



INNOVATION | EXCELLENCE | GROWTH

# First-Half Results Investor Presentation FY2021

Mark Benson  
*Managing Director &  
Chief Executive Officer*

Rudy Sheriff  
*Chief Financial Officer*

26 February 2021



# Performance Highlights

During a disruptive COVID-19 first half of FY21, Saunders has continued to perform in all critical aspects of the business operations and financial frameworks, which provides a springboard for growth.

\$53.4m Revenue

\$5.0m EBITDA

9.4% EBITDA Margin

\$15.8m Cash on Hand

2.63 cents Earnings Per Share

## Financial Performance

- ✓ Revenue Improvement 80% PcP to \$53.4m
- ✓ EBITDA Improvement of 238% PcP to A\$5.0m
- ✓ EBITDA Margin improvement to 9.4%
- ✓ Cash on Hand Increased to A\$15.8m
- ✓ Strong Order Book of \$91.1m
- ✓ Dividend declared on 24 February 2021 at 0.75 cents, DRP activated

## 2021 Strategic Priorities & Performance Benchmarks

- ✓ Continue to secure revenue opportunities that meet key financial and operational benchmarks – including improving project margins, continuous management of project risk and minimising discretionary expenditure
- ✓ Seek Complimentary Acquisitions that will provide relevant revenue scale, enhance overall EBITDA margins and leverage Saunders' expertise and business

## Safety, People & COVID-19 Impact

- ✓ Lost Time Injury (LTI) & Medical Treatment Injury (MTI) statistics continue to be positive and are trending down
- ✓ 3.0 million hours LTI free milestone achieved during the period
- ✓ Board composition increased with addition of industry expert Nicholas Yates as Non-Executive Director
- ✓ Whilst remaining vigilant of the COVID-19 impact, the border closures have tested Saunders operational delivery through productivity, resourcing and logistics

## Market Factors

- ✓ High level of State & Federal Government expenditure associated with COVID 19 response set to continue across 2021 to 2023 – June 2020 stimulus package alone A\$1.5 Billion, including the “Boosting Australia’s Diesel Storage Program” ( circa \$400m of tank construction 2021 to 2024)
- ✓ Long standing infrastructure programmes include the Bridges Renewal Programme Round 5 & Round 6 (timing to be announced)
- ✓ Increasing opportunities associated within the Defence Sector (including \$500 million Tranche 2 – Fuel Services Branch), Energy and Water sectors

# Performance Highlights

Under Saunders renewed operating model and successful project delivery in the period, we've been able to provide value to shareholders, out performing the ASX 300 Index over the past 12 months

103.4m Shares

\$68.1m Market Capitalisation

A\$0.71 52 Week High

A\$0.65 Current Share Price

\* As at 24 February 2021

## Key Clients

Mobil

JOHN  
HOLLAND

CPB  
CONTRACTORS

SAUNDERS  
INTERNATIONAL

AUSTRALIAN  
DEFENCE FORCE

LAING O'ROURKE

bp

AMPOL

Transport  
Sydney Trains

lendlease

Sydney  
WATER

VIVA  
EnergyAustralia

## Outperformance against ASX 300

### SND Performance Against ASX300





# Company Profile

With 69 years of experience, Saunders uses in-house expertise to deliver a comprehensive range of projects including design, manufacture, construction, installation and maintenance services.

235

People

## SERVICES



Tank Construction  
& Maintenance



Industrial  
Maintenance  
& Shutdowns



Structural  
Mechanic & Piping  
(SMP)



Turnkey Mechanical  
Electrical, Civil  
Solutions



Engineering  
& Design



Civil Works  
Precast Fabrication  
Bridge construction

## SECTORS



Oil & Gas



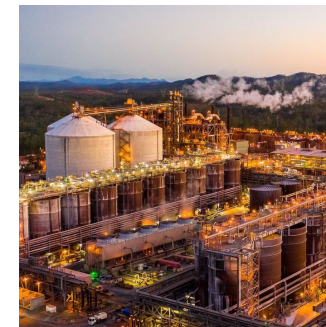
Infrastructure



Defence



Energy



Mining & Minerals



Water



# Financial Performance





# Financial Highlights

Solid financial results that complement recent operational performance and underpin the Group's strategic growth plans.

