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HY 2021 results: Strong margin delivery and growth momentum

Robin Watson – Chief Executive
David Kemp – Chief Financial Officer

August 24th, 2021



Margin improvement, growth momentum

Margin improvement across all business units & order book up 18%



Results

Significant margin improvement:

- EBITDA margin of **8.3%**
- Up **80 bps** vs. H1 20
- Margin growth in all three business units



Market environment

Strong order book growth:

- **\$7.7bn order book** - up **18%** vs. Dec '20
- Growth in Consulting & Operations, improving momentum in Projects
- **\$3bn** revenue already secured for H2 2021



Strategic process

Accelerating strategy at pace:

- Optimised organisational design **unlocking growth**
- Future Fit delivered **\$20m EBITDA benefit** in H1 21
- Investing in **digital** & leading on **net-zero solutions**

Driving returns from a more sustainable, net-zero future



2016-2020: Strategic repositioning

- Strategy to position across mega-trends
- Leading positions across energy & the built environment
- Established a high-value, global Consulting business
- Clear purpose underpinning strategic direction
- Well-positioned to support IOC to IEC



Today: Accelerating strategy delivery

- Business transformation (Future Fit) – a simpler, more efficient, agile organisation
- Market leading position in attractive growth markets: Hydrogen & CCUS
- Leading ESG / Sustainability platform
- Strong EBITDA margins and primed for growth



Future: Unlocking sustainable growth

- Growth across energy transition and in sustainable infrastructure revenue
- Continuous focus on improved, high margin delivery
- Competitive advantage through digitalised solutions, products & delivery
- Growing order book with more from sustainability themes, future skills and aligned commercial models

Financial performance – H1 2021

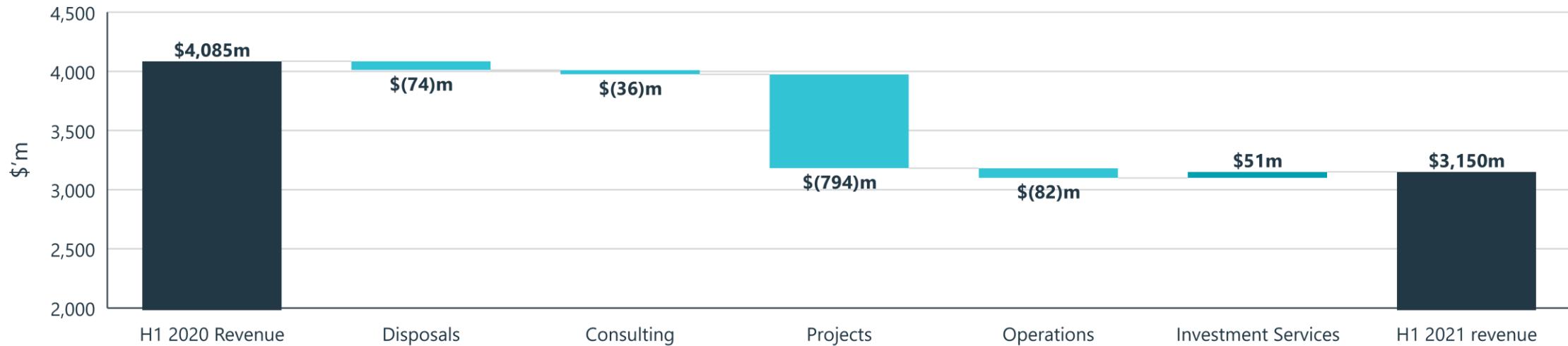
David Kemp, Chief Financial Officer

Improving momentum & margin growth

Revenue	EBITDA	EBITDA Margin	Operating profit (pre exceptional)	AEPS
\$3.2bn	\$262m	8.3%	\$86m	8.9c
▼ 22.9%	▼ 14.1%	▲ 0.8%	▼ 14.9%	▼ 14.4%

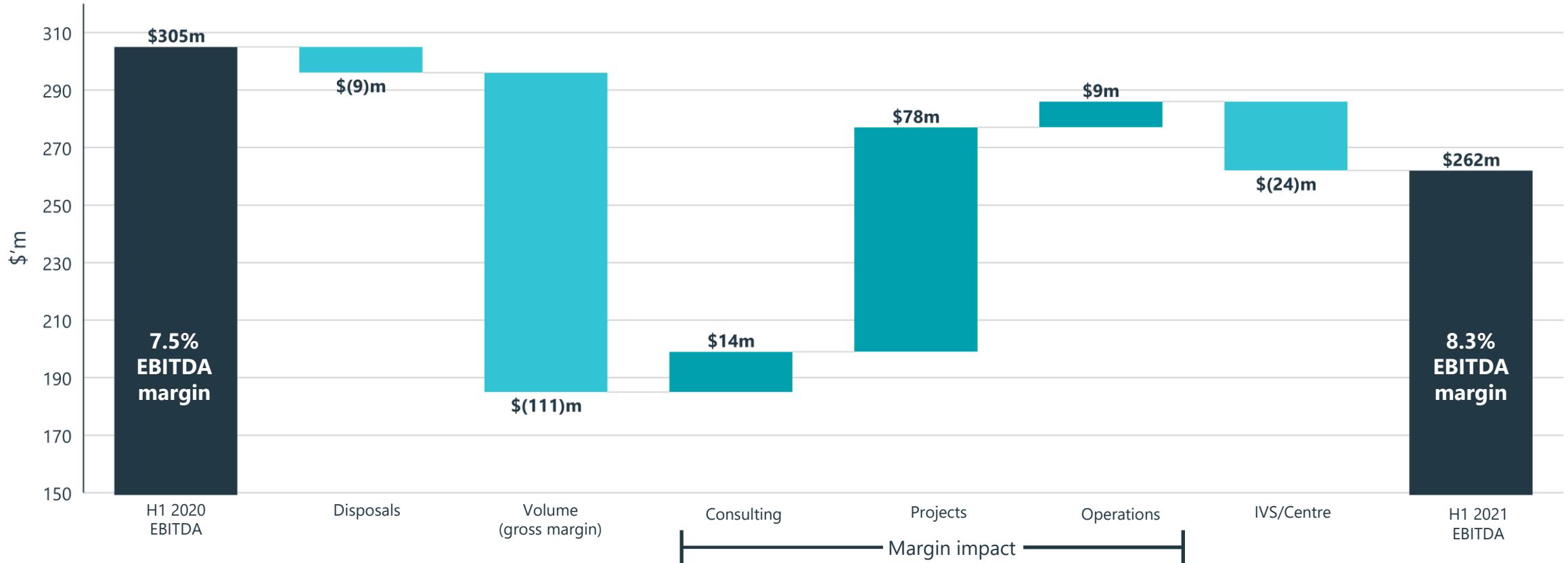
- **Improving momentum in Q2 activity:**
 - Growth in Consulting & Operations vs. Q2 2020
- **H1 revenue benefitting from broad end market exposure:**
 - Strength in built environment, relatively robust renewables activity, improving conditions in conventional energy in Operations
 - Lower activity in process & chemicals; major projects completing
- **Strong margin improvement, up 80 bps:**
 - Increased margins across all business units; significantly improved Projects margin up 220 bps
 - Successful delivery of Future Fit efficiencies; c\$20m in H1
 - Business mix weighted to higher margin Consulting activities

