

# Our strategic and financial focus

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**Like for like EBITDA**



**Our purpose is to..**

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**To create a sustainable future for  
energy and the built environment**

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**E \ - Unlocking solutions to the world's  
most critical challenges**

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**G U L Y Q best in class engineering and consultancy solutions  
in consulting projects and operations across  
energy and built environment markets**

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# Financial Performance

David Kemp, CFO

# Earnings growth & margin improvement

Revenue	EBIDA	EBIDA Margin	Operating profit (pre exceptional)	Total dividend
<b>\$99bn</b>	<b>\$855m</b>	<b>86%</b>	<b>\$411m</b> ▲ 151%	<b>353c</b> ▲ 1%
▼ 12%	/LNH IRU OLNH <b>\$704m</b> ▲ 54%	/LNH IRU OLNH <b>7.1%</b> ▲ 04%	AEPS <b>460c</b> ▼ (13%)	

- ‡ Revenue reflects generally robust activity across Energy and Built Environment markets
- ‡ EBIDA growth led by performance in ASEAAA & E&S
- ‡ Synergy delivery c\$60m
- ‡ Like for like EBIDA up 5%, margin up 40bps<sup>1</sup>
- ‡ Dividend increase in line with progressive policy

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## Cashflow benefitting from DSO improvement and advance payments

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<b>Receivables</b>	<b>200</b>	<b>89</b>	† Improved receivables days impact of \$158m † Inflow from receivables financing facility of \$44m † Reduction in aged balances vs prior year
<b>Payables</b>	<b>(121)</b>	<b>249</b>	† Includes impact of alignment of payment terms in 2018
<b>Advanced payments</b>	<b>128</b>	<b>(47)</b>	† Improved advances on EPC activity
<b>Inventory</b>	<b>(3)</b>	<b>0</b>	



# Achieving target leverage of 1.5xEBITDA on a pro forma basis

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m M2020m Estimated future cost/claims including Aegis  
‡ Project related - large number of smaller provisions

‡ Expect significant reduction in project provision movements  
‡ Asbestos in line with 2019 at \$36m, reducing thereafter



# Update on regulatory investigations

## ‡ Potential settlement of investigations in

- ‡ US (SEC & DoJ)
- ‡ Brazil
- ‡ Scotland (COHS)

## ‡ Continuing to assist in relation to SFOs investigation

## ‡ Provision of \$46m recorded in 2019

## ‡ Timing on any settlement uncertain

## ‡ Contingent liability



# Capital allocation focused on a strong balance sheet foundation





# Embedded strategy to deliver medium term margin improvement

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‡ Profitability and strategic importance criteria





# Financial summary

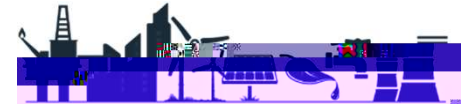
- ‡ Robust activity across Energy and Built Environment markets
- ‡ EBIDA growth led by performance in ASEA & E&S
- ‡ Like for like EBIDA up 5%, margin up 40bps
- ‡ Dividend increase in line with progressive policy
- ‡ Strong cash generation and disposal proceeds of c\$430m deliver target leverage of c1.5x
- ‡ **Key risks**
  - ‡ Existing forecasts & order books supported modest underlying revenue growth and growth in underlying EBIDA
  - ‡ 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





