



Appendix 4D

Half Year Ended 31 December 2023

Worley Limited
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Results for announcement to the market¹

STATUTORY RESULT

	CONSOLIDATED		CHANGE \$'M	CHANGE %
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M		
Revenue and other income	6,081	5,391	690	13
Earnings before interest, tax and amortization (EBITA) ²	287	23	264	1,148
Profit/(loss) before income tax expense	187	(74)	261	353
NPATA attributable to members of Worley Limited ³	139	(63)	202	321
Profit/(loss) after income tax expense attributable to members of Worley Limited	106	(99)	205	207
EBITA margin on aggregated revenue ⁴	5.1%	0.4%	-	4.7pp
EBITA margin (excl gain/loss on disposal group held for sale) on aggregated revenue	5.1%	4.9%	-	0.2pp
Basic earnings/(loss) per share (cents)	20.1	(18.8)	38.9	207
Diluted earnings/(loss) per share (cents)	20.0	(18.8)	38.8	206
Operating cash flow	396	100	296	296

UNDERLYING RESULT

The write-off of the net exposure in relation to historic services provided in Ecuador⁵ and the associated tax impacts are the only items that have been excluded from the underlying result for the half year ended 31 December 2023. The directors consider underlying result information important in understanding the sustainable performance of the Company by excluding selected one-off significant items and the amortization of acquired intangible assets.

	CONSOLIDATED		CHANGE \$'M	CHANGE %
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M		
Aggregated Revenue	5,610	5,202	408	8
EBITA ²	345	283	62	22
EBITA margin on aggregated revenue ⁴	6.1%	5.4%	-	0.7pp
EBITA margin on aggregated revenue (excl segment procurement revenue at margin) ⁶	7.5%	6.1%	-	1.4pp
NPATA attributable to members of Worley Limited	188	154	34	22
Basic earnings per share (cents) ⁷	35.7	29.3	6.4	22

¹ Statutory financial information contained within the Appendix 4D has been derived from the 31 December 2023 Interim Financial Report which has been reviewed by PricewaterhouseCoopers ("PwC").

² EBITA is defined as earnings before interest, tax and amortization of intangible assets acquired through business combinations. Refer to note 1.1(F) of the Interim Financial Report.

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

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

⁵ WorleyParsons (now Worley) provided services in Ecuador from 2011 until 2017. In 2019, Worley commenced an arbitration process relating to unpaid trade receivables owing to a subsidiary of Worley by Petroecuador, a state-owned enterprise in Ecuador, and a related State entity. Worley made ASX announcements in relation to the arbitration tribunal's decision on 27 December 2023 and 10 and 17 January 2024.

⁶ 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).

⁷ Basic underlying earnings per share are calculated on NPATA basis.

RECONCILIATION OF STATUTORY PROFIT/(LOSS) AFTER INCOME TAX EXPENSE TO UNDERLYING PROFIT AFTER INCOME TAX AND BEFORE AMORTIZATION¹

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Profit/(loss) after income tax expense attributable to members of Worley Limited	106	(99)
Write-off of net exposure in relation to historic services provided in Ecuador ²	58	-
Shared services transformation costs ³	-	29
Loss on disposal group held for sale ³	-	231
Net tax expense on items excluded from underlying results	(9)	(43)
Underlying profit after income tax expense attributable to members of Worley Limited	155	118
Amortization of intangible assets acquired through business combinations	43	49
Tax effect on amortization of intangible assets acquired through business combinations	(10)	(13)
Underlying NPATA attributable to members of Worley Limited	188	154

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 2023 \$'M	31 DECEMBER 2022 \$'M	CHANGE \$'M	CHANGE %
Revenue and other income	6,081	5,391	690	13
Add: share of revenue from associates	408	388	20	5
Less: procurement revenue at nil margin	(875)	(574)	(301)	52
Revenue excluding procurement revenue at nil margin	5,614	5,205	409	8
Less: interest income	(4)	(3)	(1)	33
Aggregated revenue	5,610	5,202	408	8
Aggregated revenue (excl segment procurement revenue at margin)	4,601	4,656	(55)	(1)

DIVIDEND

	AMOUNT PER SHARE	FRANKED AMOUNT PER SHARE
Interim dividend (cents per share)	25.0	nil
Record date for determining entitlement to final dividend		6 March 2024
Date dividend is to be paid		3 April 2024

The directors have resolved to pay an interim dividend of 25.0 cents (unfranked) per fully paid ordinary share, including exchangeable shares (31 December 2022: 25.0 cents per share, unfranked).

