

30 April 2020

**James Fisher and Sons plc (FSJ.L)**

**AGM trading statement & Covid-19 update**

Prior to its Annual General Meeting to be held at 11.00 am today, James Fisher & Sons plc ("James Fisher" or "the Group"), the leading marine services provider, delivers a trading statement and updates on its approach to meeting the operational challenges of Covid-19.

Our priority throughout the Covid-19 pandemic has been to protect our employees and, within that context, do all we can to continue to provide our services and goods to customers, whilst supporting and maintaining our supply chain. The commitment, support and engagement of our 3,300 employees in stepping up to the challenges we are facing has been remarkable.

**Trading statement**

Overall, Group trading in the first quarter was in line with the Board's expectations, which were set at the beginning of the year. However, the effects of Covid-19 were becoming evident towards the end of the quarter and have continued to impact the Group from that point.

Travel restrictions are adversely affecting projects in the Asia Pacific region in Specialist Technical and a lack of subsea projects in West Africa is restricting otherwise good progress in Marine Support. Ship-to-Ship services and Tankships have seen little negative impact to date.

However, the effects of the Covid-19 lockdown have been exacerbated by a sharp fall in the price of oil and it appears likely that the imbalance between supply of oil and gas and real demand will maintain downward pressure on oil prices for a prolonged period. The Group is well diversified by end market and geography and, whilst in Norway (3% of Group revenue) there has been an immediate drop in demand, other businesses continue to trade in line with our expectations despite logistical challenges. It is evident that the seasonal pick up in the second quarter in Offshore Oil and in Renewables is likely to be delayed.

### **Operational update**

As stated on 26 March 2020, given the uncertainty of the effects of Covid-19, the Group has taken proactive actions to reduce costs, to optimise cash flow and to protect liquidity. To date, these actions have included the deferral of all discretionary capital expenditure; instituting a hiring freeze; placing approximately 400 employees on temporary furlough and deferring pay for approximately 800 employees of 20%, including the salaries and fees of each Board member.

### **Financial position**

The Group has a strong balance sheet and good liquidity. This has been supported significantly by the actions we have taken in response to the Covid-19 crisis, including the suspension of the final dividend for the year ended 31 December 2019, as reported on 26 March 2020.

On an IAS 17 basis, net debt at 31 December 2019 was £203m, with c.£42m of headroom. Committed facilities were increased by £30m in March 2020 to £280m and headroom at 31 March 2020 was £64m, with a further £13m of headroom on uncommitted overdraft facilities.

### **Financial guidance withdrawn**

It is impossible to forecast with any reliability what overall impact Covid-19 will have on the Group; this will depend on how long the crisis lasts and on how quickly our businesses recover. Similarly, the effects of the oversupply of oil and gas remain difficult to predict. Mindful that the landscape can change rapidly, therefore, we have withdrawn financial guidance for FY2020 and will update investors when we have a clearer view of the likely outcome.

### **Conclusion**

James Fisher is well diversified by geographical sector and by end market; this provides resilience to profitability and cash flow, notably in the current challenging environment. We continue to closely monitor our business and will not hesitate to take swift and decisive action where necessary to ensure the Group is well placed to provide long term value to our shareholders.

### **For further information:**

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|                           | Stuart Kilpatrick | Group Finance Director  |               |
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|                           | Susanne Yule      |                         |               |

### Forward-looking statements

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