



INNOVATION | EXCELLENCE | GROWTH

FY21 Investor Presentation

Mark Benson
*Managing Director &
Chief Executive Officer*

Rudy Sheriff
Chief Financial Officer

27 August 2021





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Saunders has achieved great things over its 70 years. Whilst the company's services and operations have expanded, our underlying values have remained constant.

Our success could not have happened without our employees, both past and present and we are proud to celebrate this milestone with our customers, partners and shareholders. We look forward to the next part of the journey.”



Our History

Established by
"Bluey" Saunders in
August 1951 and
originally named
V.G. Saunders

Saunders gains clients such as Shell Oil, AMPOL, BP, Golden Fleece and Vacuum (later known as Mobil)

Stage 1 workshop and office built at 271 Edgar St, Condell Park which would remain home to the company until 2019

Saunders wins major contract with Mobil to build terminals throughout the Pacific Basin, Papua New Guinea, Samoa, New Hebrides and Norfolk Island

Des Bryant joins Saunders as Managing Director

"Saunders Prince Bisley"
becomes "Saunders
International Pty Ltd"

The Company changes its name to "Saunders Prince Bisley" and provides storage of liquids or solids in steel tanks, silos and concrete tanks

Engineering company "Prince Bisley" becomes a part of the Saunders company

Tim Burnett joins
Saunders as
Managing Director

Expansion of Edgar St workshop and acquisition of descaling and painting company "Mephale Pty Ltd"

John Power joins as
Saunders Chief
Executive Officer

Des Bryant retires from Saunders and Tim Burnett takes over as Chairman.

Saunders
International
becomes a publicly
listed ASX Company
and registers as
"Saunders
International Limited"

Mark Benson joins
Saunders as
Managing Director
after John Power's
retirement

Saunders finalises acquisition of civil construction company "Civilbuild" located in Newcastle

Saunders closes workshop at Condell Park and moves their head office to Rhodes

Celebrating 70 years
in business

Saunders acquires "PlantWeave Technologies"

Established office in
Northern Territory

The Company reports a record revenue of \$100m

Saunders enters the Defence sector and wins over \$40m of new work

Our People

“

We are committed to our people, our environment and our communities.”



Our Values

SAFETY

One team, one goal, zero harm

- Safety first culture embedded in everything we do
- Empowered to stop work
- In our behavior at work and home

INTEGRITY

In all our decisions

- Be accountable for our actions, results, successes and failures
- Be honest and reliable
- Deliver on our commitments

INNOVATION

Application of information, imagination and innovation

- Continually challenge ourselves to improve
- Anticipate and create solutions that meet our customers' needs and exceed their expectations
- Collaborate with others to bring ideas to life

LEADERSHIP

The courage to shape our future

- Show personal drive – engage with and motivate others
- Demonstrate the leadership to speak up and challenge the status quo
- Give clear, candid and timely feedback

TEAMWORK

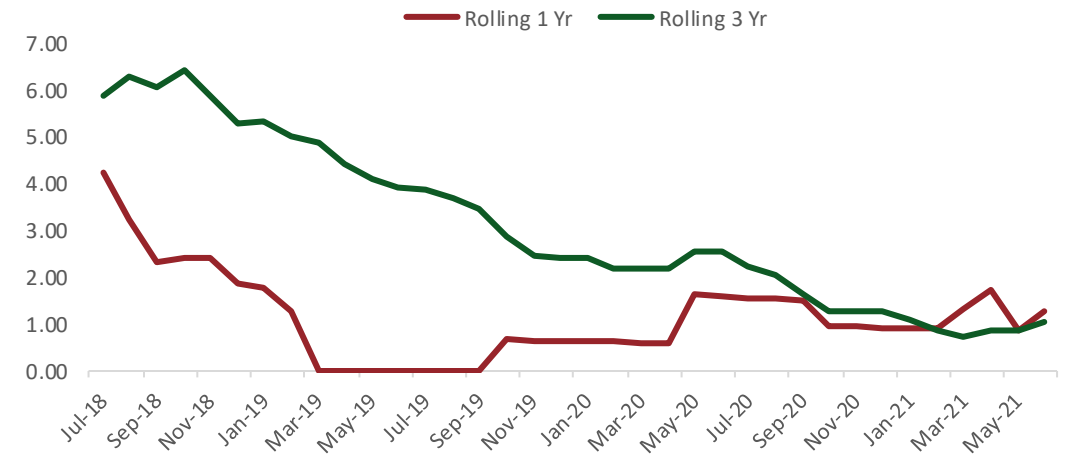
Passionate people working together to deliver excellence

