



**SAUNDERS**  
INTERNATIONAL

# 2024

## Half Year Results

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Investor  
Presentation

**Mark Benson**

Managing Director  
& Chief Executive Officer

**Brett Gregory**

Chief Financial Officer

28 February 2024

# Acknowledgement of Country



We acknowledge the Traditional Owners and Custodians of Country throughout Australia.

We pay our respects to all First Nations peoples and acknowledge Elders past and present.

As a business that works across many locations, we recognise and support their continuing connection to lands, waters, cultures, languages, and traditions.

Image: Sharon Smith (Wiradjuri Artist)

# At a glance

We're an integrated engineering construction and infrastructure company recognised for innovation and expertise in bulk storage terminal construction, piping, civil works, asset services and industrial automation.

We're proud to work with some of the world's largest oil and gas companies, tier-one construction contractors and across all levels of government.

Our specialist teams are the greatest contributors to our success, combining deep sector knowledge with strong customer relationships.



# At a glance

Defence



**544** in our workforce

Power & Water



**EIGHT** metropolitan & regional offices

Mining & Minerals



**44** major projects in delivery

Oil & Gas



Infrastructure



**FIVE** operational areas

Engineering Construction



Asset Services



Piping



Civil



Automation



# At a glance

We have metropolitan and regional offices located strategically across our key markets, with Saunders' Head Office located in Sydney, NSW.

Founded in 1951, we've been listed on the Australian Securities Exchange (ASX: SND) since 2007.

## KEY

- Office locations
- Major projects in delivery

# Performance highlights

Our focus is on continuing the strategic evolution of our business and operations, including leveraging our new Piping and Automation offering, and ensuring the safe and successful delivery of our work in hand.

We are investing in securing our immediate pipeline and positioning for longer-term opportunities.

References to 'half year', 'Financial Half Year', 'HY2024', or 'HY24' all refer to the Financial Half Year ended 31 December 2023. All dollar figures are expressed in Australian dollars and comparisons are to the same corresponding period in the 2023 Financial Year, unless otherwise stated.

Revenue

**\$104.4m**

12.3% up (\$93.0 million)

Full time employees

**544**

28.9% up (422 at 30 June 2023)

EBITDA

**\$9.8m**

16.7% up (\$8.4 million)

Earnings per share (basic)

**4.49 cents**

1.1% up (4.44 cents)

Cash

**\$30.3m**

136.7% up  
(\$12.8 million at 30 June 2023)

Interim dividend distribution

**2.0 cents**

48.0% payout (2.0 cents)  
*Fully Franked*

Order book

**\$220.8m**

9.9% up  
(\$201.0 million at 31 July 2023)

Market Capitalisation

**\$106.6m**

11.6% down (\$120.6 million  
at 30 June 2023)

Pipeline

**\$1.93b**

(at 31 January 2024) 17.7% up  
(\$1.64 billion at 31 July 2023)

# Performance highlights

We have started the new financial year with another strong half-year for Saunders, delivering over \$100 million in revenue during this period.

## Defence

In January 2024, we completed our \$31.1 million Larrakeyah Defence Precinct project. This is one of the largest projects ever completed by Saunders and positions us to benefit from increased momentum and spend in the Defence sector.

## New Energy

In February 2024, we signed a Memorandum of Understanding (MOU) with Optimal Renewable Gas (ORG) to facilitate the establishment of biomethane facilities throughout Australia, deepening our involvement into the New Energy sector.

## HY2024 MAJOR PROJECTS SECURED

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\$9.3 million Lytton Refinery, Port of Brisbane, QLD

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\$44.1 million Pelican Point Terminal, SA

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## Strategic acquisitions

In December 2023, we completed the acquisition of Piping Solutions, accelerating our expansion into the Defence sector and delivering complementary steel piping capabilities. This follows our acquisition of Automation IT in June 2023, expanding Saunders' capabilities across industrial automation and technology solutions.

## Safety

We have had a 60.2% reduction in our TRFIR12 (1 million hours worked) safety metric at 31 December 2023 to 4.11 (31 December 2022: 10.32). In July 2023, we received accreditation from the Federal Safety Commissioner (FSC) and in October 2023, we launched 'Together for Safety' a safety program to build our safety leadership skills and culture over the next five years.



