

FULL YEAR RESULTS 2018

28 February 2019



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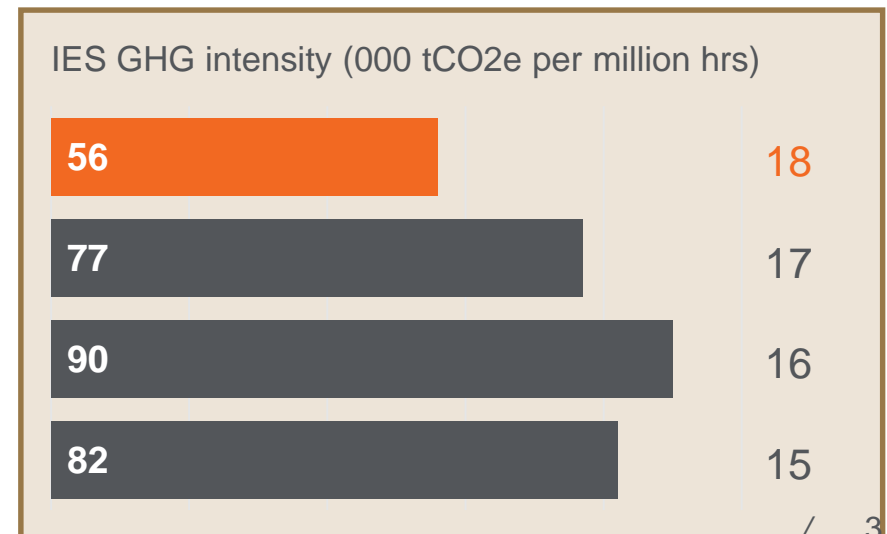
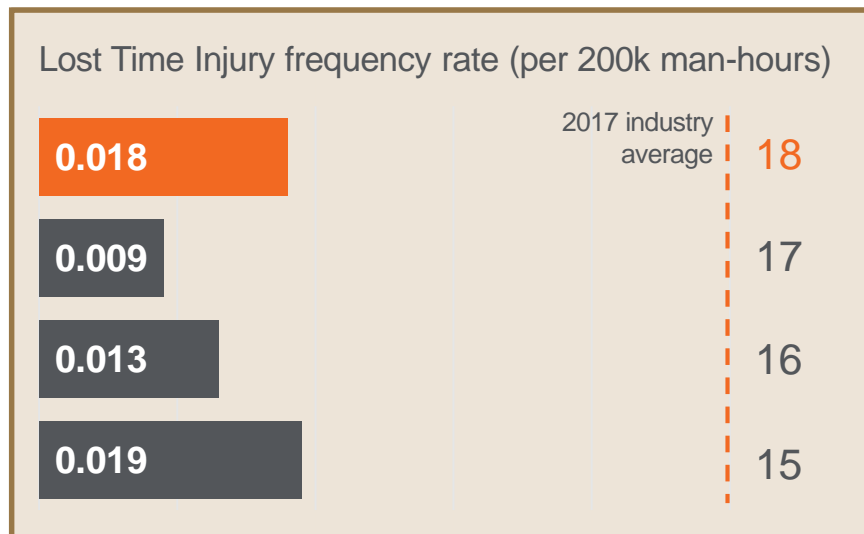
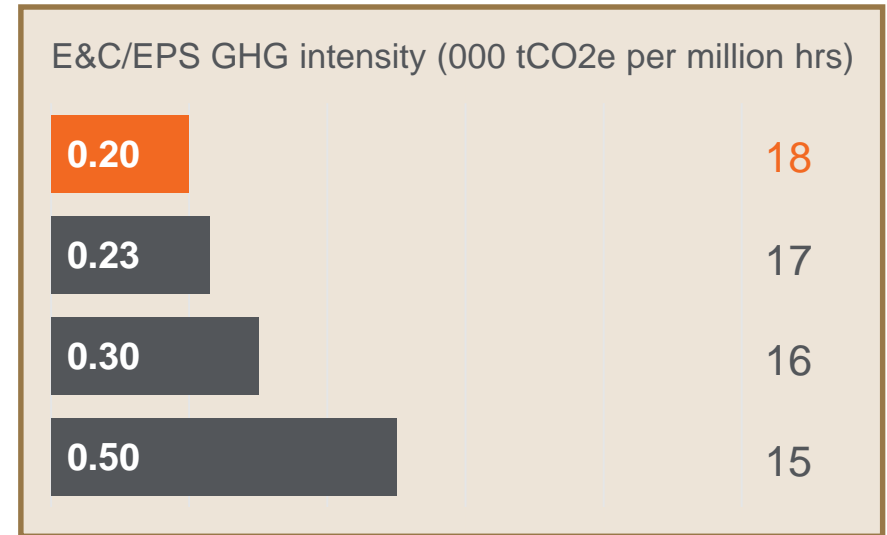
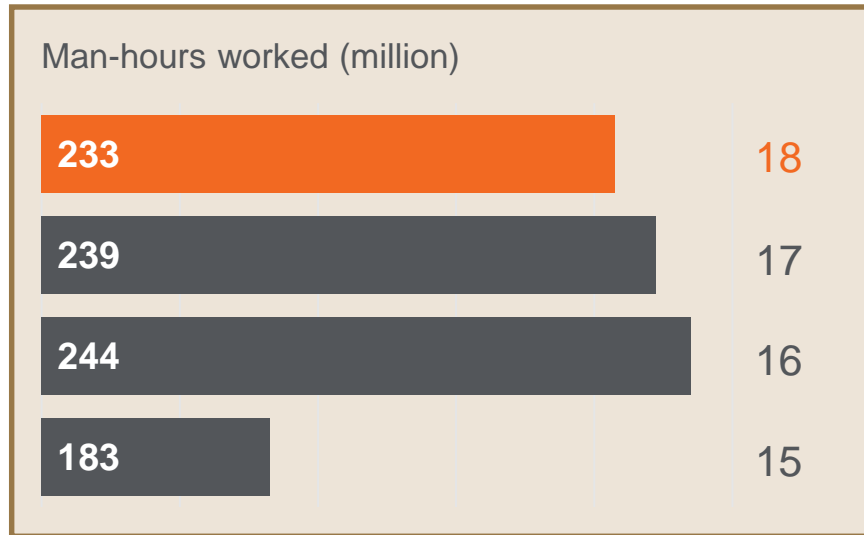
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HSE Performance

COMMITTED TO IMPROVING OUR SAFETY & ENVIRONMENTAL PERFORMANCE



OPERATIONS

- Solid operational performance
- Delivered sector-leading margins
- Secured US\$5.0bn of new orders

RESULTS

- Delivered good financial results
- Returned to net cash position
- Improved returns



Excellent Progress Delivering Our Strategy

STRATEGY

- Exited deep-water EPC market
- Increased order intake in growth markets
- Completed US\$0.8bn of non-core disposals

OUTLOOK

- Well-positioned in 2019
- Tender activity increasing
- Targeting book-to-bill > 1.0x



FINANCIAL PERFORMANCE



2018 Full Year Financial Summary

- Good financial results
- Returned to net cash position
 - Better than expected working capital inflows
 - US\$0.5bn of net disposal proceeds ²
- Healthy backlog
- Dividend in line with policy

Net profit ¹

US\$353m

(2%)

Net cash

US\$90m

+115%

Backlog

US\$9.6bn

(6%)

Total dividend

38.0¢

n/c

1. Business performance before exceptional items & certain re-measurements attributable to Petrofac Limited shareholders

2. Completed disposals with gross consideration of US\$770m – see appendix

Business Performance Results ^{1,2}

US\$m	2018	2017	Change
Revenue	5,829	6,395	(9%)
EBITDA	671	748	(10%)
Net finance costs	(67)	(70)	(4%)
Net profit ³	353	361	(2%)
Net margin ³	6.1%	5.6%	+0.5 pts
Effective tax rate	24.4%	27.5%	(3.1 pts)
Diluted earnings per share ³	102.3¢	106.2¢	(4%)
Dividend per share	38.0¢	38.0¢	n/c

1. Business performance before exceptional items and certain re-measurements

2. 2017 results re-presented due to the reclassification of an exceptional item to business performance as set out in note 6 to the consolidated financial statements

