# Full year results 2020

Robin Watson – Chief Executive
David Kemp – CFO

16 March 2021

# A robust response in the face of challenge

**Decisive action to protect the balance sheet, margins & cashflow**

**Strategic broadening enabling revenue resilience:**

**65%**

from process & chemicals, renewables & other energy, built environment

**Significant net debt reduction:**

Net debt **$1.01bn**

down **$410m** vs. Dec '19

Order book evolution**:**

Increasing proportion **lower risk, higher margin consultancy**

**Successful margin protection:**

EBITDA **$630m** at margin of **8.3%**

Improving utilisation & **$230m** overhead savings

Approaching **resolution** on legacy investigations

Our Strategic Objective

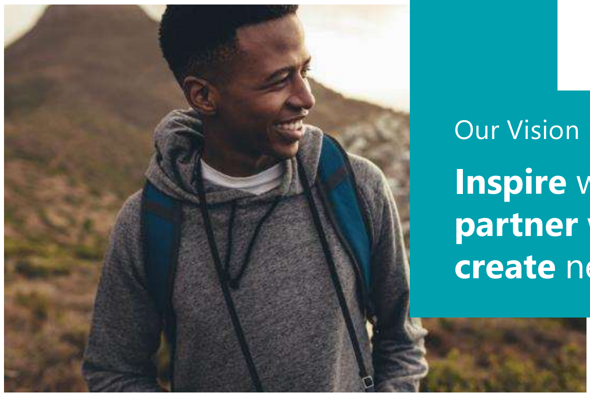
Being a **premium**, **differentiated** business delivering **exceptional** returns for our clients, our team, our investors, and the communities in which we work.

What we do

**World leading** consulting and engineering company across **energy** and the **built environment**

Our Purpose

Unlocking **solutions** to the world's most critical **challenges.**

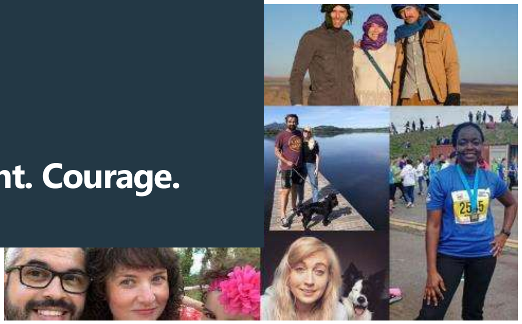


Our Vision

**Inspire** with ingenuity,
**partner** with agility,
**create** new possibilities.

Our Values

**Care. Commitment. Courage.**





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# Unlocking Solutions to the critical challenges in Energy and Built Environment

| Megatrends | Energy & Built Environment markets | Solutions |
| --- | --- | --- |
| Energy Transition | Renewables & other energy | Engineering solutions for a net-zero future |
| Sustainable infrastructure | Process & chemicals | Enabling more sustainable and resilient living |
| Technology & digitisation and Future skills | Conventional energy | Creating future-ready industry |
| | Built environment | |



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# **Future Fit:** simplifying our market position

Three global business units delivering solutions across the asset life cycle

**Plan >** **Design >** **Build >** **Operate / Optimise >** **Re-purpose**

**Consulting**

**Projects**

**Operations**



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# Financial performance

David Kemp, CFO

# Revenue resilience & margin protection

| Revenue | EBITDA | EBITDA Margin | Operating profit (pre exceptional) | AEPS |
|---|---|---|---|---|
| **$7.6bn** | **$630m** | **8.3%** | **$214m** | **23.2c** |
| *Like for like[1]:* ▼20.2% | *Like for like[1]:* ▼22.5% | *Like for like[1]:* ▼0.3% | ▼47.9% | ▼49.6% |

- Strategic end market broadening delivering relative revenue resilience
- Significant reduction in conventional energy partly mitigated by strength in built environment, growth in renewables and relatively robust revenues in process & chemicals
- Successfully protected EBITDA margin at 8.3%
- Flexible model enabling early and decisive action on cost:
  - improved operational utilisation
  - $230m overhead savings

1) Like for like basis excludes the contribution from disposals executed in 2019 and 2020.