# Financial highlights

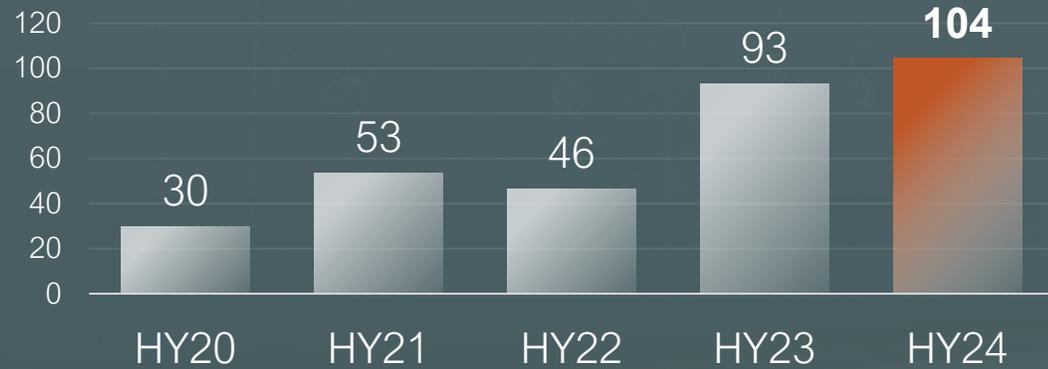
We are focused on the safe and successful delivery of our record order book and securing more key projects in the deep pipeline of opportunities available to the business.

The team is positioning for key projects, repeat business and opportunities to leverage our expanded client offering, including Automation and Piping services, with a focus on growing our presence in Defence and New Energy.

