



FY23 HALF YEAR INVESTOR PRESENTATION



24 FEBRUARY 2023

Presented by:

MARK BENSON

Managing Director & Chief Executive Officer

BRETT GREGORY

Chief Financial Officer (Interim)



ACKNOWLEDGEMENT OF COUNTRY

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 and present.



HALF YEAR PERFORMANCE HIGHLIGHTS



\$93.0m

REVENUE

▲ UP 100%



\$200m

ORDER BOOK

▲ UP 3.6%*



4.4 cents

EARNINGS PER SHARE

▲ UP 65%



\$7.0m

EBIT

▲ UP 73%



\$1.7b

PIPELINE

▲ UP 30%*



2.0 cents

DIVIDEND DISTRIBUTION

46% PAYOUT



\$38.6m

CASH BALANCE

▲ UP 26%



400+

FULL TIME EMPLOYEES



\$128m

MARKET CAPITALISATION

15th February 2023



ON TRACK FOR FY23 GUIDANCE

- Strong financial results despite macro market challenges continuing, inflation of goods and services, inclement weather and labour resource availability.
- Secured ~\$100 million in contract wins and variations in the period, with both long-term and new customers.
- Orderbook increased to \$200 million (up from \$193m per FY22 Annual report).
- Strong cash position of \$38.6 million, positive operating cash flow in H1.
- Continued growth in the defence, infrastructure, and oil & gas sectors.
- Entering final stages of Federal Safety Commission (FSC) accreditation.
- Defence Industry Security Program (DISP) accreditation finalised.
- Reaffirm FY23 guidance of \$190-\$220 million revenue and 6.5%-7.5% EBIT.

FINANCIAL HIGHLIGHTS

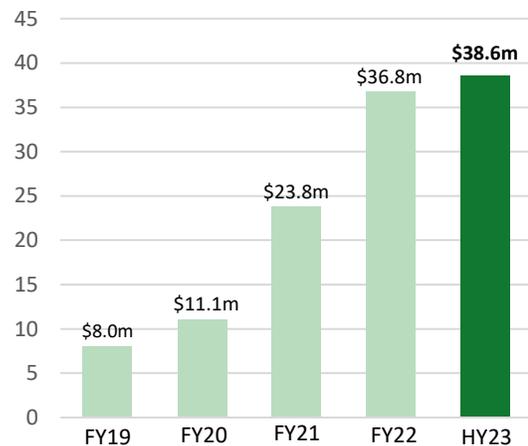
GROUP REVENUE (A\$M)

Up 100.4% ▲ Revenue Change



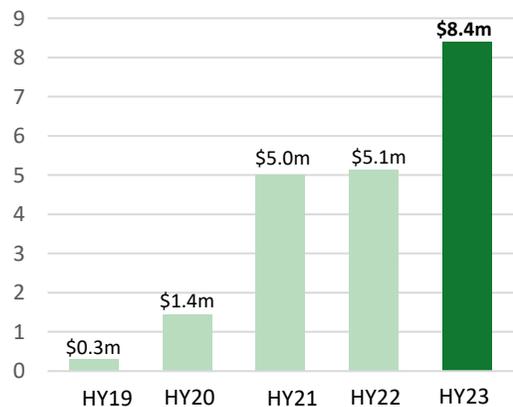
GROUP CASH RESERVES* (A\$M)

Up 5.0% ▲ Cash Change



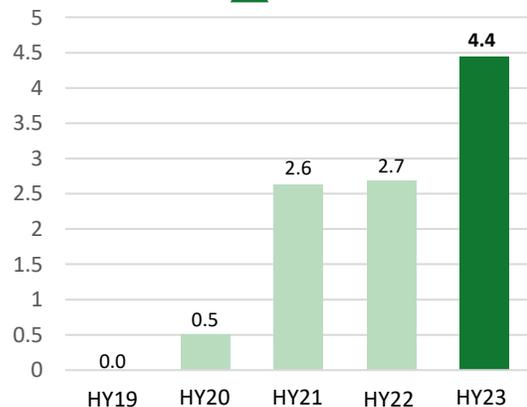
GROUP EBITDA (A\$M)

