WorleyParsons
resources & energy

Full year results 2016

Andrew Wood, CEO WorleyParsons

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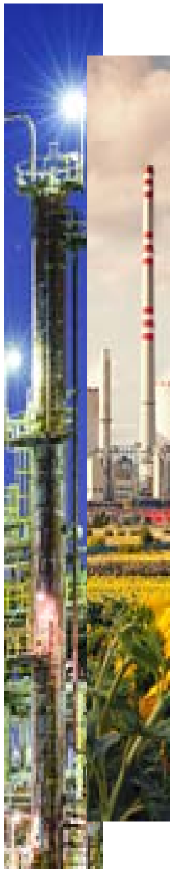
Disclaimer



The information in this presentation about the WorleyParsons Group and its activities is current as at 24 August 2016 and should be read in conjunction with the Company's Appendix 4E and Annual Report for the full year ended 30 June 2016. It is in summary form and is not necessarily complete. The financial information contained in the Annual Report for the full year ended 30 June 2016 has been audited by the Group's external auditors.

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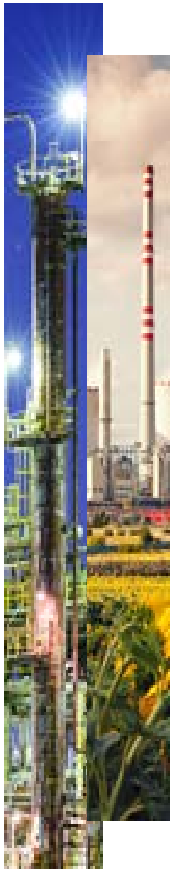
Overview

FY2016 – Delivering what we promised, despite declining revenue



Financial results

- Progress on cost reduction is driving performance improvement
- Focus on cash is improving debt metrics
- Realize our future transformation program on track
- No final dividend

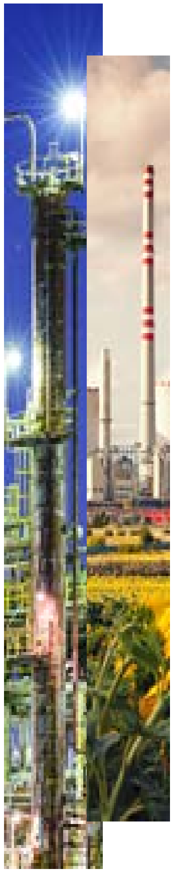
Delivering on overhead savings

- Total $200m - ahead of $120m target for FY2016
- Overhead roles savings $115m
- Property savings $60m
- Engineering software licenses savings $10m
- Other savings $15m

Operational highlights

- Advisian - $650m turnover and 2700 people
- Middle East business continues to grow in significance
- Resurgence of the power business

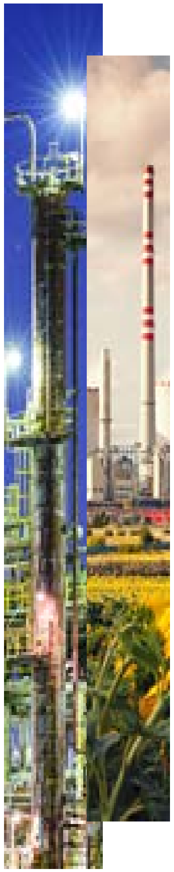
Our priorities



	FY2016 achievements	FY2017 priority areas
Reduce internal costs	• Delivered \$200m annualized savings vs \$120m target • Utilization 83.4% up 0.4pp	• Targeting a further \$150 million in annualized savings • Utilization >85%
Improve customer productivity	• Launched Advisian as global advisory business • Breakthrough project delivery model for PMC offering • Accelerated transition to GDC	• Grow Digital Enterprise capability • Grow Advisian offering • Expand PMC offering • Accelerate GDC transition and automation
Optimize the portfolio	• Non-core assets held for sale • Closed 30 offices, consolidated space • Maintain presence in 42 countries	• Intensify focus on winning work • Non-core asset sales • Further property savings
Strengthen the balance sheet	• DSO down 4 days • Cash conversion at 125% of underlying NPAT • Gearing below 30% • Net debt to EBITDA of 2.4 times	• Progress towards DSO of 65 days • Reduce cash outflows • Maintain gearing below 30%

Key financials

Cost reduction initiatives supporting underlying margin



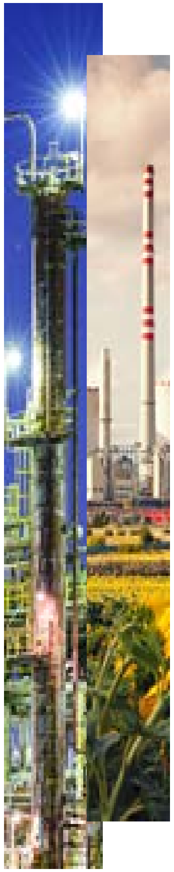
Statutory result	FY2016	FY2015	vs. FY2015
Total revenue ($m)	**7,790.1**	8,757.5	(11.0%)
EBIT ($m)	**128.9**	87.1	48.0%
Net Profit After Tax ($m)	**23.5**	(54.9)	-
Basic EPS (cps)	**9.5**	(22.2)	-
Final dividend (cps)	**0.0**	22.0	-
Total dividend (cps)	**0.0**	56.0	-
Operating cash flow	**192.0**	251.3	(23.6%)
Underlying result	**FY2016**	**FY2015**	**vs. FY2015**
Aggregated revenue[1] ($m)	**5,892.9**	7,227.5	(18.5%)
Underlying EBIT[2] ($m)	**302.7**	418.0	(27.6%)
Underlying EBIT margin	***5.1%***	*5.8%*	*(0.7pp)*
Underlying Net Profit After Tax[2] ($m)	**153.1**	243.1	(37.0%)
Underlying NPAT margin	***2.6%***	*3.4%*	*(0.8pp)*
Underlying basic EPS (cps)	**61.8**	98.4	(37.2%)
Underlying operating cash flow	**279.1**	289.1	(3.5%)

- Aggregated revenue down 19%, 23% on constant currency basis
- Second half improvement in earnings and margins
- Strong operating cash flow

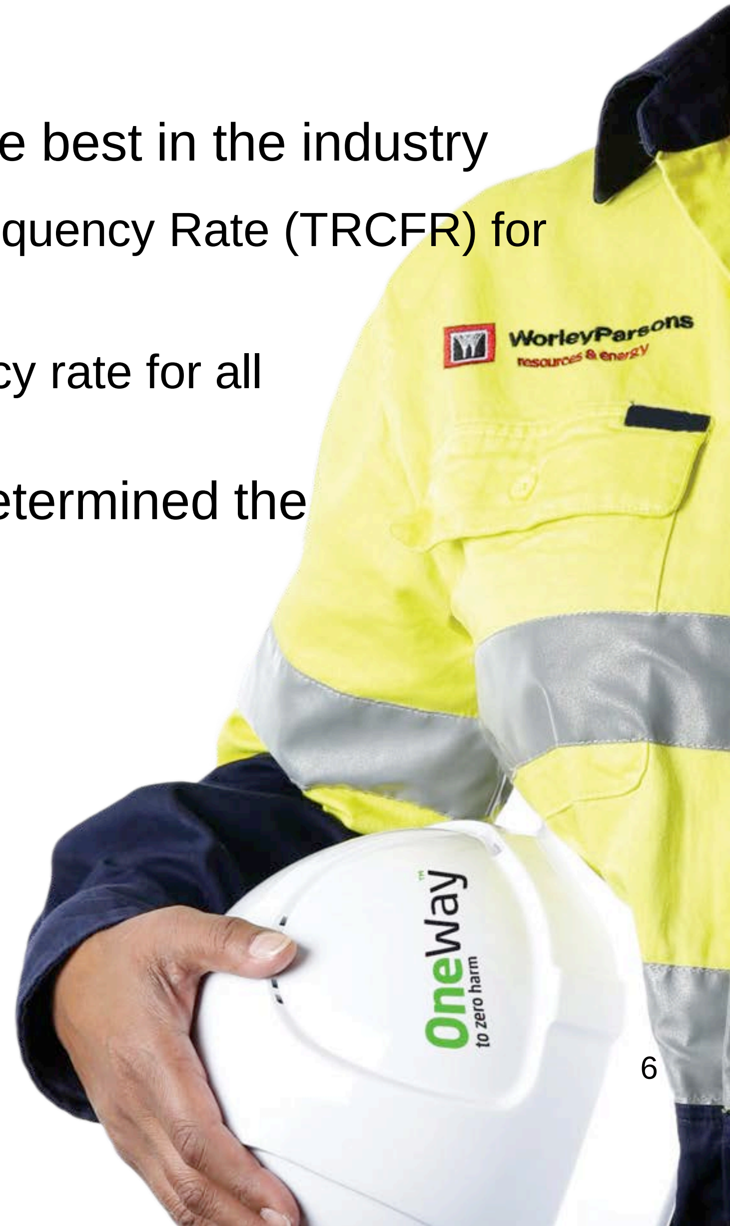
[1] Refer to slide 39 of the Supplementary slides for the definition of Aggregated revenue.
[2] The underlying EBIT result excludes staff restructuring costs, onerous lease contracts, onerous engineering software licences, write-down of investment in equity accounted associates certain functional currency related foreign exchange gains and net gain on revaluation of investments previously accounted for as joint operations. The underlying NPAT result excludes these items and the related tax effect.