3. Attributable to Petrofac Limited shareholders

Exceptional Items

REPORTED NET PROFIT OF US\$64M ¹

- US\$289m of post-tax exceptional items
 - Divestments triggered non-cash impairments
 - Pánuco consideration fair value adjustment
 - Other exceptionals
- Modest cash impact of US\$24m

US\$m	Pre-tax	Post-tax
JSD6000	10	10
Mexico	156	111
GSA	95	71
Chergui	4	4
Asset sales	265	196
Pánuco	43	43
Other	48	50
Total	356	289

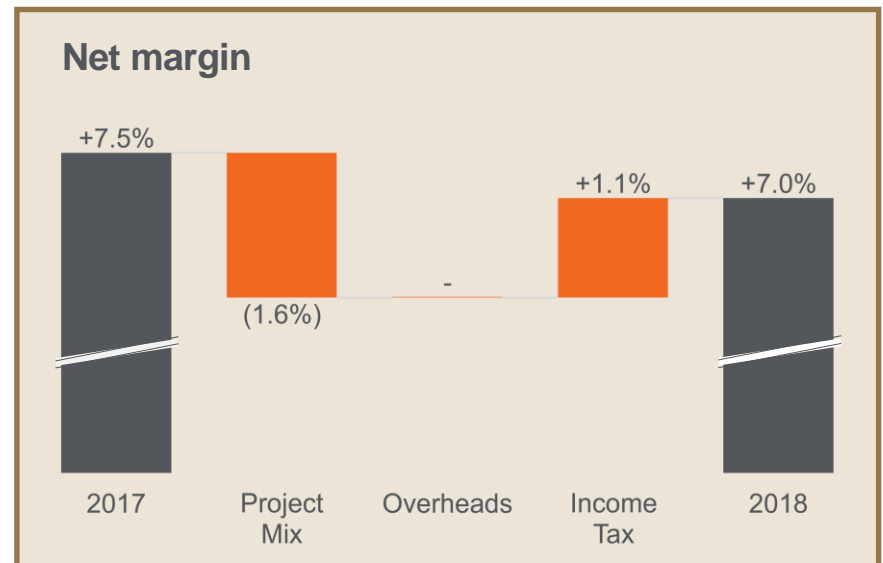


Engineering & Construction

SOLID RESULTS REFLECTING PROJECT PHASING

- Revenue down 15%
 - Driven by project phasing
 - Man-hours down 2%
 - Higher variation orders
- Net margin down 0.5 ppts
 - Project mix and cost overruns
 - Lower tax
- Net profit down 21%

US\$m (except as otherwise stated)	2018	2017 ³
Revenue	4,087	4,801
EBITDA ¹	388	540
Net profit ²	285	360
Backlog (US\$bn)	7.3	7.5



1. Business performance before exceptional items & certain re-measurements

2. Business performance before exceptional items & certain re-measurements attributable to Petrofac Limited shareholders

3. 2017 results re-presented due to the reclassification of an exceptional item to business performance as set out in note 6 to the consolidated financial statements

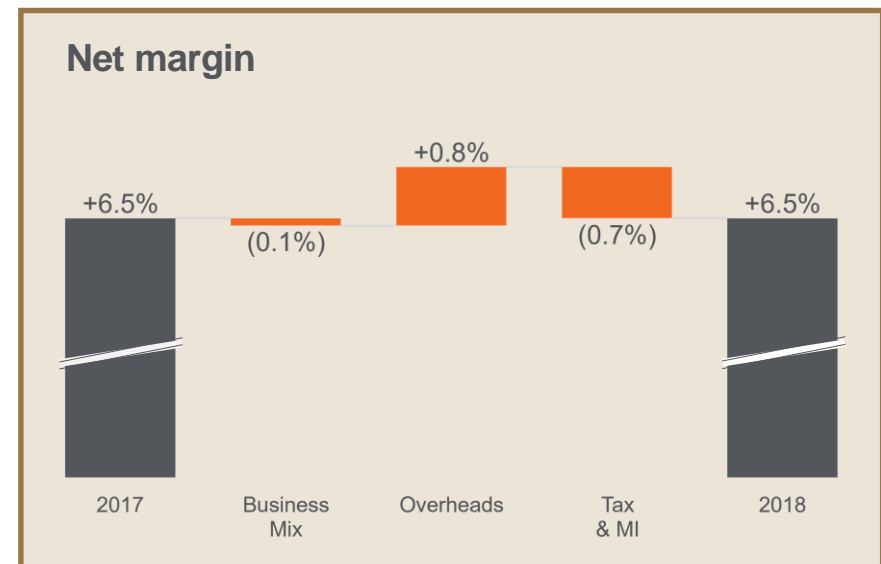


Engineering & Production Services

GOOD RESULTS DRIVEN BY EPCM GROWTH

- Revenue up 6%
 - Strong growth in EPCm
 - Operations broadly flat
 - Lower brownfield project activity
- Net margin unchanged
 - Lower overheads
 - Higher tax & minorities
- Net profit up 7%

US\$m (except as otherwise stated)	2018	2017
Revenue	1,479	1,392
EBITDA ¹	138	123
Net profit ²	96	90
Backlog (US\$bn)	2.3	2.7



1. Business performance before exceptional items and certain re-measurements

2. Business performance before exceptional items and certain re-measurements attributable to Petrofac Limited shareholders

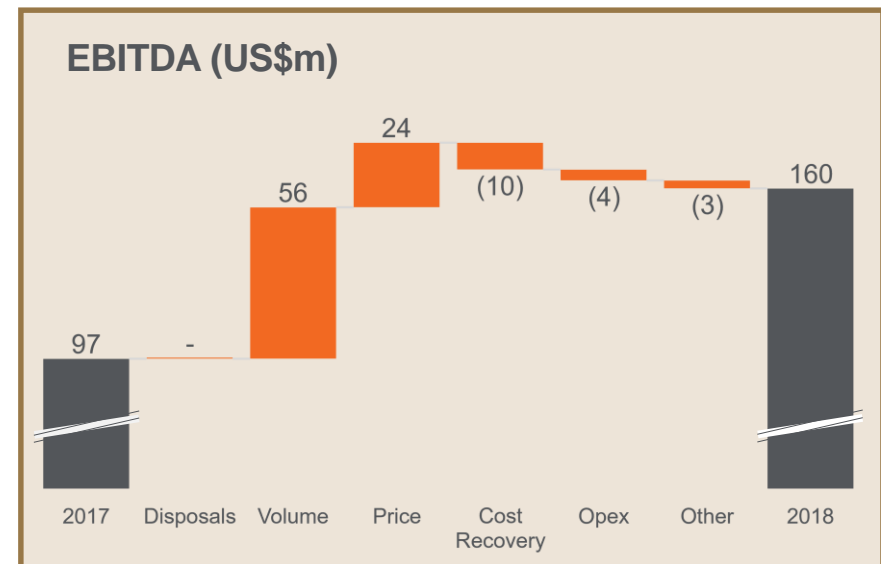


Integrated Energy Services

RETURN TO PROFIT DRIVEN BY PRODUCTION MIX AND HIGHER OIL PRICES

- Underlying ⁴ revenue up 33%
 - Equity production up 47% to 3.7 mboe
 - Average realised price ⁵ up 13%
 - Lower PEC revenue post Santuario migration
- Underlying ⁴ EBITDA up 60%
 - PSC EBITDA / boe broadly flat
 - Higher net cost recovery PECs
- Net profit of US\$39m

US\$m (except otherwise stated)	2018	2017
Revenue	282	228
EBITDA ¹	160	97
Net profit ²	39	(21)
Production (net) ³	6.2 mboe	7.3 mboe

