



2017

Investor Presentation

INNOVATION | EXCELLENCE | GROWTH

Managing Director & CEO Mark Benson | 23rd August 2017



A photograph of an industrial facility, likely a water treatment plant, featuring large pipes, metal walkways, and a tall chimney under a clear blue sky. A semi-transparent dark grey banner is overlaid across the middle of the image, containing the title and a quote.

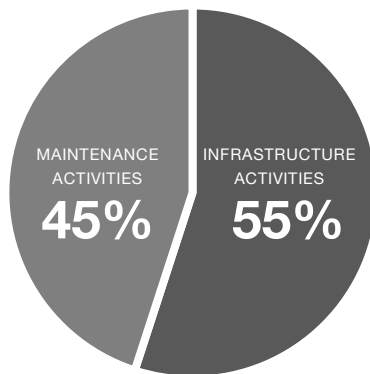
Company Overview

“Saunders is a company built on integrity with a commitment to safety, performance & excellence”

Our Business

Our strong order book is evidence that our **diversification strategy** is on track through acquisition and organic growth.

Revenue Distribution



International Footprint



NSW, VIC, QLD, SA, WA, PNG

Order Book

\$46M

Up **88%**

Live Tender

Up **62%**

Pipeline

Up **78%**

(Compared to 30th June 2016)

Saunders Capabilities

Saunders International Ltd (SND) is an ASX-listed company that provides construction, maintenance and civil engineering services to the energy, resources and infrastructure sectors.

With over 65 years experience, Saunders uses in-house expertise to deliver a comprehensive range of projects that includes design, manufacture, construction, installation and maintenance services.

Saunders is a company built on integrity with a commitment to safety, performance and excellence. Our success is driven by our ability to build strong relationships and mutually beneficial partnerships to produce positive outcomes for our clients, our people, and the wider community.



Over 65 years experience in Engineering, Procurement and Construction (EPC) for oil and gas, water and mining projects.

- SMP construction
- EPC construction
- Mechanical installation
- Turn key solutions for bulk liquid fuel storage terminals
- Manufacture and fabrication



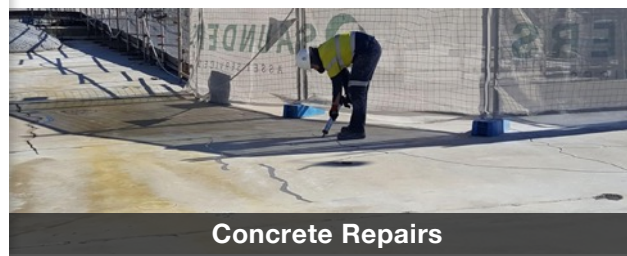
Over 65 years experience as a technology leader in asset maintenance.

- Bulk liquid tank products and technologies, upgrades, maintenance and 24/7 service
- Marine port maintenance
- Commercial building maintenance
- Shutdown and maintenance
- Concrete repairs, waterproofing
- Blasting and protective coatings



Over 47 years experience in construction, maintenance and civil engineering services.

- Bridge construction
- Concrete tank construction
- Bridge maintenance
- Road works
- Civil works
- Precast manufacturing facility



FY17 Highlights



Safety TRIFR₃₆ reduced by 19% FY17

Maintained Zero LTIFR



Acquisition of CivilBuild - **Performing to expectations**



Leveraged new CivilBuild business with first combined project with Saunders E&C group



Solid order book for FY18



Recovery in **Engineering Construction** group



Record year in Maintenance group



Geographical diversification into PNG



Our Strategy

“To continue our diversification strategy through engineering innovation, removing interfaces for our clients & providing value added services”

Our Strategy

**Strengthen
& diversify**

**Profitable &
sustainable growth**

**Increasing
Shareholder
returns**

Grow core business

- Expand maintenance offering to existing clients
- Diversification outside of refineries
- Maintain our focus on Engineering Construction projects
- Vertical integration EPC / SMP contracting
- Partnering / joint ventures to expand our capability to address terminal projects in the pipeline

Sector diversity

- Commercial and industrial maintenance through Asset Services
- Wharf repairs, concrete repairs, blasting and painting, waterproofing