Robust activity in Consulting & Operations offset by lower Projects revenue



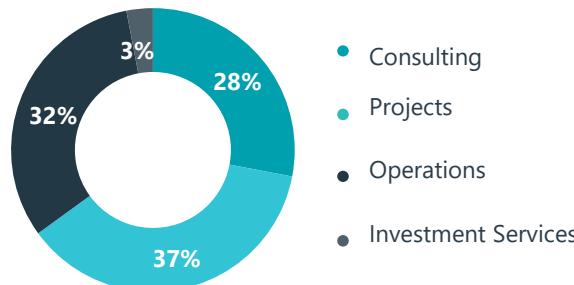
- **Robust activity in Consulting:** Strength in built environment, robust renewables & other energy activity. Increased Q2 activity
- **Relative resilience in Operations:** Improving conditions in conventional energy & returning to growth in Q2
- **Lower activity in Projects:** Reduced process & chemicals activity; major projects completed

Progressing towards medium-term EBITDA margin target of 9.6%

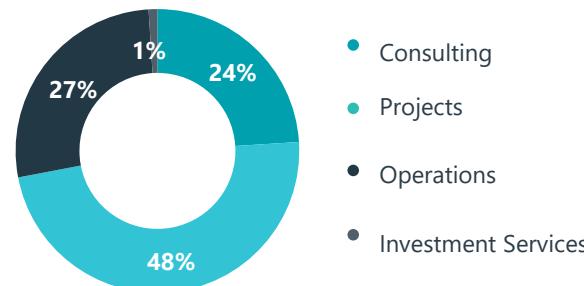


80 bps margin improvement

H1 2021 Revenue:



H1 2020 Revenue:



H1 2021 Margin:

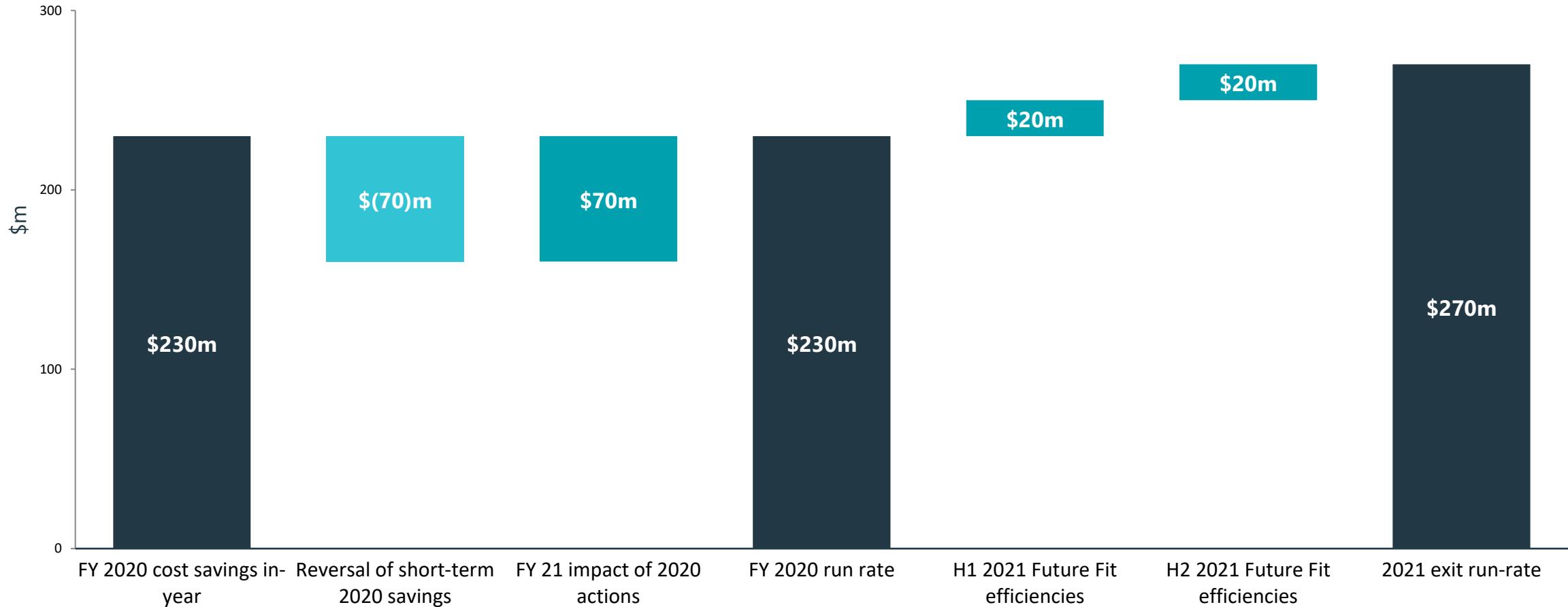
Consulting	12.1%
Projects	7.5%
Operations	10.7%
Group	8.3%

H1 2020 Margin:

Consulting	11.0%
Projects	5.3%
Operations	10.2%
Group	7.5%

- Projects leading margin improvement across all three business units
- 220bps Projects margin improvement driven by:
 - Efficiencies
 - Improved execution
 - Lower risk portfolio
- Increased proportion of revenue from high margin Consulting activities

