

3 August 2021



Keller Group plc Interim Results 2021

Building the foundations for a sustainable future



[keller.com](https://www.keller.com)

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.

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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.

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Agenda

01 Summary

02 Financial results

03 Business update,
ESG and strategy

04 Summary and outlook

05 Questions and answers



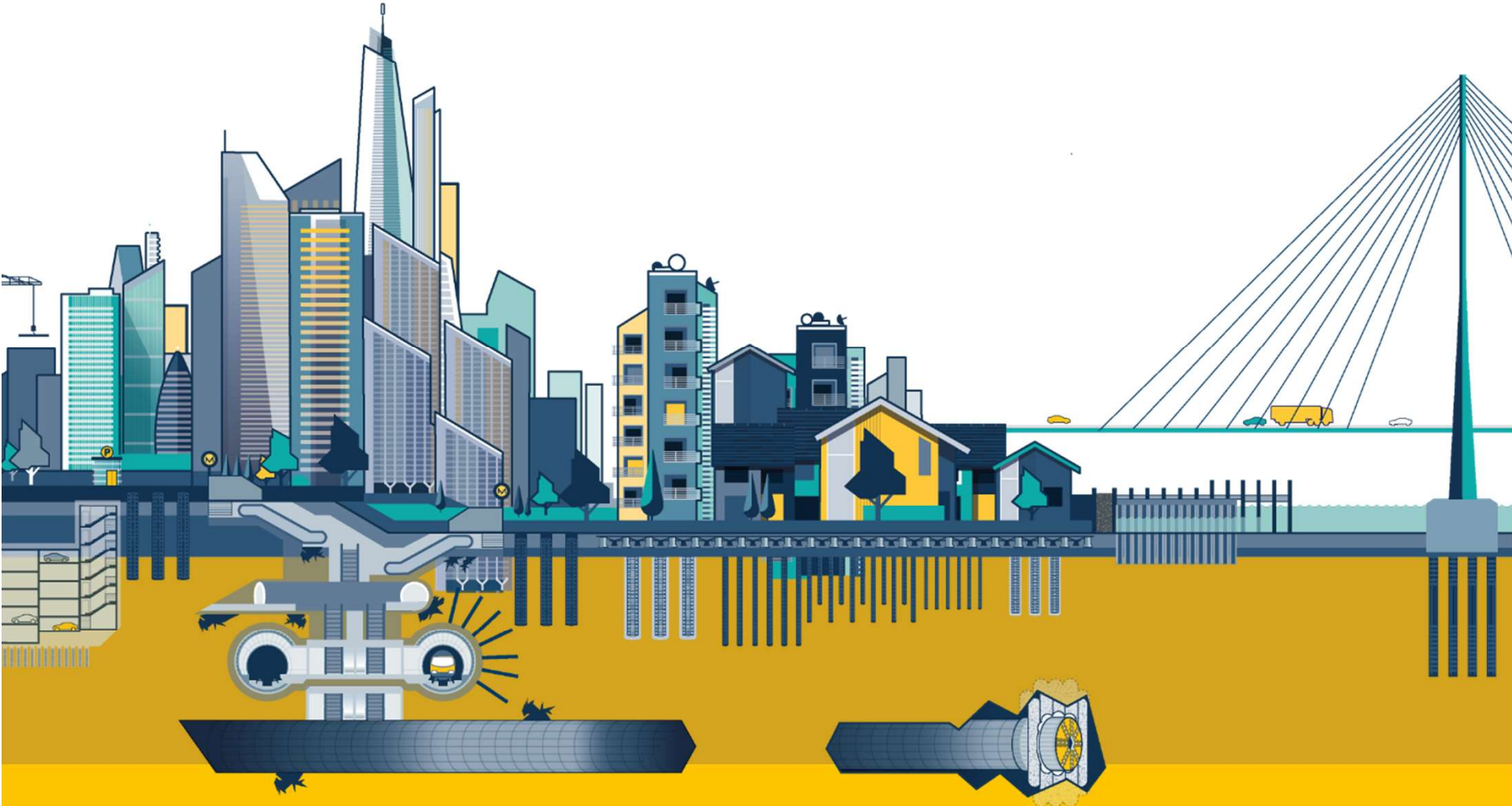
Summary

Revenue	Underlying operating profit	Underlying operating margin	Underlying diluted EPS	Order book	Dividend
£984.1m	£39.5m	4.0%	35.6p	£1.2bn	12.6p
-5% (flat CC)	-18% (-9% CC)	Down from 4.6%	-10% (+1% CC)	(+11% CC)	Flat YoY

- A better than expected H1 despite FX headwinds and anticipated COVID-19 related margin compression
- Revenue flat on constant currency basis; slow Q1 followed by improved momentum in Q2
- Operating profit decrease of 9% on constant currency basis; positive resolution of historical claim in NA more than offset by COVID-19 impact, higher steel prices in Suncoast and suspension of certain contracts in Africa
- Continued strong cash performance, net debt¹ of £113.4m, down 27%. Net debt/EBITDA¹ of 0.7x, within 0.5x-1.5x target
- Continued progress in both conventional and COVID-19 related safety, 27% YoY improvement in AFR²
- ESG: On climate action, one of the Group's four specific SDGs, we have set ambitious net zero targets for all three of our emission scopes, culminating in carbon neutrality by 2050 at the latest
- Execution of strategy continued; restructuring completed in Europe, acquisition of RECON in North America
- Payment of interim dividend continues the Group's 27 year uninterrupted record of dividends
- Order book increased to a record £1.2bn
- We expect a continuing increase in trading momentum in H2 with FY performance anticipated to be materially ahead of the Board's previous expectations, with a modest second half bias

CC = Constant currency. ¹On a lender covenant basis excluding the impact of IFRS16. ²AFR = Accident Frequency Rate

Financial results



Summary income statement

£m	H1 2021			H1 2020		
	Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
Revenue	984.1	-	984.1	1,039.1	-	1,039.1
Operating costs	(944.9)	(6.3)	(951.2)	(991.4)	(18.1)	(1,009.5)
Amortisation of acquired intangibles	-	(0.4)	(0.4)	-	(2.5)	(2.5)
Other operating income	-	0.7	0.7	-	0.7	0.7
Share of post-tax profits from JVs	0.3	-	0.3	0.2	-	0.2
Operating profit	39.5	(6.0)	33.5	47.9	(19.9)	28.0
Operating profit margin (%)	4.0%	-	3.4%	4.6%	-	2.7%
Net finance costs	(4.3)	-	(4.3)	(7.2)	-	(7.2)
Profit/(loss) before tax	35.2	(6.0)	29.2	40.7	(19.9)	20.8
Taxation	(9.5)	0.6	(8.9)	(11.8)	1.2	(10.6)
Profit/(loss) for the period	25.7	(5.4)	20.3	28.9	(18.7)	10.2
Diluted earnings per share (p)	35.6		28.2	39.5		13.8
Interim dividend per share (p)	12.6		12.6	12.6*		12.6*

* Approved at November 2020 Board meeting and announced in November 2020 Trading Statement

Summary income statement - underlying

£m	H1 2021			H1 2020		
	Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
Revenue	984.1	-	984.1	1,039.1	-	1,039.1
Operating costs	(944.9)	(6.3)	(951.2)	(991.4)	(18.1)	(1,009.5)
Amortisation of acquired intangibles	-	(0.4)	(0.4)	-	(2.5)	(2.5)
Other operating income	-	0.7	0.7	-	0.7	0.7
Share of post-tax profits from JVs	0.3	-	0.3	0.2	-	0.2
Operating profit	39.5	(6.0)	33.5	47.9	(19.9)	28.0
Operating profit margin (%)	4.0%	-	3.4%	4.6%	-	2.7%
Net finance costs	(4.3)	-	(4.3)	(7.2)	-	(7.2)
Profit/(loss) before tax	35.2	(6.0)	29.2	40.7	(19.9)	20.8
Taxation	(9.5)	0.6	(8.9)	(11.8)	1.2	(10.6)
Profit/(loss) for the period	25.7	(5.4)	20.3	28.9	(18.7)	10.2
Diluted earnings per share (p)	35.6		28.2	39.5		13.8
Interim dividend per share (p)	12.6		12.6	12.6*		12.6*

Revenue	£m
H1 2020	1,039.1
FX	(57.3)
North America	(0.3)
Europe	(9.0)
AMEA	11.6
H1 2021	984.1