**Leading position  
in core markets**

**Commercially versatile  
with measured risk  
appetite**

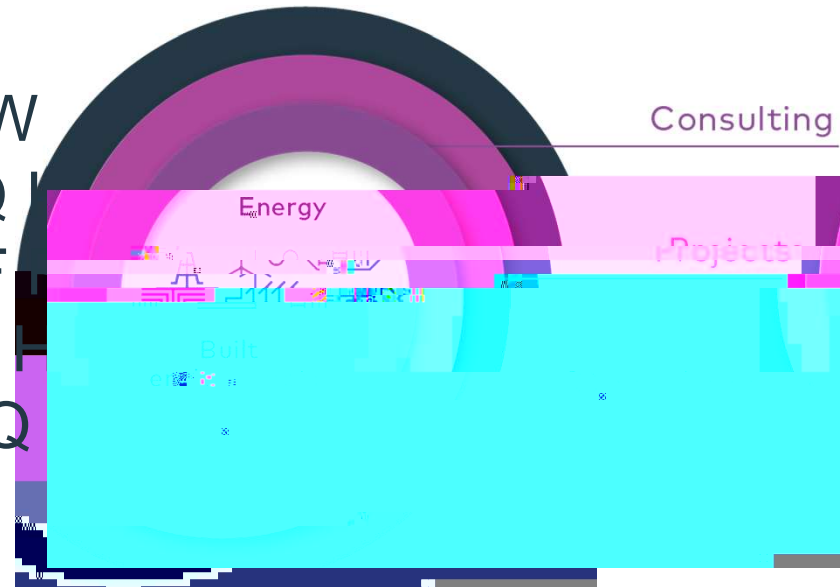
**Balanced across  
spending**



# Who we are and what we do

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# Outlook across Energy and Built Environment markets

Markets	%	Market themes	Wood near term outlook
		<ul style="list-style-type: none"> <li>‡ Risks to positive near term outlook from Covid 19 and oil price decline</li> </ul>	<ul style="list-style-type: none"> <li>‡ Impact on activity of recent oil price movement to be assessed</li> </ul>
		<ul style="list-style-type: none"> <li>‡ Near term Modest growth, stronger in petrochemicals vs refining</li> <li>‡ Strong medium term global growth led by petrochemicals</li> <li>‡ Longer term opportunities driven by feedstock changes</li> </ul>	<ul style="list-style-type: none"> <li>‡ Robust activity in ASA</li> <li>‡ Stronger outlook in ASEAAA with increased capital projects activity in Asia Pacific / ME</li> </ul>
		<ul style="list-style-type: none"> <li>‡ Near term Good growth in solar and wind capacity additions</li> <li>‡ Rapid medium term growth 3x in solar &amp; 2x in wind</li> <li>‡ Longer term pace of growth driven by new technology adoption and government support</li> </ul>	<ul style="list-style-type: none"> <li>‡ Current principal renewables activity in ASA, where outlook is positive for solar</li> </ul>
		<ul style="list-style-type: none"> <li>‡ Near term Robust demand: c2% growth in infrastructure spend</li> <li>‡ Strong medium term outlook c25% increase in spending required to meet infrastructure requirements led by transport</li> <li>‡ Longer term demand supported by commitments to UN sustainable development goals</li> </ul>	<ul style="list-style-type: none"> <li>‡ Current expectation of activity to remain robust in ICS</li> <li>‡ Potential short term impact of Covid 19</li> </ul>



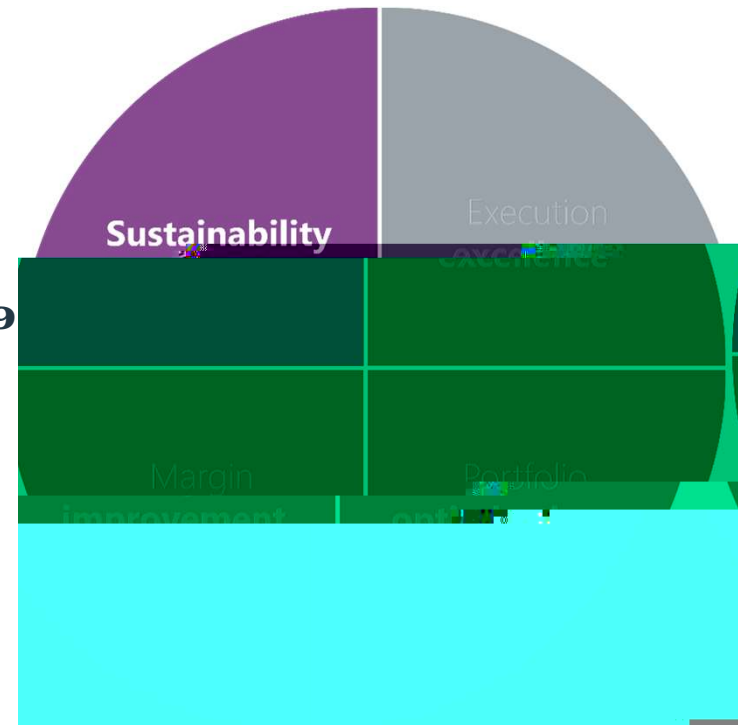
# Strategically agile

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# Key areas of strategic focus

