

# Appendix 4D

Half Year Ended 31 December 2022

Worley Limited  
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## RESULTS FOR ANNOUNCEMENT TO THE MARKET<sup>1</sup>

### STATUTORY RESULT

	CONSOLIDATED			
	31 DECEMBER 2022	31 DECEMBER 2021	CHANGE	CHANGE
	\$'M	\$'M	\$'M	%
Revenue and other income	5,391	4,662	729	16
Earnings before interest, tax and amortization (EBITA) <sup>2</sup>	23	202	(179)	(89)
(Loss)/Profit before income tax expense	(74)	126	(200)	(159)
NPATA attributable to members of Worley Limited <sup>3</sup>	(63)	114	(177)	(155)
(Loss)/profit after income tax expense attributable to members of Worley Limited	(99)	79	(178)	(225)
EBITA margin on aggregated revenue <sup>4</sup>	0.4%	4.6%	-	(4.2)pp
EBITA margin (excl loss on disposal group held for sale) on aggregated revenue	4.9%	4.6%	-	0.3pp
Basic (loss)/earnings per share (cents)	(18.8)	15.1	(33.9)	(225)
Diluted (loss)/earnings per share (cents)	(18.8)	15.1	(33.9)	(225)
Operating cash flow	100	89	11	12

The group is continuously reviewing its business portfolio to align it with our strategy and ambition. One business has been identified for divestment in the first half of FY2023. Due to the timing of the negotiations, which are well progressed but not completed, disclosure of the detail of this sale would be prejudicial to the orderly completion of the divestment process. However, we consider that sale completion is possible by April 2023. The net assets of the business in negotiation are preliminarily assessed as \$139 million and in accordance with accounting standards, these assets are treated as a disposal group held for sale, until the conclusion of the negotiations is known (refer to Note 1.14 of the Interim Financial Report for further details).

### UNDERLYING RESULT

Cost/(income) adjustments including those in relation to transition, transformation, restructuring activities, impairment and certain other one-off costs have been excluded from the underlying result. The directors consider underlying result information is important to understand the sustainable performance of the company by excluding selected significant items and amortization of acquired intangible assets.

	CONSOLIDATED			
	31 DECEMBER 2022	31 DECEMBER 2021	CHANGE	CHANGE
	\$'M	\$'M	\$'M	%
Aggregated Revenue	5,202	4,368	834	19
EBITA <sup>5</sup>	283	251	32	13
EBITA margin on aggregated revenue <sup>4</sup>	5.4%	5.7%	-	(0.3)pp
EBITA margin on aggregated revenue (excl segment procurement revenue at margin) <sup>6</sup>	6.1%	6.1%	-	-
NPATA attributable to members of Worley Limited	154	150	4	3
Basic earnings per share (cents) <sup>7</sup>	29.3	28.6	0.7	2
Operating cash flow <sup>8</sup>	129	110	19	17

<sup>1</sup> Statutory financial information contained within the Appendix 4D has been derived from the 31 December 2022 Interim Financial Report which has been reviewed by PricewaterhouseCoopers ('PwC').

<sup>2</sup> EBITA is defined as earnings before interest, tax and amortization of intangible assets acquired through business combinations.

<sup>3</sup> NPATA is defined as net profit after tax and amortization of intangible assets acquired through business combinations.

<sup>4</sup> Aggregated revenue is defined per "Aggregated Revenue Result" section on page 2 of Appendix 4D.

<sup>5</sup> Per segment note. Refer to note 1.1(F) of the Interim Financial Report.

<sup>6</sup> The Group delivers value to customers by providing engineering and construction expertise. In delivering such services, the Group will procure goods or services and earn margin on the subsequent sale to customers. Procurement at Margin is considered a key value added service which would not occur without the engineering or construction services. Consequently, EBITA margin on aggregated revenue (excl segment procurement revenue at margin) is calculated as Underlying EBITA / (Aggregated Revenue less Segment Procurement Revenue at Margin).

<sup>7</sup> Basic underlying earnings per share are calculated on NPATA basis.

<sup>8</sup> Underlying cash flow is defined as statutory operating cash flow adjusted for the cash effects of cost/(income) adjustments.

## RECONCILIATION OF STATUTORY (LOSS)/PROFIT AFTER INCOME TAX EXPENSE TO UNDERLYING PROFIT AFTER INCOME TAX AND BEFORE AMORTIZATION<sup>1</sup>

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
<b>(Loss)/profit after income tax expense attributable to members of Worley Limited</b>	<b>(99)</b>	<b>79</b>
Costs in relation to cost saving programs	29	46
Impact of transformation and restructuring:		
Shared services transformation	29	30
Payroll and other restructuring costs	-	13
Transition costs	-	3
Impairment of assets	-	2
Impairment of investments including equity accounted associates	-	1
Loss on disposal group held for sale <sup>2</sup>	231	-
Net tax expense on items excluded from underlying results <sup>2</sup>	(43)	(13)
Underlying profit after income tax expense attributable to members of Worley Limited	118	115
Amortization of intangible assets acquired through business combinations	49	49
Tax effect on amortization of intangible assets acquired through business combinations	(13)	(14)
Underlying NPATA attributable to members of Worley Limited	154	150

### AGGREGATED REVENUE RESULT

Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The Directors of Worley Limited believe that this disclosure provides additional information in relation to the financial performance of Worley Limited Group.

	CONSOLIDATED			
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M	CHANGE \$'M	CHANGE %
Revenue and other income	5,391	4,662	729	16
Add: share of revenue from associates	388	137	251	183
Less: procurement revenue at nil margin	(574)	(429)	(145)	34
Less: interest income	(3)	(2)	(1)	50
Aggregated revenue	5,202	4,368	834	19
Aggregated revenue (excl segment procurement revenue at margin)	4,656	4,142	514	12

### DIVIDEND

	AMOUNT PER SHARE	FRANKED AMOUNT PER SHARE
Interim dividend (cents per share)	25.0	nil
Record date for determining entitlement to interim dividend		1 March 2023
Date dividend is to be paid		29 March 2023

The directors have resolved to pay an interim dividend of 25.0 cents (unfranked) per fully paid ordinary share, including exchangeable shares (31 December 2021: 25.0 cents per share, unfranked).

