

# Macquarie Conference

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[worley.com](https://www.worley.com)

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# Key messages

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Business set up for the future

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Delivering a more sustainable world

# Our actions have set the business up for the future



# Market update

## Upstream and midstream

- Some recovery in project sanctioning expected in 2021
- Demand for LNG expected to grow faster than supply supporting long term investment

## Sustainability themes

- Increasing number of major oil and gas companies setting net zero targets and pivoting strategies
- Gas continues to play a role in energy mix as lower-carbon energy source

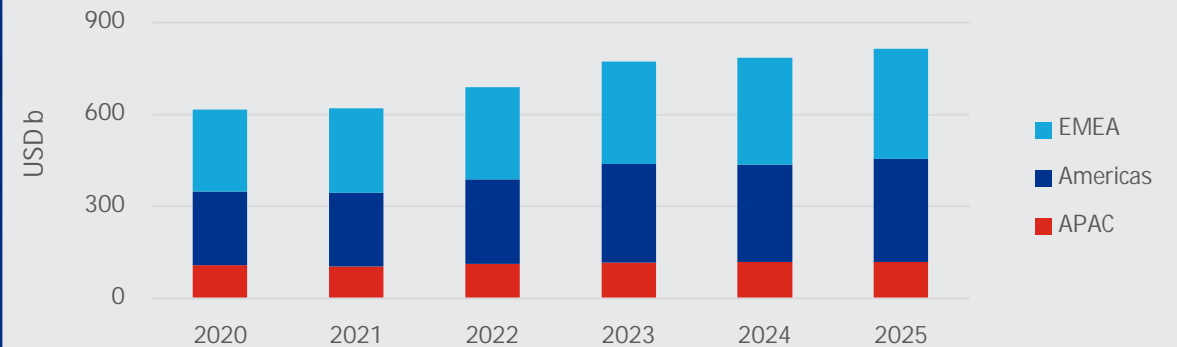
## Power

- Capex investment in renewables has remained relatively steady through the pandemic
- Forward-looking capex spend has increased for major energy companies

## Sustainability themes

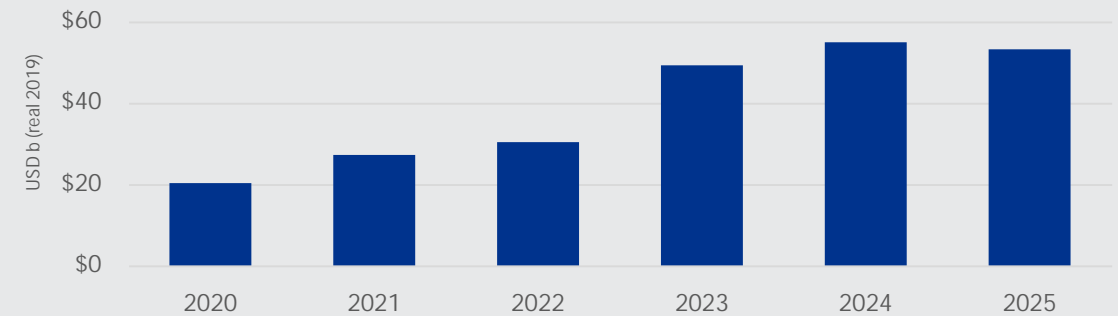
- Offshore wind and green hydrogen investment continues to be strong
- Uptake of renewables will require significant investment in transmission and distribution infrastructure

## Capex and opex oil and gas investment by region



Source: Rystad Energy, ServiceDemandCube (February 2021) (EMEA includes Russia and Central Asia)

## Offshore wind annual investment, new capacity



Source: BloombergNEF, excludes China

# Market update

## Refining and chemicals

- Refining industry under ongoing pressure
- Major chemicals customers reporting improved earnings and increasing capex announcements

## Sustainability themes

- Conversions of refineries for biofuels
- Chemicals industry to reduce energy intensity through changing feedstocks and production processes
- Converting chemicals feedstock to biomass and waste