# Financial highlights

## GROUP REVENUE (A\$M)

▲ Up 12.3% Revenue Change



## GROUP CASH (A\$M)

▲ Up 136.7% Cash Change



## GROUP EBITDA (A\$M)

▲ Up 16.7% EBIT Change



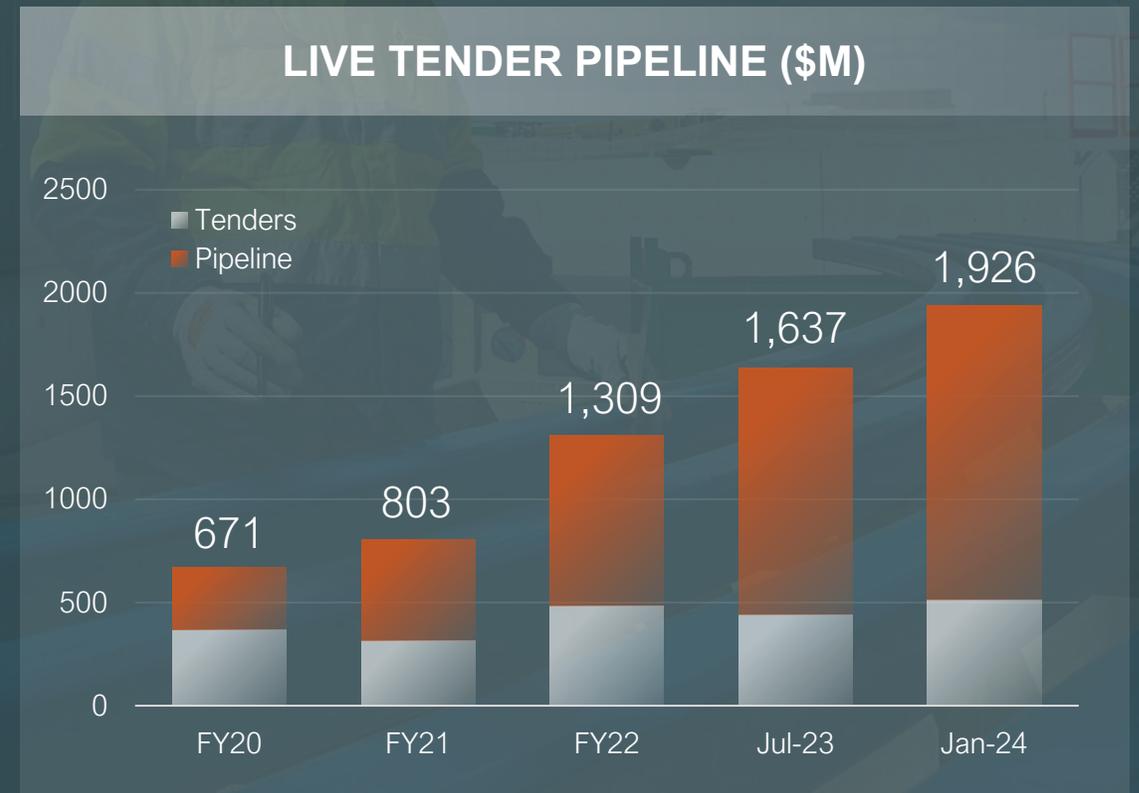
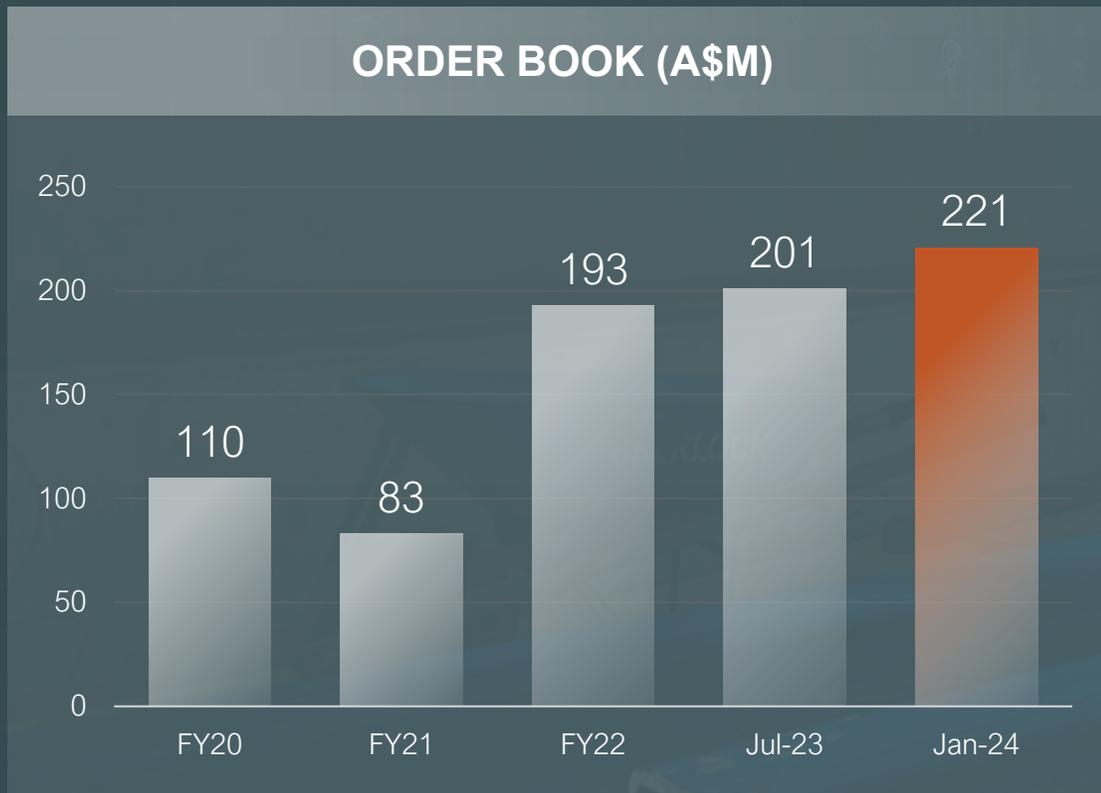
## EARNINGS PER SHARE

▲ Up 1.1% EPS Change



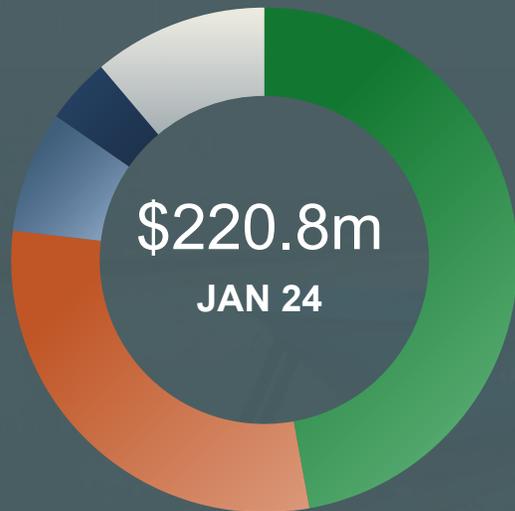
# Sustained growth

Saunders remains well-positioned to take advantage of opportunities across our sectors and services; underpinned by solid fundamentals, expanded service offerings in automation and piping, strong orderbook, deep pipeline and our strong balance sheet.