OneWay™ to Zero Harm

We aim for Zero Harm

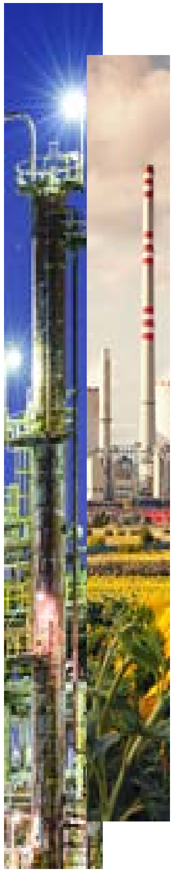


- ▶ Our safety performance is among the best in the industry
  - Employee Total Recordable Case Frequency Rate (TRCFR) for FY2016 was 0.07 (FY2015: 0.12)
  - Achieved an 8% reduction in frequency rate for all employees and managed contractors
- ▶ The Group's HSE Committee has determined the following priorities for FY2017:
  - Vehicle and Land Transport
  - Working at height
  - Project Start-up
  - High potential/impact incidents



Reducing internal costs

Actions taken to reduce overhead costs

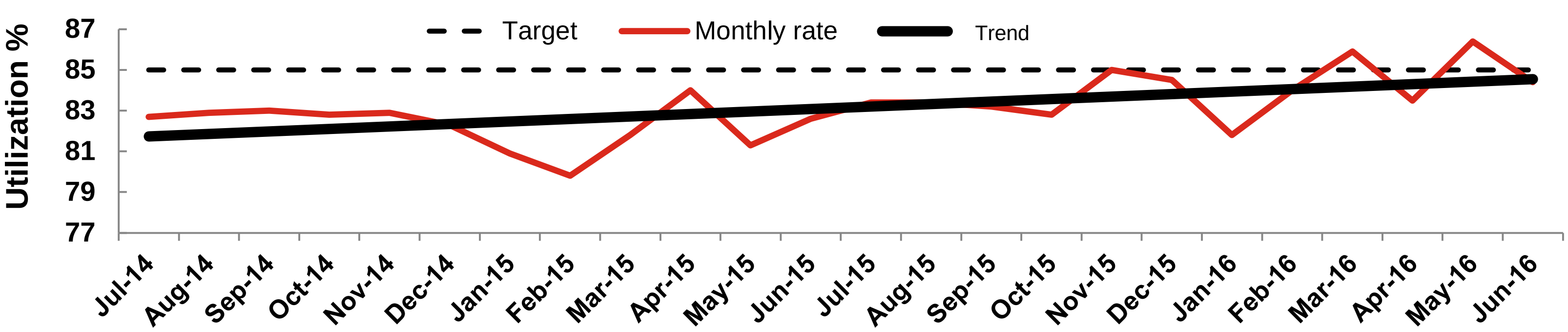


Local presence, global delivery

24,500	118	42
people	offices	countries

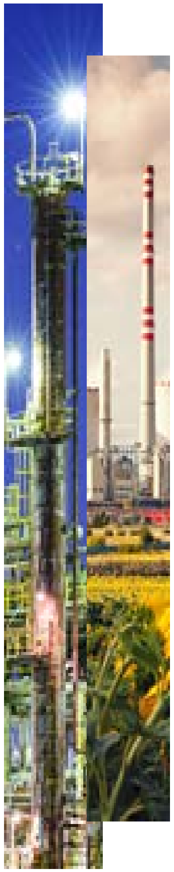
- Closed 30 offices, 73,000 sqm
- Staff levels reduced by 6900 or 22%
- Improving trend in utilization
- Maintained presence in 42 countries

Utilization trend



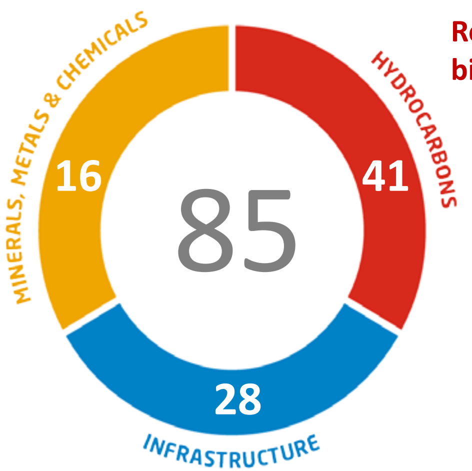
Significant awards[1]

Continuing to win work



FY2016 Significant awards

Revenue $535+ million



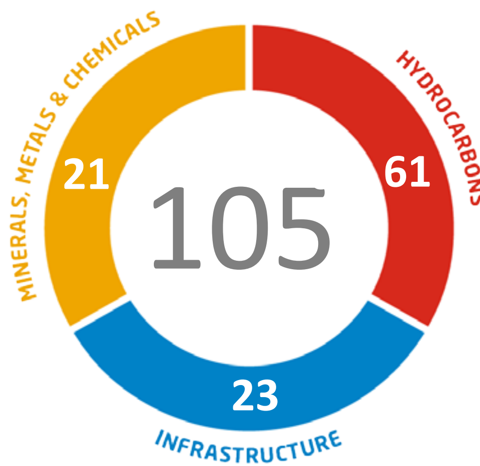
Revenue $1.9+ billion

Revenue $370+ million

$2.8+ billion in significant awards

FY2015 Significant awards

Revenue $310+ million



Revenue $2.5+ billion

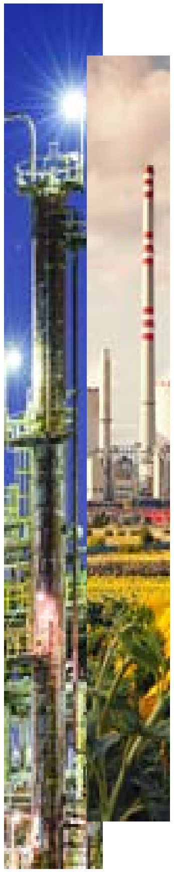
Revenue $390+ million

$3.2+ billion in significant awards

1. Significant awards represent contract awards of values that meet or exceed the individual sector anticipated EBIT earnings thresholds.

Significant awards

Award highlights



- ASX announcements
  - Cutback Ridge awards for WorleyParsonsCord
  - Canadian E&P Master Services Agreement
  - Johan Sverdrup award for Rosenberg WorleyParsons
  - Tengizchevroil project passed FID (early July)
  - Caspian region *Improve* contract with BP
  - PMC contract for Bapco Modernization Program
- Other awards
  - All Hydrocarbons subsectors active
  - Chemicals awards continue to flow
  - Power resurgence across renewables, fossil and nuclear

Full year results 2016

Tom Honan, GMD Finance, CFO

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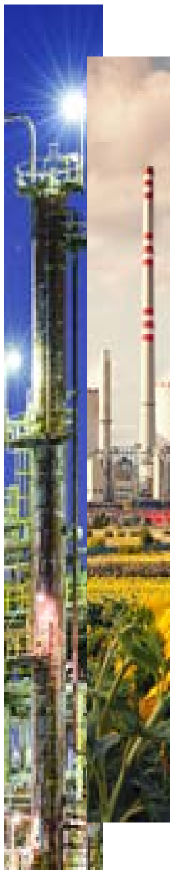
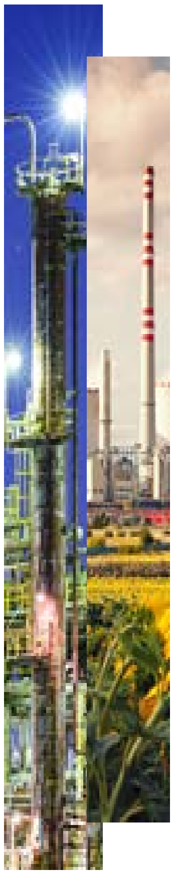
Statutory Statement of Financial Performance



	30 Jun 2016 ($m)	30 Jun 2015 ($m)
REVENUE AND OTHER INCOME		
Professional services revenue	4,641.8	5,517.9
Procurement revenue	2,571.7	2,370.9
Construction and fabrication revenue	561.6	857.9
Interest income	8.8	6.6
Other income	6.2	4.2
Total revenue and other income	**7,790.1**	**8,757.5**
EXPENSES		
Professional services costs	(4,457.0)	(5,166.8)
Procurement costs	(2,558.0)	(2,360.0)
Construction and fabrication costs	(513.8)	(775.3)
Global support costs	(109.2)	(103.9)
Other costs	(12.1)	(268.6)
Borrowing costs	(68.8)	(62.0)
Total expenses	**(7,718.9)**	**(8,736.6)**
Share of net (loss)/profit of associates accounted for using the equity method	(2.3)	10.8
Profit before income tax expense	**68.9**	**31.7**
Income tax expense	(20.3)	(70.7)
Profit after income tax expense	**48.6**	**(39.0)**
PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF WORLEYPARSONS LIMITED	**23.5**	**(54.9)**
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**25.1**	**15.9**

Reconciliation of Statutory to Underlying NPAT result

Adjusted for non-trading items

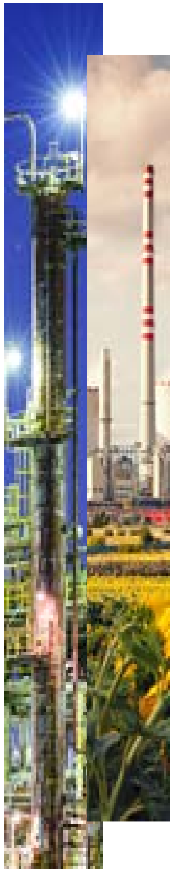


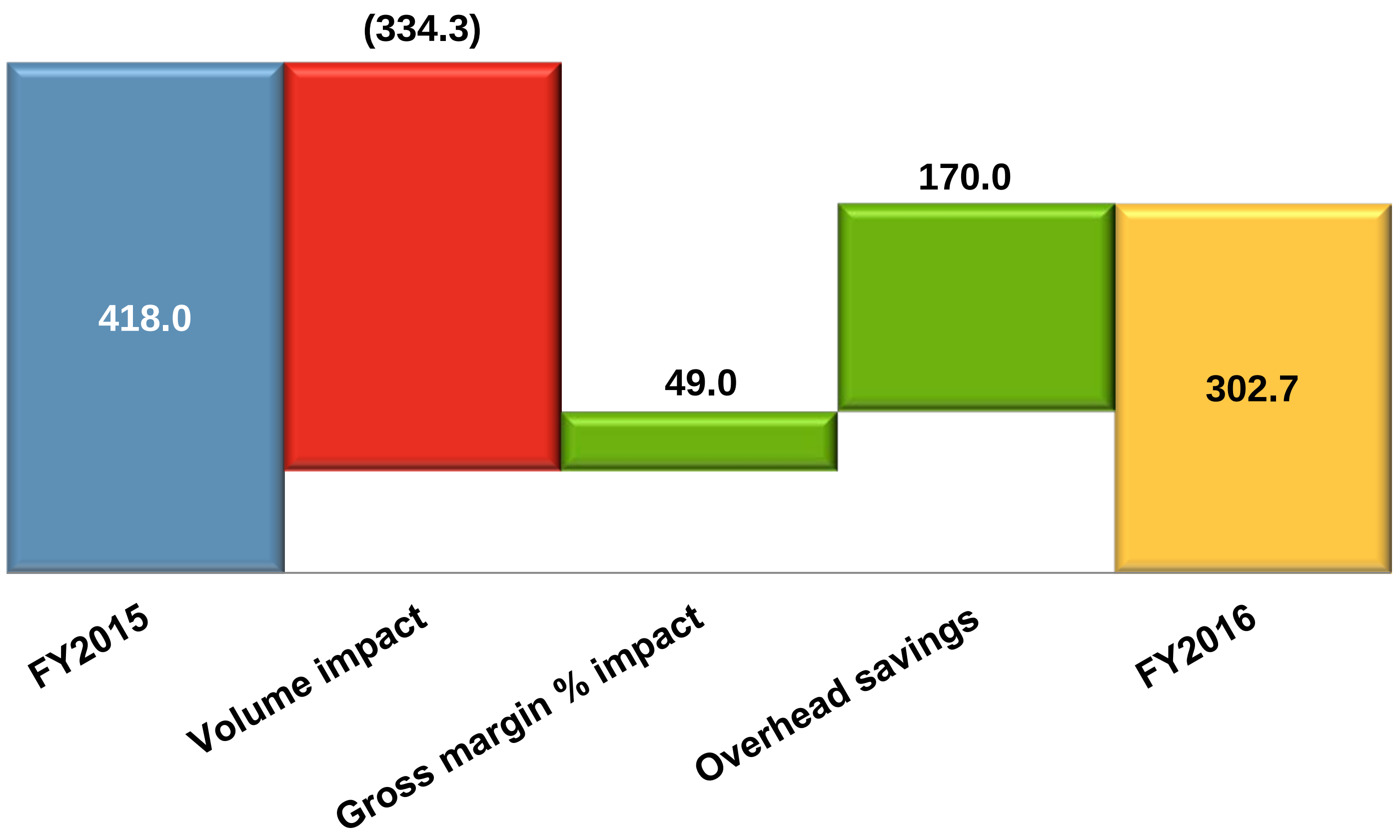
	FY2016 ($m)	FY2015 ($m)
Statutory result	**23.5**	**(54.9)**
Additions (pre-tax)		
Staff restructuring costs	76.8	38.3
Onerous lease contracts	86.4	20.2
Onerous engineering software licences	14.3	-
Other restructuring costs	4.6	3.8
Write-down of investment in equity accounted associates	12.1	-
Impairment of goodwill	-	198.6
Arkutun-Dagi settlement	-	70.0
Sub-total additions	**194.2**	**330.9**
Subtractions (pre-tax)		
Net gain on revaluation of investments previously accounted for as joint operations	(4.5)	-
Certain functional currency related foreign exchange gains	(15.9)	-
Sub-total subtractions	**(20.4)**	**-**
Tax effect of Additions and Subtractions	**(44.2)**	**(38.8)**
China commercial restructure tax impact	**-**	**5.9**
Underlying Net Profit After Tax[1]	**153.1**	**243.1**

