

Half Year Results 2020

Chris Ashton, Chief Executive Officer



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The information in this presentation about Worley Limited and the entities it controls (Group) and its activities is current as at 24 February 2020 and should be read in conjunction with the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2019. It is in summary form and is not necessarily complete. The financial information contained in the Interim Report for the half year ended 31 December 2019 has been reviewed, but not audited, by the Group's external auditors.

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HY2020 summary

Realizing benefits of acquisition

\$5,998m

Aggregated revenue

+134% growth from PCP

+20% growth from Proforma PCP

\$277m

Underlying operating cash flow

vs \$21m in PCP

\$18.7b

Backlog up from 18.0b at
30 June 2019

\$366m

Underlying EBITA

+126% growth from PCP

+9% growth from Proforma PCP

2.0x

Leverage

June 2019 1.9x

\$175m¹

Acquisition cost synergies
increased from \$150m



Improved financial performance

- EBITA and NPATA increased from proforma PCP
- More consistent earnings through increased proportion in opex, chemicals and North America and Europe



Balance sheet remains strong

- Leverage 2.0x, gearing 21.3% flat from FY19
- Operating cash flow strengthened



Acquisition synergies

- Remaining integration activities part of normal operations
- Fully integrated safety, sales, operations systems in place
- Cost, margin and revenue synergies being delivered
- Increased cost synergy target to \$175m within 30 months post acquisition¹

Interim dividend 25.0 cents per share

¹ The estimated one-off costs associated with delivering the synergy target is approximately \$125m (plus \$15m capex). There are modernization costs of approximately \$40m (plus \$35m of capex).

Refer to pages 22 and 23 for the Statutory Statement of Financial Performance and Reconciliation of statutory to underlying NPATA result.

The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Overview

HY2020 achievements



Financial results

- EBITA and NPATA growth from acquisition realized
- Improved operating cash flow
- Change in business mix with increased construction revenue in North America
- Consistency of earnings with increase in opex, chemicals and North America and Europe



Operating parameters

- Strong balance sheet
- Improved DSO by ten days over the last 12 months
- Increased backlog
- Industry leading safety performance
- Vast majority of revenue is reimbursable



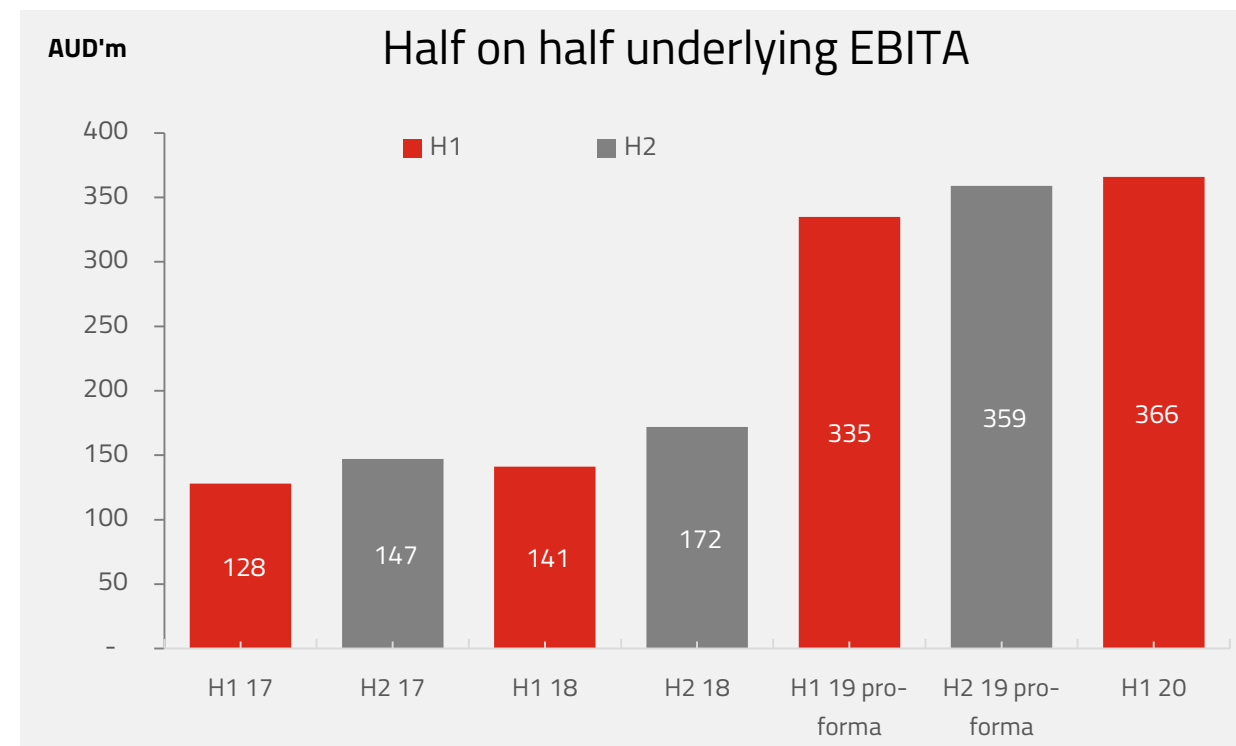
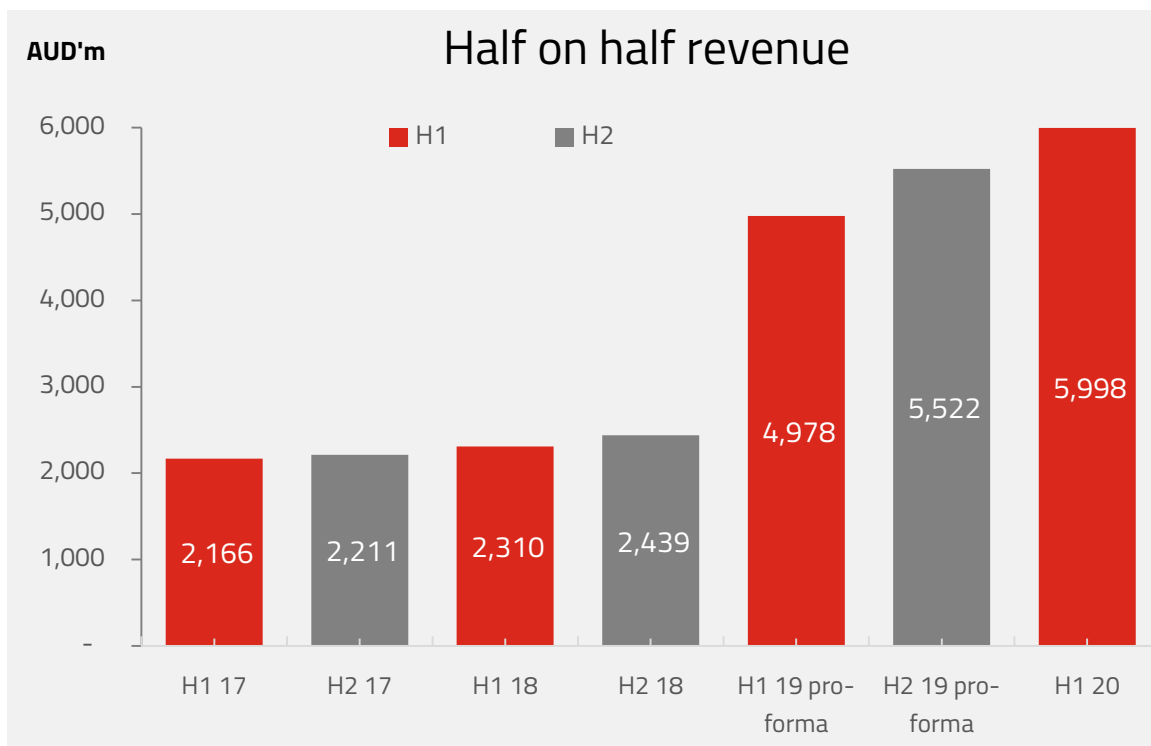
Strategic highlights

- Delivering cost, margin and revenue synergies
- Increased cost synergy target to \$175m in 30 months post acquisition¹
- Fully integrated safety, sales, operations' systems in place
- A leader in delivering energy transition related projects (1500+)
- Key investments in offshore wind and distributed networks

¹ The estimated one-off costs associated with delivering the synergy target is approximately \$125m (plus \$15m capex). There are modernization costs of approximately \$40m (plus \$35m of capex).

Aggregated revenue and underlying EBITA

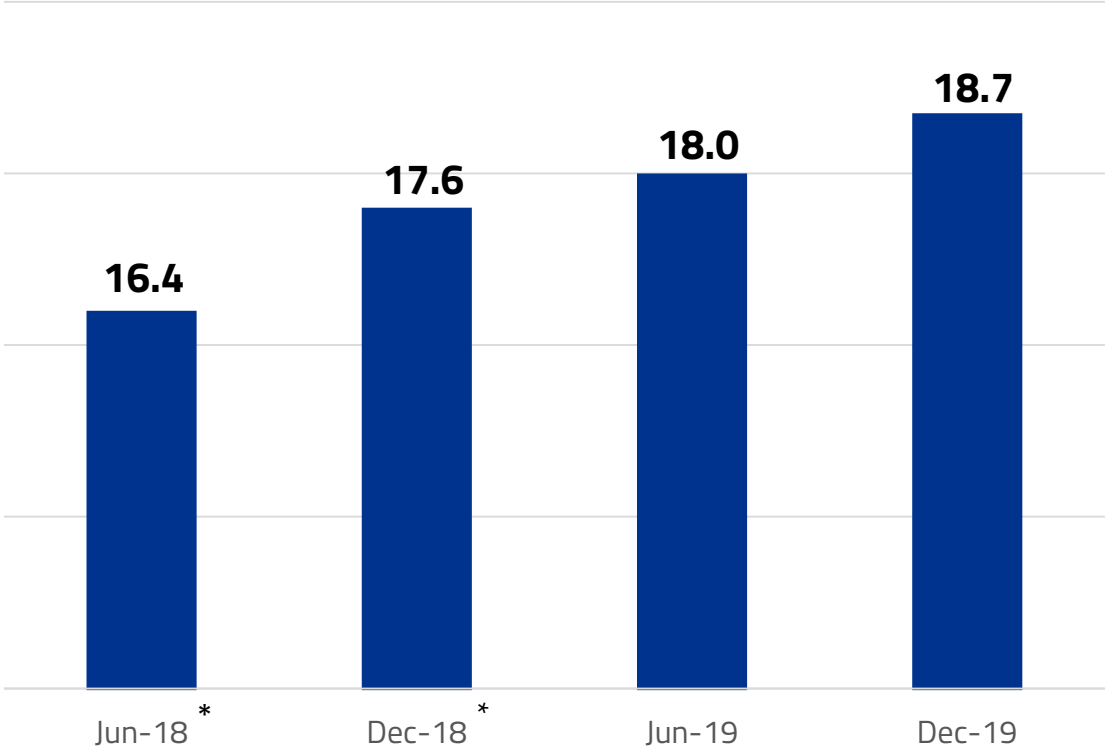
Revenue and EBITA growth



Underlying proforma EBITA for FY2019 has been restated to reflect the estimated impact of the new leases accounting standard (AASB 16) implemented by Worley on 1 July 2019.

Backlog growth

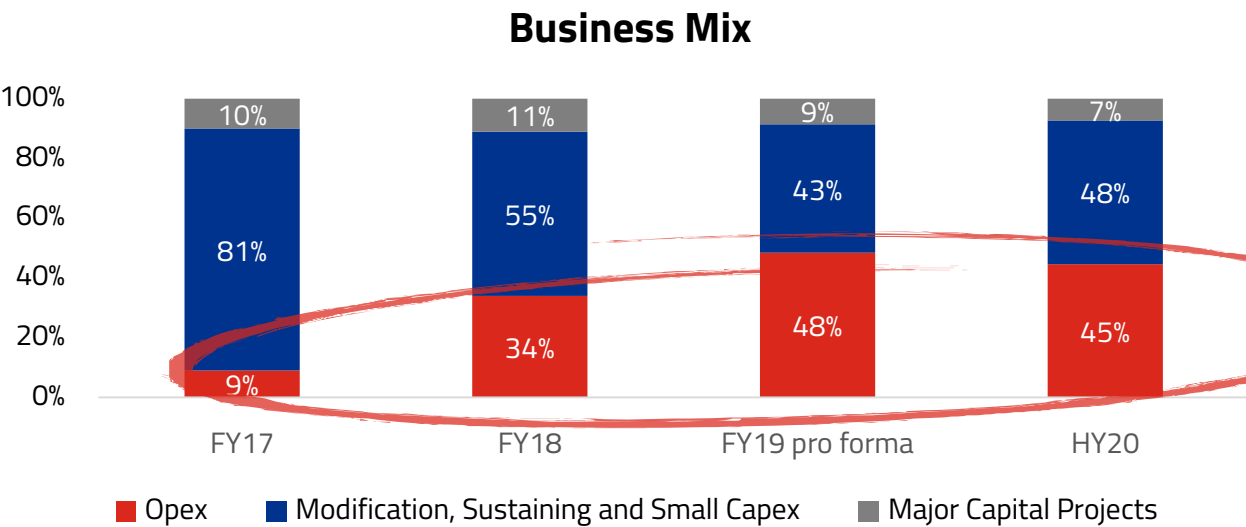
Backlog (\$b)



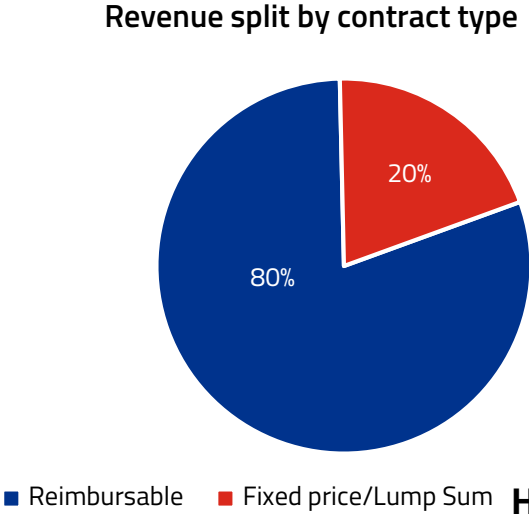
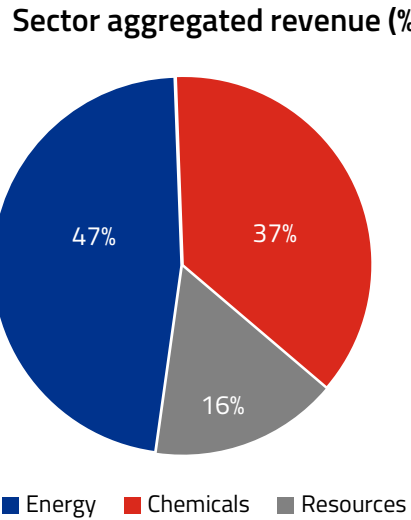
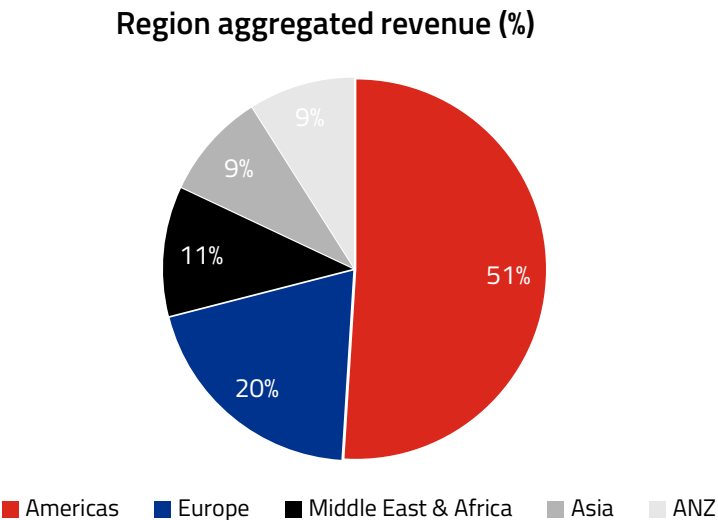
*proforma backlog using Worley definition for June 2018 to December 2018

- Backlog growth continues
- Growth in core business
- Growth in Integrated Solutions awards
- Europe fastest growing region
- Refer to pages 51-52 for regional and sector breakdown

Earnings diversification – growth in opex and chemicals



- Acquisition has delivered earnings resilience with growth in open based contracts
- Sector mix diversifying with growth in historically more stable chemicals
- Increased business in North America and Europe
- No material lump sum turnkey contracts



Health and Safety

Our safety performance

- Employee Total Recordable Case Frequency Rate (TRCFR*) for HY20 was **0.14** (FY19: 0.11)
- Employee, Contractor & Subcontractor and Partner TRCFR for HY20 was **0.16** (FY19: 0.14)

The Group's HSE Committee focus areas HY2020

- Launch our new safety and well being approach - **Life**
- Implement our harmonized Health and Safety processes
- Embed company-wide Life Saving Rules which focus on industry benchmarked high risk activities and are consistent with our industry partners
- Continue our focus on field Health and Safety

*TRCFR – Total recordable case frequency rate based on the number of cases per 200,000 hours worked



Sustainability at Worley

We have always taken a responsible and sustainable approach.

