



WorleyParsons

resources & energy

Realize our future

Sydney Investor Day 2016

Andrew Wood

Disclaimer

The information in this presentation about the WorleyParsons Group and its activities is current as at 30 April 2016 and should be read in conjunction with the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2015. It is in summary form and is not necessarily complete. The financial information contained in the Interim Financial Report for the half year ended 31 December 2015 has been reviewed, but not audited by the Group's external auditors. The financial information presented to year to date April 2016 has not been reviewed or audited by the Group's external auditors.

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

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OneWay – Fort McMurray evacuation



Trading conditions – Overview

- ▶ Industry activity levels expected to remain low
- ▶ Customers remain cautious
- ▶ Focused on cost, cash, and safely delivering what we promise to customers
- ▶ Committed to resources and energy industries and our leadership position in Hydrocarbons
- ▶ Positive feedback on project performance from customers
- ▶ Positive signs of growing market share in core business
- ▶ Awards continue to flow
- ▶ Bain & Company assisting with transformation program

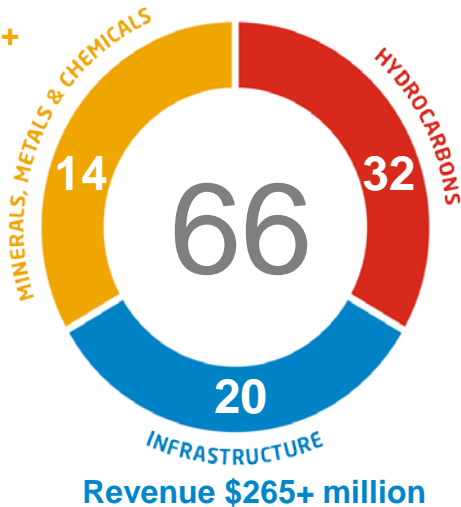


Trading conditions - Significant awards flow

Making good progress in Chemicals and Infrastructure

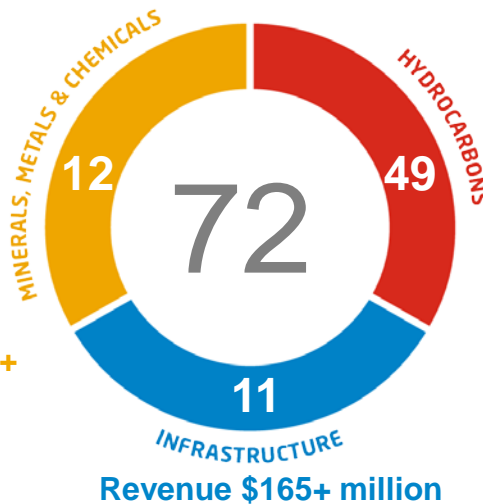
YTD 3Q2016 Significant awards YTD 3Q2015 Significant awards

Revenue \$480+ million



Revenue \$1.55+ billion (includes recent BP AGT award)

Revenue \$175+ million



Revenue \$2.5+ billion (including renewal of \$900 million long term contracts)

\$2.3+ billion in significant awards

\$2.8 billion in significant awards

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



WorleyParsons

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Realize our future

What we do

Andrew Wood

What we do – Helping our customers solve complex problems

Our purpose

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

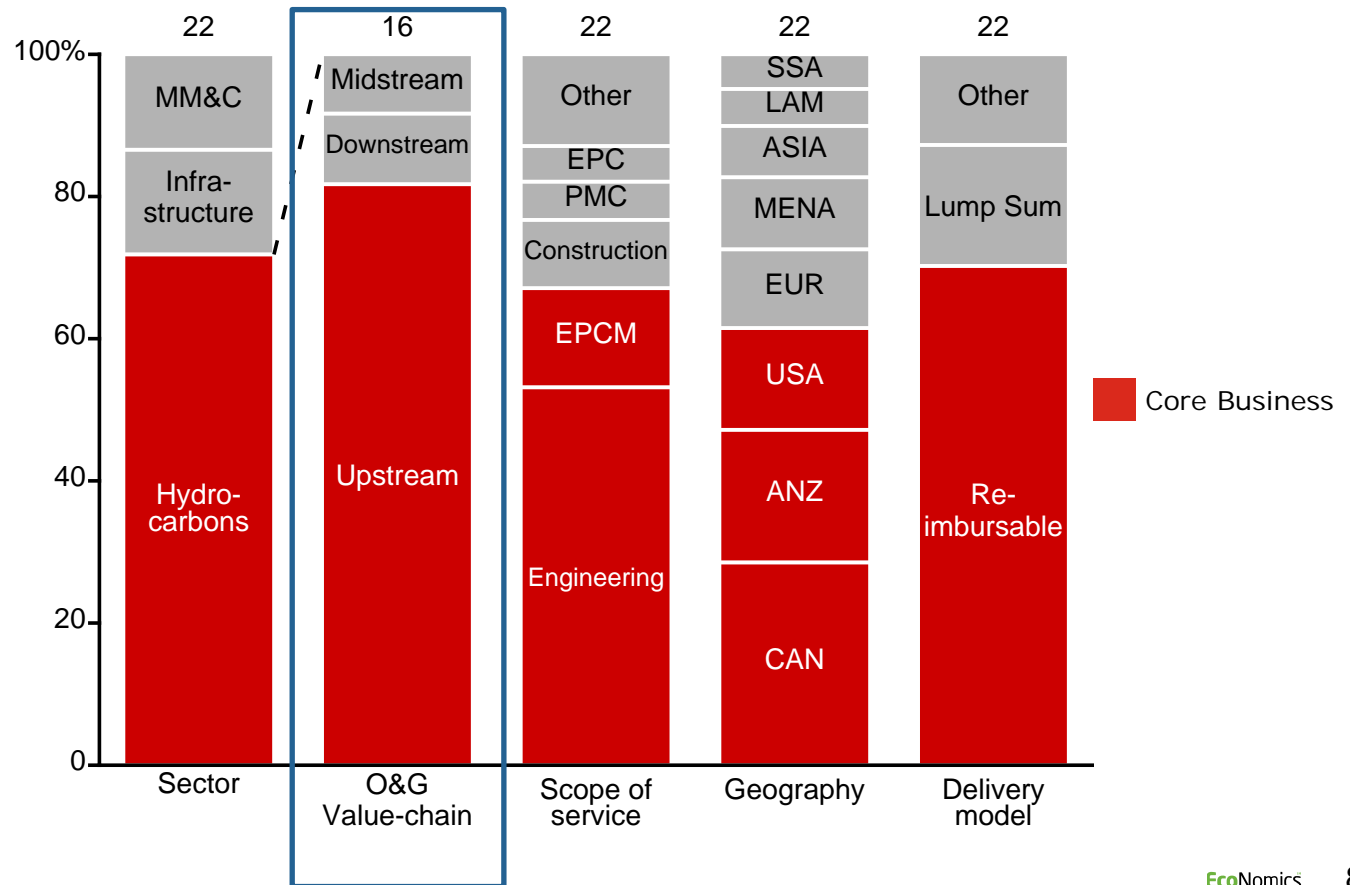
We can only do this with the support of our shareholders, earned by delivering earnings growth and a satisfactory return on investment.



What we do – Where we play

Leadership position in upstream engineering

FY13 - 15 Revenue (AUD \$B)



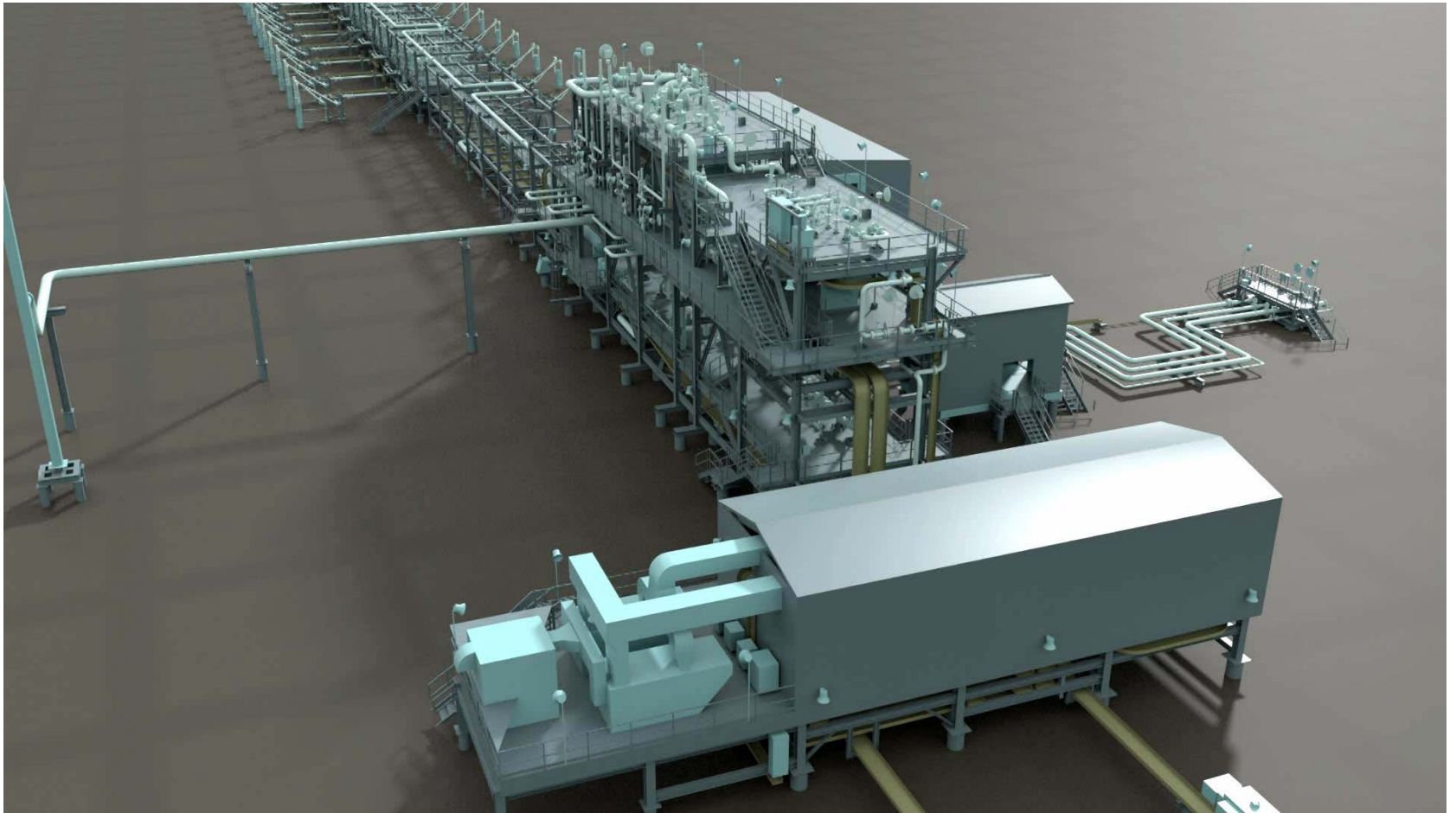
What we do – Upstream onshore



What we do: Upstream offshore



What we do: Heavy oil sands innovative approaches



What we do: Market leading supply chain innovation



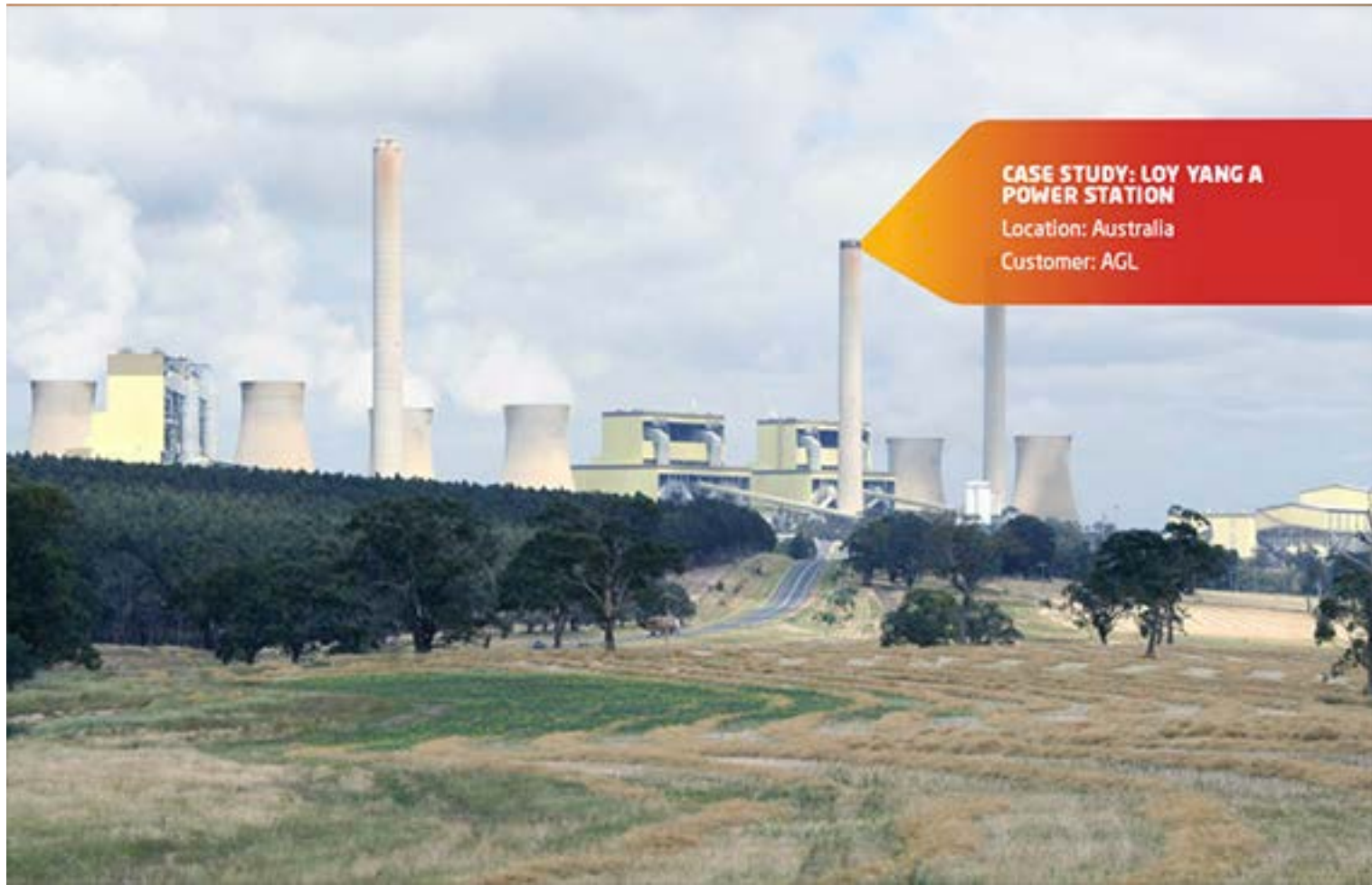
What we do: Break through project delivery