1. The underlying EBIT result excludes staff restructuring costs, onerous lease contracts, onerous engineering software licences, write-down of investment in equity accounted associates certain functional currency related foreign exchange gains and net gain on revaluation of investments previously accounted for as joint operations. The underlying NPAT result excludes the above items and the related tax effect.

Underlying Group EBIT evolution

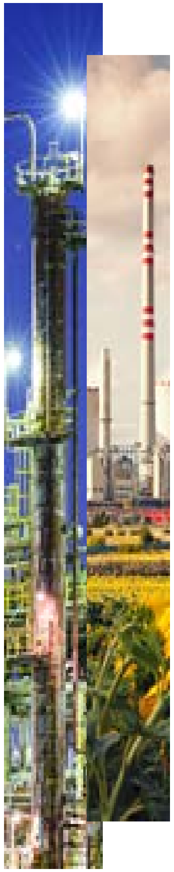
Overhead savings benefit commenced – more to come





Segment result

By business line

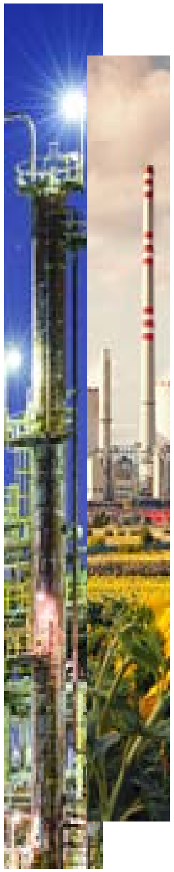


	FY2016	FY2015 Restated	vs. FY2015
Aggregated revenue ($m)	**5,892.9**	**7,227.5**	**(18.5%)**
Services	**3,436.5**	4,336.2	(20.7%)
Major Project	**1,281.4**	1,610.4	(20.4%)
Improve	**519.3**	579.6	(10.4%)
Advisian	**655.7**	701.3	(6.5%)
Segment result ($m)	**428.8**	**549.9**	**(22.0%)**
Services	**252.0**	341.9	(26.3%)
Major Project	**109.1**	128.0	(14.8%)
Improve	**23.4**	27.3	(14.3%)
Advisian	**44.3**	52.7	(15.9%)
Segment margin (%)	**7.3%**	**7.6%**	**(0.3pp)**
Services	7.3%	7.9%	(0.6pp)
Major Project	8.5%	7.9%	0.6pp
Improve	4.5%	4.7%	(0.2pp)
Advisian	6.8%	7.5%	(0.7pp)

- Overhead reductions mitigating the impact of declining revenue
- Services Middle East business continued to perform well
- Improved performance of portfolio of major projects
- *Improve* revenue decline due to lower activity in Canadian oil sands and TWPS in Australia
- 12% of Services aggregated revenue is from *Improve* style contracts
- Continue to invest in Advisian including Digital Enterprise

Segment

By region

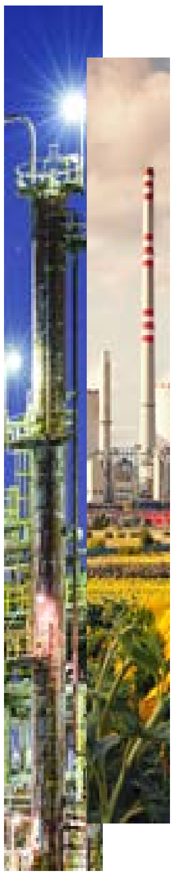


	FY2016	FY2015 Restated	vs. FY2015
Aggregated revenue ($m)	**5,892.9**	**7,227.5**	**(18.5%)**
APAC	1,366.7	1,599.0	(14.5%)
Americas	2,466.8	3,273.3	(24.6%)
EMEA	2,059.4	2,355.2	(12.6%)
Segment result ($m)	**428.8**	**549.9**	**(22.0%)**
APAC	134.0	155.9	(14.0%)
Americas	142.5	188.1	(24.2%)
EMEA	152.4	205.9	(26.0%)
Segment margin (%)	**7.3%**	**7.6%**	**(0.3pp)**
APAC	9.8%	9.7%	0.1pp
Americas	5.8%	5.7%	0.1pp
EMEA	7.4%	8.7%	(1.3pp)

- APAC margins held due to Services APAC overhead reductions and turnaround in performance of an *Improve* contract
- Americas margins improved despite declining work load in Canada and Latin America
- EMEA profitability impacted by WorleyParsons Rosenberg and completion of projects in the UK and Sub Saharan Africa

Segment result

By sector



	FY2016	FY2015 Restated	vs. FY2015
Aggregated revenue ($m)	**5,892.9**	**7,227.5**	**(18.5%)**
Hydrocarbons	4,266.9	5,332.1	(20.0%)
Professional services[1]	3,705.3	4,474.2	(17.2%)
Construction & Fabrication	561.6	857.9	(34.5%)
MM&C	642.5	903.7	(28.9%)
Infrastructure	983.5	991.7	(0.8%)
Segment result ($m)	**428.8**	**549.9**	**(22.0%)**
Hydrocarbons	329.0	484.3	(32.1%)
Professional services	259.2	395.8	(34.5%)
Construction & Fabrication	69.8	88.5	(21.1%)
MM&C	39.9	46.5	(14.2%)
Infrastructure	59.9	19.1	213.6%
Segment margin (%)	**7.3%**	**7.6%**	**(0.3pp)**
Hydrocarbons	7.7%	9.1%	(1.4pp)
Professional services	7.0%	8.8%	(1.8pp)
Construction & Fabrication	12.4%	10.3%	2.1pp
MM&C	6.2%	5.1%	1.1pp
Infrastructure	6.1%	1.9%	4.2pp

- Hydrocarbons sector impacted by reduced capital and operating expenditure by customers in this sector
- Refining sub sector revenues improved
- Minerals and Metals continued to decline. Chemicals activity in US partially offset lower activity in China
- Resurgence in power business and Saudi Arabia infrastructure activity supported the improved Infrastructure result

[1] Professional services includes procurement revenue and other income.

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Realize our future

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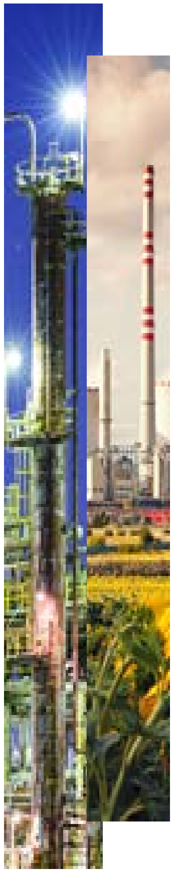
Overhead cost reduction

