

wood.

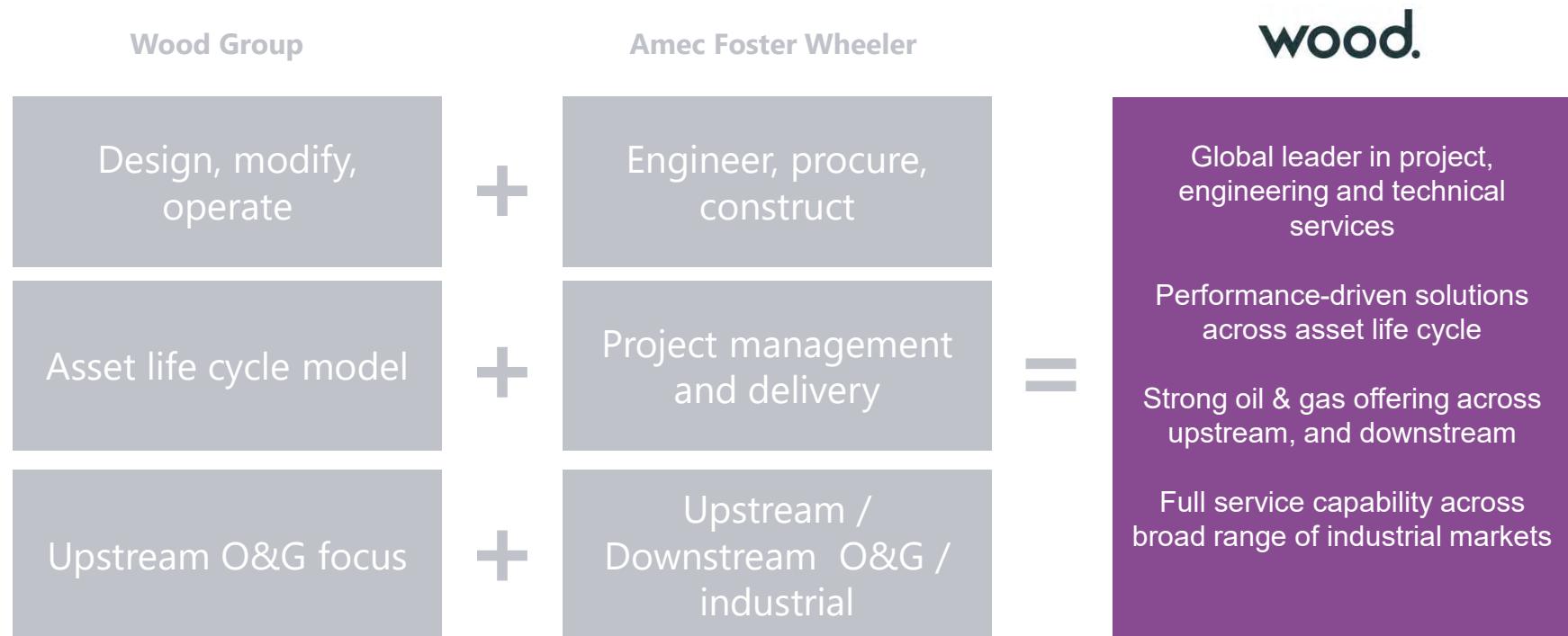
Full year 2017  
results

March 20<sup>th</sup> 2018

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

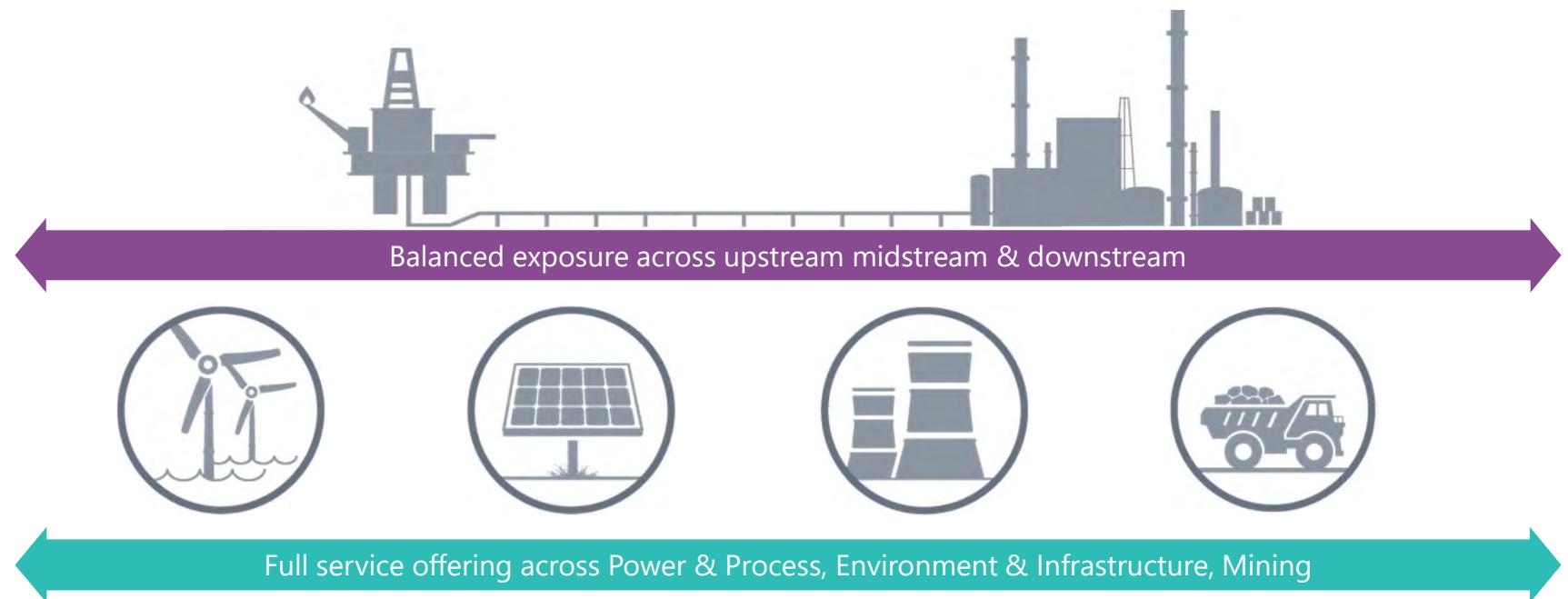


# Transformational strategic development : creating Wood



# A broader business with multi sector capability

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# Enduring investment themes

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commercially versatile contracting



