# Half year results presentation

16 August 2016

# Half year results  ±financial results

David Kemp - CFO

‡ Challenging oil & gas environment leading to pressure on volumes and prices

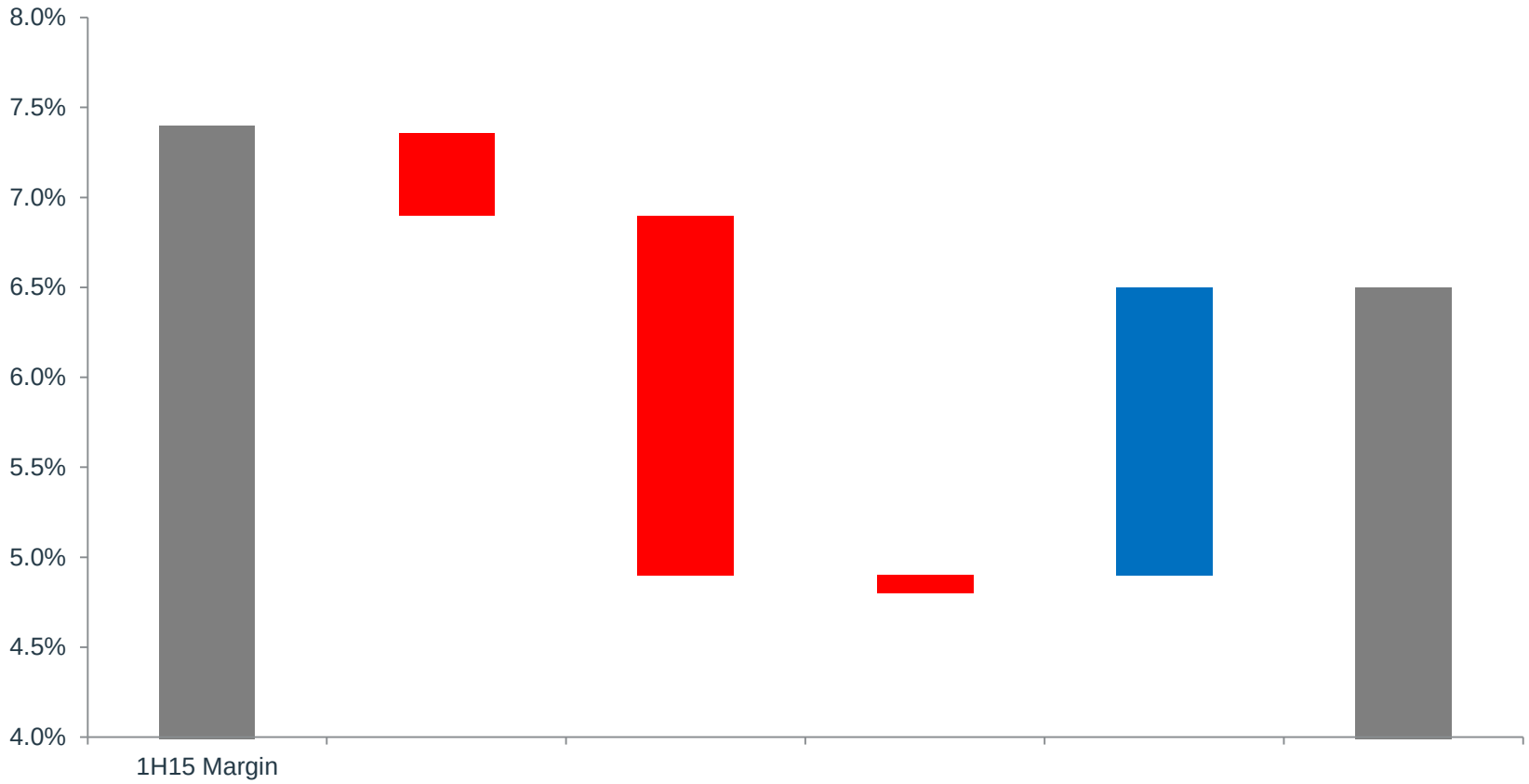
‡ Impact mitigated by

  ± management of utilisation (headcount down 10%)