### NET ASSETS PER SHARE

	CONSOLIDATED	
	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Net assets per share	10.35	10.83
Net tangible liabilities per share	(0.90)	(0.90)

The remainder of information requiring disclosure to comply with ASX Listing Rule 4.3A is contained in the Interim Financial Report for the half year ended 31 December 2022 issued 22 February 2023.

<sup>1</sup> Cost/(income) adjustments including those in relation to transition, transformation, restructuring activities, impairment and certain other one-off costs have been excluded from the underlying result. The directors consider underlying result information is important to understand the sustainable performance of the company by excluding selected significant items and amortization of acquired intangible assets.

<sup>2</sup> The Group has excluded loss on disposal group held for sale (refer to Note 1.14 of the Interim Financial Report for further details) and a resulting tax impact from the underlying results.

# Interim financial report

Half Year Ended 31 December 2022

Worley Limited  
ABN 17 096 090 158

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# Directors' report

The directors present their report on the consolidated entity consisting of Worley Limited (Company or Parent Entity) and the entities it controlled (Group or Consolidated Entity) at the end of, and during, the half year ended 31 December 2022.

## DIRECTORS

The following persons were directors of the Company from 1 July 2022 up to the date of this report:

John Grill, AO (Chair)  
Andrew Liveris, AO (Deputy Chair and Lead Independent Director)  
Thomas Gorman  
Christopher Haynes, OBE  
Roger Higgins  
Martin Parkinson, AC  
Emma Stein  
Juan Suárez Coppel  
Anne Templeman-Jones  
Wang Xiao Bin  
Sharon Warburton  
Chris Ashton (Chief Executive Officer and Managing Director)

## PRINCIPAL ACTIVITIES

During the half year, the principal activities of the Group consisted of providing engineering design and project delivery services, including providing maintenance, reliability support services and advisory services to the following sectors. These activities were driven by a common purpose in delivering a more sustainable world:

- Energy – producing energy from various conventional and low-carbon energy sources (for example, oil and gas, wind, solar, hydrogen and other renewables) as well as projects related to power generation, transmission and distribution;
- Chemicals – manufacturing, processing and refining chemicals and fuels (for example renewable fuels, petrochemicals, polymers and speciality chemicals); and
- Resources – processing mineral and metal resources including those central to the energy transition and resource projects related to water use and reuse, the environment, transport, ports and site remediation and decommissioning.

Our strategic growth priorities are arranged into four sustainability pathways which relate to the sectors we serve. These define our sustainability opportunities and capabilities.

- Decarbonization – the decarbonization of our industrial systems to address climate change while maintaining sustainable businesses and building quality of life for all;
- Resource Stewardship – Resource Stewardship describes designed systems that intentionally replace the linear end-of-life concept of waste and pollution by sustainably keeping products and materials in use and regenerating natural systems;
- Asset Sustainability – mitigating asset risks as related to the impacts of climate change by improving or extending the life span of infrastructure, promoting the re-use of existing assets rather than building new ones, and sustainable design in upgrades and new builds; and
- Environment & Society – developing practical ways to enable development while safeguarding environmental values and creating positive social and economic outcomes.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the operations of the Group since 30 June 2022.

## REVIEW OF OPERATIONS

The underlying profit after income tax expense attributable to members of the Company for the half year ended 31 December 2022 was \$118 million (an increase of \$3 million on the \$115 million underlying net profit after tax reported in the corresponding period). The statutory loss after income tax expense attributable to members of the Company for the half year ended 31 December 2022 was \$99 million (a decrease of \$178 million on the \$79 million net profit after tax reported in the corresponding period). Included in the statutory results is a pre tax loss on disposal group held for sale of \$231 million (refer to Note 1.14 for further details). The post tax loss of the abovementioned disposal group held for sale is \$196m, which has been excluded from underlying results. The result was earned on aggregated revenue of \$5,202 million (an increase of \$834 million on the \$4,368 million reported in the corresponding period).

## DIRECTORS' REPORT (continued)

Cost/(income) adjustments including those in relation to transition, transformation, restructuring activities, impairment and certain other one-off costs have been excluded from the underlying result. The directors consider underlying result information is important to understand the sustainable performance of the company by excluding selected significant items and amortization of acquired intangible assets.

The reconciliation of statutory (loss)/profit after income tax expense to underlying net profit after income tax expense and before amortization (NPATA<sup>1</sup>) is as follows:

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
<b>(Loss)/profit after income tax expense attributable to members of Worley Limited</b>	<b>(99)</b>	<b>79</b>
Costs in relation to cost saving programs	29	46
Impact of transformation and restructuring:		
<i>Shared services transformation</i>	29	30
<i>Payroll and other restructuring costs</i>	-	13
Transition costs	-	3
Impairment of assets	-	2
Impairment of investments including equity accounted associates	-	1
Loss on disposal group held for sale <sup>2</sup>	231	-
Net tax expense on items excluded from underlying results <sup>2</sup>	(43)	(13)
Underlying profit after income tax expense attributable to members of Worley Limited	118	115
Amortization of intangible assets acquired through business combinations	49	49
Tax effect on amortization of intangible assets acquired through business combinations	(13)	(14)
Underlying NPATA attributable to members of Worley Limited	154	150

## SUBSEQUENT EVENTS

Since the end of the half year, the directors have resolved to pay an interim dividend of 25.0 cents (unfranked) per fully paid ordinary share, including exchangeable shares (31 December 2021: 25 cents per share, unfranked). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed interim dividend of \$131 million is not recognized as a liability as at 31 December 2022.

No other material matter or circumstance has arisen since 31 December 2022 that has significantly affected or may significantly affect the Group's operations or state of affairs.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest one million dollars in accordance with that Instrument. Amounts shown as 0 represent amounts less than \$500,000 which have been rounded.

## CHANGE OF AUDITOR

During the period, the Company appointed a new auditor, PricewaterhouseCoopers ('PwC') to review the Interim Financial Report. This was approved at the Annual General Meeting and is a change from the previous auditor, Ernst & Young ('EY') who audited the 30 June 2022 Annual Financial Report.

<sup>1</sup> NPATA is defined as net profit after tax and amortization of intangible assets acquired through business combinations.

<sup>2</sup> The Group has excluded loss on disposal group held for sale (refer to Note 1.14 of the Interim Financial Report for further details) and a resulting tax impact from the underlying results.

## DIRECTORS' REPORT (continued)

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is as follows:



#### Auditor's Independence Declaration

As lead auditor for the review of Worley Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Worley Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M Lunn', written over a horizontal line.

