James Fisher and Sons plc

Presentation of results for the year ended 31st December 2023

16th April 2024

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James Fisher and Sons plc Fisher House, Barrow in Furness, Cumbria, LA14 1HR Telephone +44 (0) 1229 615400

Today's agenda

01 Business and strategic highlights

02 Financial results

03 Strategy and priorities

04 Conclusion

05 Q&A

01 Business and strategic highlights

2023 Business highlights

- **Underlying results ahead of last year** with underlying profit growth across all Divisions
  - Robust Energy performance through oil and gas, with renewables returning to break-even
  - Defence returned to profit but impacted by contract delays, strong growing revenue pipeline
  - Solid performance in Maritime Transport with a focus on margin improvement
- **Embedded a One James Fisher** business model, with new Divisional structures and Executive Team now in place
- **Rationalised the portfolio**, we divested JF Nuclear and closed Subtech Europe
- **Sale of RMSpumptools**, announced in March 2024, will significantly reduce debt and strengthen the Group's financial position bringing us towards a leverage range of 1.0-1.5x (Net Debt to EBITDA)
- **Business Excellence embedded** within the Group, driving greater strength and standardisation around safety, forecasting, cash collection and employee engagement

2023 strategic commitments

Embed One James Fisher

Deliver the business turn-around through a new business model, executed through focus, simplify and deliver

Improve performance

Build a stronger, more sustainable business, delivering improved operational and financial performance improvement (UOP and ROCE)

Build a stronger platform

Strengthen our financial position and establish key foundations in safety, people, governance and sustainability

Our focus as a service company

- A **services company** operating in the Blue Economy
- Leveraging **market and customer synergies** across three Divisions
- **Asset-light** with a focus on pooling assets, people and resources

For Energy

Supporting the energy transition through responsible energy service provision and innovative renewable energy solutions

- Differentiated products and services across the offshore asset lifecycle
- Specialist services for the control and monitoring of offshore assets
- OEM equipment and solutions for subsea diving

For Defence

Protecting lives and assets on and under the oceans, in the most sensitive and challenging environment

- Life-support engineering and OEM for defence divers, submarine rescue systems, submarine egress / ingress systems, and special operations mobility solution
- Product lifecycle services and maintenance
- Global submarine rescue, training and services

For Maritime Transport

Leading the way in targeted coastal shipping and global oil and natural gas ship-to-ship transfers

- Transport, transfer and storage of liquid and dry cargo
- Service delivery and framework contracts with global energy companies and the UK MoD
- Manage our fleet with flexibility to allow for spot trading

02 Financial results

Early signs of progress

Revenue up
3.8%

Underlying operating profit up[1]
12.1%

Underlying operating margin[1] (up 50bps)
6.0%

Net debt [2] (covenant basis)
£149.8m

Net debt [2] to EBITDA
2.75x

ROCE[3] (up 130bps)
6.6%

1. Underlying operating profit is defined as operating profit adjusted for acquisition related income and expense, amortisation of acquired intangible assets, acquisition expenses, adjustments to contingent consideration, the costs of a material restructuring, litigation, asset impairment and profit/loss relating to the sale of businesses or any other significant one-off adjustments.
2. Net debt is calculated using net borrowings including guarantees and collateral deposits, excluding right-of-use operating leases.
3. Group ROCE (Return on Capital Employed) is defined as underlying operating profit, less notional tax, divided by average capital employed. Capital employed is defined as net assets less right-of-use assets, less cash and cash equivalents and after adding back borrowings.

Revenue up c.4% - improvement in Energy and Defence

Revenue for year ended 31st December	2023 £m	2022 £m	% change
Energy	266.5	242.6	+9.9
Defence	72.5	68.2	+6.3
Maritime Transport	157.2	167.3	-6.0
Revenue (continuing operations)	**496.2**	**478.1**	**+3.8**

Underlying operating profit up c.12% - focus on improving margins, investing in capability

Underlying Operating profit for year ended 31st December	2023 £m	2022 £m	% change
Energy	15.7	13.9	+12.9
Defence	1.5	(0.4)	n/m
Maritime Transport	23.3	18.8	+23.9
Corporate	(10.9)	(5.9)	-84.7
Underlying operating profit	**29.6**	**26.4**	**+12.1**

Underlying operating profit is defined as operating profit adjusted for acquisition related income and expense, amortisation of acquired intangible assets, acquisition expenses, adjustments to contingent consideration, the costs of a material restructuring, litigation, asset impairment and profit/loss relating to the sale of businesses or any other significant one-off adjustments.

