



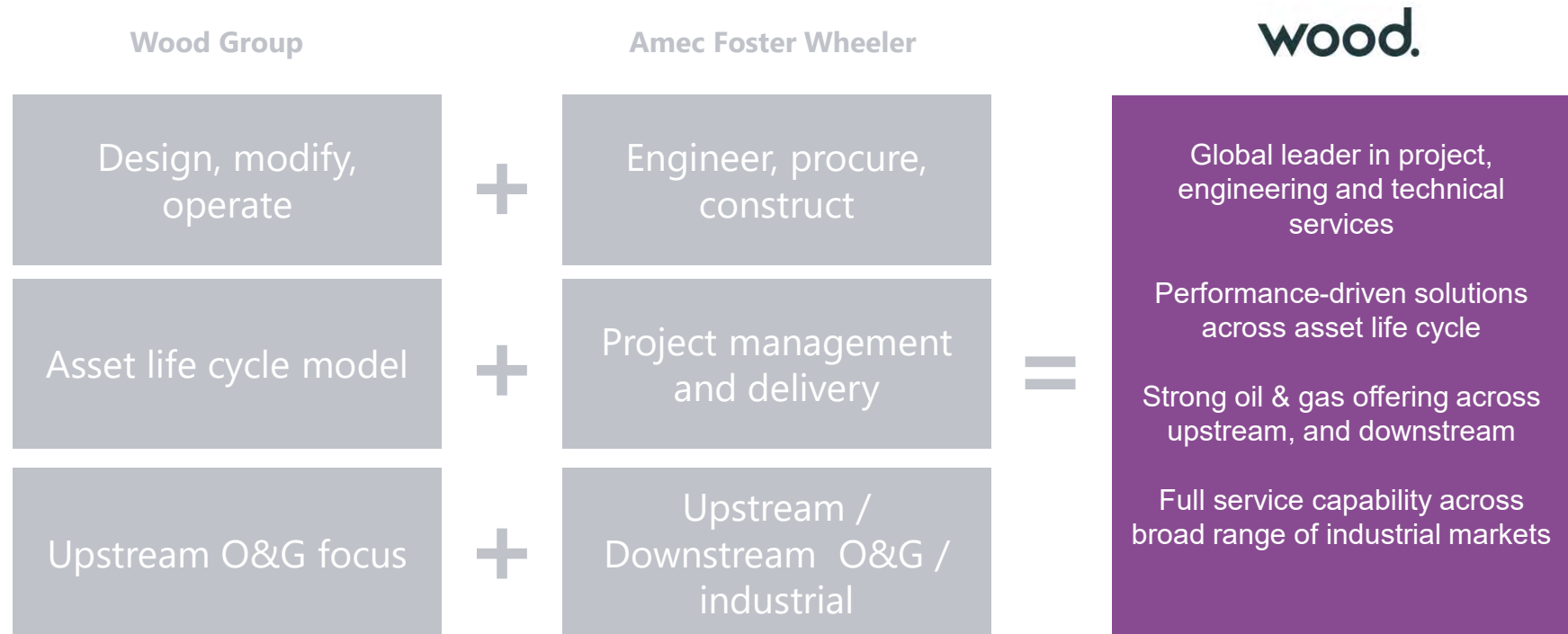
# Full year 2017 results

March 20<sup>th</sup> 2018

[woodplc.com](http://woodplc.com)