Acquisition

- Exposure to long term growth trends in infrastructure projects through acquisition
- Infrastructure road and rail bridge construction
- Bridge maintenance
- Value adding civil services to our Engineering Construction group

Strategic Objectives

Engineering Construction

Asset Services

CivilBuild

New Market Sectors

Delivering to Shareholders

**“Building on our foundations
to deliver for our shareholders”**

Execution

- Continue to explore partnering opportunities with our civil business
- Vertical integration EPC / SMP contracting
- Partnering / JV to expand our capabilities to address terminal projects in the pipe line
- Expand our maintenance offering
- Expand our geographical footprint
- Develop bridge maintenance business
- Expand our geographical footprint
- Continue to pursue international opportunities with our key clients
- Growth through our existing revenues and strategic acquisitions



Growth Sectors

Strong
Pipeline

\$298M

Infrastructure

- Capitalise on NSW infrastructure boom
- Partner for larger bridge construction projects
- Precast capability – Take advantage of the Sydney infrastructure spend

EPC

- Build on our current success in EPC projects
- Leverage off growth in high demand rare minerals
- Continue to develop synergy with civil business
- Target opportunities in AUSTRALIA, NZ and PNG

SMP

- Further develop capability in large SMP projects
- Leverage combine package with civil business

Maintenance

- Expanding our maintenance offering
- Bridge and concrete repair
- Geographic expansion with current key clients