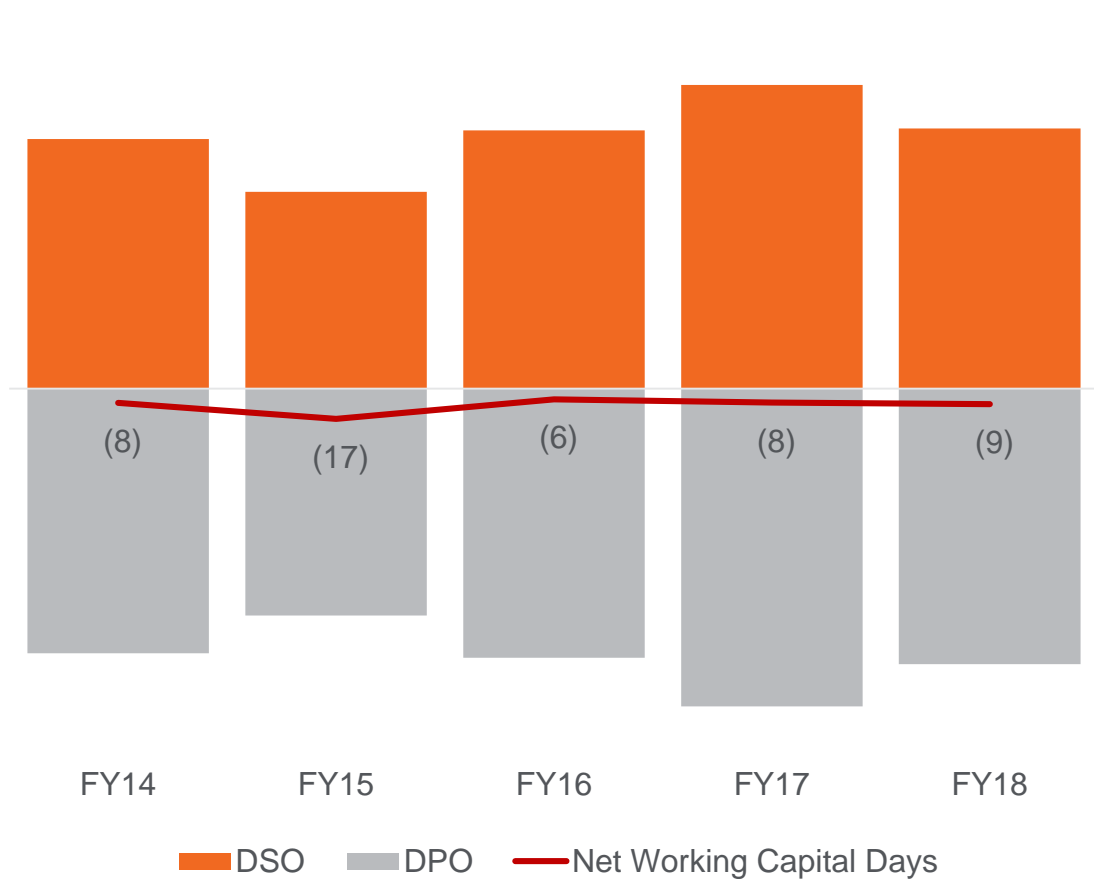


1. Business performance before exceptional items & certain re-measurements
 2. Business performance before exceptional items & certain re-measurements attributable to Petrofac Limited shareholders
 3. Equity upstream interest volumes (3.7 mboe) and Production Enhancement Contract volumes (2.5 mboe) (net of royalties and hedging)
 4. Excludes sale of Pánuco Production Enhancement Contract (completed in August 2017)
 5. Average realised price of US\$59/boe (2017: US\$52/boe) is calculated on equity sales volumes, which may differ from production due to under/over-lifting in the year

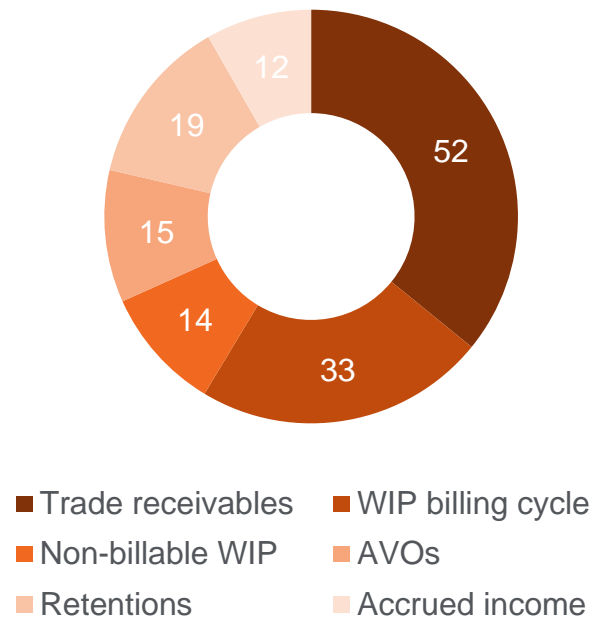
Contract Cash Conversion

FOCUS ON OPTIMISING WORKING CAPITAL

Cash conversion cycle (days)



FY18 DSO analysis

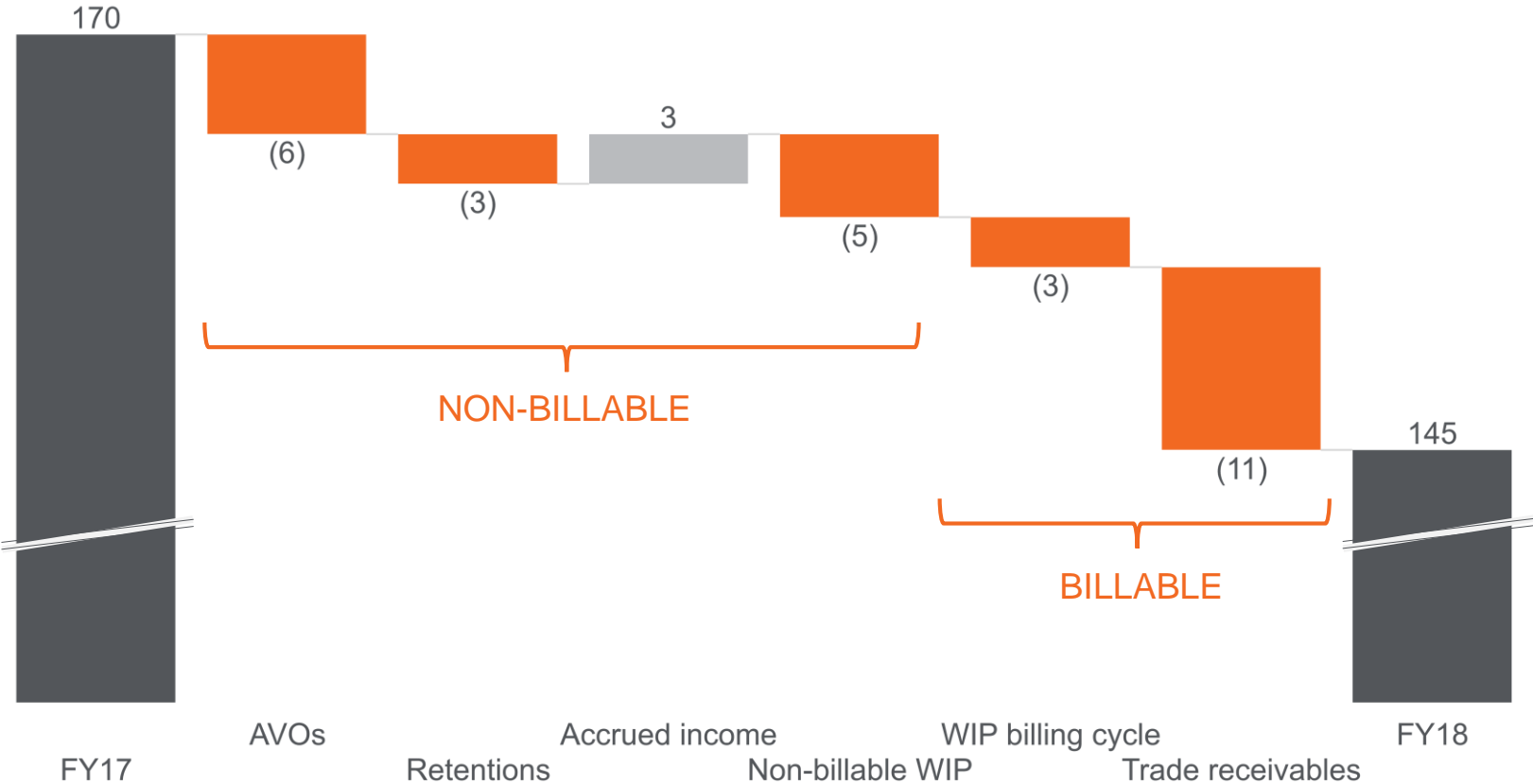


1. DSO: days sales outstanding (see appendix for definition)
 2. DPO: days payable outstanding (see appendix for definition)
 3. Contract Cash Conversion Cycle = DSO - DPO

