



2020 ANNUAL GENERAL MEETING

**8 October 2020
David Macgeorge, Managing Director**



ABOUT US

WHO WE ARE

We're an **engineering-led** specialist asset services, mining services and construction group



OUR OPERATING MODEL

End-to-end solutions across the entire asset lifecycle

- Engineer
- Construct
- Sustain

OUR VISION

The **most sought-after** specialist asset services, mining services and construction business

**MAKING THE
COMPLEX
SIMPLE**

SUMMARY

Shares on Issue	445.8m
Share Price ⁽¹⁾	\$0.315
Market Capitalisation ⁽¹⁾	\$140m
Net Assets	\$221m

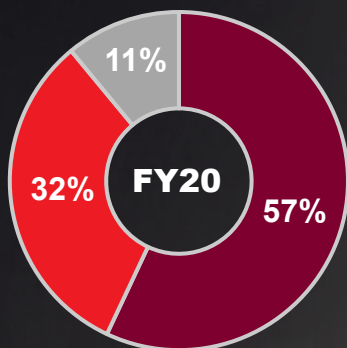
Note: (1) Share price and market capitalisation as at 7 October 2020

SUBSTANTIAL HOLDERS

Perennial Value Investment	12.1%
Mitsubishi UFG Financial Group, Inc	9.7%
Wentworth Williamson	5.1%
Board and Management	12.5%

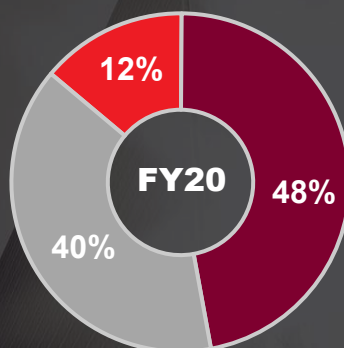
Source: Latest ASX announcements & Company share registry

EARNINGS BY GEOGRAPHY



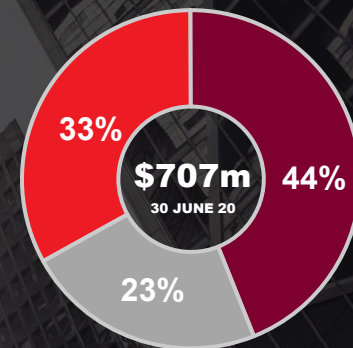
- Australia - East
- Australia - West
- International

EARNINGS BY SEGMENT



- Asset Services
- Mining Services
- Construction

WORK IN HAND BY SEGMENT



- Asset Services
- Mining Services
- Construction



OUR YEAR IN REVIEW



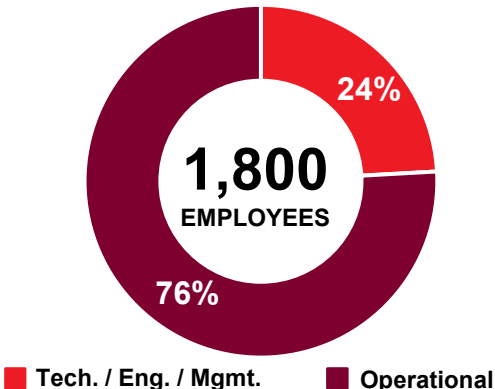
- **Revenue** in FY20 of \$545m and **Underlying EBITDA¹** of \$20.5m
- Results impacted by key COVID-19 drivers:
 - Deferral of non-essential maintenance in Australia and NZ
 - Productivity / commercial challenges in the Building division
 - Credit Loss (Bad Debts) provision of \$7.9m recognised in the Building division
 - Non-cash impairment of goodwill of \$24.8m in the Building division
 - Restructuring costs of \$2.7m incurred in 2H FY20
- **Repositioned** and **simplified** the business - core business, clients and geographies
- Continued transition of business mix towards **Annuity Earnings**
- **Strong Work in Hand** of \$707m at 30 June, with **Opportunity Pipeline** of \$6.2b
- **Significant liquidity** with available funds of \$73m
- **Net debt reduced** in 2H to \$8.4m (inclusive of \$26m of equipment finance debt)
- **Final fully franked dividend** of 0.5 cents per share (total FY20 dividend of 1.0 cps)

1: Pre AASB 16, FY20 restructuring costs, goodwill impairment & COVID-19 related credit loss provisions