What we do: BASF cloned polymer plants for Brazil and China



What we do – Power station and mine maintenance



What we do: New energy, renewables





WorleyParsons

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Realize our future

Understanding the business

Tom Honan

Understanding our business

Strategy to reposition the business

- ▶ Diversify the customer base
- ▶ Respond to decline in demand for mega projects and refocus on local customers
- ▶ Improve the performance of Infrastructure through focus on Power, Transport, Ports and Rail
- ▶ More balanced regional exposure by growing smaller regions of Middle East, Europe
- ▶ Backlog represents less than 12 months revenue and is shorter term in nature



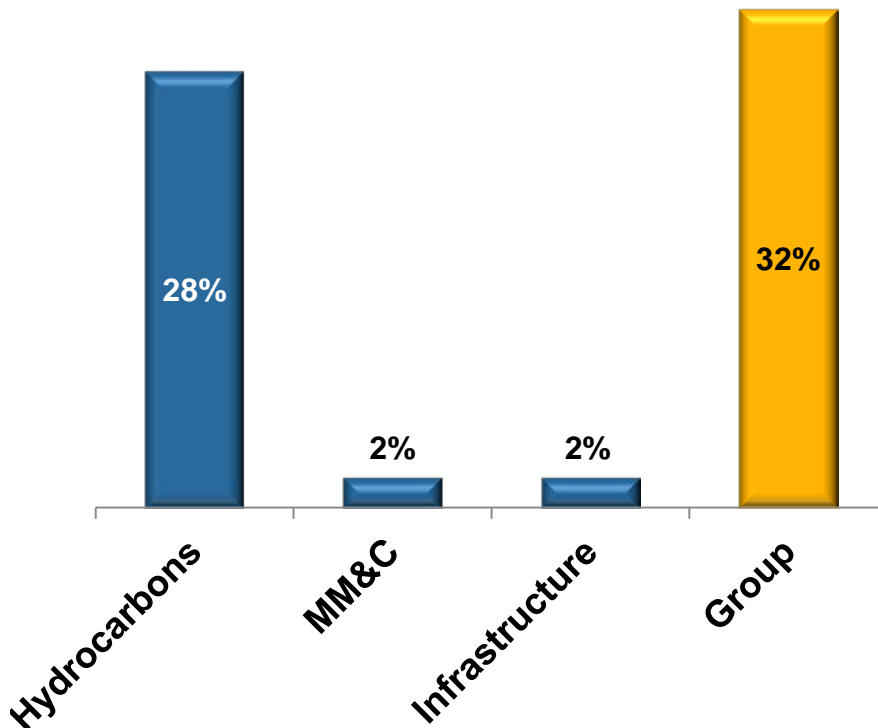
Understanding the business – Our customers

Diverse customer base

HYDROCARBONS	MINERALS, METALS & CHEMICALS	INFRASTRUCTURE
<p>Tier 1 customers include IOCs, NOCs and large EPC players such as ExxonMobil and Shell.</p> <p>Tier 2 customers include significant regional players, such as Anadarko and Repsol and regional NOCs.</p> <p>Tier 3 customers are those other than Tier 1 or Tier 2 and generally have assets in a single country with high local representation.</p>	<p>Tier 1 customers include global minerals, metals and & chemicals players such as BHP Billiton and Rio Tinto and significant Chemicals industry players.</p> <p>Tier 2 customers include significant regional players, Codelco.</p> <p>Tier 3 customers are those other than Tier 1 or Tier 2 and generally have assets in a single country with high local representation.</p>	<p>Tier 1 customers include major regional customers in power and utilities providers.</p> <p>Tier 2 customers include provincial or state based power and utility providers, and ports.</p> <p>Tier 3 customers are those other than Tier 1 or Tier 2 in power and utilities and rail customers.</p>



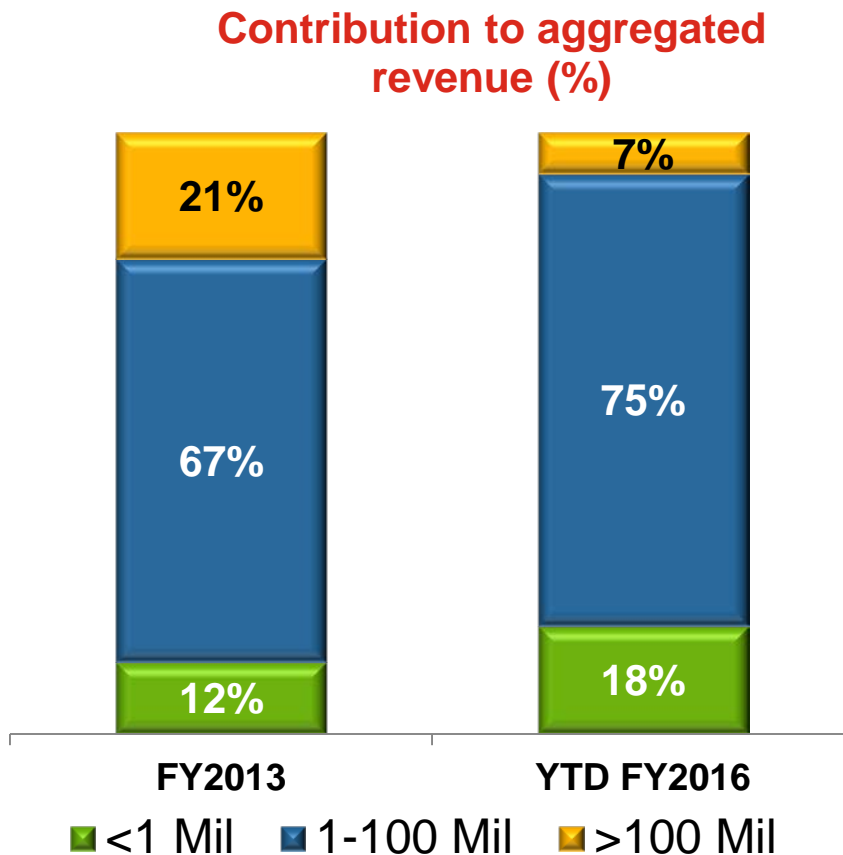
Understanding our business – Top 10 customers by sector



- ▶ The Group's top 10 customers contribute 32% of the total gross margin
- ▶ Recovery in Infrastructure sector
- ▶ Gross margin earned from the top 10 customers in Hydrocarbons sector declined
- ▶ Gross margin earned from the top 10 customers in the MM&C sector was stable
- ▶ Includes some Tier 2 customers

Understanding the business - Contract value

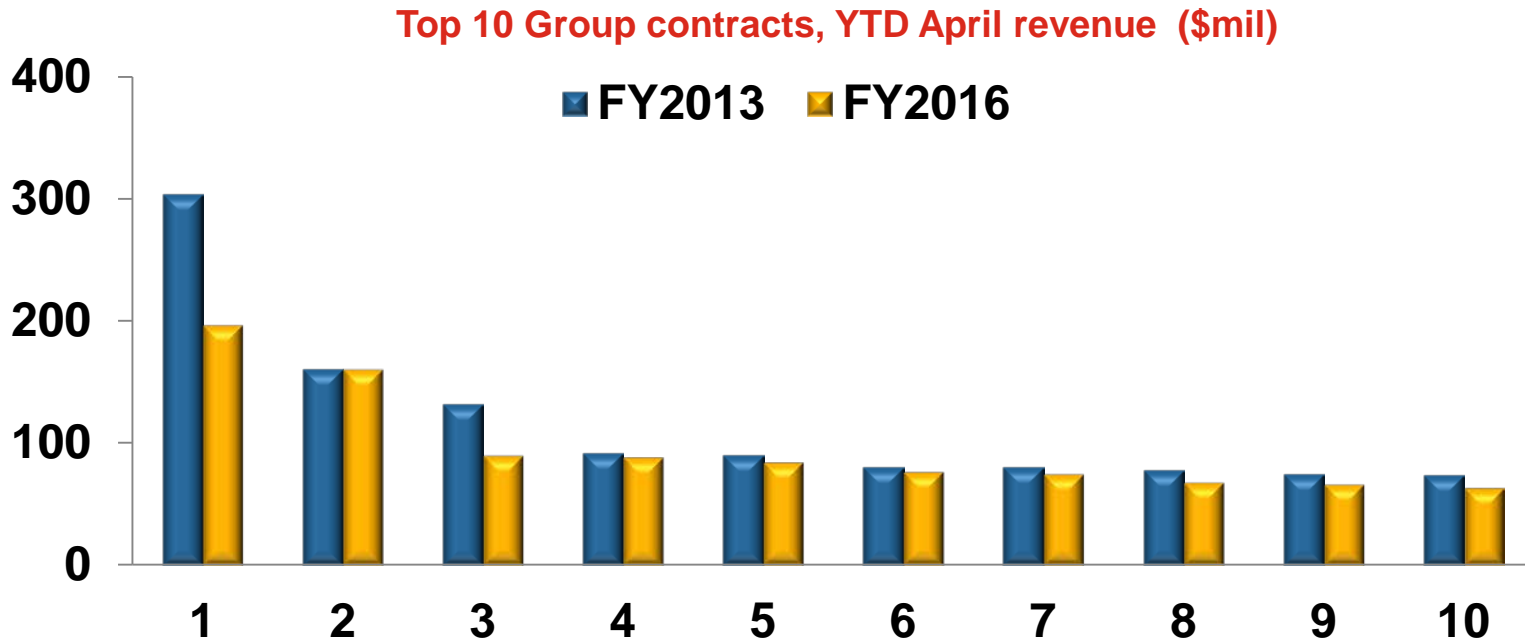
Average size of contract has decreased



- ▶ Typically less than 10 contracts per year are over \$100 mil
- ▶ Hundreds of medium sized contracts
- ▶ Thousands of small contracts
- ▶ In FY2013 50% of the revenue came from contracts smaller than \$20 million
- ▶ In FY2016 that threshold is now \$12.5 million

Understanding the business – Top 10 Group contracts

Majority of earnings come from smaller contracts

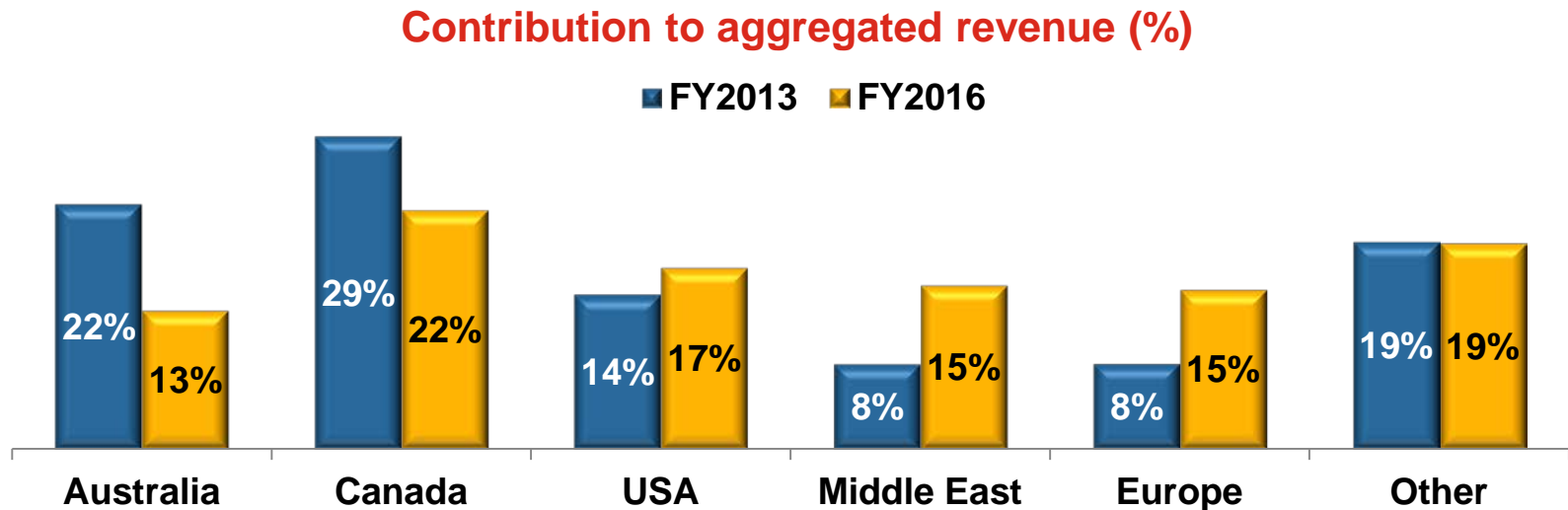


Top 10 Group contracts account for approximately 20% of YTD revenue in FY2016 (18% in FY2013).



