Full year results 2019

Robin Watson - Chief Executive
David Kemp - CFO
10 March 2020

woodplc.com

Our strategic and financial focus

Positioned for Energy Transition and Sustainable Infrastructure

Earnings growth:

Like-for-like EBITDA **up 5%**

Operating profit **up 15%**

Margin improvement:

Like-for-like EBITDA margin **up 40bps**

Strong cash generation:

$89m reduction in net debt

Cash generation and portfolio rationalisation delivering target leverage:

1.5x
Proforma net debt : pre IFRS 16 EBITDA

c$430m
Disposal proceeds

Our purpose is to…

To create a sustainable future for energy and the built environment

by… Unlocking solutions to the world's most critical challenges

driving… best in class engineering and consultancy solutions in consulting, projects and operations across energy and built environment markets.

Financial Performance

David Kemp, CFO

Earnings growth & margin improvement

Revenue	EBITDA	EBITDA Margin	Operating profit (pre exceptional)	Total dividend
$9.9bn	$855m	8.6%	$411m ▲ 15.1%	35.3c ▲ 1%
	Like for like[1]:	*Like for like[1]:*	AEPS	
▼ 1.2%	$704m ▲ 5.4%	7.1% ▲ 0.4%	46.0c ▼ (1.3)%	

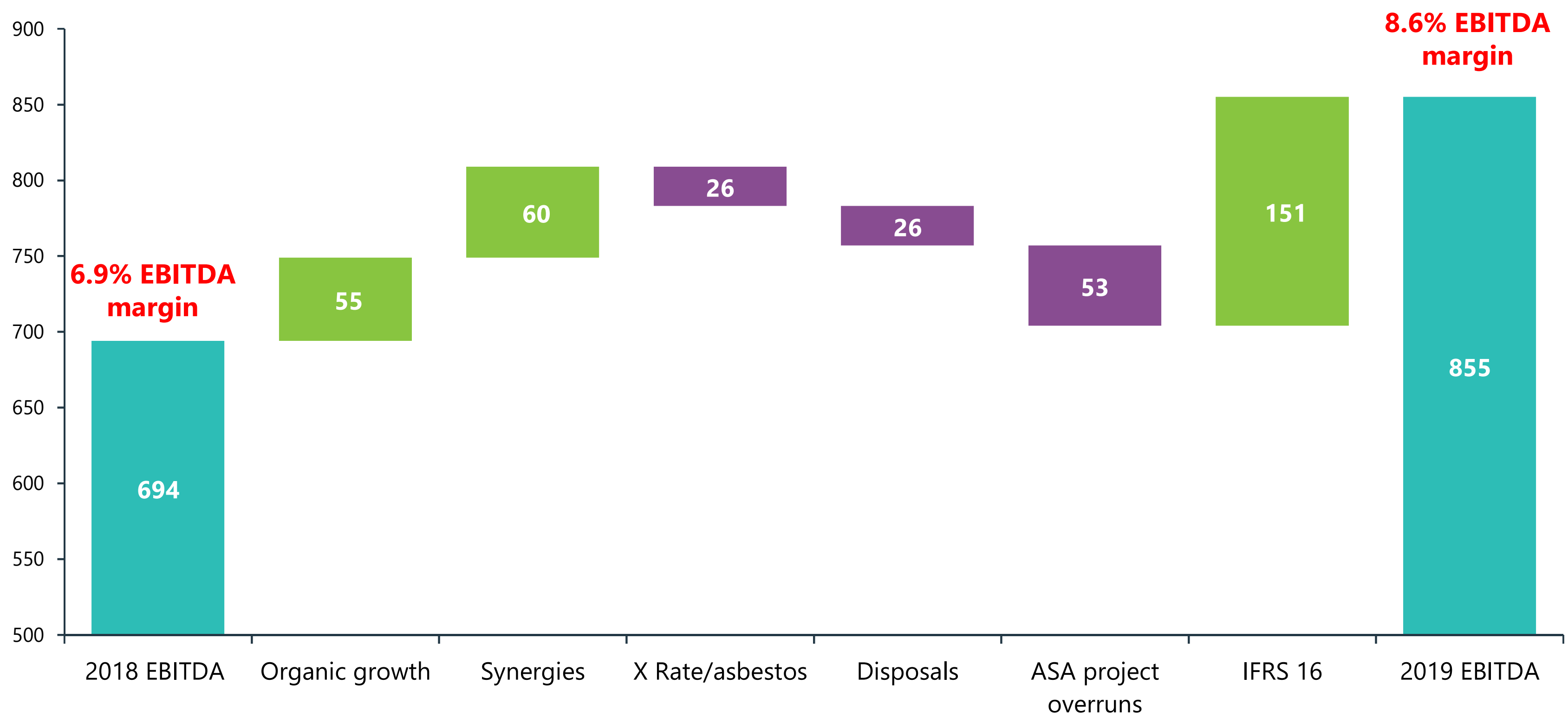
- Revenue reflects generally robust activity across Energy and Built Environment markets
- EBITDA growth led by performance in ASEAAA & E&IS
- Synergy delivery c$60m
- Like for like EBITDA up 5%, margin up 40bps[1]
- Dividend increase in line with progressive policy

