



Half Year Results

for the six months ended 30 June 2022

7 September 2022



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Overview

- **Revenue growth of 2%, but business mix held back operating profit**
 - Strong growth in Offshore Oil and Tankships
 - Marine Support profitability broadly in line with H1 21; subdued ship-to-ship transfer market
 - Specialist Technical behind H1 21, as expected

- **Turnaround activities continue:**
 - Completed restructuring programme expected to yield annualised cost savings of ~£3m
 - Ongoing programme to rationalise the portfolio, reduce debt and focus on core markets
 - Operational excellence programme (LEAN) expanded to additional businesses during the period

- **H2 anticipated to be materially stronger than H1**
 - July and August trading in line with expectations
 - Strong order books in Marine Contracting and Offshore Oil; Tankships expected to continue trading well
 - Limited visibility on timing of new Specialist Technical projects
 - Expect reduced net debt and leverage due to seasonally driven cash flows
 - Full year underlying operating profit now expected to be broadly in line with 2021



Financial Review



Financial Summary

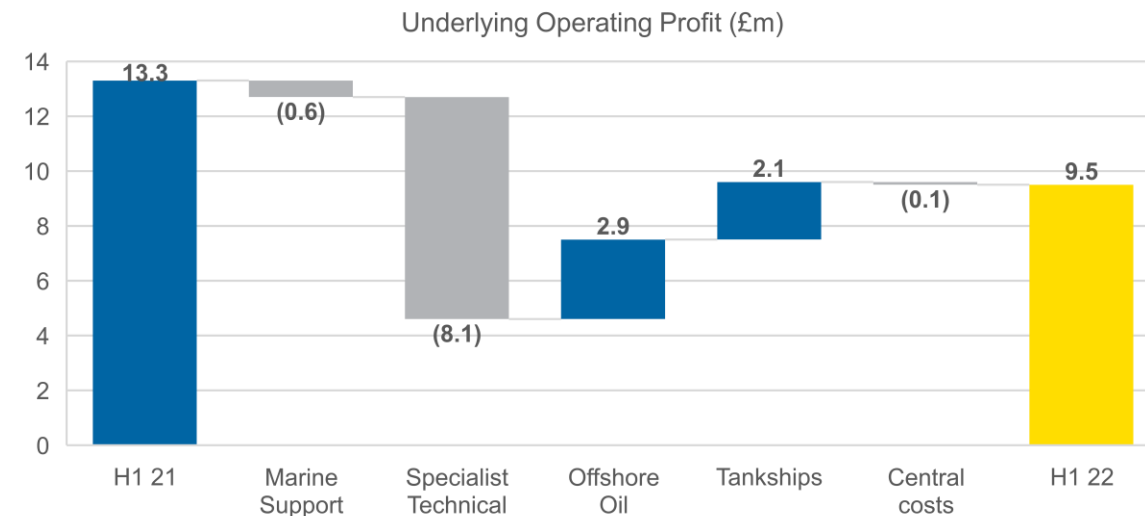
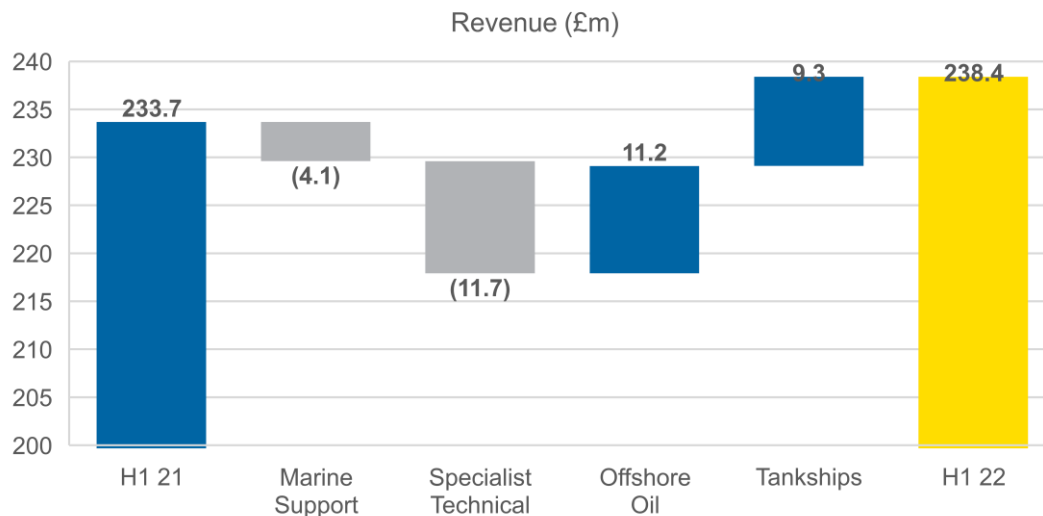
	Underlying*			Statutory		
	H1 2022	H1 2021	Change %	H1 2022	H1 2021	Change %
Revenue (£m)	238.4	233.7	+2.0	238.4	233.7	+2.0
Operating profit (£m)	9.5	13.3	(28.6)	7.9	12.2	(35.2)
Profit before tax (£m)	4.8	9.2	(47.8)	3.2	8.1	(60.5)
Diluted EPS (p)	6.7	12.8	(47.7)	3.7	26.8	(86.2)