Up 80%  HY Revenue Change

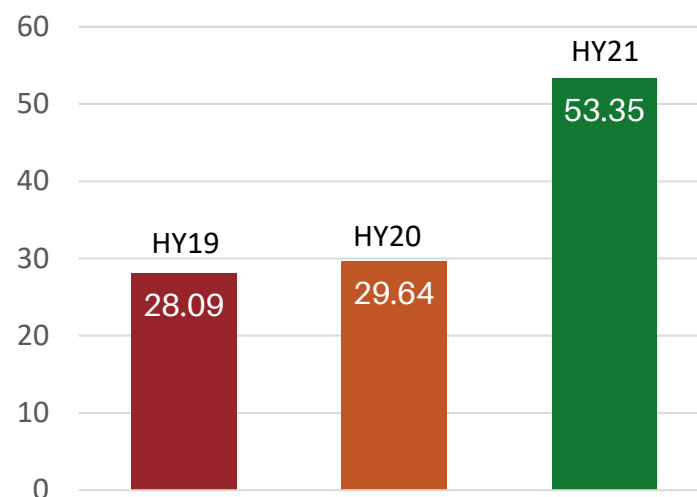
Up 238%  HY EBITDA Change

Up 95%  HY EBITDA Margin Change

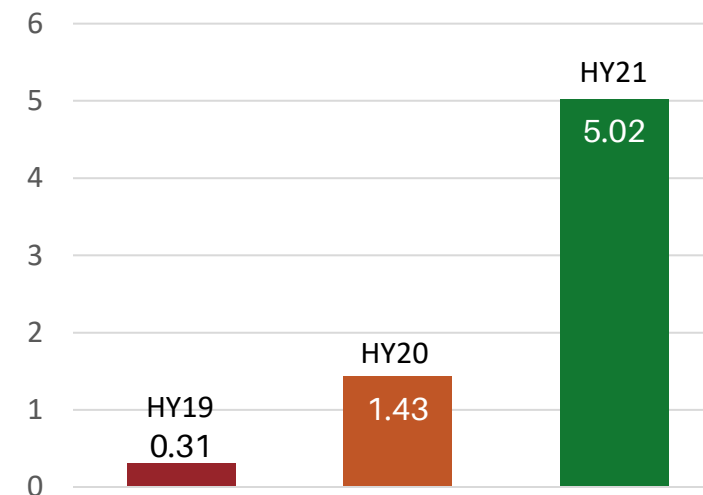
Up 424%  HY EBIT Change

Up 422%  HY NPAT Change

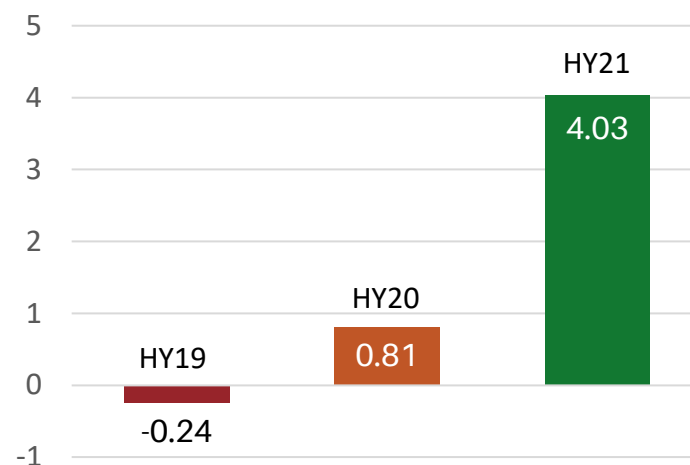
Group Revenue (A\$m)



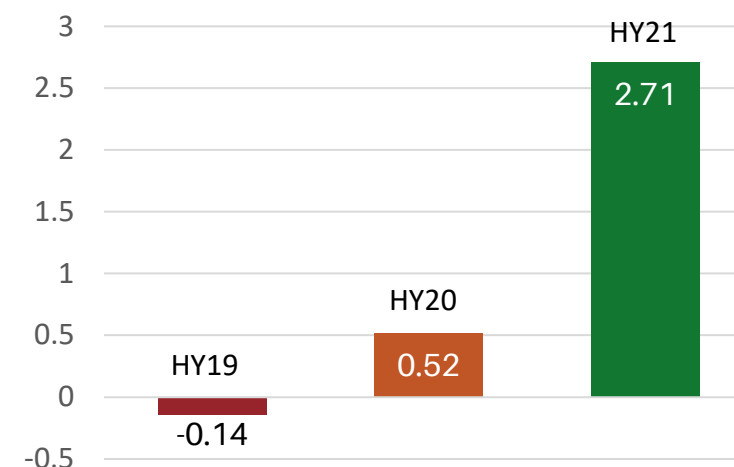
Group EBITDA (A\$m)