1) *Like for like basis excludes the impact of IFRS 16 and excludes the contribution from disposals executed in 2019.*

Like for like EBITDA up 5% and margin up 40bps

	2019 ($m)			2018 ($m)		
	Revenue	**EBITDA**	*Margin*	**Revenue**	**EBITDA**	*Margin*
Asset Solutions Americas	**3,894**	**199**	***5.1%***	3,668	227	*6.2%*
Asset Solutions EAAA	**3,148**	**294**	***9.3%***	3,283	258	*7.9%*
Technical Consulting Solutions	**2,761**	**246**	***8.9%***	2,851	241	*8.5%*
Investment Services	**67**	**36**	***53.7%***	136	17	*12.5%*
Central costs/asbestos/other		(71)			(75)	
Like for like	**9,870**	**704**	***7.1%***	9,938	668	*6.7%*
Disposals (TNT, AFW Power machinery, Voreas etc.)	**20**	**0**		76	26	
IFRS 16 Adjustment		**151**				
Total	**9,890**	**855**	***8.6%***	**10,014**	**694**	***6.9%***

Organic growth & cost synergies contributing to EBITDA margin of 8.6%



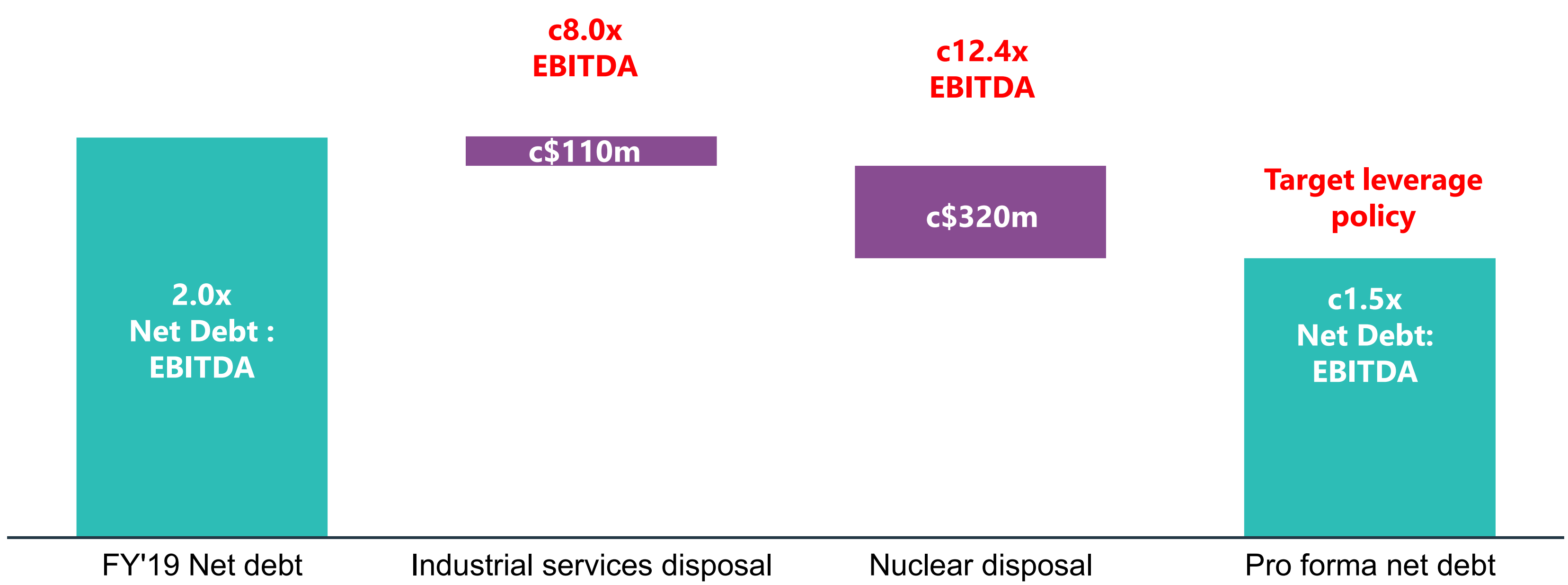
Strong cash generation in 2019 and net debt reduction