Delivered $200m in annualized savings

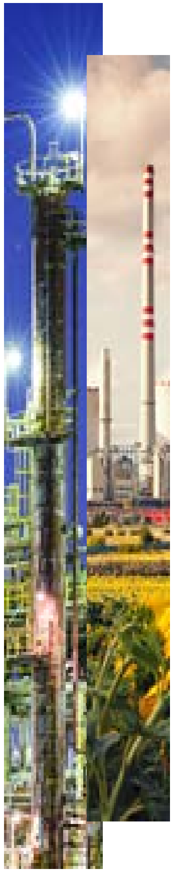


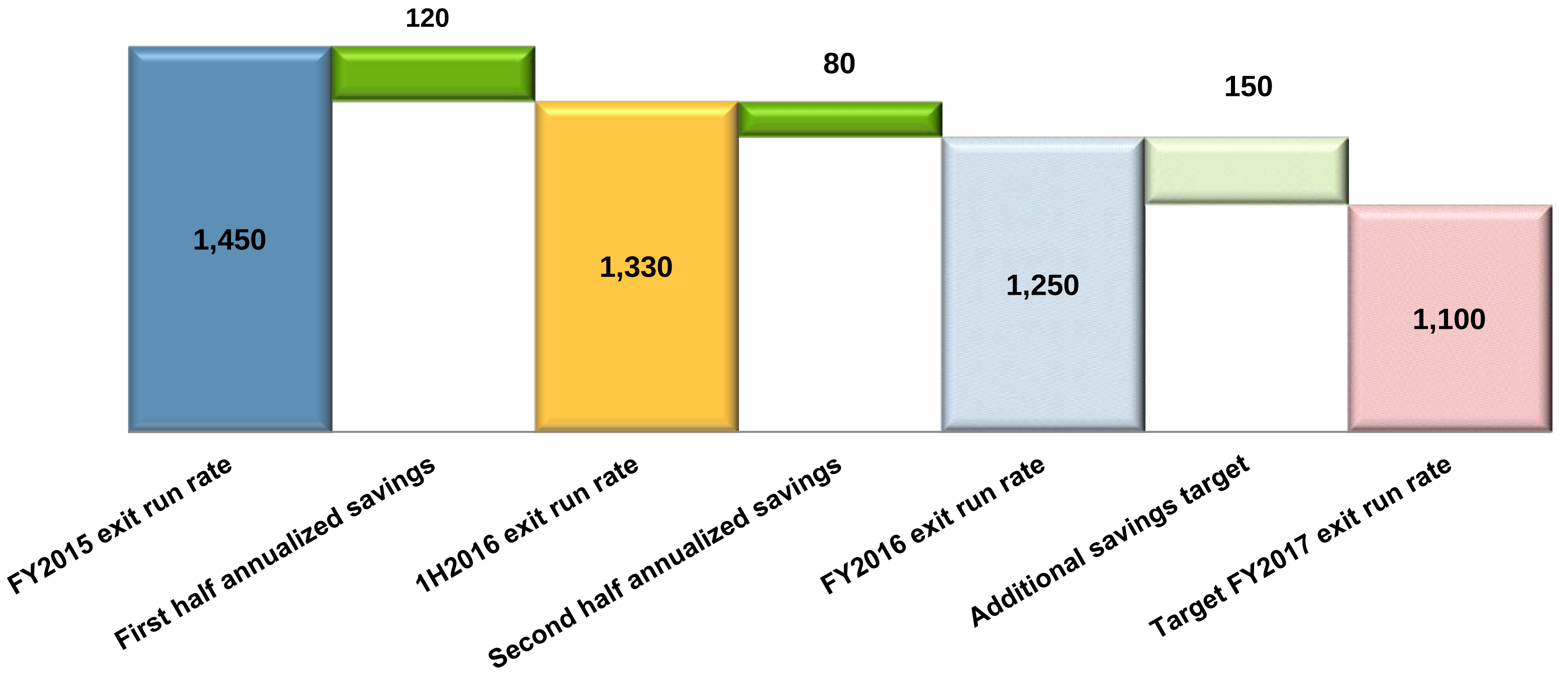
	Overhead reductions in year savings	2016 actual annualized savings
Eliminated overhead roles	$63m	$115m
Property savings	$38m	$60m
Engineering software licenses savings	$5m	$10m
Additional reductions	$64m	$15m
Total reductions/savings	**$170m**	**$200m**

- Secured overhead reduction of $170m compared to expectation of $77m
- Delivered $200m annualized savings versus $120m target

Overhead cost reduction

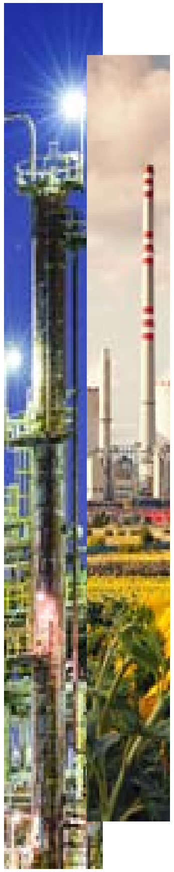
Increased target to $350m annualized savings





- Targeting a further $150m in annualized savings with $100m expected in FY2017 result
- Now targeting total of $350m in annualized savings compared with FY2015 exit run rate

Setting up for success

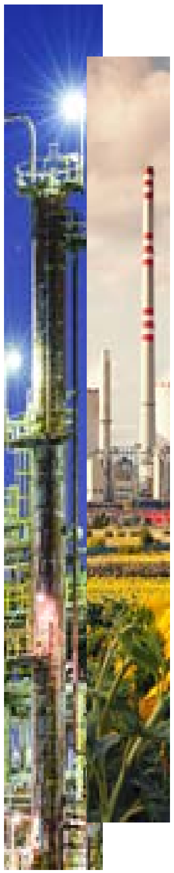


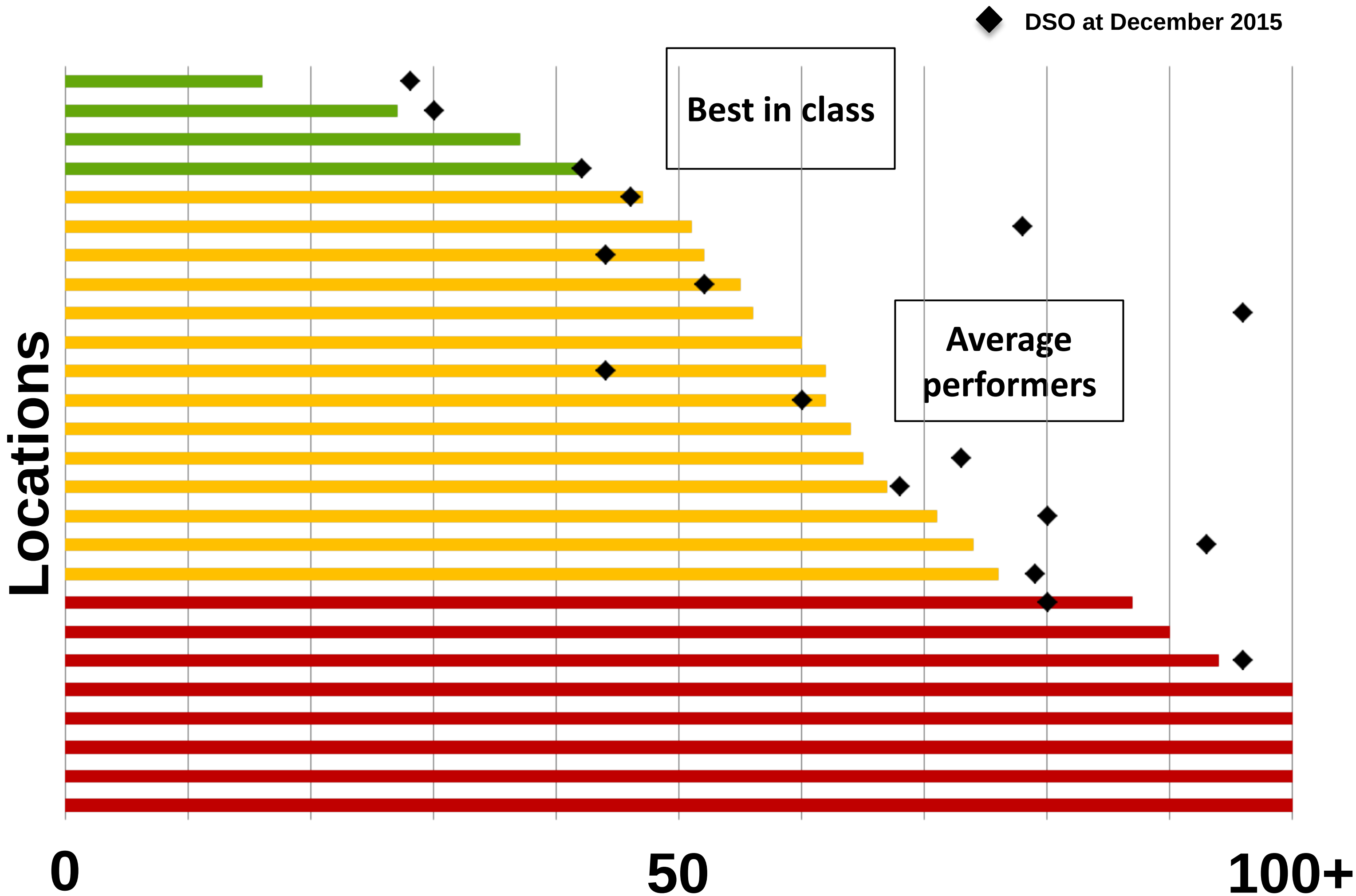
DELIVERED – Improved balance sheet metrics

- ▶ Cash conservation measures delivered $255m
  - Lowered capital expenditure
  - Reduced dividend payments
  - Reduced M&A spend
- ▶ Additional cash generation of $90m
  - DSO reduced by 4 days
  - Cash from asset sales of $14m

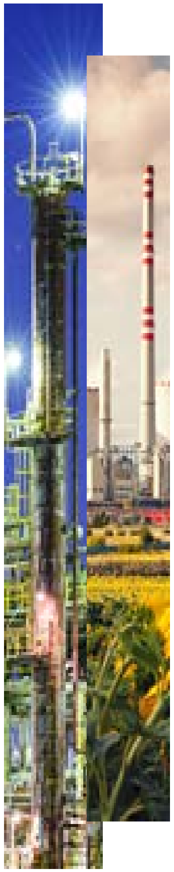
Working capital focus

WorleyParsons DSO Leaderboard – 15 of 26 improved





Making progress – still more to do

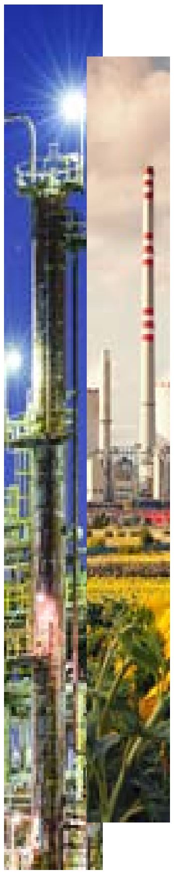


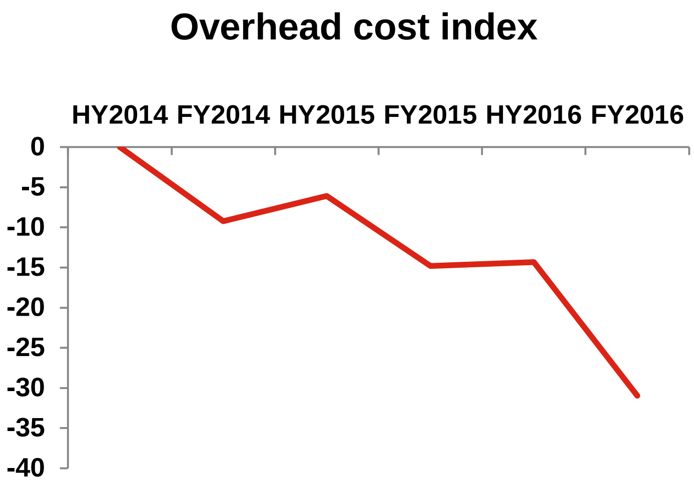
TARGETS

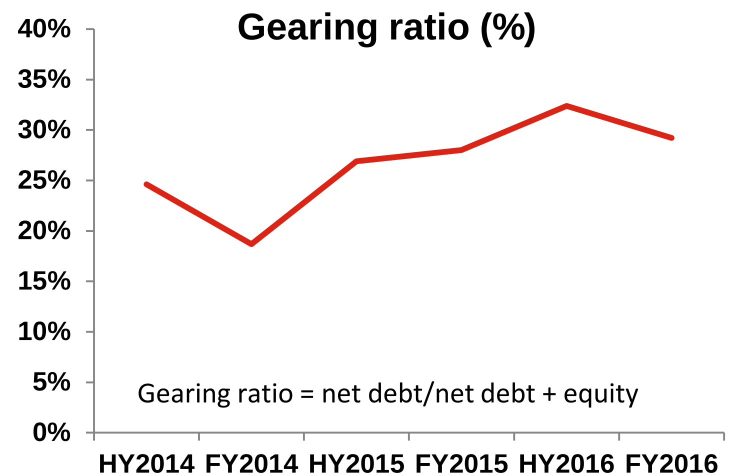
- ▶DSO in line with industry average of 65 days
- ▶Aiming for $300m improvement in cash
- ▶Sell selected non-core assets
- ▶Net debt/EBITDA range of 1.5 – 2.0 times
- ▶Gearing <30%
- ▶Dividend capacity

