





I am honored to be chairing this AGM in the 70th year since Saunders was founded in 1951. I stand here today because of the significant contributions of management, employees, shareholders and clients throughout this 70-year journey. The journey continues and I would like to take this opportunity to thank you as fellow shareholders for your ongoing support of Saunders.

I am very pleased that the Company has emphatically progressed the return to profitability that started in FY20. The revenue in FY21 of \$101 million was 52% more than the \$66 million achieved in the prior year. The net profit after tax for FY21 was \$5.5 million which was a \$4.3 million improvement over the prior year.

FY21 started with the substantial foundation of \$110 million of work-in-hand. During the year, Saunders generated revenue from projects in a range of sectors including oil & gas, road and rail infrastructure, defence, energy, water, mining, and minerals. We expanded the management team with the necessary experience, and we improved our operating and safety systems with our in-house "Raise the Bar" initiative. During the year, there was a focus on monitoring and managing the operational performance needed to deliver this significantly larger turnover, whilst continuing to satisfy our customers' expectations and achieving our profitability objective. I congratulate the management team for delivering strong operational performance across the expanded turnover and the range of complex projects undertaken in FY21. These factors were significant contributors to the financial result.

The result was achieved against the backdrop of the challenges of the COVID-19 pandemic. The management team implemented a wide range of appropriate and evolving policies, protocols and measures to ensure the ongoing safety of our employees, clients and the communities in which we operate.

The focus of the management on cash flow and working capital has enabled Saunders to achieve an operating cash flow of \$15.6 million and a year-end balance of cash and cash equivalents of \$23.8 million. The strong profit and cash flow for the year has enabled Saunders to return to paying dividends, with a total dividend for the year of 2.5 cents per share fully franked.

The outlook for Saunders is positive. Most of the business sectors and clients relevant to the Saunders business are forecast to increase their capital expenditure over the coming years. We have commenced the year with work-in-hand of \$83 million of which over 30% relates to defence projects. We have established an office and workshop in Darwin to facilitate these and future defence projects in Northern Australia. We have acquired PlantWeave Technologies to enable Saunders to provide a range of technology-driven automation, optimisation and remote monitoring systems to our clients. Mark Benson, in his presentation to follow, will provide more detail on the Group's outlook and on PlantWeave.

The implications of this positive outlook are important. The board is supporting the CEO and the CFO in their planning to ensure that Saunders has the necessary resources to participate in a range of large projects that we expect to proceed in the next few years. We have continued to recruit senior management and specialist project personnel. Capital expenditure for plant and equipment will be driven by project requirements and timing. We have increased our bonding facility by 66% to \$25 million.

The safety of our employees is our highest priority. We continually review safety performance and invest in improvements of our safety processes and systems.

I am pleased that proactive and ongoing involvement of management and employees has enabled the Company to reduce the TRIFR rate to a record low of 1.25. The board and the management team are committed to continual improvement of our systems, procedures and safety culture.

I wish to thank our many long-term and loyal shareholders for their confidence in the Board and the management team ability to achieve improving financial performance into the future.

I thank my fellow directors and on behalf of the board, I wish to thank all Saunders employees for their efforts during the year.



Thank you, Tim

Good morning, ladies and gentlemen and thank you for joining us today for our 2021 Annual General Meeting.

I would like to begin by acknowledging the traditional owners of the land from which I am presenting this meeting today, which is the Gadigal people of the Eora Nations and pay my respects to their elders past, present and emerging.

As you have heard from our Chairman, we have seen significant growth in the business in FY21 and there are some good opportunities for continued growth over the coming years.

Over the next few slides, I will provide you with an update on our financial and operational performance and an update of our strategic outlook.



This year marks Saunders' 70th anniversary. Starting from humble beginnings in 1951 by Bluey Saunders the Group has continued to diversify its service offering, geographically expand and grow its financial capacity and today Saunders is well regarded as a multi-disciplined engineering and construction company.