Energy

Robust performance with strong demand in Well Testing and Bubble Curtain and Artificial Lift

- Good performance across the majority of product lines
- Revenue growth is 17% if adjusted for 2022 disposals
- IRM growth in Brazil and Middle East
- Offshore wind delivered growth over a weak comparative period
- Decommissioning challenging
- Margin includes £3.8m loss generated by Subtech Europe (operations ceased in Dec 2023)

	2023 £m	2022 £m	% change
Total revenue	266.5	242.6	+9.9
Operating profit	15.7	13.9	+12.9
Margin	5.9%	5.7%	20 bps
ROCE	9.3%	8.0%	130 bps

Defence

	2023 £m	2022 £m	change
Total revenue	72.5	68.2	+6.3
Operating profit	1.5	(0.4)	n/m
Margin	2.1%	(0.6)%	270 bps
ROCE	2.1%	(0.4)%	250 bps

Contract delays impacted performance - solid growing revenue pipeline

- Recovery in the energy sector driving increase in demand for commercial diving and hyperbaric systems
- Increased delivery service to existing Defence customers
- Strong performance for our commercial diving and hyperbaric systems
- Commenced NATO submarine rescue contract

Maritime Transport

Solid performance focused on margin improvement and portfolio rationalisation

- Reduction in fuel pass through costs and improved contracts rates
- Fendercare's decision to exit Tanjung (port in Malaysia)
- Strong Tankships and Cattedown performance with good contract and spot rates and increased utilisation vs 2022
- Increased demand in Brazil ship-to-ship transfers attracting higher gross profit margins

	2023 £m	2022 £m	% change
JF Tankships	76.1	78.9	-3.5
Fendercare	81.1	88.4	-8.3
Total revenue	**157.2**	**167.3**	**-6.0**
Operating profit	**23.3**	**18.8**	**+23.9**
Margin	**14.8%**	**11.2%**	**360 bps**
ROCE	**30.3%**	**22.5%**	**780 bps**

Underlying results impacted by higher finance charges

Underlying results for year ended 31st December	2023 £m	2022 £m
Revenue	496.2	478.1
Operating profit	29.6	26.4
Finance income	3.2	0.7
Finance charges	(24.5)	(10.9)
Profit before tax	**8.3**	**16.2**
Taxation	(6.0)	(4.7)
Profit after tax	**2.3**	**11.5**
Underlying earnings per share	**11.4**	**22.3**

Reported results

Year ended 31st December	2023 £m	2022 £m
Underlying operating profit	29.6	26.4
Impairment charges	(28.1)	(0.7)
Refinancing	(12.2)	-
Restructuring costs	(5.7)	(1.7)
Amortisation of acquired intangible assets	(1.1)	(2.1)
Disposal of businesses and assets	1.7	3.4
Other	(2.8)	(0.6)
Reported operating (loss) / profit before interest and tax	**(18.6)**	**24.7**
Loss for the year from discontinued operations, net of tax	**(11.4)**	**(19.8)**
Reported basic (loss) / profit per share from continuing ops	**(101.2)**	**17.4**

Cash flow

Free cash flow from continuing operations for year ended 31st December

	2023 £m	2022 £m
Underlying operating profit from continuing operations	29.6	26.4
Depreciation and amortisation (less ROU[1])	23.1	26.6
Net working capital (outflow)	(2.5)	(2.6)
Net interest paid	(12.8)	(6.7)
Tax paid	(8.6)	(8.1)
Capex and development spend	(31.2)	(33.0)
Net proceeds from disposal of assets and business	22.4	17.3
Refinancing and restructuring related costs	(18.3)	(9.8)
Other	(6.1)	(2.5)
Movement in net debt (excluding bonds and guarantees)	**(4.4)**	**7.6**
Net debt at the end of the period	**(144.2)**	**(139.8)**