# Significantly improved margins in ASEAAA & TCS offset by reduction in ASA

| | 2020 ($m) | | | 2019 ($m) | | |
|---|---|---|---|---|---|---|
| | **Revenue** | **EBITDA** | *Margin* | **Revenue** | **EBITDA** | *Margin* |
| Asset Solutions Americas | **2,902** | **92** | ***3.2%*** | **3,894** | **238** | ***6.1%*** |
| Asset Solutions EAAA | **2,450** | **319** | ***13.0%*** | **2,960** | **324** | ***10.9%*** |
| Technical Consulting Solutions | **1,998** | **262** | ***13.1%*** | **2,388** | **267** | ***11.2%*** |
| Investment Services* | **138** | **13** | ***9.4%*** | **144** | **37** | ***25.7%*** |
| Central costs/asbestos/other | | **(70)** | | | (71) | |
| **Like for like** | **7,488** | **616** | ***8.2%*** | **9,386** | **795** | ***8.5%*** |
| Disposals (Nuclear, industrial services, TNT.) | **76** | **14** | | **504** | **60** | |
| **Total** | **7,564** | **630** | ***8.3%*** | **9,890** | **855** | ***8.6%*** |

* Adjusted to reflect revenue on the Aegis contract now reported in the Investment Services business unit



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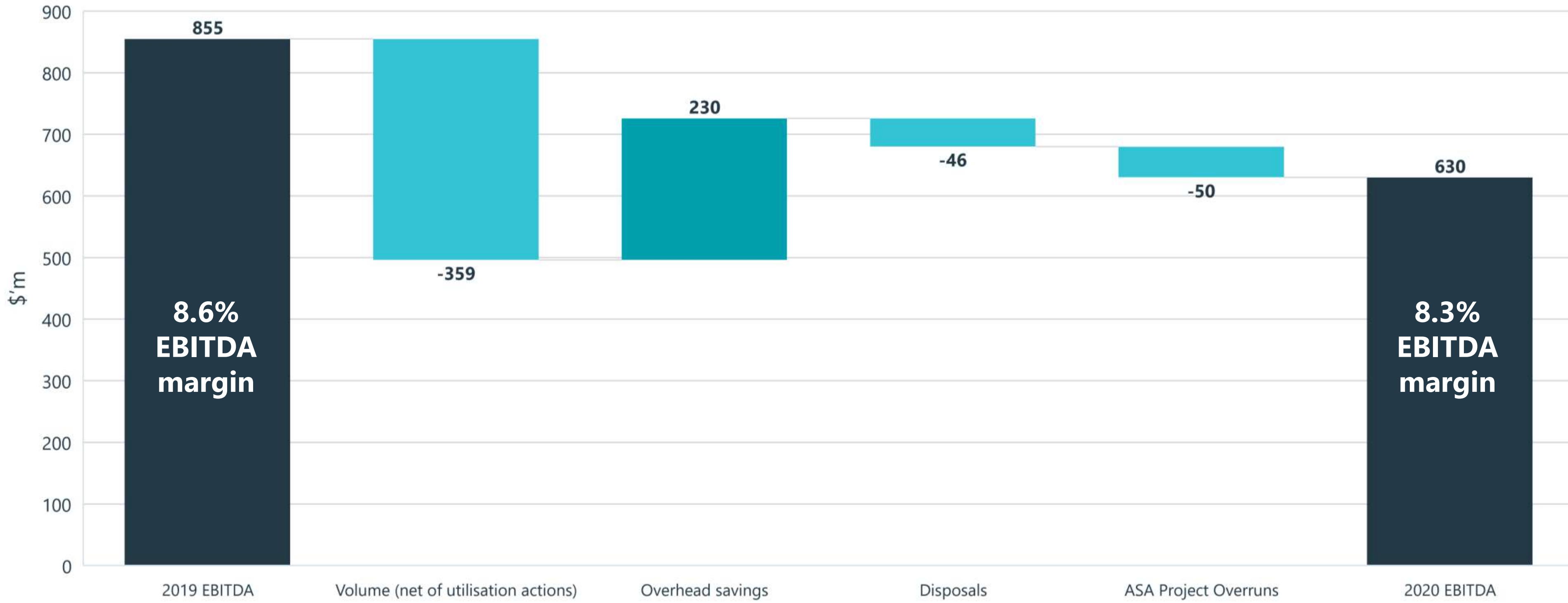
# Offsetting impact of lower activity on EBITDA margin



