



2014 Full Year Results
17 February 2015



Safety & Assurance

Relationships

Social
Responsibility

People

Innovation

Financial

Environmental

Governance

Climate Change

Innovation



Financial headlines

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Operational highlights

- Safety
 - No fatalities and c.25% improvement in safety statistics
- Collaboration
 - Success with Exxon Mobil and Total
- M&A
 - Full year benefit of 2013 acquisitions – growth in Elkhorn and Pyf 2013



Driving competitiveness in a challenging market

Customer cost

- Delivering cost reductions and efficiency solutions for customers
- Led contractor rate cuts in UK delivering c.20% savings

Direct cost

- Continuing focus on utilisation
- Salary freeze in most Group businesses

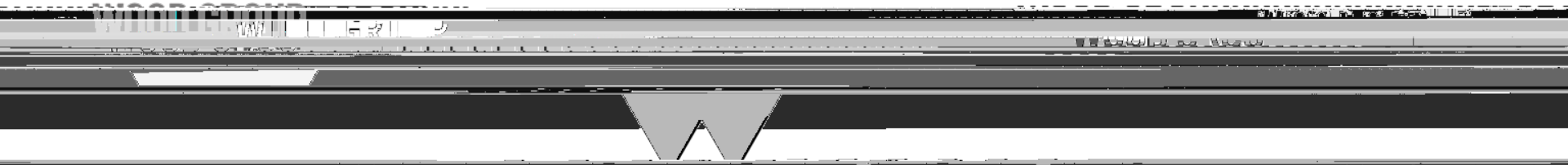
Internal SG&A cost

- Delivering reductions and deferrals of > \$30m vs 2014

Sales pipeline

- More challenging markets but activity continues





2014 Full Year Results Financial review
Alan Semple CFO

Total revenue and EBITA

	2014 \$m			2013 \$m		
	Revenue	EBITA	Margin	Revenue	EBITA	Margin
Wood Group Engineering	2,131	232	10.9%	1,985	246	12.4%
Wood Group PSN Production Services	4,636	342	7.4%	3,996	262	6.6%
Wood Group PSN Turbine JVs	818	44	5.4%	907	84	9.3%
Dorad GWF	31	(11)		176	(3)	
Central costs		(57)			(56)	
Total	7,616	550	7.2%	7,064	533	7.5%

- Engineering: fall in EBITA as anticipated, lower contribution and margins in Upstream
- PSN Production Services strong growth led by US share performance
- PSN Turbine Activities: adversely impacted by EPC volumes

“Like for like” revenue and EBITA

2014 \$m

2013 \$m



Cash flow

	2014 \$m	2013 \$m
Cash generated pre working capital (excl. JVs) ⁴	651	574
Working capital movements	(80)	(65)
Cash generated from operations	571	509
Acquisitions and deferred consideration	(263)	(290)
Capex & intangible assets	(110)	(135)
Tax	(85)	(124)
Interest, dividends and other	(115)	(138)
Net increase in net debt	(2)	(180)
Closing net debt (excl. JVs)	(327)	(325)
JV Net Cash	31	15
Closing net debt (incl. JVs)	(296)	(310)

Net debt and interest cover





2014 Final Results Operational review
Bob Keiller- CEO

Wood Group PSN

Americas (c.40% of revenue)

- Growth led by US shale including Elkhorn
- US shale c.\$1bn revenue and c.55% opex across multiple basins

Wood Group Engineering

Upstream (c.40% of revenue)

- Lower contribution as anticipated
- Detailed engineering on Ivar Aasen, Heidelberg, Stampede
- Benefitted from early stage work

Subsea & Pipelines (c.40% of revenue)

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Relative resilience from our



Summary

- Financial performance
 - Performed well in 2014
 - \$217m of new acquisitions extends scope
 - Strong cash flow generation and balance sheet
 - Dividend of 27.5 cents, up 25%
- Competitiveness
 - Helping customers reduce costs and increase efficiency
 - Focus on our own direct and SG&A costs
- Relative resilience
 - Primarily reimbursable
 - Asset light, people based, flexible business model
 - Broad range of contracts, customers, services and geographies

Appendix



Reconciliation of operating profit (pre-exceptionals)

	2014 \$m	2013 \$m
Total operating profit before exceptional items per proportional consolidation	448	431
Tax and interest charges on JVs included within operating profit but not EBITA	(15)	(11)
Impact of discontinued activities	4	(28)
Operating profit before exceptional items per Group income statement	437	392



Exceptional gain

	2014 \$m	2013 \$m
Venezuela Settlement	(58)	-
Integration and restructuring charges	7	16
Onerous contract	(10)	28
Lease termination income	-	(15)
Bad debt recoveries	-	(6)
Transaction related costs	24	11
Business divested in prior years	-	(35)
Total exceptional gain	(37)	(1)
Tax	10	(1)
Total exceptional gain after tax	(27)	(2)



Amortisation

	2014 \$m	2013 \$m
Amortisation on software, development costs and licenses	40	44
Amortisation of intangible assets arising on acquisition	62	58
	102	102





Finance expense

	2014 \$m	2013 \$m
Interest on debt	18	



ROCE

	2014 \$m	2013 \$m
Net operating assets ⁵	2,855	2,726
Net borrowings	(296)	(310)
Net assets	2,559	2,416
Non controlling interests	(13)	(9)
Shareholders' funds	2,546	2,407
ROCE	17.7%	19.4%