1. Right-of-use asset

Net debt and committed facilities

Year ended 31st December	2023 £m	2022 £m
Net Borrowings	**201.1**	**185.8**
Less: right-of-use lease (ROU) liability	(61.2)	(52.9)
Add: ROU liability associated to finance leases (under IAS 17)	4.3	6.9
Add: bonds and guarantees	5.6	2.3
Net debt – covenant basis	**149.8**	**142.1**
Covenants		
Net debt to EBITDA[1] (2023 <3.25x, 2022 <3.5x)	**2.75**	**2.70**
Interest cover (2023 >1.75x, 2022 >3.0x)	**2.2**	**3.5**
Facilities		
Committed bank facilities[2]	192.7	247.5
Liquidity headroom[3]	47.2	110.8

1. Covenant EBITDA (2023: £54.4m, 2022: £52.6m).
2. Revolving Credit Facilities (2023: 1 Club six bank 2. Club facility, 2022: 1 three bank Club (£130m), and bilateral bank agreements (£47.5m, £40m and £30m)
3. Liquidity headroom includes committed facilities and available cash balances

2024 Guidance

- Q1 2024 to date, performance is in line with the Board's expectations
- Looking forward, we continue to see supportive end markets in 2024 and would expect to deliver further benefits from our turnaround initiatives
- Expect the refinancing of our current facilities in H2 2024 following the sale of RMSpumptools

Technical Guidance

- Adjust for Subtech Europe revenue from 1st January 2024 (revenue only) and RMSpumptools from closing
- Interest cost reduction from repayment of debt on expected net proceeds £83m from RMSpumptools / 150bp improvement on remaining debt level
- Capex at similar levels to 2023
- Effective tax rate of c.29%

03 Strategy and priorities

Progress on turnaround

One James Fisher

Despite a challenging year, delivered initial steps of business turn-around through strategy to focus, simplify and deliver

Harnessing the Blue Economy

Refocused as an engineering services company operating in the Blue Economy, leveraging synergies across our market verticals

Key priorities and enablers

Completing groundwork on our five key priorities, enabling future growth through people, technology and geographical expansion

Our turnaround roadmap

One James Fisher

2023: Fix | 2024: Stabilise | 2025: Grow | 2026+

Focus

- Purpose and portfolio
- Financial foundations
- Unified company priorities

Synergies and growth

Simplify

- OJF ExCo team
- Three divisions

Accountability and efficiency

Standardisation and resource sharing

Deliver

- Financial discipline
- Functional strengthening

Compliance and performance

- Business Excellence

Enablers

People five-year roadmap

Technology and innovation

Geographic reach

2024 priorities

Priority	Description	Targets
Exceptional safety	Exceptional Safety is our key priority. We are focused on providing a safe, healthy and resilient environment for everyone to thrive.	• Lost Time Injury Frequency no greater than **0.44** • Total Recordable Case Frequency no greater than **2.09 and no fatalities**
Foundations for growth	We are building a stronger, more resilient business for the future. This requires the right foundations for growth, including financial, governance and risk management. Delivered through functional strengthening, standardisation and resource sharing.	• **Reducing debt** and completing **RMSpumptools sale** • Progress towards strategic targets 10% **UOP** and 15% **ROCE**
Pipeline of talent	We are a people focused company, regrouped around our core as a service company. We are developing a stronger pipeline of talent, so we can attract, develop and inspire our employees.	• Attrition (global and female) lower than **12%** • **Minimum 26% female** gender diversity
Engaged employees	As we continue to transform the company for the future, it is vital our employees are informed, equipped and empowered. We are improving our two-way engagement with employees.	• Gallup mean score increased by 3% to **3.95**
Strong supply chain	A robust supply chain is critical to business delivery and success. We are working closely with our employees, contractors and partners to build a stronger framework and supply chain.	• Launch **central procurement** for indirect services • **Define scope 3** emissions for Group

