

wood.

# Sell side analyst meeting – Financial metrics and segmental reporting

David Kemp (CFO) November 2017



# Wood is a business with enduring investment themes

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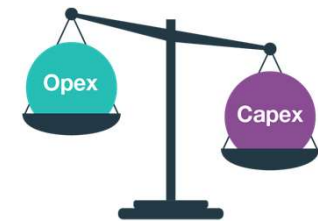
- A global leader in project, engineering and technical services
- Performance-driven solutions throughout the asset life cycle
- Strong oil & gas offering across upstream, midstream and downstream
- Full service capability across broad range of industrial markets



predominantly reimbursable



flexible asset light model



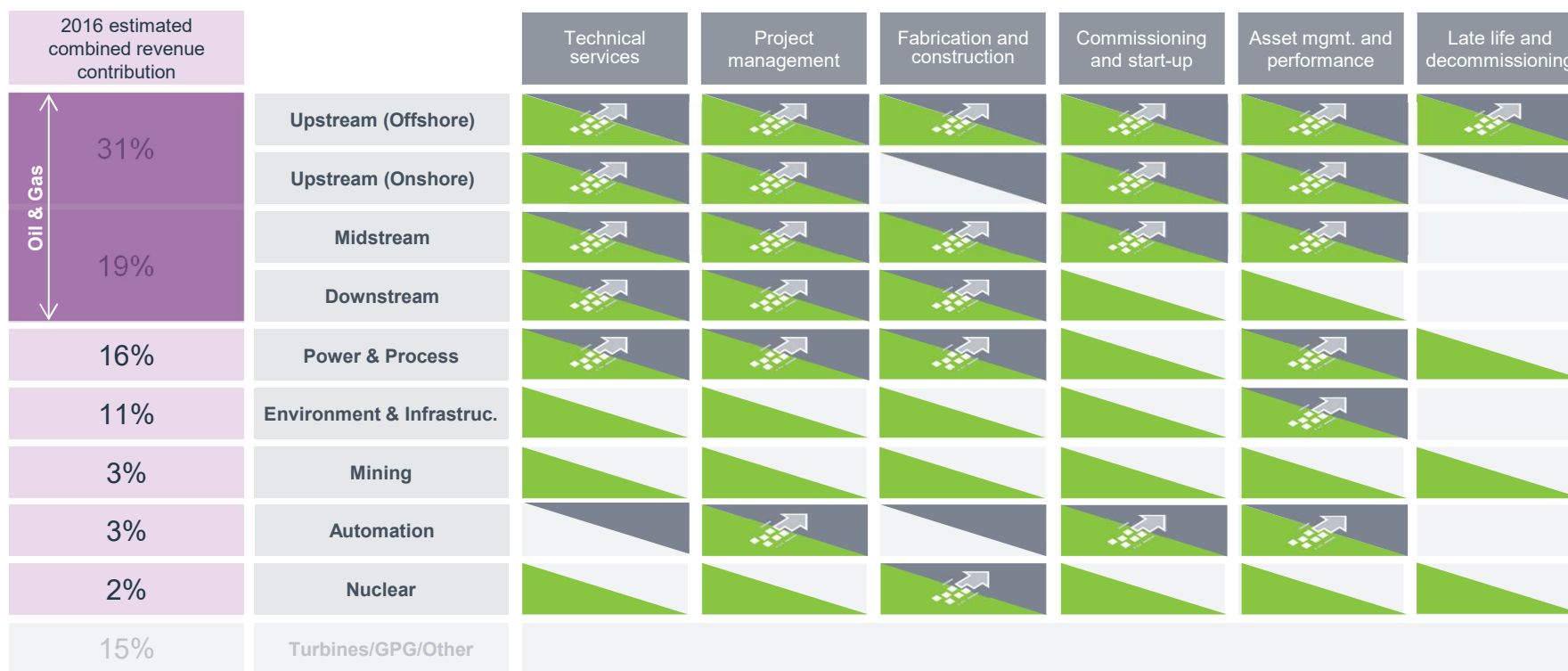
balance across opex and capex



broad end market exposure



# Full service capability across industrial markets & stronger O&G lifecycle offering



## Near term priorities

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- Continued focus on customer delivery
- Integration at pace
- Delivering cost synergies
- Unlocking revenue synergies
- Deleveraging



