



Rice Global E&C Forum
**Engineering &
Construction**



2015 RICE GLOBAL E&C ANNUAL FORUM

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Strategic Options Available in a Continuously Volatile Market

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Outline

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- Industry context
 - Volatility, consolidation and growth options
- AMEC/Amec Foster Wheeler's journey
- What could happen next?

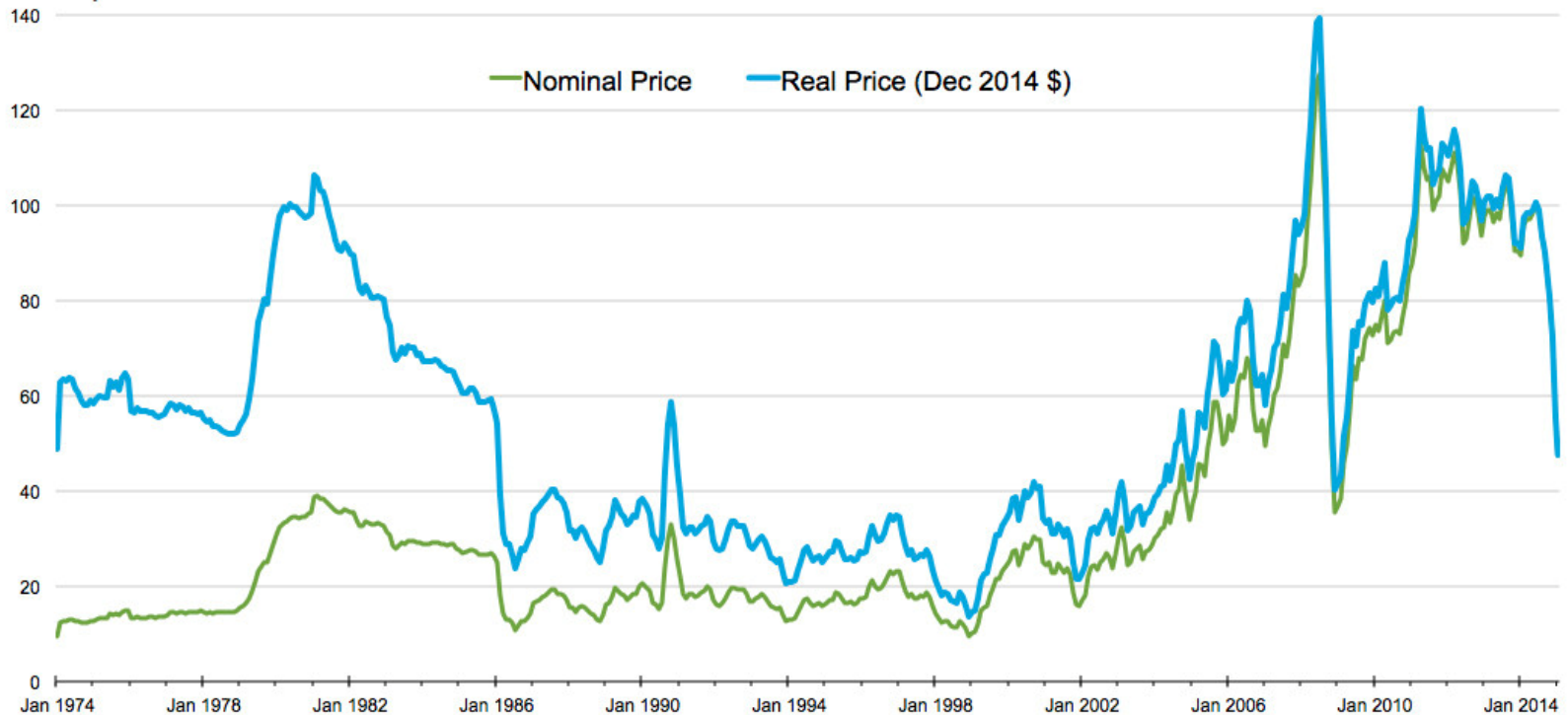
Oil price volatility...