# **Net debt reduced by $410m:** portfolio optimisation & actions to protect balance sheet

| | 2020 $m | 2019 $m | 2020 Commentary |
|---|---|---|---|
| **Adjusted EBITDA (Ex IFRS 16)** | **479** | **704** | Excludes IFRS 16 impact |
| JV EBITDA net of divs & F/x | (24) | (27) | |
| Provisions | (45) | (216) | Significant reduction as legacy issues resolved, includes insurance receipt |
| **Cash generated pre working capital** | **410** | **461** | |
| Working capital movements | (114) | 204 | Anticipated advance payment unwind of $277m |
| **Cash generated from operations (pre exceptionals)** | **296** | **665** | |
| Exceptional items | (115) | (74) | Includes costs to deliver overhead savings of c$230m |
| **Cash generated from operations** | **181** | **591** | |
| Divestments/ (acquisitions) | 455 | 43 | Consideration for nuclear, industrial services and TCT |
| Capex & intangible assets | (81) | (127) | Reduction in discretionary capex, ERP paused |
| **Free cash flow** | **555** | **506** | |
| Tax, interest, dividends and other | (145) | (417) | FY 2019 and interim 2020 dividends suspended, reduced interest & tax payments |
| **Net decrease in net debt** | **410** | **89** | |
| **Net debt excluding leases** | **(1,014)** | **(1,424)** | **Net debt : EBITDA 2.1x (pre IFRS 16)** |

# **Working Capital:** outflow driven by unwind of customer advances

| | 2020 $m | 2019 $m | Commentary |
|---|---|---|---|
| Receivables | 504 | 200 | Lower activity including large EPC contracts rolling off |
| Payables | (342) | (121) | Impact of lower activity |
| Advanced payments | (277) | 128 | Expected unwind of EPC advances and lower EPC awards |
| Inventory | 1 | (3) | |
| Working capital movement | (114) | 204 | |



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# **Strong underlying operating cashflow:**
# focused on reducing temporary headwinds

| | 2020 $m | Legacy/ Temporary | | 2020 Underlying operating cashflow | |
|---|---|---|---|---|---|
| **Adjusted EBITDA (Ex IFRS 16)** | **479** | | | **479** | |
| JV EBITDA net of divs & F/x | (24) | | | (24) | |
| Provisions | (45) | (22) | Legacy projects/disposed businesses & insurance receipt | (67) | c$30m relates to asbestos |
| Working capital movements | (114) | 277 | Anticipated advance payment unwind | 163 | |
| Exceptional items | (115) | 80 | Restructuring/overhead reduction | (35) | c$21m relates to onerous leases |
| **Cash generated from operations** | **181** | | | **516** | |



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# Approaching resolution on legacy investigations

**Continued cooperation in 2020 enabling progress towards imminent settlement**

- 2019: progressed investigations towards potential settlement in US, Brazil, Scotland
- Provision of $46m recorded in 2019

- 2020: Progressed remaining investigation in England towards potential settlement
- Further provision of $151m recorded in 2020

**c$197m settlement : anticipate payment of c$70m in 2021, remainder over next 3 years**

# **2021 cashflow:** provisions, working capital, exceptional items and capex

| | FY 20 | FY 21 | |
|---|---|---|---|
| **Provision movements: projects, asbestos and disposed businesses**<br>• Project related - large number of smaller provisions<br>• Estimated future cost/claims | **$(45)m** | **c$(60)m** | • Stabilising at significantly lower level than 2019 ($216m) as legacy issues roll off<br>• 2020 benefitted from insurance proceeds inflow<br>• Asbestos c$33m in 2021. Long term profile with reducing cash flows |
| **Working Capital** | **$(114)m** | **Neutral/ Modest inflow** | • Advance payment unwind of $277m in 2020 not repeating<br>• Maintained focus on working capital management |
| **Exceptional items**<br>• Integration, overhead savings<br>• Onerous leases<br>• Investigation costs | **$(115)m** | **c$(135)m** | • Costs to deliver Future Fit program c$30m<br>• Onerous leases of c$25m in 2021, reducing to nil by 2024<br>• Investigations settlement: c$70m in 2021 |
| **Capex & Intangible assets** | **$(81)m** | **c$(115)m** | • Resumption of ERP activities<br>• Future Fit: investment in digital & technology |

# Prioritising balance sheet strength

## Sources of cash

Earnings growth

Strong cash generation

Portfolio optimisation

## Uses of cash

### 1) Continued debt reduction: $410m in 2020

Net debt : EBITDA 2.1x (31 December 2019: 2.0x).