	2019 $m	2018 $m	2019 Commentary
Adjusted EBITDA	**704**	**694**	• Excludes IFRS 16
JV EBITDA /divs & F/x	(27)	(74)	• Share of JV EBITDA net of dividends received incl. fx
Provisions	(216)	(144)	• Largely relates to legacy projects previously provisioned including AEGIS
Cash generated pre working capital	**461**	**476**	
Working capital movements	204	291	• DSO reduced by 8 days. Inflow includes advance payments of $128m in ASA
Exceptional items	(74)	(142)	• Significant reduction in integration costs
Cash generated from operations	**591**	**625**	• 96% cash conversion (pre IFRS 16 EBITDA ex JVs) vs guidance 80-85%
Divestments/ (acquisitions)	43	3	• Includes TNT, Voreas, AFW power machinery & infrastructure assets
Capex & intangible assets	(127)	(88)	• Includes additional software renewals in 2019
Free cash flow	**506**	**540**	
Tax, interest, dividends and other	(417)	(442)	• Includes $236m dividend payments
Net decrease in net debt	**89**	**98**	
Adjustment for finance leases	0	35	
Net debt excluding leases	**(1,424)**	**(1,513)**	• Guidance at Dec 2019 "< $1.5bn" / Net debt : EBITDA 2.0x (pre IFRS 16)

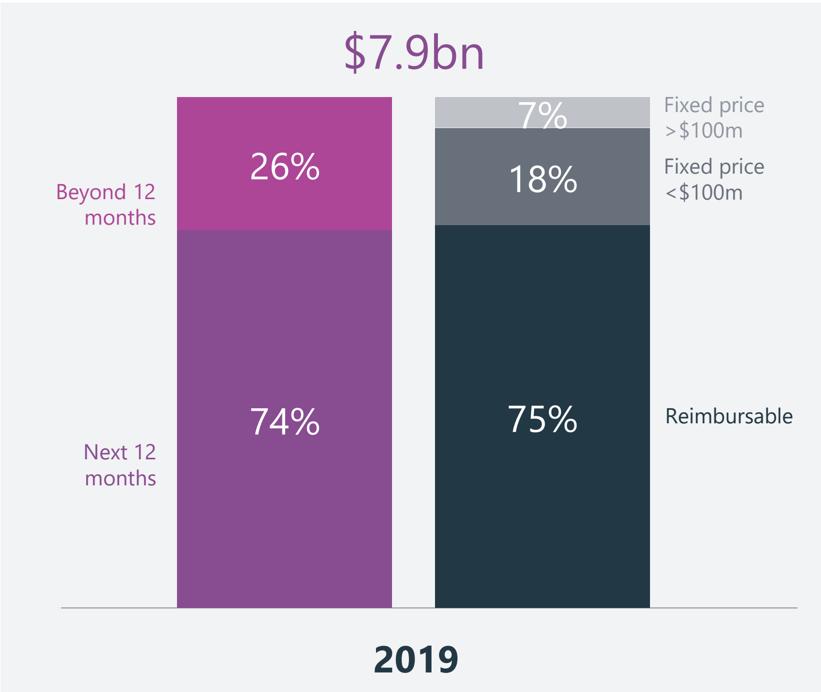
Cashflow benefitting from DSO improvement and advance payments