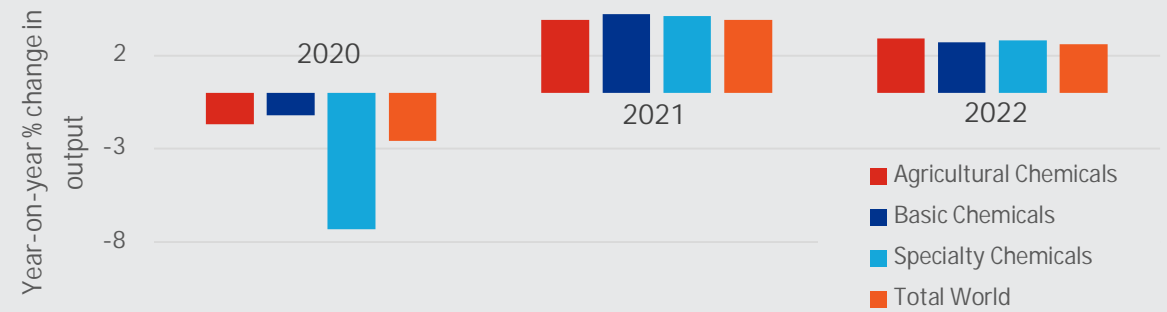
## Mining, minerals and metals

- Resilience in commodity prices including copper and iron ore

## Sustainability themes

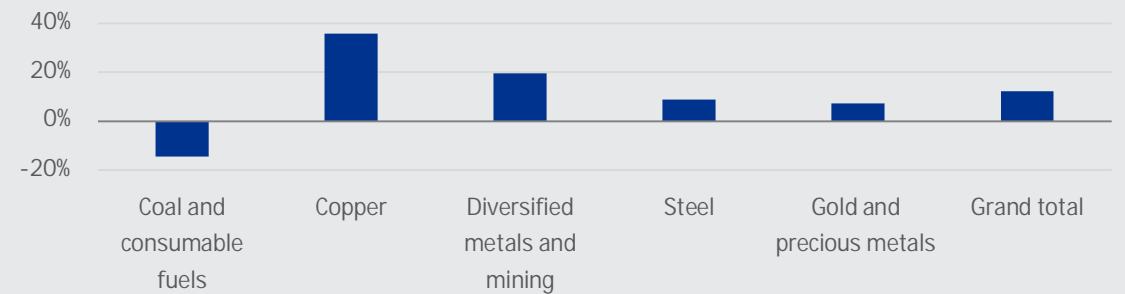
- Miners looking to reduce emissions from their sites through electrification
- Materials for batteries: lithium, nickel and cobalt

## Global chemical output rebounding with year-on-year growth forecast



Source: IHS Markit, December 2020

## Top 40 mining, minerals and metals companies' capex growth in 2021



Source: S&P Capital IQ, Top 40 mining companies by market capitalisation, as of 20 January 2021

# Our sustainability pivot providing the structural framework for growth

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Sustainability as defined by our sustainability domain

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\$1.2b revenue in H1 FY21 at more favorable margins

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Energy transition and circular economy opportunities increased from 11% to 18% of total factored sales pipeline<sup>1</sup>

## Delivering a more sustainable world

1. Factored for likelihood of project proceeding and award to Worley, since November 2020

# Addressing climate change through strategic action

We operate in environmentally responsible manner and provide our customers with solutions for complex sustainability challenges:

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## Aligned with Paris Agreement and UN Sustainable Development Goals

We are part of partnerships and coalitions to contribute to breakthrough solutions

- Charter level partner of Princeton Andlinger Center for Energy and the Environment
- Founding member of the Australian Climate Leaders Coalition and member of the global Energy Transitions Commission

The biggest role we have to play is in supporting our customers on their sustainability journeys

Our top 20 customers across all our sectors:

- 70% have publicly stated emissions reduction targets
- 100% are investing in decarbonization