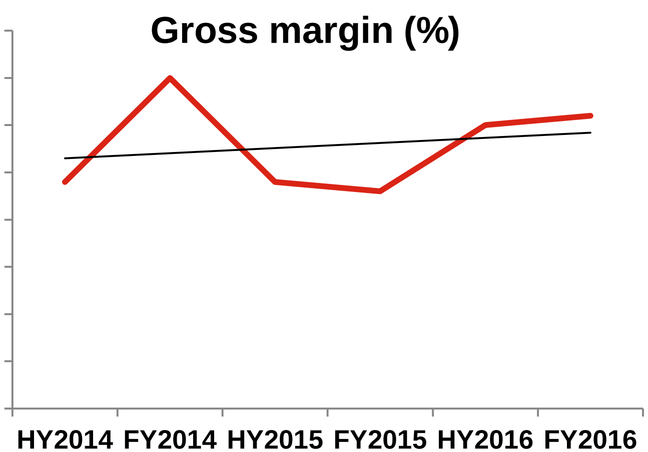
Realize our future

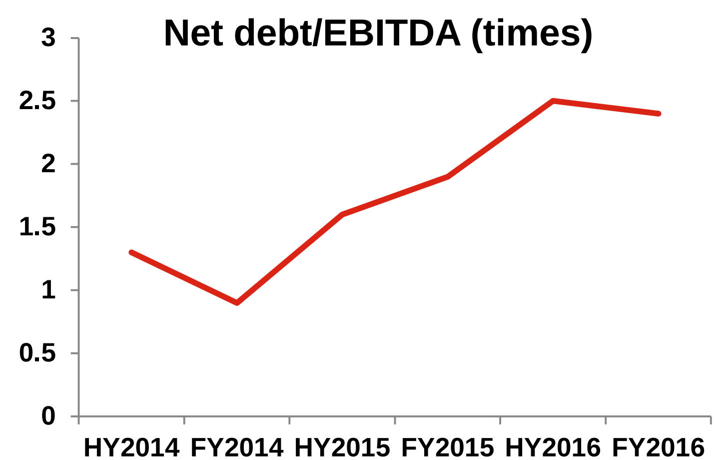
Key indicators











Full year results 2016

Capital management

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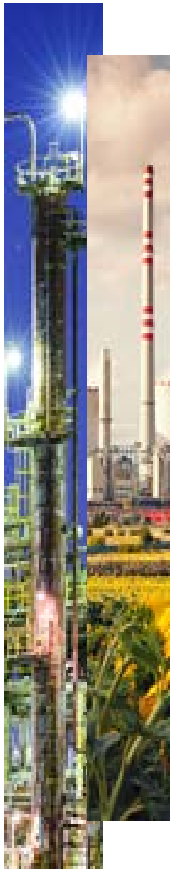
Positive cash flow



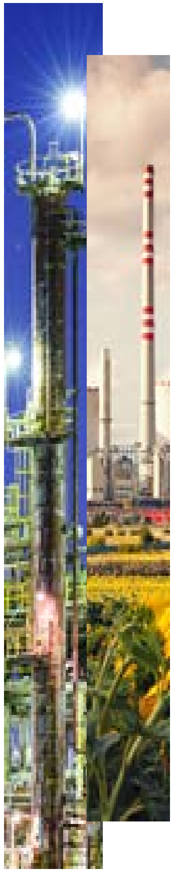
$m	FY2016	FY2015
Underlying EBIT	**302.7**	418.0
Add: Depreciation, amortization	**90.1**	110.0
Less: Interest and tax paid	**(118.4)**	(208.1)
Less: Working capital/other	**(82.4)**	(68.6)
Net cash inflow from operating activities	**192.0**	251.3
Cash restructuring costs paid	***87.1***	*37.8*
Underlying operating cash flow	***279.1***	*289.1*

- Positive operating cash flow maintained in difficult trading conditions
- Outlaid $87m for overhead reduction costs
- Stronger cash conversion

WorleyParsonsCord

Gearing metrics

Current balance sheet metrics



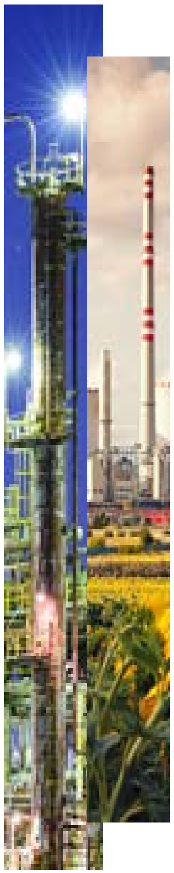
	FY2016	HY2016
Gearing ratio[1] %	29.2%	32.4%
Facility utilization[2]%	57.0%	63.4%
Average cost of debt %	4.8%	4.7%
Average maturity (years)	2.7	3.1
Interest cover(times)[3]	5.0x	5.9x
Net Debt	776.0	891.3
Net Debt/EBITDA (times)[3]	2.4x	2.5x

- Actions to strengthen balance sheet starting to deliver
- $115m improvement in net debt position
- Leverage ratio improved through 2H
- Gearing below 30%

Ma'aden Phosphate Company, Ras Al-Khair site

[1] Net debt to net debt+equity
[2] Loans, finance lease and overdrafts
[3] As defined for debt covenant calculations

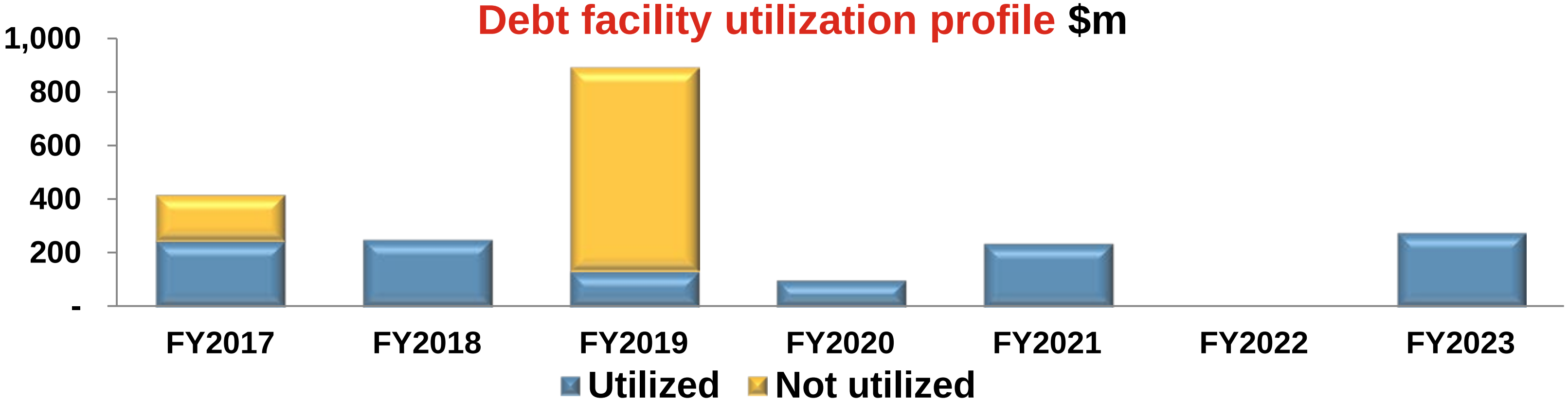
Liquidity and debt maturity profile



Liquidity summary $m	FY2016	FY2015	vs. FY2016
Loan, finance lease & overdraft facilities	**2,182**	2,087	4.6%
Less: facilities utilized	**(1,244)**	(1,240)	(0.3%)
Available facilities	**938**	847	10.7%
Plus: cash	**373**	382	(2.4%)
Total liquidity	**1,311**	1,229	6.7%
Bonding facilities	**1,159**	1,196	(4.4%)
Bonding facility utilization	**56%**	63%	(7.0pp)

- Gross debt flat, includes $27 million impact of foreign exchange
- Bonding facility utilization reduced due to completion of projects

Debt facility utilization profile $m



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Backlog

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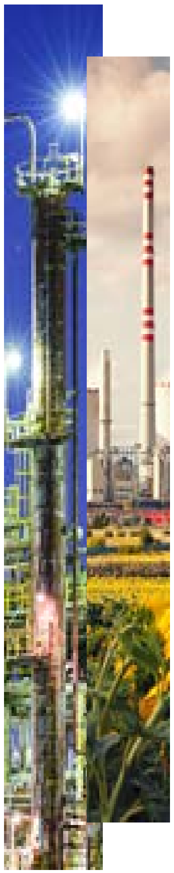
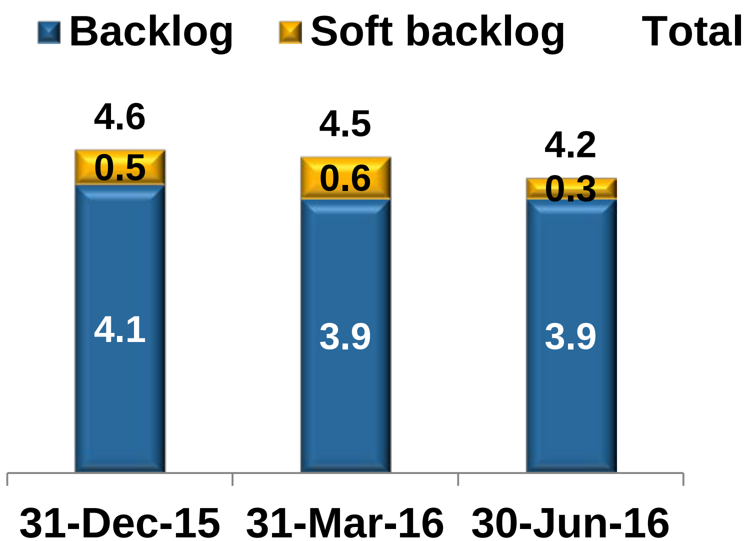
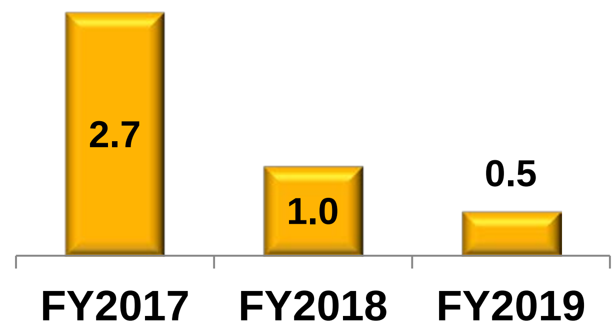
Backlog[1] as at 30 June 2016



36 months backlog ($B)



Approximate timing of backlog ($m)



- ▶ Current view of split of backlog across FY2017 – 2019
- ▶ Conversion to revenue is affected by pace of ramp up, taken conservative view in restatement

1.Refer to slide 43 for the definition of backlog.