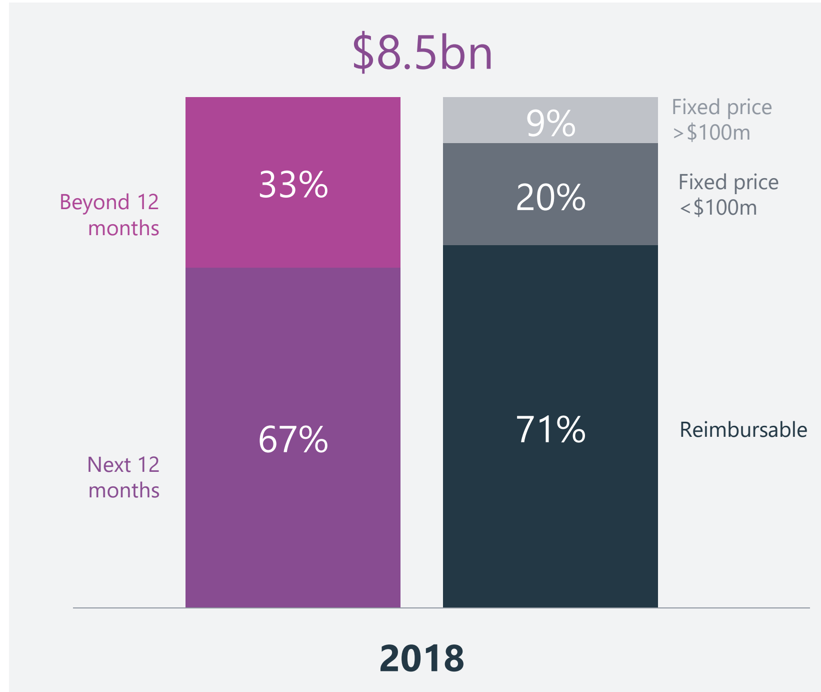
	2019 $m	2018 $m	Commentary
Receivables	200	89	• Improved receivables days impact of$156m • Inflow from receivables financing facility of $44m • Reduction in aged balances vs prior year
Payables	(121)	249	• Includes impact of alignment of payment terms in 2018
Advanced payments	128	(47)	• Improved advances on EPC activity
Inventory	(3)	0	
Working capital inflow	**204**	**291**	

Achieving target leverage of 1.5x EBITDA on a pro forma basis



Order book: reflective of short cycle model and commercial agility





Improved near term visibility : “next twelve months” backlog up on Dec 2018

2020 cashflow: reduced provisions, exceptional items and capex

	FY 19	2020 outlook
Provision movements: projects, asbestos and disposed businesses • Project related - large number of smaller provisions • Estimated future cost/claims including Aegis	**$(216)m**	**FY 2020 c$(100)m** • Expect significant reduction in project provision movements • Asbestos in line with 2019 at $36m, reducing thereafter
Working Capital movements • Average DSO 60-70 days • 60 day payment terms • Advances build/unwind linked to EPC activity	**$204m inflow**	**FY 2020 c$(90)m** • Potential outflow in 2020 • Maintain DSO focus as main driver of cashflow • Currently expect an unwind of EPC advances received in 2019
Exceptional items • Integration , restructuring • Onerous leases • Investigation costs	**$(74)m**	**FY 2020 c$(60)m** • Costs to deliver margin improvement/TCS integration • Onerous leases reducing, nil by 2024 • Investigation support costs • Excludes regulatory settlements
Capex & Intangible assets	**$(127)m**	**FY 2020 c$(115)m** • Ongoing costs on software licenses • ERP roll out
Tax	**$(84)m**	**FY 2020 c$(75)m**

Covid 19 and recent oil price change not factored in to forecast

Update on regulatory investigations

Ongoing cooperation with investigations related to historical use of agents throughout 2019

- Potential settlement of investigations in:
  - US (SEC & DoJ)
  - Brazil
  - Scotland (COPFS)

- Provision of $46m recorded in 2019
- Timing on any settlement uncertain

- Continuing to assist in relation to SFO's investigation

- Contingent liability

Capital allocation focused on a strong balance sheet foundation

Sources of cash	Priorities for uses of cash
Earnings growth	Strong balance sheet foundation
Strong cash generation	Dividend
Portfolio optimisation	Capex
	Bolt on acquisitions

2020 guidance

- Existing forecasts and orderbook supported modest underlying revenue growth and growth in underlying EBITDA underpinned by margin improvements
- Forecasts do not factor in:
  - Impacts of Covid 19 and recent oil price decline on activity which are too early to quantify
  - Actions we will take to mitigate impacts
- Currently no material direct impact from Covid 19
- Agile response to changing market conditions is embedded in flexible, asset light model and existing margin improvement initiatives
- Breadth of Energy and Built Environment markets (c 35% upstream/midstream oil & gas)

Embedded strategy to deliver medium term margin improvement

Levers to improve margin

Controlling what we can control:

Portfolio Optimisation

- Profitability and strategic importance criteria

Execution excellence

- Risk appetite and tender governance
- Exceptional execution
- Efficiency and cost reduction including TCS
- Commercial acumen