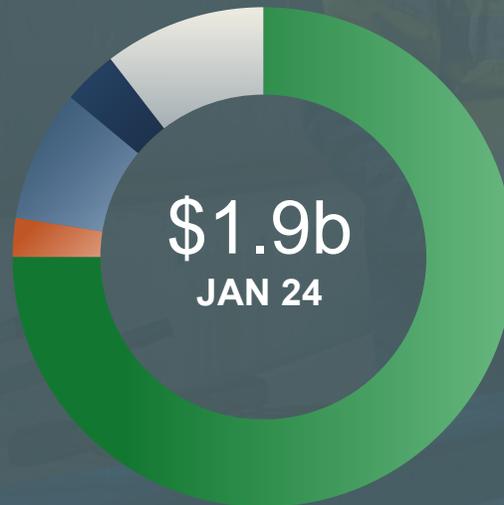


# Sustained growth

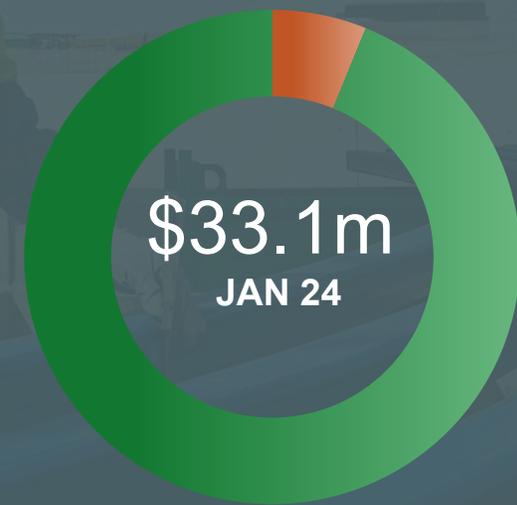
## ORDER BOOK BREAKOUT



## PIPELINE



## PREFERRED CONTRACTOR STATUS



- Construction Services
- Civil Services
- Piping

- Maintenance Services
- Automation

- Total Tenders
- Preferred Projects

# Outlook

## Multi-disciplined Projects

Increased scale of multi-disciplined projects continue to be secured, demonstrating the strength of our operating model.

## \$1.93 billion Pipeline

We are well-positioned to leverage the \$1.93 billion pipeline of opportunities before us and continue our growth trajectory.

## \$220.8 million Order Book

Our strong Order Book Revenue demonstrates our ability to sustain the step-change in the business's growth since Project Caymus was secured in 2021.

## Saunders Automation

The creation of Saunders Automation from our acquisitions of PlantWeave in 2021 and Automation IT in June 2023, expands our capabilities across industrial automation and technology solutions.

## Piping Solutions Acquisition

The acquisition of Piping Solutions accelerates our strategic expansion into the Defence sector, delivering complementary steel piping capabilities to Saunders' core business.

## Continuous Opportunities

We continue to review project opportunities in other regions and evaluate potential acquisitions that would deliver accretive earnings to the Group.

# Appendix 1

# Financials

# Corporate Snapshot

## CAPITAL STRUCTURE

ASX Code	SND
Ordinary shares on issue	116,513,894
Share price as of 31 December 2023	91.5 cents
Market capitalisation 31 December 2023	\$106.6m

