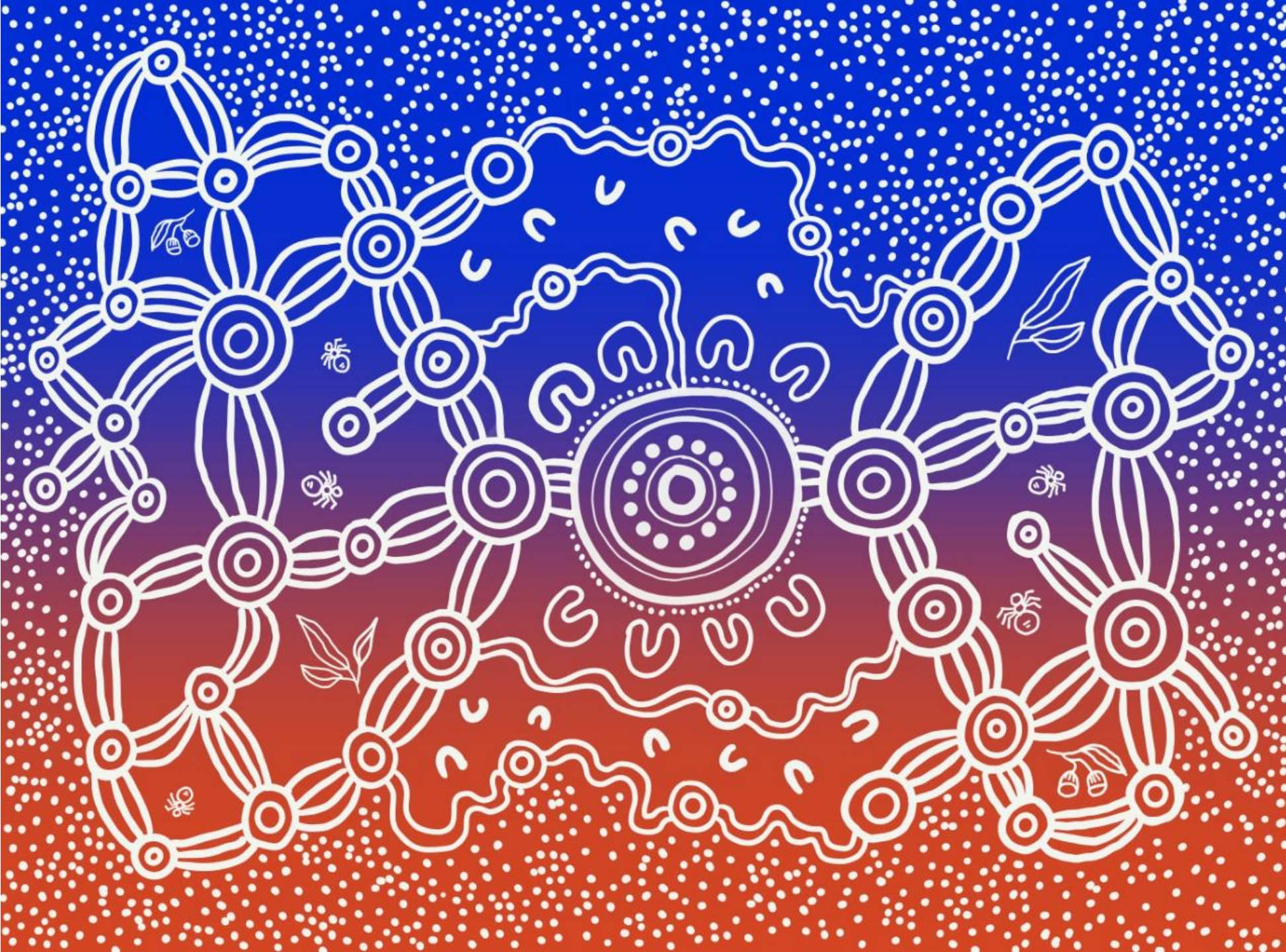




# Delivering a more sustainable world

Full year results 2023





## Stronger together

**This piece represents Worley's values and connection to the land**

Worley acknowledges and pays respect to the past, present and future Traditional Custodians of Country throughout Australia and extends this acknowledgement and respect to First Peoples in all countries in which we operate.

Artwork by artist, Marlie Albert for Worley

# Disclaimer

The information in this presentation about Worley Limited, the entities it controls (Group) and its activities is current as at 23 August 2023 and is in summary form and is not necessarily complete. It should be read together with the Company's Appendix 4E, Annual Report for the full-year ended 30 June 2023 and other announcements lodged with the Australian Securities Exchange. This presentation is not intended to be relied upon as advice to investors or potential investors. Investors should seek qualified advice before making investment decisions.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward-looking statements are subject to a range of risk factors. The Group cautions against reliance on any forward-looking statements, particularly in light of relevant factors, including for example, the current economic climate, the geopolitical environment, the impact of sustainability, climate change and the energy transition, ongoing economic volatility, uncertainty created from volatility in global markets and persistent disruption in supply chains.

While the Group has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. The Group will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. The Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

The presentation may include non-IFRS financial information. The non-IFRS financial information is unaudited and has not been reviewed by the Group's external auditors. Non-IFRS financial information should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

Authorized for release by Nuala O'Leary, Group Company Secretary.



# Agenda

1

**Business performance  
and strategic progress**

**Chris Ashton**

2

**Full year results 2023**

**Tiernan O'Rourke**

3

**Market analysis and  
outlook**

**Chris Ashton**

# Key messages

1

We've delivered strong growth and momentum continues to build.

2

We continue to execute our strategy and have a clear path to increasing revenue, earnings and margins in the near and medium term.

3

As a global leader and trusted provider of sustainability solutions, we're leveraging our differentiated position to deliver long-term value.

↑ **21%**

Aggregated revenue vs FY22

↑ **41%**

Sustainability-related<sup>1</sup> revenue vs FY22

↑ **16%**

Underlying EBITA vs FY22

1. Refer to page 33 for our definition of sustainability-related work.

# Business performance and strategic progress

Chris Ashton,  
Chief Executive Officer

# We support healthy lives, respect and well-being



## We energize, empower and develop our people

### Investing in our people

- Our new Learning at Worley online platform offers flexible everyday learning, enabling our people to follow their curiosity as well as develop critical skills and experience.
- 26,200 modules completed since launching our new e-learning platform in February 2023.
- Global network of over 300 mental health champions.

### Recognition

- We launched Appreciate; our recognition platform. This program facilitates peer-to-peer recognition and has been embraced by our people with over 32,000 peer-to-peer recognition moments to date.

**Our highest priority**  
is to keep our people safe and well and feeling included and respected

## We value inclusion, diversity and respect

### Safety and respect at work

- We embedded psychosocial factors into our Life programs in line with ISO 45003:2001.
- Our Respect at Work project sets out a program that focuses holistically on the prevention and response to sexual harassment and harmful behaviors in the workplace.

### Attraction and retention

- 2022 LinkedIn Talent Awards Best Talent Acquisition team for companies with 10,000+ employees.
- 48% of graduates recruited were women.
- Launched our leadership principles which outline the role of a leader at Worley.

# FY23 result

Delivering on our ESG business commitments

## Environmental

**64%**

Reduction from Scope 1 and Scope 2 GHG emissions baseline (FY20) improved by 14% from FY22

**44,700**

Sustainability-related learning accreditations<sup>1</sup> up 10,500 from FY22

## Social

**48%**

Graduates recruited were female up from 47% in FY22

## Respect at Work

Program to help prevent bullying and harassment (including sexual harassment)

Commenced in FY23

## Governance

## Supply chain code of conduct

Update published Feb-23

## ISO 27001

Certified

surveillance audit completed in Dec-22

## DJSI

Dow Jones Sustainability Index recognized as a global leader 2022 (Australia and Asia Pacific)

## Prime

ISS ESG corporate rating upgrade from C- to C+ means our tradeable bonds and shares qualify for responsible investment

## Gold

EcoVadis sustainability rating up from Bronze in FY22, top 10% of industry peers

UN SDGs most material to us



We support healthy lives and promote well-being



We provide access to sustainable and modern energy



We deliver the infrastructure essential for sustainable development



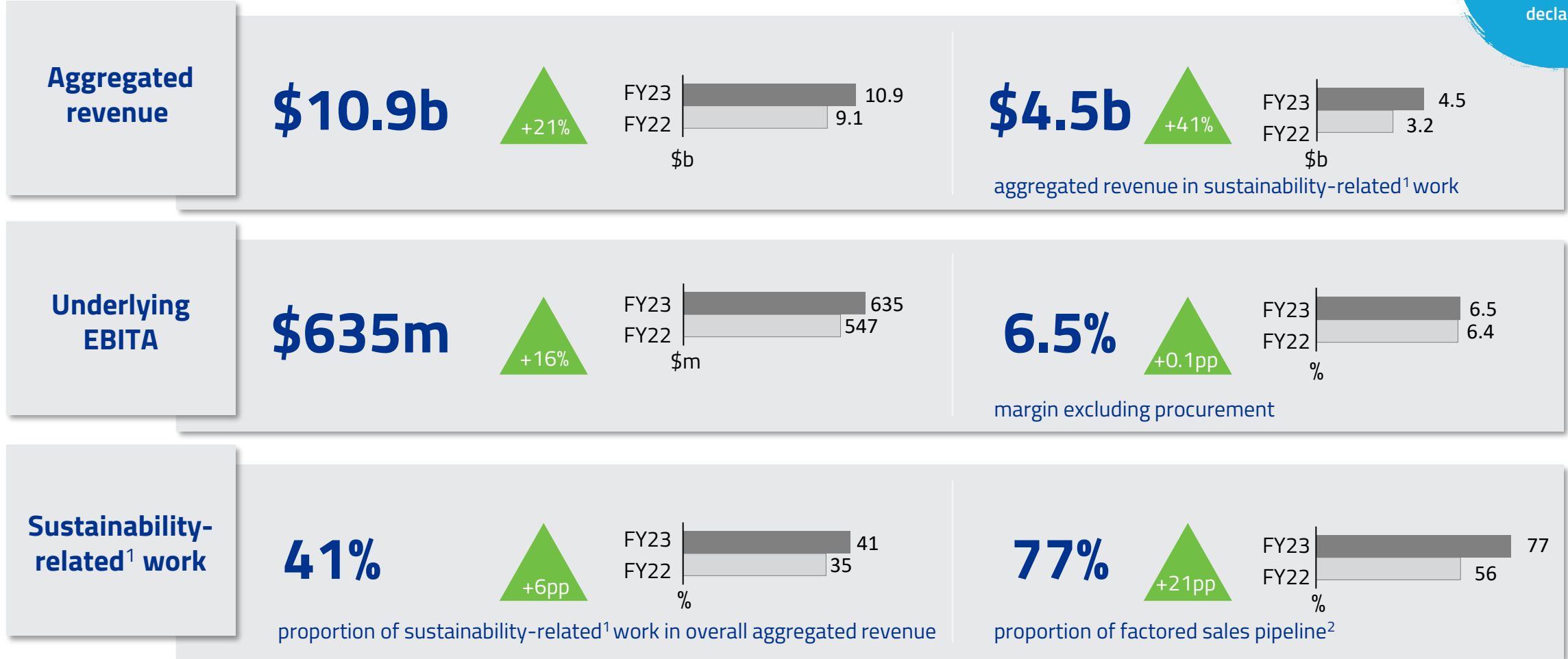
We provide solutions critical to climate action

1. We first commenced issuing sustainability-related learning accreditations in FY22.

# FY23 result

Results delivered indicative of increased momentum

**25c per share**  
Final dividend declared



Statutory NPATA result of \$104m was impacted by the \$240m loss on sale of the North American turnaround and maintenance business.

1. Refer to page 33 for our definition of sustainability-related work.  
 2. Factored for the likelihood of the project proceeding and being awarded to Worley.  
 General note: all comparisons above are to prior corresponding period.

# Measuring our strategic performance

Our deliberate actions have driven our strong result and we're set up for further upside

## What we said we'd deliver over time

### Volume and earnings growth

As energy transition capital expenditure across the globe increases materially and demand increases for our services



### Strategic investment

Accretive growth by opening up additional addressable markets and generating aggregated revenue through backlog



### Margin growth

Deliver in line with the outlook for FY23 and drive margin expansion over the medium-term<sup>3</sup>



### Capital management

Supports our growth – able to generate free cash for investment, dividends, acquisitions and debt reduction



## What we've achieved to date

- Growing at a faster rate than overall E,C,R market<sup>1</sup> driven by sustainability-related investment with aggregated revenue (ex procurement) up 14%
- Achieved double-digit EBITA CAGR

- \$37m organic investment<sup>2</sup> in FY23 with \$33m planned to be invested in FY24
- Backlog up \$1.8b+ from strategic growth areas at Jun-23 vs Jun-22

- Delivered EBITA% (ex procurement) of 6.5% in line with outlook
- Active portfolio management through sale of North American turnaround and maintenance business delivering improved margin and reducing leverage

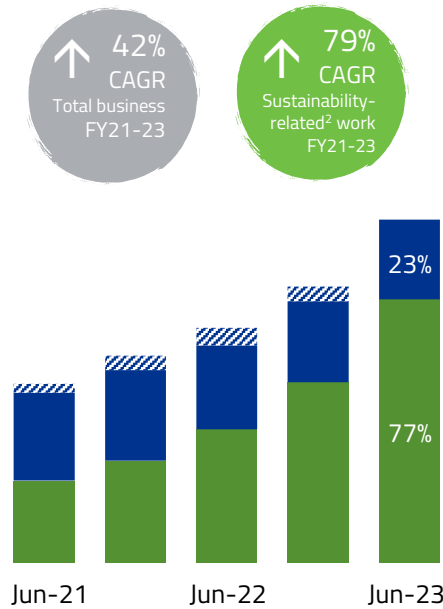
- Refinanced syndicated bank facilities securing improved terms and pricing. No significant maturities prior to FY26
- Successfully issued second sustainability-linked bond for \$350m
- Cash conversion for FY23 is 86.6%<sup>4</sup>

1. See slide 24 for market analysis.  
2. See slide 20 for investment detail.

3. See slide 51 for definition of medium-term.  
4. Adjusted to include working capital recovery for the 1-month post-completion of the North American turnaround and maintenance business divestment (\$43m) and prepayment of software costs (\$25m).