Earnings and margin objective

Create a premium and differentiated business with:

100bps+

Margin improvement by 2023 vs 2019 margin of 8.6%

Financial summary

Earnings growth, margin improvement and strong cash generation

- Robust activity across Energy and Built Environment markets
- EBITDA growth led by performance in ASEAAA & E&IS
- Like for like EBITDA up 5%, margin up 40bps
- Dividend increase in line with progressive policy
- Strong cash generation and disposal proceeds of c$430m deliver target leverage of c1.5x
- **2020 guidance** :
    - Existing forecasts & order book supported modest underlying revenue growth and growth in underlying EBITDA
    - Expect impact on activity of Covid19 and oil price decline but too early to quantify
    - Breadth of Energy and Built Environment markets (c35% upstream/midstream oil & gas)
    - Agile response embedded in flexible, asset light model and margin improvement programmes

Positioning for growth

Robin Watson, Chief Executive

Our strategic objective is clear

Our strategic objective is to be a:

Premium, differentiated and higher margin business.

With a relevant and enduring market position consistent with rapid evolution to a healthier planet, established from a secure and affordable **energy transition and sustainable infrastructure.**

Enduring and differentiated investment platform

Flexible, asset light model

Strong cash generation

Strategic market positioning

Leading position in core markets

Tender review process

Commercially versatile with measured risk appetite

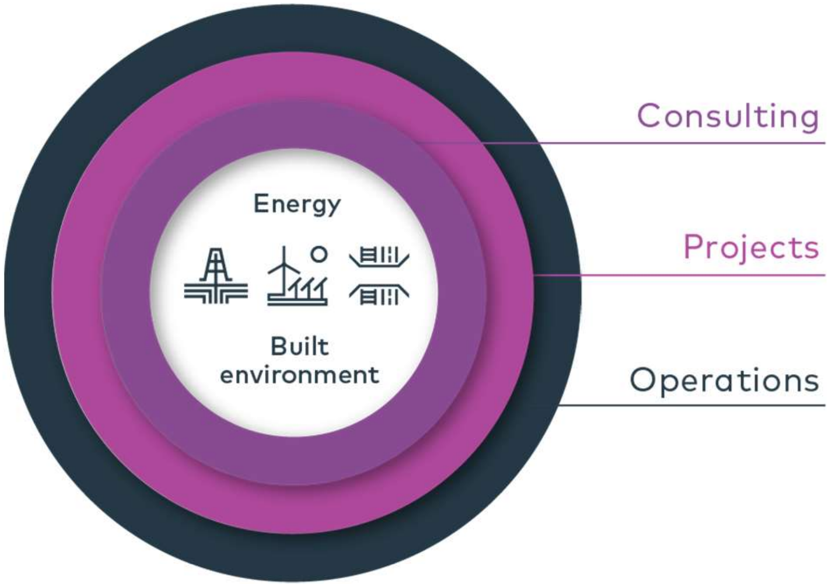
Blue chip customers and OECD weighting

Opex Capex

Balanced across spending

Who we are and what we do

We are one of the world's leading engineering and consultancy companies operating in energy and built environment markets today.

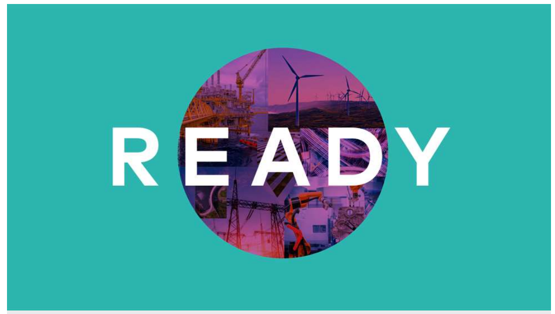


An optimal combination of solutions and end markets

3 Service lines	Consulting	Projects	Operations
	Specialist engineering Infrastructure development Environmental consulting	Project Management & Delivery Engineering Design Construction	Asset optimisation Modifications Maintenance
2 End markets	**c50% Energy / c50% Built Environment**	**c95% Energy / c5% Built Environment**	
Reportable segments	**Technical Consulting Solutions** (c.30% of revenue)	**Asset Solutions** (c70% of revenue)	

Strategic priorities to 2023

Positioning for emerging trends in Energy and Built Environment markets



Operational model designed to unlock growth opportunities, differentiated by:

- Unique range of capabilities & position amongst peers
- Commercial versatility & risk appetite
- Cross-selling ability
- Breadth of markets & customers