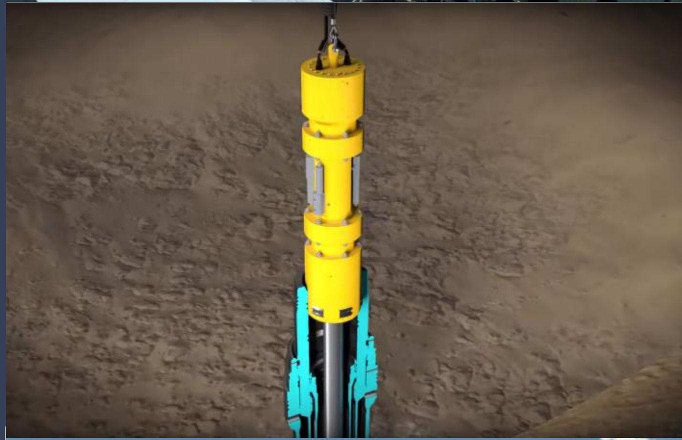
Energy

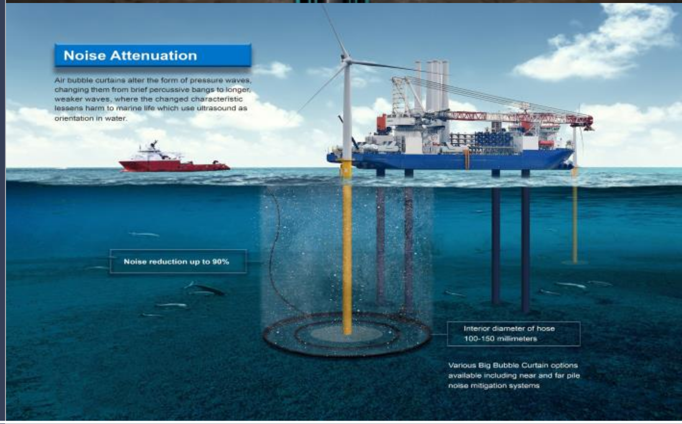
Market positioning and outlook

- Delivers safe, sustainable products and services for two core markets, O&G and renewables
- Backdrop of energy security and efficient supply driving strong demand for well testing, intervention and production optimisation, particularly in the US, Middle East and Latin America
- Decommissioning market remains challenging, with opportunity to leverage technology and target geographical growth
- Offshore wind (OFW) market conditions expected to be flat into 2024, with exponential growth forecast for 2025 and beyond

Opportunities for growth

- Investment in OFW, well testing, well services, and digitalisation
- Targeted geographic expansion in North and Latin America, Asia Pacific
- Technology differentiators that align to key markets and customers
- Some synergies in core capabilities across markets





Defence

Market positioning and outlook

- Provides underwater systems and life support capabilities for the defence and commercial diving markets
- Geopolitical and energy security trends continue, demand for undersea and special operations capabilities set to increase
- Strong energy market driving robust commercial diving demand
- Acceleration in home markets, including Australia, Europe, India, Singapore, Sweden
- Strong growth pipeline with opportunities coming to market 2024

Opportunities for growth

- Investment in next generation products
- Targeted geographic expansion focusing on the US and Asia-Pacific region
- Enhanced services and support to existing defence and commercial customers

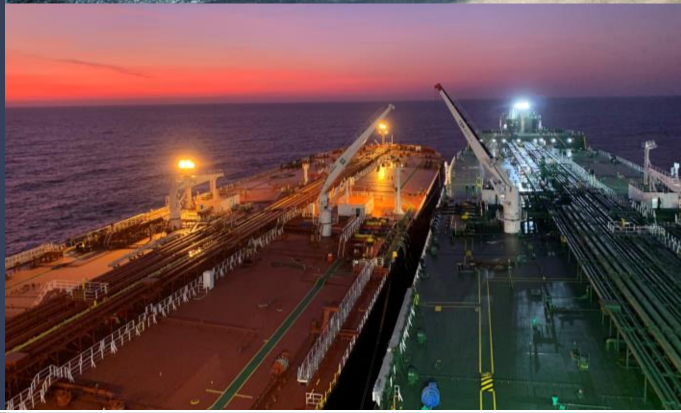
Maritime Transport

Market positioning and outlook

- Leading the way in targeted coastal shipping and global oil and natural gas ship-to-ship transfers
- Continues to play a key role in the critical supply of energy, petrochemicals and alternative fuels
- Focus on technology and emissions reduction through investment in fleet of the future
- Opportunity for broader synergies to grow customer base

Opportunities for growth

- Drive greater synergies and efficiencies between tankships and ship-to-ship
- Continue fleet renewal programme to service critical UK markets and explore adjacent markets
- Targeted geographic expansion in other regions, including Caribbean

