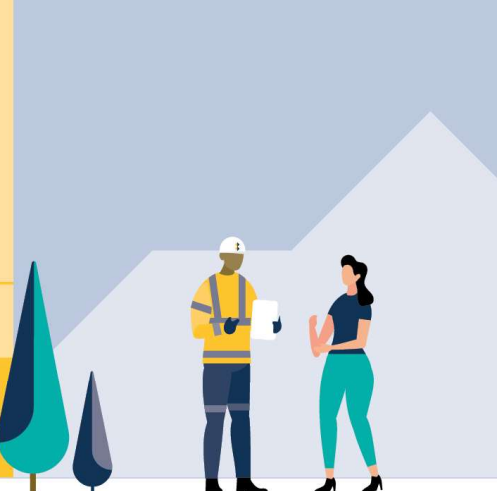
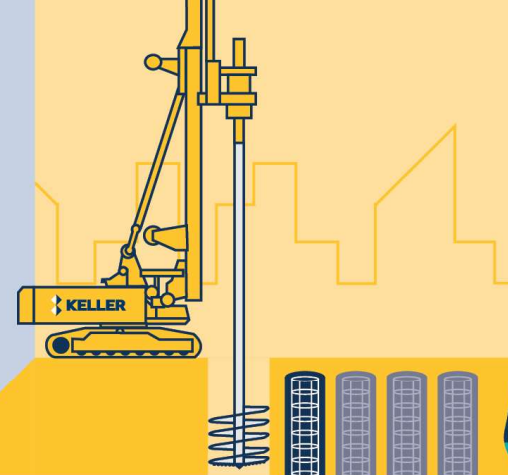
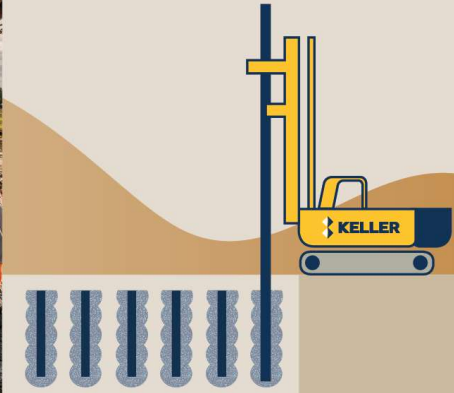


# Keller Group plc Interim Results for 2023

1 August 2023

## 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', 'will', '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.

# Agenda

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01 Summary

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02 Financial results

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03 Business performance

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04 Group Strategy

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05 Summary and outlook

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06 Questions and answers



# Summary - Record H1, positive H2 outlook, increased dividend

Revenue	Underlying operating profit	Underlying operating margin	Underlying diluted EPS	Order book	Dividend
£1,466.3m	£67.0m	4.6%	56.0p	£1.5bn	13.9p
+10% (+6% CC)	+58% (+50% CC)	Up from 3.2%	+48%	(-2% CC)	+5% YoY

- **Record H1** performance in revenue and profit
- **Revenue:** £1,466.3m, +6% CC, demonstrating the benefit of our diverse and resilient revenue streams
- **Operating profit:** £67.0m, +50% CC; **operating margin:** increase to 4.6% (H1 22<sup>1</sup>: 3.2%). Driven by NA Foundations improvement, strong margin performance at Suncoast; offset by legacy project losses at Austral and a competitive pricing environment in Europe
- **EPS** (underlying diluted): 56.0p, +48%, growth in profit moderated by higher finance costs
- **FCF<sup>2</sup>:** £40.8m, strong recovery benefiting from increased underlying profits and improved working capital performance
- **Net debt<sup>3</sup>:** £244.6m, +26%, impacted by timing of US tax payments. ND/EBITDA leverage ratio of 1.2x<sup>3</sup> (H1 22<sup>1</sup>: 1.2x<sup>3</sup>)
- **Order book:** Strong at £1.5bn, underpins performance in H2
- **Safety:** AFR<sup>4</sup> decreased to 0.09 from 0.10 injuries per 100,000 hours worked
- **Dividend:** Interim dividend +5% to 13.9p (H1 2022: 13.2p) reflecting strong performance and confidence in both H2 and longer-term prospects

# Financial results



# Summary income statement

	H1 2023			H1 2022 (restated) <sup>1</sup>		
	Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
<b>Revenue</b>	<b>1,466.3</b>	-	<b>1,466.3</b>	1,333.4	-	1,333.4
Operating costs	(1,399.5)	(7.2)	(1,406.7)	(1,292.0)	(6.1)	(1,298.1)
Amortisation of acquired intangibles	-	(3.8)	(3.8)	-	(5.8)	(5.8)
Other operating income	-	1.0	1.0	-	0.7	0.7
Share of post-tax profits from JVs	0.2	(0.4)	(0.2)	0.9	(0.7)	0.2
<b>Operating profit</b>	<b>67.0</b>	<b>(10.4)</b>	<b>56.6</b>	42.3	(11.9)	30.4
Operating profit margin (%)	4.6%	-	3.9%	3.2%	-	2.3%
Net finance costs	(13.5)	-	(13.5)	(5.0)	-	(5.0)
<b>Profit/(loss) before tax</b>	<b>53.5</b>	<b>(10.4)</b>	<b>43.1</b>	37.3	(11.9)	25.4
Taxation	(11.8)	2.3	(9.5)	(9.7)	2.4	(7.3)
Profit/(loss) for the period	41.7	(8.1)	33.6	27.6	(9.5)	18.1
Diluted earnings per share (p)	56.0		45.0	37.9		24.9
Interim dividend per share (p)	13.9		13.9	13.2		13.2

# Summary income statement - underlying

	H1 2023	H1 2022 <sup>1</sup>
	Underlying	Underlying
<b>Revenue</b>	<b>1,466.3</b> 1	1,333.4
Operating costs	(1,399.5)	(1,292.0)
Amortisation of acquired intangibles	-	-
Other operating income	-	-
Share of post-tax profits from JVs	0.2	0.9
<b>Operating profit</b>	<b>67.0</b> 2	42.3
Operating profit margin (%)	4.6%	3.2%
Net finance costs	(13.5) 3	(5.0)
<b>Profit/(loss) before tax</b>	<b>53.5</b>	37.3
Taxation	(11.8) 4	(9.7)
<b>Profit/(loss) for the period</b>	<b>41.7</b>	27.6
Diluted earnings per share (p)	<b>56.0</b>	37.9
Interim dividend per share (p)	<b>13.9</b> 5	13.2

1. Revenue	£m	CC%
H1 2022	1,333.4	
FX	52.7	
North America	(35.9)	-3.9%
Europe	25.7	+8.4%
AMEA	90.4	+53.8%
H1 2023	<u>1,466.3</u>	+5.8%

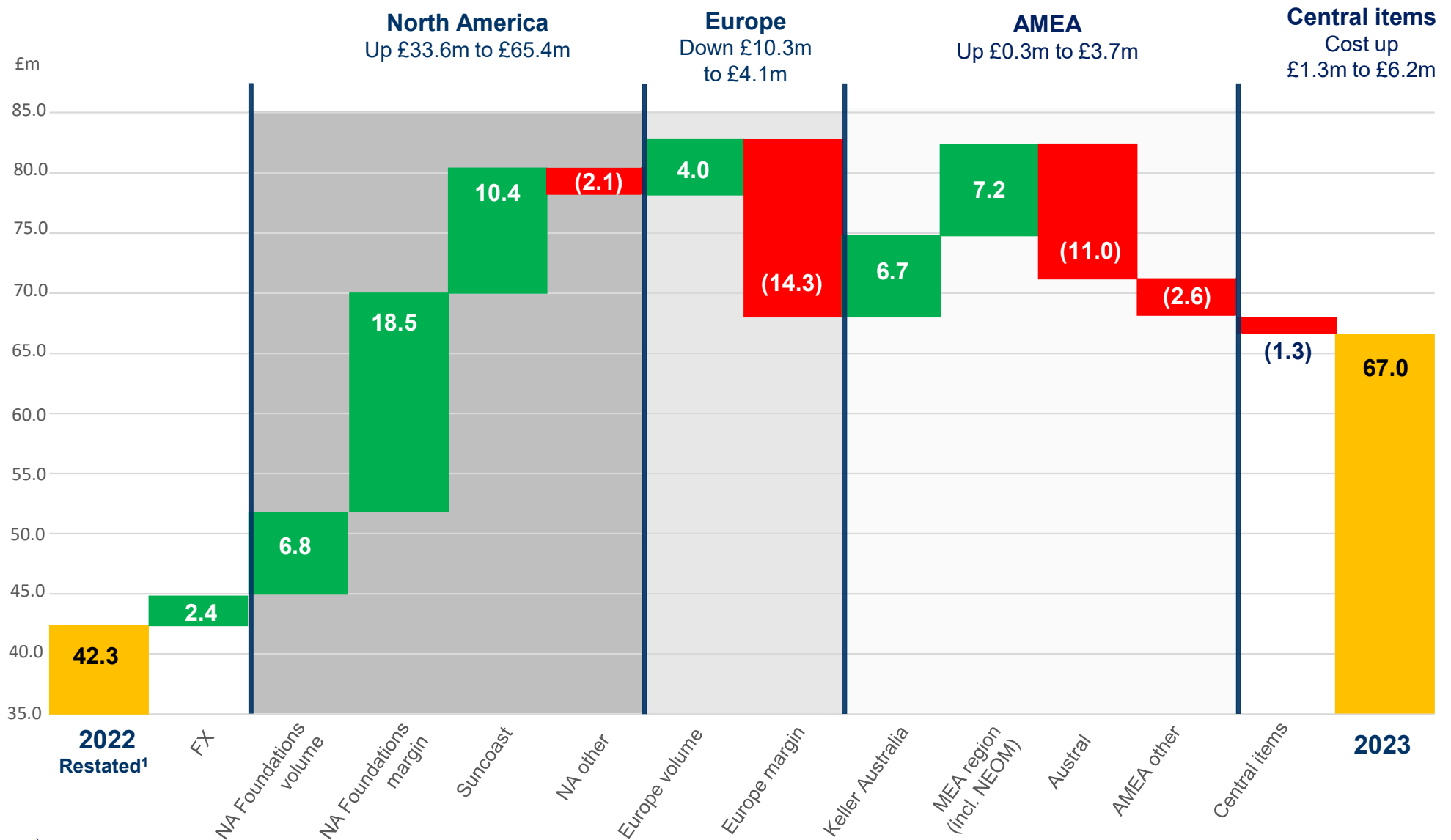
2. Operating profit	
Constant currency YoY growth	+49.8%
Actual FX rate YoY growth	+58.3%