Working Capital

REDUCTION IN DSO

DSO Bridge

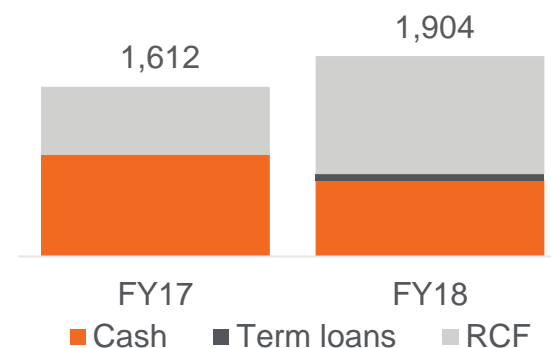


Strong Cash Flow & Liquidity

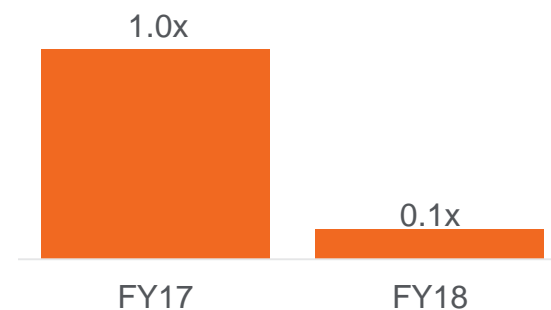
RETURNED TO NET CASH AHEAD OF SCHEDULE

US\$m	2018
Opening net debt	(612)
EBITDA¹	671
Movement in working capital	(15)
Tax and interest	(173)
Capex	(98)
Net disposal proceeds	506
Other	30
Free cash flow²	921
Dividend	(128)
Treasury shares / other	(91)
Cash inflow	702
Closing net cash	90

Liquidity (US\$m)³



Net Debt / EBITDA⁴



1. Includes share of profits from associates and joint ventures

2. Net cash flows generated from operating activities, net cash flows from investing activities and amounts received from non-controlling interests

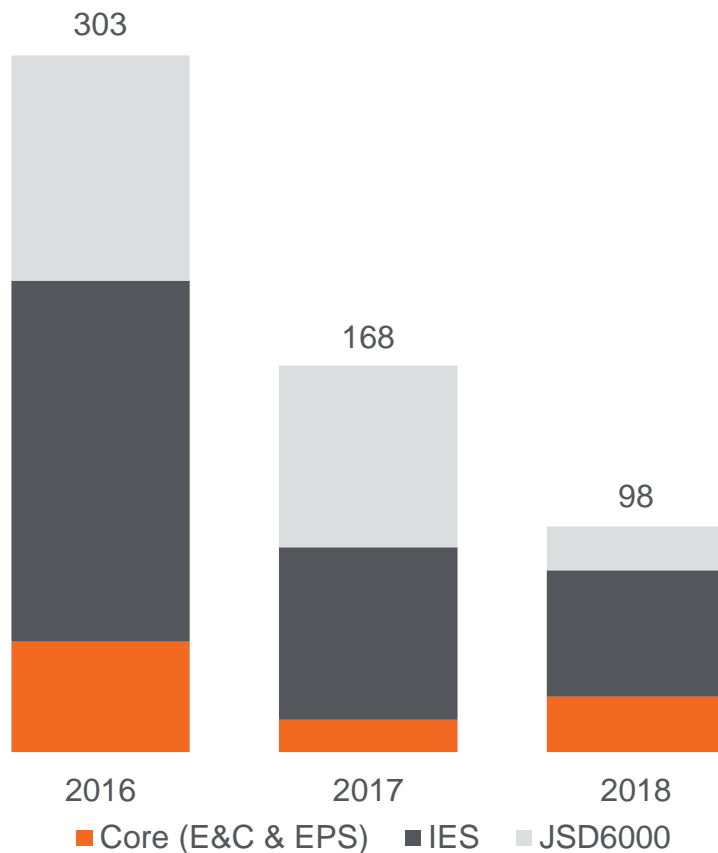
3. Gross liquidity comprises readily available cash and committed facilities

4. Ratio includes net finance leases; bank covenants requires <3.0x

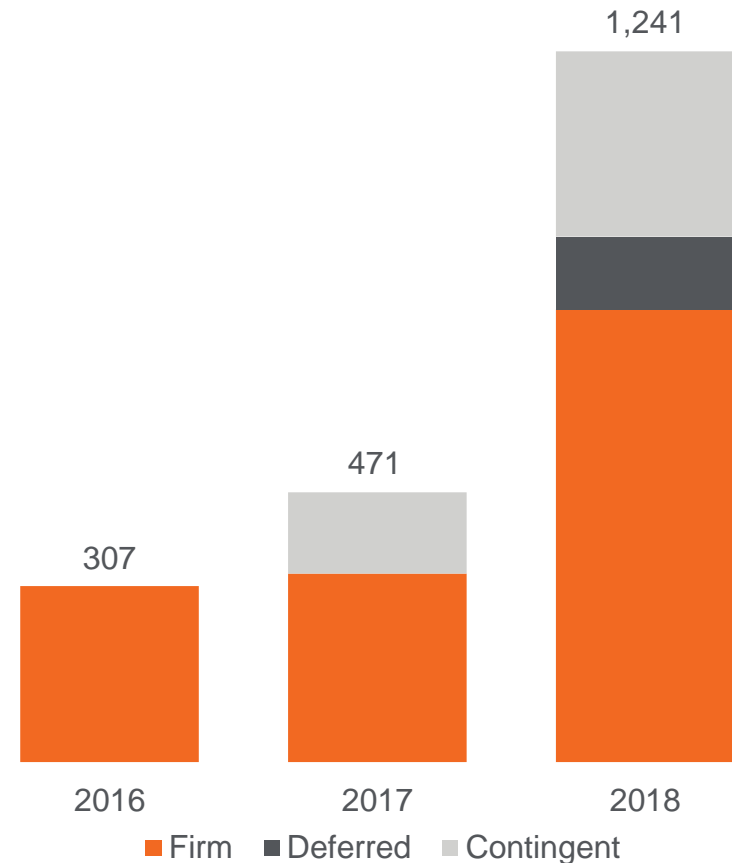
Reducing Capital Intensity

LARGELY COMPLETED TRANSITION BACK TO A CAPITAL LIGHT BUSINESS

Capex (US\$m)



Divestments (US\$m) ¹



1. Cumulative maximum consideration payable for asset sales from 2016 to 2018

Enhancing Returns

DELIVERED ANOTHER YEAR OF GROWTH IN RETURNS

Key levers

- Divest non-core assets
- Optimise working capital
- Maintain strong balance sheet

ROCE ¹



1. EBITA divided by average capital employed (total equity and non-current liabilities) adjusted for gross-up of finance lease creditors

OPERATIONS AND OUTLOOK



Delivering Our Strategy

EXCELLENT PROGRESS IN 2018



Focus on our core

- Delivered sector-leading margins
- Operational excellence protecting margins
- Transitioning back to capital light business



Deliver organic growth

- E&C: Thailand, India, HKZ HVAC
- EPS: PMC, Kazakhstan, Brunei, Well P&A



Reduce capital intensity

- Completed US\$0.8bn of divestments
- Returned to net cash position
- Improved returns



Our Priorities for 2019+

EVOLVING OUR STRATEGIC PRIORITIES



Focus on our core

Best-in-class delivery

- Improve cost competitiveness
- Drive digitisation
- Increase local content
- Invest in talent



Deliver organic growth

Position for growth

- Expand geographically
- Grow share of target markets



Reduce capital intensity

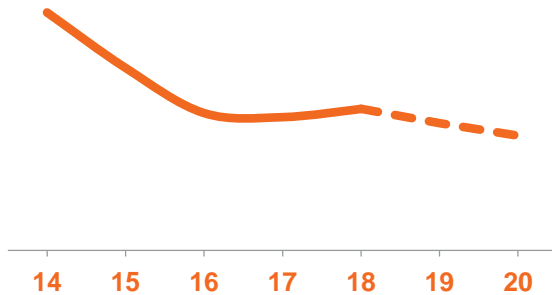
Enhance returns

- Divest non-core assets
- Optimise working capital
- Maintain a strong balance sheet