Nothing unusual

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Monthly Imported Crude Oil Price

Dollars per barrel

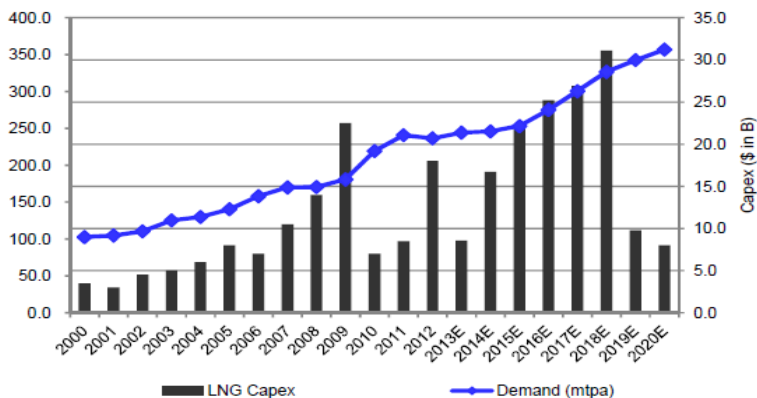


Midstream and downstream Capex volatility...

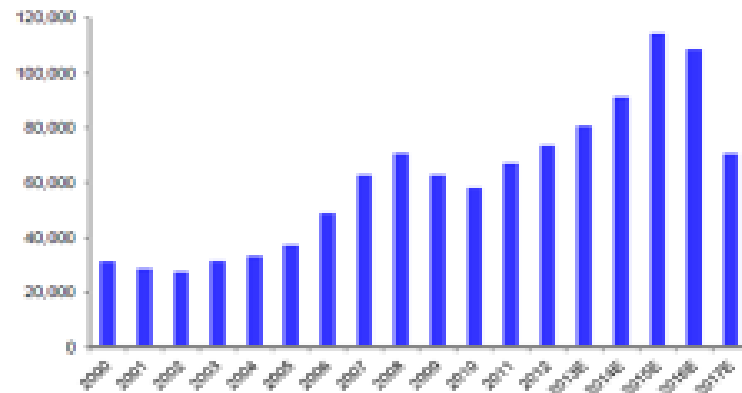
Nothing new here either!

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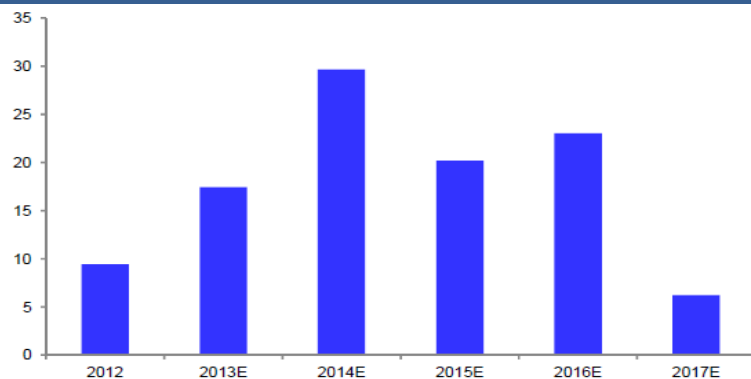
LNG Capex (\$ in billion)



Petrochemical Capex (\$ in billion)

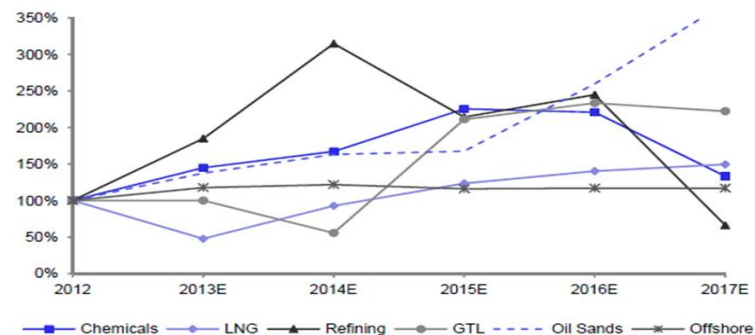


Refining Capex (\$ in billion)