Understanding the business – Regional revenue split

Europe and Middle East contribution is growing

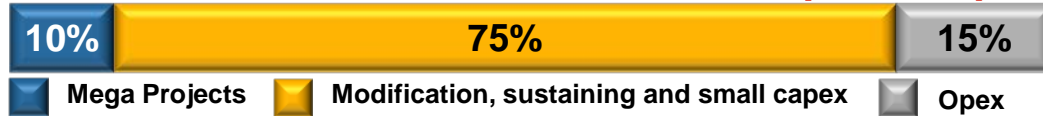


- ▶ Australia impacted by decline in resources and energy investment boom
- ▶ Decline in greenfields and brownfields oil sands activity impacts Canada
- ▶ USA holding share but declining in absolute contribution
- ▶ Middle East and Europe growing in share and absolute contribution

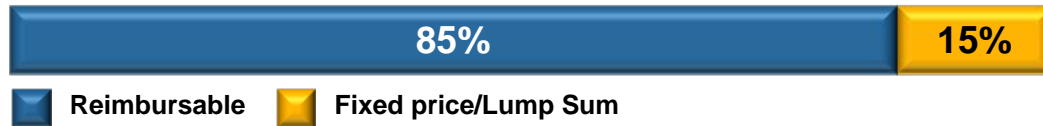
Understanding the business – Typical profile

Limited exposure to mega projects and LSTK contracts

Capex vs opex



Commercial model



Business lines



Sectors



Customers



Typical project duration < 12 months

Typical order book visibility 6 – 36 months



Understanding the business – Competitor comparison

Concentration to O&G design and engineering

Work Type	WorleyParsons	Competitor 1	Competitor 2	Competitor 3	Competitor 4	Competitor 5	Competitor 6	Competitor 7
E/EP/EPCM	80%+	30%	45%	<5%	62%	10%	10%	20%
EPC	<10%	50%	50%	72%	27%	70%	70%	70%
O&M	<5%	10%	-	5%	11%	10%	<10%	-
Other	<5%	10%	5%	20%	-	10%	<15%	10%

X%

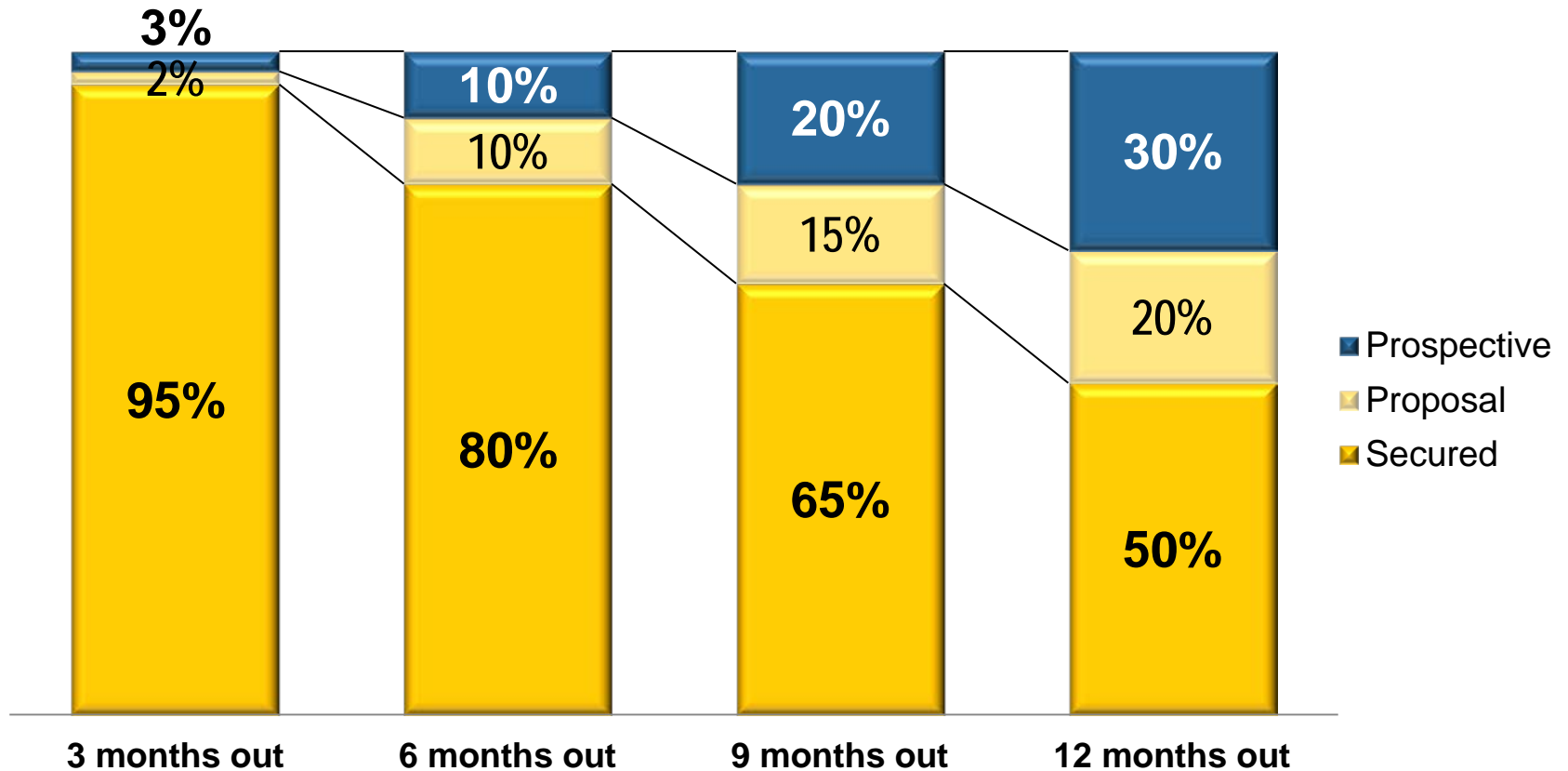
High concentration >50% exposure per work type



Understanding the business – Trends in revenue security

Earnings security from smaller, shorter projects

Typical earnings security profile through the year %

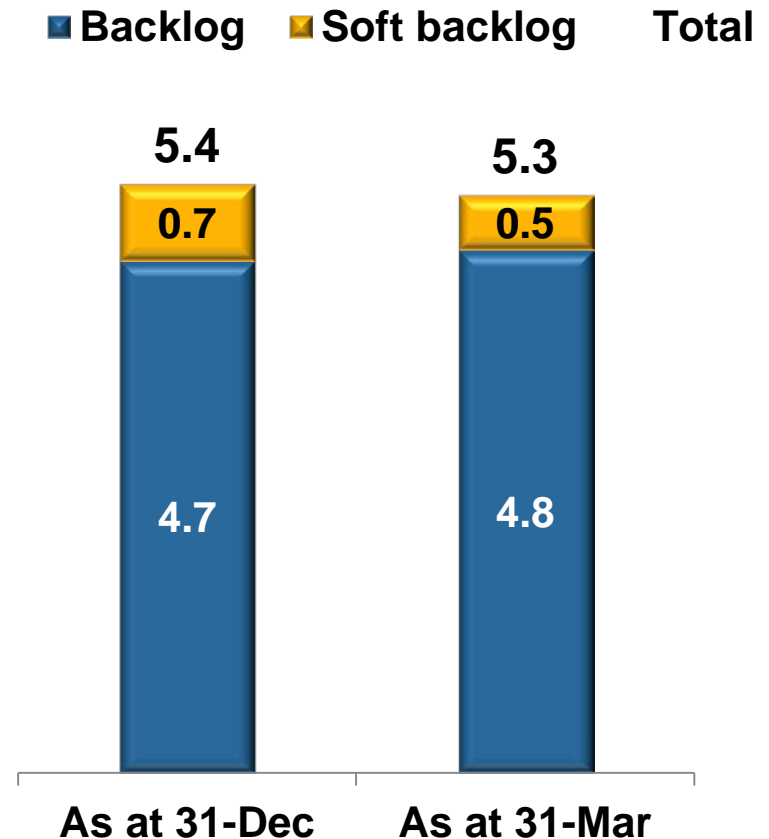


Understanding the business – WorleyParsons Backlog

Definition

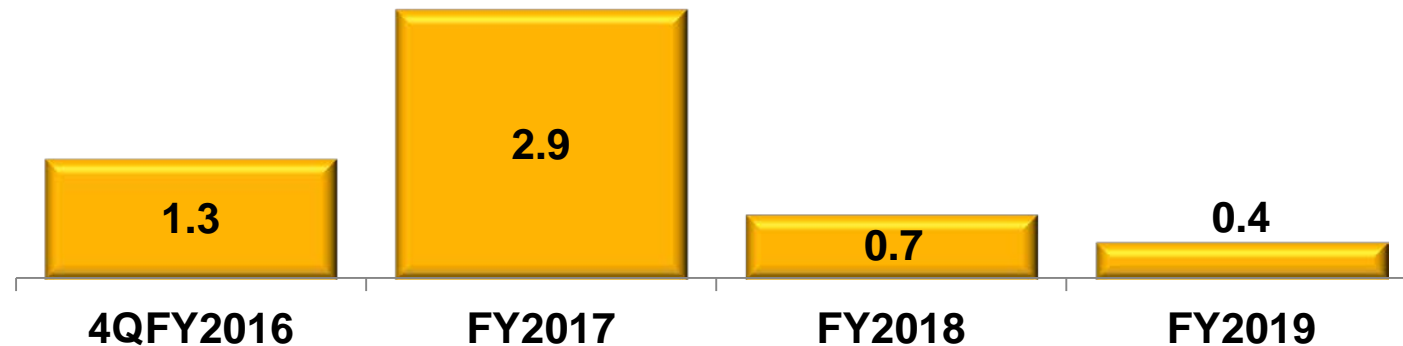
- ▶ Represents 3 years/36 months view
- ▶ Includes total dollar value of the amount of revenues we expect to record in the future as a result of work performed under contracts or received purchase/work orders awarded to WorleyParsons.
- ▶ With respect to long term agreements and framework agreements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

36 months backlog (\$B)



Understanding the business – Backlog as at 31 March 2016

Approximate timing of backlog (\$m)



- ▶ 4Q backlog represents a significant proportion of the expected revenue for the quarter
- ▶ Current view of split of backlog across FY2017 – 2019
- ▶ Conversion to revenue is affected by pace of ramp up
- ▶ FY2018 and beyond reflects mostly soft backlog for long term relationships and framework agreements





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Realize our future

Transformation Program

Tom Honan

Transformation program – Priorities for the next 6 to 18 months

Reduce internal costs

- Targeting a further \$180 million of ongoing annual overhead savings
- Maintain utilization > 85%
- Integrated team driving cost out program includes external advisors

Improve customer productivity

- Deliver enhanced value for the customer through targeted offerings including:
 - Asset productivity improvement
 - Supply chain optimization
 - China sourcing and modularization
 - Accelerate work stream transition to Global Delivery Center

Optimize the portfolio

- Grow offices with best near term opportunities
- Improve performance of offices below target financial metrics
- Sell selected non-core assets
- Close offices with lowest contribution and least prospects

Strengthen the balance sheet

- Improve DSO towards industry average of 65 days
- Tighter invoicing and cash collection processes
- Lower capital expenditure
- Goal to reduce net debt to EBITDA ratio to between 1.5 to 2.0 times (gearing ratio below 30%)



Transformation program - Overview

Strengthen the balance sheet and reduce internal costs

Cash hunt	Functional optimization	Business development	Project resources
HR policies	Geographic footprint	External spend	IT

Optimize portfolio

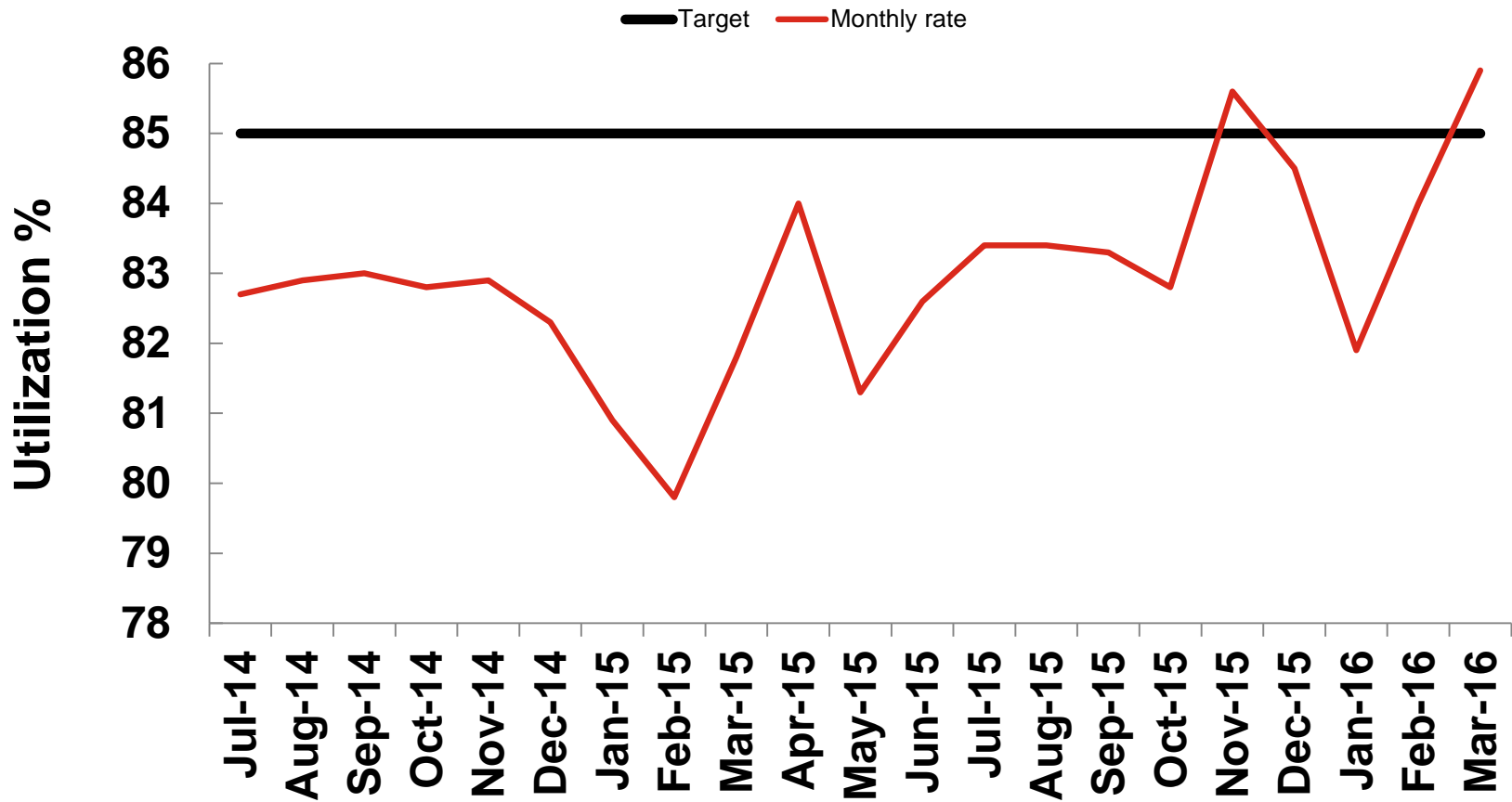
Improve customer productivity

Results Delivery Office (RDO)