We are:

- a top 20 ASX company for reporting on United Nations Sustainable Development Goals*
- aligning with global initiatives consistent with our sustainability ambitions
 - Task Force for Climate-related Financial Disclosures
 - Building Responsibly – supporting worker welfare principles
 - United Nations Global Compact and Sustainable Development Goals
- reflecting the changing context in which we operate with evolving responsible business assessment processes
- utilizing our global D&I Council and processes to connect, empower, educate and inspire and provide a safe, inclusive and supportive workplace
- setting highest standards through continuing our ethics program

A key player in the global energy transition

Delivering the projects and infrastructure required to decarbonize the world's energy system will require significant technical, engineering and project delivery expertise.

We support our customers to make the necessary long-term structural changes to energy systems for a lower carbon future.

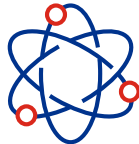
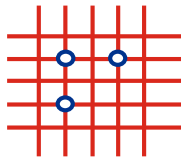
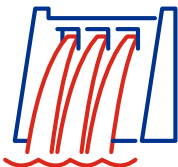
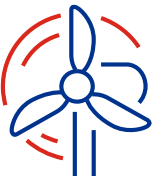
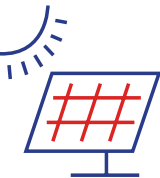
*SDG Measurement and Disclosure by ASX150: Research report, Global Compact Network Australia and the Royal Melbourne Institute of Technology (RMIT), Oct 2019

Sector update

Energy transition

Energy transition: Worley is a leader

1500+ New Energy projects



Solar power	Wind power	Hydropower	Hydrogen	Waste to energy & renewable fuels	Smart & distributed energy	Carbon capture utilization and storage	Nuclear power
290+ Solar projects	540+ Onshore and offshore wind projects	200+ Hydropower project	20+ Green or blue hydrogen projects	100+ Waste to energy and renewable fuels projects	75+ Energy storage projects	200+ Carbon capture, utilization and storage (CCUS) projects	55+ Years of nuclear project experience
1 GW Largest CSP/PV hybrid project	2.6 GW Largest offshore wind farm	20 GW Largest hydropower project	30 GW Largest green hydrogen electrolyzer studied combined with offshore wind	15m Gallon/year of renewable jet fuels, design, fabrication and construction support	65+ Distributed energy systems projects	100mt CO ₂ expected to be captured and stored on world's largest CCS project	4.8 GW Largest nuclear power plant project

Energy transition at Worley

Battery energy storage system



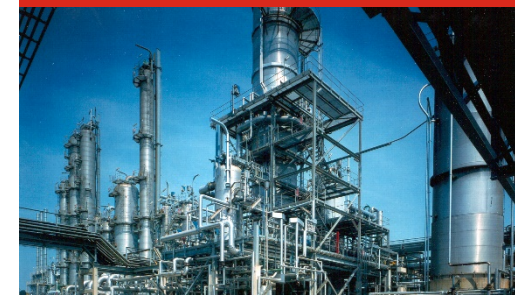
Installation of a battery energy storage system, solar panels, and microgrid. US

Green hydrogen to ammonia



Integrating green hydrogen production into operating application. Australia

Renewable diesel refinery



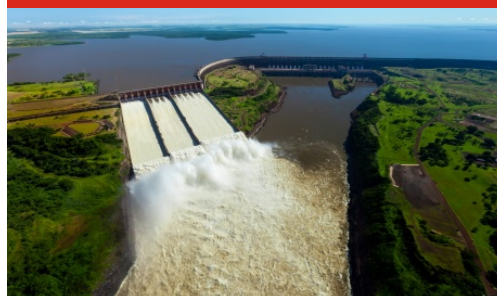
Conversion from crude oil to a 100% renewable diesel operation. US

Green aviation fuel



Development of green jet fuel refineries, including Europe's first green aviation fuel refinery.

Hydropower plant upgrade



Digitization of 14GW power station with variable generation technology. Paraguay

Optimizing offshore wind assets



Reliability centred maintenance programme to offshore wind asset. Denmark

Upstream & midstream

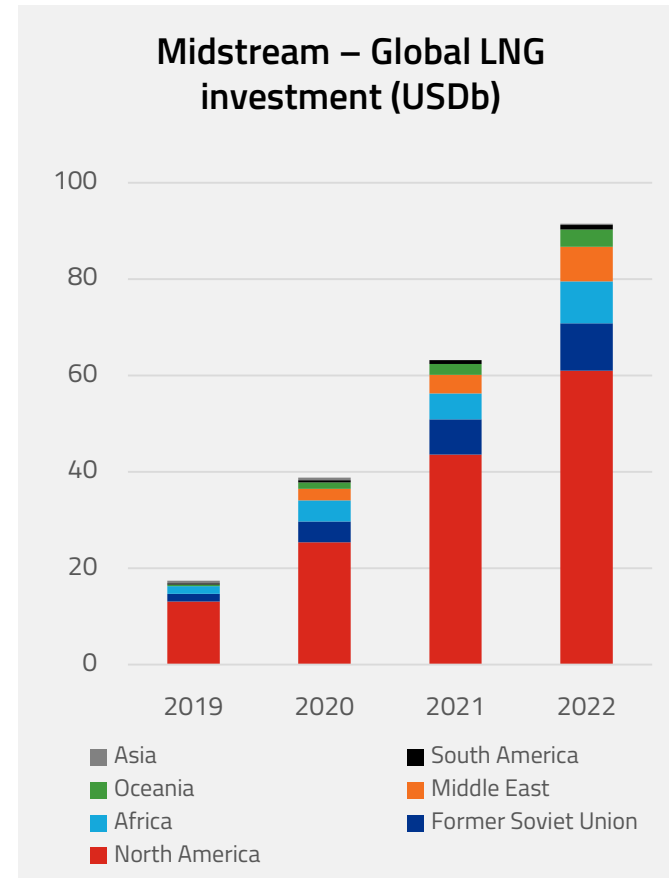
Gas is the transition fuel

Sector outlook

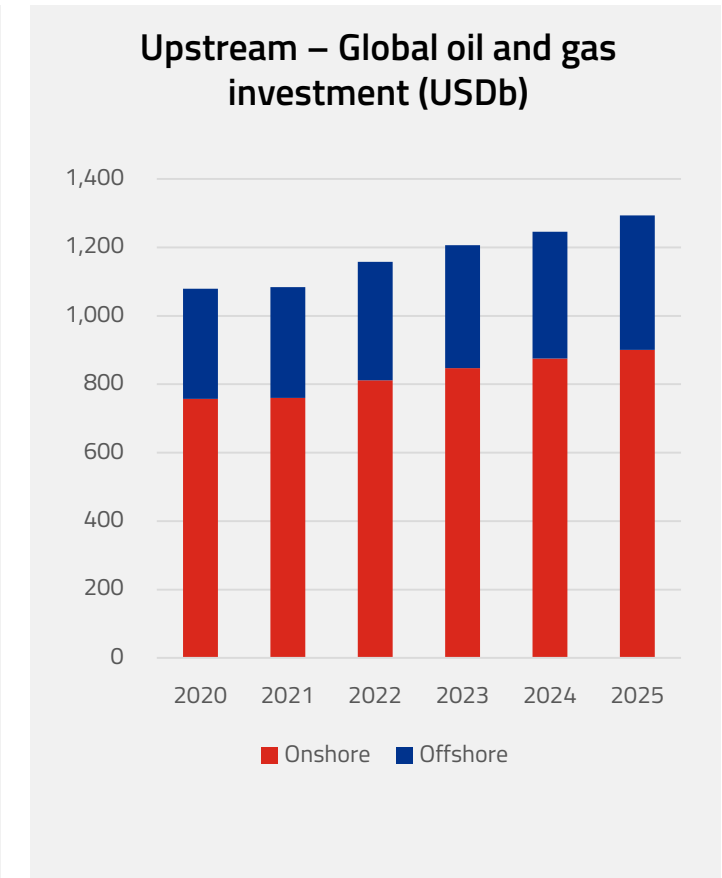
- Gas – growth (5%*), expanding global gas trade to service Asian market
- LNG – strong investment phase to 2025 totalling USD215b
- Pipelines – North America and Asia focus regions occupying 50% of global capex
- Oil – stable growth (3%*), North America and Middle East remain attractive regions

Energy transition impact

- Development of technology driven solutions designed to reduce carbon intensity
- Oil & gas continues to play an essential role



Source: GlobalData (December, 2019)



Oil price sensitivity set at USD 60b/d breakeven
Source: Rystad Energy, UCUBE (February, 2020)

Half year results 2020

* 3-year Compound Annual Growth Rate (CAGR) estimate to 2023 at US\$60b/d oil breakeven price

Refining & chemicals

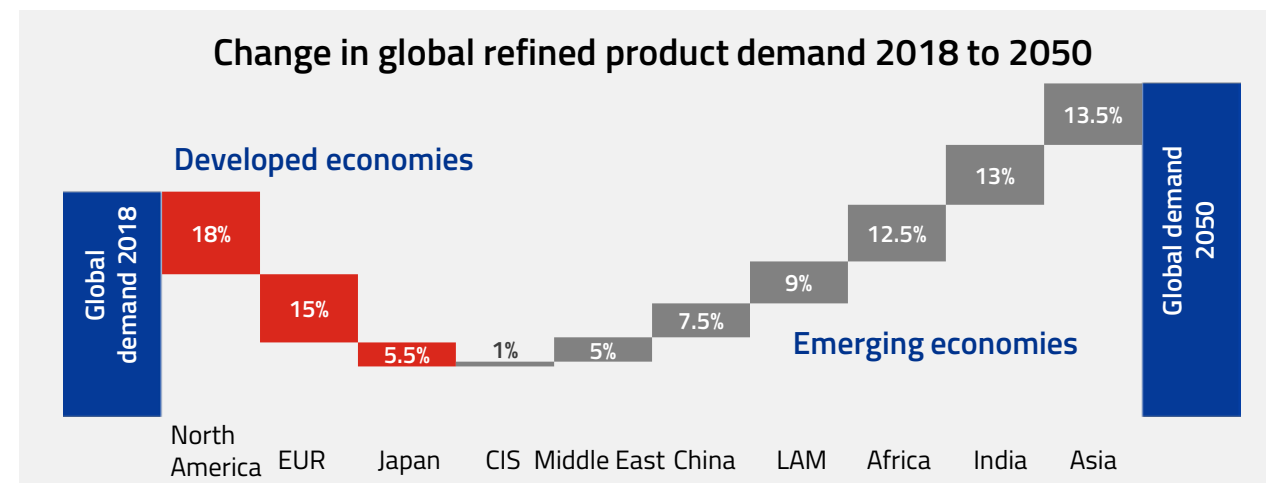
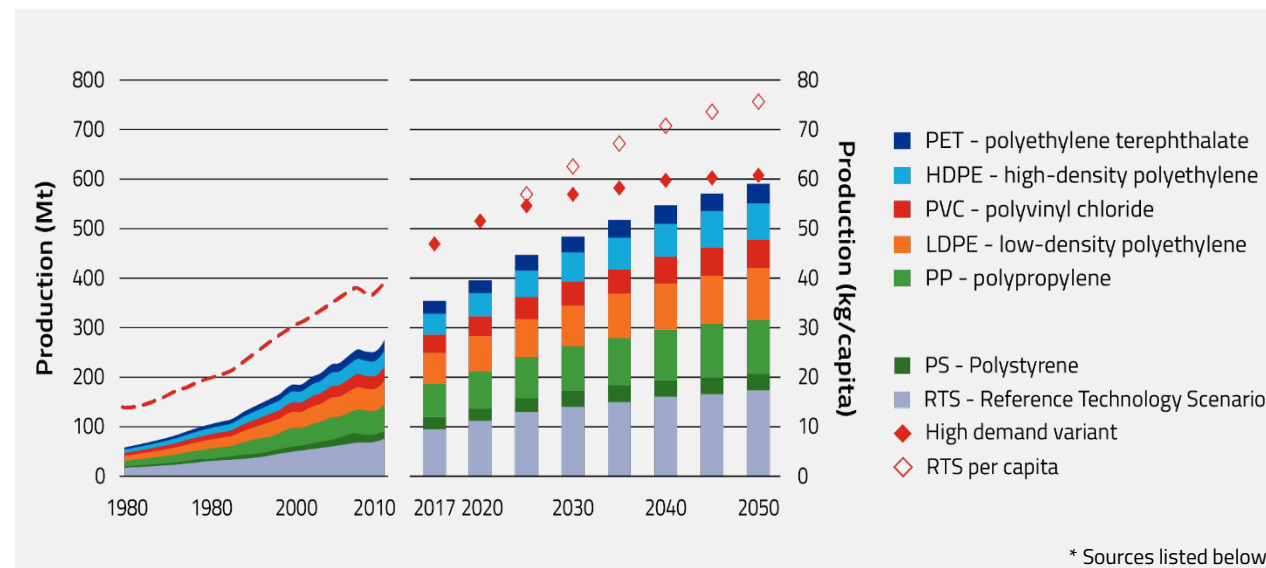
Refined product mix undergoing change driven by petrochemical demand and decarbonization

Sector outlook

- Refining – developed economies investing in opex reduction and decarbonization, capex growth in emerging economies is focused on nation building, product demand shifts to lighter fuels as feedstock for petrochemicals
- Chemicals – growth driven by increasing population and urbanization led by China
- Capex growth in integrated crude oil to petrochemicals and chemicals facilities in Asia and the Middle East

Energy transition impact

- Regulations presenting opportunity in carbon intensity reduction and decarbonized fuels. Technology developments in plastics recycling and circular economy.



