

Keller Group plc
Full year results 2020



9 March 2021

Building the foundations for a sustainable future



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 Principal risks and uncertainties section of the Strategic report in the Annual Report and Accounts.

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.

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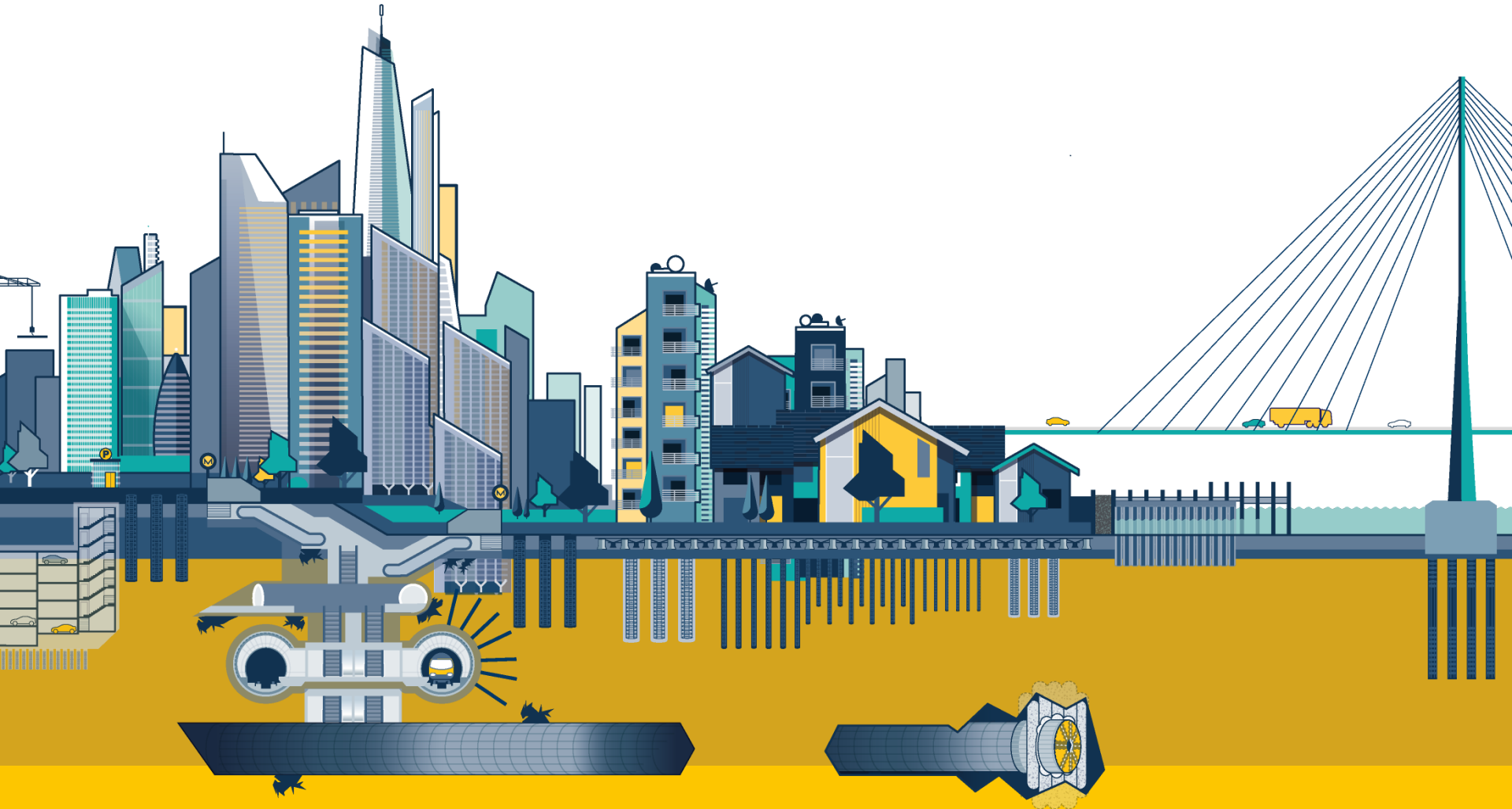
Summary

Revenue	Underlying operating profit	Underlying operating margin	Underlying diluted EPS	Order book	Dividend
£2,062.5m -10% (-10% CC)	£110.1m +6% (+5% CC)	5.3% Up from 4.5%	96.3p Up 18% (Up 18% CC)	c£1bn No change	35.9p Flat yoy

- Strong performance in 2020 operationally, financially and strategically
- Underlying operating profit, cash generation and earnings per share all ahead of market expectations
- Revenue down 10% to £2,062.5m, driven by the impact of COVID-19 and exit of non-core business activities
- Underlying operating profit of £110.1m, +6%, driven by a strong Q1, a resilient H2, particularly in North America, and a full year of profitability in APAC. Underlying operating margin increased to 5.3% (2019: 4.5%)
- Strong cash performance, with free cash flow +41% to £134.2m (2019: £94.9m)
- Net debt¹ down 43% to £120.9m, equating to net debt/EBITDA leverage ratio of 0.7x (2019: 1.2x)
- Good COVID-19 safety performance and in operational safety, 20% year on year improvement in AFR²
- Significant strategic progress with execution of all actions set out a year ago
- Recommended final dividend continues the Group's uninterrupted record of dividend payments since IPO in 1994
- Our expectations for a reduced trading performance in 2021 are unchanged: previously indicated softening in order intake, late cycle nature of our business and continuing macroeconomic uncertainty

CC = Constant currency. ¹On a lender covenant basis ²AFR = Accident frequency rate

Financial results



Summary income statement

£m	2020			2019		
	Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
Revenue	2,062.5	-	2,062.5	2,300.5	-	2,300.5
Operating costs	(1,953.2)	(29.6)	(1,982.8)	(2,197.4)	(28.7)	(2,226.1)
Amortisation of acquired intangibles	-	(4.2)	(4.2)	-	(4.3)	(4.3)
Other operating income	-	0.7	0.7	-	3.3	3.3
Share of post-tax profits from JVs	0.8	-	0.8	0.7	-	0.7
Operating profit	110.1	(33.1)	77.0	103.8	(29.7)	74.1
Operating profit margin (%)	5.3%	-	3.7%	4.5%	-	3.2%
Net finance costs	(13.2)	-	(13.2)	(22.5)	-	(22.5)
Profit/(loss) before tax	96.9	(33.1)	63.8	81.3	(29.7)	51.6
Taxation	(28.3)	5.6	(22.7)	(22.4)	(7.5)	(29.9)
Profit/(loss) for the period	68.6	(27.5)	41.1	58.9	(37.2)	21.7
Diluted earnings per share (p)	96.3		58.5	81.3		29.7
Full year dividend per share (p)	35.9		35.9	35.9		35.9

Summary income statement - underlying

£m	2020		
	Underlying	Non-underlying	Total
Revenue	2,062.5	-	2,062.5
Operating costs	(1,953.2)	(29.6)	(1,982.8)
Amortisation of acquired intangibles	-	(4.2)	(4.2)
Other operating income	-	0.7	0.7
Share of post-tax profits from JVs	0.8	-	0.8
Operating profit	110.1	(33.1)	77.0
Operating profit margin (%)	5.3%	-	3.7%
Net finance costs	(13.2)	-	(13.2)
Profit/(loss) before tax	96.9	(33.1)	63.8
Taxation	(28.3)	5.6	(22.7)
Profit/(loss) for the period	68.6	(27.5)	41.1
Diluted earnings per share (p)	96.3		58.5
Full year dividend per share (p)	35.9		35.9

Revenue		£m
FY 2019		2,300.5
FX		(15.5)
North America		(105.3)
EMEA		(63.8)
APAC		(53.4)
FY 2020		<u>2,062.5</u>

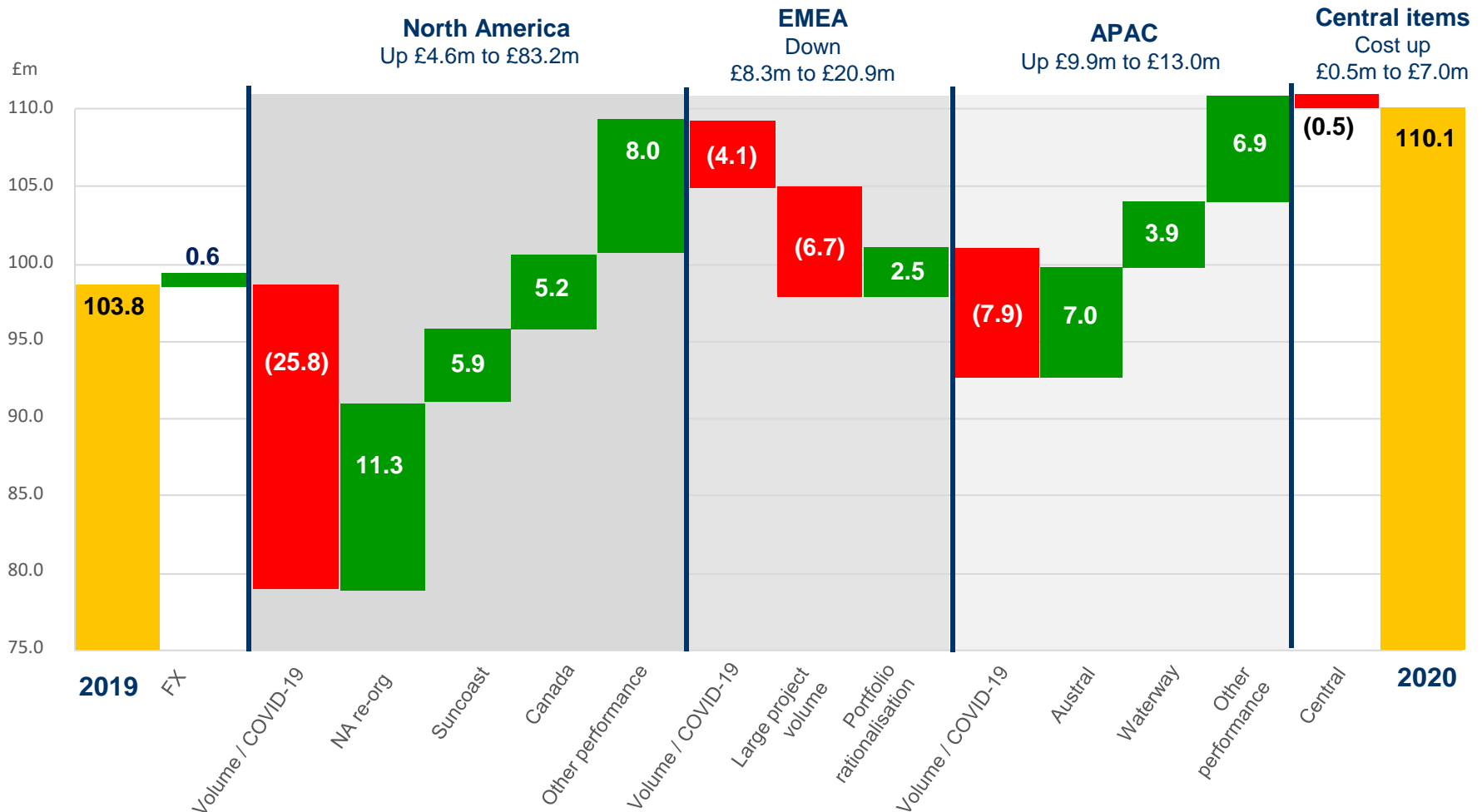
Operating profit growth		
FX		+0.6%
Organic / constant currency		<u>+5.5%</u>
Total		<u>+6.1%</u>