- Inspire others to reach their full potential
- Collaborate with ourselves and our customers in finding solutions
- Recognise and regard high performance

SHEQ



Saunders' approach to Safety, Health, Environment and Quality focuses on creating a workplace culture that promotes safety, integrity, innovation, teamwork and leadership. The Saunders vision of delivering project excellence consistently is shaped by our "OneTeam" culture and is underpinned by our robust risk management systems. We proactively identify critical risks in our operations and implement strategies and systems to minimise the risk to our people, other interested parties and our operations. We have delivered on the SHEQ objectives and targets set for 20/21 and will continuously improve our processes across the business.



Services

Tank Construction & Maintenance

Civil Works, Precast Fabrication, Bridge Construction

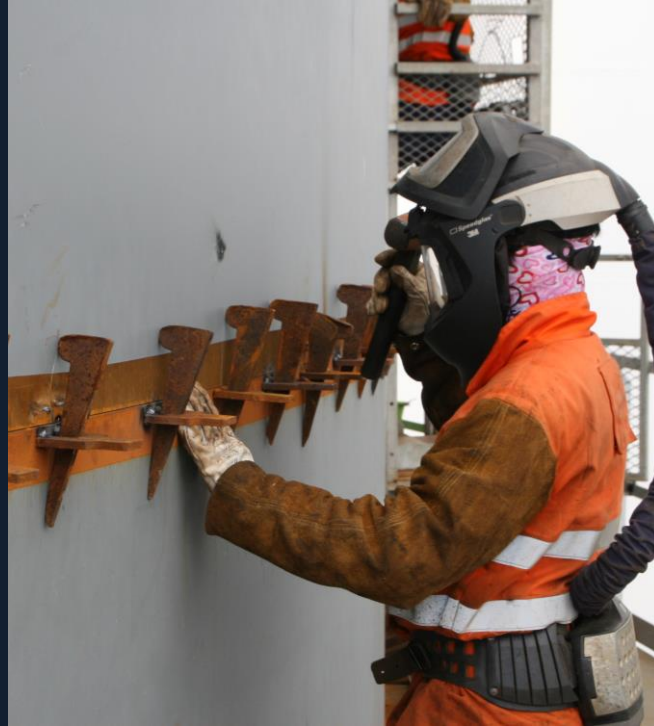
EPC Construction, Mechanical, Electrical, Civil

Engineering & Design

Structural Mechanical & Piping

Industrial Maintenance & Shutdowns

Electrical Instrumentation & Automation Control Design



Sectors

OIL & GAS

INFRASTRUCTURE

ENERGY

DEFENCE

WATER

MINING & MINERALS



Performance Highlights

The Group has reported record revenue in FY21 whilst successfully navigating the continually changing operating landscape as a result of the COVID-19 pandemic.

\$101.2m Revenue

\$10.1m EBITDA

10.0% EBITDA Margin

\$23.8m Cash on Hand

5.36 cents Earnings Per Share

Financial Performance

- ✓ Revenue Improvement 52% PcPto \$101.2m
- ✓ EBITDA Improvement of 197% PcPto A\$10.1m
- ✓ EBITDA Margin improvement to 10.0%
- ✓ Cash on Hand Increased to A\$23.8m
- ✓ Healthy Order Book of \$83.3m
- ✓ Final Dividend declared at 0.75 cents and Special Dividend declared at 1.00 cents
- ✓ DRP active (2.5 cents total dividend declared in FY21)

Operational Performance

- ✓ Provided support and innovative solutions to our existing customers to deliver the "Boosting Australia's Diesel Storage Program." \$260 million in grants translating to \$600+ million in construction FY22-FY24
- ✓ Delivery of operational excellence through improving project margins, continuous management of project risk and minimising discretionary expenditure which is reflected in the FY21 results
- ✓ Delivered on the second phase of our strategic roadmap – Revenue growth of 52%

Safety, People & COVID-19 Impact

- ✓ Lost Time Injury (LTI) & Medical Treatment Injury (MTI) statistics continue to be positive and are trending down
- ✓ Board composition increased with addition of industry expert Nicholas Yates as Non-Executive Director
- ✓ Operational delivery continues to be tested as a result of the COVID-19 pandemic with recent operational disruptions due to Governments decisions.
- ✓ Increased focus on enhancing employee well being, workplace flexibility and diversity.