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

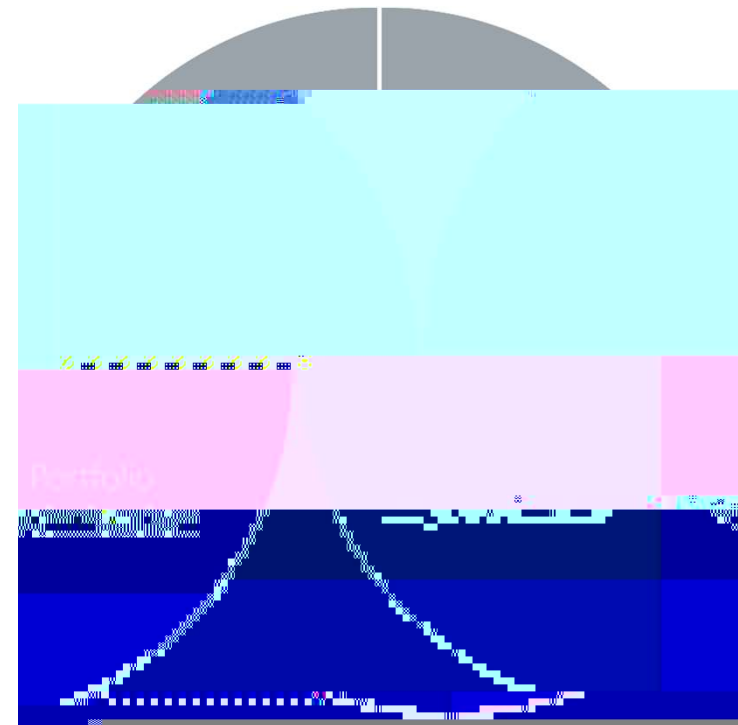
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9 **Nuclear**