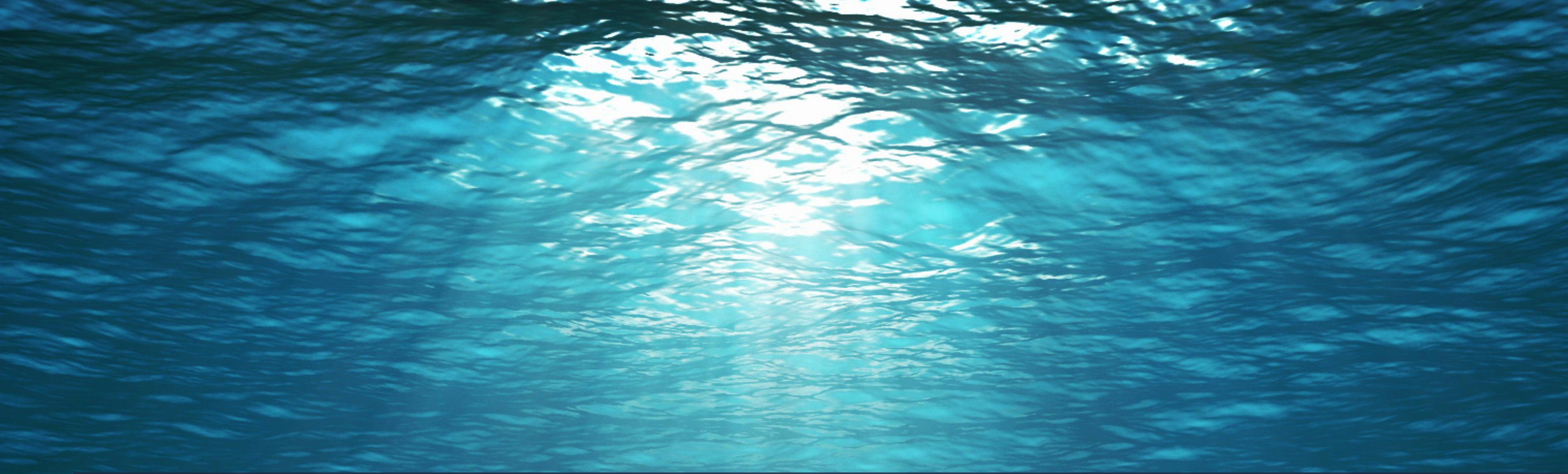


04 Conclusion

Conclusion - delivering the turnaround

- ✓ **Attractive markets** aligned to James Fisher's focus on the **Blue Economy**
- ✓ Delivering early-stage progress on **business turnaround,** current year trading in line with expectations
- ✓ Establishing a robust and **sustainable financial platform**, with lower levels of debt and leverage as we work towards a range of **1.0-1.5x** (Net Debt to EBITDA)
- ✓ Focused on portfolio **simplification**, **cohesion** and **synergies**
- ✓ **Growth potential** driven through people expertise, innovation and geographical reach
- ✓ Strengthen the foundations and **scale through productivity**
- ✓ Enable James Fisher to better anticipate and serve **changing customer needs**

05 Q&A



Thank you

Appendix

Strengthening our financial position

Announced the sale of **RMSpumptools for £90m**

- Deleverages the balance sheet, accelerating sustainable recovery for the Group
  - Solid platform to refinance in H2 2024
  - Enables the group to work towards a leverage range of 1.0-1.5x (Net Debt to EBITDA)
  - Delivers stronger financial foundations from which to complete business turn around
- Provides capacity to invest in key growth opportunities

Encouraging progress against KPIs

	2023 actuals	Progress made
The best at HSE **10% improvement on 2022**	• LTIF: **0.98** vs target **0.48** • TRCF: **3.30** vs target **2.39**	• MT and Defence met targets, key focus on Energy • Launch of Group-wide Exceptional Safety initiative
Meet our budget and forecasts **Forecasting: reduce revenue and margin deviations vs budget and bid** **Cash collection: DSO + internal improvements**	Revenue on track; some significant margin deviations in Europe • DSO: **65 days** vs **62 days** 2022	• Greater bidding discipline • Exiting loss making contracts • Continued pressure on cash collections
Divisional success **Targeting: OP margin & ROCE improvement**	• Defence and Maritime Transport divisions **improved OP margin** • Energy and Maritime Transport **improved ROCE**	• UOP up by 50 bps (improvement across all divisions) • ROCE improved to 6.6% (up 130 bps)
Employee engagement and D&I **Gallup Q12 engagement score 3.95**	• Engagement score **3.86** • Completion rate flat **84%**	• Employee engagement score behind target but higher YoY • Participation remained high and flat YoY