  ±

# Trading performance reflects flexibility in a challenging market

# Offsetting the impact of lower underlying margins



# Wood Group Engineering

# Wood Group PSN - Production Services

| | 1H 2016 $m | 1H 2015 $m | Change % |
|---|---|---|---|
| Revenue | **1,556** | 1,833 | *(15.1)%* |
| EBITA | **89** | 133 | *(33.1)%* |
| Margin | **5.7%** | 7.3% | *(1.6)%* |
| Headcount | **20,700** | 23,500 | *(11.9)%* |

## Americas

(c.50% of revenue)

‡ Volume and pricing



/P &MCID 325Lang (en-US)>BDC q0.000010729 0 720 540 reW*nBT/F1 15.96 Tf1 0 0

# Half year results ±Operations

Robin Watson ±Chief Executive

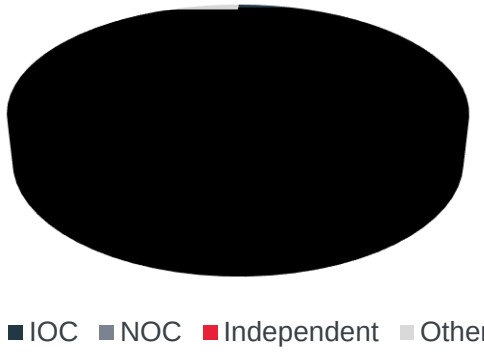
# Our operational focus in H1 2016

**Objective**

- To emerge from the cycle as a stronger, better business

**Tactics**

- Continuing to win work
- Managing utilisation and maintaining capability
- Structural cost reduction
- 0 H H W L Q J W K H L Q G X V W U \ ¶ V F K D O O H Q J H R
- 5 H S R V L W L R Q L Q J D V ³ 2 Q H : R R G * U R X S ´




**Subsea & Pipel(i)50cl/Ƀ 10.56 Tf1 0**

**Downstream, Process & Industrial**

Customers

# One Wood Group

## Asset Life Cycle Solutions

West

East

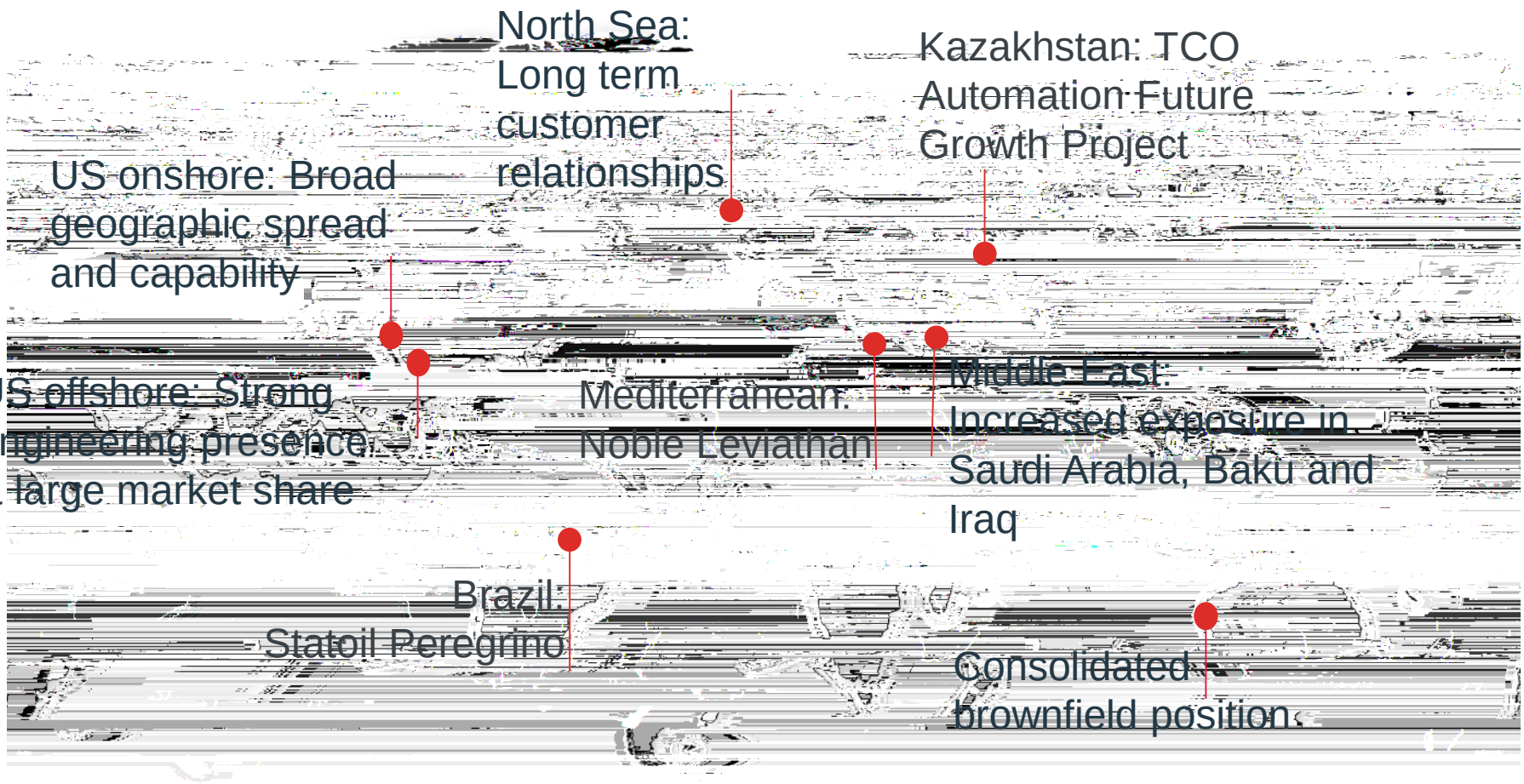
Projects & Modifications
Operations & Maintenance
Industrial services
Pipeline services
Decommissioning services