9 **Industrial Services**

‡ **Further strategic disposals**

‡ **New acquisitions in high margin consultancy**





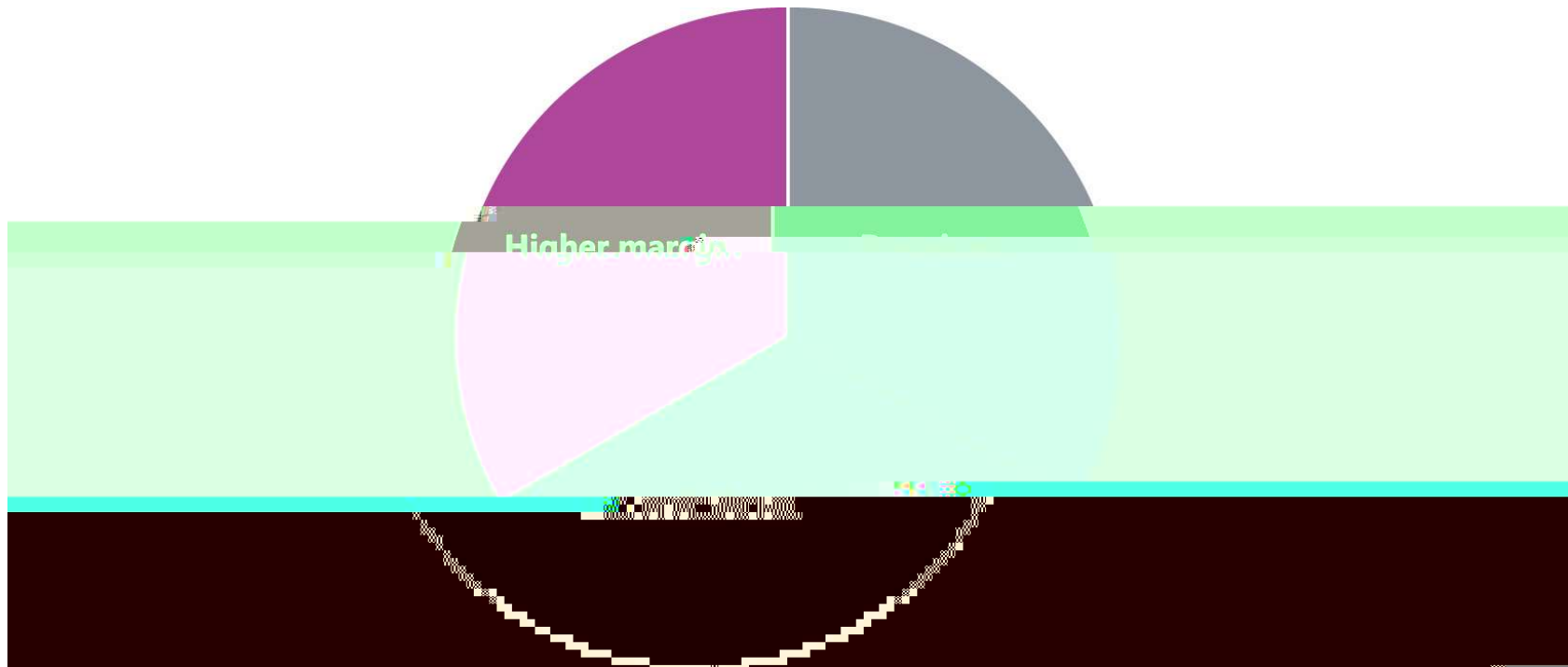
# Key areas of strategic focus

- 9 **Established our Execution Excellence Programme & 'The Wood Way'**
- 9 **Achieving > 90% repeat business**
- 9 **Unlocked HMEC models across our business**
  
- ‡ **Standardise, optimise and digitise our solutions**
- ‡ **Technology partnership eco system**
- ‡ **Heightened leverage from HMEC**



# The result

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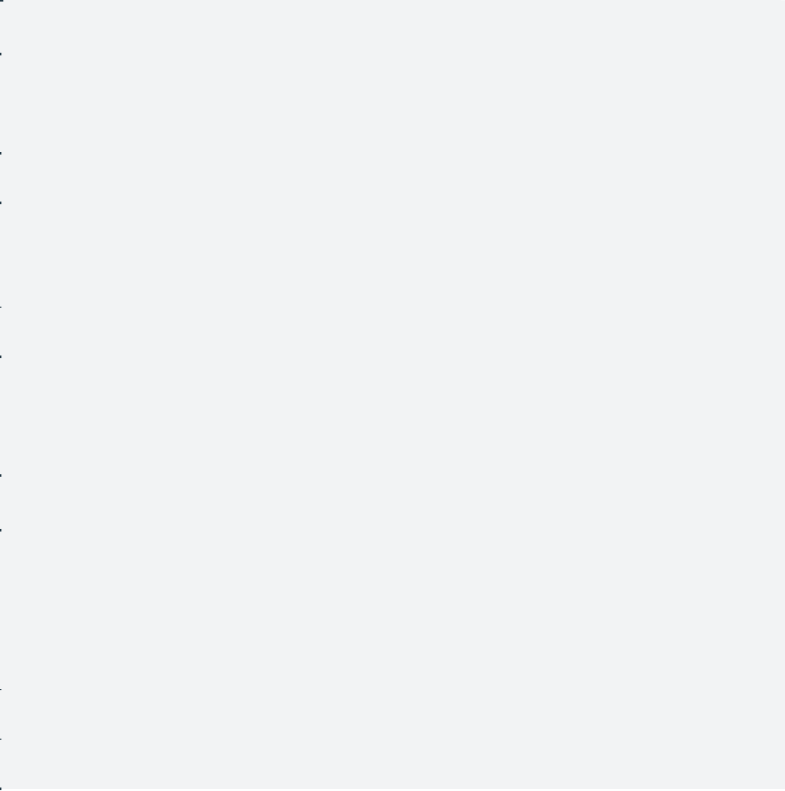






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# Balance sheet review

	P	P	& R P P H Q W D U \
<b>Goodwill and intangible assets</b>		<b>6,657</b>	‡ Includes \$46bn relating to AFW Reduction due to Nuclear reclassified as held for sale
<b>Other non current assets</b>		<b>1,064</b>	‡ Includes non core JV interest moved to "held for sale"
<b>Trade and other receivables</b>		<b>2,556</b>	‡ Strong cash collection & improved DSO ‡ Larger contracts close to completion
<b>Net held for sale assets and liabilities</b>		<b>32</b>	‡ Nuclear, WGIS and other JV interest
<b>Trade and other payables</b>		<b>(2,526)</b>	‡ Increase in gross amounts due to customers re: advance payments received in ASA
<b>Net debt excluding leases</b>		<b>(1,513)</b>	‡ Reduction benefitting from strong cash generation
<b>Lease liabilities</b>		<b>-</b>	‡ IFRS 16 adoption: net of right of use asset
<b>Provisions</b>		<b>(99)</b>	‡ Reduced legacy provisions
<b>Other net liabilities</b>		<b>(66)</b>	‡ Onerous leases set against lease liabilities
		<b>4610</b>	