# Our leading indicators show continued growth

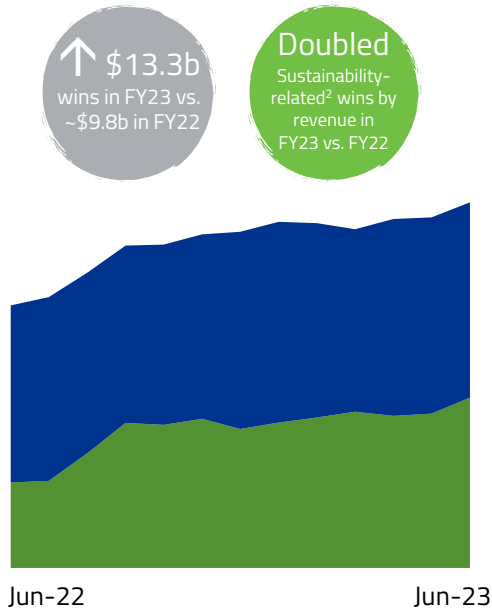
## Factored sales pipeline<sup>1</sup>



**Overall factored sales pipeline<sup>1</sup> growing up 58% since Jun-22**

**Proportion of sustainability-related<sup>2</sup> work in factored sales pipeline is increasing**  
77% at Jun-23 vs. 56% at Jun-22

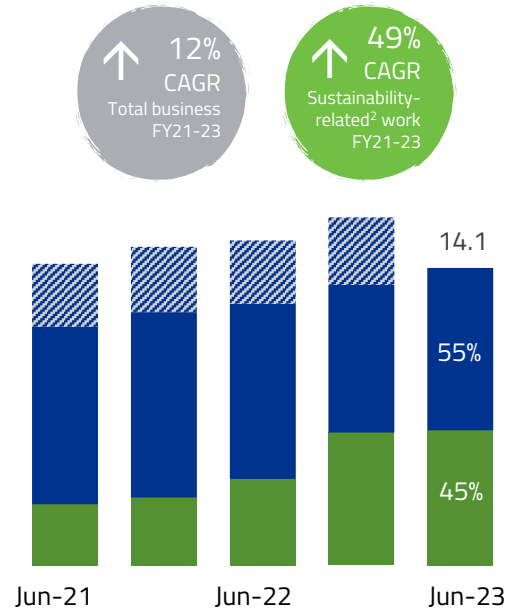
## Rolling 12-month bookings<sup>3</sup>



**Rolling 12-month bookings trending up up 36% since Jun-22**

**Traditional work wins by volume grew 10% since Jun-22**

## Backlog<sup>4</sup>



**Backlog is growing\* up 14% since Jun-22**

\* excluding the North American turnaround and maintenance business

**Venture Global in pipeline and backlog**

The majority of this integrated gas project value remains in the factored sales pipeline until after Final Investment Decision (FID). Limited early scope is included in backlog.

See our case study on slide 14.

**40%** sole-sourced contract wins (as at Jun-23)

- Pipeline / backlog associated with North American turnaround and maintenance business
- Traditional work
- Sustainability-related<sup>2</sup> work

1. Factored for the likelihood of the project proceeding and being awarded to Worley. CAGRs exclude the divested North American turnaround and maintenance business.  
 2. Refer to page 33 for our definition of sustainability-related work. We consider integrated gas as a transitional energy necessary to achieve net-zero emissions and is included in the sustainability-related work definition.  
 3. Rolling 12-month bookings represents the total expected revenue from project wins over the past 12 months.  
 4. Backlog definition provided on page 52; CAGRs exclude the divested North American turnaround and maintenance business.

## Sustainability disclosures

Globally recognized frameworks are emerging relating to sustainability disclosure. These provide guidance on how to classify transitional and sustainable economic activities. We'll continue to evolve our sustainability reporting to meet leading practice.

# We're continuing to benefit from growing customer investment in sustainability

## Characteristics of our top 20 customers



Shifting customer dynamics combined with new and emerging customers in sustainability are allowing us to access new pools of investment.

1. See slide 20 for details of differentiated solutions developed.

## We believe our competitive advantage is:



We're a trusted partner and global leader of high value solutions to the energy, chemicals and resources markets



Our global scale with a track record of delivering new sustainable technologies<sup>1</sup>

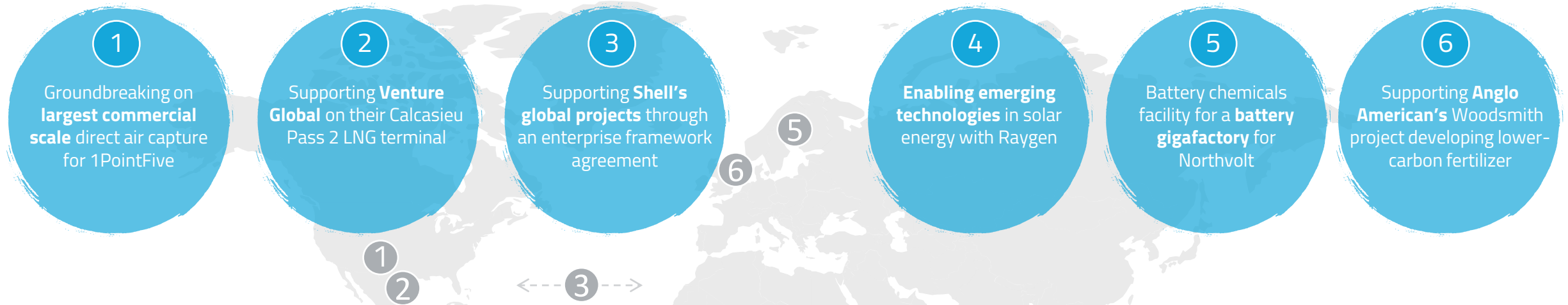


Our early-mover advantage in high growth, new markets



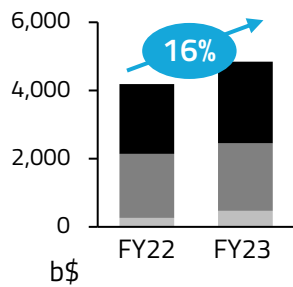
We're a leader in delivering complex, integrated projects that enable the energy transition

# Strategic wins in FY23



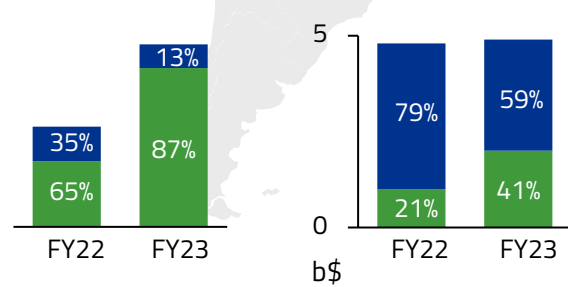
## Americas

### Aggregated revenue



**7.8%**<sup>1</sup>  
Segment margin excl. procurement

### Factored sales pipeline<sup>1,2</sup> Backlog<sup>1,3</sup>

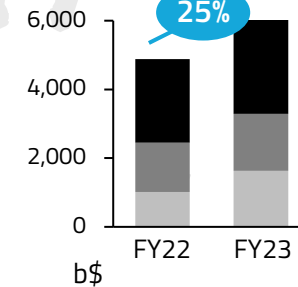


■ Energy  
■ Chemicals  
■ Resources

■ Traditional  
■ Sustainability-related<sup>4</sup> work

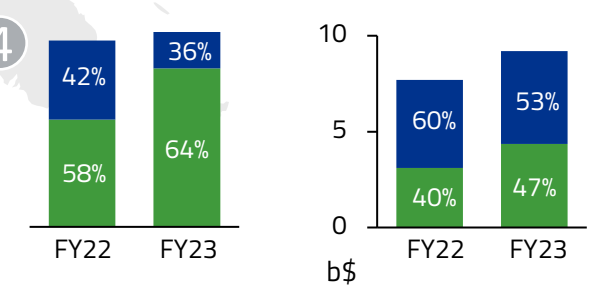
## EMEA / APAC

### Aggregated revenue



**10.5%**  
Segment margin excl. procurement

### Factored sales pipeline<sup>1,2</sup> Backlog<sup>1,3</sup>



■ Energy  
■ Chemicals  
■ Resources

■ Traditional  
■ Sustainability-related<sup>4</sup> work

1. Excludes the divested North American turnaround and maintenance business.  
2. Factored for the likelihood of the project proceeding and being awarded to Worley.

3. Backlog definition provided on page 52.  
4. Refer to page 33 for our definition of sustainability-related work.

## Supporting Venture Global on its Calcasieu Pass 2 LNG terminal

Low-carbon energy | Integrated gas  
Venture Global | US

We've agreed substantive terms for a reimbursable engineering, procurement and construction (EPC) agreement for Venture Global's Calcasieu Pass 2 LNG export facility in Louisiana, USA.

Construction of phase 1 will focus on speed-to-market. The plant uses a highly modularized approach to enhance construction efficiency and safety.

Under the contract, we will provide full EPC execution, including engineering, procurement, direct-hire construction, management of subcontracted services, commissioning and start up for Phase 1 of the terminal. The reimbursable EPC contract, once signed, will be led by our Houston and Reading offices and supported by our GID offices in India.

The full Notice to Proceed is expected to be issued after Venture Global takes a final investment decision later in 2023. Construction will commence once Federal Energy Regulatory Commission (FERC) approval is achieved.

### Venture Global Calcasieu Pass 2 LNG terminal is a significant win historically for us

- This project opens up an addressable market for us which has previously been dominated by LSTK. Reimbursable EPC aligns with our risk-adjusted commercial models and low-risk appetite.
- This project alone will more than replace volume of work divested through the North American turnaround and maintenance business.
- Phasing of work will impact the profile of Group earnings.
- The majority of the project value remains in the factored sales pipeline until after Final Investment Decision (FID). Limited early scope is included in backlog.

# Full Year Results 2023

Tiernan O'Rourke,  
Chief Financial Officer

# Key financials

- Procurement revenue has grown 2.4x on pcp due to project mix.
- Statutory NPATA impacted by the sale of the North American turnaround and maintenance business, including the impairment of purchased goodwill associated with it.
- One-off items in the underlying results include the completion of the shared services transition as part of the operational cost savings program. There are no below the line items currently known or expected for FY24.

	FY23	FY22	vs. FY22
Aggregated revenue	\$10,928m	\$9,065m	⬆️ 21%
Aggregated revenue excl. procurement	\$9,737m	\$8,566m	⬆️ 14%
Underlying EBITA	\$635m	\$547m	⬆️ 16%
Underlying EBITA % on revenue excl. procurement	6.5%	6.4%	⬆️ 0.1pp
Underlying NPATA	\$348m	\$329m	⬆️ 5.8%
Underlying NPATA % on revenue excluding procurement	3.6%	3.8%	⬆️ (0.2pp)
Items of Income and (Expense) excluded from the underlying results	(\$50m)	(\$98m)	⬆️ (49%)
Loss on sale of disposal group and related expenses	(\$240m)	-	⬆️ 100%
Statutory NPATA <sup>1</sup>	\$104m	\$243m	⬆️ (57%)
Operating Cash Flow	\$260m	\$316m	⬆️ (18%)
Net Debt	\$1,830m	\$1,662m	⬆️ 10%
Cash conversion	86.6% <sup>4</sup>	88%	⬆️ (1.4pp)
Leverage <sup>2</sup>	2.2x	2.5x	⬆️ (12%)
Liquidity <sup>3</sup>	\$1,943m	\$1,461m	⬆️ 33%
Dividend per share	50 cents	50 cents	-

1. See Supplementary for full Statutory Result.

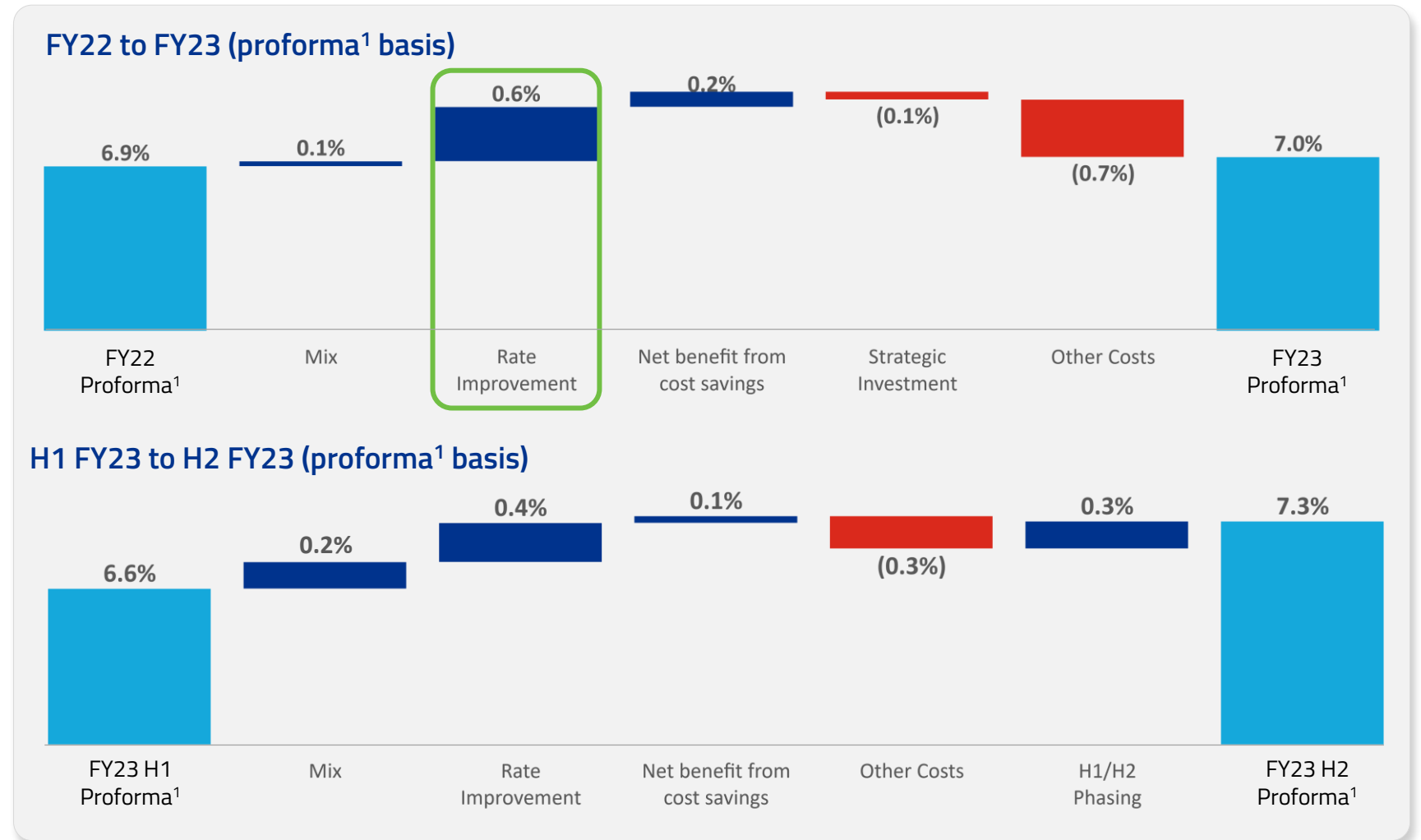
2. As per debt covenant definition.

3. Available facilities plus cash, compared to value at 30 June 22.

4. Adjusted to include working capital recovery for the 1-month post-completion of the North American turnaround and maintenance business divestment (\$43m) and prepayment of software costs (\$25m).