Net financing costs		
£9.3m decrease on prior year due to reduction in level of borrowings and lower interest rates		

Taxation		
Effective tax rate for 2020 29% (2019 28%)		

Dividend		
Board recommendation		35.9p
Earnings cover		2.7x

Underlying operating profit bridge 2019 to 2020



The net COVID-19 amounts are the estimated reduction in operating profit from the pandemic including the benefit of mitigating actions that were undertaken

Summary income statement – non-underlying

£m	2020		
	Underlying	Non-underlying	Total
Revenue	2,062.5	-	2,062.5
Operating costs	(1,953.2)	(29.6)	(1,982.8)
Amortisation of acquired intangibles	-	(4.2)	(4.2)
Other operating income	-	0.7	0.7
Share of post-tax profits from JVs	0.8	-	0.8
Operating profit	110.1	(33.1)	77.0
Operating profit margin (%)	5.3%	-	3.7%
Net finance costs	(13.2)	-	(13.2)
Profit/(loss) before tax	96.9	(33.1)	63.8
Taxation	(28.3)	5.6	(22.7)
Profit/(loss) for the period	68.6	(27.5)	41.1
Diluted earnings per share (p)	96.3		58.5
Full year dividend per share (p)	35.9		35.9

Non-underlying operating costs		£m
Disposal of operations		(11.6)
North America restructuring		(5.5)
EMEA restructuring		(11.0)
APAC restructuring		(0.1)
Impairment of goodwill		(0.3)
Other		(1.1)
Total		(29.6)

Amortisation of acquired intangibles		£m
Moretrench		(3.4)
Austral		(0.8)
Total		(4.2)

Other operating income		£m
Contract dispute settlement		0.7

Taxation	
Tax credit on deductible losses or where a deferred tax asset can be recognised	

Statutory profit		£m
Underlying profit		68.6
Non-underlying items		(27.5)
Statutory profit		41.1

Cash flow

£m

	2020	2019
Underlying operating profit	110.1	103.8
Depreciation and amortisation	94.9	94.6
Underlying EBITDA	205.0	198.4
Non-cash items	1.9	13.4
Dividends from joint ventures	0.4	1.1
Decrease/(increase) in working capital	38.2	(3.0)
Increase/(decrease) in provisions and retirement benefit liabilities	13.9	(10.9)
Net capital expenditure	(65.6)	(52.0)
Additions to right-of-use assets	(22.7)	(22.9)
Sale of other non-current assets	-	4.6
Free cash flow before interest and tax	171.1	128.7
Free cash flow before interest and tax to underlying operating profit	155%	124%
Net interest paid	(12.0)	(21.5)
Cash tax paid	(24.9)	(12.3)
Free cash flow	134.2	94.9
Dividends paid to shareholders	(25.9)	(26.3)
Acquisitions	-	2.1
Business disposals	2.2	-
Non-underlying items	(11.0)	0.4
Right-of-use assets and lease liability modifications	(1.1)	7.1
Foreign exchange movements	(1.1)	6.3
Movement in net debt	97.3	84.5
Opening net debt	(289.8)	(286.2)
Impact of adopting IFRS 16	-	(88.1)
Closing net debt	(192.5)	(289.8)

Depreciation/capex	2020	2019
Net capex/depreciation	93%	79%
Gross capex/depreciation	100%	90%

Working capital	£m
Reduction in receivables	111.1
Reduction in payables	(80.0)
Reduction in inventories	7.1
Reduction in working capital	38.2

Net interest paid
Average net debt down 44% vs 2019 and interest rates decreased during the year

Cash tax
Timing and phasing of tax payments (2019 benefitted from US tax repayment)

Free cash flow
Free cash flow improvement of £39.3m with strong profit conversion to cash

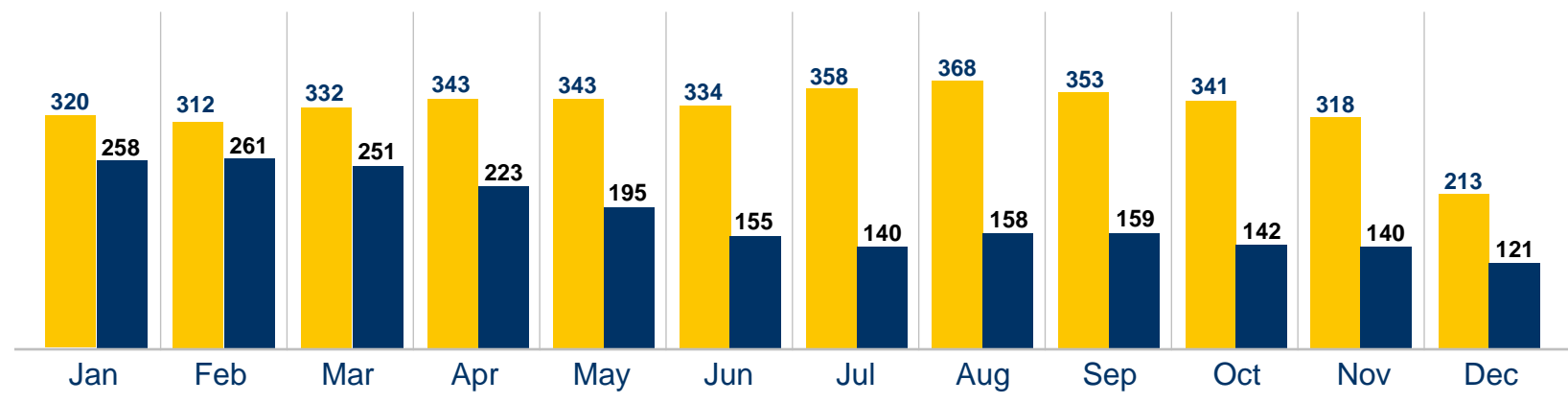
Net debt	£m
Reported net debt	192.5
Lease liability (excl legacy leases)	(71.6)
Covenant basis	120.9
Leverage ratio	0.7x

Balance sheet

£m	2020	2019		£m
Intangibles inc goodwill	118.8	124.7		Intangibles incl goodwill Opening 124.7 Additions 0.5 Goodwill impairment (0.3) Amortisation (4.8) Disposal of subsidiaries (0.2) FX (1.1) <u>118.8</u>
Managed assets				
Tangible fixed assets	434.9	460.6		Tangible fixed assets Opening 460.6 Capital expenditure 72.5 Right-of-use additions 22.7 Disposals/transfers/restructure (18.3) Dep & imp of fixed assets (72.9) Dep & imp of ROU assets (28.7) FX (1.0) <u>434.9</u>
Debtors and inventory	564.0	697.3		Debtors and inventory Opening 697.3 Volume / performance (118.0) Business disposals (9.3) FX (6.0) <u>564.0</u>
Other non-current assets	40.6	39.4		
Total managed assets	1,039.5	1,197.3		
Other liabilities	(555.8)	(634.7)		Other liabilities Trade & other payables, provision 475.1 Retirement benefits & other liabs 53.1 Net tax liabilities 36.3 Assets held for sale (8.7) <u>555.8</u>
	483.7	562.6		
Funded by				
Net debt	192.5	289.8		
Shareholders' funds	410.0	397.5		
Total	602.5	687.3		

Net debt profile (£m)