Sustainability in all we do

	People	Planet	Partnerships
	Talent Strength, Equity, Diversity and Inclusion, Health and Safety	**Portfolio choices, Resource efficiency, GHG emissions**	**Innovation, Customers and Suppliers, Governance**
Progress in 2023	• Launched Exceptional Safety programme • No Lost Time Incident Frequency rate in Maritime Transport and Defence • Employee engagement flat YoY, participation improved to 83% • New learning experience platform launched • One James Fisher community hub launched	• Scope 1 and 2 emissions reduction on track • Climate peer review and transition gap analysis conducted • GHG inventory assurance review commenced • Expanded OFW bubble curtain into US • First Life Cycle Assessment carried out on ST3100 Air Compressors • 37 Green Belts and 8 Black Belts trained	• Sustainability policy adopted by the Board • Embedding ESG considerations into Group policies and procedures • Supplier code of conduct in development • Appointment of New Chief Technology and Chief Digital Officers to drive innovation • Appointment of Group Head of Ethics and Compliance to strengthen governance
Targets	• Lost Time Incident Frequency 0.46 • Total Recordable Case Frequency 2.39 • Employee engagement score of 3.95 • Engagement response rate of 83% • Voluntary Attrition Rate of 10% • 75% employees volunteering 2hrs	• Scope 1 and Scope 2 emissions (tCO2e) 77,595 • Scope 3 Business travel (tCO2e) 7,115.4 • Scope 3 Waste generated in Operations (tCO2e) 1,423.8 • 30 Green Belts and 3 Black Belts trained	• Establish Group HSEQ, PMO, SC and Engineering frameworks • Business Excellence focus on HSE, Project Management Office, Supply Chain • Adoption of supplier code of conduct

Company purpose and business model aligned with sustainability agenda

Income Statement

	Year ended 31 December 2023 Total £m	Year ended 31 December 2022 Total £m
Continuing operations		
Revenue	**496.2**	478.1
Cost of sales	**(360.3)**	(350.9)
Gross profit	**135.9**	127.2
Administrative expenses	**(109.6)**	(97.5)
Impairment charges	**(28.4)**	(4.9)
Refinancing costs	**(12.2)**	–
Restructuring costs	**(5.7)**	(1.7)
Share of post-tax results of associates	**1.4**	1.6
Operating (loss)/profit	**(18.6)**	24.7
Finance income	**3.2**	0.7
Finance expense	**(24.5)**	(10.9)
(Loss)/profit before taxation	**(39.9)**	14.5
Income tax	**(11.0)**	(5.5)
(Loss)/profit for the year from continuing operations	**(50.9)**	9.0
Loss for the year from discontinued operations, net of tax	**(11.4)**	(19.8)
Loss for the year	**(62.3)**	(10.8)
Attributable to:		
Owners of the Company	**(62.4)**	(11.1)
Non-controlling interests	**0.1**	0.3
	(62.3)	(10.8)
Loss per share	**pence**	pence
Basic	**(123.9)**	(22.1)
Diluted	**(123.9)**	(22.1)
(Loss)/profit per share – continuing activities	**pence**	pence
Basic	**(101.2)**	17.4
Diluted	**(101.2)**	17.4