3. Net financing costs
£8.5m increase due to higher interest rates and higher average net debt during H1 2023

4. Taxation
Effective tax rate for H1 2023: 22% (H1 2022 <sup>1</sup> : 26%).

5. Dividend up 5%	
Dividend increased	13.9p
Earnings cover	4.0x

# Underlying operating profit bridge H1 2022 to H1 2023



# Summary income statement – non-underlying

	H1 2023		
	Underlying	Non-underlying	Total
<b>Revenue</b>	<b>1,466.3</b>	-	<b>1,466.3</b>
Operating costs	(1,399.5)	(7.2)	(1,406.7)
Amortisation of acquired intangibles	-	(3.8)	(3.8)
Other operating income	-	1.0	1.0
Share of post-tax profits from JVs	0.2	(0.4)	(0.2)
<b>Operating profit</b>	<b>67.0</b>	<b>(10.4)</b>	<b>56.6</b>
Operating profit margin (%)	4.6%	-	3.9%
Net finance costs	(13.5)	-	(13.5)
<b>Profit/(loss) before tax</b>	<b>53.5</b>	<b>(10.4)</b>	<b>43.1</b>
Taxation	(11.8)	2.3	(9.5)
Profit/(loss) for the period	41.7	(8.1)	33.6
Diluted earnings per share (p)	56.0		45.0
Interim dividend per share (p)	13.9		13.9

## 1. Non-underlying items

	£m
<b>Cash items</b>	
ERP costs	(4.0)
Restructuring	(3.2)
<b>Total cash items</b>	<b>(7.2)</b>
<b>Non-cash items</b>	
Amortisation of acquired intangibles:	
RECON	(2.7)
Moretrench Industrial	(0.3)
GKM	(0.2)
NWF	(0.6)
<b>Total non-cash items</b>	<b>(3.8)</b>
<b>Total</b>	<b>(11.0)</b>

# Net debt flow

£m	H1 2023	H1 2022 <sup>1</sup>
Underlying operating profit	67.0	42.3
Depreciation, amortisation and impairment	54.1	48.5
<b>Underlying EBITDA</b>	<b>121.1</b>	90.8
Non-cash items	(0.6)	(1.1)
Increase in working capital	(33.1)	(85.9)
Increase /(decrease) in provisions and retirement benefit liabilities	7.4	(9.7)
Net capital expenditure	(34.4)	(23.4)
Additions to right-of-use assets	(19.6)	(12.3)
<b>Free cash flow before interest and tax</b>	<b>40.8</b>	(41.6)
<b>Free cash flow before interest and tax to underlying operating profit</b>	<b>61%</b>	(98%)
Net interest paid	(11.3)	(2.8)
Cash tax paid	(38.6)	(2.4)
<b>Free cash flow</b>	<b>(9.1)</b>	(46.8)
Dividends paid to shareholders	(17.6)	-
Purchase of own shares	(3.4)	(1.2)
Acquisitions	-	(15.6)
Non-underlying items	(9.4)	(1.7)
Right-of-use assets / lease liability modifications	(4.9)	(4.4)
Foreign exchange movements	11.7	(14.7)
<b>Movement in net debt</b>	<b>(32.7)</b>	(84.4)
<b>Opening net debt</b>	<b>(298.9)</b>	(193.3)
<b>Closing net debt</b>	<b>(331.6)</b>	(277.7)

1. Depreciation/Capex	2023	2022
Net capex/depreciation	100%	74%
Gross capex/depreciation	115%	80%

2. Working capital	2023	2022
Dec/(Inc) in inventories	27.4	(28.3)
(Increase) in receivables	(38.7)	(117.7)
(Dec)/Inc in payables	(21.8)	60.1
(Increase) in working capital	(33.1)	(85.9)

3. Cash tax
Increase in cash tax paid as a result of timing difference in tax payments in 2022 vs 2023. Full year 2022 US tax charge and H1 2023 provisional payments were both paid in 2023.

4. Net debt – Covenant basis	£m
Reported net debt	331.6
Lease liabilities (ex IAS 17 leases)	(87.0)
IAS 17 Covenant basis	244.6
Leverage ratio	1.2x

# Balance sheet

£m	H1 2023	FY 2022 (audited)	H1 2022 <sup>1</sup>
Intangibles incl. goodwill	<b>128.8</b> 1	137.9	149.1
<b>Managed assets</b>			
Tangible fixed assets	<b>473.5</b> 2	486.5	468.1
Debtors and inventory	<b>853.3</b> 3	889.0	836.8
Other assets	<b>104.2</b>	83.1	126.7
<b>Total managed assets</b>	<b>1,431.0</b>	1,458.6	1,431.6
<b>Other liabilities</b>	<b>(743.5)</b> 4	(800.8)	(830.3)
<b>Total net assets</b>	<b>816.7</b>	795.7	750.4
<b>Funded by</b>			
Net debt	<b>331.6</b> 5	298.9	277.7
Shareholders' funds	<b>485.1</b>	496.8	472.7
<b>Total equity</b>	<b>816.7</b>	795.7	750.4

1. Intangibles incl. goodwill	£m
Opening	137.9
Amortisation acquired	(4.0)
Amortisation other	(0.1)
FX	<u>(5.0)</u>
Closing	<u>128.8</u>

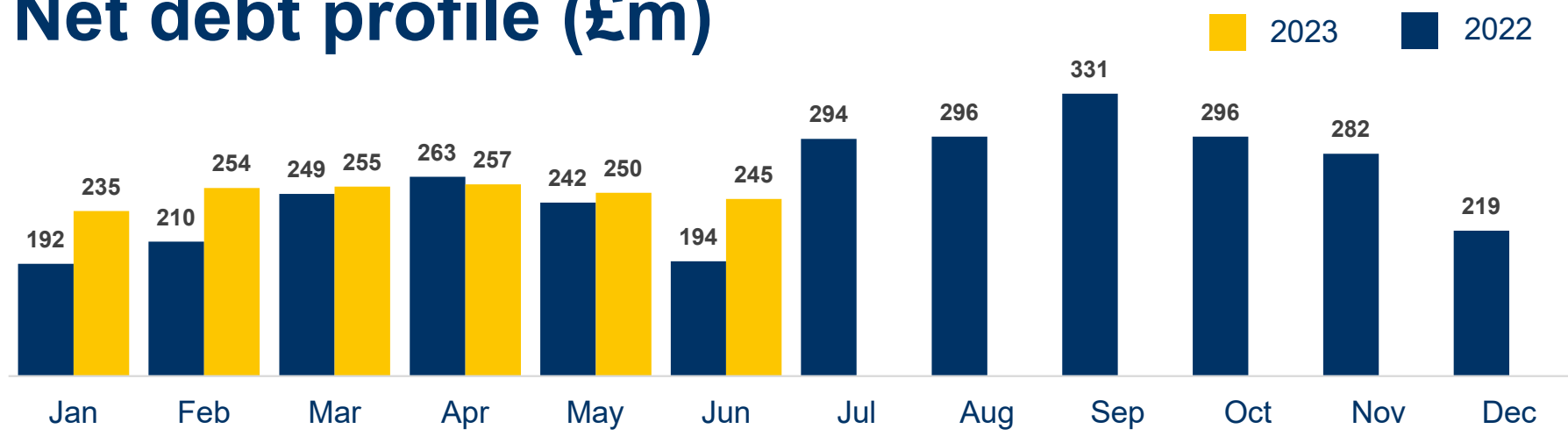
2. Tangible fixed assets	£m
Opening	486.5
Capital expenditure	42.5
Right-of-use additions	19.6
Disposals/transfers	(0.6)
Depreciation of fixed assets	(38.5)
Depreciation of ROU assets	(15.4)
FX	<u>(20.6)</u>
Closing	<u>473.5</u>

3. Debtors and inventory	£m
Opening	889.0
Volume / performance	1.7
FX	<u>(36.9)</u>
Closing	<u>853.8</u>

4. Other liabilities	£m
Opening	(800.8)
Volume / performance	87.8
FX	<u>(30.1)</u>
Closing	<u>(743.5)</u>

5. Net debt	£m
Net debt (IAS 17 lender covenant)	244.6
Lease liabilities (ex IAS 17 leases)	<u>87.0</u>
Total	<u>331.6</u>

