

FULL YEAR RESULTS 2017

1 MARCH 2018



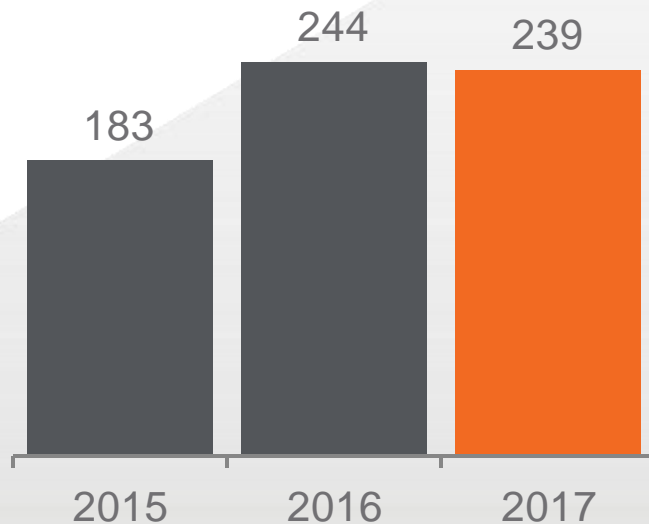
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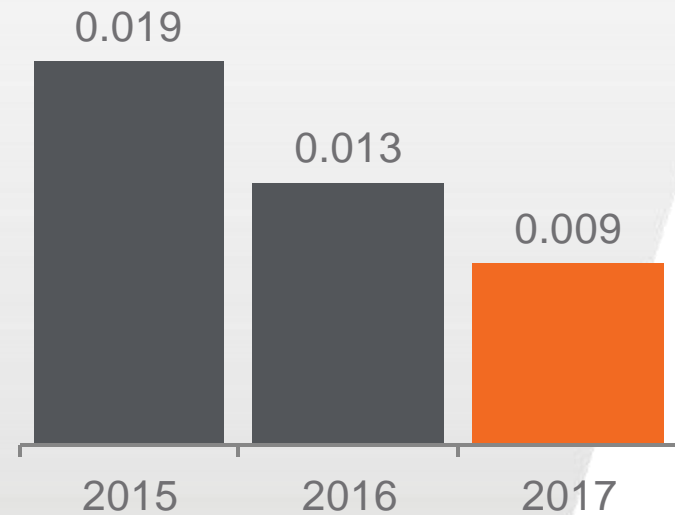
Safety Performance

Delivering best-in-class and safe project execution

Man-hours worked (million)



Lost Time Injury frequency rate
(per 200k man-hours)¹



¹ Industry average for 2016 was 0.054

Operations

- Delivered good operational performance
- High levels of activity
- Maintaining focus on safe project execution

Results

- Good recovery in awards with US\$5.2 billion of order intake
- Strong financial discipline
- Taken range of measures to strengthen balance sheet

Strategy

- Focus on our core
- Deliver organic growth
- Reduce capital intensity

Outlook

- Maintaining bidding discipline
- Healthy backlog / good revenue visibility
- Well positioned for 2018

FINANCIAL PERFORMANCE

ALASTAIR COCHRAN

CHIEF FINANCIAL OFFICER



2017 Financial Summary

Net Profit¹

US\$343m

+7%

Net Debt

US\$0.6bn

(1%)

Total Dividend

38.0 cents

(42%)

Order Backlog

US\$10.2bn

(13%)

- Solid financial performance
 - Good project execution
 - Strong financial discipline
- Strengthening balance sheet
- Dividend in line with policy
- Healthy order backlog

¹ Business performance profit attributable to Petrofac Limited shareholders before exceptional items and certain re-measurements

Business Performance Results¹

US\$m	2017	2016	Change
Revenue	6,395	7,873	(19%)
EBITDA	730	704	+4%
Net finance costs	(70)	(98)	(29%)
Tax	(138)	(85)	+62%
Net profit ²	343	320	+7%
Net margin	5.4%	4.1%	+1.3 ppts
Diluted earnings per share	100.9c	93.3c	+8%
Dividend per share	38.0c	65.8c	(42%)
ROCE ³	21%	17%	+4 ppts

1 Business performance before exceptional items and certain re-measurements

2 Net profit before Laggan-Tormore losses and the derecognition of UK deferred tax was US\$381 million (2016: US\$421 million)

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

Impairments and Exceptional Items

Reported net loss of US\$29m

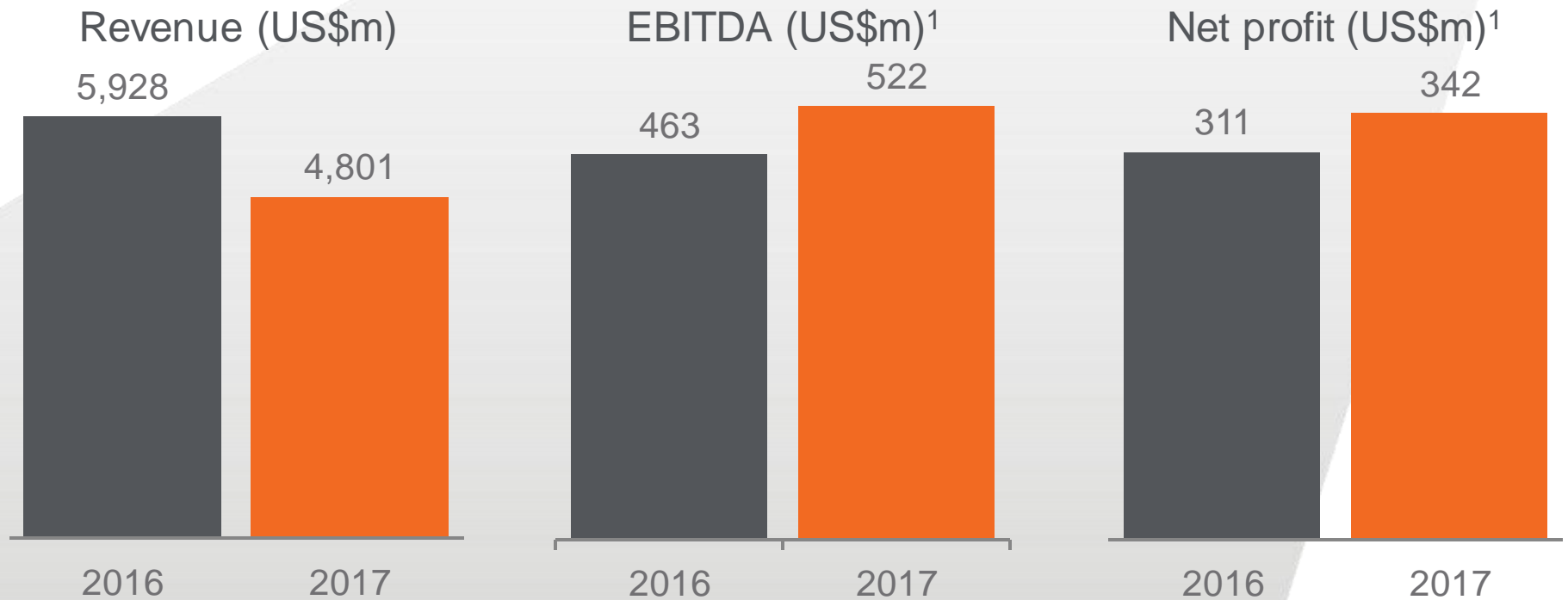
- Impairments & exceptional items of US\$372m
 - JSD6000: exiting deep-water market
 - GSA: production profiles re-assessed
 - PM304: deferred production
 - Santuario: PSC migration terms
- Total cash impact of US\$22m
- US\$1.0bn¹ carrying value of IES

Impairments and Exceptional Items

US\$m	Pre-tax impairment	Tax	Post-tax impairment
JSD6000 vessel	176	-	176
GSA development	154	(25)	129
Block PM304	54	(21)	33
Santuario	29	(9)	20
FPSO Opportunity	8	-	8
Impairments	421	(55)	366
Exceptional items	17	(11)	6
TOTAL	438	(66)	372