## Reportable segments, profit measures and disclosure

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- 4 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)



# 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	Upstream	Operations & Maintenance	Upstream	Operations & Maintenance	Subsea & Export Systems	Environmental Remediation
	Downstream & Chemicals	Modifications	Downstream & Chemicals	Modifications	Automation & Control	Environmental Sciences
	Process & Energy	Decommissioning Services		Industrial Services	Mining & Minerals	Permitting & Compliance Services
				Decommissioning Services	Nuclear	Public Infrastructure
				Turbine Activities	Technology & Consulting	Geotechnical & Materials
						Facility Operations



## Proforma financial performance 2015 to H1 2017

- Covers the historic performance of the combined Wood business from 2015 to H1 2017
- It excludes the results of businesses disposed; the AFW North Sea upstream business, the AFW North American nuclear operations and the disposed elements of GPG
- EBITA is stated after costs relating to asbestos
- The 2017 Financial results will include proforma figures produced on the same basis

	2015 (\$m)			2016 (\$m)			H1 2017 (\$m)		
	Revenue	EBITA	Margin	Revenue	EBITA	Margin	Revenue	EBITA	Margin
Asset Solutions Americas	4,758	343	7.2%	4,219	225	5.3%	1,584	91	5.7%
Asset Solutions EAAA	5,253	393	7.5%	4,016	350	8.7%	1,680	98	5.8%
Specialist Technical Solutions	1,481	183	12.4%	1,240	147	11.9%	647	74	11.4%
Environment & Infrastructure Solutions	1,243	84	6.8%	1,252	40	3.2%	646	40	6.2%
Investment Services	489	52	10.7%	508	4	0.8%	187	15	8.0%
Central costs		(101)			(93)			(54)	
<b>Total</b>	<b>13,224</b>	<b>954</b>	<b>7.2%</b>	<b>11,235</b>	<b>673</b>	<b>6.0%</b>	<b>4,744</b>	<b>264</b>	<b>5.6%</b>

All figures in the table above are extracted from published financial data. They are presented on a pro-forma basis, are unaudited and provided for illustrative purposes only



# Targeting conservative capital structure & progressive dividend

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## Structure

### Equity

All share offer at 0.75 ratio  
c. 450m weighted average shares on fully diluted basis

### Debt

3 year Term Loan \$1bn  
5 year RCF \$1.75bn  
Net debt to EBITDA c 2.2x at completion  
(Covenant Net Debt to EBITDA < or equal to 3.5x)

## Capital allocation

1

### Debt reduction

(No change to LT 0.5x-1.5x EBITDA target)

2

### Dividend

(progressive policy,  
H12017 interim up 3%)





# Superior returns from the delivery of significant synergies

**>\$170m** in cost synergies by year 3  
(costs to deliver of c \$201m)

<b>Corporate</b> (c 30%)	Leadership consolidation / Duplicated functional support
<b>Administrative</b> (c 30%)	Office location overlap / ERP / Central support functions / IT&S
<b>Operational</b> (c40%)	Regional overlap / Procurement / Efficiency & Utilisation

<b>Additional potential revenue synergies</b>
Access to new customers
Cross selling
Enhanced service opportunities



# 2017 results communication – what to expect

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## 2017 Performance

- Proportionally consolidated EBITA and AEPS will remain our principal profit measures
- 2017 Reported performance will include 3 months of AFW excluding the upstream UK business
- 2017 Proforma results will establish a base. These will exclude businesses disposed including the AFW's UK upstream and N. America nuclear businesses and GPG

## Cost recognition

- Exceptional items will include costs to deliver synergies and deal related costs
- Costs in respect of asbestos will be included above the EBITA line

## Key dates

- 13 December - Full year trading update
- 22 March – Full year results
- H1 2018 - Backlog / order book metrics to be provided



# Q&A

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