Target leverage pre-IFRS 16 :1.5x EBITDA

$1.74bn headroom to debt facilities:

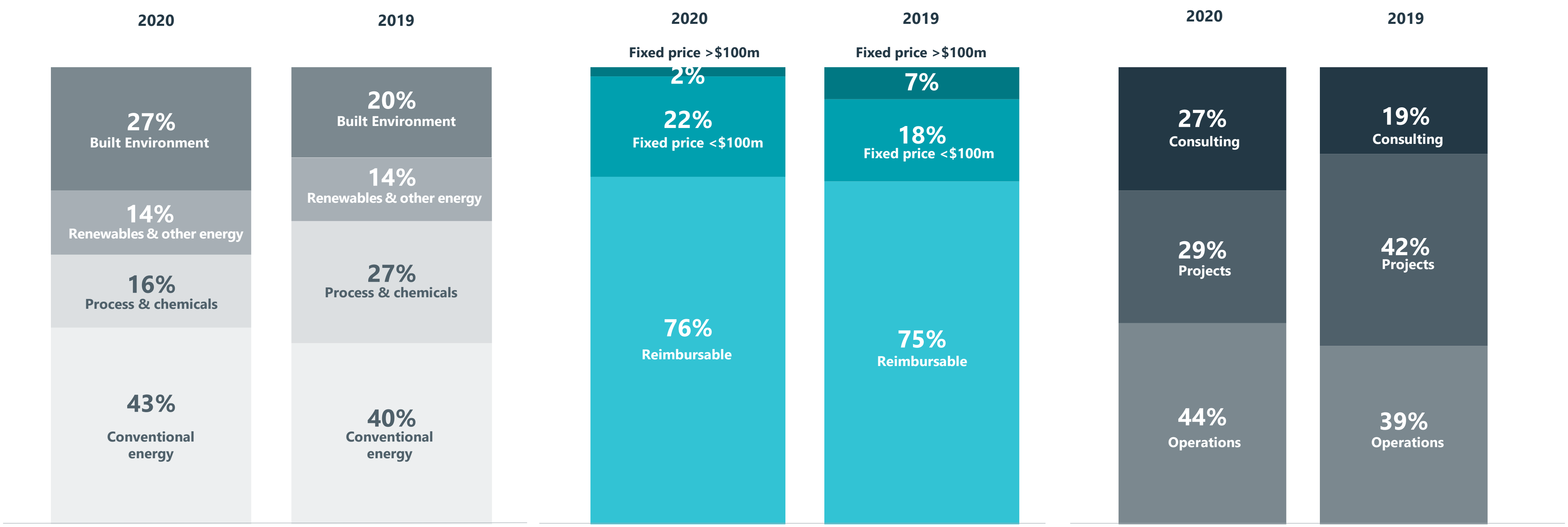
- Debt facilities >$3bn
- Recently extended RCF to 2023
- Covenants : 3.5x EBITDA

### 2) Dividend

No dividend payments for FY 2020

Decision to resume dependent on assessment of longer-term impact of Covid and improved end market stability

# Strategic positioning evident in order book evolution




December 2020 order book: $6.5bn (2019: $7.9bn)

Improved momentum in awards in Q4 2020 and Q1 2021

# **Margin improvement strategy:** delivery in 2020 aligned with medium term ambition

## Levers

**Delivering**
- Exceptional execution
- Efficiency and cost reduction
- Commercial acumen

**Winning**
- Discerning bidder
- Risk appetite and governance
- Differentiation & competitive advantage

**Positioning**
- Active portfolio management

## Delivery and ambition

**2020 delivery (8.3%)**
- Improved margin in 2 of 3 business units
- Improved utilisation & $230m overhead savings

**2021: focus on improvement**
- Managing utilisation in response to lower activity
- Benefit of mix impact of proportionately higher Consultancy
- Future Fit efficiencies c$40m
- Improved project execution
- Reversal of 2020 temporary cost savings offset by full year benefit of actions taken