# Net debt profile (£m)

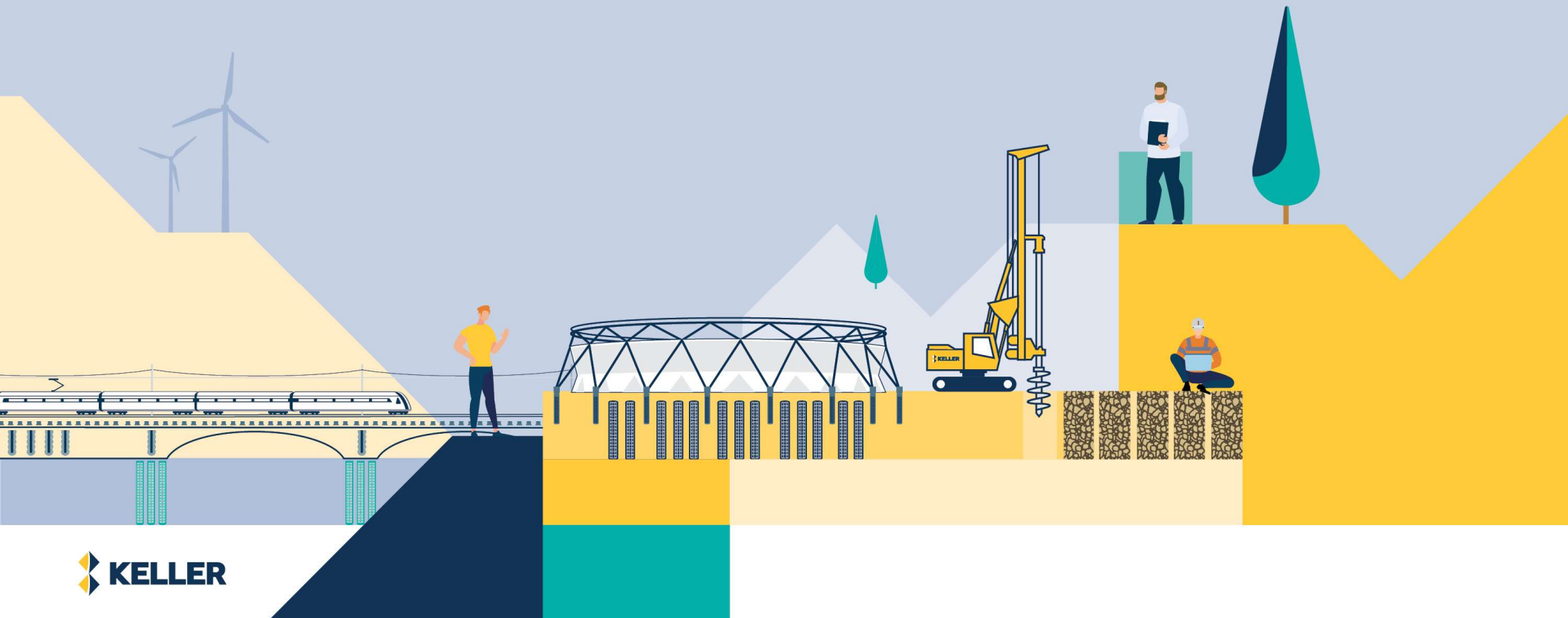


- Net debt<sup>1</sup>: £244.6m increased by £25.8m, up 26% (H1 2022: £194.0m)
- Average month-end net debt<sup>1</sup>: £244.7m, up 12% (H1 2022: £217.8m)
- The Group operated well within all covenant limits:
  - Leverage (net debt to EBITDA) at year end was 1.2x<sup>1</sup> well within the limit of 3.0x and leverage target range of 0.5x – 1.5x
- Interest cover (EBITDA to net finance charges) at year end was 11.2x above the minimum of 4.0x
- Committed funding facilities: £375m syndicated revolving credit facility exp. Nov 2025; \$75m private placement repayable in Dec 2024; two-year \$115m term loan facility repayable in Nov 2024
- June 2023, Group signed a note purchase and guarantee agreement regarding the proposed private placement of \$300m of loan notes, to be split between 7 year (\$120m) and 10 year (\$180m) maturities; average interest rate c6.4%
- At 30 June 2023 undrawn borrowing facilities of £237.0m: £186.4m committed and £50.6m uncommitted, as well as cash and cash equivalents of £100.4m

# Financial modelling considerations

	H1 2023 experience	H2 consideration
<b>Trading / profit</b>		
<b>NA – Suncoast</b>	Temporary higher margins as lower steel strand price took effect	Expect normalised margins
<b>Europe</b>	Pricing compression caused by market conditions	Anticipate improved profitability due to phasing of larger projects
<b>Austral</b>	Losses from legacy projects	Anticipate return to profit
<b>MEA region</b>	Strong performance due to completion of NEOM WO1	Currently expect WO2 later in H2
<b>Operating profit phasing</b>	Strong H1	More evenly weighted H1:H2
<b>Interest</b>	Significant increase on prior year	Finance cost equal weighting H1:H2
<b>Tax rate</b>	22%	+/- 22% upward pressure due to increased bias to the US
<b>Cash tax</b>	Included c£22m of prior year US tax	Normalised
<b>FX (USD/EUR)</b>	Actual (average) 1.23 / 1.14	Macro dependent
<b>Cash / debt</b>		
<b>Net capex</b>	Increased due to NEOM	Normal, broadly in line with depreciation
<b>Working capital</b>	Normalised after 2022 supply chain issues	Similar to H1; potential impact from NEOM
<b>Leverage (IAS 17)</b>	1.2x	NEOM dependent nonetheless well within the 0.5x – 1.5x target range

# Business performance



# Safety and wellbeing

2023 GLOBAL SAFETY WEEK



Don't learn safety by accident

## Performance

- AFR is 0.09, a slight improvement on our 12-month rolling average
- TRIR is 0.64, an improvement of 18 fewer recordable injuries year-on-year
- Continued improvement in near miss reporting - believe increased awareness is resulting in more incidents reported

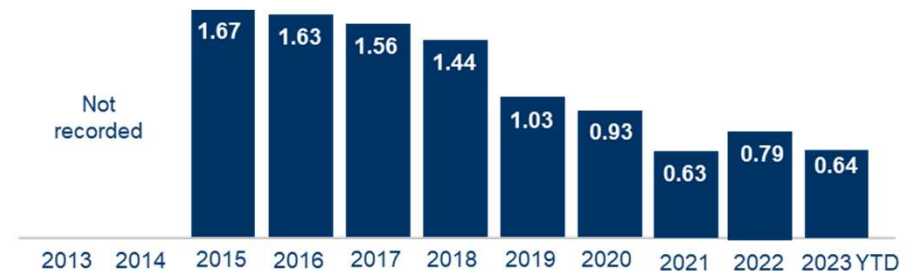
## Key actions

- More in-depth approach to assurance with audits done by senior HSEQ and operations personnel
- Planning for Global safety Week in September
- Launched 12-month global health initiative featuring regular activity-based challenges

## Accident Frequency Rate



## Total Recordable Incident Rate



# Action on reducing carbon emissions

**Scope 2**  
Net zero by 2030

**Scope 1**  
Net zero by 2040

**Scope 3**  
Operations net zero by 2050

## Emissions reduction timeline

- On track to reduce by a further 10% from 2022
- On track to double our solar power output from 2022



- Biofuel trials in two business units, with two more planned
- Ongoing fuel efficiency trials and anti-idling campaign



- 900 engineers trained on sector carbon calculator
- Engagement-focus, with workshops and initiatives across the Group



# Scope 1 reduction - The new KB0-E

Leading the way with our proprietary jet grouting rig

Compared to an equivalent diesel rig, the KB0-E:

**1800** tCO<sub>2</sub>e approx. carbon saving across lifetime\*

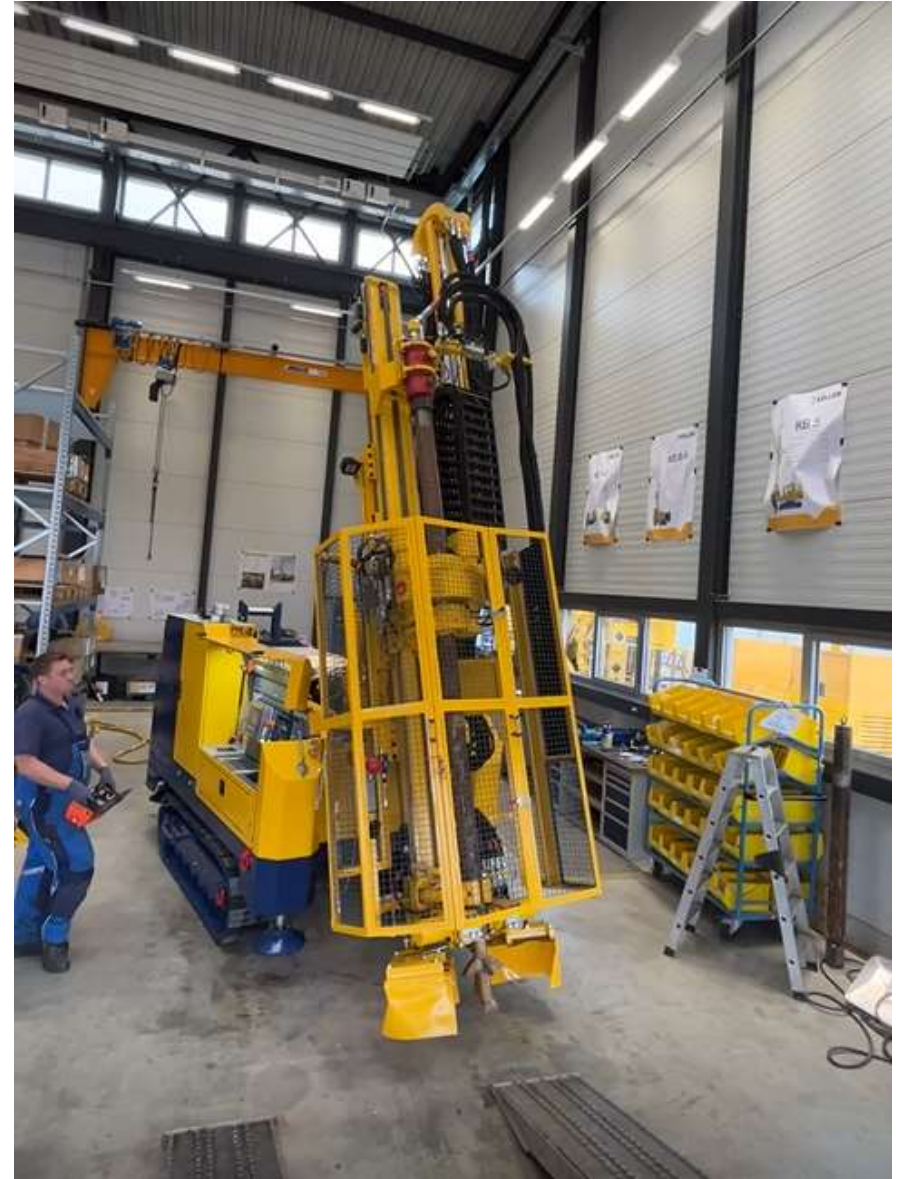
**100%** reduction in site particulate emissions

**10** db approx. reduction in noise levels

**40%** increase in engine efficiency

No oil, engine coolant, filters or belts that need to be maintained

\*Carbon reduction based on 20-year lifespan on a 100% renewable energy tariff with average rig use, compared to our latest low emission diesel rig.