## BOARD AND SENIOR MANAGEMENT

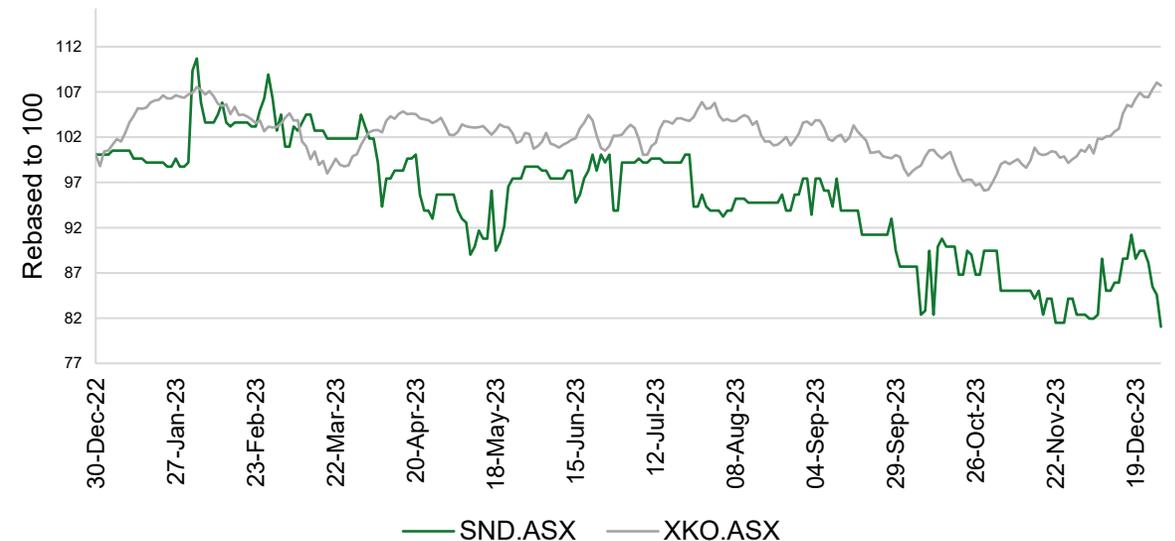
Nicholas Yates	Non-Executive Director & Chairman
Greg Fletcher	Non-Executive Director
Brendan York	Non-Executive Director
Mark Benson	Managing Director & Chief Executive Officer
Brett Gregory	Chief Financial Officer & Company Secretary

*Note: Timothy Burnett retired as a Director of Saunders effective 21 November 2023.*

## SUBSTANTIAL SHAREHOLDERS

NAOS Asset Management	24.57%
Mr. Desmond Bryant	22.43%
Anacacia Pty Ltd	11.41%
Mr. Timothy Burnett	10.64%

## SND PERFORMANCE AGAINST ASX300



# Income Statement

A\$000	FY24 H1	FY23 H1	%
Revenue	104,427	92,967	12.3
Other Income	192	174	10.3
Materials and third-party costs charged to projects	(59,472)	(58,674)	1.4
Employee benefits expense	(25,724)	(23,012)	11.8
Depreciation expense	(1,787)	(1,395)	28.1
Finance costs	(193)	(223)	(13.5)
Motor vehicle expense	(244)	(384)	(36.5)
Occupancy and operating lease expense	(375)	(115)	226.1
Other expenses	(8,909)	(2,418)	268.4
Profit before income tax	7,915	6,920	14.4%
Income tax (expense)	(2,987)	(2,172)	37.5%
Profit after income tax	4,928	4,748	3.8%
Basic (cents per share)	4.49	4.44	1.1%
Diluted (cents per share)	4.43	4.37	1.4%

# Balance Sheet

A \$ 000	FY24 H1	FY23
<b>Current assets</b>		
Cash and cash equivalents	30,256	12,833
Trade and other receivables	12,846	23,099
Contract assets	19,754	33,145
Assets held for sale	2,270	-
Other current assets	2,408	332
<b>Total current assets</b>	<b>67,534</b>	<b>69,409</b>
<b>Non-current assets</b>		
Property, plant and equipment	14,198	11,495
Right-of-use assets	4,835	4,952
Intangible assts	17,492	3,978
Deferred tax assets	1,902	823
<b>Total non-current assets</b>	<b>38,427</b>	<b>21,248</b>
<b>Total assets</b>	<b>105,961</b>	<b>90,657</b>

