HALF YEAR RESULTS 2020

11 AUGUST 2020

Petrofac

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Petrofac

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Positioning For The Recovery

BUILDING FOR THE FUTURE

Structurally reducing costs

Conserving cash

Retaining core capability

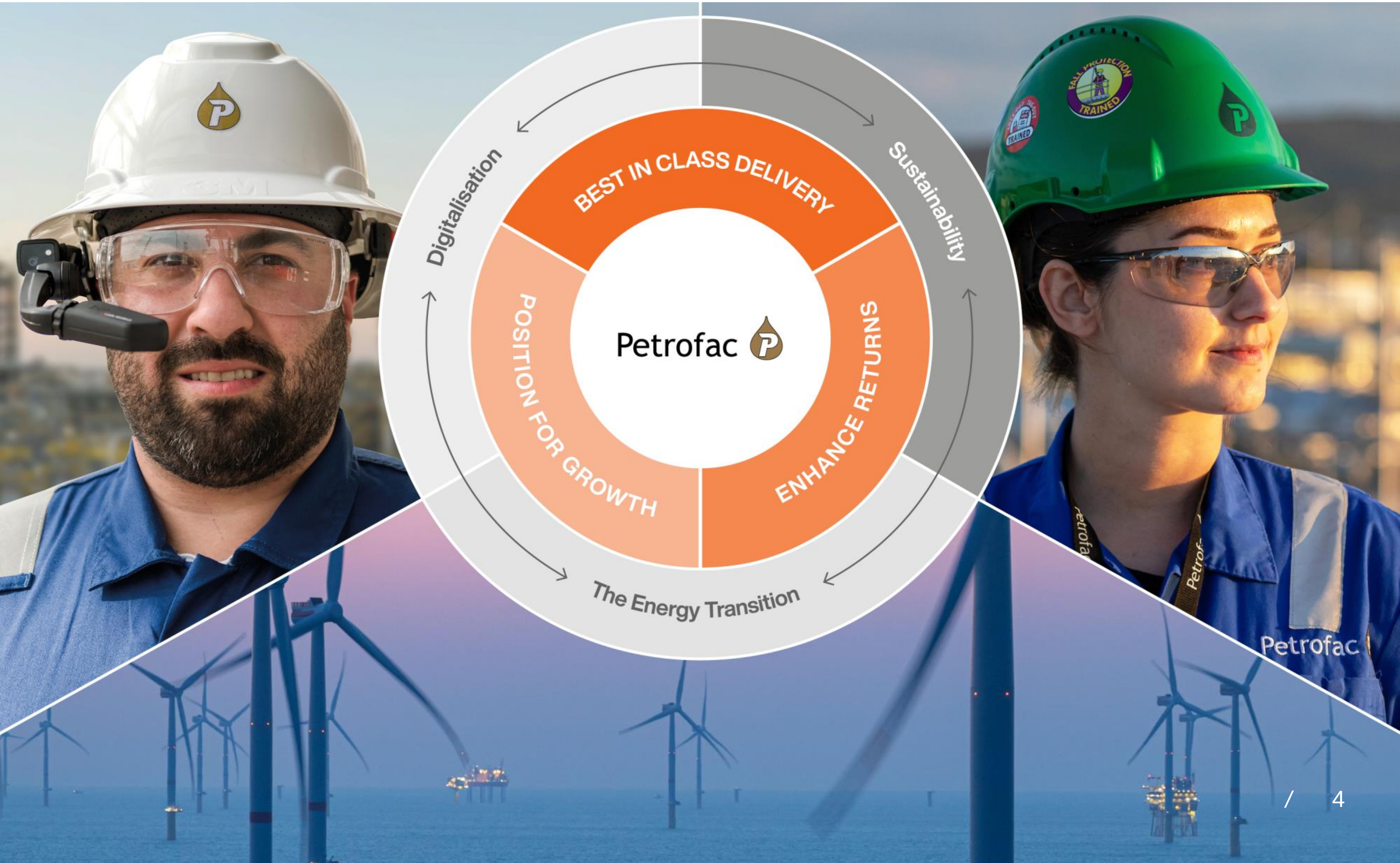
Investing in the future

Safely delivering for clients

Maintaining long-term competitiveness

Delivering Our Long-Term Strategy

HELPING CLIENTS MEET THE WORLD'S EVOLVING ENERGY NEEDS



New Emissions & Diversity Targets

Petrofac

ADVANCING OUR AMBITIOUS SUSTAINABILITY AGENDA

ENVIRONMENT

Net zero [1] emissions by 2030

- Net zero [1] Scope 1 & 2 [2] emissions by 2030
- Phased: EPS by 2025, E&C & IES by 2030
- Targets and KPIs embedded in management scorecards

SOCIAL

30% women in senior roles [3] by 2030

- Building on strong Board & graduate representation
- Progress to 2030 underpinned by 2021 and 2025 targets
- Dedicated women's leadership programme

GOVERNANCE

Best-in-class compliance

- Embedding enhanced Code of Conduct
- Continued external compliance monitoring
- Climate-related financial oversight and disclosure in line with TCFD

1. Net zero: no net increase in GHG emissions to the atmosphere as a result of GHG emissions associated with Petrofac's activities, where residual emissions will be offset by carbon credits.
2. Scope 1 (direct emissions e.g., production processes) and Scope 2 (indirect emissions e.g. energy purchased).
3. Executive management and direct reports (as per Hampton Alexander criteria).

FINANCIAL PERFORMANCE

2020 Half Year Financial Summary

RESULTS REFLECT DETERIORATION IN MARKET CONDITIONS

- Results materially impacted by COVID-19 and lower oil price
- Current priorities
  - Reduce costs
  - Maintain strong balance sheet
  - Rebuild order book
- Dividend remains suspended

Net profit [1]

US$21m

(86%)

Net debt [2]

US$29m

US$(44m)

Backlog [2]

US$6.2bn

(16%)

Dividend

nil

(12.7¢)

1. Business performance before exceptional items & certain re-measurements attributable to Petrofac Limited shareholders
2. Comparative period is 31 December 2019

Business Performance Results [1]

US$m	1H 2020	1H 2019	Change
Revenue	**2,103**	2,821	(25%)
EBITDA	**129**	305	(58%)
EBITDA margin	**6.1%**	10.8%	(4.7 ppts)
Net finance expense	**(15)**	(23)	(35%)
Net profit [2]	**21**	154	(86%)
Net margin [2]	**1.0%**	5.5%	(4.5 ppts)
Effective tax rate	**61.7%**	27.9%	33.8 ppts
Diluted earnings per share [2]	**6.2¢**	44.9¢	(86%)
Dividend per share	**nil**	12.7¢	(100%)

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

Exceptional Items

REPORTED NET LOSS OF US$78M [1]

- US$99m of exceptional items
  - PM304 impairment
  - Fair value remeasurements of Pánuco & GSA
  - Early settlement of GSA deferred consideration
  - Redundancy & restructuring costs
- Modest cash impact of US$11m

US$m (post tax)	**H1 2020**	**H1 2019**
Malaysia – PM304	64	-
UK – Greater Stella	14	-
Mexico - Pánuco	8	-
Other (net)	13	15
Total	**99**	15

1. Attributable to Petrofac Limited shareholders

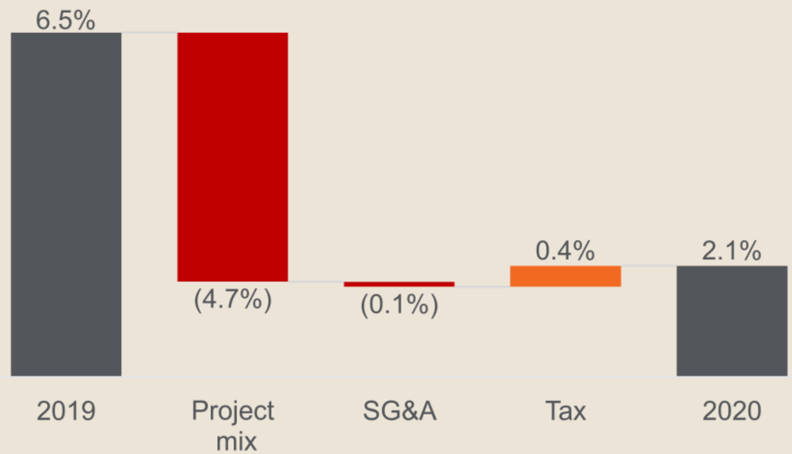
Engineering & Construction

RESULTS MATERIALLY IMPACTED BY DETERIORATION IN MARKET CONDITIONS

- Revenue down 28%
  - COVID related project delays
- Net margin down 4.4 ppts
  - Cost increases & project mix
  - Jazan commercial settlement
  - Lower tax
- Net profit down 76%

US$m (except as otherwise stated)	**1H 2020**	**1H 2019**
Revenue	**1,636**	2,281
EBITDA [1]	**83**	217
Net profit [2]	**35**	148
Backlog (US$bn) [3]	**4.3**	5.7

Net margin



1. Business performance before exceptional items & certain re-measurements
2. Business performance before exceptional items & certain re-measurements attributable to Petrofac Limited shareholders
3. Backlog comparative period is 31 December 2019

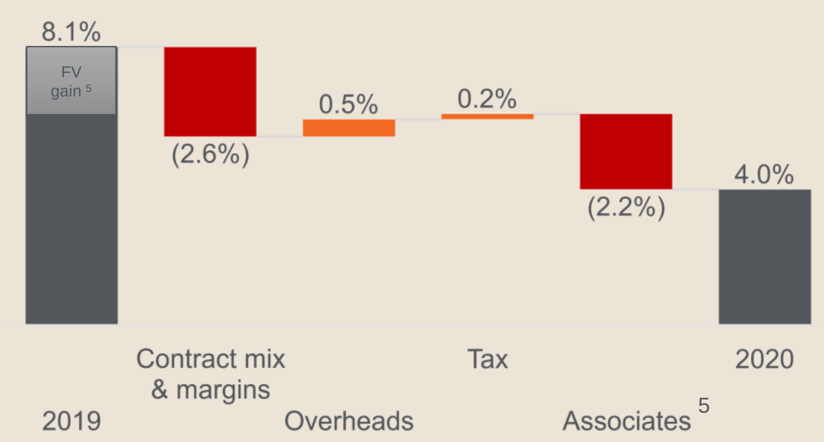
Engineering & Production Services

STRONG ORDER INTAKE

- Revenue down 5%
  - Lower Operations activity
  - COVID related closure of training centres
- Net margin down 4.1 ppts
  - Decline in brownfield margins
  - Change in business mix
  - Lower associates contribution
  - Lower overheads
- Net profit down 53%
- Continued growth in backlog

US$m (except as otherwise stated)	1H 2020	1H 2019 Restated
Revenue	**426**	448
EBITDA [1,4]	**29**	47
Net profit [2,4]	**17**	36
Backlog (US$bn) [3]	**1.9**	1.7

Net margin[4]