Engineering & Construction

- Revenue down 19% reflecting project scheduling
- EBITDA up 13%, reflecting project mix
- Net profit up 10%, impacted by higher tax

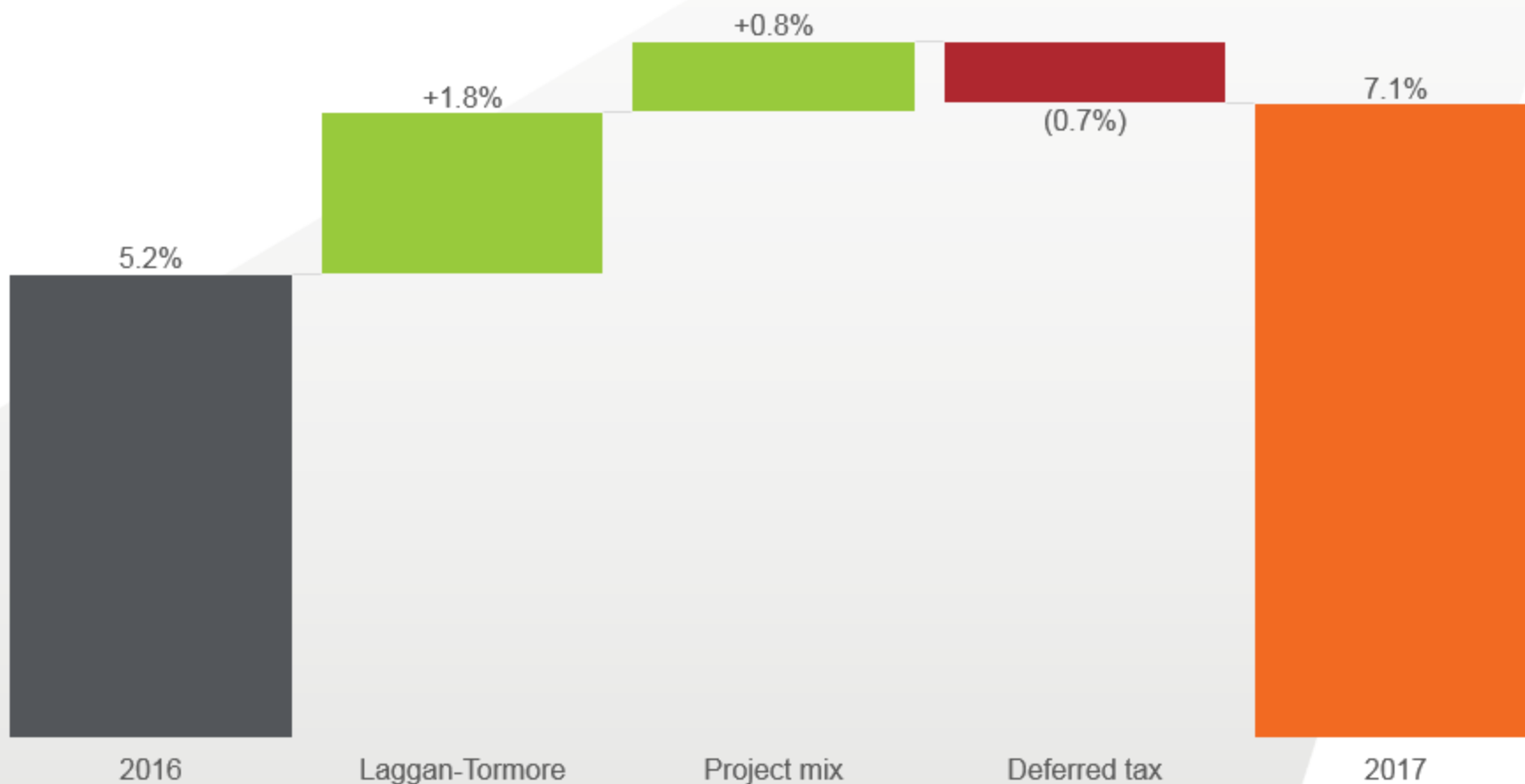


¹ Business performance before exceptional items and certain re-measurements

E&C Net Margin

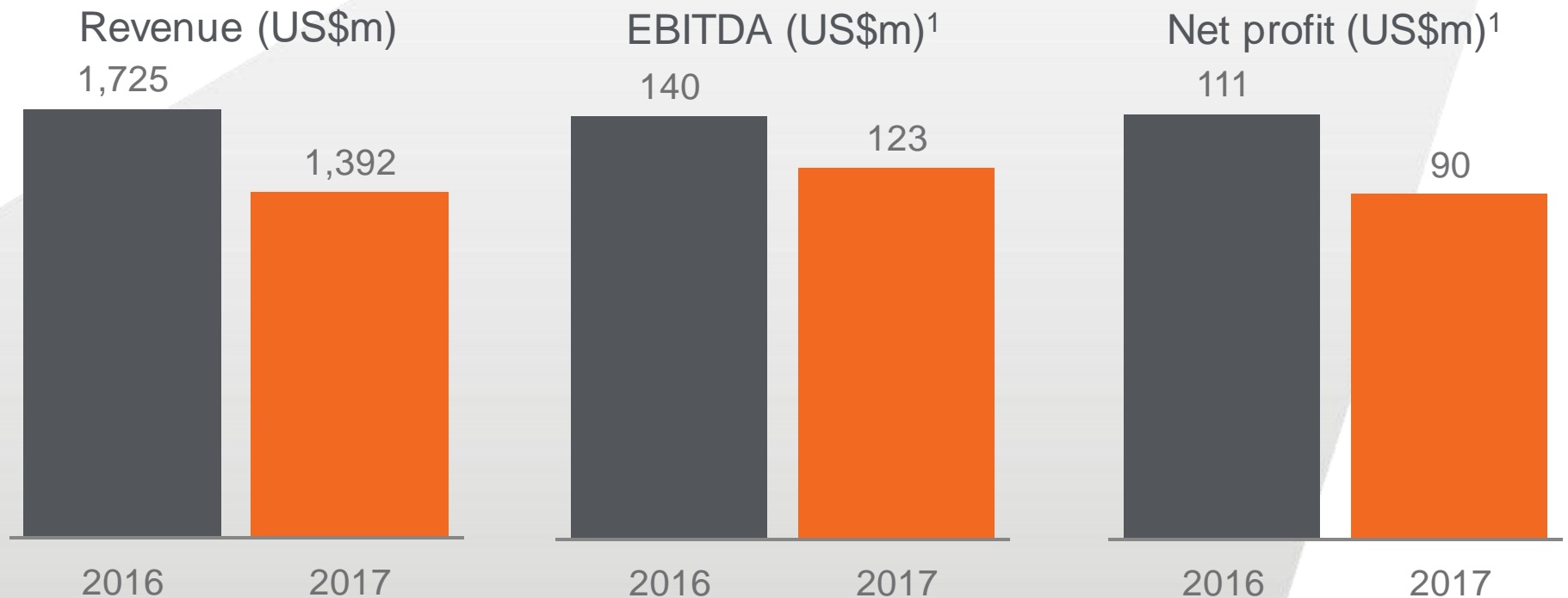
Delivered margin in line with guidance

E&C Net Margin



Engineering & Production Services

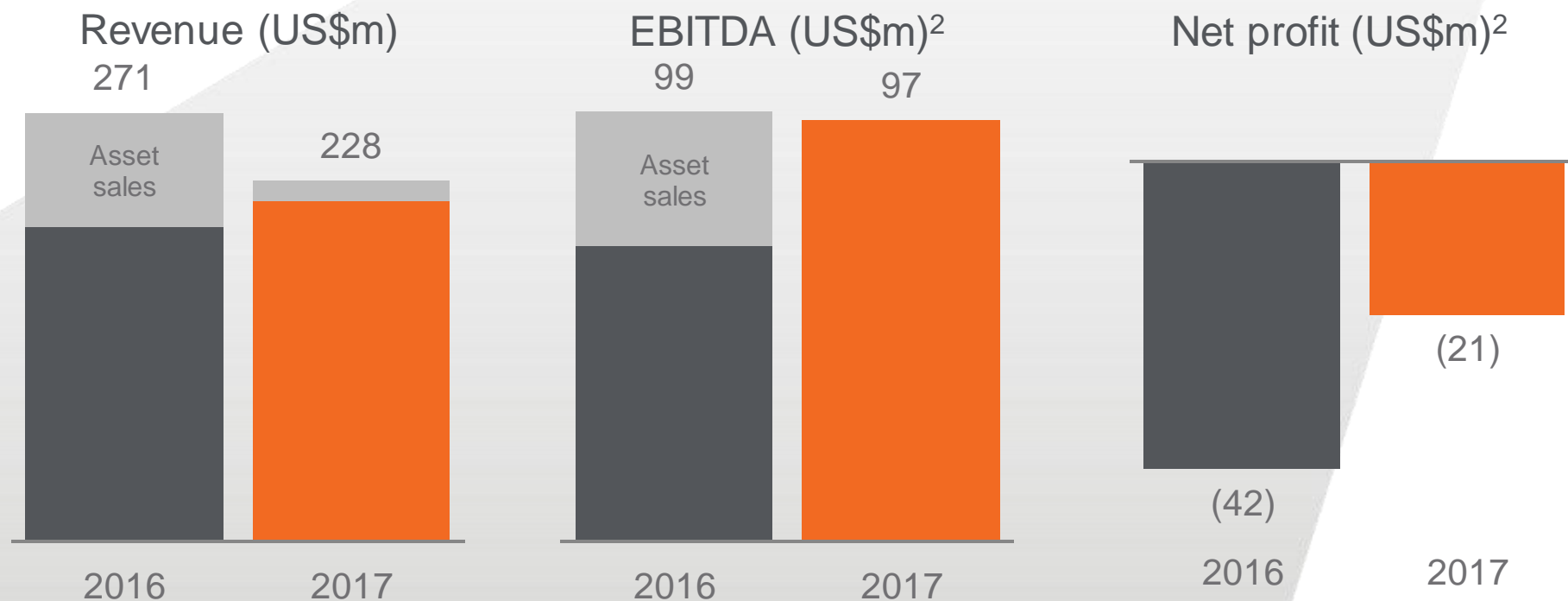
- Revenue down 19%
 - Lower activity, utilisation and order intake
 - Phasing of EPCm projects
- Net margin stable at 6.5%



¹ Business performance before exceptional items and certain re-measurements

Integrated Energy Services

- Improvement in underlying performance¹
 - Revenue up 8%
 - EBITDA up 43%
- Net loss halved to US\$21m



¹ Excluding asset sales

² Business performance before exceptional items and certain re-measurements

Key Movements in Working Capital

Work in Progress

- 33% reduction in assessed variation orders