broad end market exposure and lower volatility



flexible asset light model



balance across opex and capex

# Financial Performance

David Kemp, CFO

## Relatively resilient performance in a challenging market

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

- 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

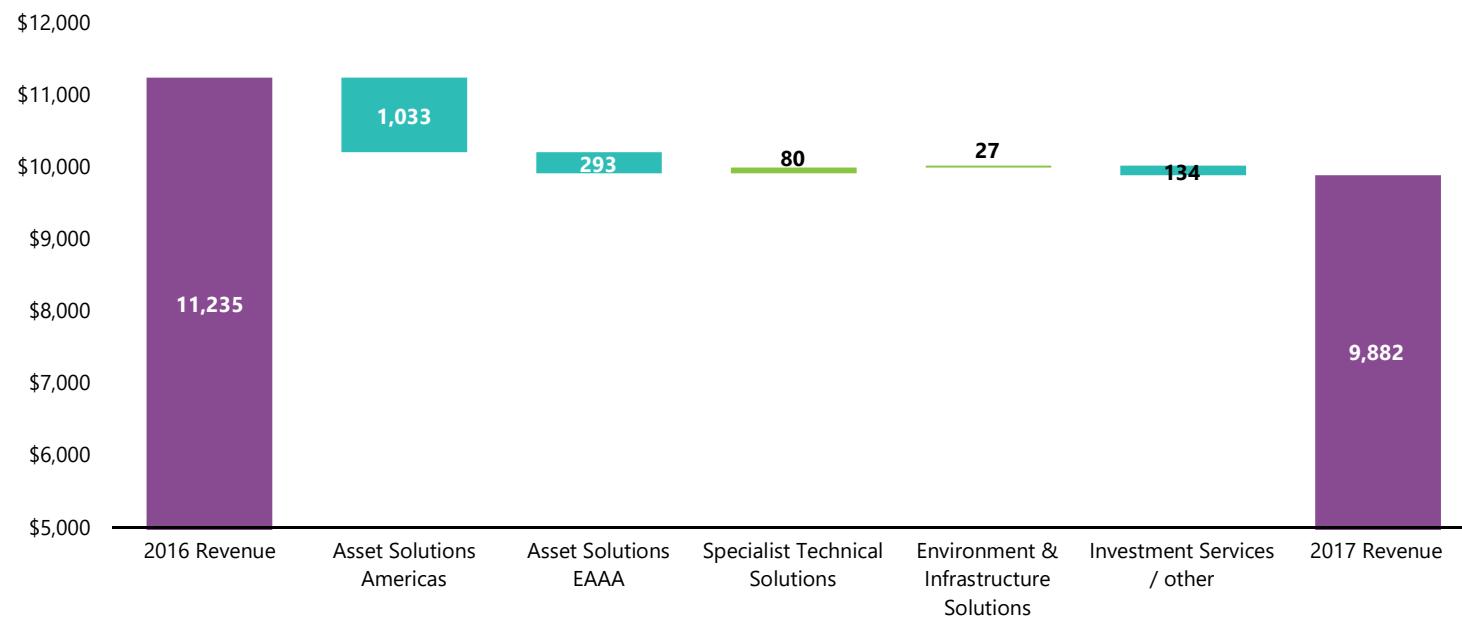
Amortisation	Net finance expense	Taxation	Exceptional items (post tax)
<b>\$141m</b> ▲ 35%	<b>\$53m</b> ▲ 104%	<b>\$42m</b> ▼ 29%	<b>\$165m</b> ▲ 18%
<ul style="list-style-type: none"><li>AFW related amortisation \$32m</li></ul>	<ul style="list-style-type: none"><li>New