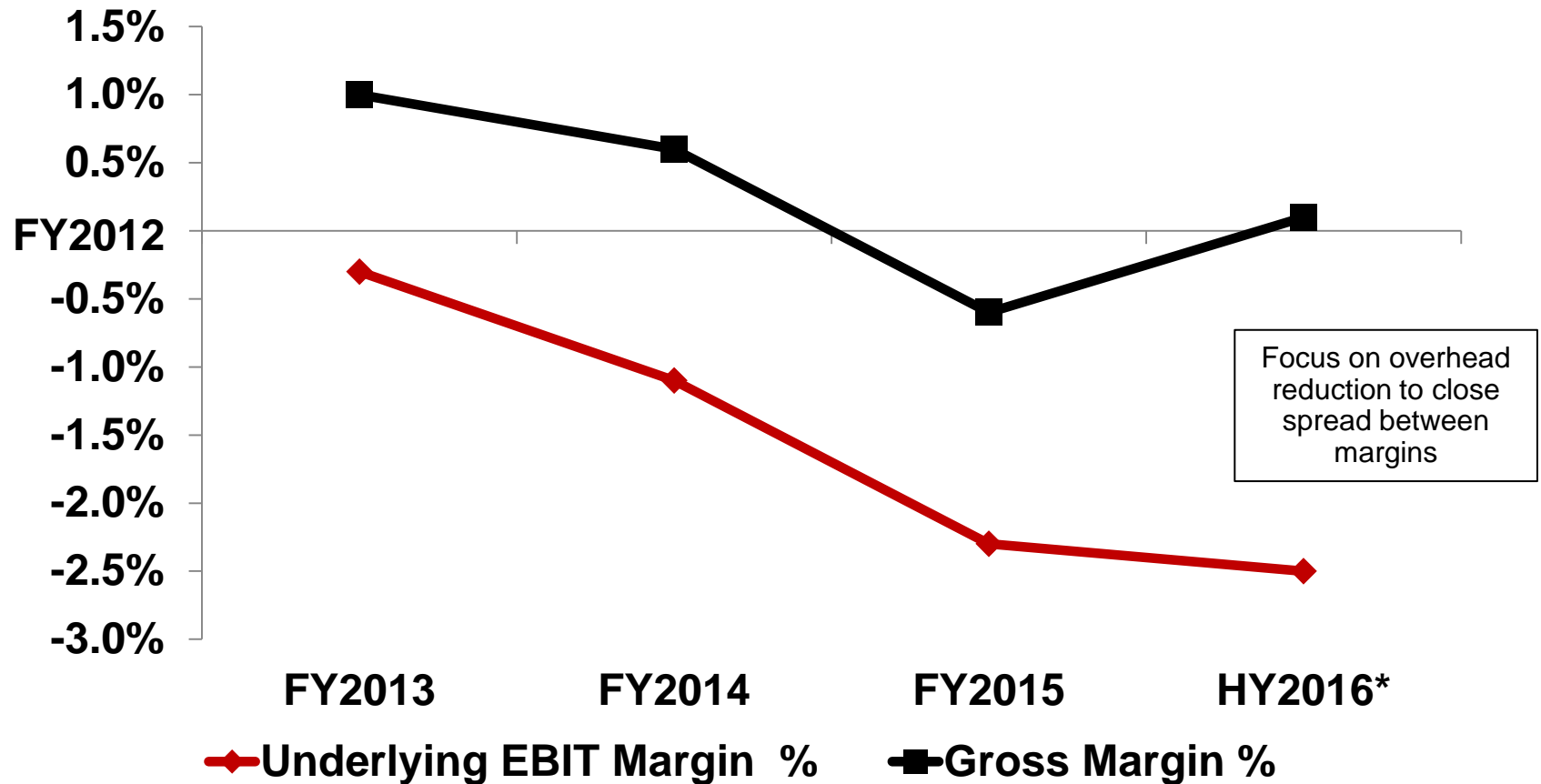
Transformation program – Focus on improving utilization

Monthly utilization trend improving



Transformation program – Reducing internal costs

Gross margin relatively stable



Transformation program – Reducing internal costs

Delivered \$120m annualized savings, targeting a further \$180m

DELIVERED - \$120 million ongoing annualized savings

- ▶ Eliminated overhead roles
- ▶ Property
- ▶ Engineering software licenses

SHORT TERM ACTIONS

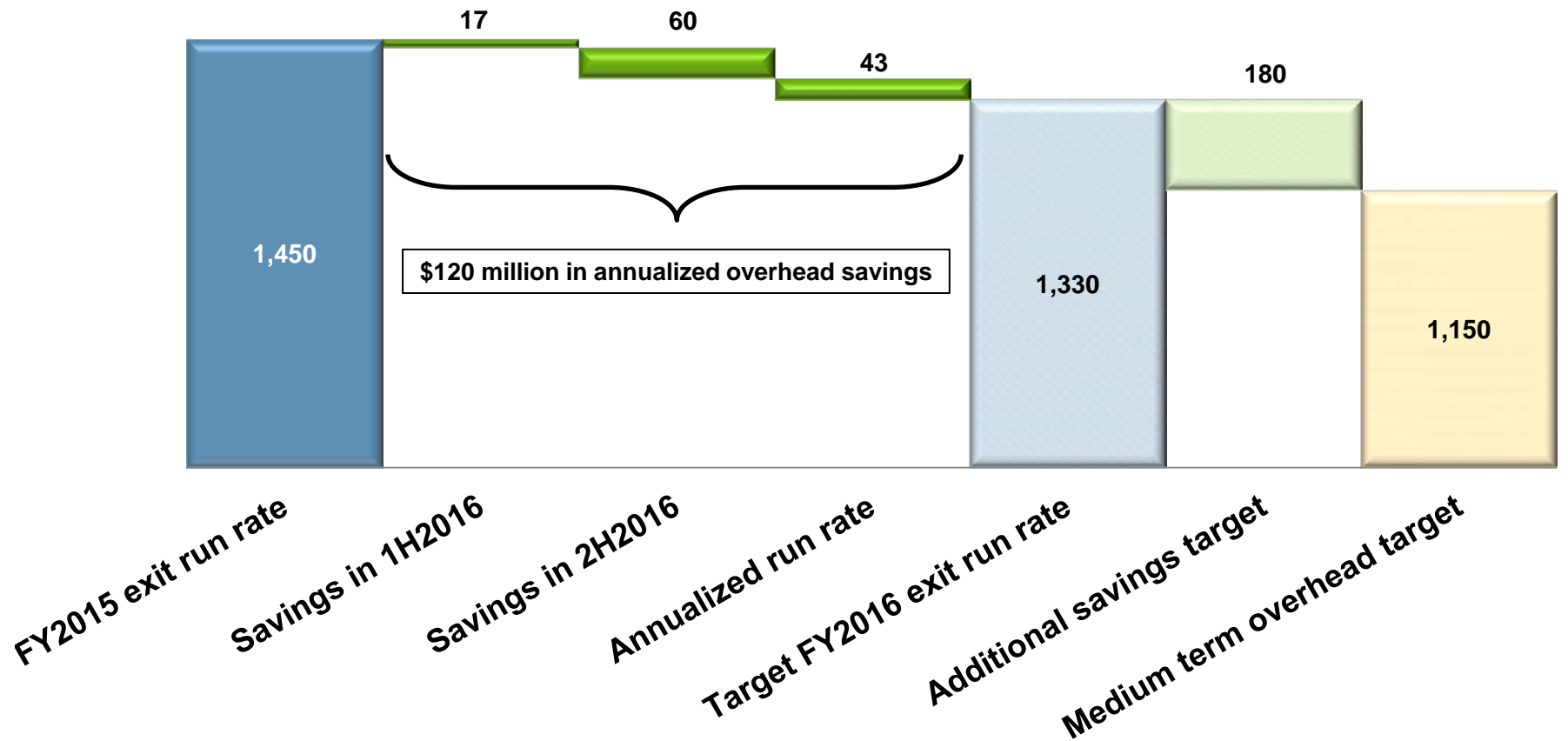
- ▶ Further overhead reductions through a range of measures

MEDIUM TERM ACTIONS

- ▶ Information technology savings
- ▶ Portfolio optimization
- ▶ Reduction in property spend
- ▶ Further overhead reductions

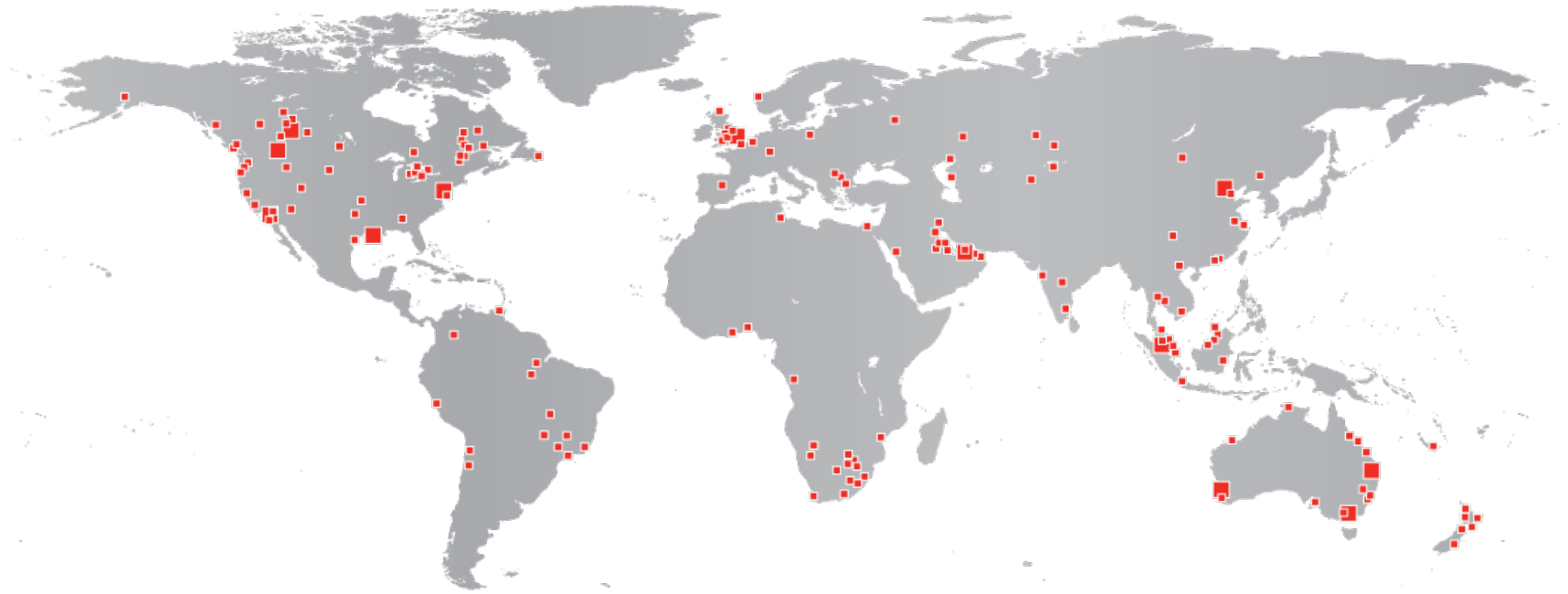
Transformation program - Overhead reduction of \$300 million

Underlying overhead reduction



Transformation program – Reduction in property spend

Further consolidation of floor space



26,100

People

124

Cities with offices

42

countries



Transformation program – Working capital improvements

Strengthening the balance sheet

SHORT TERM ACTIONS

- ▶ Lower capital expenditure
- ▶ Tighter invoicing and cash collection processes
- ▶ No interim dividend paid

MEDIUM TERM ACTIONS

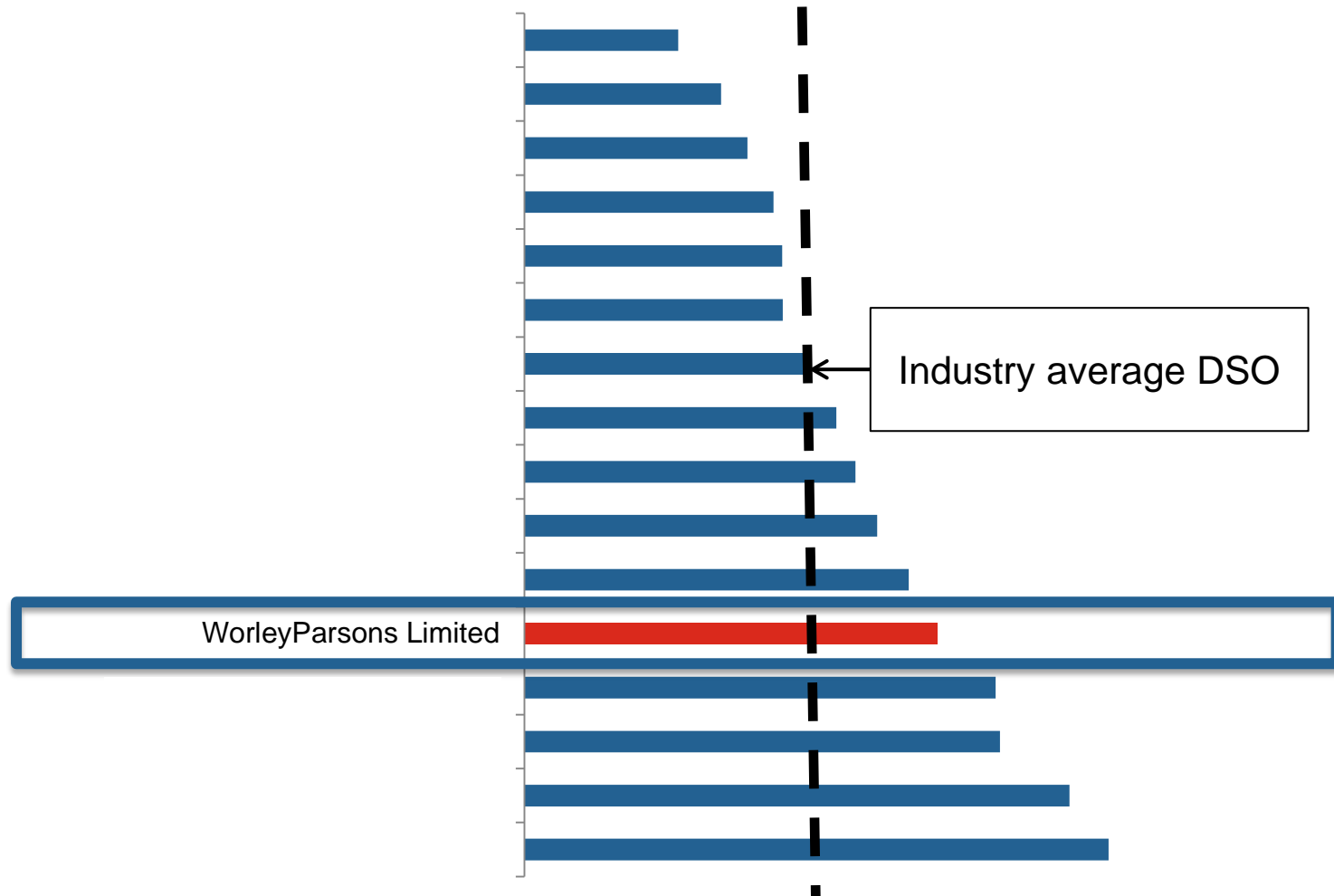
- ▶ Continue work to improve invoicing and cash collection
- ▶ Sell selected non-core assets
- ▶ Aiming for \$300 million improvement in cash

