



Sell side analyst meeting – Financial metrics and segmental reporting

David Kemp (CFO) November 2017



Wood is a business with enduring investment themes

- A global leader in project, engineering and technical services
- Performance-driven solutions throughout the asset life cycle
- Strong oil & gas offering across upstream, midstream and downstream
- Full service capability across broad range of industrial markets



predominantly
reimbursable



flexible asset
light model



balance across
opex and capex



broad end market exposure

Full service capability across industrial markets & stronger O&G lifecycle offering



Near term priorities

- Continued focus on customer delivery
- Integration at pace
- Delivering cost synergies
- Unlocking revenue synergies
- Deleveraging

Reportable segments, profit measures and disclosure

- 4 reportable segments:
 - Asset Solutions (Americas)
 - Asset Solutions (EAAA)
 - Specialist Technical Solutions
 - Environment and Infrastructure Solutions
- No change to proportionally consolidated approach with EBITA and AEPS retained as principal profit measures
- Revenue, EBITA, Margin and headcount will continue to be disclosed for our Reportable Segments
- Management discussion and analysis will reflect the service bundles (e.g “Capital Projects” and “Operations Services” for our Asset Solutions segments)

Reporting segments mirror our operating model

Reportable Segments	Asset Solutions Americas (39%)		Asset Solutions EAAA (37%)		Specialist Technical Solutions (12%)	Environment & Infrastructure Solutions (12%)
Management discussion & analysis disclosure	Capital Projects	Operations Services	Capital Projects	Operations Services	Integrator Solutions & Technology and consulting	E&I Solutions
Includes	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <div>Upstream</div> <div>Downstream & Chemicals</div> <div>Process & Energy</div> </div> <div style="text-align: center;"> <div>Operations & Maintenance</div> <div>Modifications</div> <div>Decommissioning Services</div> </div> </div>		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <div>Upstream</div> <div>Downstream & Chemicals</div> </div> <div style="text-align: center;"> <div>Operations & Maintenance</div> <div>Modifications</div> <div>Industrial Services</div> <div>Decommissioning Services</div> <div>Turbine Activities</div> </div> </div>		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <div>Subsea & Export Systems</div> <div>Automation & Control</div> <div>Mining & Minerals</div> <div>Nuclear</div> <div>Technology & Consulting</div> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <div>Environmental Remediation</div> <div>Environmental Sciences</div> <div>Permitting & Compliance Services</div> <div>Public Infrastructure</div> <div>Geotechnical & Materials</div> <div>Facility Operations</div> </div> </div>

Proforma financial performance 2015 to H1 2017

- Covers the historic performance of the combined Wood business from 2015 to H1 2017
- It excludes the results of businesses disposed; the AFW North Sea upstream business, the AFW North American nuclear operations and the disposed elements of GPG
- EBITA is stated after costs relating to asbestos
- The 2017 Financial results will include proforma figures produced on the same basis

	2015 (\$m)			2016 (\$m)			H1 2017 (\$m)		
	Revenue	EBITA	Margin	Revenue	EBITA	Margin	Revenue	EBITA	Margin
Asset Solutions Americas	4,758	343	7.2%	4,219	225	5.3%	1,584	91	5.7%
Asset Solutions EAAA	5,253	393	7.5%	4,016	350	8.7%	1,680	98	5.8%
Specialist Technical Solutions	1,481	183	12.4%	1,240	147	11.9%	647	74	11.4%
Environment & Infrastructure Solutions	1,243	84	6.8%	1,252	40	3.2%	646	40	6.2%
Investment Services	489	52	10.7%	508	4	0.8%	187	15	8.0%
Central costs	(101)			(93)			(54)		
Total	13,224	954	7.2%	11,235	673	6.0%	4,744	264	5.6%

All figures in the table above are extracted from published financial data. They are presented on a pro-forma basis, are unaudited and provided for illustrative purposes only



Targeting conservative capital structure & progressive dividend

Structure

Equity

All share offer at 0.75 ratio
c. 450m weighted average shares on fully diluted basis

Debt

3 year Term Loan \$1bn
5 year RCF \$1.75bn

Net debt to EBITDA c 2.2x at completion
(Covenant Net Debt to EBITDA < or equal to 3.5x)

Capital allocation

1

Debt reduction
(No change to LT 0.5x-1.5x EBITDA target)

2

Dividend
(progressive policy,
H12017 interim up 3%)

Superior returns from the delivery of significant synergies

>\$170m in cost synergies by year 3
(costs to deliver of c \$201m)

Corporate (c 30%)	Leadership consolidation / Duplicated functional support
Administrative (c 30%)	Office location overlap / ERP / Central support functions / IT&S
Operational (c40%)	Regional overlap / Procurement / Efficiency & Utilisation

Additional potential
revenue synergies

Access to new
customers

Cross selling

Enhanced service
opportunities

2017 results communication – what to expect

2017 Performance

- Proportionally consolidated EBITA and AEPS will remain our principal profit measures
- 2017 Reported performance will include 3 months of AFW excluding the upstream UK business
- 2017 Proforma results will establish a base. These will exclude businesses disposed including the AFW's UK upstream and N. America nuclear businesses and GPG

Cost recognition

- Exceptional items will include costs to deliver synergies and deal related costs
- Costs in respect of asbestos will be included above the EBITA line

Key dates

- 13 December - Full year trading update
- 22 March – Full year results
- H1 2018 - Backlog / order book metrics to be provided

Q&A