# Strong order book of £1.5bn – underpins H2

## Geographic mix

(Full order book)

Group<sup>1</sup>

**£1.5bn** -2%

North America<sup>1</sup>

**£979.1m** +8%

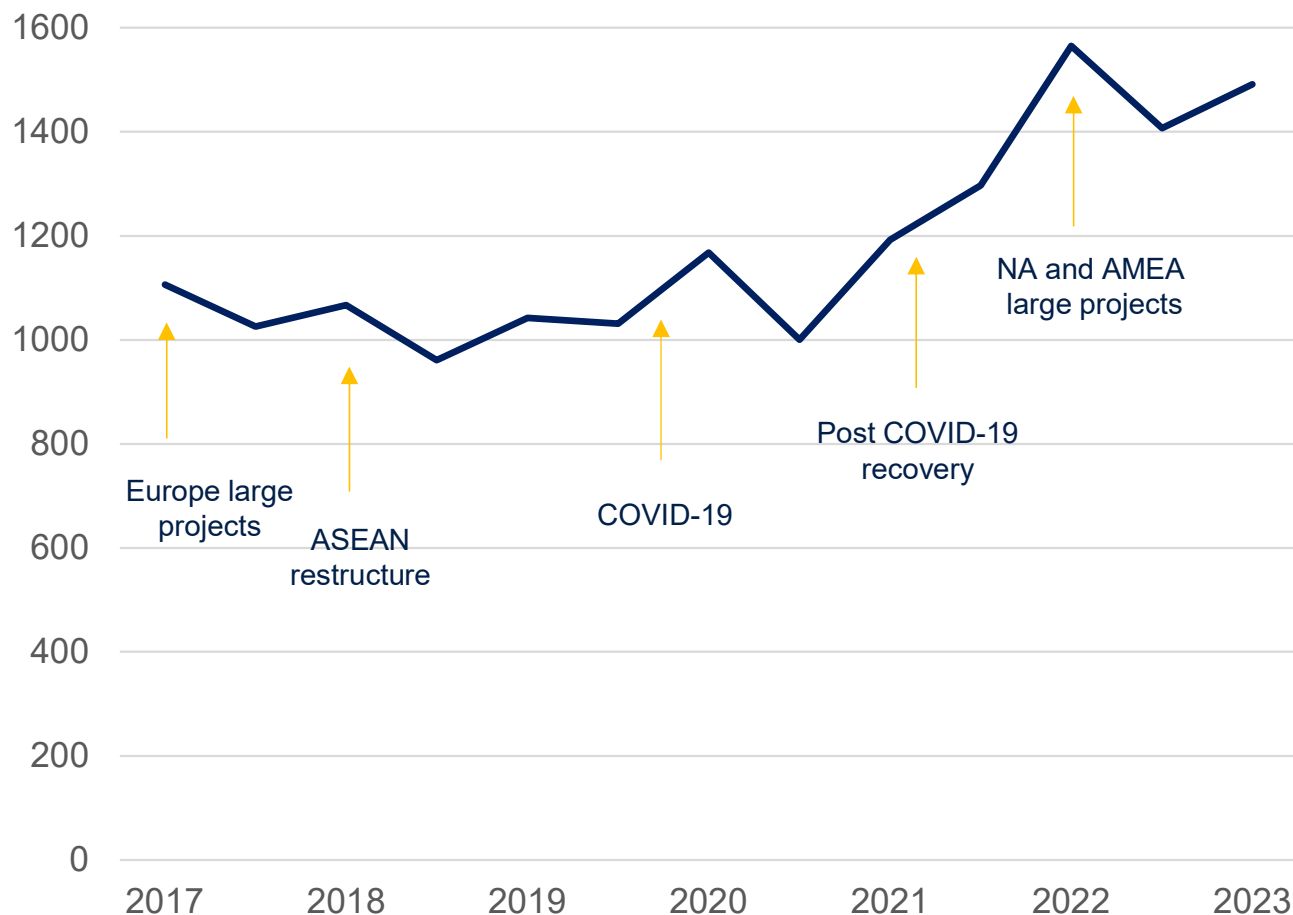
Europe<sup>1</sup>

**£306.0m** -21%

AMEA<sup>1</sup>

**£206.2m** -10%

## Order book (£m)



<sup>1</sup>Prepared on a constant currency basis versus H1 2022

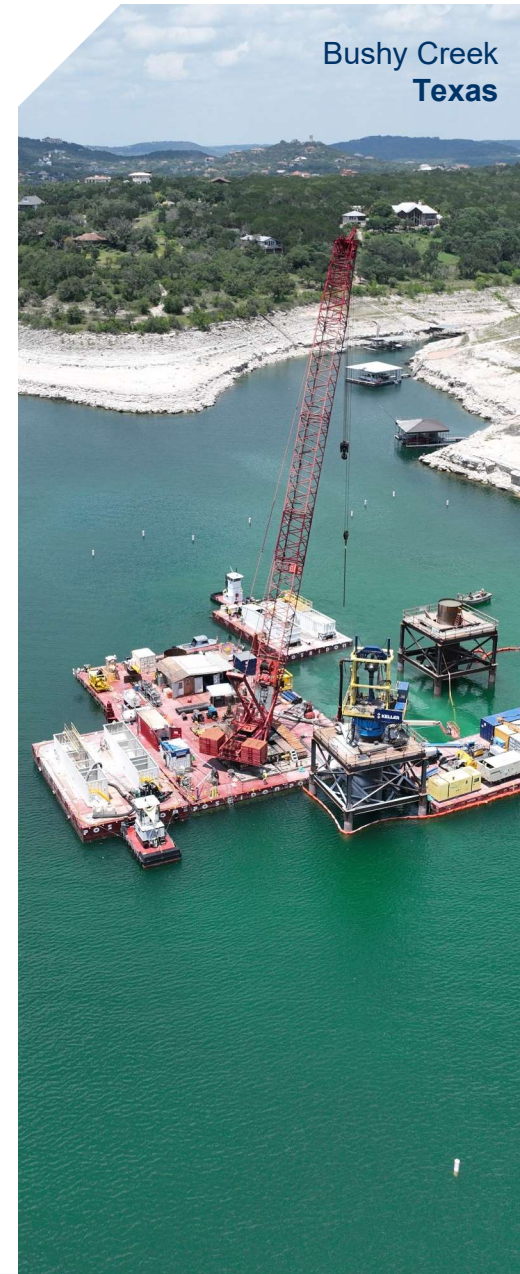
# North America

## Operating review

£m	H1 2023 £m	H1 2022 £m	Constant currency
Revenue	875.8	865.7	-3.9%
Underlying operating profit	65.4	30.1	+105.4%
Underlying operating margin	7.5%	3.5%	+400bps
Order book <sup>1</sup>	979.1	902.9	+8.4%

<sup>1</sup>Comparative order book stated at constant currency

- **Revenue:** down driven by lower volume at Suncoast and RECON
- **Operating profit:** increased >100%, due to improved performance in foundations and strong margin performance at Suncoast
- **Operating margin:** increased to 7.5%
- **NA Foundations:**
  - + Sustained improvement in contract performance
  - + Improved project execution
  - + Heightened focus on commercial discipline
  - + Profitable contracts in automotive sector
  - Lower volumes in Speciality Services
- **Suncoast:** strong margin performance. Volume decline (fall in demand from resi) was more than offset by pricing (lower price for key raw material steel strand)
- **RECON:** decline in volume following completion of LNG plant. Anticipate another LNG project in H2
- **Order book:** £979.1m up 8.4%<sup>2</sup>



# Europe

## Operating review

£m	H1 2023	H1 2022	Constant currency
Revenue	332.2	297.6	8.4%
Underlying operating profit	4.1	13.9	-71.4%
Underlying operating margin	1.2%	4.7%	-350bps
Order book <sup>1</sup>	306.0	389.4	-21.4%

<sup>1</sup>Comparative order book stated at constant currency

- **Revenue:** up, driven by large infrastructure projects; partly offset by challenging construction markets in certain regions, especially in resi and commercial
- **Operating profit:** down, driven by competitive pricing environment, change in contract mix, performance in NE Europe (effects of the war in Ukraine), softer demand in resi and commercial (higher margin)
- **UK:** lower volumes on HS2 due to phasing of work; offset by core UK foundations (albeit adverse mix affect)
- **SE Europe:** early works on Tangenvika bridge project, Norway and Södertälje lock project, Sweden, expect increased volumes in H2
- **NE Europe:** challenging trading environment, esp. Poland (effects of war in Ukraine)
- **SW Europe:** growth in revenues; flat profits (tighter pricing and margin erosion)
- **Order book:** £306.0m, down 21.4%<sup>2</sup>. The successful award of some larger project tenders due in the coming months is expected to improve the order book



# AMEA

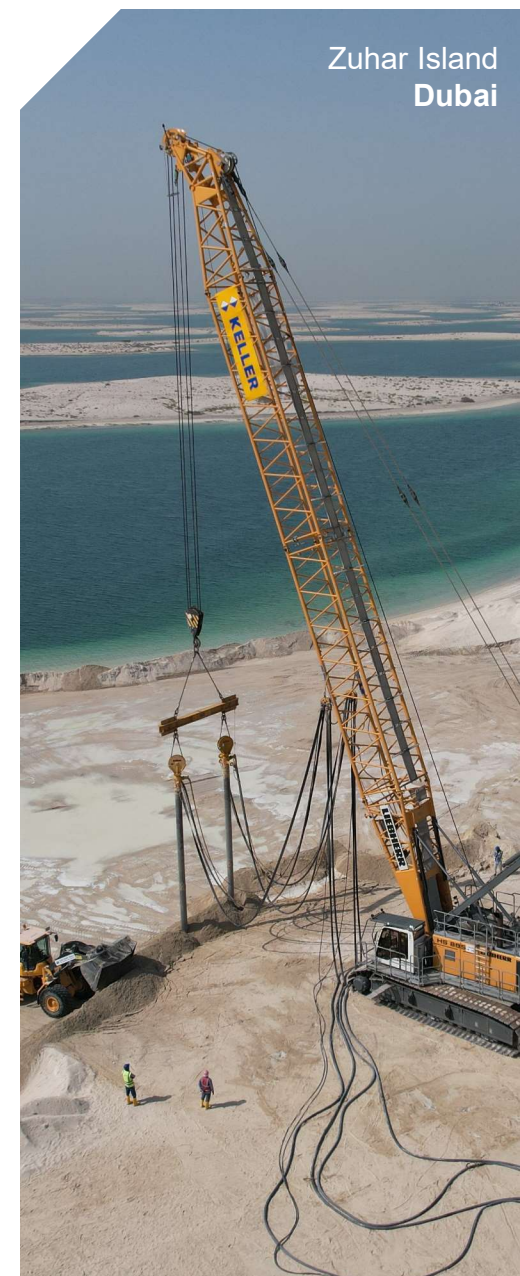
## Operating review

£m	H1 2023	H1 2022 <sup>2</sup>	Constant currency
Revenue	258.3	170.1	53.8%
Underlying operating profit	3.7	3.2	10.5%
Underlying operating margin	1.4%	1.9%	-50bps
Order book <sup>1</sup>	206.2	229.8	-10.3%