NET ASSETS PER SHARE

	CONSOLIDATED	
	31 DECEMBER 2023 \$	30 JUNE 2023 \$
Net assets per share	10.31	10.65
Net tangible liabilities per share	(0.76)	(0.89)

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 2023 issued 28 February 2024.

¹ The directors consider underlying result information important in understanding the sustainable performance of the Company by excluding selected one-off significant items and amortization of acquired intangible assets.

² The write-off of the net exposure in relation to historic services provided in Ecuador and the associated tax impacts are the only items that have been excluded from the underlying result for the half year ended 31 December 2023. Refer to Note 1.4 of the Interim Financial Report for further detail.

³ Prior period underlying costs relate to the Group's shared services transformation program and the loss on disposal of the North American Maintenance and Turnaround business held for sale at 31 December 2022.

Interim financial report

Half Year Ended 31 December 2023

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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 2023.

DIRECTORS

The following persons were directors of the Company from 1 July 2023 up to the date of this report:

John Grill, AO (Chair)

Andrew Liveris, AO (Deputy Chair and Lead Independent Director)

Thomas Gorman

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)

Joseph Geagea

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 and are outlined below:

- 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 were no significant changes in the state of affairs for the period ended 31 December 2023.

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS

On 22 December 2023, an international arbitration tribunal dismissed an arbitration process commenced by Worley relating to unpaid receivables owing to Worley for historic services provided in Ecuador¹ on jurisdictional and admissibility grounds relating to corruption, illegality and bad faith by Worley and a subcontractor, including wilful blindness by Worley to the subcontractor's corruption. Because the tribunal dismissed Worley's claims on these grounds, it did not address the merits of Worley's claim for payment of the Worley receivables. Worley denies any corruption, illegality, or bad faith on its part. In particular, Worley did not breach anti-bribery and corruption laws. Worley takes its responsibilities under such laws extremely seriously. The Group made disclosures in December 2023 and January 2024 in ASX releases associated with this matter. This Interim Financial Report includes additional information and disclosures on the matter specifically around the write-off of the net exposure and the latest information on the remaining outstanding civil liability claims brought against Worley by Ecuador (including their treatment as contingent liabilities). This Interim Financial Report also deals with the adequacy of provisioning against all future possible obligations in relation to the Ecuador matter, including to our previous sub-contractor. Irrespective of this write-off, Worley continues to assess recovery options for the amounts it is owed.

The underlying profit after income tax expense attributable to members of the Company for the half year ended 31 December 2023 was \$155 million (an increase of \$37 million on the \$118 million underlying net profit after tax reported in the corresponding period). The statutory profit after income tax expense attributable to members of the Company for the half year ended 31 December 2023 was \$106 million (an increase of \$205 million on the \$99 million net loss after tax reported in the corresponding period). The result was earned on aggregated revenue of \$5,610 million (an increase of \$408 million on the \$5,202 million reported in the corresponding period).

The write-off of the net exposure in relation to historic services provided in Ecuador and the associated tax impacts are the only costs that have been excluded from the underlying result for the half year ended 31 December 2023. The directors consider underlying result information important in understanding the sustainable performance of the Company by excluding selected one-off significant items and amortization of acquired intangible assets.

The reconciliation of statutory profit/(loss) after income tax expense to underlying net profit after income tax expense and before amortization (NPATA²) is as follows:

	CONSOLIDATED	
	31 DECEMBER 2023	31 DECEMBER 2022
	\$'M	\$'M
Profit/(loss) after income tax expense attributable to members of Worley Limited	106	(99)
Write-off of net exposure in relation to historic services provided in Ecuador	58	-
Shared services transformation costs ³	-	29
Loss on disposal group held for sale ³	-	231
Net tax expense on items excluded from underlying results	(9)	(43)
Underlying profit after income tax expense attributable to members of Worley Limited	155	118
Amortization of intangible assets acquired through business combinations	43	49
Tax effect on amortization of intangible assets acquired through business combinations	(10)	(13)
Underlying NPATA attributable to members of Worley Limited	188	154

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 2022: 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 \$132 million is not recognized as a liability as at 31 December 2023.

No other material matter or circumstance has arisen since 31 December 2023 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.