Group EBIT (A\$m)



Group Adjusted NPAT (A\$m)



# Financial Highlights

The Group continues to focus on generation of cash through successful delivery of projects and continual management of working capital.

Up 43%  HY Cashflow Change

Up 9%  HY Operating Cashflow Change

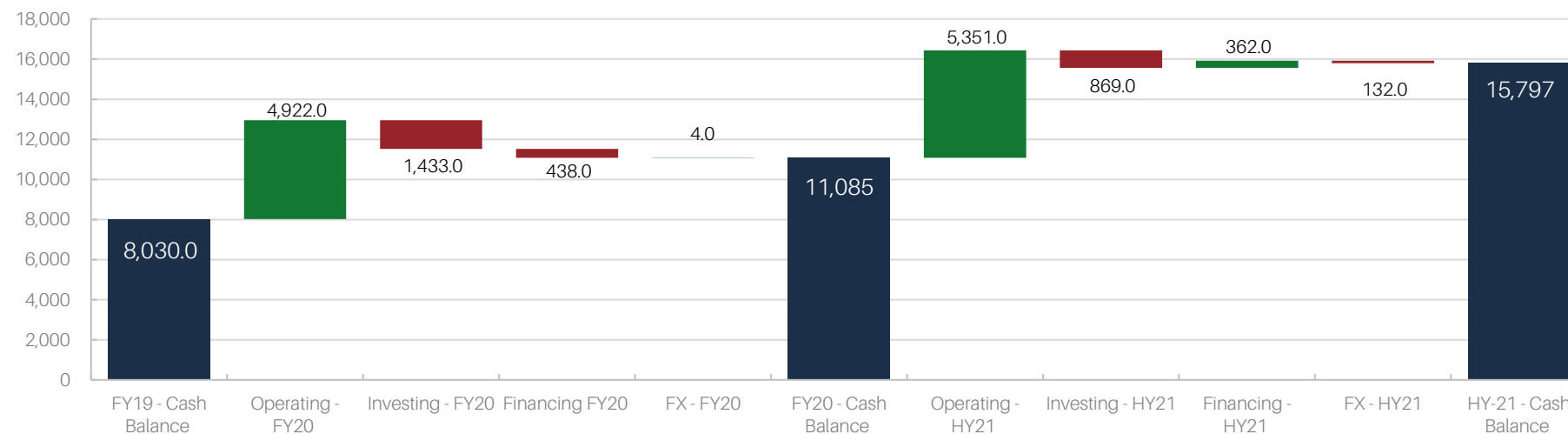
## HY Income Statement

End 31 Dec (A\$m)	HY19	HY20	HY21	HY20-HY21 Change (%)
Revenue	28.09	29.64	53.35	+80%
EBITDA	0.31	1.43	5.02	+238%
EBITDA Margin	1.10%	4.82%	9.41%	+95%
EBIT	(0.24)	0.81	4.08	+405%
NPAT	(0.14)	0.52	2.71	+422%
EPS	0.00	0.01	2.63	+416%

## HY Key Metrics of Cash Flow/Balance Sheet

End 31 Dec (A\$m)	FY19	FY20	HY21	FY20-HY21 Change (%)
Cash	8.03	11.08	15.80	+43%
Assets	32.82	46.01	52.54	+14.2%
Liabilities	11.62	23.36	26.95	+15%
Equity	21.20	22.68	25.60	+13%
Working Capital	2.43	1.55	1.62	+4%

## Group Cash Flow - Bridge (A\$000s)



# 2021 Strategic Priorities and Performance Benchmarks





# 2021 Strategic Outlook

We have the scale, technical expertise and long-standing relationships to ensure that we capitalize on the recent market initiatives in the sectors we operate in.