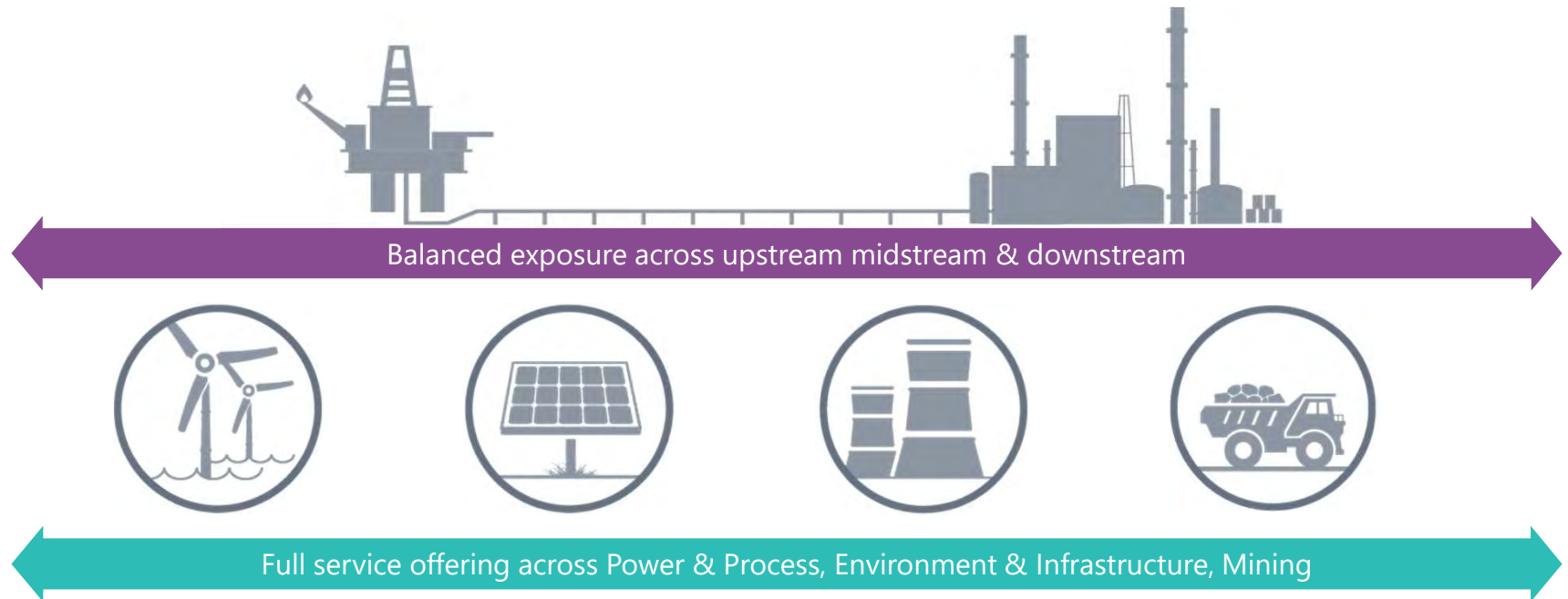


# Transformational strategic development : creating Wood



# A broader business with multi sector capability

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# Enduring investment themes

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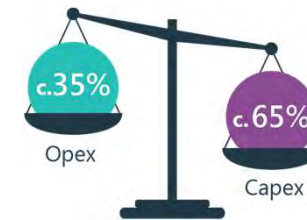
commercially versatile contracting



flexible asset light model



broad end market exposure and lower volatility



balance across opex and capex

# Financial Performance

David Kemp, CFO

## Relatively resilient performance in a challenging market

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Total Revenue	Total EBITA	EBITA Margin	AEPS	Total Dividend
\$6.2bn	\$372m	6.0%	53.3c	34.3c
▲ 25%	▲ 3%	▼ 1.4%	▼ 17%	▲ 3%

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- Reported results include post-completion contribution from AFW
- Performance on a reported basis ahead of expectations
- Challenging oil & gas market
- Growth in certain areas ; stronger H2 as expected
- Dividend increase in line with progressive policy

# Amortisation, interest, tax and exceptional items

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## Amortisation

\$141m

▲ 35%

- AFW related amortisation \$32m

## Net finance expense

\$53m

▲ 104%

- New debt facilities:
  - \$1bn term loan
  - \$1.75bn revolving facility

## Taxation

\$42m

▼ 29%

- Effective tax rate 23.8%
- US tax reform one-off credit

## Exceptional items (post tax)

\$165m

▲ 18%

- Includes:
  - Acquisition costs \$67m
  - Restructuring & integration \$51m
  - Arbitration provision \$19m
  - Impairment \$28m