¹ WorleyParsons (now Worley) provided services in Ecuador from 2011 until 2017. In 2019, Worley commenced an arbitration process relating to unpaid trade receivables owing to a subsidiary of Worley by Petroecuador, a state-owned enterprise in Ecuador, and a related State entity. Worley made ASX announcements in relation to the arbitration tribunal's decision on 27 December 2023 and 10 and 17 January 2024.

² NPATA is defined as net profit after tax and amortization of intangible assets acquired through business combinations.

³ Prior period underlying costs relate to the Group's shared services transformation program and the loss on disposal of the North American Maintenance and Turnaround business held for sale at 31 December 2022.

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 2023, 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 'Chris Dodd', written in a cursive style.

Chris Dodd
Partner
PricewaterhouseCoopers

Sydney
28 February 2024

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

JOHN GRILL, AO

Chair

Sydney, 28 February 2024

Consolidated statement of financial performance and other comprehensive income

For the half year ended 31 December 2023

		CONSOLIDATED	
	NOTES	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
REVENUE AND OTHER INCOME			
Professional services revenue		3,629	2,914
Construction and fabrication revenue		745	1,595
Procurement revenue		1,692	879
Other income		11	-
Interest income		4	3
Total revenue and other income	1.1	6,081	5,391
EXPENSES			
Professional services costs		(3,277)	(2,650)
Construction and fabrication costs		(718)	(1,550)
Procurement costs		(1,684)	(866)
Global support costs	1.1	(99)	(83)
Strategic costs	1.1	(18)	(18)
Gain/(Loss) on disposal group held for sale	1.1	1	(231)
Write-off of net exposure in relation to historic services provided in Ecuador	1.4	(58)	-
Finance costs		(61)	(51)
Shared services transformation costs	1.1	-	(29)
Total expenses		(5,914)	(5,478)
Share of net profit of associates accounted for using the equity method		20	13
Profit/(loss) before income tax expense		187	(74)
Income tax expense	1.2	(78)	(22)
Profit/(loss) after income tax expense		109	(96)
Profit/(loss) after income tax expense attributable to:			
Members of Worley Limited		106	(99)
Non-controlling interests		3	3
Other comprehensive income			
Items that may be reclassified in future periods to the Consolidated Statement of Financial Performance, net of tax			
Net movement in foreign currency translation reserve		(143)	(16)
Net movement in hedge reserve		(2)	-
Items that will not be reclassified in future periods to the Consolidated Statement of Financial Performance, net of tax			
Net movement in defined benefit reserve		-	(3)
Total comprehensive loss, net of tax		(36)	(115)
Total comprehensive loss, net of tax, attributable to:			
Members of Worley Limited		(39)	(115)
Non-controlling interests		3	-
Basic earnings/(loss) per share (cents)	1.8	20.1	(18.8)
Diluted earnings/(loss) per share (cents)	1.8	20.0	(18.8)

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 2023

	CONSOLIDATED		
	NOTES	31 DECEMBER 2023 \$'M	30 JUNE 2023 \$'M
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	1.3	500	425
Trade receivables and contract assets	1.4	2,016	1,973
Procurement assets	1.12	254	177
Other current assets	1.4	300	348
Prepayments		163	157
Income tax receivable		47	62
Derivatives		16	7
Total current assets		3,296	3,149
<i>Non-current assets</i>			
Trade receivables and contract assets	1.4	27	135
Intangible assets	1.5	5,842	6,068
Property, plant and equipment and right of use (RoU) assets		601	633
Deferred tax assets		266	253
Equity accounted associates		210	196
Other non-current assets		90	84
Total non-current assets		7,036	7,369
TOTAL ASSETS		10,332	10,518
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		1,582	1,429
Procurement payables	1.12	204	211
Provisions		640	637
Interest bearing loans and borrowings and lease liabilities	1.6	86	90
Income tax payable		88	45
Derivatives		5	13
Total current liabilities		2,605	2,425
<i>Non-current liabilities</i>			
Trade and other payables		-	50
Interest bearing loans and borrowings and lease liabilities	1.6	2,034	2,158
Defined benefit obligations		47	56
Deferred tax liabilities		59	82
Provisions		141	146
Derivatives		5	-
Total non-current liabilities		2,286	2,492
TOTAL LIABILITIES		4,891	4,917
NET ASSETS		5,441	5,601
EQUITY			
Issued capital	1.7	5,367	5,351
Reserves		(310)	(159)
Retained profits		390	415
Members of Worley Limited		5,447	5,607
Non-controlling interests		(6)	(6)
TOTAL EQUITY		5,441	5,601