Market Factors

- ✓ High level of State & Federal Government expenditure set to continue across 2022 to 2024, this includes the NSW Replacing Country Bridge and Federal Bridges Renewal Programs
- ✓ Increased project opportunities due the growth in the Defence Sector
- ✓ Capital expenditure starting to increase the in the Resources, Energy and Water sectors

Performance Highlights

The Group delivered on FY21 revenue and earnings guidance leading to the Board declaring final dividend of 0.75 cents and special dividend of 1.00 cents taking total dividends for the year to 2.5 cents.

103.9m Shares

\$81.7m Market Capitalisation

A\$0.80 52 Week High

A\$0.79 Current Share Price

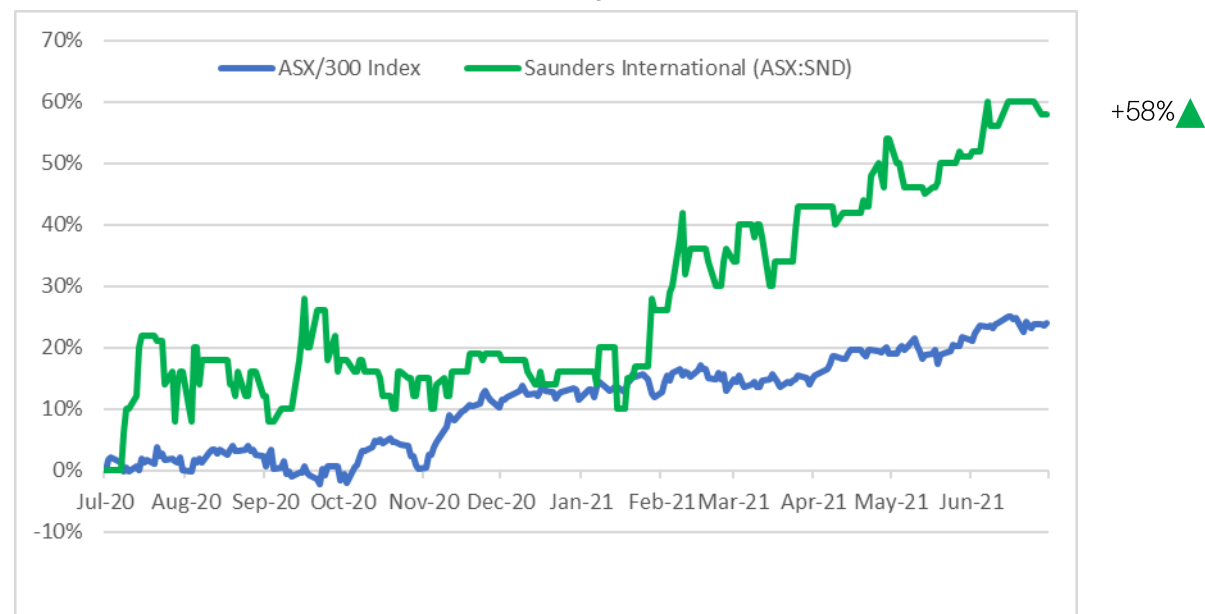
* As at 25th August 2021

Key Clients



Outperformance against ASX 300

SND Performance Against ASX300



Financial Highlights

Strong operational performance delivered cashflow stability and strengthened the Group's balance sheet.