debt facilities:<ul style="list-style-type: none"><li>\$1bn term loan</li><li>\$1.75bn revolving facility</li></ul></li></ul>	<ul style="list-style-type: none"><li>Effective tax rate 23.8%</li><li>US tax reform one-off credit</li></ul>	<ul style="list-style-type: none"><li>Includes:<ul style="list-style-type: none"><li>Acquisition costs \$67m</li><li>Restructuring &amp; integration \$51m</li><li>Arbitration provision \$19m</li><li>Impairment \$28m</li></ul></li></ul>

# 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

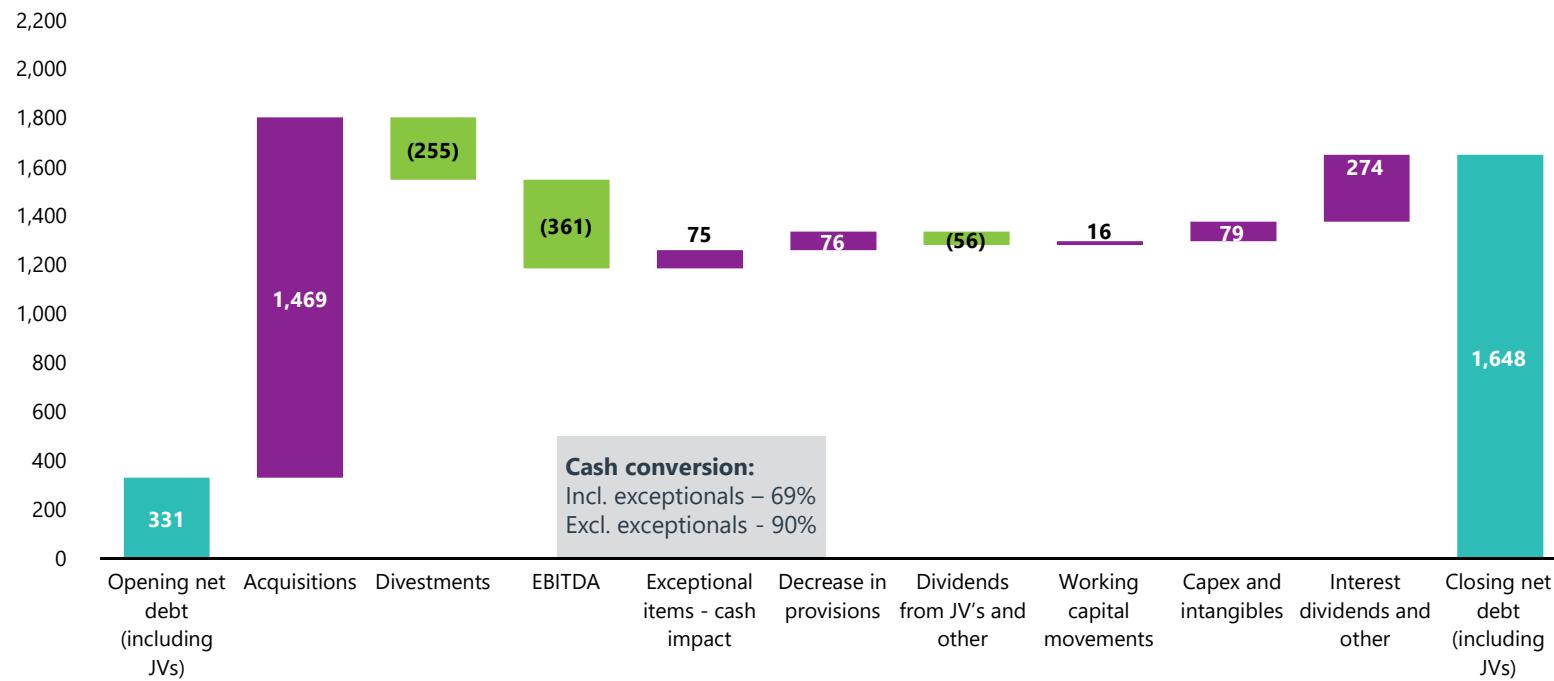
## Lower legacy AFW revenues in solar and downstream