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 2023

	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
As at 1 July 2023	5,351	415	(157)	(1)	68	3	(72)	5,607	(6)	5,601
Profit after income tax expense	-	106	-	-	-	-	-	106	3	109
Other comprehensive loss	-	-	(143)	(2)	-	-	-	(145)	-	(145)
Total comprehensive income/(loss), net of tax	-	106	(143)	(2)	-	-	-	(39)	3	(36)
<i>Transactions with owners</i>										
Share based payments expense	-	-	-	-	17	-	-	17	-	17
Transfer to issued capital on issuance of shares to satisfy performance rights	16	-	-	-	(23)	-	-	(7)	-	(7)
Dividends paid	-	(131)	-	-	-	-	-	(131)	(3)	(134)
As at 31 December 2023	5,367	390	(300)	(3)	62	3	(72)	5,447	(6)	5,441

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
As at 1 July 2022	5,341	640	(301)	(3)	60	14	(72)	5,679	4	5,683
Profit/(loss) after income tax expense	-	(99)	-	-	-	-	-	(99)	3	(96)
Other comprehensive loss	-	-	(13)	-	-	(3)	-	(16)	(3)	(19)
Total comprehensive loss, net of tax	-	(99)	(13)	-	-	(3)	-	(115)	-	(115)
<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)
As at 31 December 2022	5,351	410	(314)	(3)	57	11	(72)	5,440	2	5,442

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 2023

	CONSOLIDATED	
	31 DECEMBER 2023	31 DECEMBER 2022
	NOTES	\$'M
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		6,374
Payments to suppliers and employees		(5,884)
		490
Dividends received from associates		-
Interest received		4
Financing costs paid		(56)
Income taxes paid		(42)
Net cash inflow from operating activities	1.3	396
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of controlled entities and other investments, net of cash acquired		-
Payments for purchase of property, plant and equipment and other intangibles		(42)
Proceeds from sale of property, plant and equipment		-
Proceeds from disposals of investments		61
Net cash inflow/(outflow) from investing activities		19
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loans and borrowings	1.6	(1,952)
Proceeds from loans and borrowings	1.6	1,883
Costs of bank facilities		(2)
Lease liability payments		(53)
Dividends paid to members of Worley Limited		(131)
Net loans to related parties		1
Dividends paid to non-controlling interests		(3)
Net cash outflow from financing activities		(257)
Net increase/(decrease) in cash		158
Cash and cash equivalents at the beginning of the financial year		436
Effects of foreign exchange rate changes on cash		(19)
Cash and cash equivalents at the end of the financial year	1.3	575

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 2023

1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

The Interim Financial Report of the consolidated entity for the half year ended 31 December 2023 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 2023 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 2023 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 2023 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.

Foreign currency amounts are translated into Australian dollars using current rates of exchange. As a result, there will be differences in the Australian dollar equivalent of foreign currency amounts reported across multiple reporting periods.

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, define benefit plans 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;

1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT (CONTINUED)

- 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 2023 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 2023 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 2023.

(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 2023 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 2023 \$'M	31 DEC 2022 \$'M						
Professional services revenue ¹	1,344	960	1,456	1,187	1,056	914	3,856	3,061
Construction and fabrication revenue	395	1,276	350	319	-	-	745	1,595
Procurement revenue at margin	519	156	412	340	78	50	1,009	546
Total aggregated revenue²	2,258	2,392	2,218	1,846	1,134	964	5,610	5,202
Segment EBITA ³	143	128	191	148	136	115	470	391
Segment margin	6.3%	5.4%	8.6%	8.0%	12.0%	11.9%	8.4%	7.5%
Segment margin (excl procurement revenue at margin) ⁴	8.2%	5.7%	10.6%	9.8%	12.9%	12.6%	10.2%	8.4%

(D) MARKET SECTOR GROUPS

	ENERGY		CHEMICALS		RESOURCES		TOTAL	
	31 DEC 2023 \$'M	31 DEC 2022 \$'M						
Professional services revenue ¹	1,650	1,318	1,261	1,098	945	645	3,856	3,061
Construction and fabrication revenue	576	977	136	570	33	48	745	1,595
Procurement revenue at margin	361	176	423	93	225	277	1,009	546
Total aggregated revenue²	2,587	2,471	1,820	1,761	1,203	970	5,610	5,202
Segment EBITA ³	195	163	162	153	113	75	470	391
Segment margin	7.5%	6.6%	8.9%	8.7%	9.4%	7.7%	8.4%	7.5%
Segment margin (excl procurement revenue at margin) ⁴	8.8%	7.1%	11.6%	9.2%	11.6%	10.8%	10.2%	8.4%

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

	TOTAL	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Segment revenue	5,610	5,202
Procurement revenue at nil margin (including share of revenue from associates)	875	574
Share of revenue from associates ⁵	(408)	(388)
Interest income	4	3
Total revenue and other income per the Consolidated Statement of Financial Performance	6,081	5,391

¹ Professional services revenue includes \$11m of Other income (31 Dec 2022: nil).