Matthew Lunn  
Partner  
PricewaterhouseCoopers

Sydney  
22 February 2023

This Directors' Report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'John Grill', written over a horizontal line.

John Grill, AO  
Chair

Sydney, 22 February 2023



# Consolidated statement of financial performance and other comprehensive income

For the half year ended 31 December 2022

		CONSOLIDATED	
	NOTES	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
REVENUE AND OTHER INCOME			
Professional services revenue		2,914	2,634
Construction and fabrication revenue		1,595	1,368
Procurement revenue		879	655
Other income		-	3
Interest income		3	2
Total revenue and other income	1.1	5,391	4,662
EXPENSES			
Professional services costs		(2,650)	(2,407)
Construction and fabrication costs		(1,550)	(1,329)
Procurement costs		(866)	(647)
Global support costs	1.1	(83)	(69)
Transition, transformation and restructuring costs	1.2	(29)	(46)
Strategic costs	1.2	(18)	(13)
Loss on disposal group held for sale	1.14	(231)	-
Finance costs		(51)	(29)
Total expenses		(5,478)	(4,540)
Share of net profit of associates accounted for using the equity method		13	4
(Loss)/Profit before income tax expense		(74)	126
Income tax expense	1.3	(22)	(46)
(Loss)/Profit after income tax expense		(96)	80
(Loss)/profit after income tax expense attributable to:			
Members of Worley Limited		(99)	79
Non-controlling interests		3	1
Other comprehensive income			
Items that may be reclassified in future periods to the Consolidated Statement of Financial Performance			
Net movement in foreign currency translation reserve		(16)	89
Net movement in hedge reserve		-	(3)
Items that will not be reclassified in future periods to the Consolidated Statement of Financial Performance			
Net movement in defined benefit reserve		(3)	-
Total comprehensive (loss)/income, net of tax		(115)	166
Total comprehensive (loss)/income, net of tax, attributable to:			
Members of Worley Limited		(115)	165
Non-controlling interests		-	1
Basic (loss)/earnings per share (cents)	1.9	(18.8)	15.1
Diluted (loss)/earnings per share (cents)	1.9	(18.8)	15.1

The above Consolidated Statement of Financial Performance and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Consolidated statement of financial position

As at 31 December 2022

		CONSOLIDATED	
		31 DECEMBER 2022	30 JUNE 2022
	NOTES	\$'M	\$'M
ASSETS			
Current assets			
Cash and cash equivalents	1.4	488	507
Trade receivables and contract assets	1.5	1,790	1,952
Procurement assets	1.13	183	164
Other current assets	1.5	269	215
Prepayments		175	99
Income tax receivable		75	107
Derivatives		16	3
Assets held for sale	1.14	178	-
Total current assets		3,174	3,047
Non-current assets			
Trade receivables and contract assets	1.5	131	128
Intangible assets	1.6	5,917	6,155
Property, plant and equipment and right of use (RoU) assets		608	617
Deferred tax assets		217	192
Equity accounted associates		195	189
Other non-current assets		73	68
Total non-current assets		7,141	7,349
TOTAL ASSETS		10,315	10,396
LIABILITIES			
Current liabilities			
Trade and other payables		1,453	1,350
Procurement payables	1.13	191	199
Provisions		546	610
Interest bearing loans and borrowings and lease liabilities	1.7	562	564
Income tax payable		74	38
Derivatives		8	32
Liabilities held for sale	1.14	39	-
Total current liabilities		2,873	2,793
Non-current liabilities			
Trade and other payables		51	53
Interest bearing loans and borrowings and lease liabilities	1.7	1,751	1,605
Defined benefit obligations		50	51
Deferred tax liabilities		30	90
Provisions		118	121
Total non-current liabilities		2,000	1,920
TOTAL LIABILITIES		4,873	4,713
NET ASSETS		5,442	5,683
EQUITY			
Issued capital	1.8	5,351	5,341
Reserves		(321)	(302)
Retained profits		410	640
Members of Worley Limited		5,440	5,679
Non-controlling interests		2	4
TOTAL EQUITY		5,442	5,683

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

For the half year ended 31 December 2022

CONSOLIDATED										
	ISSUED CAPITAL \$'M	RETAINED PROFITS \$'M	FOREIGN CURRENCY TRANSLATION RESERVE \$'M	HEDGE RESERVE \$'M	PERFORMANCE RIGHTS RESERVE \$'M	DEFINED BENEFIT RESERVE \$'M	ACQUISITION RESERVE \$'M	MEMBERS OF WORLEY LIMITED \$'M	NON- CONTROLLING INTERESTS \$'M	TOTAL \$'M
<b>As at 1 July 2022</b>	<b>5,341</b>	<b>640</b>	<b>(301)</b>	<b>(3)</b>	<b>60</b>	<b>14</b>	<b>(72)</b>	<b>5,679</b>	<b>4</b>	<b>5,683</b>
(Loss)/profit after income										
tax expense	-	(99)	-	-	-	-	-	(99)	3	(96)
Other comprehensive loss	-	-	(13)	-	-	(3)	-	(16)	(3)	(19)
<b>Total comprehensive</b>										
<b>income/(loss), net of tax</b>	<b>-</b>	<b>(99)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(115)</b>	<b>-</b>	<b>(115)</b>
<i>Transactions with owners</i>										
Share based payments										
expense	-	-	-	-	14	-	-	14	-	14
Transfer to issued capital on										
issuance of shares to satisfy										
performance rights	10	-	-	-	(17)	-	-	(7)	-	(7)
Dividends paid	-	(131)	-	-	-	-	-	(131)	(2)	(133)
<b>As at 31 December 2022</b>	<b>5,351</b>	<b>410</b>	<b>(314)</b>	<b>(3)</b>	<b>57</b>	<b>11</b>	<b>(72)</b>	<b>5,440</b>	<b>2</b>	<b>5,442</b>

