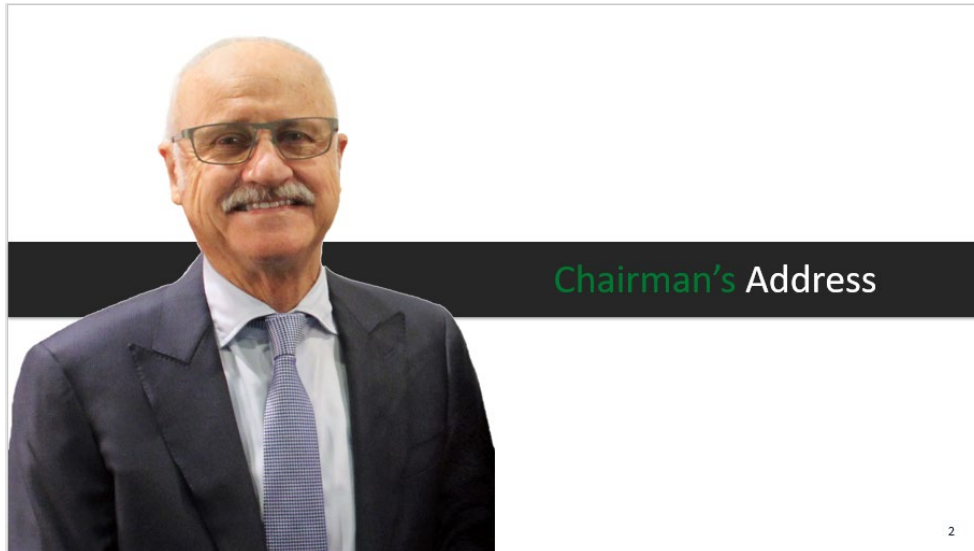


## SLIDE 1



## SLIDE 2



It is my pleasure to welcome you, in person, to this AGM after several years of virtual meetings.

I am pleased to report that FY22 has been a year of very significant achievements for Saunders.

The Company delivered an improved financial performance as detailed in the Annual Report. Saunders market cap has been over \$100 million for most of 2022. We ended FY22 with a strong balance sheet supported by over \$36 million cash. We have continued to pay fully franked dividends and we have increased the capacity of our bonding facilities to cater for the growing value of the projects we are undertaking.

On the project front, a very significant achievement was to win a \$165 million contract to design and construct a US Defence Fuel Storage Facility near Darwin. During the year, Saunders also undertook several other substantial projects at Australian defence facilities. These projects are confirming our capability to expeditiously deliver new defence infrastructure and upgrade existing defence fuel facilities.

We have faced several adverse headwinds during this last year.

Most of our construction work is conducted out-doors and the record rainfall and flooding events, especially in NSW, have adversely impacted productivity and increased costs, especially in our bridge building and concrete pre-casting operations. For these business units, we are re-calibrating the weather risk assessments, the business focus and the commercial framework to better handle wet weather and climate change impacts going forward.

Other adverse headwinds during the year included Covid-related workforce absenteeism, supply chain logistic delays impacting optimum project planning and the very tight supply of skilled workforce to meet our growth objectives.

The Management Team have worked exceptionally hard to upscale our capability. We have expanded our management with several appropriately experienced managers, and we have increased our workforce numbers and trained new employees. I have high praise for the quality, capability, resilience and efforts of our Management Team and workforce. This is the main reason why we have delivered the improved financial result despite the headwinds.

Dramatic changes in the geopolitical security landscape have emerged in eastern Europe and the western Pacific Ocean in the last year. These ongoing conflicts and tensions have heightened awareness in Australia of the need to be more self-reliant in terms of industrial capability, fuel security storage and defence infrastructure. The forecast alarming increase in the cost of gas and electricity for east coast retail and industrial consumers is expected generate new projects to address the supply side of this problem.

The outlook for Saunders has been made more positive as consequence of these changing geopolitical security and energy cost landscapes. Saunders is well placed to benefit in the medium term from the opportunities that will come to market to address these issues.

The Company has started FY23 with the solid foundation of a substantial orderbook of \$193 million.

I am pleased that last year's acquisition of PlantWeave has been successfully integrated and is contributing to the broader capability that we offer industrial and defence clients. We are focussed on implementing our strategic plan to grow Saunders size

and diversify its capability. This is an active ongoing initiative. Objectives include water sector infrastructure, electrical power and natural gas distribution infrastructure, industrial process automation and remote monitoring and control technology.