² 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.

³ 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.

⁴ 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).

⁵ Calculated on an aggregated revenue basis.

1.1 SEGMENT INFORMATION (CONTINUED)

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

	TOTAL	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Segment EBITA	470	391
Global support costs	(99)	(83)
Strategic costs ¹	(18)	(18)
Gain on disposal group held for sale ²	1	-
Interest and tax for associates	(9)	(7)
Total underlying earnings before interest, tax and amortization of intangibles acquired through business combinations (underlying EBITA)	345	283
Total underlying EBITA margin on aggregated revenue for the Group	6.1%	5.4%
Total underlying EBITDA margin on aggregated revenue for the Group (excluding procurement revenue at margin)	7.5%	6.1%
Write-off of net exposure in relation to historic services provided in Ecuador	(58)	-
Shared services transformation costs ³	-	(29)
Loss on disposal group held for sale ³	-	(231)
Total EBITA	287	23
EBITA margin on aggregated revenue for the Group	5.1%	0.4%
Net finance costs	(57)	(48)
Amortization of acquired intangible assets	(43)	(49)
Income tax expense	(78)	(22)
Profit/(loss) after income tax expense per the Consolidated Statement of Financial Performance	109	(96)

¹ 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.

² On 25 August 2023, Worley completed the sale of the Energy Resourcing Group. A gain on sale of \$1 million has been recognized in 'gain on disposal group held for sale'. Refer to Note 1.4 of the interim financial report for further detail.

³ Prior period underlying costs relate to the Group's shared services transformation program and the loss on disposal of the North American Maintenance and Turnaround business held for sale at 31 December 2022.

1.2 INCOME TAX

(A) INCOME TAX EXPENSE

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Current tax	89	93
Deferred tax	(18)	(68)
Under/(over) provision in previous financial periods	7	(3)
Income tax expense	78	22
Deferred income tax expense included in income tax expense comprises:		
Increase in deferred tax assets	(34)	(63)
Increase/(decrease) in deferred tax liabilities	16	(5)
Deferred tax benefit	(18)	(68)

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

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Profit/(loss) before income tax expense	187	(74)
Prima facie tax expense at Worley Limited's statutory income tax rate of 30% (2022: 30%)	56	(22)
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible share based payments expense	5	4
Non-deductible loss on sale of subsidiary	-	24
Share of profits of associates accounted for using the equity method	(6)	(4)
Tax losses not previously recognized	(1)	(1)
Under/(over) provision in previous financial periods	7	(3)
Certain withholding tax assets write-off	4	-
Non-deductible items under US tax law	5	11
Difference in overseas tax rates and other	8	13
Income tax expense	78	22

(C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Aggregate amount of tax arising in the reporting period and not recognized in profit/(loss) after income tax expense but debited directly to equity:		
Deferred tax	(3)	(2)

(D) UNCERTAIN TAX POSITIONS

In the ordinary course of business, the Group has a number of uncertain tax positions, refer note 1.11(C).

1.3 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		
	NOTES	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
Cash and cash equivalents per Consolidated Statement of Financial Position ¹		500	488
Procurement cash and cash equivalents	1.12	75	14
Cash at bank and on hand		575	502
Reconciliation of profit/(loss) after income tax expense to net cash inflow from operating activities:			
Profit/(loss) after income tax expense		109	(96)
<i>NON-CASH ITEMS</i>			
Amortization		105	104
Depreciation		28	28
Write-off of net exposure in relation to historic services provided in Ecuador		58	-
Write-off of tax balances		2	-
Share based payments expense		17	14
Doubtful debts expense		2	6
Share of associates' profits in excess of dividends received		(20)	(10)
(Gain)/loss on disposal group held for sale		(1)	231
Other		6	-
Cash flow adjusted for non-cash items		306	277
<i>CHANGES IN ASSETS AND LIABILITIES</i>			
Increase in trade receivables, contract assets and other receivables		(52)	(106)
Increase in prepayments and other current assets		(19)	(82)
Increase in net derivatives		-	(37)
Decrease in income tax receivable		15	32
Increase in deferred tax assets		(13)	(25)
(Decrease)/increase in trade and other payables		(24)	111
Increase in billings in advance		174	21
Increase in income tax payable		43	36
Decrease in deferred tax liabilities		(23)	(60)
Decrease in provisions		(11)	(67)
Net cash inflow from operating activities		396	100