Refined product volume refers to Gasoline, Gasoil/Diesel, Jet/Kero, Naphtha, Residual Fuel Oil
Source: IHS Markit (2019)

* Sources: International Energy Agency (IEA), Future of Petrochemicals (October 2018) / International Energy Agency (IEA), World Energy Outlook 2018, Sustainable Development Scenario

Half year results 2020

Mining, minerals & metals

Growth phase with opportunity in capex and opex

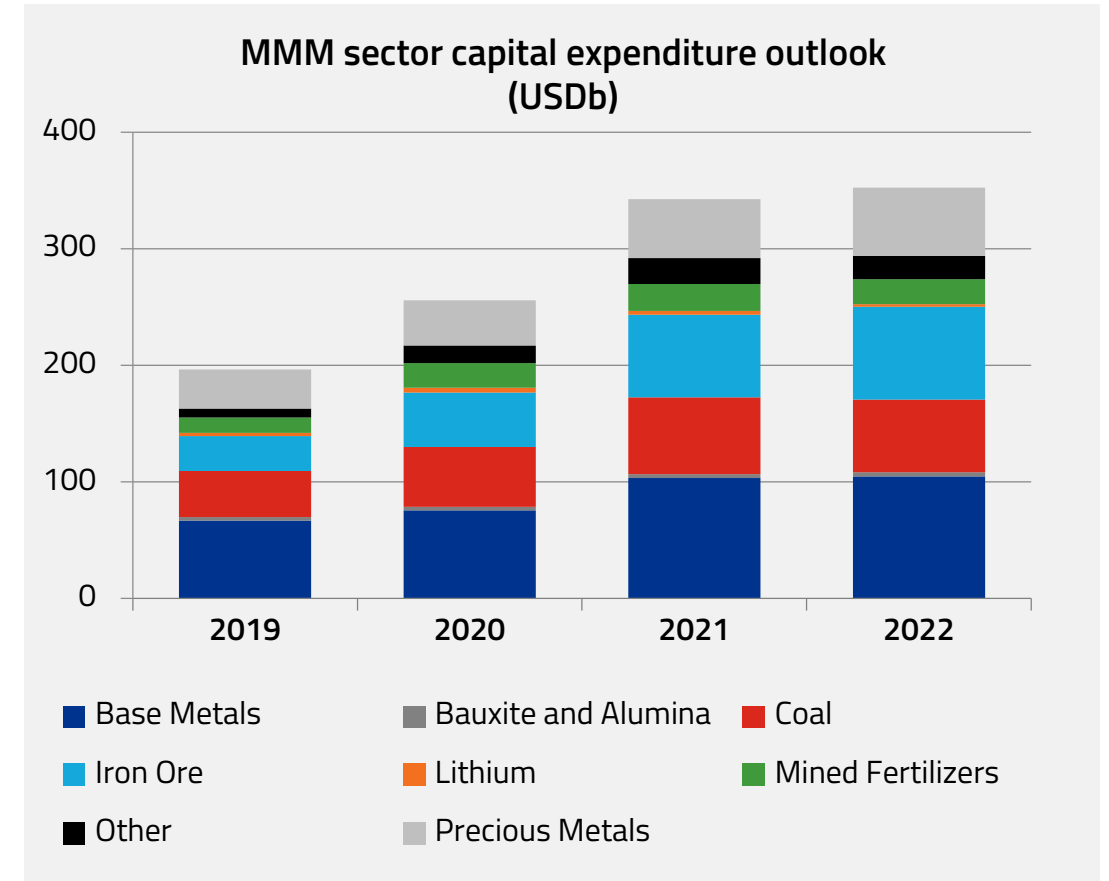
Sector outlook

- Strong cash flows with investor confidence returning
- Increasing spend across all commodities with strong outlook for base metals and bulk commodities
- Infrastructure, key enabler for development of stranded resources

Energy transition impact

- Customers seeking to reduce energy intensity by electrifying mines and powering with renewables
- Increased demand for energy transition commodities
- Emerging opportunity in clean technology roles

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Source: Project CAPEX – GlobalData (December 2019), Sustaining CAPEX – S&P Global Mine Economics (December 2019)

Power

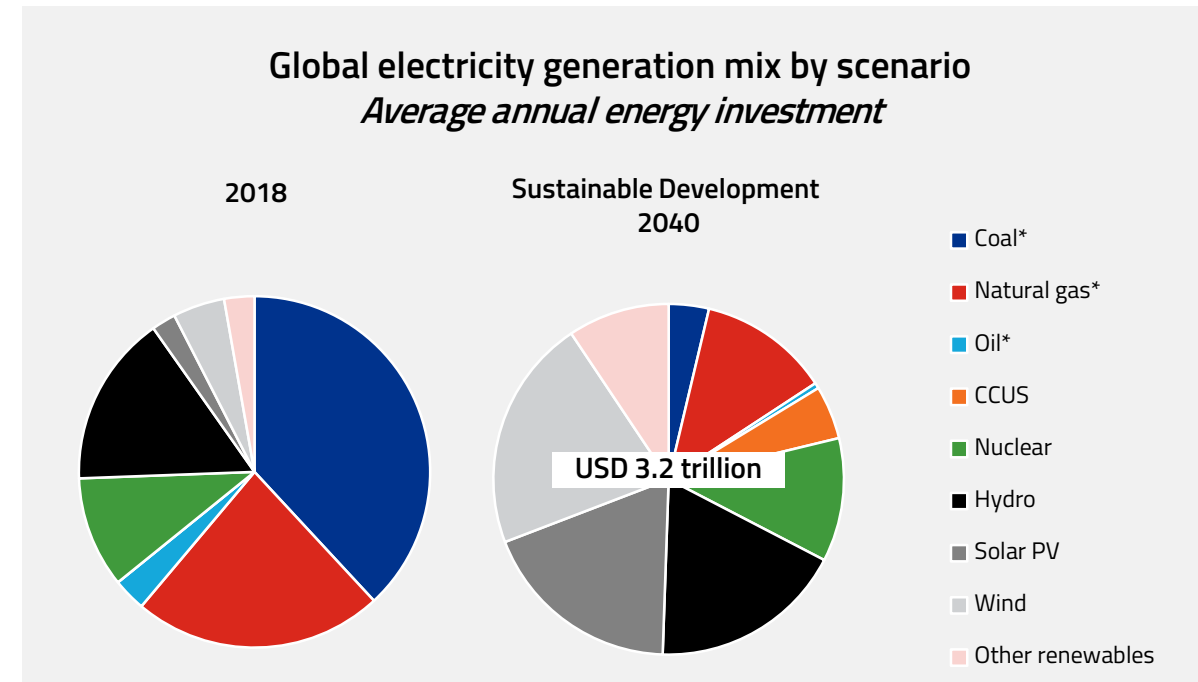
Electricity supply shifts towards renewable energy, but all low-carbon technologies are needed

Sector outlook

- Electrification is seeing dramatic changes to power generation
- Coal-fired power plants are in decline and announcements of new gas-fired power plant developments are slowing
- Offshore wind technology is experiencing high growth
- Power networks to occupy a third of power capex to 2040

Energy transition impact

- Low-carbon investment needs to increase 2.5x by 2030 to achieve Sustainable Development targets
- Increased demand for distributed energy systems for renewable energy and storage integration
- Nuclear, green hydrogen and CCUS are increasingly important in decarbonising the energy mix



* Excludes capacity equipped with Carbon Capture Utilization and Storage (CCUS)
Source: International Energy Agency, Worley Energy Outlook (2019)

Global average annual energy investment will need to increase over 50% on current levels, to meet Sustainable Development targets

Half year results 2020

- Transaction closed on 25 October 2019
- UK-based installation, inspection and maintenance specialist in the offshore wind sector
- Fully integrated into Worley offshore MMO business
- Entry into Europe, the world's largest offshore wind market, and accelerates growth into emerging markets of North America and Asia Pacific
- Existing customer relationships and projects with all the leading OEMs
- Embeds data analytics capability to enhance optimization of O&M and add greater value to customers

Strengthening our strategic presence in the sector and broadening our role in the energy transition





Distributed energy systems (microgrids & storage)

- Transaction closed on 12 November 2019
- US based joint venture between Worley and XENDEE to assess design and deploy microgrids and distributed energy systems
- Links core energy configuration digital platform with equipment, finance and project delivery services
- Assesses and designs optimized energy systems up to 90% faster than traditional methods
- Industry leading decision platform for the energy transition

Distributed energy systems that reduce emissions,
improve power quality and availability, and reduce costs



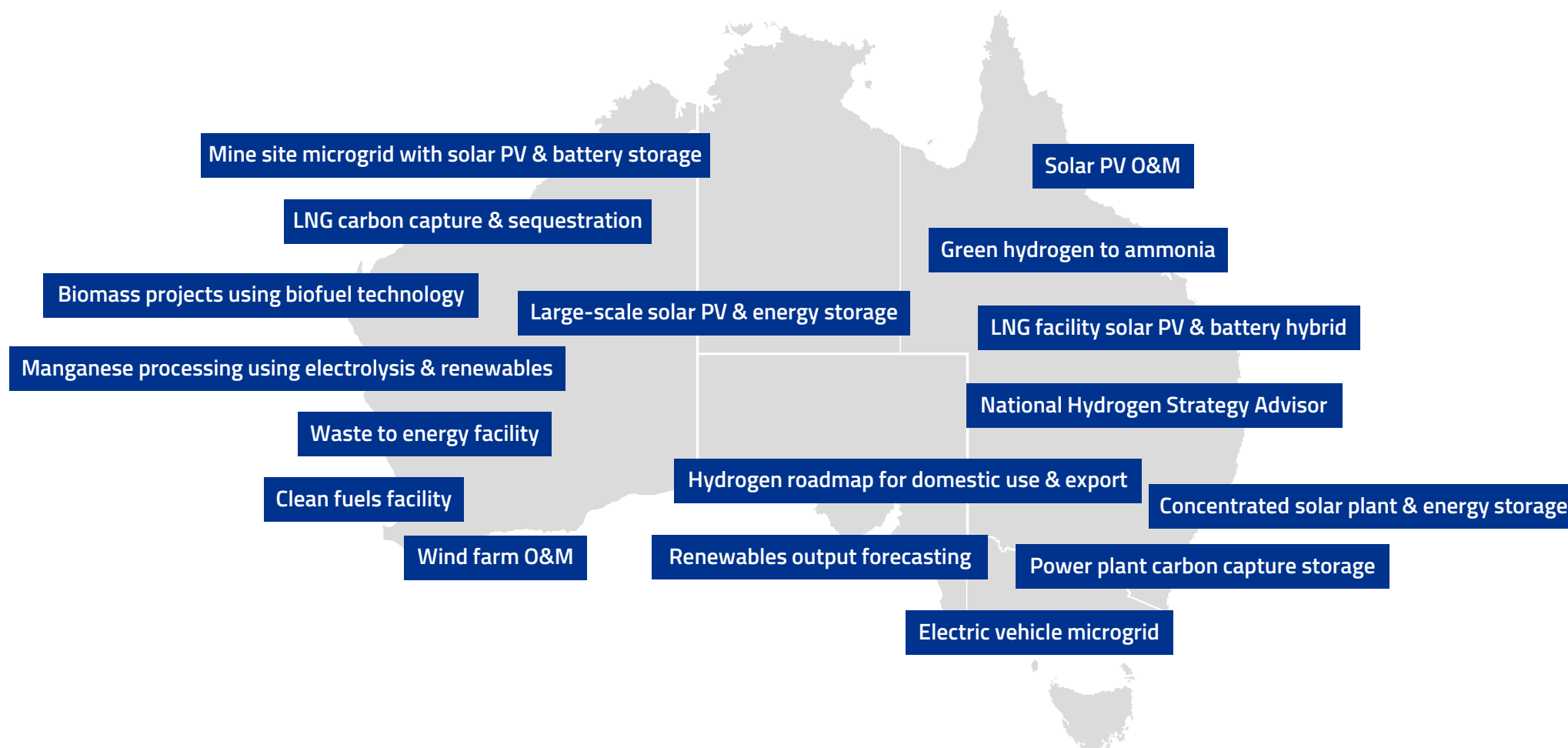
Energy transition

Capturing global opportunities arising from the energy transition



Energy transition

Delivering global expertise into the Australian market





Half Year Results 2020

Tom Honan, Chief Finance Officer

Statutory statement of financial performance¹

	31 December 2019 (\$m)	31 December 2018 (\$m)
REVENUE AND OTHER INCOME		
Professional services revenue	3,873	1,943
Procurement revenue	1,513	319
Construction and fabrication revenue	1,506	371
Other income	5	2
Interest income ¹	4	11
Total revenue and other income	6,901	2,646
EXPENSES		
Professional services costs	(3,617)	(1,788)
Procurement costs	(1,467)	(310)
Construction and fabrication costs	(1,383)	(334)
Global support costs	(124)	(58)
Transition and other costs	(81)	(17)
Finance cost ¹	(63)	(28)
Total expenses	(6,735)	(2,535)
Share of net profit of associates accounted for using the equity method	6	5
Income tax expense	(46)	(29)
Profit after income tax expense	126	87
PROFIT ATTRIBUTABLE TO MEMBERS OF WORLEY LIMITED	115	82

¹ The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Reconciliation of statutory to underlying NPATA results

Adjusted for non-trading items

	HY2020(\$m)	HY2019(\$m)
Statutory result (NPAT)	115	82
Acquisition & transition costs	81	5
Impairment of investment in equity accounted associates	4	-
Impact of the arbitration award ¹	(3)	9
Other restructuring costs	-	1
Sub-total additions and subtractions	197	97
Tax effect of Additions and Subtractions	(21)	1
Additions (post-tax)		
Tax from changes in tax legislation ²	1	-
Underlying Net Profit After Tax ³	177	98
Amortization of intangibles	53	6
Tax on intangibles	(14)	(1)
Underlying NPATA ⁴	216	103

1. (Increase)/reduction in revenue from an arbitration award in relation to a dispute with a state owned enterprise.

2. Relates to a revaluation of the value of Worley's deferred tax assets and liabilities arising from the reduction in the corporate tax rates in provincial Canada.

3. The underlying NPAT result excludes the impact of acquisitions (acquisition and transition costs, in 1HY2019 inclusive of bridging facility fee, interest income net of capitalized cost write off and foreign exchange gain on term deposits), impact of the arbitration award, other restructuring costs, and the related tax effect, as well as the impact of changes in tax legislation on tax expense.

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

The modified retrospective approach has been applied on adoption of AASB 16 Leases. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 Leases and related interpretations.

HY2020 key financials

Statutory result	HY2020	HY2019	vs. HY2019
Total revenue (\$m)	6,901	2,646	161%
EBITA (\$m)	284	139	104%
NPATA (\$m)	154	87	77%
Basic EPS (cps)	22.1	23.8	(7%)
Interim dividend (cps)	25.0	12.5	100%
Operating cash flow	227	21	n/m
Underlying result (comparison to proforma)	HY2020	HY2019	vs. HY2019
Aggregated revenue ¹ (\$m)	5,998	4,978	20%
Underlying EBITA ² (\$m)	366	335	9%
Underlying EBITA margin %	6.1%	6.7%	(0.6pp)
Underlying result (comparison to reported)	HY2020	HY2019	vs. HY2019
Aggregated revenue ¹ (\$m)	5,998	2,566	134%
Underlying EBITA ² (\$m)	366	162	126%
Underlying EBITA margin %	6.1%	6.3%	(0.2pp)
Underlying Net Profit After Tax and Amortisation ² (\$m)	216	103	110%
Underlying NPATA margin %	3.6%	4.0%	(0.4pp)
Underlying basic EPS (cps) ³	41.5	29.8	39%
Underlying operating cash flow	277	21	n/m

1. Refer to page 56 of the supplementary slides for the definition of aggregated revenue.

2. The underlying EBITA result excludes impact of acquisitions (acquisition and transition costs, in 1H 2019 inclusive of bridging facility costs, foreign exchange gain on term deposits), impact of the arbitration award, other restructuring costs and amortization of intangible assets acquired through business combination. Refer to page 23 for definition of NPATA.