Positioned for Growth

Recent contract wins

\$23M

Order Book

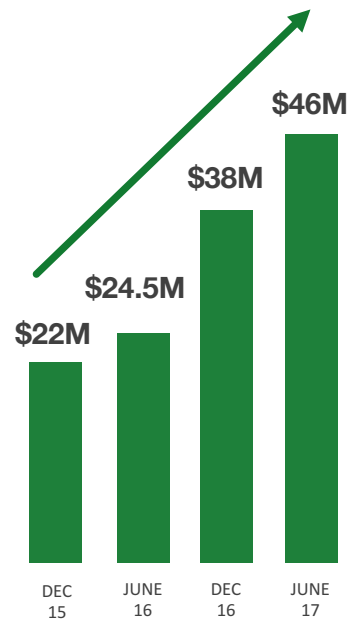


- ENGINEERING & CONSTRUCTION
- ASSET SERVICES
- CIVILBUILD

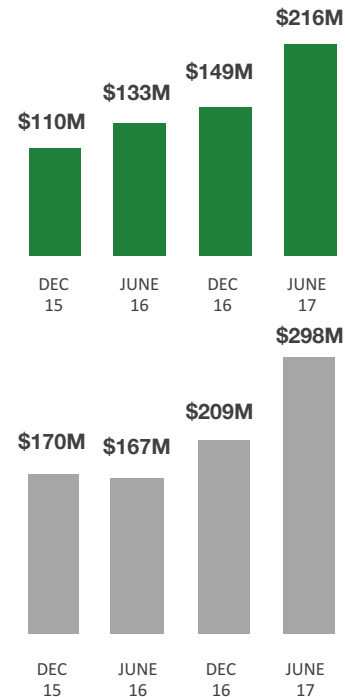
Preferred Status



Order Book

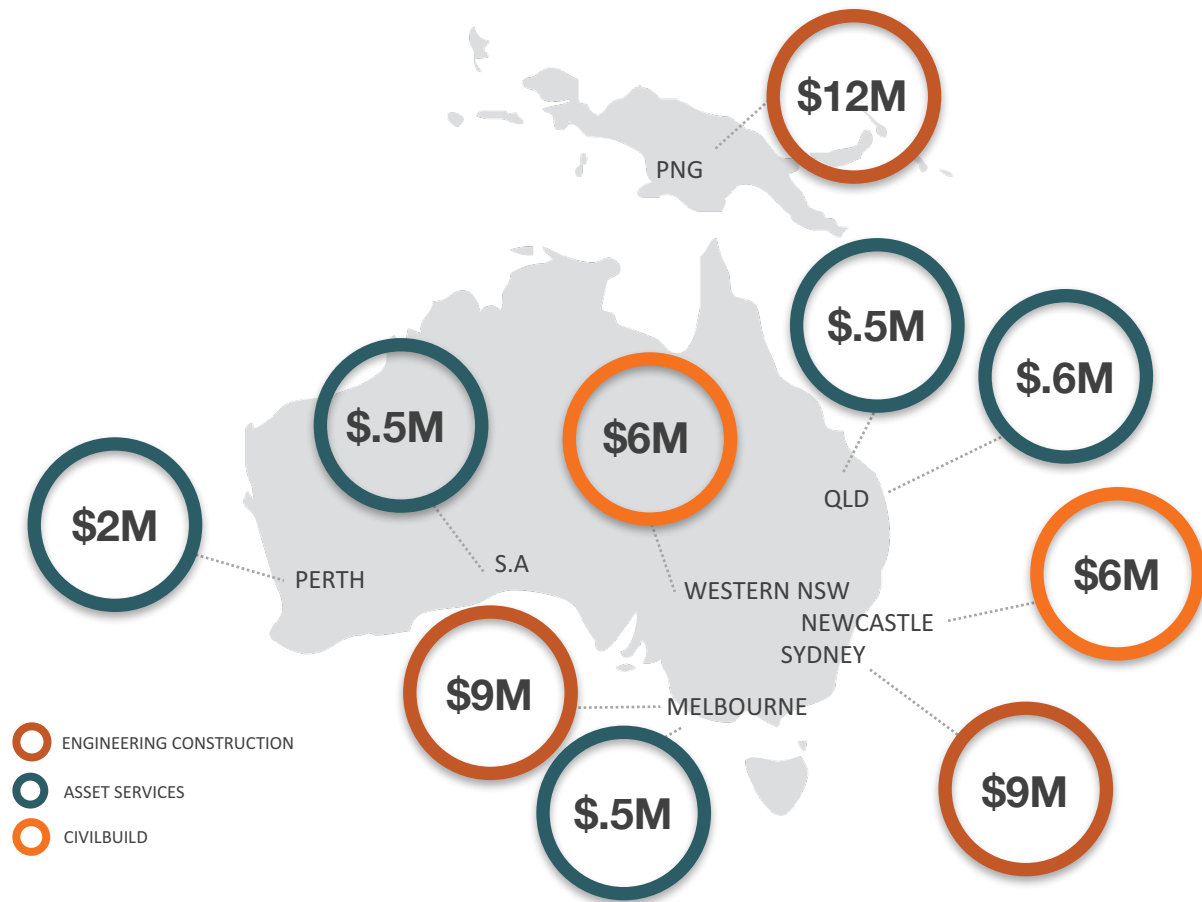


Live Tenders Pipeline



Geographical Revenue

Distribution of current projects



Reconciliation of Consolidated Statutory Earnings

Reconciliation

FY17 \$000

Reported profit	\$1,336
Acquisition costs	\$ 740
Profit on acquisition	(\$1,355)
One off adjustments	\$ 412
Underlying result NPBT	\$1,133
Income tax expense on underlying NPBT @ 30%	(\$ 340)
Tax effect of profit on acquisition not assessable for tax	\$ 407
Underlying NPAT	\$1,200

Contribution of Acquisition

3 months ending
30-06-2017

- Performing to expectation
- Solid order book with recent wins
- Operational integration complete
- ERP system integration target 31 Dec
- Increasing pipeline
- Realising revenue synergies

