WYG plc
Final Results to 31 March 2018

Douglas McCormick Chief Executive Officer
Iain Clarkson Chief Financial Officer

creative minds safe hands

WYG overview

1,600
Employees

35
Offices
located in the UK, Turkey, South Africa, Kenya, Croatia, Poland, The Netherlands, Serbia, Russia, Uganda and Nigeria

c.€150m
Turnover

Highlights

Group Revenue *
£154.4m
+ 1.7%
2017: £151.8m

Profit before tax**
£2.9m
2017: £8.2m

Operating cashflow**
£6.6m
190% operating cash conversion
2017: £8.4m

Order book
£166m
+ 14%
March 2017 £145m

Final dividend
1.2p
(2017: 1.2p)
Total dividend
1.8p
(2017: 1.8p)

Renewed and extended bank facility with HSBC to 2022

Taking action to simplify structure, drive efficiencies and improve profitability

Improved H2 performance, driven by Consultancy Services

* Including revenue from Joint Ventures
** Before separately disclosed items

Consolidated income statement

£'m	2018	2017
Revenue*	154.4	151.8
Operating profit**	3.5	8.8
Finance costs	(0.6)	(0.6)
Profit before tax**	2.9	8.2
Tax**	0.3	0.4
Profit after tax**	3.2	8.6
Adjusted diluted earnings per share	4.4p	11.9p

- 1.7% growth in revenue
- £5.3m decrease in operating profit year on year
- Tax driven by deferred tax credits
- Adjusted EPS based on 73.8m shares
- Separately disclosed items total £8.3m in the year (not shown above)

* Including revenue from Joint Ventures
** Before separately disclosed items

Consolidated balance sheet

£'m	31 Mar 2018	31 Mar 2017
Goodwill	18.2	18.2
Fixed assets	9.8	11.1
Debtors, WIP less fees in advance	42.6	47.5
Creditors	(33.3)	(37.4)
Legacy provisions (inc. Pensions)	(5.4)	(5.3)
Total net (debt)	(6.3)	(2.5)
Shareholders' funds	25.6	31.6

- Debtors and WIP decreased due to strong year end collections and lower activity levels in Turkey. Working capital days reduced to 74 reflecting better collections
- Creditors decrease in line with reduction in Debtors and WIP and acquisition balances
- Increase in legacy provisions driven by additional PII, offset by utilisation in year
- Total net debt of £6.3m after the application of £5.3m on legacy and restructuring costs and dividend payments of £1.3m

Consolidated cash flow statement

£'m	2018	2017
Operating profit (before separately disclosed items)	3.5	8.8
Depreciation and amortisation	1.6	1.9
Movement in working capital	1.5	(2.3)
Operating cash flow	6.6	8.4
Interest and tax	(0.9)	(1.5)
Capex	(2.7)	(1.9)
Cash flow before legacy issues and acquisitions	3.0	5.0
Legacy cash costs	(2.8)	(2.6)
Cash impact of separately disclosed items	(2.5)	(2.1)
Cash flow before acquisitions and dividends	(2.3)	0.3
Acquisitions and disposals	(0.2)	(2.3)
Dividends and share related transactions	(1.3)	(0.7)
Net cash flow	(3.8)	(2.7)

- Cash flow before acquisitions and dividends driven by:
  - Reduction in operating profit
  - Investment in Capex ahead of depreciation
  - Reduction in working capital
  - Interest and tax in line with expectations
  - Legacy cash cost increases due to PII settlements, property costs and Group wide restructuring

Contracted order book summary

	Total order book		For delivery in current year		Beyond current year	
£'m	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
CS	96	90	48	48	48	42
IDB	70	55	34	30	36	25
Total	166	145	82	78	84	67

- 5% increase in secured orders for FY19
- 25% increase in secured orders for FY20 and beyond

A robust platform for the current year and beyond

Guidance

Revenue	Adoption of IFRS15 in FY19. No material impact on revenue and earnings expected
Operating margin	Operating margins are currently too low, significant actions underway to address this
Cash flows	Expecting a positive performance at operating cash flow level but close out of legacy items will result in an overall net outflow
Debtor & WIP days	74 days at 31 March 2018, expected to stay around this level for FY19
Capex	Similar level to FY18 expected as we invest in our IT systems
Interest costs	Expected to be consistent with FY18
Tax	Blended rate of c.10% expected with ongoing benefit of UK tax losses
Separately disclosed items	Significantly lower costs expected in FY19
Leases	New standard on leases will be adopted in FY20. Impact assessment underway. However, likely to be material to the financial statements

