



WorleyParsons

resources & energy

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21 May 2015

ASX Release

WORLEYPARSONS LIMITED

(ASX: WOR)

2015 Sydney Investor Day Presentation

WorleyParsons Limited will make a presentation to analysts and investors at 11.00 am AEST today in relation to the company's strategy and a trading update for the nine months to 31 March 2015. The presentation will be made by Andrew Wood (Chief Executive Officer), Mr Simon Holt (Chief Financial Officer) and Andy Cole (Group Sector Managing Director, Hydrocarbons). The presentation slides are attached for immediate release to the market.

The presentation to analysts is being webcast. The webcast can be viewed via a link from our website (www.worleyparsons.com). An archive copy of the webcasts will also be available for replay later in the day from the company website.

For further information please contact:

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About WorleyParsons: WorleyParsons delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mineral, metals, chemicals and infrastructure sectors. Our resources and energy are focused on responding to and meeting the needs of our customers over the long term and thereby creating value for our shareholders.

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Realize our future

Disclaimer

The information in this presentation about the WorleyParsons Group and its activities is current as at 31 March 2015 and should be read in conjunction with the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2014. It is in summary form and is not necessarily complete. The financial information contained in the Interim Financial Report for the half year ended 31 December 2014 has been reviewed, but not audited by the Group's external auditors. The financial information presented to YTD March 2015 and the Third Quarter financial information has not been reviewed or audited by the Group's external auditors.

This presentation contains forward looking statements. These forward looking statements should not be relied upon as a representation or warranty, express or implied, as to future matters. Prospective financial information has been based on current expectations about future events and is, however, subject to risks, uncertainties, contingencies and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information. The WorleyParsons Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of the release of this presentation, subject to disclosure requirements applicable to the Group.

Nothing in this presentation should be construed as either an offer to sell or solicitation of an offer to buy or sell WorleyParsons Limited securities in any jurisdiction. The information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account your financial objectives, situation or needs. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.





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Realize our future

Sydney Investor Day 2015

Andrew Wood

OneWay

12 Elements

OneWay™ Framework

Scope and Intent

The breadth and coverage of OneWay™ Elements

Elements

The twelve business areas within which specific activities need to take place in order to attain the vision of zero harm

...for each Element:

Intent

High level objectives or outcomes for the business area

Expectations

Specific behaviors, actions and/or outcomes required to meet the intent

Clarifications

Further explanation of specific behaviors actions and/or deliverables needed to meet the expectations

The Elements of OneWay™



1 LEADERSHIP AND GOVERNANCE

We are fully-committed to zero harm at all levels of our organization. Our leaders put clear strategies in place that progress us towards this goal. Effort is prioritized based on compliance and risk exposure.



2 RISK MANAGEMENT

We apply effective risk management principles and processes to enhance decision making, leverage opportunities and assist in reducing threats for all existing and planned activities.



3 CARING FOR OUR PEOPLE AND THE ENVIRONMENT

Our people are visibly and actively committed to healthy, safe and environmentally responsible workplaces and activities. We understand and manage our potential impacts on people's health and safety as well as on the environment.



4 SELECTION AND COMPETENCY

We select and recognize people who demonstrate competence and a deep commitment to our vision of zero harm.



5 WORKING WITH OUR CUSTOMERS

We understand customers' expectations, which we meet or exceed. We build strong customer relationships and utilize customers' proven standards and processes where they are consistent with our expectations.



6 ENGINEERING

Engineering develops solutions that meet our company's requirements and are compliant with our customers' needs. Design and planning minimizes risk in later phases.



7 WORKING WITH THE SUPPLY CHAIN

Goods and services provided to us or our customers meet required standards and reflect our corporate social responsibilities.



8 FIELD ACTIVITIES

We execute field activities using strategies and methods that are defined, risk assessed, understood and communicated to those involved; and deliver plant that meets design requirements.



9 MANAGEMENT OF CHANGE

We manage change in our organization, throughout projects and complete asset lifecycles. Effective change management principles are used to identify, assess, approve and implement changes.



10 CRITICAL INCIDENT AVOIDANCE, RESPONSE AND RECOVERY

We prepare for and manage critical incidents.



11 INCIDENT AND BEHAVIOR ANALYSIS

We report and investigate hazards, at-risk behaviors, incidents and near misses to identify causes. We take steps to prevent their recurrence.



12 ASSESSMENT AND IMPROVEMENT

We assess our performance and take action to continuously improve.

Agenda

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Context

- ▶ Trading update

Corporate strategy

- ▶ Strategic framework
- ▶ Purpose
- ▶ Realize our future
- ▶ 5 strategic themes, 5 projects

Sector strategies

- ▶ Hydrocarbons
- ▶ Minerals, metals and chemicals
- ▶ Infrastructure

Financials

- ▶ Financial risk management
- ▶ Financial framework
- ▶ Available funding
- ▶ Strategy funding requirements



Trading update – YTD March

Modest decline in revenue, margins holding

Unaudited result ¹	YTD March 2015	YTD March 2014	vs. YTD March 2014
Aggregated revenue ² (\$m)	5,321.0	5,604.0	(5.0%)
Underlying EBIT ³ (\$m)	251.3	263.6	(4.7%)
<i>Underlying EBIT margin</i>	<i>4.7%</i>	<i>4.7%</i>	-
Underlying Net Profit After Tax ³ (\$m)	139.9	144.6	(3.3%)
<i>Underlying NPAT margin</i>	<i>2.6%</i>	<i>2.6%</i>	-

YTD March 2015 margins were similar to YTD March 2014. The trend of improvement in margin could not be maintained in the third quarter.

1. Excludes non-recurring charges announced on 4 May 2015.

2..Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, interest income and net gain on revaluation of investments previously accounted for as equity accounted associates. The Directors of WorleyParsons Limited believe the disclosure of the share of revenue from associates provides additional information in relation to the financial performance of WorleyParsons Limited Group.

3.. The underlying result for YTD March 2014 excludes the net fair value gain on acquisition of associates of \$11.4m



Trading update – Third Quarter

Modest decline in revenue, margins deteriorated

3Q unaudited result ¹	3Q2015	3Q2014	vs. 3Q2014
Aggregated revenue ² (\$m)	1707.3	1811.4	(5.7%)
Underlying EBIT ³ (\$m)	70.5	85.4	(17.5%)
<i>Underlying EBIT margin</i>	<i>4.1%</i>	<i>4.7%</i>	<i>(0.6%)</i>
Underlying Net Profit After Tax ³ (\$m)	35.6	43.9	(18.9%)
<i>Underlying NPAT margin</i>	<i>2.1%</i>	<i>2.4%</i>	<i>(0.3%)</i>

Due to deterioration in margins in the third quarter further actions were taken to adjust the business.

1. Excludes non-recurring charges announced on 4 May 2015.

2..Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, interest income and net gain on revaluation of investments previously accounted for as equity accounted associates. The Directors of WorleyParsons Limited believe the disclosure of the share of revenue from associates provides additional information in relation to the financial performance of WorleyParsons Limited Group.

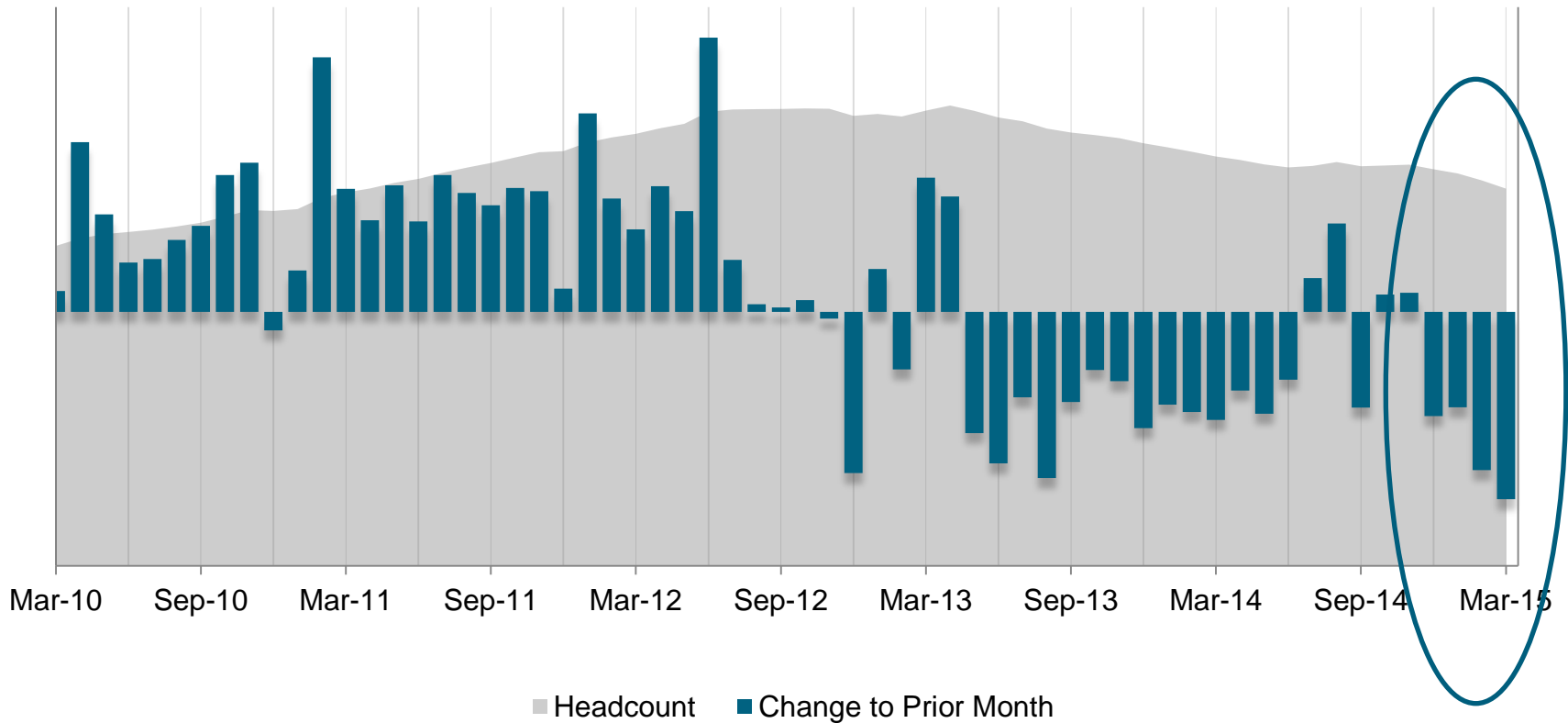
3.. The underlying result for YTD March 2014 excludes the net fair value gain on acquisition of associates of \$11.4m



Trading update – Taking steps to preserve margin

6 Year total headcount and monthly movements

Global headcount

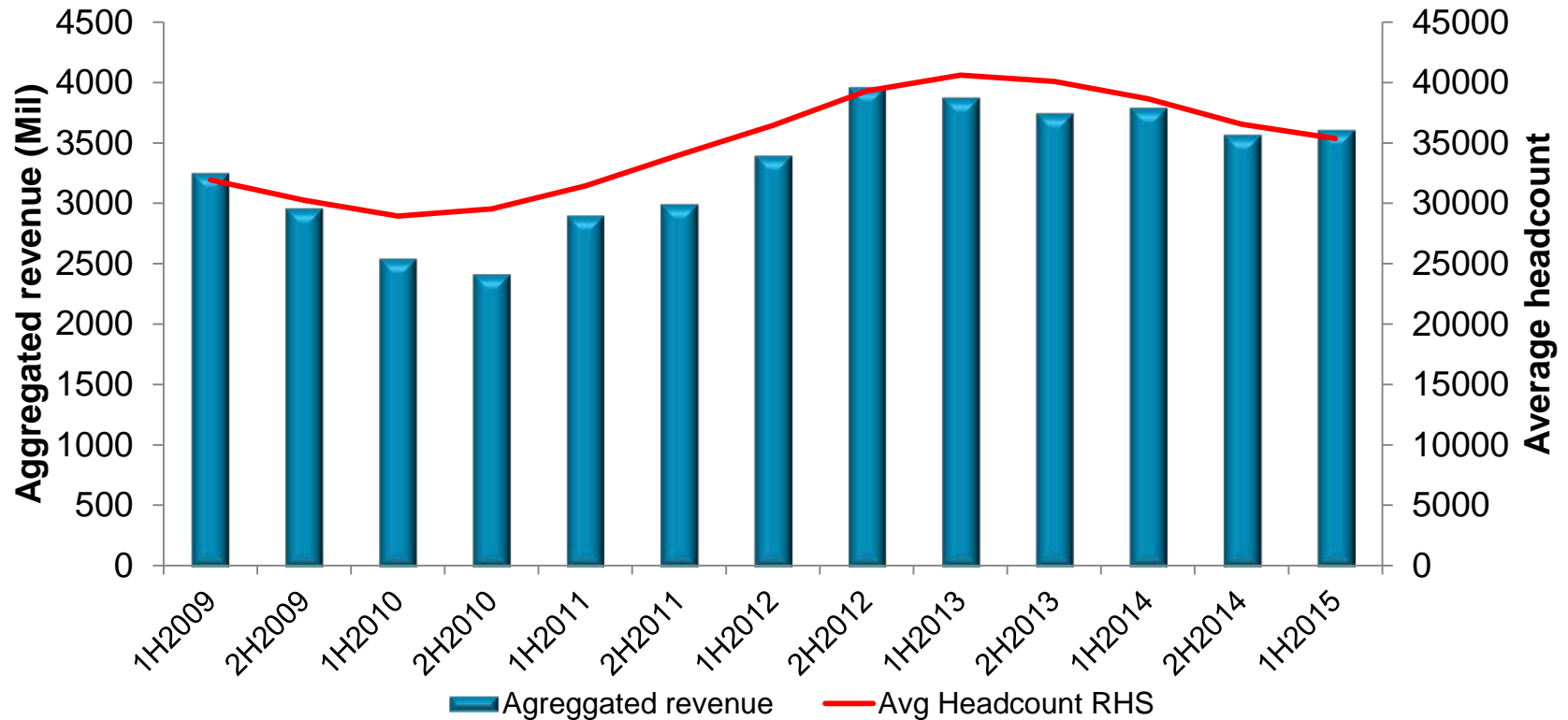


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Trading update – Adjusting headcount