<sup>1</sup>Comparative order book stated at constant currency

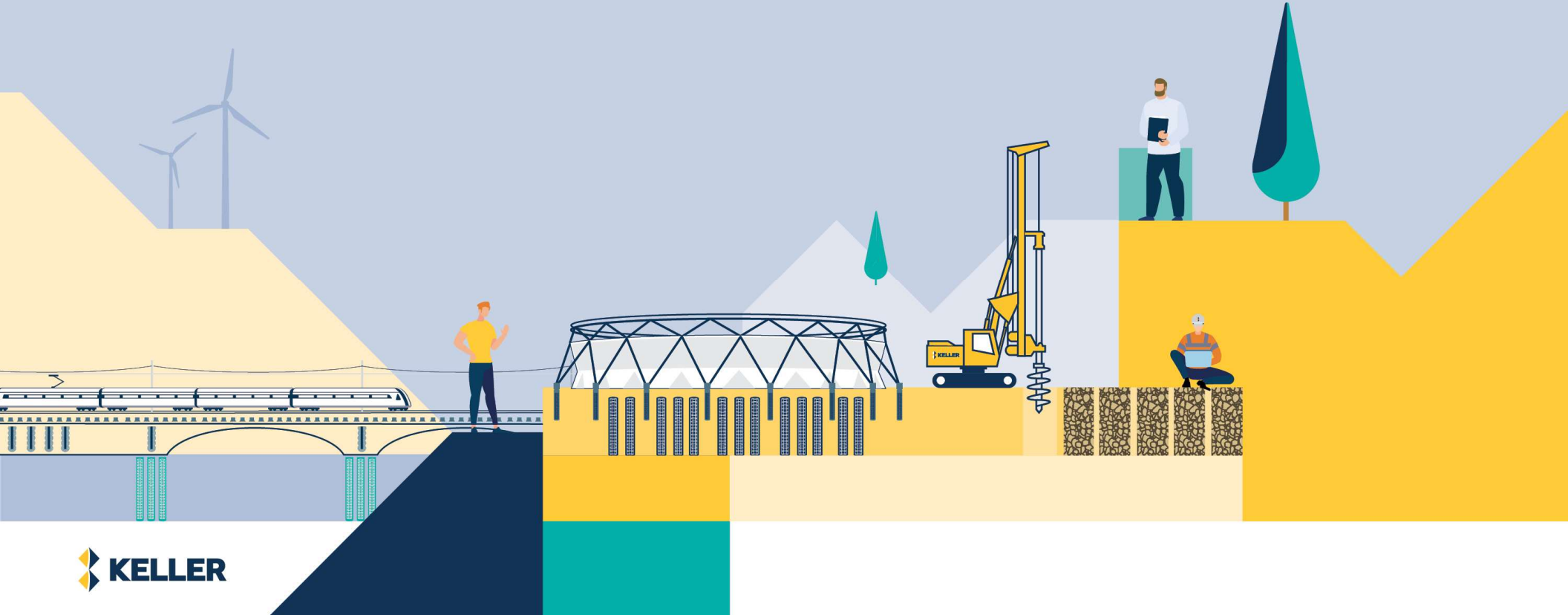
<sup>2</sup>2022 results have been restated in respect of the correction of prior period errors arising from the fraud at Austral

- **Revenue:** increase driven by strong trading at Keller Australia and NEOM
- **Operating profit:** increase driven by revenue offset by losses at Austral and contract issues in Middle East
- **Keller Australia:** significant increase in trading activity and profitability, esp. in infrastructure. Expect to continue in H2
- **NEOM:** WO1 completed in Q1. Phasing of project remains subject to variation. An evolution of design has delayed further works orders. Our expectation is we should be awarded WO2 in H2
- **Austral:** significant losses incurred in closing out legacy projects. The new management team has addressed the remaining issues, we expect the business to be profitable in H2
- **Strategic review:** we are exiting Egypt
- **Order book:** £206.2m, down 10.3%<sup>2</sup>



Zuhar Island  
Dubai

# Group 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

Our 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

# Our strategy – progressive implementation



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

Our 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

# Our strategy – progressive implementation

1

Portfolio management



2

Operational execution



3

Market penetration

- Exited non-core markets including: Latin America, Sub Saharan Africa, Denmark
- Exited non-core products including: Wannewetsch, Concrete Eurodrill, Cyntech

- Operational excellence: NA Foundations improvement, Project Performance Management
- Operational leverage: formation of Global Product Teams, Global Safety, ERP

- Targeted acquisitions including: RECON, NordPile, Nordwest Fundamentering, GKM Consultants, Subterranean

# Summary and outlook



# Summary and outlook

## Record H1 performance

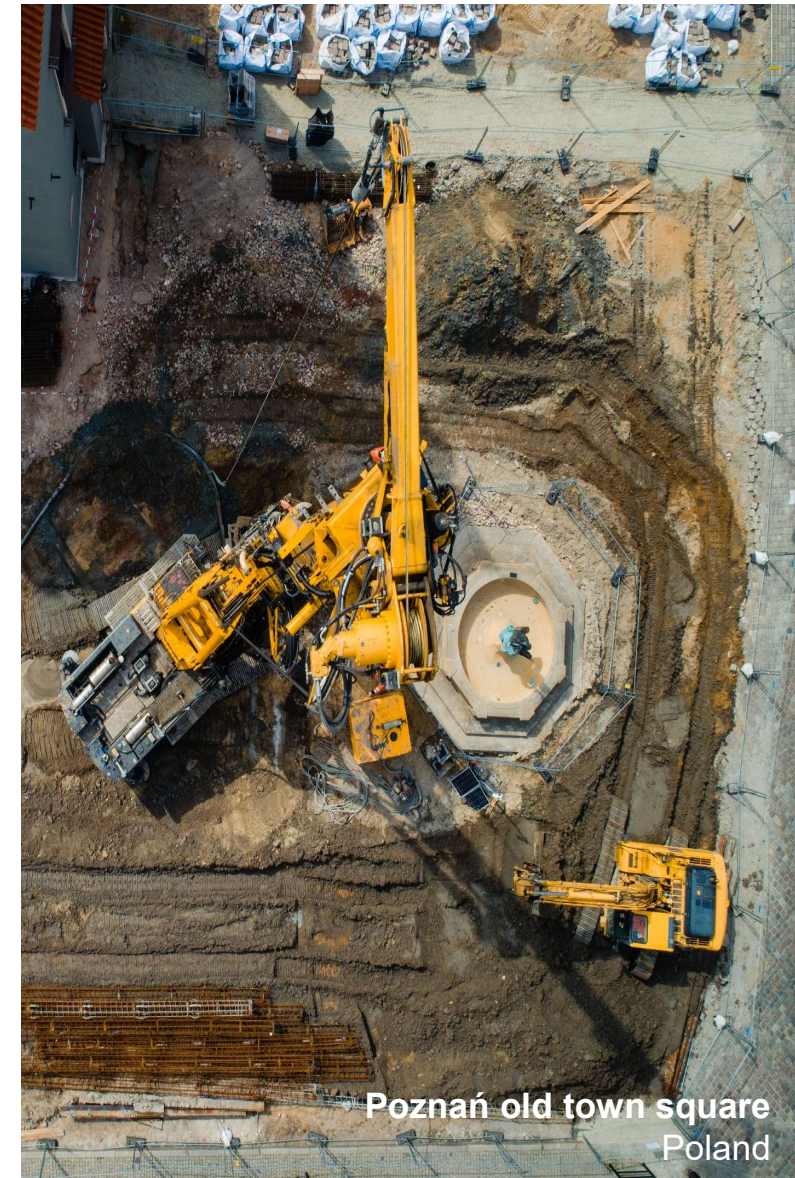
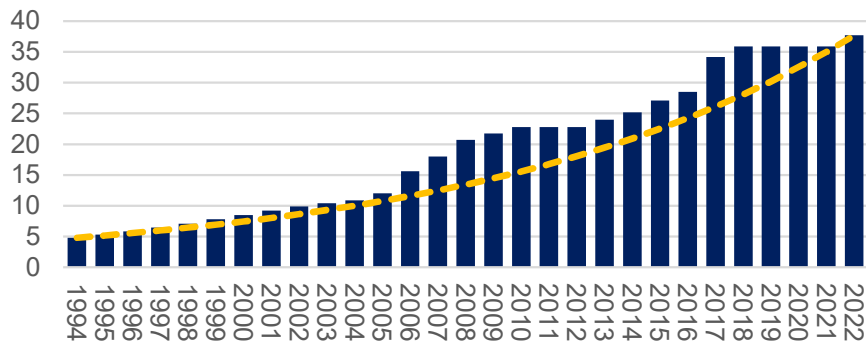
- Record H1 performance in revenue and underlying profit
- Performance demonstrates the benefit of our diverse and resilient revenue streams
- Strong recovery in FCF benefitting from growth in profit and improved working capital performance