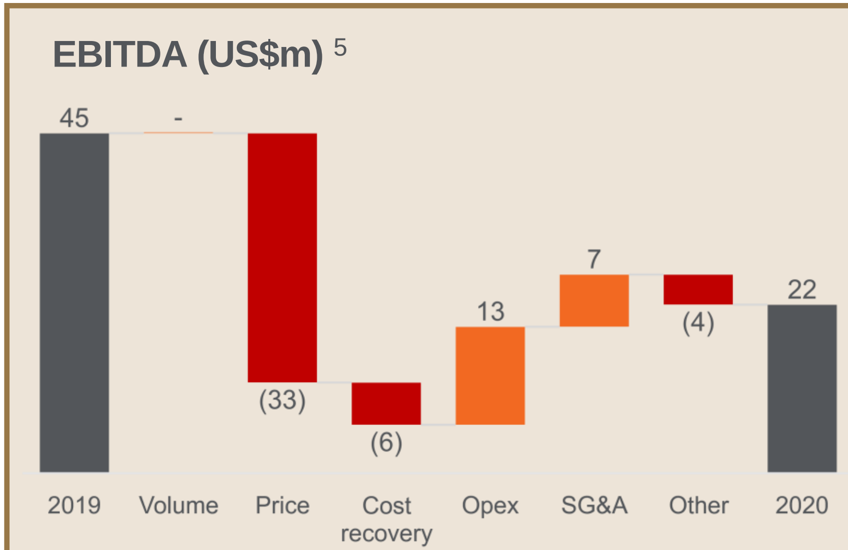
1. Business performance before exceptional items and certain re-measurements
2. Business performance before exceptional items and certain re-measurements attributable to Petrofac Limited shareholders
3. Backlog comparative period is 31 December 2019
4. 2019 restated to include associate income from the Group's investment in PetroFirst. Reclassified from IES to EPS from 1 January 2020 (1H 2019: US$13m)
5. Fair valuation gain of US$10m recognised for the six months ended 30 June 2019, arising from re-recognition of lease asset and lease liability due to changes in lease terms

Integrated Energy Services

GOOD OPERATIONAL PERFORMANCE MORE THAN OFFSET BY DECLINE IN OIL PRICES

- Revenue down 38%
  - Lower average realised price [3]
  - Increase in equity production [4]
  - Lower PEC cost recovery
- EBITDA down 51% [5]
  - Decline in revenue
  - Lower costs
  - FX depreciation
- Net loss up $4m [5]
  - Lower depreciation
  - Lower tax
  - Lower minority interest

US$m (except as otherwise stated)	**1H 2020**	**1H 2019** Restated
Revenue	**61**	99
EBITDA [1, 5]	**22**	45
Net loss [2, 5]	**(10)**	(6)
Production (net) [3]	**2.2 mboe**	2.1 mboe



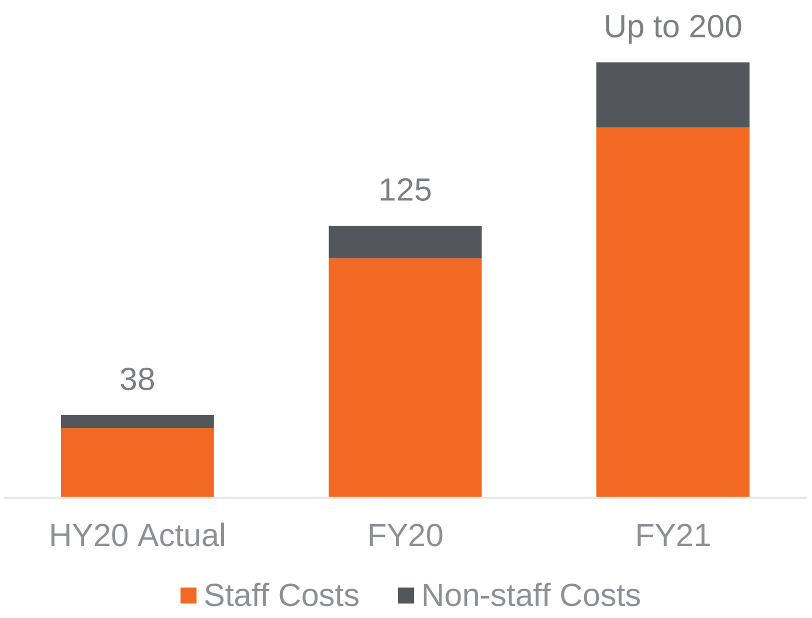
1. Business performance before exceptional items & certain re-measurements
2. Business performance before exceptional items & certain re-measurements attributable to Petrofac Limited shareholders
3. Average realised price of US$37/boe (1H 2019: US$69/boe) is calculated on equity sales volumes, which may differ from production due to under/over-lifting in the period
4. Equity interest volumes of 1.1 mboe (1H 2019: 1.0 mboe) and Production Enhancement Contract volumes of 1.1 mboe (1H 2019: 1.1 mboe) (net of royalties and hedging)
5. 2019 restated to remove associate income from the Group's investment in PetroFirst. Reclassified from IES to EPS from 1 January 2020 (1H 2019: US$13m)

Cost Savings

TAKEN SWIFT ACTION TO STRUCTURALLY REDUCE COSTS IN RESPONSE TO COVID-19

- Increased savings targets in May
- Structural reduction in costs
  - Salaries cut by up to 15%
  - Headcount reduction of 17%
  - Non-staff costs cut
- Benefit largely spread over life of contract [1]
- Preserved core capability
- Continuing to invest in digital
- Quick payback
  - Cash cost of US$50m in 2020 [2]

Target Cost Savings (US$m)



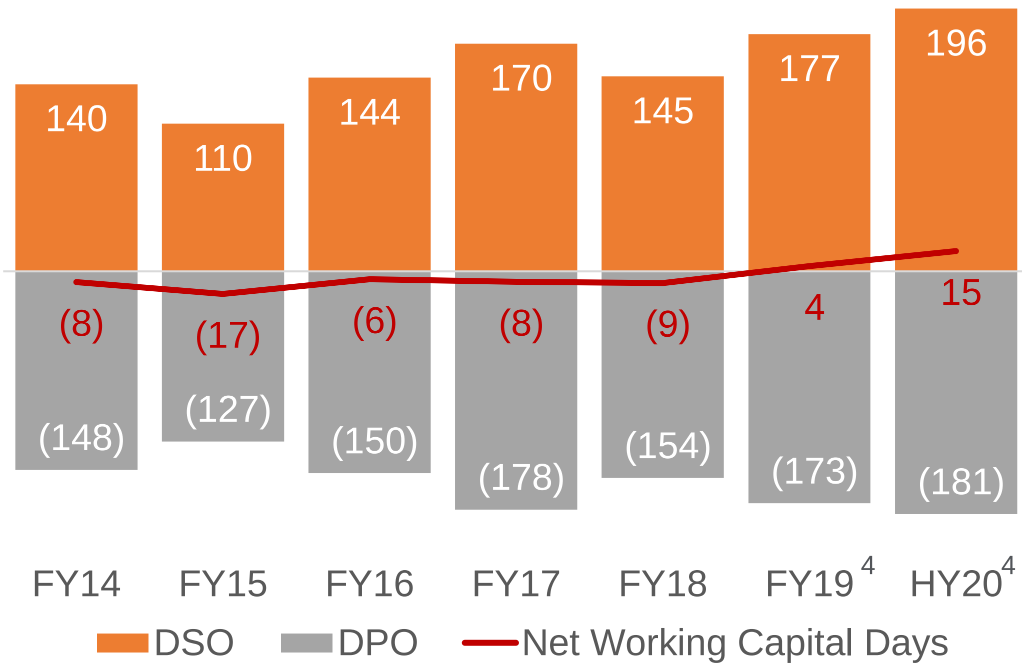
1. The benefit of reductions in project support costs is recognised in accordance with IFRS15
2. Cash cost in 1H 2020 was US$30 million

Contract Cash Conversion

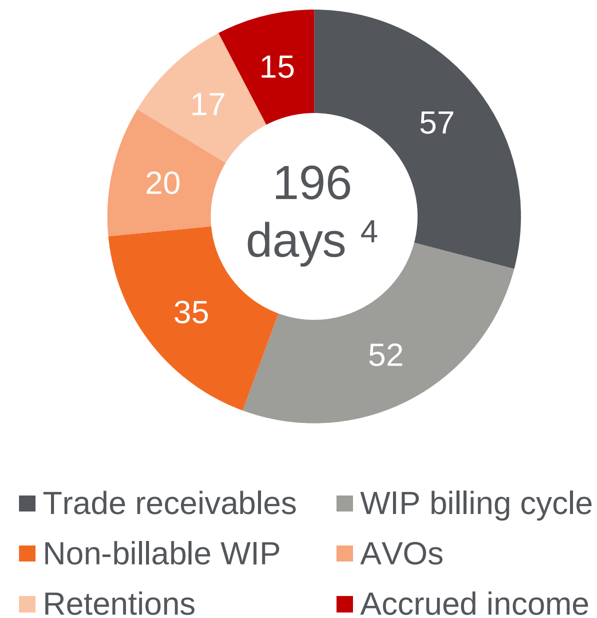
Petrofac

INCREASE IN NET WORKING CAPITAL

Cash conversion cycle (days)