2019 2020



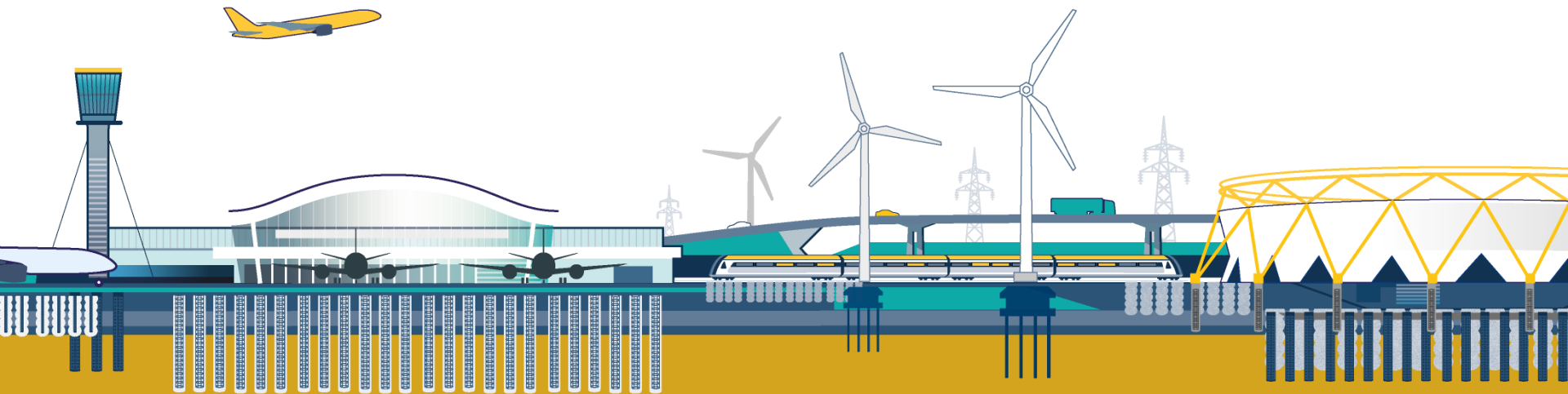
- Net debt¹ of £120.9m decreased by £92.2m (43%) from 2019
- Average month end net debt of £183.5m down 44% (2019: £327.9m)
- Minimum headroom on the primary banking facility in the period £129.4m (cash balance at that time was £80.8m)
- We have operated well within all covenant limits
 - Leverage (Net debt to EBITDA) at year end was 0.7x, well within the limit of 3.0x and leverage target 0.5x-1.5x
 - Continued improvement from prior years (2019: 1.2x and 2018: 1.7x)
 - Interest Cover (EBITDA to Interest) at year end was 21.7x, well above the minimum of 4.0x
- Term debt and committed facilities comprise £375m multi-currency credit facility expiring 2025 and the US\$125m US private placements maturing 2021 and 2024
- At 31 December 2020 the Group had undrawn borrowing facilities of £672.6m comprising £313.2m committed and £359.4m uncommitted (including £300m of CCFF) as well as cash and cash equivalents of £66.3m
- No material discounting or factoring in place

¹ Net debt on a lender covenant basis

Financial modelling considerations

2020 experience		2021 considerations
Trading/profit		
Suncoast margin	Impacted by new steel tariffs	Similar challenges to 2020
Large projects	APAC: Cape Lambert; EMEA: SMS2, HS2, Oil refinery Mexico, LNG Mozambique	AMEA: Cape Lambert; LNG Mozambique Europe: SMS2, HS2 C1 and C2/3; NA: Hampton Rd
Portfolio action	South America exit; Franki Africa restructure; divisional reorganisation	Continue portfolio review; volume of restructuring reduced
Operating profit %	Progress on 2019	Tightening margin
OP phasing	Strong H1	Subdued H1; revert to usual H2 bias
Interest	Lower versus 2019	In line with 2020
Tax rate	29%	29% +/- (possible Trump tax reversal)
FX (USD/EUR/SGD)	Actual (average) 1.28/1.12/1.77	Macro dependent
Restructure	EMEA/APAC	Europe/AMEA
Cash/debt		
Net capex	Controlled broadly aligns depreciation	Controlled broadly aligns depreciation
Working capital	Net working capital inflow	Neutral to outflow as activity ramps
Tax cash	COVID-19 deferrals	Tracks P&L
Leverage (IAS 17)	0.7x	Lower end of 0.5x–1.5x range

Business performance



Safety performance

Highlights

- Critical injuries reduced by 35%
- AFR improved by 20%
- TRIR improved by 9.5%

Progress

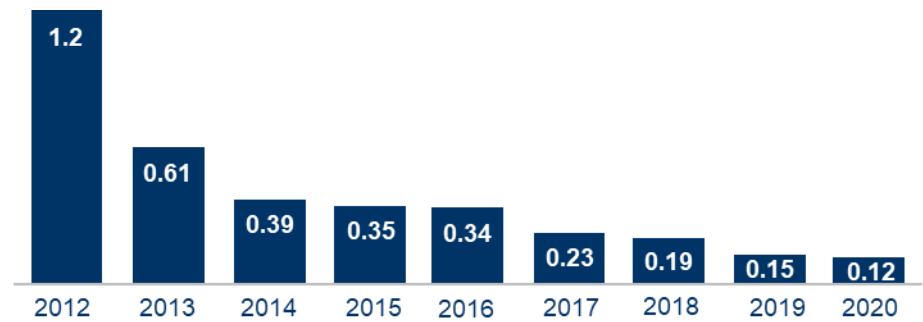
- Formation of Safety **Leadership** Committee
- Introduction of a 'Just **Culture**' process
- Introduction of the Handling Reinforcing Cages **Standard**
- Keller Management **System** and InSite

Tragic fatality in Feb 2021, investigation underway

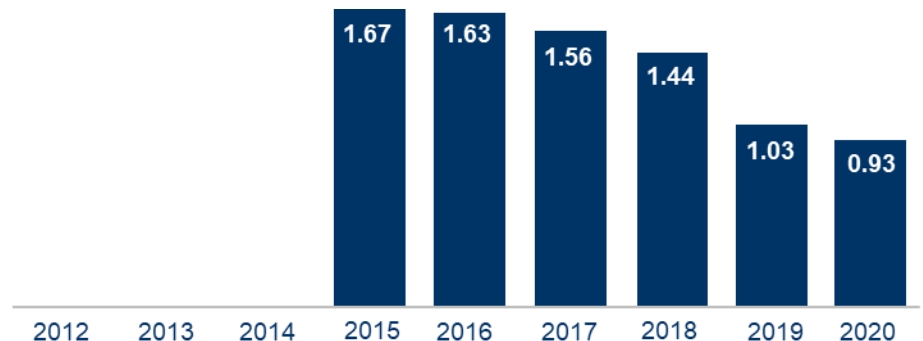
Critical Injuries

	2020 EOY	2019 EOY	Change
Group	11	17	-6
North America	3	10	-7
Asia-Pacific	3	1	+2
EMEA	5	6	-1

Accident Frequency Rate



Total Recordable Incident Rate



COVID-19 safety performance

Our people went above and beyond to keep us delivering for our customers

When COVID-19 hit, our focus was to ensure the safety of our people and the safety of our business

- Dedicated global crisis team
- Company protocols in line with WHO guidelines, supplemented locally
- Thousands continued to work on site with necessary safety precautions, many for extended periods
- Many other employees quickly adapted to working from home
- Local presence meant we were better positioned than many competitors

- 90% of employees agreed we were supporting them during the COVID-19
- 92% agreed that we were taking sufficient actions to deal with the pandemic
- In line with WHO and UK Government guidance, the Group's approach to vaccination is to encourage and support its uptake



Order book remains c£1bn

Geographic mix (Full order book)

North America¹

£585m +1.8%

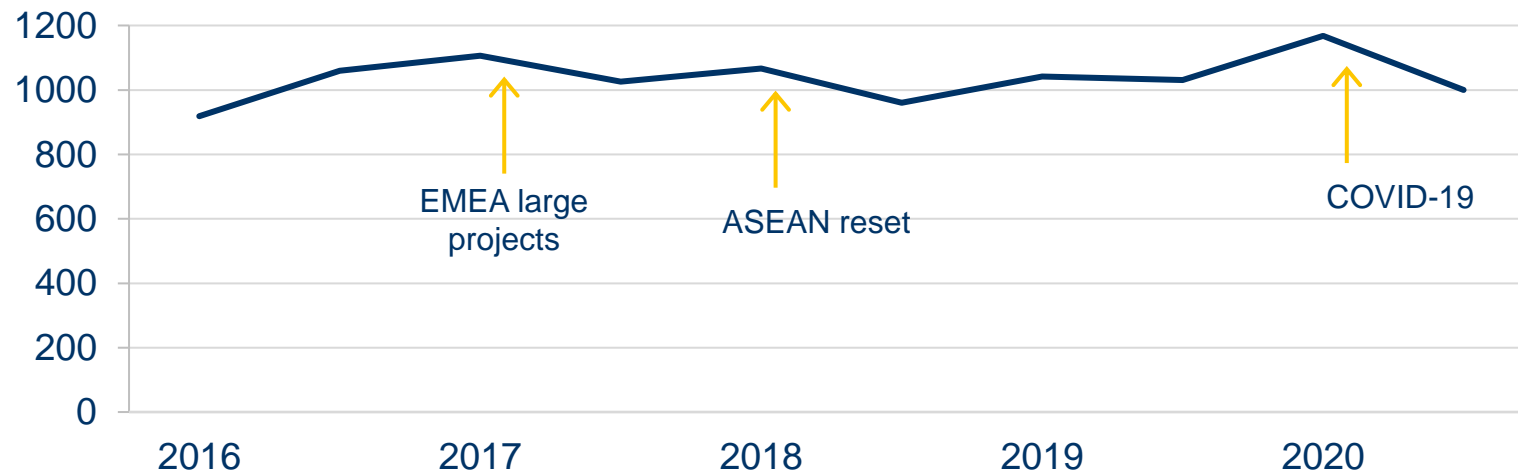
EMEA¹

£267m -7.2%

APAC¹

£149m -12.3%

Order book (£m)



Order book being drawn upon more slowly

¹Prepared on a constant currency basis

North America

Operating review

£m	2020 £m	2019 £m	Constant currency
Revenue	1,227.5	1,333.9	-7.9%
Underlying operating profit	83.2	78.6	+5.8%
Underlying operating margin	6.8%	5.9%	
Order book ¹	585.1	574.5	+1.8%