- 10 projects account for 90% of total

Trade & Other Receivables

- Santuario migration resulted in a US\$128m reduction
- Customer retentions up 24% to US\$379m
- Client payment performance remains good

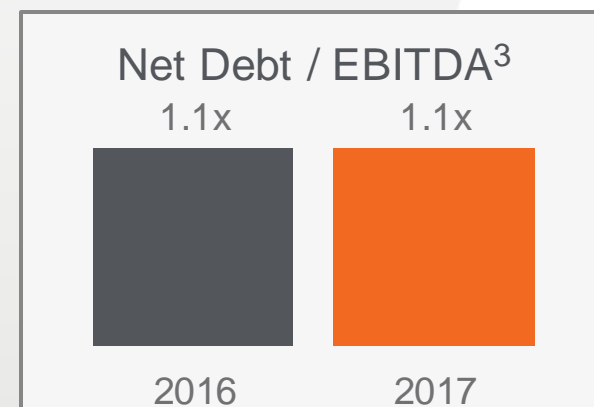
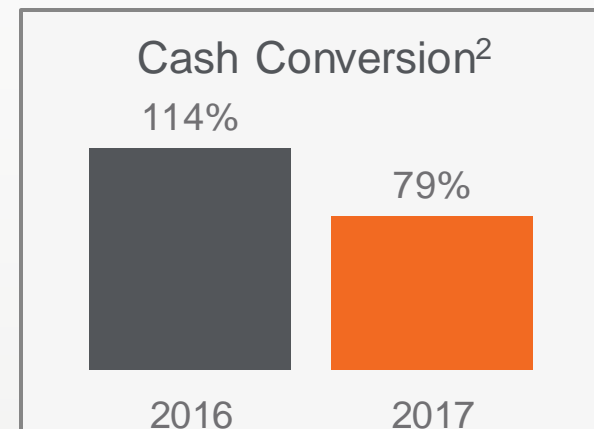
Trade & Other Payables

- Trade payables down 22% to US\$419m
- Client advances down 24% to US\$536m

Cash Flow and Net Debt

Strong free cash flow generation

US\$m	2017
Opening net debt	(617)
EBITDA¹	730
Movement in working capital	(213)
Tax & interest	(139)
Net capex	(141)
Other	44
Free cash flow	281
Dividend	(192)
Financing / other	(84)
Cash inflow	5
Closing net debt	(612)



1 Includes Share of Associates and JVs

2 Cash generated from operations / EBITDA

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

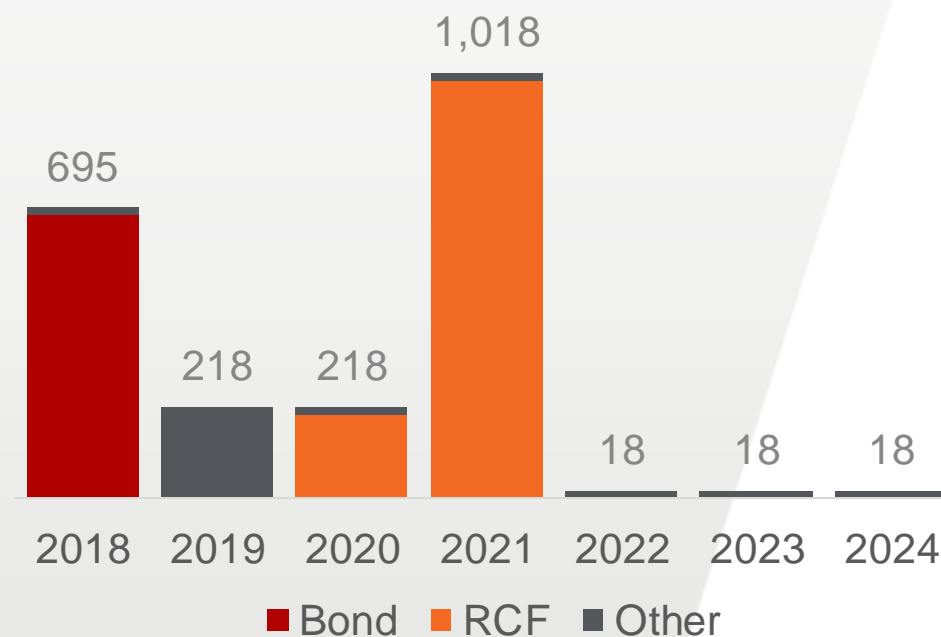
Liquidity and Funding

Conservative and flexible funding strategy

Gross Liquidity (US\$m)



Committed Facilities Maturity (US\$m)