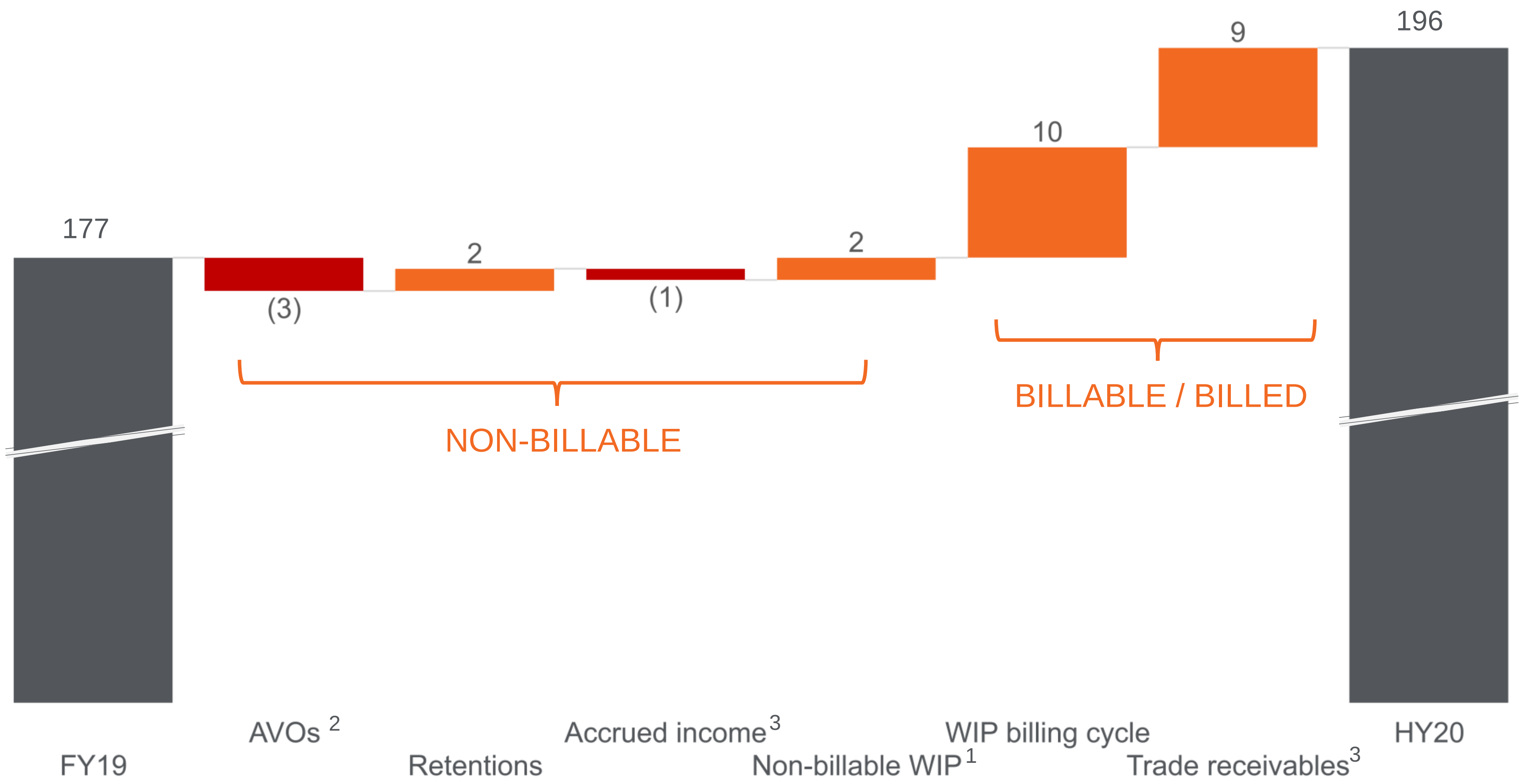
HY20 DSO analysis



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
4. Adjusted to add back relevant 'assets held for sale' balances related to Mexico assets

DSO Bridge

INCREASE IN DSO DRIVEN BY LONGER INVOICING & PAYMENT CYCLE

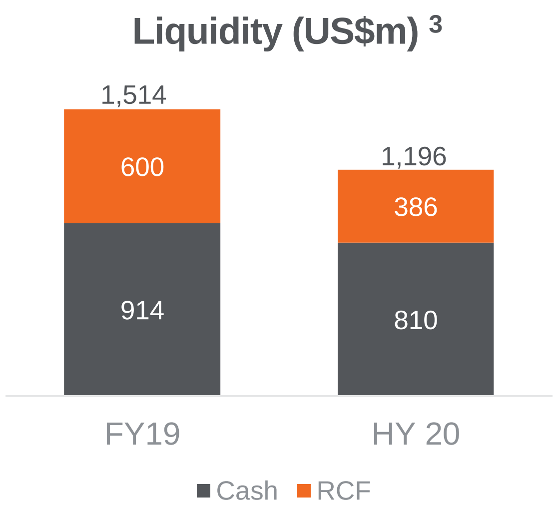


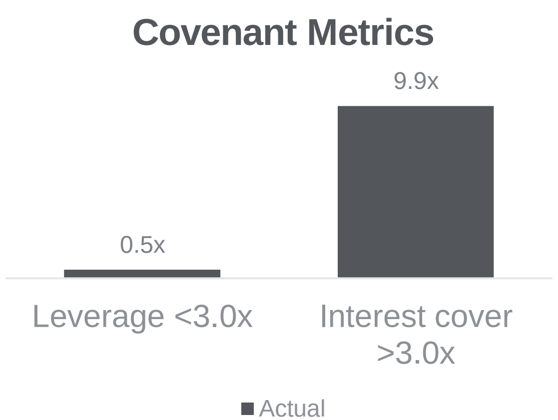
1. Non-billable WIP is expenses incurred on a project for which the contractual milestones have not yet been reached in order to invoice the client
2. Assessed variation orders
3. Adjusted to add back relevant 'assets held for sale' balances related to Mexico assets

Cash Flow & Liquidity

MAINTAINED STRONG BALANCE SHEET AND LIQUIDITY

US$m	1H 2020	1H 2019
Opening net cash / (debt)	15	90
EBITDA [1]	**129**	**305**
Movement in working capital	(57)	(11)
Tax and net interest paid [4]	(71)	(131)
Capex	(26)	(53)
Other cash flows (incl. divestments [5])	12	13
Free cash flow [2]	**(13)**	**123**
Dividend	NA	(86)
Other cash flows from financing activities	(31)	(58)
Cash (outflow) / inflow	**(44)**	**(21)**
Closing net (debt) / cash	**(29)**	**69**





1. See A3 in Appendix A to the consolidated financial statements
2. See A6 in Appendix A to the consolidated financial statements
3. Gross liquidity comprised US$0.8 billion of gross cash and US$0.4 billion of undrawn committed facilities, and excludes overdraft facilities
4. Net finance expense cash flow in 2020 was US$19 million (2019: US$22 million)
5. Of the US$57 million received in deferred consideration, US$13 million was recognised as disposal proceeds and US$44 million recognised as a reduction in contract assets

Positioning The Business For A Recovery

PROTECTING THE LONG-TERM HEALTH OF THE BUSINESS

- Transitioned back to capital light business
  - More cash generative
  - Higher ROCE potential
- Taken swift & decisive action
  - Structurally reducing costs
  - Conserving cash
- Positioning business for recovery
  - Protecting the balance sheet
  - Retaining core capability
  - Investing in digital

ROCE [1]

1. Comparative periods 12 months ended 31 December

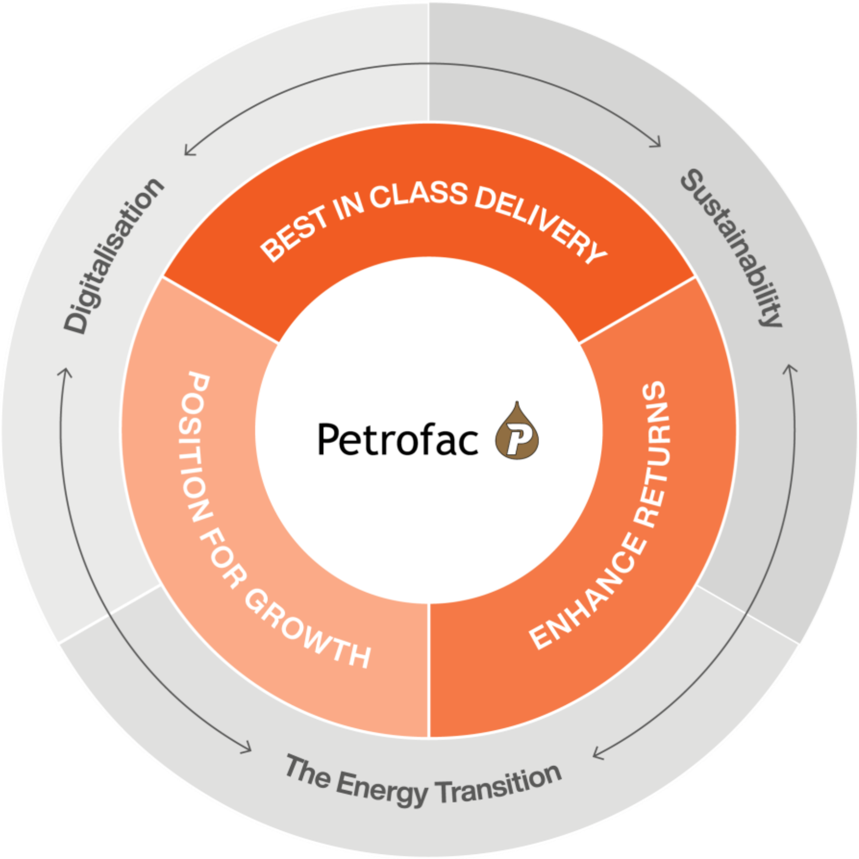
OPERATIONS AND OUTLOOK

Petrofac

Consistent Strategy

DELIVERY OF STRATEGY & SWIFT ACTION PROVIDES RESILIENCE

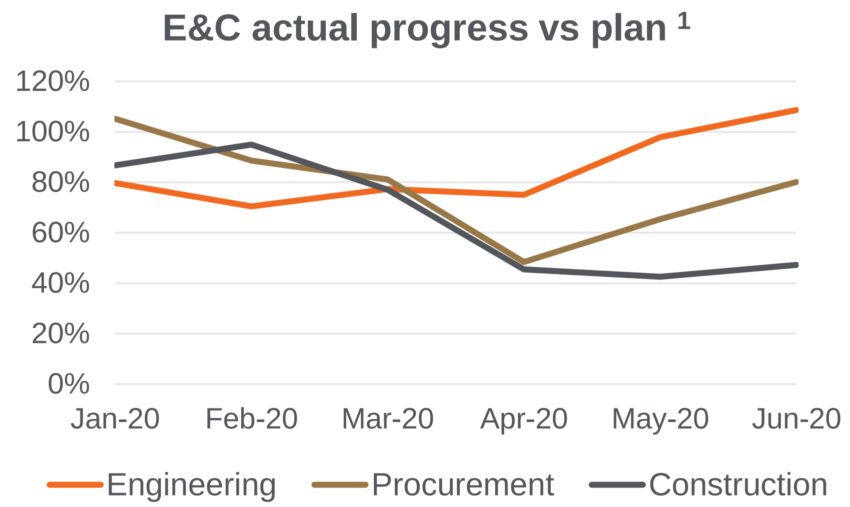
- Delivery of strategy increased resilience
- Current management priorities
  - Protecting health
  - Safely delivering for clients
  - Structurally reducing costs
  - Conserving cash
- Well positioned for the recovery



E&C: Delivering Safely For Our Clients

SUCCESSFULLY MITIGATING THE IMPACT OF COVID-19

- Focus on health & safety
- Helping our communities
- Incredible resilience of our people
- Major milestones met despite challenging conditions



Bernard Looney, CEO of BP:

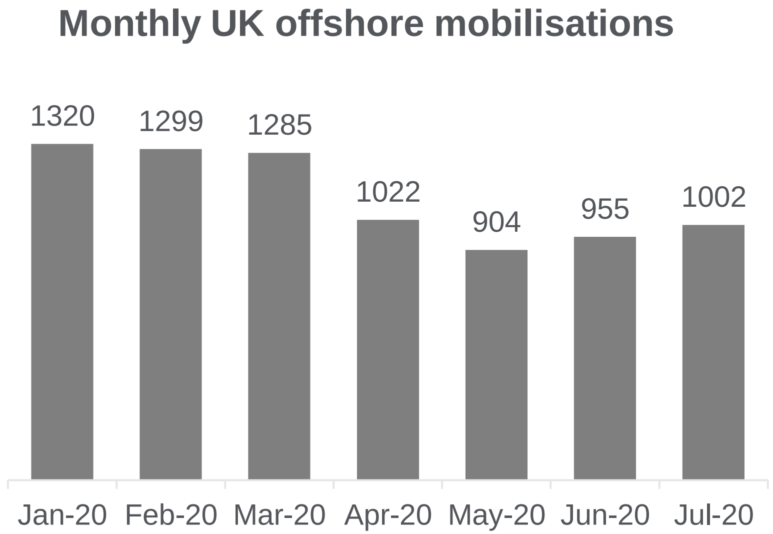
"I want to thank the Petrofac team for their exceptional delivery in delivering mechanical completion of the Ghazeer gas plant safely and on time – in the midst of a global pandemic. They didn't only deliver a great job - they took great care of their people right through this hugely challenging time. This is another notable milestone for Ghazeer and for our successful partnership that is delivering critical national infrastructure in Oman."