Operating profit	
FX	(9)%
Organic / constant currency	(9)%
Total	(18)%

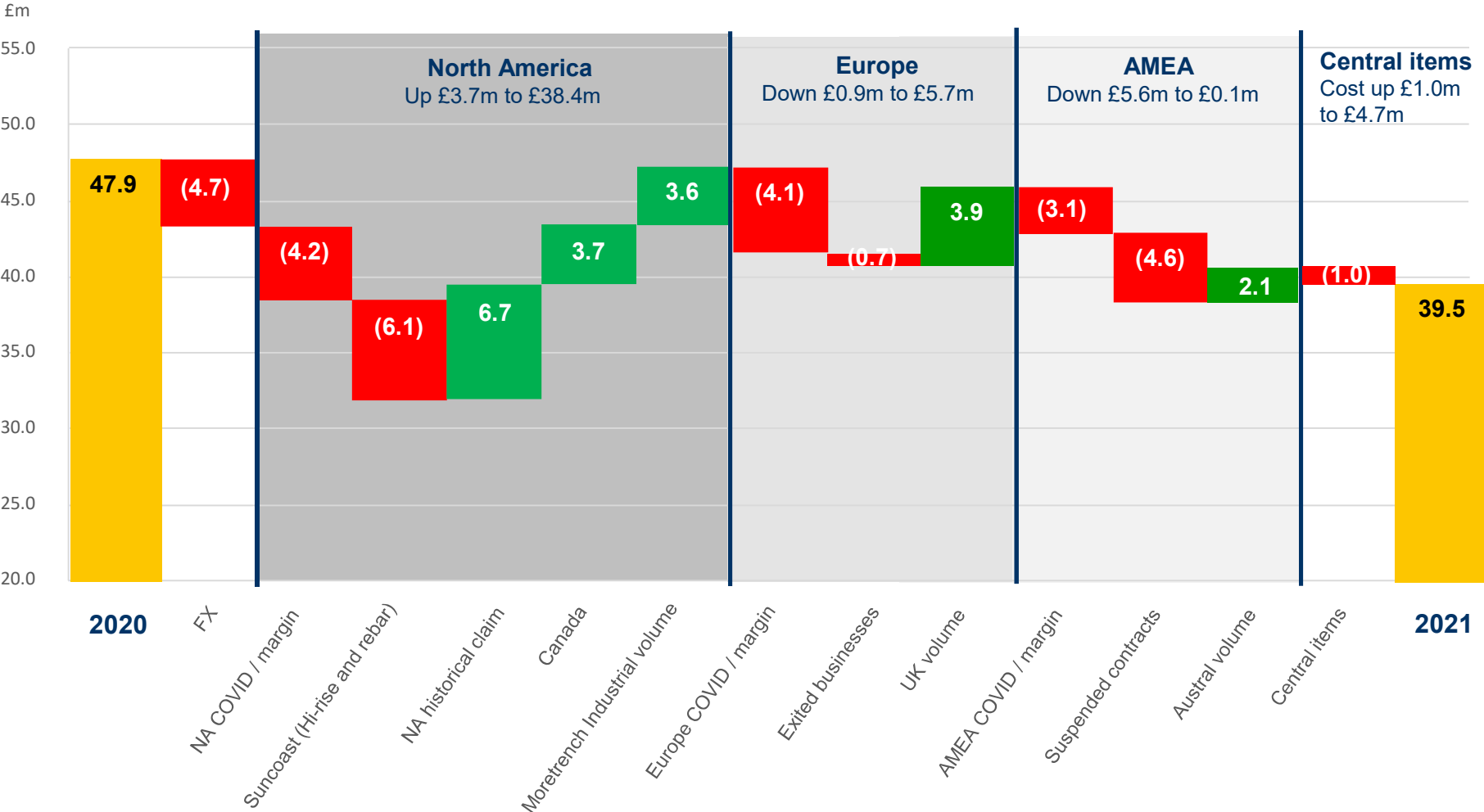
Net financing costs
£2.9m decrease due to reduction in level of borrowings and lower interest rates

Taxation
Effective tax rate for 2021 27% (2020 29%)

Dividend	
Board recommendation	12.6
Earnings cover	2.8x

* Approved at November 2020 Board meeting and announced in November 2020 Trading Statement

Underlying operating profit bridge H1 2020 to H1 2021



Summary income statement – non-underlying

£m	H1 2021		
	Underlying	Non-underlying	Total
Revenue	984.1	-	984.1
Operating costs	(944.9)	(6.3)	(951.2)
Amortisation of acquired intangibles	-	(0.4)	(0.4)
Other operating income	-	0.7	0.7
Share of post-tax profits from JVs	0.3	-	0.3
Operating profit	39.5	(6.0)	33.5
Operating profit margin (%)	4.0%	-	3.4%
Net finance costs	(4.3)	-	(4.3)
Profit/(loss) before tax	35.2	(6.0)	29.2
Taxation	(9.5)	0.6	(8.9)
Profit/(loss) for the period	25.7	(5.4)	20.3
Diluted earnings per share (p)	35.6		28.5
Interim dividend per share (p)	12.6		12.6

Non-underlying operating costs		£m
Europe and KGS restructuring		(3.5)
North America restructuring		0.4
Disposal of operations		(1.9)
Contingent consideration payment		(1.3)
Total		(6.3)

Amortisation of acquired intangibles		£m
Moretrench Industrial		(0.4)

Other operating income		£m
Business disposal		0.7

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

Statutory profit		£m
Underlying profit		25.7
Non-underlying items		(5.4)
Statutory profit		20.3

Statutory profit in H1 2020 was £10.2m

Cash flow

£m	H1 2021	H1 2020		2021	2020
Underlying operating profit	39.5	47.9			
Depreciation and amortisation	44.5	47.0			
Underlying EBITDA	84.0	94.9			
Non-cash items	(0.7)	0.6			
Dividends from joint ventures	-	0.5			
Decrease/(increase) in working capital	3.9	7.9			
(Decrease)/increase in provisions and retirement benefit liabilities	(7.1)	16.7			
Net capital expenditure	(26.4)	(24.9)			
Additions to right-of-use assets	(10.6)	(7.9)			
Operating cash flow	43.1	87.8			
Adjusted operating cash flow to adjusted operating profit	109%	183%			
Net interest paid	(4.3)	(7.2)			
Cash tax paid	(11.9)	(6.5)			
Free cash flow	26.9	74.1			
Dividends paid to shareholders	(16.8)	-			
Business disposals / acquisitions	-	(0.1)			
Non-underlying items	(1.7)	2.7			
Right-of-use assets and lease liability modifications	0.8	(0.6)			
Foreign exchange movements	2.5	(18.7)			
Movement in net debt	11.7	57.4			
Opening net debt	(192.5)	(289.8)			
Closing net	(180.8)	(232.4)			
Net debt - lender covenant definition	(113.4)	(155.1)			

	2021	2020
Depreciation/Capex		
Net capex/Depreciation	83%	70%
Gross capex/Depreciation	95%	76%

	2021	2020
Working capital		
Increase in inventories	(20.3)	(2.5)
(Inc)/dec in receivables	(59.5)	82.1
Inc/(dec) in payables	83.7	(71.7)
Reduction in working capital	3.9	7.9

Provisions	£m
Retirement benefits	(3.0)
Other provisions	(4.1)
Movement	(7.1)

Cash tax
2020 Cash tax paid benefitted from COVID-19 deferral measures paid in H2 2020

Net debt – Covenant basis	£m
Reported net debt	180.8
Lease liability (excl legacy leases)	(67.4)
Covenant basis	113.4
Leverage ratio	0.7x

Balance sheet

£m	H1 2021	FY 2020 (Audited)	H1 2020
Intangibles incl. goodwill	116.9	118.8	129.9
Managed assets			
Tangible fixed assets	417.7	434.9	464.3
Debtors and inventory	618.0	564.0	648.2
Other non-current assets	38.6	40.6	46.1
Total managed assets	1,074.3	1,039.5	1,158.6
Trade payables, provisions, current tax and other	(598.9)	(555.8)	(618.1)
	475.4	483.7	540.5
Funded by			
Net debt	180.8	192.5	232.4
Shareholders' funds	411.5	410.0	438.0
Total	592.3	602.5	670.4

Intangibles inc goodwill		£m
Opening		118.8
Acquisition		0.2
Amortisation acquired		(0.4)
Amortisation other		(0.3)
FX		(1.4)
Closing		116.9

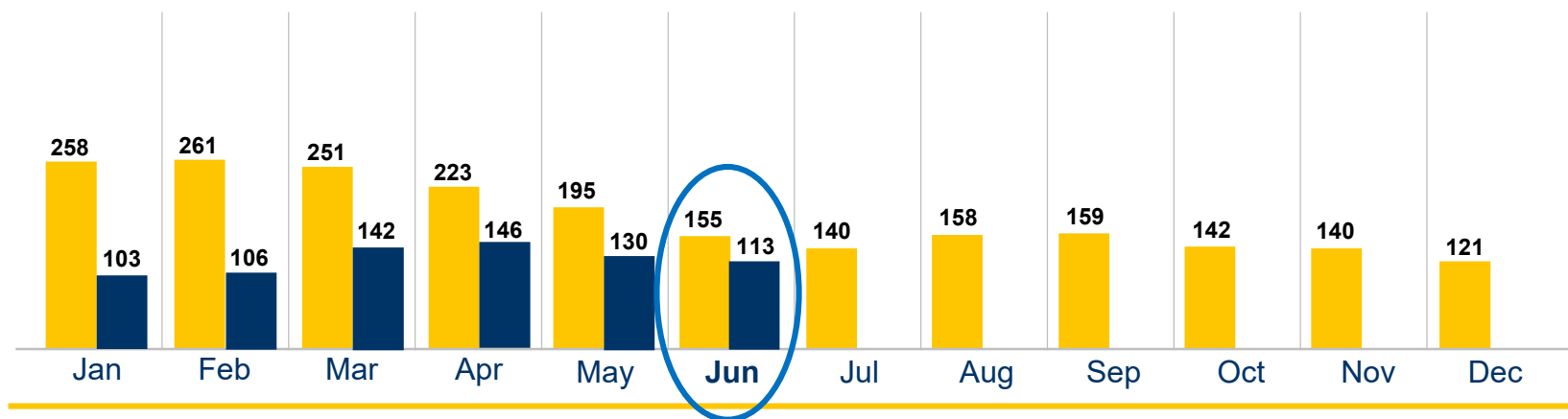
Tangible fixed assets		£m
Opening		434.9
Capital expenditure		31.7
Right-of-use additions		10.5
Disposals/transfers		(6.5)
Depreciation of fixed assets		(31.5)
Depreciation of ROU assets		(12.7)
FX		(8.7)
Closing		417.7