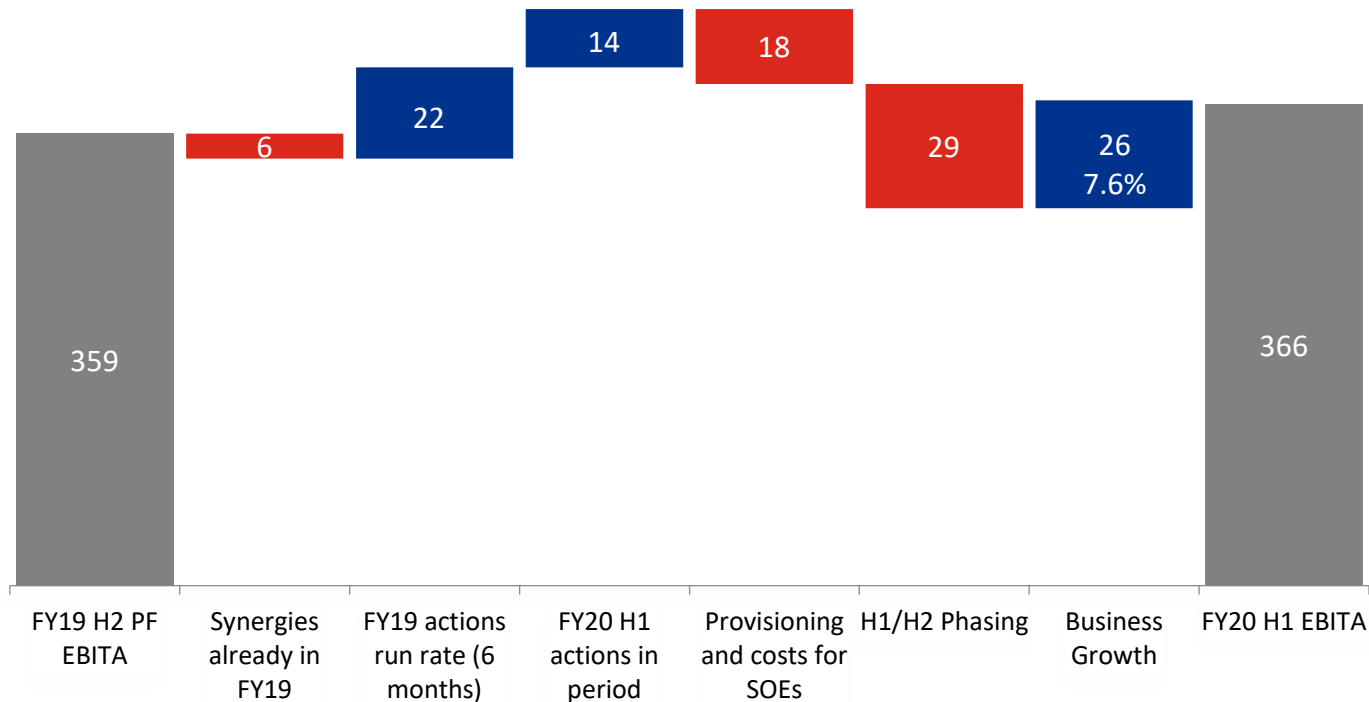
3. Underlying basic EPS has been calculated on underlying NPATA basis.

The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

- Lower margins reflect change in revenue mix from North American construction and procurement revenue
- Improved operating cash flow from cash collections across the Group
- Tax rate higher due to higher earnings from relatively high tax jurisdictions (US, Canada and Western Europe)
- Increased earnings in opex and North America and Europe markets

Key drivers of change

Business growth of 7.6% excluding synergies, > 15% with synergies



- Underlying business growth
- Delivering synergies with full run rate benefits to follow
- H1/H2 phasing estimate for this period only based on recent seasonality
- Refer to page 36 for details of synergies

Segment result

By line of business

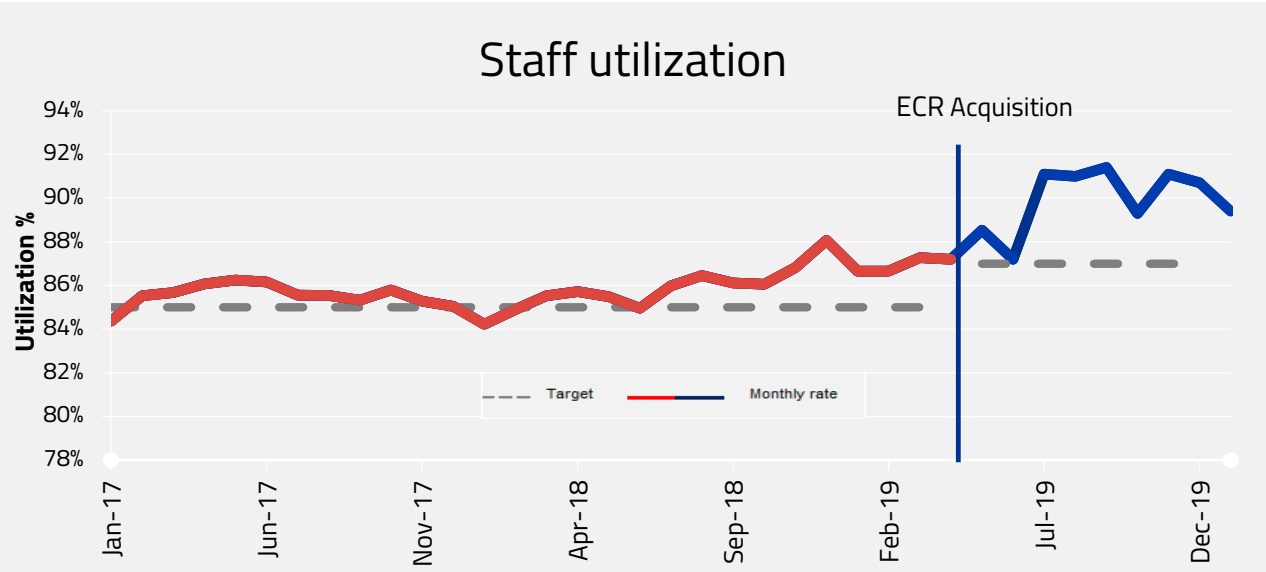
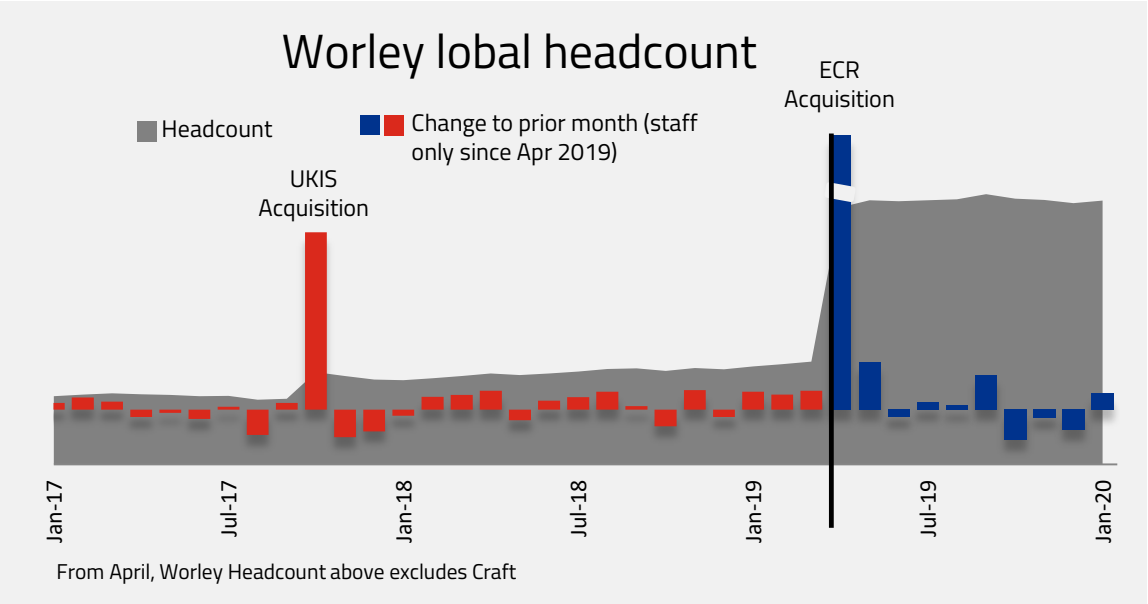
	HY 2020	HY 2019	vs. HY 2019
Aggregated Revenue (\$m)	5,998	2,566	134%
Energy & Chemicals Services	2,605	1,157	125%
Mining, Minerals & Metals Services	636	108	489%
Major Projects & Integrated Solutions	2,432	1,043	133%
Advisian	325	258	26%
Segment results (\$m)	494	227	118%
Energy & Chemicals Services	247	107	131%
Mining, Minerals & Metals Services	39	6	550%
Major Projects & Integrated Solutions	183	99	85%
Advisian	25	15	67%
Segment results (%) ¹	8.2%	8.8%	(0.6pp)
Energy & Chemicals Services	9.5%	9.2%	0.3pp
Mining, Minerals & Metals Services	6.1%	5.6%	0.5pp
Major Projects & Integrated Solutions	7.5%	9.5%	(2.0pp)
Advisian	7.7%	5.8%	1.9pp

- Total segment revenue increased due to ECR contribution
- Change in overall segment margin reflects increased opex and construction revenue
- MPIS margin impacted by increased volumes of lower margin construction revenue in North America and increased procurement

1. Segment result is underlying EBITA pre Group corporate costs

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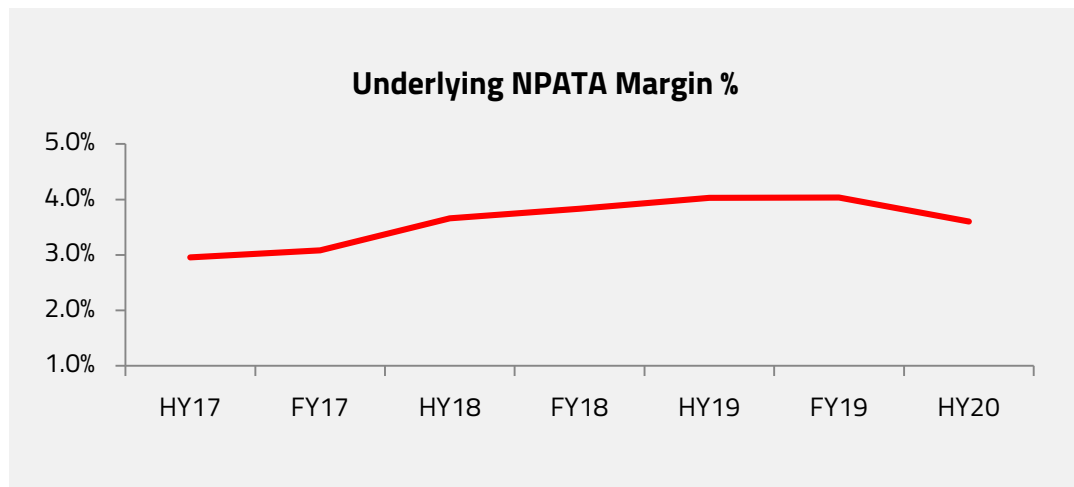
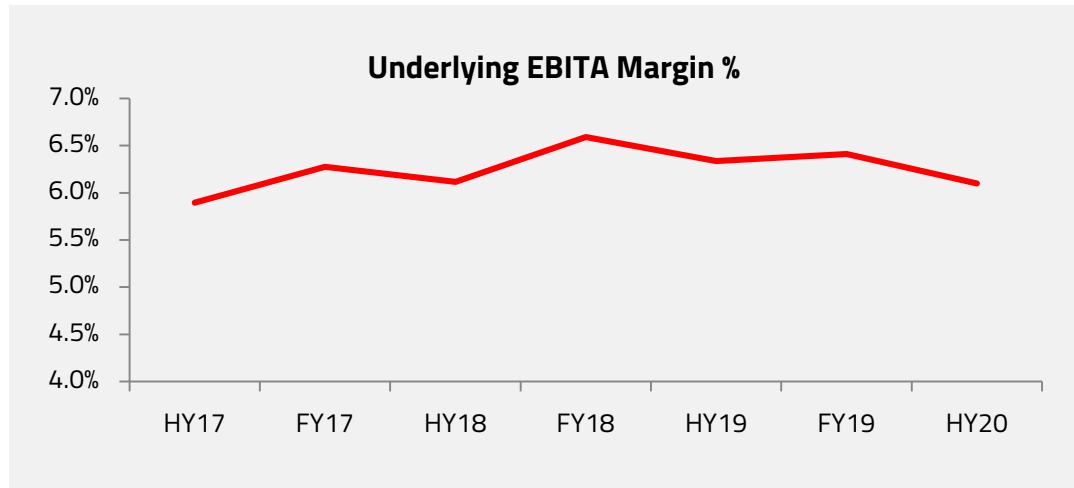
Headcount growing: staff utilization on target



- Staff utilization remains on target
- Maintained presence in over 50 countries
- Headcount approx. 59,000 at 31 January 2020

Key operating indicators

Margin



- Margin reflects the increased mix of revenue from fabrication and Integrated Solutions
- Increased volumes of lower margin construction work in North America, as per acquisition business model
- Underlying effective tax rate is 26% vs 22% in PCP based on increased earnings in higher tax jurisdictions (US, Canada and Western Europe)
- Margins impacted by increased lower margin construction work

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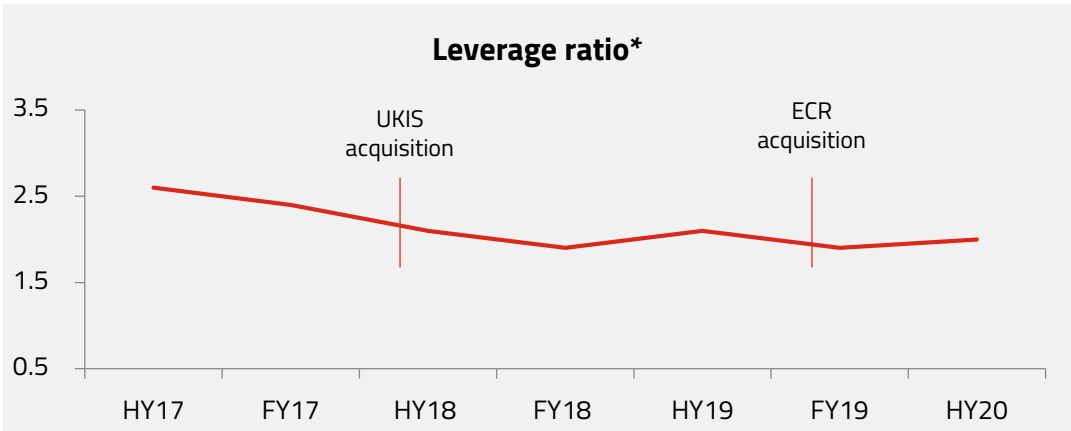
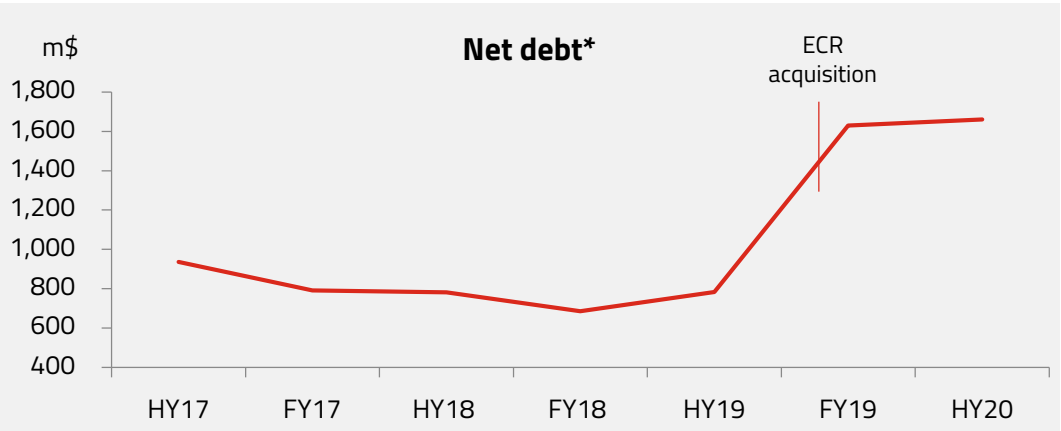
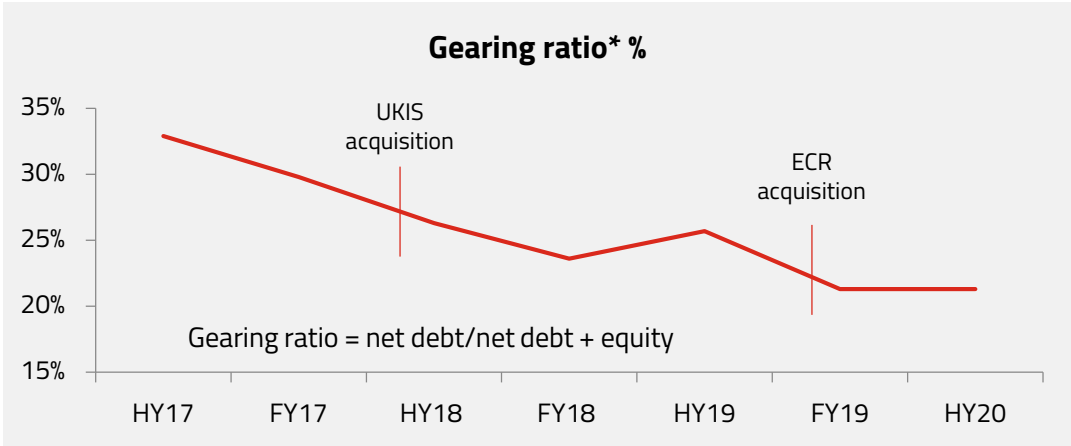
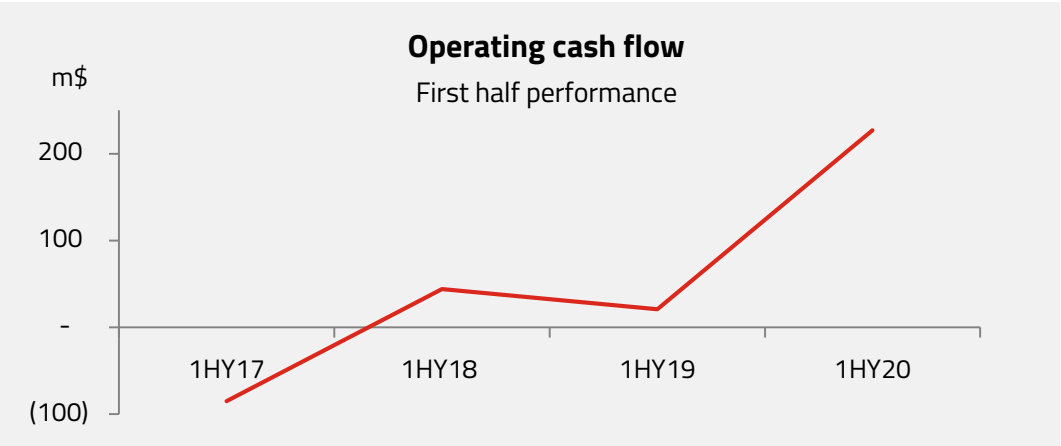
Half year results 2020