Headcount versus revenue

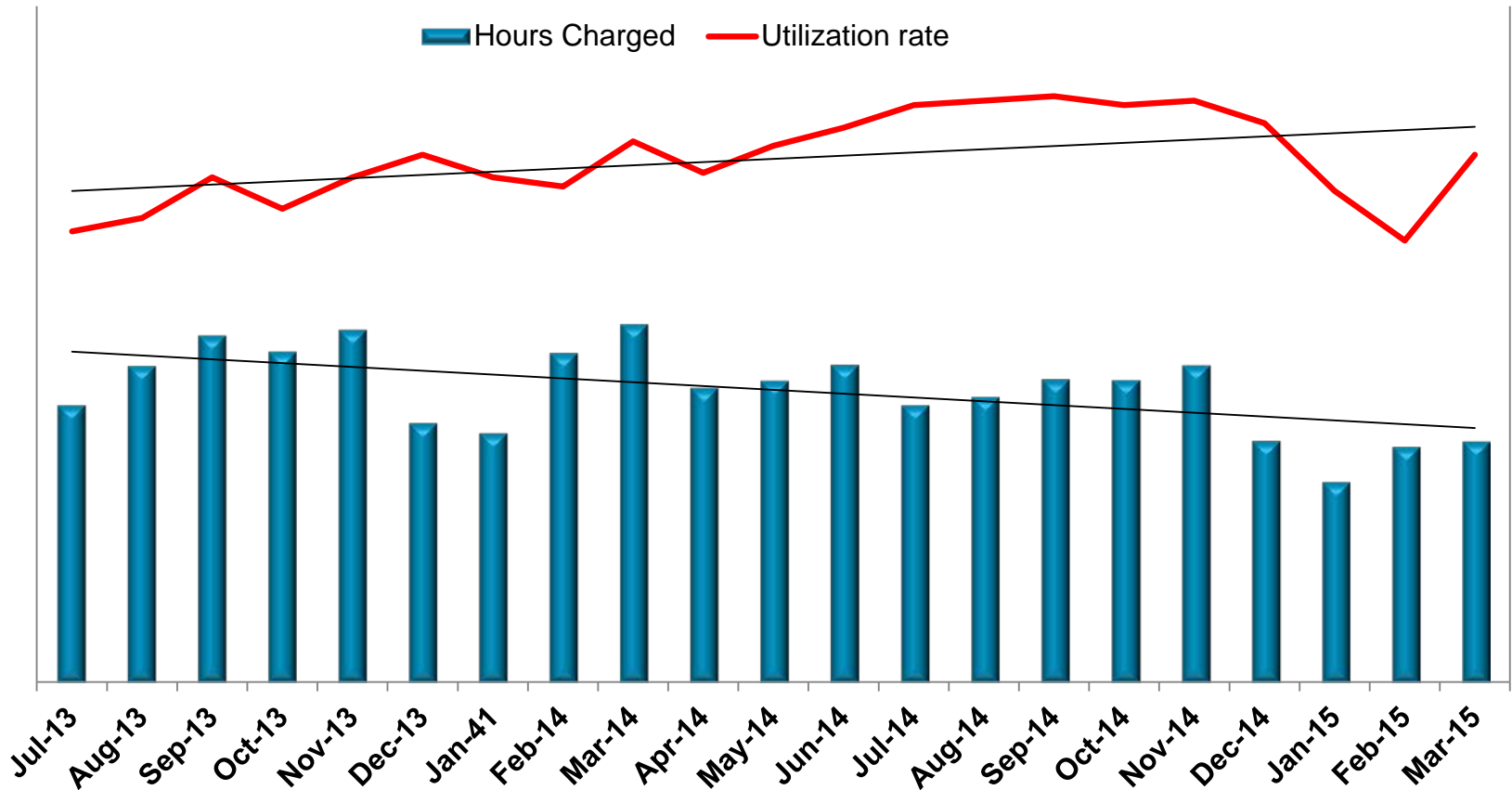


Close correlation between headcount and revenue after adjustment



Trading update – Utilization trending upwards

Monthly hours charged versus utilization rate



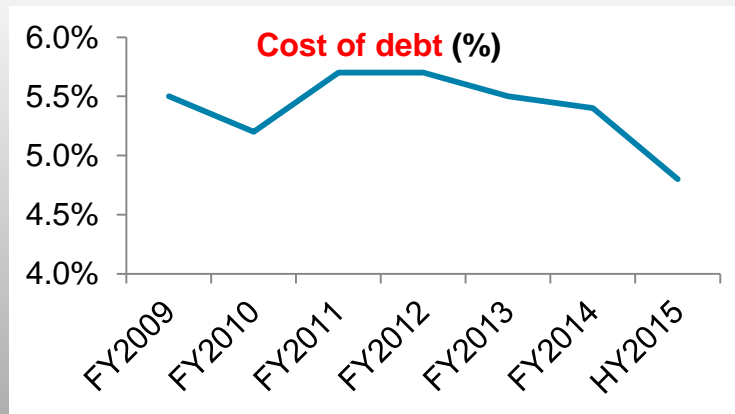
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Trading update – Taking action

Other cost reduction measures

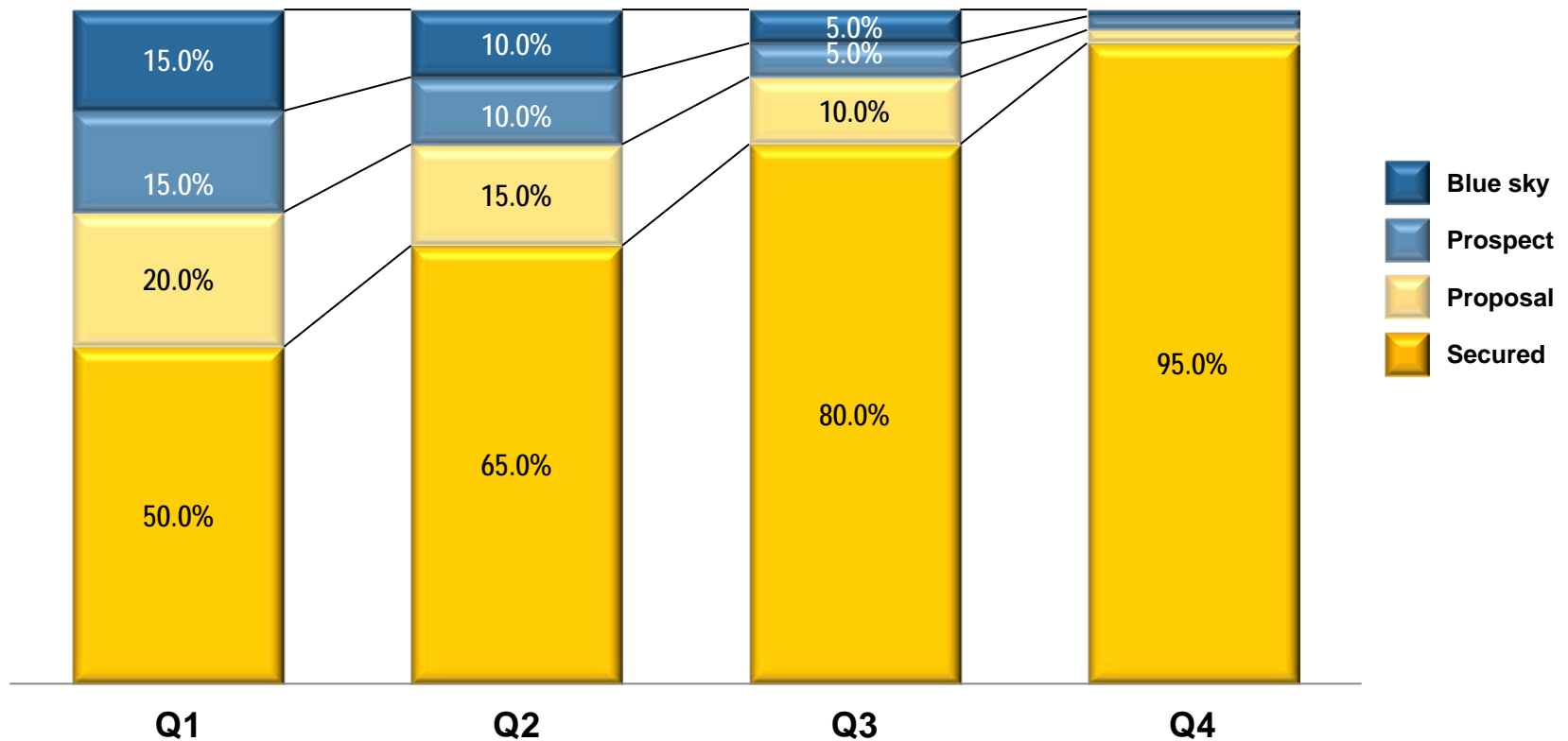
- ▶ Transferring selected operations to lower cost execution centers
- ▶ Transitioning IT costs from fixed to variable
- ▶ Releasing excess floor space
- ▶ Increasing occupancy levels in offices
- ▶ Lowering average cost of debt



Trading update – Earnings security profile

Certainty increases as the year progresses

Typical earnings security profile through the year %



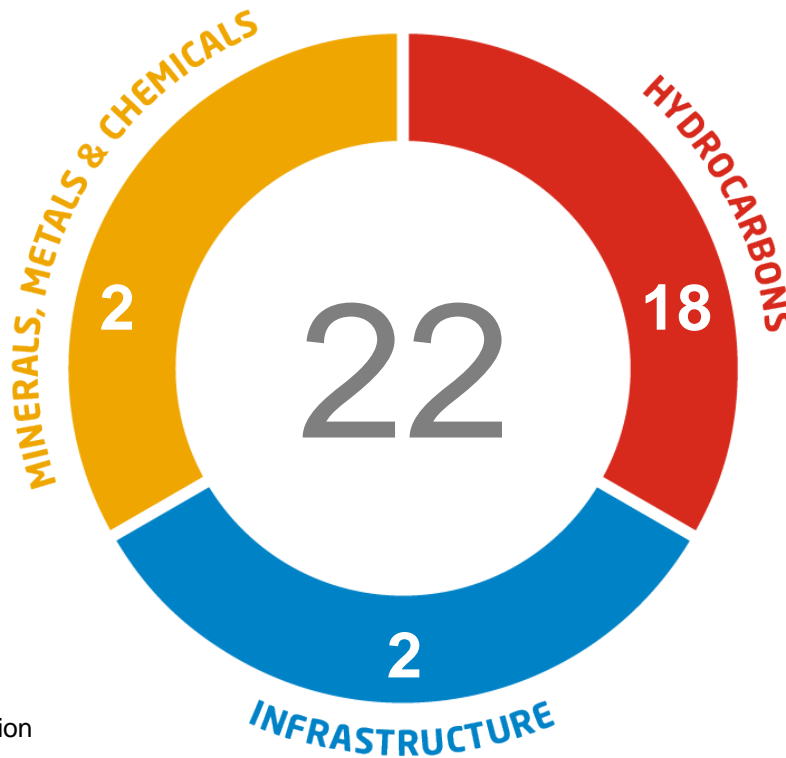
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Trading update - 3Q significant awards

Approximately \$1 billion in new awards

Revenue
\$30+ million



Revenue
\$950+ million

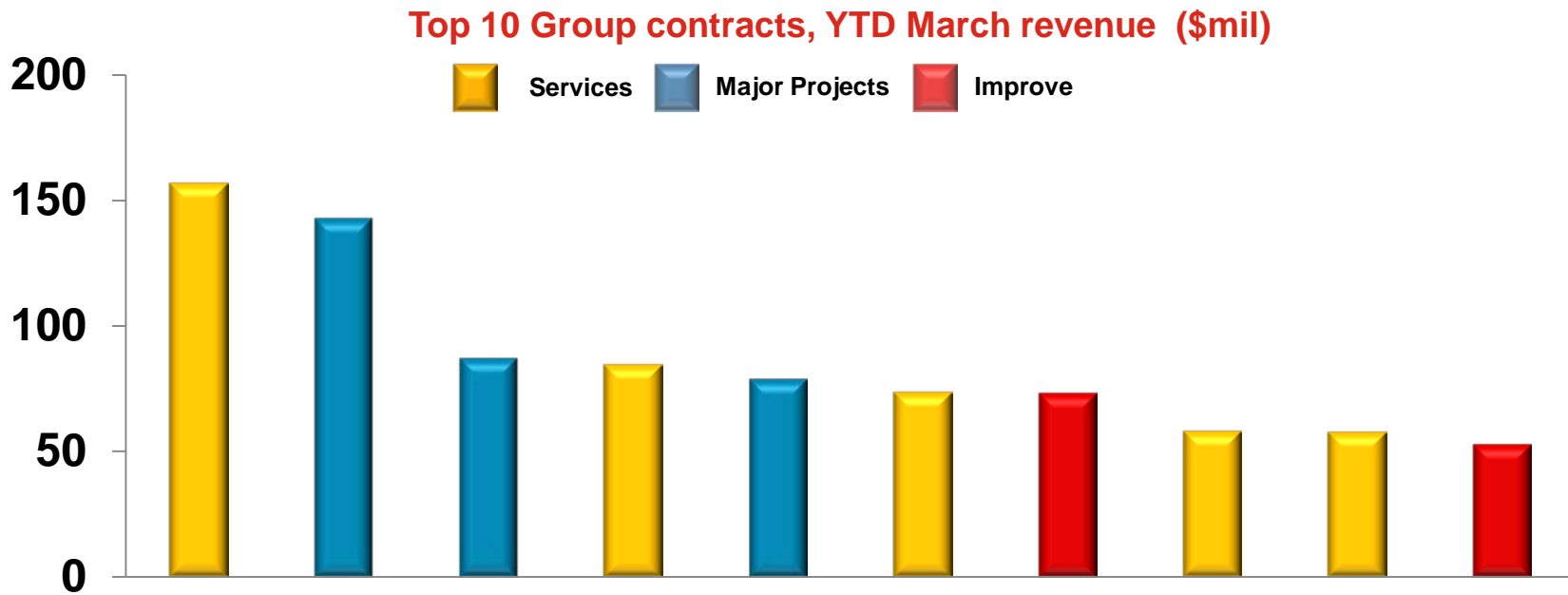
Significant awards have over \$1 million EBIT over the contract life. ASX announcements are contracts with over \$5 mil EBIT over the contract life or strategic awards.

Revenue
\$15+ million



Trading update – Top 10 Group contracts

Diverse earnings base supports resilience



Top 10 Group contracts account for only 15% of revenue .
Majority of earnings come from smaller contracts.

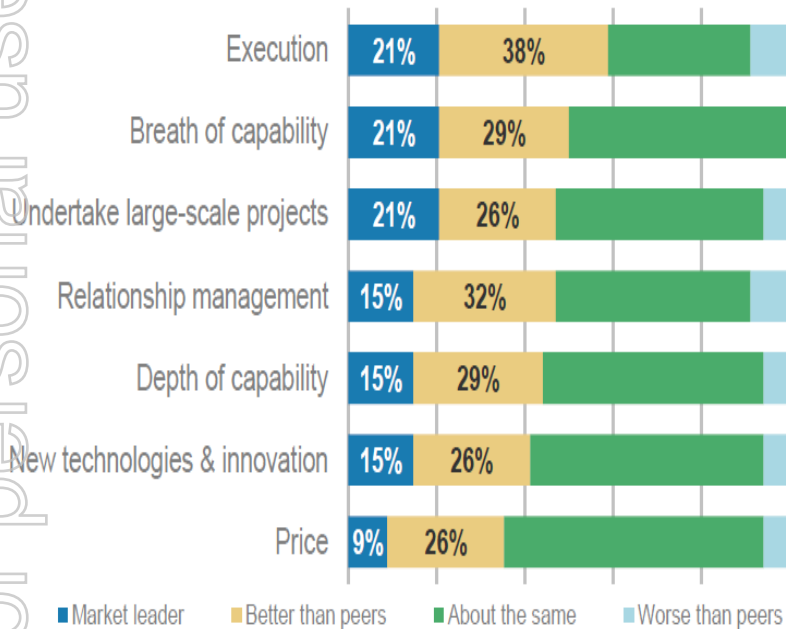


Trading update – Customer view

Continue to be regarded by Hydrocarbons customers as the market leader

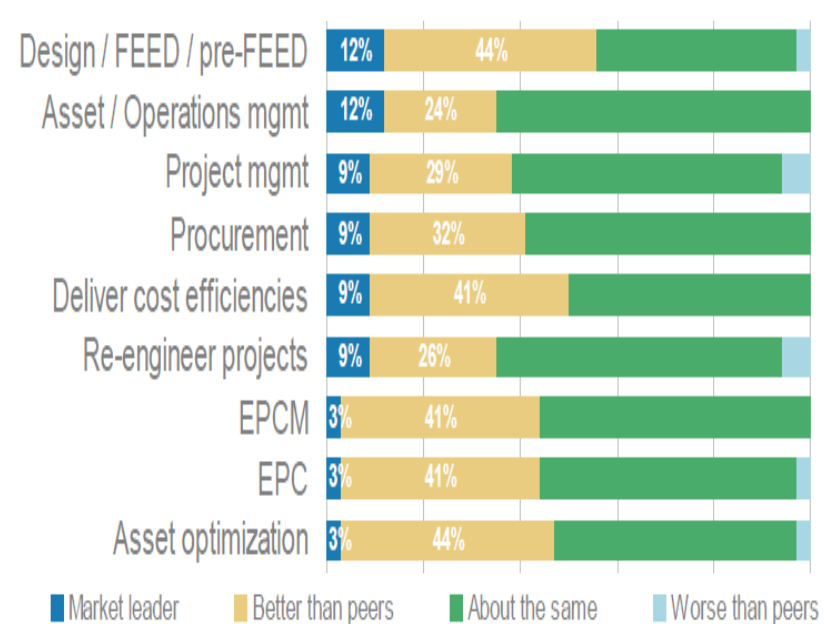
WorleyParsons' capabilities versus other E&C firms

0% 20% 40% 60% 80% 100%



WorleyParsons' performance in various functions versus other E&C firms

0% 20% 40% 60% 80% 100%



Source: AlphaWise, Morgan Stanley Research, 20 March 2015, WorleyParsons Ltd. Asia Insight: Franchise discount unwarranted



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- ▶ Strategic framework
- ▶ Purpose
- ▶ Realize our future
- ▶ 5 strategic themes, 5 projects