Strengthening the Balance Sheet

Reducing capital intensity

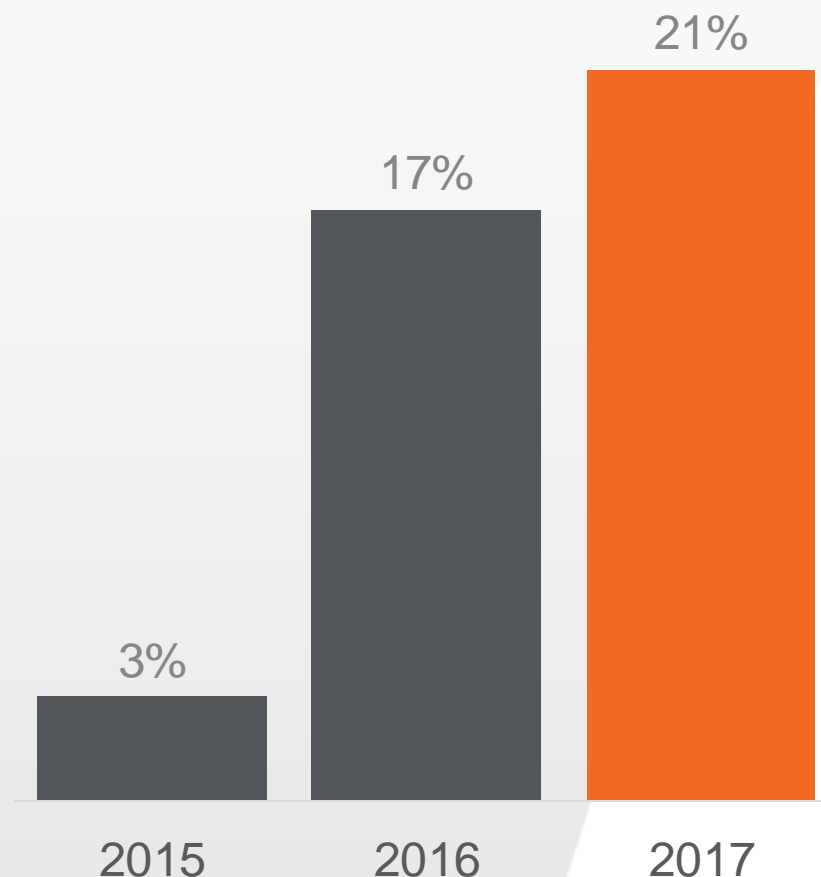
Cut costs by 16%

Reduced capex by 44%

Rebased dividend by 42%

Divested non-core assets

Return on Capital Employed



OPERATIONS AND OUTLOOK

AYMAN ASFARI

CHIEF EXECUTIVE OFFICER



Strategic Objectives

A clear and focused approach

Focus
on our
core

- Focus on differentiated EPC and asset support services
- Drive operational excellence to maintain strong competitive position

Deliver
organic
growth

- Expand into adjacent markets
- Grow downstream capability

Reduce
capital
intensity

- Focus on enhancing returns
- Strong capital management

Focus On Our Core

Good operational performance

Completed Khazzan CPF and Sohar refinery in commercial operation in Oman



Commissioned In Salah and introduced gas into Reggane and Alrar gas plants in Algeria



Continued good performance on international O&M and EPCm contracts



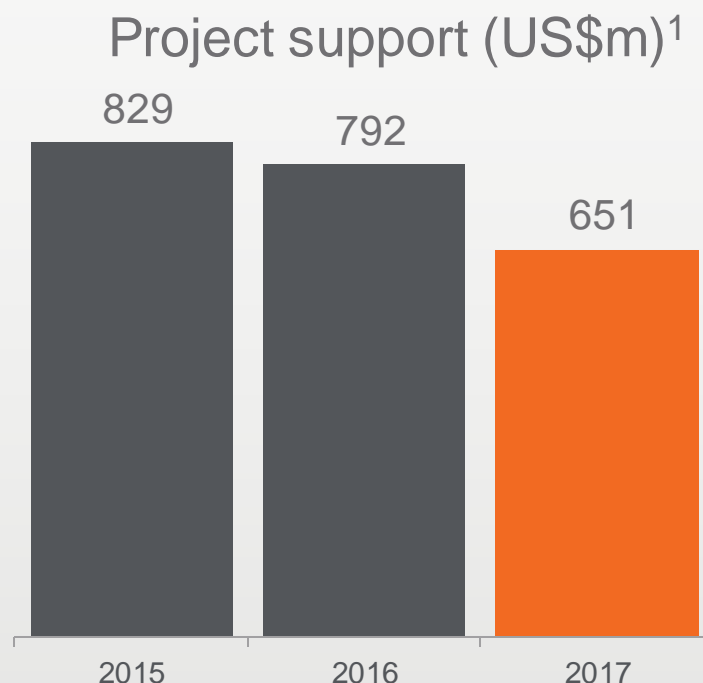
Introduced gas into Tatweer dehydration facility in Bahrain



Focus On Our Core

Driving best-in-class execution

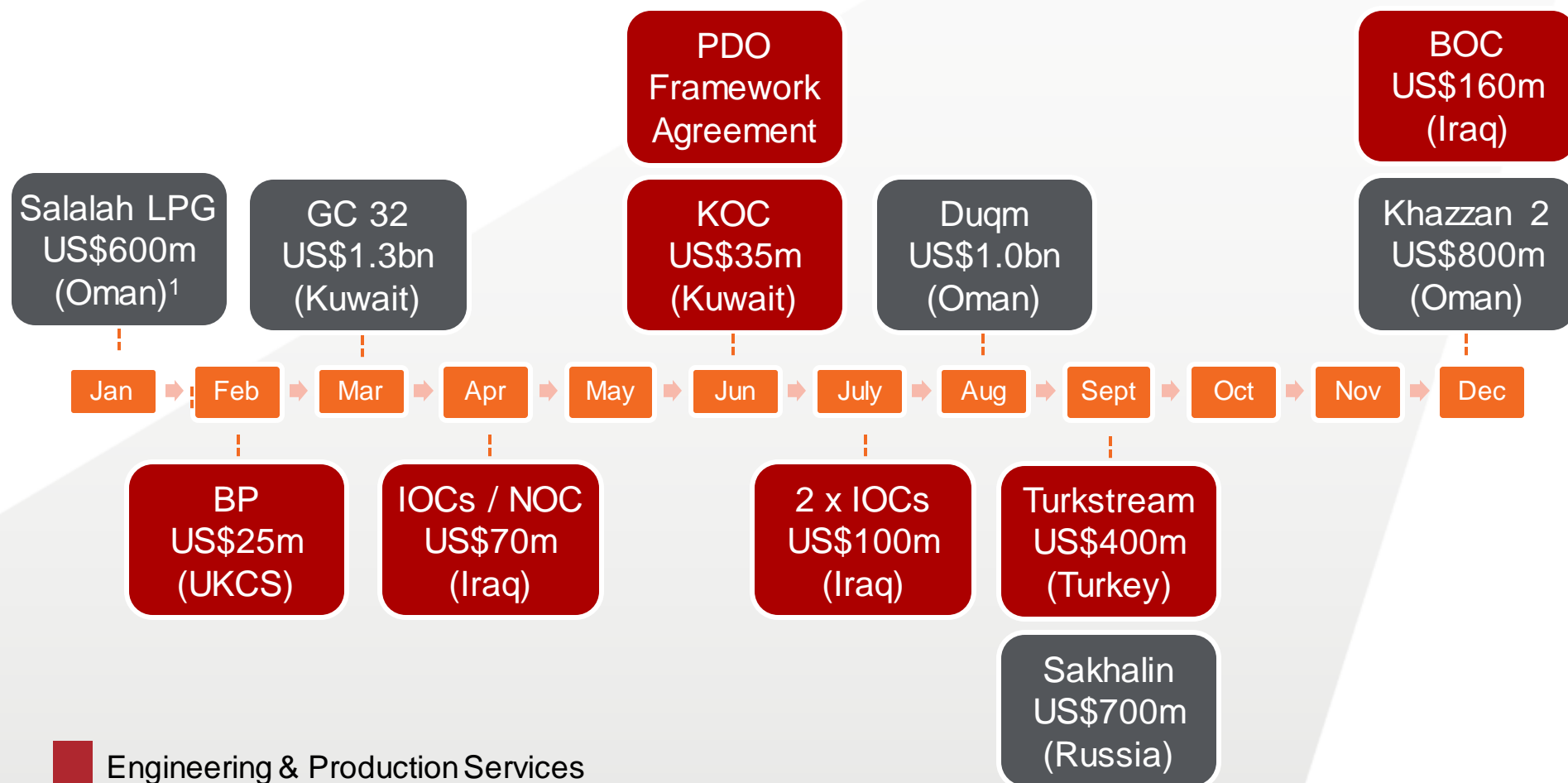
- Confirmed intention to exit deep-water market
- Operational excellence continues to deliver savings
 - continuing to drive down project support costs and overheads




