

APPENDIX 4E

Year Ended 30 June 2019

Results for announcement to the market¹

On 26 April 2019, the Group completed the acquisition of Energy, Chemicals and Resources division ('ECR') from Jacobs Engineering Group Inc for a total consideration of \$4.6 billion (net of cash acquired). ECR is a global technical services provider across Hydrocarbons, Chemicals and Mining & Minerals with significant operations in the US, Canada, the Middle East and India. The ECR business had around 29,400 employees. The financial results include the results of ECR for the two-month period from the acquisition date. The ECR purchase price allocation and the acquisition accounting remains provisional as at 30 June 2019.

Statutory Result

	Consolidated		Change \$'M	Change %
	30 JUNE 2019	30 JUNE 2018		
	\$'M	\$'M		
Revenue and other income	6,924.3	4,835.8	2,088.5	43.2
Earnings before interest, tax and amortization (EBITA) ²	308.1	278.0	30.1	10.8
Profit before income tax expense	245.4	205.4	40.0	19.5
Profit after income tax expense attributable to members of WorleyParsons Limited	151.9	62.2	89.7	144.2
EBITA margin on aggregated revenue	4.8	5.9	-	(1.1pp)
Basic earnings per share (cents) ³	36.4	22.6	13.8	61.1
Diluted earnings per share (cents) ³	36.2	22.5	13.7	60.9

Underlying Result

All costs in relation to ECR acquisition, funding and transition activities and other one-off costs have been taken below the line to ensure the fair presentation of the underlying business performance of the Group.

	Consolidated		Change \$'M	Change %
	30 JUNE 2019	30 JUNE 2018		
	\$'M	\$'M		
EBITA ⁴	412.8	313.0	99.8	31.9
EBITA margin on aggregated revenue ⁴	6.4%	6.6%	-	(0.2pp)
NPATA attributable to members of WorleyParsons Limited ⁵	259.8	182.0	77.8	42.7
Basic earnings per share (cents) ³	62.2	66.2	(4.0)	(6.0)

¹ The International Financial Reporting Standards financial information contained within this Appendix 4E has been derived from the 30 June 2019 Annual Financial Report, which has been audited by Ernst & Young. However, this Appendix 4E has not been audited.

² EBITA is defined as earnings before interest, tax and amortization on intangible assets acquired through business combinations.

³ Basic and diluted earnings per share for all presented periods were adjusted for equity raised in accordance with the accounting standards. Basic underlying earnings per share are calculated on NPATA basis.

⁴ Per segment note 3(D) of the 30 June 2019 Financial Report.

⁵ NPATA is defined as profit after tax excluding the post tax impact of amortization on intangible assets acquired through business combinations.

Reconciliation of statutory profit after income tax expense to underlying profit after income tax and before amortization⁶

	Consolidated	
	30 JUNE 2019 \$'M	30 JUNE 2018 \$'M
Profit after income tax expense attributable to members of WorleyParsons Limited	151.9	62.2
Impact of acquisitions and transition activities, comprised of:		
Acquisition costs	50.6	5.9
Transition and restructuring costs	35.0	-
Onerous lease contracts	8.9	-
Bridging facility fee	4.2	-
Interest income on term deposits, net of borrowing cost write off	(27.4)	-
Foreign exchange gain on term deposits	(3.4)	-
US FTC write off due to acquisition of ECR	14.3	-
Impact of arbitration award ⁷	8.7	-
Other restructuring costs	0.7	14.2
Onerous lease contracts (non-acquisition related)	-	12.2
Impairment of associate intangible assets	-	2.7
Net tax expense on the items excluded from underlying earnings	(7.5)	(7.5)
Tax from changes in tax legislation	3.4	81.7
Underlying profit after income tax expense attributable to members of WorleyParsons Limited	239.4	171.4
Amortization of intangible assets acquired through business combination	27.5	14.2
Tax effect on amortization of intangible assets acquired through business combination	(7.1)	(3.6)
Underlying NPATA attributable to members of WorleyParsons Limited	259.8	182.0

Aggregated revenue result

Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The directors believe the disclosure of the revenue attributable to associates provides additional information in relation to the financial performance of the Group.

	Consolidated			
	30 JUNE 2019 \$'M	30 JUNE 2018 \$'M	Change \$'M	Change %
Revenue and other income	6,924.3	4,835.8	2,088.5	43.2
Less: procurement revenue at nil margin (including share of revenue from associates) ⁸	(608.0)	(94.4)	(513.6)	n/m
Add: share of revenue from associates	183.0	170.6	12.4	7.3
Less: pass-through revenue at nil margin ⁹	(32.4)	(157.3)	124.9	79.4
Less: interest income	(36.5)	(5.5)	(31.0)	n/m
Add: impact of the arbitration award ⁷	8.7	-	8.7	n/m
Aggregated revenue	6,439.1	4,749.2	1,689.9	35.6

⁶ The directors consider underlying profit information is important to understand the sustainable performance of the Company by excluding selected significant items and amortization of the acquired intangibles.

⁷ Reduction in revenue following lower than expected arbitration award in relation to a dispute with a state owned enterprise.

⁸ The ECR procurement revenue is classified as procurement revenue at nil margin.

⁹ Pass-through revenue at nil margin refers to sub-contract packages for services or materials where the Group does not receive a margin.

Dividend

	Amount
Interim dividend (cents), unfranked	12.5
Proposed final dividend per share (cents), unfranked	15.0
Record date for determining entitlement to final dividend	28 August 2019
Date dividend is to be paid	25 September 2019

The Directors have resolved to pay a final dividend of 15 cents per fully paid ordinary share, including exchangeable shares, unfranked (2018: 15.0 cents per share). The Company will make total dividend payments of 27.5 cents per share for the financial year ended 30 June 2019 (2018: 25.0 cents per share).

Net assets per share

	Consolidated	
	30 JUNE 2019 \$	30 JUNE 2018 \$
Net assets per share	11.57	8.08
Net tangible liabilities per share	(0.19)	(0.25)

Further information on the results of operations is included in the media release and in the 2019 Annual Report dated 21 August 2019 accompanying this Appendix 4E.