## Boosting Australia's Diesel Storage

- ✓ Assist our customers to prepare for the Federal Grant application process as part of the "Boosting Australia's Diesel Storage Program - \$200 million in grants translating to \$400+ million in construction
- ✓ Continue to provide technical assistance to our customers, value engineering, budget pricing through to grant approval

## Infrastructure

- ✓ Federal Government Bridge replacement program (Round 5 \$85 million) and
- ✓ NSW Government's "Fixing Country Bridges" program - \$500 million
- ✓ Expand our civil and structural offering to Local Government Authorities and other existing clients

## Defence

- ✓ Participate in the Defence Fuel Transformation Program (DFTP)
- ✓ Expand our service offering to existing Defence clients under current Capital Facilities and Infrastructure (CFI) program - circa \$40m currently under construction by Saunders
- ✓ Win and deliver works under the DFTP Tranche 2 program - budget \$500 million 2021-2026

## Maintenance

- ✓ Assist our long standing customers with converting recently closed refineries to terminals, include assisting Asset closures
- ✓ Continue to grow our recent shut down experience in the Energy and other Industrial markets
- ✓ Long term national maintenance contracts through integrated asset management

## FY21 Guidance

- ✓ Saunders revenue for the FY21 is expected to be between \$100-\$110 million with EBIT expected to be between 7.0% to 8.0%

# Our People

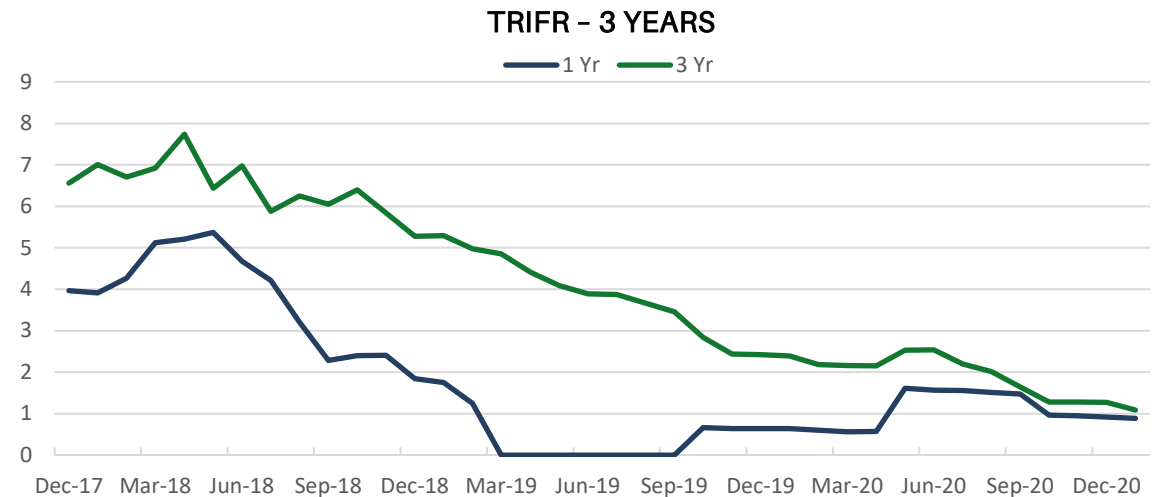
- ✓ Rolled out mental health programs across our teams through the Black Dog Institute
- ✓ Increased Saunders Aboriginal and Torres Strait Islander participation across our projects
- ✓ Participated in charitable events and donated to Food Bank Christmas hampers, Red Cross and Westpac Rescue Helicopter
- ✓ Company wide roll out of Saunders "Raise the Bar" program

*"The safety of our people, customers and the communities we operate in, underpins our values at Saunders International"*



# Our Safety

- ✓ Achieved 3.0 million man hours LTI free in this period
- ✓ Total Recordable Injury Frequency Rate (TRIFR) reduced 77% over the past 3 years.