Source: Deutsche Bank, Wood Mackenzie

Rebased 2012 Capex forecast trends

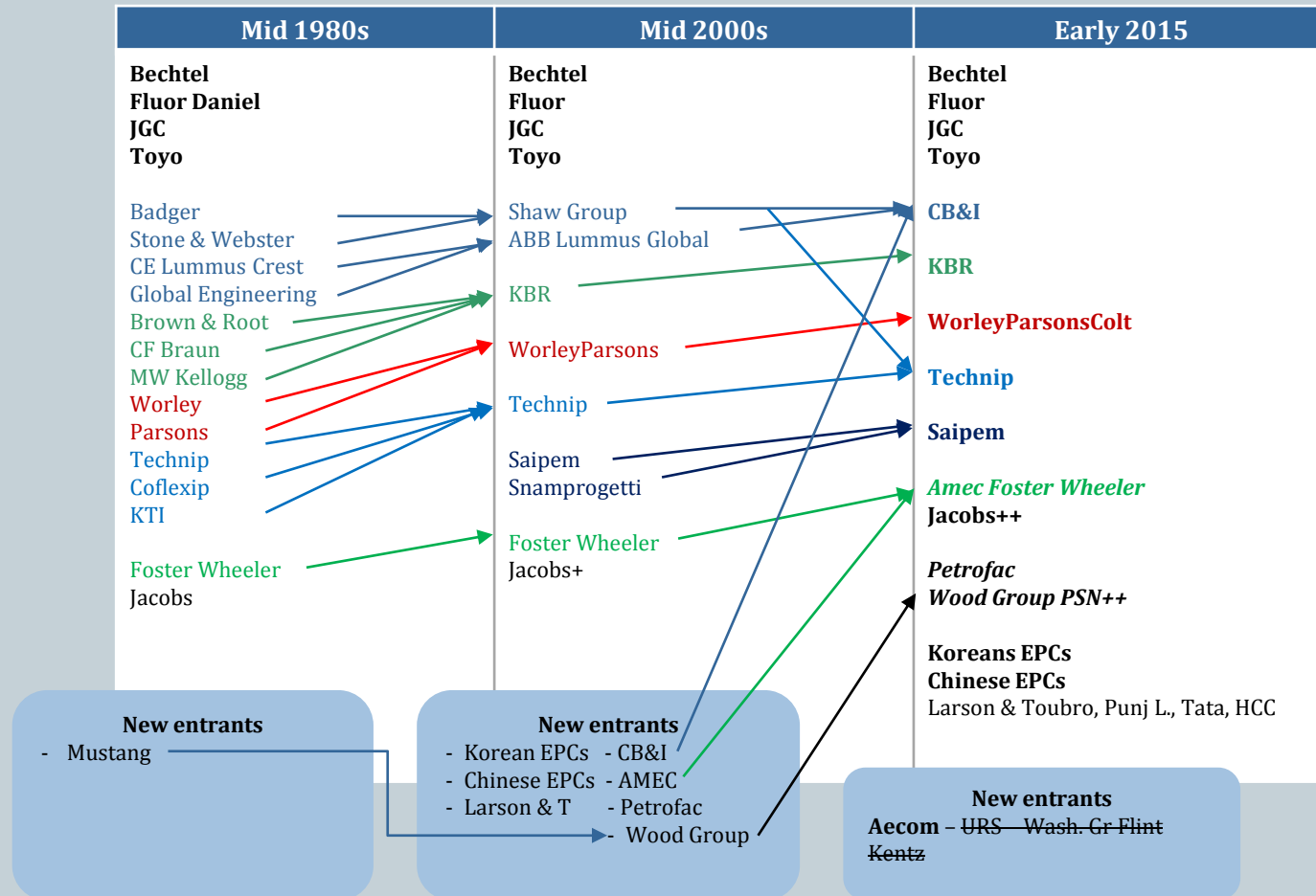


Source: Deutsche Bank, IHS, Wood Mackenzie, SNL, Company Data
Note: 2013-2017 are DB estimates

Leading E&C contractors over time

Consolidation is ongoing...