- Revenue growth of 2.0% vs H1 21
- Portfolio mix has reduced profitability; historically higher margin Specialist Technical division behind H1 21
- Staff pay increases awarded for first time in two years, costing ~£1.5m in the period
- Separately disclosed items include £1.0m profit on sale of a vessel in H1 22 (£0.3m profit in H1 21) and £1.5m past service cost on MNRPF pension fund
- The Board has not declared an Interim dividend

* excludes separately disclosed items



H1 Divisional Performance



- Marine Support: Marine Contracting continued its turnaround in profitability, offset by subdued market demand for Fendercare STS
- Specialist Technical down as expected due to cyclical nature of long-term projects; the results include ~£2m provisions in relation to legacy contracts
- Strong growth in Offshore Oil due to high demand for well-testing services; record order intake at RMS; and continued good growth in decommissioning projects
- Tankships delivered significant growth (+100% UOP) against a low comparator. Market demand now back in line with pre-pandemic levels



Finance and Tax

	H1 2022	H1 2021
	£m	£m
Net finance expense		
Bank loans and overdrafts	3.6	3.0
ROU operating lease	1.1	1.0
Other	-	0.1
Net finance expense	4.7	4.1

Tax		
Underlying profit before taxation*	4.8	9.2
Tax on underlying profit before taxation*	1.4	2.7
Effective tax rate	28.4%	29.3%

- Overseas tax adds 5.6% (H1 2021: 6.0%) to UK standard rate of 19%
- Separately disclosed tax item of £7.9m deferred tax asset recognised in H1 2021

* excludes separately disclosed items



Cash flow

	H1 2022 £m	H1 2021 £m
Profit before tax	3.2	8.1
Depreciation/amortisation	20.4	21.1
Non-cash items	4.7	2.7
Working capital	(24.6)	(27.3)
Pension cash	(1.0)	(1.0)
Interest & tax (net)	(7.3)	(7.6)
Net capital expenditure	(9.2)	7.0
Businesses acquired	(1.4)	(0.4)
Finance lease payments	(7.0)	(6.6)
Other	2.3	(0.7)
Net increase in bank borrowings	(19.9)	(4.7)

• Increase in accrued income as significant long-term projects approach milestone events

• Includes \$17.3m (£12.6m) Paladin proceeds in H1 2021

• Deferred payments on historic acquisitions



Liquidity and banking facilities

Facilities maturity profile (£m)

	Total	2022	2023	2024	2025	2026
Expiring	287.5	40	47.5	200	-	-

- £40m facility expired in July 2022 and has not been replaced
- £200m of facilities secure until at least 2024
- Expectation that remaining facility extensions will be secured

