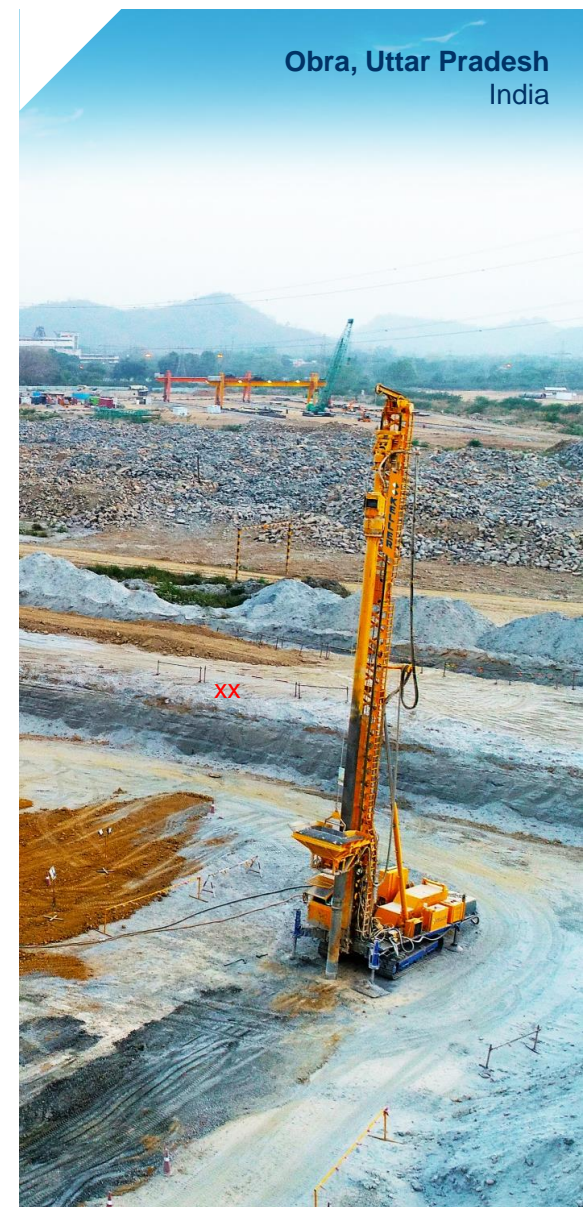
APAC

Operating review

| £m | 2018 £m | 2017 £m | Constant currency |
|-----------------------------|---------------|------------|----------------------|
| Revenue | 394.9 | 364.7 | +13% |
| Underlying operating profit | (18.0) | (16.5) | -10% |
| Underlying operating margin | (4.6%) | (4.5%) | |
| Order book - next 12 months | £141.3 | £246.7 | -43% |

* Comparative order book stated at constant currency

- Constant currency revenue up 13%
- Loss of £18m due to deterioration in ASEAN market and poor project performance in ASEAN and Waterway
- Record year for Austral, reflecting mining sector investment
- Keller Australia returned to profit despite softening in property sector and Melbourne Metro project challenged by client delays
- Another good year for India and first marine project
- APAC restructuring now substantially complete
- Order book down 43% (restructuring and project award timing)



APAC restructuring largely complete

APAC

- New leadership
- Strengthening capability to maintain business improvement momentum

ASEAN

- New leadership
- Downsized business
- Managed exit from heavy foundations (bored piling, driven piling, diaphragm walls); combined annual revenue of £60m
- Sharpening performance in higher margin ground improvement business (vibro, grouting, deep soil mixing)

Waterway

- Shared leadership and functional support with Austral, reducing overhead and improving business processes
- Exited bridge superstructure market and refocused on higher margin projects
- Rebuilding tendering and operations approach

Expect APAC to return to profitability in H2 2019

Vision and strategy

Vision

To be the world leader in geotechnical solutions

Strategy

Growing our product range and entering new markets, organically and by acquisition

Building strong, customer-focused local businesses

Leveraging the scale and expertise of the group

Enhancing our engineering and operational capabilities

Investing in our people

Building a more strategic, connected and capable company to maximise opportunities of scale and skill, and ensure more consistent performance

2018 results demonstrate **need to accelerate in risk, control and project assurance**

Polavaram Dam

Successful technology transfer to India

Challenge

- High-profile infrastructure project
- 110,000m² of jet grouting over 3km for two cofferdams - first jet grouting project in India

Solution

- Support from Global Product Team
- Jet grouting experts and master driller from Hayward Baker helped local team plan, bid and set up project
- Grouting pumps shipped from Bencor, drill rig from Hayward Baker and other rigs, spares and mechanics from in-house manufacturer in Germany



Effective transfer of technology

Government safety awards

More project opportunities

Growing our product range and entering new markets

Building strong customer focused local businesses

Investing in our people

Equipment innovation

Vibrocat new model type 5

- Complete re-design with newest standards of technology and functionality
- Double Lock System allows automatic material feeding avoiding 25-50 second wait per charge

Vibro S-alpha dive

- Submersible system offering more depth, improved performance and no idle time for filling

KB6 jet grout rig upgrade

- Up to 32 metres in one string
- Extendable tracks improve stability and safety

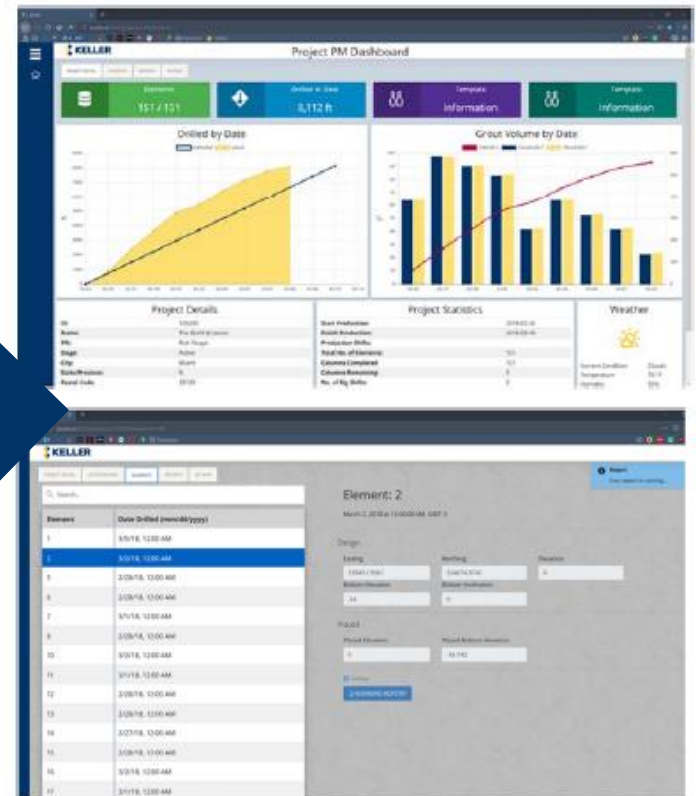


Leveraging group scale and expertise

Enhancing our engineering and operational capabilities

Keller data acquisition (Keller DAQ)