**Medium term: targeting strategic ambition of 9.6% (100bps improvement on 2019)**

# **FY 2021 financial reporting:** operating model optimisation

| 3 Global Business Units | | Consulting | Projects | Operations |
|---|---|---|---|---|
| 2020 Financial metrics | | Revenue: **$1.8bn**<br>EBITDA: **$224m**<br>Margin: **12.3%** | Revenue **$3.6bn**<br>EBITDA: **$208m**<br>Margin: **5.8%** | Revenue **$2.0bn**<br>EBITDA: **$254m**<br>Margin: **12.5%** |
| Revenues by end market | Renewables & other energy | **18%** | **38%** | **9%** |
| | Process & chemicals | **5%** | **37%** | **12%** |
| | Conventional energy | **15%** | **20%** | **76%** |
| | Built environment | **62%** | **5%** | **3%** |



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# **FY 2021:** focus on improving margins and cash generation

## Continued market challenges leading to lower activity

- Order book of $6.5bn down 17%
- Lower activity in Projects: larger scopes rolling off not replaced
- Strength in Consulting (Built Environment) and Operations (Process & Chemicals)

## Continued focus on EBITDA margin improvement and cashflow

- Impact of lower activity mitigated by utilisation focus, benefits of improved business mix, Future Fit efficiencies and improved project execution
- Cash generation: focus on working capital unwind of customer advances not repeating



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# Financial summary

**Early actions to reduce cost, protect the balance sheet & generate strong cashflow**

- Breadth of exposure across Energy and Built Environment markets delivering revenue resilience, down 20% like for like
- Successful protection of EBITDA margin at 8.3% (2019: 8.6%)
- Significant reduction in net debt of $410m to $1.01bn (Net debt: EBITDA 2.1x)
- FY 2021:
  - Growth in Consulting and Operations more than offset by lower activity in Projects as larger EPC work rolls off
  - Continued focus on EBITDA margin improvement and cashflow

# A sustainable investment proposition: Future Fit

Robin Watson, Chief Executive

# Wood's commitment to ethics and compliance

**Tone from the Top set by Board and ELT:**

- Engagement on critical importance of E&C programme – including CEO-led Code of Conduct
- Safety Assurance and Business Ethics Committee constitutes three independent directors with CEO attendance
- Use of sales agents prohibited unless required under law

**Risk based E&C programme:**

- Anti Bribery & Corruption (ABAC) risk assessment and improvement programme
- Multi-layered training and communications programme
- Trade compliance risk assessment

**Continuous improvement mindset including**

- External assessments and employee surveys

**Areas of focus:**

- Continue to drive culture and the first line of defence model down through the company
- Build on policies with process and guidance
- Develop overall E&C Programme maturity

# Our medium-term strategic priorities

Levered to structural growth in **Energy Transition** and **Sustainable Infrastructure**

Sector/geographic tactics aligned with trends: **speciality chemicals and built environment expansion**

**Targeting margin improvement** to accelerate growth

OPTIMISE & STANDARDISE

**Service delivery model** to achieve Exceptional Execution

**RATIONALISE** PORTFOLIO

**Refine** operating model, **dispose** non core assets, **Invest in** consulting platform

**Technology differentiation** through internal R&D, strategic partnerships and scalable solutions

**Risk** **Reward**

**Focus on Margin:** PMC/EPCM contract types preferred

**Deliver shareholder value**



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# **Accelerating our strategy:** Future Fit

## Enabling our strategic medium-term margin target of 9.6%

### Simplifying our market position.

Three global business units:
- **Consulting**
- **Projects**
- **Operations**

Green-to-green lifecycle of solutions across **Energy & the Built Environment**

### Transforming our operating model.

- First-class operational discipline and **predictable execution outcomes**
- Superior **financial performance**
- **Leaner, faster, lower carbon** enterprise

### Digitalising the way we work.

- **Digital solutions** that transform delivery
- **Technology** to deliver efficiencies
- Commercialising **innovation for competitive edge**

### Accelerating future skills development.

- **Talent planning & development**
- **High performance** culture
- **Reimagining work** and workplaces
- **Inclusive & diverse** workforce

### Unlocking growth.

- Amplified **organic growth**
- Precision focus on **solutions** & **capabilities** to win
- **Sustainable value** in non-oil and gas markets



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# **Simplifying our market position:** organisational design aligned to asset lifecycle

Wood's business follows a **lifecycle of solutions** where our consulting practice leverages our expertise in designing, planning and optimising any facility, asset or infrastructure through to our rich experience in building, operating and re-purposing.