Covenants

30.06.22 30.06.21

Net debt : EBITDA	< 3.5	3.3	2.9
Interest cover	> 3.0	4.5	4.8

Headroom at 30 June

Drawn

Undrawn

Existing facilities	172.0	115.5
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Fisher

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Operating Review

Marine Support

Marine Contracting:

- Turnaround in profitability continued during the period
- Some projects delayed into H2
- EDS performance disappointing due to staff disruption; now resolved
- Swordfish on hire for entirety of 2022
- Mozambique project not yet recommenced

Fendercare:

- Subdued STS market continued; 27% below the 2020 peak
- Continued growth in inquiries for LNG STS services; increase in activity over Summer months
- Restructuring completed to right-size business given market conditions; business remains scalable should conditions improve

DDS:

- AIS launched an enhanced, next generation of its software

	H1 2022	H1 2021
Revenue (£m)	93.6	97.7
Profit (£m)	1.5	2.1
Margin (%)	1.6	2.1
ROCE (%)	3.0	3.7



Specialist Technical

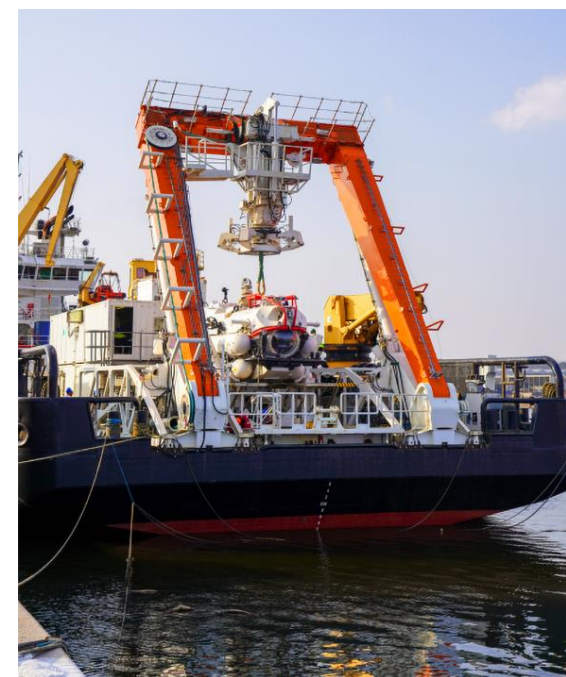
JFD:

- Good increase in demand for short-cycle diving equipment
- £1.0m provision against legacy contract following change in customer stance
- No new significant projects wins in H1; sales pipeline remains strong, with c. £250m of qualified leads
- Completion of two long-term projects and resulting collection of final cash milestones delayed due to lockdowns in China
 - Project 1: milestone triggered in Q3
 - Project 2: likely delayed to 2023

JFN:

- Operational improvement programme continued in the period
- Progress at core project sites in line with plans
- £0.8m provision taken in H1 against underperforming contract

	H1 2022	H1 2021
Revenue (£m)	56.1	67.8
Profit (£m)	(2.5)	5.6
Margin (%)	(4.5)	8.3
ROCE (%)	1.6	11.2



Offshore Oil

Scantech businesses:

- Strong demand for well-testing services in the period
- Bubble curtain projects delivered £4.0m vs £3.2m in H1 21
- Investment in upgrading compressor fleet to proprietary, fuel-efficient new model approved; expecting delivery in 2023

RMSpumptools:

- Record order intake in the period; H2 largely secure, with better order coverage than ever before
- LEAN programme delivering OTIF improvement
- Project to expand production to Saudi Arabia complete

James Fisher Offshore:

- Decommissioning revenue increased from £2.6m to £7.0m
- Strong order book for H2 and a number of additional potential opportunities being bid