1. Average actual project progress / planned project progress on broad sample of projects in the construction phase

EPS: Delivering Safely For Our Clients

SUCCESSFULLY MITIGATING THE IMPACT OF COVID-19

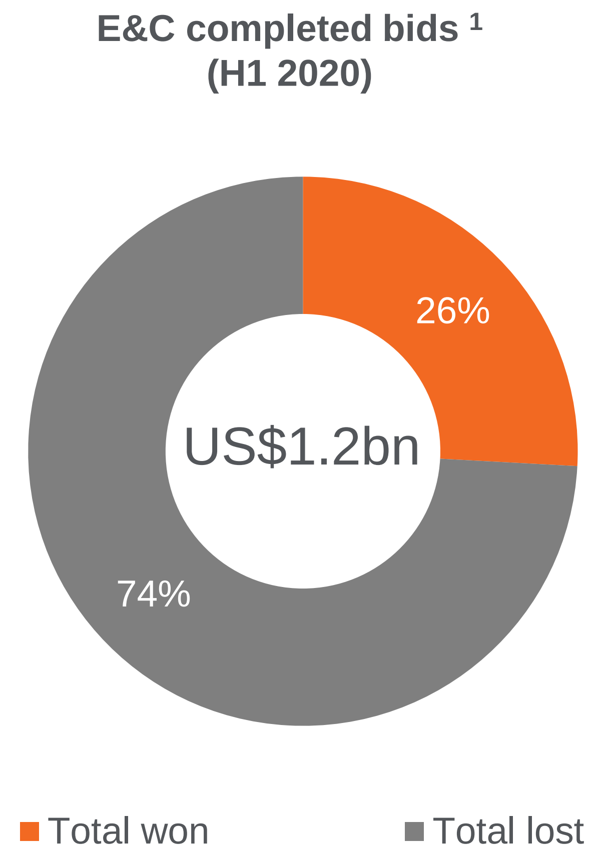
- Resilient projects activity
- Successfully adapted to lockdown in Iraq
- De-manned to maintain safe operations
- Harnessing digital to streamline mobilisation of labour
- Training centres reopening
- Mobilisations recovering



2020 First Half New Order Intake

LOW LEVEL OF E&C AWARDS DRIVEN BY DECLINE IN OIL & GAS PRICES

- Widespread deferral of E&C awards
- Group order intake: US$1.0bn
- E&C order intake: US$0.4bn
  - Seagreen offshore wind project
  - Termination of Dalma project
- EPS order intake: US$0.6bn
  - Book-to-bill of 1.5x
  - Awards in UKCS and Middle East



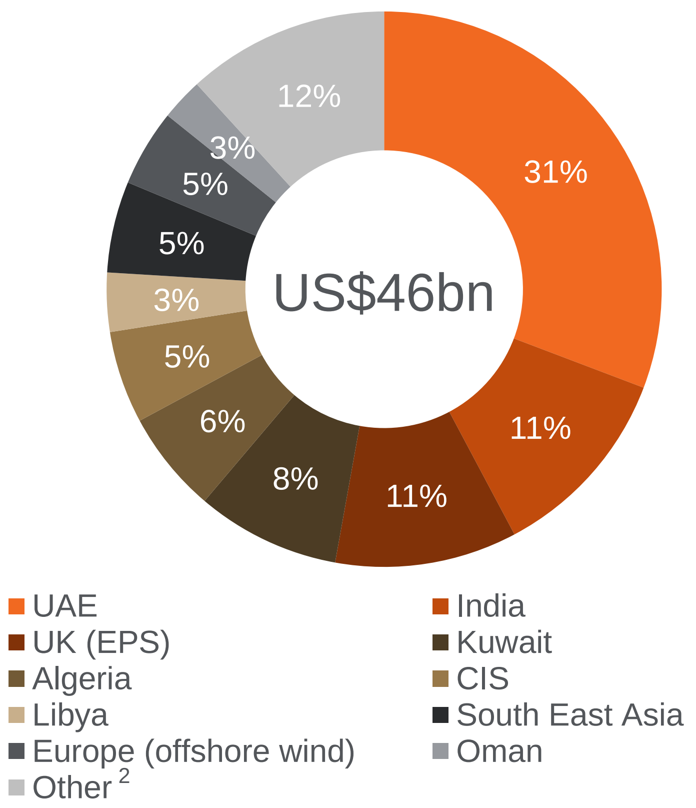
1. Excludes Dalma project, which was awarded and terminated in the first half of 2020

2020-2021 Bidding Pipeline

US$46BN PIPELINE SCHEDULED FOR AWARD BY END OF 2021

- Active bidding pipeline
  - E&C: c.US$34bn
  - EPS: c.US$12bn
- Majority of 2020 awards delayed
- Strong pipeline in core markets
  - E&C: UAE, India, Kuwait & offshore wind
  - EPS: UK & UAE
- Maintaining bidding discipline

2020-21 Group bidding pipeline [1] (by geography)

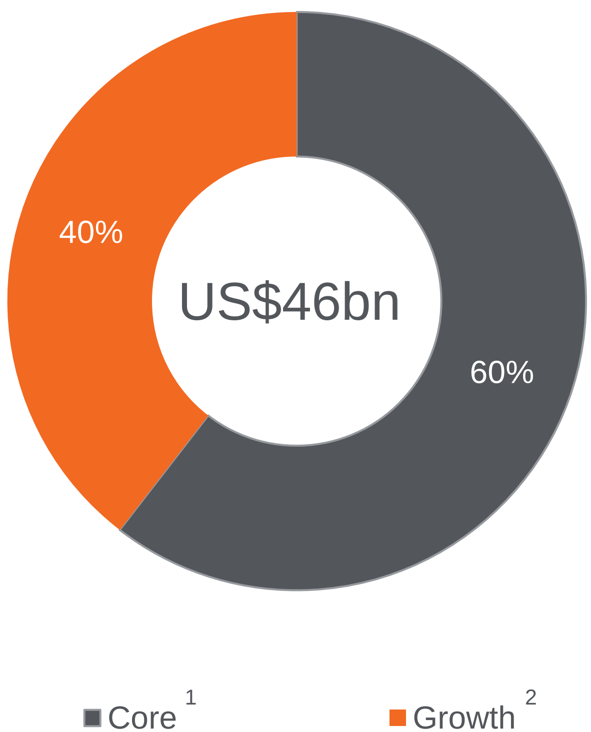


1. Excludes Saudi & Iraq
2. “Other” includes various geographies individually contributing <3% of the Group 2020 bidding pipeline

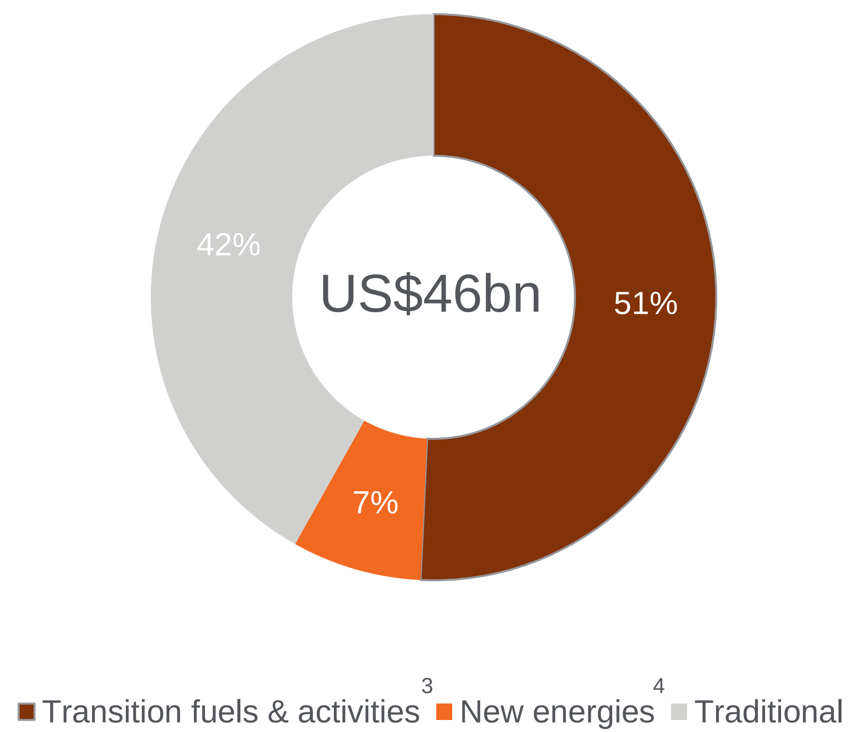
Diversified Bidding Pipeline

ATTRACTIVE GEOGRAPHIC AND MARKET MIX WITH EXPOSURE TO ENERGY TRANSITION

2020-21 Group bidding pipeline (by geography)



2020-21 Group bidding pipeline (by market)