Sector strategies

- ▶ Hydrocarbons
- ▶ Minerals, metals and chemicals
- ▶ Infrastructure

Financials

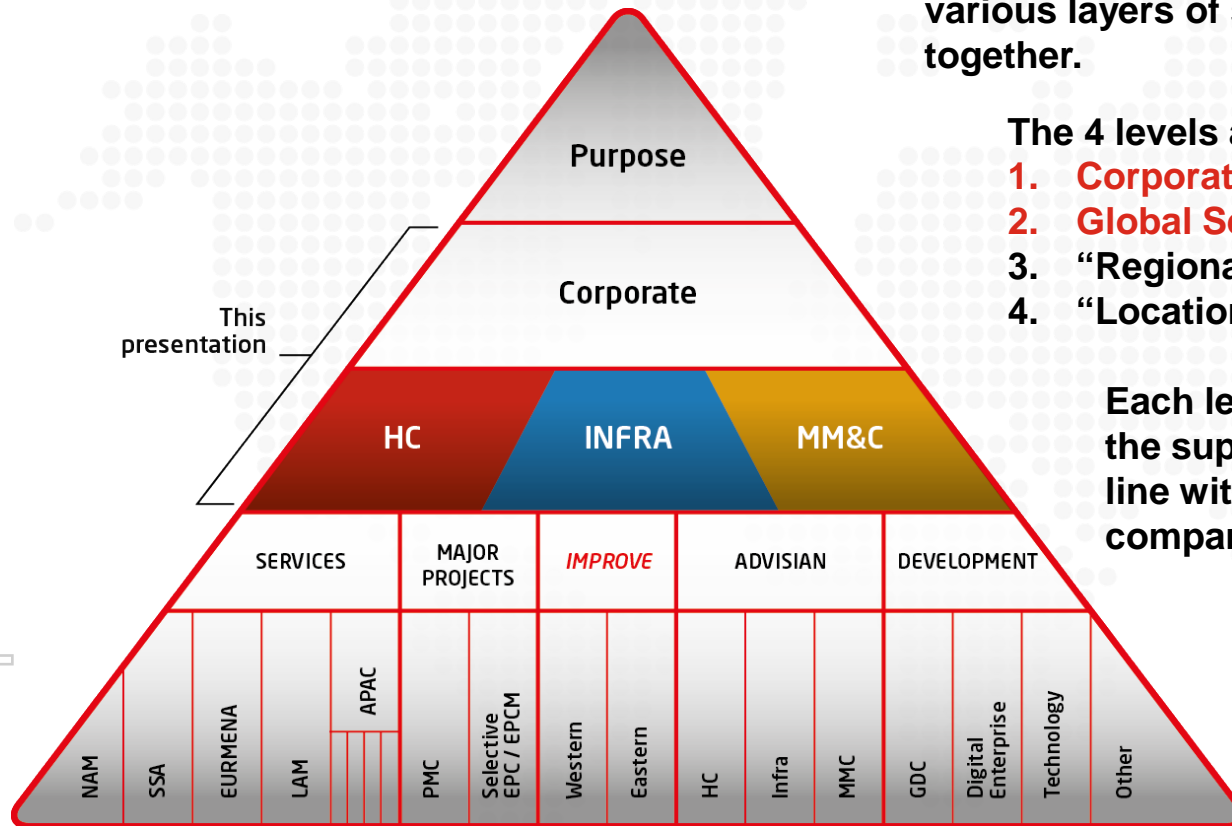
- ▶ Financial risk management
- ▶ Financial framework
- ▶ Available funding
- ▶ Strategy funding requirements



Strategic framework

Corporate and global sector strategies

The strategy pyramid shows how the various layers of strategic effort fit together.



The 4 levels are

1. **Corporate Strategy**
2. **Global Sector Strategy**
3. **“Regional” Strategy**
4. **“Location” Strategy**

Each level builds on the success of the supporting level and each is in line with the overall purpose of the company , namely

We are a professional services business, a partner in delivering sustained economic and social progress, creating opportunities for individuals, companies and communities to find and realize their own futures. We can only do this with the support of our shareholders, earned by delivering earnings growth and a satisfactory return on their investment.

Our Values

<p>Leadership</p> <ul style="list-style-type: none"> • Create and deliver • Integrity in all aspects of business • Performance excellence • Capable and committed and technically • Customer and stakeholder satisfaction <p>Relationships</p> <ul style="list-style-type: none"> • Open and respectful • A customer focused, partner and customer • Quality of the design and its delivery • Working with our customers • Working with our customers 	<p>Agility</p> <ul style="list-style-type: none"> • Customer alignment to world class developments • Comprehensive group-wide coverage • Global operational effectiveness • Resilience in customer relationships • Employee and stakeholder satisfaction <p>Performance</p> <ul style="list-style-type: none"> • Delivering exceptional quality, safety and environmental performance • Operating in our markets • Focus on delivering value for the shareholder • Working sustainably now for the tomorrow
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Purpose

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We are a professional services business, a partner in delivering sustained economic and social progress, creating opportunities for individuals, companies and communities to find and realize their own futures.

We can only do this with the support of our shareholders, earned by delivering earnings growth and a satisfactory return on their investment.

Realize our future

Context: External changes

Unstoppable Trends - Driving long term market dynamics

STRATEGY WEDGE

Willingness to Pay

Quantity

Costs

1 2 3

Recent Market Shifts Impacting current market response

Many stories

NPAT

time

Technical Capability & Local Presence

Five Strategic Themes Five projects

We will do whatever it takes to...

01 Build world class consulting business and dominate the early project phases

02 Be the global PMC provider of choice

03 Build a leading major improve business

04 Be the smartest most agile local service provider

05 Use Global Delivery Centers to immediately boost our competitiveness and become the leading company in our industry in applying digital technology to the delivery of our future services and to enhance our customers' businesses

do whatever it takes

A company that...

Outcome = Growth

Leadership, Culture, Technology

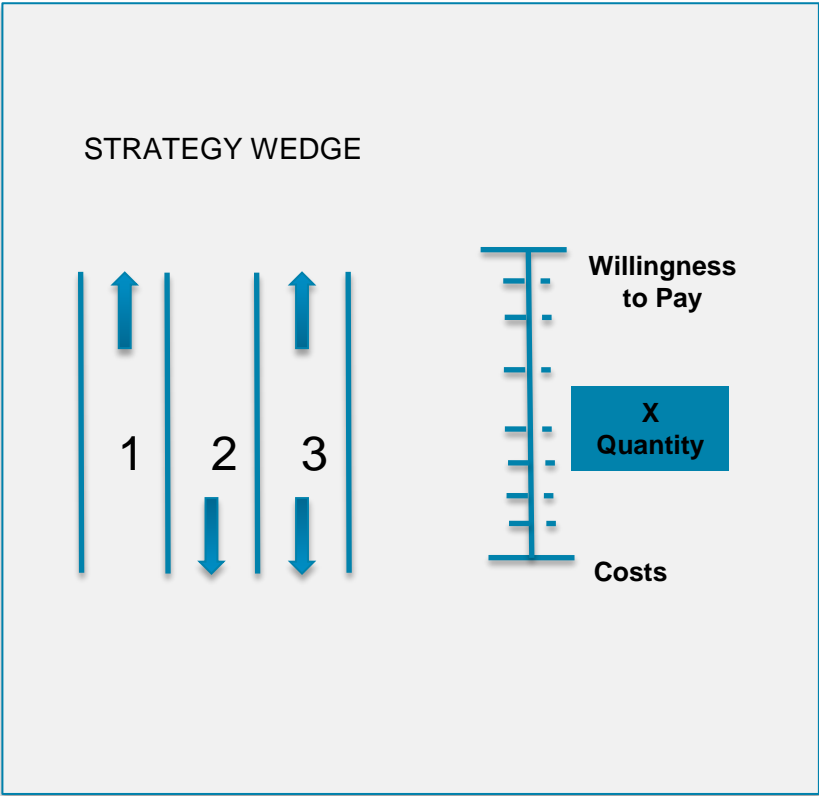
Engages customers & delivers customer value

Vision & Purpose



Realize our future – External challenges

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Long term strategy based on unstoppable trends

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Climate Change

OPPORTUNITIES FOR WORLEYPARSONS
 Growth of renewables
 Power Plant Retrofits, Decoms and Advisory service
 Carbon Capture & Storage



Urbanisation

Continued investment in new and existing developments
 Access to water with 90% of pop growth in water scarce areas



Food Security

Tier 1 and 2 customers are investing in mined fertilizers – Potash and Phosphate
 Water sourcing and conservation



Commoditization of Engineering

Value recognised in specialist services (productivity enhancement, Advisory and technical capability)
 Enhanced GDC delivery



Social Licence

Community & stakeholder engagement
 Government and industrial relations



Energy and Resource Security

Advisory & execution support for customers investing in foreign markets
 Including Chinese, NOCs, ASX, TSX & LSE listed companies



Water Scarcity

Water scarcity is a key issue for majority of our customers
 Water sourcing, treatment and disposal
 Water advisory



Disruptive Technology

Develop an integrated digital environment & workflow with the GCDs
 Leverage of technology partnerships



Resource Depletion

Life of mine extension and new developments
 Asset optimisation and management
 Brownfield expansions and upgrades



Emerging Global Talent Pool

Explore sources & strategies to secure talent
 Assist customers in access to global talent & drive new ways of working together

Near term, business also positioning for recent market shifts

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Oil Price Shock

- Asset productivity enhancement focus
- Enhanced Oil Recovery
- Refining industry margins uptick
- Increase in Chemicals activity in SE Asia and ME



Low Gas Price

- Chemicals and Petrochemicals activity
- Uptick in high energy intensity processes, including Aluminium



Fall in Iron Ore, Cu & Coal Price

- Productivity advisory and enhancement
- Supply chain optimisation
- Capital intensity upgrades & expansions



Increase in LSTK

- Partnering with EPCs
- Owner's Engineer, IPMT and PMC roles



Increased Development costs

- Asset portfolio optimisation
- Brownfield asset management
- China sourcing and modularisation
- Alternate project delivery models



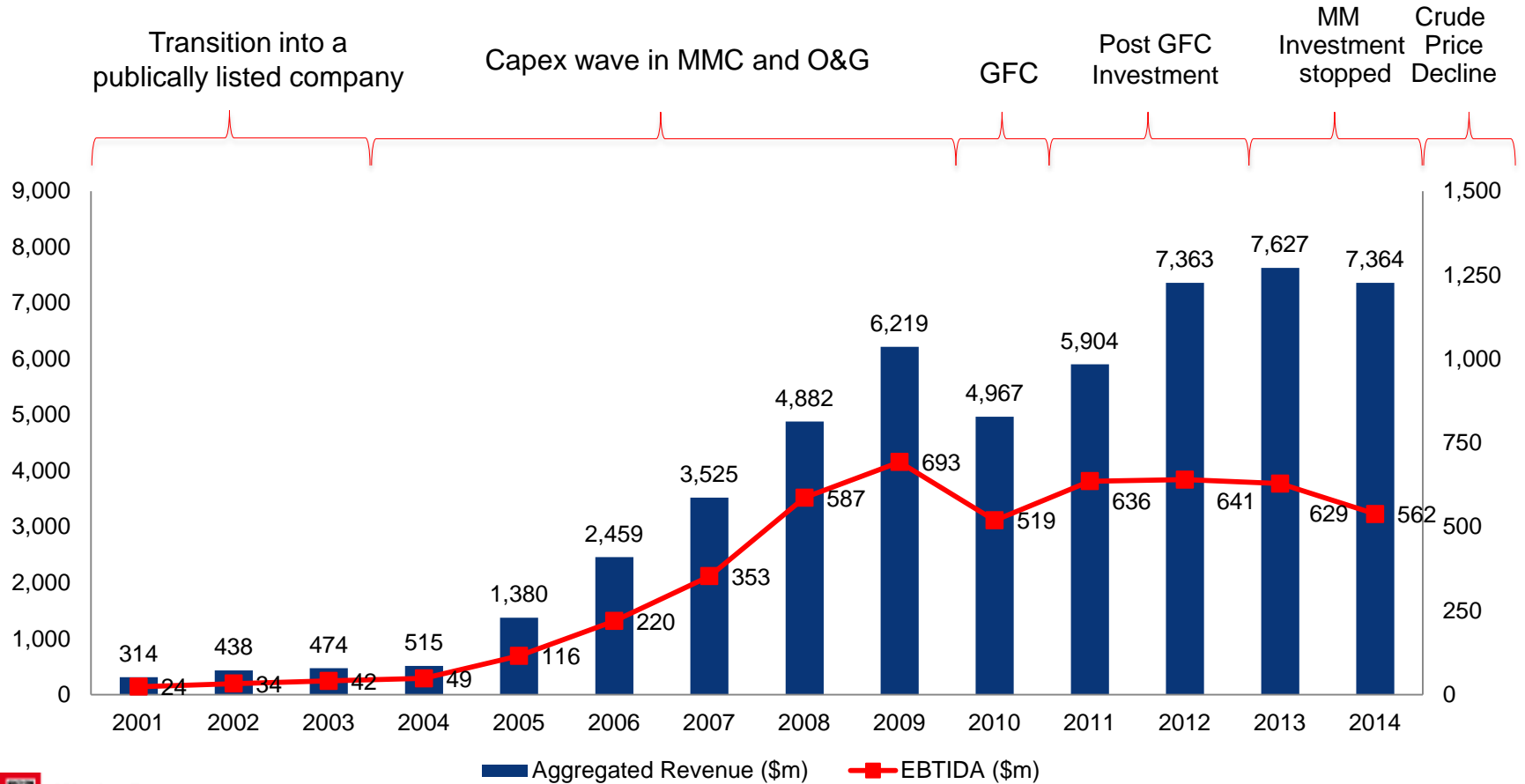
Geopolitical

- Investment by NOCs overseas – Advisory, Select, OE and PMC roles to support them in those foreign markets
- Customers seeking advisory and execution support in foreign markets
- Capitalising on China investment

That have impacted WorleyParsons' revenue and earnings

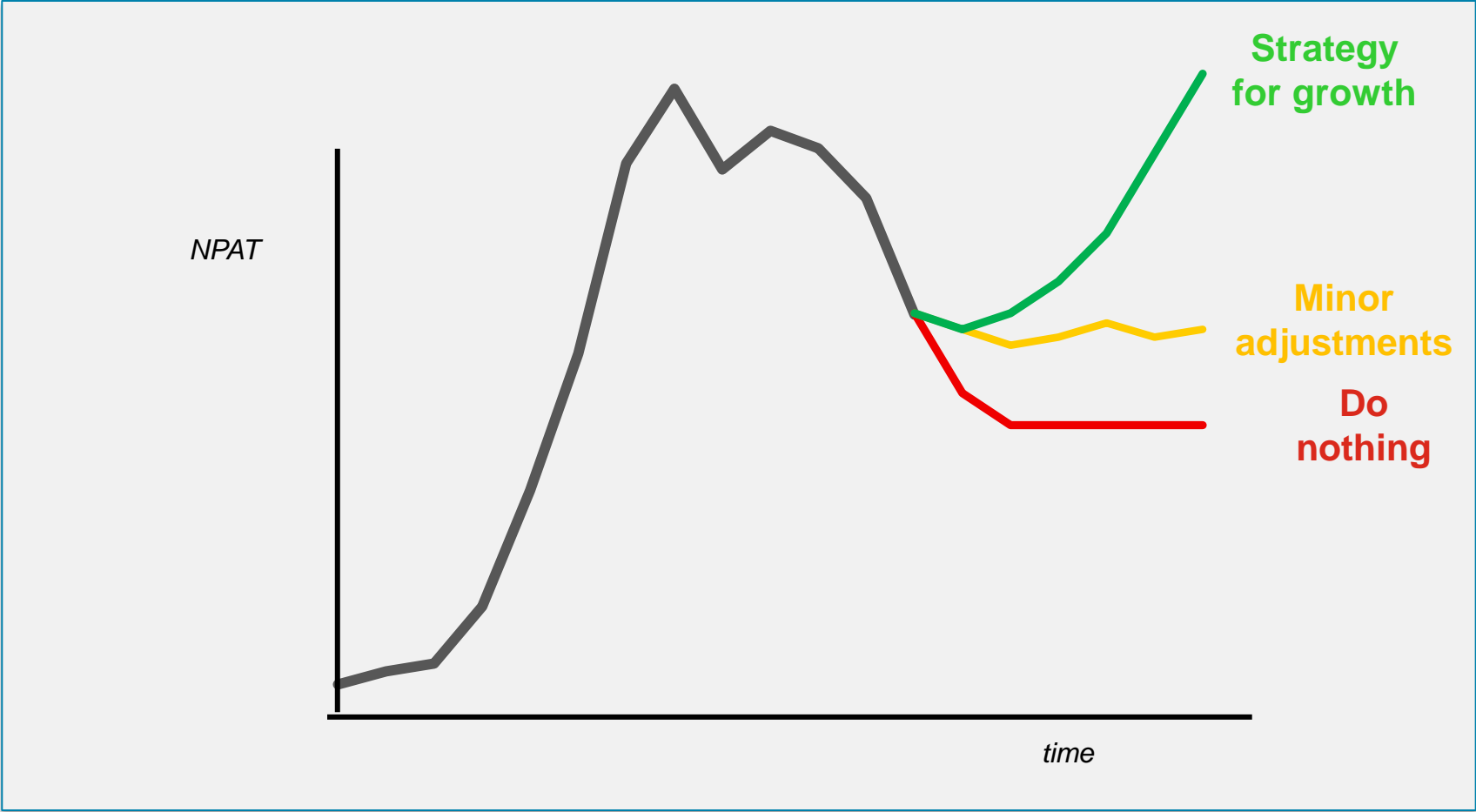
Entering a period of transition

Historical revenue and underlying EBITDA (A\$m)



Realize our future – through the strategy for growth

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Realize our future - Vision

A company that...