A \$ 000	FY24 H1	FY23
<b>Current liabilities</b>		
Trade and other payables	17,824	25,727
Contract liabilities	12,831	11,174
Provisions	7,950	6,887
Other financial liabilities	8,100	-
Liabilities held for sale	519	-
Other current liabilities	5,951	4,138
<b>Total current liabilities</b>	<b>53,175</b>	<b>47,926</b>
<b>Non-current Liabilities</b>		
Lease liabilities	2,567	2,647
Provisions	1,318	809
<b>Total non-current liabilities</b>	<b>3,909</b>	<b>3,456</b>
<b>Total liabilities</b>	<b>57,060</b>	<b>51,382</b>
<b>Net assets</b>	<b>48,901</b>	<b>39,275</b>
<b>Equity</b>		
Issued capital	30,899	24,104
Treasury shares under employee share plan	(1,374)	(1,475)
Share based payments reserve	618	572
Foreign currency translation reserve	(14)	-
Retained Earnings	18,772	16,074
<b>Total equity</b>	<b>48,901</b>	<b>39,275</b>

# Cashflow

A\$'000	FY24 H1	FY23 H1
Cash flows from Operating activities	25,418	2,817
Cashflows used in Investing activities	(5,760)	(392)
Cashflows used in Financing activities	(2,235)	(636)
<b>Net Increase in cash and cash equivalents</b>	<b>17,423</b>	<b>1,789</b>
Opening cash on hand	12,833	36,746
Effects of exchange rate fluctuations on cash held	-	30
<b>Closing cash on hand</b>	<b>30,256</b>	<b>38,565</b>

## Appendix 2

# Business and Operations

# Engineering Construction

Though Saunders boasts a rich history as one of Australia's premier bulk liquid storage and geodesic dome construction contractors, our business has significantly evolved from its modest origins over 70 years ago. Today, we stand as leaders in executing multi-disciplined construction projects for blue-chip and government clients.

## OUR SERVICES

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Front End Engineering Design (FEED)

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Structural Mechanical & Piping design

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3D drafting of large fuel terminals

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Control system design and implementation

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Network design and implementation

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High Voltage and Low Voltage electrical design and implementation

Engineering, Procurement and Construction (EPC) & Engineering, Procurement, Construction and Management (EPCM) services

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New tank builds for bulk fuel and chemical storage terminals

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Water reservoirs and pumping stations

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Tank Jacking technology (top-down construction)

## ENGINEERING CONSTRUCTION PROJECT PROFILE

# Pelican Point

Client: Quantem

Value: \$44.2 million

Location: Adelaide, SA

Date secured: July 2023

Operational areas:

Engineering Construction and Automation

Our multi-disciplinary in-house engineering and operational teams worked closely with long-term and repeat client Quantem to value engineer, optimise constructability and conduct a full lifecycle analysis on this critical new diesel storage project in Adelaide.

Our scope includes detailed design, procurement, construction, fabrication, installation, and commissioning of three 30,000 cubic metre diesel storage tanks and associated interconnecting piping.

Construction began on site in Q4 calendar 2023, with the site due to be commissioned by Q2 calendar 2025. The project will contribute to Saunders' revenue and earnings in 2024 and 2025.



# Asset Services

Saunders are at the forefront of providing asset services, with a specialised focus on inspection, repair, modification, and maintenance solutions. Our expertise lies in reviving and revitalising our clients' assets, enhancing their condition and availability, right through the asset's lifecycle to decommission.

## OUR SERVICES

Repair and maintenance of bulk liquid and chemical storage tanks

Asset management services

Industrial boiler repairs

Plant and facility shutdowns and decommissioning

Facilities maintenance

Shutdowns and upgrades

Structural Mechanical Piping installation

Pump and valve overhauls or replacements

Pressure welding

## ASSET SERVICES PROJECT PROFILE

# Kwinana Renewable Fuels

Client: bp

Value: \$42.4 million

Location: Kwinana, WA

Date secured: June 2023

Operational area: Asset Services

We are particularly proud of our Kwinana Renewable Fuels Project win in late FY2023. Not only because it's the largest project ever awarded to our Asset Services business unit, but also because of its bold sustainability ambitions.

Our scope includes:

- Refurbishment and modification of 25 tanks so they can be utilised for feedstock or biofuels storage.
- We're helping to repurpose bp's former refinery site at Kwinana into a new integrated energy hub.

The project commenced in July 2023 and will contribute to Saunders' revenue and earnings from 2024 to 2026.



## OPERATIONS UPDATE

# Civil

Our civil capability and know-how have enabled us to develop a reputation for delivering challenging projects using innovative design alternatives and construction methods, that are on time and to budget.