**Plan >** **Design >** **Build >** **Operate / Optimise >** **Re-purpose**

**Consulting** ⟶ (Plan to Re-purpose)

**Projects** ⟶ (Design to Build)

**Operations** ⟶ (Operate / Optimise to Re-purpose)



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# **Simplifying our market position:** delivering value from the creation of Consulting

Premium margin delivery and order book growth through the creation of our **Consulting** business unit

| c$1.8bn | 12.3% | c20% | c$1.5tn |
|---|---|---|---|
| Revenue | **Margin**<br>170bps improvement in 2020 | Growth in order book | Infrastructure gap |

**Strategic focus:**

- Building a diverse, differentiated, and agile consulting brand
- Connecting our Global Technical Expert Network
- Evolving & deploying digital delivery model



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# Digitalising the way we work

**Digital Factory**

Critical talent development and partnerships to incubate and embed digital capability and solutions in Wood.

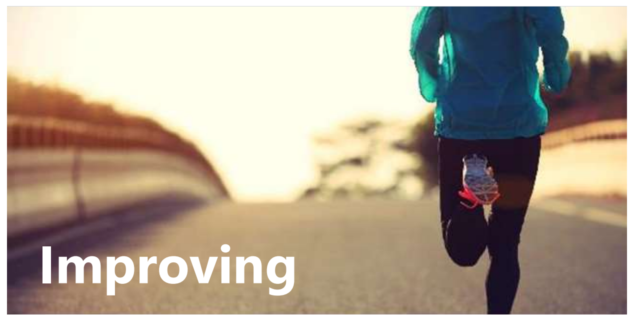
**Digital Talent**

**Partnerships**


# Transforming our Operating Model

Developing a framework for operational excellence to achieve predictable **performance**. Creating efficiency and value that drives collaboration, learning, **improvement** and **innovation**.


- Project governance
- Project delivery
- Consistent operational performance
- Project management competency




- Project planning and execution
- Operations assurance
- Supply chain efficiencies
- A culture of continuous improvement


- Commercial innovation
- Client partnerships that unlock value creation
- Internally digitally enabled
- Externally digitally differentiated

# **Unlocking Growth:** in Energy

## Carbon Capture & Storage

**145+**
CCS studies

**30+**
years experience

**Removing 4m Tons of CO2**
through flaring reduction

## Solar

**500-1000+**
projects supported

**13**
years of advisory work

**35GW+**
of solar PV projects

**World leading**
guidelines for renewables, including IFC solar guidebook

## Wind

**>120GW**
total capacity supported

**20%**
of global wind power

**685+**
projects (135+ offshore)


## Hydrogen

**120+**
hydrogen units licensed and designed

**60+** years experience

**World leading 100% green hydrogen project**

**Pioneering:**

Bio-hydrogen development

Modular hydrogen units for a range of capacities



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# **Unlocking Growth:** in the built environment

## Future-ready industry

**#1**
International design firm*

**10,000**
weather sensors monitored and 13,000 unique forecast products daily for industrial operations

**16 million tons**
of radioactive tailings waste transported and disposed

## Cleaner, protected environments

**5,000+**
remediation projects managed every year

**4000 acres**
of marshland restored in one of the largest, most complex coastal restorations in the eastern US

**1st**
Canada-wide wetland map and inventory system

## Critical infrastructure

**600**
dams in North America evaluated for safety

**3000+ km**
overhead conductor replaced for the UK electricity grid in the last 5 years

**1500+ km**
water network essential maintenance for Australian utilities

## Thriving cities

**250,000 miles**
of river modelled and mapped flood hazards in the US

**200+ rail**
planning and design projects completed annually

**2,000+ miles**
of roadway planning and design in North America



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# Established markets with growth opportunities