Leveraging our flexible, asset light model



Net debt: increase driven by working capital outflow

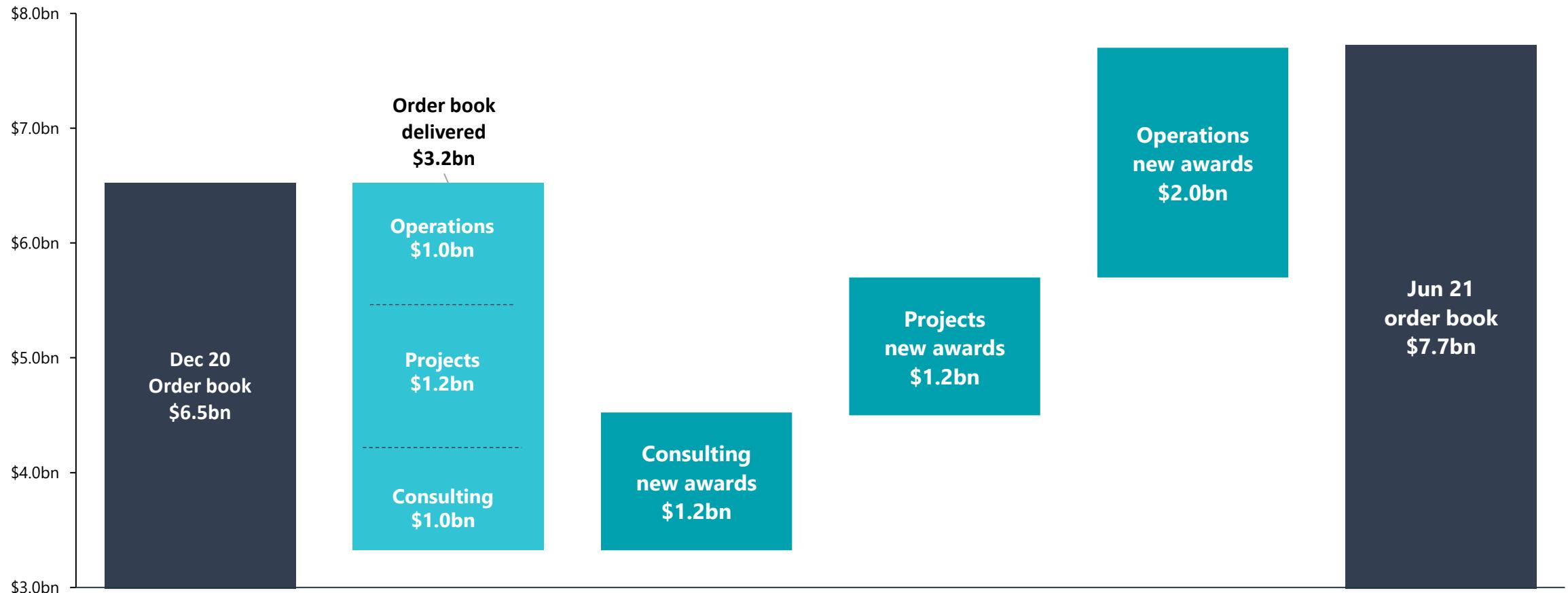
	H1 2021 \$m	H1 2020 \$m	2021 Commentary
Adjusted EBITDA (Ex IFRS 16)	194	230	Excludes IFRS 16 impact
JV EBITDA net of divs & F/x	(5)	(20)	
Provisions	(59)	(75)	Reduction as legacy issues resolved
Cash generated pre working capital	130	135	
Working capital movements	(237)	(67)	Timing of receipts, expected unwind of advance payments of \$61m, increased payables outflow
Cash generated from operations (pre exceptional)	(107)	68	
Exceptional items	(46)	(62)	Includes investigation settlements (\$9m), costs to deliver Future Fit (\$17m), onerous leases (\$16m)
Cash generated from operations	(153)	6	
Divestments/ (acquisitions)	19	372	Consideration for JV interest in Sulzer Wood
Capex & intangible assets	(41)	(57)	Investment in digital & technology, ERP resumed, continued discipline in discretionary capex
Free cash flow	(175)	321	
Tax, interest and other	(86)	(113)	Reduced interest expense and FX
Net (increase)/decrease in net debt	(261)	208	
Net debt excluding leases	(1,275)	(1,216)	Net debt : EBITDA 2.9x (pre IFRS 16)

Cashflow: improving performance in H2

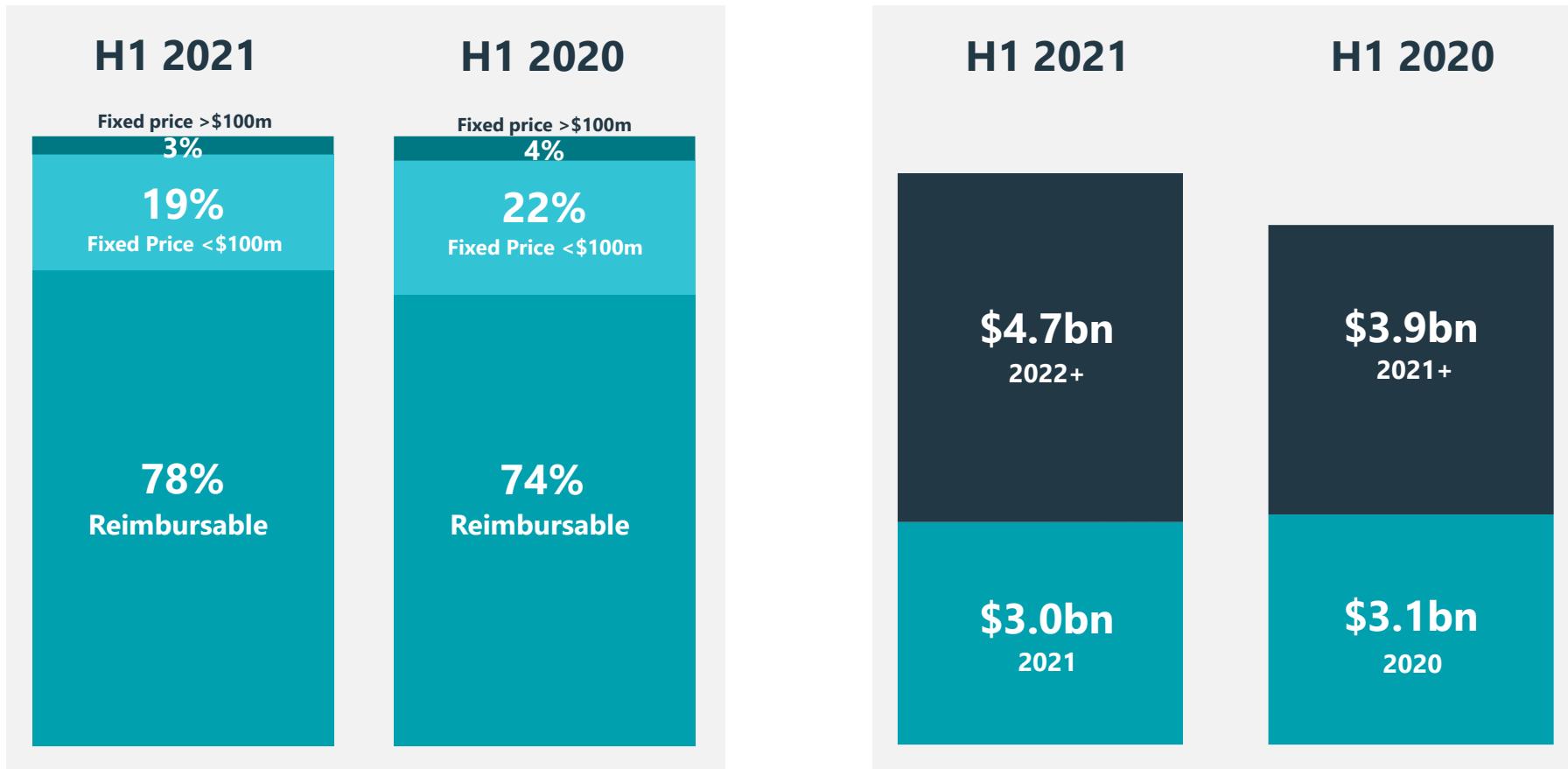
	H1 2021 \$m	Commentary
Receivables	(67)	Timing of receipts driving net outflow in H1 and net debt c\$100m higher than anticipated
Payables	(108)	Activity related
Advanced payments	(61)	Expected unwind of advance payments
Inventory	(1)	
Working capital movement	(237)	Includes typical H1 outflow