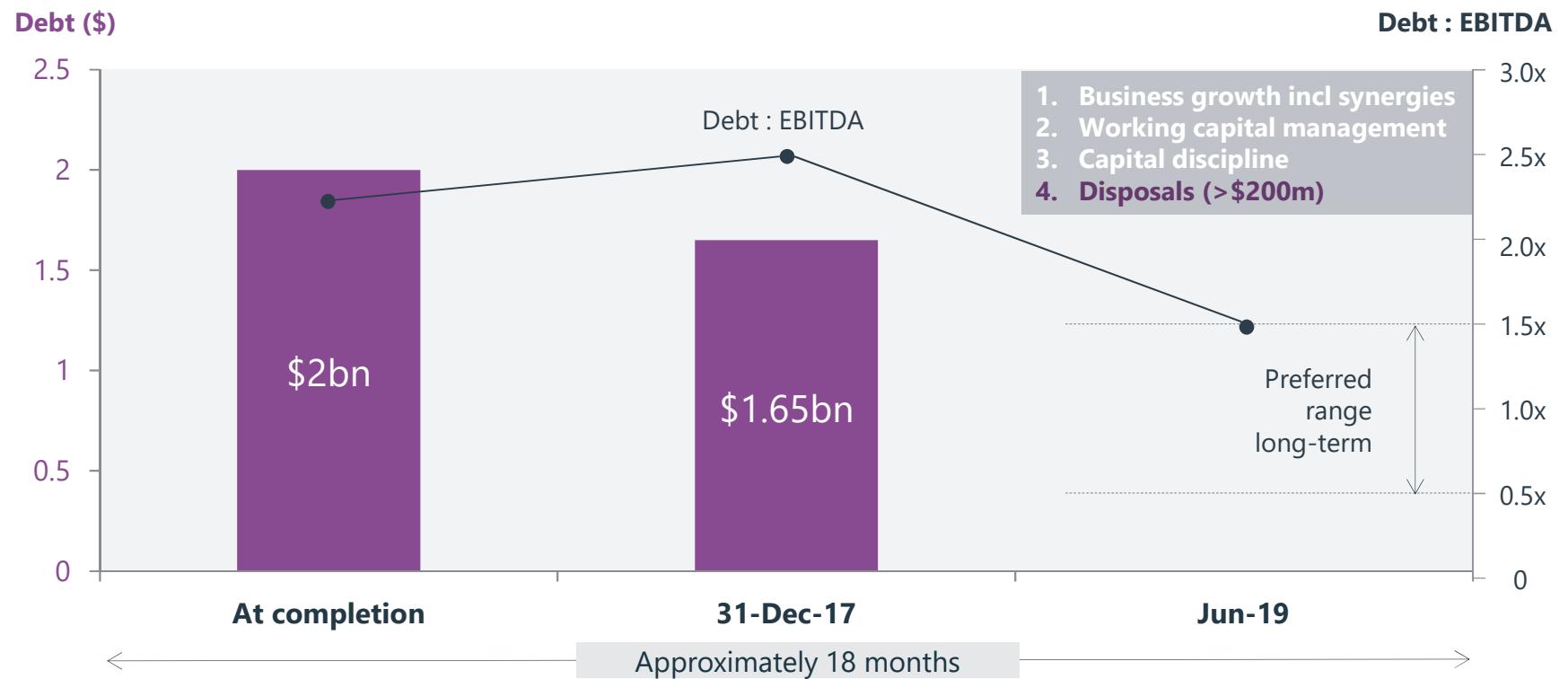
# Mitigating trading challenges still in focus