¹Comparative order book stated at constant currency

- AFR² of 0.08 (2019: 0.11), 27% improvement
- Revenue decreased with a material slow down in H2 in our foundations business driven by COVID-19 related construction market downturn
- Profit growth driven by operating efficiencies and cost reductions driven by reorganisation of NA foundations and strong demand at Suncoast
- Successful execution of NA foundations; 2020 target exceeded for incremental revenue; cost and efficiency benefits of c£6m pa achieved earlier than 2022 target
- Canada performance improved following a restructuring and new management
- Suncoast performed strongly with significant increase in profit, despite steel tariff
- Cash settlement received for a further and final scope adjustment on Specialty Services contract (Bencor)
- Order book remains strong, however, as previously indicated, a softening in our order intake in H2 as well as deferrals of projects already in the order book will impact 2021

²Accident Frequency Rate (AFR)



Successful North America reorganisation

Keller North America integrated and rebranded its foundation businesses on 1 January 2020, and is now reaping the benefits



- All foundations' offices now offer all products
- Progressive harmonised processes is making business more efficient and easier to manage
- Merged offices and yards in six cities
- More effective at sharing resources
- Sold \$4m worth of unneeded equipment

Estimate more than \$80m of customer orders have been won on projects which would not have been won under the old structure (Sales of \$30m)

Westshore Marina, Florida

- \$3.5m project, specified with 222 drilled shafts
- With access to a wider portfolio of techniques, team proposed value engineered solution of 149 shafts plus ground improvement instead
- Saved the owner \$1.1m and secured the project

EMEA

Operating review

£m	2020	2019	Constant currency
Revenue	607.6	679.6	-9.5%
Underlying operating profit	20.9	28.4	-28.4%
Underlying operating margin	3.4%	4.2%	
Order book ¹	266.6	287.3	-7.2%

¹Comparative order book stated at constant currency

- AFR² of 0.21 (2019: 0.30), 30% improvement. Tragic fatality in Feb 2021, investigation underway
- Markets impacted by COVID-19 shutdowns and travel restrictions negatively impacting revenue and profit
- North East Europe and Iberia / Latin America performed strongly despite COVID-19
- Central Europe, South East Europe and Nordics and French Speaking Countries were subject to reduced activity arising from COVID-19
- UK recovered slower from the effects of COVID-19 than Continental Europe
- HS2 early works completed. C1 package awarded Feb 2021, value c£84m. More to follow
- Successful execution of strategy: South America exit; rationalisation of Franki Africa; exit of two non-core businesses Wannewetsch, in Germany and Colcrete Eurodrill, in the UK
- Newly formed Middle East and Africa business combined with APAC, to create an Asia-Pacific, Middle East and Africa (AMEA) division³; former EMEA division is now our Europe division
- Order book down on prior year with tendering levels mixed in H2 2020. Significant uncertainty regarding the impact on trading in 2021



Innovating for growth – Neutrogel®

We are constantly innovating to find new and more sustainable products and technologies



- After successful trials, used new greener grout on a bottom seal project in Germany for first time
- Neutrogel® produces less waste, has a lower carbon footprint and costs less compared to conventional processes that use cement and bentonite
- First ever pH neutral sodium silicate-based grout, making it completely harmless in the ground
- Can be used to replace cement-bentonite on jet grouting projects where you need to reduce permeability

To meet specification, groundwater ingress could be no more than 1.5 litres per second, per 1,000m² of exposed surface; result was 0.15 litres per second per 1,000m²

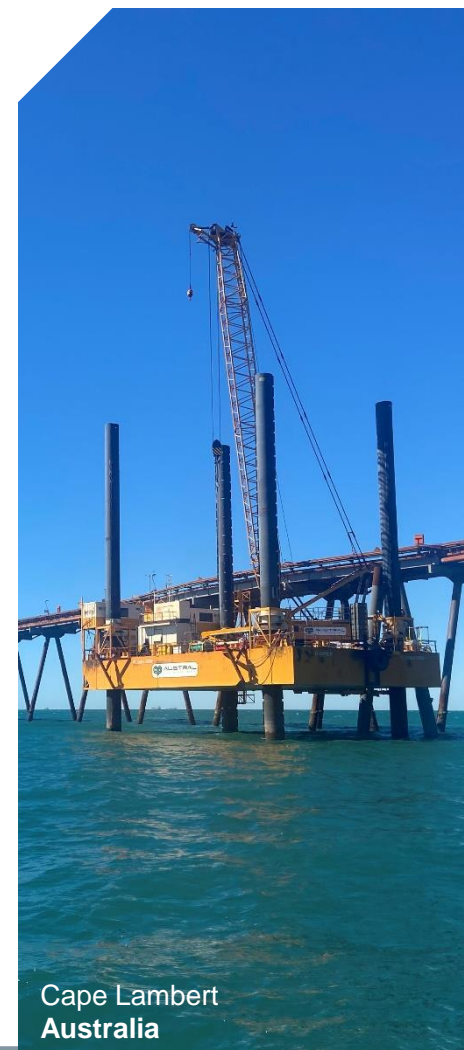
Asia-Pacific

Operating review

£m	2020	2019	Constant currency
Revenue	227.4	287.0	-19%
Underlying operating profit	13.0	3.3	+320.3%
Underlying operating margin	5.7%	1.1%	
Order book ¹	148.5	169.3	-12.3%

¹Comparative order book stated at constant currency

- AFR² of 0.06 (2019: 0.03), represents 4 lost time injuries versus two in prior year
- Revenue down following restructuring in 2019; as well as site closures due to COVID-19
- Significant increase in profitability following restructuring in 2018 and 2019; profitable results across all business units
- India revenue significantly impacted following lock down; margins improved through profitable contracts and reduced overheads
- ASEAN increased profit, despite revenue impact due to COVID-19, through cost reductions and a sizeable project claim settlement
- Austral strong performance on a weak comparative. Good progress on Rio Tinto's Cape Lambert Port in Pilbara worth c£70m, with more than half completed and balance to be completed 2021
- Keller Australia broadly flat revenues and profits with continued softness in some markets
- Newly formed Middle East and Africa business combined with APAC, to create an Asia-Pacific, Middle East and Africa (AMEA) division³
- Order book down due to the delayed awards due to COVID-19 related market caution and the inclusion of the large Cape Lambert project award in the prior year



Keller cuts project carbon emissions by more than 90%

As the world's largest geotechnical company, we want to lead the sector in offering solutions that contribute towards a more sustainable future



Chemical and Refining Integrated Singapore Project (CRISP), Singapore

- ExxonMobil's new refinery that will increase production of cleaner fuels
- Traditional choice for refinery structures would have been driven piles
 - Require steel and cement which produce high levels of CO2 emissions during manufacture
- We proposed vibro compaction and vibro stone columns instead
 - 35-40% faster, more cost-effective and more environmentally friendly

Piling option	Around 22,000 tCO2e (metric tonnes of carbon dioxide equivalent)
Vibro methods	Around 1,900 tCO2e – 92% lower

Environmental, social and governance

We use the UN Sustainable Development Goals (SDGs) as a framework to guide our activities



Environment

- CDP rating of C is better than construction sector average (2019 score B on previous scoring regime)
- All rigs produced in 2020 were fitted with latest tier 4 and 5 engines
- Scope 1 and 2 emissions 85 tCO₂e/£m (down from 90)
- Scope 3 project specific carbon calculator in development



Governance

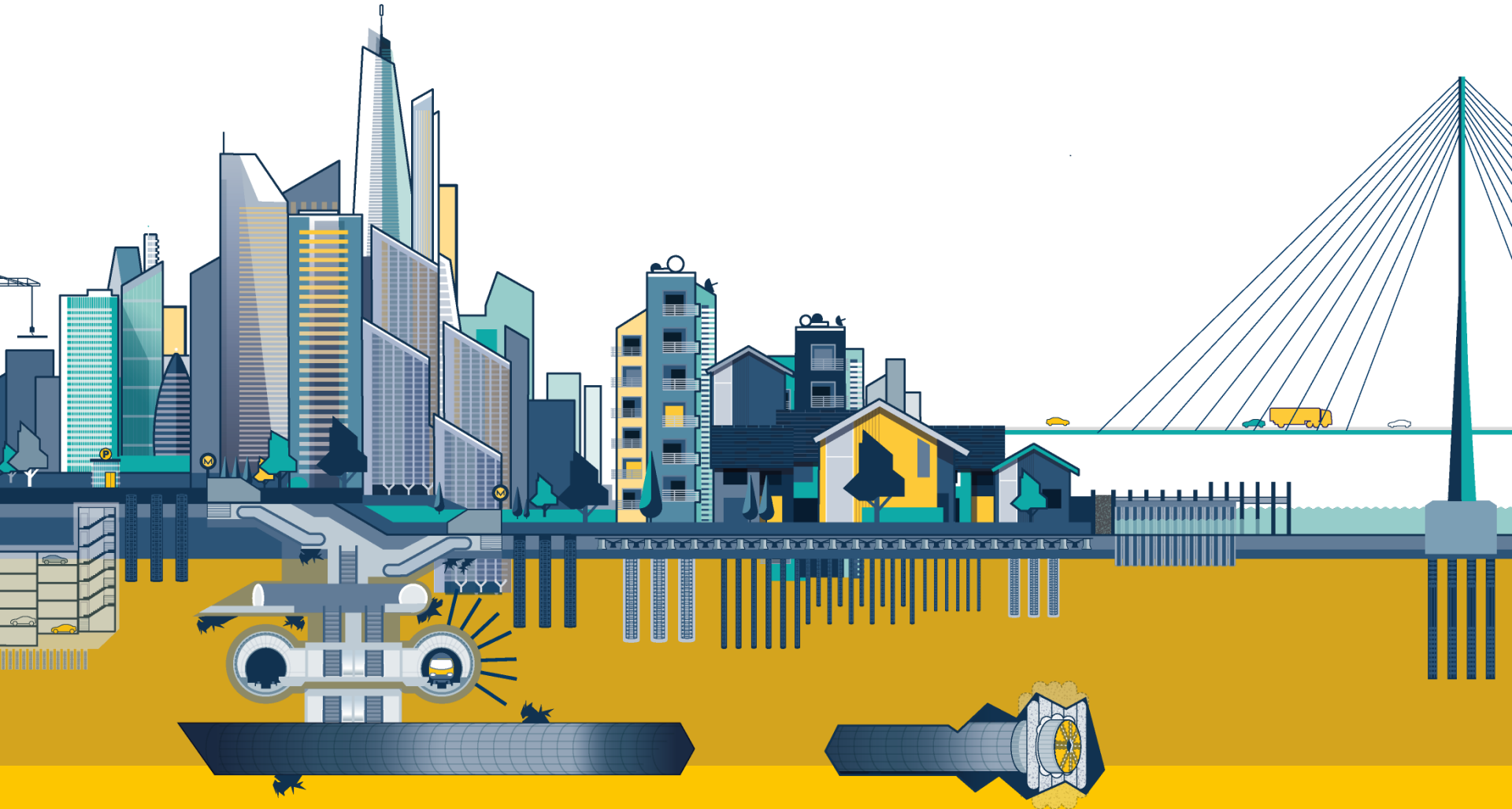
- Continued incremental improvement of management and controls relating to COVID-19, Health and Safety, and Project Management
- We continued to develop several group-wide functional control standardisation initiatives and improve our Enterprise Risk Management regime