- **H1 net debt c\$100m higher than guidance**
 - Principally driven by receipts due in June, received in July
- **Cashflow & leverage in H2 benefitting from:**
 - Improved working capital performance; typical H2 inflow, advances build and receipt timing
 - Improving activity levels & increased profitability
- **More than offsetting impact of H2 exceptional items:**
 - Investigation settlements \$60m
 - Costs of Future Fit delivery c\$15m
- **Improving activity & order book laying foundations for cash generation & improving leverage into 2022**

Momentum in awards. Order book up 18%



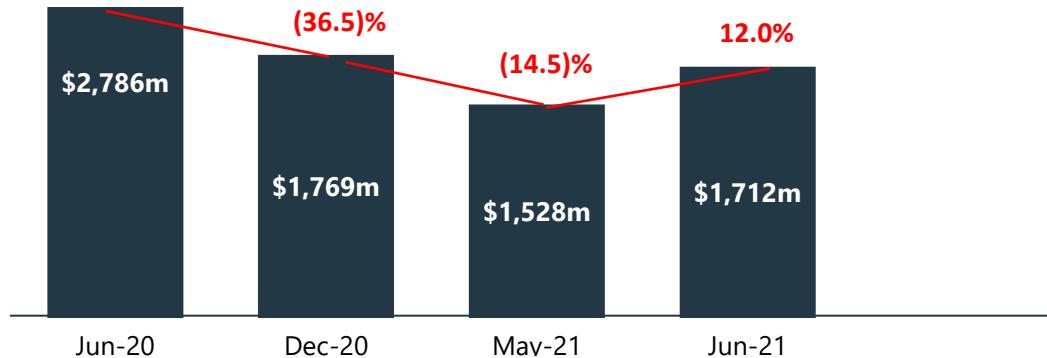
Order book: improving quality and enduring nature



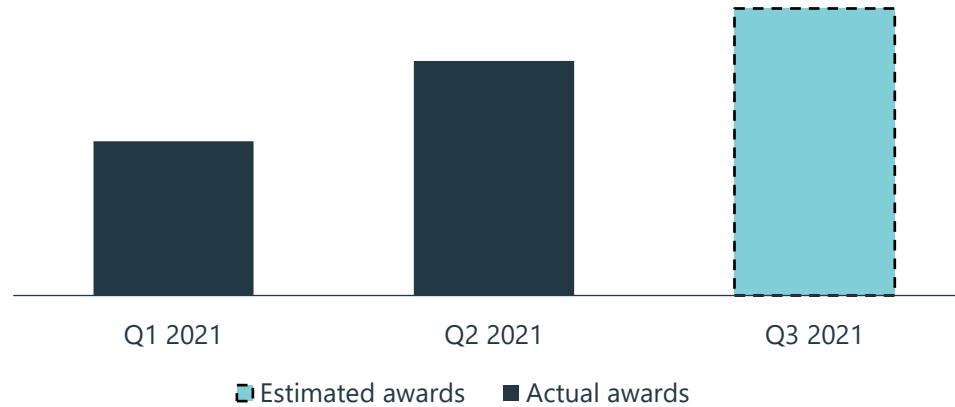
Order book: \$7.7bn, up 18% year-to-date at 30 June 2021. \$3.0bn to be delivered in H2

Projects: improving order book with lower risk profile

Projects order book



Improving awards momentum (\$m)



- Completion of large EPC contracts during H1
- Improving momentum in awards throughout H1 across all energy markets
- H1 awards include:
 - Early-stage concept & feasibility scopes
 - EPC scopes <\$100m in line with risk appetite
 - Reflecting growing investment in hydrogen and decarbonisation & improving conventional energy activity
- Encouraging trends in Q3 estimated awards

2021 Full year outlook: returning to growth in H2

Wood	Revenue: \$6.6bn - \$6.8bn ¹  c11%	<ul style="list-style-type: none">Growth vs. H1 2021 and H2 20
	EBITDA margin: 8.7% - 8.9%  c50 bps	<ul style="list-style-type: none">Progressing towards medium term target of 9.6%Margin improvement includes:<ul style="list-style-type: none">Improved project executionDelivery of efficiencies, including \$40m from Future FitBusiness mix weighted to higher margin Consulting
Consulting	Projects	Operations
Revenue: \$1.85bn - \$1.95bn  c4% ² EBITDA margin: 12.8% - 13.0%  c60 bps ²	Revenue: \$2.4bn - \$2.5bn  c30% EBITDA margin: 7.4% - 7.6%  c180 bps	Revenue: \$2.05bn - \$2.15bn  c3% ³ EBITDA margin: 10.8% - 11.0%  c170 bps ³

¹ Includes Investment Services revenue anticipated to be c\$0.15bn - \$0.2bn

² Compared to 2020 which included \$63m of revenue and \$6m of EBITDA the nuclear business disposed in Q1 2020

³ Compared to 2020 EBITDA margin which included \$13m of revenue and \$10m of EBITDA from businesses disposed in 2020 and 2021, including the industrial services business in Q1 2020, our JV interest in TCT in Q4 2020 and our JV interest in Sulzer Wood in Q1 2021

Financial summary

Strong margin improvement & improving momentum

- Revenue of \$3.2bn:
 - Down c23%, primarily reflecting the impact of Covid-19
 - Improving momentum in Q2
- Strong EBITDA margin improvement, up 80 bps to 8.3%
- Order book growth, up 18% underpinning H2 and 2022
- Net debt of \$1.28bn reflecting working capital outflows
- FY 2021:
 - Returning to growth with a stronger H2
 - Further progress towards medium-term margin target
 - Confident of delivering net debt reduction in H2

**Highly-skilled, differentiated, agile
& primed for growth**

Robin Watson, Chief Executive

Strong progress on strategy acceleration: Future Fit

Unlocking growth, creating value, delivering efficiencies



Unlocking growth.