Half Year Results 2020

Capital management

Cash flow, net debt and balance sheet

Continuing focus



*Net debt, gearing ratio and leverage ratio are calculated on the debt covenant definition. HY19 excludes the impact of proceeds from capital raising. HY 20 excludes the impact of AASB 16 Leases.

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Gearing metrics

Balance sheet metrics

	HY2020	FY2019
Gearing ratio ¹	21.3%	21.3%
Facility utilization ²	68.9%	72.7%
Average cost of debt ³	4.2%	4.5%
Total liquidity ⁴	1,361	1,303
Average maturity (years) ⁵	2.8	3.3
Interest cover (times) ⁶	8.5x	11.9x
Statutory net debt, \$m (incl. AASB 16 Leases impact in FY 2020)	2,083	1,593
Net debt (using covenant definitions)	1,661	1,628
Net Debt/EBITDA (times) ⁶	2.0x	1.9x

1. Net debt to net debt + equity, covenant definition.

2. Loans and overdrafts; excludes AASB 16 Leases impact.

3. Excludes the impact of AASB 16 Leases.

4. Available facilities plus cash, excluding the impact of AASB 16 Leases.

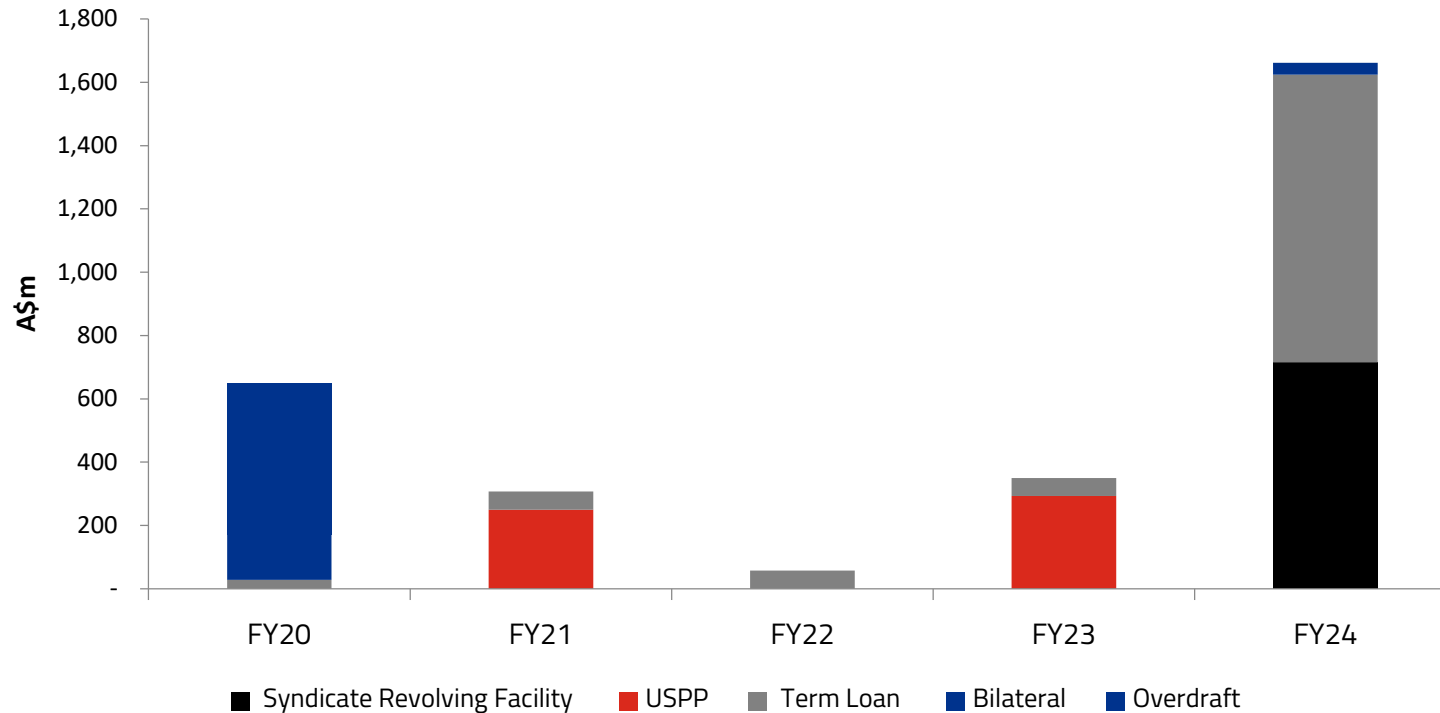
5. Excluding lease liabilities recognized under AASB 16 Leases.

6. As defined for debt covenant calculations, excluding AASB 16 Leases impact.

- Gearing below target band of 25-35%
- Average maturity of debt is 2.8 years
- Exploring longer term debt options given global interest rate movements
- Three SOE receivables remain non-current following trigger of dispute resolution mechanisms
- Collection of cash from the fourth SOE continues. Collected 65% in line with expectations

Liquidity

Stable core facility



- Core facility consists of USD500m multi-currency revolving facility and USD800m term loans
- Additional bilateral facilities of USD175m for working capital, further improve liquidity
- Maintain strong liquidity position

Debt presented on this slide excludes the finance liability under AASB 16 Leases.



ECR – Acquisition update

Chris Ashton, Chief Executive Officer

Integration largely complete - remaining activities part of normal operations

Achievements

Systems and process integration

Common systems and processes in place for:

- safety
- sales
- operations
- back office (in progress)

Synergy

- Cost synergy target increased to \$175m¹ within 30 months post acquisition
- Will deliver \$150m in two years post acquisition
- GID utilization growing in line with expectations
- Revenue synergies being realized in line with business case

Organization

- New operational and functional structure in place

Moving from integration to Transformation

1. The estimated one-off costs associated with delivering the synergy target is approximately \$125m (plus \$15m capex). There are modernization costs of approximately \$40m (plus \$35m of capex).

Common systems and processes



“ **Safety Life**
Our safety and well-being approach launched in January 2020 ”

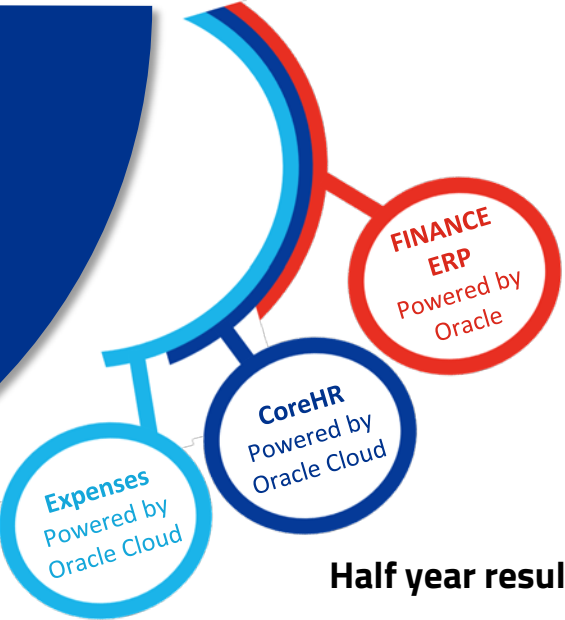
“ **Sales**
Worley CSP
Launched in January 2020 our new integrated Customer Platform powered by the Salesforce tool ”

“ **Operations Knowledge & Management System**
Launched in January 2020 defining our new ways of working to better support projects and operations ”

“ **Back office**
Integration of Core Systems
In progress to deliver a common platform of corporate applications ”

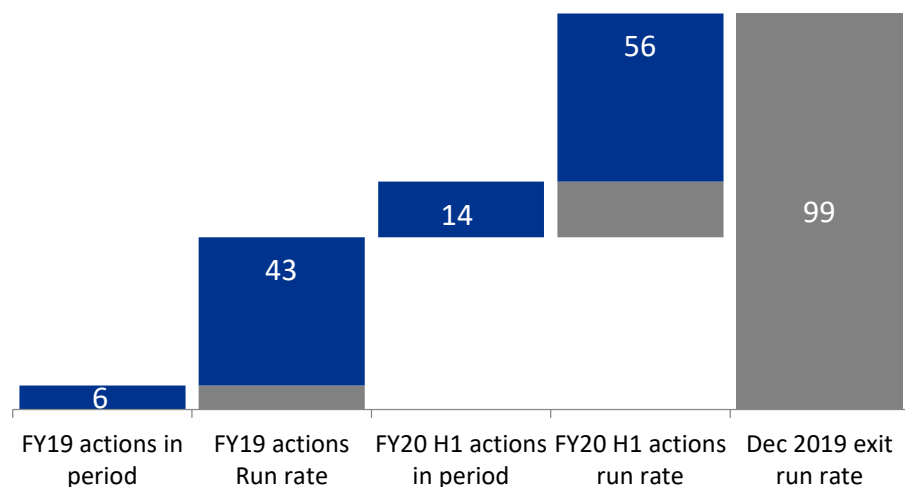


Worley way of working

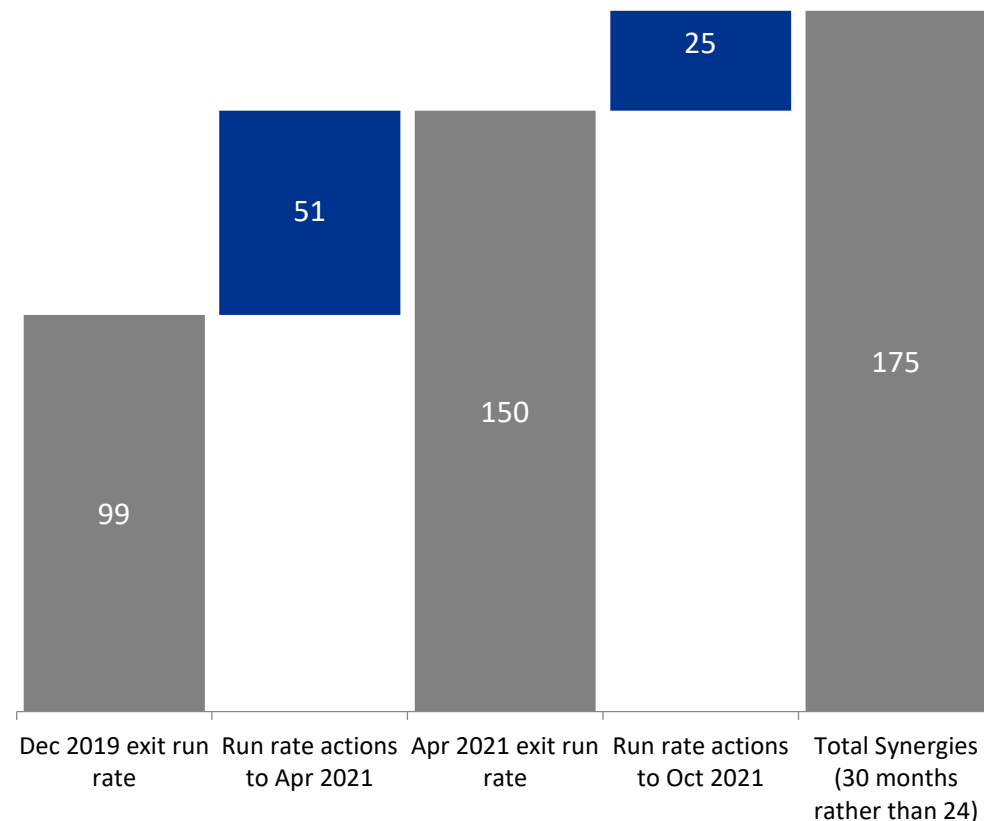


Synergy realization – cost synergies

\$99m of \$150m synergy target delivered



Synergy target raised to \$175m within 30 months post completion



- Cost synergies coming from IT, property and business overhead costs
- The estimated one-off costs associated with delivering the synergy target is approximately \$125m (plus \$15m capex). There are modernization costs of approximately \$40m (plus \$35m of capex).
- Refer to page 25 for in-year financial impact

Half year results 2020

Synergy realization – revenue synergies: E&C Services

Technical services framework with ORPIC

Contract	<p>Worley Oman awarded a three-year technical services framework agreement with Oman Oil Refineries and Petroleum Industries Company (ORPIC), one of the largest and most rapidly growing businesses in the Middle East oil industry.</p> <p>Provide engineering services and technical support services to optimize operations and asset utilization across all facilities.</p>	
	WorleyParsons brought...	ECR brought...
Relationship	Long-standing relationship and track-record with the upstream and mid-stream companies of Oman Oil.	Strong reputation in downstream opened a new conversation.
Work scope	Proven technical help-desk service platform (ServiceNow™) with access to global subject matter experts. In-country technical support services.	Downstream consultancy experience and engineering capability on refinery upgrades. Reliability, maintenance improvement and asset management services.
Expertise / differentiator	Combining downstream capability of ECR with the significant (900+) in-country presence of WorleyParsons Oman.	



Synergy realization – revenue synergies: E&C Services

Secunda Synfuels facility, South Africa - Sasol

Contract	Sasol South Africa (Pty) Ltd (Sasol) awarded a five year agreement to Worley for services to the Sasol Secunda Synfuels facility.	
	WorleyParsons brought...	ECR brought...
Relationship	Good relationship with Synfuels as Owners Engineer. Relationship in minerals and mining.	Long term delivery for the Sasol organization. Levels of trust and partnership well established.
Work scope	Engineering, procurement and construction services for Sasol's capital projects portfolio, including efficiency improvement and environmental compliance.	Engineering, procurement and construction services for Sasol's capital projects portfolio, including efficiency improvement and environmental compliance.
Expertise / differentiator	Long term presence in Africa. Digitalization and energy transition expertise and capability seen as key differentiators.	Long term local presence on site with a significant front end expertise. GID capability and connection with The Hague seen as key differentiators.



