

This announcement contains inside information

6 March 2023

James Fisher and Sons plc
Sale of JFN, Trading Update and Notice of Results Announcement

James Fisher and Sons plc (FSJ.L) ('James Fisher', 'the Group'), the leading provider of marine services, announces that it has sold the entire issued share capital of James Fisher Nuclear Holdings Limited and related properties ("JFN", "the business"), to Myneration Limited, a wholly-owned investment vehicle of Rcapital Partners LLP ("Rcapital").

The sale forms part of the Board's ongoing commitment to rationalise and focus the Group's portfolio. Existing management and staff will remain with the business as it transitions into new ownership and Rcapital will provide JFN with a £3m secured revolving credit facility to fund the growth of the business going forward.

The Group has historically given a number of parent company guarantees to support the obligations of JFN. These guarantees will remain with James Fisher following completion of the transaction although certain limited counter-indemnities have been put in place. The Group has also received certain limited undertakings and information rights in respect of the principal parent company guarantee remaining in place following completion.

Following completion, an unsecured loan of £1.2m which has been made available by the Group to JFN will remain outstanding. It is anticipated that the amount outstanding under that loan will be repaid by JFN shortly after completion. In addition, the Group will make a secured interest-bearing term loan facility of up to £3.5m available to JFN. The Group has also entered into an inter-creditor agreement which sets out the priority of the facilities made available to JFN by Rcapital and the Group.

JFN is a supplier of specialist engineering, manufacturing and technical services to the UK's nuclear decommissioning industry. The results of JFN have historically been reported within the Specialist Technical division. The results of JFN will be shown as a Discontinued Operation in the Group's 2022 financial statements. In 2021, the business generated third party revenue of £51.7m and a loss before tax of £0.1m. At 30 June 2022 the unaudited gross assets of the business were approximately £36.4m and its net assets were approximately £17.5m, of which Goodwill represented £8.1m. The Group will sell its interest in James Fisher Nuclear Holdings Limited and certain group companies will sell their interests in the related properties for a nominal consideration of £3. As a result of the transaction the Group will impair the value of goodwill and tangible fixed assets associated with the business in its results for the year ended 31 December 2022.

Commenting on the sale, Chief Executive Officer, Jean Vernet, said:

"The sale of JFN is a further step in the implementation of our strategy to rationalise and focus the portfolio and, taken together, the business and asset disposals made over the last three months are important steps in streamlining the Group's operations and strengthening the balance sheet. JFN has some valuable and unique capabilities and requires the right investment to exploit the market opportunities in front of it. In Rcapital we are pleased to have found the right owner for the next chapter in this business's development. We wish the business and its employees every future success."

Josie Richardson, Investment Director at Rcapital, added:

"JFN plays a crucial role in the UK's nuclear decommissioning industry and, hence, the delivery of the Government's strategic energy plan. Its management team, market-leading technical services and unique UK-based experience in specialist fields put it in a strong position. We are pleased to have the opportunity to support the business as it enters a new phase of growth and development."

Trading update for the year ended 31 December 2022

The Group made good strategic and financial progress during 2022, disposing of three businesses, agreeing the sale of the Swordfish dive support vessel and generating good revenue and underlying operating profit growth across the Marine Support, Offshore Oil and Tankships divisions. The Specialist Technical division experienced a disappointing year, with JFD at a trough in its long-term projects cycle and JFN, which will be reported as a Discontinued Operation, reporting an operating loss following ongoing project challenges.

For the year ended 31 December 2022, the Group is expecting to report revenue from continuing operations of c. £475m (2021: £442.4m). Underlying operating profit from continuing operations is anticipated to be in line with 2021.

The three business sales completed in December 2022 generated gross proceeds of c.£18.4m. Net bank borrowings at 31 December 2022 were c.£135m, with the Group expecting to remain within its banking covenants. The sale of the Swordfish Dive Support Vessel, which was announced in December 2022, completed in January 2023, with cash proceeds of c.£20m now received. The Group has commenced discussions with its lending group regarding existing borrowing facilities, which have maturity dates ranging from October 2023 to September 2024.

Notice of Results Announcement

The Group's full year results will be published on 28 March 2023, two weeks later than had originally been planned, reflecting the significantly higher-than-normal levels of recent corporate activity and consequential impact on audit timetable.

For further information:

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The person responsible for making this announcement on behalf of the Company is Jean-François Bauer, Group General Counsel.

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