Social

- We enhanced our diversity, equity and inclusion strategy in 2020 and launched our six Inclusion Commitments
- Many of our senior leaders play key roles in geotechnical professional associations and activities
- Our equipment manufacturing facility continually innovates with a focus on efficiency, productivity and safety

During 2021 we will continue to develop our ESG programme, specifically focusing on improving the prioritisation, target setting, performance monitoring and communication of key activities

Strategic progress





Our Strategy

To be the preferred international geotechnical specialist contractor focused on sustainable markets and attractive projects, generating long term value for our stakeholders

Local businesses will leverage the group's scale and expertise to deliver engineered solutions and operational excellence, driving market share leadership in our selected segments

Strategic progress in 2020

Our strategy

To be the preferred international geotechnical specialist contractor focused on sustainable markets and attractive projects, generating sustained value for our stakeholders

Local businesses will leverage the group's expertise and scale to deliver engineered solutions and operational excellence, driving market share leadership in our selected segments

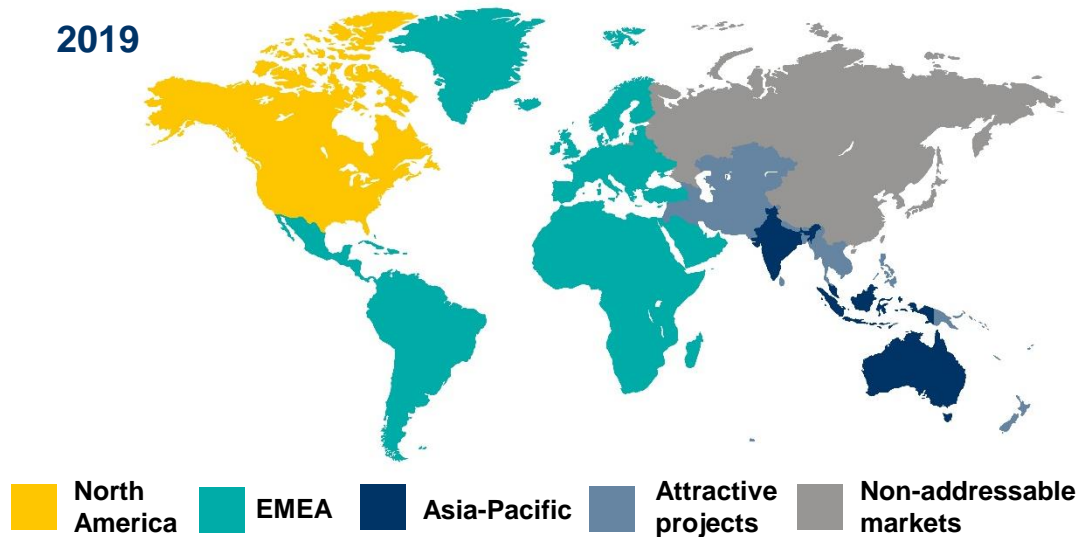


Mainly portfolio actions

- Reorganised North America Foundations business
- Exited Brazil, Chile, Peru
- Rationalised Franki Africa and integrated into Middle East BU
- Disposed of Wannenwetsch and Colcrete Eurodrill
- Transferred Middle East Africa BU to Asia-Pacific
- Rightsized EMEA HQ

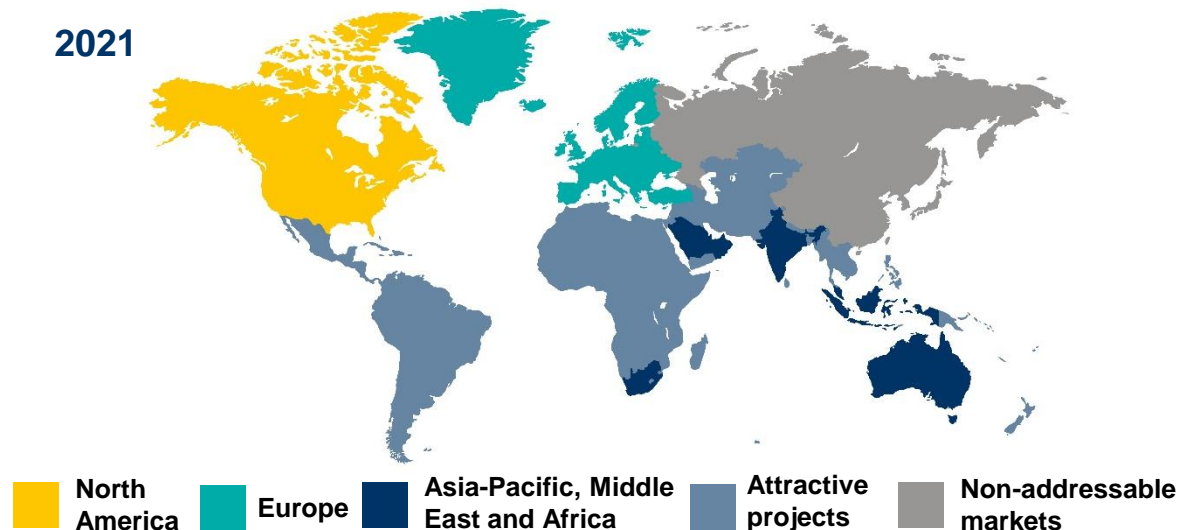
Geographic rationalisation

2019



- **North America and Europe divisions** comprise of larger, more functionally self-sufficient business units that benefit from established market positions in sustainable markets
- **Asia-Pacific, Middle East and Africa (AMEA) division** brings together under one management team all of our businesses in developing geographies with similar market characteristics and customers, with a greater focus on large contracts and attractive projects, particularly in the resources sector

2021



Strategic focus in 2021



Our strategy

To be the preferred international geotechnical specialist contractor focused on sustainable markets and attractive projects, generating sustained value for our stakeholders

Local businesses will leverage the group's expertise and scale to deliver engineered solutions and operational excellence, driving market share leadership in our selected segments

Mainly business performance and market penetration

- Increase emphasis on performance management, particularly projects and business units
- Progressively implement the longer-term simplification, standardisation and digitisation of our business operating model
- Focused market penetration in existing geographic locations
- Complete restructuring programme

Outlook and Summary



Outlook for 2021

Backdrop

- Order intake and revenue slowed in H2 2020
- Soft start to 2021, especially compared to strong prior year

Drivers – COVID-19

- Uncertain macroeconomic outlook
- Late cycle impact of customer demand
- Operational logistics and site access

Leads to unchanged expectations for 2021

- Expect FY revenue and profit to be down on 2020
 - Revenue reduction due to market conditions
 - Margin contraction due to pricing pressure
- Phasing:
 - Subdued trading in H1 2021
 - Revert to usual H2 weighting



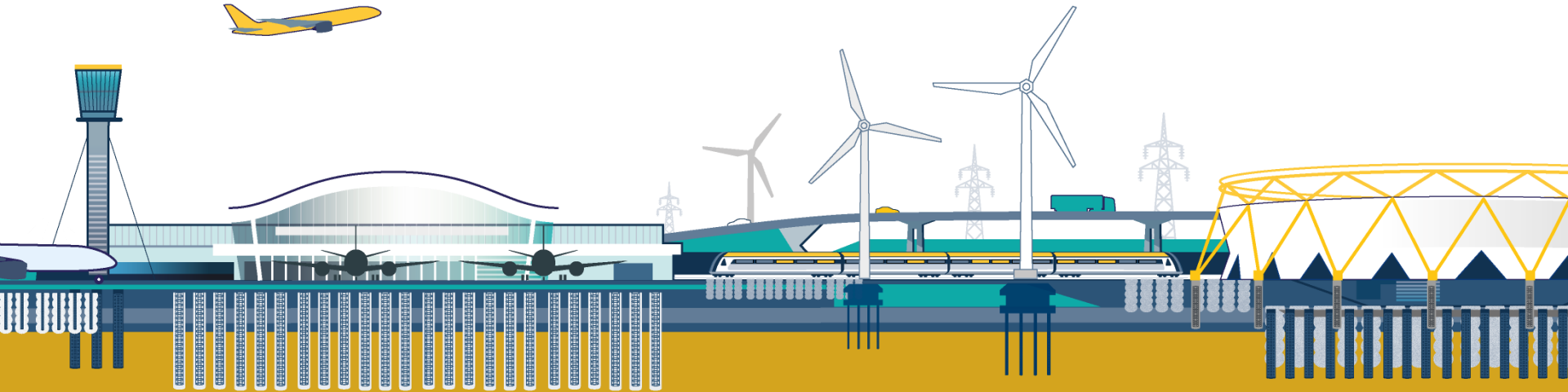
Summary

- **Strong performance** operationally, financially and strategically in 2020 despite COVID-19
- **Significant strategic progress**, completing all portfolio actions set out a year ago
- Group being **transformed** into a more efficient, **higher quality business** through a focus on:
 - Markets and activities where customers value Keller's skills and expertise
 - Balanced portfolio of sustainable markets and attractive projects
 - Engineered solutions and operational excellence
 - Sustainable operational delivery and cash generation whilst building on the Group's industry-leading margins
- Well placed to benefit from **long term structural growth drivers** for global infrastructure and urbanisation
- Confident in our ability to **deliver increasing shareholder returns** through underlying profit growth and progressive dividend policy

