

# ENGINEERING EXPERTISE, EXPERTLY DELIVERED

Annual report and accounts 2019

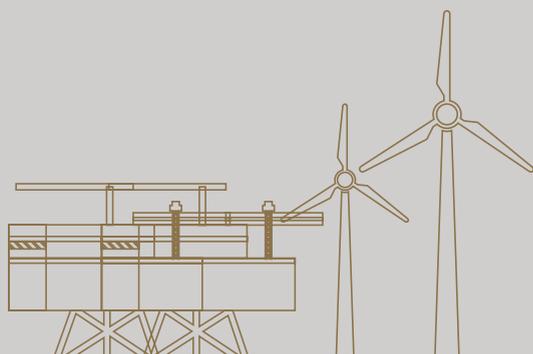
Petrofac 



# ENGINEERING EXPERTISE, EXPERTLY DELIVERED

We design, build, manage and maintain infrastructure for the energy industries. Our comprehensive and tailored service offering covers each stage of the project life cycle and a variety of commercial models, giving our clients the flexibility they need.

Engineering expertise, expertly delivered, is at the heart of everything we do. Our engineering excellence enables us to design and build best-in-class energy facilities that are engineered for safety and efficiency.



## Highlights

### A good set of results that reflect solid operational performance

#### Revenue

**US\$5,530m**

Year ended 31 December 2018:  
US\$5,829 million

#### EBITDA<sup>1,2</sup>

**US\$559m**

Year ended 31 December 2018:  
US\$671 million

#### Business performance net profit<sup>1,3</sup>

**US\$276m**

Year ended 31 December 2018:  
US\$353 million

#### Reported net profit<sup>3</sup>

**US\$73m**

Year ended 31 December 2018:  
US\$64 million

#### Full year dividend per share

**38.0 cents**

Year ended 31 December 2018:  
38.0 cents

#### Diluted earnings per share<sup>1,3</sup>

**80.4 cents**

Year ended 31 December 2018:  
102.3 cents

#### Free cash flow<sup>4</sup>

**US\$138m**

Year ended 31 December 2018:  
US\$921 million

#### Return on capital employed<sup>1,5</sup>

**23.3%**

Year ended 31 December 2018:  
26.2%

#### Backlog<sup>6</sup>

**US\$7.4bn**

As at 31 December 2018:  
US\$9.6 billion

- 1 Business performance before exceptional items and certain re-measurements. This measures underlying business performance.
- 2 Earnings before interest, tax, depreciation and amortisation (EBITDA) is calculated as operating profit, including the share of net profit of associates and joint ventures, adjusted to add back charges for depreciation and amortisation (see A3 in Appendix A to the consolidated financial statements).
- 3 Attributable to Petrofac Limited shareholders, as reported in the consolidated income statement.
- 4 Free cash flow is defined as net cash flows generated from operating activities and investing activities, less interest paid and amounts received from non-controlling interests (see A6 in Appendix A to the consolidated financial statements).
- 5 Return on capital employed (ROCE) is calculated as EBITA (earnings before interest, tax and amortisation, calculated as EBITDA less depreciation) divided by average capital employed (see A8 in Appendix A to the consolidated financial statements).
- 6 Backlog consists of: the estimated revenue attributable to the uncompleted portion of Engineering & Construction operating segment contracts; and, with regard to Engineering & Production Services, the estimated revenue attributable to the lesser of the remaining term of the contract and five years. The Group uses this key performance indicator as a measure of the visibility of future revenue.

**IKTVA**

In Kingdom Total Value Add is Saudi Aramco's measure of local content

**IOC**

International oil company

**K****KPI**

Key performance indicator

**L****LNG**

Liquefied natural gas

**LPG**

Liquefied petroleum gas

**LTI**

Lost time injury

**M****MENA**

Middle East and North Africa region

**mboe**

Million barrels of oil equivalents

**MOU**

Memorandum of understanding

**N****NOC**

National oil company

**O****OECD**

Organisation for Economic Co-operation and Development

**Oil field**

A geographic area under which an oil reservoir lies

**OPEC**

Organisation of Petroleum Exporting Countries

**P****PEC**

Production Enhancement Contract is where Petrofac is paid a tariff per barrel for oil and gas production and therefore has no commodity price exposure. PECs are appropriate for mature fields which have a long production history

**PMC**

Project Management Contractor – managing an external construction contractor to manage construction of a facility

**PSC**

Production Sharing Contract

**PSP**

Performance Share Plan

**R****Reimbursable services**

Where the cost of Petrofac's services are reimbursed by the customer plus an agreed margin

**RI**

Recordable injury

**ROCE**

Return on capital employed

**RSP**

Restricted Share Plan

**S****SIP**

Share Incentive Plan

**T****TSR**

Total shareholder return

**U****UKCS**

United Kingdom Continental Shelf

**UNGC**

United Nations Global Compact

**Upstream**

The segment of the petroleum industry relating to exploration, development and production of oil and gas resources



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