



2018 Investor Presentation

Managing Director & CEO Mark Benson | 22nd August 2018
Chief Financial Officer Rudy Sheriff

Company Overview

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

“We are driven by a commitment to safety, innovation, excellence and growth”

Net Cash	\$12.3m
People	212
Market capitalization	\$47m
Share Price	\$0.47

As at 30 June 2018



Board of Directors



MR TIMIOTHY BURNETT
Chairman & Non-Executive Director

Mr Burnett has over 38 years' experience in the management of engineering and construction project and companies, of which 15 years was spent as Managing Director of Saunders International. Prior to joining Saunders, he was a Senior Manager with Brown & Root Inc for 9 years where he managed the construction of marine oil and gas facilities in Europe, Asia and Australia. Mr Burnett has a Bachelor of Engineering (Civil) degree from Melbourne University and a MBA degree from Harvard University. Mr Burnett has been a Director of Saunders since 1990 and he is not considered to be an Independent Director.



MR MARK BENSON
Managing Director & Chief Executive Officer

Mr Benson – GAICD – has over 25 years' experience in executive management roles in the engineering and construction industry. His most recent role, prior to joining Saunders International, was General Manager of RCR Energy, a division of ASX Company RCR Tomlinson. In addition, he also held senior positions on several major utility alliances. Mr Benson holds an Advanced Diploma in Management from Ballarat University, along with an Advanced Diploma in Project Management, and has an electrical engineering background. Mr Benson has been a Director of Saunders since 10 August 2015 and Managing Director since 5 October 2015. He is not considered to be an Independent Director.



MALCOM McCOMAS
Non-Executive Director

Malcolm McComas – Bec, LLB, SFFin, FAICD – is a company Director and former investment banker and lawyer. Malcolm has experience in equity and debt capital markets, mergers and acquisitions and has worked with many growth companies across a number of sectors over a career at County NatWest (Citi Group) where he was Managing Director of investment banking for 10 years and at Grant Samuel where he was a Director for 11 years. Mr McComas is currently Chairman of Pharmaxis Limited and Fitzroy River Corporation Limited and a Director of Royco Resources Limited. His community roles include Director of the Australian Leukaemia and Lymphoma Group (ALLG). Mr McComas has been a Director of Saunders since 5 September 2012, is Chairman of the Remuneration Committee and is considered to be an Independent Director.



MR GREG FLETCHER
Non-Executive Director

Greg Fletcher – Bcomm – is a company Director having retired from the Deloitte partnership in 2009 to take on board roles. He is an Independent Director of ASX listed company Yancoal SCN Limited, Co-Vice Chairman of Yancoal Australia Limited, Chairman of privately owned SMEG Australia Pty Ltd and the Director of TAFE NSW Commission. He is the Chairman of the Audit and Risk Committee of a number of government owned businesses and entities. Mr Fletcher has been a Director of Saunders since 1 July 2015 and he is considered to be an Independent Director.

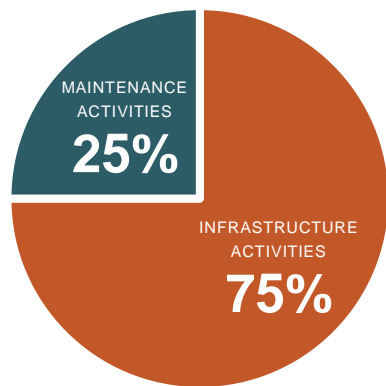


MR RUDY SHERIFF
Chief Financial Officer

Rudy Sheriff is an experienced Finance Executive who joined the Saunders team in November 2017. His most recent role, prior to joining Saunders International, was Divisional Finance Manager for Ventia's Asset and Infrastructure business. Prior to this Rudy was General Manager of Finance for UGL's Resources business for over 4 years. Mr Sheriff has over 15 years of experience in leading financial operations with complex Resources, Infrastructure, Rail and Roads portfolios for large matrix structured companies within the Engineering Services industry.