Our rich history provides us with the required experience to successfully deliver projects within the sectors that we operate in.

I would like to take this opportunity to thank everyone who has contributed to the success of the Group over the past 70 years and thank my preceding managing directors. A special thank you, to Mr. Desmond Bryant. Des commenced with Saunders in the mid 1960's and has progressed through the company to become CEO and Chairman and is now a key shareholder of the Group. We continue to operate under the values Des has instilled into the company with integrity and teamwork being keys to the continued success of the business.



As a company in FY21 we delivered further on the second phase of our strategic roadmap and were able to respond to the changing market conditions, through the commitment and resilience of our teams.

I am proud of how agile they have been in responding to the ever-changing priorities of our client's, the general working environment and COVID 19 related issues. At the same time, our employees have lived our One Team culture, always looking out for each other.

In 2021, Saunders launched an internal continuous improvement program called "Raise the Bar", to actively engage our employees in setting the highest standard across all aspects of our business. Through the leadership and training of our people, this initiative sets clear targets in communication, delivery and accountability, giving everyone the opportunity to unlock their potential and continue to "Raise the Bar" for themselves and others.



As part of the 3 year strategy we set in FY19 the group has not only renewed its operating model but focussed on the organisational structure to best support the Group with its continued growth aspirations.

I am pleased that we have been able to attract a high calibre of personnel into our teams. We have bolstered the Executive Leadership Team with new positions including Executive General Manager welcoming Angelo De Angelis , Commercial Manager welcoming Claude Poffandi and a General Manager Business Development and Strategy welcoming Frank Kraft, as well as welcoming new team members in the position of SHEQ Manager Wayne Mastello, and Robert Harvey as General Manager Saunders PlantWeave through our acquisition.

I am confident that with the collective experience of this leadership team and the Board, coupled with Saunders renewed systems and processes the Group is strongly positioned to deliver its current orderbook and the material opportunities we are presently working on.



Saunders commitment to the safety and security of our people is unchanged and remains management’s key focus.

Saunders strong safety performance demonstrates that our ongoing focus is more than adopting the right processes and procedures but developing a strong safety culture which is focused on putting our people first and caring about their wellbeing above all else.

The commitment of our employees has again seen a reduction in our Total Recordable Injury Frequency Rate or TRIFR to 1.25. Our focus for the coming year will again target our key objectives of reducing our lagging indicators while continuing to focus on proactive leading behaviors that develop a strong safety culture that ultimately keeps our employees safe in our workplaces.

Our people have done an amazing job navigating through the COVID-19 pandemic and the ever-changing conditions that have been put in front of them.

The business has not only remained operational but has continued to grow over the past two years.

Slide 8



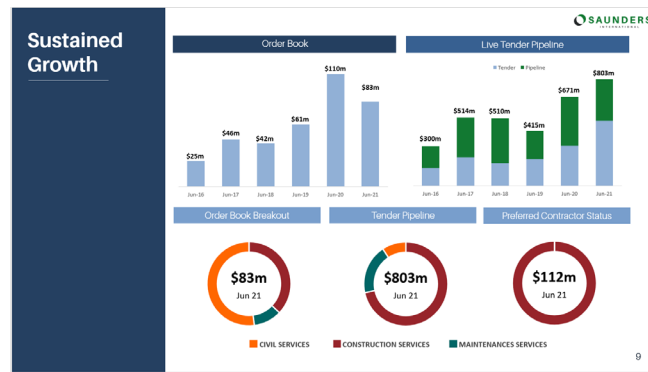
Revenue for the year has increased by 52% or (\$34.8m) to \$101m and with the gross margin significantly increasing by \$7.2m to \$18.0m. The primary reason for the gross margin growth was due to a combination of the higher revenue and operational efficiencies in project delivery, this led to a blended gross margin percentage of 17.8% for the year, up from 16.2% in the prior year.