For the half year ended 31 December 2021

CONSOLIDATED										
	ISSUED CAPITAL \$'M	RETAINED PROFITS \$'M	FOREIGN CURRENCY TRANSLATION RESERVE \$'M	HEDGE RESERVE \$'M	PERFORMANCE RIGHTS RESERVE \$'M	DEFINED BENEFIT RESERVE \$'M	ACQUISITION RESERVE \$'M	MEMBERS OF WORLEY LIMITED \$'M	NON- CONTROLLING INTERESTS \$'M	TOTAL \$'M
<b>As at 1 July 2021</b>	<b>5,321</b>	<b>730</b>	<b>(510)</b>	<b>2</b>	<b>67</b>	<b>-</b>	<b>(64)</b>	<b>5,546</b>	<b>38</b>	<b>5,584</b>
Profit after income tax										
expense	-	79	-	-	-	-	-	79	1	80
Other comprehensive										
income/(loss)	-	-	89	(3)	-	-	-	86	-	86
<b>Total comprehensive</b>										
<b>income/(loss), net of tax</b>	<b>-</b>	<b>79</b>	<b>89</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>1</b>	<b>166</b>
<i>Transactions with owners</i>										
Share based payments										
expense	-	-	-	-	11	-	-	11	-	11
Transfer to issued capital on										
issuance of shares to satisfy										
performance rights	20	-	-	-	(26)	-	-	(6)	-	(6)
Dividends paid	-	(131)	-	-	-	-	-	(131)	(1)	(132)
<b>As at 31 December 2021</b>	<b>5,341</b>	<b>678</b>	<b>(421)</b>	<b>(1)</b>	<b>52</b>	<b>-</b>	<b>(64)</b>	<b>5,585</b>	<b>38</b>	<b>5,623</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows

For the half year ended 31 December 2022

	CONSOLIDATED		
	NOTES	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,454	4,980
Payments to suppliers and employees		(5,297)	(4,833)
		157	147
Dividends received from associates		3	1
Interest received		3	1
Financing costs paid		(38)	(21)
Income taxes paid		(25)	(39)
Net cash inflow from operating activities	1.4	100	89
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of controlled entities and other investments, net of cash acquired		(2)	-
Payments for purchase of property, plant and equipment and other intangibles		(28)	(24)
Proceeds from sale of property, plant and equipment		1	1
Proceeds from disposals of investments		-	6
Net cash outflow from investing activities		(29)	(17)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of loans and borrowings	1.7	(3,647)	(2,435)
Proceeds from loans and borrowings	1.7	3,759	2,648
Costs of bank facilities		(3)	(3)
Lease liability payments		(57)	(63)
Dividends paid to members of Worley Limited		(131)	(131)
Net loans to related parties		-	(7)
Dividends paid to non-controlling interests		(2)	(1)
Net cash (outflow)/inflow from financing activities		(81)	8
Net (decrease)/increase in cash		(10)	80
Cash and cash equivalents at the beginning of the financial year		519	493
Effects of foreign exchange rate changes on cash		(7)	7
Cash and cash equivalents at the end of the financial year	1.4	502	580

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to and forming part of the consolidated financial statements for the half year ended 31 December 2022

## 1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

The Interim Financial Report of the consolidated entity for the half year ended 31 December 2022 does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing and financing activities of the Group as a full financial report.

The Interim Financial Report should be read in conjunction with the 30 June 2022 Annual Financial Report of the Company, which was prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board. It is also recommended that the Interim Financial Report be considered together with any public announcements made by the Company and its controlled entities during the half year ended 31 December 2022 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001* and *Guidance Note 8 – Continuous Disclosure: Listing Rules 3.1 - 3.1B* issued by the Australian Securities Exchange (ASX).

The Interim Financial Report has been prepared using consistent accounting policies as used in the 30 June 2022 Annual Financial Report, including:

### (A) BASIS OF ACCOUNTING

#### (i) Basis of preparation

The Interim Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial / Directors' Report) issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest one million dollars in accordance with that Instrument. Amounts shown as 0 represent amounts less than \$500,000 which have been rounded.

For the purposes of preparing the Interim Financial Report, the half year has been treated as a discrete reporting period.

#### (ii) Historical cost convention

The Interim Financial Report has been prepared on a historical cost basis, except for derivative financial instruments, unlisted equity instruments, and assets held for sale, where applicable, that have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

#### (iii) Critical accounting estimates

In the application of AAS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made:

- revenue recognition;
- expected credit loss allowance;
- goodwill and intangible assets with identifiable useful lives;
- project, warranty and other provisions;
- inclusion and classification of contingent liabilities;
- recovery and valuation of deferred tax assets and liabilities, and;
- measurement and presentation of assets and liabilities held for sale.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

### (B) ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

New and revised accounting standards, amendments or AASB interpretations which became applicable for the current reporting period did not have any impact on the Group. These standards and interpretations are consistent with those disclosed in the 30 June 2022 Annual Financial Report.

### (C) NEW ACCOUNTING STANDARDS NOT YET APPLICABLE

The Group has not early adopted any standards or interpretations that are issued but not yet effective. These standards and interpretations and potential impacts are consistent with those disclosed in the 30 June 2022 Annual Financial Report.

## 1.1 SEGMENT INFORMATION

### *(A) IDENTIFICATION OF REPORTABLE SEGMENTS*

The Group's operating segments are reported on a regional basis as follows:

- Americas;
- EMEA; and
- APAC.

The Group has also included additional information segmented according to its market sector groups. These segments are consistent with those reported at 30 June 2022.

### *(B) ACCOUNTING POLICIES AND INTER-SEGMENT TRANSACTIONS*

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

Segment revenues, expenses and results do not include transactions between segments incurred in the ordinary course of business as they are eliminated on consolidation. These transactions are priced on an arm's length basis.

The accounting policies used by the Group in reporting segments internally are the same as those contained in the 30 June 2022 Annual Financial Report and are consistent with those in the prior corresponding period.

The segment result includes the allocation of overhead that can be directly attributed to an individual business segment.

The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- global support costs;
- strategic costs;
- interest and tax for associates;
- amortization of acquired intangible assets;
- costs in relation to cost saving programs;
- other non-recurring gains and losses as described in note 1.1(F); and
- income tax expense.