Up 63.3% ▲ EBITDA Change



EARNINGS PER SHARE

Up 65.1% ▲ EPS Change

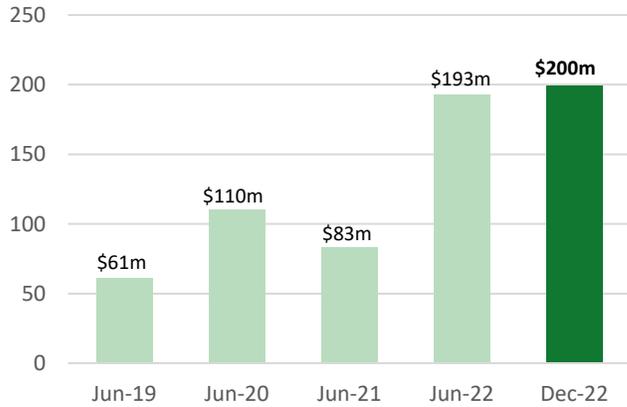


* Prior Period Comparative - 30 June 2022



SUSTAINED GROWTH

ORDER BOOK (A\$M)



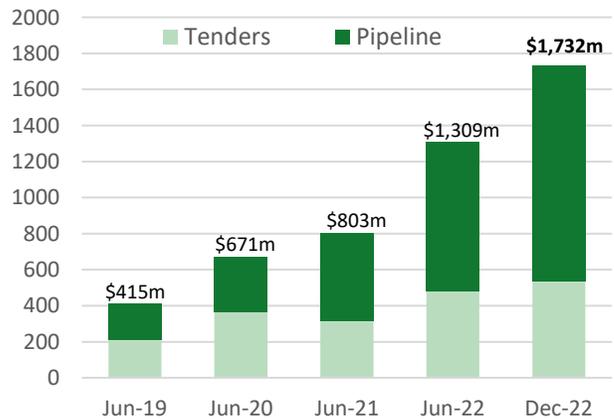
ORDER BOOK BREAKOUT



PIPELINE



LIVE TENDER PIPELINE



PREFERRED CONTRACTOR STATUS



92

BUSINESS MODEL STRENGTHS

BUSINESS POSITIONING

- Sector and geographical diversity
- Exposure to long term growth in:
 - Defence
 - Oil & Gas
 - Water
 - Infrastructure
 - New Energy
- Innovative delivery solutions

