

1 February 2021

**ASX release**

**WORLEY LIMITED (WORLEY)**

**(ASX: WOR)**

**COVID-19 business impact update for the half-year period ended 31 December 2020**

Worley provides a COVID-19 business update for the half-year period ended 31 December 2020 (HY2021) based on preliminary results, which are in the process of being reviewed by the external auditor. Worley's HY2021 results will be released on 23 February 2021.

The safety and well-being of our people through the pandemic remains our priority and we continue to provide a safe work environment for our office and field-based people.

The global acceleration of COVID-19 infection rates since October 2020 has further impacted demand in our end markets. Despite the challenging conditions we have continued to generate strong operating cash flow and strengthened our liquidity position. Consistent with previous statements, we continue to see ongoing project deferrals but negligible project cancellations. We expect these deferred projects to return as global economic conditions improve.

The actions we have taken in response to the pandemic have set the business up for the future, including:

- progressing our ECR acquisition cost synergies program and operational savings program. The benefits of these programs will continue to flow beyond HY2021; and
- managing capability during periods of project deferrals. Our headcount has reduced to approximately 47,600 as at 31 December 2020 in response to market conditions. Utilization remains on target.

Our HY2021 results have been impacted by COVID-19 related economic circumstances together with foreign exchange translation impact and we are currently expecting:

- aggregated revenue to be in the range of \$4.4 to \$4.5 billion;
- underlying EBITA to be in the range of \$200 to \$210 million;
- strong statutory operating cash flow to be in the range of \$250 to \$255 million; and
- a reduction in net debt to approximately \$1.2 billion excluding lease liabilities, the lowest level of net debt since the ECR acquisition. Leverage defined as net debt to EBITDA<sup>1</sup> is expected to be at 1.8x while gearing is estimated to be below the target range of 25-35%.

The clear shift in the political environment in the USA as well as ongoing policy rollout and anticipated increases in investment in the UK, Europe and Canada provide near-term opportunities in hydrogen, electrification, carbon capture, offshore wind and nuclear, while North America remains buoyant in renewable fuels and circular economy projects.

Our pivot to sustainability provides the structural framework for growth and we are pleased with the level of work we are winning in line with our strategy. We are seeing sustainability opportunities accelerate across all of our sectors and we are well positioned to capture these opportunities with both new and existing customers. We have been awarded and recently announced four master services agreements for US liquefied natural gas facilities, a master site services and supply contract for a low emissions Canadian petrochemical complex and a strategic partnership promoting the circular economy. We also expect to announce in the near term large and strategically important projects in carbon capture and hydrogen.

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<sup>1</sup> Per debt covenant definition

We believe our strong cash result, cost savings programs and our pivot to sustainability have set the business up for the future. We expect an improved EBITA in H2 FY2021 compared to HY2021 which will be further supported as COVID-19 related economic circumstances improve.

Chris Ashton, Chief Executive Officer of Worley, said “Although the ongoing impacts of the pandemic are deferring some of our existing projects, we expect they will restart when economic circumstances improve. We’re still winning new work and we’re actively engaged in supporting our customers on their sustainability journey. Cash continues to flow from our customers on previously agreed terms and we’ve improved our liquidity position. We have a new and more efficient way of working, continue to manage headcount and have ongoing overhead cost saving programs in place. The actions we’ve taken to manage what’s in our control and our pivot to sustainability have provided us with a strong platform to grow the business as COVID-19 related economic circumstances improve and deferred projects restart.”

Note: Figures in this COVID-19 business impact update are in the process of being reviewed by the external auditor.

Authorized for release by Nuala O’Leary, Group Company Secretary.

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**About Worley:** Worley delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mining, mineral, metals, chemicals, power and infrastructure sectors. Our resources and energy are focused on responding to and meeting the needs of our customers over the long term and thereby creating value for our shareholders.

Worley Limited is listed on the Australian Securities Exchange (ASX: WOR).