## 1.1 SEGMENT INFORMATION (continued)

### (C) OPERATING SEGMENTS

	AMERICAS		EMEA		APAC		TOTAL	
	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Professional services revenue	960	879	1,187	1,114	914	778	3,061	2,771
Construction and fabrication revenue	1,276	1,049	319	319	-	-	1,595	1,368
Procurement revenue at margin	156	57	340	115	50	54	546	226
Other income	-	-	-	-	-	3	-	3
<b>Total aggregated revenue<sup>1</sup></b>	<b>2,392</b>	<b>1,985</b>	<b>1,846</b>	<b>1,548</b>	<b>964</b>	<b>835</b>	<b>5,202</b>	<b>4,368</b>
Segment EBITA <sup>2</sup>	128	112	148	132	115	91	391	335
Segment margin	5.4%	5.6%	8.0%	8.5%	11.9%	10.9%	7.5%	7.7%
Segment margin (excl procurement revenue at margin) <sup>3</sup>	5.7%	5.8%	9.8%	9.2%	12.6%	11.7%	8.4%	8.1%

### (D) MARKET SECTOR GROUPS

	ENERGY		CHEMICALS		RESOURCES		TOTAL	
	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Professional services revenue	1,318	1,181	1,098	1,036	645	554	3,061	2,771
Construction and fabrication revenue	977	793	570	561	48	14	1,595	1,368
Procurement revenue at margin	176	152	93	25	277	49	546	226
Other income	-	3	-	-	-	-	-	3
<b>Total aggregated revenue<sup>1</sup></b>	<b>2,471</b>	<b>2,129</b>	<b>1,761</b>	<b>1,622</b>	<b>970</b>	<b>617</b>	<b>5,202</b>	<b>4,368</b>
Segment EBITA <sup>2</sup>	163	150	153	133	75	52	391	335
Segment margin	6.6%	7.0%	8.7%	8.2%	7.7%	8.4%	7.5%	7.7%
Segment margin (excl procurement revenue at margin) <sup>3</sup>	7.1%	7.6%	9.2%	8.3%	10.8%	9.2%	8.4%	8.1%

### (E) RECONCILIATION OF AGGREGATED REVENUE TO TOTAL REVENUE AND OTHER INCOME PER THE CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	TOTAL	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
Segment revenue	5,202	4,368
Procurement revenue at nil margin (including share of revenue from associates)	574	429
Share of revenue from associates <sup>4</sup>	(388)	(137)
Interest income	3	2
<b>Total revenue and other income per the Consolidated Statement of Financial Performance</b>	<b>5,391</b>	<b>4,662</b>

<sup>1</sup> Aggregated revenue represents segment revenue, which is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The directors believe that this disclosure provides additional information in relation to the financial performance of the Group.

<sup>2</sup> Segment earnings before interest, tax and amortization of acquired intangible assets (EBITA) is aggregated revenue less segment expenses and excludes the items listed in note 1.1(F). It is the key financial measure that is presented to the chief operating decision maker.

<sup>3</sup> The Group delivers value to customers by providing engineering and construction expertise. In delivering such services, the Group will procure goods or services and earn margin on the subsequent sale to customers. Procurement at Margin is considered a key value added service which would not occur without the engineering or construction services. Consequently, Segment EBITA margin (excl procurement revenue at margin) is calculated as Segment EBITA / (Total Aggregated Revenue less Procurement Revenue at Margin).

<sup>4</sup> Calculated on an aggregated revenue basis.

## 1.1 SEGMENT INFORMATION (continued)

### (F) RECONCILIATION OF SEGMENT EBITA TO (LOSS)/PROFIT AFTER INCOME TAX EXPENSE PER THE CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	TOTAL	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
Segment EBITA	391	335
Global support costs	(83)	(69)
Strategic costs <sup>1</sup>	(18)	(13)
Interest and tax for associates	(7)	(2)
<b>Total underlying earnings before interest, tax and amortization of intangibles acquired through business combinations (underlying EBITA)</b>	<b>283</b>	<b>251</b>
Total underlying EBITA margin on aggregated revenue for the Group	5.4%	5.7%
Costs in relation to cost saving programs	(29)	(46)
Impact of transformation and restructuring:		
Shared services transformation	(29)	(30)
Payroll and other restructuring costs	-	(13)
Transition costs	-	(3)
Impairment of assets	-	(2)
Impairment of investments including equity accounted associates	-	(1)
Loss on disposal group held for sale	(231)	-
<b>Total EBITA</b>	<b>23</b>	<b>202</b>
EBITA margin on aggregated revenue for the Group	0.4%	4.6%
Net finance costs	(48)	(27)
Amortization of acquired intangible assets	(49)	(49)
Income tax expense	(22)	(46)
<b>(Loss)/profit after income tax expense per the Consolidated Statement of Financial Performance</b>	<b>(96)</b>	<b>80</b>

<sup>1</sup> Strategic costs are costs of building sustainability competencies, part of the strategic focus on growth in sustainable pathways.



## 1.2 TRANSITION, TRANSFORMATION AND RESTRUCTURING COSTS AND STRATEGIC COSTS

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
Costs in relation to cost saving programs	29	46
Impact of transformation and restructuring:		
<i>Shared services transformation</i>	29	30
<i>Payroll and other restructuring costs</i>	-	13
Transition costs	-	3
<b>Transition, transformation and restructuring costs</b>	<b>29</b>	<b>46</b>
<b>Strategic costs</b>	<b>18</b>	<b>13</b>

Transition costs comprise of integration costs, restructuring and redundancy payments and research, development and implementation costs of integrated finance, expense, sales and HR systems.

Shared services transformation and payroll and other transformation and restructuring costs comprise the costs of restructuring and redundancy payments in planning and execution of transformation.

Strategic costs comprise of costs for strategic hires and agile team development in targeted sustainability growth areas, digital enablement, internal training and development, and creating and building strategic partnerships to deliver sustainable solutions at scale.

## 1.3 INCOME TAX

### (A) INCOME TAX EXPENSE

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
Current tax	93	42
Deferred tax	(68)	7
Over provision in previous financial periods	(3)	(3)
<b>Income tax expense</b>	<b>22</b>	<b>46</b>
Deferred income tax expense included in income tax expense comprises:		
Increase in deferred tax assets	(63)	(14)
(Decrease)/increase in deferred tax liabilities	(5)	21
<b>Deferred tax (benefit)/expense</b>	<b>(68)</b>	<b>7</b>

### (B) RECONCILIATION OF PRIMA FACIE TAX PAYABLE TO INCOME TAX EXPENSE

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
(Loss)/Profit before income tax expense	(74)	126
Prima facie tax expense at Worley Limited's statutory income tax rate of 30% (2021: 30%)	(22)	38
Tax effect of amounts which are non-deductible in calculating taxable income:		
Non-deductible share based payments expense	4	3
Non-deductible loss on disposal group held for sale	24	-
Share of profits of associates accounted for using the equity method	(4)	(1)
Tax losses not previously recognized	(1)	-
Over provision in previous financial periods	(3)	(3)
Non-deductible items under various tax laws	11	10
Difference in overseas tax rates and other	13	(1)
<b>Income tax expense</b>	<b>22</b>	<b>46</b>