Best-In-Class Delivery

ENHANCING OUR COMPETITIVE POSITION

Improve cost competitiveness



Drive digitisation



Increase local content



Invest in talent



Position for Growth

TARGET MARKETS

Grow market share

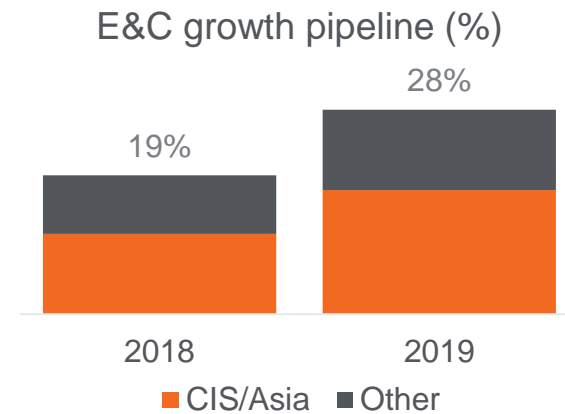
E&C

- Refining
- Petchems
- Offshore wind

EPS

- Brownfield & modifications
- Late life asset management
- Well P&A

Expand geographically

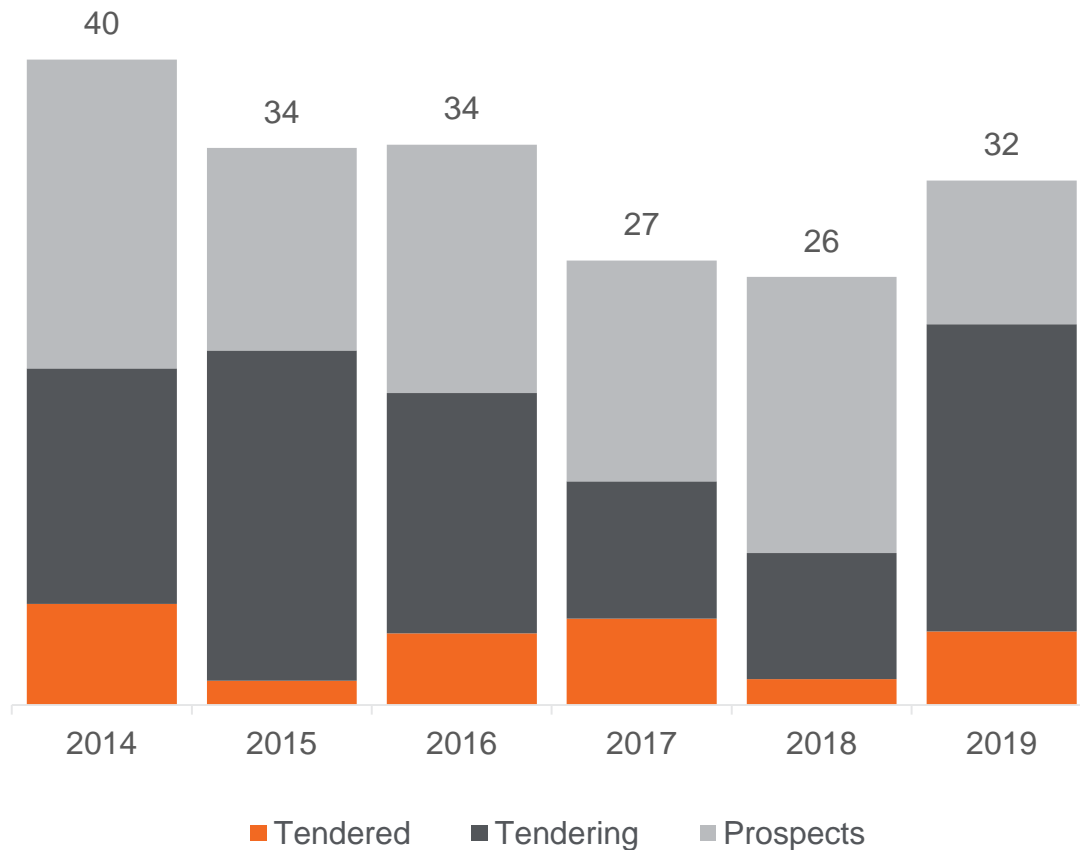


- South East Asia
- India
- CIS
- East Africa
- Americas (EPS only)

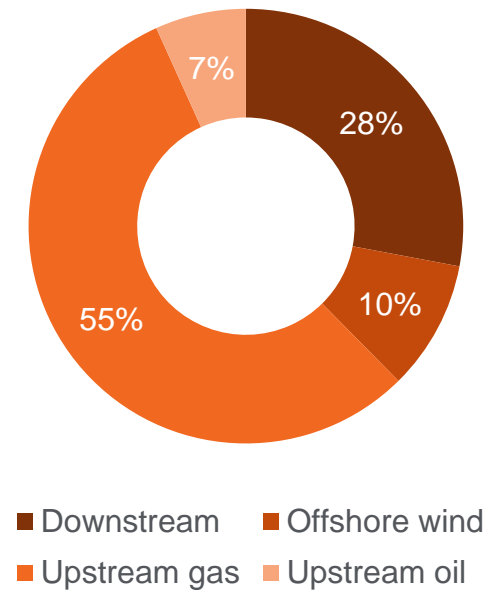
Tender Activity Increasing

TARGETING BOOK-TO-BILL > 1.0X

E&C Bidding Pipeline At Start of Year (US\$bn)

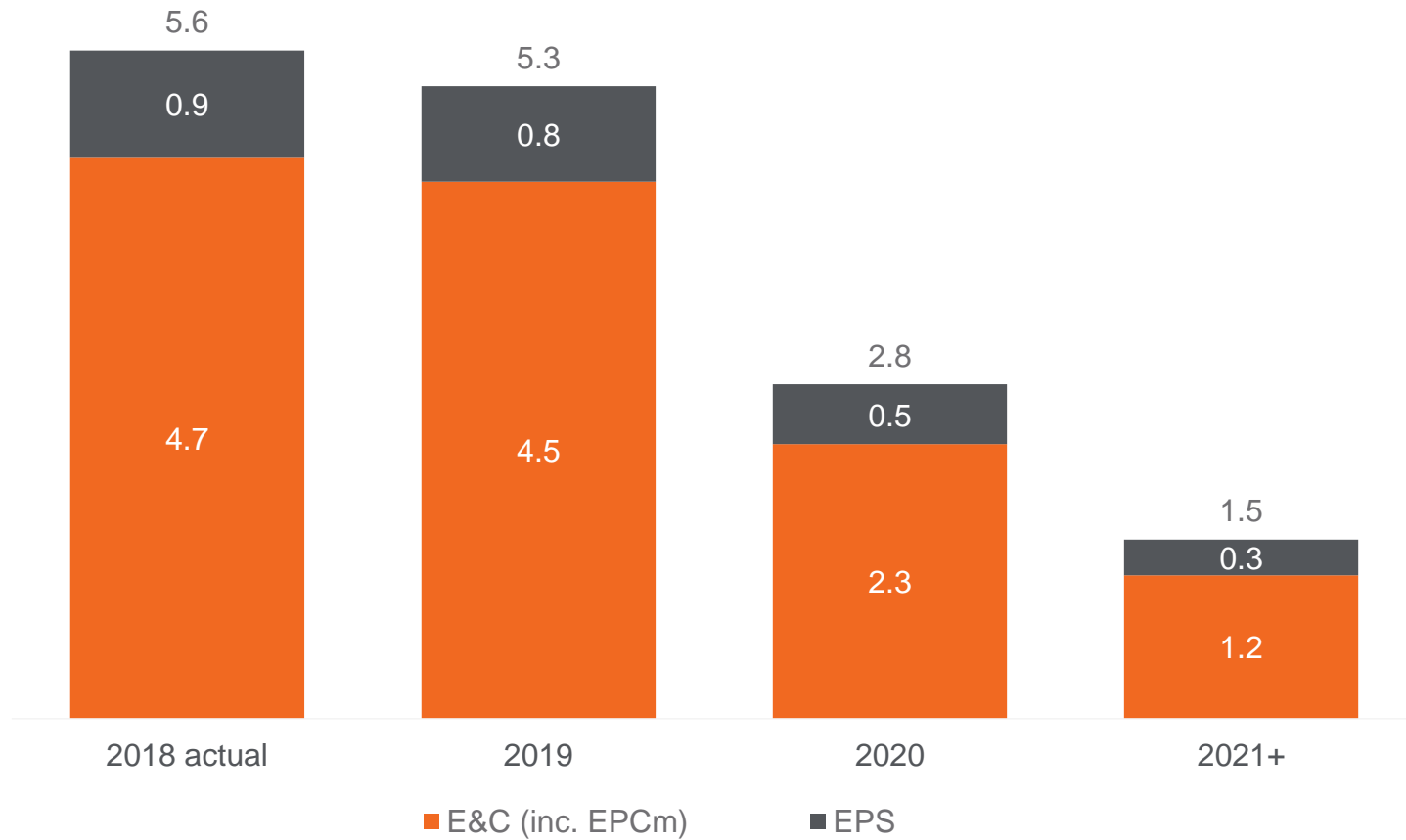


E&C Bidding Pipeline (by sector)