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

The Board and the Management Team are committed to the ongoing improvement of our systems, procedures and safety culture. I am pleased that proactive and ongoing management and employee involvement is aligned with the Board and the Management Team's objectives and commitment.

I wish to thank our many long-term and loyal shareholders for their confidence in the Board and the Management Team to diversify the source of reliable income streams and grow financial performance of the Company 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.

## SLIDE 3



Thank you, Tim

I'd like to join the Chairman in extending a warm welcome to the Saunders Annual General meeting for 2022.

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. I will also provide an update on our large project in Darwin, Project Caymus and an overview of the recently announced aviation fuel terminal at Western Sydney Airport.

## SLIDE 4



Before starting, Saunders respectfully acknowledges the traditional owners and custodians of the country and their connection to land, sea and community. We pay our respects to their cultures and to Elders past, present and emerging.

## SLIDE 5

### Sustainability

Saunders' approach to Safety, Health, Environment and Quality (SHEQ) focuses on creating a workplace culture that promotes safety, integrity, innovation, teamwork and leadership.

Saunders' success in delivering consistent project excellence is shaped by our "OneTeam" culture and 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, our customers and our communities.



#### ENVIRONMENTAL

- Reduction of water consumption
- Waste management
- Recycling, re-use, repurpose
- Resource management
- Sustainable materials usage



#### SOCIAL

- Diversity & social inclusion
- Mental health & wellbeing initiatives
- Promoting female participation
- Education & skills development
- Support of charitable organisations
- Engagement with various Indigenous vendors



#### GOVERNANCE

- Formal strategy development
- Published policies & procedures
- Stakeholder engagement
- Formal commercial processes
- Structured documents and safety systems



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With local presence across all states, and permanent offices across NSW, VIC, NT and PNG and a workforce of over 350 staff, we remain focussed on safety and continue to strengthen our safety culture through conducting safety awareness initiatives across all our teams.

We are committed to leadership in safety management and the continuous improvement of our safety systems, processes, culture, and our goal to achieve zero harm across the business.

People are at the heart of everything we do at Saunders, and we continue to invest in development programs to ensure our people have the best opportunities to deliver excellent outcomes for their personal growth and for our customers.

## SLIDE 6

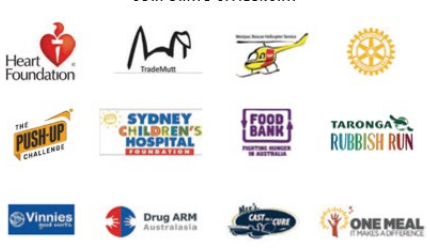
### Our Commitment

As an Australian company, it is our responsibility to cultivate diversity and inclusion in our workplace. To empower all cultures and demographics and increase the representation of our First Nations peoples.


To represent Saunders' commitment to Indigenous inclusion, we approached First Nation artist, Sharon Smith to create an artwork that communicates the coming together of our two cultures.

This artwork hangs in our head office as a reminder of our company's dedication to togetherness and understanding of culture.

**CORPORATE CITIZENSHIP**



**Artists' Statement:**  
"When I paint, I think about how our ancestors worked and looked after the land. This painting represents our indigenous heritage and an Australian company, Saunders International, coming together to listen, share our stories and work together to protect and maintain our environment. It's a part of healing and understanding the importance of belonging which helps create a connection to community and culture. The travelling tracks in the painting represent meeting places where men and women come together as one."  
- Sharon Smith (Wiradjuri Artist)



Saunders is actively committed to diversity and inclusion across all our locations, with processes to empower our people and increase collaboration with First Nations' peoples. We strive to deliver excellence in everything we do and have a strong reputation for innovation and getting the job done.

Respect and engagement for the communities in which we operate, continues to be a focus for Saunders. During the year we have participated in a number of community centric events, made meaningful donations to community programs and encouraged employees to voluntarily participate in events.