Our Business

Revenue Distribution



International Footprint



NSW, VIC, QLD, SA, WA,
PNG, NEW CALEDONIA

Revenue
FY 2018

\$75M

Up **65%**

Order Book
As at August 2018

\$42M

Down **8%**

Underlying loss excluding
restructure costs (NPAT)

\$1.8M

Down **228%**

Live Tender

Down **21%**

Pipeline

Up **14%**

(Compared to 30th June 2017)



Highlights

FY18

- Safety performance continues to improve with **entire group remaining LTI free since May 2013**
- **65% increase** in revenue for FY18
- Strengthened **position in PNG**
- Remain preferred contractor on a bulk liquid storage **terminal opportunity**
- **Mining activity increasing** with Projects in PNG, New Caledonia and Central NSW
- Infrastructure diversification **displaying good pipeline**
- Implementation of **Internal Business Improvement Project** and restructure to align with current market conditions
- Expanded delivery of international services

Challenges

FY18

- Deterioration of FY18 profit caused by:
 - Project Delays and issues with **Construction Project in Victoria**
 - **Project delays and issues** on a Maintenance Project in NSW
- Result is inclusive of a provision for business improvement and company restructure, to provide a platform for future earnings growth in the current market conditions
- FY18 result includes costs to complete loss making projects

Safety Scorecard

- LTIFR of 0.00 (Last LTI May 2013)
- Diversification into new markets and operating internationally affect injury frequency rates
- Following the acquisition of Civilbuild, TRIFR increased with the inclusion of their safety statistics, over past 12 months we have been able to achieve a 12% reduction in our combined statistics
- Group wide safety initiatives have been implemented to support strong safety cultures in new areas of our business

**ISO 9001
AS/NZS 4801
ISO 14001**

**BUREAU VERITAS
Certification**

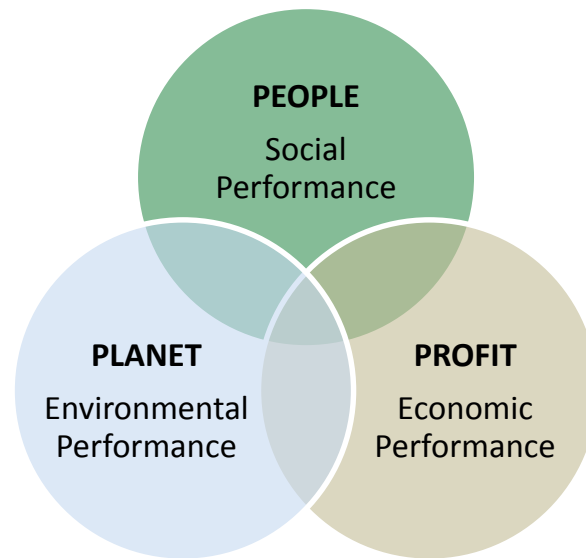


Our People



- Attract female employees to Saunders to non-traditional roles
- Ongoing management support