¹ Cash and cash equivalents include restricted cash of \$6 million (30 June 2023: \$9 million) that is available for use under certain circumstances by the Group, this includes \$5 million (30 June 2023: \$4 million) held in Russian bank accounts the Group is working to repatriate.

1.4 TRADE RECEIVABLES, CONTRACT ASSETS, AND OTHER RECEIVABLES

	CONSOLIDATED		
	NOTES	31 DECEMBER 2023 \$'M	30 JUNE 2023 \$'M
<i>CURRENT TRADE RECEIVABLES AND CONTRACT ASSETS</i>			
Trade receivables		1,268	1,198
Unbilled contract revenue		885	921
Retentions		84	63
Expected credit loss allowance on trade receivables		(42)	(43)
Less: procurement trade and other receivables	1.12	(179)	(166)
		2,016	1,973
<i>NON-CURRENT TRADE RECEIVABLES AND CONTRACT ASSETS (A)</i>			
Trade receivables		12	70
Unbilled contract revenue		15	74
Expected credit loss allowance on trade receivables		-	(9)
		27	135
<i>OTHER CURRENT ASSETS</i>			
Other receivables ¹		207	251
Inventory		45	47
Amounts receivable from associates and related parties		48	50
		300	348

(A) WRITE-OFF OF NET EXPOSURE

On 22 December 2023, an international arbitration tribunal dismissed the arbitration process commenced by Worley relating to unpaid receivables owing to Worley for historic services provided in Ecuador² on jurisdictional and admissibility grounds. Worley denies any corruption, illegality, or bad faith on its part. In particular, Worley did not breach anti-bribery and corruption laws. Worley does not agree with the tribunal's decision and is continuing to assess its recovery options. Nevertheless, as a result of this dismissal, the gross receivable of \$108 million has been written off on the basis that the Group has no reasonable expectation of recovering it in its entirety or a portion thereof, without further investment in commercial and legal recovery processes, the outcome of which is subject to a high degree of uncertainty.

As the gross liability to the subcontractor was linked to the gross receivable by a pay-when-paid principle under the original contract, the Group has also written back the non-current gross payable of \$50m. Any residual claims made after the completion of the original contract up until 31 December 2023, including any amounts owing to Worley's subcontractor, are adequately covered by separate provisioning that is already created and expensed in underlying earnings at that date.

The write off of \$58 million of net exposure in relation to historic services provided in Ecuador is included in the statutory profit result but has been excluded from the Group's underlying result due to its one-off nature. The finalisation of these accounting entries for the net exposure and general provisioning at 31 December 2023 addresses all known financial exposures relating to historic services provided in Ecuador at that date.

¹ On 25 August 2023, Worley completed the sale of the Energy Resourcing Group. A gain on sale of \$1 million has been recognized in 'gain on disposal group held for sale'. Cash consideration of \$18 million was received on completion date. As at 31 December 2023, \$11 million of other Receivables relates to \$6 million of working capital recovery from the sale and \$5 million of contingent receivables upon meeting certain criteria of the sale which is deemed probable.

²WorleyParsons (now Worley) provided services in Ecuador from 2011 until 2017. In 2019, Worley commenced an arbitration process relating to unpaid trade receivables owing to a subsidiary of Worley by Petroecuador, a state-owned enterprise in Ecuador, and a related State entity. Worley made ASX announcements in relation to the arbitration tribunal's decision on 27 December 2023 and 10 and 17 January 2024.