BACKLOG PROVIDES GOOD REVENUE VISIBILITY

Backlog by Year – New reporting structure (US\$bn)



Our Strategy Is Delivering

WELL-POSITIONED FOR 2019

- Reported good operating and financial results
- Delivered sector-leading margins
- Secured US\$5.0bn in new orders
- Completed US\$0.8bn of divestments
- Returned to net cash position
- Increased ROCE



APPENDIX

Definitions

Average realised price: Average realised price (US\$ per boe) net of royalties and hedging gains or losses. Calculated on sales volumes, which may differ from production due to under/over-lifting in the period

AVO: Assessed variation order

Backlog: The estimated revenue attributable to the uncompleted portion of Engineering & Construction division projects; and, for the Engineering & Production Services division, the estimated revenue attributable to the lesser of the remaining term of the contract and five years

Book-to-bill: Ratio of new orders received to revenue billed for a specified period

BOE: Barrels of oil equivalent

DPO: DPO (days payable outstanding) comprises
$$\frac{((\text{Trade Payables} + \text{Accrued Expenses} + \text{Accrued Contract Expenses} + \text{Other Payables}) - (\text{Loans and advances} + \text{Prepayments and deposits}))}{\text{COS}} \times 365$$

DSO: DSO (days sales outstanding) comprises
$$\frac{(\text{Contract Assets} + \text{Trade Receivables} - \text{Contract Liabilities})}{\text{Revenue}} \times 365$$

E&C: Engineering & Construction division

EPC: Engineering, Procurement & Construction

EPCm: Engineering, Procurement & Construction management

EPS: Engineering & Production Services division

ICV: In-country value, measured as the total spend retained in-country that can benefit business development, contribute to human capability development and stimulate productivity in the local economy

IES: Integrated Energy Services division

LTI: Lost Time Injury

New order intake: New contract awards and extensions, net variation orders and the rolling increment attributable to EPS contracts which extend beyond five years.

PEC: Production Enhancement Contract

PMC: Project Management Consultant

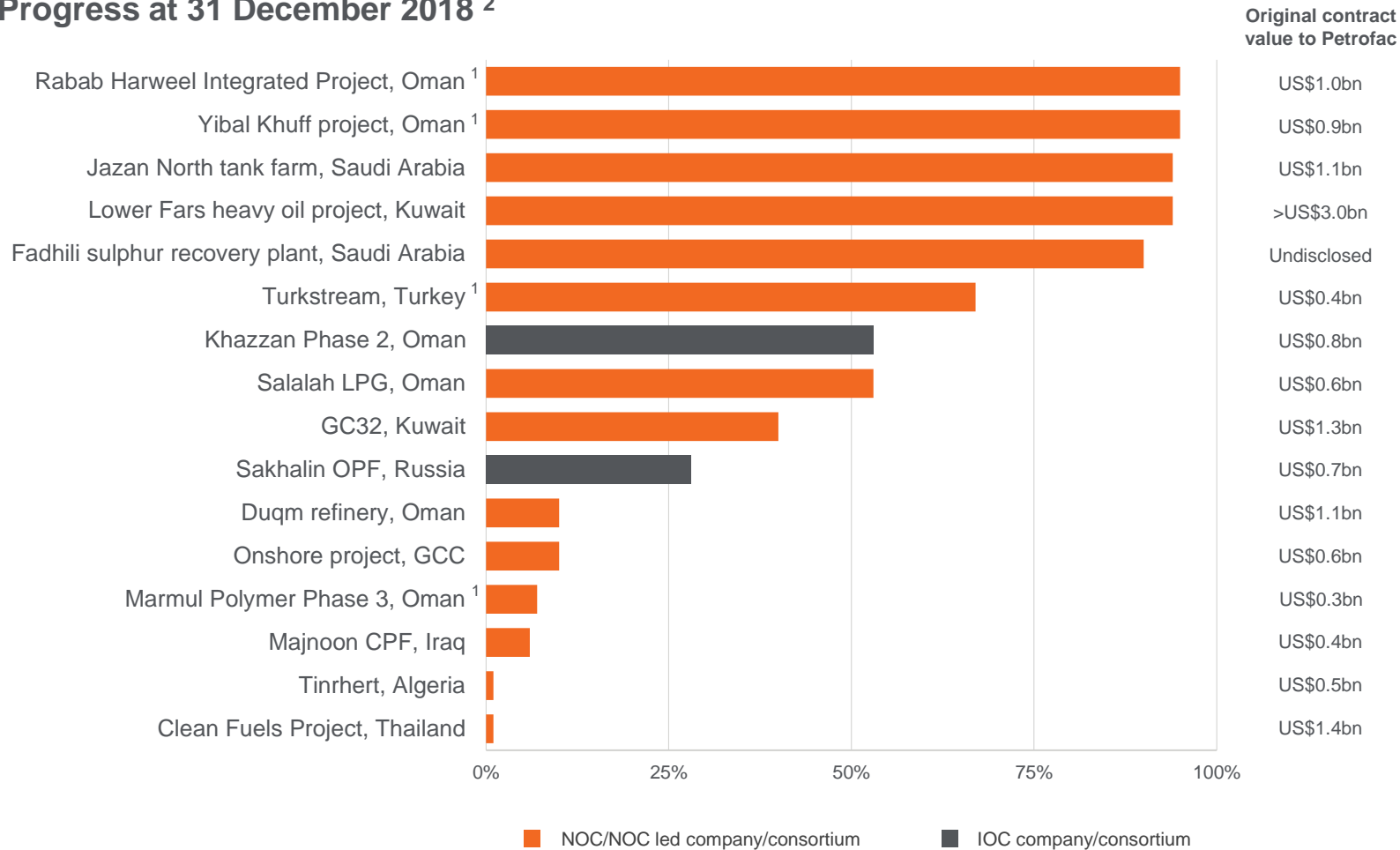
PSC: Production Sharing Contract

ROCE: Return on Capital Employed (calculated as EBITA divided by average capital employed (total equity and non-current liabilities) adjusted for gross-up of finance lease creditors)

UKCS: United Kingdom Continental Shelf

Key E&C / EPS Projects

Progress at 31 December 2018 ²



1. EPCm projects

2. Excludes projects > 95% complete and projects < US\$250m

IES Portfolio Carrying Amount ¹

US\$m	Country	FY18	FY17
Santuario, Magallanes, Arenque	Mexico	248	382
Block PM304	Malaysia	222	286
Greater Stella Area development	United Kingdom	-	255
Chergui gas concession	Tunisia	-	47
Other (including PetroFirst)		20	61
Total		490	1,031

Effective Tax Rate ¹

	2018	2017 (re-presented)
Engineering & Construction	20%	27%
Engineering & Production Services	22%	23%
Integrated Energy Services	34%	48% ²
Group effective tax rate (ETR)	24%	28%