# Drivers of EBITA margin change

- Professional services in our business mix increased, driving increased margin over the second half.
- FY23 impacted by timing of costs in relation to software and our investment into automation and technology, this is a non-recurring impact on rate in FY23.
- Rate improvements expected to be maintained into FY24.
- H1/H2 phasing consistent with seasonality of earnings, following the sale of North American turnaround and maintenance business we expect this impact to be ~0.3pp in FY24.



1. 'Proforma' excludes the divested North American turnaround and maintenance business.

# Higher margins flow from our pipeline into earnings over time

**We're seeing margin growth in our factored sales pipeline<sup>1</sup>...**



**...which is converting into improved backlog<sup>2</sup> margin...**



**...this gives us confidence that margins delivered will continue to improve over time.**

The growth trend in our factored sales pipeline together with increased growth in gross margin (gm) % is a good indicator of future earnings growth.

We're maintaining our high win rate.

There is a strong correlation between the conversion of factored sales pipeline into bookings then subsequently backlog. This indicates that our factoring represents what we reasonably expect to flow into backlog and then revenue over time.

As we deliver our backlog, it's being replaced by new wins at higher margins.

We expect the growth in backlog to be different to growth in our factored sales pipeline due to phasing and volumes of backlog delivered.

**Margin improvement**



gm %<sup>3</sup> of factored sales pipeline at Jun-23, vs pcp



gm %<sup>3</sup> of backlog at Jun-23, vs pcp



Rate improvement in our EBITA margin<sup>3</sup> from FY22 to FY23

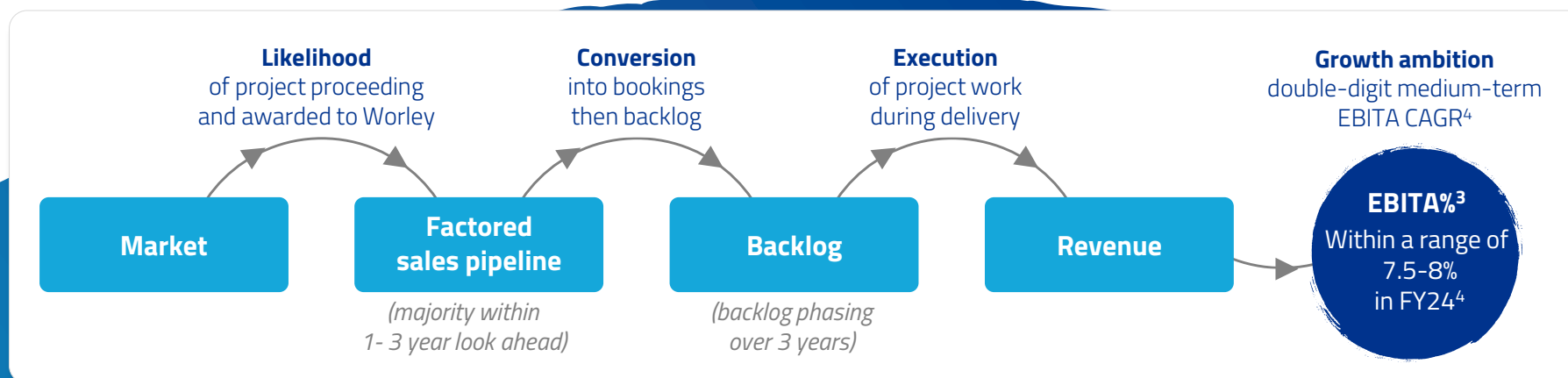
**Phasing**



expected to be awarded in next 12 months, vs 68% at Jun-22



expected to be delivered in next 12 months, vs 53% at Jul-22



1. Factored for the likelihood of the project proceeding and being awarded to Worley.  
 2. Backlog definition provided on page 52. Backlog is based on exchange rates as of 30 June 23.  
 3. Excluding procurement.  
 4. All forward looking statements, including the FY24 Group outlook, remain subject to no material deterioration in current market conditions. See page 3 for more information.

# Demonstrating progress on our margin expansion

Our actions are creating a runway for continued margin upside in the medium term

**What we said we'd deliver over time**

New work being won at higher margins

We expand the value we bring to our customers, share in that value and ensure a higher return on investment

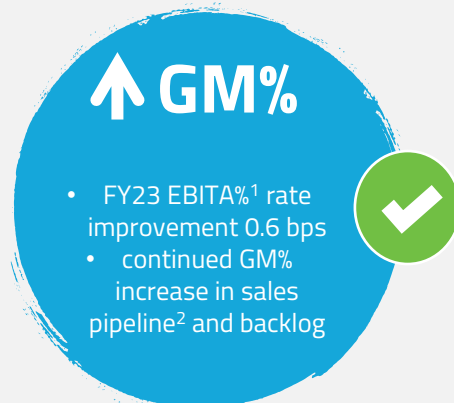
Operational leverage

provides a solid platform on which to scale up efficiently as volume grows

Asset efficiency and business productivity

created from investment in technology and digitalization

**What we've achieved to date**



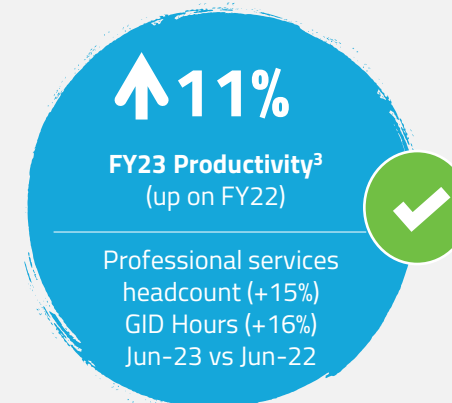
**Margin expansion:**

- FY24 within a range of 7.5–8% EBITA%<sup>1,4</sup>
- double-digit medium-term EBITA CAGR<sup>4</sup> ambition



**Solid platform on which to scale:**

- disciplined approach to managing cost base as we grow
- no below the line items currently known or expected for FY24



**Increasing productivity per person:**

- application of automation, with ~100 automation bots already in use.
- on-going investment in technology and technology solutions

**Further upside by focusing on:**

- investment for organic growth, partnerships and acquisitions in line with our strategy – with continued review of current portfolio
- risk-adjusted returns and alternate commercial models while maintaining low risk appetite

1. Excluding procurement.

2. Factored for the likelihood of the project proceeding and being awarded to Worley.

3. Excludes the divested North American turnaround and maintenance business. Productivity calculated as EBITA / Total headcount.

4. All forward looking statements, including the FY24 Group outlook, remain subject to no material deterioration in current market conditions. See page 3 for more information.

# Our \$100m strategic investment

## \$37m investment<sup>1</sup> in FY23

- 20% on market assessments and planning
- 45% on capability building through strategic hires, agile teams, industry and customer partnerships
- 20% on digital enablement and new solutions
- 15% on developing and rolling out learning programs

## \$33m forecast in FY24

Focus will be on scaling up growth areas, development of differentiated technology solutions and developing front end consulting capabilities. *This initiative will be complete by the end of FY24 unless there are further accretive returns to be made.*

Featured growth area	Value of wins in FY23 by revenue	Value of wins in FY22 by revenue
CCUS	\$1,480m	\$84m
Low-carbon hydrogen	\$138m	\$89m
Battery materials	\$1,004m	\$100m
Copper	\$270m	\$261m
Networks and energy storage	\$191m	\$89m
Water	\$441m	\$217m
Low-carbon fuels	\$292m	\$311m

**Up \$1.8b+**  
Backlog from these growth areas at Jun-23 vs Jun-22

## We've developed differentiated solutions



### Low-carbon hydrogen

Developed the first Worley Repeatable Accelerated Product (WRAP), a 100-Megawatt Low Pressure Alkaline unit.



### Battery materials

Awarded 144 projects including six battery recycling projects, six anode projects, six cathode projects and expanded our customer base with 13 new customers.



### Copper

Partnered with a prominent global equipment provider to develop a standardized solution for tailings dewatering.



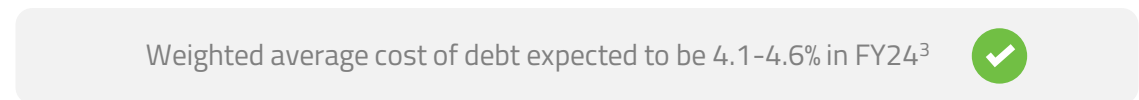
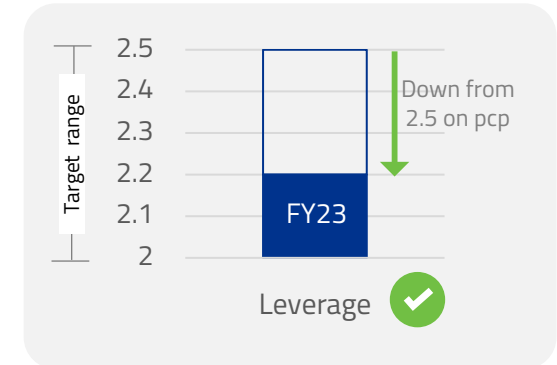
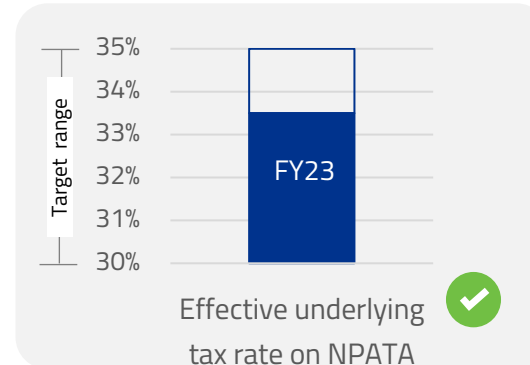
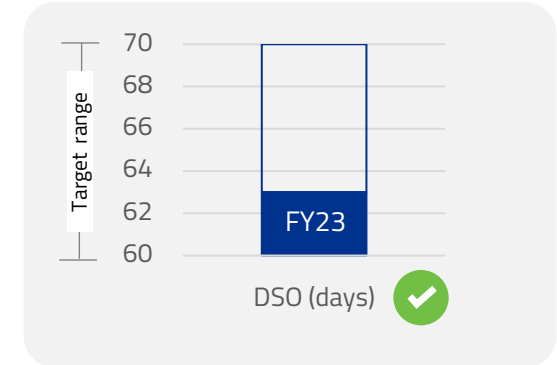
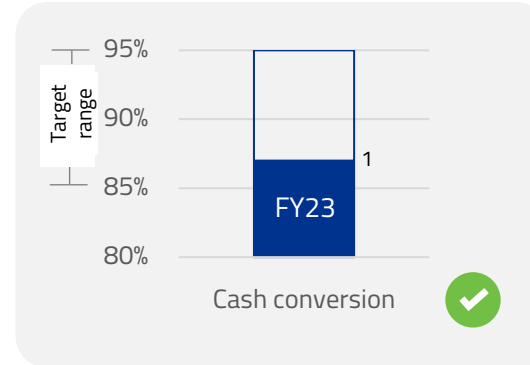
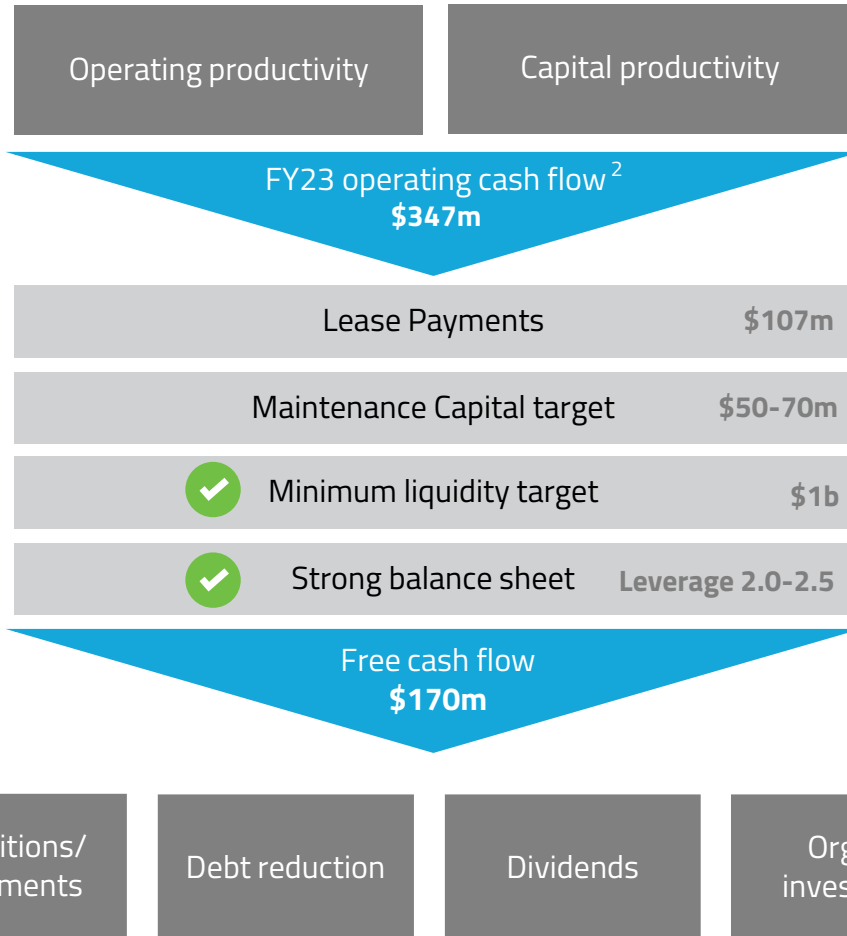
### Low-carbon fuels

Collaborated with methanation and methanol synthesis technology providers to develop and mass deploy standardized, modularized and replicable process plants.

1. Our strategic investment opex is included in underlying earnings and identified in the income statement as strategic costs.  
 2. Worley data, represents only parts of the value chain and geographies where Worley will participate.  
 3. Total open pipeline, factored for likelihood of project proceeding and being awarded to Worley.