# Proforma financial performance

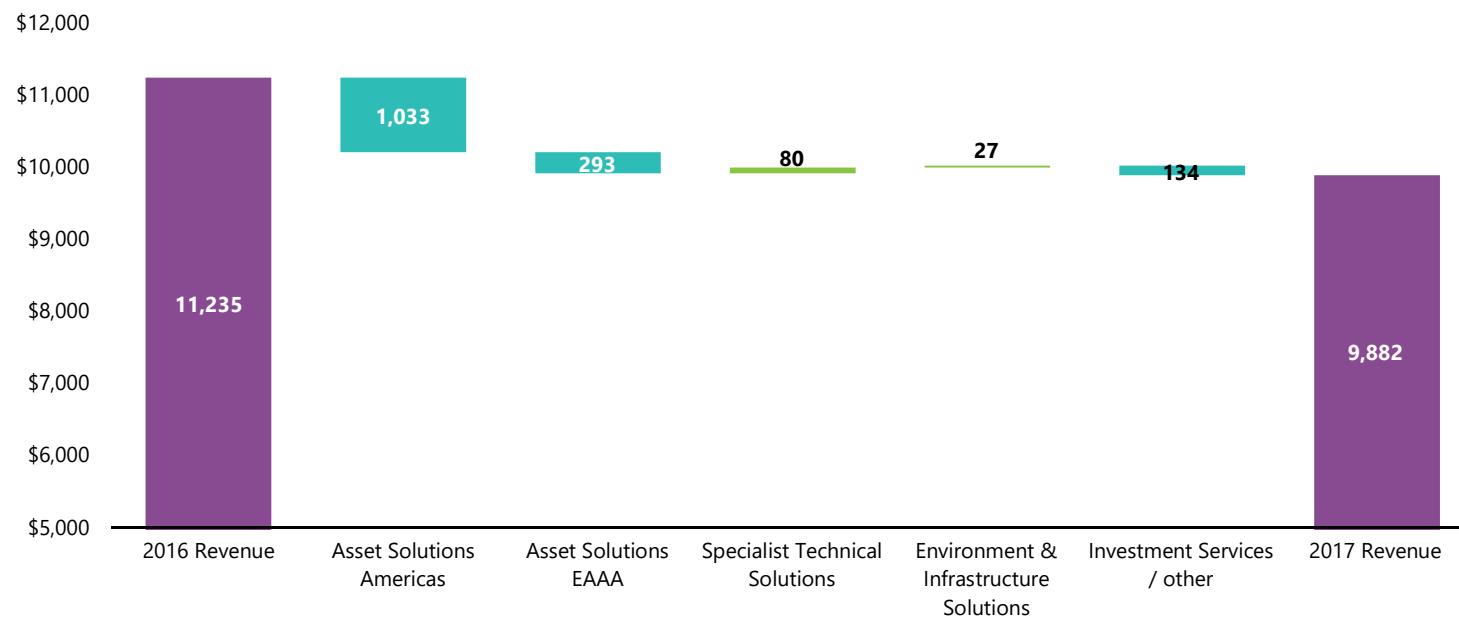
	2017 (\$m)			2016 (\$m)		
	Revenue	EBITA	Margin	Revenue	EBITA	Margin
Asset Solutions Americas	3,186	165	5.2%	4,219	225	5.3%
Asset Solutions EAAA	3,723	283	7.6%	4,016	350	8.7%
Specialist Technical Solutions	1,320	134	10.1%	1,240	147	11.9%
Environment & Infrastructure Solutions	1,279	72	5.6%	1,252	40	3.2%
Investment Services	374	28	7.5%	508	4	0.8%
Central costs		(84)			(93)	
<b>Total</b>	<b>9,882</b>	<b>598</b>	<b>6.0%</b>	<b>11,235</b>	<b>673</b>	<b>6.0%</b>

- Proforma 2017 EBITA of \$598m in line with guidance and expectations
- Representative of the underlying business and establishes the base for Wood going forward
- Positive impact of dispute settlement in AFW in 2017
- Growth in certain areas – automation, US offshore greenfield, ME & APAC operations services
- Offset by reduction in - US onshore engineering, solar, subsea