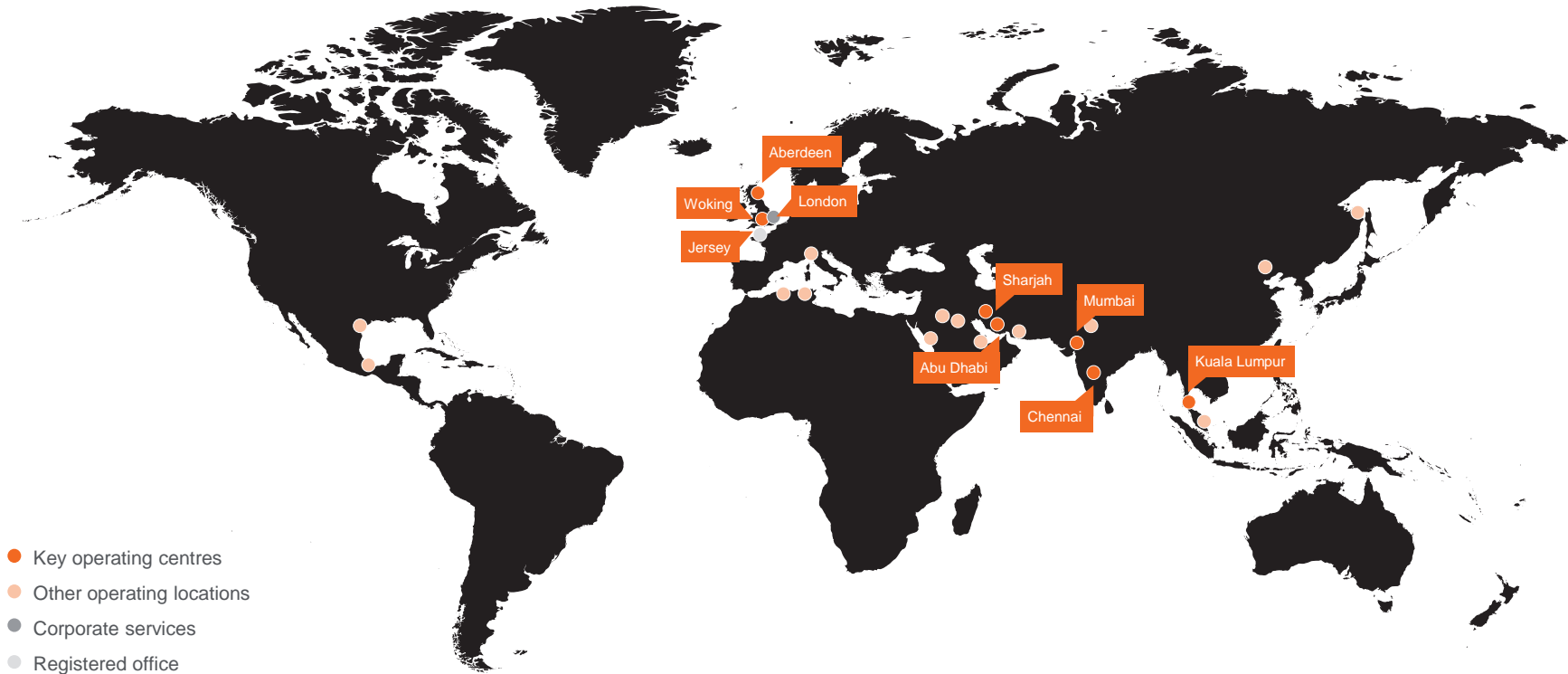
Expect 2019 Group ETR to be in the range of 25-30%, excluding the impact of exceptional items and certain re-measurements.

However, the Group's ETR is sensitive to business mix, profit mix, estimates of future profitability and any divestments completed in the period.

1. Before exceptional items and certain re-measurements

2. Tax credit on net loss

Employee Numbers

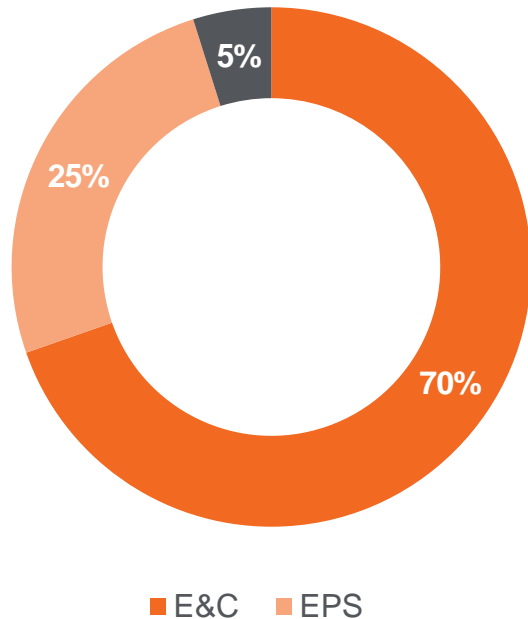


- Key operating centres
- Other operating locations
- Corporate services
- Registered office

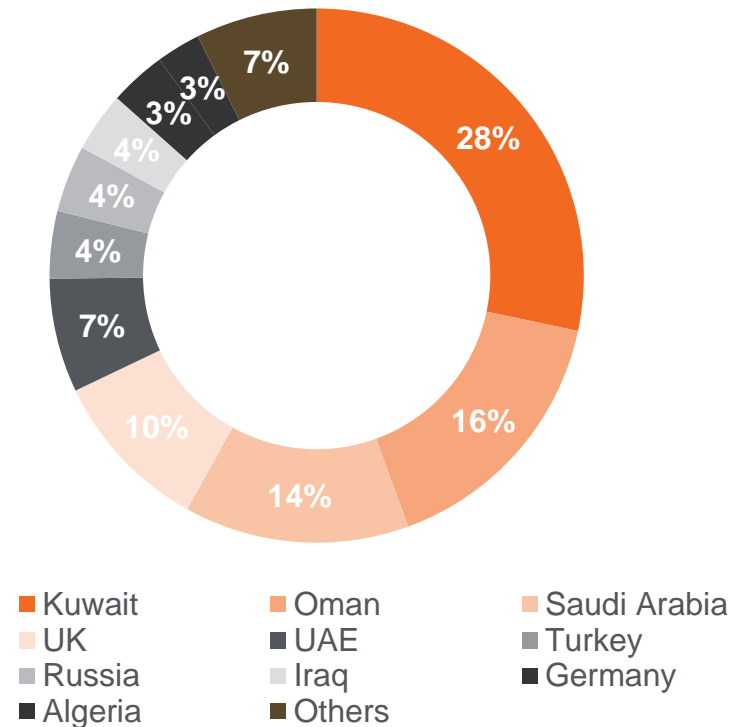
- Approximately 11,500 people in 7 key operating centres and 24 offices
- 39% of our employees are shareholders/participants in employee share schemes



2018 revenue by reporting segment



2018 revenue by geography



Core markets of Middle East and North Africa region accounted for 72% of Group revenues.

