Half year results presentation

16 August 2016

Delivering and positioning the business

- H1 reflects flexibility in challenging markets
- “Controlling what we can control”
  - $50m overhead reduction in H1; 30% reduction delivered in 18 months
  - Focus on utilisation and capability
- Maintaining our leading position
- Wood Group repositioning
  - Reorganising to enhance customer delivery
  - Delayering and back office rationalisation
- Strong cash generation and balance sheet
- Unchanged full year outlook; EBITA down around 20% on 2015

Half year results – financial results

David Kemp - CFO

Financial summary

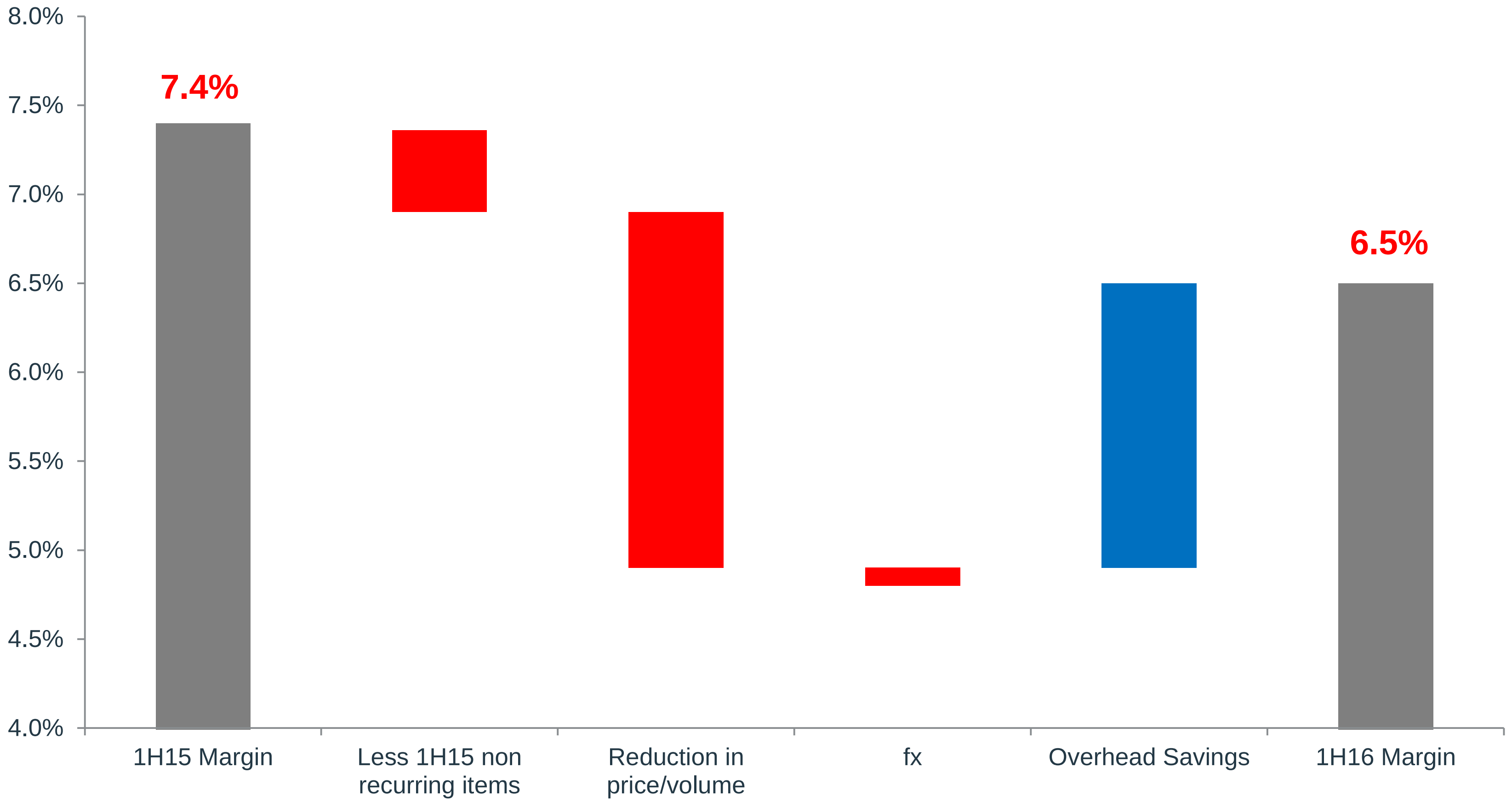
Total Revenue	Total EBITA	EBITA Margin	AEPS	Total Dividend
$2.6bn	$166m	6.5%	28.7c	10.8 cents
▼ 17%	▼ 26%	▼ 0.9%	▼ 28%	▲ 10%