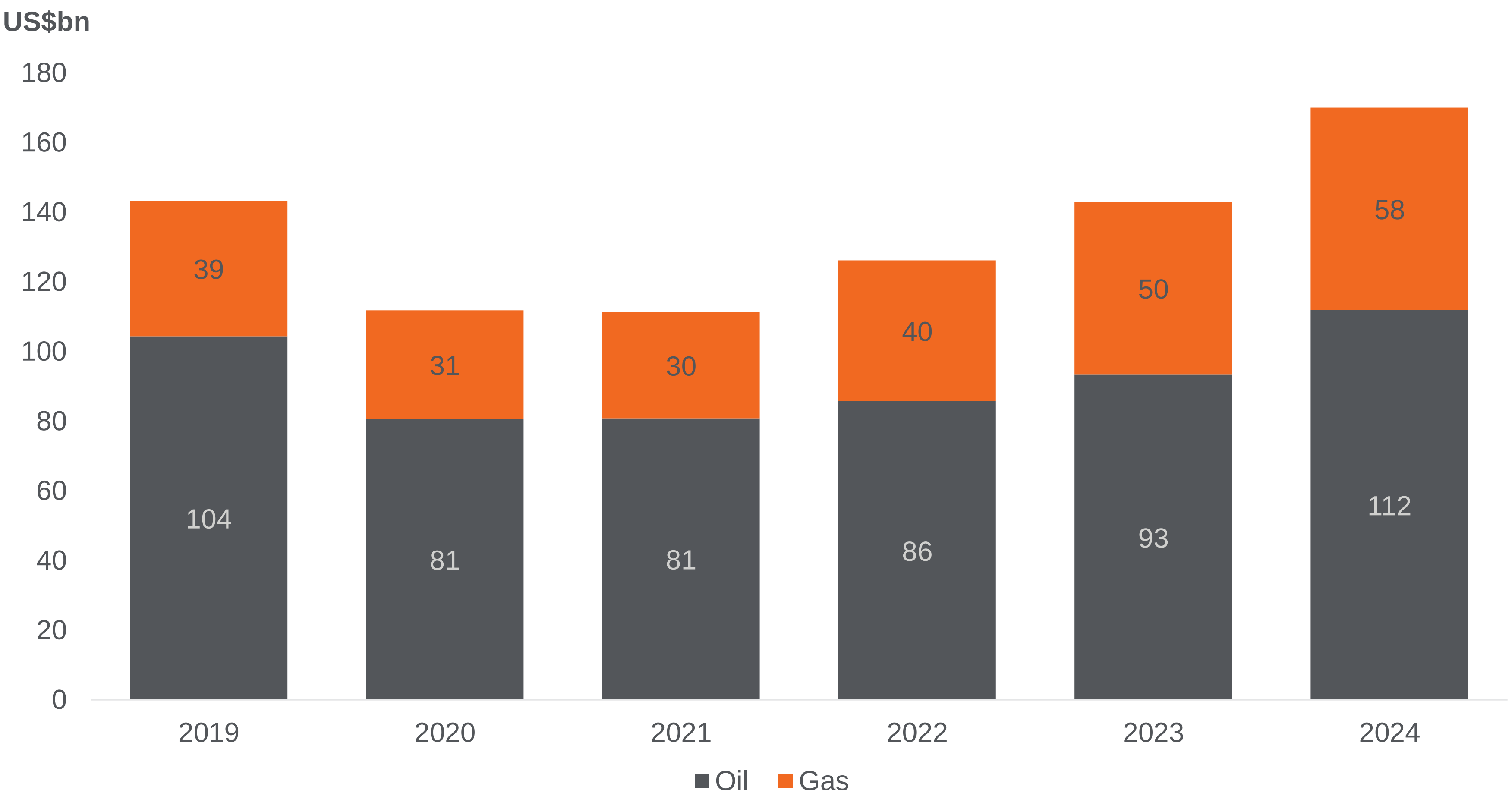


1. Core geographies include UAE, Kuwait, Oman, Algeria and the UK North Sea
2. Growth geographies include India, Europe (offshore wind), CIS and South East Asia
3. Transition fuels & activities: Upstream gas, refining clean fuels and EPS decommissioning opportunities
4. New energies: Renewables (primarily offshore wind)
5. Traditional: upstream oil, refining & petrochemicals

Recovery Forecast in Core Markets

MEDIUM TERM GROWTH FORECAST IN OIL & GAS CAPITAL EXPENDITURE

EMEA upstream oil & gas capex [1]

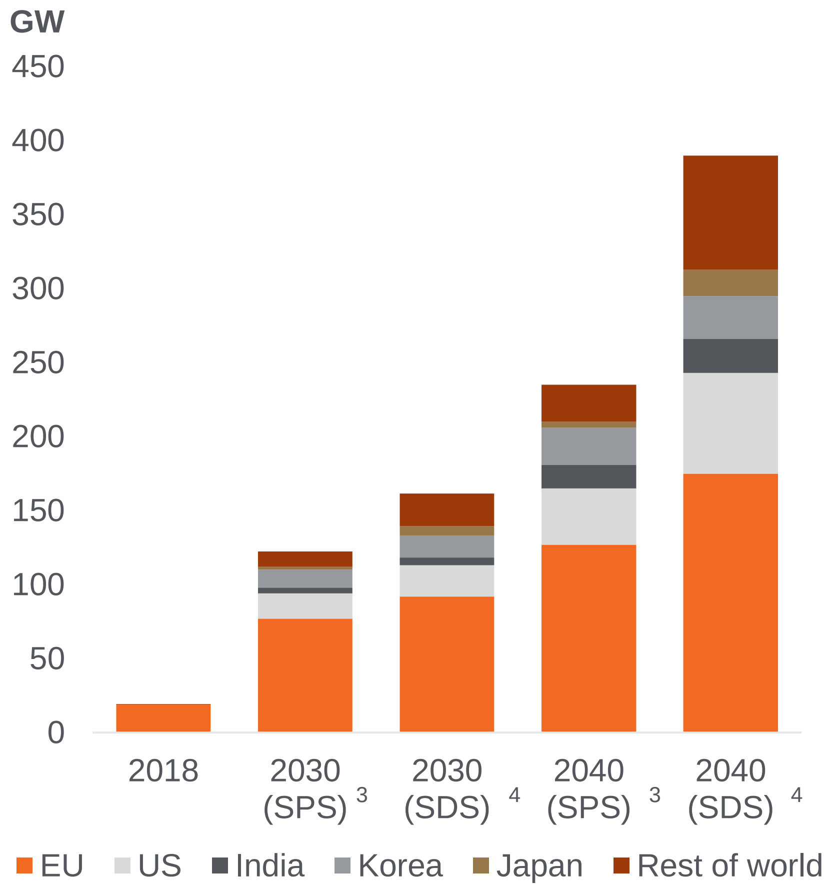


1. Rystad

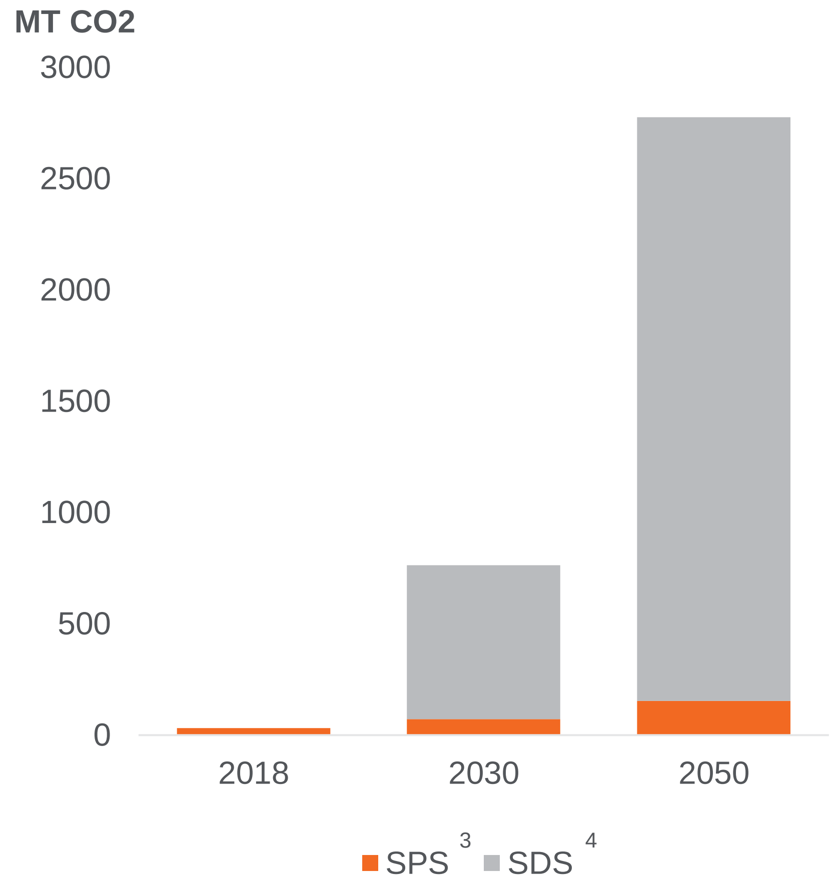
Strong Growth in New Energies

WELL POSITIONED IN OFFSHORE WIND AND CCUS [1]

Global offshore wind installed capacity (ex China) [2]



Global CCUS capacity [2]



1. Carbon Capture, Utilization, and Storage
2. IEA World Energy Outlook 2019
3. SPS: IEA's Stated Policies Scenario
4. SDS: IEA's Sustainable Development Scenario

Excellent Track Record in New Energy Markets

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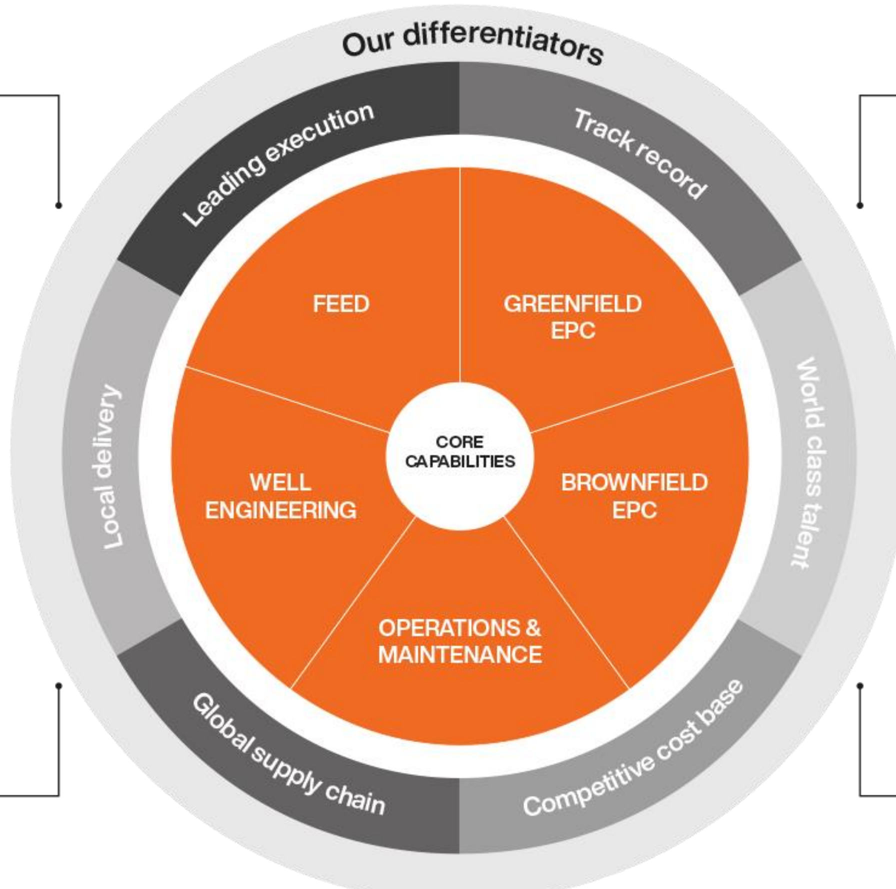
LEVERAGING CORE CAPABILITIES TO SUPPORT THE ENERGY TRANSITION

Seagreen
(Offshore Wind)

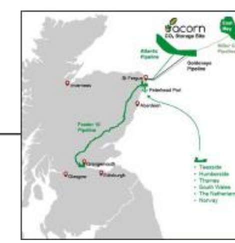
HKZ Alpha & Beta
(Offshore Wind)

Kuwait CFP & Thai Oil
(Clean Fuels)



Borwin 3
(Offshore Wind)

Morecambe Bay
(Decommissioning)



Acorn Project
(CCUS)

Well Positioned For Recovery

- Strategy delivering in unprecedented market conditions
- Taken swift action while investing in the future
- Retained strong balance sheet
- Competitive cost structure
- Leading position in low cost production markets
- Strong bidding pipeline
- Resilient & well positioned for recovery