BALANCED EARNINGS

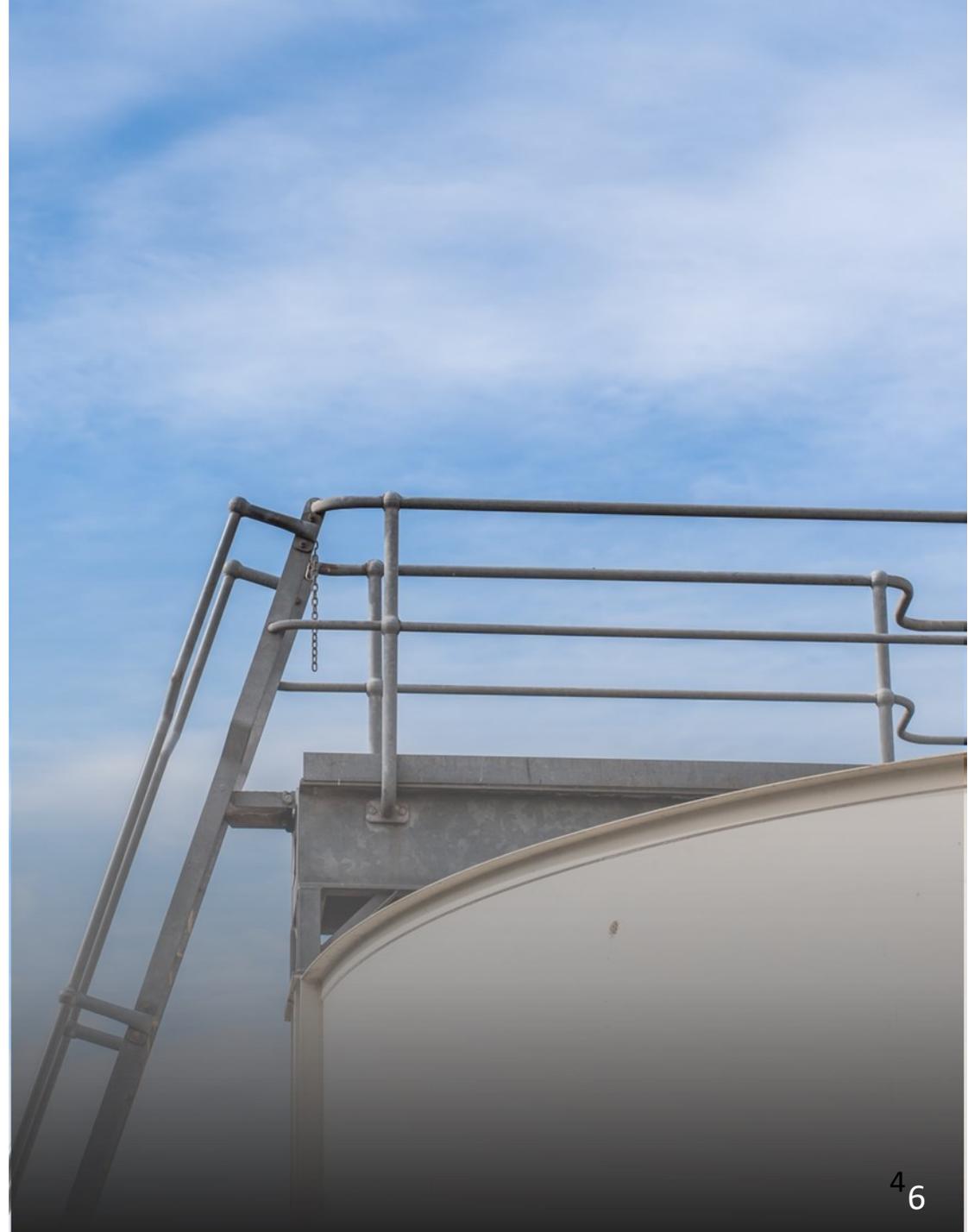
- Solid order book
- Growing pipeline of opportunities
- Stable recurring revenues from long term customers
- Strong balance sheet to support current/future projects and prospective M&A activities.
- Excellent management of working capital

RISK MANAGEMENT

- Blue-chip customers and government clients
- Balanced commercial terms
- Robust systems and processes

LEADERSHIP

- Safety – Zero harm culture
- Continued bolstering of capability across the Group
- Focus on delivering operational excellence





EXECUTION

GROWTH

OPERATING
MODEL

FY23
OUTLOOK

KEY MESSAGES & OUTLOOK

- Focus on our teams to execute current record order book safely, on time and on budget
- Delivering operational excellence to our customers
- Favourable tail winds across multiple sectors – Defence, Water, Oil & Gas, New Energy
- Reviewing opportunities for further expansion in other regions
- Actively evaluating opportunities to deliver accretive earnings to the Group and shareholders through acquisitions
- Recruitment of experienced executives and senior management to support delivery of current projects and future growth
- Continual improvement of systems and processes
- Review of civil services to align with growth sectors – civil construction in Infrastructure and Water sectors
- Reaffirm FY23 guidance of \$190-\$220 million revenue and EBIT of 6.5%-7.5%.

PROJECT CAYMUS DARWIN

- Project 53.4% complete as at 31 January 2023
- Installation of over 1,500 floor and stake plates
- Dome roof construction and installation has commenced, lifts completed with Saunders' innovative hoist system
- Resources continue to be recruited as required to support additional scopes
- Long lead items procured for Related Works Packages (RWP)
- Several RWP packages currently under evaluation with imminent award (within Saunders EPCM scope)



WESTERN SYDNEY INTERNATIONAL AIRPORT

- Project team mobilised to site
- All key resources secured and engaged
- Design progressing to support long lead procurement items
- Plate supply and fabrication order completed for tanks
- Preferred subcontractors identified for piping supply, fabrication and coating