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Full year results 2016

Outlook

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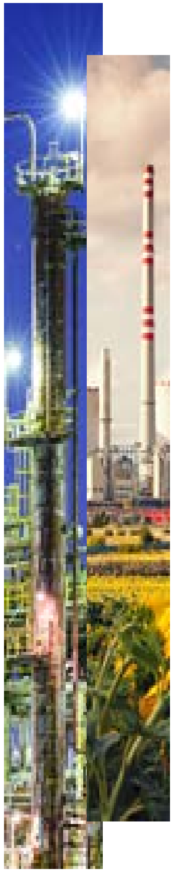
Group outlook



The Company expects trading conditions to remain challenging, leading to continued pressure on aggregated revenue. The Company is focused on protecting revenue and gross margin, achieving further overhead reductions and strengthening the balance sheet. The benefit of the cost reductions in the first half are expected to be reflected in second half earnings.

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Full year results 2016

Q&A

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Full year results 2016

Supplementary information

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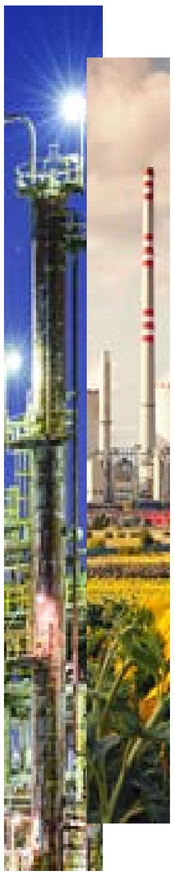
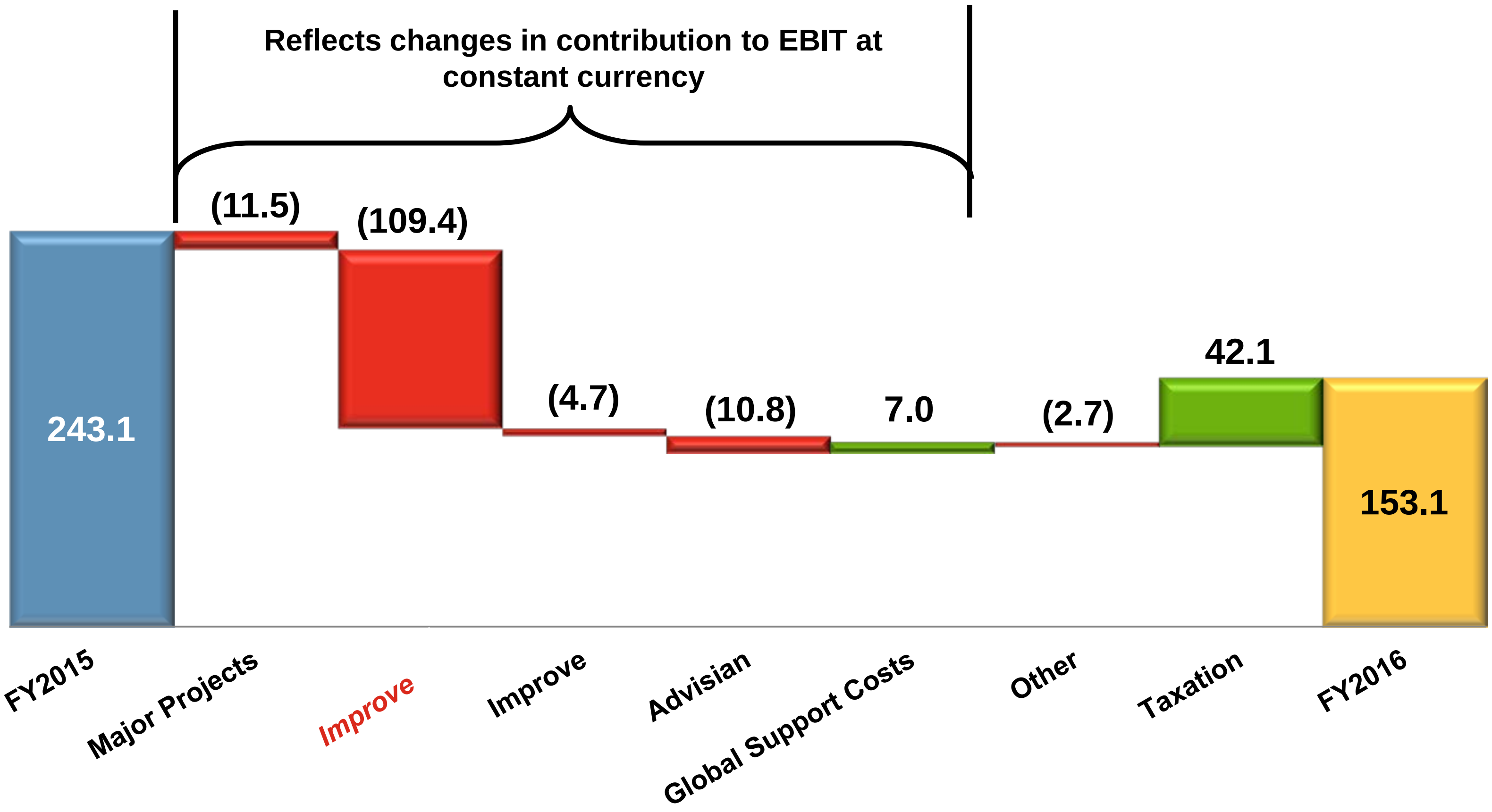
Underlying NPAT ($m)

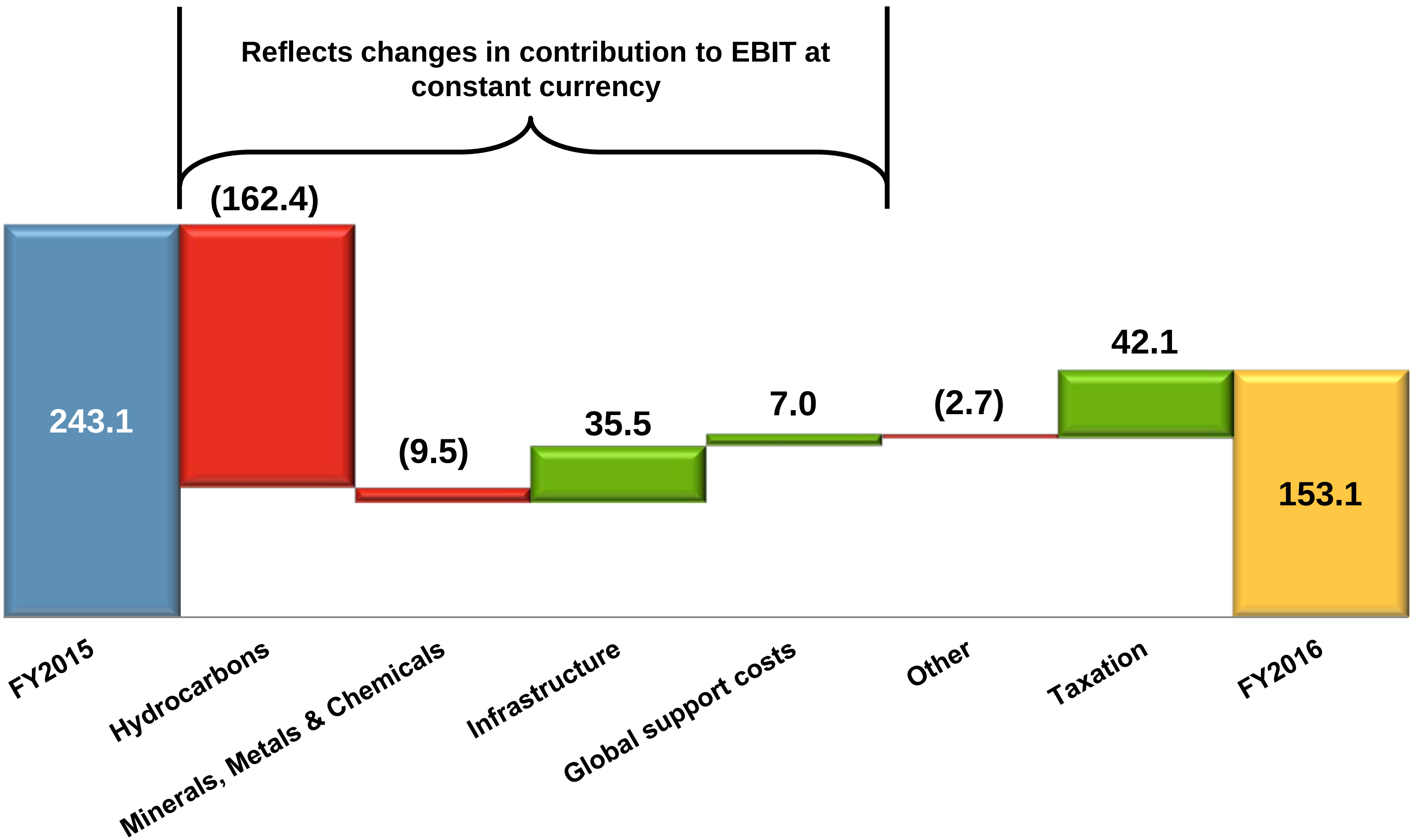
By business line (restated)



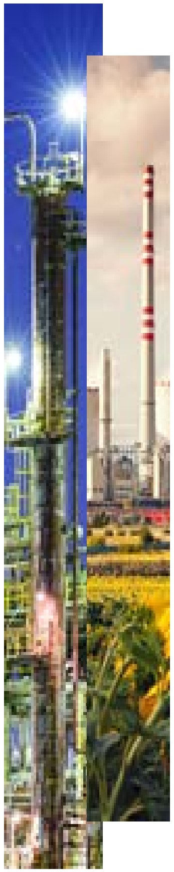


Underlying NPAT ($m)