APPENDIX

Definitions

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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 operating segment projects; and, with regard to Engineering & Production Services, the estimated revenue attributable to the lesser of the remaining term of the contract and five years

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

BOE: Barrels of oil equivalent

DPO: DPO (days payable outstanding) comprises [((Trade Payables + Accrued Expenses + Accrued Contract Expenses + Other Payables) – (Loans and Advances + Prepayments and Deposits)) / COS)] x 365

DSO: DSO (days sales outstanding) comprises [(Trade Receivables + Contract Assets - Contract Liabilities) / Revenue)] x 365

E&C: Engineering & Construction operating segment

EPC: Engineering, Procurement & Construction

EPCm: Engineering, Procurement & Construction management

EPS: Engineering & Production Services operating segment

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 operating segment

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

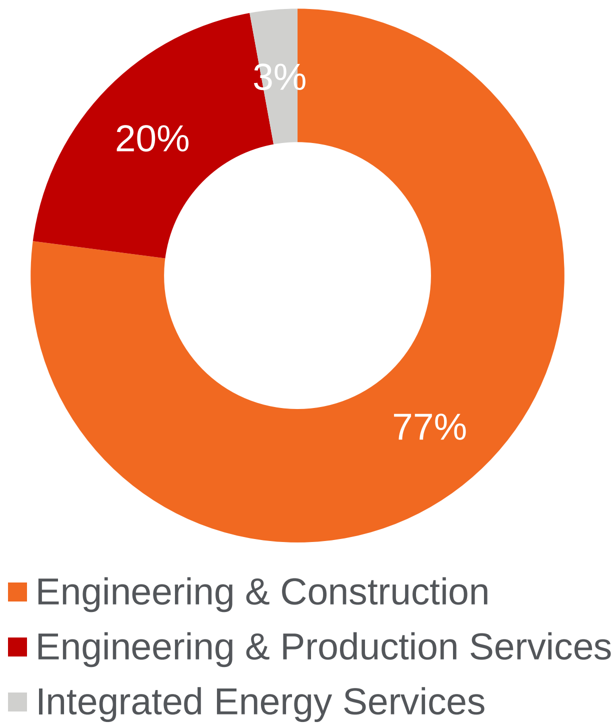
ROCE: Return on Capital Employed (calculated as EBITA divided by average capital employed (total equity and non-current liabilities) adjusted for gross-up of lease creditors)

UKCS: United Kingdom Continental Shelf

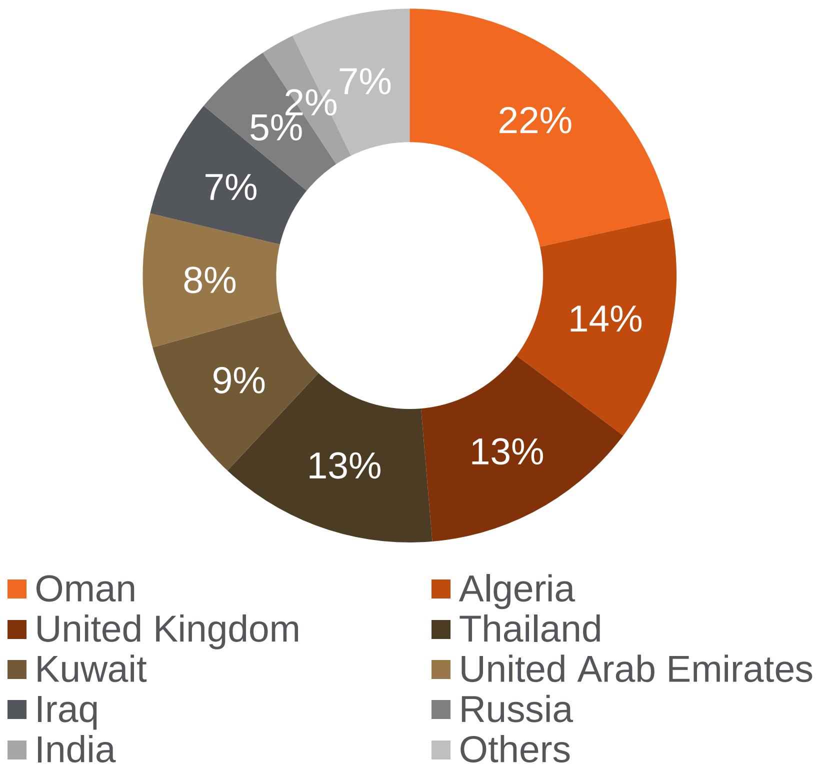
Segmental Performance

CORE GEOGRAPHIES [1] ACCOUNTED FOR 70% OF GROUP REVENUES

H1 2020 revenue by business unit



H1 2020 revenue by geography

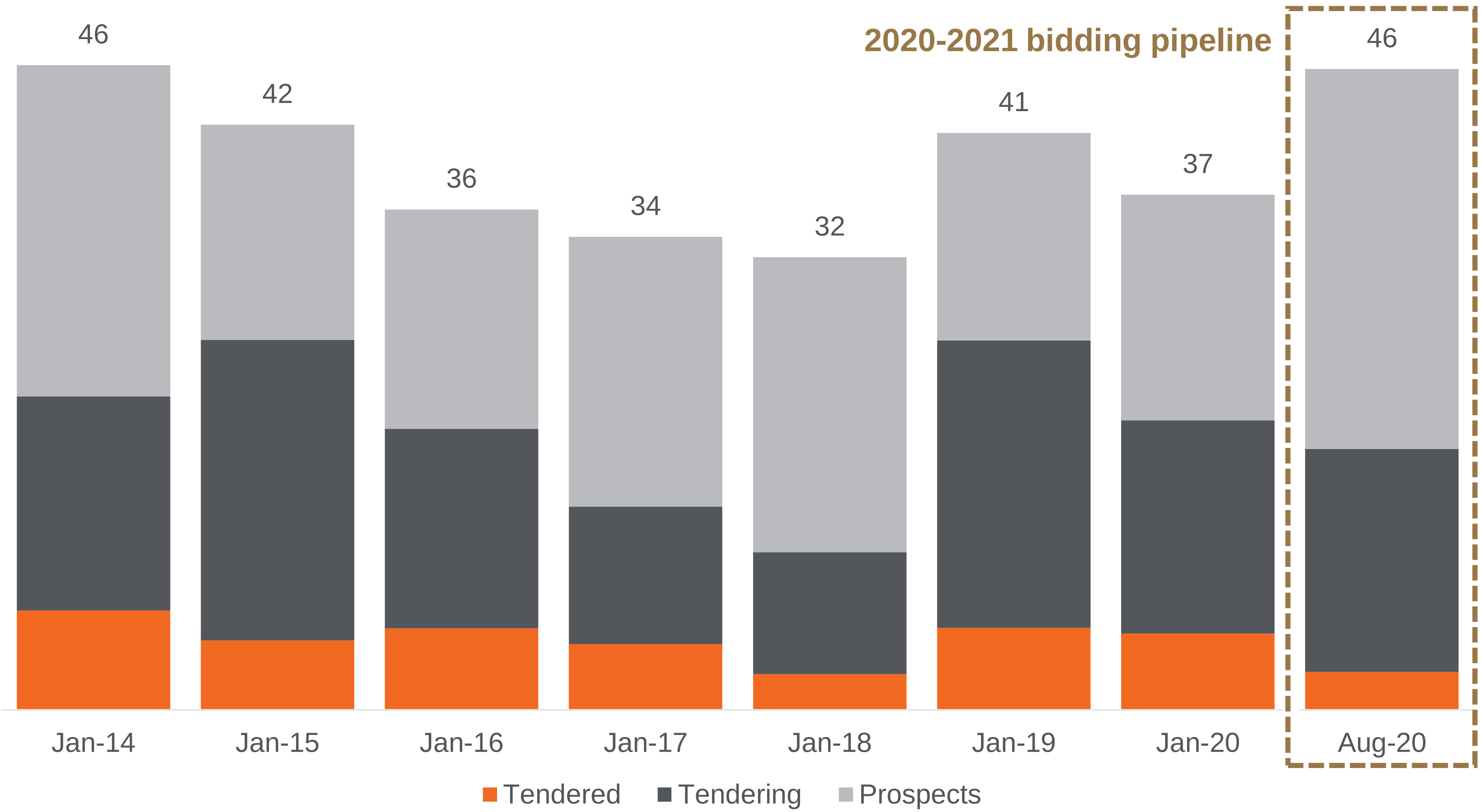


1. Core geographies include the UAE, Kuwait, Oman, Algeria, Saudi Arabia, Iraq and the UK North Sea

Group Bidding Pipeline

2014 – 2021

E&C & EPS Bidding Pipeline (US$bn) [1]

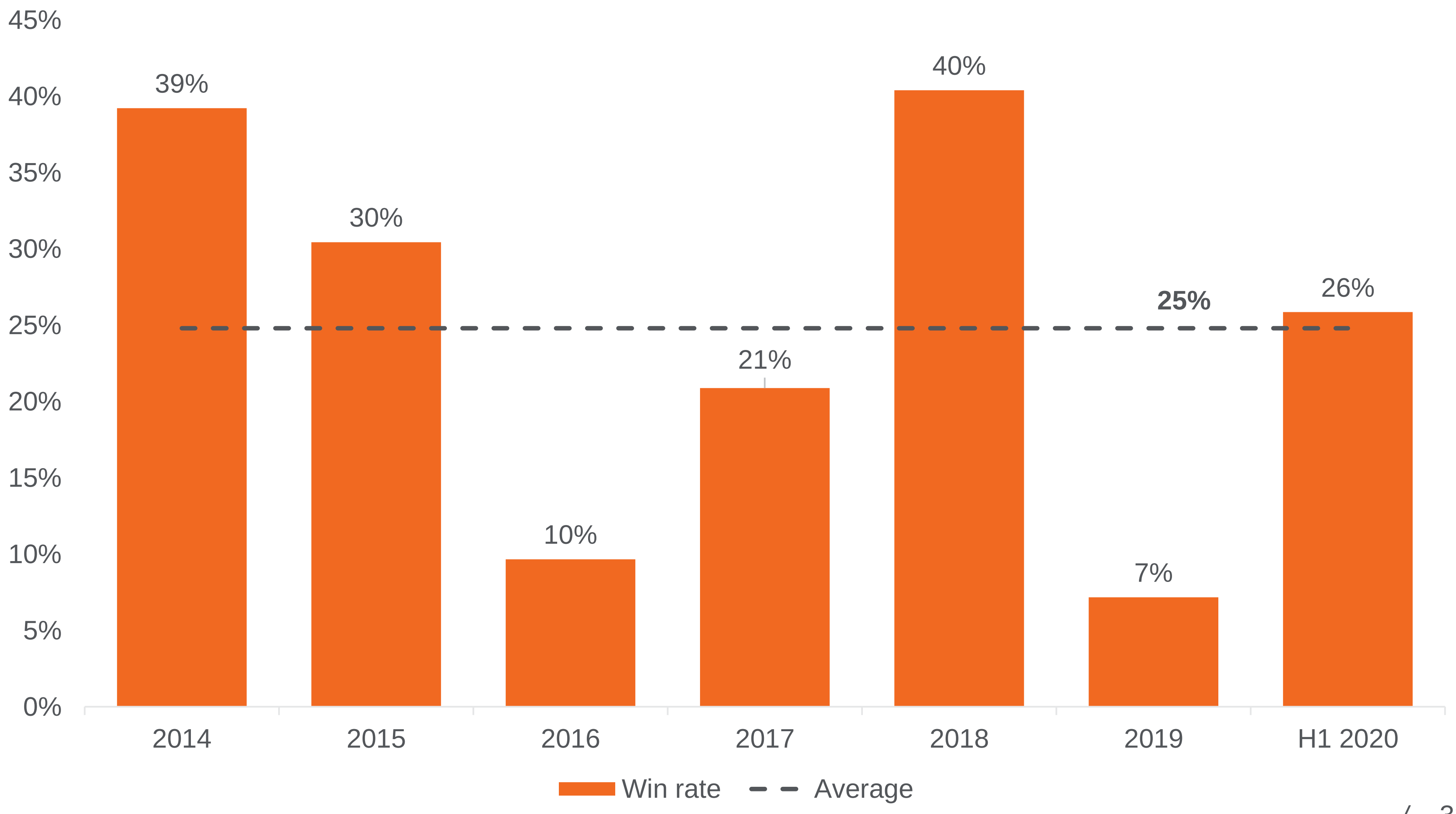


1. All annual bidding pipelines are 12 months, excluding August 2020 which is 18 months and includes all opportunities scheduled for award by the end of 2021