Saunders balance sheet remains robust, and we have reported a strong operating cashflow, with \$15.6m of cash generated from operating activities. This has been the result of the strong operational delivery of projects and the focus on working capital across the business. The Group's cash balance at the 30 June 2021 was \$23.8m.

We have increased our bonding facility to \$25 million, an increase of \$10m in the year. The additional headroom coupled with our strengthened balance sheet provides the Group with a solid platform to deliver the current orderbook and future growth opportunities in the market.

With strong earnings performance reported in FY21 the Board has declared a total dividends for the year of 2.5 cents which includes a 1 cent special dividend representing a total earnings payout ratio of approximately 47% of NPAT.

Slide 9



The Group has entered the FY22 year with a strong order book and our current near-term pipeline is valued at over \$800 million.

The robust contract pipeline and established blue-chip clients coupled with the strengthened balance sheet presents the Group with solid foundations that will support the Group's strategic growth plans in the Australian market.

Our diversity of services and strengthening market position across different sectors, has protected us against the challenges encountered over the past few years.



We announced in August the acquisition of PlantWeave technologies and I am pleased that Robert Harvey and his team are now integrated into the Saunders systems and processes.

The acquisition of PlantWeave provides Saunders with an opportunity to expand its technical service offering to its existing clients in the Oil & Gas and Resources sectors.

The diversified service will assist with accelerating market penetration into the Defence and Utilities sectors in both Power and Water.

Saunders customers are increasingly moving towards technology driven solutions and PlantWeave will drive Saunders market entry into Cyber Security, Industrial Automation Systems, Process Optimisation, and Industry 4.0 Technologies.

This diversification will continue to future proof the business and has a high synergistic connection to 3 out of our 4 operational groups.

2022 Strategic Outlook	
Boosting Australia's Diesel Storage	<ul style="list-style-type: none"> ✓ 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 \$800+ million in construction FY22-FY24 ✓ Proactively respond to the changing labour and material shortages
Infrastructure	<ul style="list-style-type: none"> ✓ Convert on the growing public civil infrastructure opportunities in NSW including the Government's "Replacing 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	<ul style="list-style-type: none"> ✓ Expand our service offerings, 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 offshoots ✓ Win and deliver works under the DFIP Tranche 2 program - budget \$500 million to 2026
Maintenance	<ul style="list-style-type: none"> ✓ Leverage our recent terminal conversion experience by providing innovative solutions for the two recently closed refineries in WA and VIC ✓ Continue to grow our recent shut down experience in the Utilities and Industrial sectors ✓ Establish long term national maintenance contracts both nationally and internationally (Cosema)
FY22 Outlook	<ul style="list-style-type: none"> ✓ 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 ✓ Forecast FY22 revenue should be in the range of \$95m to \$105m, with an EBIT range of 4.5% to 5.5%

Our strategic position as a market leader in the bulk liquid storage sector will see our business enjoy significant growth opportunities over the next three years. This will be assisted by the planned construction of approximately 780 megaliters of new tank storage, as part of the Boosting Australia's Diesel Storage Program to increase long-term fuel security. The government is investing up to \$260 million in grants to expand Australia's diesel storage capacity as part of its commitment to boost long-term fuel security, creating jobs and keeping fuel prices low.

The Government is forecasting that these projects will increase Australia's diesel holdings by 40%, with the grants turning into over \$630 million of public and private sector investment into ten projects across Australia. All the grant winners are currently clients of Saunders and we have assisted them with either their respective grant submissions or providing support for the next phase in their process.

We continue to see significant opportunities across all our groups and our focused approach to the Defence sector has positioned us for further growth in this area. We are seeing projects planned by both the Australian and US governments especially concentrated in the Northern Territory which has accelerated our plans to establish a permanent presence in the region. This year saw Saunders open an office and workshop in Darwin.