## SLIDE 7

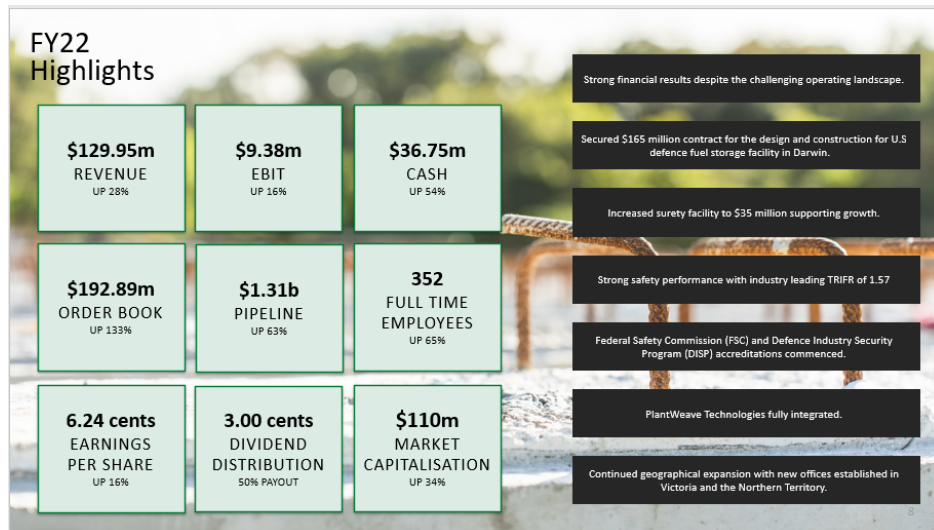


I would like to take the opportunity to thank the senior executive team, for their outstanding efforts during the year.

Over the past few years, we have been building an executive leadership team to support the forecasted growth of Saunders. We now have an established team of leaders to manage the diverse range of services and sectors we operate in. Their efforts will continue to place the company in a strong position to take advantage of the opportunities ahead.



## SLIDE 8



As Tim mentioned, Saunders reported a strong financial result for the year which was produced against a continuing back drop of global economic and social uncertainty. The resilience of Saunders' people and the operating model has delivered another solid performance in the 2022 financial year.

Saunders' revenue for FY22 was \$129.9 million, an increase of \$28.7m or 28.4% against FY21 of \$101.2m. The Net Profit After Tax for Saunders was reported at \$6.5 million, an improvement of \$1.0 million or 18.2% against FY21 \$5.5million. Earnings Before Interest Tax Depreciation Amortisation was \$11.7 million, an improvement of \$1.6 million or 15.8% against FY21 of \$10.1 million.

Earnings per share for the period was 6.24 cents versus 5.36 cents in FY21.

The results for the year were driven by a combination of strong operational execution of projects across the Group and increased opportunities in the markets within which the Group operate.

This has seen Saunders' cash and cash equivalents materially improve with a balance at the end of FY22 of \$36.7 million representing an increase of circa \$13 million from FY21.

I am pleased to report that Saunders, as a member of the companies listed on the ASX who are classified by GICS with an industry of Construction and Engineering or Machinery focus, delivered a three-year Total Shareholder Return in the 93.1 percentile rank and third place, which significantly outperformed Saunders' peers and the index.

As a result of the strong financial performance in the year, our shareholders received a final dividend of 2.0 cent per share, which brings Saunders' full year dividend to 3.0 cents per share, an increase from the 2021 Financial year.

## SLIDE 9



Similar to other engineering and construction companies in Australia, Saunders has had its challenges in the 2022 financial year.

- COVID-19 as we all know, has impacted various states at various times, with the NSW and the Northern Territory region being severely impacted early in the year. This continues to be something we have to manage. Typically, we have had circa 5% of the workforce sick on a daily basis with COVID-19, the flu or similar. The Group has mitigated COVID-19 through over-staffing of projects to cater for absenteeism and continuing to educate and train our people on best practice protocols at all locations
- The unpredictable weather across the east and west coasts has been challenging, with our Civil Infrastructure business being materially impacted in the year. The business continues to look at alternate commercial models and work with our customers to mitigate weather risks on projects.
- Labour is the number one issue everyone is facing today. We are pleased that to date we have been able to grow our workforce from circa 200 at FY21 half year to circa 375 currently to help complete current projects. With localised training programs we have been able to train our local employees in some of the niche areas we operate in whilst avoiding paying premiums on non-local labour.

Saunders continues to manage these economic uncertainties while leveraging market opportunities.

## SLIDE 10




Our diversification and growth strategy is on track and with a record order book, pipeline of opportunities and a robust balance sheet we are well established for further growth.

The Group has entered FY23 with a strong order book and our current pipeline of opportunities is reported at circa \$1.5 billion.

Saunders strong cash flow supported through robust working capital management is a differentiator of our operating model.