Up 52%  FY Revenue Change

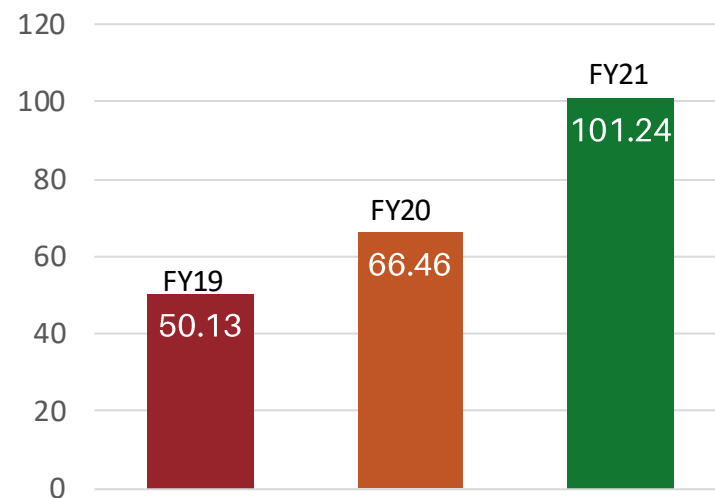
Up 197%  FY EBITDA Change

Up 95%  FY EBITDA Margin Change

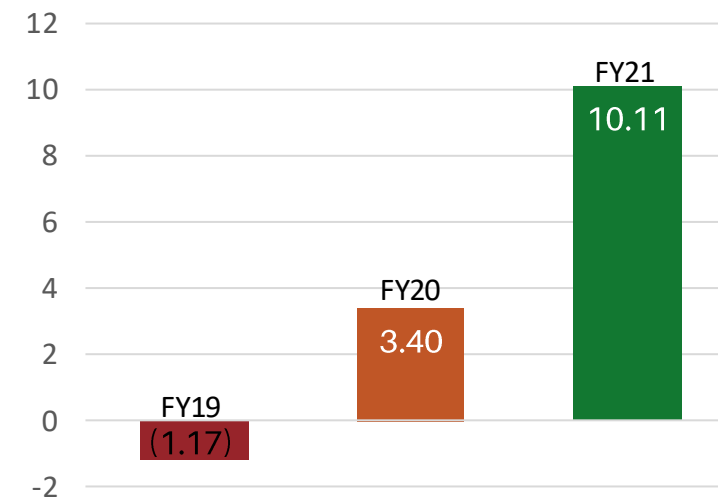
Up 336%  FY EBIT Change

Up 338%  FY NPAT Change

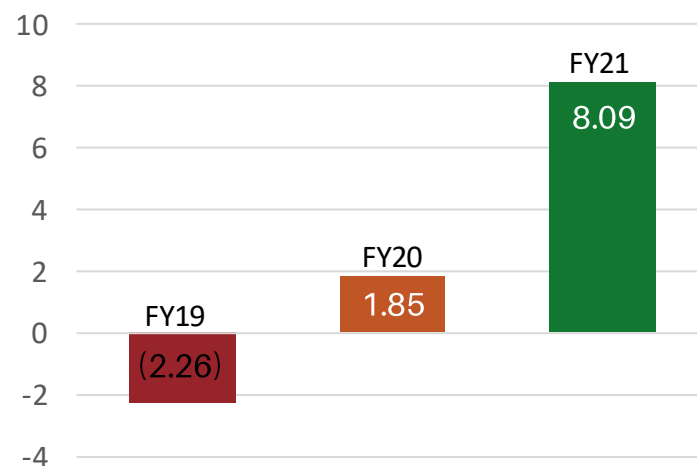
Group Revenue (A\$m)



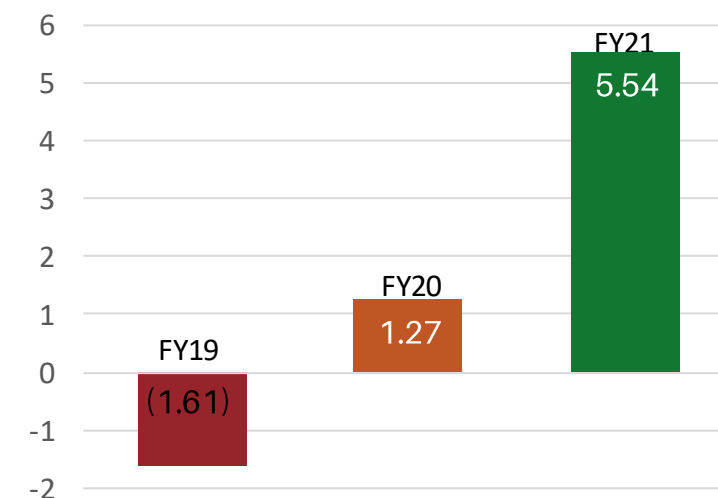
Group EBITDA (A\$m)



Group EBIT (A\$m)



Group NPAT (A\$m)



Financial Highlights

Financial year results demonstrates the resilience and dependability of our operating model.