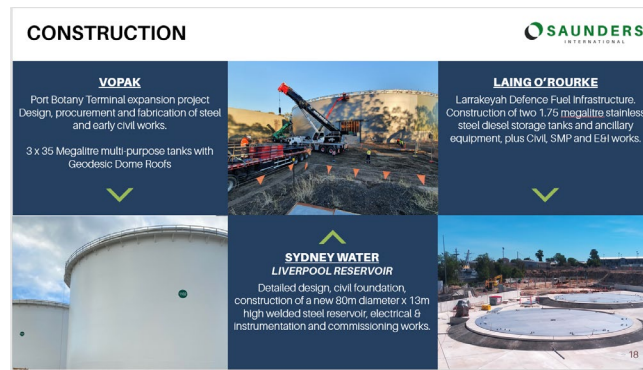
We are also starting to see the flow through of the "NSW Replacing Country Bridge Programs" where the NSW Government has put forward approximately \$500 million in grants to replace over 400 NSW country bridges over the next two years. Our Newcastle precast operation has experienced high demand, with the increased infrastructure projects in Sydney and the broader NSW.

Our tank maintenance group who experienced reduced revenue during FY21 due to the uncertainty of the Australian refineries, is now seeing an increase in activity following the announcements from the government to support the remaining refineries for the next 6 years with a 6 year option. They will also have opportunities in terminal conversion works as the closed refineries reconfigure themselves into terminals.

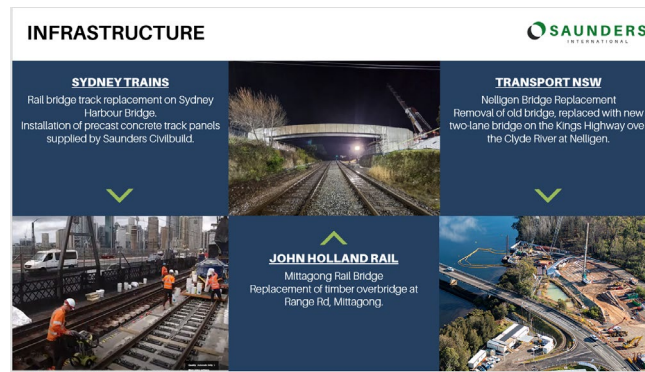
Although the first quarter of FY22 has seen delays of these opportunities coming to market, we expect to see some project awards at the back end of Q2 FY22. While the performance of FY22 will be dependent on the speed of these project awards and the management of COVID 19, we feel the tail winds across the sectors we operate in, and our strong balance sheet should see Saunders successful in winning our share of projects. We can now provide guidance and expect our full year revenue result to be in the range of approximately \$95m to \$105m at an EBIT range of 4.5% to 5.5%.



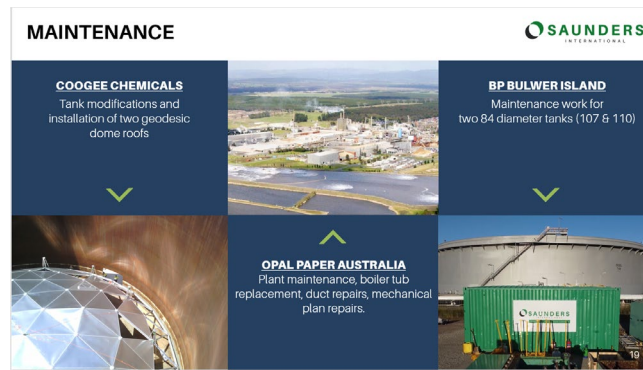
Saunders completed many high quality projects over the past year. I will present a sample of a few of these projects.