1.5 INTANGIBLE ASSETS

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	30 JUNE 2023 \$'M
<i>GOODWILL</i>		
At cost	5,277	5,440
	5,277	5,440
<i>CUSTOMER CONTRACTS AND RELATIONSHIPS</i>		
At cost	826	869
Accumulated amortization	(399)	(388)
	427	481
<i>COMPUTER SOFTWARE</i>		
At cost	660	656
Accumulated amortization	(522)	(509)
	138	147
Total intangible assets	5,842	6,068

RECONCILIATIONS

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

	CONSOLIDATED			
	GOODWILL \$'M	CUSTOMER CONTRACTS AND RELATIONSHIPS \$'M	COMPUTER SOFTWARE \$'M	TOTAL \$'M
Balance at 1 July 2023	5,440	481	147	6,068
Additions	-	-	8	8
Amortization	-	(40)	(17)	(57)
Differences arising on translation of foreign operations	(163)	(14)	-	(177)
Balance at 31 December 2023	5,277	427	138	5,842

1.6 INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	30 JUNE 2023 \$'M
<i>CURRENT</i>		
Lease liabilities	86	90
	86	90
<i>NON-CURRENT</i>		
Notes payable	1,159	1,170
Unsecured bank loans	739	835
Lease liabilities	153	171
Capitalized borrowing costs	(17)	(18)
	2,034	2,158

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	AS AT 1 JULY \$'M	CASH FLOWS \$'M	FOREIGN EXCHANGE MOVEMENTS \$'M	OTHER ¹ \$'M	AS AT 31 DECEMBER \$'M
Non-current interest bearing loans and borrowings	2,005	(69)	(38)	-	1,898
Lease liabilities	261	(60)	(6)	44	239
Liabilities	2,266	(129)	(44)	44	2,137

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

1.7 ISSUED CAPITAL

	31 DECEMBER 2023 NUMBER OF SHARES	\$'M	30 JUNE 2023 NUMBER OF SHARES	\$'M
Ordinary shares, fully paid ¹	527,619,596	5,367	525,986,955	5,351
Special voting share	1	-	1	-
	527,619,597	5,367	525,986,956	5,351

(A) MOVEMENTS IN SHARES

	NUMBER OF SHARES	\$'M
Balance at the beginning of the financial year	525,986,956	5,351
Ordinary shares issued on redemption of exchangeable shares	30,000	1
Exchangeable shares exchanged for ordinary shares	(30,000)	(1)
Transfer from performance rights reserve on issuance of shares	1,632,641	16
Balance at the end of the financial year	527,619,597	5,367

1.8 EARNINGS/(LOSS) PER SHARE

ATTRIBUTABLE TO MEMBERS OF WORLEY LIMITED

	CONSOLIDATED	
	31 DECEMBER 2023 CENTS	31 DECEMBER 2022 CENTS
Basic earnings/(loss) per share	20.1	(18.8)
Diluted earnings/(loss) per share	20.0	(18.8)

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

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

	\$'M	\$'M
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	106	(99)

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

	NUMBER	NUMBER
Weighted average number of ordinary securities used in calculating basic earnings/(loss) per share	526,784,785	525,273,021
Performance rights which are considered dilutive	2,508,542	-
Weighted average number of ordinary securities used in calculating diluted earnings/(loss) per share	529,293,327	525,273,021

Within the total number of performance rights which are considered dilutive, the weighted average number of converted, lapsed, or cancelled potential ordinary shares used in calculating diluted earnings per share was 325,847 (2022: nil).

1.9 DIVIDENDS

	CONSOLIDATED	
	31 DECEMBER 2023 \$'M	31 DECEMBER 2022 \$'M
25.0 cents per share (unfranked) dividend paid in respect of the six months to 30 June 2023	131	n/a
25.0 cents per share (unfranked) dividend paid in respect of the six months to 30 June 2022	n/a	131

¹ Included in ordinary shares are 866,193 (30 June 2023: 896,193) 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 2023: nil) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

1.10 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 \$2,127 million (30 June 2023: \$2,217 million) and a carrying value of \$2,120 million (30 June 2023: \$2,249 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.

1.11 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.

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

KEY ESTIMATES

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) 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 Group's position in a dispute, as per the accounting standards only the general nature of the dispute is disclosed in the remainder of this note unless details have already been disclosed publicly.

Ecuador

Civil liability claims arose from legacy contracts in Ecuador. Details of those claims were included in an ASX release on 17 January 2024. In total, 40 civil liability and 3 tax claims amounting to \$479 million (US\$327.2 million) were brought against Worley since 2017 in relation to Worley's attempts to recover unpaid receivables. 23 of the civil claims have been determined in Worley's favour on procedural grounds relating to the statute of limitations. The remaining 17 civil claims, amounting to \$267 million (US\$182.2 million), continue to be defended. Based on the nature of the claims and the determination of 23 in Worley's favour, management believes that the likelihood of these remaining claims requiring a cash settlement is remote. See note 1.11(C) in relation to Ecuador tax claims.

