



SAUNDERS PRESENTATION TO INVESTORS FOLLOWING ACQUISITION OF AUTOMATION IT

Monday, 29 May 2023

Today, Saunders International Limited (ASX: SND) (“Saunders” or “the Group”) referred to the attached presentation regarding Automation IT Pty Ltd (“Automation IT”) during a meeting with significant investors.

The presentation follows the announcement on Tuesday, 9 May 2023, that Saunders has agreed to acquire Automation IT, a specialist automation and control systems engineering business operating in the energy, water, defence and mining industries.

Completion of the acquisition is subject to customary conditions, including change of control consents.

About Saunders International Limited

Saunders International Limited (ASX:SND) 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. The Group provides innovative cost-effective solutions to the oil & gas, infrastructure, water, power, new energy, mining & minerals and defence sectors. Additional information about Saunders, its’ services, and the sectors it operates in can be found at www.saundersint.com.

For further information, please contact:

Mark Benson, Managing Director & Chief Executive Officer

(02) 9792 2444

This announcement was authorised for release by the Board of Saunders International Limited.



Image: Optus Stadium, Perth, WA

INVESTOR PRESENTATION

Acquisition of Automation IT

A specialist automation and control
systems engineering company

29 May 2023 Presented by:

Mark Benson Managing Director & Chief Executive Officer

Geoff Bladon Automation IT - Director

Brett Gregory Chief Financial Officer (Interim)





Acknowledgement of Country

We respectfully acknowledge 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.

ASX Announcement Highlights



Saunders International Limited (ASX:SND) (“Saunders” or “the Group”) announced on 9 May 2023 it had agreed to **acquire Automation IT Pty Ltd (“Automation IT”)**, a specialist automation and control systems engineering business operating in the energy, water, defence and mining industries.

Completion of the acquisition is subject to customary conditions, including change of control consents which should complete in the coming weeks.

TRANSACTION HIGHLIGHTS

- Further **expansion and diversification** of Saunders' sectors into **technology-based infrastructure** (following the August 2021 acquisition of PlantWeave) and further expansion of Saunders' capabilities across **industrial automation and technology solutions**.
- The purchase of Automation IT was **funded** from Saunders' **cash reserves** and the **issue of new shares**, with deferred earn-out payments based on FY2024 results.
- Automation IT's **management team will continue** in their roles post-completion.
- Anticipated that the acquisition will be **earnings per share (EPS) accretive in FY2024**, with a small positive impact to EPS in the current FY2023 period.
- Automation IT is forecasting current year **FY2023 Revenue of circa \$10.0 million** and Earnings Before Interest and Tax (**EBIT**) of **circa \$1.0 million**.

ASX Announcement Highlights cont.

- **Automation IT will continue to deliver** engineering solutions (consulting, projects and support services) to its **existing clients** as part of Saunders.
- Saunders' customers are increasingly moving towards technology driven solutions and **Automation IT will accelerate Saunders' market expansion** into Industrial Automation and Control Systems, particularly within Queensland.
- **This acquisition will expand Saunders' geographical footprint in Queensland and Western Australia.**

KEY TRANSACTION TERMS

- Saunders has agreed to acquire Automation IT for an **initial instalment of \$4.40 million**, plus a **second instalment of up to \$1.10 million** based on **4.00x Automation IT's Earnings Before Interest and Tax (EBIT) for FY2024**.
- The initial instalment of \$4.40 million will be paid in **cash (\$3.00 million)** and **equity (\$1.40 million)**. The final instalment will be a maximum of \$1.10 million, payable in cash (\$0.825m) and equity (\$0.275m). Based on the **total maximum price of \$5.50 million**, the consideration will be **cash (70%) and equity (30%)**. The issue of new SND shares will represent circa 1.4% of Saunders' total issued ordinary shares.
- The acquisition is **structured to promote the continued performance of Automation IT**, and the alignment and **retention of Automation IT's Directors**, Mr Geoff Bladon and Mr Anthony Templeton.

Alignment to Saunders



About Automation IT

Geoff Bladon
Automation IT - Director

Image: Gold Coast University Hospital, Southport, QLD



Customer
focused
control system
engineering
company



Specialists in
PLC, SCADA, RTU,
automation, control, telemetry,
electrical engineering,
functional safety, IT & OT
networking and energy
management systems.

Automation IT was **incorporated in 2000** and has been 100% Australian owned and operated. Its head office is **located at Springwood** in the **Brisbane - Gold Coast corridor**, and its western branch in **Perth, Western Australia**.

The company employs a team of **experienced and professional engineers** (Registered Professional Engineers of Queensland (RPEQ) along with TUV Rheinland (Machinery) Certified Functional Safety Engineers).

As a **systems integration company**, Automation IT **specialise in control systems engineering and real-time software development** for a diverse range of hardware platforms. They have recognised systems integration relationships with the major PLC, SCADA, RTU, telemetry and network vendors.

As an **electrical engineering company**, Automation IT **provides electrical design services to tightly integrate both the electrical infrastructure and control system** to ensure the entire electrical system and associated processes function as intended.