# Capital management plan

Our capital management position supports our growth plans with good liquidity, the maintenance of strong credit ratings and access to well-priced debt capital



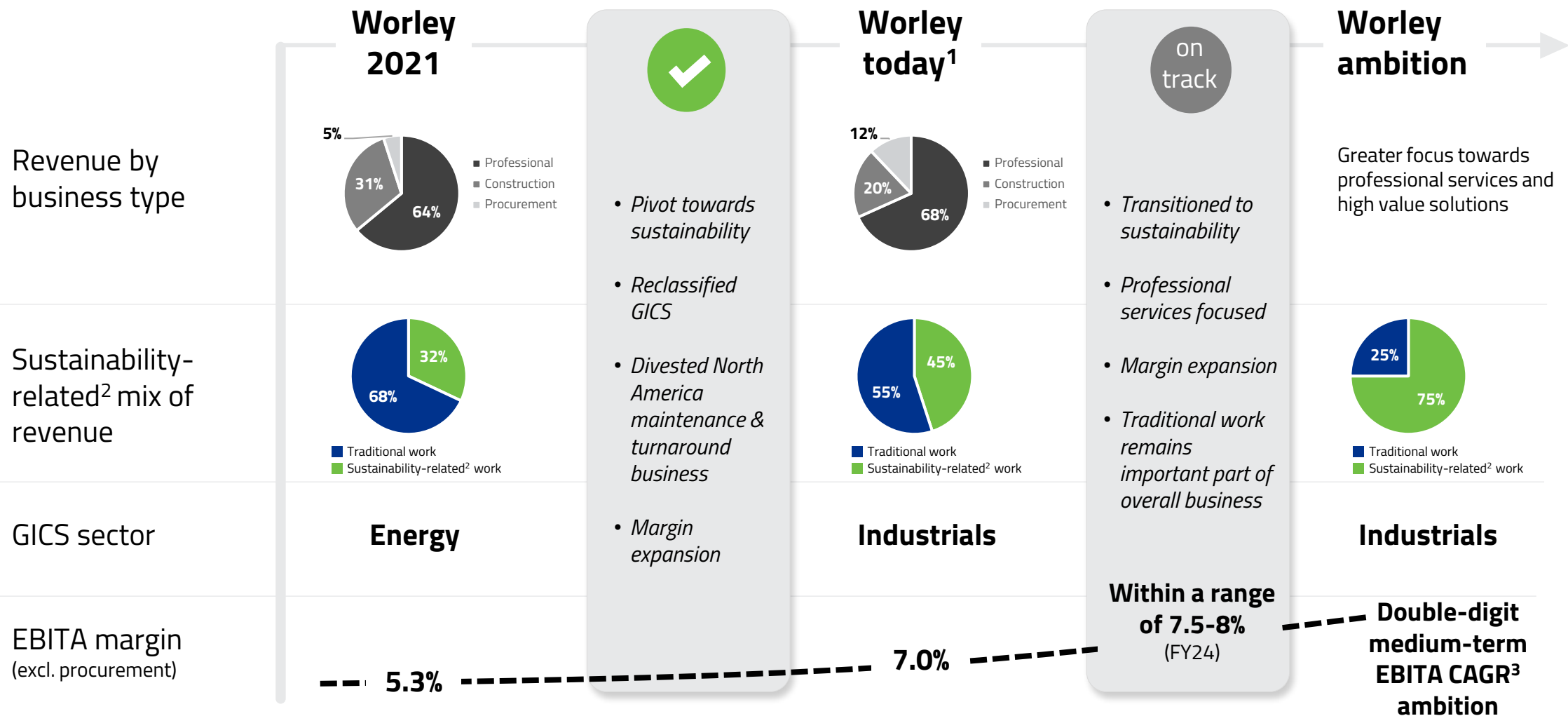
1. Adjusted to include working capital recovery for the 1-month post-completion of the North American turnaround and maintenance business divestment (\$43m) and prepayment of software costs (\$25m).  
 2. Operating cash flow (\$260m) excluding organic investment items: Strategic costs \$37m and Shared Services transformation \$50m.  
 3. Subject to utilization of variable rate debt.



# Market analysis and outlook

Chris Ashton,  
Chief Executive Officer

# We're a different company today and see a future of sustained growth



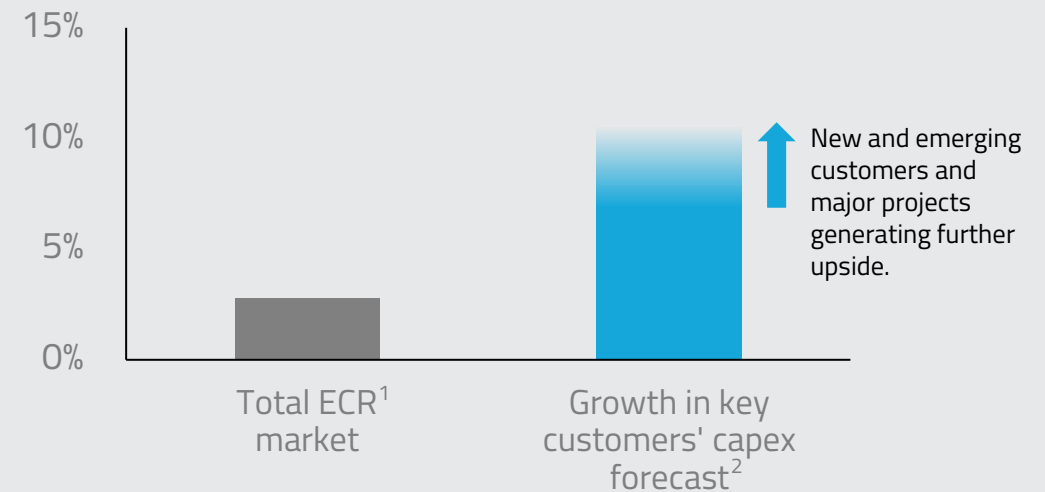
1. FY23 proforma excludes the divested North American turnaround and maintenance business. FY23 proforma impacts 'revenue by business type', 'sustainability-related mix of revenue' and 'EBITA margin (excl. procurement)'.  
 2. Refer to page 33 for our definition of sustainability-related work.  
 3. All forward looking statements, including the FY24 Group outlook, remain subject to no material deterioration in current market conditions. See page 3 for more information.

# Market update

Capital investment by our key customers is growing at a faster rate compared with the total energy, chemicals and resources (ECR) market due to our focus on sustainability-related investment.

We're seeing further upside in growth from projects as they move into execution phase.

## Market analysis<sup>3</sup>



1. Worley's weighted average overall market (FactSet, Rystad Energy, IHS Markit, August 2023).

2. FactSet data and Worley data for key customers and projects, August 2023.

3. All forward looking statements, including the FY24 Group outlook, remain subject to no material deterioration in current market conditions. See page 3 for more information.

## Group outlook<sup>1</sup>

We expect FY24 aggregated revenue excluding procurement to grow (on FY23 proforma) as new and emerging customers and major projects generate further upside. We also expect procurement volumes to grow further on FY23.

We expect the underlying EBITA margin (excluding the impact of procurement) to be within a range of 7.5-8% in FY24.

1. All forward looking statements, including the FY24 Group outlook, remain subject to no material deterioration in current market conditions. See page 3 for more information.

# Key messages

1

We've delivered strong growth and momentum continues to build.

2

We continue to execute our strategy and have a clear path to increasing revenue, earnings and margins in the near and medium term.

3

As a global leader and trusted provider of sustainability solutions, we're leveraging our differentiated position to deliver long-term value.

↑ **21%**

Aggregated revenue vs FY22

↑ **41%**

Sustainability-related<sup>1</sup> revenue vs FY22

↑ **16%**

Underlying EBITA vs FY22

1. Refer to page 33 for our definition of sustainability-related work.

# QA

# Supplementary information



# Delivering our ambition

## Our ambition

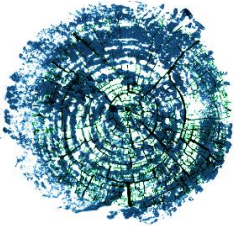
## FY23 achievements demonstrating we are on track



### Our people

We energize and empower our people to drive sustainable impact

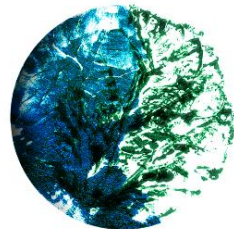
- Launched our peer-to-peer recognition program, Appreciate. Over 32,000 recognitions to date.
- Launched our new eLearning platform in February 23, with over 26,200 learning modules completed to date.
- Awarded 2022 LinkedIn Best Talent Acquisition team for companies with 10,000+ employees.



### Our portfolio

We are our customers' most trusted partner, providing best-in-class solutions

- Underlying EBITA margin (excluding procurement) of 6.5%, up from 6.4% at 30 June 22.
- Sustainability-related aggregated revenue of \$4.5 billion, up from \$3.2 billion at 30 June 22.
- Backlog at \$14.1 billion, up from \$12.4 billion<sup>1</sup> at 30 June 22.
- Percentage of sustainability-related factored sales pipeline is 77%, up from 56% at 30 June 22.




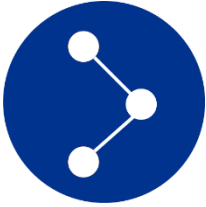


### Our planet

We partner with customers as stewards of a more sustainable world

- On track to meet our net-zero Scope 1 and Scope 2 commitments.
- Dow Jones Sustainability Indices membership for Australia and APAC.
- Gold EcoVadis sustainability rating.
- Issued second thought leadership paper with Princeton: Measuring change in the race to deliver net zero.

1. Excludes the divested North American turnaround and maintenance business.

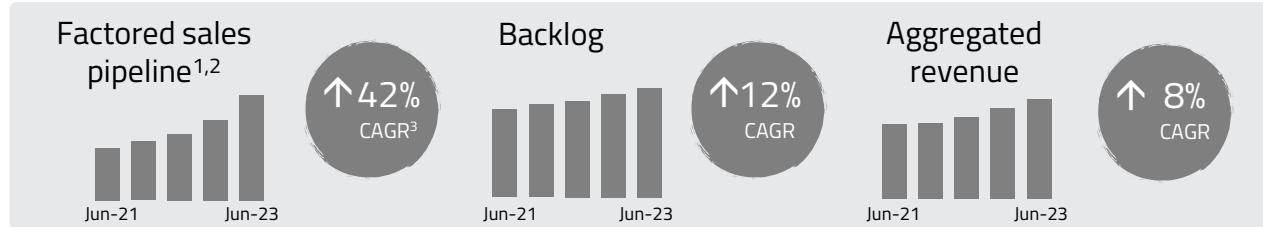
# Delivering our ambition (cont.)

Operational priorities	FY23 achievements demonstrating we are on track
 <p><b>Operational excellence</b> Quality of earnings, utilization targets, resource &amp; working capital management</p>	<ul style="list-style-type: none"> <li>• Utilization above target (87%+).</li> <li>• 16% growth in GID hours; GID headcount up 23% from FY22.</li> <li>• 63 days DSO, remaining similar as at 30 June 22 (63.3 days).</li> <li>• 80% of aggregated revenue from reimbursable contract types.</li> </ul>
 <p><b>Capital management</b> Cash realization, meeting growth plans</p>	<ul style="list-style-type: none"> <li>• Cash conversion of 86.6%<sup>1</sup> within our target range.</li> <li>• Refinanced syndicated bank facilities, securing improved terms and pricing.</li> <li>• Successfully issued second sustainability-linked bond for \$350 million.</li> <li>• Maintained leverage at levels supportive of future growth (leverage at 2.2x at FY23).</li> </ul>
 <p><b>Transformation</b> \$100m organic investment in our growth</p>	<ul style="list-style-type: none"> <li>• Won \$3.8 billion revenue across selected growth areas.</li> <li>• Trained 21,000 people through growth unit learning modules.</li> <li>• Active portfolio management in line with our strategic direction - completed divestment of North American turnaround and maintenance business.</li> </ul>
 <p><b>Cost base</b> Cost discipline, operational leverage</p>	<ul style="list-style-type: none"> <li>• Maintained our cost base at the low levels achieved at FY22.</li> <li>• Delivered annualized operations savings of \$375 million by 30 June 23.</li> </ul>

1. Adjusted to include working capital recovery for the 1-month post-completion of the North American turnaround and maintenance business divestment (\$43m) and prepayment of software costs (\$25m).

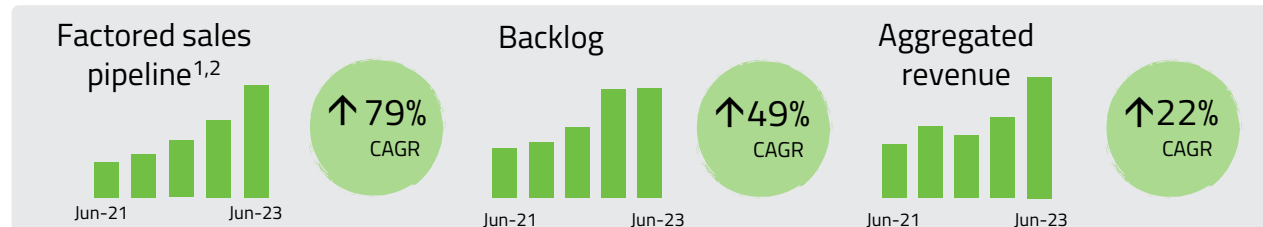
# Our value proposition

Total business is growing



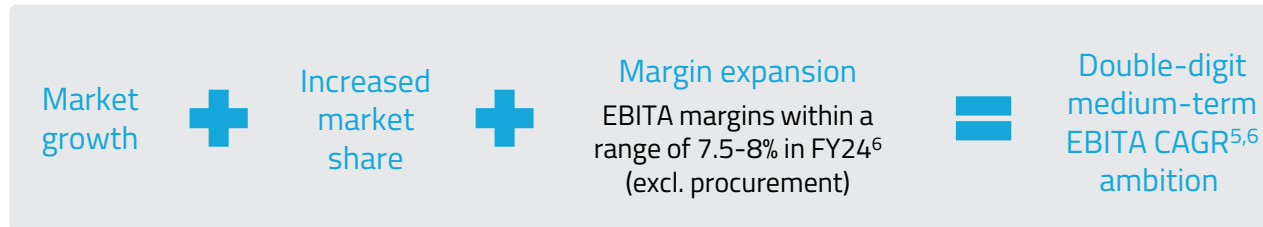
Global leader in energy, chemicals and resources markets

Increasing proportion of sustainability-related work<sup>4</sup> growing at a faster rate



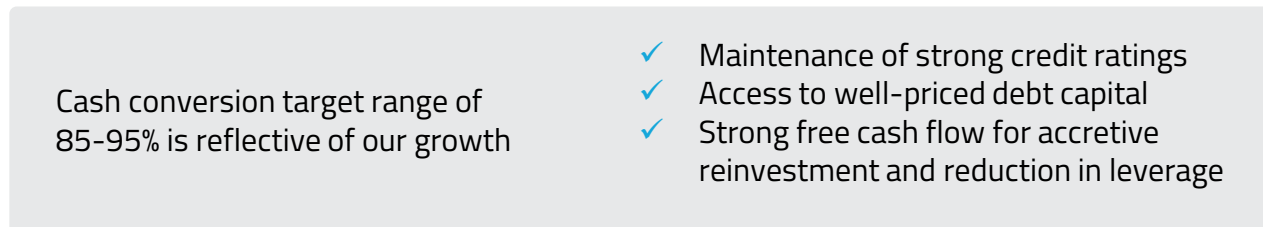
A global leader at scale in sustainability solutions

Earnings and margin expansion



Growing our natural share of the market and actively prioritizing higher margin work

Capital management position supports growth plans



Cash conversion while investing for growth

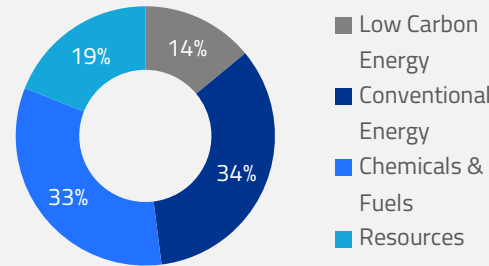
1. Factored for the likelihood of the project proceeding and being awarded to Worley.  
 2. Factored sales pipeline does not include opportunities related to the North American turnaround and maintenance business.  
 3. Compound annual growth rate.  
 4. Refer to page 33 for our definition of sustainability-related business.  
 5. Post divestment of the North America Field Services business sold in May 23.  
 6. All forward looking statements, including the FY24 Group outlook, remain subject to no material deterioration in current market conditions. See page 3 for more information.