# Net debt bridge



# Deleveraging including >\$200m disposal programme

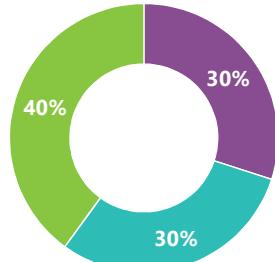


# Cost synergies vs target

## Prospectus Target : >\$170m

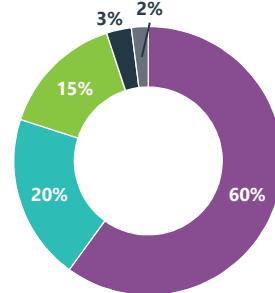


Allocation by type



- **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	Clear financial objectives
<ul style="list-style-type: none"><li>• Ahead on cost synergies delivery</li><li>• Early stage recovery in certain markets</li><li>• Modest EBITDA growth in 2018 vs 2017 proforma of \$598m</li></ul>	<ul style="list-style-type: none"><li>• Deliver cost synergies &gt;\$170m</li><li>• Achieve target Net Debt:EBITDA in c18 months</li><li>• Maintain progressive dividend</li></ul>

# Business update

Robin Watson, Chief Executive

# Wood is a broader business

Revenue

\$10bn

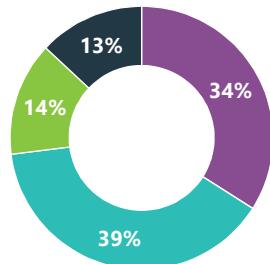
Employees

55,000

Countries

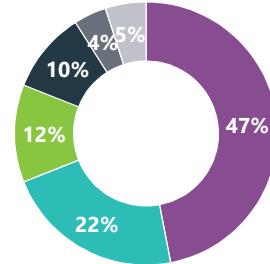
60+

Proforma Revenue by **Business Unit**



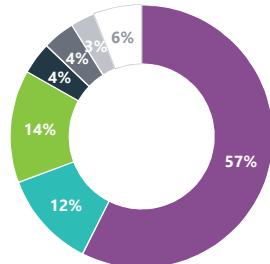
- Asset Solutions - Americas
- Asset Solutions - EAAA
- Specialist Technical Solutions
- Environment and infrastructure

Revenue by **Geography**



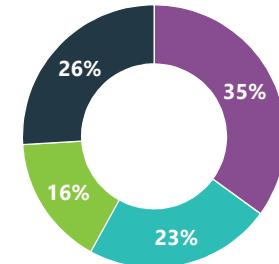
- North America
- Europe
- Middle East & Africa
- Asia Pacific
- South & Central America
- RoW

Proforma Revenue by **Sector**



- Oil & Gas Upstream 31% Downstream 26%
- Power and process
- Environment and infrastructure
- Mining
- Automation
- Clean energy
- Other industrial

Proforma Revenue **Top 20 Customers**



- IOC
- NOC
- Independent
- Energy/industrial/chemical



# 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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<b>1</b> 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>
<b>2</b> 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>
<b>3</b> Delivering cost synergies	<ul style="list-style-type: none"><li>✓ Ahead of plan, run rate of &gt;\$40m since closing</li></ul>
<b>4</b> 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>
<b>5</b> 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>	