Consultancy Services

£'m	2018	2017
Revenue	119.3	115.8
Operating profit*	5.4	8.4
Operating margin*	4.5%	7.2%

- 77% of Group revenue
- Full year performance impacted by:
  - Deferrals and delays on major new contracts
  - Failure to convert certain key opportunities
  - Impact of competition for senior talent in Planning and Transport Planning
  - Losses in strategic real estate business which was discontinued in March 2018
  - Poor performance on a small number of engineering projects
- Actions ongoing to improve performance and strengthen margins
- Improved performance in H2
- Current order book of £96m (2017: £90m)
- Employee churn rate stabilised

* Before separately disclosed items

International Development

£'m	2018	2017
Revenue**	35.1	36.1
Operating profit*	2.0	4.7
Operating margin*	5.7%	13%

- 23% of Group Revenue
- Full year performance impacted by:
  - Reduction in activity in Turkey due to hiatus in funding arrangements;
  - FY17, Turkey benefitted from the one-off close out of several projects at a favourable margin;
  - Slower mobilization on large projects in Africa and the Balkans;
- Established new international holding company in Netherlands to support EU bids
- Expanded our work with UK HMG in Africa and Asia – workloads increasing in H2 and into FY19
- Current order book of £70m (2017: £55m)
- First project wins under IPA2 now secured in Turkey (€7m)

* Before separately disclosed items
** Including share of Joint Venture revenues

Key areas of focus

Developing a simpler more robust platform

- Brought together technical services under Consultancy Services, with International Development focusing on socio-economic and trade development
- Prudent exit from loss making and lower returns activities e.g. North Associates, Poland Socio-economic, Romania and Bulgaria
- Simpler and flatter management structure
- Strengthening our skills through selective recruitment

Driving efficiencies

- Streamlining office footprint
- Undertaking a wider efficiency review to identify key cost-reduction initiatives
- Harnessing technology to drive efficiency
- Introducing standardisation to deliver gains through improving systems, new technologies and training

Sustainable growth

- Investment in capabilities and infrastructure including digitalisation
- Deploying specialist skills into new markets
- Selective acquisitions
- Key growth drivers:
  - Aid for Trade
  - Supporting UK HMG
  - Favourable economic conditions

Harnessing our specialist skills to create value, protect value and manage risk for our clients

Summary

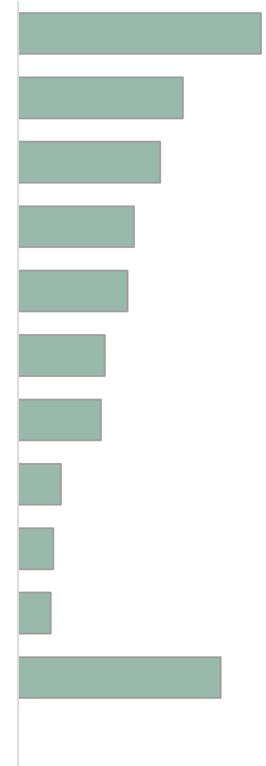
- Strengthening order book supports continued incremental revenue growth
- Opportunity to improve profitability
- Improved operating cash conversion
- Strengthened operational management team to drive opportunities and efficiencies from simpler and more robust operating platform
- Deepening relationships with key HMG clients and agencies including DfID, FCO Services and Homes England
- Making progress with diversifying our client base
- Driving efficiencies and focussed on matching resource to pipeline
- Pursuing strong growth opportunities

Good fundamentals to underpin five year growth strategy

Appendices

Shareholders

	%	Cumulative %
Artemis Investment Management	19.3	19.3
Slater Investments	13.1	32.4
Canaccord Genuity Wealth Management	11.3	43.7
AB Traction	9.2	52.9
Robert Keith	8.7	61.6
Miton Asset Management	6.9	68.5
Janus Henderson Investors	6.6	75.1
Axa Framlington Investment Managers	3.4	78.5
River & Mercantile Asset Management	2.8	81.3
Teviot Partners	2.6	83.9
Others	16.1	100



The team

Douglas McCormick, Chief Executive Officer

Appointed Chief Executive in June 2017

Previously CEO of Sweett Group plc and prior to that Group Managing Director of Atkins Rail in the UK.

Douglas who is a fellow of RICS and a non-executive director of the Institute for Collaborative Working, has more than 30 years' experience working in the construction industry and has held senior executive management positions working both in the UK and internationally.

Iain Clarkson, Chief Financial Officer

Joined WYG in June 2016

Formerly Finance Director of AMEC Foster Wheeler's Clean Energy Europe business.

25 years' experience of financial and commercial management, primarily in the energy sector.