Debtors and inventory		£m
Opening		564.0
Volume / performance		79.1
Business disposal		(16.6)
FX		(8.5)
Total		618.0

Net debt		£m
Net debt (lender covenant basis)		113.4
Lease liability (ex legacy lease)		67.4
Total		180.8

Net debt profile (£m)

2020 2021



- Net debt¹ of £113.4m decreased by £41.7m, down 27% from H1 2020
- Average month end net debt of £123.4m, down 45% (2020 H1: £223.9m)
- Minimum headroom on the primary banking facility of £250.2m (cash balance at that time was £116.8m)
- We have operated well within all covenant limits
 - Leverage (net debt to EBITDA) of 0.7x, well within the limit of 3.0x and leverage target of 0.5x-1.5x
 - Continued improvement from prior years (2020 H1: 0.9x; 2019 H1: 2.1x)
 - Interest cover (EBITDA to Interest) of 30.5x (2020 H1: 12.7x), well above the minimum of 4.0x
- Committed facilities comprise of £375m multi-currency credit facility expiring November 2025 and the US\$125m US private placements (US\$50m maturing October 2021 and US\$75m maturing December 2024)
- Undrawn borrowing facilities of £302.3m comprising of £266.5m committed and £35.8m uncommitted as well as cash of £116.8m
- No material discounting or factoring in place

¹ Net debt on a lender covenant excluding the impact of IFRS 16

Financial modelling considerations

	H1 2021 experience	H2 2021 consideration
Trading/profit		
NA Suncoast margin	Impacted by steel tariff	Impacted by steel tariff
Large projects	Europe reduction (Mexico) AMEA: Cape Lambert	Europe: Ramp-up HS2 and SMS2 AMEA: Cape Lambert
Portfolio action	Europe BU merger FSC and ILM	RECON - minimal impact
Operating profit	Down on prior year but better than expectation	Down on prior year but better than expectation
Operating profit phasing	Benefitted from NA settlement	Modest H2 bias
Interest	Lower rate on lower net debt	Lower rate on lower net debt
Tax rate	27% (H1 20: 29%) Geo mix effect	27% +/- 1%, Biden tax?
FX (USD/EUR/SGD)	Average 1.39/1.15/1.85	Macro dependent
Cash/debt		
Net capex	83% of depreciation	Increasing but < depreciation
Working capital	Neutral	Outflow as activity ramps
Tax cash	Tracks P&L	Tracks P&L
Leverage (IAS 17)	0.7x	Lower end of 0.5x–1.5x range

Business update



North America

Operating review

£m	H1 2021 £m	H1 2020 £m	Constant currency
Revenue	581.7	636.5	0%
Underlying operating profit	38.4	38.6	+11%
Underlying operating margin	6.6%	6.1%	
Order book ¹	653.8	605.2	+8%

¹Comparative order book stated at constant currency

- Revenue flat; Q1 impacted by COVID-19 related slowdown, Q2 momentum improved
- Strong profit growth driven by resolution of historical claim (c£7m) and profitable revenue growth in Canada and at Moretrench Industrial
- Foundations business continued to benefit from the restructuring in 2020, delivering profitable growth despite a decline in revenue
- At Suncoast, increase in steel prices had a significant impact on margins (high-rise and rebar segments), partially mitigated by record demand for single family homes
- Profitable growth in Canada following the restructure in 2020
- In July we acquired RECON, a geotechnical and industrial services company based in Texas. Cash consideration of US\$23m (£17m) plus an expected earn-out of US\$15m (£11m) relating to certain specific contract wins
- Strong order book reflecting improved momentum across all business units



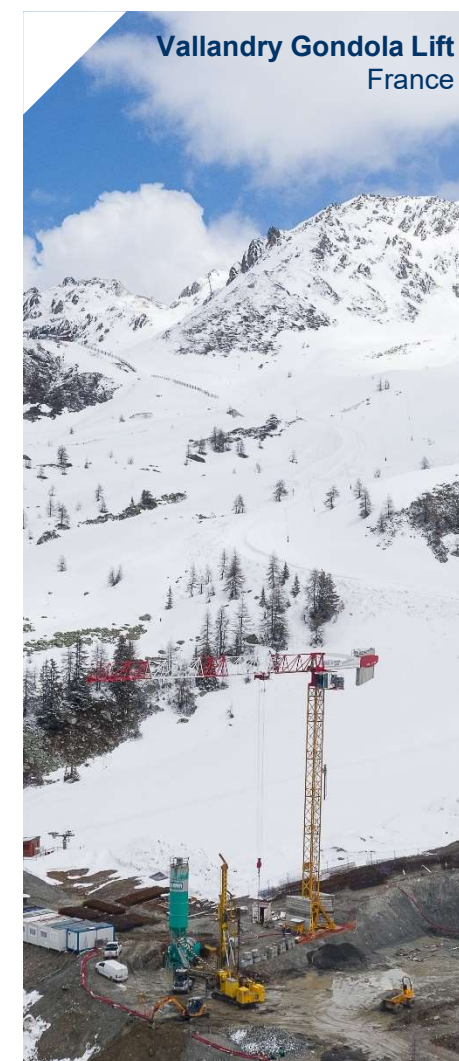
Europe

Operating review

£m	H1 2021	H1 2020	Constant currency
Revenue	242.0	254.7	-4%
Underlying operating profit	5.7	7.1	-14%
Underlying operating margin	2.4%	2.8%	
Order book ¹	375.5	285.3	32%

¹Comparative order book stated at constant currency

- Revenue decreased due to weather, COVID-19 related project delays, and exit of non-core businesses
- Operating profit declined reflecting reduced level of activity and weather-related inefficiencies, and a large oil refinery project in Mexico in 2020
- South East Europe and Nordics delivered revenue growth benefitting from SMS2 rail project in Norway
- North East Europe and Central Europe subject to reduced activity related to COVID-19
- UK benefitting from HS2 ramp up following the award of two JV contracts worth £131m (Keller's share)
- Further restructuring to simplify new Europe division: headquarters restructuring complete, merger of FSC with Iberia and Lat Am², reducing the number of European business units from six to five
- Strong order book with momentum building across most European markets. Managing supply chain and labour shortages will be a focus for H2



Vallandry Gondola Lift
France

AMEA

Operating review

£m	H1 2021	H1 2020	Constant currency
Revenue	160.4	147.9	+8%
Underlying operating profit	0.1	5.9	-98%
Underlying operating margin	0.1%	4.0%	
Order book ¹	162.8	187.2	-13%

¹Comparative order book stated at constant currency

- Revenue growth driven by Austral and India, partly offset by a decline in Middle East and Africa (MEA transferred to the former APAC division to form AMEA in Jan 2021)
- Operating profit declined to £0.1m, mainly as a result of the suspended LNG project in Mozambique
- India performed strongly in both revenue and profit despite the pandemic
- ASEAN revenue and profit impacted by market softness related to COVID-19
- Austral delivered revenue and profit growth, benefitting from Cape Lambert project and other mining related projects
- Australia impacted by COVID-19 related project delays - interstate lockdowns constrained movement of labour; combined with unusually heavy rain on the East Coast and cyclones in the Pilbara in Q1
- Middle East and Africa business was challenged following the suspension of LNG project in Mozambique and the COVID-19 related construction market slowdown across region
- Whilst the AMEA region remains impacted by COVID-19, tendering and trading activity is expected to ramp up in H2



Order book increased to a record £1.2bn

Geographic mix (Full order book)