# Our diversified business

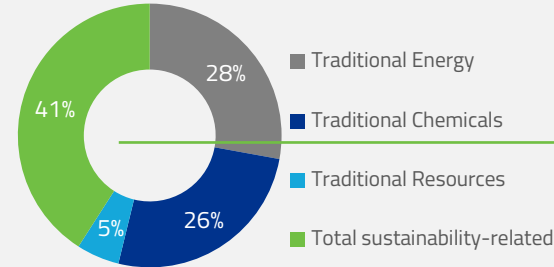
## A global leader delivering knowledge-based project and asset services

- Leading position in energy, chemicals and resources
- Uniquely positioned to benefit from the energy transition shift

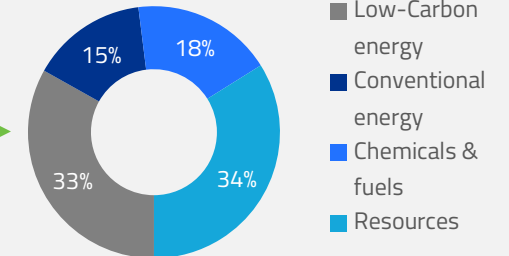
Sector aggregated revenue (%)



Traditional / sustainability-related<sup>1</sup> work aggregated revenue (%)



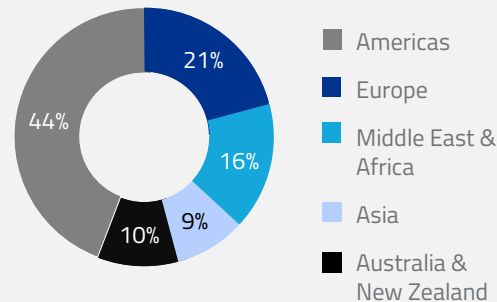
Sustainability-related<sup>1</sup> work aggregated revenue (%)



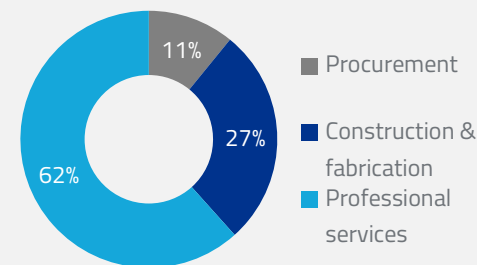
## Global earnings base and broad end markets provides diversification and resilience

- High-value solutions across the full life cycle
- Low-risk commercial models

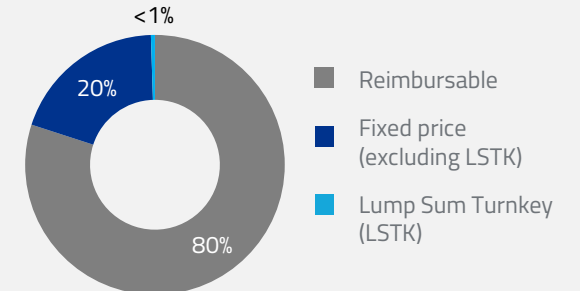
Regional aggregated revenue (%)



Type of services (%)



Contract type aggregated revenue (%)



1. Refer to page 33 for our definition of sustainability-related work.

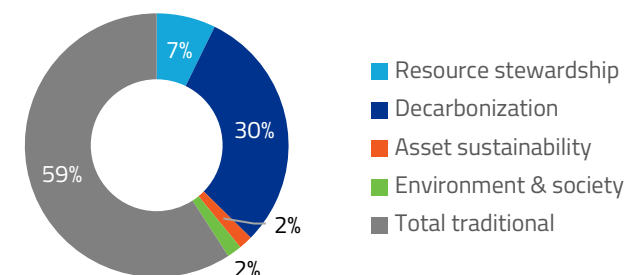
# How we define our sustainability-related work

We define our sustainability-related business through four pathways: asset sustainability; resource stewardship; decarbonization; and environment & society. This is calculated based on two measures:

## 1. The work we conduct in relation to the following markets:

<div data-bbox="142 505 810 596" data-label="Section-Header"> <h3>Decarbonization</h3> </div> <ul style="list-style-type: none"> <li>• Energy transition materials</li> <li>• Renewable energy</li> <li>• Integrated gas<sup>1</sup></li> <li>• Nuclear energy</li> <li>• Low-carbon fuels</li> </ul>	<div data-bbox="940 505 1607 596" data-label="Section-Header"> <h3>Resource stewardship</h3> </div> <ul style="list-style-type: none"> <li>• Bio-based materials</li> <li>• Metals recovery</li> <li>• Plastics recovery</li> <li>• Sulphur recovery</li> </ul>
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Traditional / sustainability-related aggregated revenue (%)



## 2. The work we conduct in relation to our sustainability solutions, which can be applied across all markets:

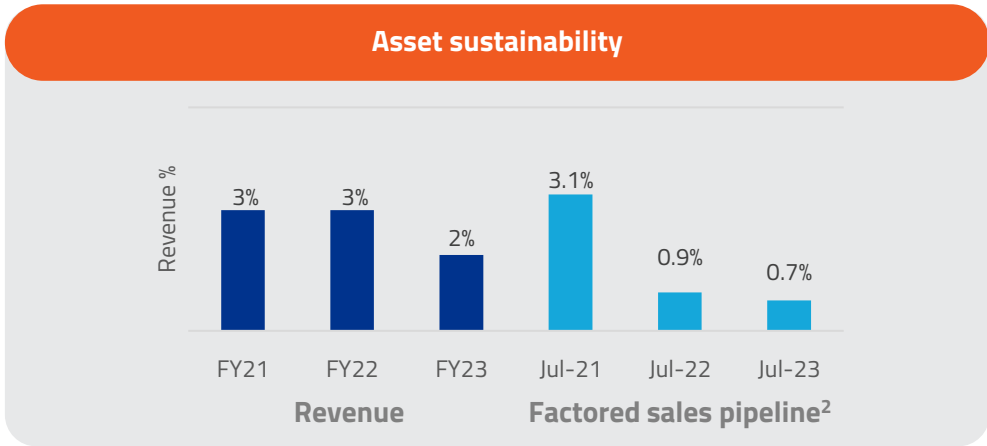
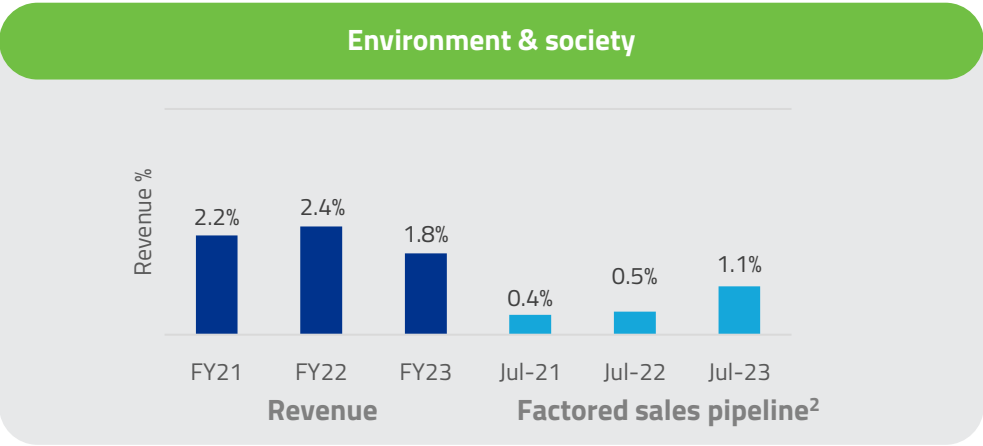
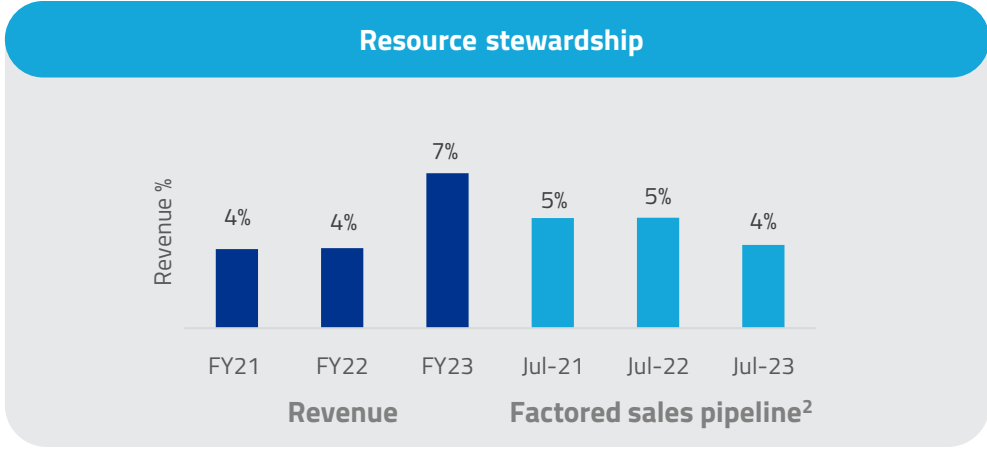
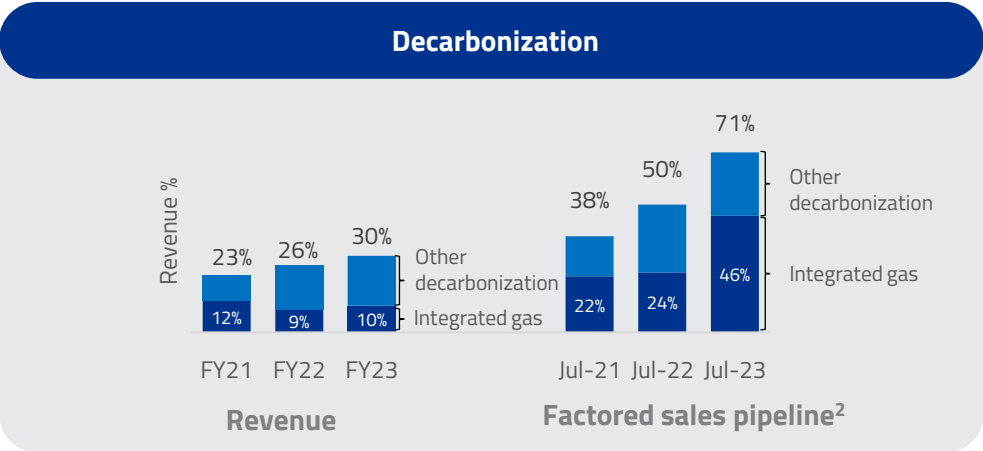
<div data-bbox="142 915 555 1006" data-label="Section-Header"> <h3>Decarbonization</h3> </div> <ul style="list-style-type: none"> <li>• Carbon management</li> <li>• Decarbonization infrastructure</li> <li>• Energy efficiency</li> <li>• Electrification</li> </ul>	<div data-bbox="601 915 1014 1006" data-label="Section-Header"> <h3>Resource stewardship</h3> </div> <ul style="list-style-type: none"> <li>• Recycling</li> <li>• Process efficiency</li> <li>• Waste management</li> <li>• Water stewardship</li> </ul>	<div data-bbox="1059 915 1472 1006" data-label="Section-Header"> <h3>Environment &amp; society</h3> </div> <ul style="list-style-type: none"> <li>• Environmental management</li> <li>• Social performance</li> <li>• Policy &amp; regulatory</li> <li>• Remediation &amp; liability management</li> </ul>	<div data-bbox="1518 915 1931 1006" data-label="Section-Header"> <h3>Asset sustainability</h3> </div> <ul style="list-style-type: none"> <li>• Sustainable design</li> <li>• Development and commercialization</li> <li>• Performance optimization</li> <li>• Decommissioning &amp; restoration</li> </ul>
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**Sustainability disclosures**  
 Globally recognized frameworks are emerging relating to sustainability disclosure. These provide guidance on how to classify transitional and sustainable economic activities. We'll continue to evolve our sustainability reporting to meet leading practice.

We refer to all revenue falling outside of sustainability revenue as traditional revenue.

1. We consider integrated gas as a transitional energy necessary to achieve net-zero emissions. The subsector integrated gas includes all upstream and midstream elements of the natural gas value chain from extraction, production through gas processing, storage, liquefaction and regasification. It also includes emerging renewable natural gas.

# Sustainability-related<sup>1</sup> work revenue and factored sales pipeline<sup>2</sup>



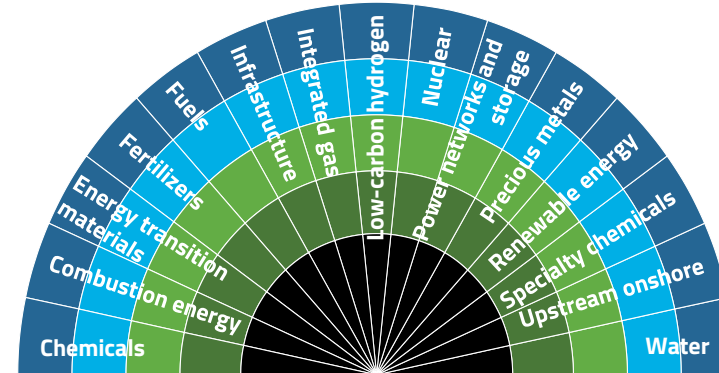
1. Refer to page 33 for our definition of sustainability-related work.  
 2. Factored for likelihood of project proceeding and being awarded to Worley.  
 General note: FY21 restated according to the definition on slide 33.

# Sustainability-related<sup>1</sup> projects are increasing moving into later project phases

- We're winning a significant number of early-phase projects (feasibility and FEED) in sustainability-related work<sup>2</sup>.
- These are expected to lead to larger scale later-phase work.
- We're increasingly seeing the early-phase work progress into later phases.

## Number of wins in different project phases for sustainability-related<sup>1</sup> work FY23 as at 30-June-23

The fan depicts the work we do across all phases within our of our sustainability-related sub-sectors. As projects progress through later phases the project size increases significantly



Project phase	Wins by project phase <sup>2</sup>
Operations and maintenance	108
Construction and commissioning	321
Detailed design	782
FEED	705
Feasibility	1,816

<sup>2</sup> Early phases

**80%**  
sustainability-related<sup>1</sup> number of wins in early project phases<sup>2</sup> vs 20% in traditional

**180%**  
growth in average sustainability-related<sup>1</sup> project size won vs FY22, indicating that more projects are moving into subsequent phases

## Number of wins in different project phases as a percentage of total



1. Refer to page 33 for our definition of sustainability-related business.  
 2. Number of wins in FY23 for sustainability-related projects sorted by project phase.  
 3. The total value of wins in traditional work has increased in FY23 compared to FY22.

