



Wood Group Investor Briefing

Q1 2015

Safety &
Assurance

Relationships

Social
Responsibility

People

Innovation

Financial
Responsibility

Integrity

Our Core Values

- ▶ Define who we are, how we work, what we believe in and what we stand for
- ▶ Set out how we act and how we expect to be treated as part of Wood Group
- ▶ Provide a sound basis to make decisions



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Wood Group

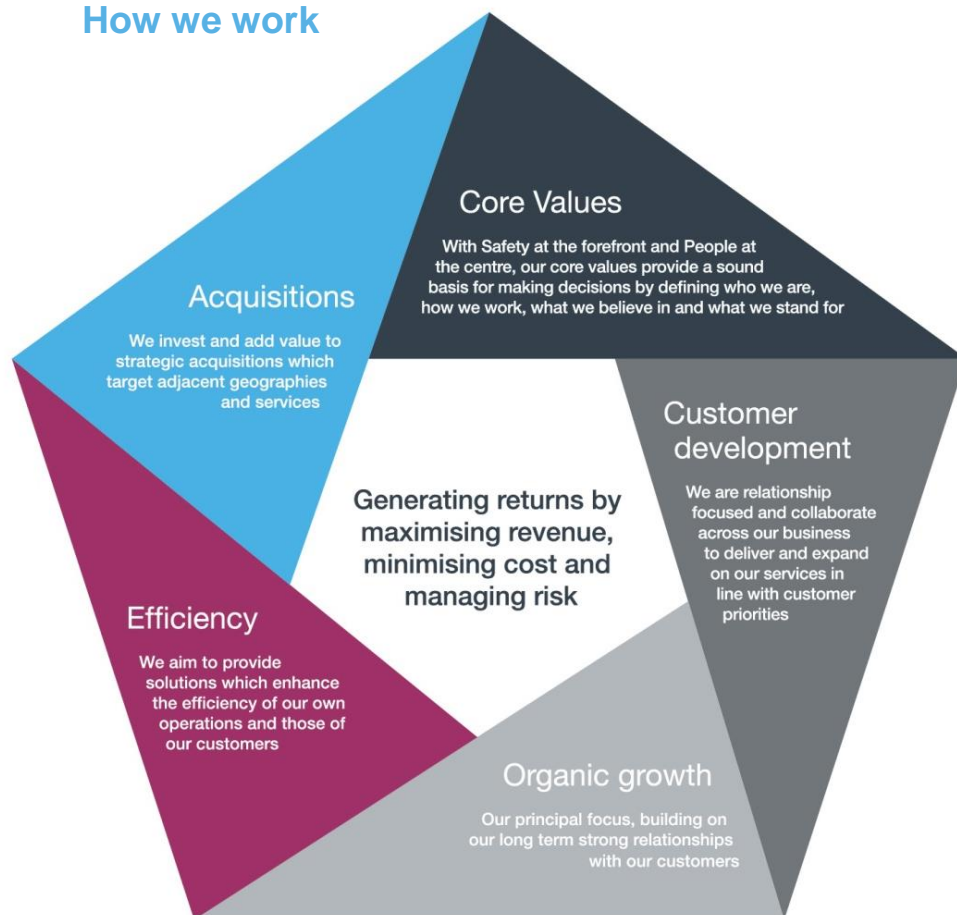
Who we are

- International energy services company with over \$7bn sales and around 42,000 employees
- Provider of engineering, production support and turbine services to the oil & gas, and power sectors
- Two reporting segments: Wood Group Engineering and Wood Group PSN

What we do

- Differentiated by our Core Values, our relationships, our skills, knowledge and track record of delivery
- Provide engineering to enable customers to improve efficiency and achieve predictable outcomes
- Safely improve performance from new and existing oil and gas assets
- Help our customers produce more, operate efficiently, spend less and extend asset life