Underlying operating profit - 2023

2023 Continuing operations	As reported £m	Amortisation of acquired intangible assets £m	Impairment charges/ (reversals) £m	Refinancing £m	Re-structuring £m	Disposal of businesses and assets £m	Other / Tax £m	Underlying results £m
	Continuing operations							
Revenue	496.2	–	–	–	–	–	–	496.2
Cost of sales	(360.3)	–	–	–	–	(1.8)	–	(362.1)
Gross profit	135.9	–	–	–	–	(1.8)	–	134.1
Administrative expenses	(109.6)	1.1	–	–	–	0.1	2.8	(105.6)
Impairment charges	(28.4)	–	28.1	–	–	–	–	(0.3)
Refinancing costs	(12.2)	–	–	12.2	–	–	–	–
Restructuring costs	(5.7)	–	–	–	5.7	–	–	–
Share of post-tax results of associates	1.4	–	–	–	–	–	–	1.4
Operating profit/(loss)	(18.6)	1.1	28.1	12.2	5.7	(1.7)	2.8	29.6
Finance income	3.2	–	–	–	–	–	–	3.2
Finance expense	(24.5)	–	–	–	–	–	–	(24.5)
(Loss)/profit before taxation	(39.9)	1.1	28.1	12.2	5.7	(1.7)	2.8	8.3
Income tax	(11.0)	(0.3)	–	–	–	–	5.3	(6.0)
(Loss)/profit for the year from continuing operations	(50.9)	0.8	28.1	12.2	5.7	(1.7)	8.1	2.3
Discontinued operations								
(Loss)/profit for the year from discontinued operations, net of tax	(11.4)	–	–	–	–	–	–	(11.4)
(Loss)/profit for the year	(62.3)	0.8	28.1	12.2	5.7	(1.7)	8.1	(9.1
Operating margin (%)	(3.7)%							6.0%
Segmental underlying operating profit is calculated as follows:								
Energy	9.5	0.6	2.1	–	3.6	(0.4)	0.3	15.7
Defence	(23.7)	–	24.7	–	0.5	–	–	1.5
Maritime Transport	21.7	0.5	1.3	–	1.5	(1.4)	(0.3)	23.3
Corporate	(26.1)	–	–	12.2	0.1	0.1	2.8	(10.9)
Continuing operations	(18.6)	1.1	28.1	12.2	5.7	(1.7)	2.8	29.6

Underlying operating profit - 2022

2022 Continuing operations	As reported £m	Amortisation of acquired intangible assets £m	Impairment charges/ (reversals) £m	Specific trade receivables provision £m	Re-structuring £m	Disposal of businesses and assets £m	Other/Tax £m	Underlying results £m
	Continuing operations							
Revenue	478.1	–	–	–	–	–	–	478.1
Cost of sales	(350.9)	–	(4.5)	–	–	(0.9)	–	(356.3)
Gross profit	127.2	–	(4.5)	–	–	(0.9)	–	121.8
Administrative expenses	(97.5)	2.1	–	–	–	(2.5)	1.7	(96.2)
Impairment charges	(4.9)	–	5.2	(1.1)	–	–	–	(0.8)
Restructuring costs	(1.7)	–	–	–	1.7	–	–	–
Share of post-tax results of associates	1.6	–	–	–	–	–	–	1.6
Operating profit/(loss)	24.7	2.1	0.7	(1.1)	1.7	(3.4)	1.7	26.4
Finance income	0.7	–	–	–	–	–	–	0.7
Finance expense	(10.9)	–	–	–	–	–	–	(10.9)
Profit/(loss) before taxation	14.5	2.1	0.7	(1.1)	1.7	(3.4)	1.7	16.2
Income tax	(5.5)	–	–	–	–	–	0.8	(4.7)
Profit/(loss) for the year from continuing operations	9.0	2.1	0.7	(1.1)	1.7	(3.4)	2.5	11.5
Discontinued operations								
(Loss)/profit for the year from discontinued operations, net of tax	(19.8)	–	–	–	–	–	–	(19.8)
(Loss)/profit for the year	(10.8)	2.1	0.7	(1.1)	1.7	(3.4)	2.5	(8.3)
Operating margin (%)	5.2%							5.5%
Segmental underlying operating profit is calculated as follows:								
Energy	16.4	1.6	(0.8)	(1.1)	–	(2.5)	0.2	13.8
Defence	(3.5)	0.1	1.8	–	1.3	–	–	(0.3)
Maritime Transport	19.2	0.4	(0.3)	–	0.4	(0.9)	–	18.8
Corporate	(7.4)	–	–	–	–	–	1.5	(5.9)
Continuing operations	24.7	2.1	0.7	(1.1)	1.7	(3.4)	1.7	26.4