Reconciliation of statutory results to underlying results	H1 FY23 (\$m)	H2 FY23 (\$m)	FY23 (\$m)	FY22 (\$m)
<b>Statutory result (NPAT for the Group)</b>	<b>(96)</b>	<b>142</b>	<b>46</b>	<b>177</b>
Add: Net finance costs	48	62	110	60
Add: Amortization of acquired intangible assets	49	40	89	95
Add: Income Tax Expense	22	78	100	117
<b>Statutory result (EBITA for the Group)</b>	<b>23</b>	<b>322</b>	<b>345</b>	<b>449</b>
Add: Net total items excluded from underlying result <sup>1</sup>	260	30	290	98
Shared services transformation	29	21	50	53
Payroll and other restructuring costs	-	-	-	15
Other transformation and transition costs	-	-	-	1
Loss on sale of disposal group and related expenses	231	9	240	-
Net impact of historical legal matters	-	-	-	16
Impact of withdrawal from Russia	-	-	-	14
Other	-	-	-	(1)
<b>Underlying EBITA for the Group</b>	<b>283</b>	<b>352</b>	<b>635</b>	<b>547</b>

## Reconciliation of statutory to underlying results adjusted for non-trading items

During FY23 cost adjustments comprise those in relation to the shared services transformation and a loss on sale of disposal group and related expenses which have been excluded from the underlying result. In FY22 costs in relation to cost saving programs, net impact of historical legal matters, impact of withdrawal from Russia and certain other one-off costs have been also excluded from the underlying result. The directors consider underlying result information is important to understand the sustainable performance of the company by excluding selected significant items and amortization on acquired intangible assets.

# Segment EBITA results By region

- Americas increase in EBITA was driven by a strong H2 with a ramp up of key projects and improved margins in professional services from H1.
- EMEA EBITA up based on rate improvements in professional services work through increase in sustainability projects while maintaining cost base.
- APAC margins continue to grow through greater percentage of professional services work.

	FY23	FY22	vs. FY22
<b>Aggregated revenue (\$m)</b>	<b>10,928</b>	<b>9,065</b>	<b>20.6%</b>
Americas	4,846	4,187	15.7%
EMEA	4,023	3,168	27.0%
APAC	2,059	1,710	20.4%
<b>Segment EBITA (\$m)</b>	<b>848</b>	<b>735</b>	<b>15.4%</b>
Americas	297	271	9.6%
EMEA	329	283	16.3%
APAC	222	181	22.7%
<b>Segment margin (%)</b>	<b>7.8%</b>	<b>8.1%</b>	<b>(0.3 pp)</b>
Americas	6.1%	6.5%	(0.4 pp)
EMEA	8.2%	8.9%	(0.7 pp)
APAC	10.8%	10.6%	0.2 pp
<b>Segment margin (%) excl procurement</b>	<b>8.7%</b>	<b>8.6%</b>	<b>0.1 pp</b>
Americas	6.6%	6.7%	(0.1 pp)
EMEA	10.0%	9.7%	0.3 pp
APAC	11.4%	11.3%	0.1 pp

	H2 FY23	H1 FY23	vs. H1 FY23
<b>Aggregated revenue (\$m)</b>	<b>5,726</b>	<b>5,202</b>	<b>10.1%</b>
Americas	2,454	2,392	2.6%
EMEA	2,177	1,846	17.9%
APAC	1,095	964	13.6%
<b>Segment EBITA (\$m)</b>	<b>457</b>	<b>391</b>	<b>16.9%</b>
Americas	169	128	32.0%
EMEA	181	148	22.3%
APAC	107	115	(7.0%)
<b>Segment margin (%)</b>	<b>8.0%</b>	<b>7.5%</b>	<b>0.5 pp</b>
Americas	6.9%	5.4%	1.5 pp
EMEA	8.3%	8.0%	0.3 pp
APAC	9.8%	11.9%	(2.1 pp)
<b>Segment margin (%) excl procurement</b>	<b>9.0%</b>	<b>8.4%</b>	<b>0.6 pp</b>
Americas	7.5%	5.7%	1.8 pp
EMEA	10.1%	9.8%	0.3 pp
APAC	10.4%	12.6%	(2.2 pp)

## Segment results H1 FY23 vs H2 FY23 By region

- Americas increase in EBITA was delivered by ramp up of key projects in the half and margin improvements across the business.
- EMEA continued to grow in H2 with volume and margin improvements across all areas of the region.
- APAC EBITA flat in H2 while maintaining a strong margin throughout the year.

# Segment results

## By region

	Americas			EMEA			APAC			TOTAL		
	FY23	FY22	vs. FY22	FY23	FY22	vs. FY22	FY23	FY22	vs. FY22	FY23	FY22	vs. FY22
<b>Aggregated revenue (\$m)</b>	<b>4,846</b>	<b>4,187</b>	<b>16%</b>	<b>4,023</b>	<b>3,168</b>	<b>27%</b>	<b>2,059</b>	<b>1,710</b>	<b>20%</b>	<b>10,928</b>	<b>9,065</b>	<b>21%</b>
Professional services <sup>1</sup>	2,203	1,860	18%	2,578	2,300	12%	1,952	1,600	22%	6,733	5,760	17%
Construction and fabrication	2,283	2,198	4%	721	608	19%	-	-	-	3,004	2,806	7%
Procurement	360	129	179%	724	260	178%	107	110	(3%)	1,191	499	139%
<b>Segment EBITA (\$m)</b>	<b>297</b>	<b>271</b>	<b>10%</b>	<b>329</b>	<b>283</b>	<b>16%</b>	<b>222</b>	<b>181</b>	<b>23%</b>	<b>848</b>	<b>735</b>	<b>15%</b>
Professional services	222	189	17%	267	239	12%	220	178	24%	709	606	17%
Construction and fabrication	60	78	(23%)	39	35	11%	-	-	-	99	113	(12%)
Procurement	15	4	275%	23	9	156%	2	3	(33%)	40	16	150%
<b>Segment margin (%)</b>	<b>6.1%</b>	<b>6.5%</b>	<b>(0.4 pp)</b>	<b>8.2%</b>	<b>8.9%</b>	<b>(0.7 pp)</b>	<b>10.8%</b>	<b>10.6%</b>	<b>0.2 pp</b>	<b>7.8%</b>	<b>8.1%</b>	<b>(0.3 pp)</b>
Professional services	10.1%	10.2%	(0.1 pp)	10.4%	10.4%	-	11.3%	11.1%	0.2 pp	10.5%	10.5%	-
Construction and fabrication	2.6%	3.5%	(0.9 pp)	5.4%	5.8%	(0.4 pp)	-	-	-	3.3%	4.0%	(0.7 pp)
Procurement	4.1%	3.1%	1.0 pp	3.2%	3.5%	(0.3 pp)	2.3%	2.7%	(0.4 pp)	3.4%	3.2%	0.2 pp
<b>Segment margin (%) excl procurement</b>	<b>6.6%</b>	<b>6.7%</b>	<b>(0.1 pp)</b>	<b>10.0%</b>	<b>9.7%</b>	<b>0.3 pp</b>	<b>11.4%</b>	<b>11.3%</b>	<b>0.1 pp</b>	<b>8.7%</b>	<b>8.6%</b>	<b>0.1 pp</b>

1. Includes Other Income.

# Segment EBITA

## By sector

- Energy sector has grown, benefiting from market growth due to global energy security requirements and sustainability-related investments.
- Chemicals has seen steady growth with the segment margin impacted by mix of projects.
- Resources delivered strong growth through project performance in EMEA and an increase in sustainability projects during the year.

	FY23	FY22	vs. FY22
<b>Aggregated revenue (\$m)</b>	<b>10,928</b>	<b>9,065</b>	<b>20.6%</b>
Energy	5,192	4,477	16.0%
Chemicals	3,645	3,308	10.2%
Resources	2,091	1,280	63.4%
<b>Segment EBITA (\$m)</b>	<b>848</b>	<b>735</b>	<b>15.4%</b>
Energy	360	327	10.1%
Chemicals	318	302	5.3%
Resources	170	106	60.4%
<b>Segment margin (%)</b>	<b>7.8%</b>	<b>8.1%</b>	<b>(0.3 pp)</b>
Energy	6.9%	7.3%	(0.4 pp)
Chemicals	8.7%	9.1%	(0.4 pp)
Resources	8.1%	8.3%	(0.2 pp)
<b>Segment margin (%) excl procurement</b>	<b>8.7%</b>	<b>8.6%</b>	<b>0.1 pp</b>
Energy	7.6%	7.7%	(0.1 pp)
Chemicals	9.3%	9.5%	(0.2 pp)
Resources	10.9%	9.4%	1.5 pp

# Proforma information

Worley Group results adjusted to exclude divested North American turnaround and maintenance business

Group Metrics	H1 FY22	H2 FY22	FY22	H1 FY23	H2 FY23	FY23
Professional Services <sup>1</sup>	2,774	2,986	5,760	3,061	3,672	6,733
Construction & Fabrication	836	900	1,736	992	943	1,935
Procurement Revenue	226	273	499	546	645	1,191
Aggregated Revenue	3,836	4,159	7,995	4,599	5,260	9,859
Aggregated Revenue excluding Procurement	3,610	3,886	7,496	4,053	4,615	8,668
Underlying EBITA	233	283	516	269	337	606
Underlying EBITA % excluding procurement	6.5%	7.3%	6.9%	6.6%	7.3%	7.0%
Underlying NPATA	140	169	309	145	183	328
Underlying NPATA% excluding procurement	3.9%	4.3%	4.1%	3.6%	4.0%	3.8%
Sustainability Revenue %	38.0%	38.0%	38.0%	43.0%	46.0%	45.0%
Backlog(\$bn) as at period end	12.0	12.4	12.4	13.3	14.1	14.1

1. Includes Other Income.

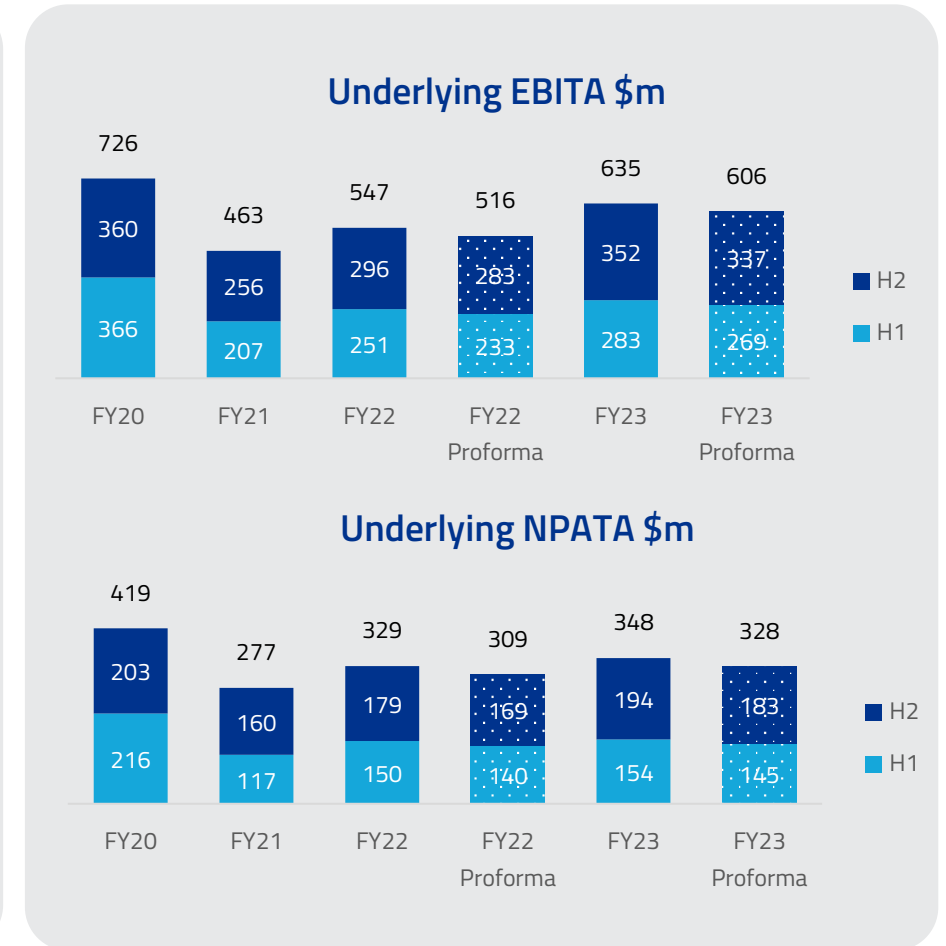
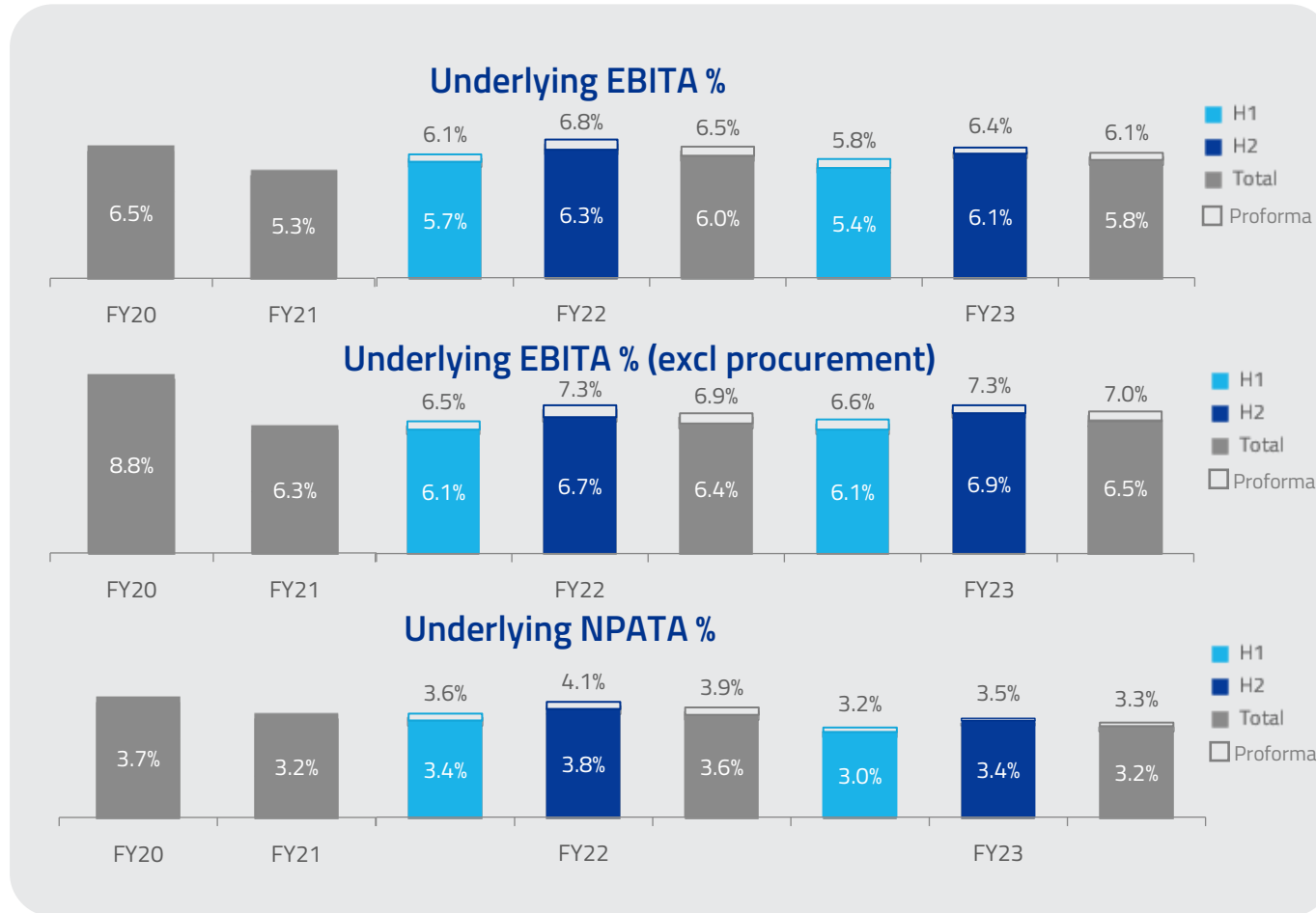
# Proforma information