With over five decades of experience, our Civil team has earned a stellar reputation in the industry for our multidisciplinary approach to bridge design and construction, along with other key civil services.

### OUR SERVICES

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Road bridge construction

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Rail bridge construction

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Marine structures

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Concrete foundation systems

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Culvert installations

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Super-T and planks  
for infrastructure projects

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Road works

## CIVIL PROJECT PROFILE

# Port Macquarie Bridges project

Client: Port Macquarie Hastings Council

Value: \$11.2 million

Location: Various locations, Port Macquarie, NSW

Date secured: May 2023

Operational area: Saunders CivilBuild

In May 2023, Saunders was awarded a new contract for \$11.22 million to replace five existing timber bridges across the Port Macquarie Hastings Council area with concrete bridges.

Once finished, the new concrete bridges will reduce future ongoing maintenance costs for the Council and increase connectivity by allowing increased vehicle load limits.

The project is being funded by Council and Transport for NSW under the NSW Government's Fixing Country Bridges Program. The project is due for completion in 2024 and will contribute to our revenue and earnings through 2024.



Image: Logans Crossing Bridge, Logans Crossing, NSW completed October 2023.

# Automation

Saunders Automation specialises in turnkey industrial automation and control systems to help streamline processes, increase output, improve efficiency and deliver overall process quality – enabling our clients to achieve key production goals.

## OUR SERVICES

Operational Technology (OT)

Industrial automation solutions

Control system upgrades

Panel manufacturing and testing

Machine learning and statistical/physical process modelling

Asset and inventory management

Instrumentation selection, installation and calibration

Functional safety for process (SIS) and Machinery

Plant commissioning

Process optimisation

Preventative maintenance

Cyber security auditing and hardening to ISA/IEC

## AUTOMATION PROJECT PROFILE

# Barron Gorge Hydroelectric Power Station

Client: CleanCo Queensland

Value: \$3.9 million

Location: Barron Gorge, Qld

Date secured: July 2023

Operational area: Saunders Automation

Commissioned in 1963, the Barron Gorge Hydro sources water from the Barron River to produce electricity before releasing the water back into the river.

Barron Gorge Hydro's ability to quickly start its two 33 MW generators makes it an important asset for providing a secure, reliable energy supply for Queensland.

Saunders Automation was contracted to perform a complete turn-key control system upgrade for the dual turbine 66MW power station including PLC & SCADA systems, OT network infrastructure, installation, testing and commissioning.

The project will contribute to our revenue and earnings in 2024 / 2025.



# Piping

Saunders Piping Solutions specialises in the fabrication, installation and maintenance of steel pipelines, structures, pressure vessels, and refuelling systems for the Defence, Aviation, Energy and Infrastructure sectors.

## OUR SERVICES

Design

Materials supply

Fabrication

Nondestructive testing

Hydro Testing

Protective Coat

Transportation

Site Installation

Commissioning

## OPERATIONS UPDATE

# Piping

### HY24 HIGHLIGHTS

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8 November 2023

We announced to the ASX we had agreed to acquire Piping Solutions, specialists in the fabrication, installation and maintenance of steel pipelines, structures, pressure vessels, and refuelling systems for the Defence, Aviation, Energy and Infrastructure sectors.

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22 December 2023

We confirmed the acquisition was complete, accelerating the execution of Saunders' strategic expansion into the Defence sector and delivering complementary steel piping capabilities.

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Integration

We have commenced a comprehensive integration program of the team and operations to form Saunders Piping Solutions. This work is ongoing.

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## PIPING PROJECT PROFILE

# Western Sydney Airport

Client: Duratec

Value: \$26.0 million

Location: Luddenham, NSW

Date secured: 2021 + 2023

Operational Area: Saunders Piping Solutions

In 2021, the business was awarded a significant contract to deliver a new hydrant line at Western Sydney International Airport, now also known as Nancy Bird Walton Airport, for Duratec, who is working under the principal contractor, Multiplex.

The contract involves the installation and commissioning of 10.5km of aviation fuel hydrant lines, leveraging the team's skills and experience in fuel infrastructure. In 2023, additional tie-in scope has also been secured.

The project highlights the value of the Piping Solutions business in providing an integrated offering to our clients; Saunders' Construction and Automation teams are currently and separately contracted to build the aviation fuel terminal.



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## Mark Benson

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