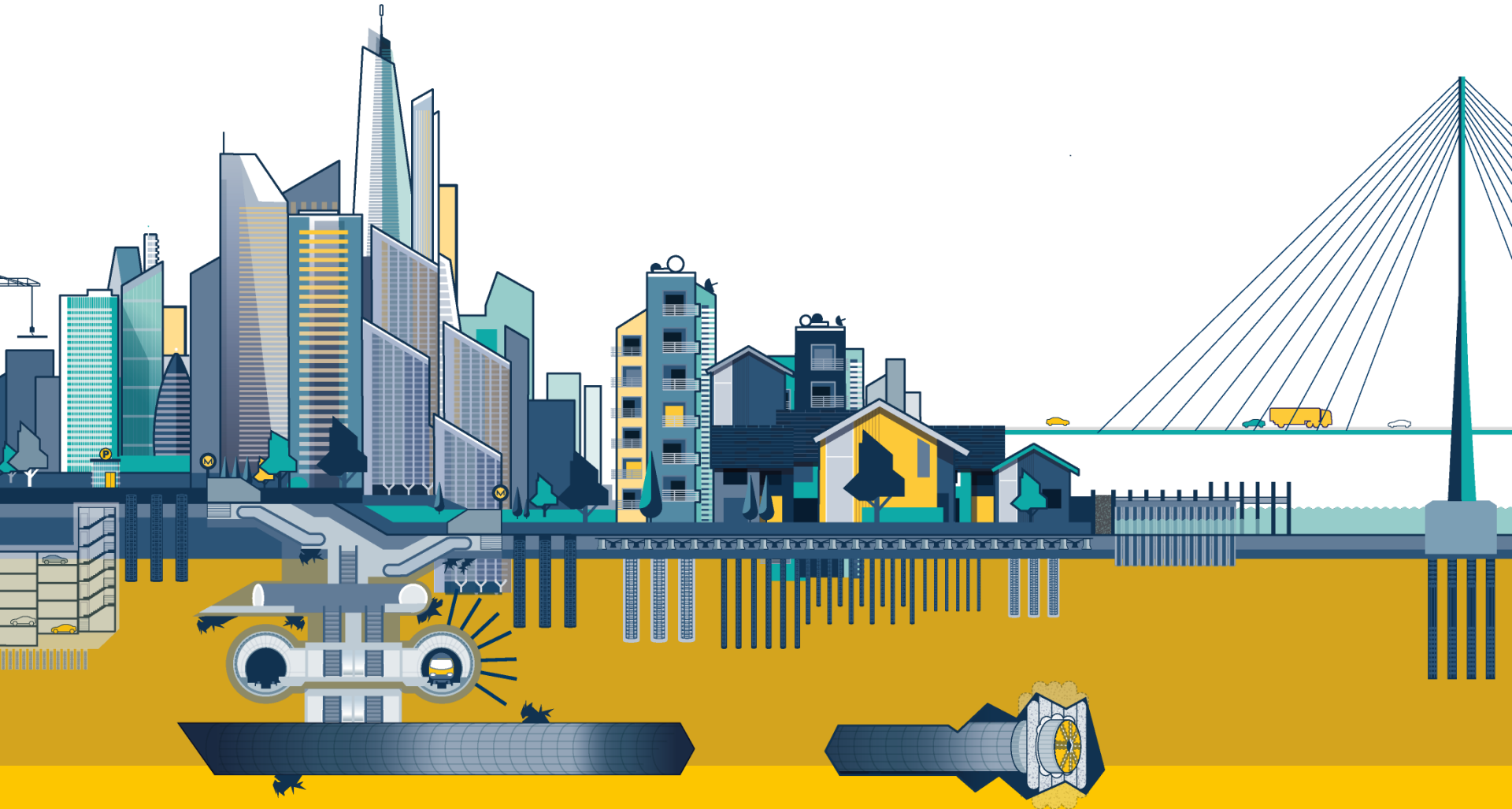


Building the foundations for a sustainable future

Q&A



Keller overview



Keller today

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

Our purpose

To build the foundations for a sustainable future

Our vision

To be the leading provider of specialist geotechnical solutions

Our values

Integrity
Collaboration
Excellence



Three divisions

21 business units



180
branches



2bn
revenue pa

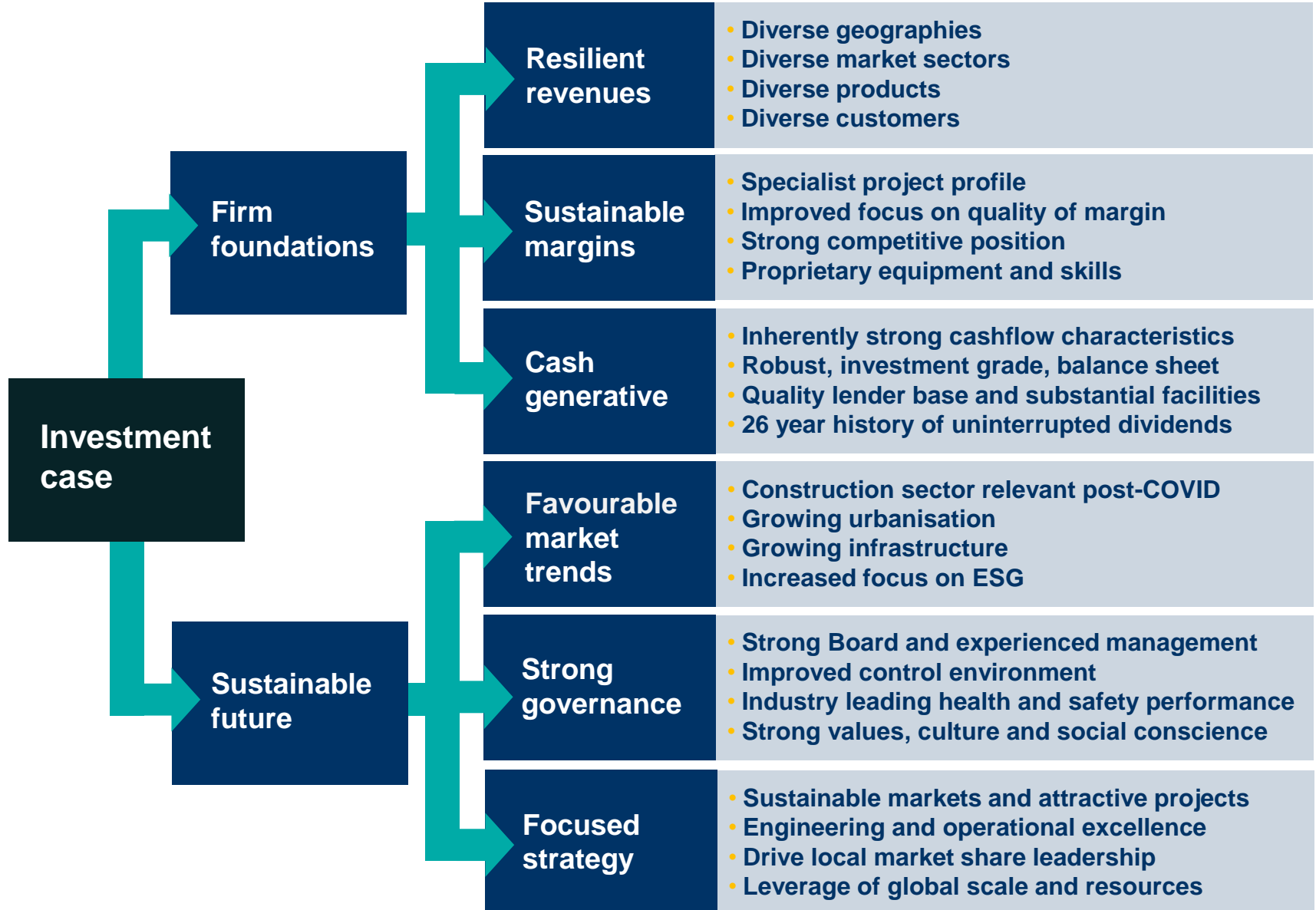


9,000
employees



6,000
contracts pa

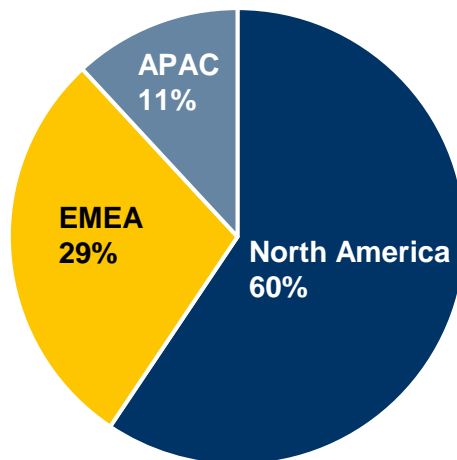
Building the foundations for a sustainable future