2023 strategic focus on higher margin project management, operations & consulting business supported by:

- Near term priorities aligned to emerging market trends
- Strategy for sustainable cash generation, margin improvement & revenue growth


Supporting energy transition through our
growing renewables business
Owner's engineer on
Europe's largest
single-site onshore wind farm
Providing power performance testing to
Europe's largest
multi-site onshore windfarm
Growing our solar business in North America
>$500m Revenue in 2020
(2019: c$250m)
230MW
of power


Helping operators on their
decarbonisation journey
Leading a first-of-its kind project for
reducing CO2 emissions
Powering O&G platforms with
floating offshore wind
Will reduce CO2 by over
200k tons a year

Improving traffic flow on one of
Washington's busiest interstates
Creating a UK first-of-its-kind
City-wide digital transport model
2,000+ miles
of roadway planning and design in North America
Improving mobility through
sustainable infrastructure design
Designing improvements for a
major commuter rail infrastructure

Helping businesses grow through

exploring, evolving and deploying the latest innovations

Automating pipeline design

To reduce cost and time to production

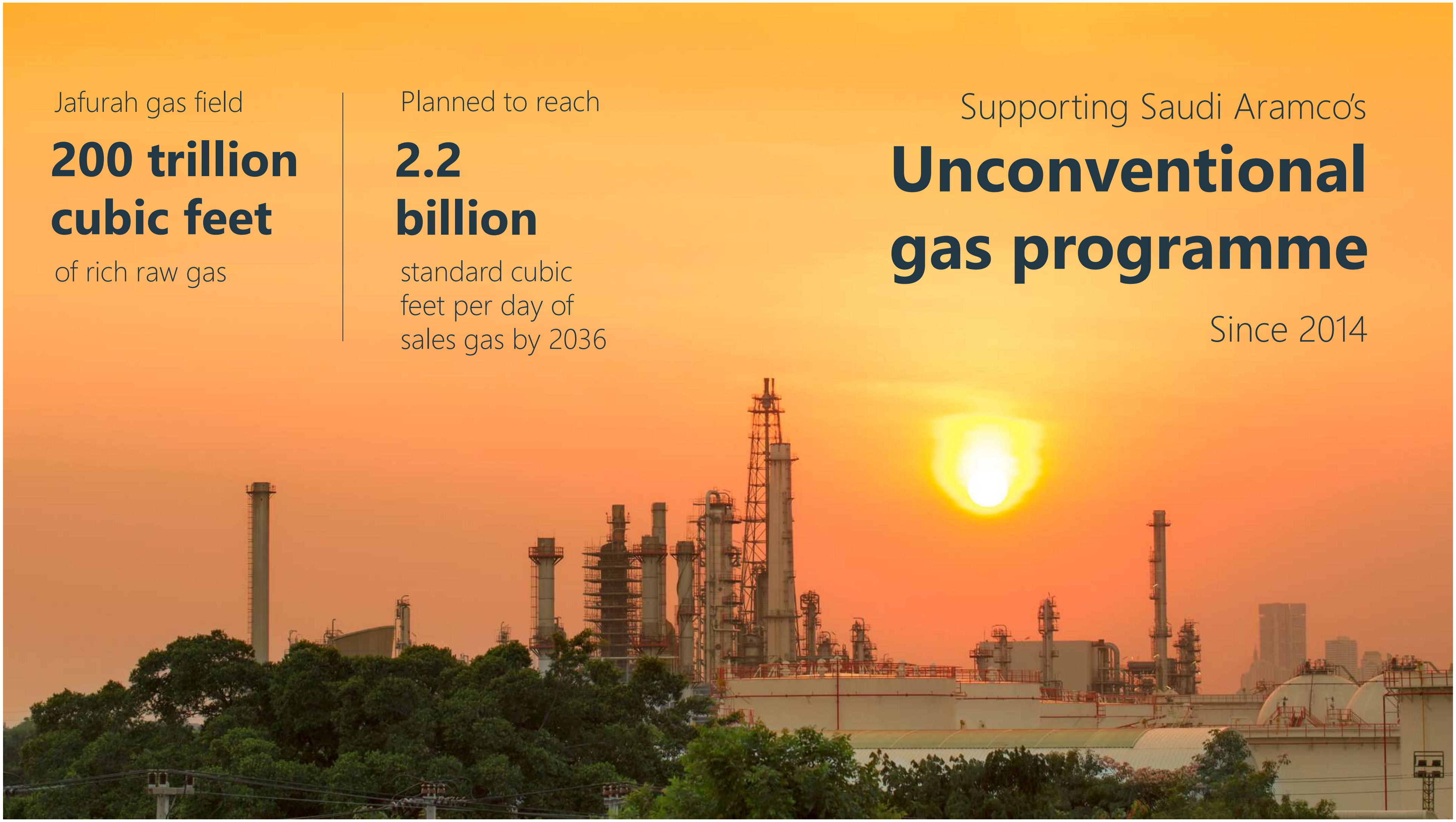
Technical and commercial experts on the

Enabling Future Arrays in Tidal (EnFAIT) project

Developing world class

integrity management software


Program Management Partner on
One of the largest Petrochemical Olefin complex investments
in Western Europe for a generation
Integrating
cutting edge technologies
Driving sustainability through
highly efficient design


Jafurah gas field
200 trillion cubic feet
of rich raw gas
Planned to reach
2.2 billion
standard cubic feet per day of sales gas by 2036
Supporting Saudi Aramco's
Unconventional gas programme
Since 2014

Outlook across Energy and Built Environment markets

	Markets	%	Market themes	Wood near term outlook
Energy	**Upstream/ midstream**	**c35%**	• Risks to positive near term outlook from Covid 19 and oil price decline	• Impact on activity of recent oil price movement to be assessed
Energy	**Downstream & chemicals**	**c25%**	• Near term: Modest growth , stronger in petrochemicals vs. refining • Strong medium term global growth led by petrochemicals • Longer term opportunities driven by feedstock changes	• Robust activity in ASA • Stronger outlook in ASEAAA with increased capital projects activity in Asia Pacific /ME
Energy	**Renewables & other energy**	**c25%**	• Near term: Good growth in solar and wind capacity additions • Rapid medium term growth: 3x in solar & 2x in wind • Longer term pace of growth driven by new technology adoption and government support	• Current principal renewables activity in ASA, where outlook is positive for solar