Automation IT also provide TUV functional safety services including machinery risk assessments & audits, PL & SIL assignments, HAZOP/HAZOP involvement along with safety PLC systems.

Automation IT **provides all facets of control system engineering services from project management and conceptual design right the way through to final site commissioning**. In addition to this, Automation IT provides a dedicated **24x7 support service**.

Automation IT is **ISO accredited** across safety management, quality management, environmental management and risk management.

Services & Sectors

Automation IT expands Saunders' existing PlantWeave offering in key sectors we operate in, including:

- **Power & Energy** – Design, implementation and maintenance of critical power system and energy infrastructure. Experience covers all aspects of control and automation, from large distribution transformers, high voltage switchgear, turbines, generator systems, network control systems, lubrication systems and storage, renewable energy power stations, ports and mines through to critical infrastructure such as airports, hospitals, prisons and data centres.
- **Defence** – Key defence infrastructure projects designed to improve the reliability and security of Australia's defence forces and associated bases. Extensive experience designing and implementing Power Control and Monitoring Systems (PCMS), Generator Control Systems (GCS), High Voltage (HV) & reticulation control, Substation Automation Systems (SAS) and mission critical systems.
- **Mining & Minerals** – All aspects of control and automation, including drag lines, conveyors, CHPP's, stacker/reclaimers, automated fuel farms, telemetry, train load out, power stations, change management and water treatment infrastructure. Skilled in designing and implementing control systems and electrical upgrades while maintaining overall plant operation.
- **Water & Waste Water** – Development of key infrastructure projects designed to improve water re-use and has the control system knowledge and experience to assist with all types of water and waste-water treatment, pumping and re-use.
- **Transportation** – Rail freight lines and public transportation systems experience having worked on numerous projects throughout Australia and internationally including PLC & SCADA systems for rail tunnels, subways, train stations (surface and underground), rail HV fault location detection, locomotive telemetry, rail track facilities, ore car repair workshops, bus-bays and associated refuelling systems, robotic car parking systems along with Electric Vehicle (EV) charging infrastructure.

Image: HMAS Stirling, Garden Island, WA

Services & Sectors cont.




- **Energy Management** – Design and implementation of Automated Meter Reading (AMR) and Energy Management Systems (EMS) which cover domestic, commercial, industrial and utility infrastructure including museums, art galleries, court houses, hospitals, hotels, apartment complexes, high-rises and sports stadiums. They provide a wide range of products and services that cover the renewable energy sectors including microgrids, biogas, hydrogen, wind, solar, co-generation and Electric Vehicle (EV) charging infrastructure.
- **Telemetry & RTU Networks** – Design, supply and implementation of telemetry systems and RTU networks, from small point-to-point systems to extensive wide area networks spread across remote regions including pump and outstations, water and waste water treatment plants, water reservoirs, mine sites, bore fields, radio backbones, repeater stations, DMZ's, firewalls, DNP3 and cellular communication.
- **Manufacturing** – Control system support and solutions for local and national manufacturers including glaziers, pulp and paper mills, sheet metal manufacturers, sugar and timber mills, oil, gas and fuel management plants, winding machines and steel mills. Specialising in the upgrade and replacement of obsolete and/or proprietary control systems that are not supported locally, examples include legacy or out of date systems and/or package plants which are imported from overseas that do not comply with Australian standards, regulations or laws.
- **Food & Beverage** – A wide range of control systems and automated solutions for food and beverage applications such as abattoirs, small goods factories, beverage plants and packaging lines utilising batching, sorting and temperature control.

Image: Example manufacturing facility

Automation IT Key Projects

Image: Innisfail water treatment plant, Innisfail, QLD



Key Projects >\$1m

Logan City Council (Logan Water)

- Waste Water Treatment Plants: Loganholme, Beenleigh, Cedar Grove

Department of Defence

- HMAS Stirling PCMS, SAS and GCS

Queensland Health

- Gold Coast University Hospital Network Control System
- Cairns Base Hospital Standby Power/Energy Monitoring
- PA Hospital Translational Research Institute
- Royal Brisbane & Women's Hospital (RBWH)