- Collecting, processing and visualising data from Keller or third party equipment in one, easy-to-use platform
- Gives project managers a standard interface to track key site information in real time
 - Improving project assurance, problem solving and productivity
- Global visibility of all Keller projects – the largest body of geotechnical data in the world
 - Ability to validate bids easily and quickly
 - Allowing further improvements to estimating design, quality and productivity
- Progressive roll out and will launch with selected products in 2019



Enhancing our engineering
and operational capabilities

Building strong customer
focused local businesses

Keller LEAN programme

Keller Spain pilot

Applied flow and process stabilisation to project preparation and planning process

Process review

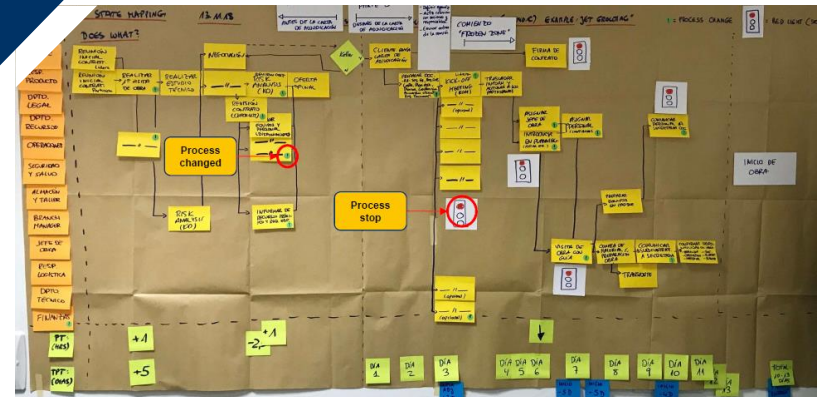
- Stop points and process problems leading to delays on site, mis-allocation of resources and re-planning

Actions

- Designed improved planning process for short lead-time major projects in Spain (€1m)
- 25 of 36 potential solutions approved for implementation
- New 'frozen zone' after kick-off to enable stable preparation process
- Time between project kick-off to start reduced from 15 to 11.5 days

Next steps

- Improvements to be applied to pilot projects



Leveraging group scale and expertise

Investing in our people

Keller Operating System

Keller standards

Set expectations we will meet globally

- Requirements that must be met
- Focus on the 'what' - more discretion around 'the how'
- Sit within a broader 'document management' framework

Eg Working platform safety standard

- Ensures adequate controls
- Implementation progressively by 1 January 2020
- Requirements integrated into local management systems
- Regular progress assessments

Policy

'What Keller aims to achieve'

Standard

'Expectations we will meet'

Procedure

'Who does what and when'

Work instruction

'How to do a specific task'

Platform safety for large plant and equipment

Standard



Building strong customer focused local businesses

Leveraging group scale and expertise

Procurement

Continue to leverage spend and influence buying patterns with supply base

North America

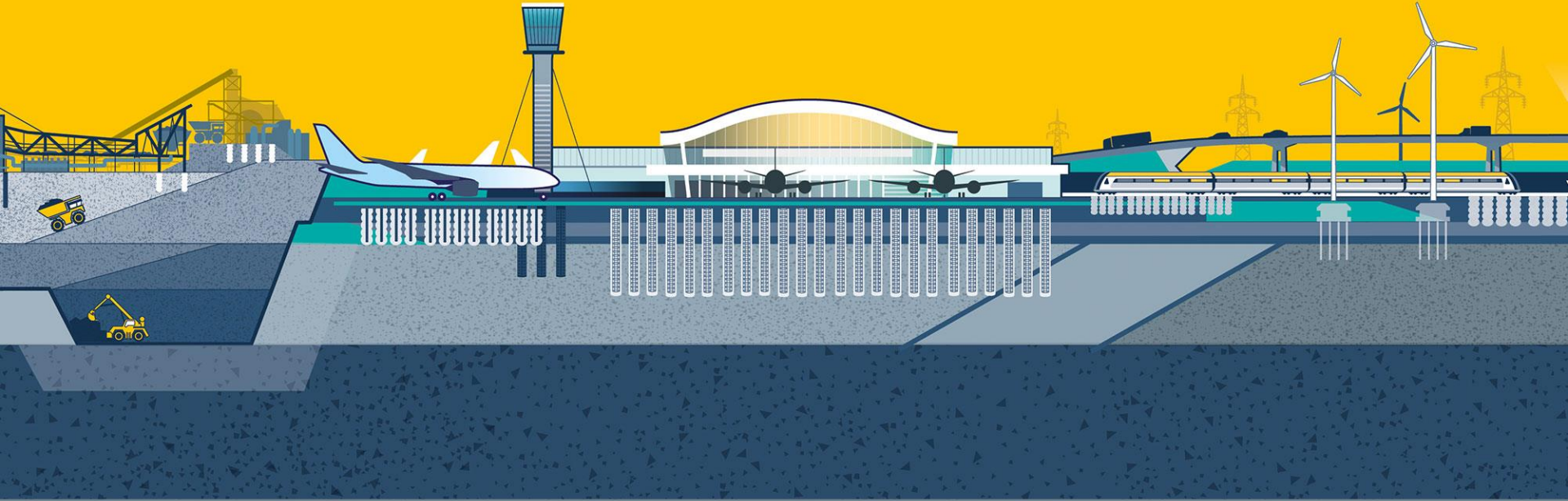
Active national purchasing agreements with 42 suppliers

Now have around 40% of our external addressable spend covered by rebate deals (up from 20% in 2016)