Synergy realization – revenue synergies: E&C Services

YCI Methanol One plant – Louisiana, US

Contract	Worley awarded the pre-commissioning, commissioning and start-up support services for YCI's 1.7m tonnes of methanol per year plant located in St. James Parish, Louisiana, US.	
	WorleyParsons brought...	ECR brought...
Relationship	Long-term relationship with YCI providing services for Phase 1 of the development. Front-end project support - planning, funding security and capital diligence.	Strong established presence with proven direct hire capability in Louisiana
Work scope	In-depth project knowledge and understanding of YCI's business.	Plant commissioning track record in the chemicals industry with local resources.
Expertise / differentiator	A customized solution for the project's final phases by blending customer and project knowledge with commissioning, start-up capability and local resources in Louisiana. Full digital solutions for asset information consolidation and plant installation verification to ensure a seamless transition to plant operation and maintenance.	



Synergy realization – revenue synergies: MPIS & E&C Services

Neptune Energy's offshore assets in the Netherlands

Contract

Energy & Chemicals Services and Integrated Solutions' business lines will collaborate to deliver services to all of Neptune Energy's offshore assets in the Netherlands. Under the four year portfolio contract, Stork Worley Integrated Solutions (a consortium between Stork and Worley) will provide engineering, procurement, construction, hook-up, commissioning and decommissioning services for the offshore assets.

WorleyParsons brought...

ECR brought...

Relationship

Offshore relationship with Neptune.

Presence in Netherlands.

Work scope

Tools and systems developed for this type of contract. Experience in working with construction partners in an engineering, procurement and construction brownfield's contracting model.

Services executed by Netherlands location, where heritage ECR has 18 years of experience and on similar brownfield projects with Stork.

Expertise/ differentiator

Unique combination of services demonstrates real synergy from the legacy WorleyParsons and the acquired AFW business coming together with the significant ECR capability in the Netherlands.



Synergy realization – revenue synergies: MMM Services

Strategic study for Vale

Contract	A pre-feasibility study of two of Vale's most important brownfield nickel orebodies, the development of which is forecasted to extend the life of their underground mining operations.	
	WorleyParsons brought...	ECR brought...
Relationship	Presence in Sudbury and existing sustaining capital work with Vale.	Longstanding relationship with Vale and underground mining expertise.
Work scope	Delivery office capability in Sudbury and support to Tier 1 mining clients in the area.	Underground mining team brings the capability to execute the study and also the project execution activities.
Expertise / differentiator	Experience in developing underground projects in North America, particularly in a challenging brownfield environment.	



Moving from integration to Transformation

Enhancing the company's leadership position in energy, chemicals and resources ...

...working with our customers and other stakeholders, both nationally and globally on their sustainability journey...

... to capture the opportunities presented by the global energy transition...

...and changing the way the company operates by leveraging automation and the use of digital products...

...delivered using new commercial models reflecting the value we bring.



Details of the transformation strategy for the business will be provided at Investor Day later this year

Outlook

Chris Ashton, Chief Executive Officer

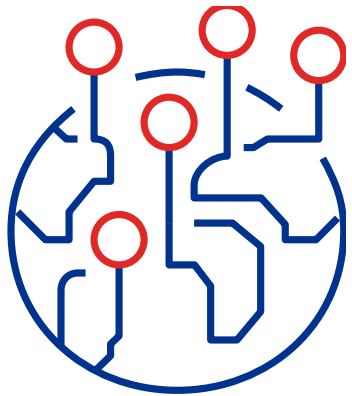
Progress in FY20

- Realizing the benefits of the acquisition. Aggregated revenue up 134%, EBITA¹ up 126%, NPATA¹ up 110%
- More consistent earnings through increased proportion in opex, chemicals and North America and Europe
- Improved cash flow
- Strong balance sheet
- Increased backlog
- Integration substantially complete
- Cost synergies being delivered in line with expectations. Increased cost synergies to \$175m within 30 months post acquisition
- Delivering on the opportunities of the energy transition

¹ Underlying results



Group outlook



The energy, chemicals and resources market indicators and growth in backlog provide evidence of continued strength in market conditions. The energy transition provides expanded opportunities for growth.

As a result of the ECR acquisition, we have enhanced the diversity and resilience of our earnings. Worley has the global technical and financial strength to support its Energy, Chemicals and Resources customers as they navigate a changing world.

We continue to deliver the benefits of the acquisition of ECR including the realization of cost, margin and revenue synergies.



Half Year Results 2020

Q&A



Half Year Results 2020

Supplementary information

Segment result

By region

	HY 2020	HY 2019	vs. HY 2019
Aggregated Revenue (\$m)	5,998	2,566	134%
APAC	1,077	584	84%
EMEA	1,877	1,193	57%
AM	3,044	789	286%
Operational EBITA (\$m)	494	227	118%
APAC	113	48	135%
EMEA	128	118	8%
AM	253	61	315%
Operational EBITA (%)	8.2%	8.8%	(0.6 pp)
APAC	10.5%	8.1%	2.4 pp
EMEA	6.8%	9.9%	(3.1 pp)
AM	8.3%	7.7%	0.6 pp

- Growth in all regions and North America in particular
- Strong performance in Norway and Canada from construction and fabrication revenue
- Operational EBITA margin offset by increase in volume of lower margin construction and fabrication revenue

Segment result

By sector

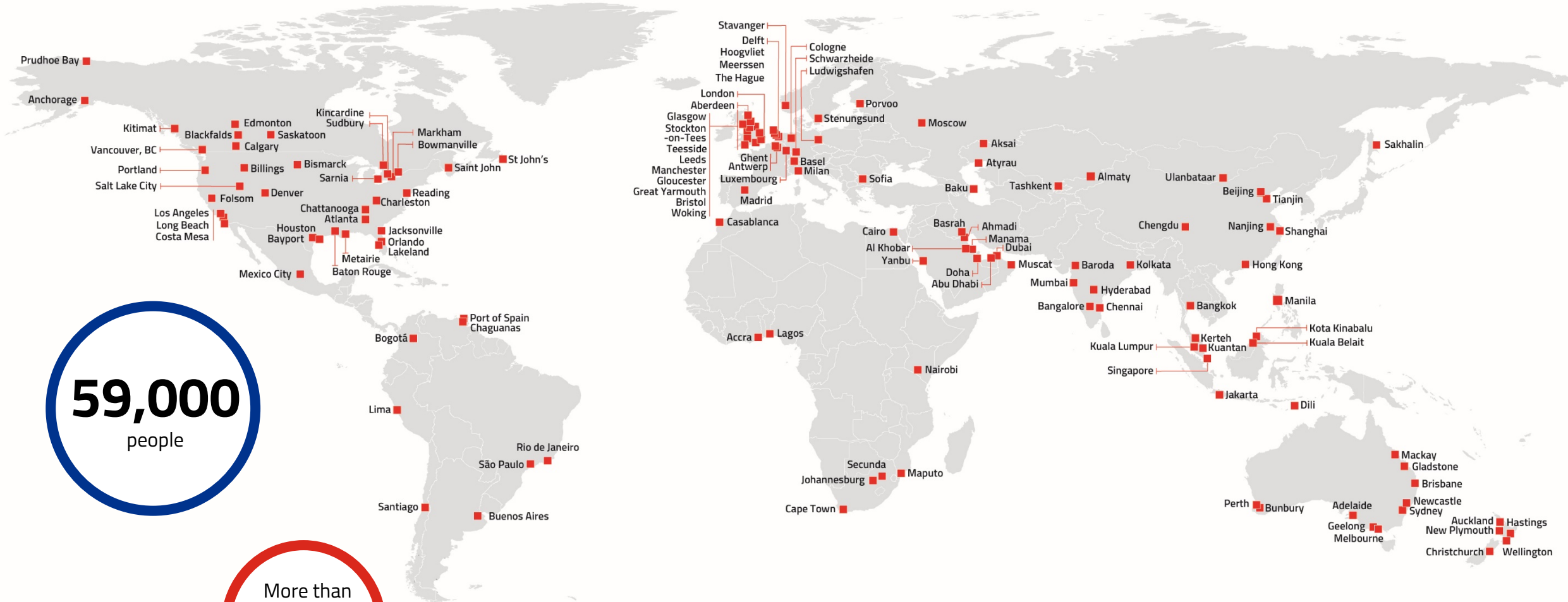
	HY 2020	HY 2019	vs. HY 2019
Aggregated Revenue (\$m)	5,998	2,566	134%
Energy	2,831	2,010	41%
Professional Services ¹	1,976	1,639	21%
Construction & Fabrication	855	371	130%
Chemicals	2,207	320	590%
Professional Services ¹	1,711	320	435%
Construction & Fabrication	496	-	n/m
Resources	960	236	307%
Professional Services ¹	805	236	241%
Construction & Fabrication	155	-	n/m
Operational EBITA (\$m)	494	227	118%
Energy	247	184	34%
Professional Services ¹	166	147	13%
Construction & Fabrication	81	37	119%
Chemicals	169	24	604%
Professional Services ¹	137	24	471%
Construction & Fabrication	32	-	n/m
Resources	78	19	311%
Professional Services ¹	68	19	258%
Construction & Fabrication	10	-	n/m
Operational EBITA (%)	8.2%	8.8%	(0.6 pp)
Energy	8.7%	9.2%	(0.5 pp)
Professional services ¹	8.4%	9.0%	(0.6 pp)
Construction & fabrication	9.5%	10.0%	(0.5 pp)
Chemicals	7.7%	7.5%	0.2 pp
Professional services ¹	8.0%	7.5%	0.5 pp
Construction & fabrication	6.5%	-	n/m
Resources	8.1%	8.1%	0.0 pp
Professional services ¹	8.4%	8.1%	0.3 pp
Construction & fabrication	6.5%	-	n/m

1. Professional Services includes procurement revenue at margin and other income.

The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

- ECR brings growth in all sectors, and construction and fabrication
- Strong growth in energy sector in Norway and Canada from construction and fabrication
- Energy sector margin impacted by provisioning for SOEs

Introduction

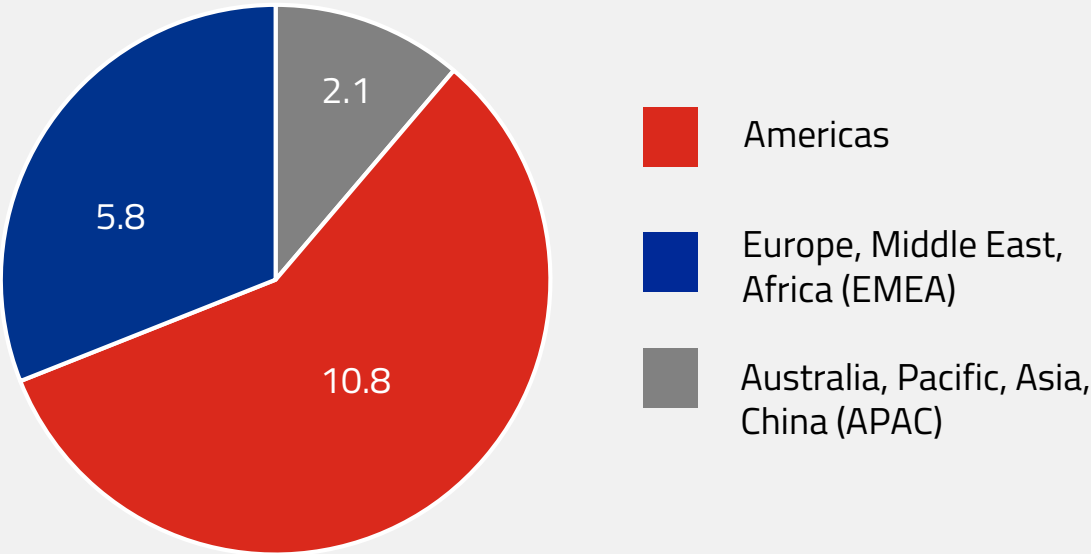


Half year results 2020

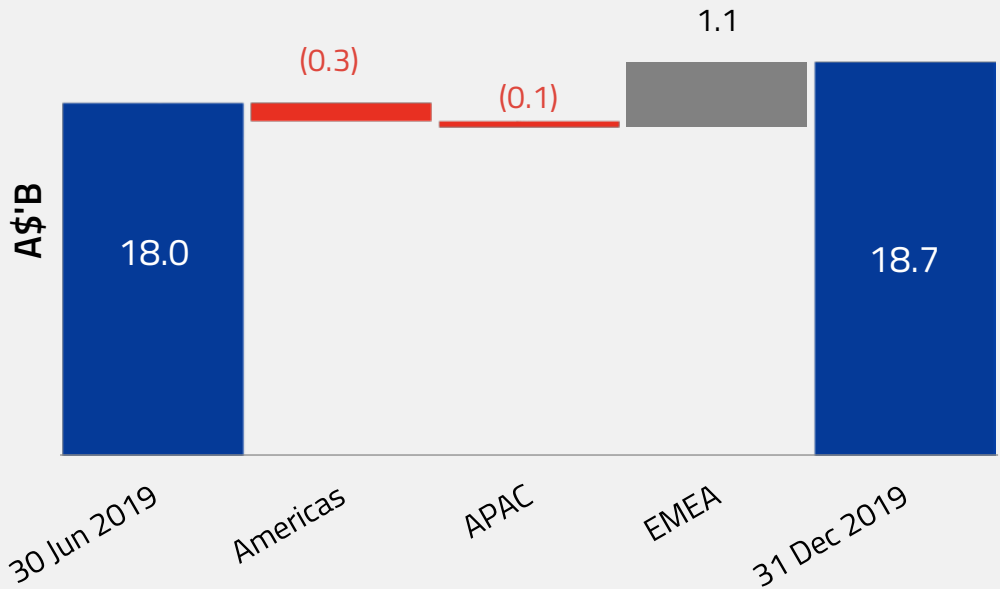
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Backlog by region