## SLIDE 11



- Forecast \$400+ million in construction of remaining projects - FY22-FY24
- Government's "Fixing Country Bridges" program – forecast circa \$300 million yet to be awarded
- Increased requirement for complex precast components as part of NSW infrastructure boom
- Expand our service offering, including industrial automation capabilities to existing Defence clients
- Defence Fuels Transformation Program (DFTP) Tranche 2 program budget \$500 million 2022 to 2026
- Utilise recent terminal experience to convert growing pipeline of new opportunities
- Leverage our recent shut down experience in the utilities and industrial sectors
- Expand long term national maintenance contracts
- Despite uncertainties around tightening labour markets, inflationary pressures, supply chain costs, likely ongoing impacts from COVID-19 and severe weather events, the outlook for Saunders remains positive
- With the current levels of our order book and the pipeline of new opportunities, we forecasting revenue to be

Although there remains competition in the sectors we operate in, we are seeing a strong diversified pipeline of opportunities across our sectors and services.

While there remains high levels of domestic and global uncertainty, Saunders has reported some positive outcomes in the first quarter of the 2023 financial year, with over \$75 million in new contracts being awarded to date.

We believe there is good reason for the recent momentum to continue for the remainder of the year and beyond. There continues to be an increase of outsourcing of non-core services from our clients looking for a one stop provider to ensure increased efficiency from their existing assets and reduction in levels of interface on the larger projects.

The outlook for Saunders' core sectors is buoyant. There are growth opportunities within defence, including the \$500 million Tranche 2 works for the Defence Fuels Transformation Program which is forecast to come to market by Q4 2023 into Q1 2024.

The remaining projects within the Federal and NSW Governments fixing country bridge program will come to market over the next year, with \$300 million yet to be awarded.

We continue to assist the remaining customers to finalise their respective projects as part of the Boosting Australia Diesel Storage program and are focussed on delivering Saunders' first project as part of the program for Park Fuels.

New Energy was identified as a focus sector post our 2023 Strategic planning process and we expect to see further growth opportunities for Saunders over the next few years.

Post the first quarter trading in financial year 2023 and further certainty on some of the preferred contracts, we can now provide guidance and expect our full year revenue for 2023 to be in the range of \$190m to \$220m at an EBIT range of 6.5% to 7.5%. This of course will be dependent on the current economic macro impacts, COVID19 issues and weather-related uncertainties.

## SLIDE 12



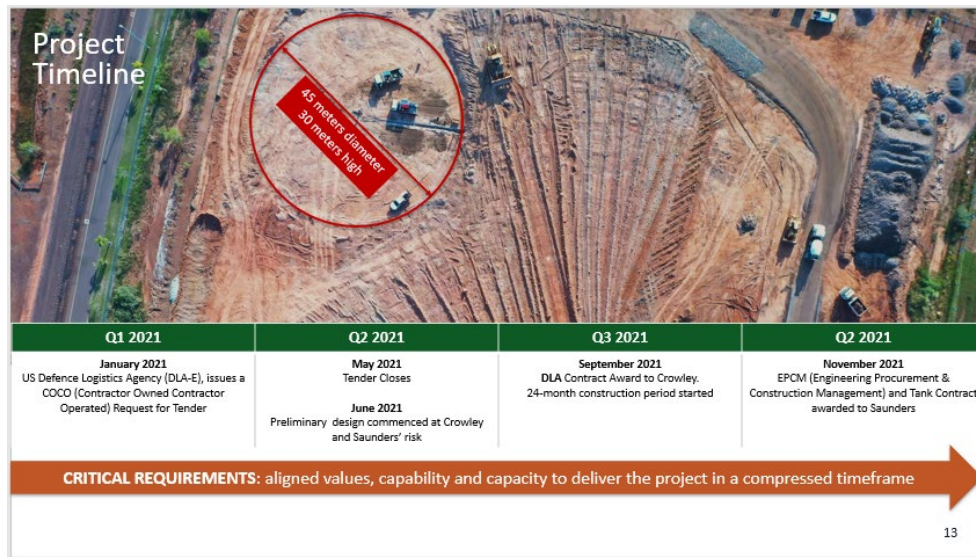
Project Caymus is the Northern Territory's largest purpose-built Jet fuel storage facility. The project is being constructed out at East Arm.

To satisfy the specification for the US DLA and the construction envelope, we had to fit 300 million litres of jet fuel. Our design put forward, holds this quantity in 11 tanks that are 45 metres in diameter and 20 metres tall. There are two types of jet fuel that will be stored in this terminal. One is 700,000 barrels or 111 Million litres of F34 flammable jet fuel which is a military kerosene type aviation fuel used by land based military gas turbine engine aircrafts, and the second type is 1.2 Million barrels or 191 Million litres of F44 combustible jet fuel which is a military high flash point kerosene type aviation fuel used by ship borne military gas turbine engine aircrafts.