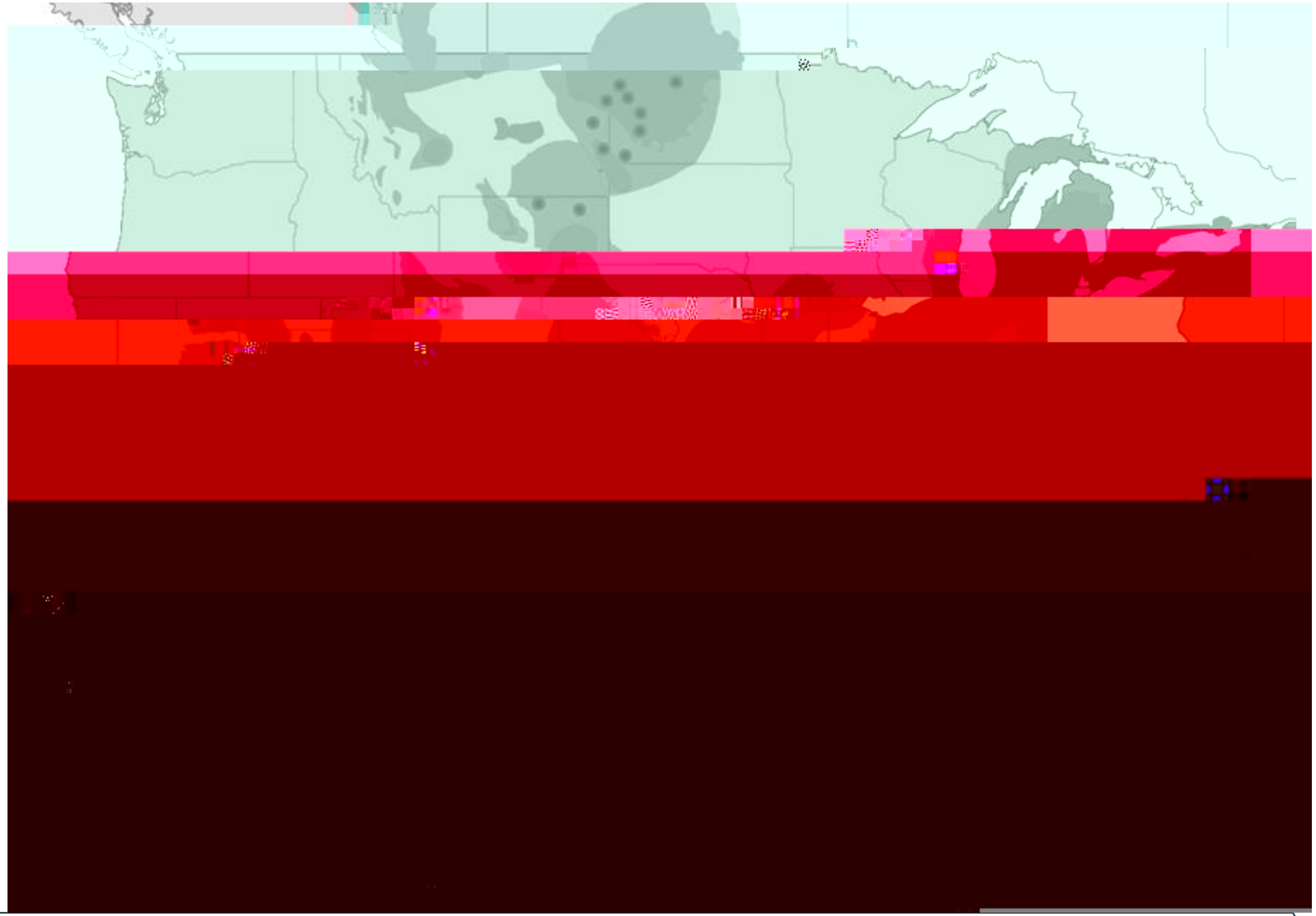
## Specialist Technical Solutions

Subsea
Asset integrity solutions
Automation & control

Clean energy
Digital solutions
Studies

# Sustaining our leading position in key markets





# Emerging from the cycle as a stronger business

‡ H1 reflects flexibility in challenging markets

‡

# Appendix

# Exceptional loss/(gain)

| | 1H 2016 $m | 1H 2015 $m |
|---|---|---|
| Restructuring charges | 36 | - |
| Onerous contract | - | (4) |
| **Total exceptional loss/(gain)** | **36** | **(4)** |
| Tax | (6) | - |
| **Total exceptional loss/(gain) after tax** | **30** | **(4)** |

# 3/LNH IRU OLNH´ UHYHQXH DQ

| | 1H 2016 $m | | | 1H 2015 $m | | |
|---|---|---|---|---|---|---|
| | **Revenue** | **EBITA** | ***Margin*** | **Revenue** | **EBITA** | ***Margin*** |
| Wood Group Engineering | 697 | 80 | | 917 | 103 | |
| Wood Group PSN ±Production Services | 1,556 | 89 | | 1,964 | 146 | |
| Wood Group PSN ±Turbine JVs | 302 | 14 | | 323 | 18 | |
| Central costs | - | (17) | | | (26) | |
| **“Like for like”** | **2,555** | **166** | | **3,204** | **241** | |
| | | | | | | |
| Acquisitions | 4 | - | | (240) | (22) | |
| Constant currency | | | | 105 | 7 | |
| **Total as reported** | **2,559** | **166** | | **3,069** | **226** | |