Up 115% ▲ FY Cashflow Change

Up 216% ▲ FY Operating Cashflow Change

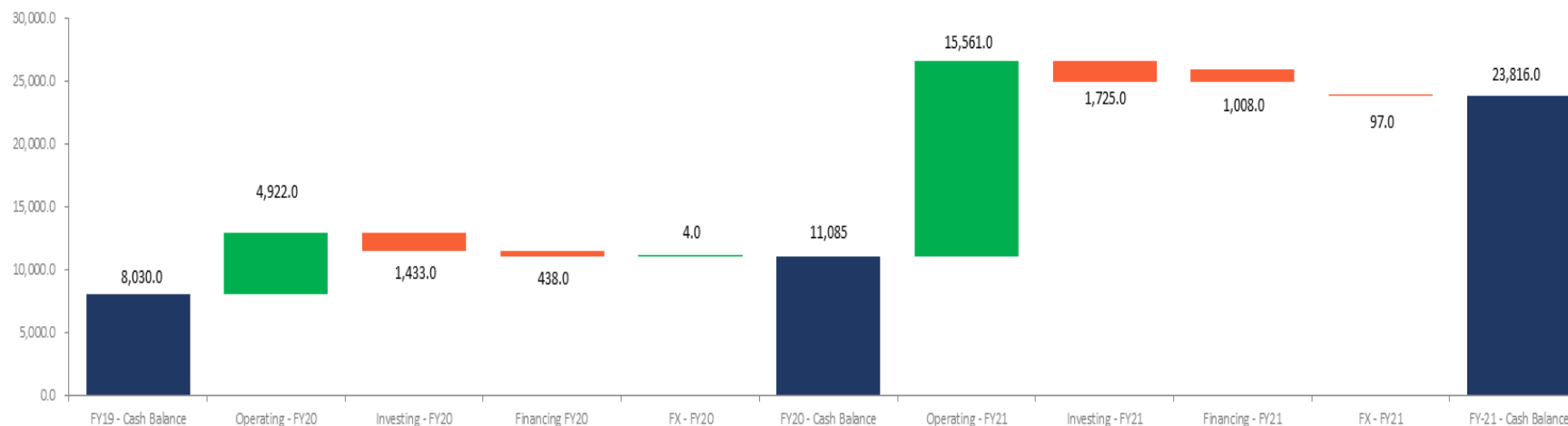
FY Income Statement

End 30 Jun (A\$m)	FY19	FY20	FY21	FY20-FY21 Change (%)
Revenue	50.13	66.46	101.24	+52%
EBITDA	(1.17)	3.40	10.11	+197%
EBITDA Margin	(2.3%)	5.1%	10.0%	+95%
EBIT	(2.26)	1.85	8.09	+336%
NPAT	(1.61)	1.27	5.54	+338%
EPS	0.00	1.23	5.36	+335%

FY Key Metrics of Cash Flow/Balance Sheet

End 30 Jun (A\$m)	FY19	FY20	FY21	FY20-FY21 Change (%)
Cash	8.03	11.08	23.82	+115%
Assets	32.82	46.01	50.34	+9.4%
Liabilities	11.62	23.36	22.24	-4.8%
Equity	21.20	22.68	28.11	+24.05%

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



Saunders
PlantWeave
Acquisition



Saunders PlantWeave Acquisition Overview

COMPANY OVERVIEW

- Incorporated in 2006 as PlantWeave Technologies Pty Limited.
- SaundersPlantWeave is one of Australia's leading specialists in industrial process automation and electrical solutions.
- SaundersPlantWeave delivers total project solutions to its clients in Manufacturing, Infrastructure, Water & Waste and Oil & Gas markets.
- SaundersPlantWeave provides specialist capabilities and experience in control systems, electrical & instrumentation systems, site commissioning and support services.
- SaundersPlantWeave provides specialist systems capabilities in Cyber Security, Data Analytics, Process Simulation & Optimisation, Energy Management, Industry 4.0 Technologies and Safety.

KEY TRANSACTION TERMS

- Saunders International has agreed to acquire the assets of PlantWeave with a non-material upfront cash payment.
- The purchase price is aligned to promote continued performance through earnings based deferred consideration consisting of payment to the owners of :
 - 45% EBIT in year 1 of this group's earnings,
 - 30% in year 2
 - 20% in year 3
- The deferred cash payment to be paid or that may be payable under the earn-out plan will be funded from SaundersPlantWeave's operating cash.
- The key employees have been incentivised through share options which are aligned to their long-term retention.