### (C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
Aggregate amount of tax arising in the reporting period and not recognized in (loss)/profit after income tax expense but directly credited to equity:		
Deferred tax - (debited)/credited directly to equity	(2)	3

## 1.4 CASH AND CASH EQUIVALENTS

	NOTES	CONSOLIDATED	
		31 DECEMBER 2022 \$'M	31 DECEMBER 2021 \$'M
Cash and cash equivalents per Consolidated Statement of Financial Position <sup>1</sup>		488	562
Procurement cash and cash equivalents	1.13	14	18
Cash at bank and on hand		502	580
<b>Reconciliation of profit after income tax expense to net cash inflow from operating activities:</b>			
(Loss)/Profit after income tax expense		(96)	80
<i>NON-CASH ITEMS</i>			
Amortization		104	106
Depreciation		28	30
Impairments		-	2
Share based payments expense		14	11
Doubtful debts expense		6	1
Share of associates' profits in excess of dividends received		(10)	(3)
Impairment of investments including equity accounted associates		-	1
Loss on disposal group held for sale		231	-
Cash flow adjusted for non-cash items		277	228
<i>CHANGES IN ASSETS AND LIABILITIES</i>			
(Increase)/decrease in trade receivables, contract assets and other receivables		(106)	113
Increase in prepayments and other current assets		(82)	(21)
Increase in net derivatives		(37)	(3)
Decrease in income tax receivable		32	7
Increase in deferred tax assets		(25)	(2)
Increase/(decrease) in trade and other payables		111	(239)
Increase in billings in advance		21	79
Increase in income tax payable		36	6
(Decrease)/increase in deferred tax liabilities		(60)	9
Decrease in provisions		(67)	(88)
<b>Net cash inflow from operating activities</b>		<b>100</b>	<b>89</b>

<sup>1</sup> Cash and cash equivalents include restricted cash of \$9 million (30 June 2022: \$50 million) that is available for use under certain circumstances by the Group, this includes \$6 million (30 June 2022: \$16 million) held in Russian bank accounts the Group is working to repatriate. In the prior period, restricted cash included \$29 million held in accounts (guarantees for legal matters) subject to court ordered restricted access, however the legal matter is now resolved and the cash moved to other cash accounts in the Group (refer to note 1.12(B) for further details).

## 1.5 TRADE RECEIVABLES, CONTRACT ASSETS, AND OTHER ASSETS

		CONSOLIDATED	
	NOTES	31 DECEMBER 2022 \$'M	30 JUNE 2022 \$'M
<i>CURRENT TRADE RECEIVABLES AND CONTRACT ASSETS</i>			
Trade receivables		1,162	1,261
Unbilled contract revenue		762	843
Retentions		68	72
Allowance for impairment of trade receivables		(33)	(72)
Less: procurement trade and other receivables	1.13	(169)	(152)
		<b>1,790</b>	<b>1,952</b>
<i>NON-CURRENT TRADE RECEIVABLES AND CONTRACT ASSETS<sup>1</sup></i>			
Trade receivables		69	67
Unbilled contract revenue		71	69
Allowance for impairment of trade receivables		(9)	(8)
		<b>131</b>	<b>128</b>
<i>OTHER CURRENT ASSETS</i>			
Other receivables		166	143
Inventory		44	35
Amounts receivable from associates and related parties		59	37
		<b>269</b>	<b>215</b>

## 1.6 INTANGIBLE ASSETS

		CONSOLIDATED	
		31 DECEMBER 2022	30 JUNE 2022
		\$'M	\$'M
<i>Goodwill</i>			
At cost		5,259	5,404
		<b>5,259</b>	<b>5,404</b>
<i>Customer contracts and relationships</i>			
At cost		842	899
Accumulated amortization		(342)	(317)
		<b>500</b>	<b>582</b>
<i>Computer software</i>			
At cost		654	661
Accumulated amortization		(496)	(492)
		<b>158</b>	<b>169</b>
<b>Total intangible assets</b>		<b>5,917</b>	<b>6,155</b>

## RECONCILIATIONS

Reconciliations of intangible assets at the beginning and end of the current reporting period are set out below:

	NOTES	CONSOLIDATED			
		GOODWILL \$'M	CUSTOMER CONTRACTS AND RELATIONSHIPS \$'M	COMPUTER SOFTWARE \$'M	TOTAL \$'M
Balance at 1 July 2022		5,404	582	169	6,155
Additions		4	-	3	7
Amortization		-	(44)	(15)	(59)
Transfer to Assets held for sale	1.14	(184)	(47)	-	(231)
Differences arising on translation of foreign operations		35	9	1	45
<b>Balance at 31 December 2022</b>		<b>5,259</b>	<b>500</b>	<b>158</b>	<b>5,917</b>

<sup>1</sup> Non-current trade receivables and unbilled contract revenue relate to projects where recovery is expected to take greater than twelve months. As at 31 December 2022, \$49 million of non-current payables relate to these non-current trade receivables and unbilled contract revenue (30 June 2022: \$48 million).

## 1.7 INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	30 JUNE 2022 \$'M
<i>Current</i>		
Notes payable	-	296
Unsecured bank loans	474	181
Lease liabilities	90	90
Capitalized borrowing costs	(2)	(3)
	<b>562</b>	<b>564</b>
<i>Non-current</i>		
Notes payable	787	758
Unsecured bank loans	815	679
Lease liabilities	157	177
Capitalized borrowing costs	(8)	(9)
	<b>1,751</b>	<b>1,605</b>

During the period, unsecured notes payable of US\$205 million issued in the United States private debt capital market in September 2012 matured and were repaid in September 2022.