Outcome =
Growth

Leadership,
Culture,
Technology

Engages customers
& delivers customer
value



Realize our future – based on our key differentiator

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Focus on front end and *Improve*
Selective delivery offerings



5 strategic themes, 5 projects

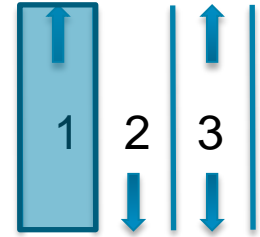
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Project 1

- Build world class **advisory** business and dominate the **early project phases**



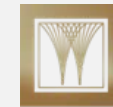
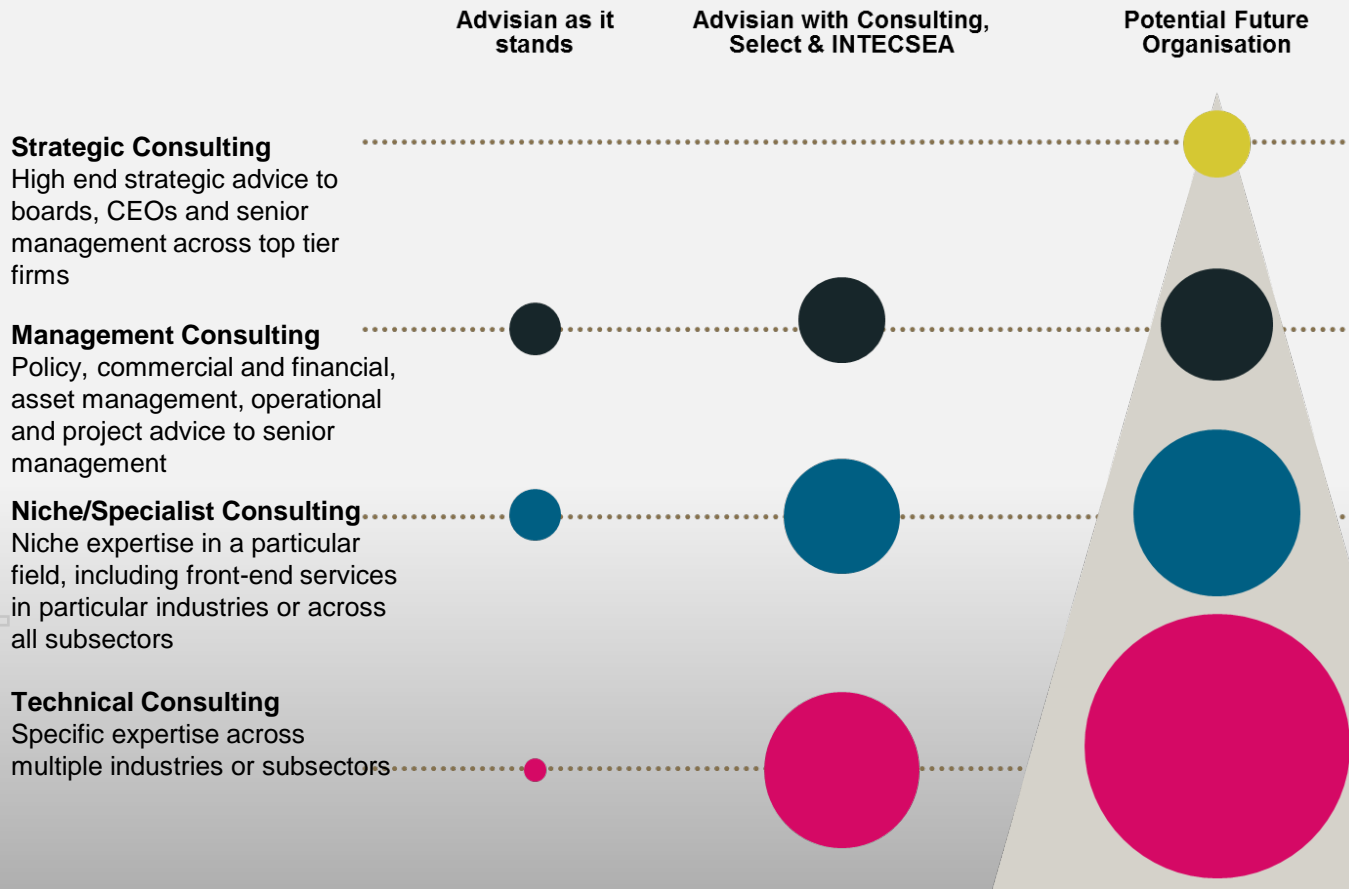
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Project 1



Build a world class advisory business and dominate early project phase



Advisian

WorleyParsons Group

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Project 1

Advisian + WorleyParsons: 1+1 is greater than 3

Case study

- ▶ North American refiner
- ▶ Combining technical capability added:
 - 4% savings in power spend through salvage of equipment not being utilized
 - 6.7% savings through managing billing demand
 - 9.4% savings through managing system and consumer efficiency.

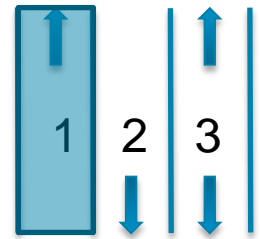
“Having access to deep technical capabilities has really enhanced the value we give to our clients”





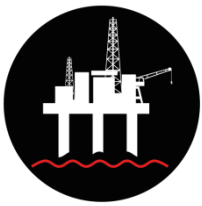
Project 2

- Be the global PMC provider of choice



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Project 2

- Be the global PMC **provider of choice**

CONTEXT

- ▶ Owners looking to transfer more risk to EPC/EPCm
- ▶ Customers seeking projects with less intensive engineering standardization and modularization
- ▶ Less Hydrocarbons mega projects in the near term

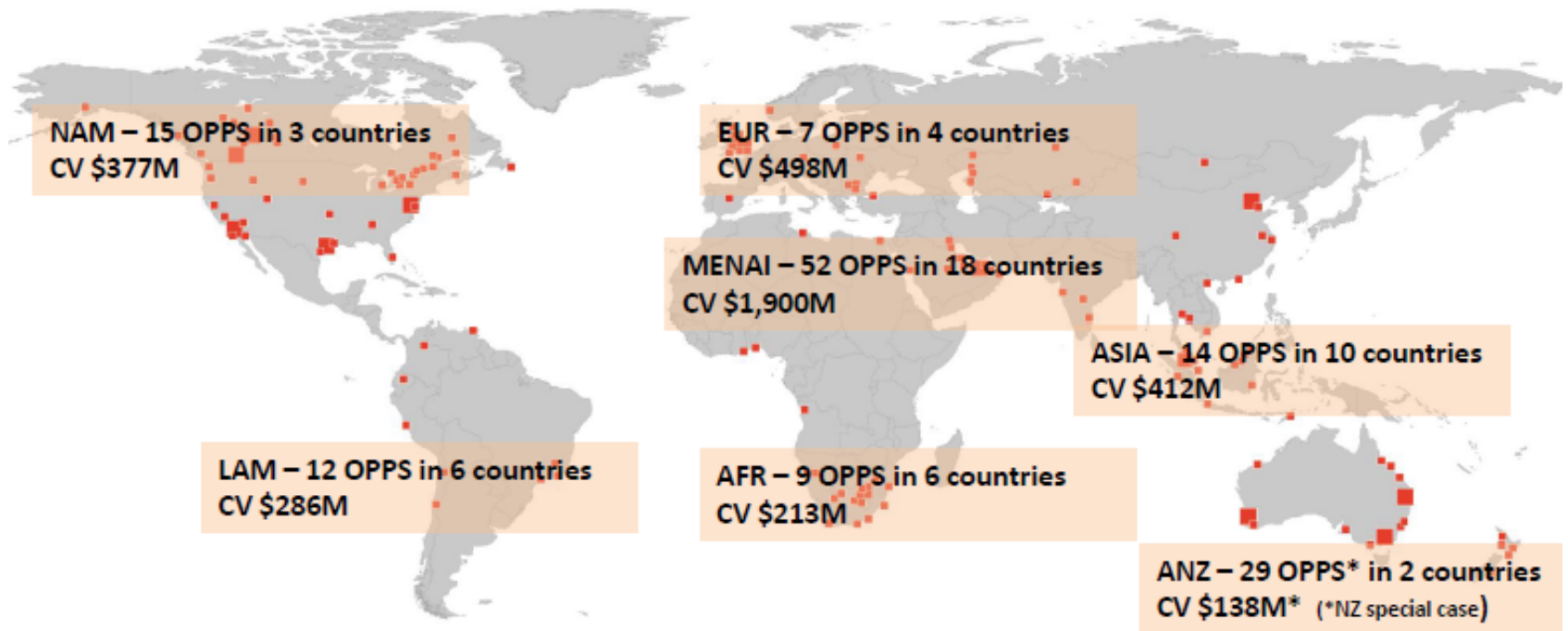
RESPONSE

- ▶ Move away from commodity services into PMC roles
- ▶ Complement EPCm
- ▶ Focus on advances in cost control, contract management, claims mitigation, planning and completions
- ▶ Create opportunities for all our business lines



Project 2 – Be the global PMC provider of choice

Potential market



CRMT indicating **155 live PMC / IPMT opps in 49 countries**
39 IPMT, 116 OMC
Contract Value \$3.8bn

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Project 2 – Be the global PMC provider of choice

Priorities

- ▶ Focus on the key capabilities initially:
 - Identification and recruitment of skilled project managers and engineers
 - Implement integrated systems
 - Improve capabilities
 - Greater customer focus

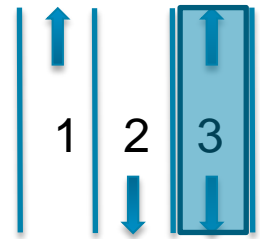
- ▶ Develop step out capabilities
 - Global financing methods and working with world banks
 - Set the standard for customer use of digital data
 - Provide real time market assessments for materials, labor, contractors
 - Create extensive benchmarking for global projects





Project 3

- Build a leading *Improve* business



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Project 3

- Build a leading *Improve* business

CONTEXT

- ▶ Customers in some regions increasingly want an integrated offering
- ▶ Access more Opex spend

RESPONSE

- ▶ Follow full asset life
- ▶ Capex and opex
- ▶ Dominate selected basins, that allow us to leverage our existing strengths
- ▶ Selected specializations in LNG, UCOG, Water, Power (TWPS model)



Improve Full asset lifecycle

Access opex spend...

Example 5 key customer

ExxonMobil
BHP
Chevron
BP
Rio Tinto



2013 CAPEX
\$117 B



2013 OPEX
\$247 B

...in our specialist areas of LNG, power, water and UCOG...

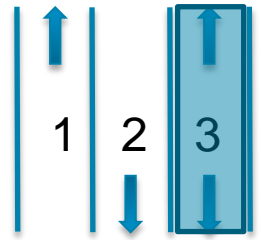
...in basins where we have a strong position





Project 4

- Be the **smartest, most agile** local service provider



X
Quantity



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Project 4

- Be the smartest, most agile local service provider

CONTEXT

- ▶ Our strong local relationships and wide geographic coverage remain a key differentiator
- ▶ Our global businesses provide specialty where the scale or nature of the services warrant particular attention or approach

RESPONSE

- ▶ Focus on improving our customer's willingness to pay
- ▶ Focus on efficient service deliver including GDC
- ▶ Repeat business, win business, create opportunities

Project 4 – Be the smartest, most agile local service provider



Priorities

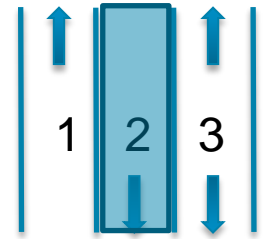
- ▶ Address immediate financial priorities (utilization, overhead, cash collection)
- ▶ Improve ROIC of bottom 10 locations
- ▶ Focus on growing locations where we can be No 1 of 3
- ▶ Simplify our business





Project 5

- A company that **leapfrogs the competition** in the use of global delivery centres and applies digital technology to revolutionize the delivery of our services



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Project 5

- A company that **leapfrogs the competition** in the use of global delivery centres and applies digital technology to revolutionize the delivery of our services

CONTEXT

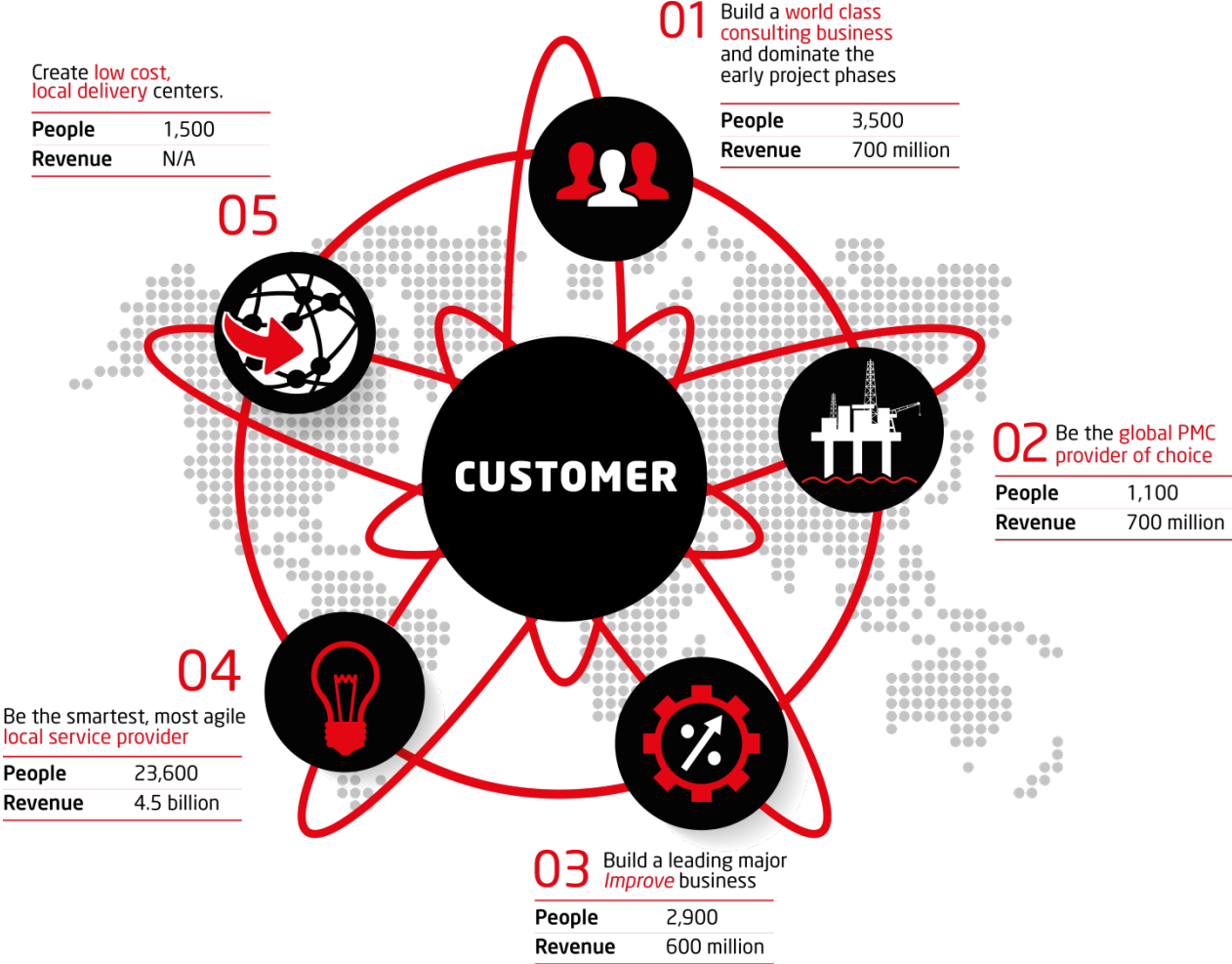
- ▶ In the short term the economic environment has changed
- ▶ In the longer term customer expectations are changing

RESPONSE

- ▶ Immediately boost our competitiveness through our use of Global Delivery Centers
- ▶ Become the leader in data centric delivery to minimize the cost of services to our customers and generates good margin

Five strategic themes, one differentiated strategy

Synergies realized through combination of connected strategies



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Realize our future

Sector Strategies

Andy Cole

Sector intent

HYDROCARBONS

- Provide the platform for earnings diversification
- Balanced revenue from upstream, midstream and downstream

MINERALS, METALS & CHEMICALS

- Grow Chemicals into a standalone sector
- Broaden the revenue gained across the entire Minerals & Metals value-chain (Select > Deliver > Improve)

INFRASTRUCTURE

- To be the global leader of Resource Infrastructure
- Focus on those elements that cross over both the Resource & Economic infrastructure markets (Power , Water , Ports, Rail)

FY16 Sector strategies

HYDROCARBONS

- Strengthen via diversification by
 - Balanced focus on upstream, midstream and downstream
 - Access both CAPEX and OPEX over the asset life cycle
 - Maintain current T1 relationships and diversify into emerging customer base

MINERALS, METALS & CHEMICALS

- Services across the full mining value chain
- Strengthen the sub-sector offerings through deep industry knowledge
- Service offerings across the full asset life cycle in petrochemicals, chemicals and polymers

INFRASTRUCTURE

- Productivity enhancement offering
- Enabling capabilities for resources infrastructure
 - Future energy for resources and economic infrastructure
 - Water solutions



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A large, complex industrial facility, likely a refinery or chemical plant, illuminated at night. The structure is multi-tiered with numerous pipes, tanks, and walkways. Bright lights create a high-contrast scene against the dark sky. A red banner is overlaid on the bottom left of the image.