TARGETS

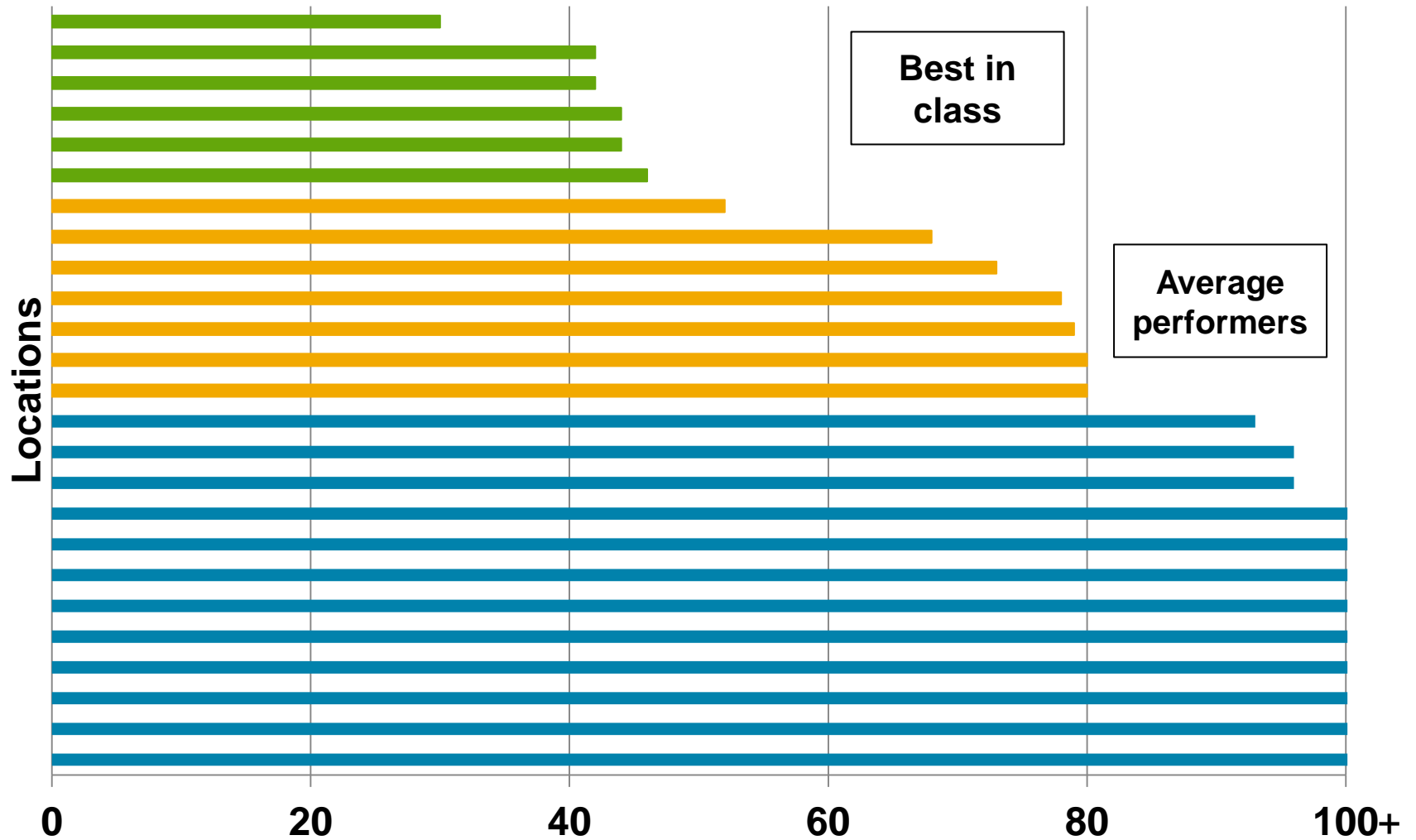
- ▶ DSO in line with industry average of 65 days
- ▶ Net debt/EBITDA range of 1.5 – 2.0 times, gearing <30%
- ▶ Dividend capacity

Transformation program – Competitor Day Sales Outstanding

Many of our competitors are able to collect faster

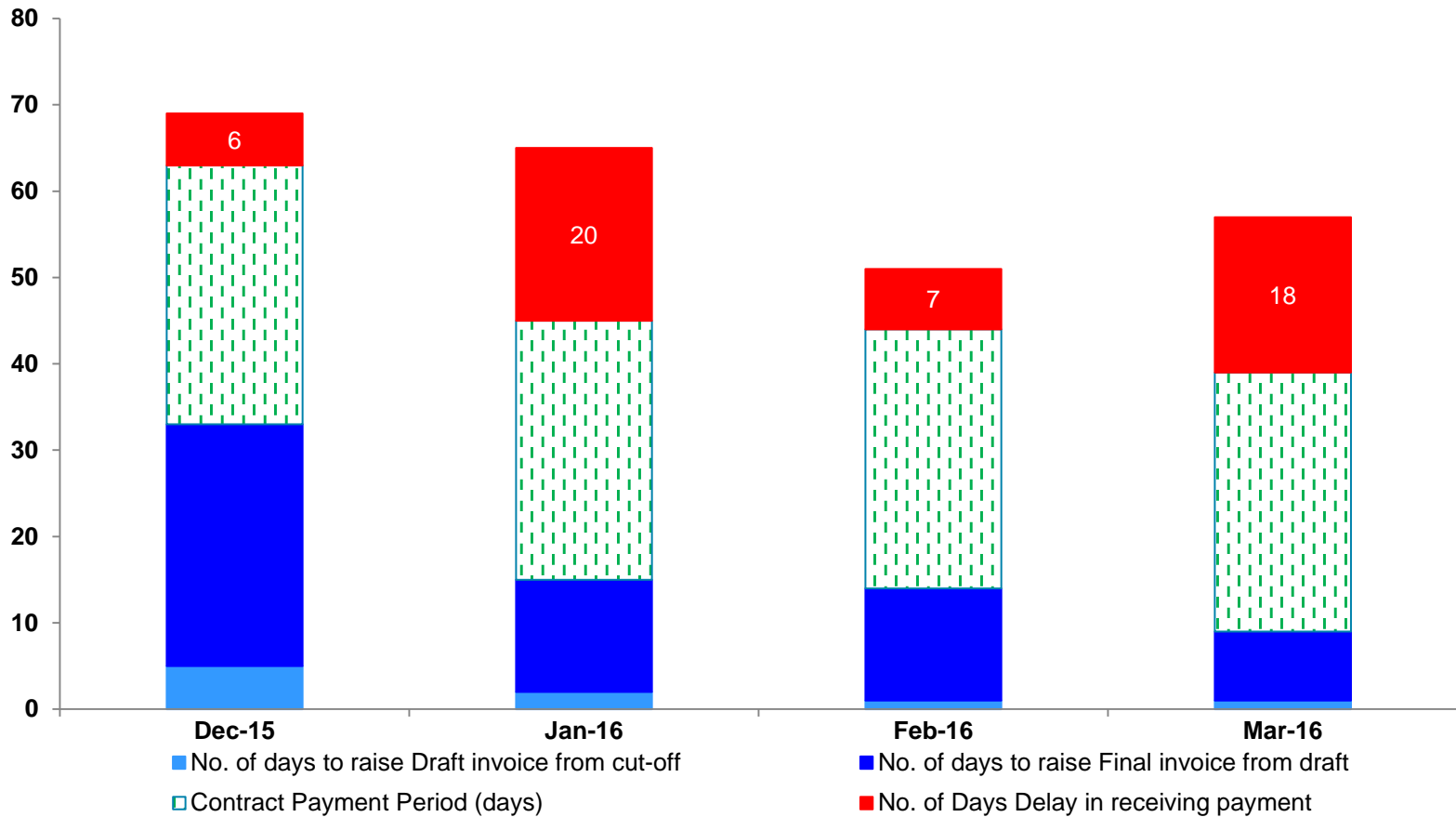


Working capital – WorleyParsons DSO Leaderboard



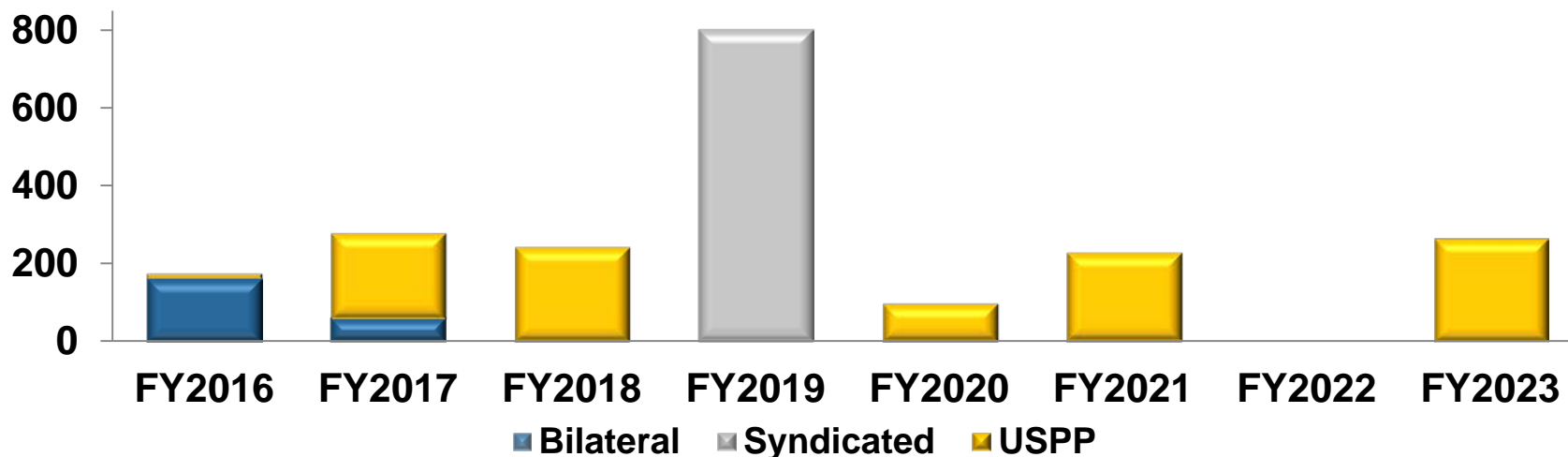
Working capital – A success story

Increased focus provides improvement



Transformation program – Objective to reduce level of net debt

FY2015 Facility type profile \$m



Debt Tranche	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
September 2012		USD 20 m			USD 75 m			USD 205 m
March 2011	USD 10 m		USD 22 m			USD 175 m		
April 2008			USD 144.5 m					
May 2007		USD 169.5 m						
Bilateral*	AUD 162.4 m	AUD 59.5 m						
Syndicated				USD 620 m				

* The Bilateral funding is multiple facilities in various different currencies with different lenders. Each amount has been translated to AUD for presentation in this table and graph