APPENDICES

CORPORATE SNAPSHOT

OUR COMPANY

SECTORS & SERVICES

OUR VALUES

PROJECT SERVICES

FINANCIALS

CORPORATE SNAPSHOT

CAPITAL STRUCTURE

ASX Code	SND
Ordinary shares on issue	109,548,656
Share price as of 15 th February 2023	\$1.17
Market capitalisation 15 th February 2023	\$128.2m

BOARD AND SENIOR MANAGEMENT

Timothy Burnett	Chairman and Non-Executive Director
Greg Fletcher	Non-Executive Director
Nick Yates	Non-Executive Director
Mark Benson	Managing Director & Chief Executive Officer
Brett Gregory	Interim Chief Financial Officer & Company Secretary

SUBSTANTIAL HOLDERS – 31 DECEMBER 2022

NAOS Asset Management	23.94%
Mr. Desmond Bryant	22.96%
Anacacia Pty Ltd	11.68%
Mr. Timothy Burnett	11.04%

SND PERFORMANCE AGAINST ASX300



OUR COMPANY

Saunders International Limited is a multi-disciplined engineering and construction company providing design, fabrication, construction, shutdown, maintenance and industrial automation services to leading organisations across Australia, and the Pacific Region. With over 70 years of experience, the Saunders Group provides innovative cost-effective solutions to the oil & gas, infrastructure, defence, water, power, new energy and mining & minerals sectors.



●
OFFICES
Sydney
Newcastle
Melbourne
Darwin
Papua New Guinea

●
PROJECTS





OUR VALUES



ZERO HARM

ZERO HARM

We are committed to the practice of Zero Harm behaviour at work and at home

ONETEAM

ONE TEAM

We are better together when we collaborate with each other and our customers

RAISE THE BAR

EXCELLENCE

We commit to delivering excellence in everything we do



INNOVATION

We continually challenge ourselves to create innovative solutions for our customers



INTEGRITY

We hold ourselves to the highest standards and deliver on our commitments



RESPECT

We act with respect to our people, customers, communities and the environment

ENGINEERING CONSTRUCTION

- Front End Engineering Design (FEED)
- Structural Mechanical & Piping design
- 3D drafting of large fuel terminals
- Control system design and implementation
- Network design and implementation
- HV and LV electrical design and implementation
- EPC & EPCM services
- New tank builds for bulk fuel and chemical storage terminals
- Water reservoirs and pumping stations
- Road and rail bridge construction
- Tank Jacking technology (top down construction)



CIVIL INFRASTRUCTURE

- Road and rail bridge construction
- Marine structures
- Precast fabrication
- Concrete foundation systems
- Manufacturing of complex Super-T and planks for infrastructure projects
- Excavation and installation of support structures
- Road works

ASSET SERVICES & MAINTENANCE

- Repair and maintenance of bulk liquid and chemical storage tanks
- Asset management services
- Industrial boiler works
- Road and rail bridge maintenance
- Plant and facility shutdowns and decommissioning
- Facilities maintenance
- Shutdowns and upgrades
- Structural Mechanical Piping installation
- Pump and valve overhauls or replacements
- Pressure welding



AUTOMATION & CONTROL

- Industrial automation
- Control system upgrades
- Panel manufacturing and testing
- Machine learning and statistical/physical process modelling
- Asset and inventory management
- Instrumentation selection, installation and calibration
- Plant commissioning
- Process optimisation
- Preventative maintenance
- Cyber security auditing and hardening to ISA/IEC



INCOME STATEMENT

A \$ ' K	FY23-H1	FY22-H1		
Revenue	92,967	46,399	▲	100.4%
Interest and other Income	174	836	▼	(79.2%)
Materials and third-party costs charged to projects	(58,674)	(26,851)	▲	118.5%
Employee benefits expense	(23,012)	(13,870)	▲	65.9%
Depreciation expense	(1,395)	(1,084)	▲	28.7%
Motor vehicle expense	(223)	(136)	▲	64.0%
Occupancy and operating lease expense	(384)	(222)	▲	73.0%
Finance costs	(115)	(47)	▲	144.7%
Other expenses	(2,418)	(1,009)	▲	139.6%
Profit before income tax	6,920	4,016	▲	72.3%
Income tax (expense)	(2,172)	(1,214)	▲	78.9%
Profit after income tax	4,748	2,802	▲	69.5%
Earnings per share				
Basic (cents per share)	4.44	2.69	▲	65.1%
Diluted (cents per share)	4.37	2.62	▲	66.8%