Saunders PlantWeave Strategic Rationale

- PlantWeave will drive Saunders market entry into:
 - Cyber Security
 - Industrial Automation Systems
 - Process Optimisation
 - Industry 4.0 Technologies and
 - Other technology-based infrastructure opportunities
- Diversification of Saunders market service offering through delivery of industrial automation and technology solutions.
- Enables Saunders to compliment current tank and piping services within refineries and terminals with automation solutions.
- Increased exposure into Defence sector, currently forecasting multi-billion dollar spend over the next 5-10 years.
- Ability to expand and introduce new services and products to national Utilities (Water and Power).
- Provides Saunders alternate option to scale the business through balanced portfolio of works (increased recurring revenue opportunities)

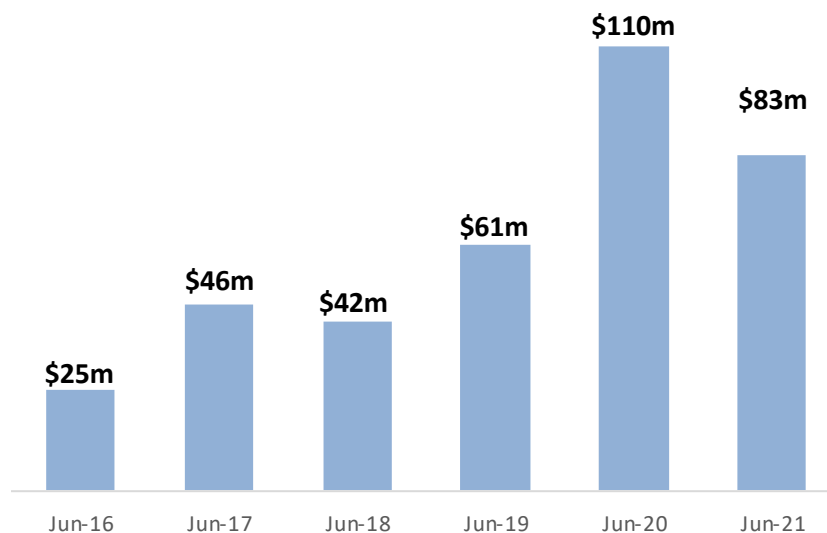


Sustained Growth

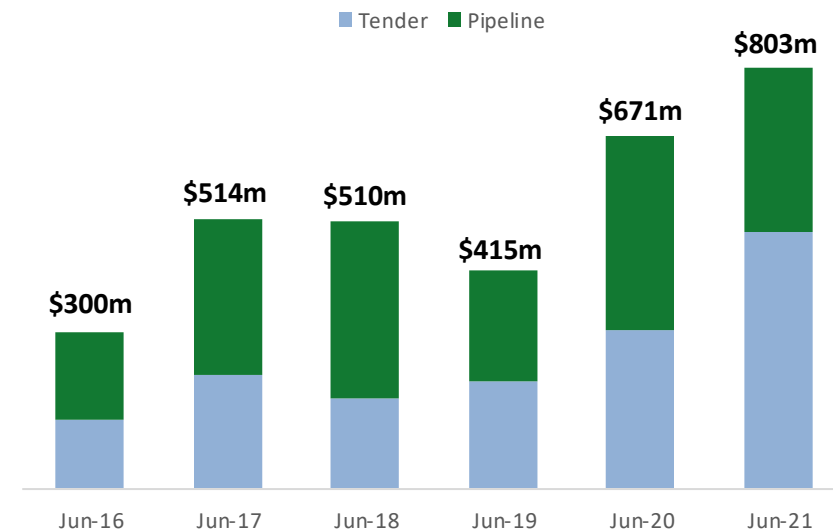
The Group has solid fundamentals in terms of balance sheet strength, robust contract pipeline and established blue-chip clients.

These foundations will support the Group's strategic growth plans.