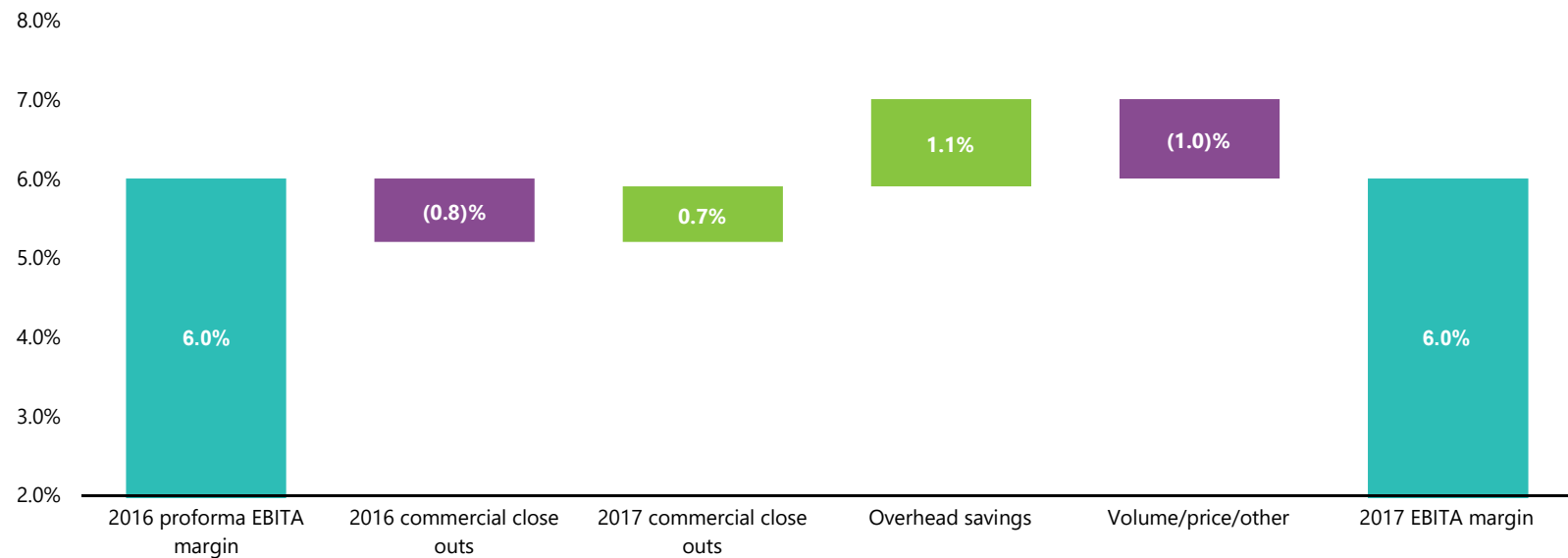


# Lower legacy AFW revenues in solar and downstream

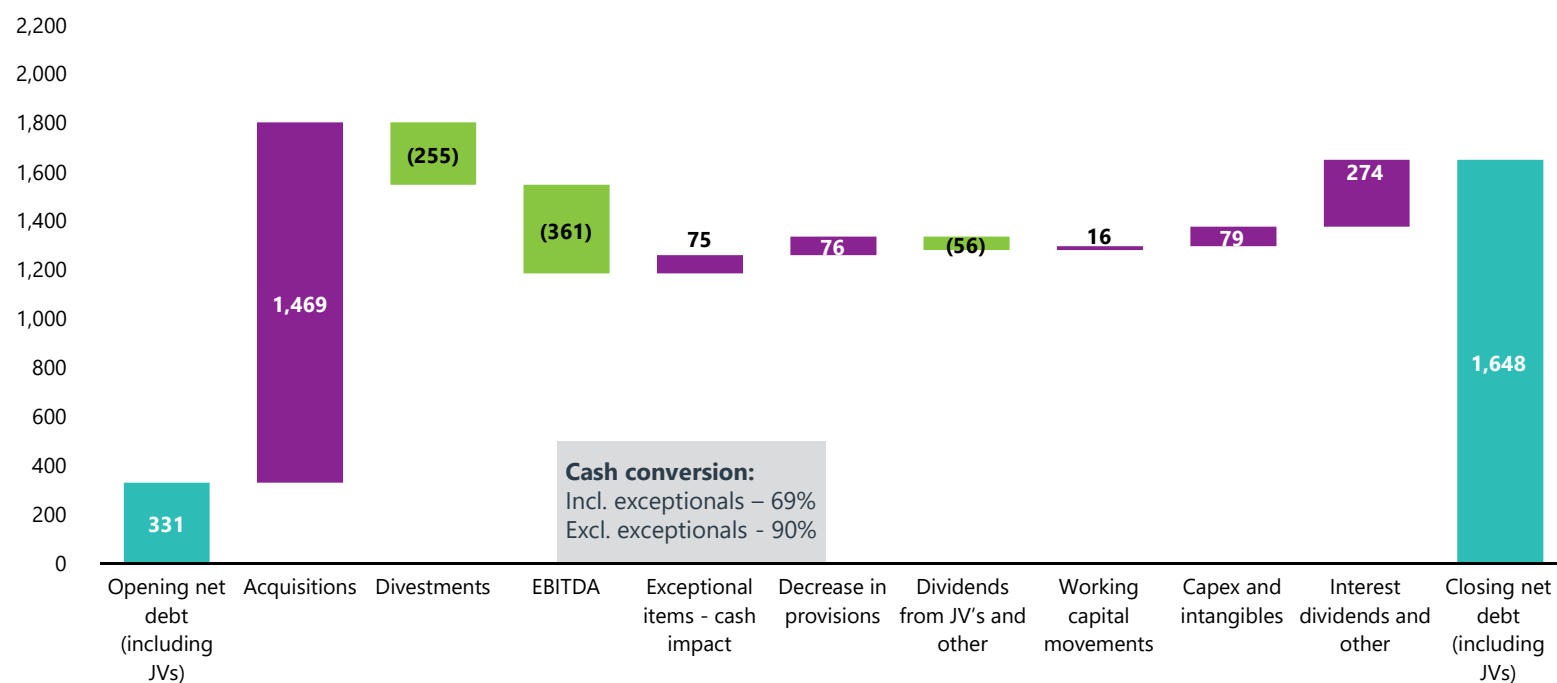


# Mitigating trading challenges still in focus

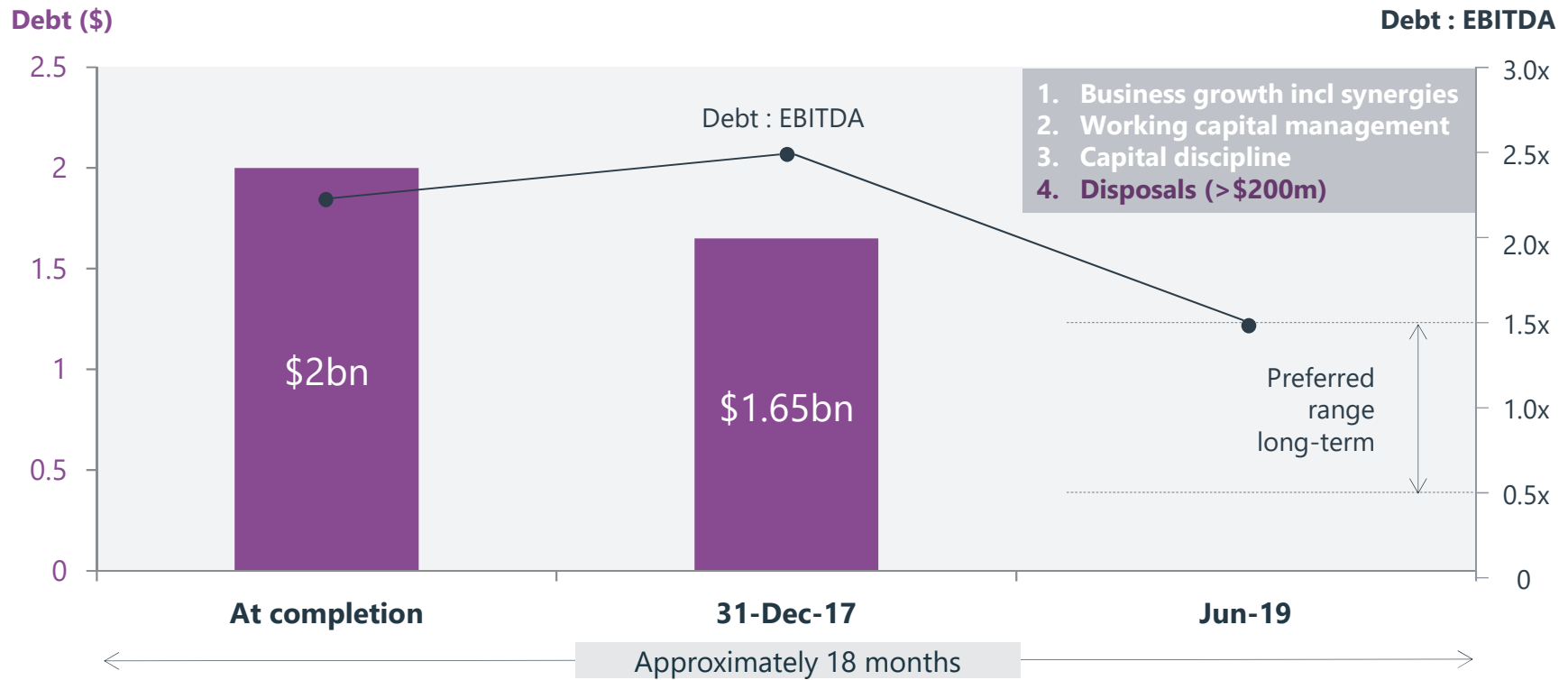
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# Net debt bridge

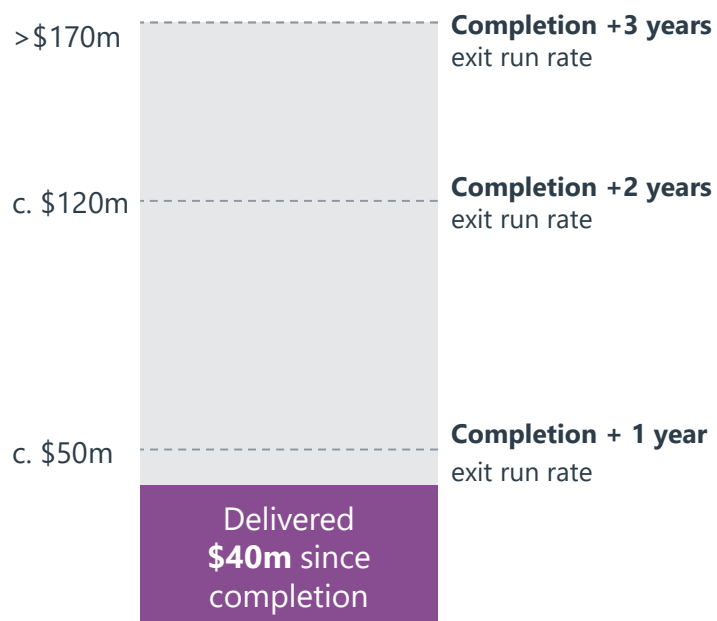


# Deleveraging including >\$200m disposal programme

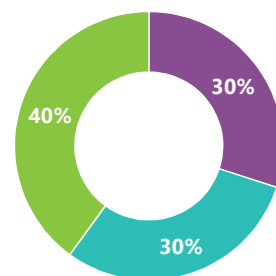


# Cost synergies vs target

## Prospectus Target : >\$170m

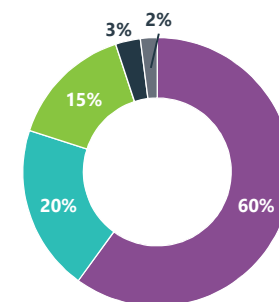


## Allocation by type



- **Corporate**  
Leadership consolidation, duplicated functional support
- **Administrative**  
Office location, ERP, central support, IT&S
- **Operational**  
Regional overlap, procurement, efficiency, utilisation

## Allocation by business unit



- Functional support/Group-wide
- Asset Solutions - Americas
- Asset Solutions - EAAA
- Specialist Technical Solutions
- Environment and infrastructure