Group¹

£1.2bn +11%

North America¹

£654m +8%

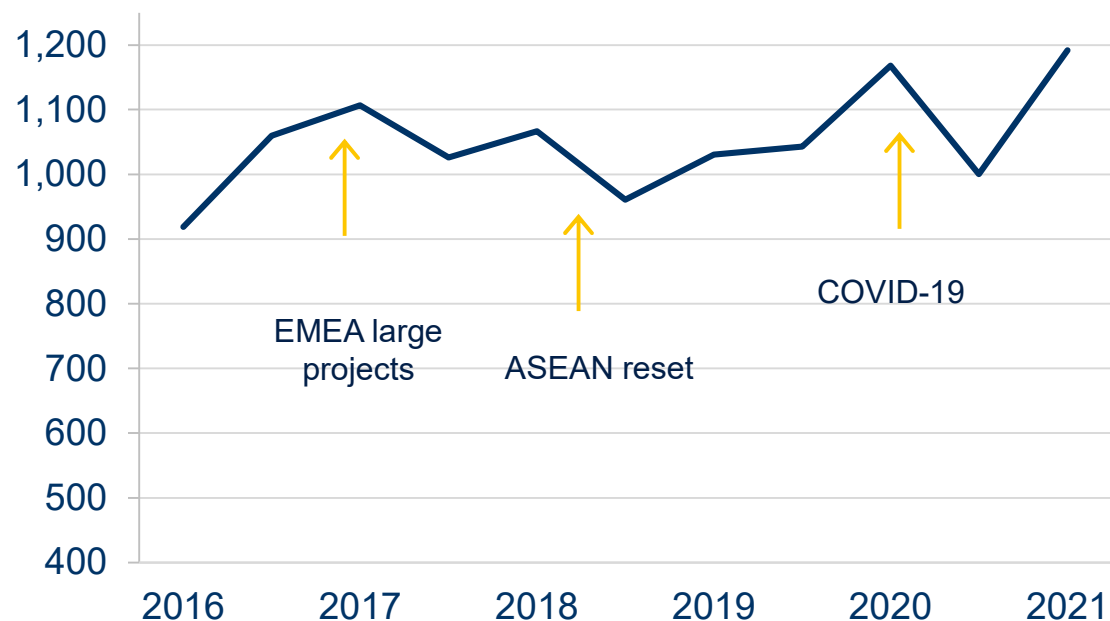
Europe¹

£376m +32%

AMEA¹

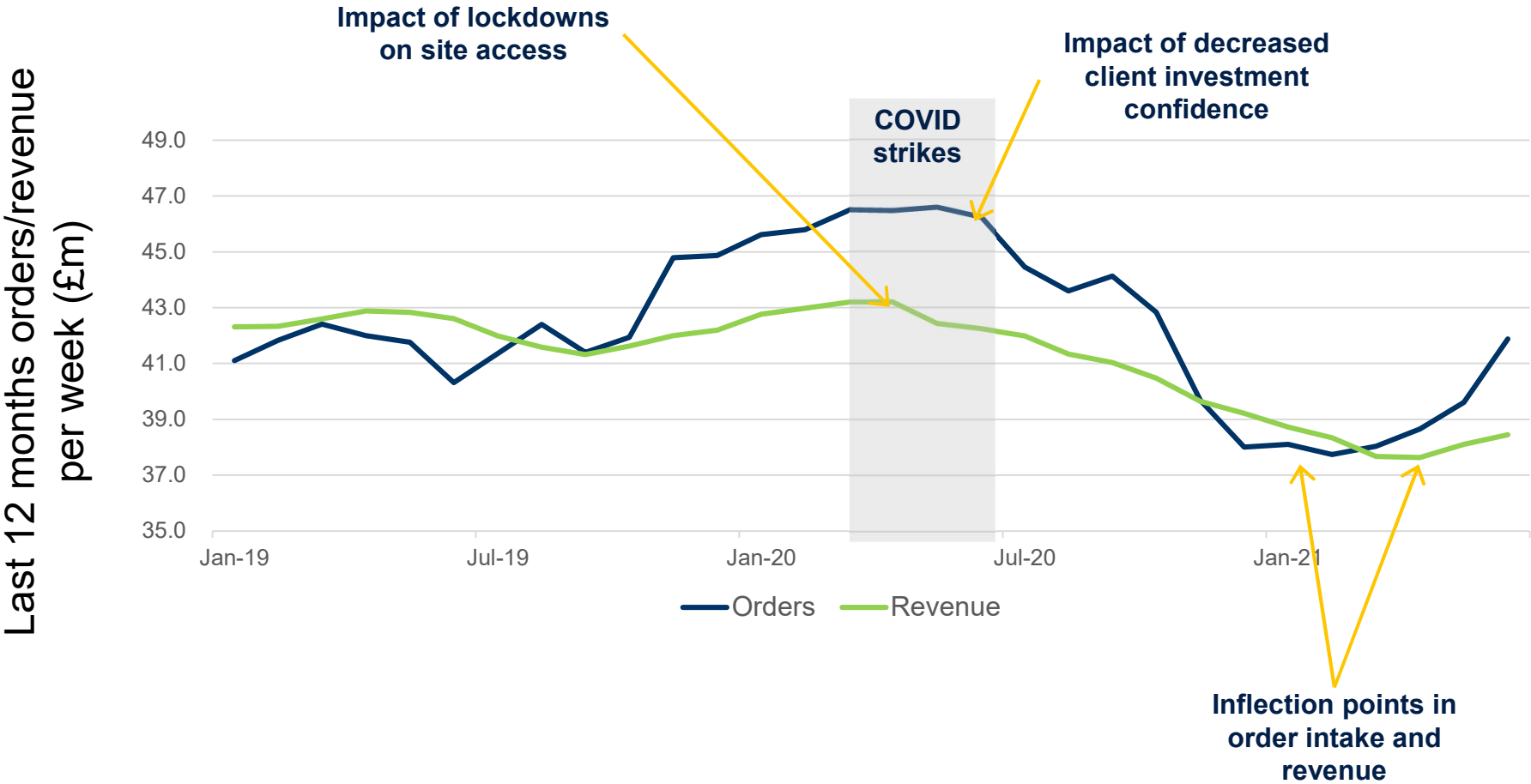
£163m -13%

Order book (£m)



¹Prepared on a constant currency basis versus H1 2020

We have passed the anticipated COVID-19 pandemic inflection point



ESG



Our Purpose

Building the foundations for a
sustainable future

Environmental, social and governance (ESG)

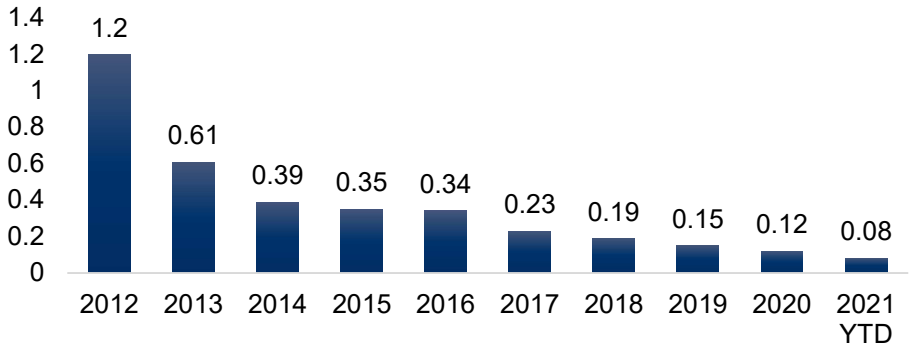
Improvement imperative	Sustainability		
	Environment	Social	Governance
Driver	Profitable projects 		
	Planet 	People 	Principles 
Global initiatives	Carbon reduction 	Gender DEI Safety  	Good governance 
Local initiatives	Resilient cities Resource use and waste Pollution   	Race DEI Health and wellbeing Education   	Partnerships 



Safety: Operational performance

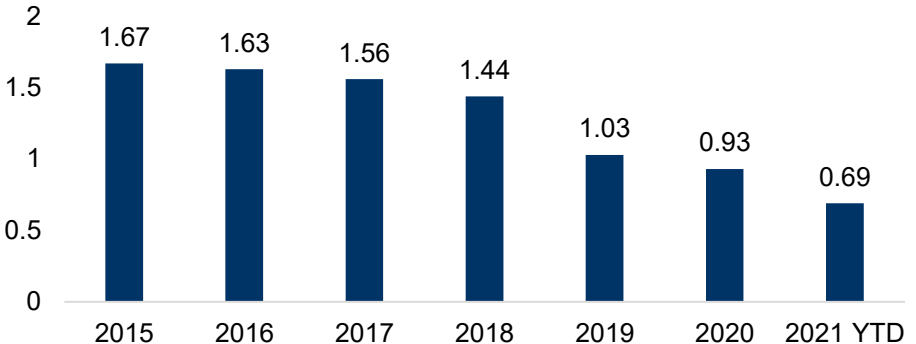
Accident frequency rate

- One fatality in Salzburg, Austria
 - A long serving and valued employee
 - The investigation is now complete and, while it has been determined Keller was not at fault, we have actively used the event to advance our safety programme
- 8 lost time injuries (three critical)
- 27% improvement YoY



Total recordable incident rate

- 32 recordable injuries
- 25% improvement YoY
- Increasing focus on 'near miss' reporting and proactive measures



Safety: Managing COVID-19

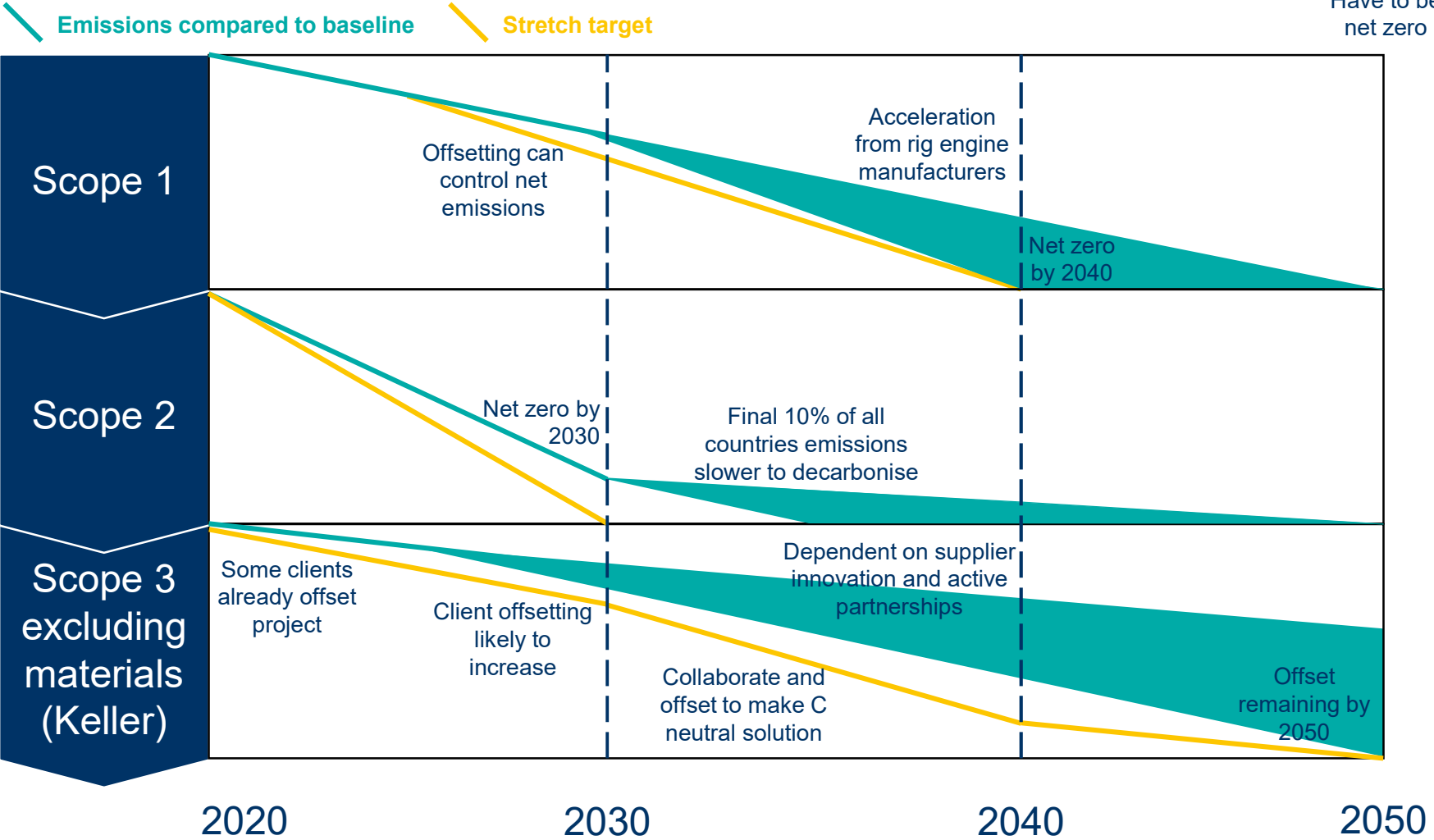
- We continue to prioritise the safety of our people and the protection of our business against COVID-19:
 - Maintained our company-wide protocols, supplemented locally to ensure project delivery
 - Continue to monitor and report on infections across Keller daily
 - Held employee focus groups led by non-executive directors to check in with the workforce
 - Encouraged and supported global workforce to be fully vaccinated
- Donating £300,000 to UNICEF, in support of the COVAX initiative. Equivalent to fully vaccinating each of our entire workforce and their immediate families
- Developing a framework for the overall wellness of our employees