GLOBAL WORKFORCE



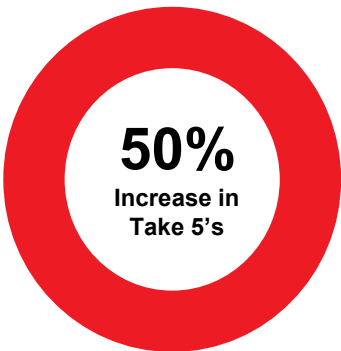
HIGHLY SKILLED WORKFORCE



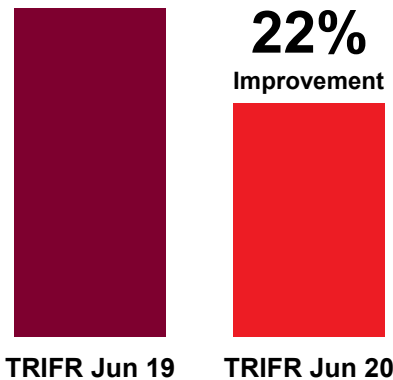
ZERO HARM LEADERSHIP



ZERO HARM INTERACTIONS



ZERO HARM IMPROVEMENT



“Continuing to transition the business mix towards annuity earnings”

GROWTH (1 - 2 YEARS)

- ✓ Step change growth in recurring Asset Services
- ✓ Innovation and selective growth in Mining Services
- ✓ Targeted growth in specialist Civil Infrastructure Construction
- ✓ Specialist services and products in Building Construction with key repeat clients
- ✓ **Continue transition of business mix towards annuity / recurring earnings**

LEADERSHIP (3 YEARS +)

Zero Harm industry leader and recognised employer of choice

Key partner of choice in our specialised core markets with core clients

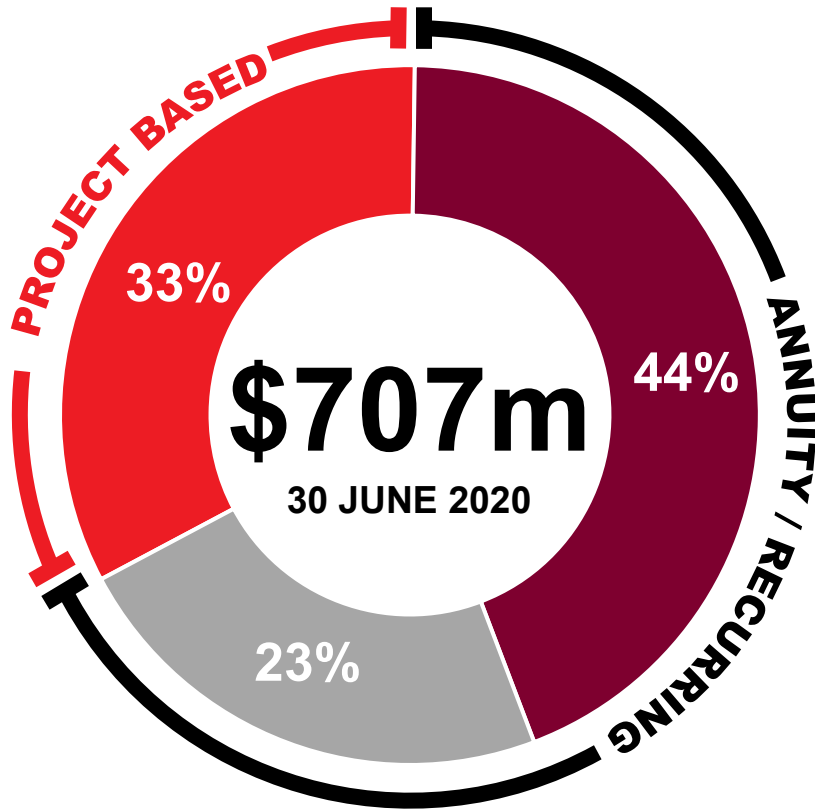
Consistent, above market shareholder returns (EPS and TSR)