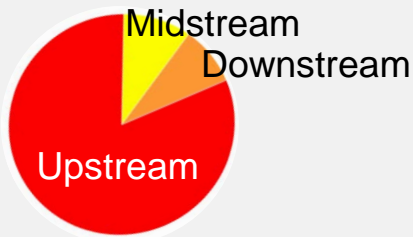
Sector strategies

Hydrocarbons

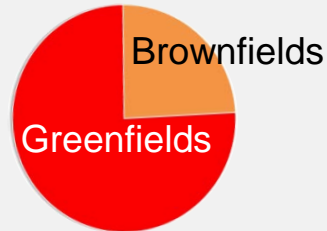
Our Hydrocarbons business in FY15

Dominated by exposure to upstream, greenfields and Tier 1s

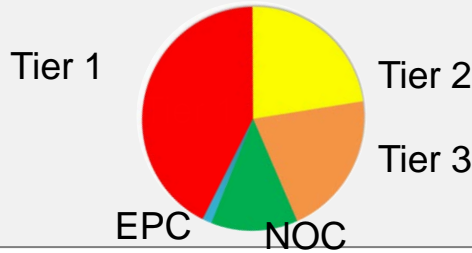
Upstream Sector growth has underpinned much of our growth over the last decade



Greenfields developments have dominated as our customers strived to meet demand



Our focused Tier 1 Customer program has delivered significant revenue over the past 5 yrs



Recent customer trends

- ▶ Prior to the oil price shock: Oil company profits were already being eroded by the increasing level of investment required to produce incremental barrels of oil

Tier 1



- ▶ Margins already squeezed prior to oil price shock
- ▶ Cutting CAPEX and delaying new projects
- ▶ Downsizing overheads and personnel
- ▶ Sweating Assets

- ▶ T1 Procurement departments have “squeezed” the supply chain via global MSAs

Tier 2/3s



- ▶ Considering sale of assets
- ▶ Significant M&A activity expected (eg: Repsol > Talisman)

NOCs



- ▶ Seeking to globalise portfolio
- ▶ Entering new geographies and subsectors

- ▶ Selected NOCs showing no impact to CAPEX
- ▶ Other NOCs require IOC or Chinese investment

Asian EPCs



- ▶ The rise & rise of the Chinese EPCs

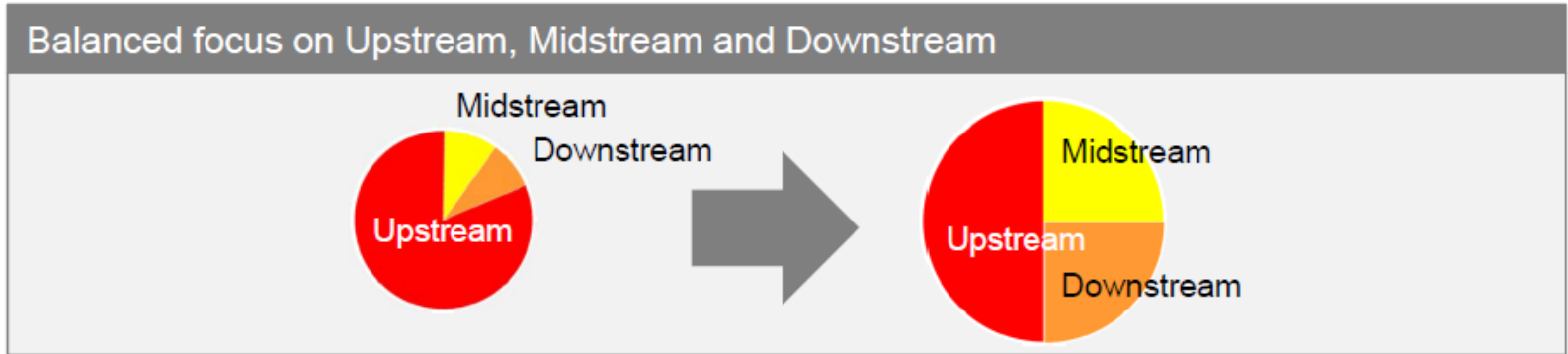
- ▶ Developing in house engineering capability



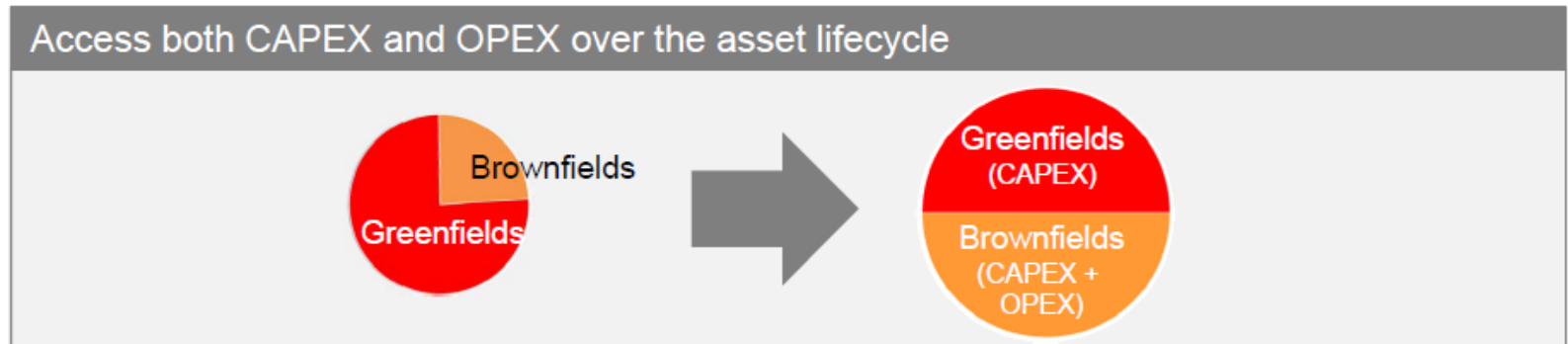
Strengthen by diversification

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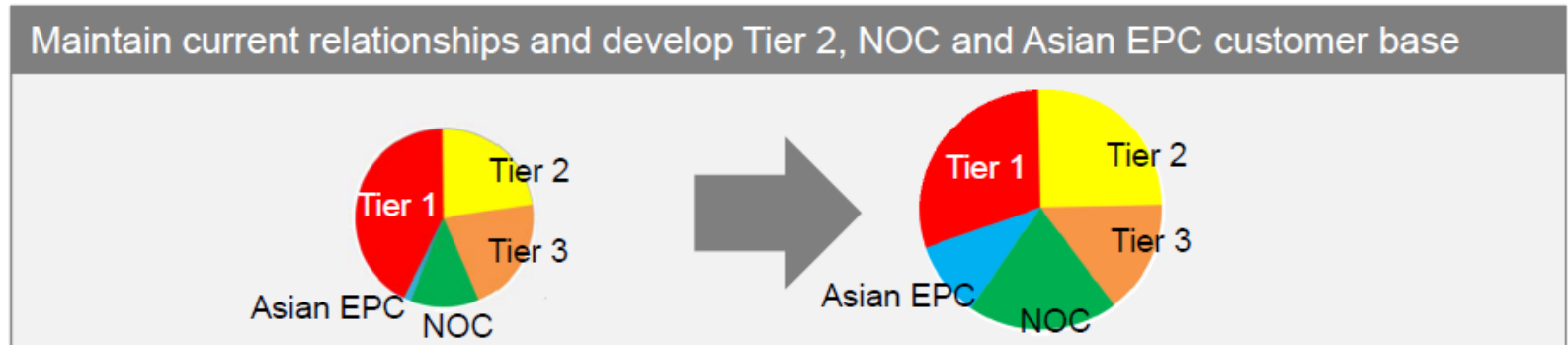
(1)



(2)



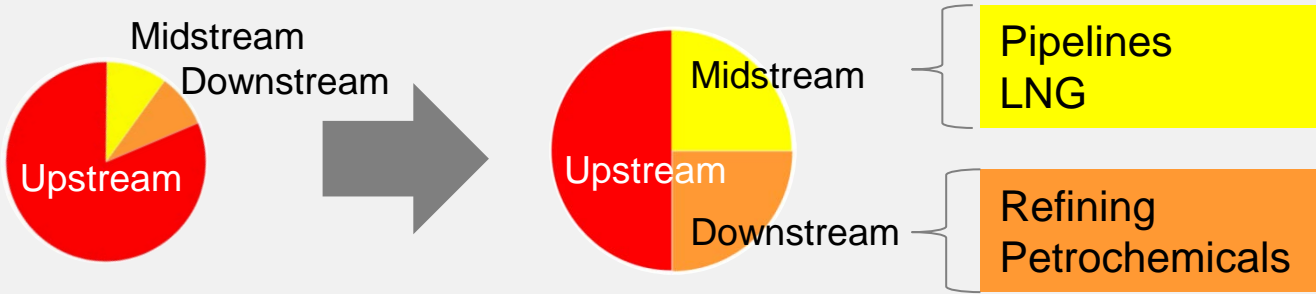
(3)



Grow in midstream and downstream

Earnings growth channel 1: Stream

Head room for growth available in Midstream and Downstream



- ▶ Peg the gains we have made over the last 2 decades in the Upstream market and defend this territory
- ▶ Grow the Midstream & Downstream business

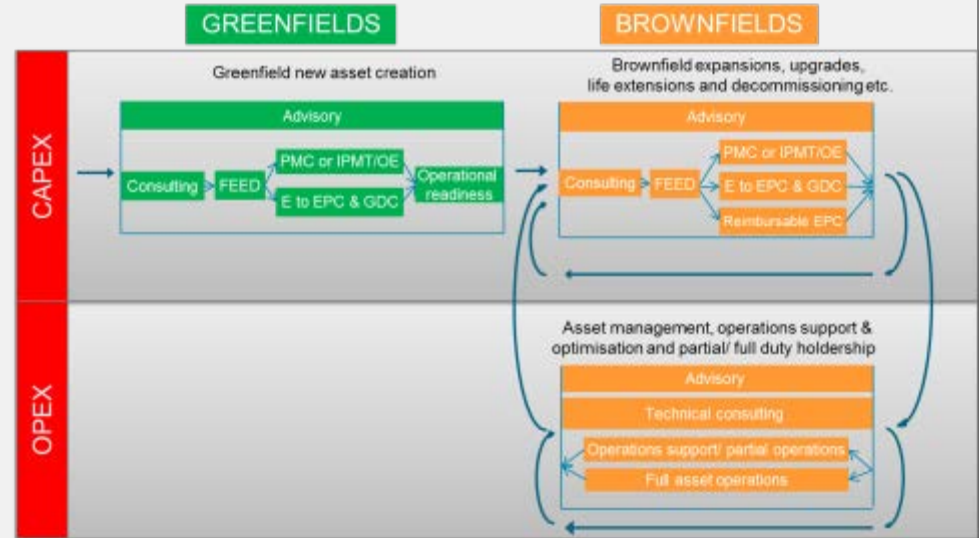
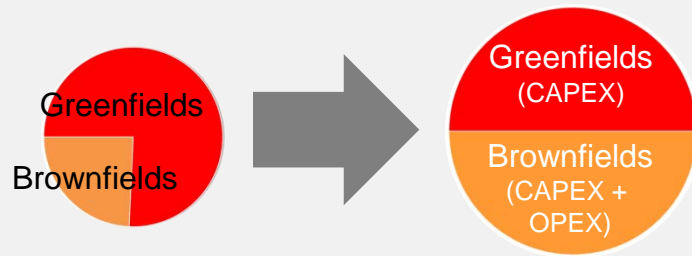
Differentiators:
Seamless Hydrocarbons and Resource Infrastructure offering
Future Advisory and Project Management Construction (PMC) offering



Grow OPEX exposure

Earnings growth channel 2: Expenditure

Access both CAPEX and OPEX over the asset lifecycle



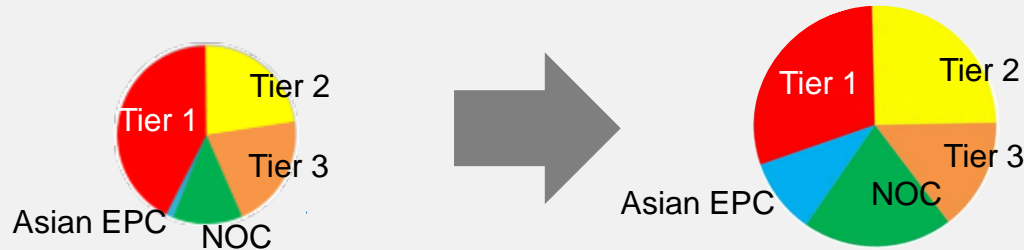
Differentiator:
Advisory level engagement enabling identification of scopes for outsourcing & "Owning" specific basins



Diversify customer base

Earnings growth channel 3: Customer

Maintain current Tier 1 relationships and develop Tier 2, NOC and Asian EPC customer base



- ▶ Maintain and leverage current Tier 1 customer relationships
- ▶ Bring an increased focus on further penetrating the accessible spend of strategic Tier 2s, NOCs and Asian EPCs

Differentiator:
Collaborative business style
& Local presence in Asian and developing nations



Strategic areas of focus

Hydrocarbons

● = Primary Focus
○ = Supporting Focus

	Advisian	Major Projects	Improve	Services	Global Delivery Centres
SUBSECTOR					
LNG	○	○	●		
Pipeline Systems		●	○	○	
Refining	●	○	○		
Petrochemicals	○	○	●		○
Onshore conventional O&G			●	○	
Unconventional O&G	○		●	○	
Heavy oil & Oil sands		○	●	○	○
Offshore facilities			○	●	○
INTECSEA	●				○
SPECIAL INTEREST AREA					
Arctic	○	●	○		
Sulphur	●				○
EOR	●			○	





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Sector strategies

Minerals, Metals & Chemicals

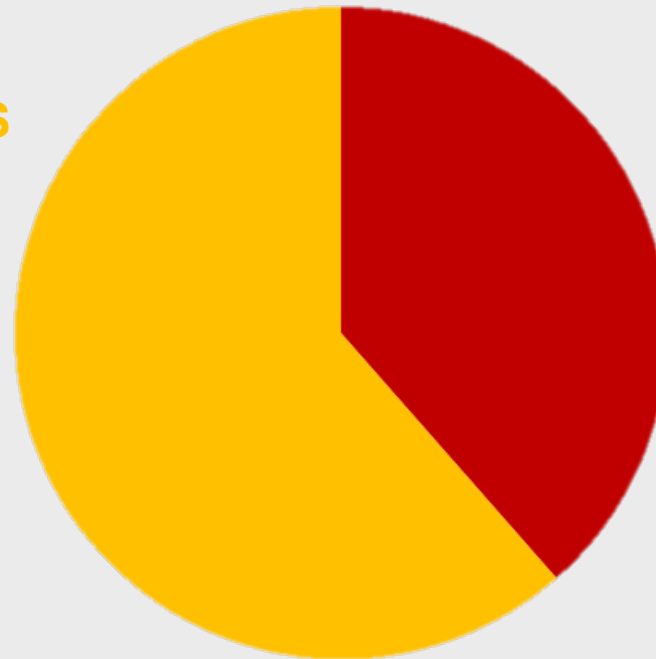
Where is our business now?