Procurement team worked with bid teams on 200 bids and post award contracts



Leveraging group scale and expertise



Outlook

North American markets still growing

Steady market, little sign of a slow down

Residential markets mixed and highly regional

- Texas strong, South Florida slowing

Good opportunities in industrial

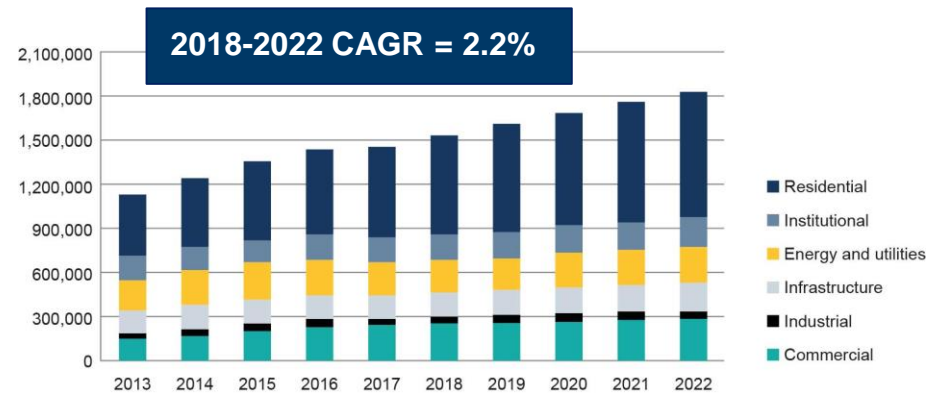
- Data centres, steel and LNG plants

Infrastructure is also generally strong with a number of big road and rail projects

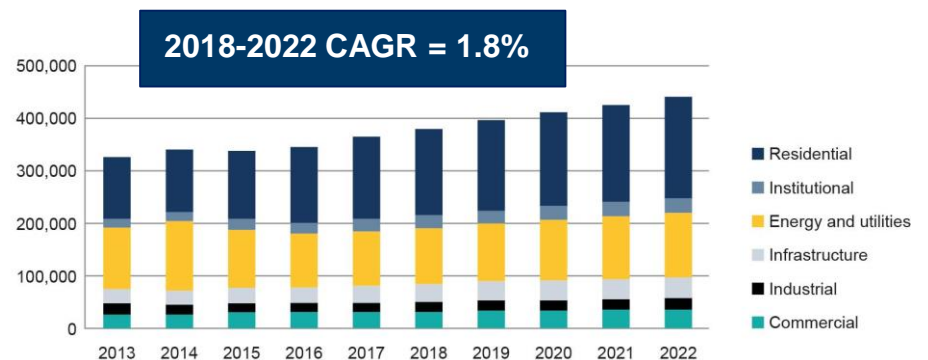
However, construction starts data (Dodge) show rate of expansion may be slowing

Source: Global Insight 2018, data measured at year end

US construction output value (US\$ million)



Canadian construction output value (CA\$ million)



Growth in other main markets

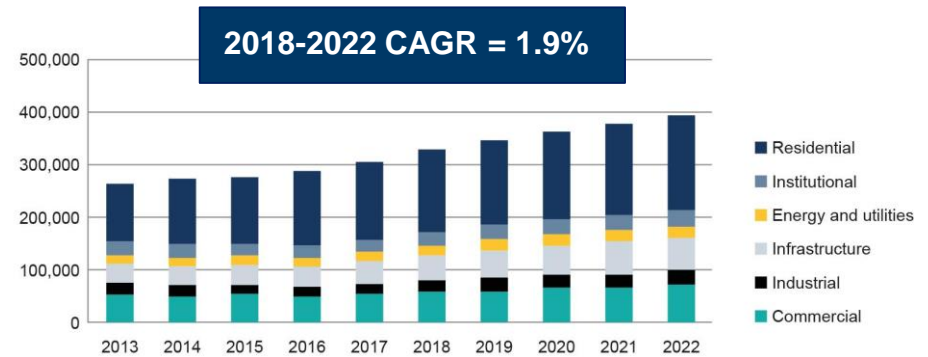
German market

- Steady market with growth of 1-2% per annum
- Government committed to increased spending on road construction (+12% year on year in 2018)
- Good opportunities in Germany in general market and larger projects

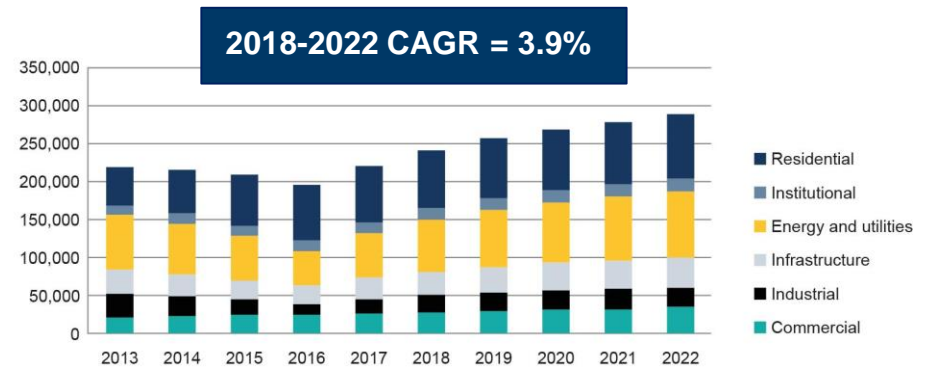
Australian market

- Infrastructure projects continue to market in all three major East Coast cities
- Defence infrastructure spending increasing (marine naval facilities)
- Strong mining activity as iron ore prices healthy
- Competitive landscape remains tough in Eastern Australia

German construction output value (€ million)



Australian construction output value (AUD million)



Source: Global Insight 2018, data measured at year end

Healthy order book of £1.0bn

Geographic mix

(Orders to be completed in next 12 months – YoY)

