The Environmental Business Outlook
The Amec Foster Wheeler Perspective
Amec Foster Wheeler

- Headquartered in London
- Listed on
  - London Stock Exchange (AMFW)
  - New York Stock Exchange (AMFW)

>55 countries
>c£5.4bn revenues*
>160 years of history
>36,000 people

* 2016 full-year revenues
Four business lines, aligned with our customers

- **Oil, Gas & Chemicals**
  - Upstream
  - LNG and Gas Monetization
  - Midstream
  - Refining
  - Chemicals

- **Mining**
  - Metals
  - Minerals
  - Diamonds
  - Potash
  - Uranium
  - Lithium

- **Power & Process**
  - Renewables
  - Bioprocess
  - Nuclear
  - Conventional Power

- **Environment & Infrastructure**
  - Water
  - Transport
  - Government
  - Industrial/Pharma
  - And providing services to Oil, Gas & Chemicals, Mining and Power & Process markets
The evolution of environmental services

Regulatory Driven
Services are viewed as a cost to corporations
• Waste management
• EIA
• Permitting & compliance
• Remediation

Market Driven
Services that add value to a corporation
• Sustainability
• CSR
• Carbon
• Restoration
• Waste reuse

Source: Aquilogic/Environment Analyst 2016
The impact of M&A on environmental consulting

The top ten environmental consulting firms market share grew 9% over the last six years.

- AECOM/URS
- WSP/Parsons Brinckerhoff
- Ramboll/Environ
- Sweco/Grontmij
- Tetra Tech/Coffey International

Top 10 EC firms hold 32.9% market share

Source: Environment Analyst 2016
The environmental consulting and infrastructure markets continue to grow across the globe.

ENVIRONMENTAL CONSULTING SPEND

Global environmental consulting market, by client sector ($B)

- 2010: $26.9B
- 2015: $28.7B
- 2020: $30.8B

- ~1% p.a.
- ~2% p.a.

Note: Infrastructure spend does not include residential construction or utilities/energy spend.

Source: Environmental Analyst; IHS Global Construction 2016, Oxford Economics

TRANSPORT CAPEX SPEND

Total annual North American transport capex spend ($B)

- 2010: $134.2B
- 2015: $138.1B
- 2020: $157.3B

- ~1% p.a.
- ~3% p.a.

Global infrastructure market forecast to grow 4-7% p.a. to 2025.
What are the future service area trends?

- EIA and sustainable development
- Climate change and energy
- Mega infrastructure development
- Contaminated land
- Long-term drivers

Support the population’s need for water/food, housing, energy/power and infrastructure development/improvement

Source: Environment Analyst 2016
Customer response to market conditions

- Price auctions
- Consistency
- Supplier consolidation
- More for less
What’s in store for the future?

P3 industry expansion

Alternative delivery methods

Higher quality, improved efficiency
A look at employment conditions

A/E employment has recovered from pre-2008 crash levels

1,453,800

Expected ten year employment growth for environmental engineers

12%

Needs

2017

- Environmental management
- Ecology and conservation
- Environmental impact assessment
- Sustainability
- Air pollution

High cost of turnover

$50,000/person

Larger public firms have more turnover

10.2% voluntary

Sources: US Dept of Labor, Bureau of Labor Statistics, ENDSjobsearch, EFCG CEO survey
The US government budget impact on the market

2018 Proposed Funding Changes

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<th>EPA</th>
<th>Corps of Engineers</th>
<th>USDOT</th>
<th>State Revolving Fund</th>
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<tbody>
<tr>
<td>Funding</td>
<td>-31%</td>
<td>-16%</td>
<td>-13%</td>
<td>2%</td>
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Thank you

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