¹ Project support costs comprise engineering, construction management and project management services

Deliver Organic Growth

Strong recovery in new order intake in 2017



 Engineering & Production Services

 Engineering & Construction

1 Included in 2016 backlog

Deliver Organic Growth

Building presence in adjacent markets

- Leveraging downstream credentials and increasing opportunities in petrochemicals
- Increasing geographic diversification as market recovers

E&C revenue (%)

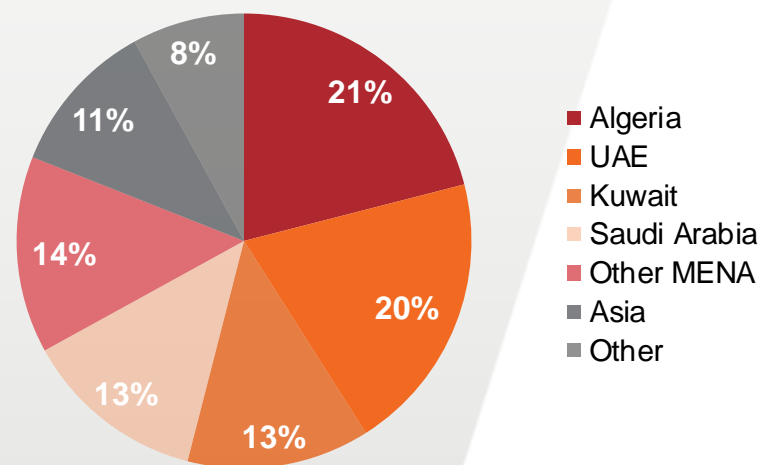


2013

2017

■ GCC ■ Other MENA ■ Other

2018 E&C bidding pipeline



■ Algeria
■ UAE
■ Kuwait
■ Saudi Arabia
■ Other MENA
■ Asia
■ Other

Deliver Organic Growth

Full service offering

Engineering & Production Services

**Services
(Fully
reimbursable)**

**EP+CM
(Reimbursable +
KPIs)**

**E+P reimbursable
with Conversion to
LS at % of model
review**

**Fully lump sum
turnkey**

Client assumes full risk and control. Petrofac provides a man-hour rate and works under direction.

Integrated approach EP reimbursable with KPIs including gain share on procurement and milestone incentives.

E&P reimbursable then convert - E&P initially and Construction – at agreed stages of the model review.

Fixed price and schedule from project outset.

Petrofac assumes full risk and control.

Example: Al Taweelah refinery, UAE

Example: PDO, RHIP and Yibal Khuff, Oman

Example: Turkstream, Onshore receiving Station, Turkey

Example: BP Khazzan P2 – Oman

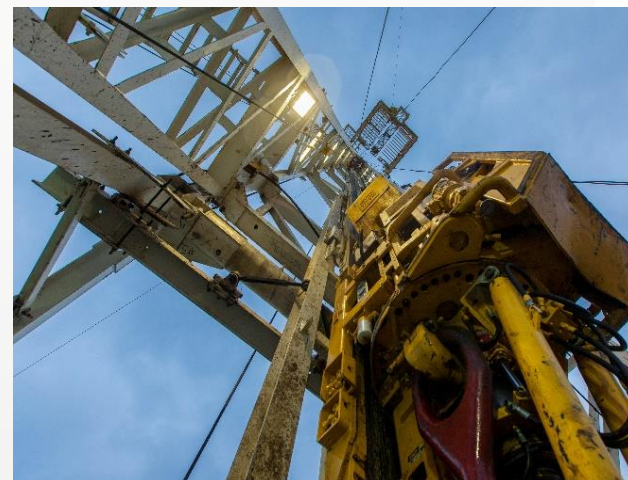
Reduce Capital Intensity

Progress on repositioning IES

Pánuco sold in August 2017

Santuario migration completed December 2017

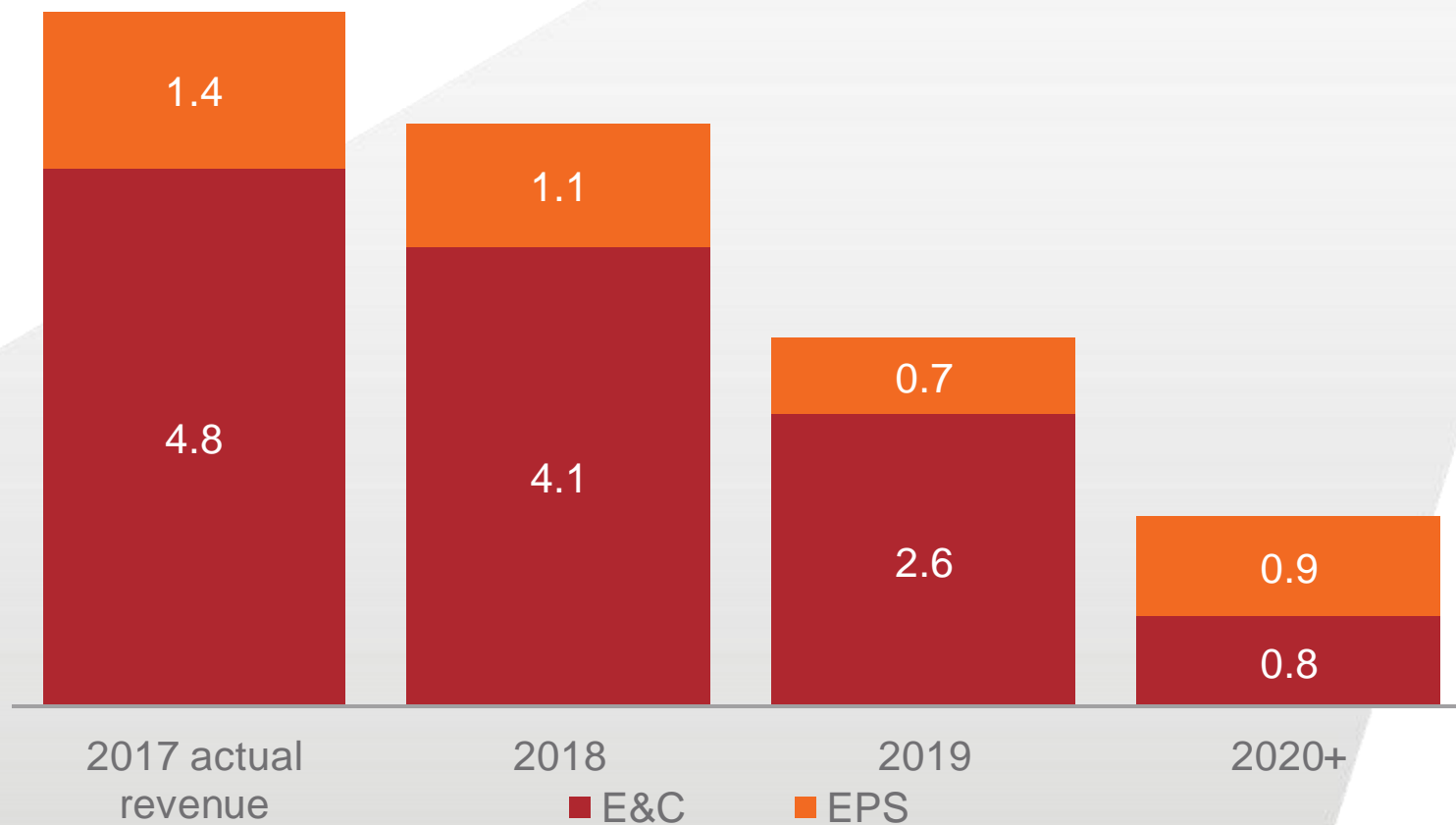
Pursuing options to maximise value for
JSD6000