PEOPLE, PLANET & PROFIT



2018-2019 Focus: People & Gender Diversity

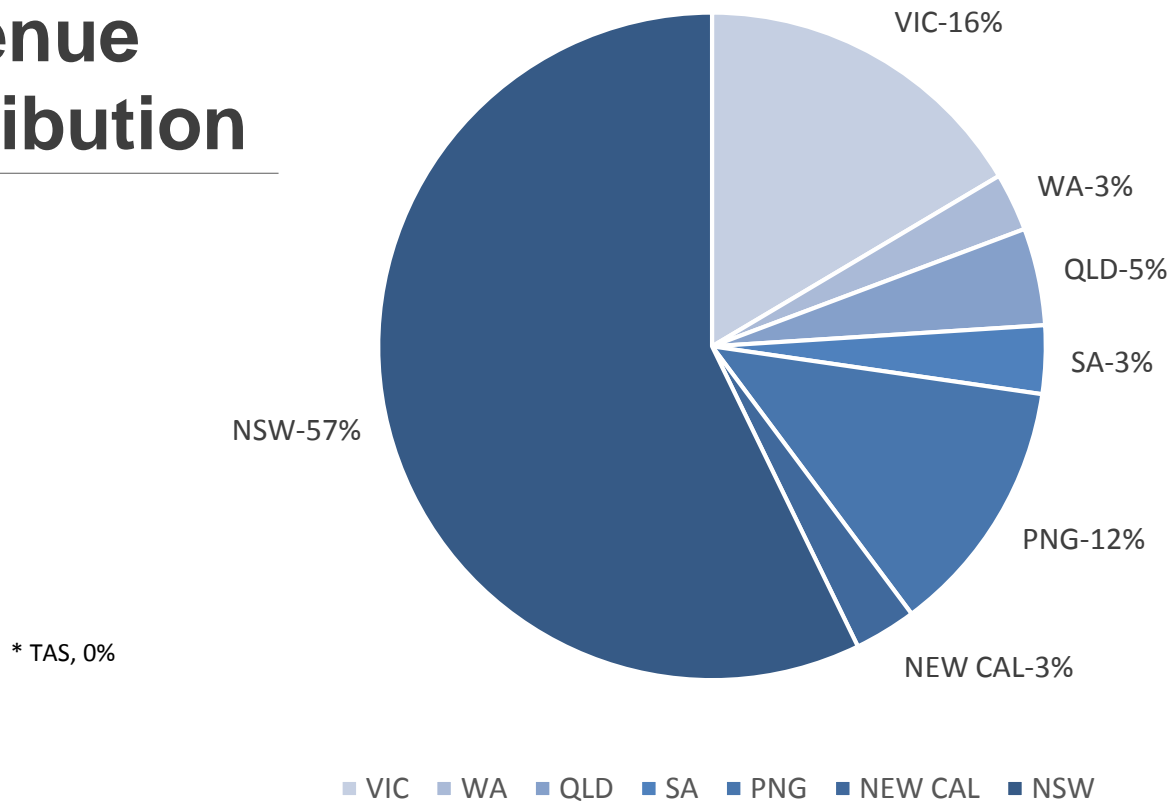
Financial Performance

CATEGORIES	30 JUNE 2018 FULL YEAR \$000	30 JUNE 2017 FULL YEAR \$000
Revenue	\$75,368	\$45,805
Net (loss)/profit before tax	(\$4,213)	\$1,336
Net (loss)/profit after tax	(\$2,840)	\$1,428
Net (loss)/profit (%)	(3.77%)	(3.12%)
Restructure costs net of tax	\$1,013	-
Underlying (Loss)/Profit excluding restructure costs net of tax	(1,827)	-
Return on equity (%)	(14.2%)	11.9%
Basic earnings per share	(3.03c)	1.76c
Work in hand	\$43M	\$46M

Balance Sheet

BALANCE SHEET	30 JUNE 2018 \$000	30 JUNE 2017 \$000
ASSETS		
Cash	12,377	10,942
Trade receivables	6,590	11,896
Plant & equipment	10,166	10,086
Deferred tax assets	1,885	259
Others	4,166	937
TOTAL ASSETS	35,154	34,120
LIABILITIES		
Payable	7,147	8,295
Provisions	4,100	2,195
Others	417	3,611
TOTAL LIABILITIES	11,664	14,101
NET ASSETS	23,940	20,019
NTA PER SHARE	23.1 cents	23.1 cents