	H1 2022	H1 2021
Revenue (£m)	50.8	39.6
Profit (£m)	8.2	5.3
Margin (%)	16.2	13.4
ROCE (%)	12.2	9.2





Tankships

- Utilisation rates significantly ahead of H1 21, which was adversely affected by UK lockdowns (88% vs 80%)
- Investment in improving vessels and seafarer welfare continued, with a programme of upgrades to communications systems initiated across the fleet
- Sale of Thames Fisher, an aging vessel, with £1.0m profit on sale included within “separately disclosed items”
- The Sir John Fisher, the first of two new dual-fuel vessels, undergoing final fit-out and sea trials ahead of delivery in Q4
- Cattedown Wharves has seen some recovery

	H1 2022	H1 2021
Revenue (£m)	37.9	28.6
Profit (£m)	4.2	2.1
Margin (%)	11.1	7.3
ROCE (%)	20.3	20.1





Summary and Outlook



Summary and Outlook

Continuing to stabilise the business, although challenges remain:

- Restructuring activities completed to right-size cost base for current market demand
- Marine Contracting continues its turnaround; STS market remains subdued
- Specialist Technical needs to convert significant sales pipeline

H2 priorities:

- Secure additional long-term projects within Specialist Technical division
- Ongoing programme to rationalise the portfolio
- Continued roll-out of operational excellence programme (LEAN)

H2 anticipated to be materially stronger than H1:

- July and August trading in line with expectations
- Strong order books in Marine Contracting and Offshore Oil; Tankships expected to continue trading well
- Limited visibility on timing of new Specialist Technical projects
- Expect reduced net debt and leverage due to seasonally driven cash flows
- Full year underlying operating profit now expected to be broadly in line with 2021

Q&A

James Fisher and Sons plc
Marine Services Worldwide



James Fisher and Sons plc

Pioneering Sustainably



Appendix





Income Statement

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£m	£m	£m
Revenue	238.4	233.7	494.1
Cost of sales	<u>(182.7)</u>	<u>(177.6)</u>	<u>(384.6)</u>
Gross profit	55.7	56.1	109.5
Administrative expenses	(49.2)	(44.9)	(132.2)
Share of post tax results of joint ventures	1.4	1.0	2.0
Operating profit/(loss)	7.9	12.2	(20.7)
Analysis of operating profit:			
Underlying operating profit	9.5	13.3	28.0
Separately disclosed items	(1.6)	(1.1)	(48.7)
Net finance expense	<u>(4.7)</u>	<u>(4.1)</u>	<u>(8.3)</u>
Profit/(loss) before taxation	3.2	8.1	(29.0)
Analysis of profit before tax:			
Underlying profit before taxation	4.8	9.2	19.7
Separately disclosed items	(1.6)	(1.1)	(48.7)
Income tax	<u>(1.2)</u>	<u>5.5</u>	<u>0.8</u>
Profit/(loss) for the period	<u>2.0</u>	<u>13.6</u>	<u>(28.2)</u>



Separately Disclosed Items

	2022	2021	2021
	Six months	Six months	Year
	ended	ended	ended
	30 June	30 June	31 December
	£m	£m	£m
Acquisition related income and (expense):			
Costs incurred on acquiring/disposing of businesses	-	-	(0.5)
Amortisation of acquired intangibles	(1.1)	(1.4)	(2.9)
Adjustment to provision for contingent consideration	-	-	-
	(1.1)	(1.4)	(3.4)
Gain/(loss) on disposal of businesses	-	-	0.3
Gain on disposal of vessel	1.0	0.3	0.3
Costs of material litigation	-	-	(3.1)
Defined benefit obligation - past service cost	(1.5)	-	-
Impairment charges			
Intangible assets	-	-	(29.2)
Tangible fixed assets	-	-	(9.3)
Receivables	-	-	(4.3)
Separately disclosed items before taxation	(1.6)	(1.1)	(48.7)
Taxation	0.2	8.2	10.9
Separately disclosed items after taxation	(1.4)	7.1	(37.8)