North America

+19%

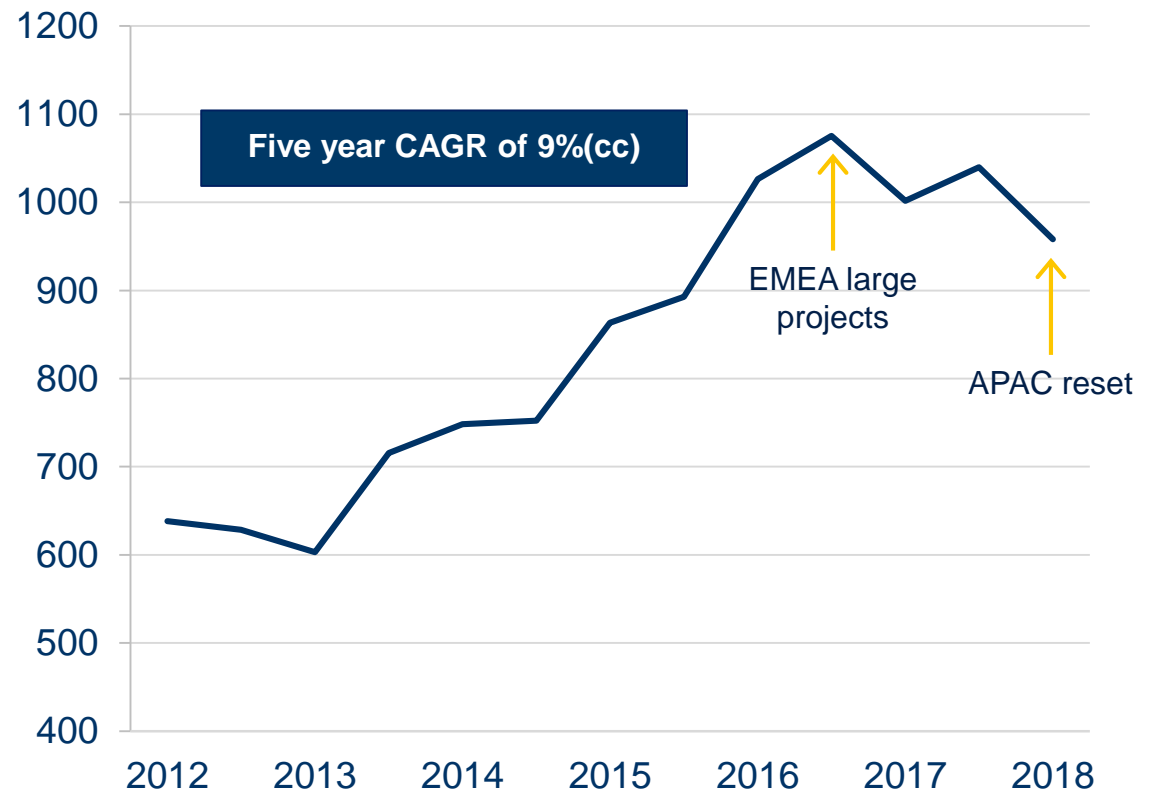
EMEA

-8 %

APAC

-43%

Order book (£m)



2019 characteristics for Keller

North America

- Robust markets
- Expect solid growth
- Expect improvement in margin as cost increases for Suncoast are passed through
- Some slowdown versus 2018 for data centres

EMEA

- Margin decline post completion of two large projects
- Positive outlook in main markets of Continental Europe
- Expect good core progress
- Rebuild large project order book for 2020+

APAC

- Markets mixed
- Expect revenue decline from exit of ASEAN heavy foundations and run down of Melbourne Metro project
- Expect to return to profit in H2

Strategic priorities for 2019

- Continue connecting and professionalising the group
- Deliver group-wide business improvement projects that add short term value
- Continue focus on under-performing areas of portfolio
- Strengthen risk management and improve project management rigour
- Operational cash focus and capex restraint
- No material acquisitions in 2019



Safety Day
Australia

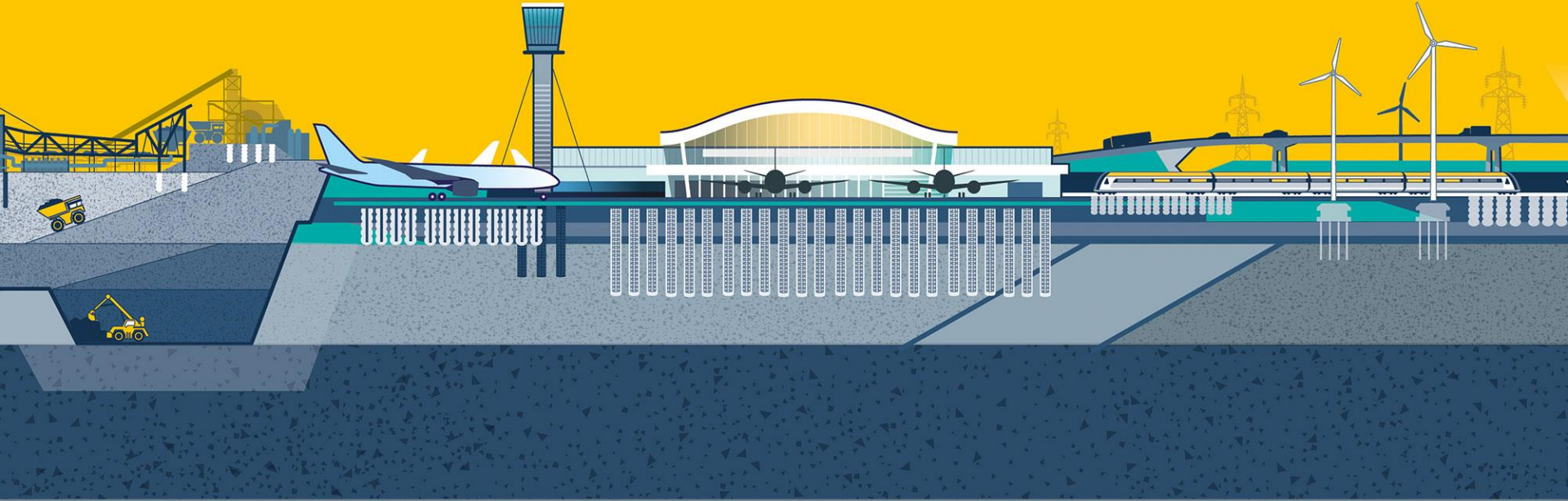
Outlook

- Market fundamentals remain healthy

- Quality order book of £1.0bn

- Expectations:
 - Revenue broadly flat
 - Good recovery in profit
 - Strong cash generation
 - Debt to reduce to 1.0-1.5x