Worley Group results adjusted to exclude divested North American turnaround and maintenance business

Segment Information <sup>1</sup>		H1 FY22	H2 FY22	FY22	H1 FY23	H2 FY23	FY23
Aggregated Revenue	Americas	1,453	1,664	3,117	1,789	1,988	3,777
Segment EBITA	Americas	96	144	240	114	153	267
Segment Margin (%)	Americas	6.6%	8.7%	7.7%	6.4%	7.7%	7.1%
Aggregated Revenue	Energy	1,974	2,209	4,183	2,300	2,624	4,924
	Chemicals	1,263	1,306	2,569	1,380	1,508	2,888
	Resources	599	644	1,243	920	1,127	2,047
Segment EBITA	Energy	146	172	318	159	193	352
	Chemicals	121	159	280	143	153	296
	Resources	52	54	106	75	95	170
Segment Margin (%)	Energy	7.4%	7.8%	7.6%	6.9%	7.4%	7.1%
	Chemicals	9.6%	12.2%	10.9%	10.4%	10.1%	10.2%
	Resources	8.7%	8.4%	8.5%	8.2%	8.4%	8.3%

1. There were no changes to EMEA or APAC segment results for the divested North American turnaround and maintenance business.

# Margin profile



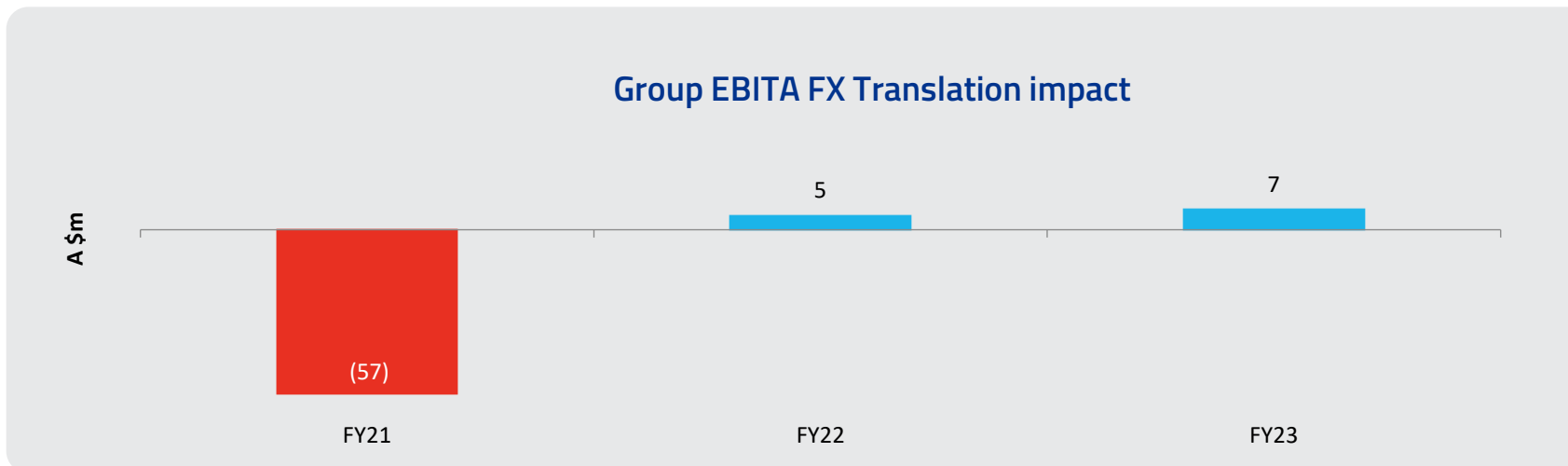
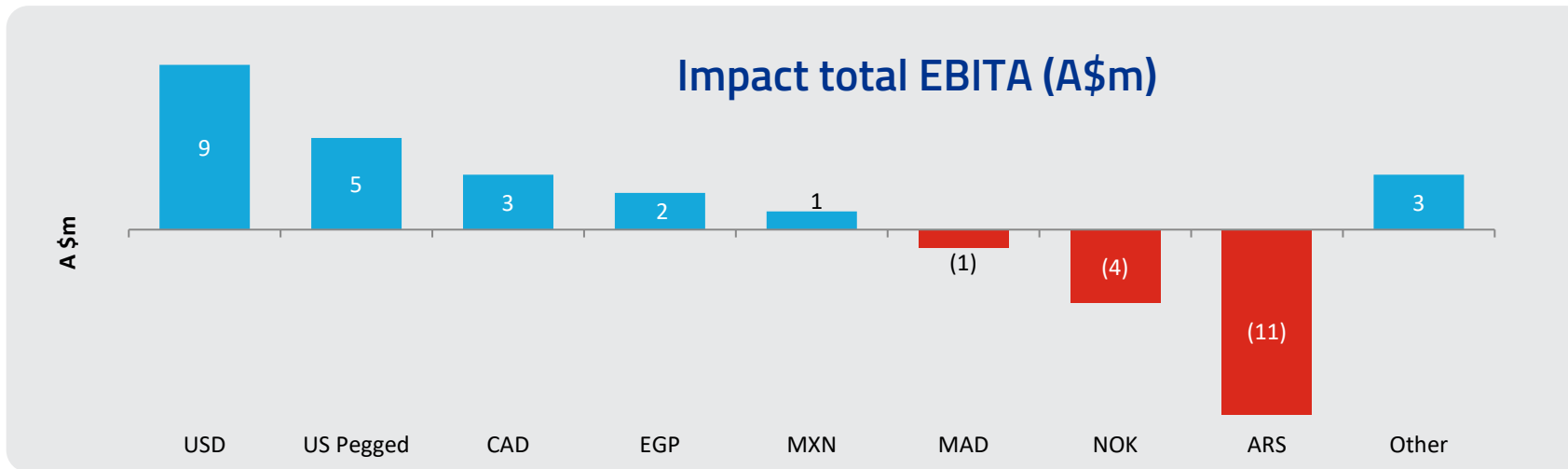
# Calculation of EBITA% excluding procurement

$$\text{Underlying EBITA margin excluding procurement} = \frac{\text{Underlying EBITA}}{\text{aggregated revenue} - \text{procurement revenue}}$$

	H1 FY23	H2 FY23	FY23
Aggregated revenue (\$m)	5,202	5,726	10,928
Growth rate on pcp			21%
EBITA (\$m)	283	352	635
Growth rate on pcp			16%
EBITA%	5.4%	6.1%	5.8%
Procurement revenue (\$m) <sup>1</sup>	546	645	1,191
Growth rate on pcp			139%
Revenue excluding procurement (\$m)	4,656	5,081	9,737
Growth rate on pcp			14%
EBITA% excluding procurement	6.1%	6.9%	6.5%

1. Refers to procurement included in aggregated revenue.

# Foreign exchange



# Cash collection

Cash conversion was 86.6%, adjusted to include working capital recovery for the 1-month post-completion of the North American turnaround and maintenance business divestment (\$43m) and prepayment of software costs (\$25m).

DSO  
63 days

	FY23 (\$m)	FY22 (\$m)
EBITA <sup>2</sup>	585	449
Add: Depreciation, amortization and significant non-cash items	219	214
Less: Interest and tax paid	(158)	(105)
(Less)/add: Receivables movement	(401)	(202)
Less: Payables, provision and other movement	15	(40)
Net cash inflow from operating activities	260	316
Non-recurring cash flows	64	60
Underlying operating cash flow	324	376
Underlying proforma operating cash flow excluding interest and tax	550	NA

1. Underlying operating cash excluding tax and interest over Underlying EBITA.  
2. Statutory EBITA excluding loss on sale of divestment.

# Balance sheet and liquidity metrics

- Gearing at levels supportive of future growth
- Average maturity of debt is 3.72 years

	as at 30-Jun-23	as at 30-Jun-22
Average cost of debt <sup>2</sup>	<b>3.9%</b>	1.9%
Average maturity (years)	<b>3.7</b>	2.2
Interest cover (times)	<b>7.2x</b>	10.6x
Net debt, \$m (statutory definition)	<b>1,830</b>	1,662
Net debt/EBITDA (times) <sup>3</sup>	<b>2.2x</b>	2.5x
Loan & overdraft facilities <sup>6</sup>	<b>3,512</b>	2,856
Facilities utilized	<b>(2,005)</b>	(1,914)
Available facilities	<b>1,507</b>	942
Facility utilization <sup>4</sup>	<b>57.1%</b>	67.0%
Total liquidity <sup>5</sup>	<b>1,943</b>	1,461
Bonding facilities (available)	<b>1,894</b>	1,923
Bonding facility utilization	<b>63%</b>	60%
Gearing ratio <sup>1</sup>	<b>24.6%</b>	22.6%

1. Net debt to net debt + equity.

2. Calculated based on the weighted average of closing debt and rates at reporting date.

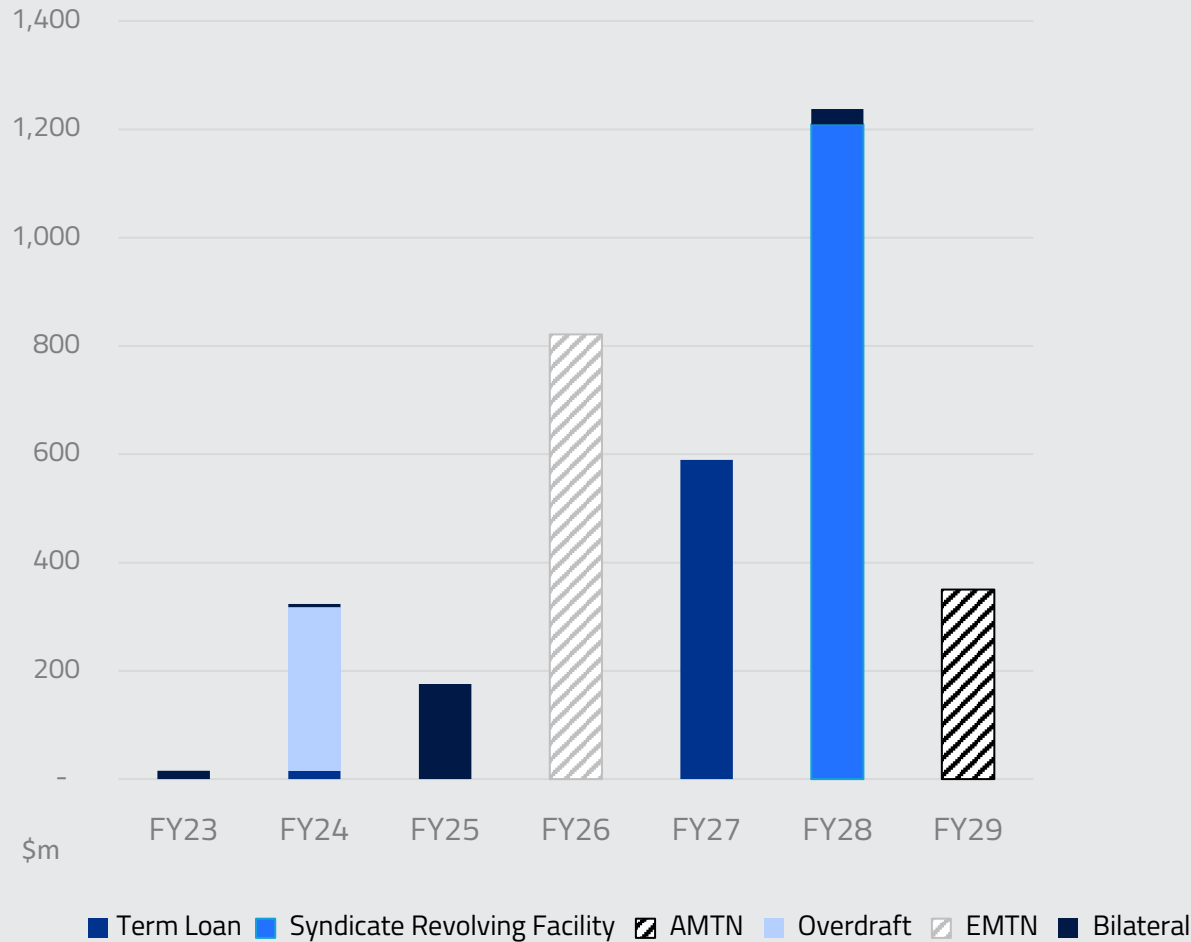
3. Earnings before interest, tax, depreciation and amortization as defined for debt covenant calculations.

4. Loans and overdrafts.

5. Available facilities plus cash.

6. Excludes leases.

### Debt Maturity Profile as at 30 June 2023



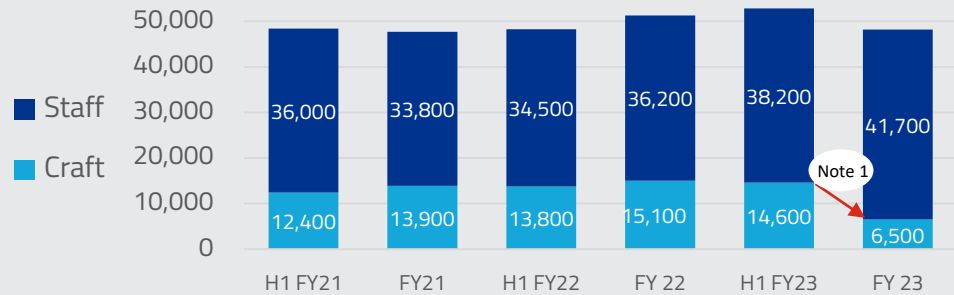
## Capital management: Improved funding and maturity in FY23

- In May, Worley refinanced and extended its Syndicated Bank Loan Facilities of US\$ 1.2b. The facilities comprise a US\$ 400m term loan maturing in May 2027 and a US\$ 800m revolving multicurrency facility maturing in May 2028.
- In April, Worley successfully issued an \$350m sustainability-linked bond maturing in October 2028 under the Group's Euro Medium Term Note program.