- Amplified **organic growth**
- Precision focus on **solutions & capabilities** to win
- **Sustainable value** in non-oil and gas markets



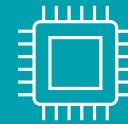
Simplifying our market position.

- Three global business units:
 - **Consulting**
 - **Projects**
 - **Operations**
- Green-to-green lifecycle of solutions across **Energy & the Built Environment**



Transforming our operating model.

- First-class operational discipline, **predictable execution outcomes**
- Superior **financial performance**
- **Leaner, faster, lower carbon** enterprise



Digitalising the way we work.

- **Digital solutions** that transform delivery
- **Technology** to deliver efficiencies
- Commercialising **innovation for competitive edge**



Accelerating future skills development.

- **Talent planning & development**
- **High performance** culture
- **Reimagining work** and workplaces
- **Inclusive & diverse** workforce

Unlocking growth in priority markets



Hydrogen



CCUS



Renewables

H1 highlights

- **30+ distinct hydrogen awards**, 110+ opportunities in pipeline (c\$600m unfactored)
- **Hydrogen Council** steering member, Wood shaping the debate
- **Strategic partnership with Honeywell UOP** to produce green aviation fuel
- **60+ years' experience**, 120+ hydrogen units licensed and designed

- **25+ distinct CCUS awards**, 80+ opportunities in pipeline (c\$500m unfactored)
- Appointed on **world's largest CCS project** in the US
- **Defining the industry guidelines** to set CO2 specifications for CCUS projects
- **145+ CCS studies**, 30+ years' experience

- Integration of **renewable energy to decarbonise industrial activity** (Shell Oman)
- Deployment of **new standard block design and lean execution proposition** helping to secure new wins (Nevada Gold)
- Supported over **120GW of wind** projects and almost **1,000 solar projects**

Differentiating through digital solutions



H1 highlights

Connected Build solution delivers efficiencies and sustainability outcomes on new-build design work

- Solutions accelerate digital transformation of industrial sectors
- Helps deliver the build accurately; first time, every time
- Sharing connected-data on project status
- Dynamic decision-making environment to improve material availability, labour productivity, waste and cost reduction and shortening project cycles

Suite of 'Connected Worker' apps empowering field technicians and delivering efficiency savings:

- Multi-year collaboration
- Fast-track deployment to 7000 field workers
- Enables technicians to access industry expertise & innovative, AI solutions in field
- Reduces the need for site mobilisations, improves collaboration and reduces administrative support

Delivering a more sustainable future

Contract wins in H1 highlight the growing proportion of our work linked to sustainability.



Decarbonisation

- **Spirit Energy** – late-life solutions including reducing carbon emissions across Morecambe Bay gas fields
- **LGE & KU Energy** – modernising power grids to support a low-carbon future
- **ADNOC** – pre-FEED work on blue ammonia facility to build hydrogen supply across the Middle East
- **Equinor** – optimising energy consumption and reducing CO2 emissions on multiple assets in the Norwegian North Sea
- **Woodside** – two offshore decommissioning studies in a fast-developing market



Energy transition

- **Shell Oman** – solar PV to power industrial activity, saving 25,000 tonnes of CO2 p.a.
- **Luxcara** – owner's engineer on Europe's largest single-site onshore wind farm
- **NEL Hydrogen** – framework to deliver large-scale green hydrogen plants
- **Simply Blue Energy** – pre-FEED work on floating offshore wind farm in Ireland
- **Summit Carbon Solutions** – pre-FEED analysis on world's largest carbon capture and storage projects
- **Anglo-American** – use of hydrogen to power ultra-class mining trucks on site



Sustainable infrastructure

- **States of Missouri & West Virginia** – carrying out flood hazard identification studies for large states across the US
- **North London Waste Authority** – the UK's largest energy waste recovery facility, reducing waste sent to landfill
- **US EPA** – support on disaster resilience planning for sites all across the US
- **South Florida Water Management District** – construction management for new stormwater treatment area
- **York city council** – developing a zero-emissions transit strategy, including inspections and simulation studies

Committed to delivering sustainably

Delivering our purpose



Consistently ranked in the **Top Quartile** ESG investment ratings within our sector by **2025**.

Doubling client support aligned to energy transition and sustainable infrastructure, by **2030**

Developing an inclusive & diverse workforce



Improve gender balance: **40%** female representation in senior leadership roles by **2030**.

Educate and inspire **100%** of our colleagues to be inclusive every day by **2021**

Managing our environmental impact



Reduce Wood's carbon emissions by **40%** by **2030** on our journey to '**net zero**'

Ensure all Wood offices are **single use plastic free** by **2025**.

Embedding fair working practices



100% of Wood labour suppliers sign up and comply with the **Building Responsibly** Principles by **2025**.

100% of our suppliers have Building Responsibly Principles embedded into their supply chains by **2030**.

Positively impacting communities



Contribute **\$10 million** to our global causes by giving our time, energy, resources and funding by **2030**.