## Positive H2 outlook

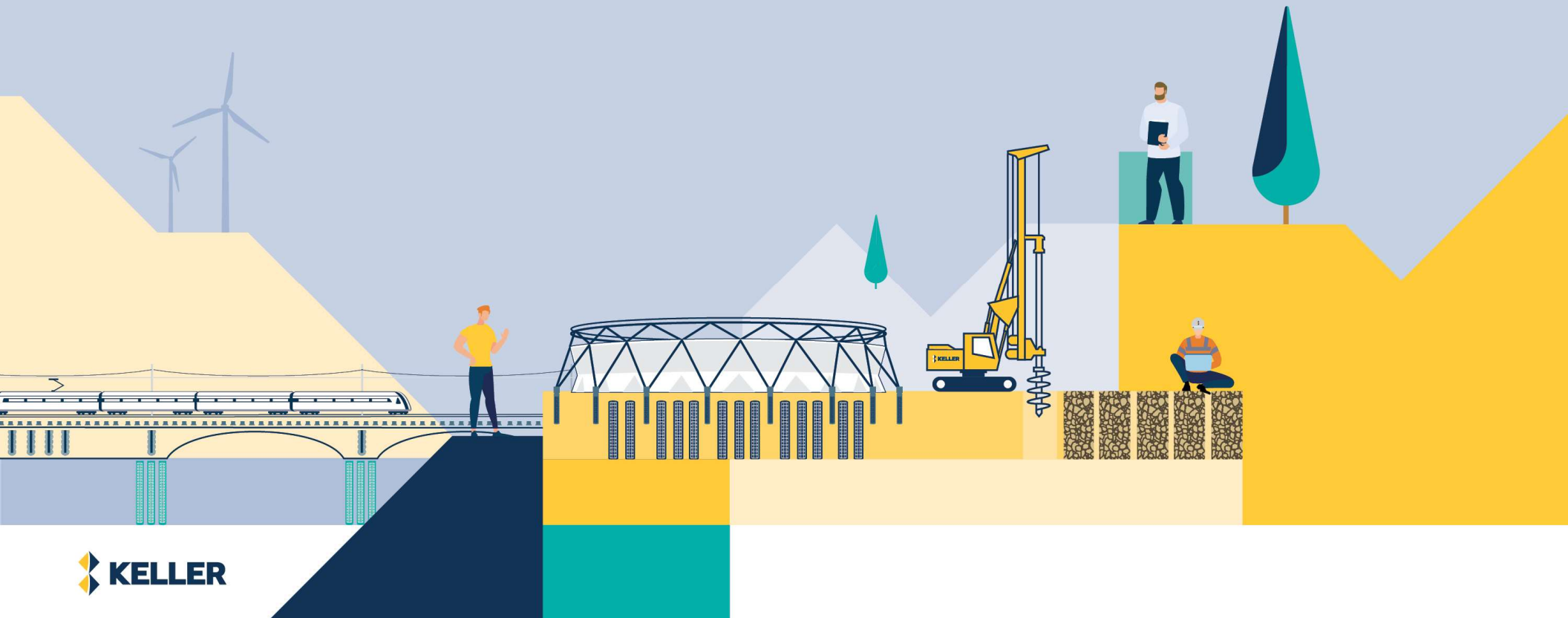
- Expectations for FY unchanged
- Strong order book of £1.5bn underpins performance
- Performance more evenly weighted H1 vs H2
- Will continue to execute strategy, good prospects for both organic and targeted M&A

## Increased dividend

- A further 5% increase in the dividend



# 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

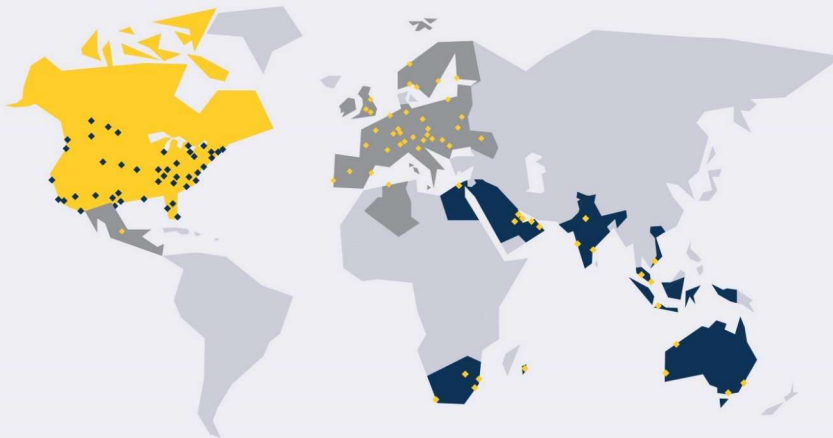
To build the foundations for a sustainable future

## Our vision

To be the leading provider of specialist geotechnical solutions

## Our values

Integrity  
Collaboration  
Excellence



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## Three divisions

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## 19 business units

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**180**  
branches

---



**2.9bn**  
revenue pa

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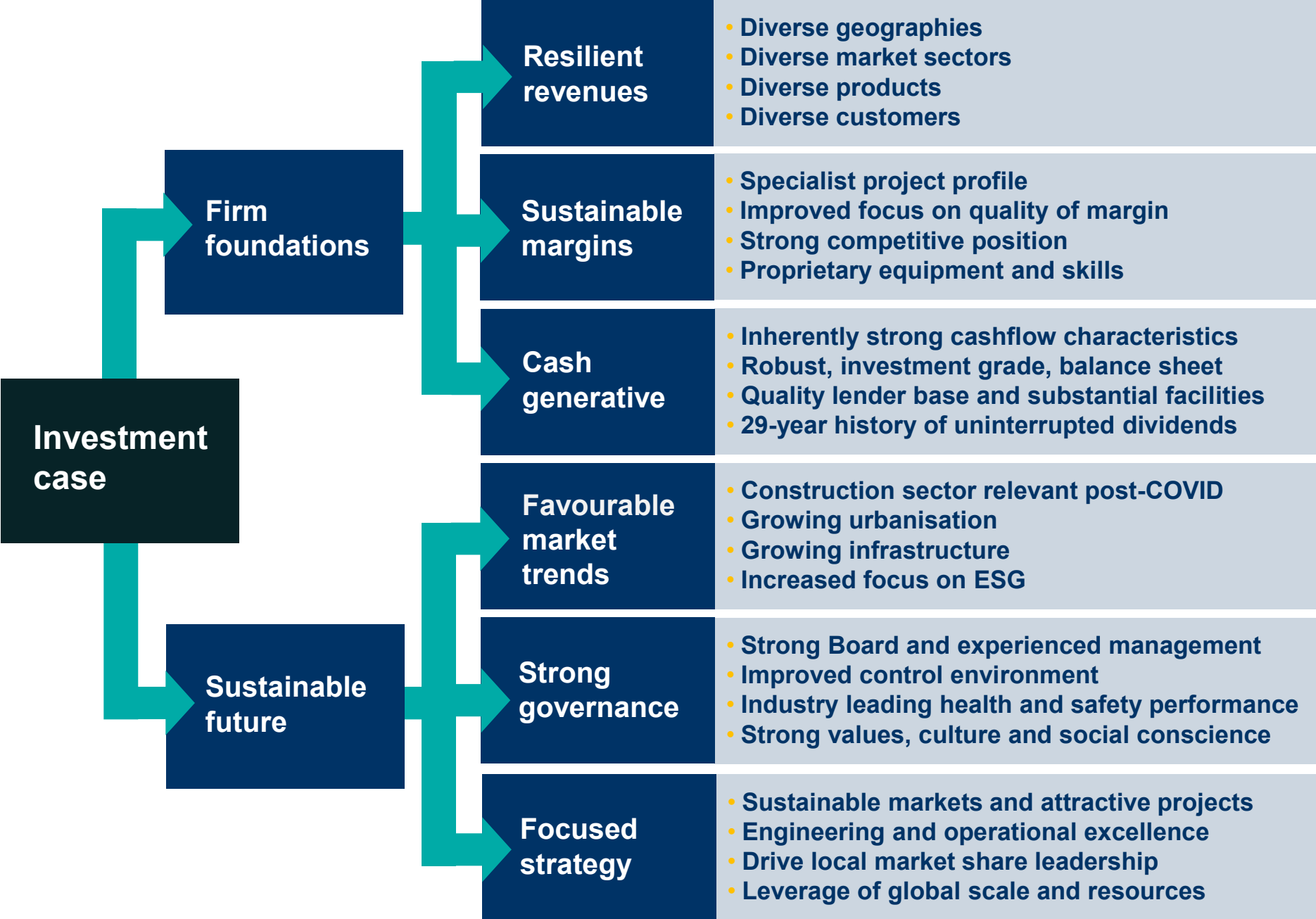
**c10,000**  
employees

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**6,000**  
contracts pa

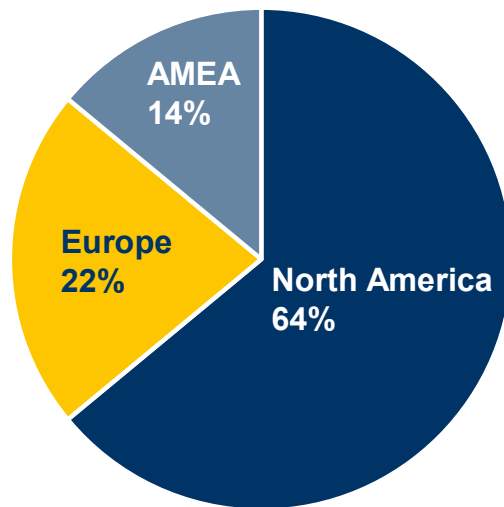
# Building the foundations for a sustainable future



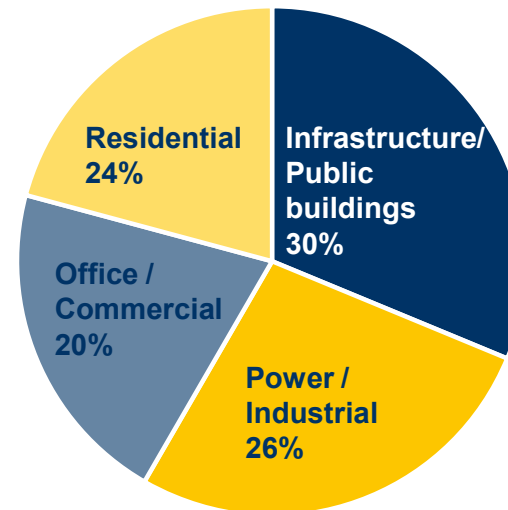
# Well balanced in terms of geography and sector

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

Revenue by geography (2022)