BALANCE SHEET

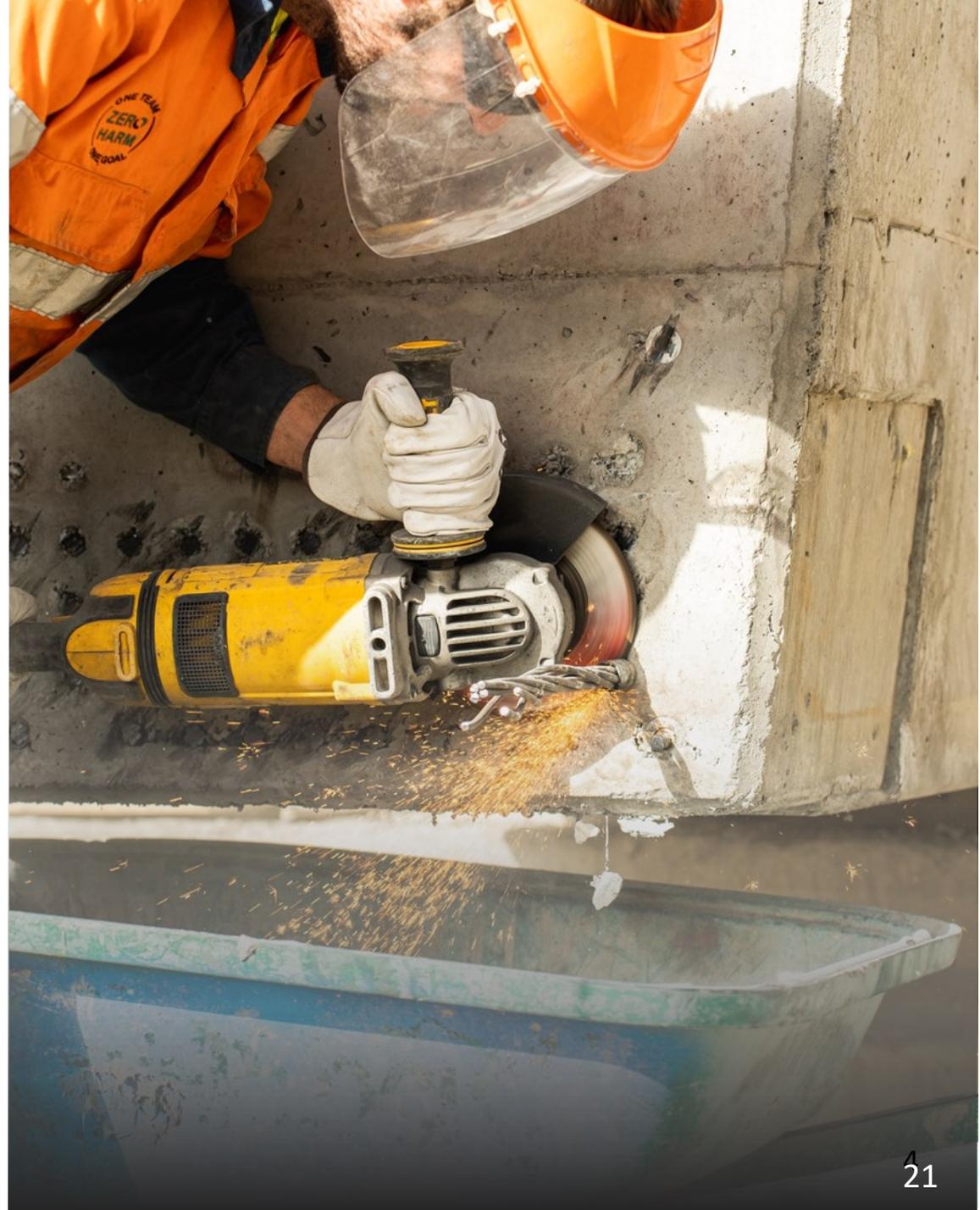
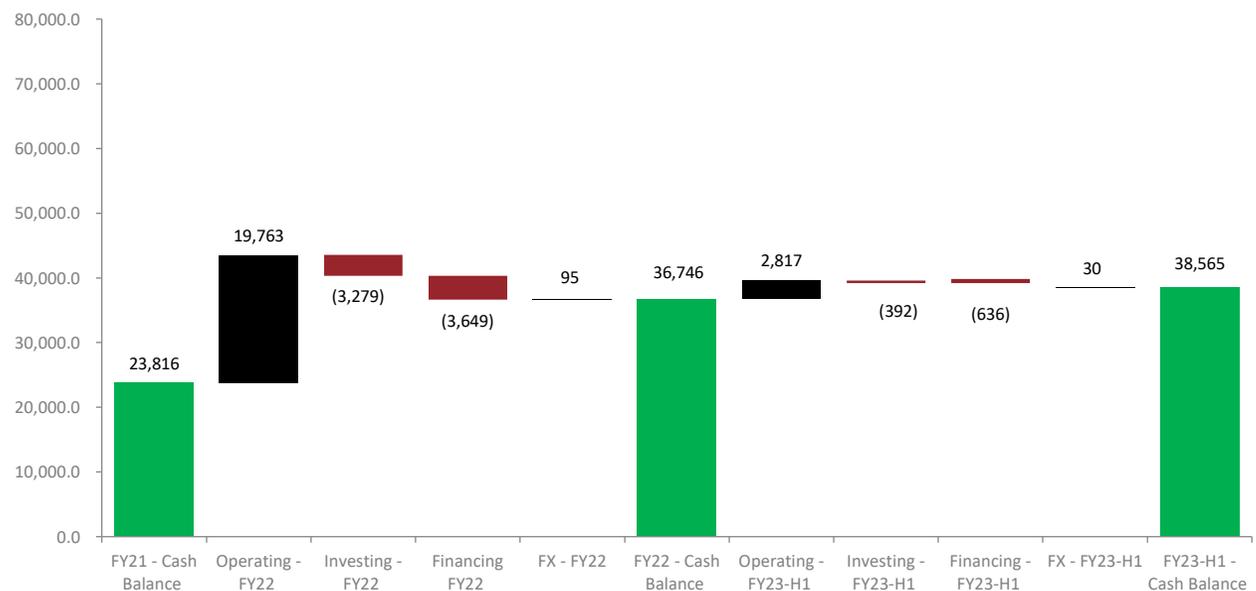
A \$ ' K	FY23-H1	FY22
CURRENT ASSETS		
Cash and cash equivalents	38,565	36,746
Trade and other receivables	14,469	28,946
Contract assets	8,415	9,340
Other current assets	1,453	381
Total current assets	62,902	75,413
NON-CURRENT ASSETS		
Property, plant and equipment	11,551	12,086
Other non-current assets	5,113	3,995
Total non-current assets	16,664	16,081
Total assets	79,566	91,494
CURRENT LIABILITIES		
Trade and other payables	18,875	35,500
Contract liabilities	10,876	13,023
Other current liabilities	10,670	7,707
Total current liabilities	40,421	56,230
NON-CURRENT LIABILITIES		
Lease liabilities	2,349	2,328
Other non-current liabilities	1,875	911
Total non-current liabilities	4,224	3,239
Total liabilities	44,645	59,469
Net assets	34,921	32,025
EQUITY		
Issued capital	22,814	22,482
Treasury shares under employee share plan	(1,666)	(1,806)
Share based payments reserve	438	384
Retained Earnings	13,335	10,965
Total equity	34,921	32,025



CASHFLOW

A \$ ' K	FY23-H1	FY22-H1
Cash flows from Operating activities	2,817	9,154
Cashflows from Investing activities	(392)	(1,095)
Cashflows from Financing activities	(636)	(1,377)
Net Increase in cash and cash equivalents	1,789	6,682
Opening cash on hand	36,746	23,816
Effects of exchange rate fluctuations on cash held	30	39
Closing cash on hand	38,565	30,537

GROUP CASH FLOW - BRIDGE (A\$'K)





SND DISCLAIMER

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