Built environment	**Sustainable infrastructure**	**c15%**	• Near term: Robust demand : c2% growth in infrastructure spend • Strong medium term outlook: c25% increase in spending required to meet infrastructure requirements led by transport • Longer term demand supported by commitments to UN sustainable development goals	• Current expectation of activity to remain robust in TCS • Potential short term impact of Covid 19

Strategically agile

Acquired capability in US shale

Acquired capabilities in Petrochemicals and Automation

Simplified operating structure

AFW acquisition broadens end markets

Accelerated integration & revenue synergies

Portfolio optimisation, **Nuclear** and **infrastructure assets** disposed

- **Unique range** of capabilities & position amongst peers
- Commercial **versatility** & **risk appetite**
- **Cross-selling** ability
- **Breadth** of markets & customers

2012 - 14 | **2015** | **2016** | **2017** | **2018** | **2019** | **2020 - 2023**

Falling oil price & reduced E&P spend

c90%
Upstream Oil & Gas

Oil price volatility & flat E&P spend

c35%
Upstream/midstream Oil & gas

Balanced market focus between;
Built environment, Energy: Other energy, Energy: Downstream & Chemicals, Energy: Upstream

2 Service Lines: Engineering, Operations/MMO

3 Service Lines: Consulting, Projects, Operations

Maintain 3 service lines focused on best in class Engineering and Consultancy solutions

Key areas of strategic focus

Our goal

Leaders in our field in environmental, social and corporate sustainability

What we have done

- ✓ Safety as top priority : strong performance/reduced injuries in 2019
- ✓ Established a visible, continually improving ethical culture
- ✓ Defined our targets and commitments against UN SDGs

Our focus

- Relentless focus on delivering highest standards of health and safety
- Publishing carbon emissions target commitments
- Further extending active diversity and inclusion programmes across our business

Key areas of strategic focus

Our goal

Laser sharp focus on right markets for right return

What we have done

✓ Nuclear

✓ Industrial Services

Our focus

- Further strategic disposals
- New acquisitions in high margin consultancy

Key areas of strategic focus

Our goal

100bps margin improvement by 2023

What we have done

- ✓ Launched TCS
- ✓ Strong progress on margin improvement
- ✓ Achieved significant efficiencies

Our focus

- Improve price point by positioning in the right growth markets
- Delivering consistent exceptional execution
- Balance Risk & Reward
- Delivering cost efficiencies

