Business Strategies to Stay Ahead of the Curve

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Abstract

Staying ahead of the curve in our industry requires proactive analysis of long-term market trends, and the development of multiple strategies to capitalize on those trends. Whether this means new technology development, redeployment of resources, development of new capabilities, an acquisition or a host of other potential strategies, it is important to develop a conviction towards long-term trends and to implement the chosen strategies. Business models designed to withstand unexpected market changes also become important in a rapidly shifting environment. This presentation provides an overview of some of the strategies and business models deployed in our industry, including several examples from CB&I.
E&C’s must respond to several industry-shaping trends

- Commodity pricing and the “new normal”
- The effects of shale gas on multiple energy industries
- Increasingly larger infrastructure projects
Diversification across Energy Infrastructure

A World of Solutions
Technology
- Licensed technology
- Engineering/technical services
- Proprietary catalysts
- Specialty equipment

Fabrication Services
- Fabrication
- Process & nuclear modularization
- Erection
- Pipe fitting and distribution

Engineering, Construction and Maintenance
- Engineering
- Procurement
- Modularization
- Construction
- Commissioning

Government Solutions
- Program and project management
- EPC
- Remediation and restoration
- Emergency response and disaster recovery
- Environmental consulting and engineering
Structural Strategy – Scaling the Model

Revenue
- E&C
- Non E&C

IFO
- E&C
- Non E&C
Business Model Benefits

Operating Income %

-6% -3% 0% 3% 6% 9% 12% 15%

2009 2010 2011 2012 2013*

A World of Solutions
Conclusion

Diversification

Strategic Growth

Proactive Management of Trends & Strategies

Robust, Scalable Business Model

Performance Excellence

Benefits for all Stakeholders

SCALABLE GROWTH