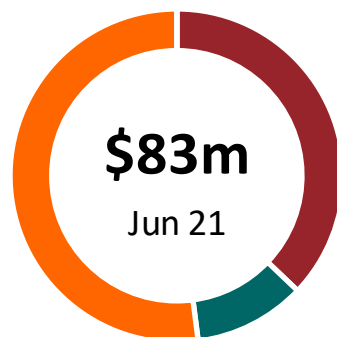
Order Book



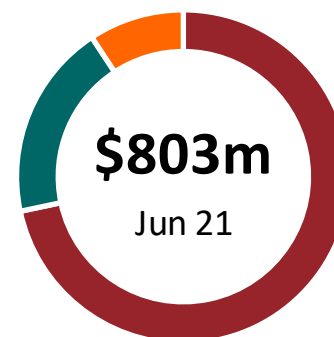
Live Tender Pipeline



Order Book Breakout



Tender Pipeline



Preferred Contractor Status



CIVIL SERVICES

CONSTRUCTION SERVICES

MAINTENANCES SERVICES

2022 Strategic Outlook

Saunders forecast growth in FY22 and beyond is driven by increased Government spend in the Infrastructure, Strategic Fuel Storage and Defence sectors.

Boosting Australia's Diesel Storage

- ✓ Continue to assist the Federal grant recipients of the "Boosting Australia's Diesel Storage Program." The Group has strong relationships with all the recipients
- ✓ \$260 million in grants translating to \$600+ million in construction FY22-FY24
- ✓ Proactively respond to the changing labour and material shortages

Infrastructure

- ✓ Convert on the growing public civil infrastructure opportunities in NSW including the Government's "Fixing Country Bridges" program - \$500 million and the Federal Government's Bridge Replacement Program
- ✓ Increase fabrication solutions of complex precast components to Tier 1 contractors as part of NSW Infrastructure expansion
- ✓ Focus on recruitment and retention strategy due to limited resources in a strong construction market

Defence

- ✓ Expand our service offering, including recently acquired Industrial Automation capabilities to existing Defence clients
- ✓ Accelerate growth in Northern Territory by leveraging operational presence in the region which includes an experienced workforce and new office/workshop
- ✓ Win and deliver works under the DFTP Tranche 2 program - budget \$500 million to 2026

Maintenance

- ✓ Leverage our recent terminal conversion experience by providing innovative solutions for the two recently closed refineries in WA and VIC
- ✓ Continue to grow on our recent shut down experience in the Utilities and Industrial sectors
- ✓ Establish long term national maintenance contracts both nationally and internationally (Oceania)

FY22 Outlook

- ✓ The FY22 performance will be dependent on COVID-19 related border closures by both the Federal and State Governments and the demand on resources, materials and cost pressures caused by the increased infrastructure activity
- ✓ Further delays in the roll out of the NSW and Federal Government Programs and Defence projects
- ✓ Given the changing nature of COVID-19 and project delays mentioned, Saunders is not in a position to provide earnings guidance at this time

Projects



CONSTRUCTION



Vopak Terminal
Port Botany



Laing O'Rourke
Defence Fuel Infrastructure



Mid Coast Council
McQueen's Bridge



Sydney Water
Liverpool Reservoir



MAINTENANCE



Opal Paper Australia
Plant maintenance



BP Bulwer
T107 & T110 overhaul



Coogee Chemicals
Dome roof installation



Quantem
Roof replacement



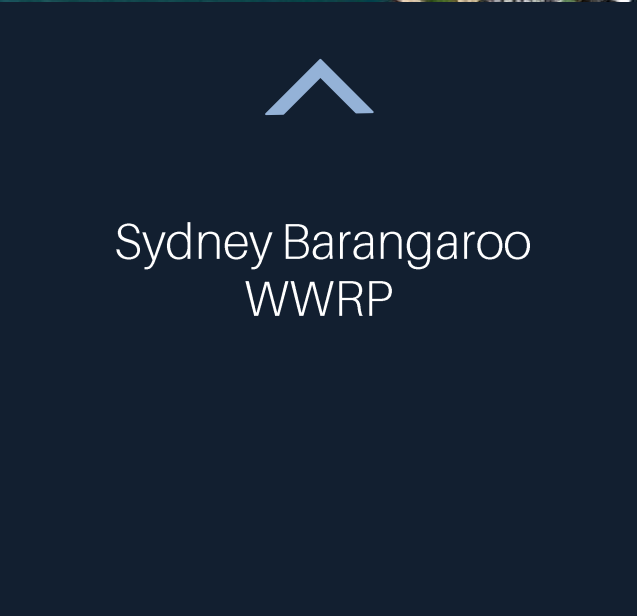
INDUSTRIAL AUTOMATION



Sydney Royal Northshore
Hospital
PowerSCADA



Veolia Barangaroo Precinct
Cyber Security Upgrade



Sydney Barangaroo
WWRP



AusGrid
132kv tunnel



SI Disclaimer

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