# Outlook and financial objectives

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## Outlook

- Ahead on cost synergies delivery
- Early stage recovery in certain markets
- Modest EBITA growth in 2018 vs 2017 proforma of \$598m

## Clear financial objectives

- Deliver cost synergies >\$170m
- Achieve target Net Debt:EBITDA in c18 months
- Maintain progressive dividend

# Business update

Robin Watson, Chief Executive

# Wood is a broader business

Revenue

\$10bn

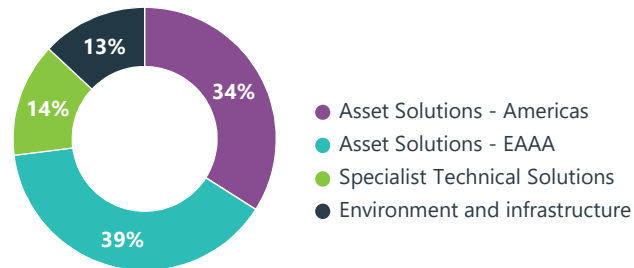
Employees

55,000

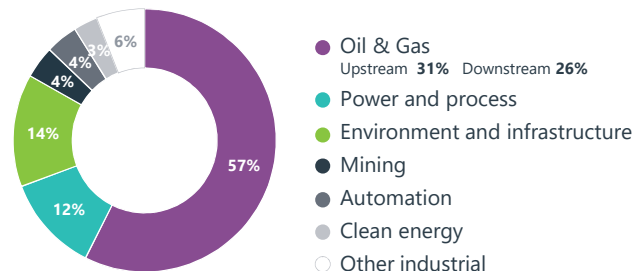
Countries

60+

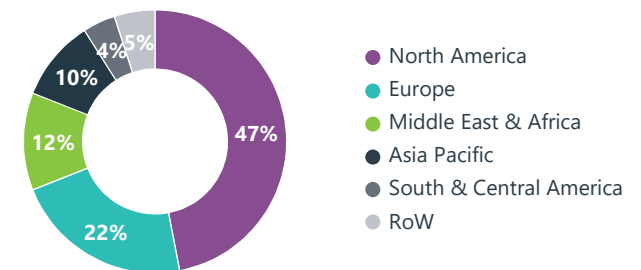
Proforma Revenue by **Business Unit**



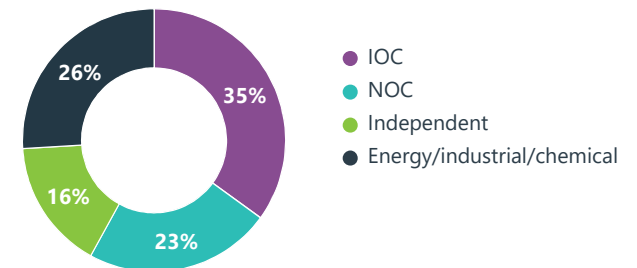
Proforma Revenue by **Sector**



Revenue by **Geography**



Proforma Revenue **Top 20 Customers**





# First 100 days : AFW deep dives

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## Identifying opportunities

- Confirmed strategic rationale
- Depth of capability
- Good growth prospects
- Extensive revenue synergies
- Opportunity in E&I and Mining
- Identifying non core assets

## Managing risks














- Contract risk profile in line with expectations
- Enhanced governance
- Updated tender and contracting processes
- De-risking inherited portfolio

# Integration priorities

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- |   |   |   |
|---|---|---|
| 1 | Early adoption of Wood operating model      | <ul style="list-style-type: none"><li>✓ Communicated directly to 44,000 people on day 1</li><li>✓ Clarity for stakeholders</li><li>✓ Minimal organisational disruption</li></ul>                                  |
| 2 | Identify leadership team and direct reports | <ul style="list-style-type: none"><li>✓ ELT in place prior to completion</li><li>✓ Next two levels of organisational leadership in place</li></ul>  |
| 3 | Delivering cost synergies                   | <ul style="list-style-type: none"><li>✓ Ahead of plan, run rate of &gt;\$40m since closing</li></ul>  |
| 4 | Unlocking revenue synergies                 | <ul style="list-style-type: none"><li>✓ Merged bidding pipelines</li><li>✓ Creating awareness of breadth of capability</li><li>✓ Implemented active customer engagement programmes</li><li>✓ Early wins</li></ul> |
| 5 | Deleveraging                                | <ul style="list-style-type: none"><li>✓ Net debt at completion of \$2.0bn in line with expectations</li><li>✓ Net debt at 31 December down to \$1.6bn</li><li>✓ Robust plan in place</li></ul>                    |