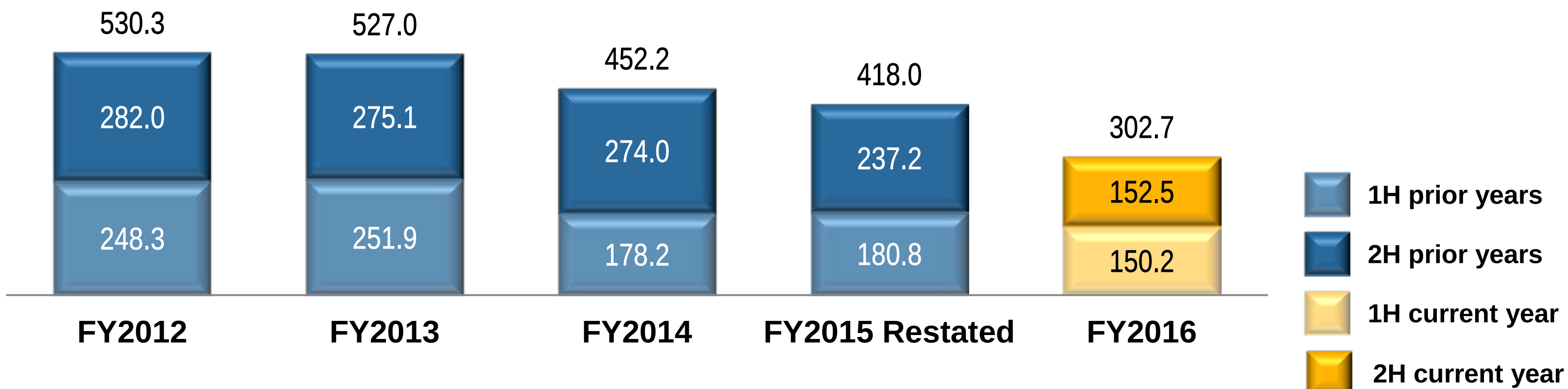
By sector (restated)



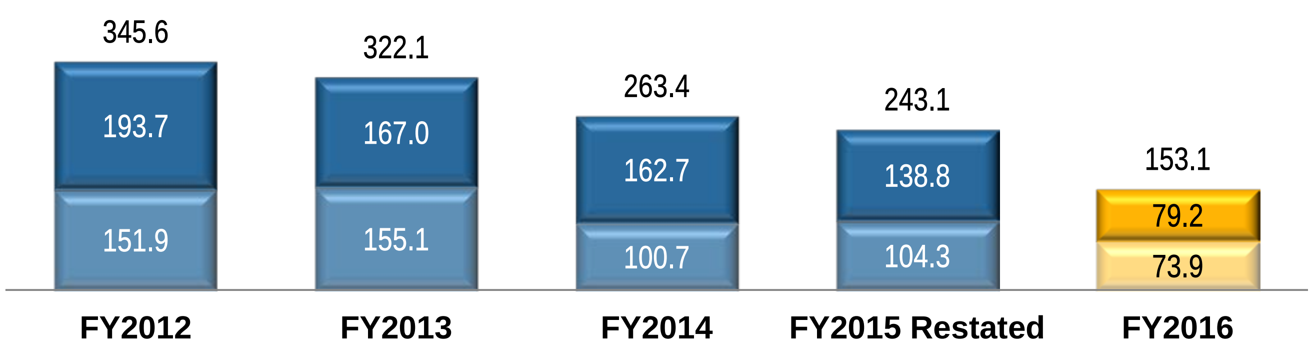
Underlying earnings profile



Group underlying EBIT $m

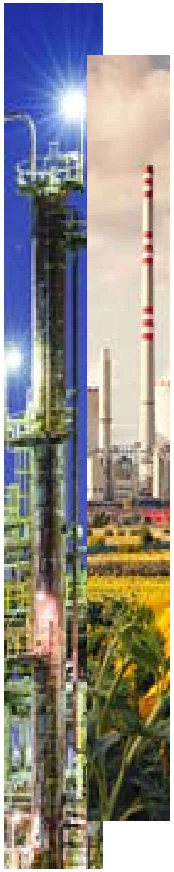


Group underlying NPAT $m

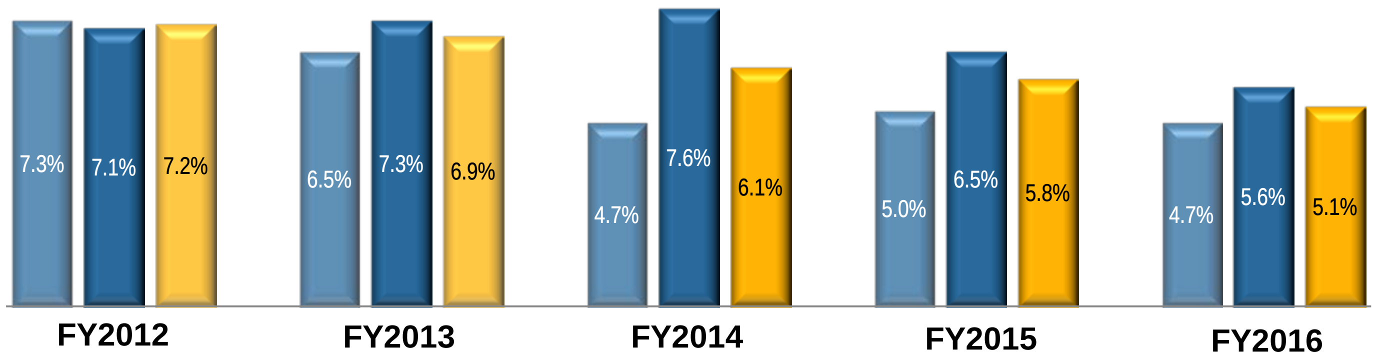


Underlying earnings profile

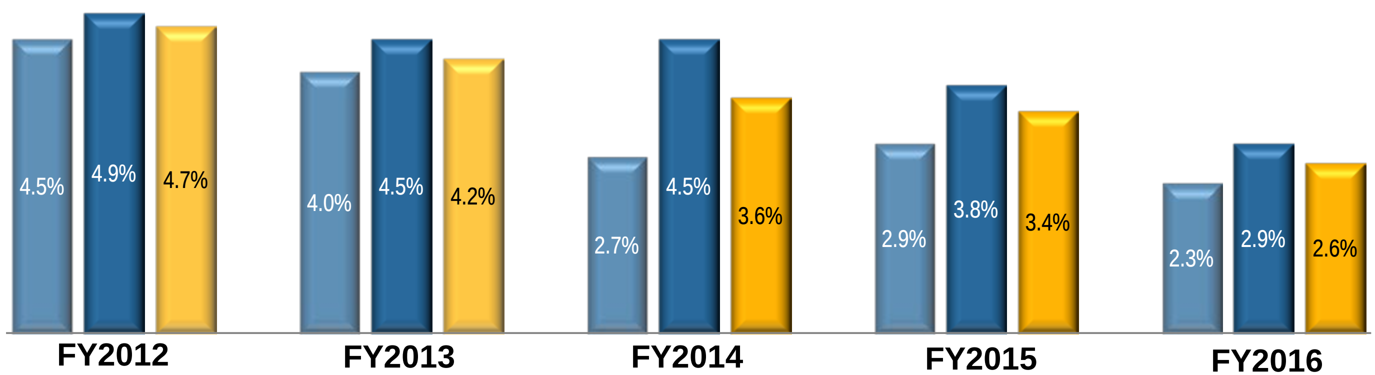
Margin profile



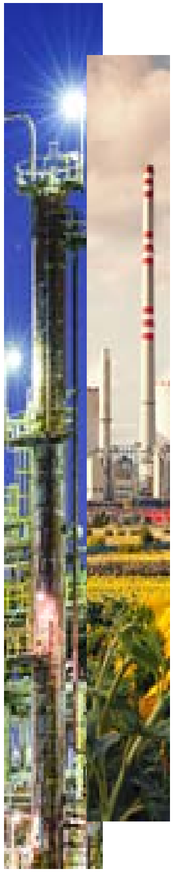
Operational Underlying EBIT %

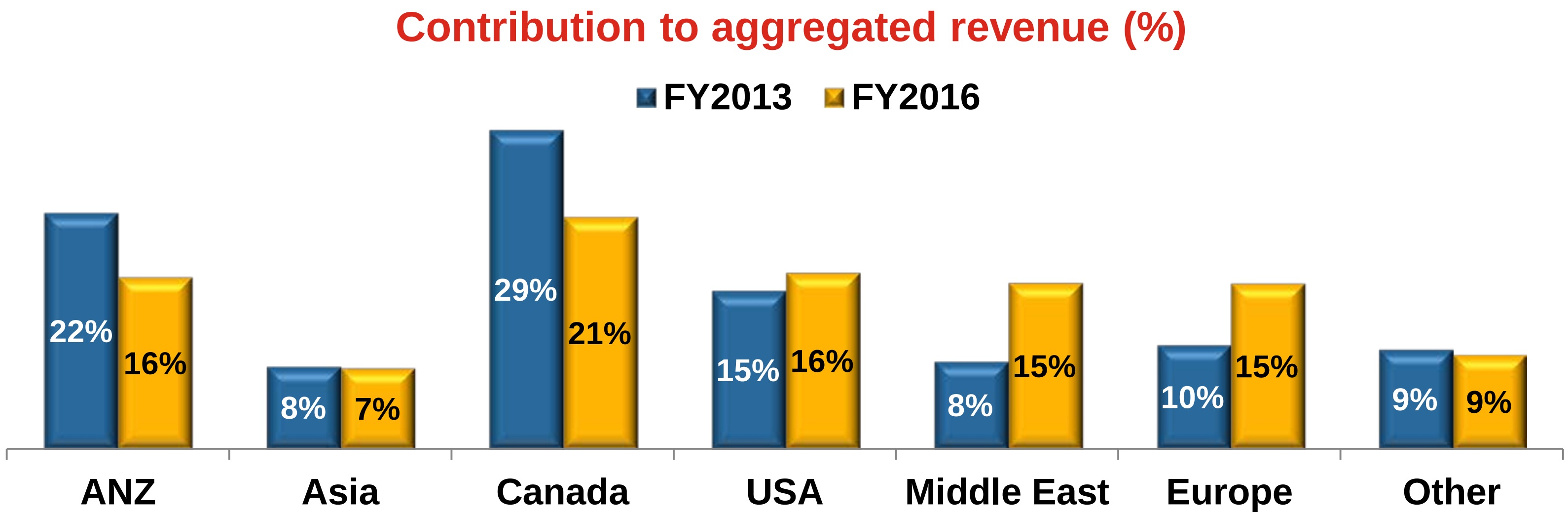


Operational Underlying NPAT %



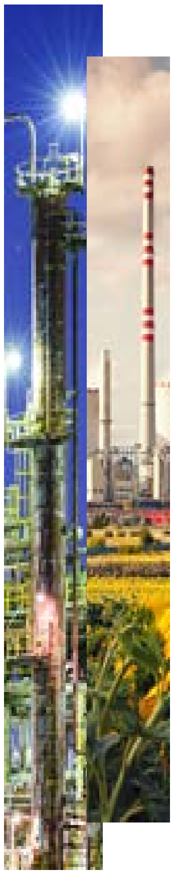
Understanding the business





- Australia impacted by decline in resources and energy investment boom
- Decline in greenfields and brownfields oil sands activity impacts Canada
- USA and Asia holding share but declining in absolute contribution
- Europe and Middle East contribution is growing