Minerals, Metals and Chemicals sector

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MINERALS & METALS

- Subdued commodity prices
- Low capex environment
- Cost focus



CHEMICALS

- Buoyant demand
- Strong capex
- New low cost feedstock

Revenue breakdown

Minerals & Metals customer trends

Tier 1's



- ▶ Pressure to “sweat the assets” and for responsible capital management
- ▶ Big miners have financial capacity to invest in innovation / new technology (eg IROC, Process Centres, Mines of the Future)
- ▶ Divesting non core assets (eg BHPB demerger)
- ▶ Move to procurement led MSA's (cost driven)
- ▶ Positioning to move to underground mining, particularly in Copper
- ▶ Increased dominance in bulks ie iron ore, copper, potash

Tier 2's



- ▶ Pressure to “sweat the assets” and intense focus on reduction of cost base
- ▶ Seeking innovative solutions and often less risk adverse than Tier 1's
- ▶ Seeking support for “islanded” assets
- ▶ Major Tier 2 customers have access to capital and sound cash flow
- ▶ Chinese investors will be our customer of the future

Tier 3's

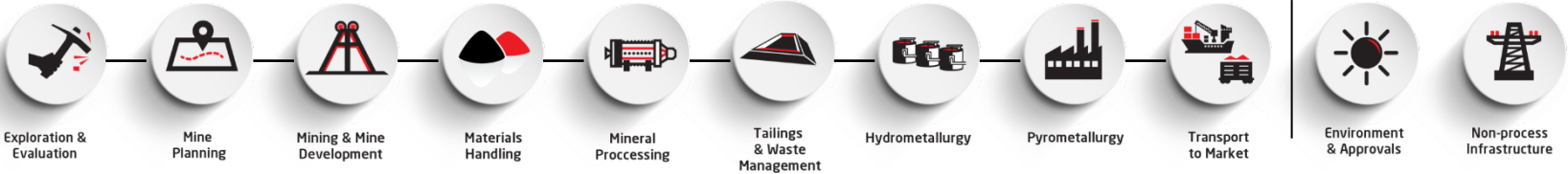


- ▶ Biggest challenge remains access to finance
- ▶ Limited capital being spent
- ▶ Survival depends largely on improved business case
- ▶ Seeking innovative solutions

Minerals & Metals strategy

- Services across the full Mining value chain and asset lifecycle
- Strong subsector offerings, enabled by deep industry knowledge
- Global business underpinned by the four sustainable regions
- Customer base operating across multiple geographies

The Mining Value Chain



Minerals & Metals strategy

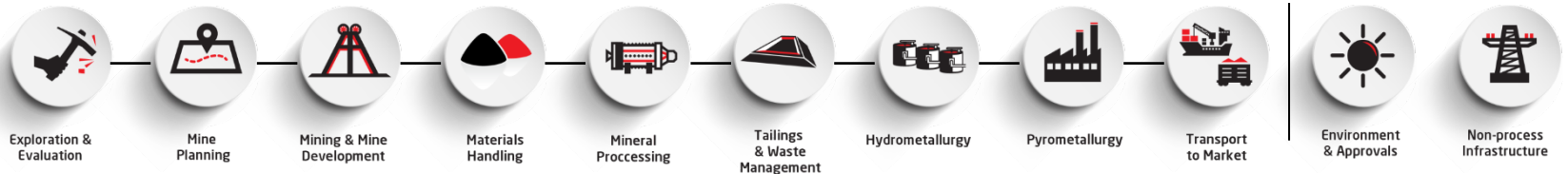
Services across the full Mining value chain and asset lifecycle

Strong subsector offerings, enabled by deep industry knowledge

Global business underpinned by the four sustainable regions

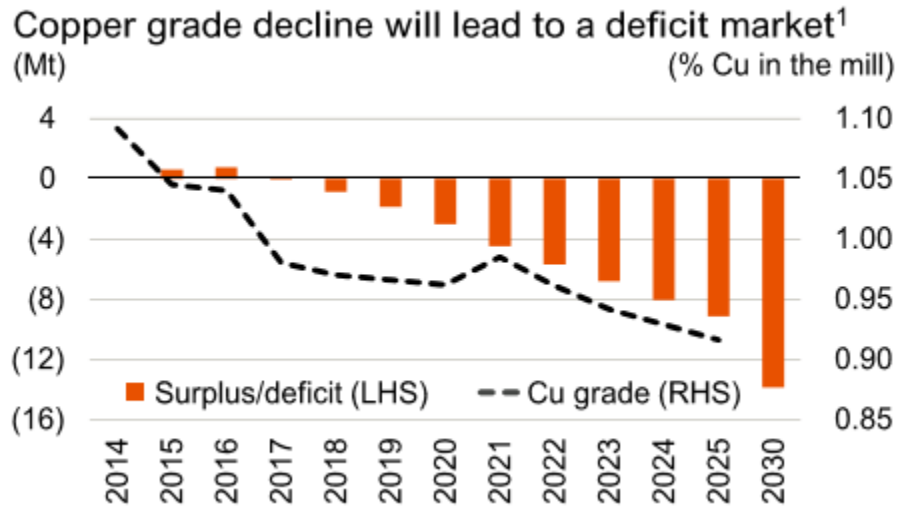
Customer base operating across multiple geographies

The Mining Value Chain

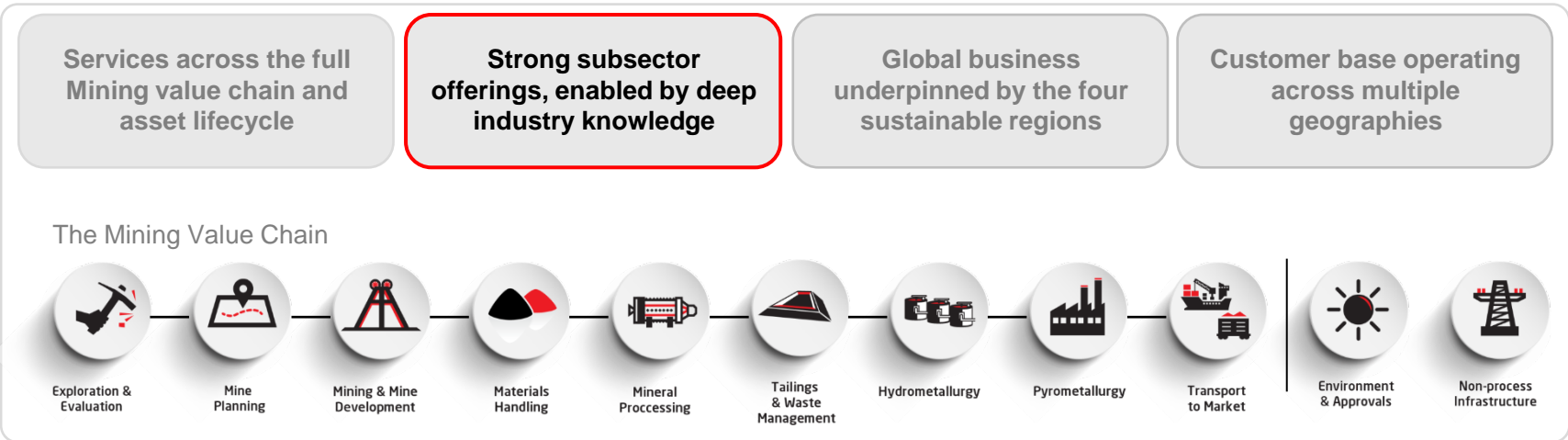


VALUE CHAIN EXTENSION: Position for upswing

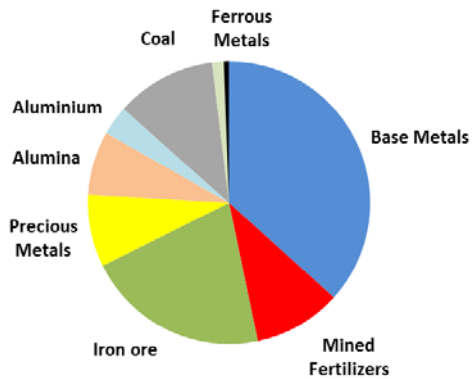
Source: BHP Billiton presentation, Maximising value and shareholder returns, 24 November 2014



Minerals & Metals strategy

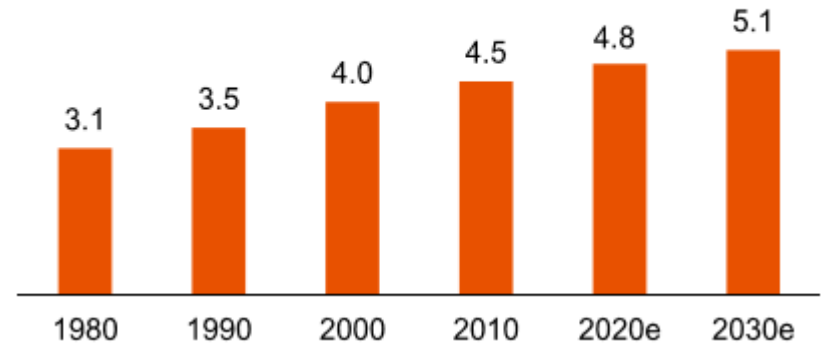


STRENGTH THROUGH DIVERSITY: Position for upswing



M&M FY15F Revenue

People fed per hectare of arable land (number of people)



Source: BHP Billiton presentation, Maximising value and shareholder returns 24 November 2014

Minerals & Metals strategy

Services across the full Mining value chain and asset lifecycle

Strong subsector offerings, enabled by deep industry knowledge

Global business underpinned by the four sustainable regions

Customer base operating across multiple geographies

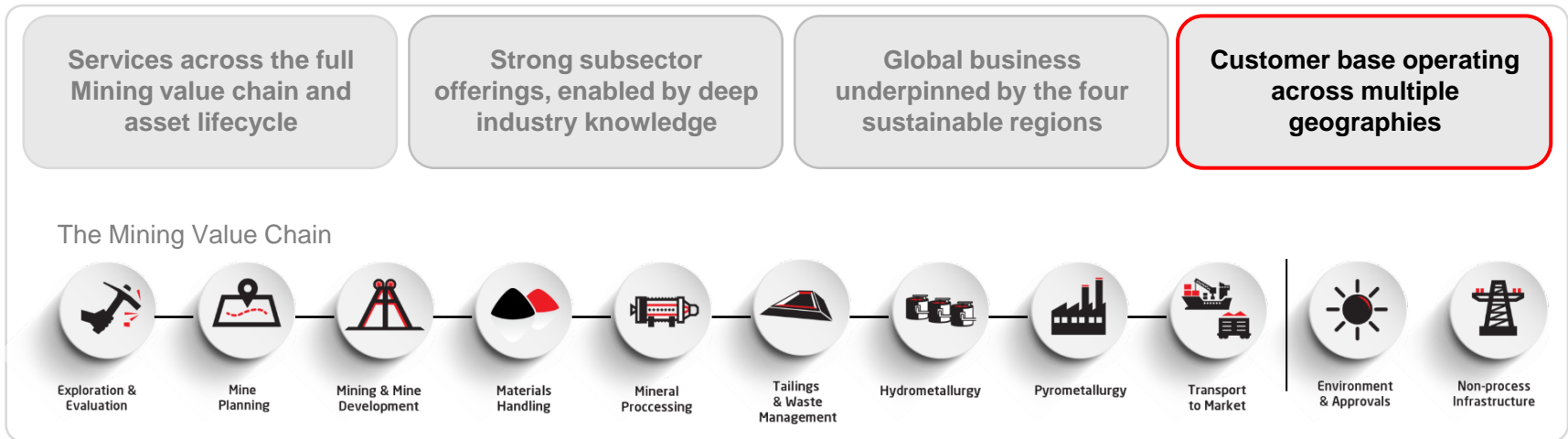
The Mining Value Chain



FOCUSED GEOGRAPHIES: Position for upswing

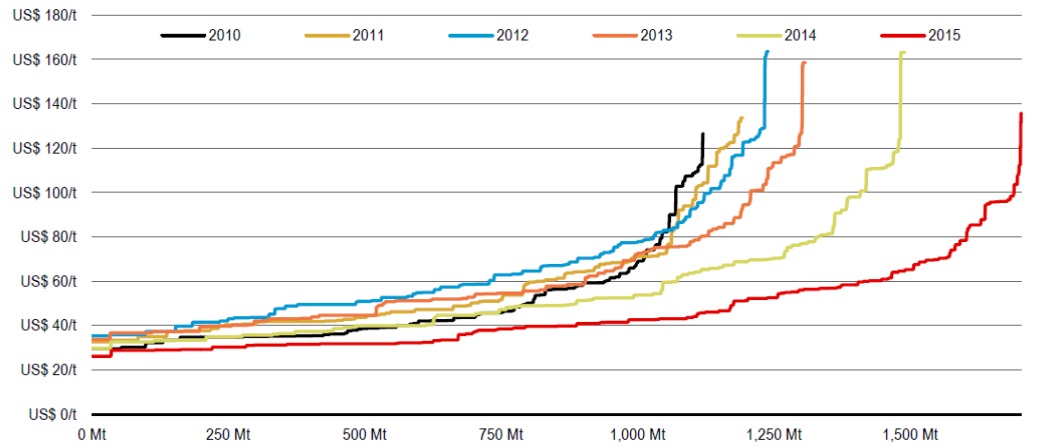


Minerals & Metals strategy



CUSTOMER DRIVERS: Position for upswing

Figure 5: Global iron ore cost curve – flattening and falling



Source: UBS
 global I/O: Miners
 Price Review 13
 April 2015

Chemicals market trends

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Tier 1 customer focus



- ▶ Chemicals customer portfolios continue to grow to meet consumer demand
- ▶ Complexities of feedstock change impacting investment priorities
 - Investments strategies re-visited
 - Feedstock supply/demand and pricing (oil vs gas) uncertainty
- ▶ Seeking sustainability solutions focused on reducing environmental impacts and regulatory compliance through incremental changes in feedstocks, operations and end products
- ▶ Smarter management to promote innovation and reform company structures
- ▶ Middle East customers are looking for opportunities to value add locally
- ▶ Chinese companies are investing globally and looking for support in foreign countries (local knowledge, PMC, cultural awareness and relationships)
- ▶ Petrochemicals benefiting from resurgence in downstream projects

Chemicals strategy

Service offering across full asset lifecycle in Chemicals and Petrochemicals

Strong position in Nth America, Middle East and SE Asia / China

Multiple global relationships with targeted Tier 1 customers



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Chemicals strategy

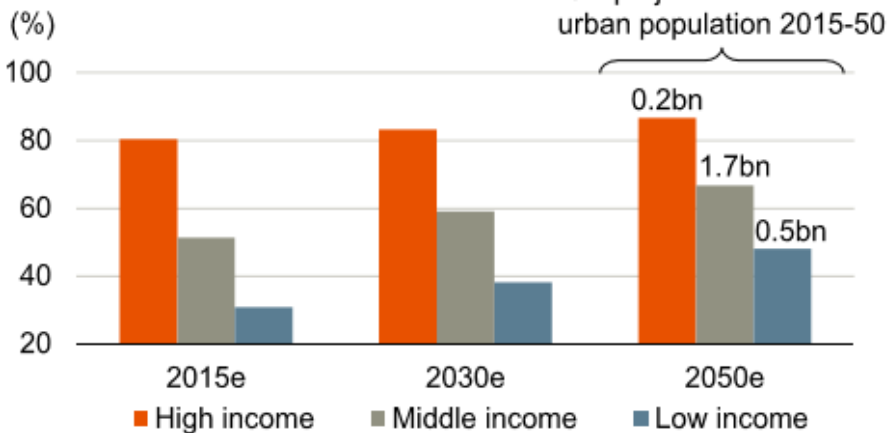
Service offering across full asset lifecycle in Chemicals and Petrochemicals