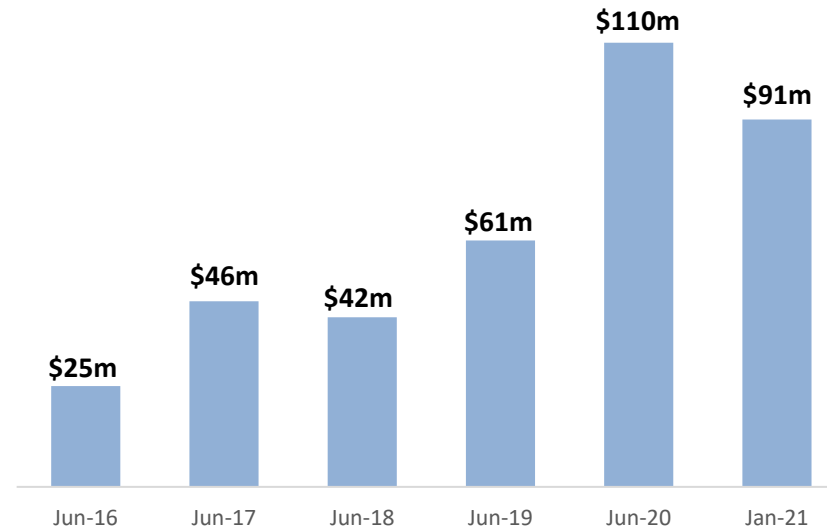


# Sustained Growth

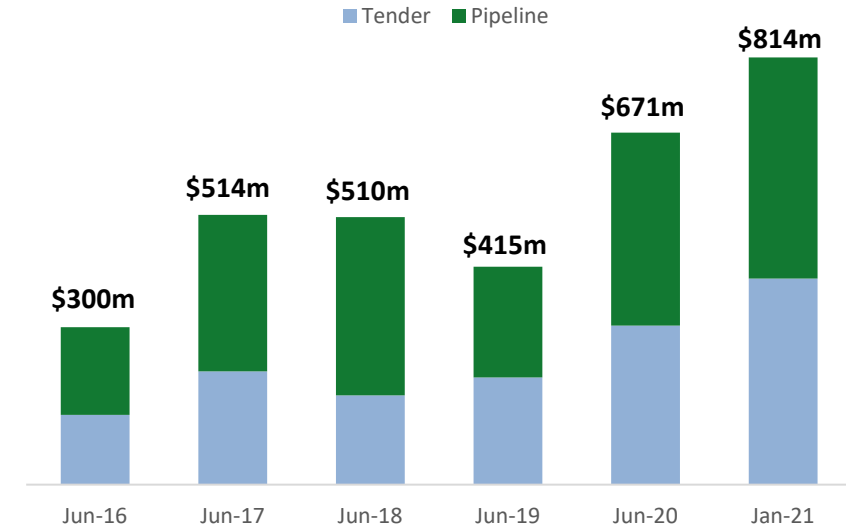
Our clients are demanding operational excellence, innovative and flexible solutions.

We are focused on being proactive in resolving the challenges our clients face and delivering current projects to the highest standards. This is demonstrated in our growing orderbook.

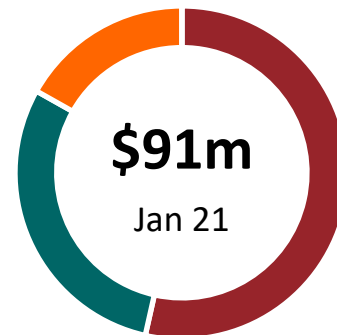
## Order Book



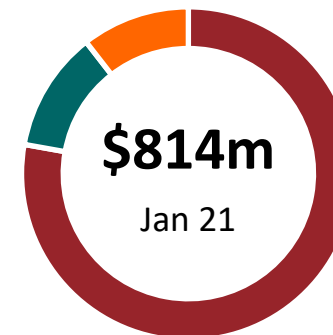
## Live Tender Pipeline



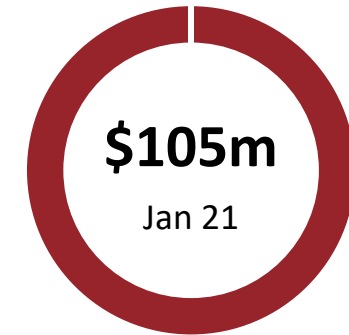
## Order Book Breakout



## Tender Pipeline



## Preferred Contractor Status



CIVIL SERVICES

CONSTRUCTION SERVICES

MAINTENANCES SERVICES



# Projects







*"Saunders is proud to be a part of the iconic  
Sydney Harbour Bridge project for Sydney Trains"*