Selective strategic acquisitions to complement capability / footprint

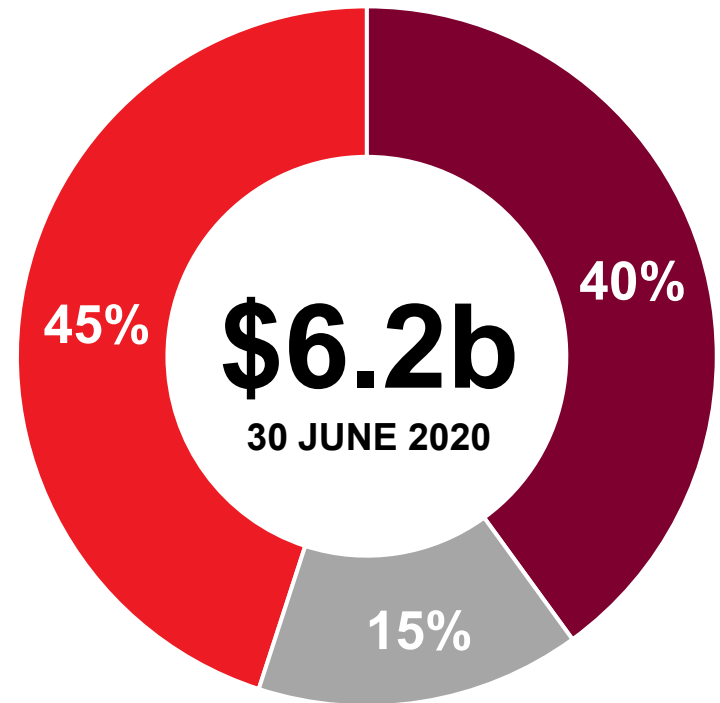
Two thirds annuity / recurring and one third project-based earnings

STRONG PLATFORM FOR GROWTH

WORK IN HAND



OPPORTUNITY PIPELINE



■ Asset Services ■ Mining Services ■ Construction

“\$385M OF CONTRACT WINS ANNOUNCED SINCE 1 JULY”

SRG Global Secures NZ\$25m Transport Infrastructure Maintenance Contract in New Zealand

Highlights

- SRG Global has secured an eight-year contract for inspection and specialist maintenance services on the Auckland Harbour Bridge
- Estimated revenues under the contract are NZ\$25 million
- Scope of work includes the provision of inspection and specialist maintenance services

7 JUL 2020

SRG Global Secures \$25m Specialist Facades Contract for Victorian Heart Hospital

Highlights

- SRG Global has secured a \$25m contract with John Holland for the new Government backed \$564m Victorian Heart Hospital
- Works under the contract include the design, supply and installation of specialist engineered curtain wall facade
- Scope of works are expected to commence in January 2021 with a duration of nine months

15 JUL 2020

SRG Global Secures \$25m Five-Year Access and Maintenance Contract with Yara Pilbara

Highlights

- SRG Global has secured a long-term five-year \$25m contract with Yara Pilbara
- Works under the base contract include access and insulation services with additional scope opportunities for various fixed plant maintenance solutions
- Contract works have commenced at Yara Pilbara's facilities and will continue until mid-2025

21 JUL 2020

SRG Global Secures Specialist Facades Contracts Valued at \$40m in Sydney & Melbourne

Highlights

- SRG Global has secured two specialist facades contracts totalling \$40m
- Project works include the design, supply and installation of specialist engineered curtain wall facade in Sydney and Melbourne
- This brings the total major works secured and announced to ASX since the start of the new financial year to more than \$110m

23 JUL 2020

SRG Global Secures \$30m Specialist Civil Water Infrastructure Projects with Water Corporation

Highlights

- Two projects secured with Water Corporation valued at \$30m
- Scope of works includes the specialist design and construction of two water tanks in Western Australia
- Contract works are expected to commence in July 2020 with a duration of approximately 18 months

28 JUL 2020

NZ\$50m of New Work Secured in New Zealand, Operations Returned to Normal Levels

Highlights

- SRG Global NZ business has now fully returned to normal levels of operational activity
- NZ\$50m of new work secured across access and industrial coatings, windfarm maintenance, building remediation services and specialist refractory services

5 AUG 2020

SRG Global Secures Specialist Facades and Engineering Contracts Valued at \$65m

Highlights

- Specialist post-tensioning engineering & engineered products contract with John Holland for Sydney Football Stadium Redevelopment at Moore Park in Sydney
- Specialist Facades & Structures contract for Capital Square Development in Perth
- Specialist Facades contract with Lendlease for works at 150 Lonsdale Street in Melbourne as part of the Wesley Place precinct

10 SEP 2020

SRG Global Secures Long-Term Refractory & Access Contracts with South32, valued at \$125m

Highlights

- New eight-year \$100m contract with South32 for specialist Refractory Services
- Two-year \$25m extension on existing six-year engineered Access Services contract
- Continuing to deliver on SRG Global strategy of transitioning business mix towards annuity/recurring earnings