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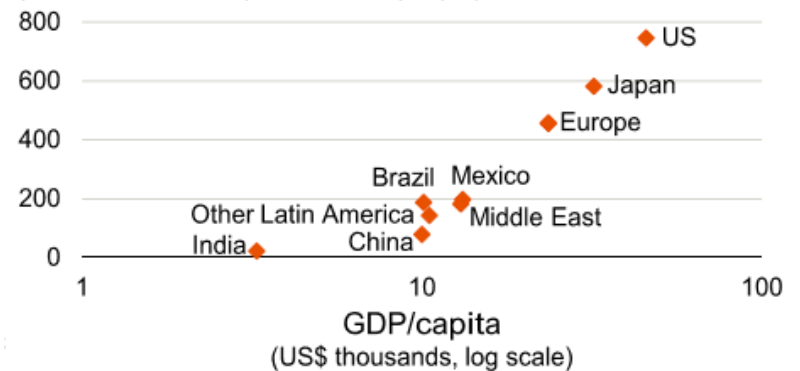
Multiple global relationships with targeted Tier 1 customers



Urbanisation rates 2015-50



Light duty vehicle penetration²
(number of vehicles per thousand people)



Source: BHP Billiton presentation, Maximising value and shareholder returns, 24 November 2014

Chemicals strategy

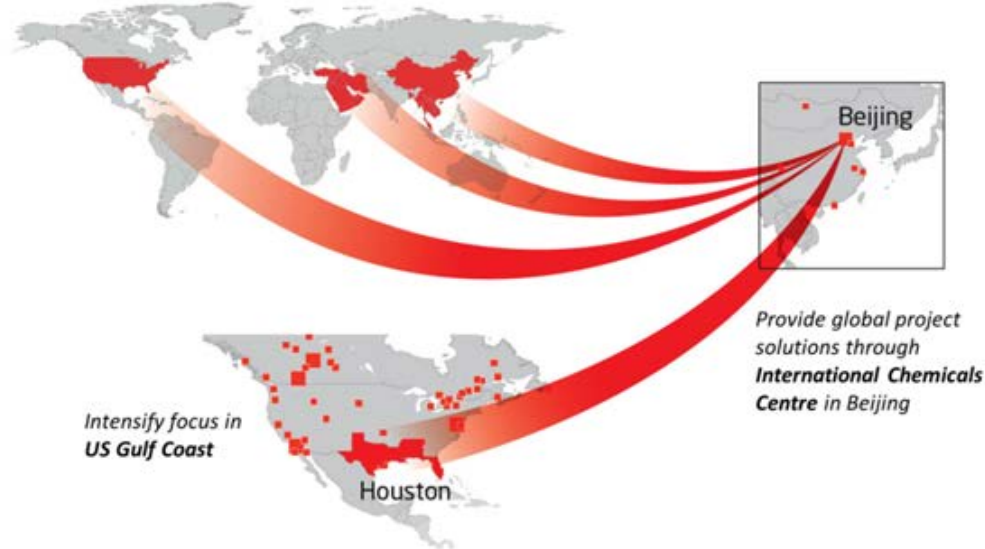
Service offering across full asset lifecycle in Chemicals and Petrochemicals

Strong position in Nth America, Middle East and SE Asia / China

Multiple global relationships with targeted Tier 1 customers



Three key focus geographies: US, Middle East and Asia



Chemicals strategy

Service offering across full asset lifecycle in Chemicals and Petrochemicals

Strong position in Nth America, Middle East and SE Asia / China

Multiple global relationships with targeted Tier 1 customers



 **BASF**
The Chemical Company

سابك
sabic

 **Celanese**

 **EVONIK**
INDUSTRIES

 **NOVA** Chemicals®

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ENGINEERING & CONSTRUCTION

Strategic areas of focus



Minerals, Metals & Chemicals

- = Primary focus
- = Supporting focus

	Advisian	Major Projects	<i>Improve</i>	Services	GDCs
Underground Mining					
Chemicals					
Mined Fertilizers					
Productivity Enhancement					

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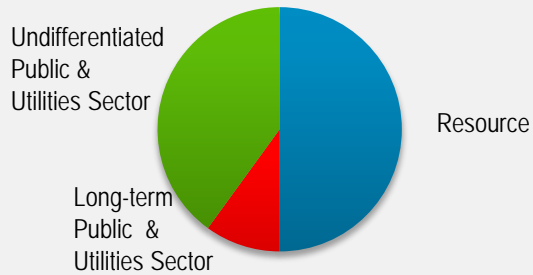
Sector strategies

Infrastructure

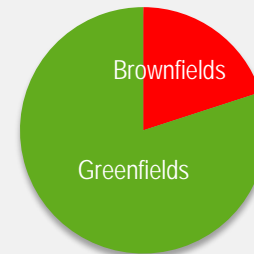
Infrastructure

Where is our business now?

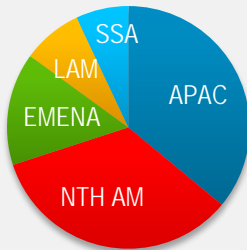
Customers: Even split between public and resource customers



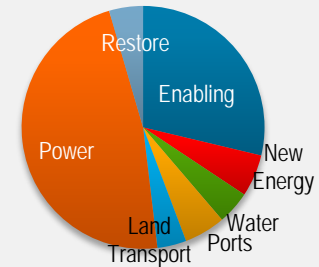
Scope: Focus has been on Greenfields



Geographic Footprint: Established capability platform in mature markets of Australia and Canada



Market Diversification: Heavy in Power



Customer trends

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Resources customers



- ▶ Pressure to “sweat” assets given low commodity prices
- ▶ Downsizing overheads and personnel
- ▶ Cutting CAPEX and delaying new projects
- ▶ Continuing with enabling studies to position for finance
- ▶ Divesting non core assets (Tier 1s selling power and water assets)

Public & Utilities customers

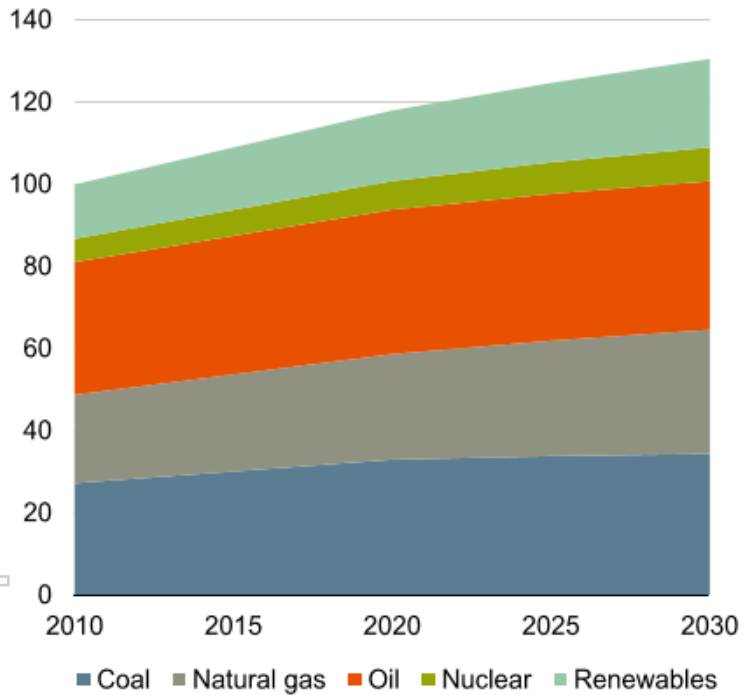


- ▶ Privatisation of government assets
- ▶ Commodity royalties lower, less in the public purse
- ▶ Political and social pressure to continue with infrastructure promises
- ▶ Leaning more on private investment (PPPs) for new builds
- ▶ Continues to favour preferred service provider agreements
- ▶ Seeking power and water efficiency innovations

Power

Energy demand forecast to grow circa 20% to 2030

The global energy complex will remain diverse
(growth in primary energy supply, index, 2010=100)



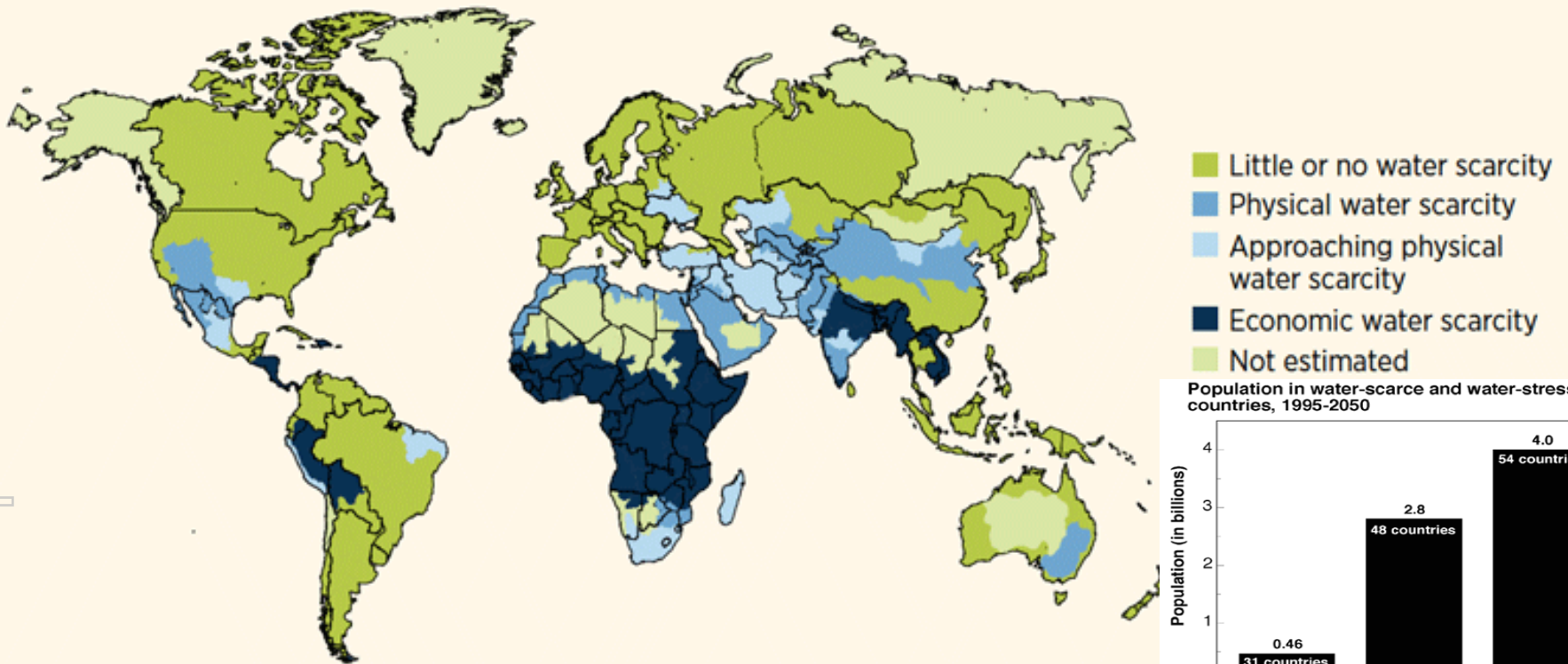
Source: BHP Billiton, 24 Nov 2014



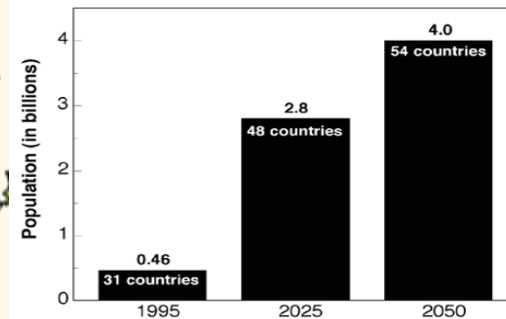
Water

Opportunities in advisory, sourcing, treatment and disposal

Global physical and economic water scarcity

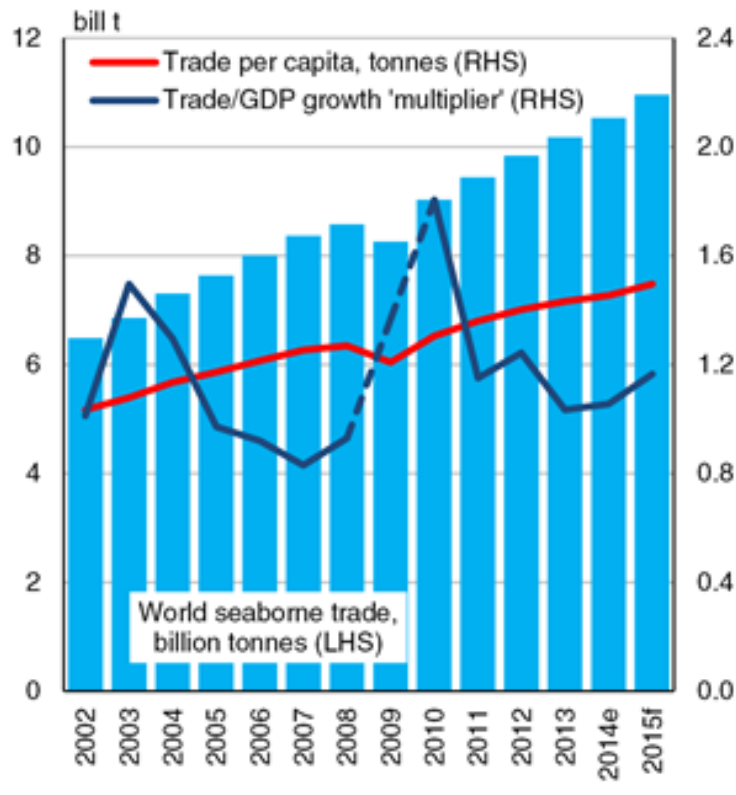


Population in water-scarce and water-stressed countries, 1995-2050



Ports

Seaborne trade rising 4.1% this year



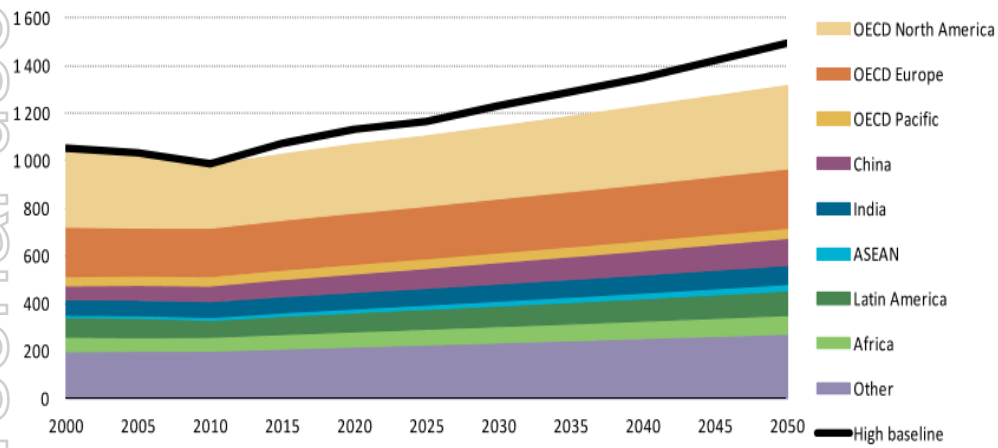
Source : Clarkson Research Services



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Rail

Global rail travel is projected to double by 2050



Railway Projections (thousand track-km)

Source: International Energy Agency

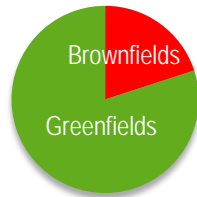
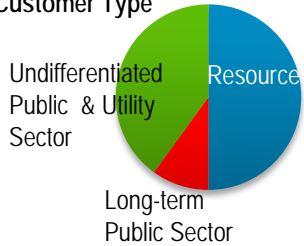


Infrastructure strategy

Shift from undifferentiated public sector to resource and long-term public customers

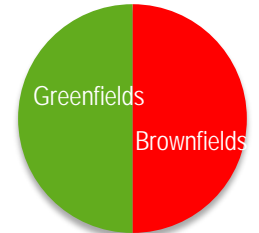
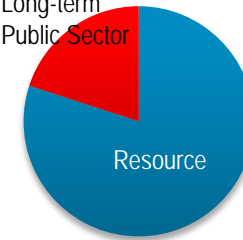
Balanced greenfield and brownfield customer portfolio