 **KELLER** supports





Carbon reduction: Timeline



Strategy





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

Implementing the strategy – Portfolio actions

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

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Geographic rationalisation

- Brazil ✓
- Latin America ✓
- Sub-Saharan Africa ✓

Product rationalisation

- Heavy Foundations in ASEAN ✓
- Waterway ✓
- Wannenkutsch ✓
- Colcrete Eurodrill ✓
- Cyntech Anchors ✓

Restructuring

- ASEAN ✓
- APAC and Europe HQs ✓

A more focused, higher quality business

Implementing the strategy – The next phase



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

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Operational performance

- Global product teams ✓
- Operational innovation and improvement (Lean, KDAQ,+) ✓
- Continuous improvement of project management processes ✓

Market leadership

- Reorganisation of NA Division ✓
- Acquisition – RECON ✓
- Further 'bolt-on' acquisitions ✓

A more focused, higher quality business

Global leverage

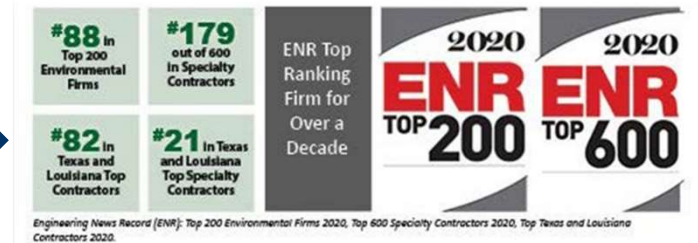
-  Vibro
-  Rigid inclusions
-  Grouting
-  Jet grouting
-  Soil mixing
-  Micropiles/Anchors
-  Bored piles
-  Continuous flight auger (CFA) piles

Our global product teams are adding value by:



RECON acquisition

- A geotechnical and industrial services company with a focus on environmental remediation
- Headquartered in Houston, Texas
- Client base includes heavy industrial, commercial, and government entities with projects located throughout North America
- Provides opportunity to increase Group's overall market share in Gulf Coast area where Keller historically under-represented
- The revenue of the base business, acquired for US\$23m (£17m), is expected to recover from its current COVID impacted level of c\$90m, and over time operating margins will recover from break even to at least that of the NA Division
- An expected earn-out of US\$15m (£11m) relating to certain specific, commercially sensitive, contract wins



Both Moretrench and RECON share many common characteristics and operate in the environmental and industrial services space

Provides many revenue synergy opportunities for cross selling between Recon, Moretrench and Keller's Foundations group

Some, primarily volume based, cost synergies

Summary and outlook



Summary and outlook

H1 2021 Summary

- **Strong performance in H1**
 - Better than expected performance despite FX
 - Margin impact of COVID was as anticipated
 - Passed volume inflection point of pandemic impact
 - Order book at record level
 - Continued successful execution of the strategy

H2 2021 Outlook

- **Strong momentum into H2**
 - Encouraged by record order book
 - Some residual COVID and market risks
 - Performance for FY anticipated to be materially ahead of the Board's previous expectations, with a modest H2 bias
 - Focussing on the delivery of next phase of the strategy

2022 Outlook

- **Quietly optimistic**
 - Speed of economic recovery will vary geographically as vaccination replaces lockdown as primary COVID containment measure
 - Investment confidence returning and public infrastructure spend increasing
 - Keller strategically well placed to benefit from the recovery

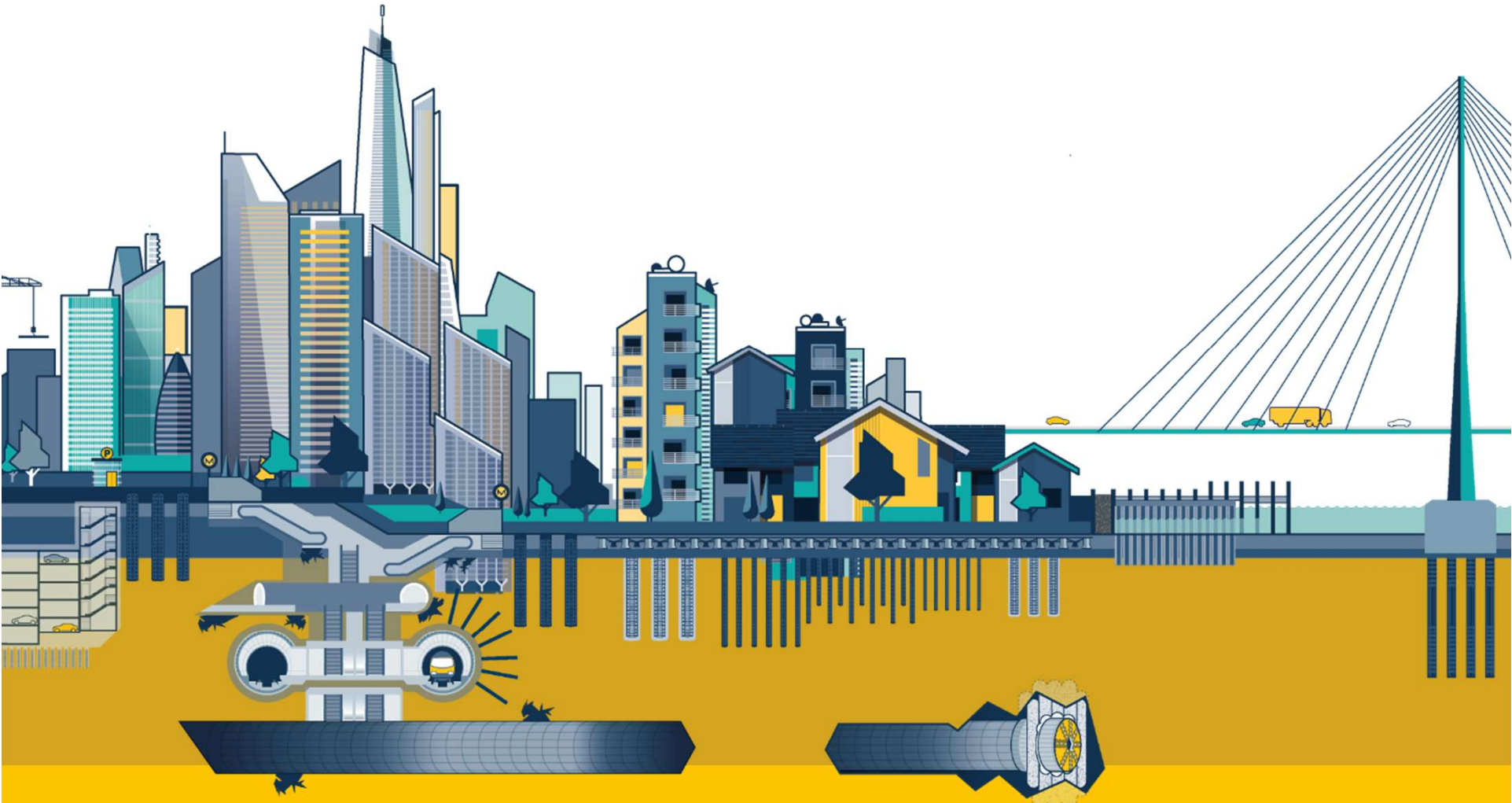
The long term fundamentals continue to be strong; we remain optimistic about our future trading prospects and strategic opportunities