Keller overview

Keller today

Every day millions of people around the world live, work and play on ground prepared by Keller

Our purpose

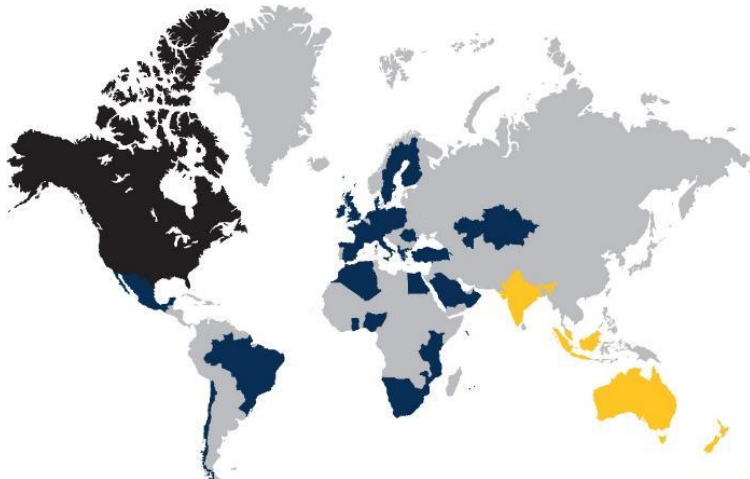
To help create infrastructure that improves the world's communities

Our vision

To be the world leader in geotechnical solutions

Our values

Integrity
Collaboration
Excellence



3 divisions

22 business units



190
branches



2.2bn
revenue

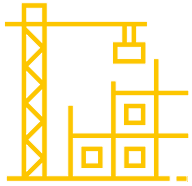


10,000
employees

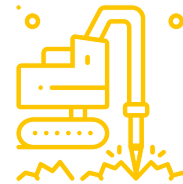


7,000
contracts pa

Keller investment case



We operate in the **large and growing** global construction and infrastructure market



The specialist geotechnical contracting sub-sector has **higher margins** and favourable market trends



We are the **number 1 business** worldwide given our size, profitability and capabilities (wide product portfolio, branch network, equipment fleet, technical leadership and operational track record)



We still have **many areas for improvement** and a strategy to deliver the benefits



We have a stable business model with a long-term track record of **growth and value creation**

Geotechnical market size and share

Market size

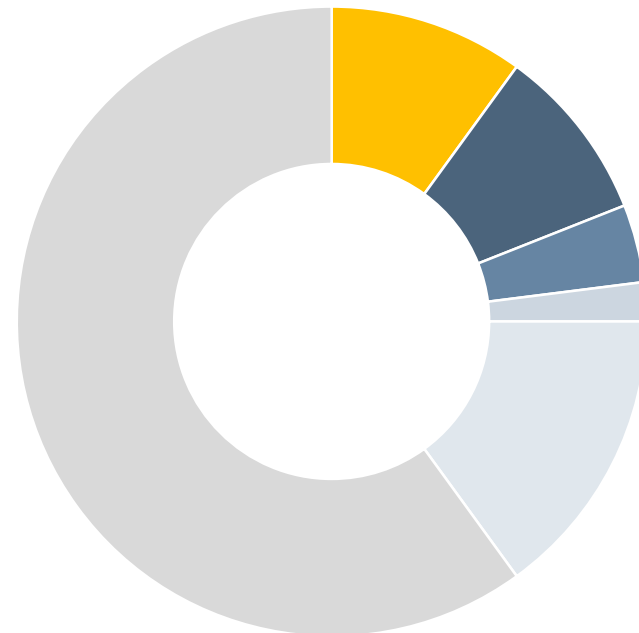


Non-addressable market mainly China, Korea, Japan and Russia

Source: IHS Global Insight, Keller 2018 data

* 1 USD = 0.78 GBP as of 31 Dec 2018

Share of addressable market



- Keller
- Trevi (contracting)
- Soletanche/Bachy/Menard
- Bauer (contracting)
- General contractor-owned
- Country/regional specific, smaller players

Specialist versus generalist business model

Project lifespan



Ground engineering

- Early stage, short contracts
- Specialist design capability
- Low complexity of supply chain
- Lower cyclicity through global geographic and sector diversity
- Directly owned plant and equipment
- Positive working capital

General contractor

General construction

- Longer, larger projects
- Some design and build
- Integration of multiple suppliers and subcontractors
- Generally national players
- Low asset base
- Low to negative working capital

Market demand trends play to our strengths

01 Urbanisation and more large-scale development projects

More than half the world's population lives in cities, and 65m people will be added to the urban population every year

02 Increasing land shortage, driving a need to use more brownfield and marginal land

More than 450,000 brownfields in the US alone

03 Infrastructure renewal and expansion eg road, rail, power

World will need to spend \$57 trillion on infrastructure by 2030 to keep up with global GDP growth

04 Increasing demand from customers for complete solutions not just products

More demand for early involvement, partnership and collaboration throughout the construction supply chain

05 Increasing technical complexity

Rising number of governments and clients are mandating the use of BIM for their projects

Sources: OECD - Regions and Cities at a Glance 2018; US Environmental Protection Agency 2018; The McKinsey Global Institute 2018

2018 market conditions

Geographic highlights

North America

- Overall markets remained solid
- Canada market continued to recover



EMEA




- Market in Continental Europe generally positive
- UK was flat
- Conditions in Africa and Brazil challenging



APAC

- Malaysian market shift downwards
- Slow Australia recovery

Sector highlights

- Industrial and data centres 
- High end residential 

- Infrastructure 
- Oil and gas 
- Commercial 

- Mining industry 
- Infrastructure 

Factors to consider in geotechnical engineering

Site conditions

- Sand, silt, clay, rock, organic
- Loose, soft, stiff, hard, porous
- Deep, shallow, cavities
- Water levels (high, low)

Requirements

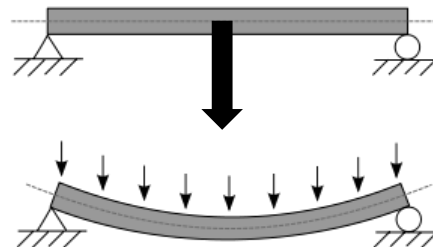
- Performance (allowable settlements)
- Schedule
- Cost