### Changes in liabilities arising from financing activities

	AS AT 1 JULY \$'M	CASH FLOWS \$'M	RECLASSIFICATION \$'M	FOREIGN EXCHANGE MOVEMENTS \$'M	OTHER <sup>1</sup> \$'M	AS AT 31 DECEMBER \$'M
Current interest bearing loans and borrowings	477	(39)	31	5	-	474
Non-current interest bearing loans and borrowings	1,437	151	(31)	45	-	1,602
Lease liabilities	267	(62)	-	2	40	247
<b>Liabilities</b>	<b>2,181</b>	<b>50</b>	<b>-</b>	<b>52</b>	<b>40</b>	<b>2,323</b>

## 1.8 ISSUED CAPITAL

	31 DECEMBER 2022 NUMBER OF SHARES	\$'M	30 JUNE 2022 NUMBER OF SHARES	\$'M
Ordinary shares, fully paid <sup>2</sup>	525,986,955	5,351	524,644,041	5,341
Special voting share	1	-	1	-
	<b>525,986,956</b>	<b>5,351</b>	<b>524,644,042</b>	<b>5,341</b>

### (A) MOVEMENTS IN SHARES

	NUMBER OF SHARES	\$'M
Balance at the beginning of the financial year	524,644,042	5,341
Transfer from performance rights reserve on issuance of shares	1,342,914	10
<b>Balance at the end of the financial year</b>	<b>525,986,956</b>	<b>5,351</b>

<sup>1</sup> Represents new leases entered, interest expense not yet paid net of changes in lease term on termination options reasonably certain to be exercised.

<sup>2</sup> Included in ordinary shares are 926,193 (30 June 2022: 926,193) exchangeable shares. The issuance of the exchangeable shares and the attached special voting share replicate the economic effect of issuing ordinary shares in the Company. Accordingly, for accounting purposes, exchangeable shares are treated in the same single class of issued capital as ordinary shares. In addition, the Australian Securities Exchange (ASX) treats these exchangeable shares to have been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules. Ordinary shares have no par value and the Company does not have a limited amount of authorized capital. The Worley Limited Plans Trust holds nil (30 June 2022: nil) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

## 1.9 (LOSS)/EARNINGS PER SHARE

### ATTRIBUTABLE TO MEMBERS OF WORLEY LIMITED

CONSOLIDATED		
	31 DECEMBER 2022	31 DECEMBER 2021
	Cents	Cents
Basic (loss)/earnings per share	(18.8)	15.1
Diluted (loss)/earnings per share	(18.8)	15.1

The following reflects the income and security data used in the calculation of basic and diluted (loss)/earnings per share and adjusted basic and diluted (loss)/earnings per share:

#### (A) RECONCILIATION OF (LOSS)/EARNINGS USED IN CALCULATING (LOSS)/EARNINGS PER SHARE

	\$'M	\$'M
(Loss)/earnings used in calculating basic and diluted (loss)/earnings per share	(99)	79

#### (B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Number	Number
Weighted average number of ordinary securities used in calculating basic (loss)/earnings per share	525,273,021	523,860,305
Performance rights which are considered dilutive	-	945,783
<b>Weighted average number of ordinary securities used in calculating diluted (loss)/earnings per share</b>	<b>525,273,021</b>	<b>524,806,088</b>

## 1.10 DIVIDENDS

CONSOLIDATED		
	31 DECEMBER 2022	31 DECEMBER 2021
	\$'M	\$'M
25.0 cents per share (unfranked) dividend paid in respect of the six months to 30 June 2022	131	n/a
25.0 cents per share (unfranked) dividend paid in respect of the six months to 30 June 2021	n/a	131

## 1.11 FAIR VALUES

The fair values of financial assets and liabilities approximate their carrying values with the exception of interest bearing loans and borrowings which have a fair value of \$2,317 million (30 June 2022: \$2,145 million) and a carrying value of \$2,313 million (30 June 2022: \$2,169 million).

The Group uses the following hierarchy for determining the fair value of a financial asset or liability:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's interest bearing loans and borrowings and derivative instruments including forward exchange contracts fall within Level 2 of the hierarchy.

Level 3 - if one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

Derivative instruments including interest rate swaps, and forward exchange contracts are restated to fair values at each reporting date based on market observable inputs such as foreign exchange spot and forward rates, interest rate curves and forward rates curves.

Fair values of the Group's interest bearing loans, borrowings and lease liabilities are determined by discounting future cash flows using period-end borrowing rates on loans and borrowings with similar terms and maturity.

There were no transfers between Level 1 and 2, and 3 for the periods presented in this report.

## 1.12 CONTINGENT LIABILITIES

The Company and some of its subsidiaries have commitments and contingencies arising in the ordinary course of business. These include performance guarantees and letters of credit in respect of contractual performance obligations, litigations and claims in relation to projects, taxation and environmental matters. These types of matters could result in various forms of cash outflows, including compensation for damages, cost reimbursements, taxation expense, fines, penalties, and other forms of cash outflows. The directors consider that it is not probable that the outcome of any individual matter, including the items listed below, will have a material adverse effect on the net earnings or cash flows in any particular reporting period. In performing this assessment, the directors considered the nature of existing litigations or claims, the progress of matters, existing law and precedent, the opinions and views of legal counsel and other advisors, the Group's experience in similar cases (where applicable), the experience of other companies, and other facts available to the Group at the time of assessment. The director's assessment of these factors may change over time as individual litigations or claims progress.

Where it is considered that disclosure could prejudice the Groups position in a dispute, as per the accounting standards only the general nature of the dispute has been disclosed below.

The Company has regular reviews of its litigations, claims and other contingent matters, including updates from corporate and outside legal counsel, to assess the need for accounting recognition or disclosure of these contingencies. The directors are currently of the view that the Group has adequately considered these matters for recognition in accordance with the Group's accounting policy.

Other than specifically mentioned, none of the financial implications of the matters mentioned below have been provided for in the financial statements.

### (A) GUARANTEES

The Company is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligation.

	CONSOLIDATED	
	31 DECEMBER 2022 \$'M	30 JUNE 2022 \$'M
Bank guarantees outstanding at balance date in respect of contractual performance	1,144	1,150
<b>Commitments not recognized in the consolidated financial statements</b>	<b>1,144</b>	<b>1,150</b>

### (B) ACTUAL AND PENDING CLAIMS

In the ordinary course of business, the Company and its subsidiaries are subject to various actual and pending legal and project contract claims. The one case disclosed in the FY2022 Annual Report, where the Group was defending a claim for the amount of \$40 million in relation to a project, has since been ruled in the Group's favour, restricted cash amounts have been released and the case is considered resolved.

### (C) TAXATION COMPLIANCE REVIEWS

The Group is defending its position and is continuing to provide the tax authorities, in various tax jurisdictions, with the requested evidence to support our positions. We believe that the tax positions have been appropriately taken in line with tax legislation, accounting guidance and external tax advice.