Western Downs Regional Council

- Telemetry and RTU Upgrade, Multiple Stages

UnityWater – SCADA Outstation Upgrade

- Telemetry and RTU Upgrade, 245 Remote Sites

Energy Resources of Australia

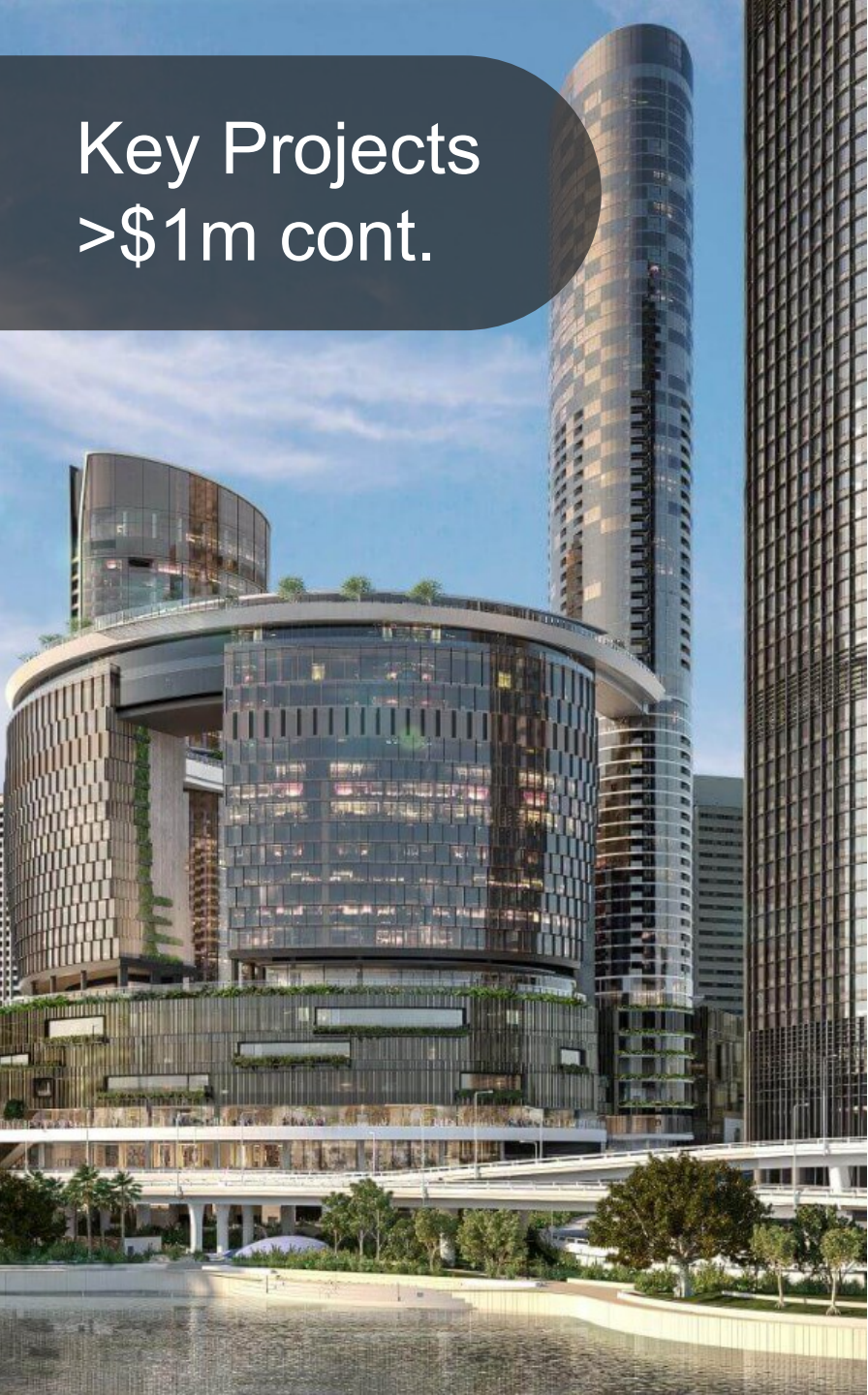
- Ranger Power Station Brine Concentrator Project

Public Transport Authority (PTA) METRONET

- Forrestfield-Airport Link (FAL) Tunnel and Station SCADA
- Stadium Station, East Perth Station and Mandurah Carpark

Optus Stadium Perth

- Standby Power/Energy Monitoring



Key Projects >\$1m cont.

Hutchinson Builders

- Elysian Automated Vehicle Parking System (Re-engineering)

The Star Group

- The Star Casino & Hotel (Gold Coast) Standby Power/Energy Monitoring
- Queens Wharf Precinct (Brisbane) Standby Power/Energy Monitoring

AZZO / Schneider Electric

- Meta (Facebook) Data Centre Energy Management Systems:
 - USA: Oregon, Illinois, Utah, Texas, Tennessee, Arizona, Ohio, Georgia, Alabama, Iowa, Nebraska, New Mexico
 - Other countries: Ireland, Sweden, Denmark, Singapore

Queensland Corrective Services

- Gatton Prison Standby Power/Energy Monitoring
- Sewage Treatment Plant

A wide-angle, nighttime photograph of the Brisbane city skyline as seen from across the Brisbane River. The sky is a deep blue, and the city lights are vibrant. Numerous skyscrapers are visible, with their windows glowing yellow and white. Some buildings have distinctive architectural features, like a tall, thin tower on the left and a building with a green-lit top in the center. The lights from the city are reflected in the calm water of the river. In the foreground, there's a dark, silhouetted area that appears to be a park or a walkway with some trees and a small structure. The overall mood is urban and modern.

Questions?

Image: AIT's Head Office is located in Brisbane, QLD



Important information for investors

This presentation has been prepared by Saunders International Limited ("Saunders", "the Company", "The Group") 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, Saunders can neither make any representation nor give any assurance, guarantee or warranty, express or implied, nor 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 when 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' 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 | mark.benson@saundersint.com

L2, 1F Homebush Bay Drive, Rhodes NSW 2138

saundersint.com

Image: Optus Stadium, Perth, WA