Geographical Revenue Distribution



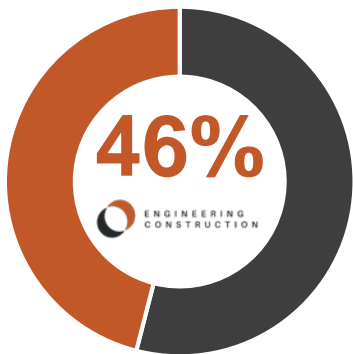


Review of Operations

INNOVATION | EXCELLENCE | GROWTH

Engineering Construction

Revenue
Contribution
FY18



1. Lake Cowal project



2. Port Moresby Terminal



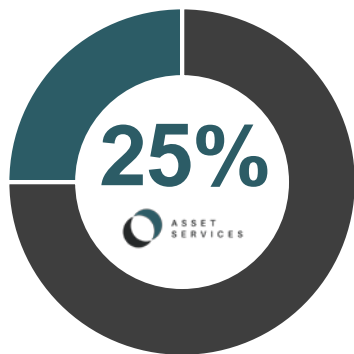
3. Yarraville Terminal



4. New Caledonia Acid Tank

Asset Services

Revenue
Contribution
FY18



1. Viva Refinery



2. Caltex Refinery



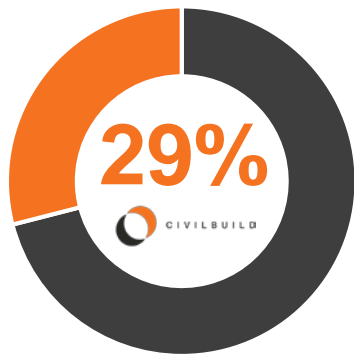
3. Altona Refinery



4. Peats Ferry Bridge

Civil Build

Revenue
Contribution
FY18



1. Bullockey's Bridge Replacement



2. Mt Pleasant Road Rail Bridge



3. Hebden Road Rail Bridge



4. Mossvale Pedestrian Bridge

Our Strategy

3 KEY ELEMENTS
TO THE SAUNDERS STRATEGY:

TRANSFORM

Business Restructure and Improvement Project

EXPAND

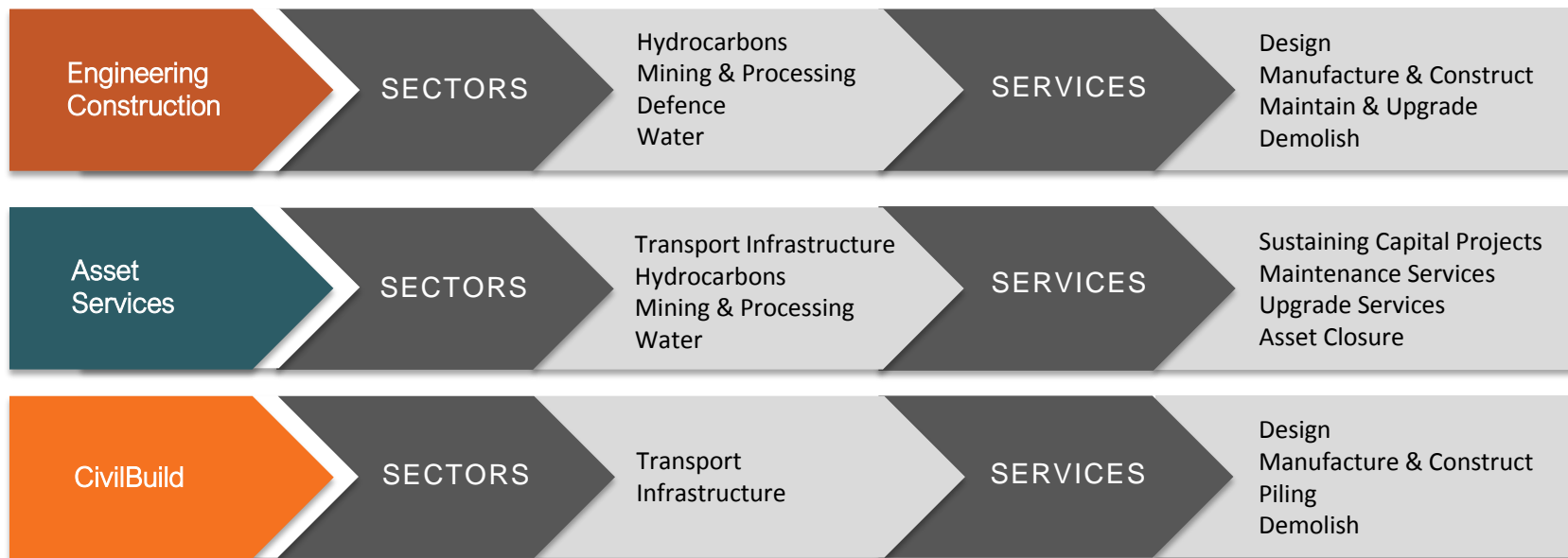
Focussed Business Development & Pipeline growth into adjacent sectors

ACQUIRE

Strategic growth acquisitions - Compliment the expansion plan

Strategic Objectives

We deliver high quality engineered solutions across the complete asset life cycle.



Our Outlook

- Revenues from Transport Infrastructure and Precast expected to grow
- Tank construction conditions remain highly competitive
- Maintenance services prospects remain positive
- Continue to pursue overseas opportunities
- Build on current project experience in the mining sector
- Research strategic growth acquisitions



Construction



Tank Maintenance



Bridge Construction & Maintenance



Structural Mechanical Piping



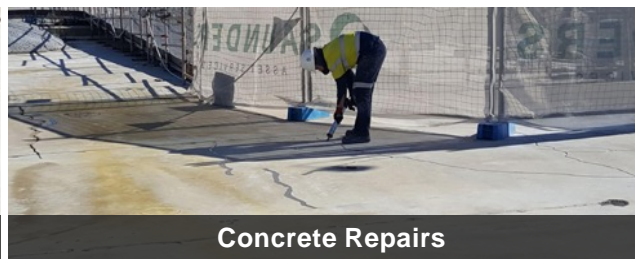
Wharf Repairs



Tank & Civil Construction



Fabrication



Concrete Repairs



Precast Manufacture

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 **SAUNDERS**
INTERNATIONAL

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