Backlog by region
as at 31 December 2019

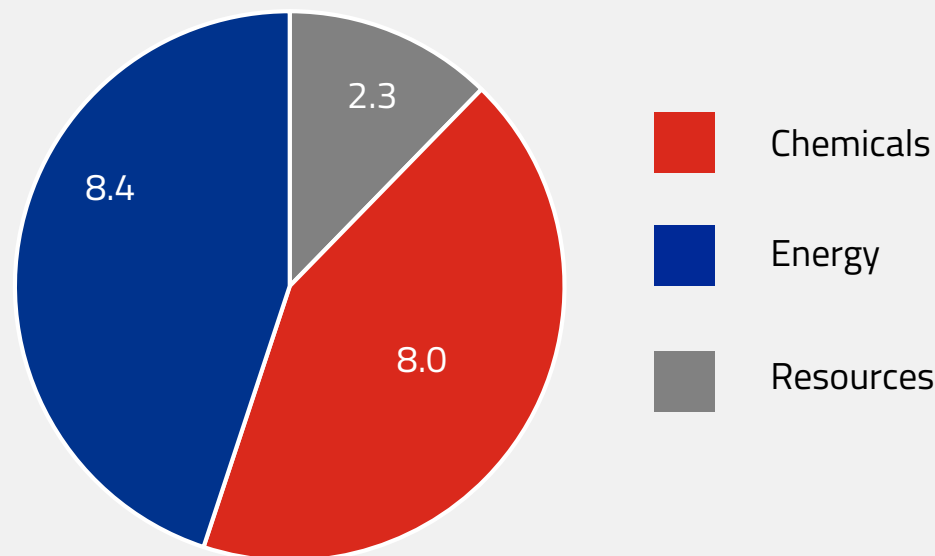


Backlog by region
as at 31 December 2019

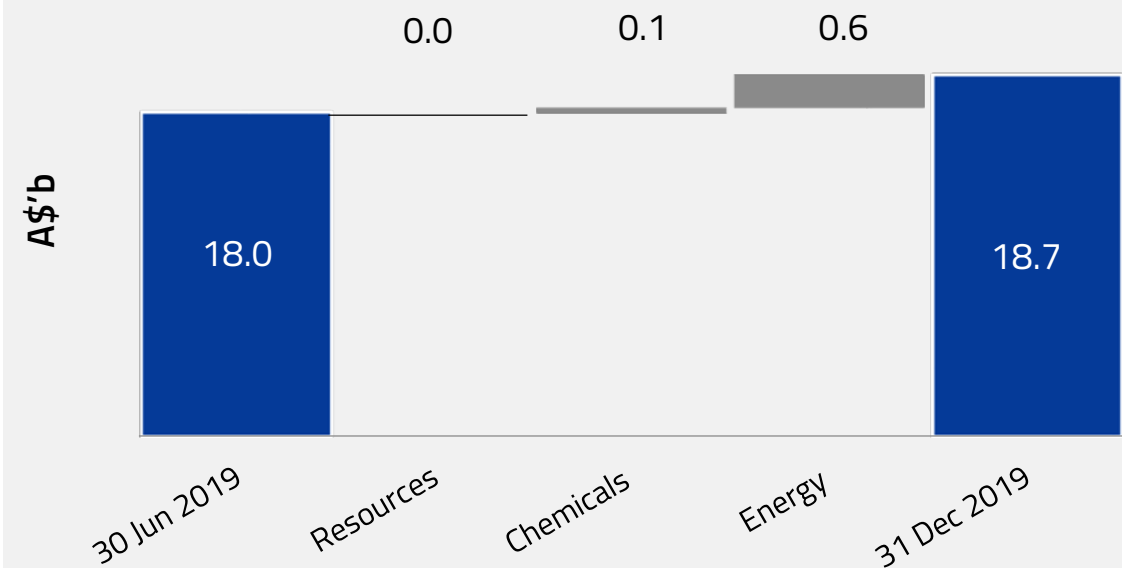


Backlog by sector

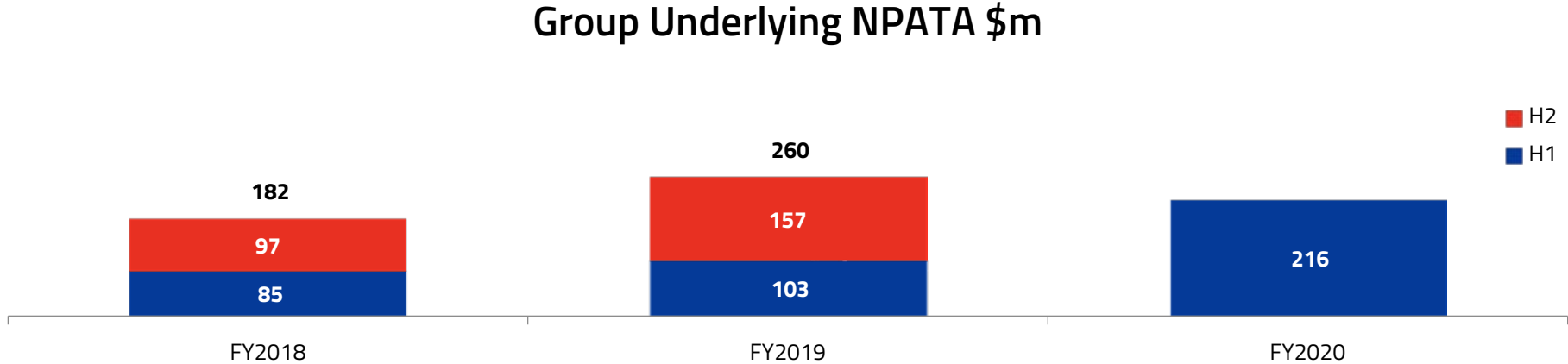
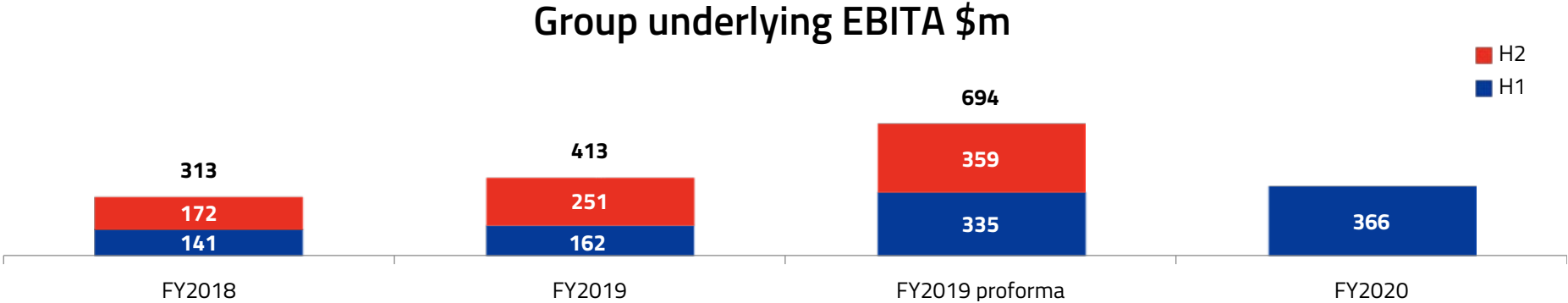
Backlog by sector
as at 31 December 2019



Backlog by sector
as at 31 December 2019

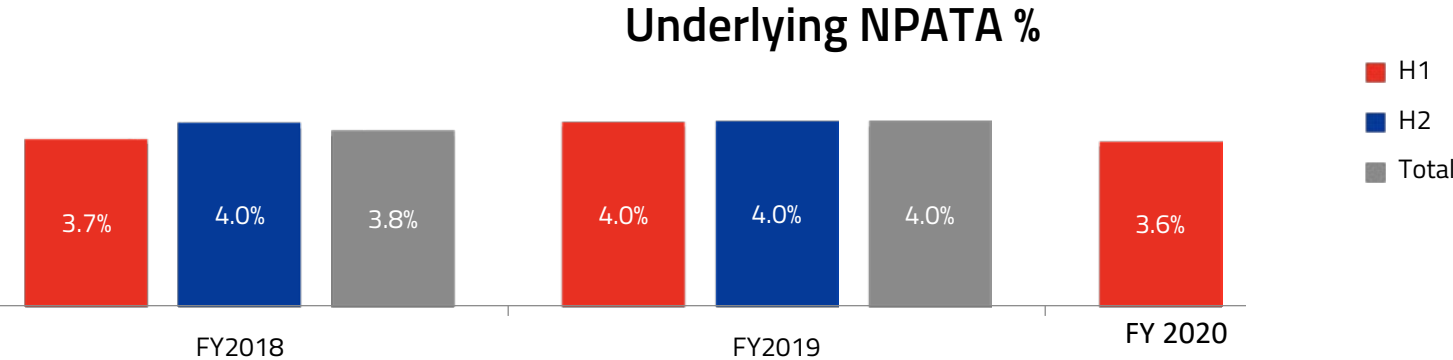
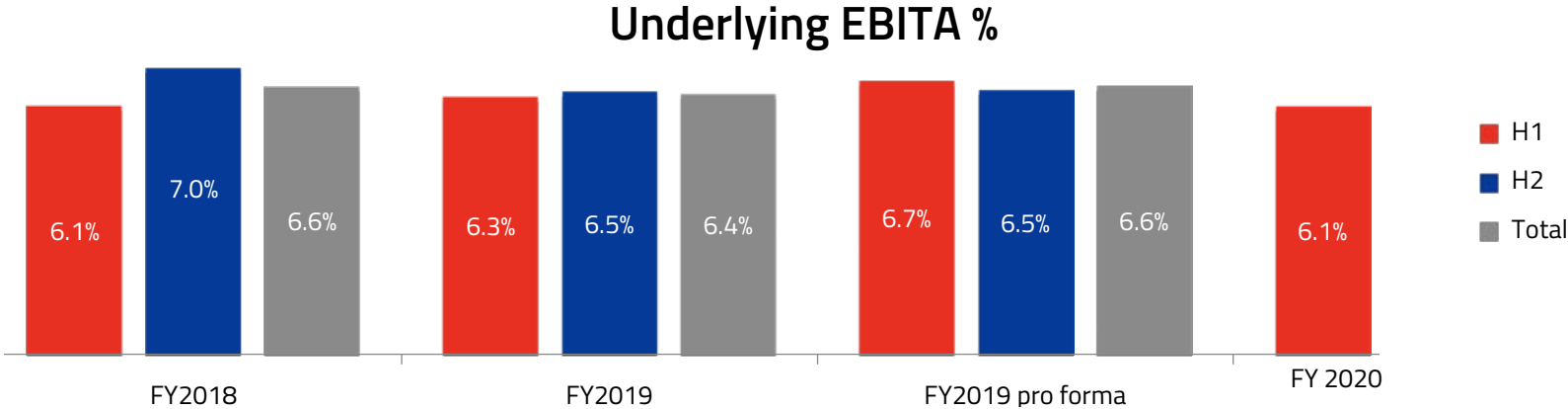


Underlying earnings profile



The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

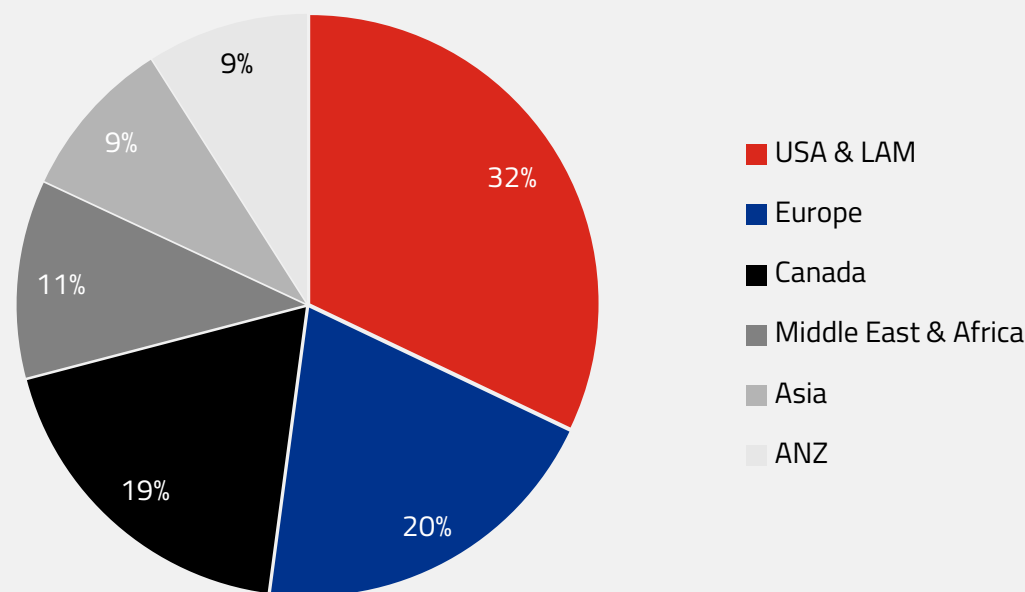
Margin profile



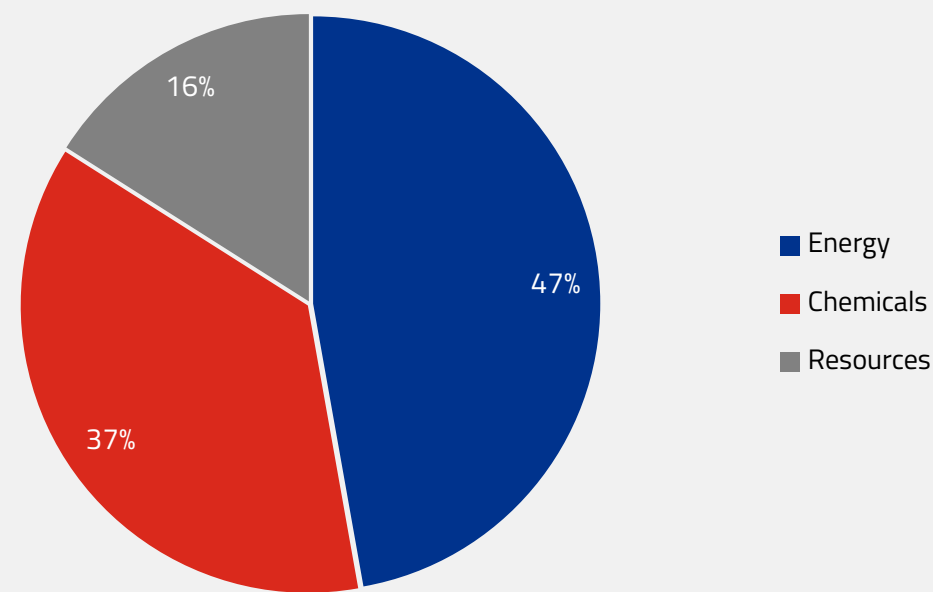
The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Revenue split

Region aggregated revenue (%)



Sector aggregated revenue (%)



Revenue reconciliation

	HY2020 (\$m)	HY2019(\$m)	vs HY2019
Revenue and other income	6,901	2,646	161%
Less: Procurement revenue at nil margin	(1,075)	(137)	685%
Less: Pass through revenue at nil margin	-	(37)	(100%)
Plus: Share of revenue from associates	179	96	86%
(Less)/Plus: Impact of arbitrational award ¹	(3)	9	(133%)
Less: Interest income	(4)	(11)	(64%)
Aggregated revenue ²	5,998	2,566	134%
Professional services	4,053	2,011	102%
Construction and fabrication	1,506	371	306%
Procurement revenue at margin	438	182	141%
Other income	1	2	(50%)

1. (Increase)/reduction in revenue from an arbitration award in relation to a dispute with a state owned enterprise.

2. 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 and the impact of the arbitration award. The Directors of Worley Limited believe the disclosure of the share of revenue from associates provides additional information in relation to the financial performance of Worley Limited Group

The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

EBITA reconciliation

	HY2020 (\$m)	HY2019(\$m)
EBITA	284	139
Add: Impact of acquisitions, comprised of:		
<i>Acquisition costs</i>	-	12
<i>Transition costs</i>	81	-
<i>Bridging facility fee</i>	-	4
<i>Foreign exchange gain on term deposits</i>	-	(3)
Add: Impact of the arbitration award ¹	(3)	9
Add: Impairment in equity accounted associates	4	-
Add: Other restructuring costs	-	1
Underlying EBITA²	366	162

Acquisition and related transition costs	HY2020(\$m)	HY2019(\$m)
<i>Transition costs</i>	81	-
<i>Acquisition costs</i>	-	12
<i>Bridging facility fee</i>	-	4
<i>Interest on term deposits, net of capitalized costs write off</i>	-	(8)
<i>Foreign exchange gain on term deposits</i>	-	(3)
Total acquisition & related transition costs	81	5

1. (Increase)/reduction in revenue from an arbitration award in relation to a dispute with a state owned enterprise.