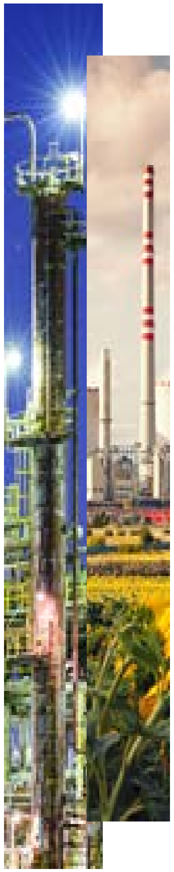
Revenue reconciliation



$m	FY2016	FY2015	vs FY2015
Revenue and other income	**7,790.1**	**8,757.5**	**(11.0%)**
Less: Procurement revenue at nil margin	(2,226.4)	(2,038.0)	9.2%
Plus: Share of revenue from associates	342.5	514.6	(33.4%)
Less: Interest income	(8.8)	(6.6)	33.3%
Less: Net gain on revaluation of investments previously accounted for as joint operations	(4.5)	-	N/A
Aggregated revenue*	**5,892.9**	**7,227.5**	**(18.5%)**
Professional services	4,972.1	5,992.3	(17.0%)
Construction and fabrication	561.6	857.9	(34.5%)
Procurement revenue at margin	357.5	373.1	(4.2%)
Other income	1.7	4.2	(59.5%)

*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 joint operations. 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.

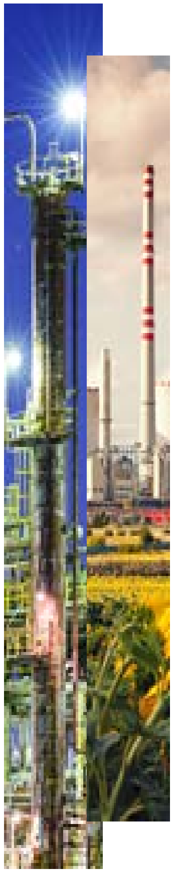
Reconciliation

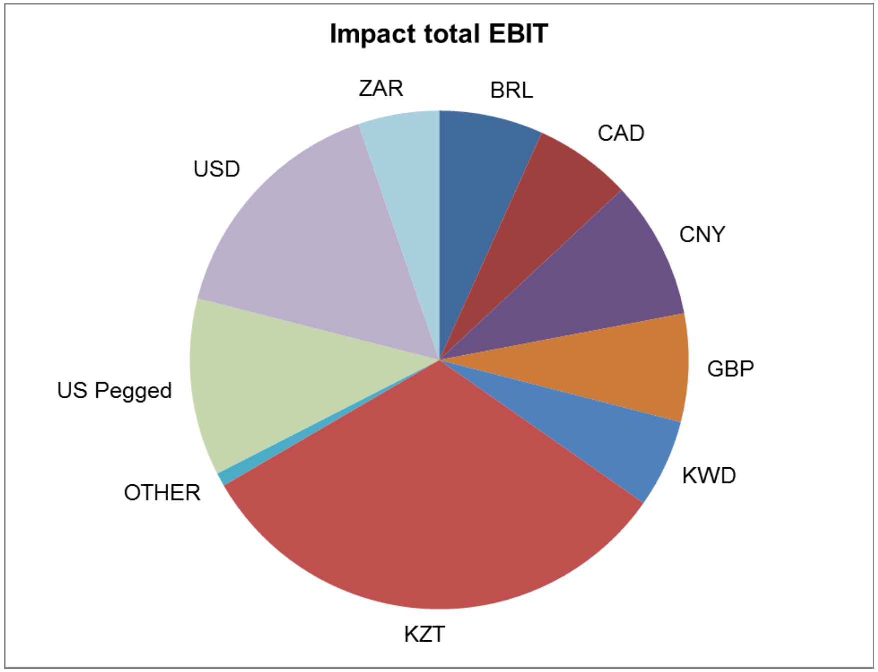


$m	FY2016	FY2015
EBIT	**128.9**	**87.1**
Add: impairment of goodwill	-	198.6
Add: Arkutun-Dagi project settlement costs	-	70.0
Less: net gain on revaluation of investments previously accounted for as joint operations	(4.5)	-
Add: staff restructuring costs	76.8	38.3
Add: onerous lease contracts	86.4	20.2
Add: onerous engineering software licences	14.3	-
Add: other restructuring costs	4.6	3.8
Add: write down of investments in equity accounted associates	12.1	-
Less: certain functional currency related foreign exchange gains	(15.9)	-
Underlying EBIT	**302.7**	**418.0**

Foreign Exchange

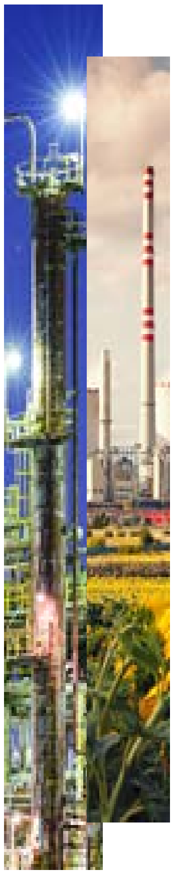
Effects of different currencies offset each other



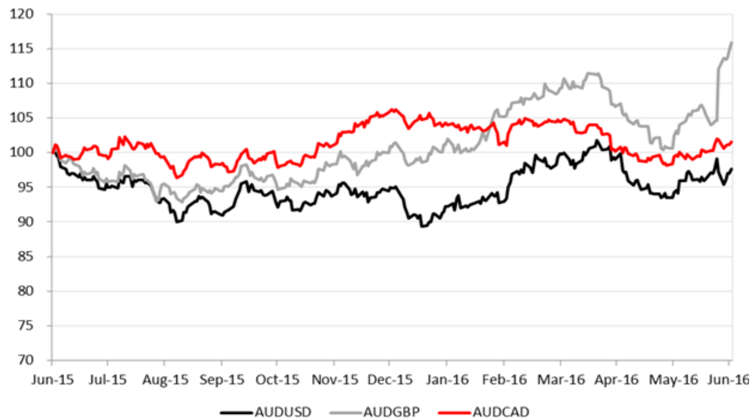


Currency	Average exchange rate movement	Spot exchange rate movement
BRL	20.63%	(1.09%)
CAD	(1.24%)	1.10%
CNY	(9.44%)	3.25%
EUR	(5.65%)	(2.83%)
GBP	(7.41%)	13.85%
KZT	42.84%	75.36%
NOK	2.96%	3.04%
SGD	(7.59%)	(3.38%)
USD	(12.98%)	(3.71%)

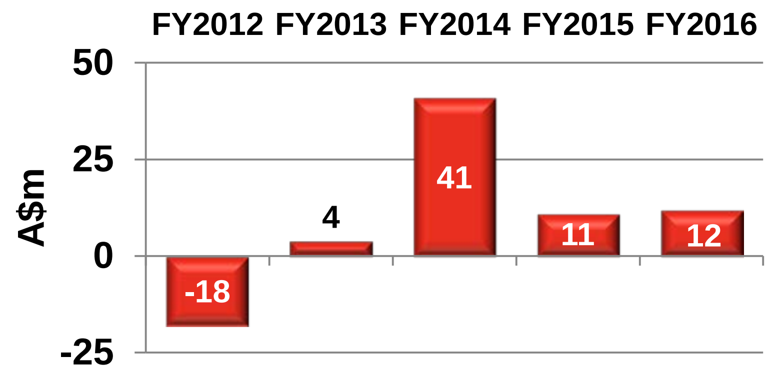
FX translation impact



Movement in major currencies against AUD



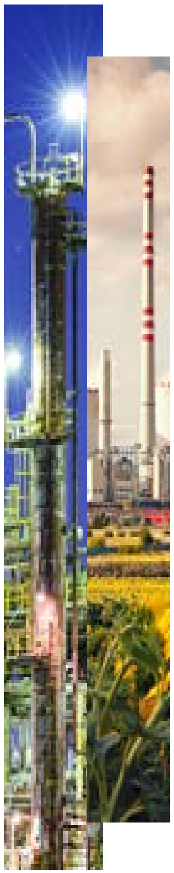
Group EBIT FX Translation impact



Currency	AUD $m NPAT translation impact of 1c ∆
AUD:USD	0.3
AUD:GBP	0.5
AUD:CAD	(0.1)

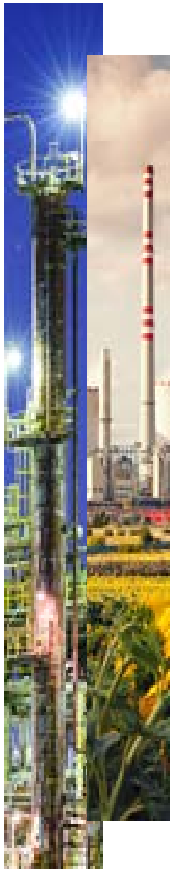
Currency	FY16	FY15	FY∆
AUD:USD	72.8	83.7	(13.0%)
AUD:GBP	49.1	53.1	(7.4%)
AUD:CAD	96.5	97.7	(1.2%)

Backlog definition from 30 June 2016



- Represents 3 years/36 months view
- Includes total dollar value of the amount of revenues we expect to record in the future as a result of work performed under contracts or purchase/work orders awarded to WorleyParsons.
- With respect to long term agreements and framework agreements we include an amount for the work we expect to receive over the period under consideration. This is shown as soft backlog in this presentation
- View of backlog is sensitive to timing of awards and as such conservative view of timing has been adopted

Acronyms



DSO	–	Day Sales Outstanding
EDS	–	Engineering and Design Services
E&P	–	Engineering and Procurement
EPC	–	Engineering, Procurement and Construction
EPCM	–	Engineering, Procurement and Construction Management
ESA	–	Engineering Services Agreement
ESP	–	Engineering Services Provider
FEED	–	Front End Engineering Design
FEL	–	Front End Loading
FY	–	Financial Year
GDC	–	Global Delivery Centers
GSA	–	General Services Agreement
HSE	–	Health Safety and Environment
HY	–	Half Year
IPMT	–	Integrated Project Management Team
MSA	–	Master Service Agreement
NPAT	–	Net Profit After Tax
O&M	–	Operations and Maintenance
PCM	–	Procurement and Construction Management
PMC	–	Project Management Consultant/Consultancy

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