Outlook

Good revenue visibility

Backlog Ageing (US\$bn)¹

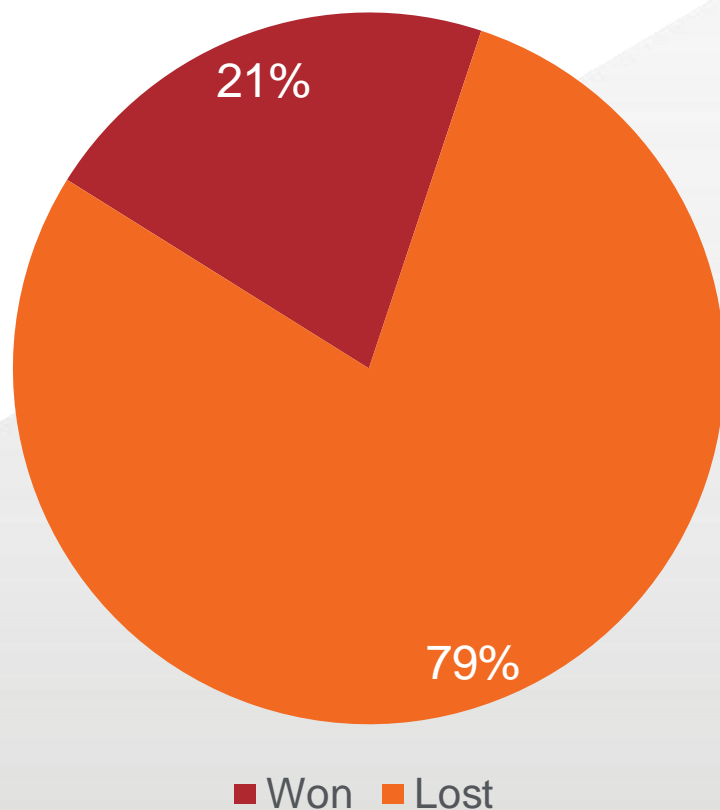


¹ Excludes PDO framework agreement

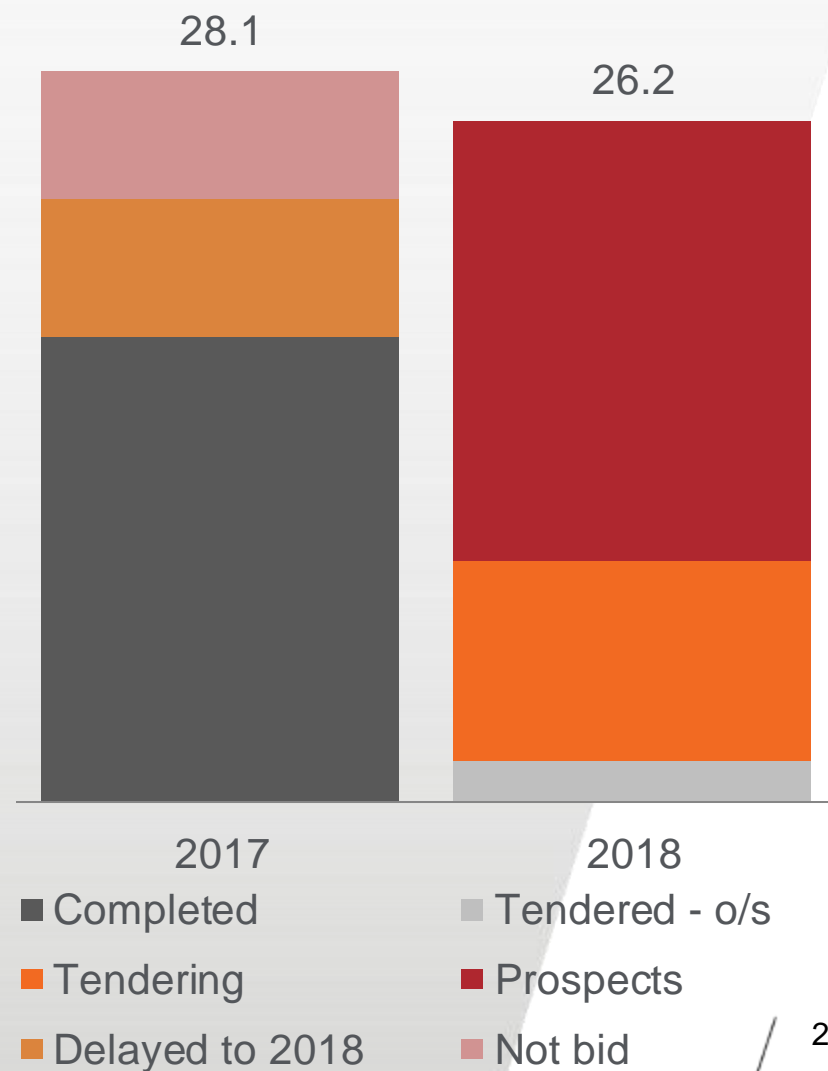
Outlook

Tendering activity remains high

E&C Tendered Bids: 2017
(US\$bn)



E&C Bidding Pipeline (US\$bn)