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Strategy update

Andrew Wood

Strategy update - Strategic framework

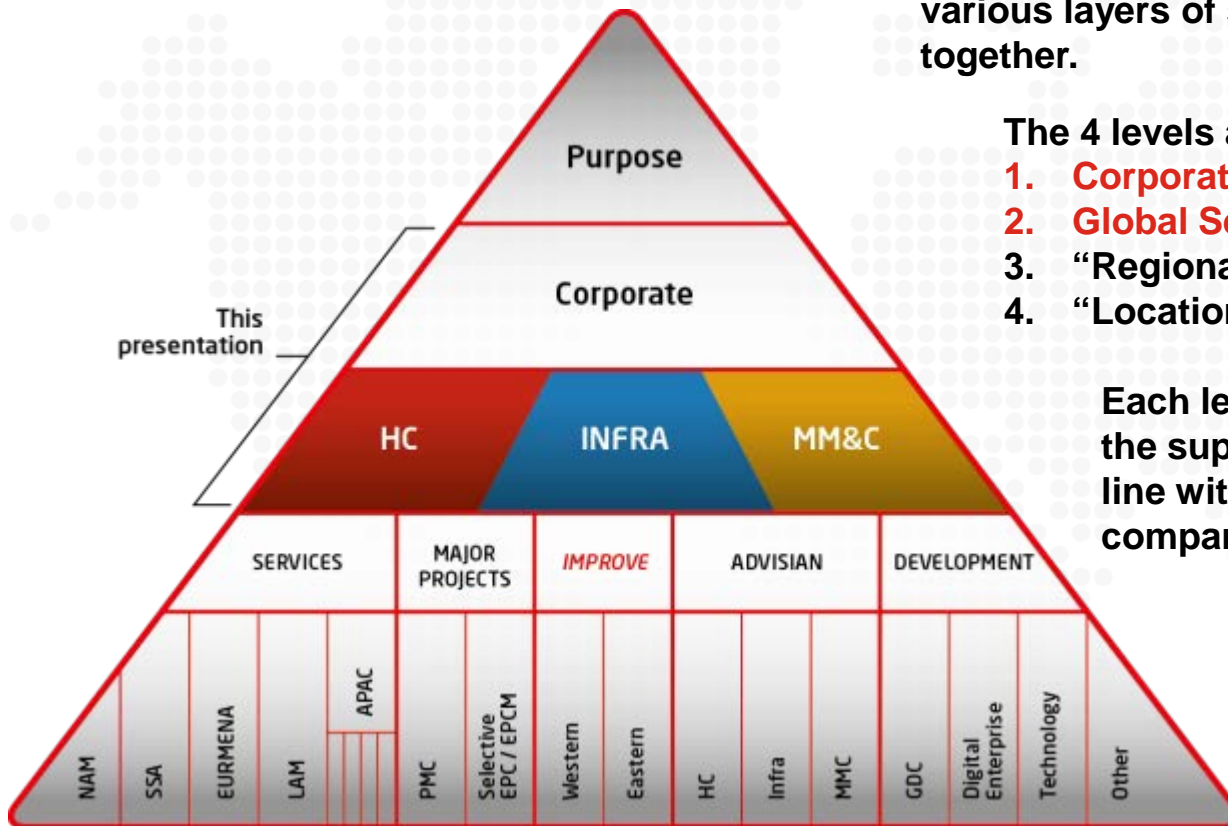
Corporate and global sector strategies

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

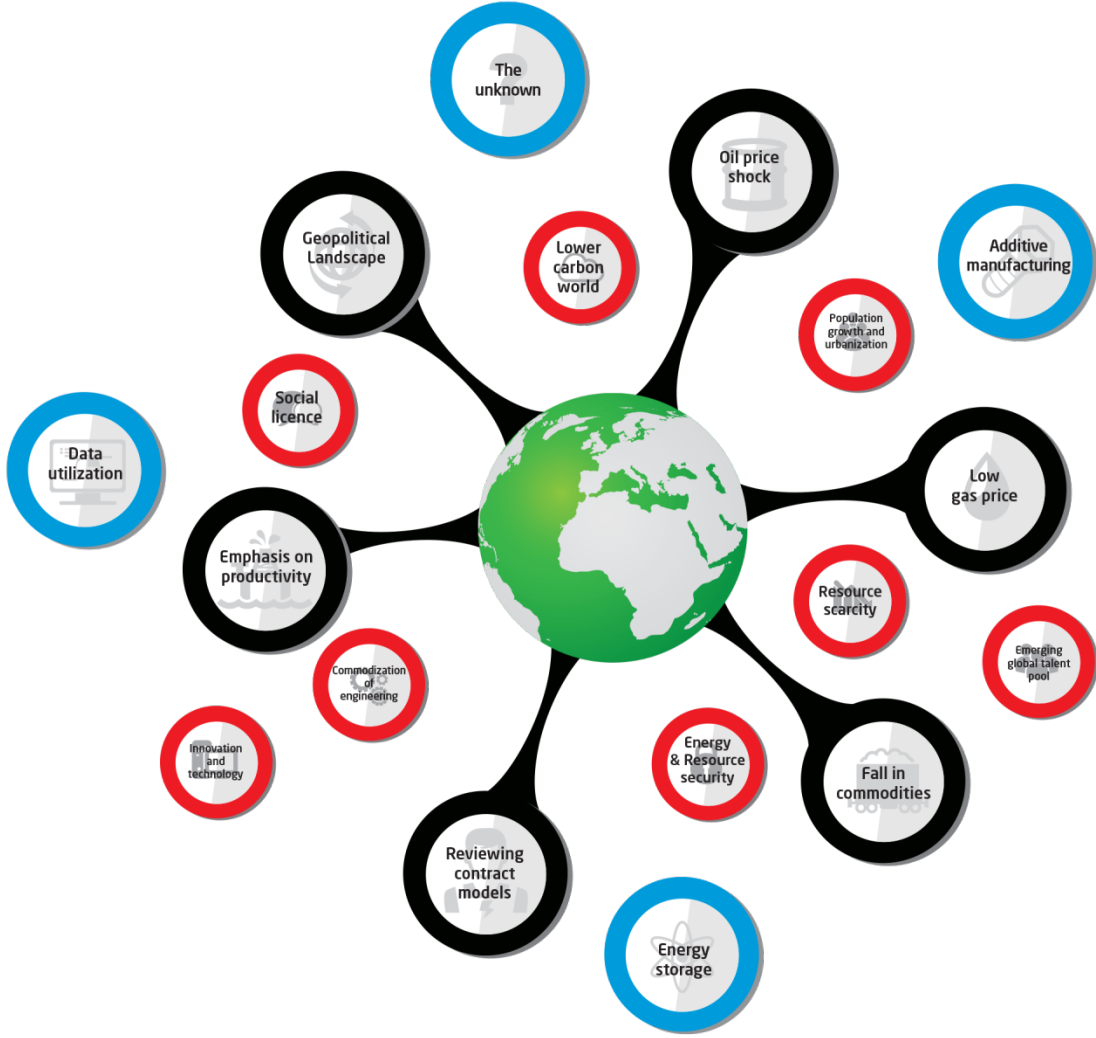
The 4 levels are

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

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



Strategy update - External challenges



Unstoppable Trends
Driving long term market dynamics

Recent market shifts
Impacting current market response

Emerging disruptors
Radical change to existing market, industry or technology through innovation



Strategy update – Based on our key differentiator



**Technical
Capability
& Local
Presence**



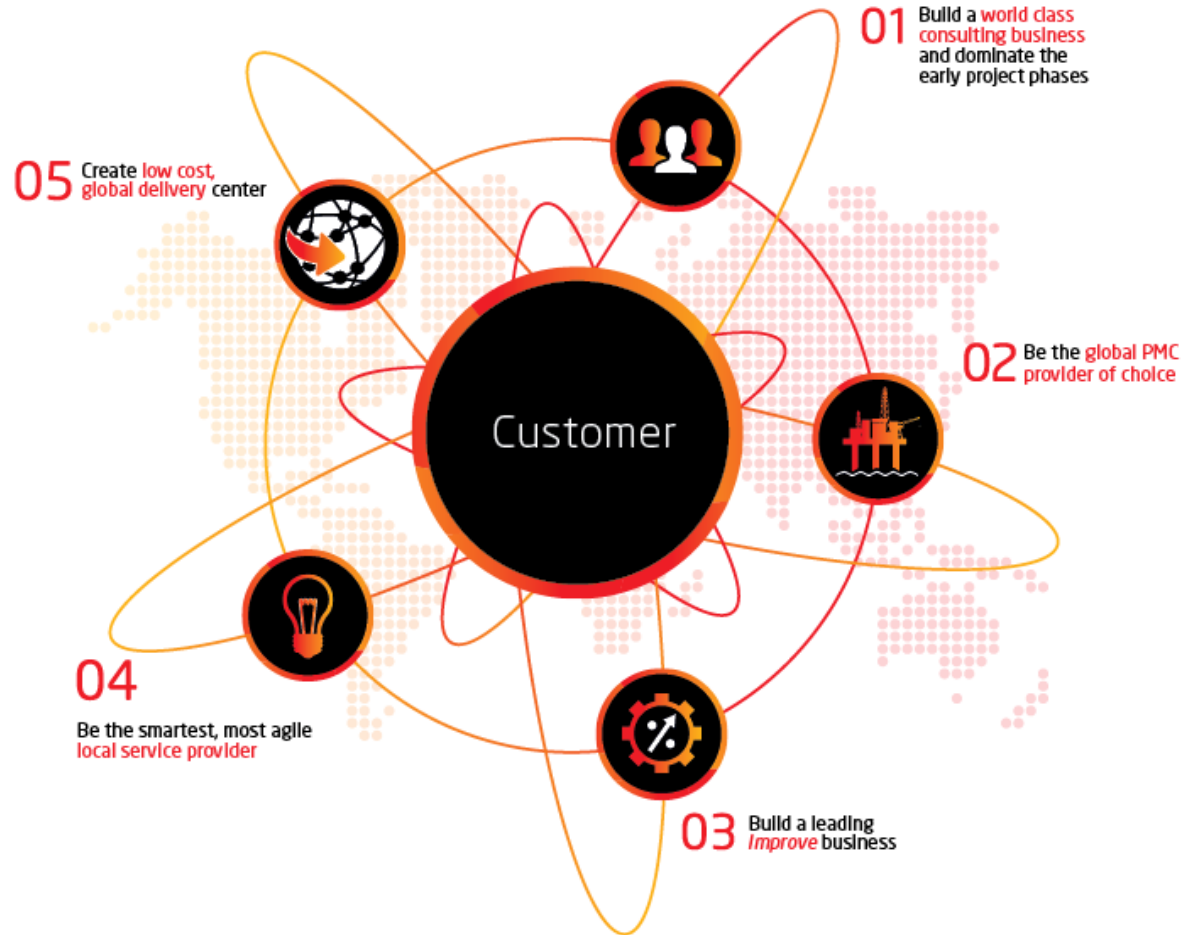
Strategy update - Focus on front end and *Improve*

Selective delivery offerings



5 strategic themes, 5 projects

One differentiated strategy





Strategy update – Project 2

- ▶ Objective
 - Be the global PMC **provider of choice**
- ▶ Digital Enterprise initiated establishment of a data centric PMC platform
- ▶ Developing interactive and smarter project control systems.
- ▶ Integrating Breakthrough Project Delivery procurement initiative into the offering
- ▶ Key PMC projects awarded





Strategy update – Project 3

- ▶ Objective
 - Build a leading *Improve* business

- ▶ Ongoing business development initiatives to pursue opportunities
 - Secured two key contracts

- ▶ Identified integrated offering partners in all regions

- ▶ Continue to pursue Power operations and maintenance opportunities





Strategy update – Project 5

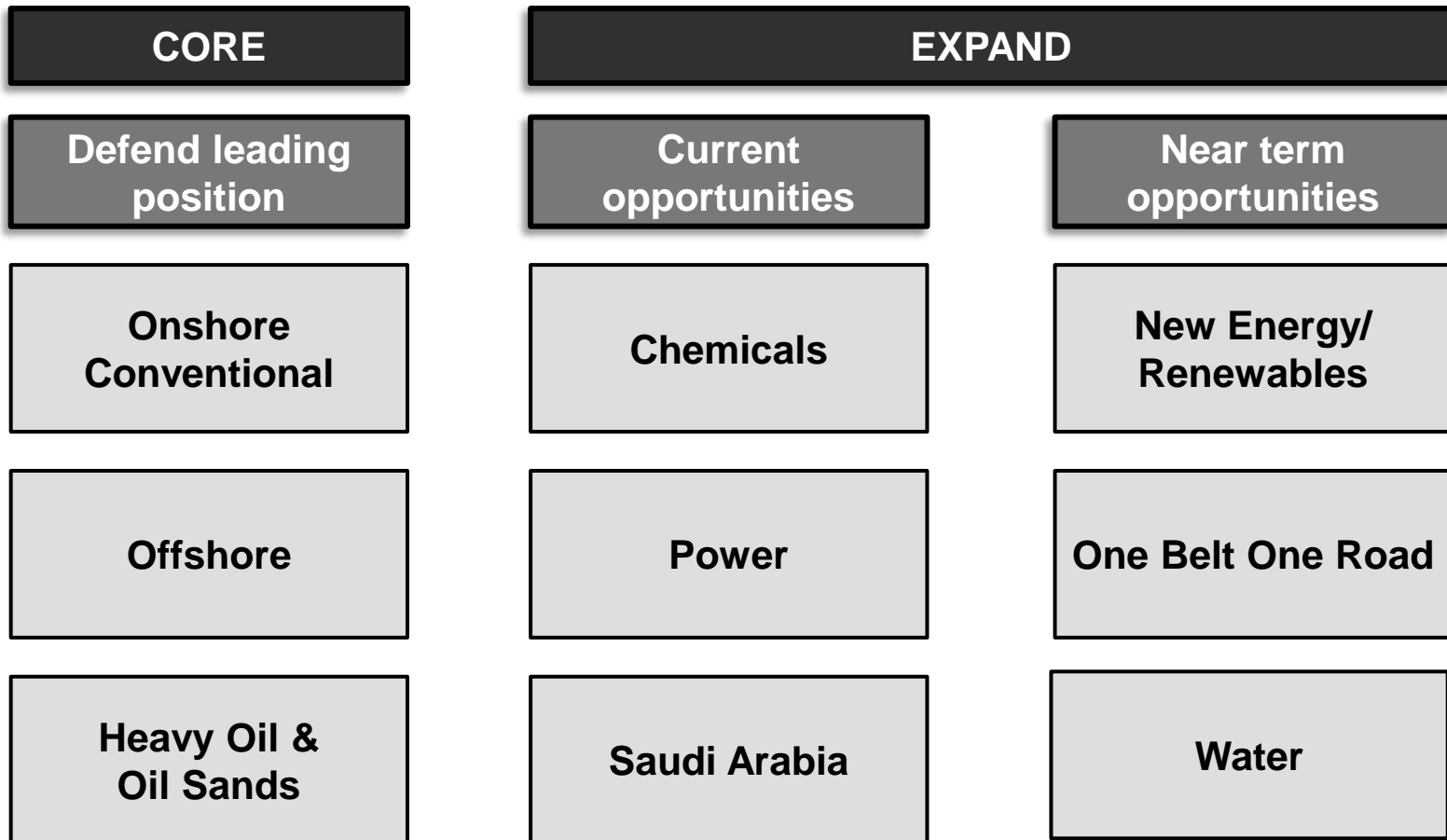
▶ Objective

- A company that **leapfrogs the competition** in the use of global delivery centres and applies digital technology to revolutionize the delivery of our services
- ▶ Completed operational model design
 - ▶ Standardizing processes
 - ▶ Commenced transition of two processes, identified two more for transition
 - ▶ Automation of processes underway



Sector strategy

WorleyParsons is well positioned to capture growth in several attractive areas





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Realize our future

Advisian Feature

Dennis Finn

Sydney Investor Day

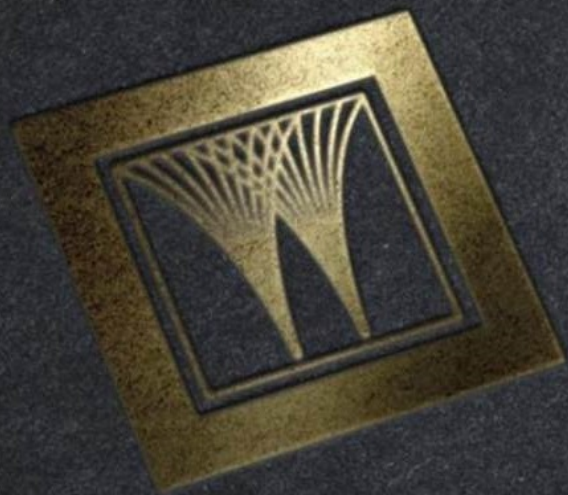
Dennis Finn, Advisian CEO

25 May 2016



Advisian

WorleyParsons Group



Advisian

WorleyParsons Group

The world is complex and changing fast...

Unstoppable Trends

Driving long term market dynamics

Recent Market Shifts

Impacting current market response

Emerging Disruptors

Radically changing the industry



Note: Selected examples, not an exhaustive list

Bringing together
all WorleyParsons
consulting
capabilities under
one brand

The acquisition and
integration of MTG
and globalization of
its capabilities

Combine technical
AND management
consulting
capabilities

**Build a global
world class
consulting business**

Acceleration of
Digital Enterprise
and
New Energy

Build the Advisian
brand, including
strategic
partnerships

Consulting close
to the core with
focus on building
capability for the
'New World'