Customer Type



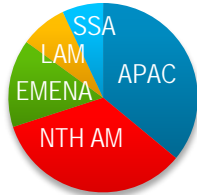
- ▶ Target HC & MMC customers
- ▶ Nurture long-term relationships delivering good margin returns and exit undifferentiated non-performing markets
- ▶ Push into brownfields across all subsectors

Long-term Public Sector

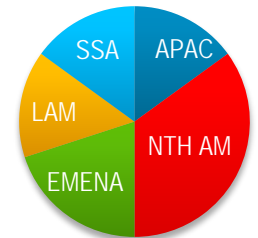


Expansion of geographic footprint into Americas, EMENA and SSA

Regional Breakdown

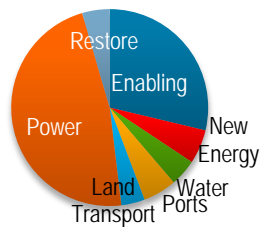


- ▶ Build bridgeheads in capability and locations, push further into the US and developing world
- ▶ Grow hubs in Houston (to service Nth America & LAM) and UK (to service EMENA & SSA)
- ▶ Globalise in collaboration with China EPCs

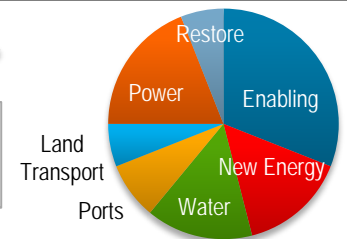


Deepen capability platform across all subsectors in emerging future markets

Subsector Breakdown























- ▶ Deepen capability platform to suit future markets and embed differentiated technology in offering
- ▶ Shift power business into new energy markets
- ▶ Build water capability and position to capture opportunities driven by water scarcity trends



Strategic focus areas

Infrastructure

 = Primary focus
 = Supporting focus

	Advisian	Major Projects	Improve	Services	GDCs
Enabling Capabilities					
Productivity Enhancement					
New Energy					
China Focus					
Water Sourcing					

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Agenda

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Context

- ▶ Trading update

Corporate strategy

- ▶ Strategic framework
- ▶ Purpose
- ▶ Realize our future
- ▶ 5 strategic themes, 5 projects

Sector strategies

- ▶ Hydrocarbons
- ▶ Minerals, metals and chemicals
- ▶ Infrastructure

Financials

- ▶ Financial risk management
- ▶ Financial framework
- ▶ Available funding
- ▶ Strategy funding requirements





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Realize our future

Financial

Simon Holt

Financial risk management

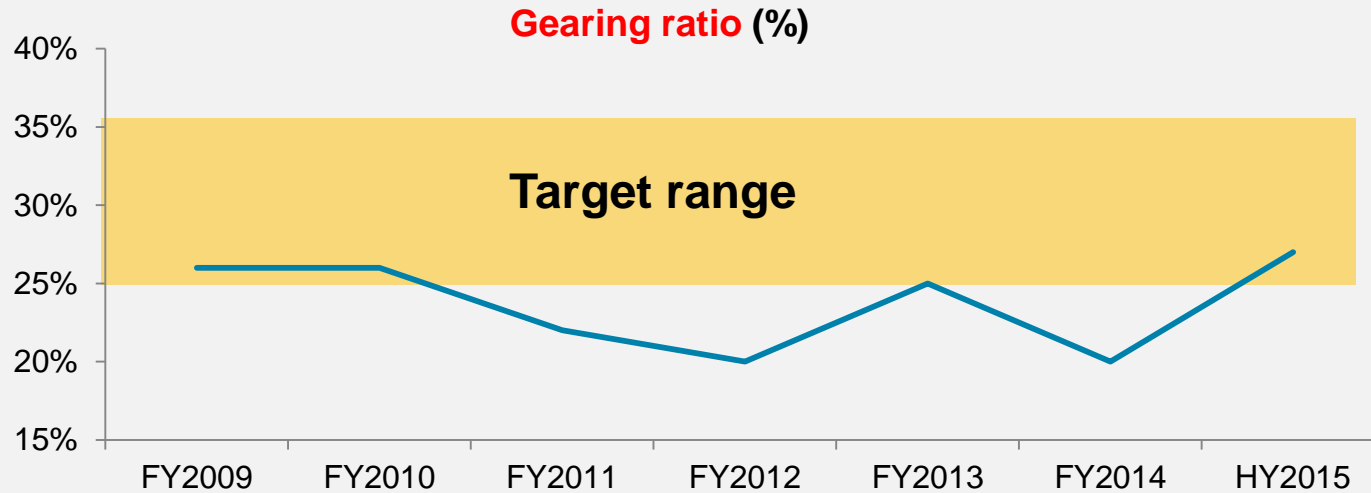
Managing 4 key financial risks

- ▶ Currency risk
 - Matching of currency of payment to the currency of costs
 - Negotiated rate adjustments based on exchange rate fluctuations
 - Cross currency swaps
 - Translation risk for currencies other than AUD
- ▶ Interest rate risk
 - 95% of debt on fixed interest rates
- ▶ Liquidity risk
 - Maintain sufficient liquidity under normal and stressed conditions through head room
- ▶ Credit risk
 - Potential customer defaults assessed, cash collection



Available funding

Gearing ratio within target range

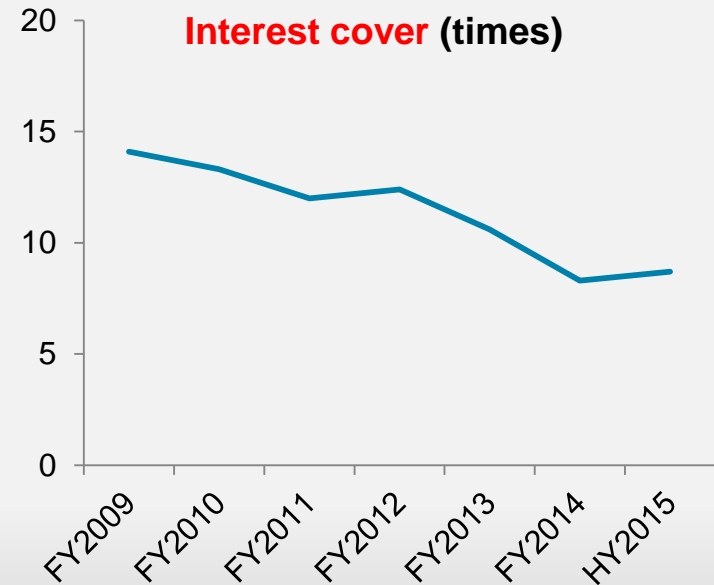
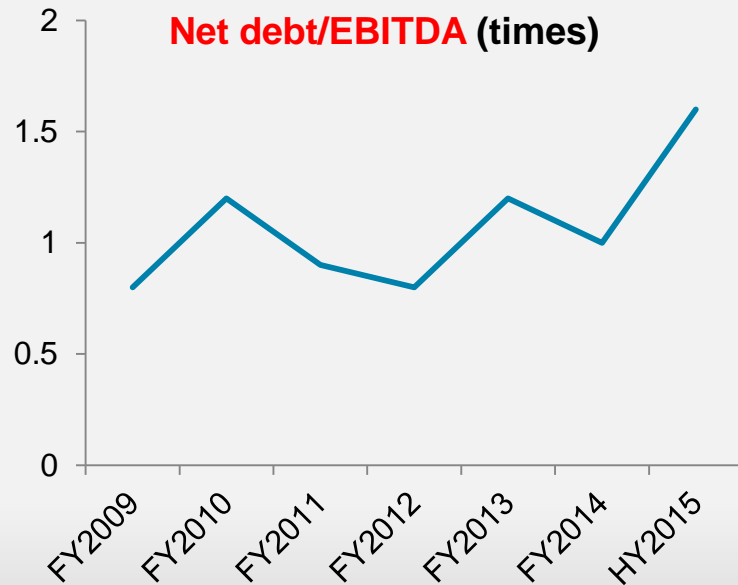


Gearing ratio = net debt/net debt + equity



Available funding

Maintaining headroom



Key financial covenant are Interest cover and Net debt/EBITDA

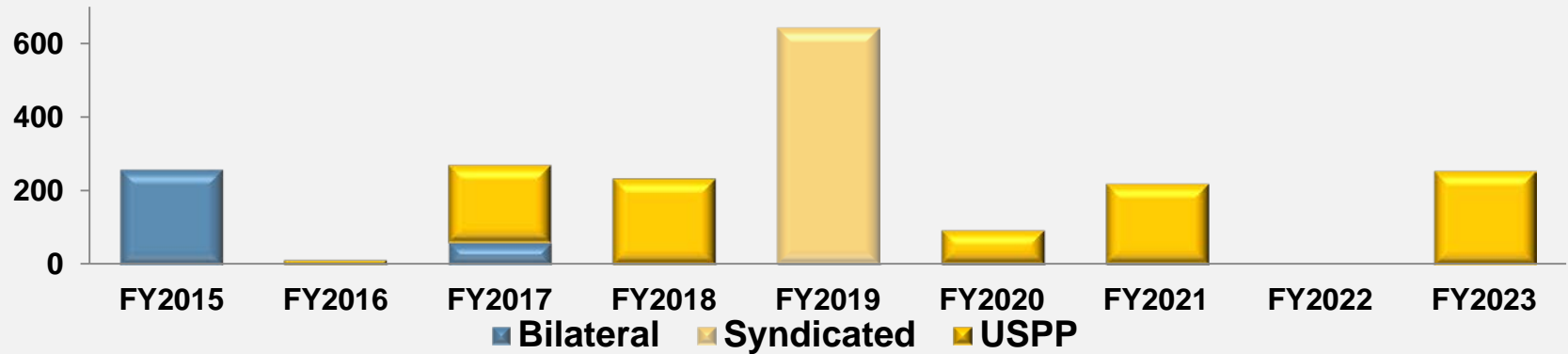


Available funding

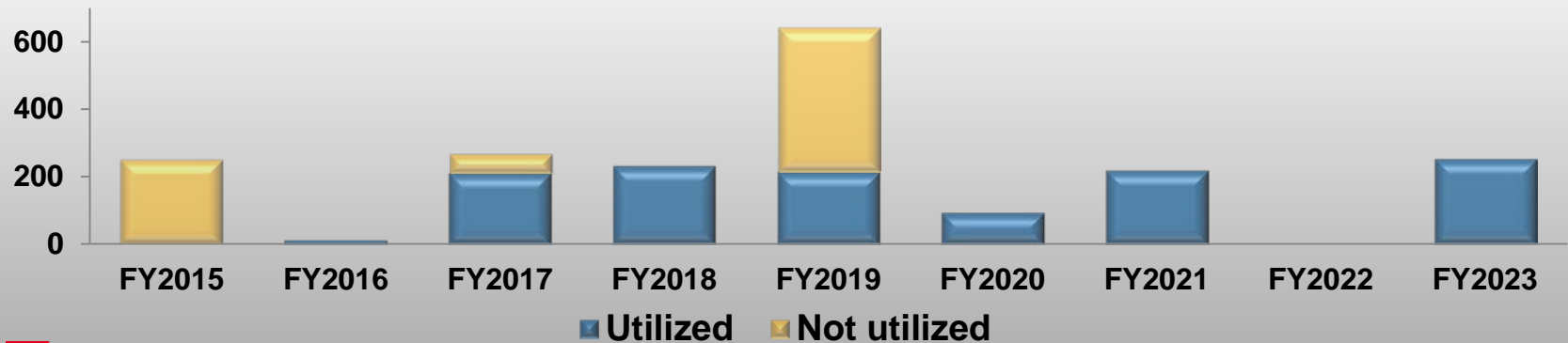
Long dated debt

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Facility type profile \$m



Debt facility utilization profile \$m



Financial framework

Current priorities – maintain capacity to fund growth

- ▶ Existing business needs circa \$70 – 80 mil
- ▶ Organic growth
- ▶ Inorganic growth
- ▶ Return capital to shareholders (dividends, share buybacks)



Strategy funding requirements

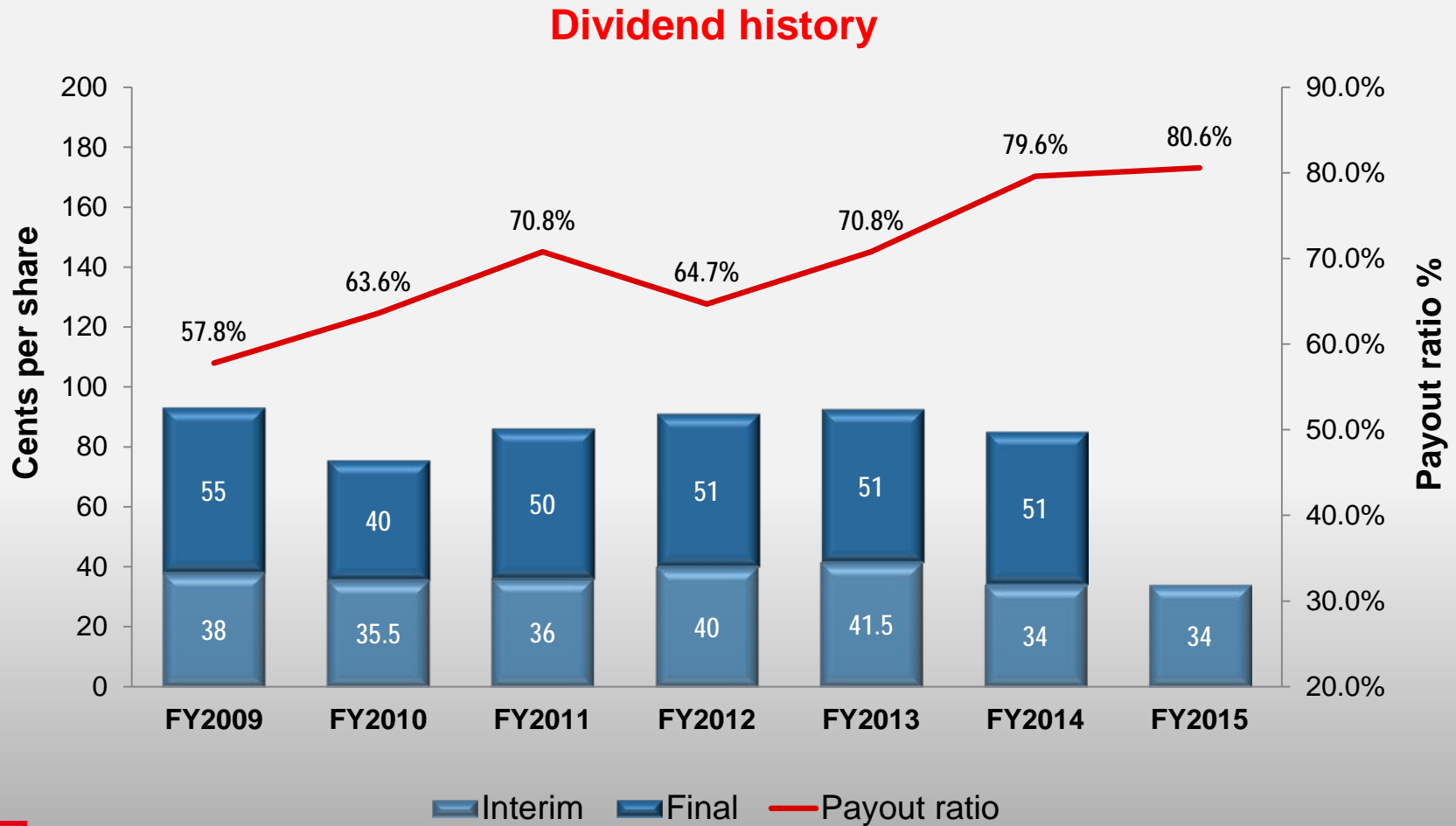
Growing the business

- ▶ Organic growth
 - Requires working capital investment of circa 3 months salary per employee
- ▶ Inorganic growth
 - Debt fund approximately \$500 mil
 - Can fund bolt-ons of \$100 to \$200 mil per annum from cash flow
 - Historically, the average multiple paid is 5.5 times EBITDA
 - Culture and strategy fit remain key criteria



Strategy funding requirements

Returning capital to shareholders, stable dividend history





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Realize our future

Summary

Andrew Wood

Summary

Writing our own story

- ▶ Story commenced with our restructure in 2014
- ▶ Clear vision for the company
- ▶ Period of transition
- ▶ Responding to current market conditions
- ▶ Adapting to unstoppable trends
- ▶ Corporate strategy delivered through 5 projects
- ▶ Robust sector strategies
- ▶ Financial capacity to fund growth objectives





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