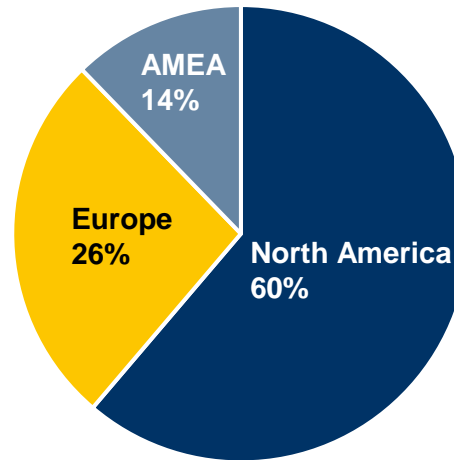
Well balanced in terms of geography and sector

- Operating globally in a number of sectors gives us the resilience to trade through national cyclicalty
- Good access to all markets with no overweight exposure
- Geopolitically secure

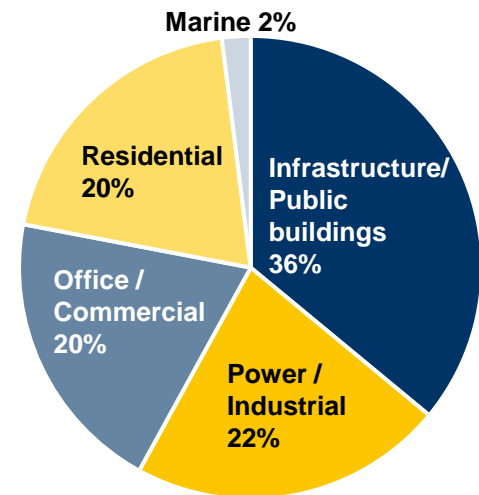
Revenue by geography (2020)
Old structure



Revenue by geography (2020)
New structure



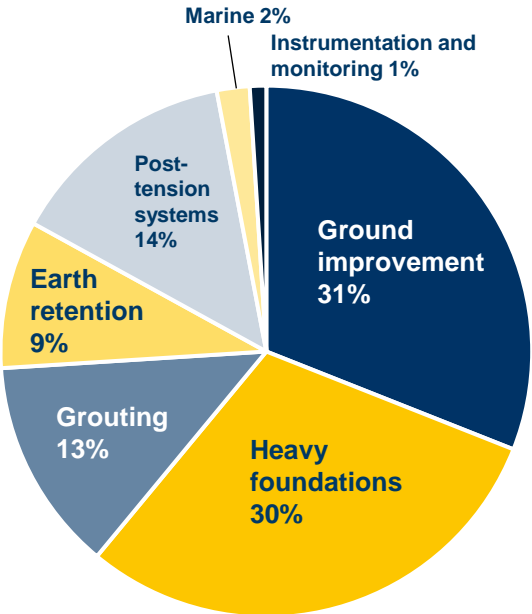
Revenue by sector (2020)



The best solutions

- Projects often require a variety of techniques
- With access to our global knowledge base and industry leading product portfolio, our engineers can design the best solutions that reduce materials, cost and time for our clients
- Our project management capabilities mean we can also integrate other subcontractors and deliver ‘turnkey’ contracts reducing the interfaces and risk for our customers

Revenue by application (2020)

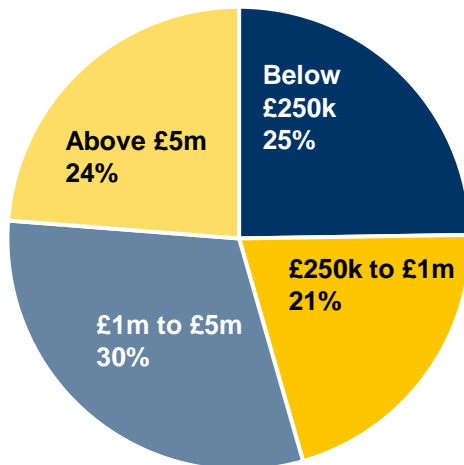


Ground improvement	Heavy foundations	Grouting	Earth retention
<ul style="list-style-type: none"> • Vibro • Rigid inclusions • Dynamic improvement • Soil mixing • Consolidation 	<ul style="list-style-type: none"> • Driven piles • Micropiles • Bored piles /drilled shafts • Continuous flight auger 	<ul style="list-style-type: none"> • Jet grouting • Compensation grouting • Compaction grouting 	<ul style="list-style-type: none"> • Anchors and soil nails • Subsurface walls • Modular retaining walls
Post-tension systems	Marine	Instrumentation and monitoring	
<ul style="list-style-type: none"> • Slab on ground • High rise structures 	<ul style="list-style-type: none"> • Wharf construction, maintenance and repair • Bridge construction • Civil works 	<ul style="list-style-type: none"> • Environmental • Geotechnical • Structural • Software 	

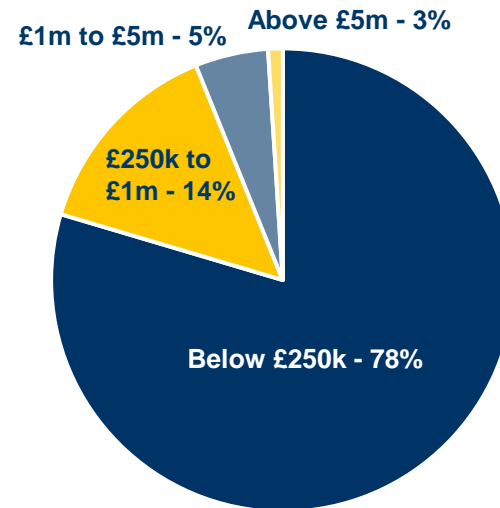
Diverse customer base

- Our large client spread means we're not overly reliant on certain customers
- Contracts over £5m revenue make up around 3% of the number of contracts, but account for 24% of total revenue

Revenue by contract size (2020)



Number of contracts (2020)



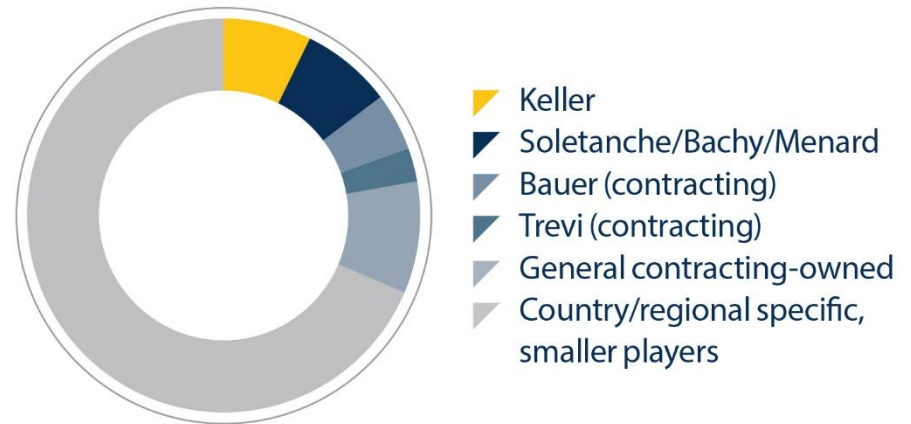
Includes Moretrench Industrial and Suncoast

Geotechnical market size

Market size



Market share



Sources: IHS Markit 2019, National statistics organisations. Keller accounts. Amounts are stated in US dollars.

Specialist versus generalist business model

Project lifespan



Ground engineering

- Early stage
- Lower cyclicity
- Specialist design capability
- A mix of contracts
- Higher margin
- Resource base

General contractor

General construction

- Longer, larger projects
- National focus
- Higher cyclicity
- Integration of multiple suppliers and subcontractors
- 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. Amounts are stated in US dollars.

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

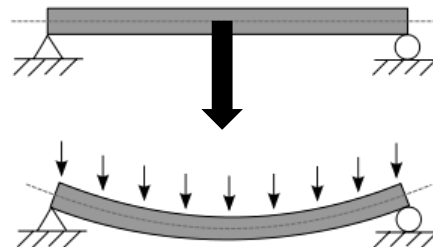
- Performance (allowable settlements)
- Schedule
- Cost