1 OCT 2020

- **Work in Hand of \$707m** at 30 June and an **Opportunity Pipeline of \$6.2b**
- **\$385m of contract wins** announced since 1 July 2020
- Further **imminent / near-term contract wins** expected
- Asset Services to continue step change growth in FY21
- Mining Services operating in high demand, high quality growth commodities
- Positive exposure to Government stimulus programs in Infrastructure Construction
- Scaled back approach to Building implemented; ongoing exposure minimised
- Expected earnings profile of **two thirds annuity earnings** in FY21 and beyond
- **FY21 EBITDA Guidance** of \$38m - \$42m
- Very well positioned for **long term sustainable growth**



FY20 FINANCIAL OVERVIEW



FY20 FINANCIAL PERFORMANCE



REVENUE (\$m)

	FY20
Reported Revenue	520.0
ADD ADJUSTMENT ITEMS	
50% of JV revenue	25.2
Total Adjustment Items	25.2
Adjusted Revenue	545.2

Joint Venture revenue related to the Ocean Reef / Wanneroo Rd Interchange and Bolivia Hill projects.

One-off, non-cash impairment of goodwill related to the scaling back of operations in the Building division.

EBIT AND EBITDA (\$m)

	FY20
Reported EBIT	(31.9)
ADD ADJUSTMENT ITEMS	
Non-cash impairment of goodwill	24.8
One-off restructuring costs	4.2
Amortisation of customer related intangibles	5.1
Provision for expected credit losses (bad debts)	7.9
Net interest adjustment in relation to AASB16	(0.2)
Total Adjustment Items	41.8
Underlying EBIT	9.9
Add Depreciation	10.6
Underlying EBITDA (Pre-AASB 16)	20.5
Add Depreciation impact of AASB 16	8.5
Underlying EBITDA (Post-AASB 16)	29.0

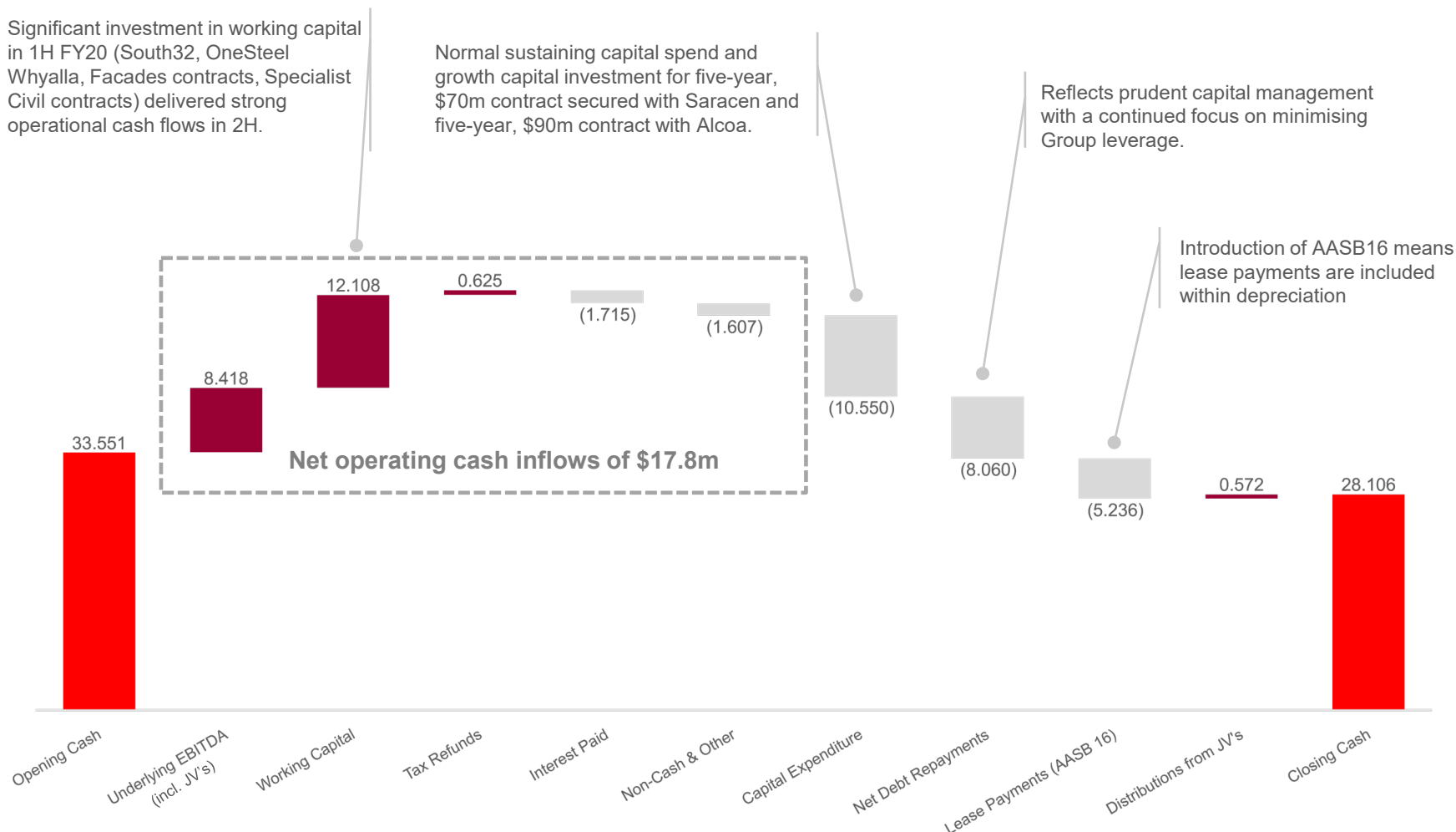
COVID-19 cost initiatives / restructuring implemented to ensure the Company remained in a robust financial position. Restructuring costs were \$2.7m in 2H, full year restructuring costs were \$4.2m.