(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 2023	30 JUNE 2023
	\$'M	\$'M
Bank guarantees outstanding at balance date in respect of contractual performance	1,242	1,198
Commitments not recognized in the consolidated financial statements	1,242	1,198

1.11 CONTINGENT LIABILITIES (CONTINUED)

(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.

Professional liability, warranties and general commercial disputes

In the ordinary course of business, the Group is exposed to claims against it in relation to various contractual matters. Some of these types of disputes include claims of significant value which are initially included in court documents. Each claim is assessed and defended using advice from legal and other experts, and if deemed appropriate, an amount is provided. The remaining items without provision are carried as contingent liabilities. In many cases the Group has a range of defence options available to it. These include defending the claim with evidence rejecting the claim, enforcement of limitations of liability clauses, protection from indemnities liability and insurance cover for any cost. Given the uncertainty surrounding such matters and the sensitivity of defence strategy, any further disclosure of these matters could prejudice the outcome to the Company.

(C) UNCERTAIN TAX POSITIONS

In the ordinary course of business, the Group is subject to compliance reviews, tax audits and dispute resolution processes by tax authorities in the jurisdictions in which it operates. In all material cases, with the help of independent expert advice, the Group defends its positions and provides relevant authorities with the requested evidence to support our positions. As these are open matters, it is in the best interest of the Company that limited information is disclosed to avoid prejudicing the Group's position while the matter is being resolved.

Where there are uncertain tax exposures the Group has applied judgment in determining the most likely resolution of that uncertainty and where appropriate have recognised provisions.

Ecuador

The Group currently has two ongoing tax claims in Ecuador collectively worth \$39.2 million (USD\$26.8 million) which relate to an ongoing receivable recovery dispute in regard to a series of contracts undertaken by the Group in Ecuador. An earlier related claim (in the amount of US\$6.5 million) has recently been decided in Worley's favour (although is subject to appeal), while the other two remain on foot. Worley, with the advice of independent experts, believe the claims can be defended based on the nature of the issues being addressed with a remote probability of cash outflow.

(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.

1.12 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 2023	31 DECEMBER 2022
	\$'M	\$'M
<i>REVENUE AND EXPENSES¹</i>		
Procurement revenue at margin	817	305
Procurement costs at margin	(809)	(292)
Procurement revenue at nil margin	875	574
Procurement costs at nil margin	(875)	(574)

	CONSOLIDATED	
	31 DECEMBER 2023	30 JUNE 2023
	\$'M	\$'M
<i>ASSETS AND LIABILITIES</i>		
Cash and cash equivalents	75	11
Trade and other receivables	179	166
Trade and other payables	204	211

1.13 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 2022: 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 \$132 million is not recognized as a liability as at 31 December 2023.

No other material matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect the Group's operations or state of affairs.

¹ Revenue and expenses exclude procurement revenue and expenses from associates.

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 2023 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 2023 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
 - (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

JOHN GRILL, AO

Chair

Sydney, 28 February 2024

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 2023, the Consolidated statement of financial performance and other comprehensive income, the Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date, selected 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 2023 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 half-year 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.

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

Independent auditor's review report (continued)



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 2023 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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Chris Dodd'.

Chris Dodd
Partner

Sydney
28 February 2024

Corporate information

Worley Limited
ACN 096 090 158

DIRECTORS

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

COMPANY SECRETARY

Nuala O'Leary

REGISTERED OFFICE

Level 17
141 Walker Street
North Sydney NSW 2060
+61 2 8923 6866

AUDITORS

PricewaterhouseCoopers ('PwC' Australia)

BANKERS

Arab Banking Corporation
Banco Bilbao Vizcaya Argentaria, S.A.
Bank of America, N.A.
Bank of China
Barclays Bank PLC
BNP Paribas
Commonwealth Bank of Australia
Deutsche Bank AG
First Abu Dhabi Bank
Handelsbanken
HSBC Bank
ING Bank N.V.
Mizuho Bank, Ltd
Royal Bank of Canada
Standard Chartered Bank
The Saudi British Bank
U.S. Bank National Association
UBS AG Australia
Wells Fargo Bank, N.A.
Westpac Banking Corporation

LAWYERS

Herbert Smith Freehills

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Australia
Phone: 1300 850 505