Progress:

Informing a global approach to energy transition
Developing solutions through strategic partnerships

Progress:

Over 30% female representation in senior leadership roles

Progress:

8% reduction in scope 1 & 2 emissions in 2020

Progress:

Developing supply chain strategy for delivery

Progress:

\$575,000 donated in 2020 to support our Global Causes



A compelling growth platform across our wider business

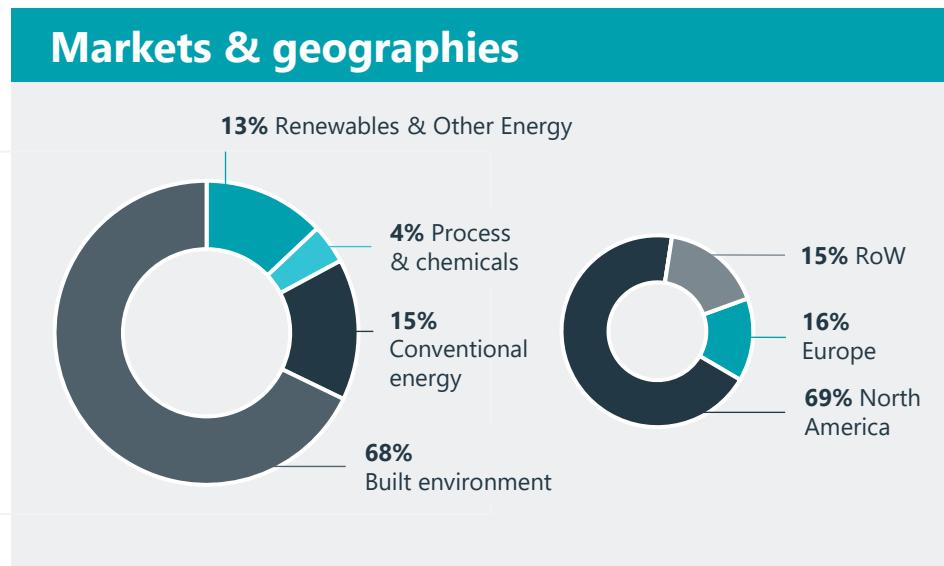
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A balanced and well-diversified portfolio

3 Global Business Units	Consulting	Projects	Operations	Group
				
Revenues by end market				
Renewables & other energy	13%	38%	13%	24%
Process & chemicals	4%	35%	11%	18%
Conventional energy	15%	22%	76%	37%
Built environment	68%	5%	0%	21%

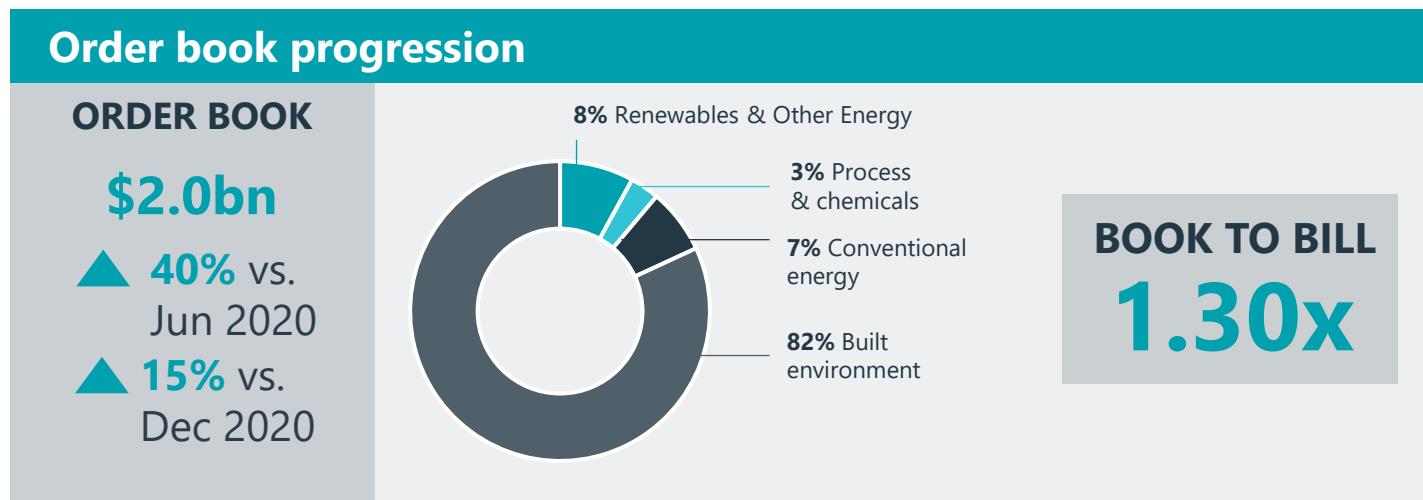
Consulting: global, multi sector & high value specialist consultancy

At a glance	
H1 2021	H1 2020
REVENUE	
\$0.9bn	\$1.0bn
EBTIDA	
\$106m	\$107m
EBITDA Margin	
12.1%	11.0%



Operational highlights

- Partnering with Honeywell to jointly create a solution to produce green aviation fuel
- Strategic appointments in growth areas:
 - VP of Hydrogen
 - Global Director of Decarbonisation
 - SVP of Sustainability Solutions
- Influencing climate & economic policy, in partnership with Resilience Shift, to ensure resilience in critical infrastructure development
- Proprietary digital solutions driving new sales e.g zero emissions simulator tool

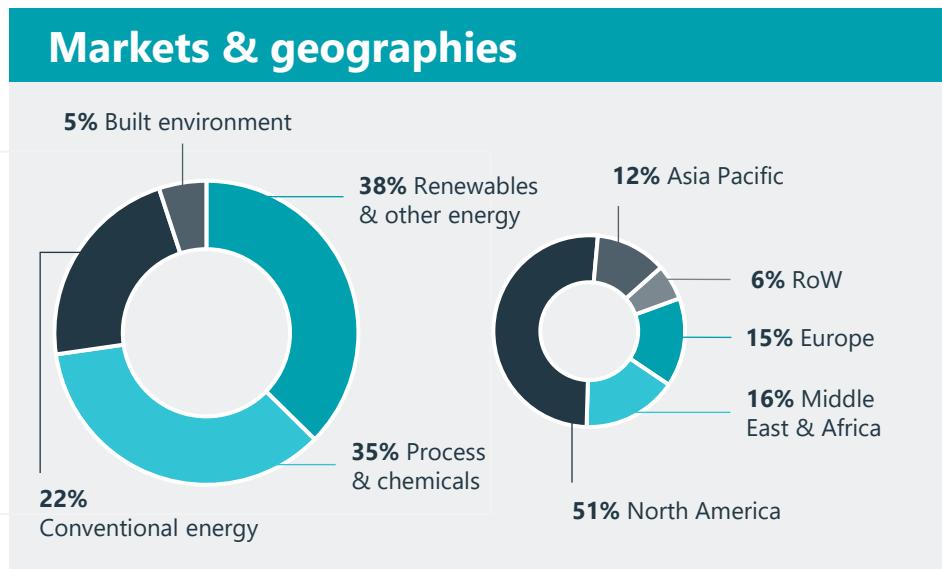


Recent strategic wins

- ADNOC** – blue ammonia and carbon capture study ([Decarbonisation](#))
- USACE** – pipeline replacement project at Dyess air force base ([Government](#))
- States of Missouri & West Virginia** – flood hazard identification studies ([Climate resiliency](#))