| | Markets | % | Market themes | Wood near term themes |
|---|---|---|---|---|
| Energy | **Renewables & other energy** | **c25%** | • Capital investment in renewables power generation to remain strong<br>• Global investment due to acceleration of oil major's low carbon strategies<br>• Longer term growth driven by net zero commitments and government support, potential for carbon pricing to accelerate | • Resilience in renewables<br>• Continuing momentum in UK CCS & hydrogen concept/pre-Feed scopes |
| Energy | **Process & chemicals** | **c20%** | • Specialist chemicals and speciality life sciences relatively resilient longer term<br>• Uncertainty near term but improving longer term as deferred investments proceed | • Reducing activity in Projects as large contracts e.g. YCI & GCGV roll off<br>• Resilience in life science markets : expansions for vaccine development / supply chain resiliency |
| Energy | **Conventional energy** | **c35%** | • Outlook dependent on rate of global recovery in global demand<br>• In upstream asset optimisation enabled by digital & technology to be a key focus<br>• Duty holder/asset management opportunities as new independent operators enter the market | • Momentum in modification and optimisation awards driving robust Operations activity<br>• Projects activity to remain subdued; upstream limited to smaller, early-stage scopes, midstream investment constraints |
| Built environment | **Built environment** | **c20%** | • Potential for significant growth from fiscal stimulus measures adopted in response to COVID-19<br>• Longer term demand supported by changing attitudes to infrastructure spending to provide climate and economic resilience | • Activity levels to remain strong<br>• Growth in demand for smart/resilient infrastructure<br>• Some short term constraints in transport capex as passenger levels remain low |

# Committed to measurable sustainability targets

### Delivering our purpose

Consistently ranked in the **Top Quartile** ESG investment ratings within our sector by **2025**.

**Doubling client support** aligned to energy transition and sustainable infrastructure, by **2030**

### Developing an inclusive & diverse workforce

Improve gender balance: **40%** female representation in senior leadership roles by **2030**.

Educate and inspire **100%** of our colleagues to be inclusive every day by **2021**

### Managing our environmental impact

Reduce Wood's carbon emissions by **40%** by **2030** on our journey to **'net zero'**

Ensure all Wood offices are **single use plastic free** by **2025**.

### Embedding fair working practices

**100%** of Wood labour suppliers sign up and comply with the **Building Responsibly** Principles by **2025**.

**100% of our suppliers** have Building Responsibly Principles embedded into their supply chains by **2030**.

### Positively impacting communities

Contribute **$10 million** to our global causes by giving our time, energy, resources and funding by **2030.**

**Targets embedded in leadership team bonus scheme & long-term incentive plans**

# A future focused business with an accelerating strategy

## 2020: a robust response in the face of challenge

- Strategic broadening across Energy and Built Environment markets benefitting revenue resilience
- Decisive actions to protect the balance sheet, margins and cashflow

## Accelerating strategy in 2021

- Continued market challenges leading to lower activity in 2021. Focused on margin improvement and cashflow
- Order book evolving towards lower risk, higher margin consulting activities
- Differentiated sustainability leadership: committed to measurable targets
- Future fit programme to accelerate strategy: transforming our operating model and unlocking medium term margin aspiration

# Appendices

# New and old BU analysis

| | 2020 | | | | | | 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ASA | ASEAAA | TCS | Investment Services | Central costs | Total | ASA | ASEAAA | TCS | Investment Services | Central costs | Total |
| **Revenue:** | | | | | | | | | | | | |
| Renewables & other energy | *1,204* | *96* | *562* | *88* | | **1,950** | *1,009* | *549* | *835* | *69* | | **2,462** |
| Process & chemicals | *859* | *716* | *88* | | | **1,663** | *1,197* | *935* | *139* | | | **2,271** |
| Conventional energy | *805* | *1,431* | *265* | | | **2,501** | *1,688* | *1,664* | *411* | | | **3,763** |
| Built environment | *34* | *219* | *1,146* | *51* | | **1,450** | | | *1,394* | | | **1,394** |
| | **2,902** | **2,462** | **2,061** | **139** | | **7,564** | **3,894** | **3,148** | **2,779** | **69** | | **9,890** |
| EBITDA | 92 | 327 | 268 | 13 | (70) | **630** | 238 | 353 | 300 | 36 | (72) | **855** |
| EBITDA margin | *3.2%* | *13.3%* | *13.0%* | *9.2%* | | ***8.3%*** | *6.1%* | *11.2%* | *10.8%* | *52.2%* | | ***8.6%*** |