2. The underlying EBITA result excludes the impact of acquisitions (acquisition and transition costs, in 1HY2019 bridging facility costs and FX on term deposits), impact of the arbitration award, and other restructuring costs and amortization of intangibles recognized on business combinations

The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Cash flow

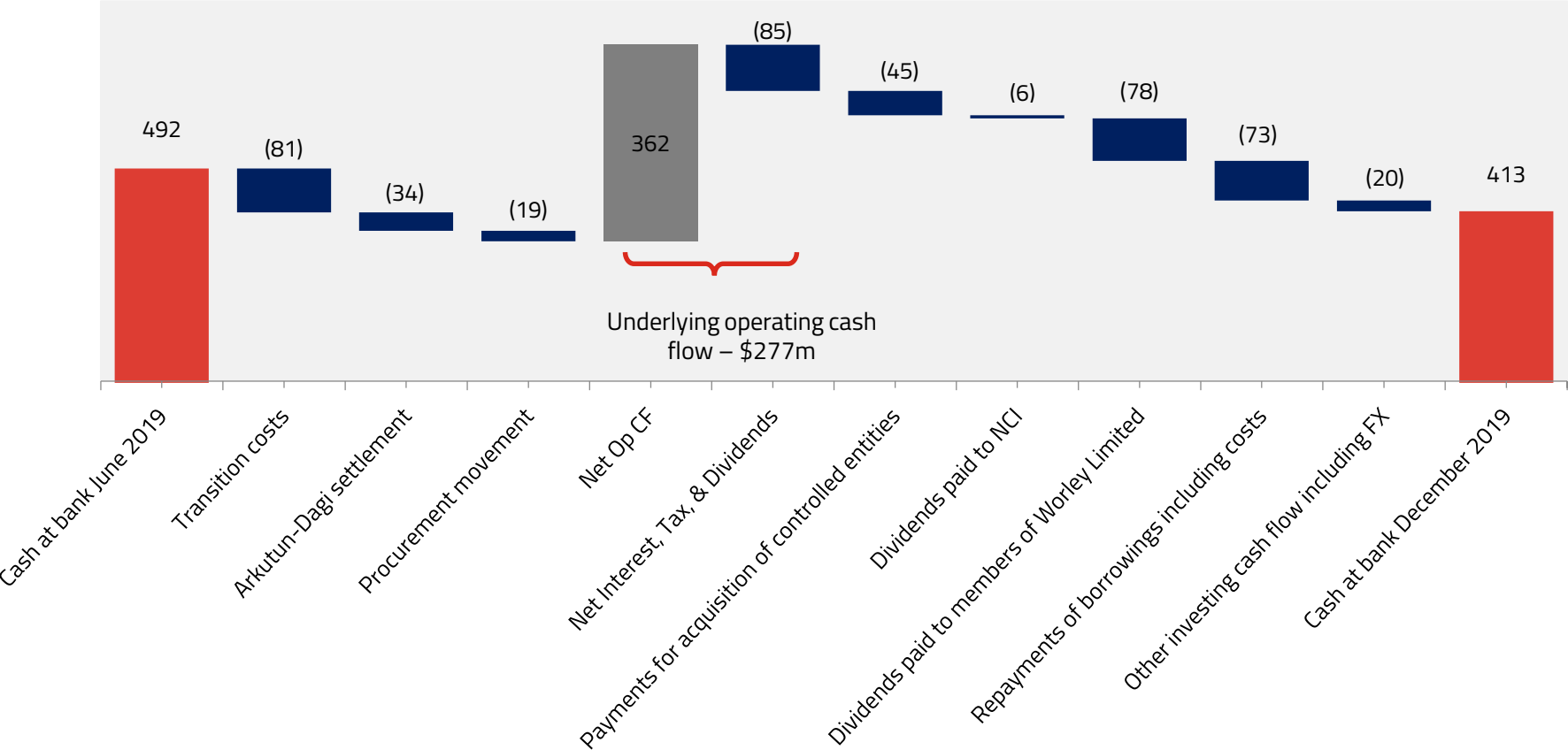
	HY2020 (\$m)	HY2019 (\$m)
EBITA	284	139
Add: Depreciation, amortization	188	32
Less: Interest and tax paid	(88)	(24)
Less: Working capital/other	(157)	(126)
Net cash inflow from operating activities	227	21
Non recurring costs plus interest income received ¹	115	4
Lease payments net off sublease receipts	(84)	-
Underlying operating cash flow	258	25
Net procurement cash inflow	19	(4)
Underlying operating cash flow net of procurement cash flows	277	21

1. HY2019 includes interest income received on deposits for ECR acquisition.

The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Cash flow

Bridge to cash balance



- DSO improved by five days in the half
- Improved cash collection across the Group

Liquidity and debt maturity

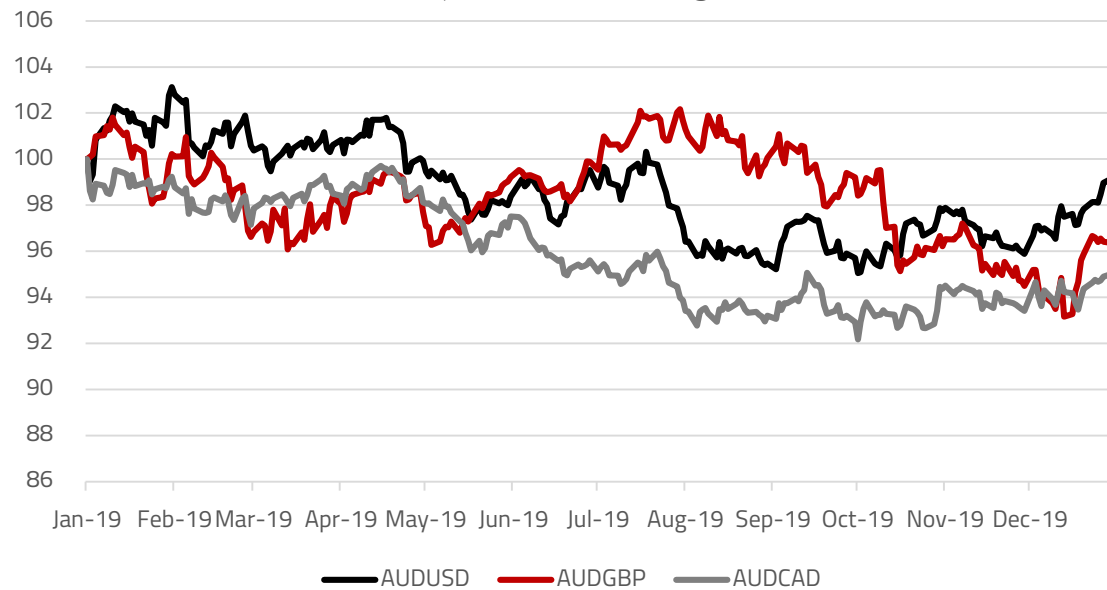
Liquidity summary AUD'm	HY2020	FY2019	Change
Liquidity			
Loan & overdraft facilities ¹	3,051	2,962	3%
Less: facilities utilized	(2,103)	(2,153)	(2%)
Available facilities	948	809	17%
Plus: cash	413	494	(16%)
Total liquidity	1,361	1,303	4%
Bonding			
Bonding facilities	1,603	1,540	4%
Bonding facility utilization, %	66%	58%	8pp

1. Loan and overdraft facilities (inclusive of the bridge facility) as at 30 June 2019. HY2019: excludes impact of equity raise

All captions above exclude the impact of AASB 16 Leases. The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Foreign exchange translation impact

Movement in major currencies against AUD (indexed)



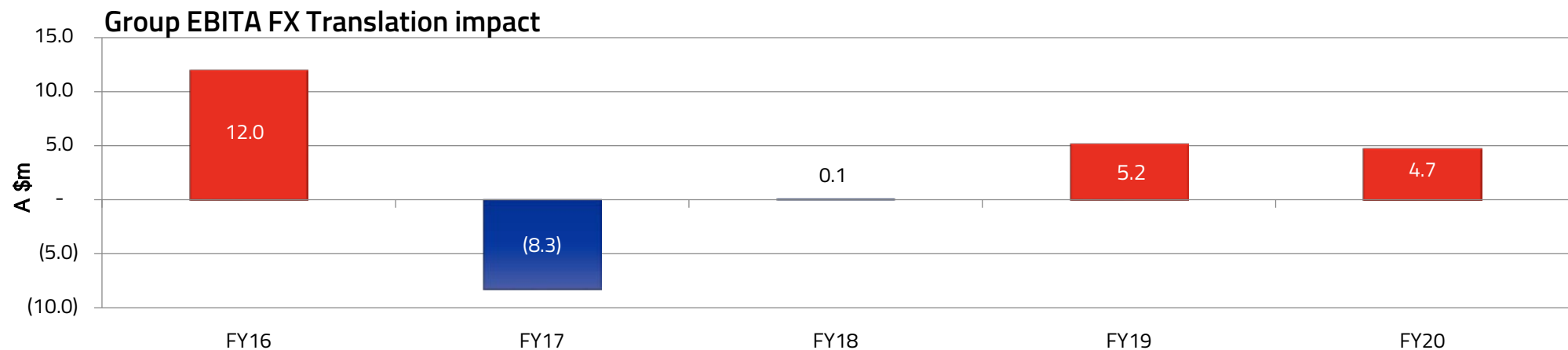
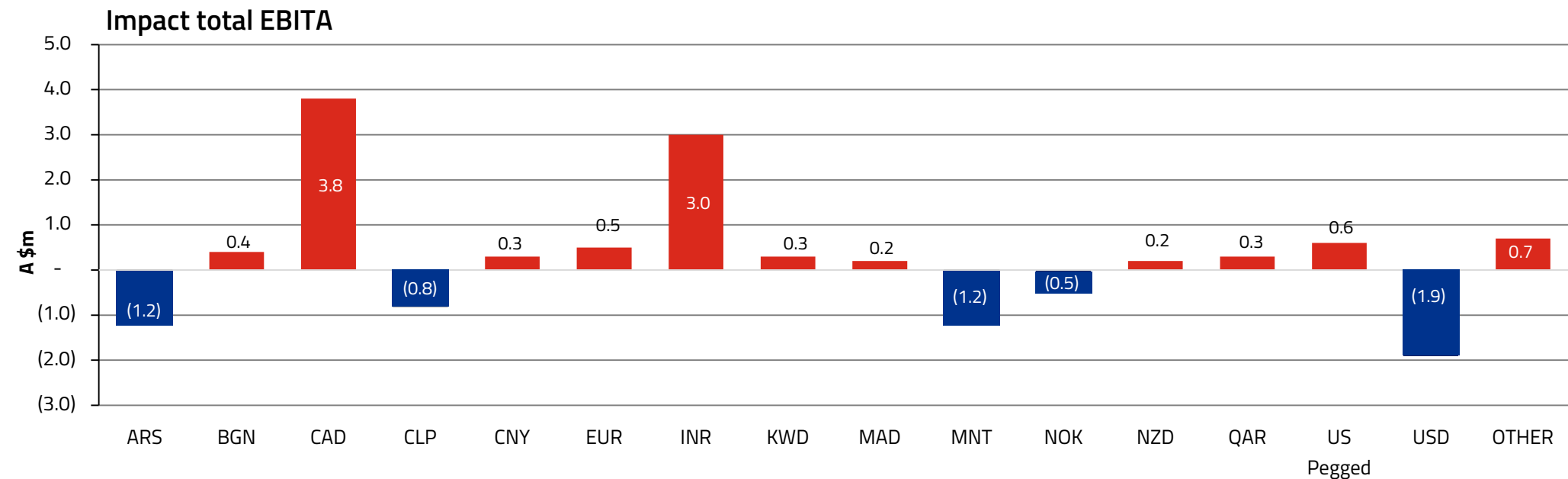
Currency	AUD \$m NPAT translation impact of 1c Δ
AUD:USD	1.0
AUD:GBP	0.4
AUD:EUR	0.6

Currency	Average exchange rate movement	Spot exchange rate movement
BRL	(1.7%)	9.3%
CAD	(5.0%)	(7.1%)
CNY	(3.1%)	(4.6%)
EUR	(1.8%)	(4.1%)
GBP	(2.7%)	(7.9%)
NOK	1.8%	(4.1%)
SGD	(5.6%)	(9.8%)
USD	(5.5%)	(10.9%)
KZT	0.7%	1.9%

Currency	HY2020	HY2019	change
AUD:USD	68.5	72.4	(5.5%)
AUD:GBP	54.4	55.9	(2.7%)
AUD:CAD	90.4	95.1	(5.0%)

Half year results 2020

Foreign exchange



The modified retrospective approach has been applied on adoption of AASB 16 *Leases*. Accordingly, the financial information presented for the period has not been restated and is presented under AASB 117 *Leases* and related interpretations.

Sustainability at Worley project examples

Battery energy storage system

Worley has been selected to install a battery energy storage system (BESS), solar panels, and microgrid controls at the Miller Community Center in Seattle (Washington, US).

Based in Seattle's Capitol Hill neighbourhood, the Miller Community Center is a popular meeting place for various philanthropic, civic and athletic groups and regularly hosts kids sport, local community meetings and activities for scouts.

The microgrid will keep the community center operational during emergency events and unplanned outages.

The solar panels and BESS will also reduce the facility's monthly utility bills by harnessing renewable energy from the sun and therefore reducing the community center's dependence on traditional electricity suppliers.

The City of Seattle will use this project to determine how it can develop and incorporate similar technologies, like microgrids, into its operations.

Green hydrogen to ammonia facility

For Queensland Nitrates Pty Ltd (QNP) at their existing ammonium nitrate facility in Queensland, Australia. QNP, a joint venture of Wesfarmers and Incitec Pivot, provides ammonium nitrate to the mining industry. If successful and driven to the right cost point, green hydrogen could be a significant new play within the ammonia and broader industries, displacing fossil components in sectors as broad as heavy transport, steel making and process heat. Many countries are now looking at hydrogen as a new export industry, with work by the Australian Government indicating that a 5% share of the world hydrogen market by 2030, if produced through electrolysis, would require a doubling of electricity generation capacity in the country, so the potential size of the industry is very large.

Optimizing offshore wind assets

Worley was engaged by Orsted to apply reliability centred maintenance programme to its offshore wind asset.

Sustainability at Worley project examples

Renewable diesel refinery

Marathon Petroleum Company LP awarded Worley a contract to provide detailed engineering services for the conversion of the Dickinson refinery, located in North Dakota, to a renewable diesel refinery.

Under the contract, Worley will provide engineering services and procure equipment and materials for the refinery. The refinery is being converted from a crude oil feedstock to an organically derived oil feedstock, making it a 100% renewable diesel operation. The services will be executed by Worley's offices in the US and supported by our global business. Worley had provided engineering services during the early concept phase.

Green aviation fuel

Part of Velocys' portfolio is the development of green jet fuel refineries, including Europe's first green aviation fuel refinery.

With this program, we will help take hundreds of thousands of tonnes of household waste, otherwise destined for landfill or incineration, and convert it into clean-burning, sustainable fuels for aviation and road transport, with 70 per cent reduction in greenhouse gas emissions compared to regular aviation fuel.

Hydropower plant upgrade

Hydropower plant upgrade: With a total capacity of 14GW, the Itaipu Hydro project is the second largest power station in the world, owned and operated by Itaipu Binacional. Worley provides the design and specifications for an upgrade of the facility to bring it to the digital era and allow it to respond more flexibly to a broader power system with greater variable generation technology such as wind and solar PV.

Acronyms

Acronym	Meaning
AASB	Australian Accounting Standards Board
AM	Americas
AFW	Amec Foster Wheeler
ANZ	Australia & New Zealand
APAC	Australia, Pacific, Asia & China
ASX	Australian Securities Exchange
Capex	Capital asset expenditure
CCS	Carbon Capture and Storage
CCUS	Carbon Capture Utilization and Storage
CIS	Commonwealth of Independent States
CO2	Carbon dioxide
CPS	Cents Per Share
CSP	Customer Success Platform
D&I	Diversity and Inclusion
DSO	Days sales outstanding
E&C	Energy & Chemicals
EBITA	Earnings Before Interest Tax and Amortization of Acquired Intangibles

Acronym	Meaning
EBITDA	Earnings Before Interest and Tax, Depreciation and Amortization
ECR	Energy, Chemicals and Resources diversion acquired from Jacobs Engineering Group Inc in the financial year of FY2019
EMEA	Europe, Middle East & Africa
EPS	Earnings Per Share
ERP	Enterprise resource planning
EUR	Europe
FX	Foreign Exchange
FY	Financial Year
GID	Global Integrated Delivery
H1/H2	Half 1 / Half 2
HR	Human Resources
HSE	Health Safety and Environment
HY	Half Year
IT	Information Technology
LAM	Latin America
LNG	Liquefied Natural Gas
MENA	Middle East & North Africa

Acronyms

Acronym	Meaning
Million b/d	Million barrels oil per day
MMM	Mining, Minerals & Metals
MMO	Maintenance, Modifications and Operations
MPIS	Major Projects & Integrated Solutions
NPATA	Net Profit After Tax and Amortization
O&M	Operations & Maintenance
OEM	Original Equipment Manufacturer
Opex	Operational expenditure
ORPIC	Oman Oil Refineries and Petroleum Industries Company
PCP	Previous Comparable Period
PF	Proforma
PV	Photovoltaic
SOE	State Owned Enterprise
UKIS	UK Integrated Solutions
US	United States
USPP	United States Private Placement
YCI	Yuhuang Chemical Inc