Questions and answers



Keller overview



Keller today

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

Our purpose

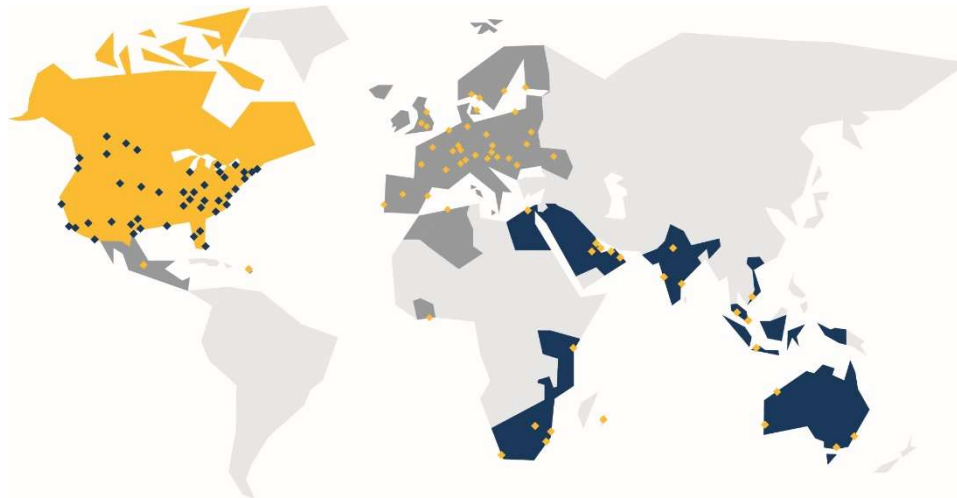
To build the foundations for a sustainable future

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

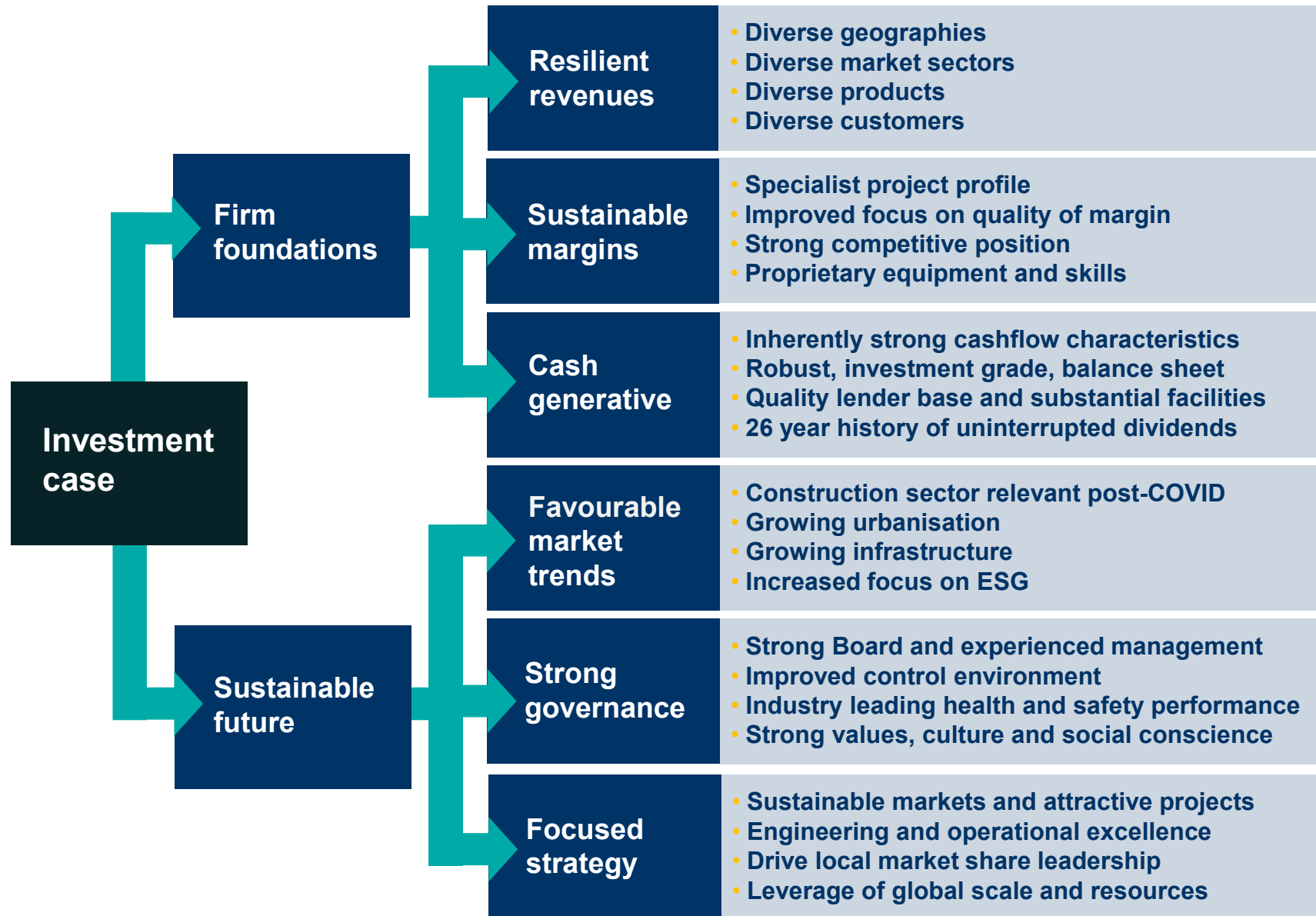


9,000
employees



6,000
contracts pa

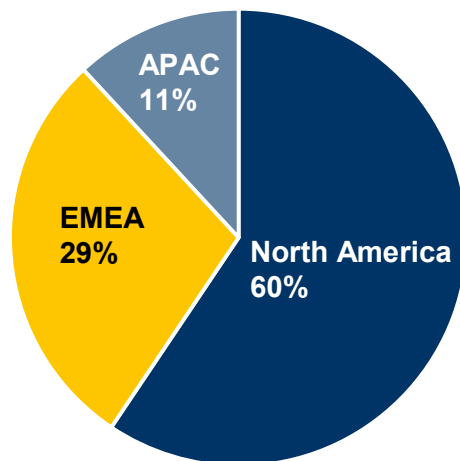
Building the foundations for a sustainable future



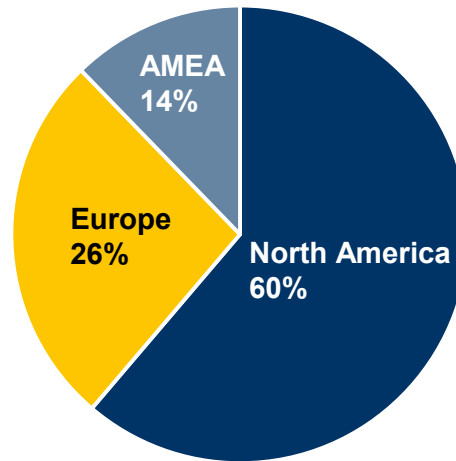
Well balanced in terms of geography and sector

- 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

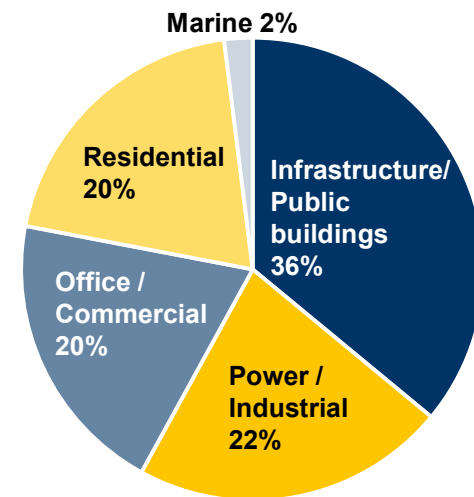
Revenue by geography (2020)
Old structure



Revenue by geography (2020)
New structure



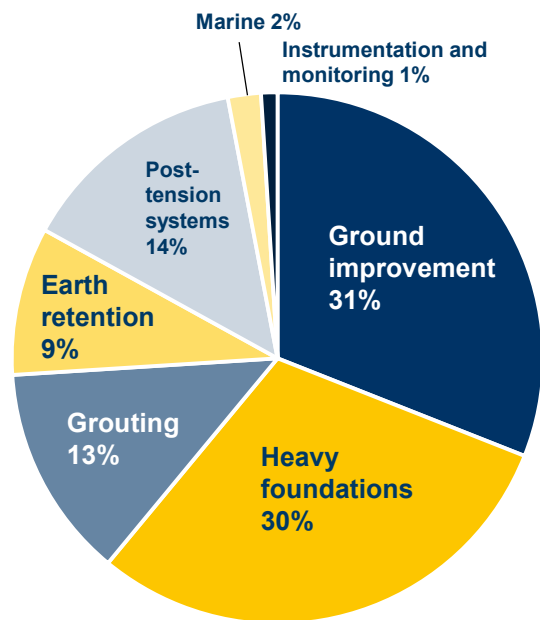
Revenue by sector (2020)



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)

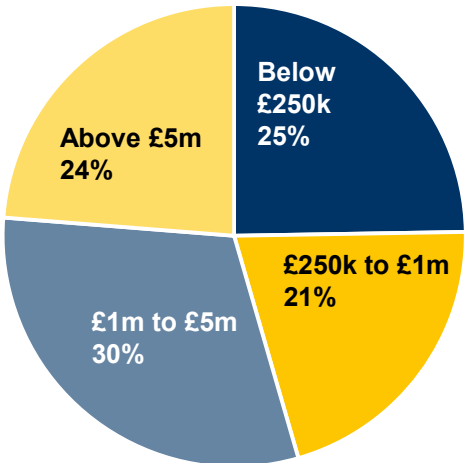


Ground improvement	Heavy foundations	Grouting	Earth retention
<ul style="list-style-type: none"> • Vibro • Rigid inclusions • Dynamic improvement • Soil mixing • Consolidation 	<ul style="list-style-type: none"> • Driven piles • Micropiles • Bored piles /drilled shafts • Continuous flight auger 	<ul 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 	