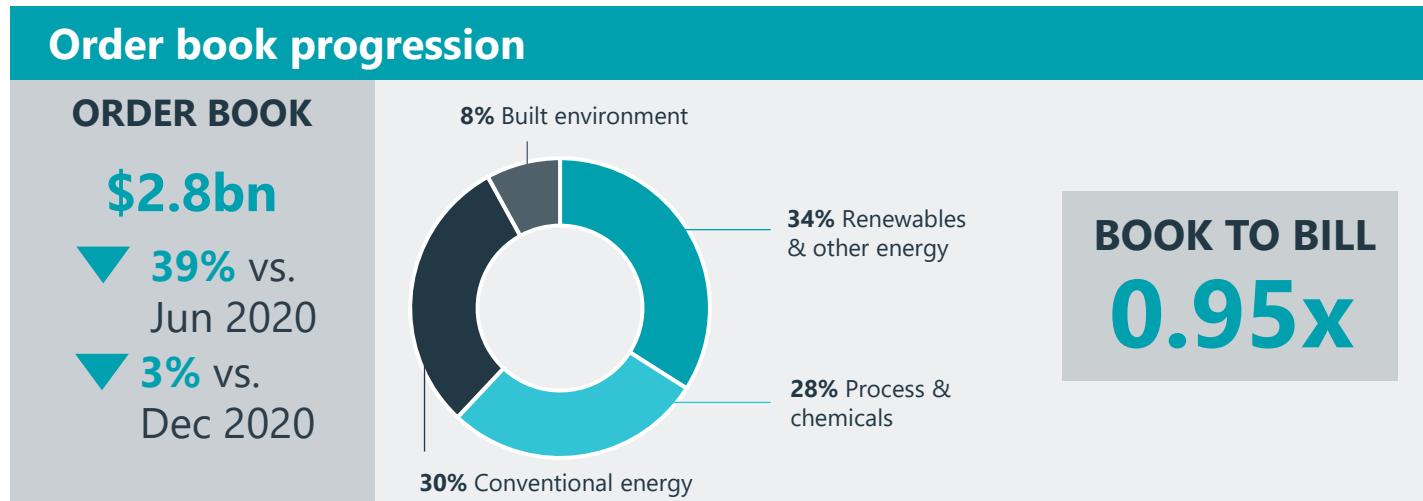
Projects: delivering exceptional returns on client's capital investment

At a glance	
H1 2021	H1 2020
REVENUE	
\$1.2bn	\$2.0bn
EBTIDA	
\$88m	\$103m
EBITDA Margin	
7.5%	5.3%



Operational highlights

- Successful completion of the EPC scope for YCI's methanol plant
- Completion of five renewable (solar & wind) projects, generating a combined capacity of over 520 MW
- Successfully diversifying into decarbonisation with the award of Acorn CCS FEED scope
- Delivering EPCm project in Europe to convert a traditional diesel production unit to bio-diesel

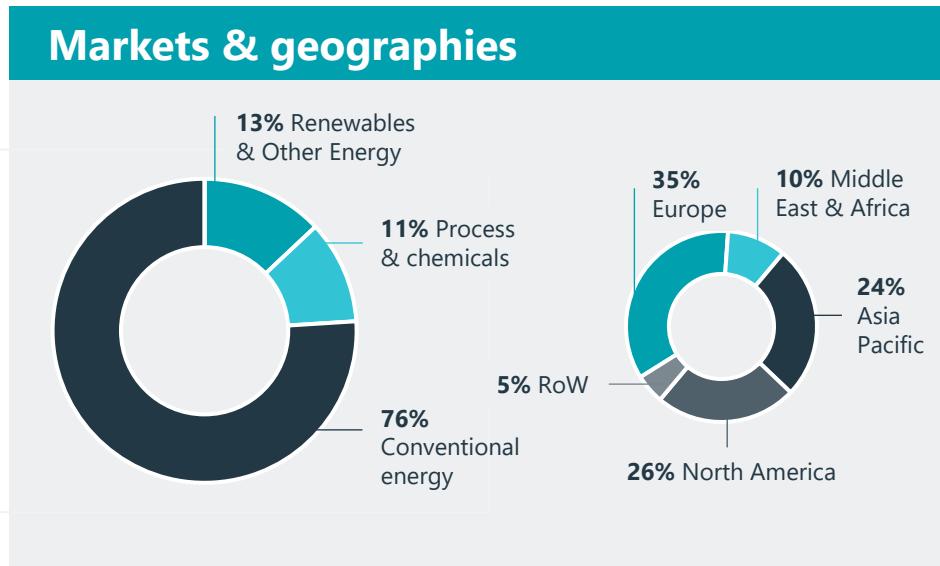


Recent strategic wins

- Humber Zero** – refinery FEED phase work (Decarbonisation)
- Nevada Gold** – EPC of large solar plant to deliver zero emissions mine (Renewables)
- Acorn CCS** – FEED work on one of the first industrial-scale carbon capture projects in the UK (Decarbonisation)

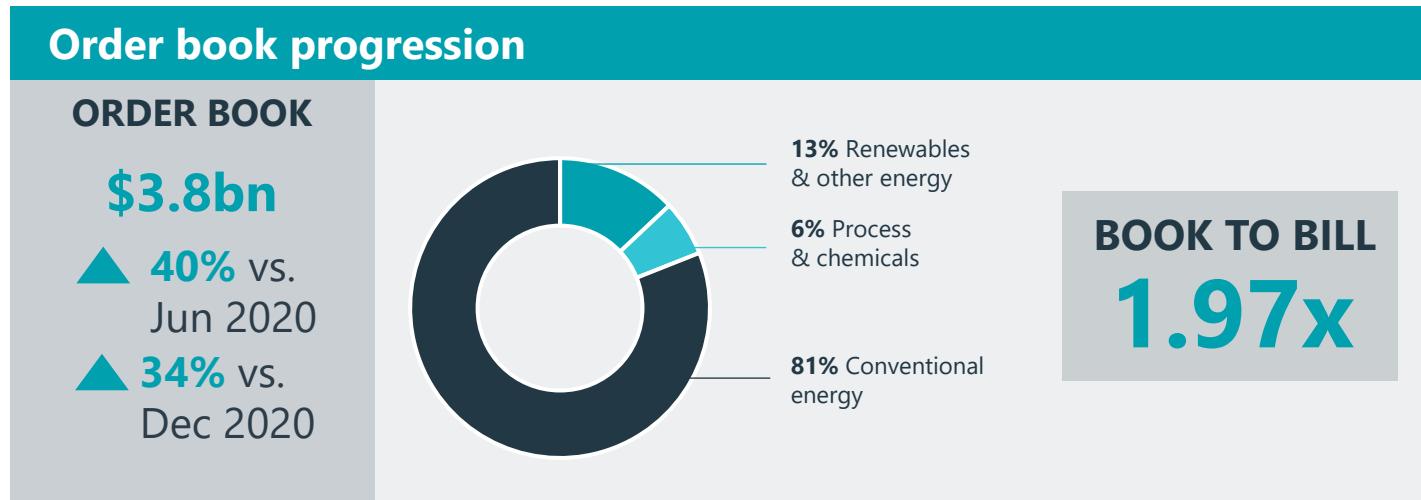
Operations: partner of choice to optimise operational outcome