Saunders Civilbuild

Revenue

FY17 \$000

\$5,087

NPBT

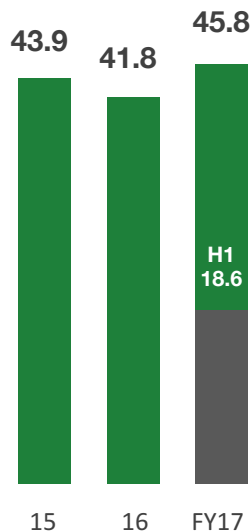
\$ 262

NPBT

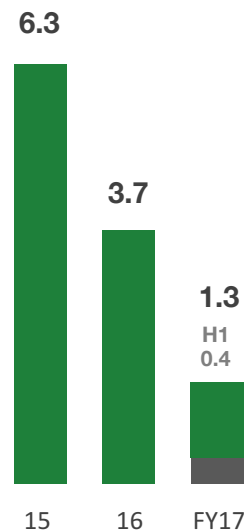
\$ 262

Operating Results

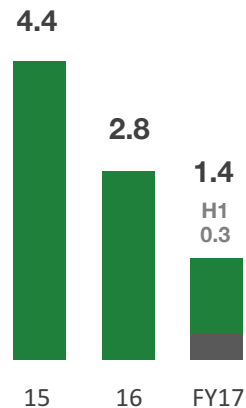
Revenue - \$M
FY



NPBT - \$M
FY



NPAT - \$M
FY



Financial Snapshot

Order Book

\$46M



Positioned for **stronger earning growth in FY18**



Order book of \$46M up 21% from Dec 2016 and
up more than **88%** from June 2016



Newly won major projects and preferred contractor status
expected to **increase revenue and earnings**




Revenue for H2 \$27M is up 46% from H1
total \$46M for FY17



NPAT for H2 \$1.1M up 267% from H1
total of \$1.4M for FY17 ⁽¹⁾

(1) NPAT affected by a number of one offs due to acquisition with underlying A\$1.2M

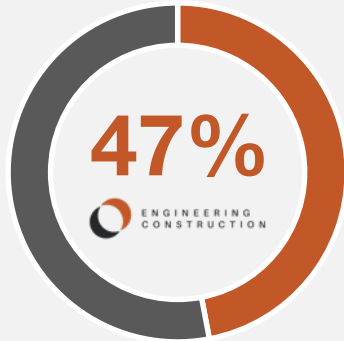
A large industrial facility, likely a refinery or chemical plant, featuring a prominent yellow storage tank in the foreground. The tank is mounted on a multi-axle trailer. In the background, there is a complex network of steel structures, pipes, and walkways. A white truck is parked near the tank, and a yellow crane is visible on the right side. The sky is blue with scattered white clouds. The overall scene conveys a sense of industrial scale and operational complexity.

Operations & Results

INNOVATION | EXCELLENCE | GROWTH

Engineering Construction

Revenue Contribution FY17



Projects

Bulk Storage

- Terminals Site C Port Botany
- Sami Bitumen
- Mobil Yarraville
- Viva Clyde

Structural Mechanical & Piping

- Mobil Yarraville SMP E&I Package

Engineering Procurement & Construction (EPC)

- Mobil – Port Moresby
- Civil works tank D&C and SMP package

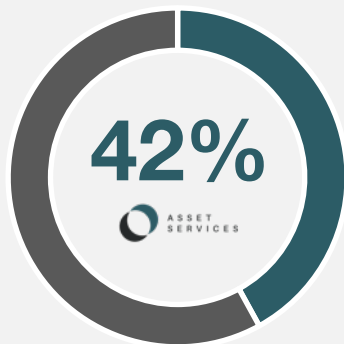
Mining

- D&C of 2x leach tank for Lihir Gold



Asset Services

Revenue Contribution FY17



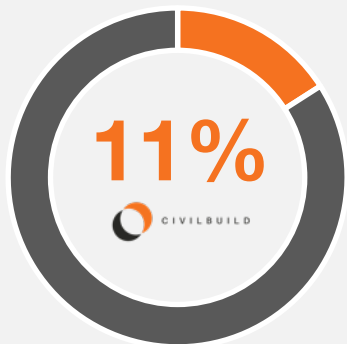
Projects

- Ongoing provision of tank maintenance and management services at Mobil Altona
- Continued success of multiple tank projects as part of the Viva Clyde refinery conversion
- Recurring project wins at Caltex Kurnell
- Regular stream of projects from non-core customers being awarded
- Broome Port Outer Berth Fender System - Protective coatings
- Shire of Carnarvon - Fascine Wall
- Remediation Works
- RPH Pedestrian Links waterproofing and miscellaneous works



Civil Build

Revenue Contribution FY17 ** 3 Months only*



Projects

- Tamworth Swamp Creek - Single span precast bridge
- CPB Tuggerah to Doyalson - In situ pour concrete storm water tank
- BGC Mt Pleasant Bengalla Road - Single span Super T bridge
- NRT Cherrybrook Station - Super T supply (precast)
- Glencore Road and rail bridge
- Macquarie Rivulet - Construction of 150m bridge
- St Albans Hawkesbury Council - Construction of 2 bridges
- Ourimbah - Construction of 3 bridges
- Westconnex - Sydney Wattle Street and Concord Road - Supply of 1051 pre pressed concrete panels