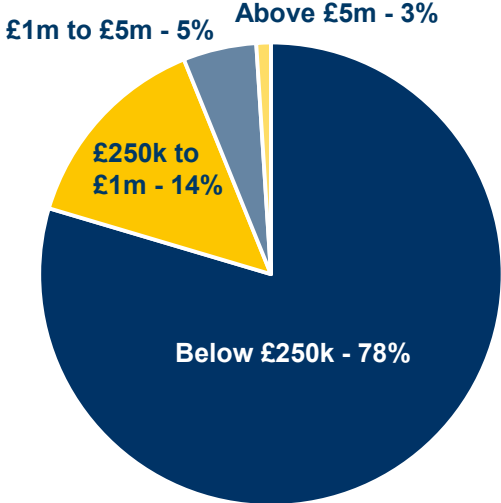
Diverse customer base

- 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

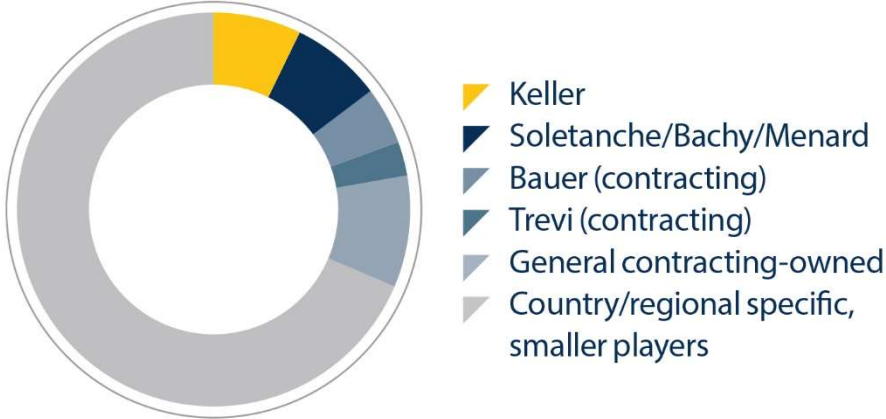


Geotechnical market size

Market size



Market share



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

Carbon scopes

176,000 tonnes CO₂e last year (Scope 1 and 2)



169,000

Scope 1

Direct emissions
(eg fuel use
on site)

7,000

Scope 2

Indirect electricity
emissions

Not tracked

Scope 3

**Materials
(Client)**

> 80% of site
emissions for cement-
based solutions

Scope 3

**Excluding materials
(Keller)**

Transport of materials,
business travel and
waste disposal

All figures in tCO₂e



Carbon reduction: Targets

Scope	Lagging target	Leading targets
1	Net zero by 2040	By 2023: Create a decarbonisation strategy for fleet and machinery
		By 2024: Set an interim 2030 carbon reduction target
		By 2023: Complete site trials on carbon saving opportunities
2	Net zero by 2030	By 2023: Energy efficiency audits in all BUs
		By 2024: Implement short-term savings from audit
3 Excluding materials (Keller)	Net zero by 2050	By 2023: Start measuring global transport and yard waste
3 Materials (Client)	Set a target in 2023	By 2023: Start measuring our Scope 3 materials emissions
		By 2023: Offer training to all engineers on C calculator
		By 2023: For every alternative solution tendered over £3m value, carry out a C comparison

Keller Scope 3 emissions cover transportation of materials, business travel and waste disposal
 'By date' refers to start of the year stated

Building the foundations for
a sustainable future
Florida, North America

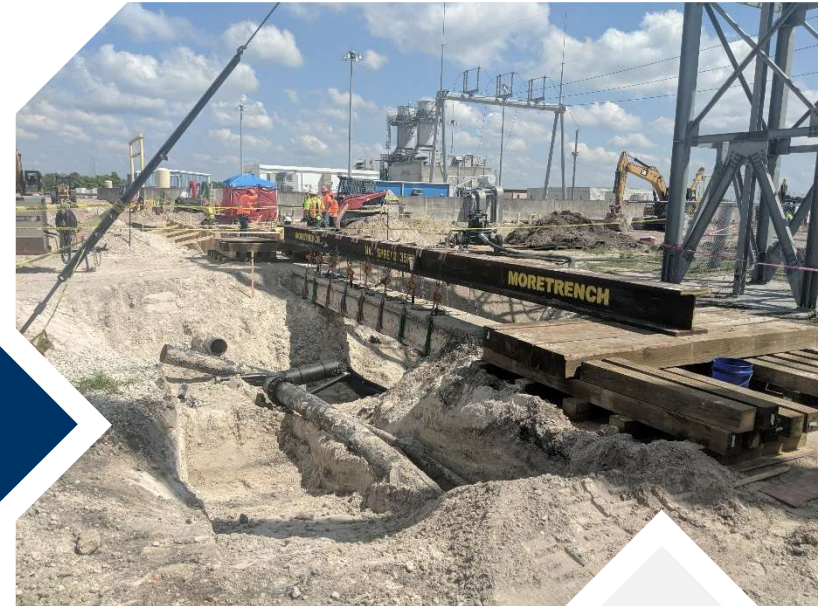
**Multi million dollar power plant
modernisation**

Challenges

- Environmentally sensitive; bordered on three sides by Tampa Bay waterways
- Schedule; worked 24hr per day to recover time lost from permitting process

Solution included:

- Moretrench Industrial performed demolition, storm drainage piping and structures, utility piping, cast-in-place concrete, erosion control, earthwork, roadways/parking, structures and temporary dewatering
- Keller sister company performed deep foundations



**An example of the industrial
services that Moretrench
Industrial can offer**

**25 year relationship with the
client**

**Delivered on schedule with zero
recordable safety incidents**

Building the foundations for a sustainable future **Mulhouse, France**

€5.5 million project to turn disused space into attractive, canal-side park

- Keller awarded contract to reinforce wall that separates canal from the train station
- First collaboration of French and Spanish colleagues following integration
- Having learnt to do large-diameter columns from Austrian colleagues on Paris Metro project, Keller proposed 2m-diameter jet grout columns
- Plus micropile reinforcement, bringing in expertise of Spanish colleagues



**Faster and more cost-effective
than more common 1m columns**

**Delivered in just two months –
three weeks ahead of schedule**

**High-quality work and
significant time and cost-
savings for our client**

Building the foundations for a sustainable future

Cape Town, South Africa

Harbour Arch; the largest mixed- use precinct in Cape Town CBD

Challenges

- COVID-19 halted operations for three months
- Concrete obstructions, old foundation footings and services that required relocation
- Substantial groundwater in the excavations

Solution included:

- Construction of c11m deep three-level basement
- Lateral support using soldier piles, jet grout columns, anchors and gunite arches with dewatering
- Heavy foundations using large diameter temporary cased augered piles
- Removal of 66,000 m³ of spoil material



Our arsenal of expertise and equipment allows us to accommodate changes to scope and programme without incurring delays

Met six-month construction programme, handing project over on time

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)