The issue and receipt of fuel will be via sea and road and there is a triple road tanker load and unload gantry with a capacity of 2,500 litres per minute per truck



## SLIDE 13



The project timeline and what is being achieved here is unique to Australia.

To complete the compressed project timeline, it was essential that Saunders' values aligned with Crowley.

The tender was released by the US Defence Logistics Agency in January 2021.

The US Defence Logistics Agency (DLA-E) is a [combat support agency](#) within the [United States Department of Defence \(DoD\)](#), the DLA provides supplies to the military services and supports their acquisition of weapons, fuel, repair parts, and other materials.

Collaboration between Crowley, Saunders and Tetra Tech Proteus in an Early Contractor Engagement process aligned to produce a preliminary design, costing and DA requirements. Many design, constructability and value engineering workshops were undertaken to finalise the design, project schedule and cost.

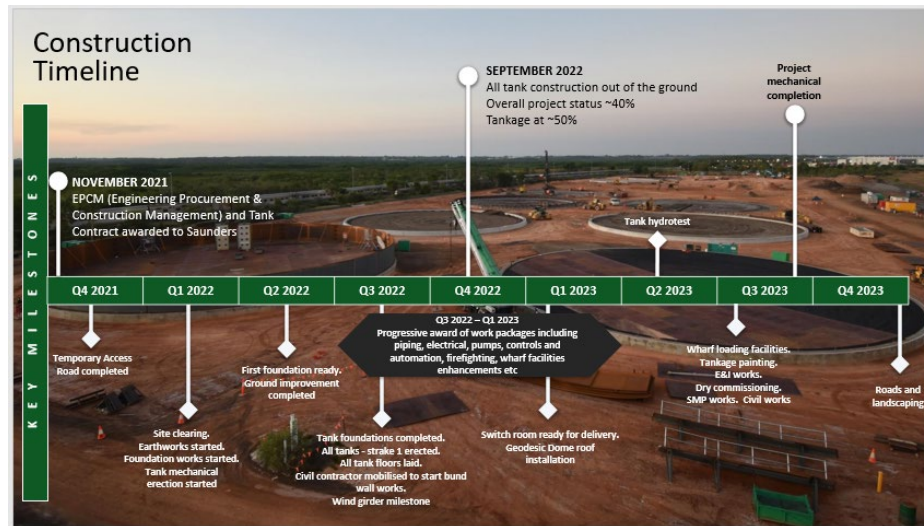
Crowley were awarded the contract by the DLA-E in September 2021 which triggered a 24-month stopwatch for the facility to accept jet fuel from the US Department of Defence.

Saunders finalised consolidation and was awarded the overall EPCM and tank construction contract in November 2021 with 22 months left in the project timeline.

This Contractor owned Contractor operated or COCO model is the preferred method of operation by the US DoD. It has been proven in the past to provide capability quickly in different theatres of operation around the world. Crowley has successfully operated this model in the past.

A similar project within the Australian Defence Force would typically take several years. So, there are a lot of interested parties in both Washington and Canberra on this project and the model.

## SLIDE 14



The overriding metrics for this project are:

- Safety
- Quality
- Schedule
- Cost

The big emphasis being the safe delivery of a very tight schedule.

Following the award to Saunders towards the end of November 2021, we commenced the temporary access road onto the site prior to Christmas. In January 2022 we continued with the site clearing, bulk earthworks and ground improvements. All this during the wet season.

We had good collaboration with local company East Arm Civil and Menard for the ground improvements. Foundations were progressively handed over and by Q3 this year all tanks had started. The project is currently about 40% complete with tanks over 50% complete.

The balance of work packages is now being progressively tendered to the market. These packages include Civil bunds and floor, piping, electrical, wharf works, buildings, roads and landscaping.

Project mechanical completion and commissioning is scheduled for the end of Q3, 2023.

The upcoming video will provide a fly through of the facility and progress to date.



**SLIDE 15**

**PROJECT FLYTHROUGH VIDEO**

## SLIDE 16

Saunders awarded \$44m contract with Multiplex for design and construction of new Aviation Terminal at Western Sydney International Airport



As announced in October, Saunders has been awarded the contract to design and construct the aviation fuel terminal at Western Sydney International airport.