Our Purpose

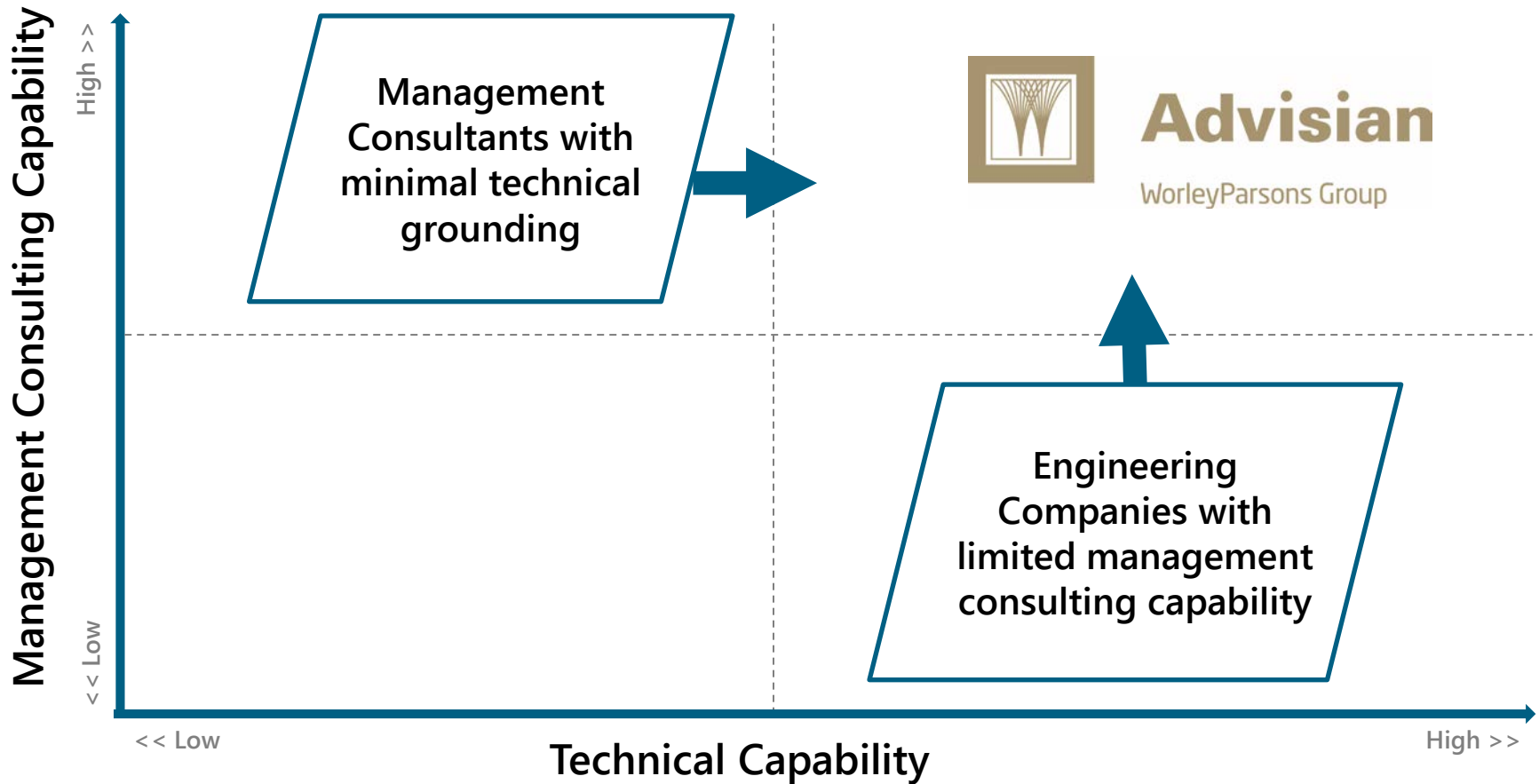
To create value by solving the world's critical resource, energy and infrastructure challenges



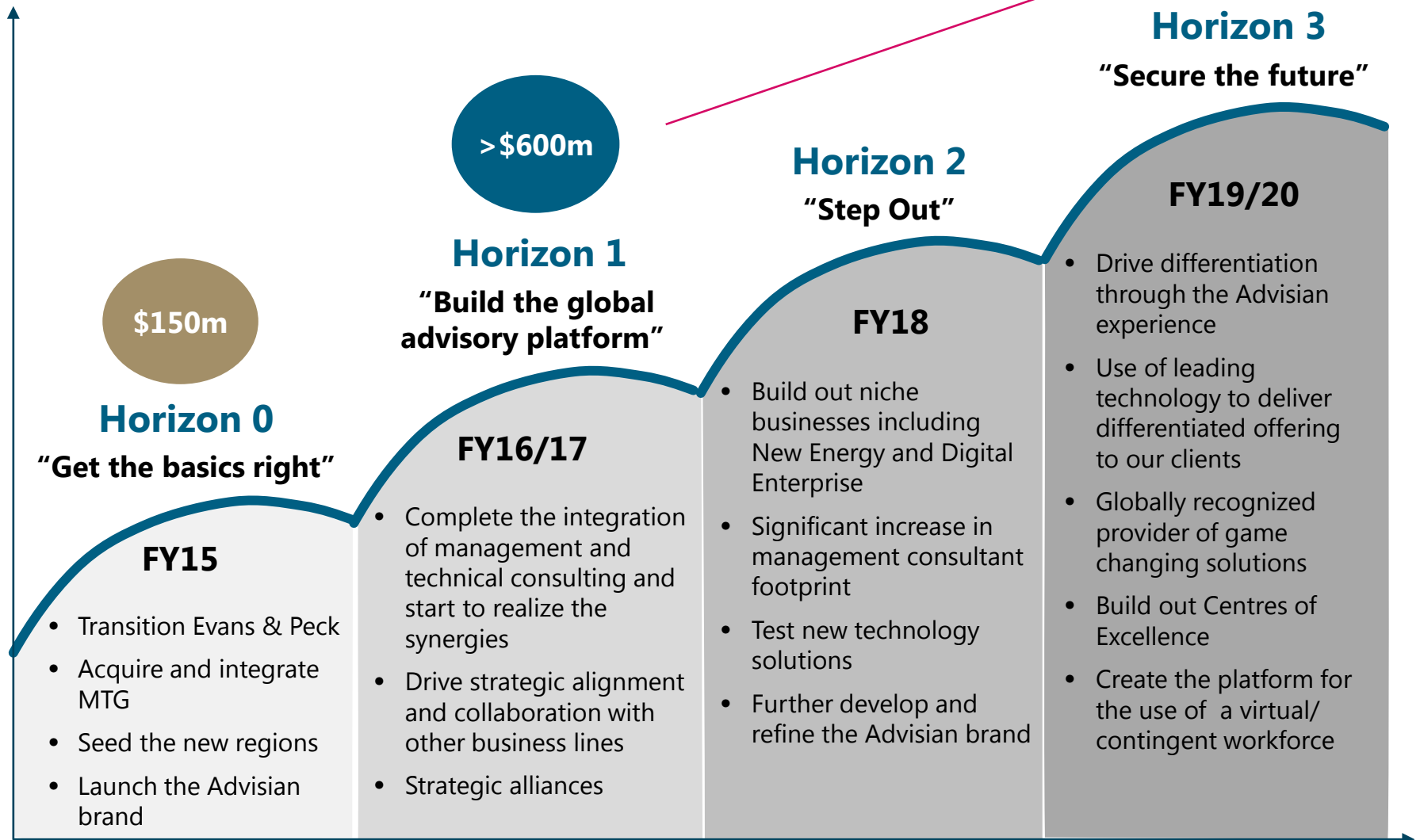
Advisian

WorleyParsons Group

A differentiated offering in the current landscape



The journey to building a world class consulting business



Increasing to 'New World' Solutions

Combination of Management and Technical Consulting

From initial concepts, through to delivery, operation and post-closure; our consultants add value at all stages of the asset and business lifecycle



Advisian

WorleyParsons Group



Advisian

WorleyParsons Group

**Deep domain
knowledge backed by
real-world experience**

Our technical experts bring a deep understanding of assets, both existing and new, with extensive experience on many of the world's most challenging projects

We advise, then deliver

We first advise, then go on to deliver extraordinary outcomes based on that advice



Advisian

WorleyParsons Group





With over 2,700
consultants in
19 countries
around the world
we have the right
person to deliver
a solution
for you

We draw upon
these global skills
and experiences
and deliver them
locally to
our clients

**Global reach,
local delivery**



Advisian

WorleyParsons Group

What makes us different?

**Combination of
management
and technical
consulting
expertise**



**We advise, then
deliver**



**Deep domain
knowledge
backed by real-
world
experience**

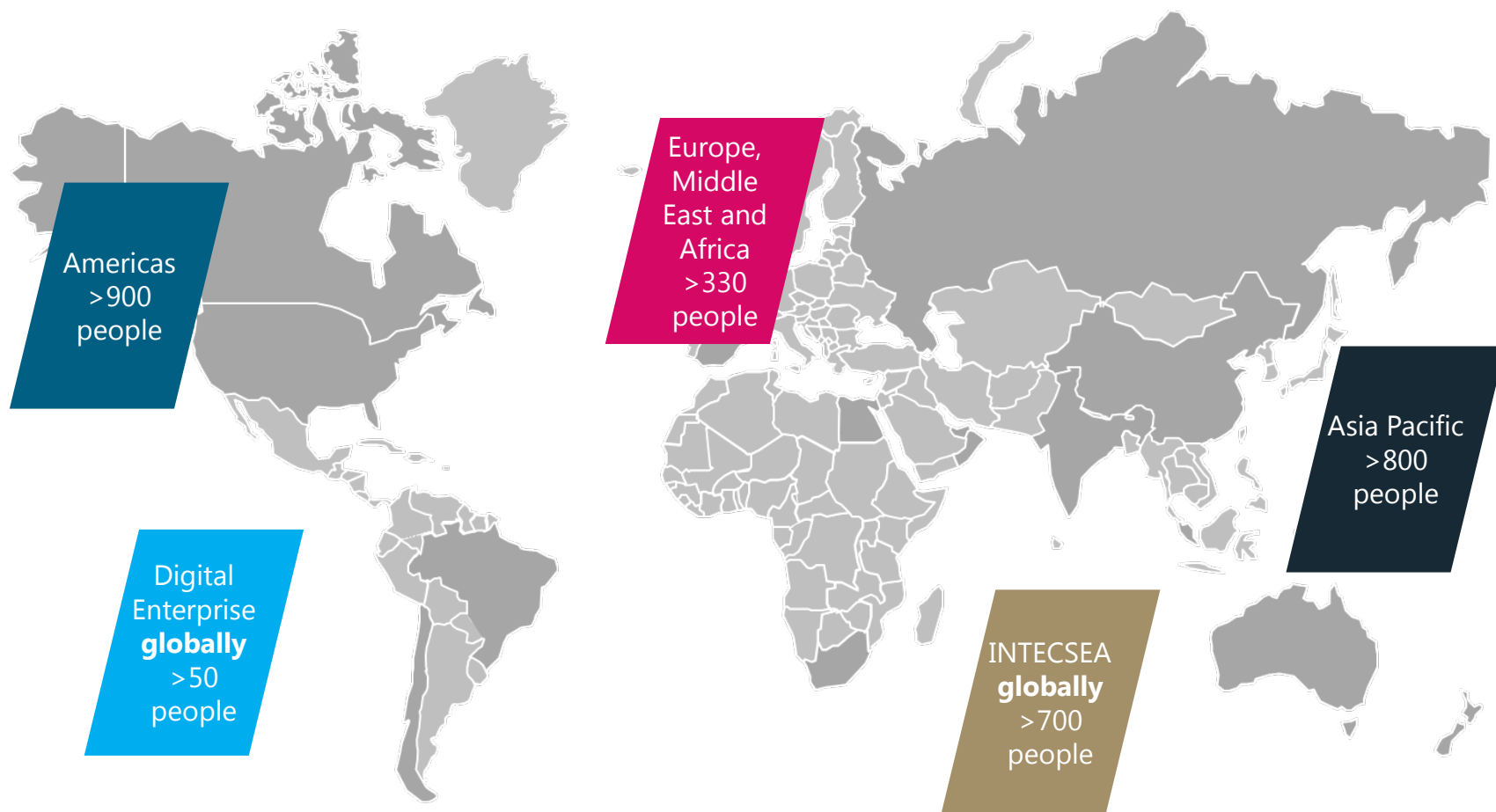
**Global reach, local
delivery**



Advisian

WorleyParsons Group

Growing global footprint – 2,700 people across 19 countries



To ensure we deliver the best solution to our clients' challenges, we call on the deep expertise of our global team of more than **2,700 people** across **19 countries**



Advisian

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Understanding the market and building our capabilities

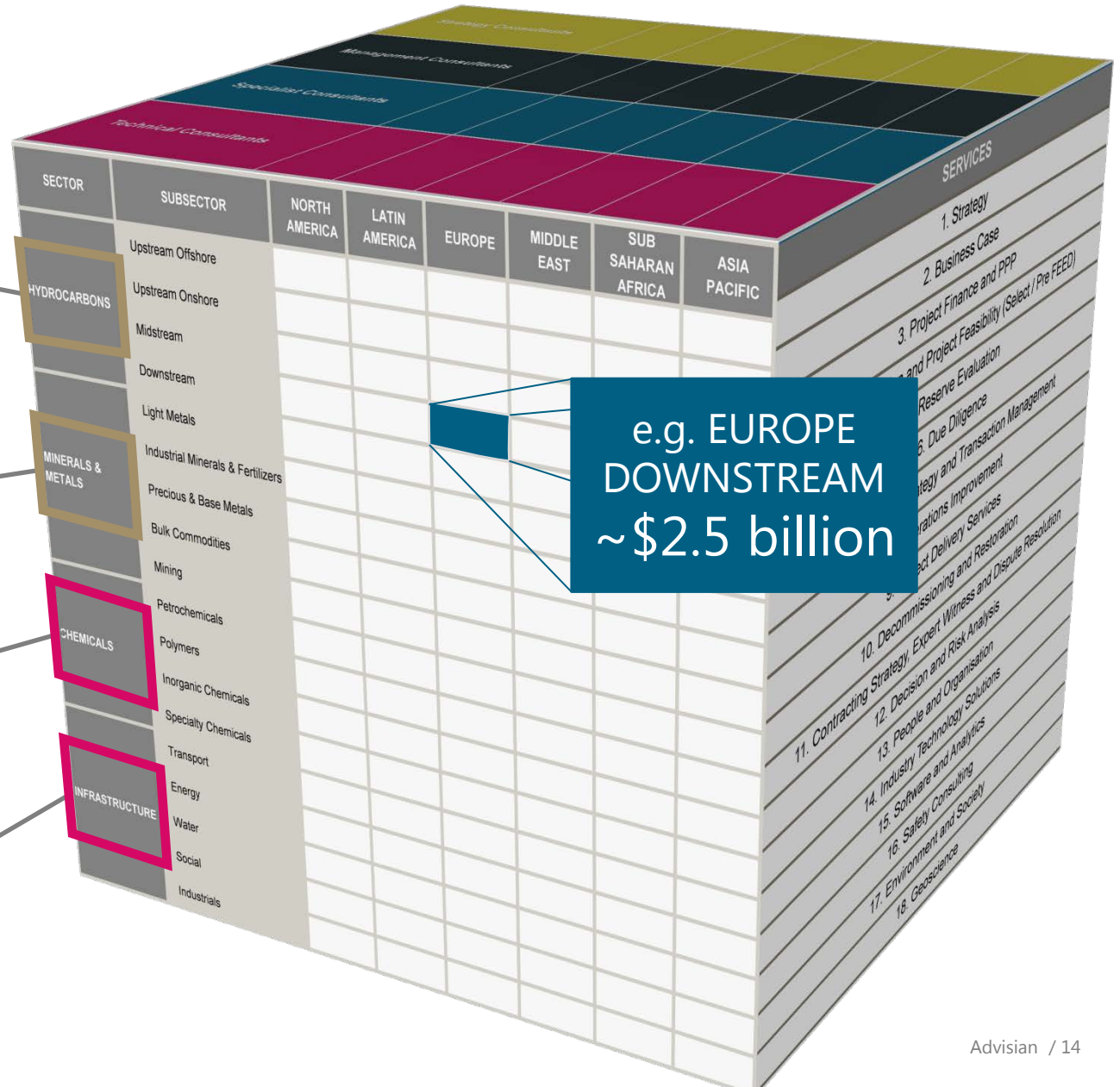
Estimated consulting market (2014)