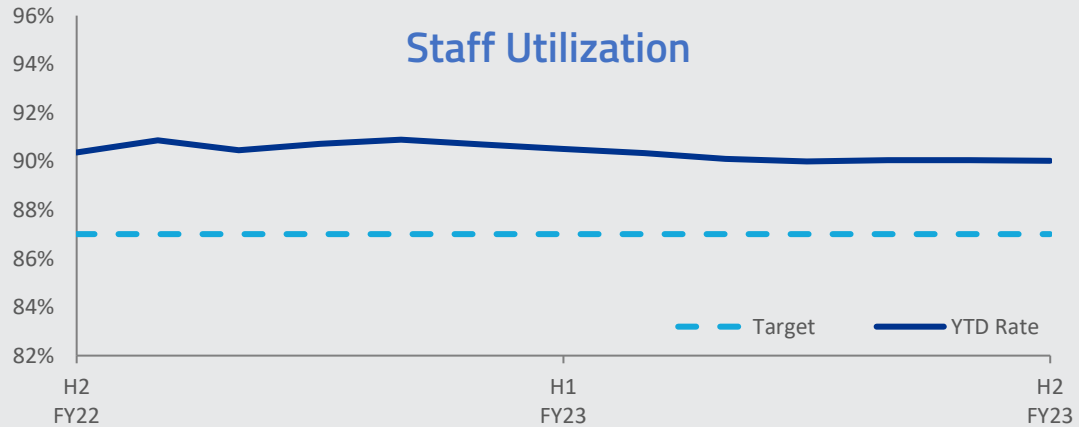
### Fixed coupon bonds

- EMTN Euro 500m at 0.88%
- AMTN \$350m at 5.95%

## Worley global headcount



## Staff Utilization



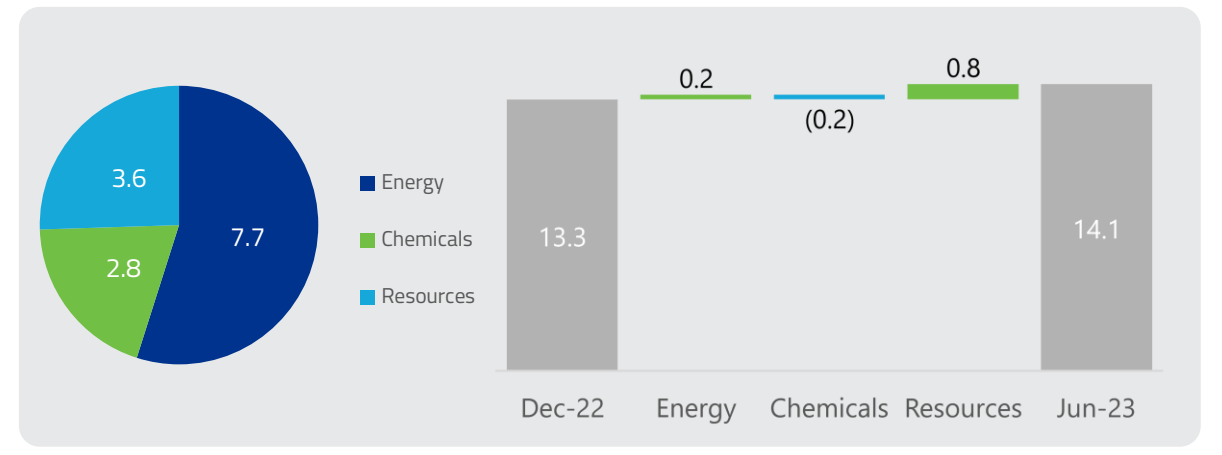
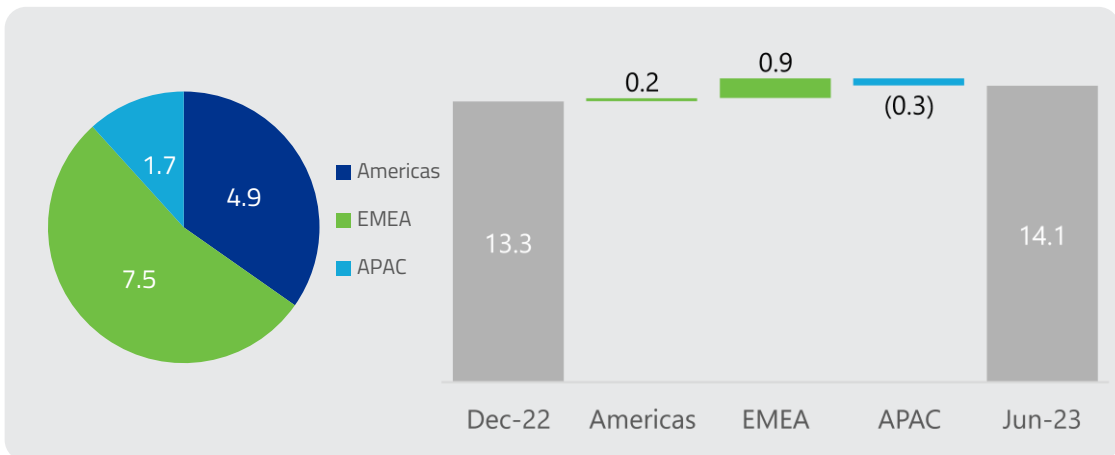
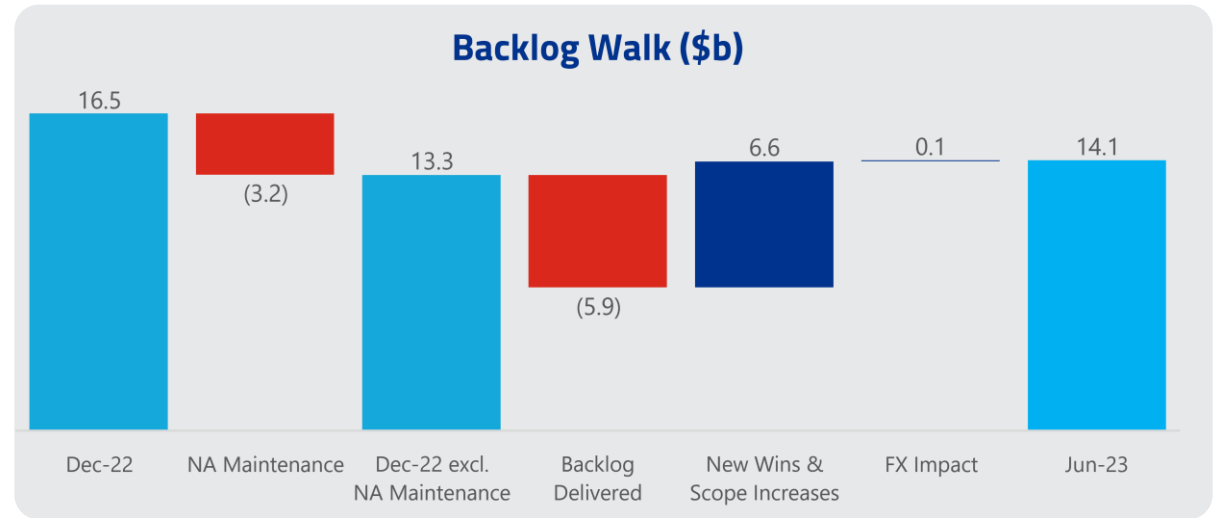
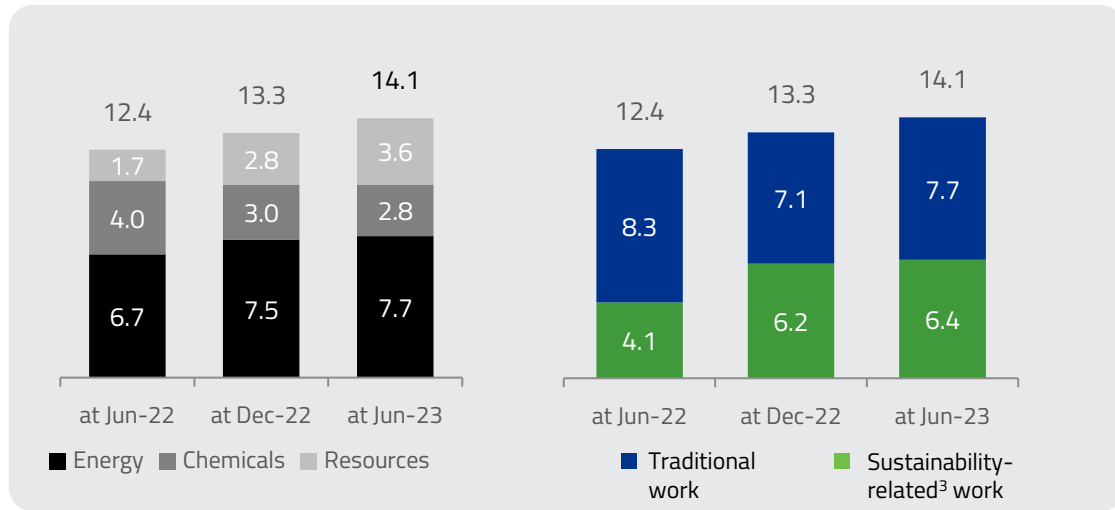
- Utilization remains above target.
- Professional services staff headcount is 41,700 at 30 June 23, up 15% on FY22.
- Global Integrated Delivery (GID) headcount is 4,900 at 30 June 23, up 23% on FY22 (total India: 6,500 people), GID utilization is 12.8%, up 0.6pp on FY22.
- Total headcount 48,200+ at Jun-23, down 6.0% compared to Jun-22<sup>1</sup>; total proforma headcount is up 6% once headcount from sale of North American turnaround and maintenance business is accounted for.
- In July 23, headcount increased by 600 (500 in staff, 100 in craft).

**87%**

Percentage of professional services staff at Jun-23 compared to total headcount, up from 71% at Jun-22

1. Reduction in headcount as part of the divestment of the North American turnaround and maintenance business.

# Backlog<sup>1,2</sup> increasing



1. Excludes the divested North American turnaround and maintenance business.  
 2. Backlog definition provided on page 52.  
 3. Refer to page 33 for our definition of sustainability-related work.

# Glossary

\$, \$m, \$b – Australian dollars unless otherwise stated, Australian millions of dollars, Australian billions of dollars

APAC - Australia, Pacific, Asia & China

B2B - Business to Business

CAPEX - Capital expenditure

CCUS - Carbon Capture, Utilization and Storage

CCS - Carbon Capture and Storage

CDP - Carbon Disclosure Project

CO<sub>2</sub> - Carbon Dioxide

CPS - Cents Per Share

DSO - Days Sales Outstanding

EBITA - Earnings Before Interest, Tax and Amortization on acquired intangibles

EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization on acquired intangibles

EMEA - Europe, Middle East & Africa

EPC – Engineering, Procurement, Construction

ESG - Environmental, Social, and Governance

EU - The European Union

FEED - Front-end engineering design

FX - Foreign Exchange

FY – Financial Year

GDP - Gross Domestic Product

GID - Global Integrated Delivery

GST - Goods and Services Tax

HSE - Health, Safety and Environment

HY - Half Year

IFRS - International Financial Reporting Standard

k – thousand

LNG - Liquefied Natural Gas

MSCI - Morgan Stanley Capital International

NIST - National Institute of Standards and Technology

NPAT - Net Profit After Tax

NPATA - Net Profit After Tax excluding Amortization on acquired intangibles

O&M - Operations & Maintenance

OPEX - Operating expenditure

PCP - Prior Comparative Period

PP - Percentage Points

SDGs - Sustainable Development Goals

US - United States

**Sustainability** Encompasses those elements of our environmental, social and governance (ESG) performance. It also refers to our activities supporting our customers to meet sustainability objectives on their projects. As part of our Ambition, we provide disclosures on sustainability-related work.

**Lower carbon** Lower carbon denotes methodologies and technologies that effectively reduce carbon emissions and mitigate the discharge of greenhouse gases, thereby fostering environmental sustainability and combatting climate change.

## Horizons

Short term (1 to 2 years) Our short-term horizon on the immediate financial planning period.

Medium term (2 to 5 years) Our medium-term horizon is focused on our strategic business plan in line with our ambition.

Long term (5 to 10 years) Our long-term horizon is focused on global trends and our net-zero aspirations.

# Backlog definition

Backlog is the total dollar value of the amount of revenues expected to be recorded as a result of work performed under contracts or purchase/work orders already awarded to the Group. Backlog is not in constant currency, and is reported using the year end exchange rates.

With respect to discrete projects an amount is included for the work expected to be received in the future. For multi-year contracts (i.e. framework agreements and master services agreements) and O&M contracts we include an amount of revenue we expect to receive for 36 months, regardless of the remaining life of the contract.

Due to the variation in the nature, size, expected duration, funding commitments and the scope of services required by our contracts and projects, the timing of when the backlog will be recognized as revenue can vary significantly between individual contracts and projects.

# Rules for items excluded from underlying results

Worley has guidelines for determining items to be excluded from non IFRS profit measures, such as underlying NPATA and underlying EBITA. These guidelines are for determining underlying profit for internal management reporting and external reporting purposes.

There are three principles which form the foundation of Worley's approach to determining adjustments to underlying profit. These are:

1. **Consistency:** A consistent approach should be adopted from period to period. We consider how items have been previously treated. Consistency is one of the key points in the Australian Institute of Company Directors (AICD) and ASIC RG 230 guidelines.
2. **Relevance:** Worley discloses underlying profit measures as the information is considered useful for investors to understand Worley's financial condition and results of operations. It provides investors with a view of the sustainable performance of the Group.
3. **Neutrality:** Adjustments to determine underlying earnings must not be biased and in other words should be neutral. A key concept in most regulator guidelines is neutrality.

## Review

Each December and June external reporting periods all income or expense items to be excluded from underlying profit will continue to be formally reviewed and approved by the Chief Financial Officer, the Audit & Risk Committee and the external Auditors as part of the approval of the Financial Statements.

# Fixed price vs reimbursable contract types

- Reimbursable Contracts (~80% of our revenue):
  - Contracts based on reimbursement of reasonable and allowable actual costs plus agreed profits including incentives, partial/fixed fee in accordance with the contract terms and conditions.
- Fixed Price Contracts (~20% of our revenue):
  - Lump sum services contracts where we can control the outcomes based on our long history of successful professional services delivery.
  - Lump sum EPC typically where we have completed the proceeding phases and have high confidence in the scope. We could see an increase in these types of contracts in the future where it presents the opportunity for higher margins whilst mitigating the risk.
  - Construction lump sum contracts, for example some of the Canadian construction projects are lump sum.
  - LSTK (Lump Sum Turnkey) implies Worley also takes on the risk for plant start-up and achieving normal operation. We typically do not take on this risk, and a very minor portion of our revenue (significantly less than 1%) is considered LSTK.



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