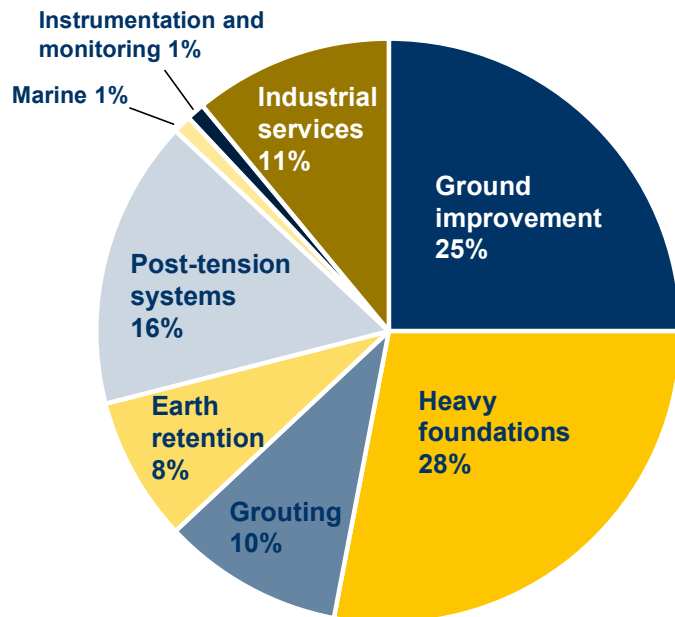
Revenue by sector (2022)



# 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 (2022)

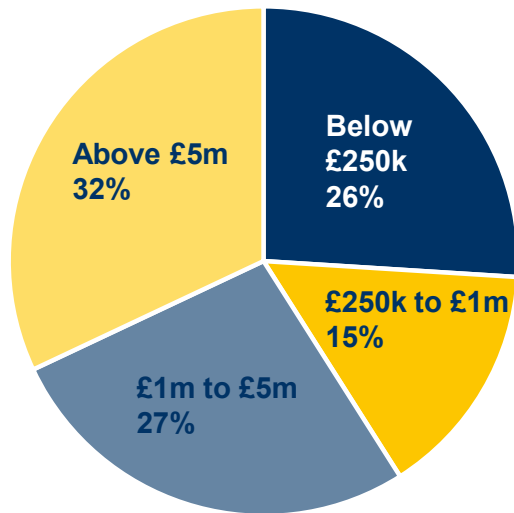


<b>Ground improvement</b> <ul style="list-style-type: none"> <li>• Vibro</li> <li>• Rigid inclusions</li> <li>• Dynamic improvement</li> <li>• Soil mixing</li> <li>• Consolidation</li> </ul>	<b>Heavy foundations</b> <ul style="list-style-type: none"> <li>• Driven piles</li> <li>• Micropiles</li> <li>•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

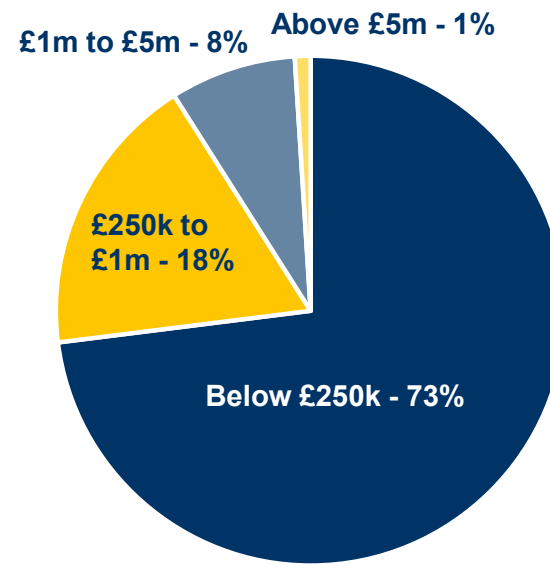
# Diverse customer base

- Our large client spread means we're not overly reliant on certain customers
- Contracts over £5m revenue make up around 1% of the number of contracts, but account for 32% of total revenue

Revenue by contract size (2022)



Number of contracts (2022)



Includes Suncoast

# Geotechnical market size

## Market size

A strong position but plenty of room to grow



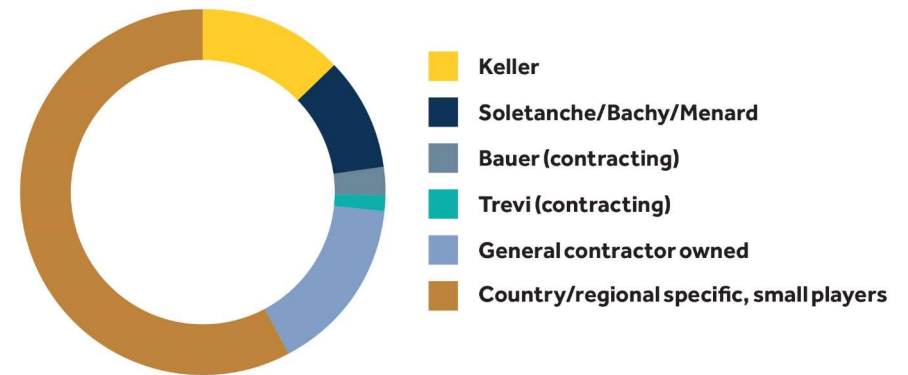
Non-addressable markets are mainly China, North and South Korea, Japan and Russia

1 USD = 0.81 GBP

Global construction market €9,600bn 2022

## Market share

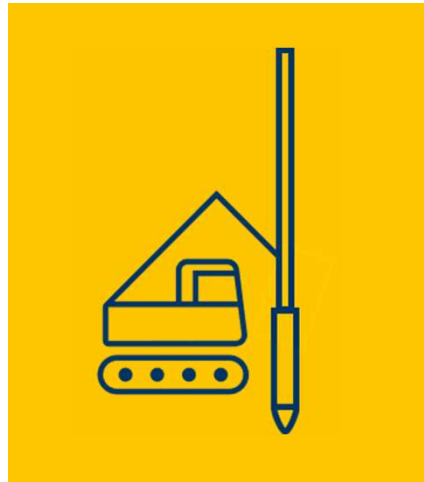
Share of addressable market £23bn<sup>1</sup>



1 Sources: Keller accounts, IHS Global Insight, GlobalData and other local sources.

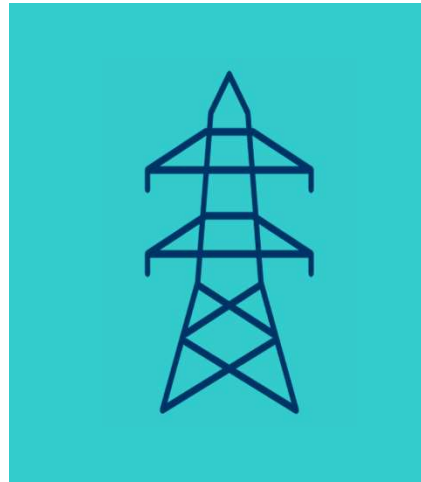
# Keller's emissions

216,779 tonnes of CO<sub>2</sub>e (Scope 1 and 2)



**210,186**  
Scope 1

Direct emissions  
(eg fuel use on site)



**6,593**  
Scope 2

Indirect emissions  
from electricity use



**Not tracked**  
Scope 3  
Operational

Transport of materials,  
business travel and  
waste disposal



**Not tracked**  
Scope 3  
Materials

>60% of site  
emissions for  
cement-based  
solutions

# 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



65m people will be added to urban population by every year. 67% of the world's population will live in metropolitan regions by 2040

**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



\$3.7 trillion of investment in economic infrastructure alone is needed every year until 2035 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 need for data acquisition to record, automate and ensure quality and productivity in our processes

Sources: OECD - Regions and Cities at a Glance 2022; US Environmental Protection Agency 2022; The McKinsey Global Institute 2022. 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

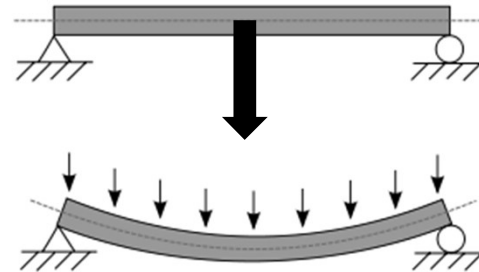
- Performance (allowable settlements)
- Schedule
- Cost