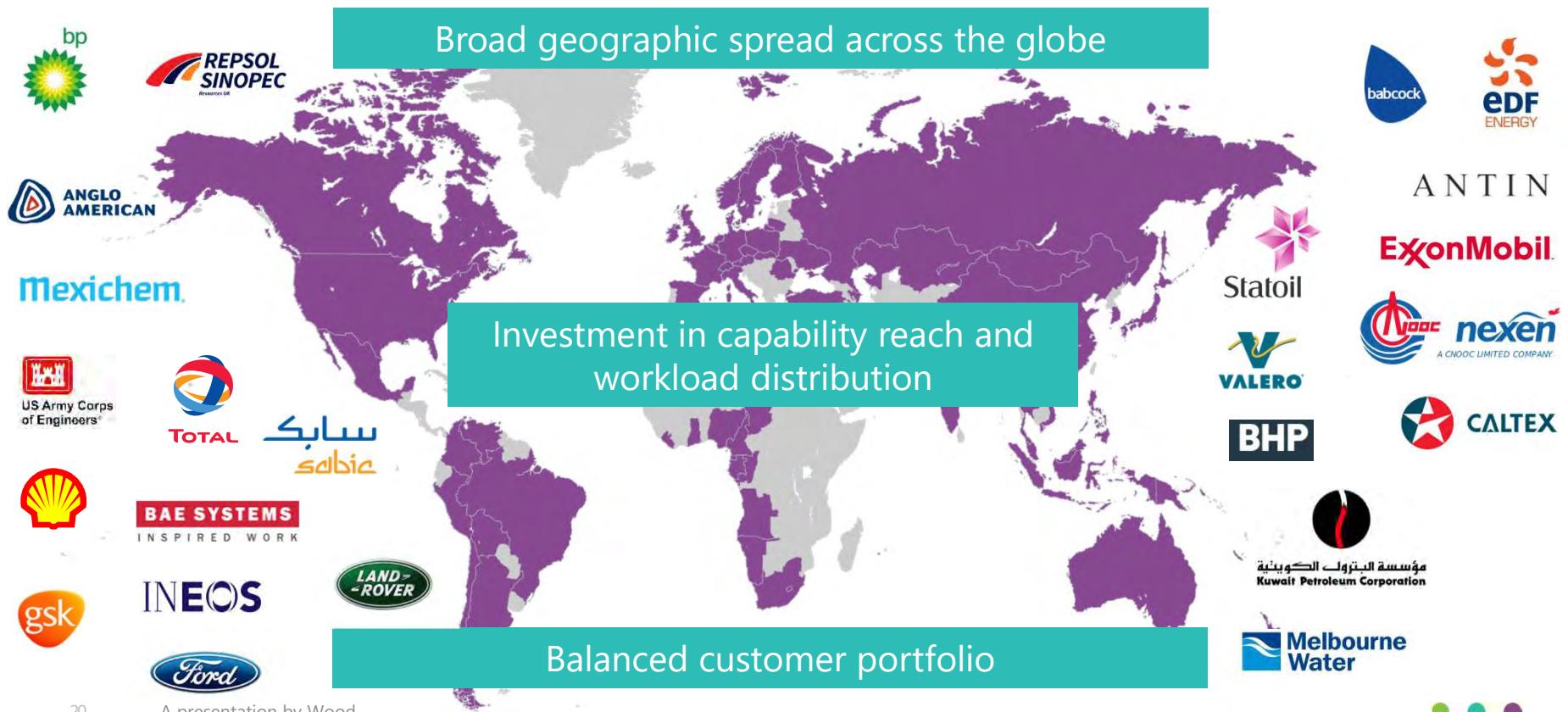
 Growth

 Static

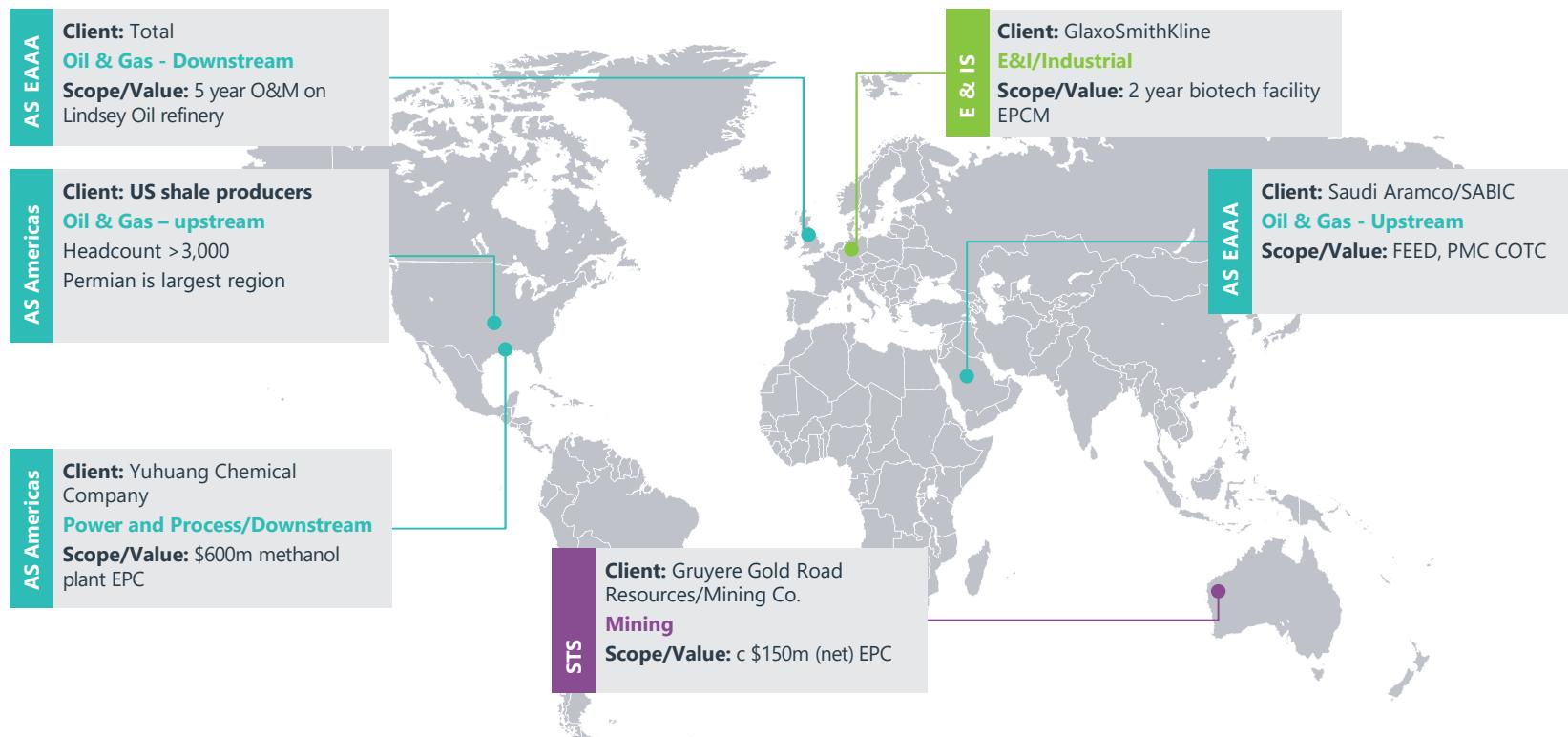
 Decrease



# Global capability to take advantage of opportunities



# Good momentum and breadth in contract wins



# Summary

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Strategic development	2017 delivery	Outlook
<ul style="list-style-type: none"><li>• A global leader in project, engineering and technical services</li><li>• Performance-driven solutions across asset life cycle</li><li>• Strong oil &amp; gas offering across upstream and downstream</li><li>• Full service capability across broad range of industrial markets</li></ul>	<ul style="list-style-type: none"><li>• Challenging market conditions</li><li>• Resilient performance in line with expectations</li><li>• Momentum and breadth in contract awards</li><li>• Cost synergies ahead of schedule</li><li>• Dividend up 3%</li></ul>	<ul style="list-style-type: none"><li>• Good long term prospects across energy and industrial markets</li><li>• Strong opportunity pipeline</li><li>• Clear financial objectives on debt, dividend and cost synergies</li><li>• Modest EBITA growth in 2018 vs 2017 proforma of \$598m</li></ul>

# 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	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <div>Upstream</div> <div>Downstream &amp; Chemicals</div> <div>Process &amp; Energy</div> </div> <div style="text-align: center;"> <div>Operations &amp; 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 &amp; Chemicals</div> </div> <div style="text-align: center;"> <div>Operations &amp; 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 &amp; Export Systems</div> <div>Automation &amp; Control</div> <div>Mining &amp; Minerals</div> <div>Nuclear</div> <div>Technology &amp; 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 &amp; Compliance Services</div> <div>Public Infrastructure</div> <div>Geotechnical &amp; Materials</div> <div>Facility Operations</div> </div> </div>

# 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>