

30 March 2020

ASX release

WORLEY LIMITED (WORLEY) (ASX: WOR)

Response to market conditions

The COVID-19 pandemic and the decline in oil price have resulted in a rapidly changing environment for Worley's business. Worley's priorities are to protect our people, maintain financial and operational integrity and support our customers, to create value for all our shareholders.

Chris Ashton, Chief Executive Officer, said, "We are actively managing the emerging impact on our business. The health and wellbeing of our people are paramount. We have and will continue to take all appropriate actions to protect our people while ensuring business continuity, supporting our customers in the delivery of their projects and maintaining operations on critical infrastructure. These actions are being achieved by the extraordinary efforts of our people, whom I personally thank. We are taking immediate actions to control costs and manage cashflow while closely monitoring customer expenditures and adjusting plans accordingly. We have successfully refinanced a significant portion of the working capital facilities expiring in FY2020, maintaining the strength of our liquidity position".

Protecting our people

Worley has adapted to a new operating environment that supports the safety and wellbeing of our people and business continuity. This involves working from home for most of our ordinarily office-based people. The new operating environment is successfully in place and our people remain productive, due to their resilience and the advanced technologies that have been implemented across our business. Our field-based people continue to provide services to our customers. Field practices have been modified to ensure continued safe delivery of construction and fabrication services and to support critical infrastructure facilities in Australia and around the world. As Australia's largest provider of professional services in energy, chemicals and resources and as a global leader in these industries, we are sharing our knowledge and expertise with our customers to assist in their own responses.

Worley has mobilized an internal COVID-19 pandemic taskforce to actively identify, assess and respond to the challenges presented by the pandemic and to protect the health and wellbeing of our people.

Liquidity update

Worley has entered this period of global disruption in a stable financial position.

At the announcement of the HY2020 results, approximately \$580 million of working capital facilities were scheduled to be reconfirmed or renewed in the coming six months. Worley has proactively negotiated to renew those facilities and has received bank credit approval to extend approximately \$480 million of those facilities for 12 months. The remaining \$100 million is intended to be renewed in the ordinary course of the facility due in June 2020. There are no other near-term debt maturities. Worley had total liquidity of \$1.36 billion as at 31 December 2019 and there has been no material change to this liquidity position as at 29 February 2020.

Operational matters

Worley is a more resilient business following the completion of the acquisition of Jacobs ECR with increased diversification across geographies and sectors as well as greater exposure to our customers' operating

expenditures which are historically less variable in periods of industry downturn. Worley has a lower exposure to upstream oil and gas capital expenditure which now represents only 20% of our business and has an increased exposure to the less cyclical chemicals sector. As a result of the acquisition of Jacobs ECR, revenue derived from our customers' operating expenditures represents close to 50% of total revenue. Operating expenditure contracts tend to be longer term multi-year contracts.

While the impacts of both the COVID-19 pandemic and the decline in oil price are still evolving, management is actively taking measures to align the cost base and deliver savings. A business response taskforce has been established to support the implementation of actions to protect financial and operational integrity. These actions include:

- Reviewing all non-committed and non-business critical activities and expenditures, including a case-by-case review of all investments.
- Prudent management of business fundamentals including protecting cash and managing receivables, optimizing staffing levels and minimizing discretionary spend. Worley continues to control costs and manage cashflow while closely monitoring customer expenditures and adjusting plans accordingly.
- Freezing recruitment unless working on projects and where the resources cannot be obtained from within Worley.
- Maintaining productivity on projects and operational support services. Our people are working effectively from home and utilizing the common global platforms that were previously announced in HY2020. The back-office operations, including the shared services centre, remain productive while also working from home.
- Reviewing cost structures, recognizing that the global disruption presents opportunities to work smarter and more cost effectively, including a review of the property portfolio. Opportunities will be identified and developed by the business response taskforce.

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About Worley: Worley 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, mining, mineral, metals, chemicals, power 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.

Worley Limited is listed on the Australian Securities Exchange (ASX: WOR).