- Challenging oil & gas environment leading to pressure on volumes and prices
- Impact mitigated by
  - management of utilisation (headcount down 10%)
  - additional overhead cost savings of $50m; 30% reduction since Jan 2015
- Dividend up 10% in line with previous intention

Trading performance reflects flexibility in a challenging market

	1H 2016 $m	1H 2015 $m	Change %
Total revenue	**2,559**	**3,069**	*(16.6)%*
Total EBITA	**166**	**226**	(26.3)%
EBITA margin	*6.5%*	*7.4%*	*(0.9)%*
Amortisation	(54)	(54)	
Total operating profit pre exceptional items	**112**	**172**	(34.9)%
Net finance expense	(12)	(12)	
Profit before tax and exceptional items	**100**	**160**	(37.5)%
Taxation (before exceptional items)	(26)	(43)	
Profit before exceptional items	**74**	**117**	(36.8)%
Exceptional Items (net of tax) – efficiency and reorganisation	(30)	4	
Profit for the period	**44**	**121**	(63.6)%
Adjusted diluted EPS (AEPS)	**28.7c**	**40.1c**	(28.4)%
Dividend	**10.8c**	**9.8c**	*10%*

Offsetting the impact of lower underlying margins



Wood Group Engineering

	1H 2016 $m	1H 2015 $m	Change %
Revenue	**701**	908	*(22.8)%*
EBITA	**80**	102	*(20.9)%*
Margin	**11.5%**	11.2%	*0.3%*
Headcount	**8,500**	9,700	*(12.4)%*

Upstream
(c.35% of revenue)

- Positive movement in project sanctioning in 1H
- Commenced TCO automation project, Statoil Peregrino and Noble Leviathan

Subsea & Pipelines
(c.40% of revenue)

- Subdued market and reduced activity in subsea
- US onshore pipeline performance robust

Downstream, process & industrial
(c.25% of revenue)

- Flint Hills detailed design project winding down
- Increase in competitive pressure in process plants

Encouraging awards in Upstream, continued subdued market in Subsea

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 pressure
- Seeing the benefit of 2015 acquisitions Kelchner and Infinity

North Sea
(c.30% of revenue)

- Very challenging environment
- Volume and pricing pressure
- Renewed long term contracts

International
(c.20% of revenue)

- Significant awards in Baku and Iraq
- Continued focus on Middle East as an area of growth

Well positioned for future activity in US onshore

Wood Group PSN – Turbine Activities

	1H 2016 $m	1H 2015 $m	Change %
Revenue			
RWG, TCT	**75**	80	*(7.7)%*
EthosEnergy	**227**	248	*(8.1)%*
Total Revenue	**302**	328	*(7.6)%*
EBITA			
RWG, TCT	**8**	12	*(18.2)%*
EthosEnergy	**6**	6	-
Total EBITA	**14**	18	*(22.2)%*
Margin	**4.5%**	5.6%	*(1.1)%*

Strong financial position

	1H 2016 $m	1H 2015 $m
Cash generated pre working capital (excl. JVs)	**149**	**242**
Working capital movements	(25)	(17)
Cash generated from operations	**124**	**225**
Cash conversion (% of equity accounted EBITDA)	**73%**	**96%**
Acquisitions and deferred consideration	(19)	(13)
Capex & intangible assets	(55)	(42)
Tax	(43)	(48)
Interest, dividends and other	(64)	(71)
Net (increase)/ decrease in net debt	**(57)**	**51**
Closing net debt (excl. JVs)	**(351)**	**(276)**
JV Net Cash	**0**	**(1)**
Closing net debt (incl. JVs)	**(351)**	**(277)**
Net debt to EBITDA	**0.7x**	**0.5x**