How we work



Key investment considerations

- ▶ We have **leading positions** in our core PSN and Engineering businesses
- ▶ We are an **asset light people business** delivering solutions focused on oil and gas markets
- ▶ Over **90% of our revenues are reimbursable**; we operate minimal fixed price or lump sum contracts
- ▶ We have a broad geographical presence with **strong positions in long-term growth areas**
- ▶ We have a **balanced portfolio of customer opex (c60%) and capex (c40%)** driven earnings giving us **relative through-cycle resilience**
- ▶ We have a broad, **diversified portfolio of customers and geographies**
- ▶ We have a proven **track record of delivering growth** both organically and through acquisition (AEPS 2002 to 2014 CAGR: 18.5%)
- ▶ Our **balance sheet provides security and flexibility** and target net debt to EBITDA between 0.5x and 1.5x; usually around 1.0x



Wood Group PSN

Production Services

We are a market leader in production facilities support focused on optimising production and extending asset life safely. We provide life of field services to producing assets through brownfield engineering and modifications, production enhancement, operations and maintenance, facility construction and maintenance management, training and abandonment services.

US\$ million	2010	2011	2012	2013	2014
Revenues	2,041.1	3,012.7	3,690.7	3,996.0	4,636.0
EBITA	101.4	153.2	205.0	262.1	341.7
Growth (%)	-	51.1%	33.8%	27.9%	30.3%
Margin (%)	5.0%	5.1%	5.6%	6.6%	7.4%

Typical competitors: AmecFW, Petrofac, Worley Parsons

Turbine Activities encompasses 3 joint venture arrangements and represents c.10% of group revenues.

Typical project duration: **3-5** years

Typical order book visibility: **12-18** months

Capex vs opex:



▲ Capex ▲ Opex

Business split:



▲ North Sea ▲ Americas ▲ International

Customer Profile:



▲ Independent ▲ IOC
▲ NOC ▲ Other

Our business data contains a number of management estimates and approximations which will change over time



Wood Group Engineering

Through **Wood Group Mustang** and **Wood Group Kenny**, we are a market leader in the provision of engineering services to upstream, subsea & pipeline sectors with a significant presence in downstream, chemical process & industrial and clean energy sectors. These services include conceptual studies, engineering, project and construction management and control system upgrades.

US\$ million	2010	2011	2012	2013	2014
Revenues	1,239.1	1,458.6	1,787.3	1,985.4	2,130.7
EBITA	122.0	162.0	220.0	246.0	232.0
Growth (%)	-	32.8%	35.8%	11.8%	(5.7%)
Margin (%)	9.8%	11.1%	12.3%	12.4%	10.8%

Typical competitors: KBR, Worley Parsons, AmecFW, Technip, Jacobs, Fluor

Typical project duration: **3-24** months

Typical order book visibility: **6-9** months

Capex vs opex:



▲ Capex ▲ Opex

Business split:



▲ Upstream ▲ Subsea & pipeline
▲ Downstream, process & industrial

Customer Profile:



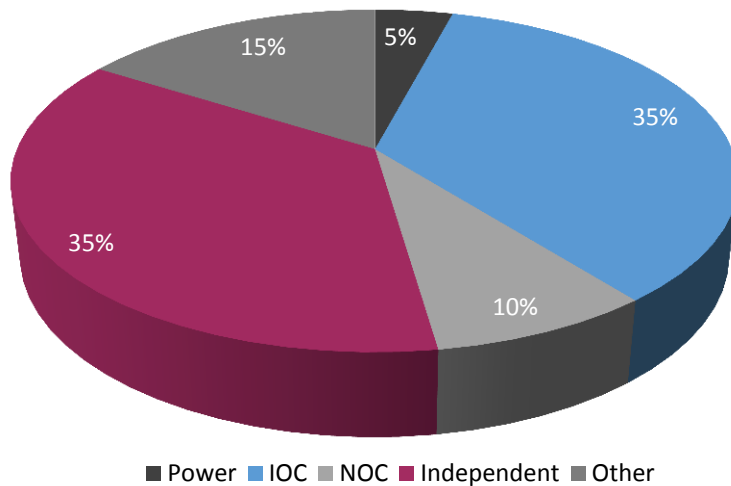
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Diversified customer portfolio