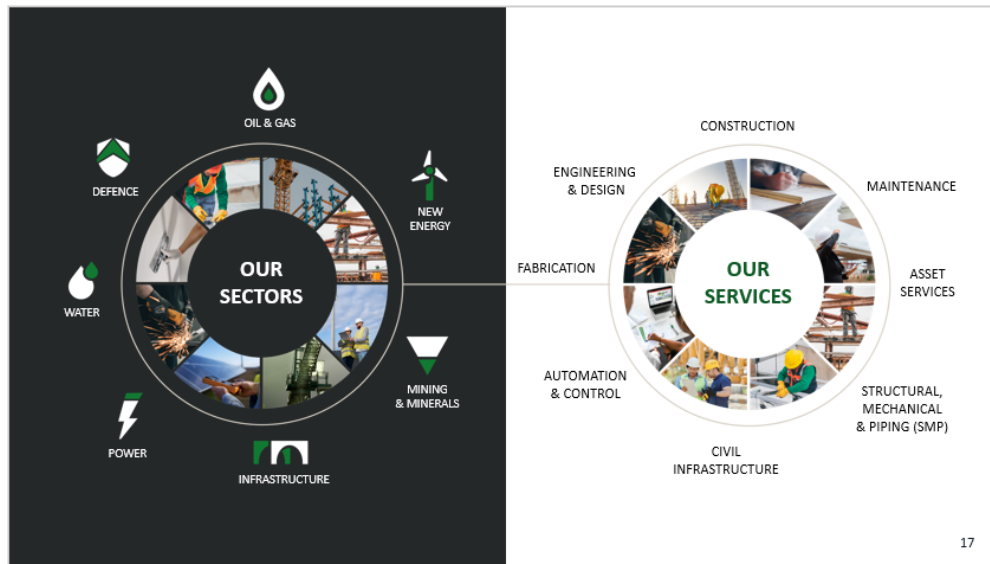
Saunders' scope of works for this \$44 million project includes design and construction of:

- three aviation fuel storage tanks
- the aviation fuel terminal's mechanical piping, valves, pumps, filters, instrumentation and controls
- the aviation fuel terminal's electrical services including cabling and switchboards, SCADA electrical and controls

The Western Sydney International Airport or Nancy Bird Walton Airport, is an iconic project for NSW and the Greater Western region, and it represents a significant win for Saunders, being our second largest project outside of Project Caymus.

The airport is on track to open in late 2026.

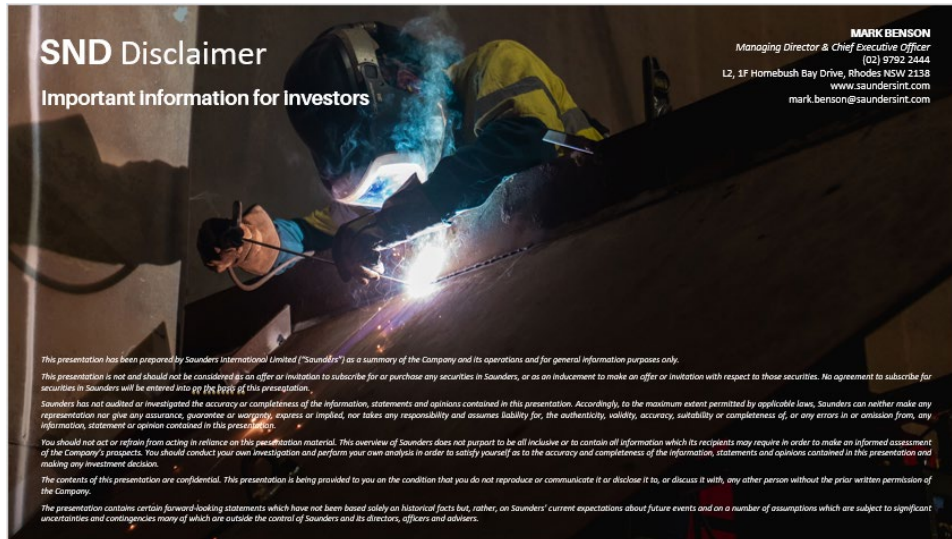
## SLIDE 17



Finally, I would like to take the opportunity to thank our talented staff, whose continued contribution has been integral to our performance. I would also like to thank our shareholders, clients and partners for their ongoing support.

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

## SLIDE 18



**SND Disclaimer**

**Important Information for Investors**

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