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The OFS leaders are on the acquisition trail...

Two recent very big deals, but not a new trend!

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November 17, 2014

Halliburton and Baker Hughes reach agreement to combine in cash and stock transaction valuing BHI at \$34.6bn

... will yield nearly \$2bn of operating synergies and will help increase offerings to customers while boosting returns of capital... plans to shed overlapping assets generating as much as \$7.5bn...

Pro-forma revenues of \$57bn

August 26, 2015

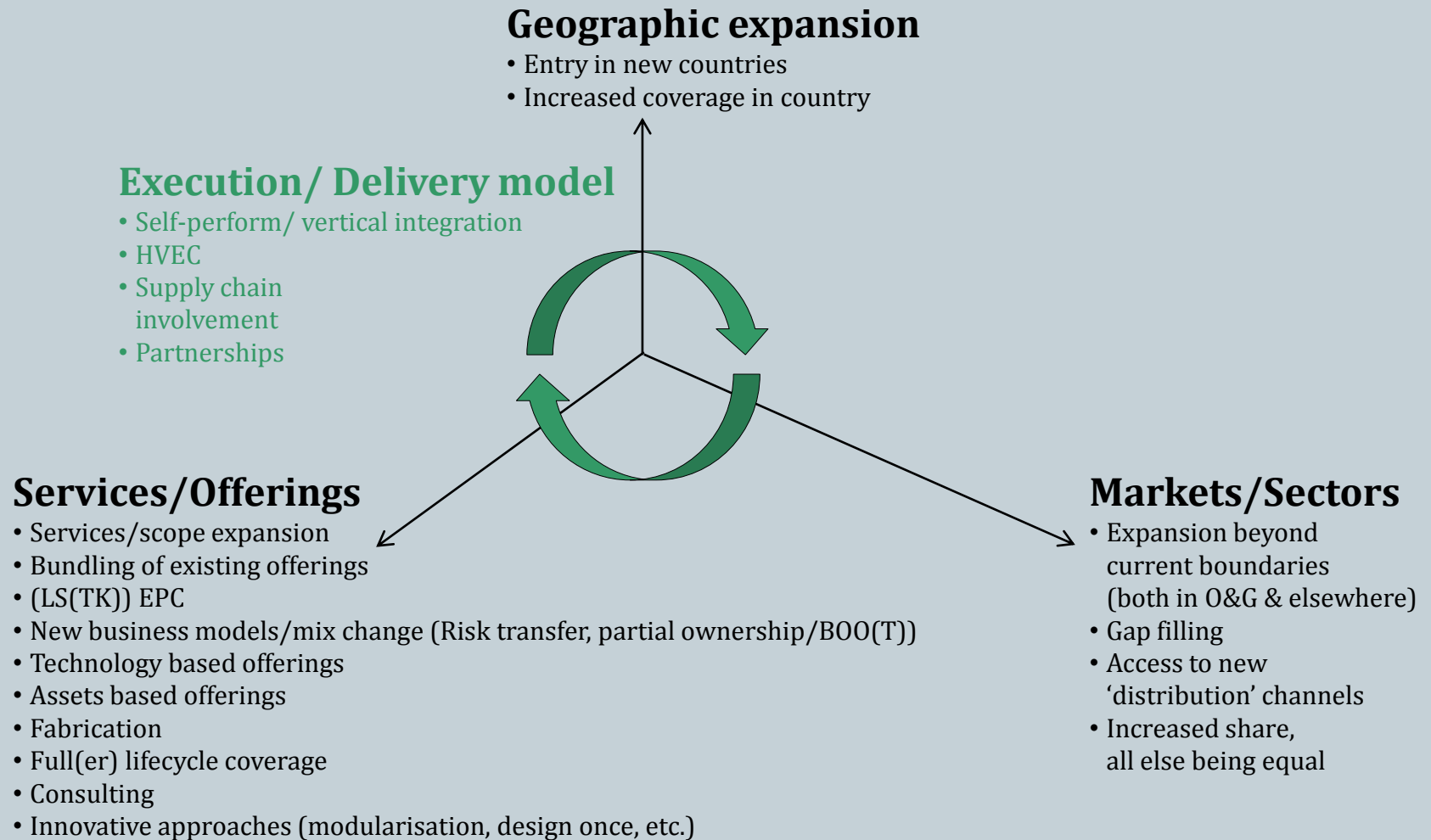
Schlumberger to buy oilfield gear maker Cameron in \$14.8bn deal