At a glance	
H1 2021	H1 2020
REVENUE	
\$1.0bn	\$1.1bn
EBTIDA	
\$107m	\$111m
EBITDA Margin	
10.7%	10.2%



Operational highlights

- Solidified our market leading position and strong customer partnerships through securing significant contract renewals
- Supporting bp in the deployment of Electric Vehicle Charging infrastructure across UK and Europe



Recent strategic wins

- **LG&E and KU** – diversifying into the power generation market ([Power](#))
- **Spirit Energy** – late-life solutions for Morecambe Bay gas field ([Late-life asset management](#))
- **Equinor** – optimising energy consumption & reducing emissions across offshore assets ([Decarbonisation](#))

Growth plans aligned to market opportunities

	Consulting	Projects	Operations
Market themes	Significant growth from stimulus spend:	Energy transition & decarbonisation driving medium term growth:	Strong conventional energy & industrial markets driving growth:
	<ul style="list-style-type: none">• Hydrogen• Decarbonisation of industrial & energy assets• Energy and infrastructure• Government stimulus in energy transition, climate resilience & infrastructure	<ul style="list-style-type: none">• Renewables (particularly US solar)• Hydrogen• Biofuels & bio-refining• Conventional energy (linked to economic recovery)• Broader distribution of capital investment across energy and industrial markets	<ul style="list-style-type: none">• Conventional energy:<ul style="list-style-type: none">• Asset management as IECs divest mature basins• Cost optimisation & emissions reduction• Decommissioning & repurposing• Higher spend on modernising assets
			
			
			

Bringing our breadth of expertise together for clients



Nevada Gold - Renewables, Americas

- Joint win for Projects and Consulting
- EPC contract for 100MWac solar plant and substation
- Zero-emissions mining project
- \$70m+ revenue with potential for future work



Conventional energy, Asia-Pacific

- Operations win with pull-through for Consulting
- Core asset management brief, plus asset integrity and decarbonisation studies
- Multi-million dollar extension
- Long-term client



ADNOC - Process & chemicals, Middle East

- Joint win for Consulting and Projects
- Pre-FEED and design for blue ammonia project and six chemical facilities
- CO2 capture and hydrogen
- Scope for follow-on work

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- Investing in **digital** & leading on **net-zero solutions**

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Appendices

Projects leading margin improvement across all BUs

	H1 2021 (\$m)			H1 2020 (\$m)		
	Revenue	EBITDA	Margin	Revenue	EBITDA	Margin
Consulting	877	106	12.1%	974	107	11.0%
Projects	1,168	88	7.5%	1,954	103	5.3%
Operations	999	107	10.7%	1,093	111	10.2%
Investment Services	106	(7)	N/a	64	15	22.9%
Central costs/asbestos/other	-	(32)	N/a	-	(31)	N/a
Total	3,150	262	8.3%	4,085	305	7.5%

Revenue sector analysis

	H1 2021						H1 2020					
	Consulting	Projects	Operations	Investment Services	Central costs	Total	Consulting	Projects	Operations	Investment Services	Central costs	Total
Revenue:												
Renewables & other energy	116	435	128	88	-	767	122	731	49	60	-	962
Process & Chemicals	37	413	113	-	-	563	47	790	150	-	-	987
Conventional Energy	132	260	757	-	-	1,149	162	376	852	-	-	1,390
Built Environment	592	60	-	19	-	671	582	57	29	4	-	672
Disposals	-	-	-	-	-	-	61	-	13	-	-	74
	877	1,168	999	106	-	3,150	974	1,954	1,093	64	-	4,085
EBITDA	106	88	107	(7)	(32)	262	107	103	111	15	(31)	305
EBITDA margin	12.1%	7.5%	10.7%	(6.5)%	-	8.3%	11.0%	5.3%	10.2%	22.9%	-	7.5%

Cashflow reconciliation: pre/post leases and IFRS 16

	H1 2021 \$m	Leases	Post-Leases	
Adjusted EBITDA	194	68	262	IFRS 16: \$67m operating lease rentals
JV EBITDA /divs/other	(5)	(3)	(8)	
Provisions	(59)	-	(59)	
Cash generated pre working capital	130	65	195	
Working capital movements	(237)	-	(237)	
Exceptional items	(46)	10	(36)	Onerous lease adjustment relating to IFRS 16
Cash generated from operations	(153)	75	(78)	
Divestments/ (acquisitions)	19	-	19	
Capex & intangible assets	(41)	-	(41)	
Free cash flow	(175)	75	(100)	
Tax, interest, dividends and other	(86)	7	(79)	
Non-cash movement in leases	-	(40)	(40)	Net additions to leases in period & interest expense
Net decrease in net debt	(261)	42	(219)	
Opening net debt	(1,014)	(541)	(1,555)	
Closing net debt	(1,275)	(500)	(1,775)	

Balance sheet review

	H1 2021 \$m	H1 2020 \$m	
Goodwill and intangible assets	6,194	6,118	Increase is a result of FX gains, plus software additions offset by amortisation
Right of use assets	389	383	
Other non-current assets	919	861	
Trade and other receivables	1,772	2,067	Reduction due lower activity
Net held for sale assets and liabilities	-	63	Disposal of joint venture interest in TransCanada Turbine
Trade and other payables	(2,039)	(2,298)	Reduction due lower activity & unwind of advance payments, partially offset by reclassification of payable related to investigations settlements from provisions
Net debt excluding leases	(1,275)	(1,216)	
Lease liabilities	(500)	(516)	
Provisions	(702)	(762)	Reclassification of investigations settlement from provisions (\$46m), reduced legacy provisions
Other net liabilities	(492)	(468)	
Net assets	4,266	4,232	