# Tax

| | 1H 2016 $m | 1H 2015 $m |
|---|---|---|
| **Profit from continuing operations before tax** | 101 | 160 |
| **Tax charge** | **26** | **43** |
| **Effective tax rate on continuing operations** | **26.1%** | **27.0%** |

# Finance expense

| | 1H 2016 $m | 1H 2015 $m |
|---|---|---|
| Interest on private place and bilateral debt | 10 | 9 |
| Other fees and charges | 4 | 5 |
| **Total finance expense** | **14** | **14** |
| Finance income | (2) | (2) |
| **Net finance expense** | **12** | **12** |

# Net debt and interest cover

# ROCE

| | 1H 2016 $m | 1H 2015 $m |
|---|---|---|
| **Net operating assets** | **2,688** | **2,854** |
| Net borrowings | (351) | (276) |
| **Net assets** | **2,337** | **2,578** |
| Non controlling interests | (14) | (16) |
| **Shareholders' funds** | **2,323** | **2,562** |
| ROCE | 11.7% | 15.4% |

# Footnotes

This document has been prepared by John Wood Group PLC (the **Company**) solely for use at presentations held in connection with the full year results announcement of 16 August 2016. Neither the information in this document nor any statement made at, or in conjunction with, those presentations have been independently verified, and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein or at the presentations. None of the Company or any of its