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

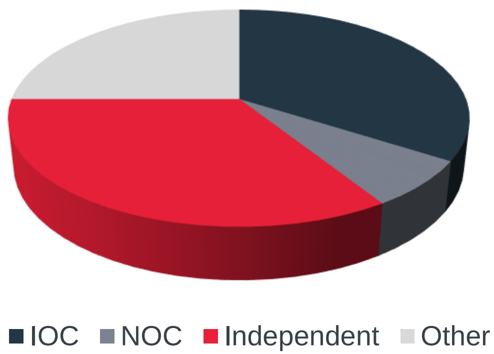
Tactics

  - Continuing to win work
  - Managing utilisation and maintaining capability
  - Structural cost reduction
  - Meeting the industry's challenge on cost and efficiency
  - Repositioning as "One Wood Group"

One Wood Group with enduring investment themes

Capex (c45%)	Opex (c55%)

Broad Geographic footprint



Customers

Upstream
Offshore, Onshore, Unconventional

Subsea & Pipelines

Downstream, Process & Industrial

Markets and Sectors

Reimbursable (c90%)	Fixed price (c10%)

One Wood Group

Asset Life Cycle Solutions

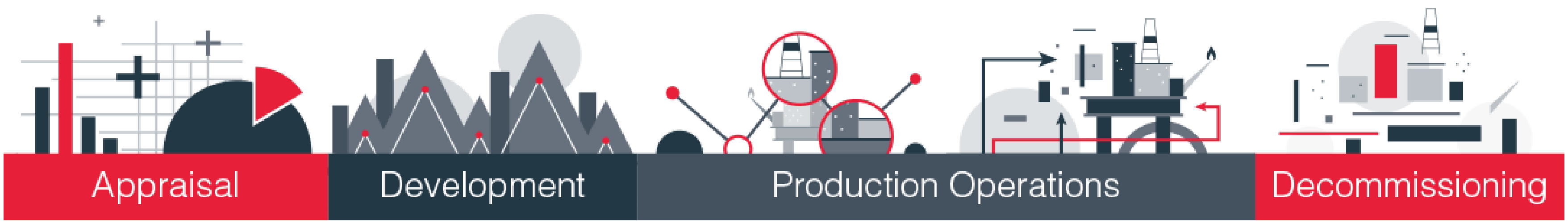
Projects & Modifications

Operations & Maintenance

Industrial Services

Pipeline Services

Decommissioning Services



Subsea

Studies

Asset Integrity Solutions

Automation & Control

Digital Solutions

Specialist Technical Solutions

Clean Energy

One Wood Group

Asset Life Cycle Solutions

West

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

East

Specialist Technical Solutions

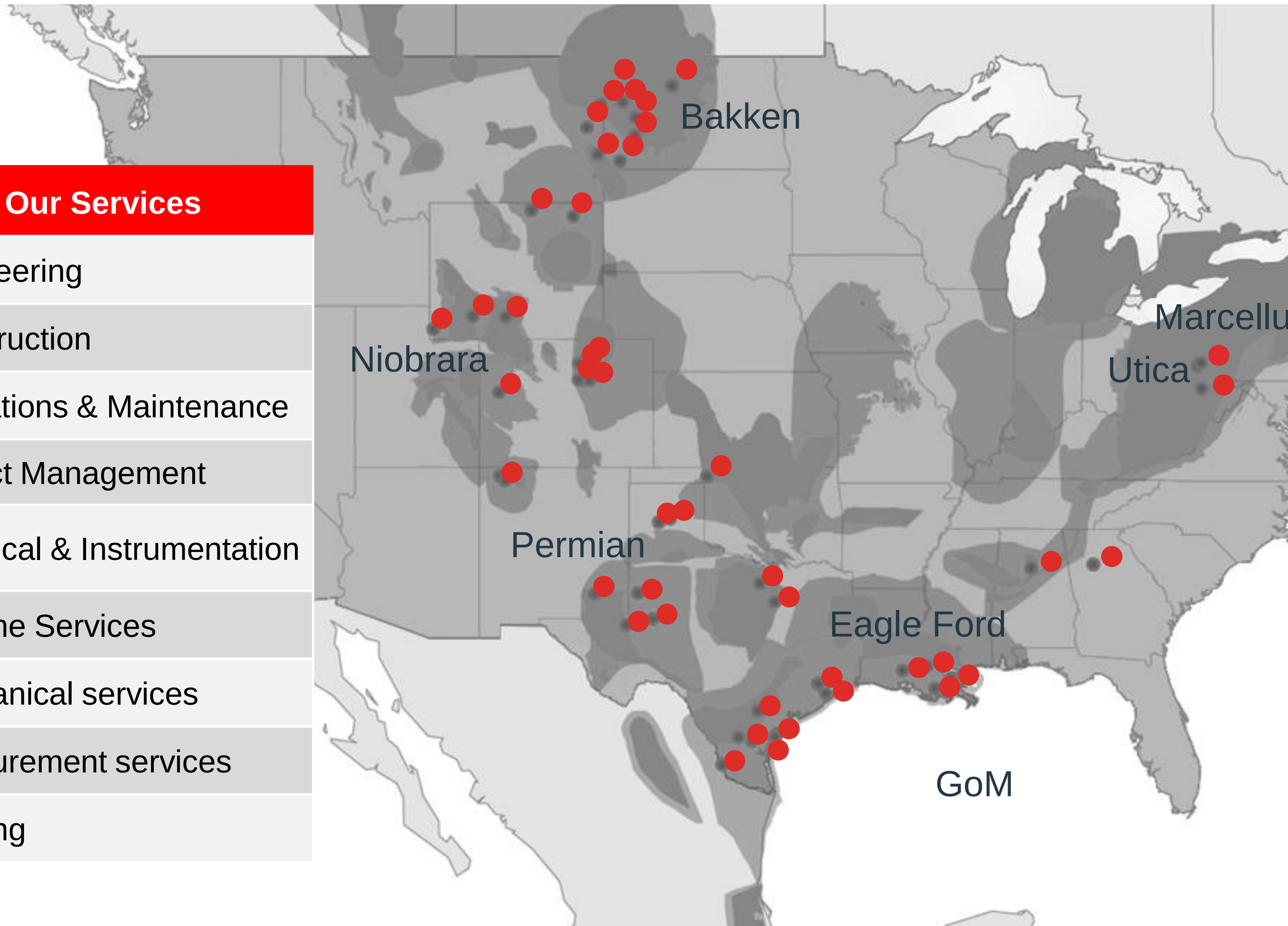
Subsea
Asset integrity solutions
Automation & control

Clean energy
Digital solutions
Studies

Sustaining our leading position in key markets

Breadth & depth of service capability in US shale

Our Services
Engineering
Construction
Operations & Maintenance
Project Management
Electrical & Instrumentation
Pipeline Services
Mechanical services
Measurement services
Training



Emerging from the cycle as a stronger business

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- “Controlling what we can control”