Loading conditions

- Spread, low intensity
- Slender, high intensity, sensitive
- Seismic loading and liquefaction
- Dynamic, wind

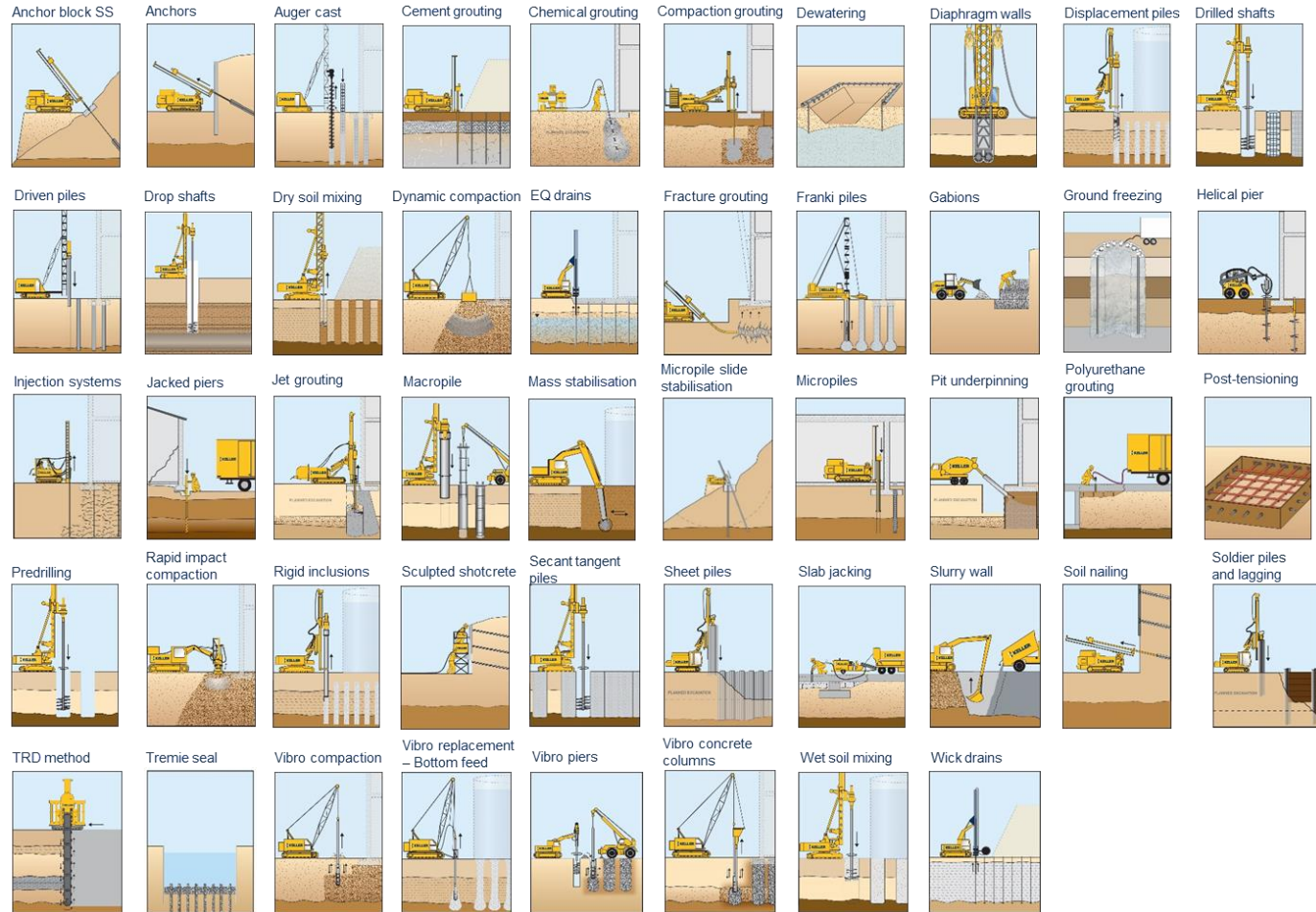
Constraints

- Neighbouring buildings
- Noise, vibration
- Utilities, other underground structures



Full product range

Right combination of products leads to **optimal solutions** for the soil conditions and structure type



Value engineering

Employ around **1,500 geotechnical engineers worldwide**; over 200 focused purely on design

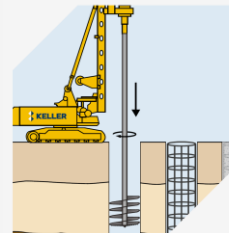
50% of our projects are 'design and build' where value engineering can **reduce cost by up to 40% and save time**

Maiden Lane, New York

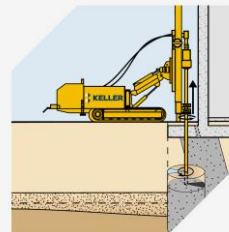
57-storey tower, lower Manhattan

Congested site where conventional solution unbuildable

Keller provided solution using jet grouting which saved \$5m (31%) and three months



Drilled Shafts



Jet grouting



The equipment advantage

Large fleet and design and manufacture capability

Keller total fleet

- Total equipment fleet is **1,300 rigs**
 - The largest equipment fleet in the world

Keller manufactured fleet

- We manufacture specialist equipment in Germany
- Available only to Keller
- 20% of our projects are executed using Keller equipment generating a revenue over £300m



Medium term financial targets

Revenue

- Organic growth ahead of market
 - 2012-2017: Keller 4.9%
 - Relevant construction markets 1.3%

Dividend

- Continued progressive growth through the cycle (rebased upwards in 2017)

Profitability

- ROCE in excess of 20%
 - Last five years: 13-20.5%

Gearing

- Headline net debt between 1.0x and 1.5x EBITDA

Capital allocation priorities

01

Profitable organic growth opportunities

02 (on hold in 2019)