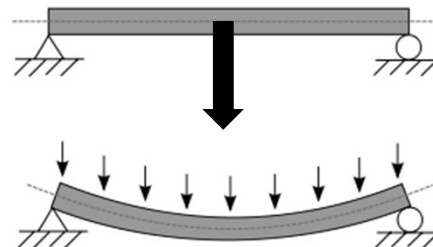
Requirements

- Performance (allowable settlements)
- Schedule
- Cost



Loading conditions

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



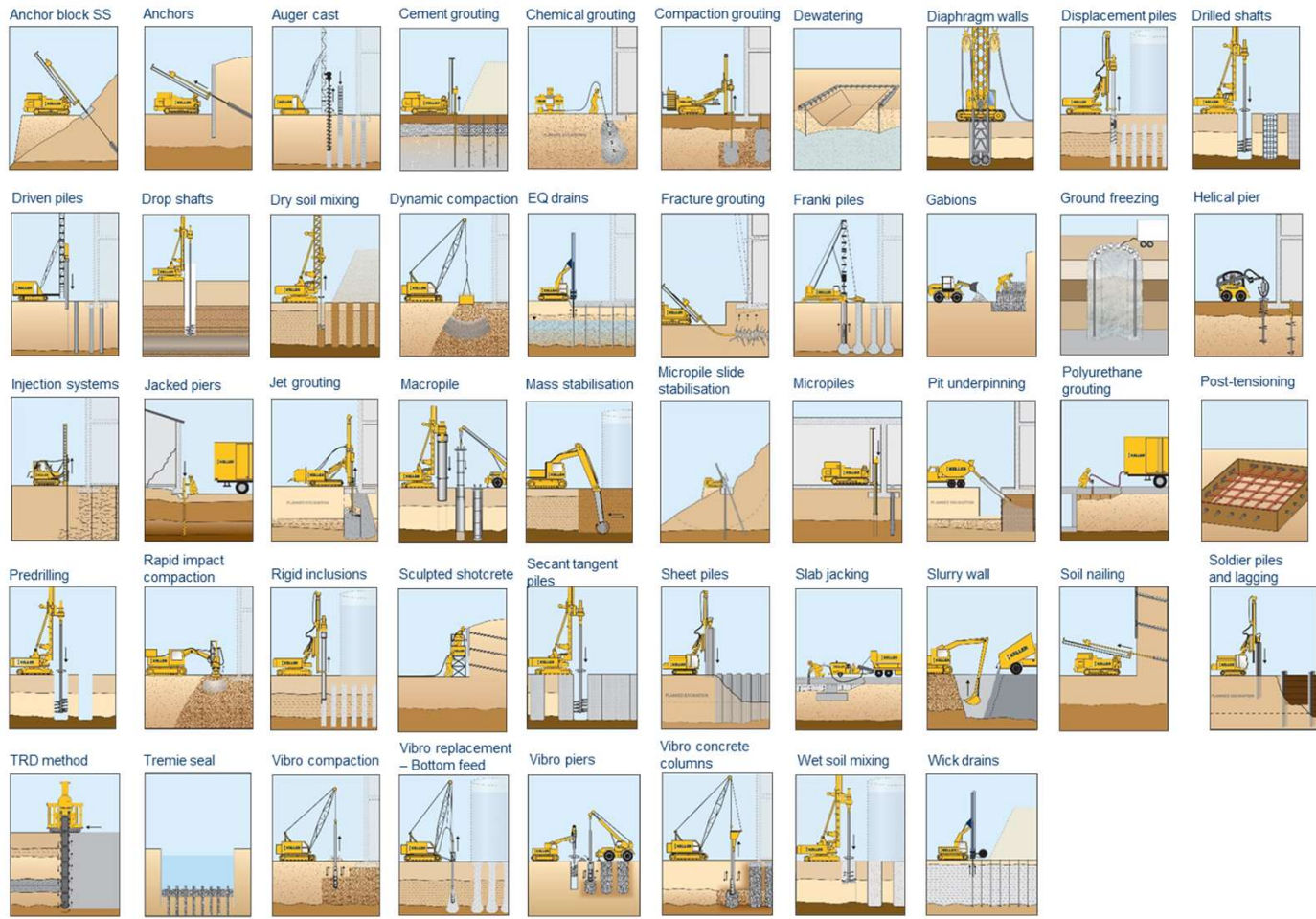
Constraints

- 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

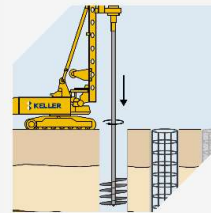
50% of our projects are 'design and build' where value engineering can **reduce cost by up to 40% and save time**

Maiden Lane, New York

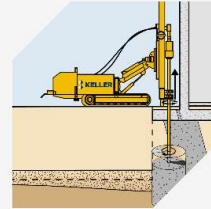
57-storey tower, lower Manhattan

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

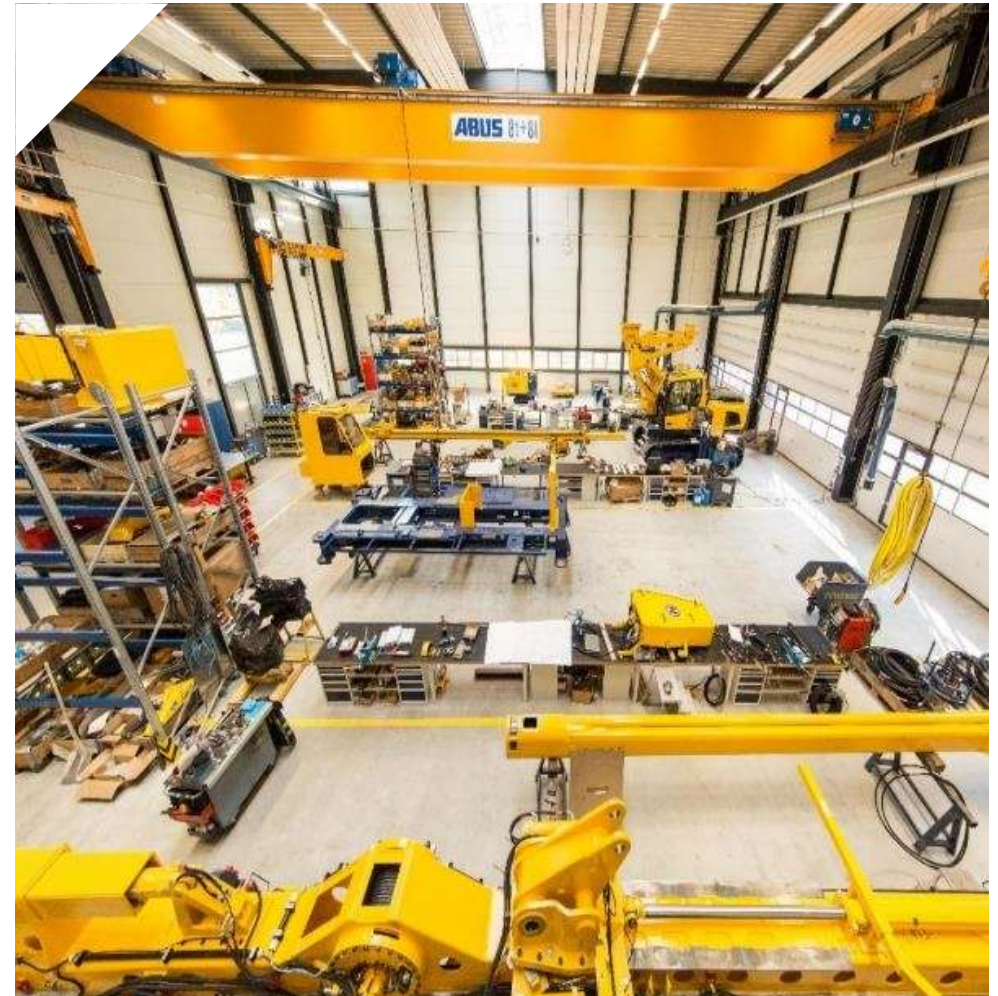
Large fleet and design and manufacture capability

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

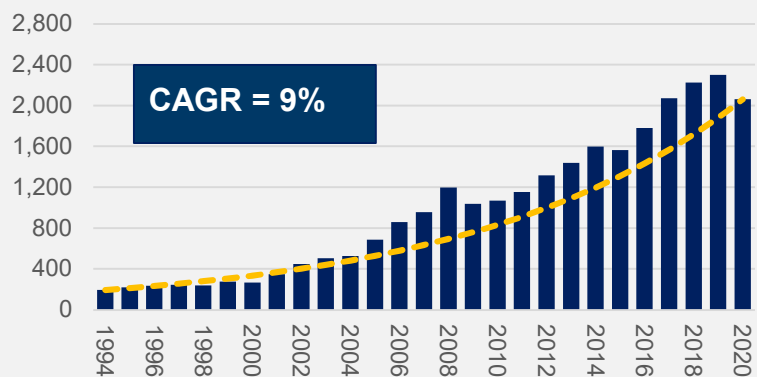
Business Development Academy

- 170 leaders have attended

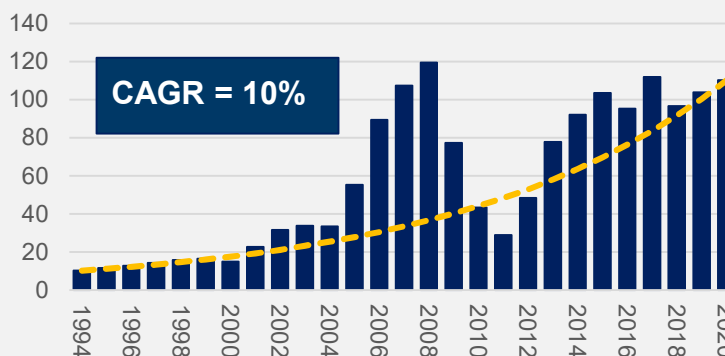


Financial performance since listing in 1994

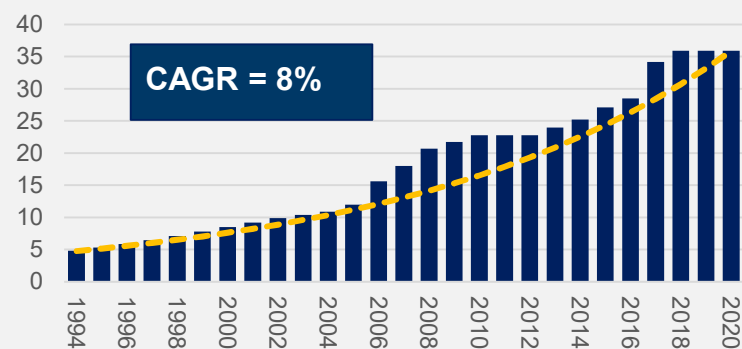
Revenue (£m)



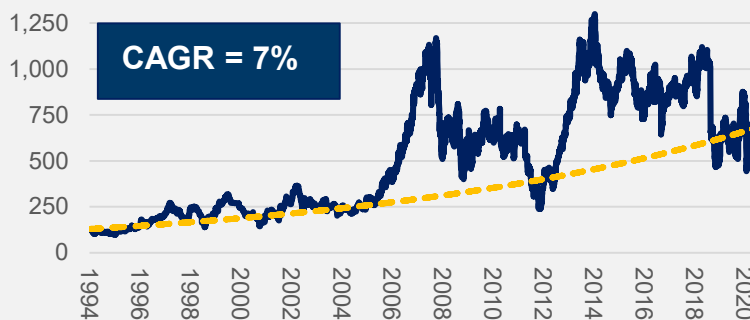
Underlying operating profit (£m)



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 Oct 2021(\$50m) & Dec 2024 (\$75m)
 - Strong USPP investor appetite
- **£43m uncommitted facilities**
- **Cash held at half year end £117m**

Keller fact sheet

- Established 1860, now world's largest geotechnical specialist contractor globally
- Revenue by division: 60% North America, 26% Europe, 14% AMEA (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 0.08 at H1 2021
- Keller supports the UN Global Compact and aims to adhere to its 10 principles in the areas of anticorruption, environment, human rights and labour

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