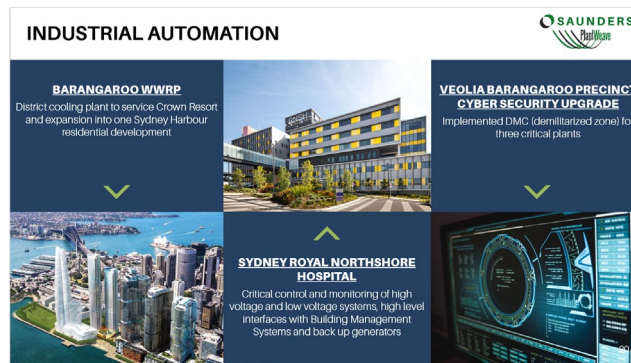
- We built three x 35 megaliter tanks for the Vopak project at Botany. This project was completed in June 2021.
- We are completing the construction of an 80m diameter water reservoir for Sydney Water at Liverpool. The project has been impacted by the recent COVID-19 lockdowns and is forecast to be completed by end of Q2 FY22.
- We are completing the construction of two storage tanks and other infrastructure works for Laing O'Rourke as part of the Larrakeyah Defence Precinct Redevelopment Program. The project is progressing well and will be completed in 2023.



- We were proud to be involved in the iconic project with Sydney Trains where we fabricated and supplied circa 584 panels for the Sydney Harbour Bridge train track replacement project. This project was delivered in an extremely tight time frame and was the most complex precast project the business has undertaken.
- We are constructing a concrete bridge over Range Rd in Mittagong in conjunction with ARTC and John Holland. This will be the fifth project we have completed for this customer. This project will be completed in Q2 FY22.
- We have recently commenced the pre-cast supply of 77 Super Ts and 8 x sixty tonne precast pile shell caps, for the Nelligen Bridge replacement project. This project is progressing as planned and is scheduled to be completed in Q4 FY22.



- We recently completed the construction and installation of two geodesic dome roofs for Coogee chemicals in Kwinana WA and have been awarded two further tank roof replacements on the same site. As a business we have installed six geodesic dome roofs over the past year becoming the market leader within Australia.
- We successfully completed a shutdown project in April 2021 for Opal Paper in Victoria where our crew size peaked at 130 people.
- We have been on BP's Bulwer Island site for the past six years assisting with the terminal conversion process and are due to complete the last major tank refurbishment project in Q3 2021. We will look to use this experience and our existing relationships to capitalise on the potential market opportunities as a result of the refinery closure in 2021 at BP Kwinana and Mobil Altona.



The following are a sample of the contracts that have been novated through the recent acquisition of PlantWeave Technologies.

- Saunders PlantWeave was engaged to extend the District Cooling Water Plant to service the new Crown Resort at Barangaroo. This project is currently undertaking further expansion into the One Sydney Harbour residential development.
- A project for the provision of critical control and monitoring of High Voltage and Low Voltage systems within Royal North Shore Hospital.
- A project to implement demilitarised zones for three critical plants for Veolia's Barangaroo Precinct.

Additionally, Saunders PlantWeave is providing critical automation solutions for the abovementioned Saunders Larrakeyah Defence project.

SECTORS	SERVICES
OIL & GAS	Tank Construction & Maintenance
INFRASTRUCTURE	Civil Works, Precast Fabrication, Bridge Construction
ENERGY	EPC Construction, Mechanical, Electrical, Civil
DEFENCE	Engineering & Design
WATER	Structural Mechanical & Piping
MINING & MINERALS	Industrial Maintenance & Shutdowns
	Electrical Instrumentation & Automation Control Design

The last 18 months has been challenging for everyone in Australia and around the world and this pandemic has affected people and business in different ways. As a leader of an organization managing through these challenging times, I can say that the real caliber of a team and the culture of a business is uncovered when tested under these conditions, your cracks open up and you fail, or you circle the wagons and rise to the occasion.

I am pleased to inform our loyal shareholders that our Saunders One Team has not only risen to the challenge but continued its focus on our path for growth and continued excellence.

So, I would like to take this opportunity to thank all our Saunders team for their ongoing dedication, commitment, and highly valued contribution in very challenging times,

I would also like to thank my fellow directors and all our stakeholders for their loyalty and support during the past few years.

Thank you, and I will hand back over to Tim to conduct the formal business.

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