E&C Win Rate

2014 – H1 2020

E&C Win Rate[1]: 2014 - H1 2020 (%)

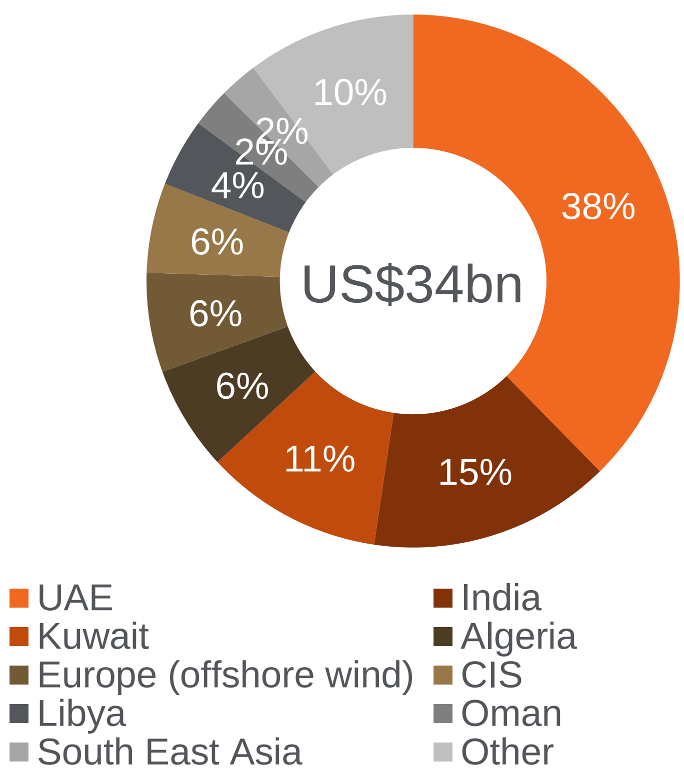


1. Win rate: Value of bids won / (Value of bids won + value of bids lost)

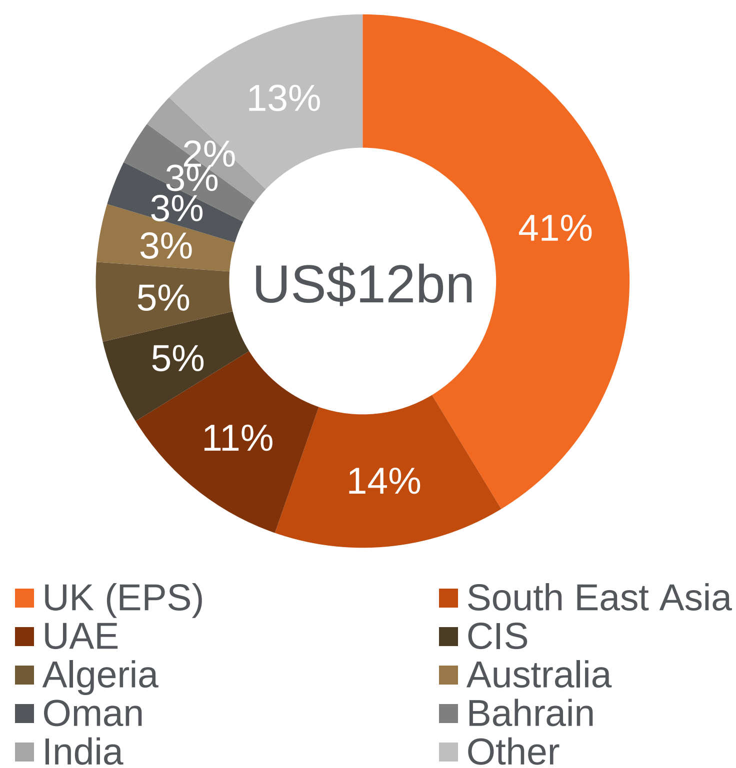
2020-2021 E&C & EPS Bidding Pipeline

BY GEOGRAPHY

2020-2021 E&C Bidding Pipeline (by geography)

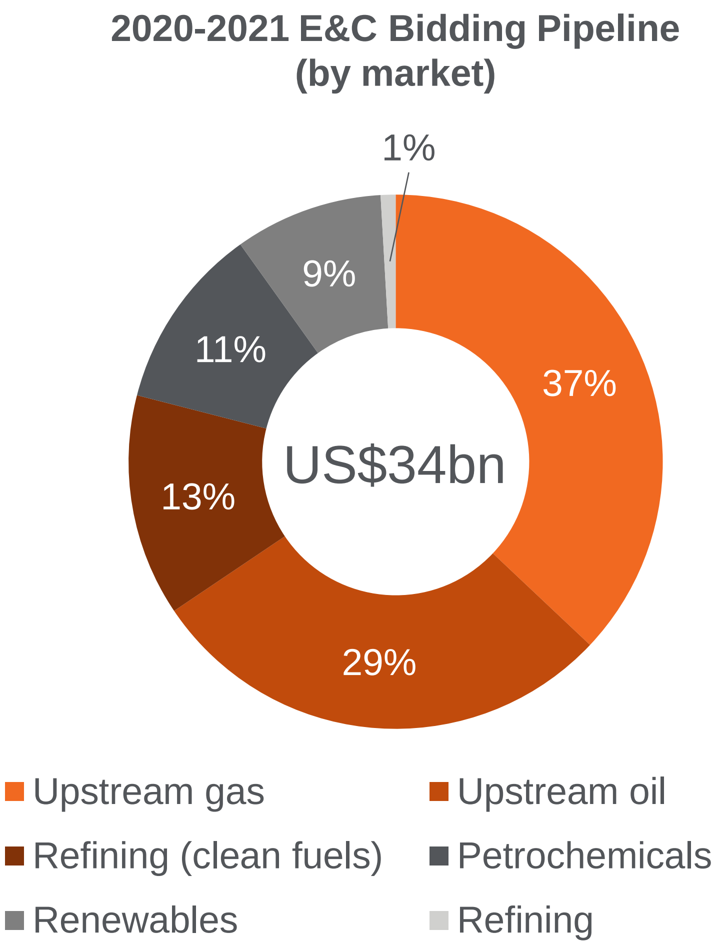


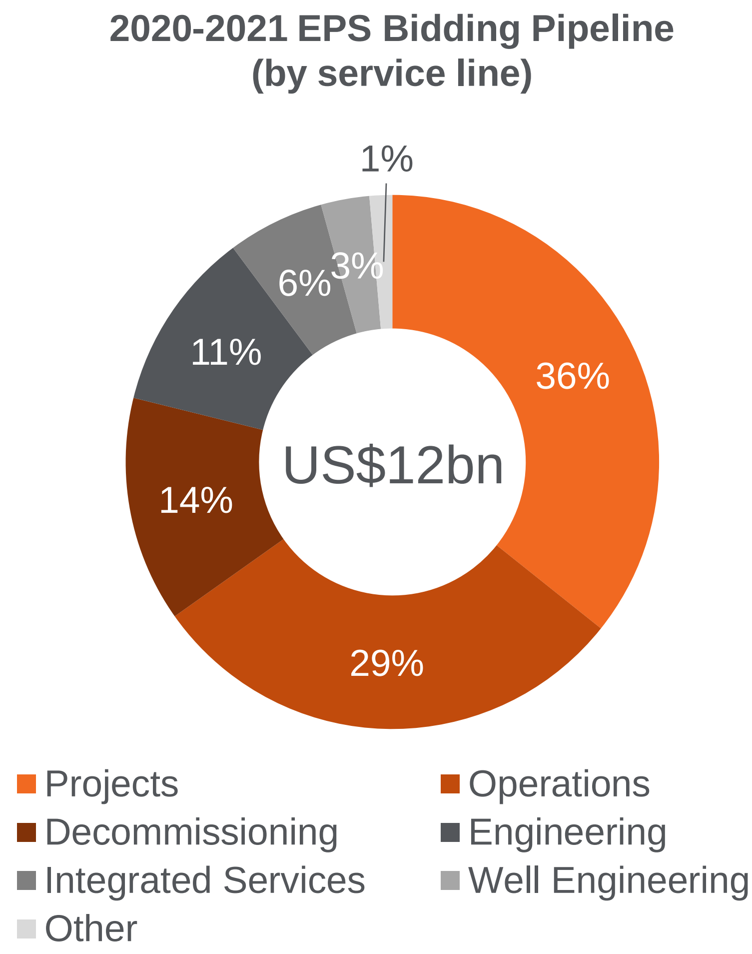
2020-2021 EPS Bidding Pipeline (by geography)



2020-2021 E&C & EPS Bidding Pipeline

BY MARKET / SERVICE LINE





IES Carrying Amount

US$m	Country	HY20	FY19
Santuario, Magallanes, Arenque [1]	Mexico	**237**	**242**
Block PM304	Malaysia	**83**	**150**
Other [2]		**3**	**3**
Total		**323**	**395**

1. Share of net assets attributable to Petrofac Limited shareholders
2. On 1 January 2020, investment in associates i.e. PetroFirst Infrastructure Limited and PetroFirst Infrastructure 2 Limited were reorganised from Integrated Energy Services operating segment to Engineering & Production Services operating segment. Consequently, the 2019 IES operating segment balance sheet has been restated resulting in a US$25 million reduction to the 31 December 2019 carrying value.