### (D) ENVIRONMENTAL

The Group is subject to various environmental regulation requirements in relation to the Group's global operations. We continue to monitor and abide by these laws. Existing or pending claims in relation to environmental matters, including asbestos related matters are not expected to have a material effect on the Group's operations and performance, however, climate change legislation could have a direct effect on the Group's customers and suppliers, which could in turn impact the Group's operations. We continue to monitor the developments in this area.

### 1.13 PROCUREMENT

In certain situations, the Group enters into contracts with its customers which require the Group to procure goods and services on behalf of the customer. Where the risks and rewards associated with the procurement activities are assumed by the Group, the revenues and expenses as well as the assets and liabilities are recognized on a gross basis in the Consolidated Statement of Financial Performance and Consolidated Statement of Financial Position respectively, and are set out in the following table:

	CONSOLIDATED	
	31 DECEMBER 2022	31 DECEMBER 2021
	\$'M	\$'M
<b>REVENUE AND EXPENSES<sup>1</sup></b>		
Procurement revenue at margin	305	226
Procurement costs at margin	(292)	(218)
Procurement revenue at nil margin	574	429
Procurement costs at nil margin	(574)	(429)

	CONSOLIDATED	
	31 DECEMBER 2022	30 JUNE 2022
	\$'M	\$'M
<b>ASSETS AND LIABILITIES</b>		
Cash and cash equivalents	14	12
Trade and other receivables	169	152
Trade and other payables	191	199

### 1.14 ASSETS HELD FOR SALE

The group is continuously reviewing its business portfolio to align it with our strategy and ambition. One business has been identified for divestment in the first half of FY2023. Due to the timing of the negotiations, which are well progressed but not completed, disclosure of the detail of this sale would be prejudicial to the orderly completion of the divestment process. However, we consider that sale completion is possible by April 2023. The net assets of the business in negotiation are preliminarily assessed as \$139 million and in accordance with accounting standards, these assets are treated as a disposal group held for sale, until the conclusion of the negotiations is known.

Accordingly, the assets and liabilities of the disposal group held for sale have been remeasured to fair value less costs to sell. Based on the expected selling price, excluding selling costs and allocation of intangibles (goodwill and customer contracts and relationship intangibles), a surplus of \$45m is estimated on the disposal group. After selling costs and the allocation of intangibles, and before tax, a loss of \$231 million has been recognized in 'loss on disposal group held for sale'. The loss has been entirely applied as a non-cash impairment of goodwill and intangible assets within the disposal group. A \$35 million deferred tax benefit was recognized by the Group on the loss on disposal group held for sale.

The measurement and valuation of the carrying amount and fair value less costs to sell are preliminary and will be finalized subject to the conclusion of any deal and the subsequent completion of required separation activities.

As at 31 December 2022, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	31 DECEMBER 2022
	\$'M
<b>ASSETS HELD FOR SALE</b>	
Trade Receivables	136
Unbilled contract revenue	41
Inventory	1
Total assets held for sale	178
<b>LIABILITIES HELD FOR SALE</b>	
Trade and other payables	39
Total liabilities held for sale	39
<b>Net assets held for sale</b>	<b>139</b>

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, other than to assets such as inventory, financial assets, or employee benefit assets, which continue to be measured in accordance with other accounting policies. Impairment losses on initial classification as held for sale are recognized in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

<sup>1</sup> Revenue and expenses exclude procurement revenue and expenses from associates.

### 1.15 SUBSEQUENT EVENTS

Since the end of the half year, the directors have resolved to pay an interim dividend of 25.0 cents (unfranked) per fully paid ordinary share, including exchangeable shares (31 December 2021: 25 cents per share, unfranked). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed interim dividend of \$131 million is not recognized as a liability as at 31 December 2022.

No other material matter or circumstance has arisen since 31 December 2022 that has significantly affected or may significantly affect the Group's operations or state of affairs.



# Directors' declaration

In accordance with a resolution of the directors of Worley Limited, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes of Worley Limited for the half year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'John Grill', is written over a light yellow rectangular background.

**JOHN GRILL, AO**

Chair

Sydney, 22 February 2023

# Independent auditor's review report



## ***Independent auditor's review report to the members of Worley Limited***

### **Report on the Interim financial report**

#### **Conclusion**

We have reviewed the Interim financial report of Worley Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Consolidated statement of financial position as at 31 December 2022, the Consolidated statement of financial performance and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying Interim financial report of Worley Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the Interim financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### **Responsibilities of the directors for the Interim financial report**

The directors of the Company are responsible for the preparation of the Interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Interim financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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***Auditor's responsibilities for the review of the Interim financial report***

Our responsibility is to express a conclusion on the Interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*  
PricewaterhouseCoopers

*Matthew Lunn*  
Matthew Lunn  
Partner

Sydney  
22 February 2023

# Corporate information

Worley Limited  
ACN 096 090 158

## DIRECTORS

John Grill, AO (Chair)  
Andrew Liveris, AO (Deputy Chair and Lead Independent Director)  
Thomas Gorman  
Christopher Haynes, OBE  
Roger Higgins  
Martin Parkinson, AC  
Emma Stein  
Juan Suárez Coppel  
Anne Templeman-Jones  
Wang Xiao Bin  
Sharon Warburton  
Chris Ashton (Chief Executive Officer and Managing Director)

## COMPANY SECRETARY

Nuala O'Leary

## REGISTERED OFFICE

Level 17  
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North Sydney NSW 2060  
+61 2 8923 6866

## AUDITORS

PricewaterhouseCoopers ('PwC')

## BANKERS

Arab Banking Corporation  
Bank of America Merrill Lynch  
Bank of China  
Barclays Bank  
BMO Harris Bank  
BNP Paribas  
China Merchants Bank  
Commonwealth Bank of Australia  
Credit Agricole Corporation and Investment Bank  
First Abu Dhabi Bank  
HSBC Bank  
ING Bank  
Intesa Sanpaolo Bank  
Macquarie Bank  
Mizuho Bank  
Royal Bank of Canada  
SABB  
Standard Chartered Bank  
State Bank of India  
UBS AG  
U.S. Bank National  
Wells Fargo  
Westpac Banking Corporation

## LAWYERS

Herbert Smith Freehills

## SHARE REGISTRY

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