... more complete solution to customers ... will allow to bundle offerings from surveying to drilling wells with pressure valves and blowout preventers...

Pro-forma revenues of \$59bn

Options for growth and adaptability (Excluding transformational steps)

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Amec Foster Wheeler Overview

A leading services company with strong oil and gas focus

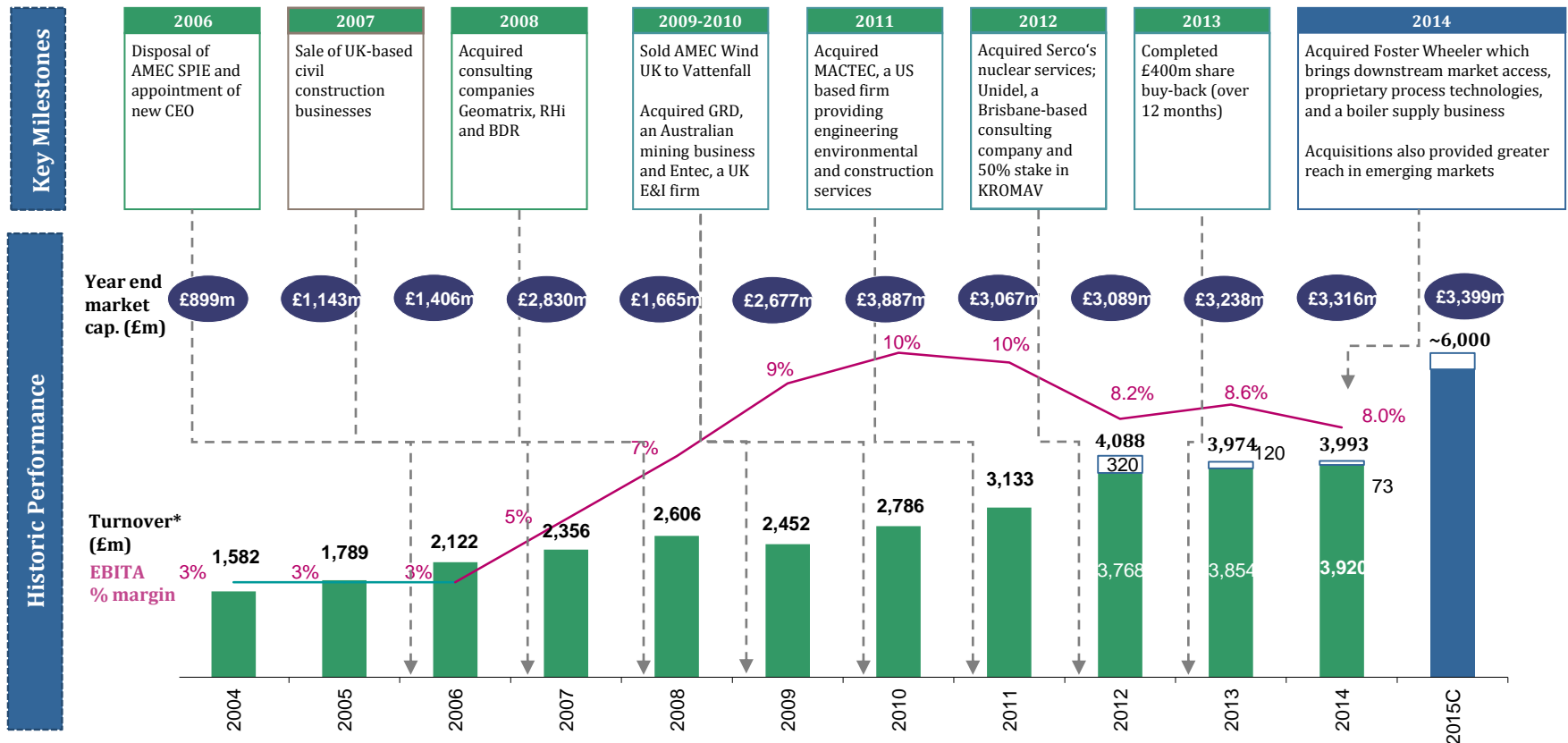
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- Listed in: UK (LSE) and US (NYSE)
- Market capitalisation: ~\$5bn
- Annual revenue: ~\$10bn
- Operating margin: 7-8%
- Employees: ~40,000
- Offerings: Consultancy, engineering, project management, operations and construction services, specialized power equipment
- Markets: Oil & Gas (upstream and downstream), mining, clean energy, environmental & infrastructure