HYDROCARBONS
~\$17.8 billion

MINERALS & METALS
~\$15.6 billion

CHEMICALS
~\$8.0 billion

INFRASTRUCTURE
~\$24.5 billion



e.g. EUROPE
DOWNSTREAM
~\$2.5 billion

Understanding the market and building our capabilities

Estimated consulting market (2014)

HYDROCARBONS
~\$17.8 billion

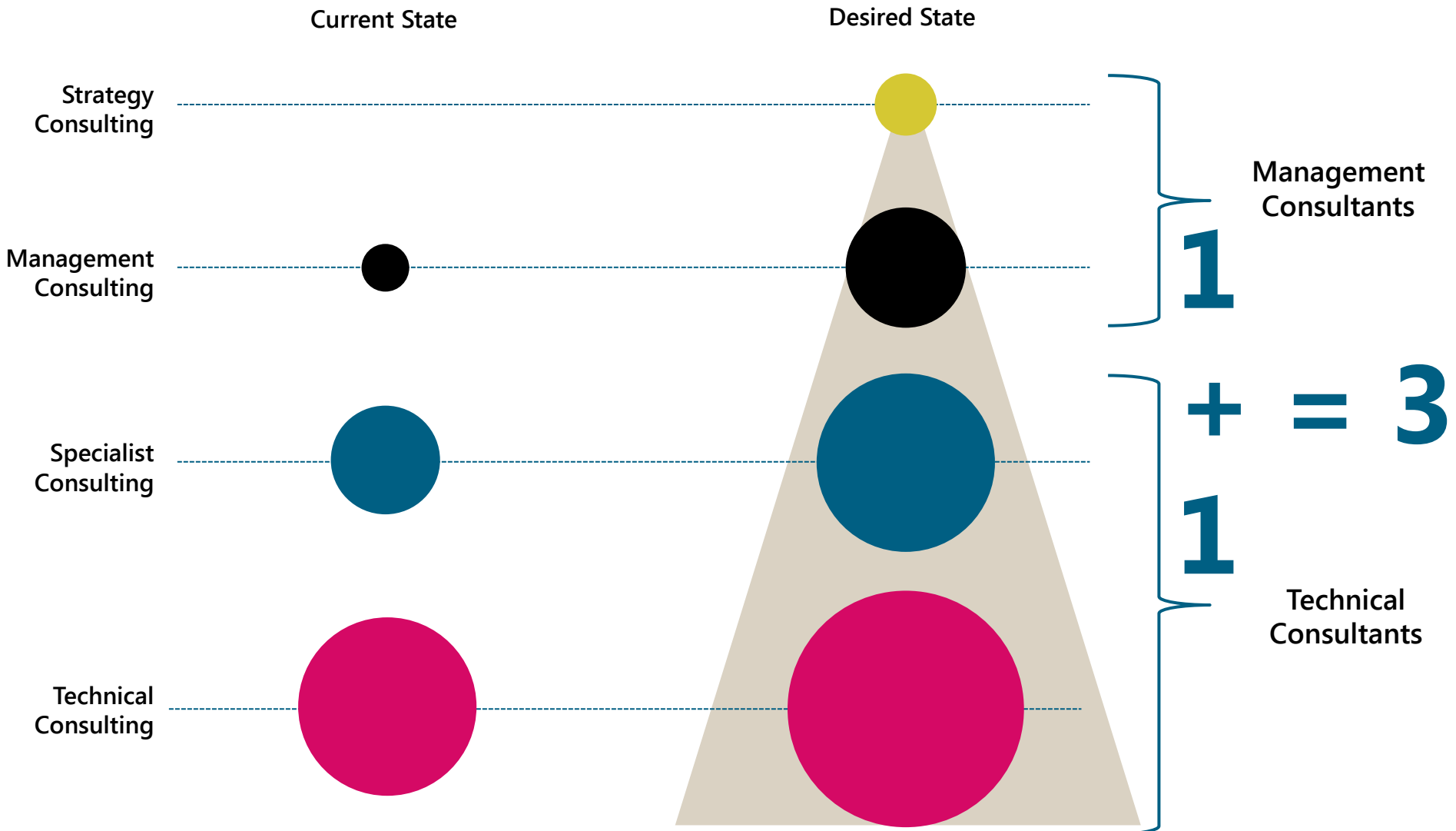
MINERALS & METALS
~\$15.6 billion

CHEMICALS
~\$8.0 billion

INFRASTRUCTURE
~\$24.5 billion



Growth strategy requires right mix of management and technical consultants



A snapshot of emerging...

**Client
Stories**

Partnerships

**New
Businesses**

Advisian, as part of a joint consortium, won the prestigious **2016 Infrastructure Partnerships Australia Project of the Year Award**



Advisian

WorleyParsons Group

Client Story – Oil Sands Upgrader, Canada

Our Role

Advisian put together a team combining management and technical consulting to develop a strategy and technical scope to extend the run-life of the upgrader by 30 years.



A large yellow and black harvester is shown harvesting sugarcane in a field. The harvester is moving from right to left, cutting through tall green sugarcane stalks. The background shows a clear blue sky and some distant trees. The harvester has several yellow cylindrical components on top and a large black hopper at the front. The ground is covered with cut sugarcane stalks.

Client Story – Development of Biofuels Industry, Australia

Our Role

Advisian is helping the Queensland State Government formulate a strategy for the development of its biofuels industry

Alliance formed with technology company – KBC



Advisian

WorleyParsons Group



INTECSEA

WorleyParsons Group



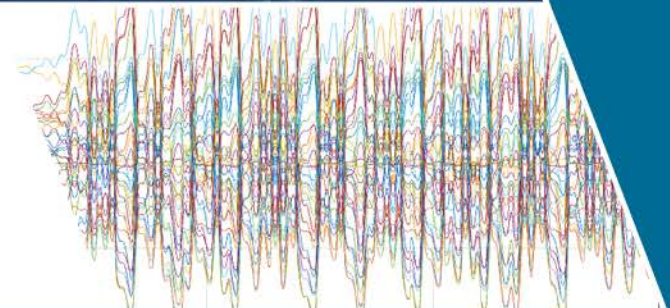
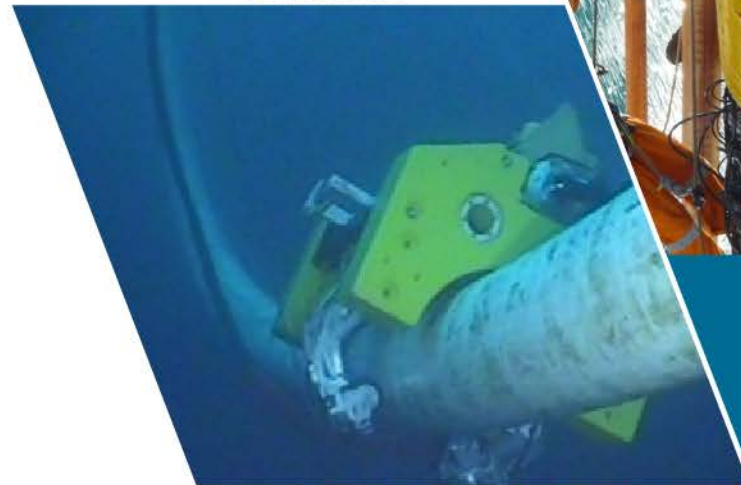
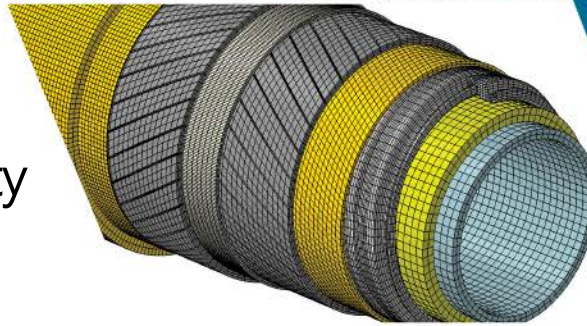
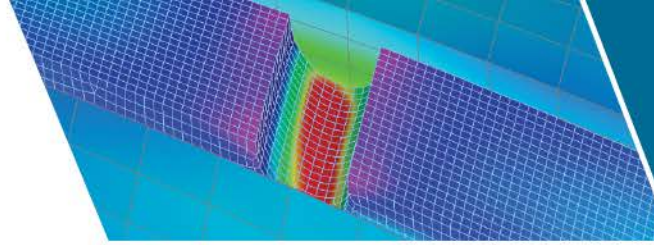
innospection

The strategic alliance between INTECSEA and Innospection is redefining flexible riser integrity management

- **Best in class** inspection and computational simulation
- Accurate damage detection and impact on design life
- Improved understanding of operational risk
- A **fully integrated service** for inspection, analysis, and data management



FlexIQ



The creation of
Advisian Digital Enterprise
is underpinned by the move
towards digitization



Our clients need
help with the
transformation
to a new digital
world

<https://www.digital.advisian.com>

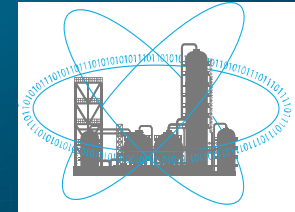
Solving client challenges through smart data utilization and digital application, applied with domain expertise

Digital Asset



Digital Asset Management

Digital Sensing



Remote and Instrument Data Capture and Analytics

e-Commerce



Cloud based Commerce Platforms

Technology



Deep Domain Technology

Client Story – Asset Data Transformation, Australia

Our Role

In less than nine months, Advisian Digital Enterprise helped the client remediate and transform master data across 11 of its operating assets



Aerial Data Management

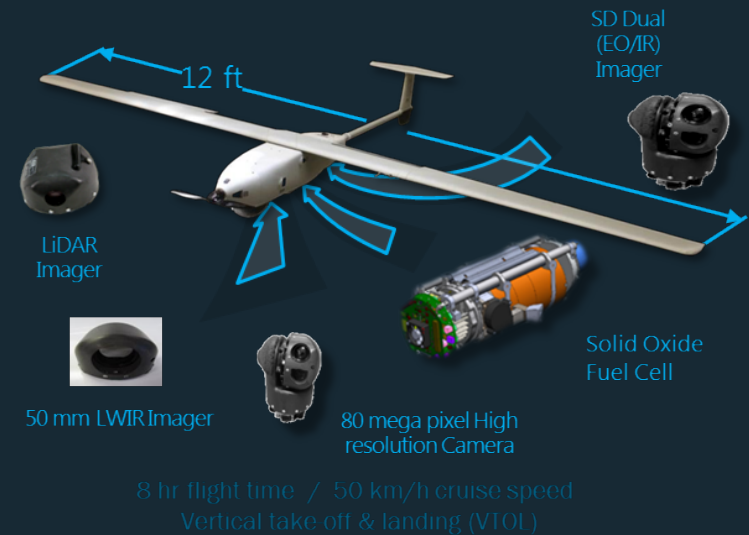
Advisian &
Lockheed Martin



Aerial Data Management

Advisian & Lockheed Martin

Endeavour leverages 12 years of field experience



1st long duration (8 hours) Beyond Visual-Line-of Sight UAV in Australia

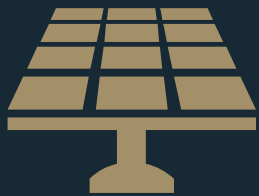
Client Story – UAV for fire protection

Client challenge

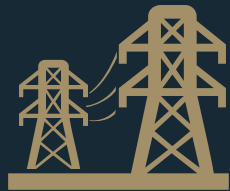
Monitor bushfires more effectively to establish appropriate mechanisms to save lives and properties

The New Energy market is a key focus area

Major disruption in New Energy Market



Solar
Generation



Smart Grids
and Big Data
Management



The Electric
Vehicle and
Electrical
Storage



Autonomous
Vehicles and
Vehicle
Ownership



Community
Mini Grid
Power



The New Energy Future

the global transition

Advisian assists clients to transition from energy systems of the past to those of the future

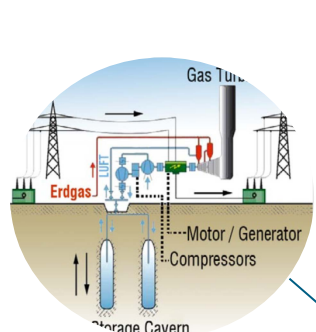
We are technology neutral, **globally** agile and pragmatic, leveraging off our legacy power experience and broad group network



Advisian

WorleyParsons Group

New Energy Projects – A Global Profile



Energy Storage
Compressed Air Storage, USA



Large Scale Delivery
Lake Turkana Wind Farm, Kenya



Offshore energy
WestermeeWind Wind Project,
The Netherlands



Distributed power
Xi-Xian High-Tech Zone, China



Project Management
Chinco Solar PV Project, USA



Plant Operations
Starfish Hill Wind Farm, Australia
(through TW Power Services)



Mega Projects
14GW Repowering, Itaipu Project, Brazil



New Technology Delivery
Khi Solar Tower, South Africa



Program Management
Shagaya Renewable Precinct, Kuwait



R&D Support
Vast Solar Pilot Plant, Australia



Khi Solar Tower, South Africa



Photo courtesy of Abengoa

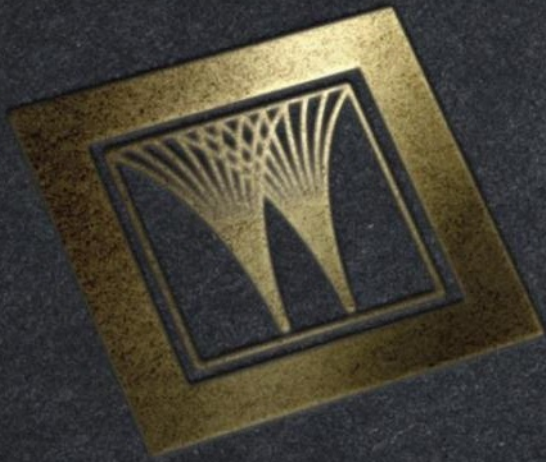
Shagaya Renewable Energy Park, Kuwait



Photo courtesy of KISR

In summary

- Advisian is the new global independent Advisory arm of WorleyParsons
- It combines all WorleyParsons consulting capabilities under one brand
- Created to increase our relevance in a complex and changing world
- The formation has been in the middle of a storm, however we are getting stronger and momentum is building
- 2,700 people across 19 countries with a desire to grow
- Remaining close to the core while accelerating capabilities for a New World, including New Energy and Digital Enterprise
- Partnerships forming e.g. KBC, Innospection, Lockheed Martin
- Growth channels will include both organic and inorganic
- Our goal is to build a global world class advisory business and we are now on that journey!



Advisian

WorleyParsons Group