Summary

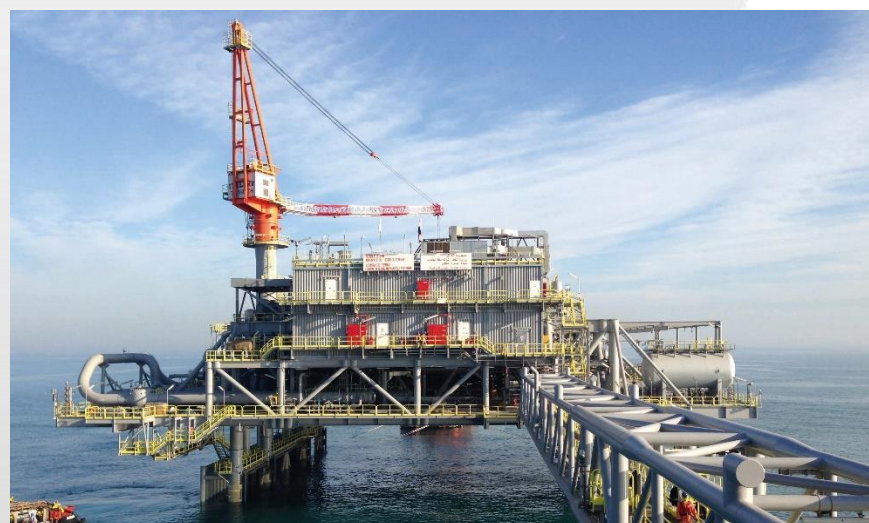
Delivered solid full year results

Delivering on our strategy

Taking range of measures to
strengthen balance sheet

Tendering activity remains high,
but competitive

Well positioned for 2018



APPENDIX

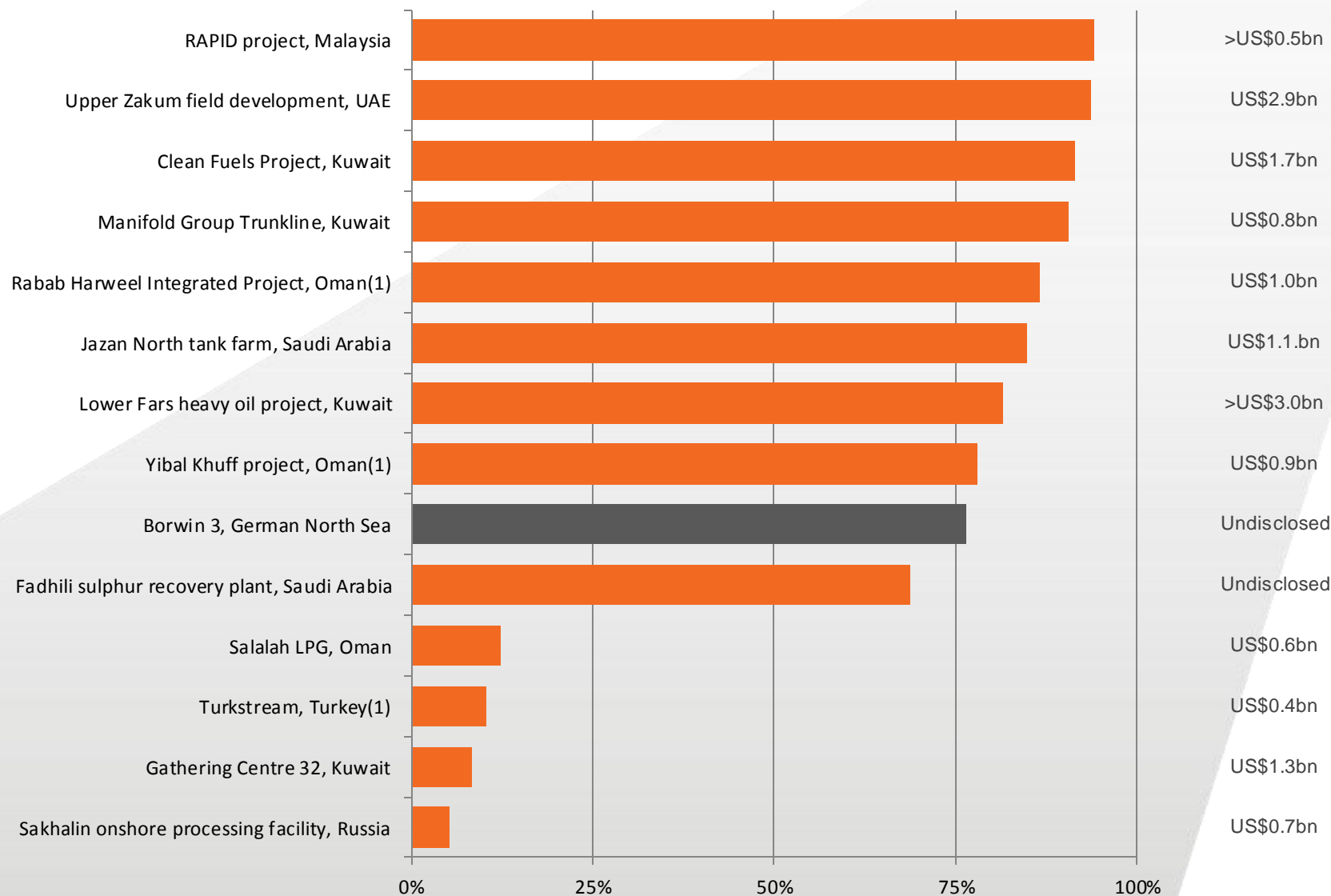
Key E&C/EPS¹ projects

■ NOC/NOC led company/consortium

■ Joint NOC/IOC company/consortium

Percentage of Completion at Dec 17²

Original contract value to Petrofac



1 EPS division projects

2 Excludes projects < 5% and > 95% complete and < US\$250m

Key IES projects

Production Enhancement Contracts (PEC)

END DATE

Magallanes, Mexico

2037

Pánuco, Mexico¹

2043

Arenque, Mexico

2043

Equity Upstream Investments

Santuario, Mexico²

2042

Block PM304, Malaysia

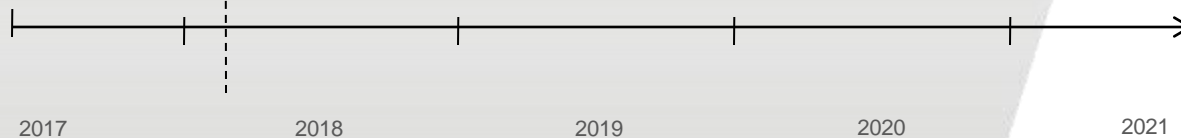
2026

Chergui gas concession, Tunisia

2031

Greater Stella Area development, UK

Life of field



1 Sold Pánuco PEC in August 2017

2 Migrated from PEC to PSC on 18 December 2017

IES portfolio carrying amount¹

<i>US\$ million</i>	Country	31 December 2017	31 December 2016
Santuario, Magallanes, Arenque	Mexico	382	336
PM304	Malaysia	286	378
GSA development	United Kingdom	255	276
Chergui gas development	Tunisia	47	50
Other (PetroFirst, interest in associates, and FPSO Opportunity and Pánuco in 2016 only)		61	168
Total		1,031	1,208

¹ Includes balances within property, plant and equipment, intangible assets, interest in associates and other financial assets

Effective Tax Rate¹

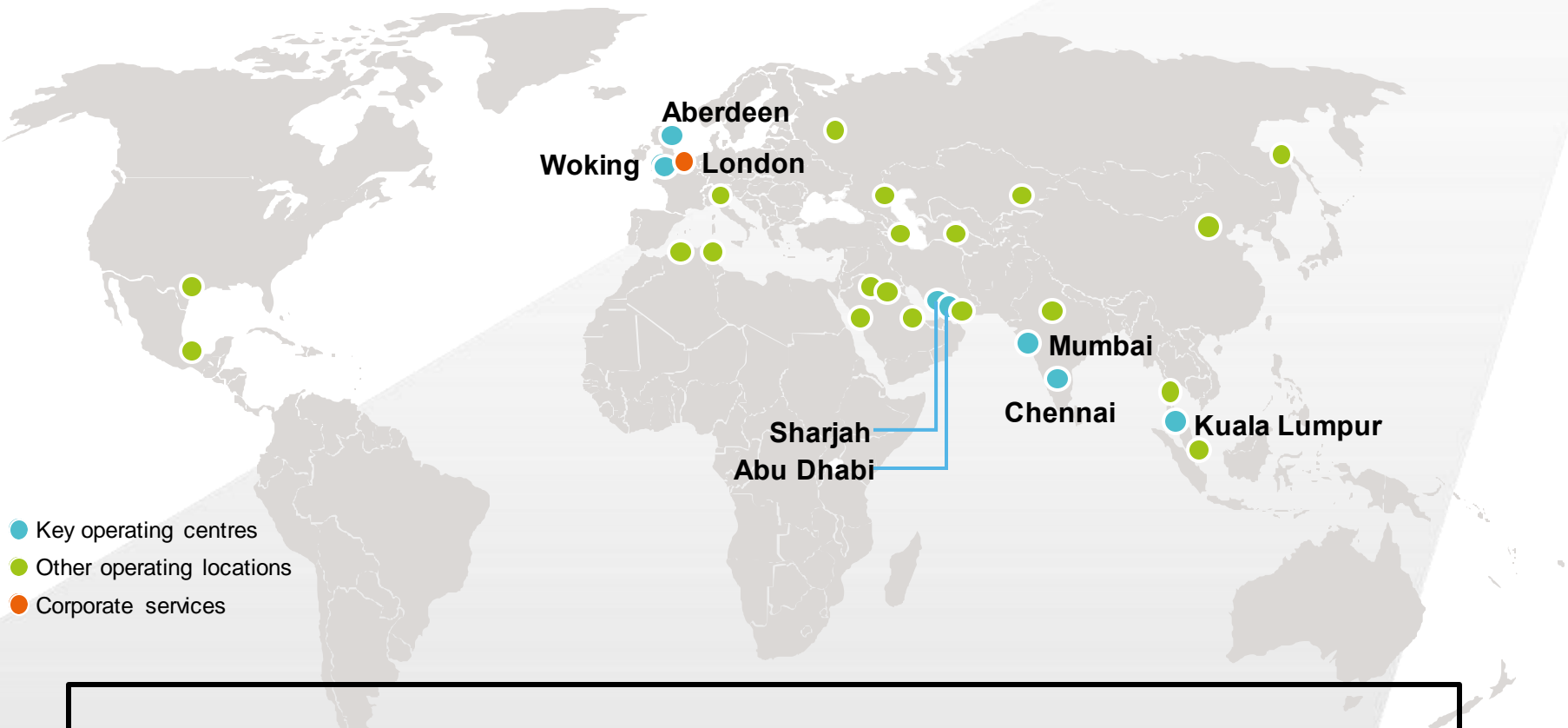
	2017	2016
Engineering & Construction	28%	23%
Engineering & Production Services	23%	17%
Integrated Energy Services	48%*	42%*
Group effective tax rate (ETR)	29%	20%