Amec Foster Wheeler's journey

Long-term track record of growth

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Source: Company filings, market consensus

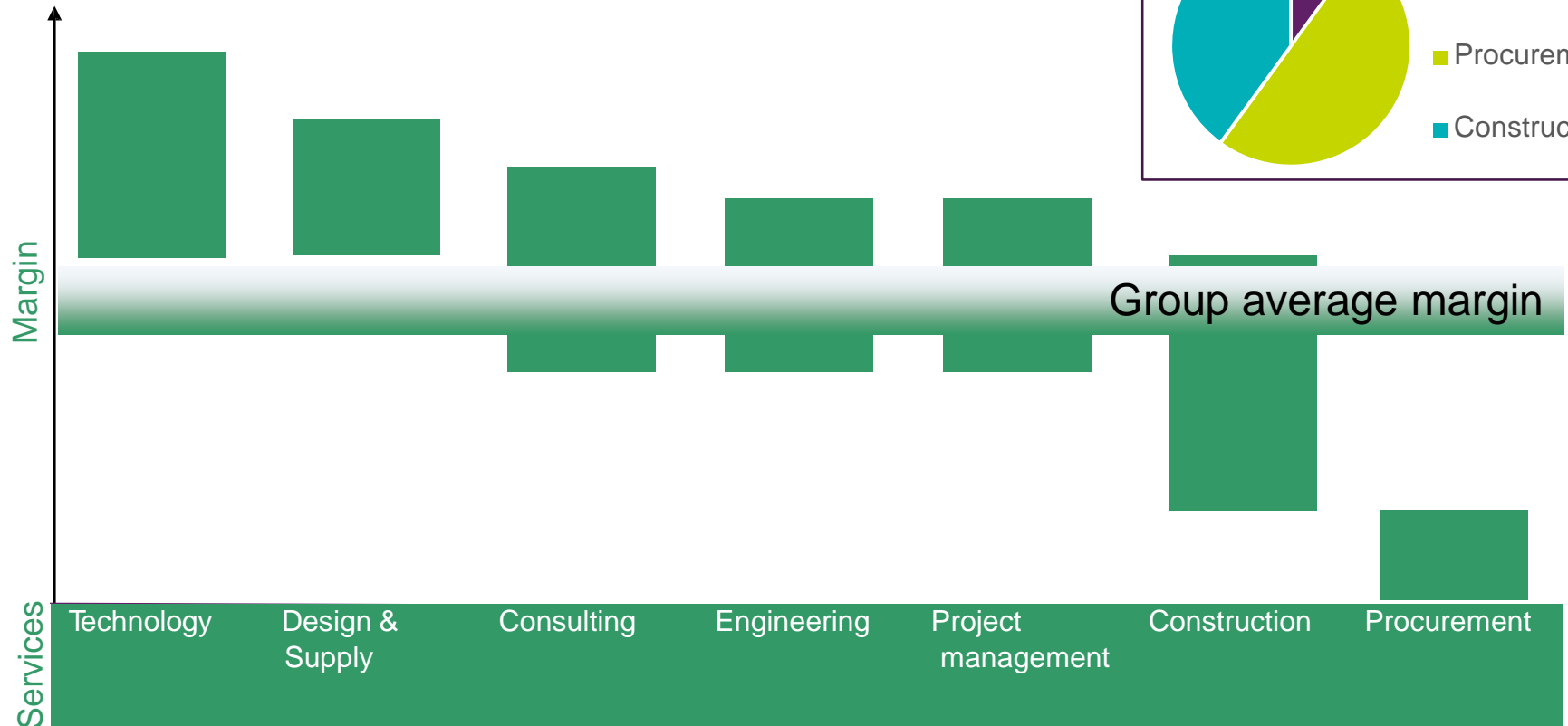
Our range of services

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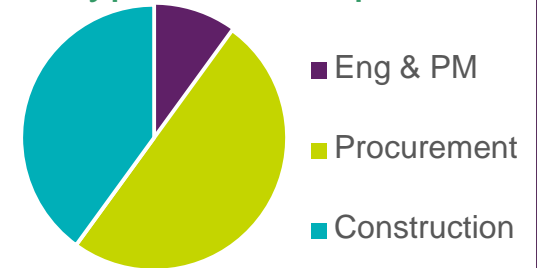
► Diverse

► Adaptable

► Scalable



Typical TIC* split



* Total Invested Capital

What have we done...

(Excluding transformational steps)

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Execution/ Delivery model



Geographic expansion



Services/Offerings



Markets/Sectors



Amec Foster Wheeler

A compelling business combination

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		AMEC Standalone	Foster Wheeler	Amec Foster Wheeler	Competitor A	B	C	D	E
Upstream	Offshore top side facilities	Strong Position	Limited Position	Strong Position	Strong Position	Limited Position	Strong Position	Strong Position	Strong Position
	Onshore facilities engineering	Limited Position	Limited Position	Strong Position	Strong Position	Limited Position	Limited Position	No material position	Strong Position
	Maintenance, Modifications, Operations	Strong Position	No material position	Strong Position	Limited Position	No material position	Limited Position	Strong Position	No material position
	Oil sands	Strong Position	Limited Position	Strong Position	Limited Position	Limited Position	Strong Position	Limited Position	Limited Position
Mid & downstream	Gas processing, LNG, GTL	No material position	Limited Position	Growth aspiration	Strong Position	Strong Position	Limited Position	No material position	Strong Position
	Refineries	No material position	Strong Position	Strong Position	Strong Position	Strong Position	Strong Position	Limited Position	Strong Position
	Petrochemicals	No material position	Strong Position	Strong Position	Strong Position	Strong Position	Limited Position	No material position	Strong Position
	Maintenance, Modifications, Operations	Limited Position	No material position	Growth aspiration	No material position	No material position	Limited Position	Limited Position	Strong Position
Project management consultancy		Strong Position	Strong Position	Strong Position	Limited Position	Limited Position	Strong Position	No material position	Strong Position
Environmental consulting		Strong Position	No material position	Strong Position	No material position	No material position	Limited Position	No material position	No material position

Key:

Strong Position	Strong Position
Limited Position	Limited Position
No material position	No material position
* Growth aspiration	