## Loading conditions

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

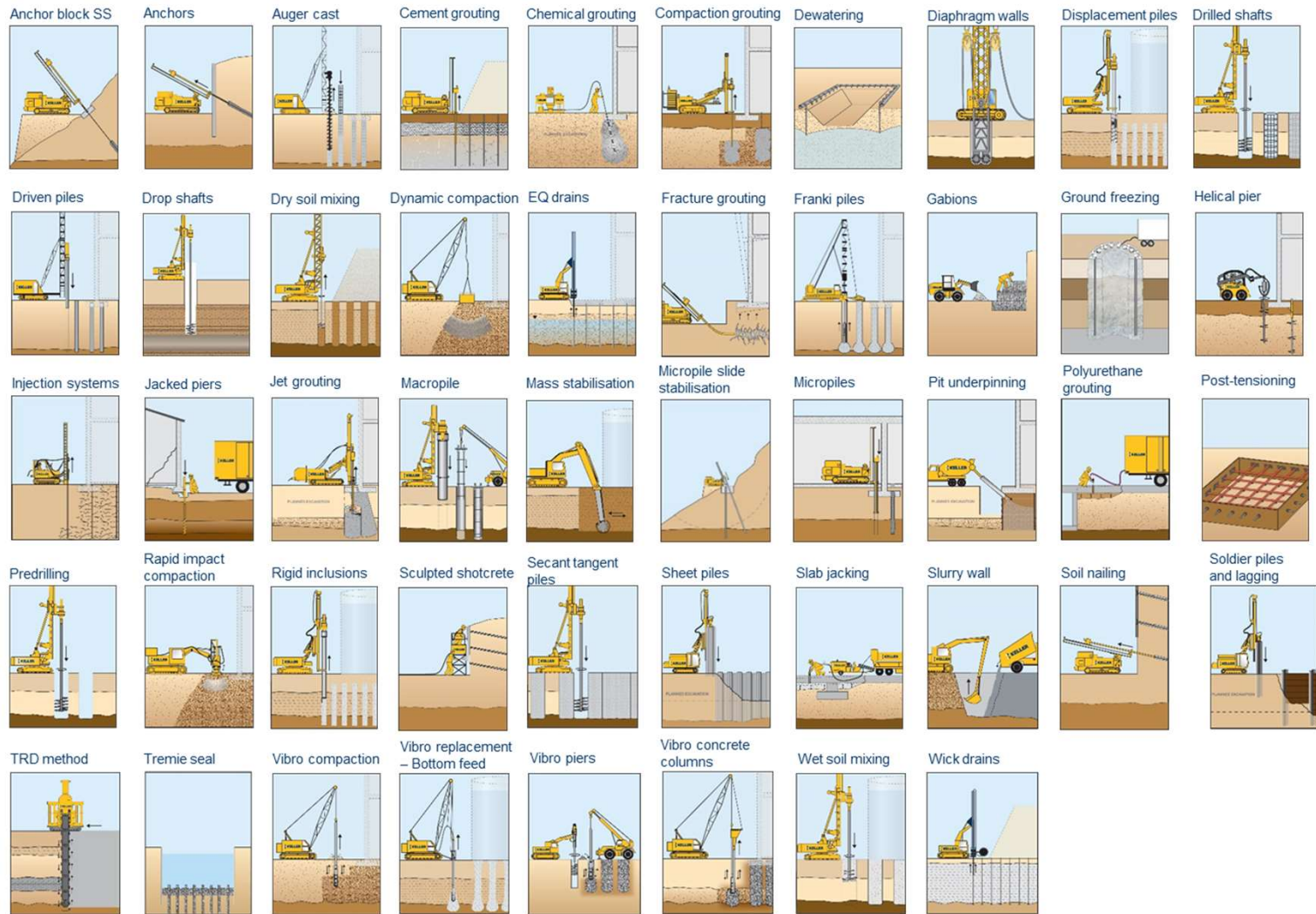
## Constraints

- 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 with an equipment advantage

- World's largest equipment fleet with flexibility to move between markets to match local demand
- 1,700 engineers; over 200 focused purely on design
- 30% of projects are 'design and build' where value engineering can reduce cost by up to 40% and save time
- Manufacturing and servicing of our own equipment where there is competitive advantage to do so



# The people advantage

Enabling high performance by investing in our people and expertise

## Learning and development programmes

- Project Manager Academy
- Field Supervisor Academy
- Business Development Academy

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## Emerging talent

- More than 55 graduates, 66 apprentices and 70 interns and coops
- Pitcairn Engineering Scholarship

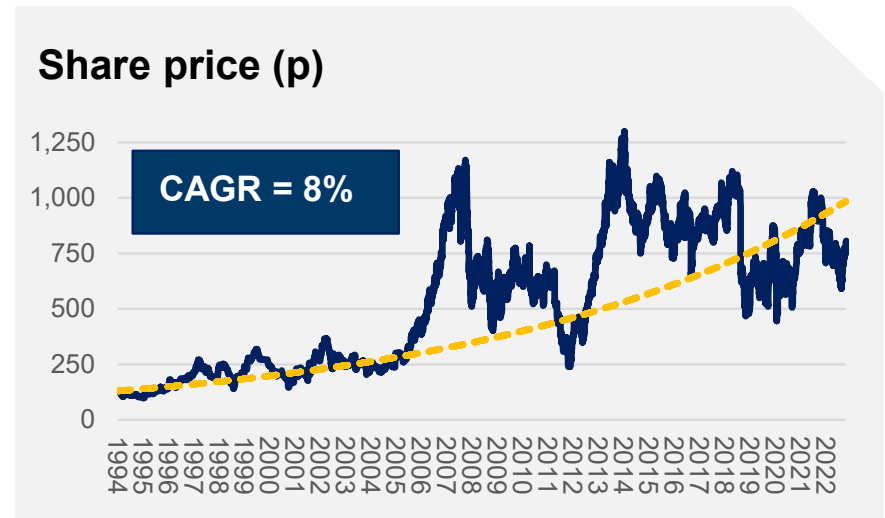
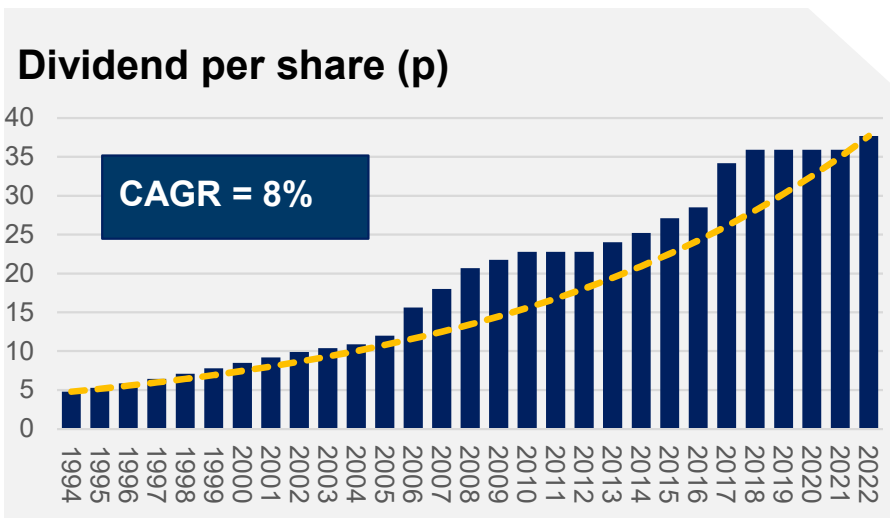
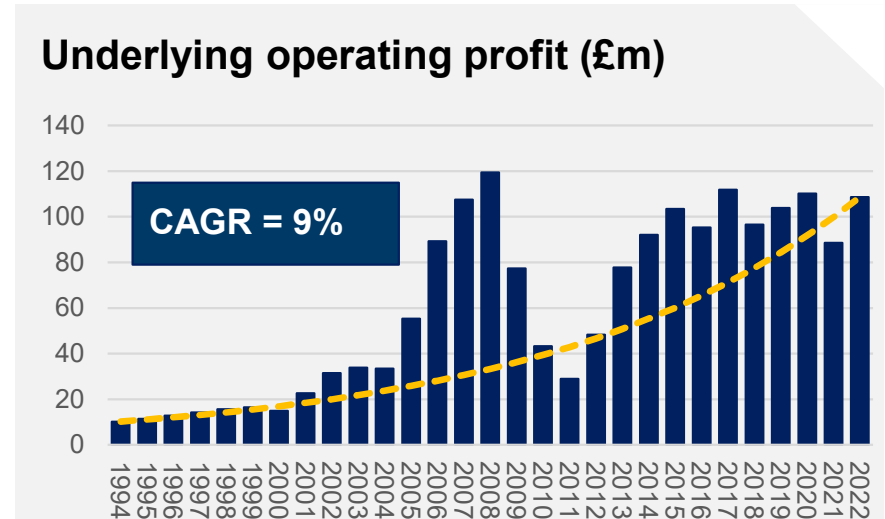
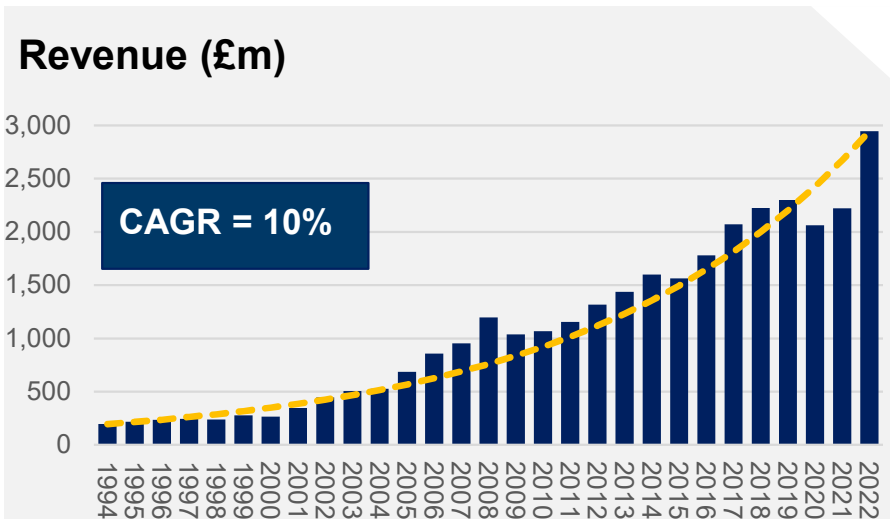
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## Geotechnical expertise

- Global product teams
- Leading role in geotechnical industry



# Financial performance since listing in 1994



**TSR of 10.5% CAGR vs. 7.2% FTSE All Share CAGR (at 3 Mar 2023)**

# Keller fact sheet

- Established 1860, now world's largest geotechnical specialist contractor globally
- Revenue by division: North America 64%; Europe 22%; AMEA 14%; (only <5% of business in UK)
- Revenue by sector: Infrastructure/Public buildings 30%, Power/Industrial 26%, Residential 24%, Office/Commercial 20%.
- Room to grow:
  - Global geotechnical contracting market - £38bn
  - Core geotechnical contracting markets where Keller operates - £18bn (excludes China, Japan, Korea and Russia)
  - Keller today c£3bn – a 16% share of the markets in which we operate
- Operate in 40 countries, across five continents
- Three divisions, 19 business units, 180 branches
- About 10,000 employees, of which around 1,700 are engineers
- Over 1,200 rigs and cranes globally - the largest foundation equipment fleet in the world
- 20% of our projects are executed using specialist Keller equipment
- On average we work on c6,000 contracts per year
- About 30% of our contracts are design and build, 50% are build only
- Contracts over £5m revenue make up around 1% of the number of contracts, but account for 32% 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: Heavy foundations 28%; Ground improvement 25%; Post-tension systems 16%; Industrial services 11%; Grouting 10%; Earth retention 8%; Marine 1%; Instrumentation and monitoring 1%
- 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 – more than 27 acquisitions since 2000
- Strong safety focus, AFR 0.1 in 2022
- 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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