¹ Before exceptional items and certain re-measurements

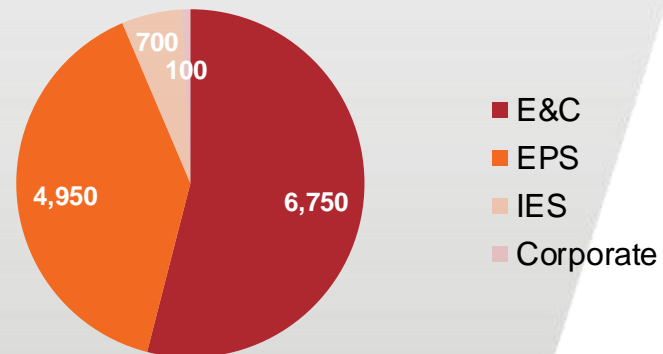
* Tax credit on net loss

- Included within the above ETRs is deferred tax derecognition of US\$38m resulting from a combination of the previously announced changes in UK tax loss relief rules, which were enacted in October 2017, and a reduction in UK profit forecasts
- Excluding the deferred tax derecognition of US\$38m, Group ETR was 21% in 2017
- 2018 ETR expected to be between 20%-24%, excluding the impact of exceptional items and certain re-measurements

Employee Numbers

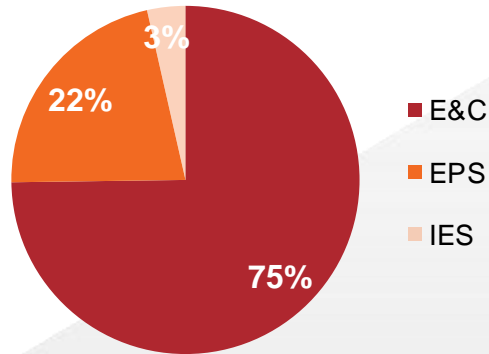


- Approximately 12,500 people in 7 key operating centres and 24 offices
- 38% of our employees are shareholders/participants in employee share schemes

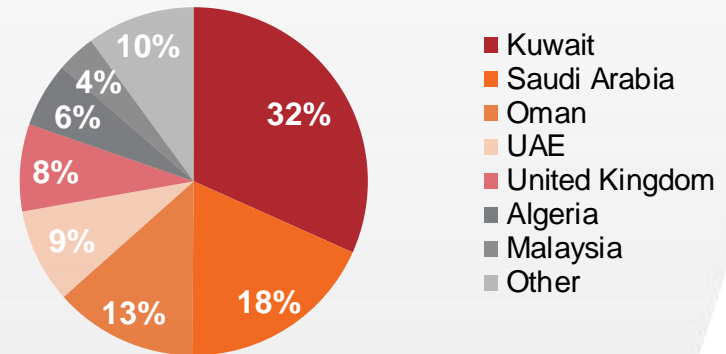


Segmental Performance

2017 revenue by reporting segment



2017 revenue by geography



- Engineering & Construction earned 75% of Group revenues in 2017
- Middle East and North Africa region accounted for nearly 78% of Group revenues, reflecting geographic mix of recent project awards

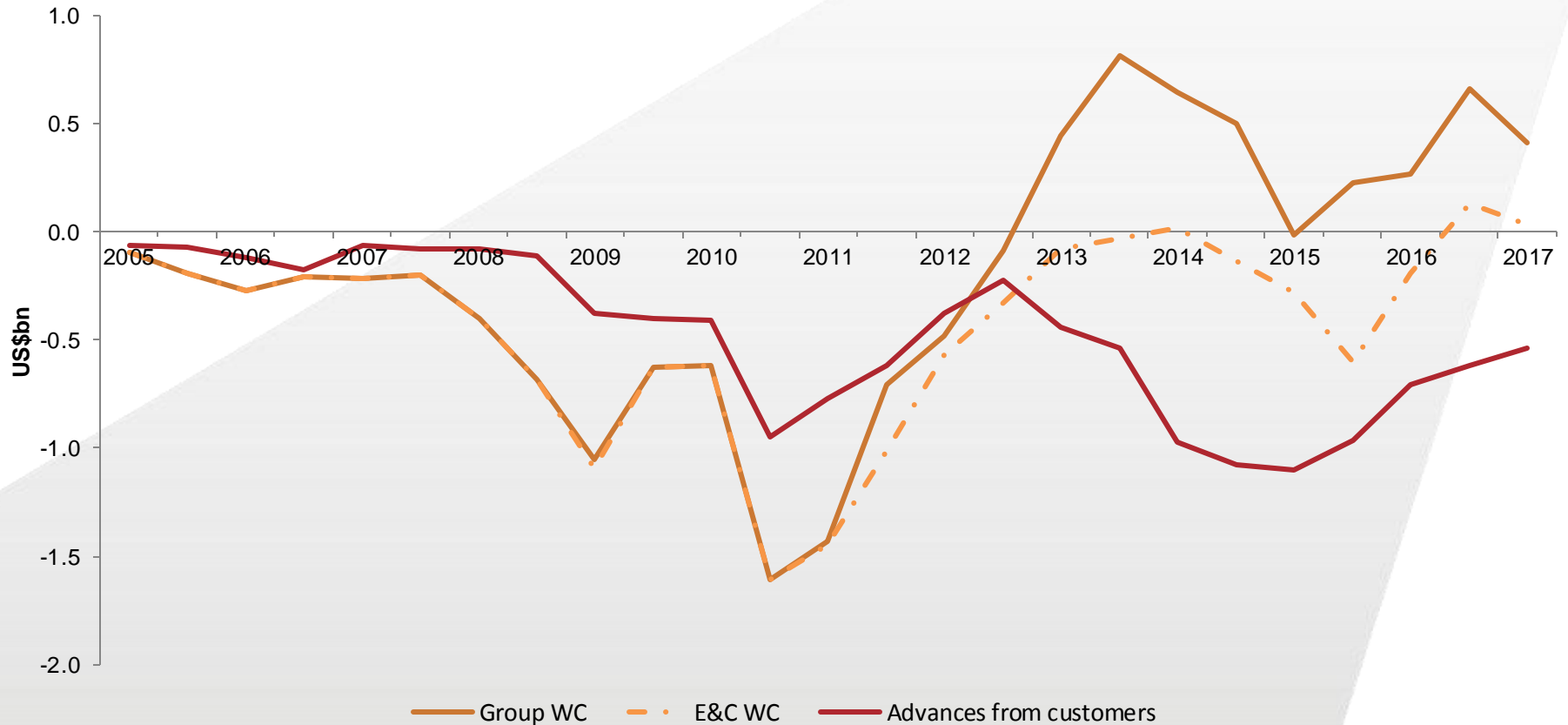
Movements In Working Capital

US\$m	2017	2016	Cash Flow
WIP & inventories	2,231	2,193	(41)
Trade & other receivables	2,020	2,162	(10)
Advances	(536)	(703)	(167)
Trade & other payables	(1,139)	(1,271)	(105)
Accrued contract expenses	(1,956)	(2,060)	(113)
Billings > cost & estimated earnings	(198)	(44)	154
Working capital (balance sheet)	422	277	(282)
Other ¹			+69
Net working capital inflow (cash flow)			(213)
<i>Of which:</i>			
E&C	38	(188)	
EPS	191	141	
IES	205	331	
Corporate/other	(12)	(7)	

¹ Including financial derivatives, restricted cash, amounts due from / to related parties

Working Capital Trend

Group working capital (WC)¹



¹ Inventories, work in progress and trade and other receivables, less trade and other payables, accrued contract expenses and billings in excess of costs and estimated earnings.

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