| | 2020 | | | | | | 2019 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Consulting | Projects | Operations | Investment Services | Central costs | Total | Consulting | Projects | Operations | Investment Services | Central costs | Total |
| **Revenue:** | | | | | | | | | | | | |
| Renewables & other energy | *324* | *1,358* | *180* | *88* | | **1,950** | 505 | 1,107 | 781 | 69 | | **2,462** |
| Process & chemicals | *88* | *1,321* | *254* | | | **1,663** | 139 | 2,081 | 51 | | | **2,271** |
| Conventional energy | *265* | *700* | *1,536* | | | **2,501** | 411 | 1,261 | 2,091 | | | **3,763** |
| Built environment | *1,146* | *190* | *63* | *51* | | **1,450** | 1,394 | - | - | | | **1,394** |
| | **1,823** | **3,569** | **2,033** | **139** | | **7,564** | **2,449** | **4,449** | **2,923** | **69** | | **9,890** |
| EBITDA | 224 | 208 | 254 | 13 | (69) | **630** | 261 | 277 | 353 | 36 | (72) | **855** |
| EBITDA margin | *12.3%* | *5.8%* | *12.5%* | *9.4%* | | ***8.3%*** | *10.6%* | *6.2%* | *12.1%* | *52.2%* | | ***8.6%*** |



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# **Cashflow reconciliation:** pre/post leases and IFRS 16

| | FY 2020 $m | Leases | Post-Leases | |
|---|---|---|---|---|
| **Adjusted EBITDA** | **479** | **151** | **630** | IFRS 16 : $151m operating lease rentals |
| JV EBITDA /divs/other | (24) | (8) | (32) | |
| Provisions | (45) | - | (45) | |
| **Cash generated pre working capital** | **410** | **144** | **554** | |
| Working capital movements | (114) | - | (114) | |
| Exceptional items | (115) | 21 | (94) | Onerous lease adjustment relating to IFRS 16 |
| **Cash generated from operations** | **181** | **165** | **346** | |
| Divestments/ (acquisitions) | 455 | - | 455 | |
| Capex & intangible assets | (81) | - | (81) | |
| **Free cash flow** | **555** | **165** | **720** | |
| New leases | - | (147) | (147) | New leases signed in the period & interest expense |
| Tax, interest, dividends and other | (145) | 24 | (121) | |
| **Net decrease in net debt** | **410** | **42** | **452** | |
| **Opening net debt** | **(1,424)** | **(583)** | **(2,007)** | |
| **Closing net debt** | **(1,014)** | **(541)** | **(1,555)** | |

# Balance sheet review

| | FY 2020 $m | FY 2019 $m | Commentary |
|---|---|---|---|
| Goodwill and intangible assets | **6,216** | 6,299 | Includes $4.4bn relating to AFW. Reduction due to disposals of nuclear and industrial services businesses and amortisation of intangible assets |
| Right of use assets | **409** | 412 | |
| Other non-current assets | **831** | 965 | |
| Trade and other receivables | **1,699** | 2,306 | Inflow from reduced activities including large EPC contracts rolling off |
| Net held for sale assets and liabilities | **-** | 413 | Reduction due to sale of nuclear and industrial services businesses, YKK and other JV interest |
| Trade and other payables | **(2,020)** | (2,620) | Reduction in gross amounts due to customers as a result of a major contract in ASA unwinding and impact of reduced activity |
| Net debt excluding leases | **(1,014)** | (1,424) | Reduction benefitting from disposal proceeds and actions to ensure balance sheet strength |
| Lease liabilities | **(541)** | (583) | Includes c$21m of leases previously classified as finance leases. |
| Provisions | **(943)** | (792) | Increased provision for regulatory settlements , reduced legacy provisions, offset by insurance receipt |
| Other net liabilities | **(464)** | (552) | |
| **Net assets** | **4,173** | 4,424 | |



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