Working Capital

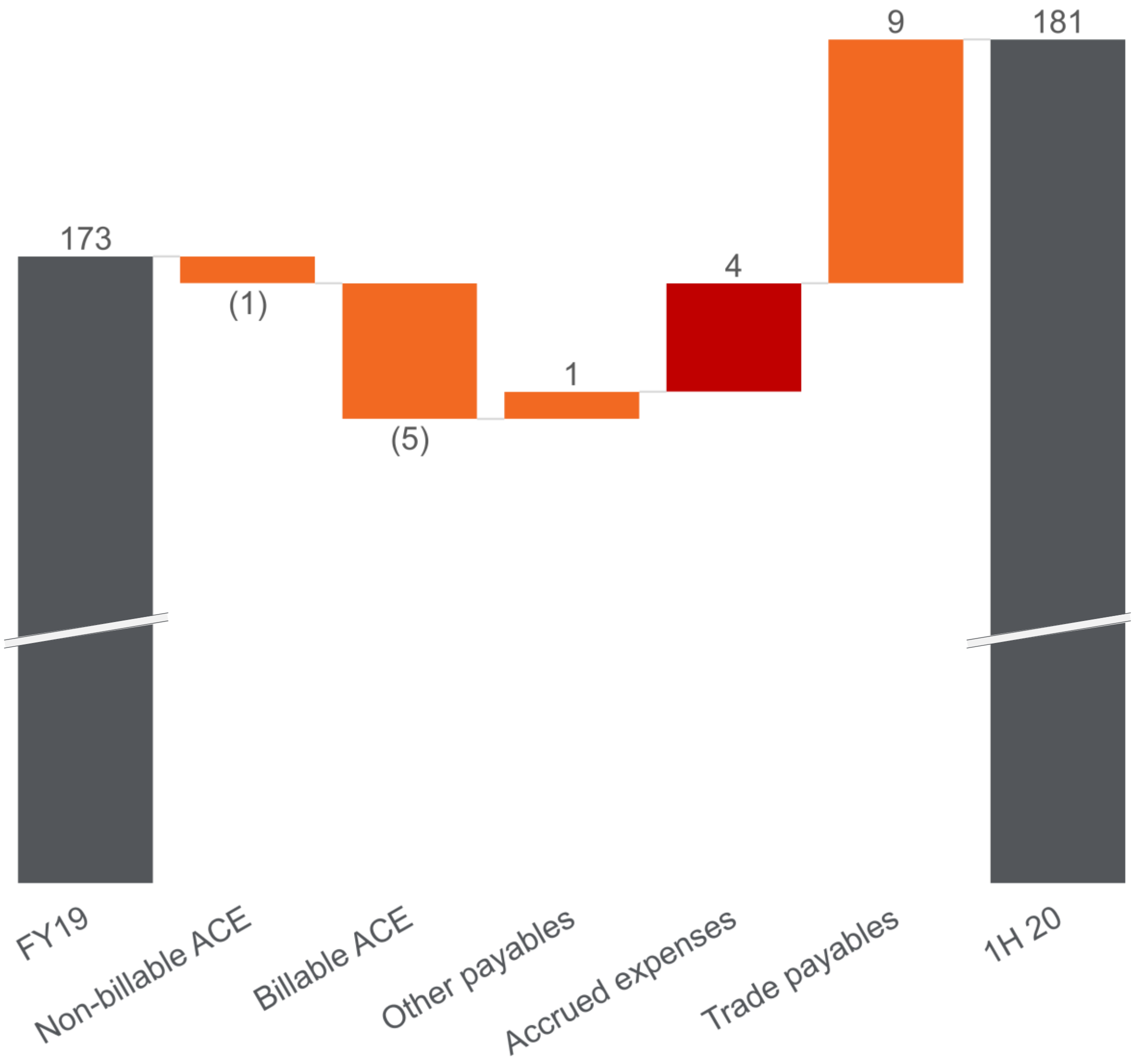
Movement in working capital (US$m)	1H20 [2]	FY19 [2]	Cash Flow
Contract assets and inventories	**1,885**	2,081	194
Trade and other receivables	**1,152**	1,102	(35)
Trade and other payables	**(1,122)**	(1,075)	58
Accrued contract expenses	**(1,390)**	(1,599)	(207)
Contract liabilities	**(201)**	(273)	(72)
Working capital (balance sheet)	**324**	**236**	**(62)**
Other current financial assets			(50)
Net working capital outflow (cash flow)			**(112)**

Working capital by operating segment (US$m)	1H20 [2]	FY19 [2]
Engineering & Construction	**275**	136
Engineering & Production Services	**95**	150
Integrated Energy Services	**(55)**	(48)
Corporate/other	**9**	(2)

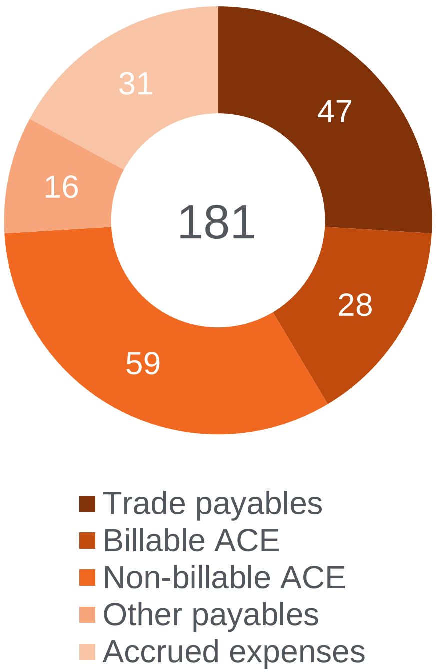
1. Excludes working capital balances related to 'assets held for sale' in relation to the Mexico assets that were added back for the purpose of DSO and DPO analysis on slides 14, 15 and 38
2. Amount recognised on the consolidated balance sheet at 31 December and 30 June 2020 respectively

Working Capital – DPO analysis

INCREASE IN DPO DRIVEN BY INCREASE IN TRADE PAYABLES



H1 2020 DPO analysis



Committed Facilities

Facility	Maturity date
Revolving credit facility – US$1,000 million	June 2021
Term loan 1 - US$ 150 million	August 2022
Term loan 2 - US$ 75 million	August 2020 [1]
Bank overdraft	Repayable on demand

1. US$50 million of the $75 million has been extended for a further six months to February 2021

Effective Tax Rate [1]

	H1 2020	H1 2019 (restated)
Engineering & Construction	**46%**	26%
Engineering & Production Services	**25%**	16%
Integrated Energy Services	**30%**	(50)%
Group effective tax rate (ETR)	**62%**	28%

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

Non-Core Asset Divestments

Petrofac

MAXIMUM CONSIDERATION RECEIVABLE FROM AGREED DIVESTMENTS, 2020+[1]

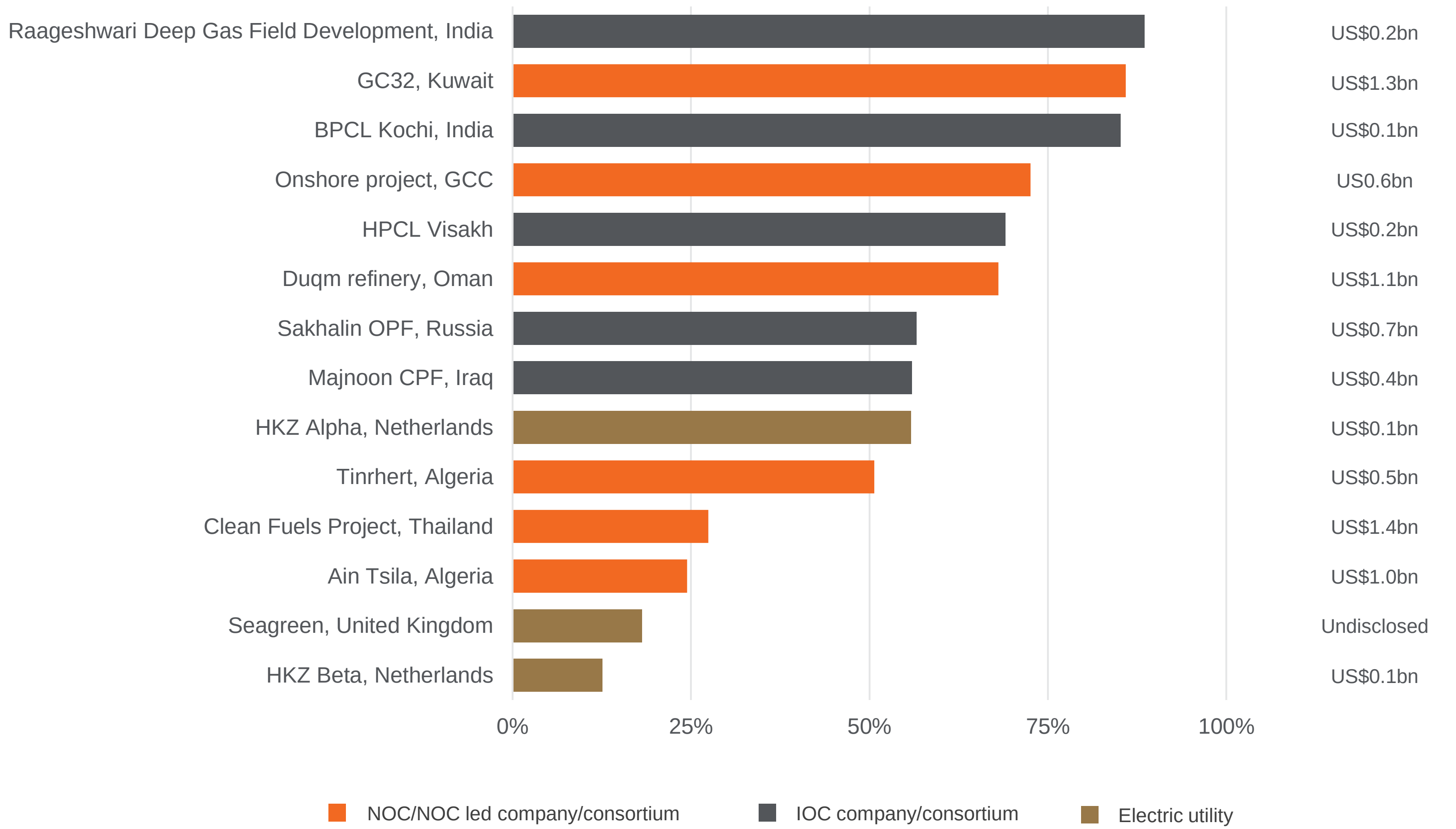
US$m	2H 2020	2021	2022+	Total
Mexico:				
Firm consideration	88	-	-	**88**
Contingent consideration	65	-	161	**226**
Greater Stella Area:				
Deferred consideration	-	-	59	**59**
JSD6000:				
Contingent consideration	-	-	5	**5**
Gross proceeds	**153**	**-**	**225**	**378**

1. Consideration payable includes contingent consideration, conditional on achieving performance conditions. Values in the table are the maximum receivable on an unrisked basis and is not representative of the carrying amount held on the balance sheet

Key E&C Projects

Petrofac

Value of Work Done (VOWD) at 30 June 2020 [1]



1. Excludes projects that are > 95% complete or reimbursable (EPCm)

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