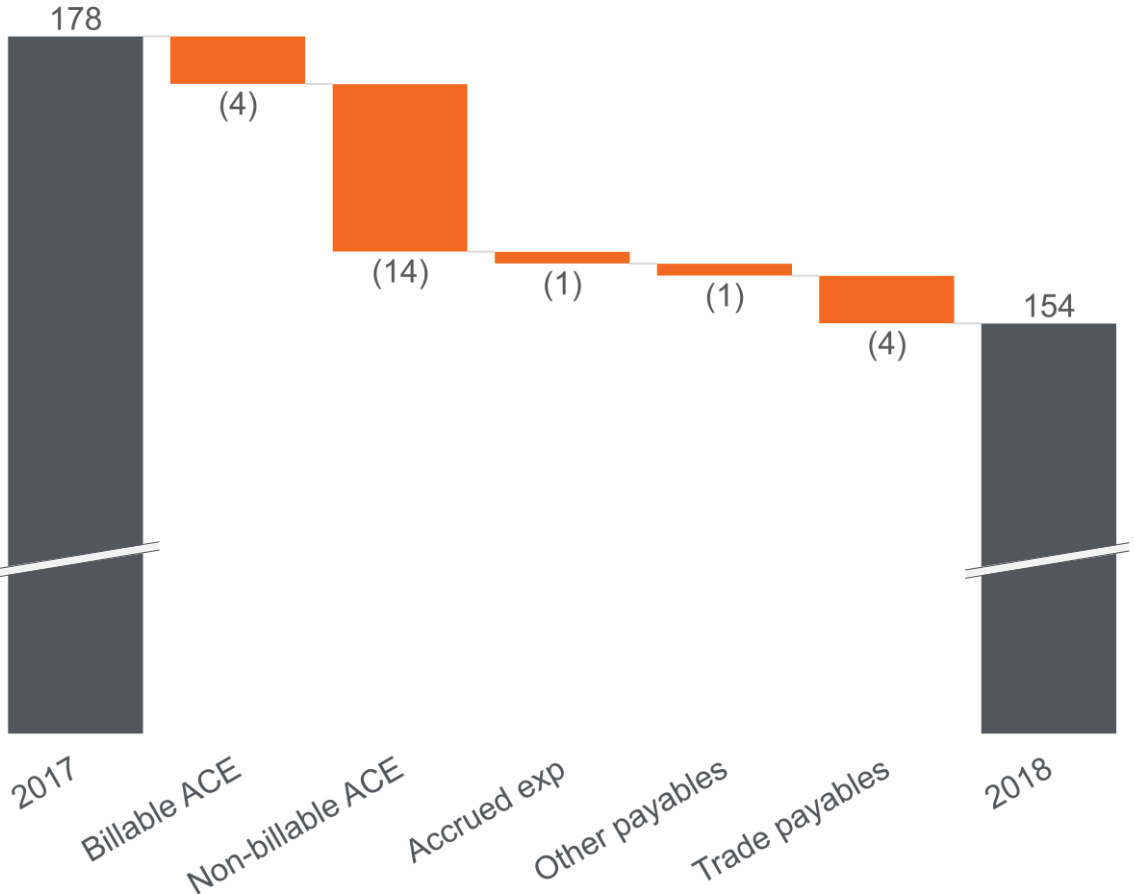
Working Capital

Movement in working capital (US\$m)	FY18	FY17 ¹	Cash Flow
Contract assets and inventories	2,019	2,422	299
Trade and other receivables	1,431	1,478	(23)
Trade and other payables	(962)	(1,139)	(103)
Accrued contract expenses	(1,645)	(1,956)	(320)
Contract liabilities	(504)	(383)	121
Working capital (balance sheet)	339	422	(26)
Other current financial assets ¹			11
Net working capital outflow (cash flow)			(15)

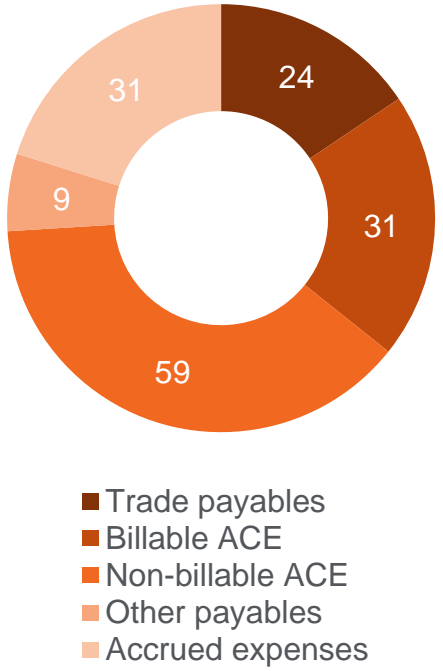
Working capital by operating segment (US\$m):	FY18	FY17
Engineering & Construction	80	101
Engineering & Production Services	-	140
Integrated Energy Services	270	192
Corporate/other	(11)	(11)

Working Capital – DPO analysis

DPO

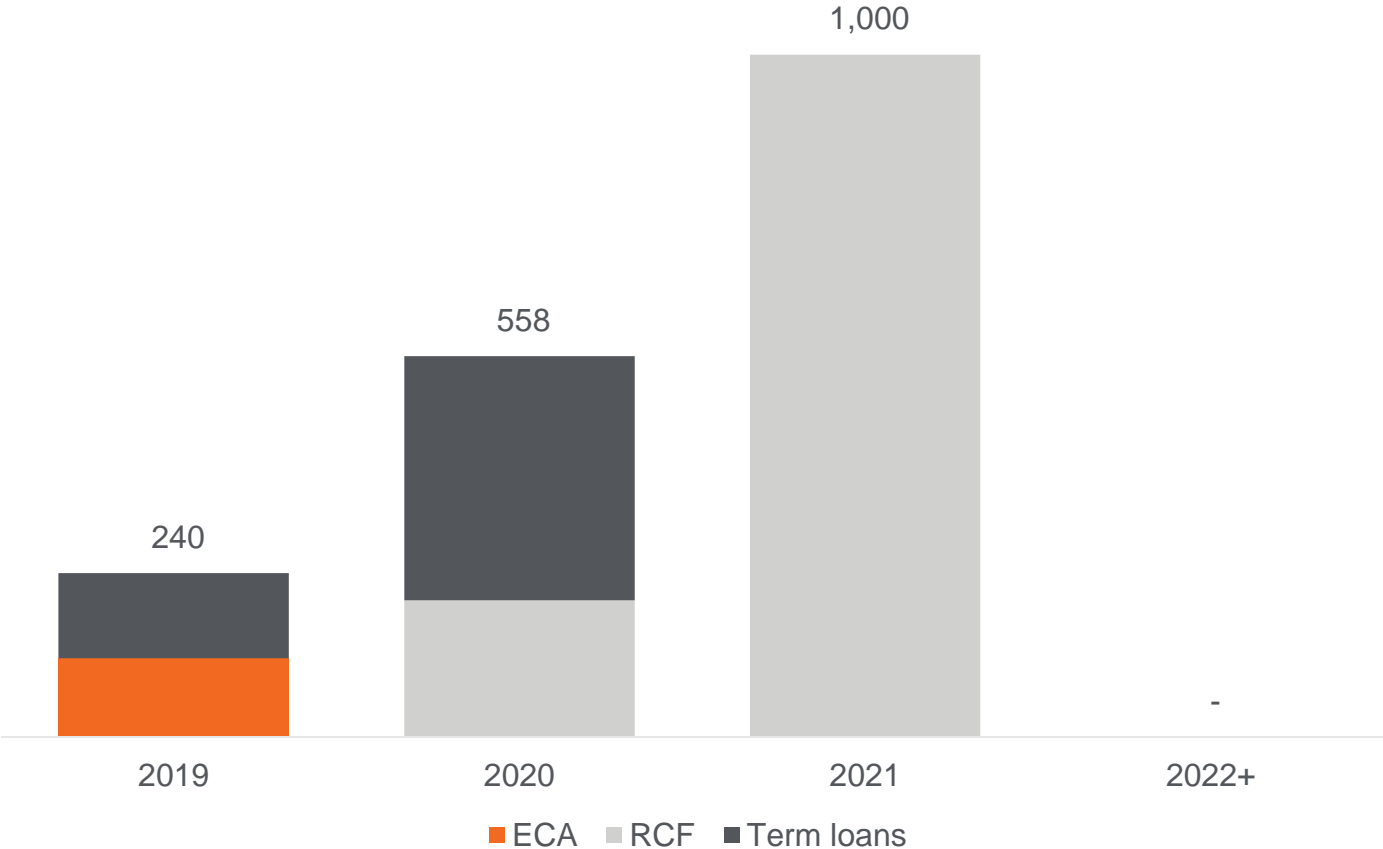


FY18 DPO analysis



Committed Facilities

Committed Facilities Maturity (US\$m)



Non-Core Divestments

2018 DISPOSALS

Reconciliation of gross consideration to net proceeds

US\$m	Mexico	Chergui	GSA	JSD6000	Total
Firm	120	32	147	162	461
Deferred	-	-	122	5	127
Contingent	154	-	28	-	182
Total potential proceeds (unrisky)	274	32	297	167	770
WC and other adjustments	24	4	-4	-	24
Total potential proceeds + WC (unrisky)	298	36	293	167	794

Firm	120	32	147	162	461
Deferred	-	-	-	-	-
Contingent	80	-	3	-	83
WC and other adjustments	24	4	-4	-	24
FCF from effective date to completion	-	(10)	(40)	-	-50
Completion proceeds	224	26	106	162	542
Less disposal costs	-	(1)	(1)	(10)	(12)
Net divestment proceeds	224	25	105	152	506

Firm	-	-	-	-	-
Deferred	-	-	122	5	127
Contingent	74	-	25	-	99
Potential proceeds remaining	74	-	147	5	226

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