Bolt-on acquisitions meeting Keller's investment criteria

03

Ordinary dividends

At a level allowing dividend growth through the cycle

04

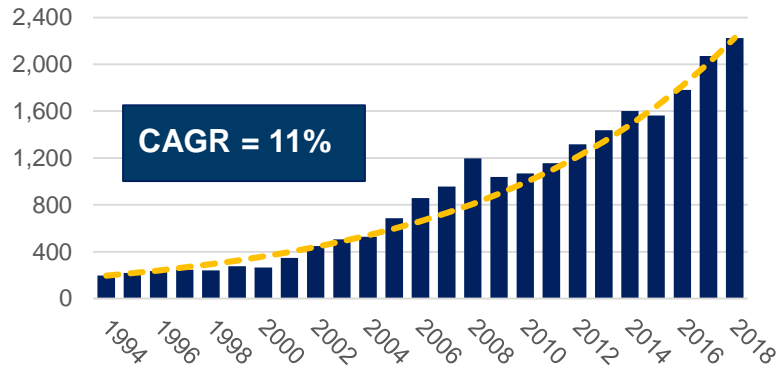
Return capital to shareholders

- Only where the balance sheet allows
- Unlikely to be considered if could take net debt to $>1.5x$ EBITDA
 - After taking account of other investment opportunities/cash requirements
- Any short term return of capital likely to be share buy-back

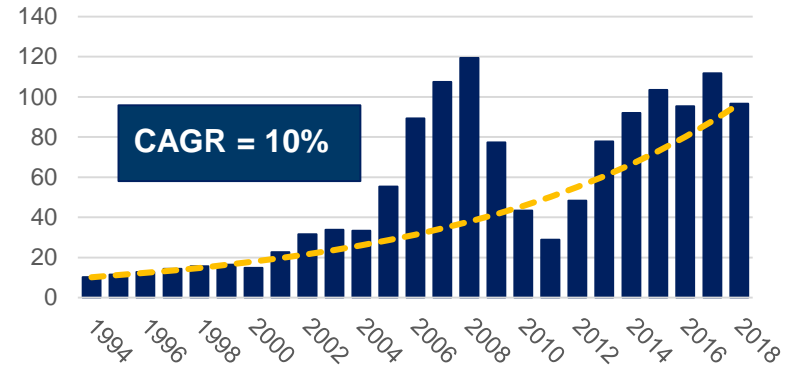


Financial performance since listing in 1994

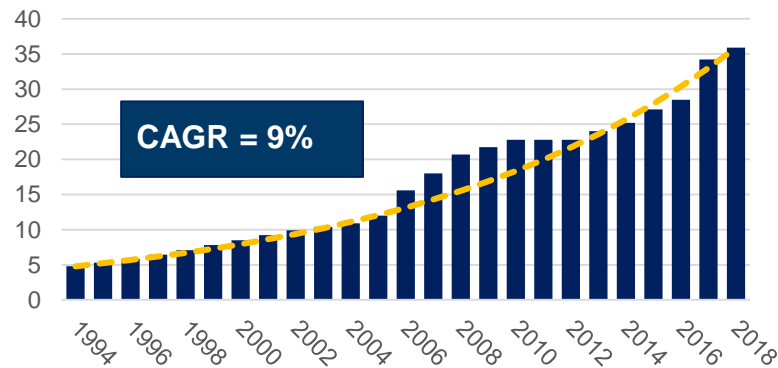
Revenue (£m)



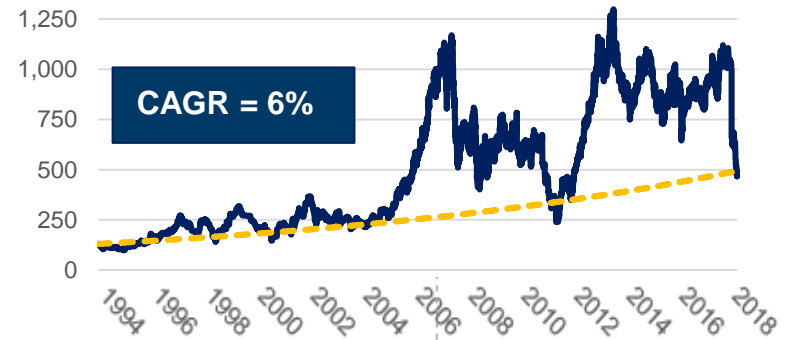
Underlying operating profit (£m)



Dividend per share (pence)



Share price (pence)



TSR of 9.3% CAGR vs 6.9% FTSE-all-share CAGR

Strategic progress

Growing our product range and entering new markets, organically and by acquisition

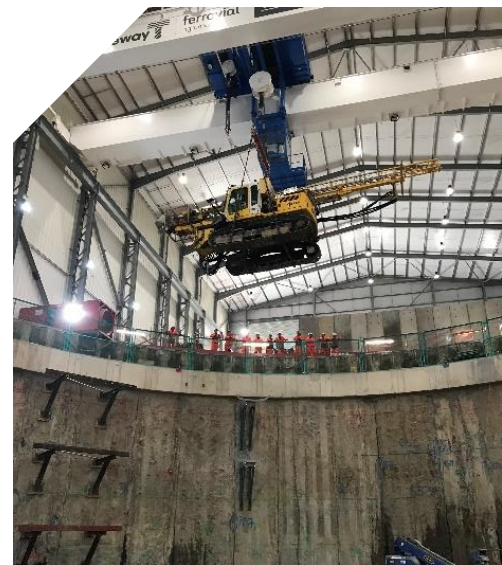
- Successful integration of Moretrench
- Two small acquisitions in Sweden and Finland
- Global product teams proactive on technology transfer

Building strong, customer-focussed businesses

- Restructuring in ASEAN, Brazil, South Africa, McKinney and Canada
- Rollout of Winning Business workshops

Leveraging the scale and expertise of the group

- Good functional momentum adding value especially on Procurement and IT
- Common operating system for group wide policies, standards and procedures
- Continued progress with BIP\$ across all divisions



Strategic progress

Enhancing our engineering and operational capabilities

- Clear product strategies developed
- Equipment innovation
- Investment in Lean leadership and 5S to reduce variation and waste, and appointment of Quality Director
- Keller Data Acquisition programme to make project performance data accessible globally in real-time

Investing in our people

- Bolstered leadership at Board, Executive Committee, group and business unit levels
- Improved governance regime
- Launch of Project Manager Academy and Field Leadership training



Successful completion of Caspian Region project

€150 million project to **supply and install 42,000 pre-cast piles** for one of the world's largest on-shore oil fields in Kazakhstan

Three years of excellent execution, particularly in quality and safety, and in tough climate