Loading conditions

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

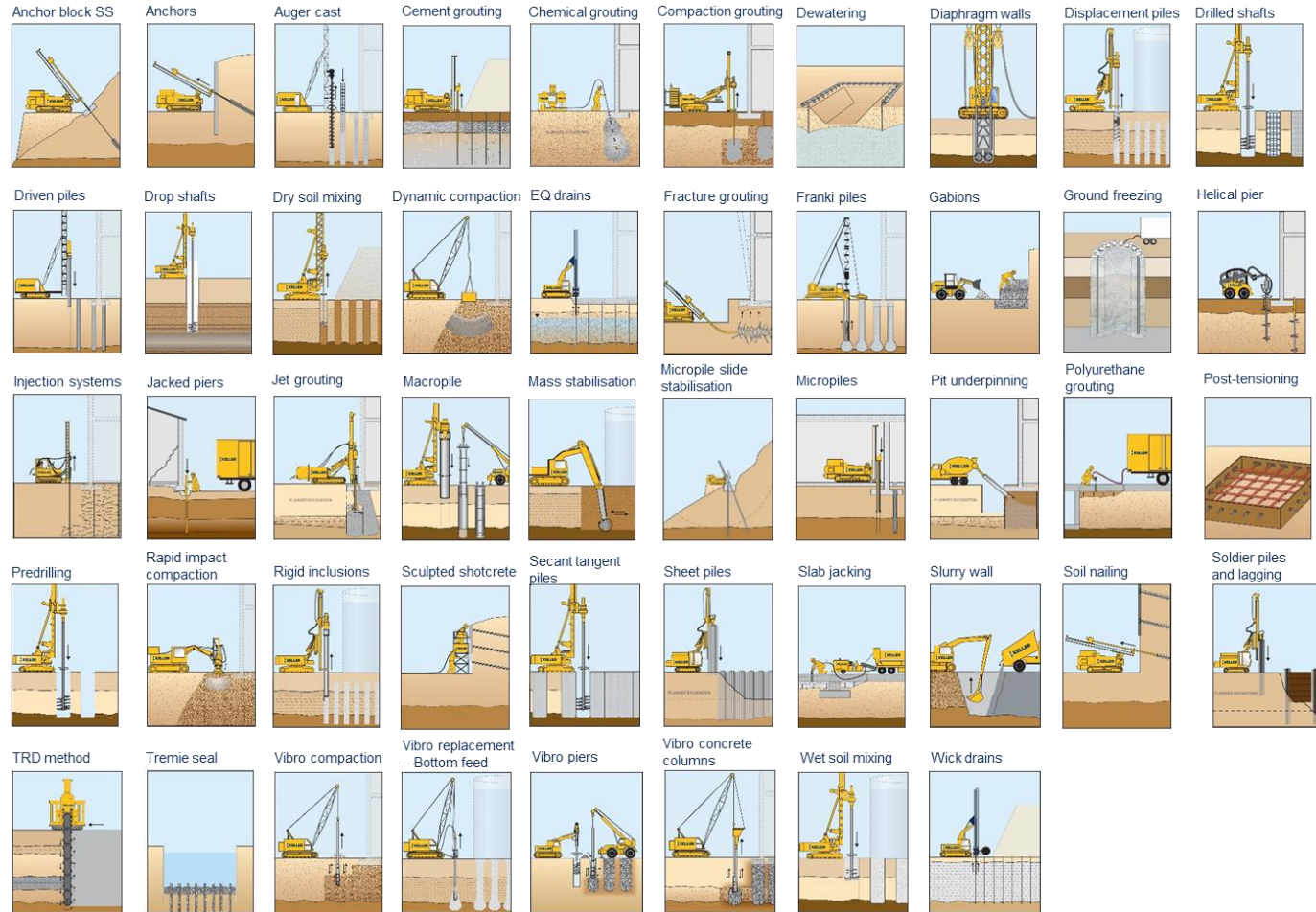
Constraints

- 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

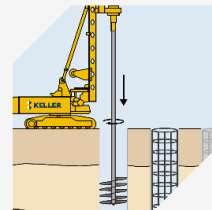
50% of our projects are 'design and build' where value engineering can **reduce cost by up to 40% and save time**

Maiden Lane, New York

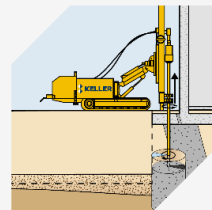
57-storey tower, lower Manhattan

Congested site where conventional solution unbuildable

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



Drilled shafts



Jet grouting



Amounts are stated in US dollars.

The equipment advantage

Large fleet and design and manufacture capability

Keller total fleet

- Total equipment fleet is 1,200 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



The people advantage

Enabling high performance by investing in our people

Project Manager Academy

- 150 project managers trained globally
 - Significant improvement in gross margin already being evidenced

Field Supervisor Academy

- 120 supervisors have attended
 - Improving both performance and retention of key population

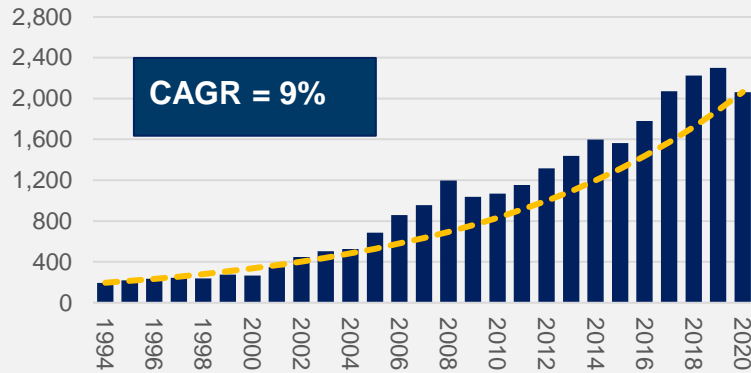
Business Development Academy

- 170 leaders have attended

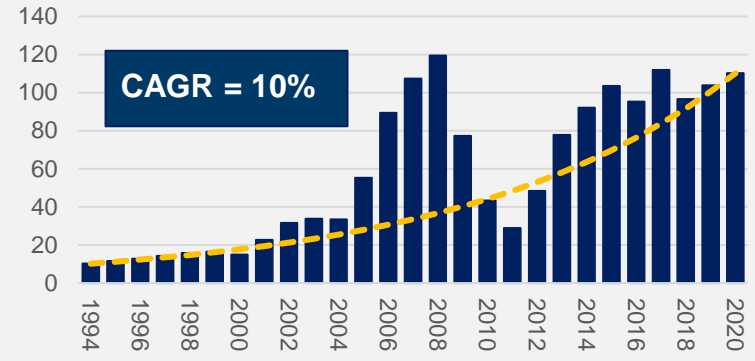


Financial performance since listing in 1994

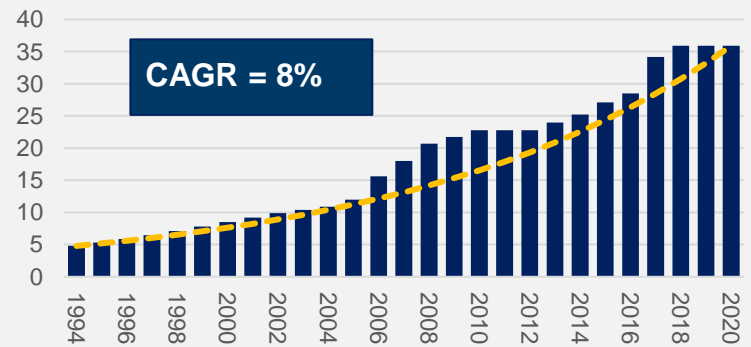
Revenue (£m)



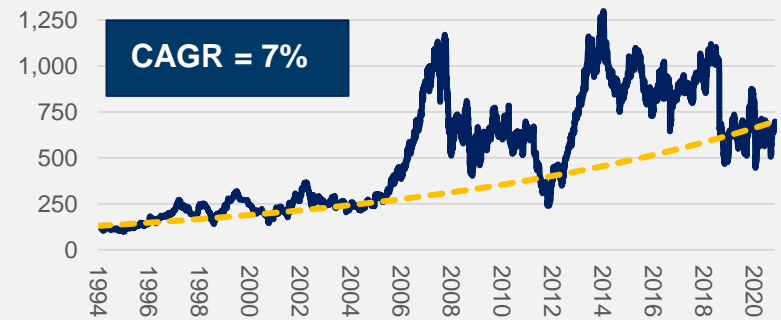
Underlying operating profit (£m)



Dividend per share (p)



Share price (p)



TSR of 10.6% CAGR vs. 6.9% FTSE All Share CAGR (at 2 Mar 2021)

Quality lender base and strong liquidity



£375m RCF facility

- Broad and supportive syndicate of eight banks
- Expires November 2025
- £200m accordion option
- Two acquisition spikes

\$125m US Private Placement

- Matures 2021(\$50m) & 2024(\$75m)
- Strong USPP investor appetite

£364m uncommitted facilities

- Includes £300m CCFF expiring 23 March 2021

Cash held at year-end £66m

Keller fact sheet

- Established 1860, now world's largest geotechnical specialist contractor globally
- Revenue by division: 60% North America, 29% EMEA, 11% APAC (only <3% of business in UK)
- Revenue by sector: 36% Infrastructure/Public buildings, 20% Residential, 22% Power/Industrial, 20% Office/Commercial, Marine 2%
- Room to grow:
 - Global geotechnical contracting market - £40bn
 - Geotechnical contracting markets where Keller operates - £15bn (excludes China, Japan, Korea and Russia)
 - Keller today c£2bn – a 5% global market share and a 13% share of the markets in which we operate
- Operate in 40 countries, across five continents
- Three divisions, 21 business units, 180 branches
- About 9,000 employees, of which around 1,500 are geotechnical engineers
- Over 1,200 rigs and cranes globally
- About 10% of our capex is spent on our own equipment, mainly vibro and jet grouting
- On average we work on c6,000 contracts per year
- About 50% of our contracts are design and build, 50% are build only
- Contracts over £5m revenue make up around 3% of the number of contracts, but account for 24% 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 eight major product groups
- Product split: 31% Ground improvement, 30% Heavy foundations, 9% Earth retention, 13% Grouting, 14% Post-tension systems, 2% Marine, 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 0.12
- Keller supports the UN Global Compact and aims to adhere to its 10 principles in the areas of anticorruption, environment, human rights and labour

Reporting – new structure proforma

effective 1 January 2021

£m	2019	2020
Revenue		
North America	1,333.9	1,227.5
EMEA	679.6	607.6
MEA	(90.5)	(69.1)
Europe	589.1	538.5
APAC	287.0	227.4
MEA	90.5	69.1
AMEA	377.5	296.5
Group	2,300.5	2,062.5

£m	2019	2020
Underlying operating profit		
North America	78.6	83.2
EMEA	28.4	20.9
MEA	(0.0)	(2.6)
Europe	28.4	18.3
APAC	3.3	13.0
MEA	0.0	2.6
AMEA	3.3	15.6
Central items	(6.5)	(7.0)
Group	103.8	110.1

From 1 January 2021, Keller's Middle East and Franki Africa businesses were integrated to become our Middle East and Africa Business Unit, and moved from EMEA division into APAC division. EMEA was then renamed Europe division and APAC renamed Asia-Pacific, Middle East and Africa (AMEA) division. Financial reporting for 2020 is still based on the previous organisation structure and business units.

Investor Relations contact



Caroline Crampton
Group Head of Investor Relations

+44 20 7616 7575

caroline.crampton@keller.com