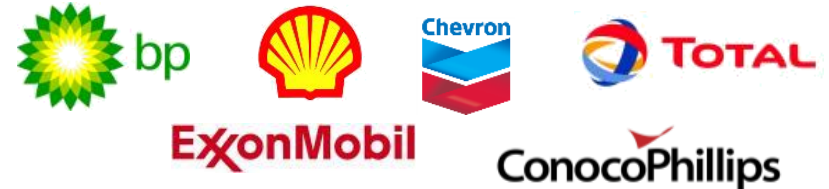
Revenue by customer type



- Top ten customers < 40% of revenue
- Largest customer < 10% of revenue

Source: Wood Group 2014 results

IOCs



Selected customers

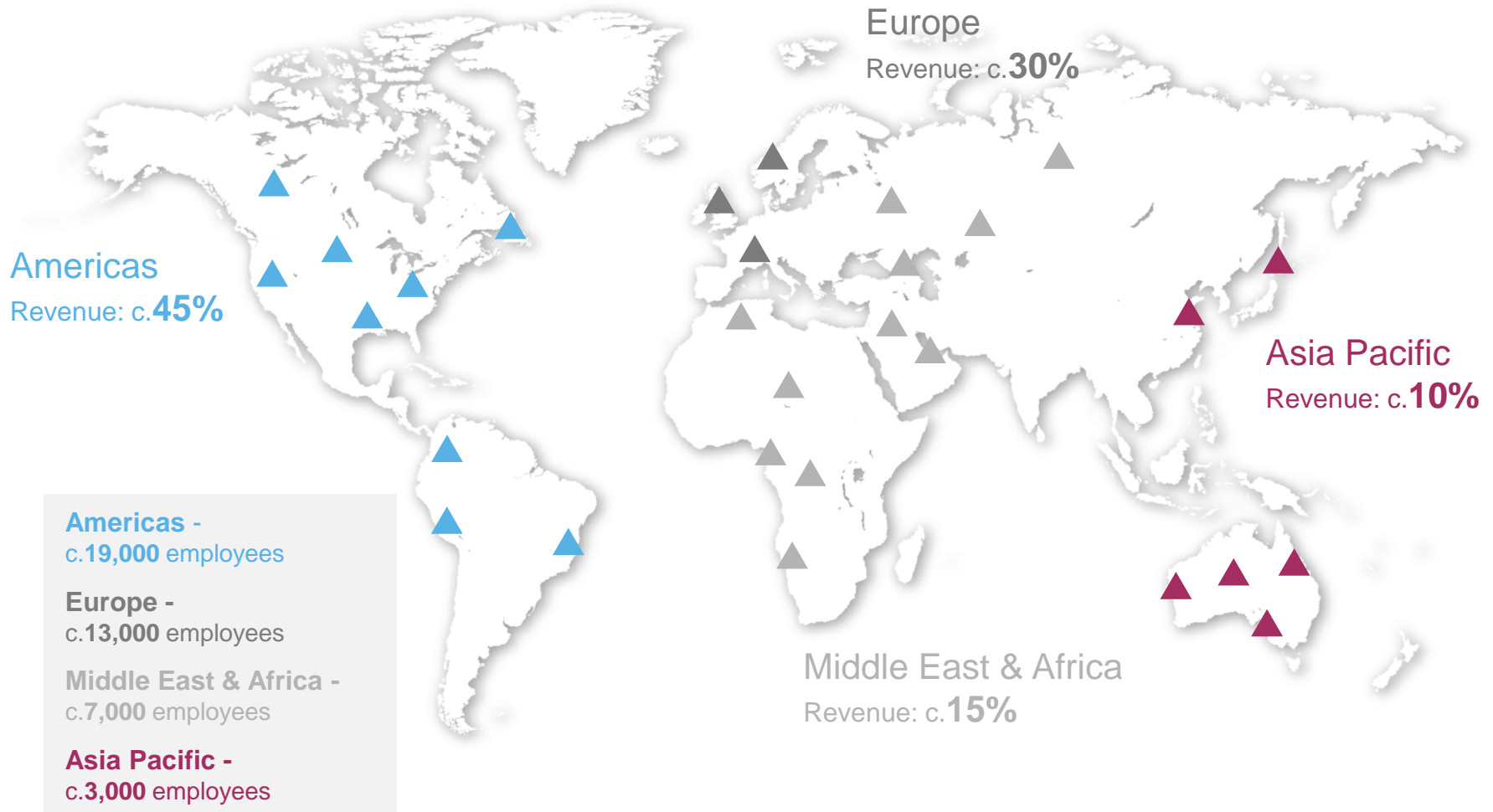
Independents



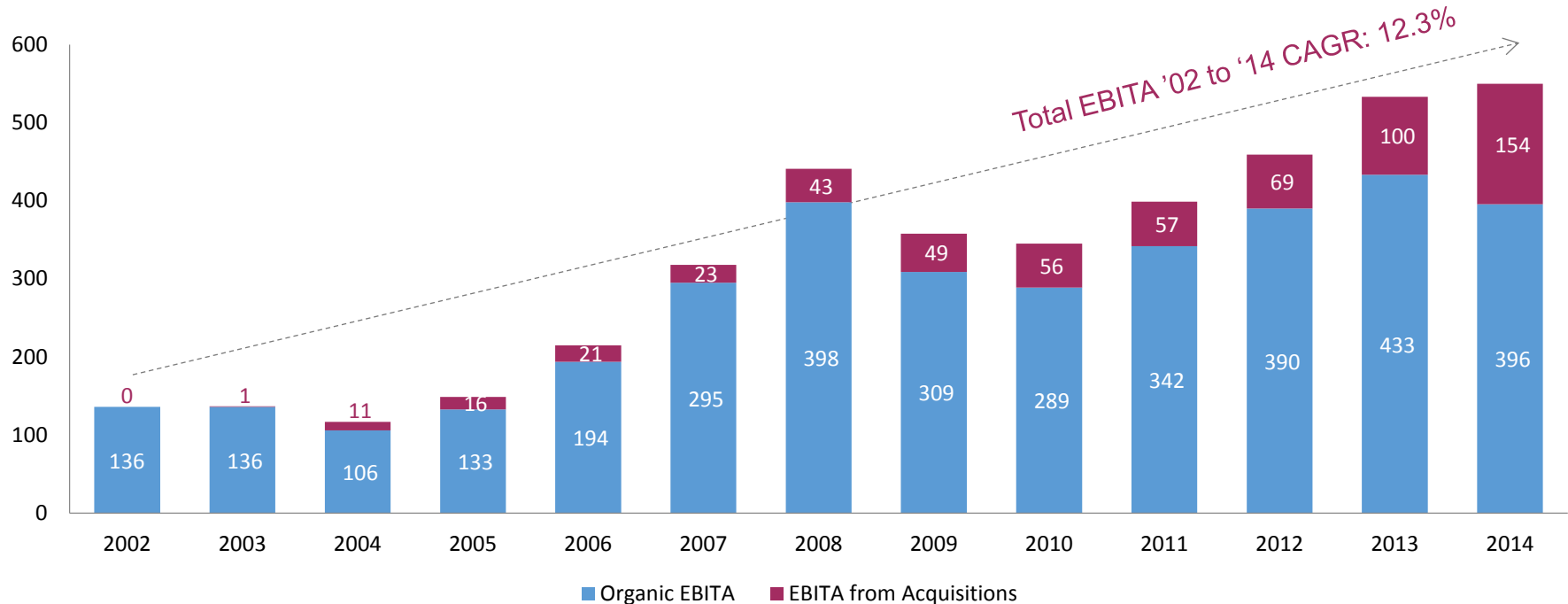
NOCs



Diversified geographies



Organic and acquisition led EBITA growth



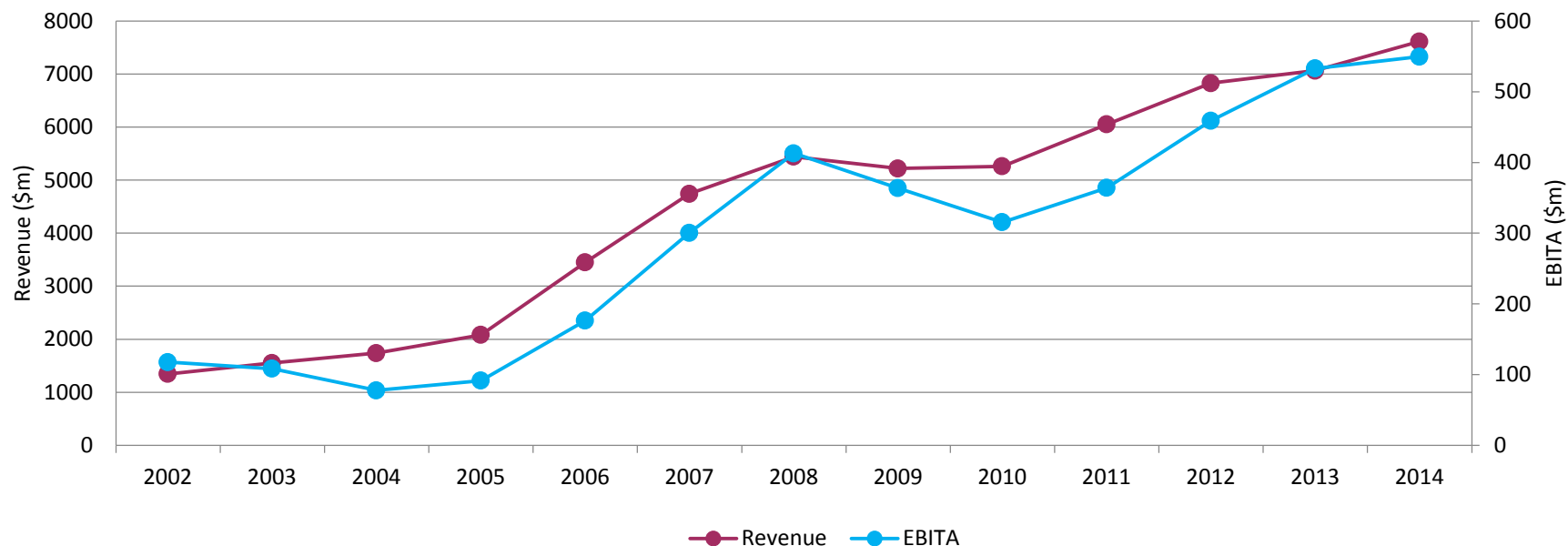
- ▶ Track record of organic and acquisition led growth
- ▶ Invested c.\$700m on 10 acquisitions in last 3 years
- ▶ Around 65% of growth is organic

- ❖ 2002: Initial Public Offering
- ❖ 2011: PSN acquisition
- ❖ 2011: Well Support divestment

Note: EBITA (or in exceptional circumstances, a reasonable estimate of EBITA) generated in the year of acquisition is treated as acquired growth and the annualised calculation of the year 1 result is used for year 2 and beyond. Any growth exceeding the annualised figure from these acquisitions is treated as organic. For the purposes of this analysis, the acquisition of PSN in 2011 has no impact on acquisition EBITA. Given the annualised contribution from Well Support in 2011 exceeded that of PSN, we elected not to include negative acquisition EBITA in the analysis which would have had an impact on organic growth.