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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)**

“Like for like” revenue and EBITA

	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**	

Amortisation

	1H 2016 $m	1H 2015 $m
Amortisation on software, development costs and licenses	29	27
Amortisation of intangible assets arising on acquisition	25	27
	54	**54**

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

	1H 2016 $m	1H 2015 $m
Average gross debt	628	581
Average net debt	373	291
Closing gross debt	586	572
Closing net debt (incl JVs)	351	277
Net Debt:EBITDA	0.7x	0.5x
Interest cover	14.0x	19.3x

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

1. *Total EBITA represents operating profit including JVs on a proportional basis of $76.4m (2015: $176.2.0m) before the deduction of amortisation of $53.8m (2015: $54.0m) and net exceptional expense of $36.2m (2015: income $4.3m) and is provided as it is a key unit of measurement used by the Group in the management of its business.*
2. Adjusted diluted earnings per share (“AEPS”) is calculated by dividing earnings before exceptional items and amortisation, net of tax, by the weighted average number of ordinary shares in issue during the period, excluding shares held by the Group's employee share ownership trusts and adjusted to assume conversion of all potentially dilutive ordinary shares.
3. Number of people includes both employees and contractors at 30 June 2016 and includes joint ventures.
4. Interest cover is EBITA divided by net finance expense.
5. Return of Capital Employed (“ROCE”) is EBITA divided by average capital employed.

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