Success factors

- Team dedicated to negotiation phase to fully understand requirements
- Wheatstone project gave client confidence in our ability to perform
- Able to demonstrate financial credibility
- Proven driven piling knowledge and support from global product team
- Enough of the right rigs
- Employed Kazakh nationals alongside experienced Keller personnel



South Florida basements

Teaming up to win and execute work

Challenge

- Constructing below ground parking basements where water table is a few feet below surface, and soil and rock highly permeable

Solution

- HJ Foundation and Hayward Baker joint venture
- Over past six years have refined solution combining soil mixing with CFA/Augercast piles to create 'impermeable bathtub'
- Turnkey approach includes management of all logistics to prepare raw site for construction



12

Basements completed to date

**Up to 42 feet or
4.5 stories deep**

Size of basements delivered

Enhancing our engineering and
operational capabilities

Building strong customer
focused local businesses

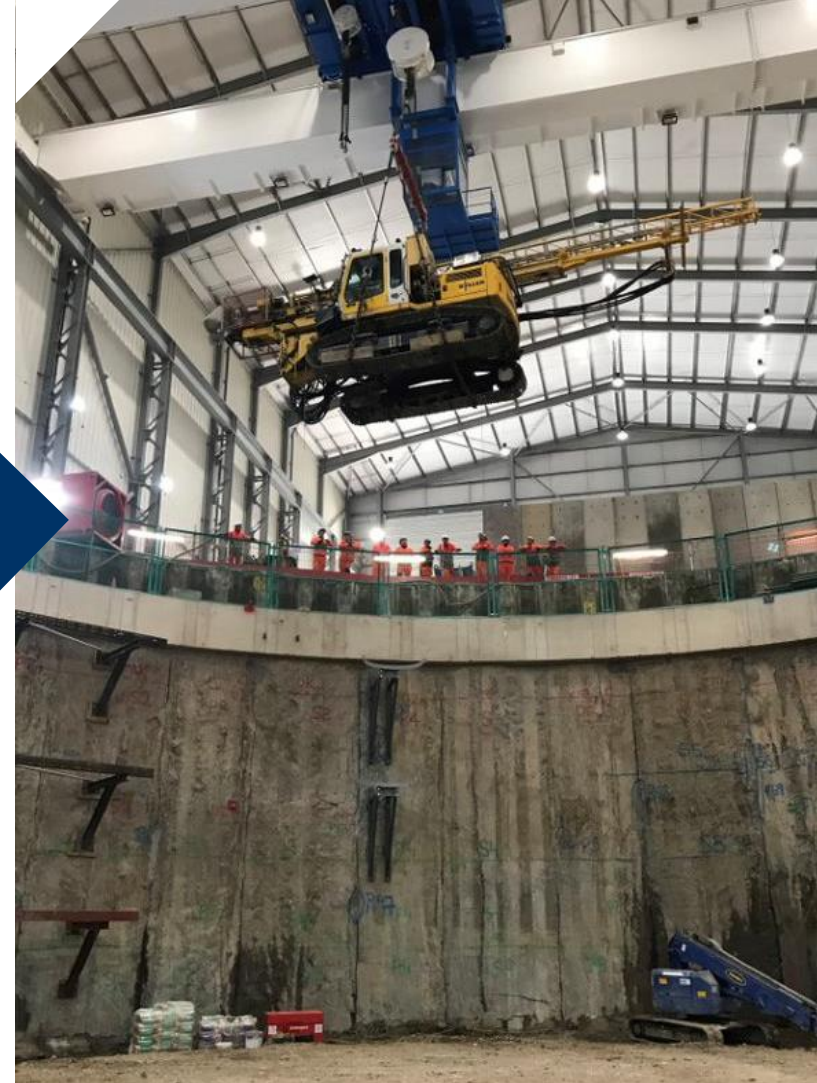
Thames Tideway trial

Challenge

- UK water's largest ever infrastructure project – required intersecting shafts more than 50m deep either end
- Jet grouting to these depths in UK is unprecedented

Solution

- Colleagues from Germany, Austria and Poland shared expertise with UK
- Successfully completed trial using Keller's Soilcrete system and were awarded main works



Enhancing our engineering and operational capabilities

Leveraging the scale and expertise of the group

Keller fact sheet

- Established 1860, now number 1 geotechnical specialist contractor globally
- Revenue by division: 52% North America, 30% EMEA, 18% APAC (only c3% of business in UK)
- Revenue by sector: 33% Infrastructure/Public buildings, 23% Residential, 23% Power/Industrial, 17% Office/Commercial
- Room to grow:
 - Global geotechnical contracting market - \$54bn
 - Geotechnical contracting markets where Keller operates - \$26bn (excludes China, Japan, Korea and Russia)
 - Keller today c\$2.85bn – a 5% global market share and a 10% share of the markets in which we operate
- Operate in 40 countries, across six continents
- Three divisions, 22 business units, 190 branches
- About 10,000 employees, of which around 1,500 are geotechnical engineers, >200 focused purely on design
- 1,300 rigs globally
- About 20% of our capex is spent on our own equipment, mainly vibro and jet grouting
- On average we work on c7,000 contracts per year
- About 50% of our contracts are design and build, 50% are build only
- Contracts over £5m revenue make up around 2% of the number of contracts, but account for c25% of total revenue
- Typical contract value range £25k to £10m
- On average c25 sites mobilised every day, across the world
- We typically spend a few weeks on site (smaller projects) with up to two years for large projects
- We have over 50 techniques or products, with 10 major product groups
- Product split: 37% Heavy foundations, 23% Ground improvement, 18% Earth retention, 12% Grouting, 9% Post-tension systems, 1% Instrumentation and monitoring
- Industry trends are favourable to Keller: Urbanisation/large scale development, Brownfield/marginal land, Infrastructure renewal, Complete Solutions, Technical complexity
- We are the leading consolidator in the industry - over 20 acquisitions since 2000
- Strong safety focus, AFR <0.19 (versus US industry norm c0.6)
- Keller supports the UN Global Compact and aims to adhere to its 10 principles in the areas of anticorruption, environment, human rights and labour

Investor Relations contact



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Victoria Huxster joined Keller in August 2017 and brings 15 years' of stock market experience – she started her career in Equity Sales at Cazenove and subsequently joined Liberum Capital at its inception. She spent two years at financial PR firm Tulchan advising a broad range of listed UK companies, before moving in house to be Head of Investor Relations at Jimmy Choo PLC.