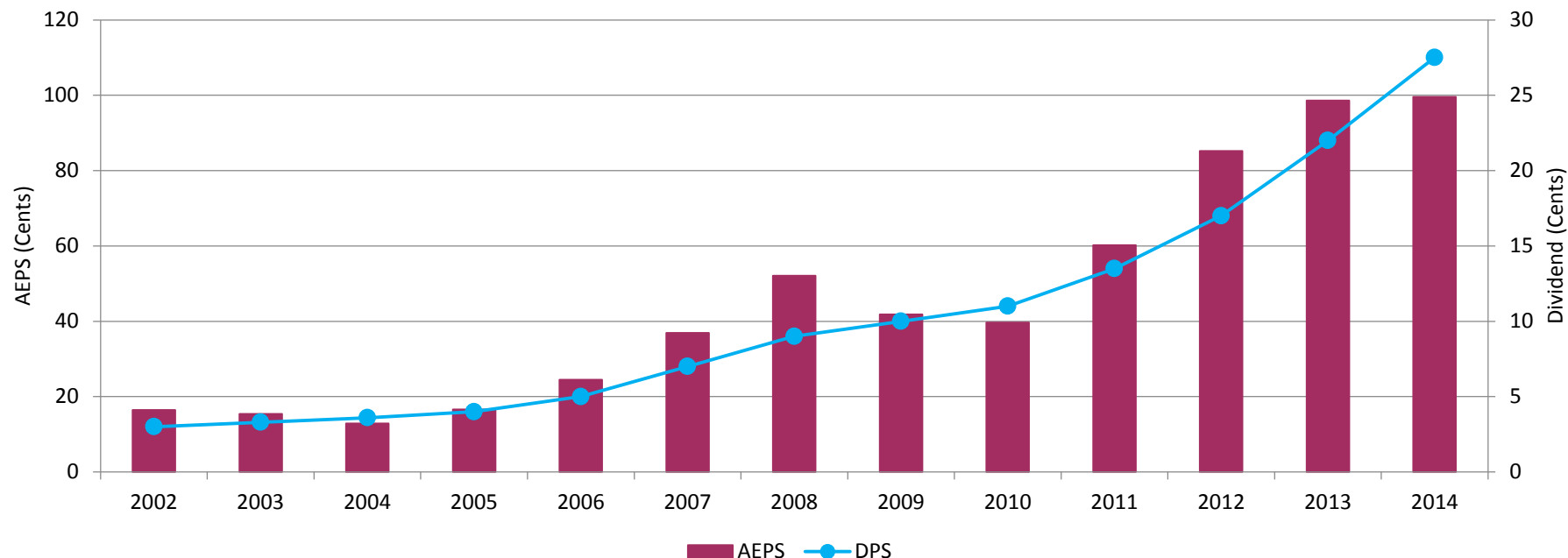
Revenue and EBITA growth through cycle



- ▶ Revenue 2002 to 2014 CAGR: 15.6%
- ▶ EBITA 2002 to 2014 CAGR: 12.3%



AEPS and dividend growth through cycle



- ▶ Adjusted Earnings per share 2002 to 2014 CAGR: 18.5%
- ▶ Dividend 2002 to 2014 CAGR: 21.3%
- ▶ Our intention remains to annually increase the US dollar dividend per share by a double digit %



Relative resilience in 2015

- ▶ Primarily reimbursable
- ▶ Asset light, people based, flexible business model
- ▶ Broad range of contracts, customers, services and geographies
- ▶ Track record of delivering through cycle growth
- ▶ Helping customers reduce cost and increase efficiency
- ▶ Focus on our own direct and SG&A costs
- ▶ Strong and flexible balance sheet



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