Key areas of strategic focus

Our goal

Consistent, predictable, best in class delivery, every time

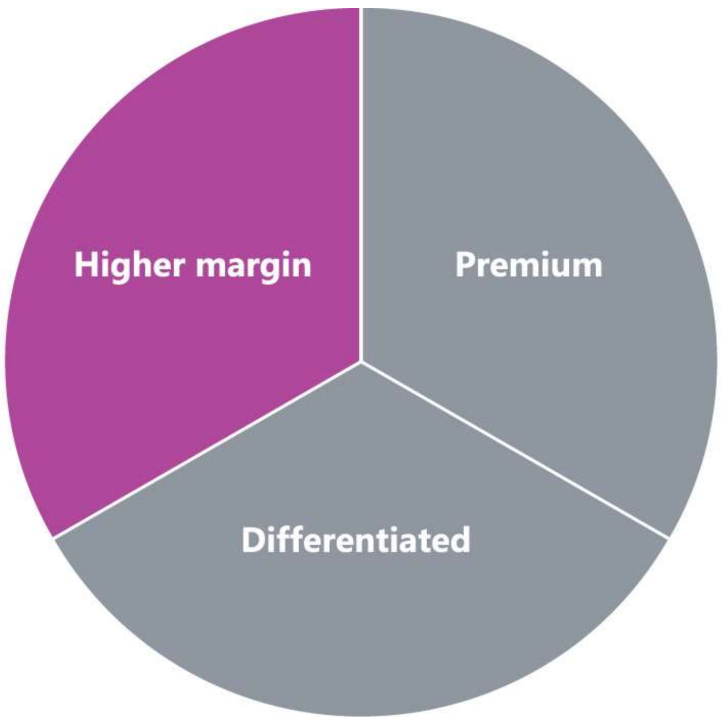
What we have done

- ✓ Established our Execution Excellence Programme & 'The Wood Way'
- ✓ Achieving >90% repeat business
- ✓ Unlocked HVEC models across our business

Our focus

- Standardise, optimise and digitise our solutions
- Technology partnership eco-system
- Heightened leverage from HVEC

The result



Summary

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Margin improvement:

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Strong cash generation:

$89m reduction in net debt

Cash generation and portfolio rationalisation delivering target leverage:

1.5x
Proforma net debt : pre IFRS 16 EBITDA

c$430m
Disposal proceeds

Appendices

Cashflow reconciliation : pre/post leases and IFRS 16

	2019 $m	Leases	Post-Leases	
Adjusted EBITDA	**704**	**151**	**855**	• IFRS 16 : $151m depreciation and interest
JV EBITDA /divs/other	(27)	(6)	(33)	
Provisions	(216)		(216)	
Cash generated pre working capital	**461**	**145**	**606**	
Working capital movements	204	(12)	193	
Exceptional items	(74)	23	(52)	• Onerous lease adjustment relating to IFRS 16
Cash generated from operations	**591**	**156**	**746**	
Divestments/ (acquisitions)	43	-	43	
Capex & intangible assets	(127)	-	(127)	
Free cash flow	**506**	**156**	**662**	
New leases	-	(136)	(136)	• New leases signed in the period, $126m IFRS 16 related
Tax, interest, dividends and other	(417)	10	(407)	
Net decrease in net debt	**89**	**30**	**119**	
Opening net debt	**(1,513)**	**(604)**	**(2,117)**	
Closing net debt	**(1,424)**	**(574)**	**(1,998)**	

Balance sheet review

	2019 $m	2018 $m	Commentary
Goodwill and intangible assets	**6,299**	6,657	• Includes $4.6bn relating to AFW. Reduction due to Nuclear reclassified as held for sale
Other non-current assets	**965**	1,064	• Includes non core JV interest moved to " held for sale"
Trade and other receivables	**2,306**	2,556	• Strong cash collection & improved DSO • Larger contracts close to completion
Net held for sale assets and liabilities	**413**	32	• Nuclear , WGIS and other JV interest
Trade and other payables	**(2,620)**	(2,526)	• Increase in gross amounts due to customers re: advance payments received in ASA
Net debt excluding leases	**(1,424)**	(1,513)	• Reduction benefitting from strong cash generation
Lease liabilities	**(156)**	-	• IFRS 16 adoption : net of right of use asset
Provisions	**(792)**	(991)	• Reduced legacy provisions
Other net liabilities	**(545)**	(668)	• Onerous leases set against lease liabilities
Net assets	**4,446**	4,610	