Amec Foster Wheeler –Priorities

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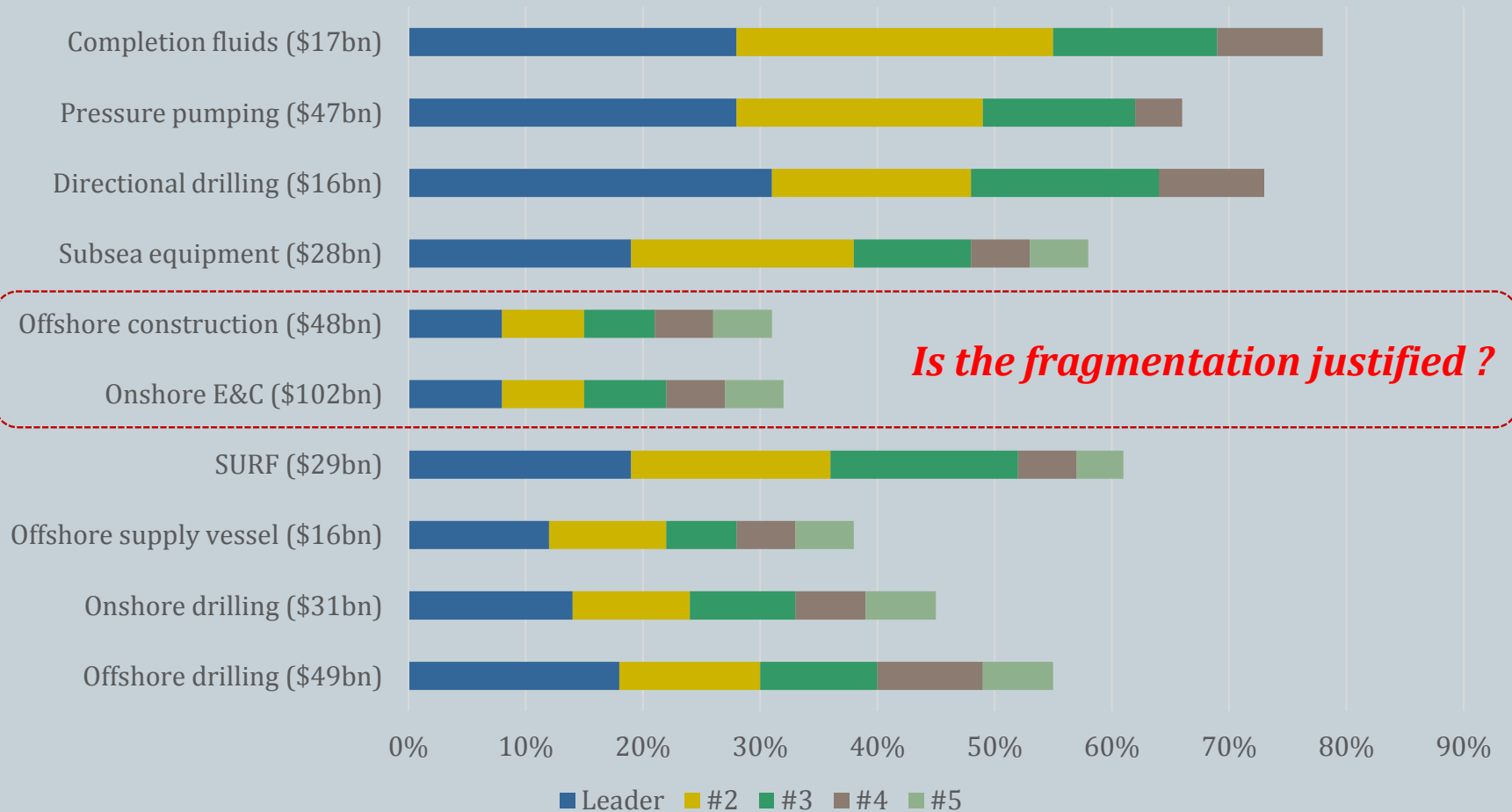
- ▶ Deal with continued challenging markets
 - Diverse/Adaptable/Scalable model
- ▶ Build on our track record
 - Services, reimbursable and fixed priced EPC, PMC, HUCC, etc.
- ▶ Adapt and innovate
 - Create new opportunities
e.g. More4Less, revenue synergies
- ▶ Stay lean and efficient
 - Integration cost savings and continuous improvement



Next step as industry Food for thought...

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Cumulative global market shares for key O&G industry segments



Source: Societe Generale research – 27 August 2015