# Medium term macro themes

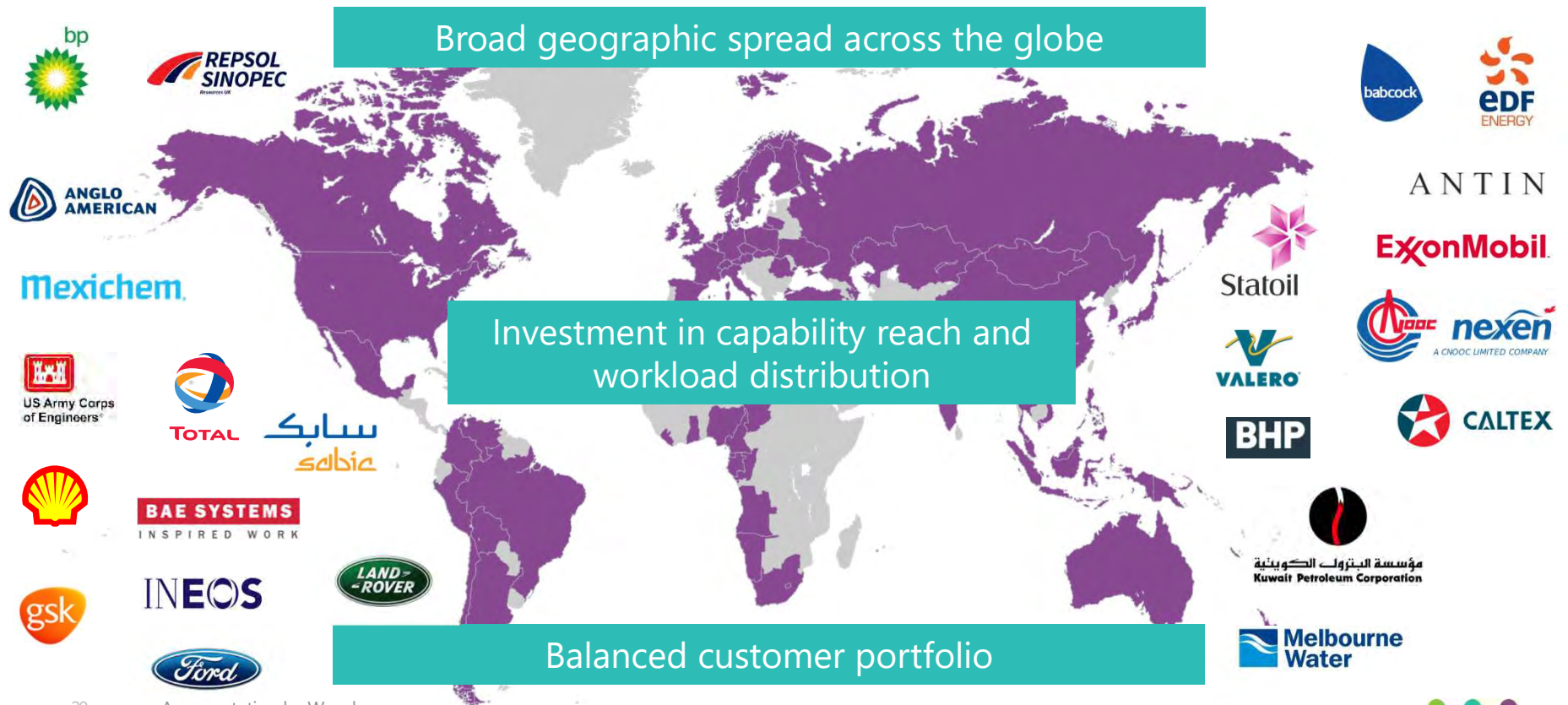
Markets	Position / outlook	Rating
 <b>Oil &amp; Gas</b> Upstream	<ul style="list-style-type: none"> <li>• Short term discipline in customer spending</li> <li>• Some easing in operations services markets but with focus on efficiency</li> <li>• Pricing pressure to remain</li> </ul>	
 <b>Oil &amp; Gas</b> Downstream	<ul style="list-style-type: none"> <li>• Low commodity price driving investment to increase capacity</li> <li>• Demand increasing for upgrades/retrofit to meet international regulations</li> </ul>	
 <b>Power and process</b>	<ul style="list-style-type: none"> <li>• Sector agnostic</li> <li>• Good opportunities across industrial markets</li> </ul>	 
 <b>Environment and infrastructure</b>	<ul style="list-style-type: none"> <li>• Investment in infrastructure driving growth</li> <li>• Environmental liabilities disclosure requirements</li> </ul>	
 <b>Mining &amp; minerals</b>	<ul style="list-style-type: none"> <li>• Higher commodity prices improving mining activity</li> <li>• Demand for battery minerals</li> <li>• Focus on reducing environmental impact &amp; production time</li> </ul>	
 <b>Clean energy</b>	<ul style="list-style-type: none"> <li>• Good longer term fundamentals</li> <li>• Federal tariffs &amp; incentives impact</li> </ul>	