Safety, Environment & People

TRIFR
June 2017

19%
improvement

HY17 Safety Performance

- All injury frequency rate 52.95
- TRIFR₃₆ of 6.48
- LTIFR of 0.00 (last LTI May 2013)

Environmental Performance

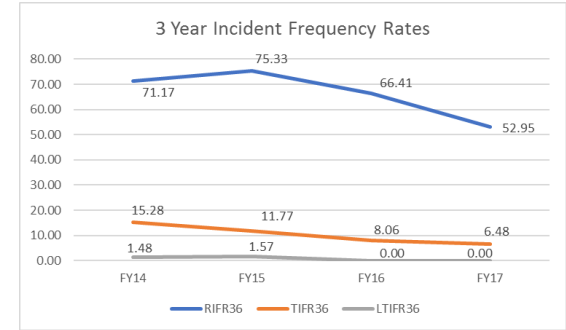
- Zero reportable environmental incidents
- Remain below reporting levels for carbon emissions

Workforce

- 50/50 mix of own workers to contractors
- Workforce average of 185
- Apprentices & trainees 1

Leading Safety Indicators

- 31,205 Saunders Safe Six/PJSA completed
- 2,065 Toolbox and pre-start meetings held
- 302 Workplace inspections and audits
- 236 Safe Act Observations



ACCREDITATIONS



** Excludes SCB Safety Results for the 3 months



Our Outlook

“Strengthen & grow”

Our Outlook

- **Order book \$46M**, up 21% on H1
- **Live tenders \$216M**, up 45% on H1
- **Pipeline \$298M**, up 43% on H1
- Strategy is **delivering**
- **Momentum building** in pipeline
- **Strong infrastructure** spending
- Business well positioned to take advantage of **growing pipeline**
- Continued **expansion of maintenance business**
- **Project awards** improving
- Competition **remains high**
- Expect results to be better than our underlying



Our Projects

*“Delivering project excellence enabling our clients
to meet their challenges today & into the future”*

1. Terminals – Botany Site C

2 x 8.5ML motor spirit tanks for Terminals P/L for their Site C Botany Expansion. Currently 15,000 man hours injury free.

2. Mobil Oil - PNG

Design and construct a 5ML diesel tank including the associated civil piping works at their Idubaba Terminal, Port Moresby PNG.

3. Viva Energy - Clyde

Design and construction of 2 x 15ML diesel tanks complete with foundations. Currently 32,000 man hours injury free.

4. Mobil Oil

Design and construct 1 x 22ML ULP and 1 X 22ML Jet fuel tanks. Currently 14,000 man hours injury free.



1. Main Road (WA) – Bridge 953

Substructure repairs to heritage listed Narrows Bridge in Perth. Works involved graffiti removal and anti graffiti coating, concrete repairs, crack injection repairs.

2. Viva Energy - Clyde

Full service package for T87 – Cleaning, inspection and report preparation, delivery of mechanical package and painting of the tank.

3. Mobil Oil - Altona

On-going maintenance service – Replace heavily corroded roof with complex plate removal process. Removed on time and incident free.

4. Kimberley Port Authority – Port of Broome

Saunders was awarded the protective coating application works to be completed on the outer berth fender structure, which forms part of the original 1960's wharf that was severely corroded.



1. Westconnex - Sydney Wattle St & Concord Rd

Saunders Civilbuild are contracted to supply 1051 pre stressed concrete planks (5200 m² of concrete) for the tunnel entries at both Wattle St and Concord sites.



2. Ourimbah – Pacific Highway

Supply and installation of 3 x pre stressed concrete bridges. This project in conjunction with the RMS and CMC is stage 3 involving the widening of the Pacific Hwy to provide 2 lanes in each direction.



3. St Albans – Hawkesbury Council

The supply of 2 single span bridges in the historic district of St Albans on the upper McDonald River.



4. Macquarie Rivulet

Construction of 150m bridge.



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