We are supporting new and existing customers on their sustainability journey



# Our sustainability domain

Capability<sup>1</sup>      Mid to long-term opportunity<sup>2</sup>

Energy Transition	Low-carbon hydrogen, CCUS, transition materials, nuclear, solar, offshore wind, DES <sup>3</sup>	High	High
Circular Economy	Waste to energy, bio-based products such as renewable fuel, plastics recovery	High	High
Restoration	Decommissioning, contaminated land management, soil & groundwater remediation	Medium	Medium
Sustainable ECR <sup>4</sup> Infrastructure	Climate change resilience, geohazard management, materials sustainability	Low	High
Water Stewardship	Water treatment, waste water management, flood risk management, supply & security	Medium	High
Environmental Management	Air quality management, approvals & compliance, due diligence, incident management	Medium	High
Social Value	Indigenous participation, heritage protection, stakeholder engagement, public safety	Medium	Medium

## UN Sustainable Development Goals (SDGs)

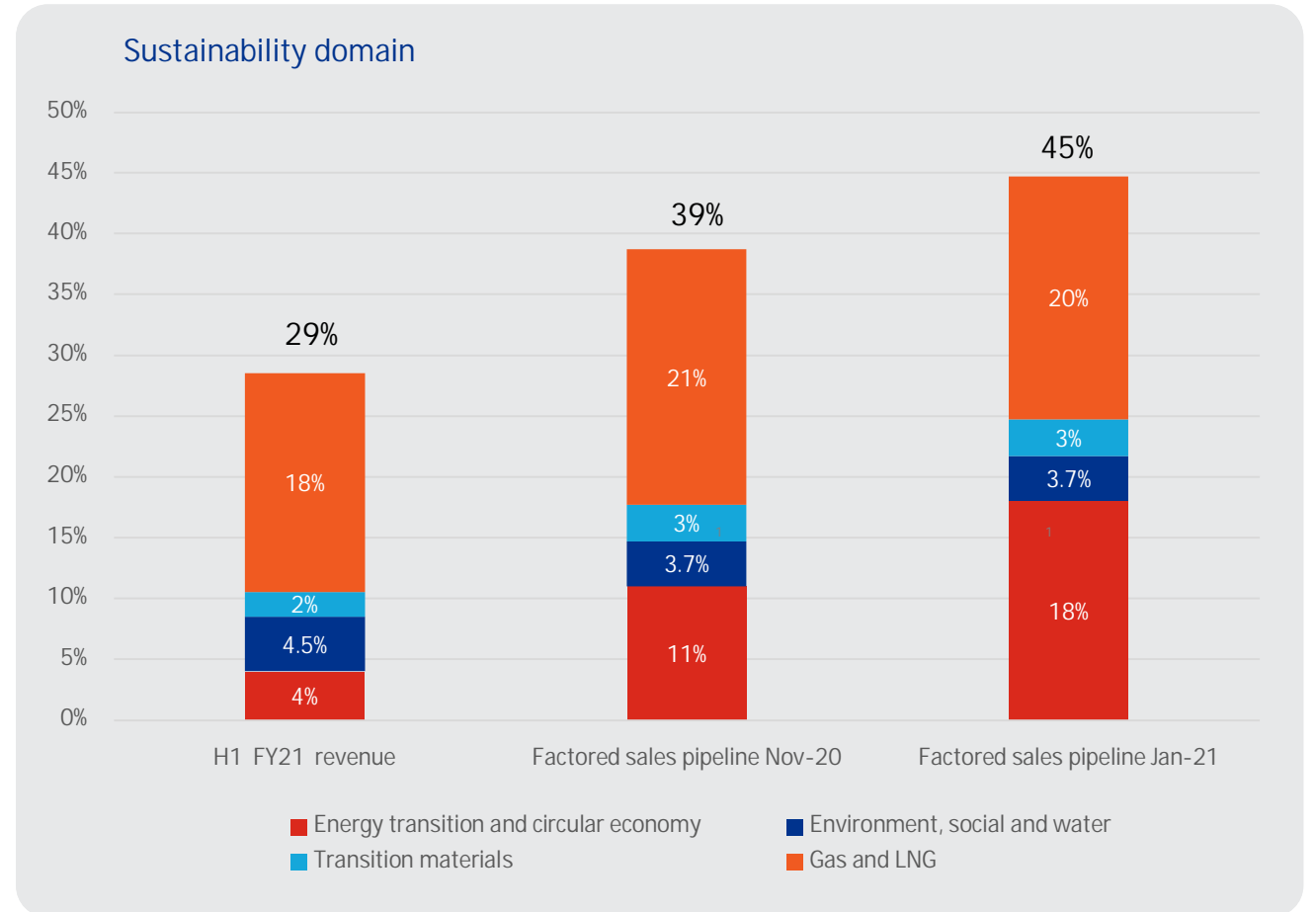


1. Relative strength in capability, with capacity to grow
2. Relative size of market opportunity
3. Distributed energy systems
4. Energy, Chemicals and Resources

● High    ● Medium    ○ Low

# Sustainability is a growing part of our business

- Sustainability represented 29% of H1 FY21 aggregated revenue, similar to whole of FY2020
- Sustainability opportunities represent 45% of factored sales pipeline<sup>1</sup> at January 2021
- Around 50% of sustainability opportunities have award date within 12 months
- Energy transition and circular economy factored sales pipeline<sup>1</sup> opportunities are accelerating
- Sustainability project awards increasing in complexity, volume and scale

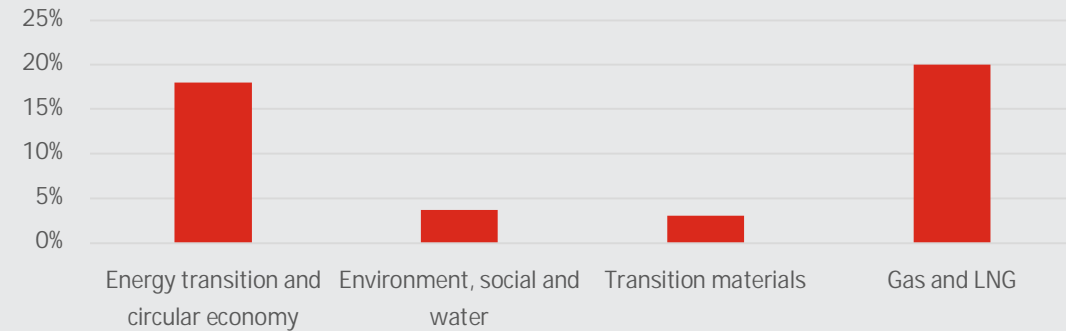


1. Factored for likelihood of project proceeding and award to Worley

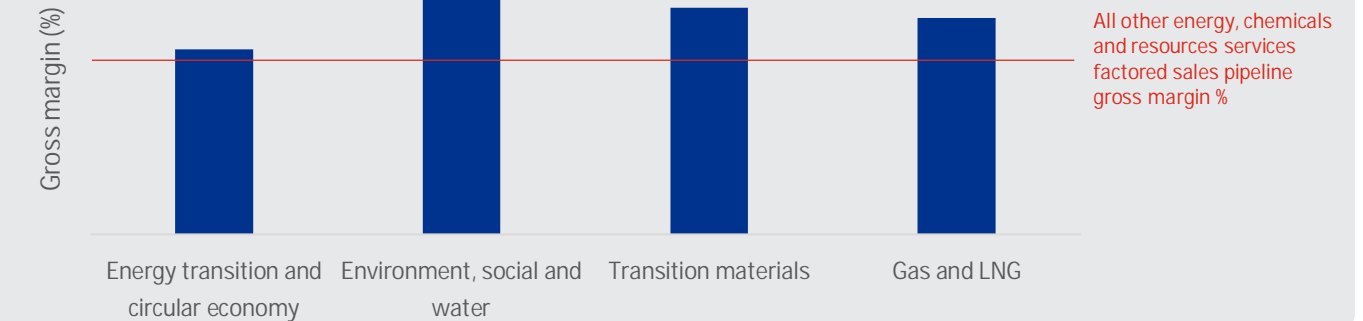
# Sustainability project complexity drives gross margin