 **Growth**

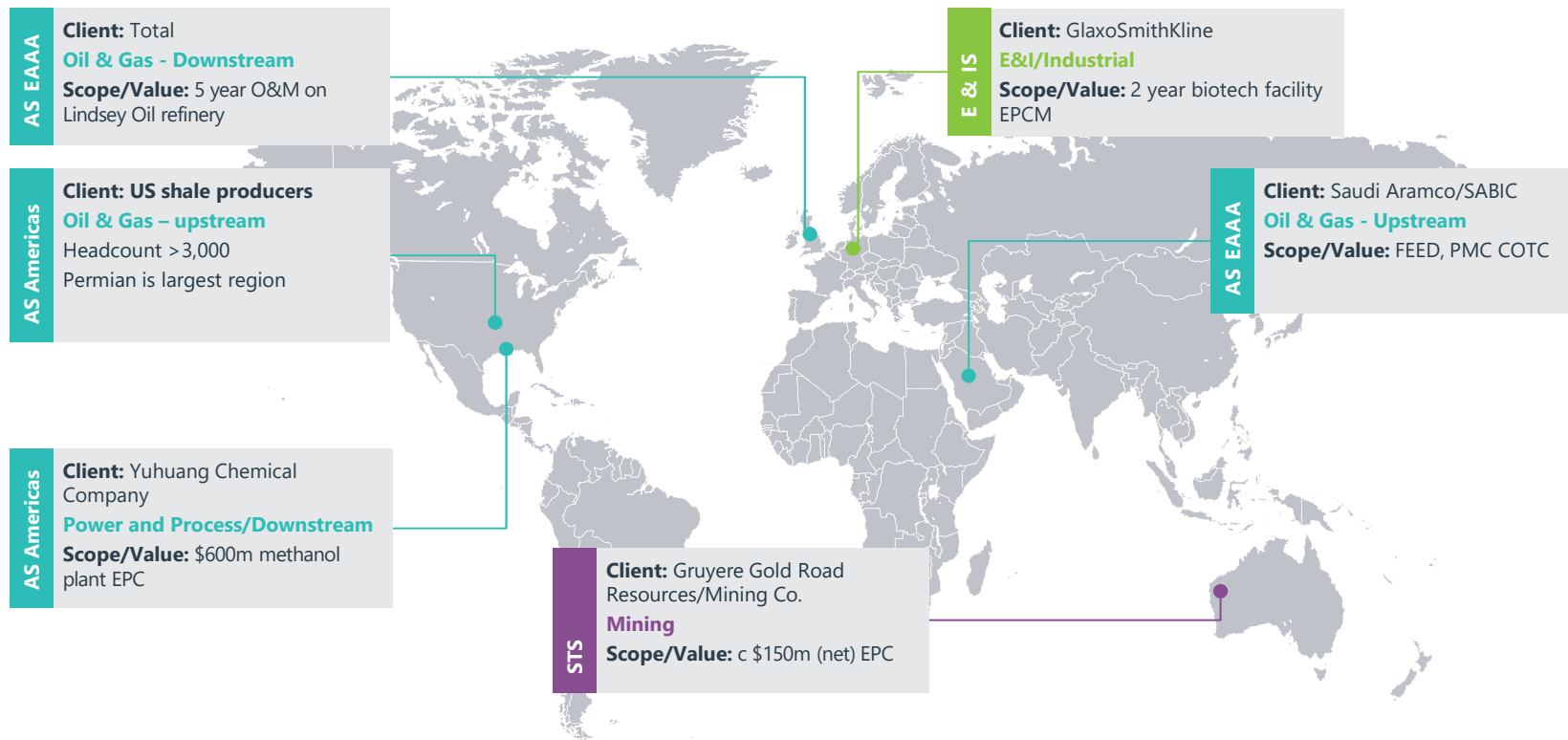
 **Static**
 **Decrease**



# Global capability to take advantage of opportunities



# Good momentum and breadth in contract wins



# Summary

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## Strategic development

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

## 2017 delivery

- Challenging market conditions
- Resilient performance in line with expectations
- Momentum and breadth in contract awards
- Cost synergies ahead of schedule
- Dividend up 3%

## Outlook

- Good long term prospects across energy and industrial markets
- Strong opportunity pipeline
- Clear financial objectives on debt, dividend and cost synergies
- Modest EBITA growth in 2018 vs 2017 proforma of \$598m



# Appendix

# Reportable segments, profit measures and disclosure

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- 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)



# Revised 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	Upstream	Operations & Maintenance	Upstream	Operations & Maintenance	Subsea & Export Systems	Environmental Remediation
	Downstream & Chemicals	Modifications	Downstream & Chemicals	Modifications	Automation & Control	Environmental Sciences
	Process & Energy	Decommissioning Services		Industrial Services	Mining & Minerals	Permitting & Compliance Services
				Decommissioning Services	Nuclear	Public Infrastructure
				Turbine Activities	Technology & Consulting	Geotechnical & Materials
						Facility Operations

# Cash impact of exceptional items

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	2017 \$m	2016 \$m
Acquisition costs	44	-
Redundancy, restructuring & integration costs	26	25
Arbitration settlement provision	4	-
Investigation support costs	2	-
<b>Exceptional items – cash impact</b>	<b>76</b>	<b>25</b>