Vopak Terminal  
Port Botany



Sydney Water  
60ML tank  
Liverpool Reservoir



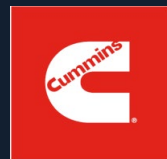
Mid Coast Council  
McQueen's Bridge



NSW Government  
Construction of Browns  
Creek Bridge








Cummins South Pacific  
Mandalong Power Station



BP Bulwer  
T107 & T110 overhaul



Western Water  
Minns Rd Tank repairs



Viva Energy  
Return to service  
Newport terminal





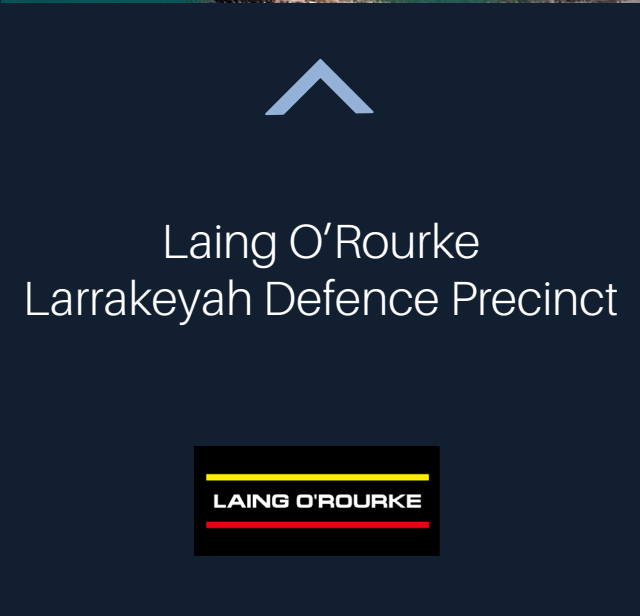


Lend Lease  
Garden Island

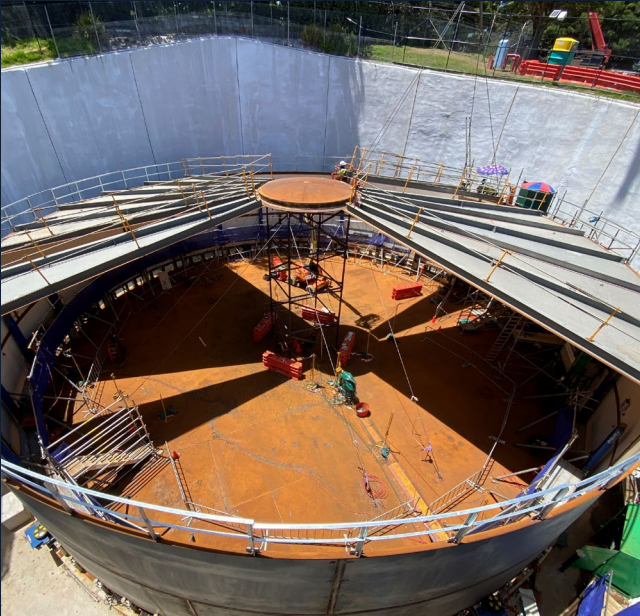


**nacap**

NACAP Darwin  
Bulk Fuel Storage Tanks



Laing O'Rourke  
Larrakeyah Defence Precinct



BGIS Pty Ltd  
Chowder Bay





# SI Disclaimer

## Important Information for Investors

*This presentation has been prepared by Saunders International Limited ("Saunders") as a summary of the Company and its operations and for general information purposes only.*

*This presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in Saunders, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Saunders will be entered into on the basis of this presentation.*

*Saunders has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, neither makes any representation and neither can give any assurance, guarantee or warranty, express or implied, as to, and neither takes any responsibility and assumes liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this presentation.*

*You should not act or refrain from acting in reliance on this presentation material. This overview of Saunders does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision.*

*The contents of this presentation are confidential. This presentation is being provided to you on the condition that you do not reproduce or communicate it or disclose it to, or discuss it with, any other person without the prior written permission of the Company.*

*The presentation contains certain forward-looking statements which have not been based solely on historical facts but, rather, on Saunders's current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of Saunders and its directors, officers and advisers.*



**MARK BENSON**

*Managing Director & Chief Executive Officer*

(02) 9792 2444

L2, 1F Homebush Bay Drive, Rhodes NSW 2138

[www.saundersint.com](http://www.saundersint.com)

[mark.benson@saundersint.com](mailto:mark.benson@saundersint.com)