- Our target sustainability projects are technically complex with a similar risk profile to other services – not lump sum turn-key
- Sustainability opportunities in our factored sales pipeline<sup>1</sup> have a more favorable gross margin percentage compared to our other services
- Gross margin differences across sustainability domain are mostly due to type of work performed
- Sustainability projects provide opportunities for alternative commercial models, particularly with emerging customers

Factored sales pipeline revenue<sup>1</sup> (proportion of total)



Factored sales pipeline gross margin<sup>1</sup>



1. Factored for likelihood of project proceeding and award to Worley, January 2021

# Delivering sustainable outcomes for customers

Energy Transition

Circular Economy

## Track record of 2400+ Energy Transition projects

70+

Low-carbon hydrogen projects

Refer page 13

200+

Carbon capture, utilization and storage (CCUS) projects

Refer page 14, 15

700+

Wind power projects

Refer page 16

130+

Renewable fuels & waste-to-energy projects

Refer page 17

# Nouryon

Low-carbon hydrogen

## Green hydrogen for the Amsterdam metropolitan area

- Scaling up plant capacity for the world's first 100 MW electrolyzer built
- Decarbonizing steel production and providing renewable feedstock for biofuel production
- Broader opportunities across supply chain





# 1PointFive

CCUS

First commercial scale development using of Carbon Engineering's Direct Air Capture (DAC) technology

The technology involves the removal of CO<sub>2</sub> directly from the atmosphere

Each DAC unit has an expected design capacity to extract one million metric tons of atmospheric CO<sub>2</sub> annually



# Drax

CCUS

Our work for Drax has the potential to capture and store a combined total of 8 million tonnes of carbon dioxide a year

That is equivalent to taking 1.5 million passenger cars off the road

A photograph of an offshore wind farm with several white wind turbines against a clear blue sky with a few light clouds. The turbines are arranged in a line, receding into the distance.

Ørsted

Offshore wind

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Designing and installing 'Revolution Wind'

An offshore wind farm for Connecticut and Rhode Island that will generate enough to power more than 350,000 homes



# Phillips 66

Renewable fuels

## Converting refinery to renewable fuels-manufacturing facility

- Expected to be one of the world's largest facilities of its kind
- Will produce up to 2.5 billion litres per year of renewable transportation fuels



# Customers recognize our competitive advantage

“We partnered with Worley for this historic project because our organizations are like-minded in their vision of sustainability. Worley has a proven track record of true innovation, and that will be essential to bring DAC to commercial scale.”

Oxy Low Carbon Ventures President Richard Jackson

“The Worley team brings strong expertise in technology assessment and has extensive experience in scaling up first-of-a-kind plants. We highly value our collaboration with Worley in the next exciting stage of development.”

Avantium CEO Tom van Aken

Customer relationships

Global scale and proven track record

Delivery of technically complex projects

Experts with transferable skills

Innovation and technology solutions

# Summary

## Business set up for the future

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- We continue to actively manage what is in our control
- Diversified business is a strength as different geographies and sectors recover at different rates
- We expect to see continued investment in our other services in line with demand
- On track for improved result in H2 FY21 compared to H1 FY21

## Delivering a more sustainable world

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- Our sustainability pivot provides the structural framework for growth and positions us at the center of significant investment across our sectors
- We are using our specialized expertise to deliver complex solutions for our customers as they transition to a low-carbon world
- Sustainability opportunities in our factored sales pipeline<sup>1</sup> are accelerating
- Sustainability opportunities in our factored sales pipeline<sup>1</sup> have a more favorable gross margin percentage compared to our other services
- We are very pleased with the level of work we are winning

1. Factored for likelihood of project proceeding and award to Worley

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