Amortisation of Customer Contracts from previous acquisitions, adjusted to reflect earnings from underlying operations.

Credit loss provisions (bad debts) due to the economic challenges caused by COVID-19.

In line with 2 July 2020 Market Update guidance provided of pre-AASB 16 Underlying EBITDA of \$20m - \$21m

GENERATING STRONG OPERATING CASH IN 2H



BALANCE SHEET (\$m)

		FY20
Cash and cash equivalents	A	28.1
Trade, other receivables & contract assets		124.2
Inventories		15.6
Property, plant and equipment		79.3
Right of use assets		26.0
Intangibles	B	107.3
Tax assets		33.6
Other		8.8
Total Assets		422.9
Trade, other payables & contract liabilities		104.4
Borrowings	A	36.6
Right of use liabilities		26.7
Current tax liabilities		2.5
Provisions and other		31.2
Total Liabilities		201.4
Net Assets	B	221.4

Strong available liquidity of \$72.6m, comprised of cash on hand of \$28.1m and available undrawn finance facilities of \$44.5m

New asset class in FY20 relating to the introduction of AASB16. There is also corresponding Right of Use Liabilities of \$26.7m.

Includes customer contracts and goodwill, reduced during the year through amortisation of \$5.1m and recognition of a one-off non-cash goodwill impairment of \$24.8m.

Includes carried forward tax losses of \$24.4m reducing future tax payments in future years and deferred tax assets of \$9.2m.

Net debt of \$8.4m, representing a reduction in net debt in 2H FY20 of \$3.0m through prudent management of working capital. Total borrowings includes \$26m of asset finance and \$8.8m of term loan facility related to business acquisition.

A = Net Debt of \$8.4m

B = Net Tangible Assets of \$114.2m



OPERATING SEGMENTS



OPERATING SEGMENTS



ASSET SERVICES

Sustaining
complex
infrastructure

Annuity Earnings

SPECIALIST MAINTENANCE

Highly skilled specialist
maintenance services focusing
on refractory, oil and gas,
industrial assets and transport
and marine infrastructure

ACCESS SOLUTIONS

Comprehensive structural
and technical access solutions
targeting the mining and
resources, oil and gas, offshore
marine and industrial locations



MINING SERVICES

Comprehensive
ground
solutions

Annuity Earnings

PRODUCTION DRILL & BLAST

Integrated range of
complementary production drill
& blast services working across
multiple commodities including
gold, precious metals and iron ore

SPECIALIST GEOTECH

Highly technical specialist
ground and slope stabilisation
services for all mining services
applications



CONSTRUCTION

Constructing
complex
infrastructure

Project Based Earnings

CIVIL & ENGINEERING

Specialist engineering, post-
tensioning and construction
services for complex structures
in key markets including dams,
bridges, windfarms and tanks

SPECIALIST BUILDING

Specialist facade and structural
construction and remediation
services with repeat, tier one
clients



ASSET SERVICES

Sustaining complex infrastructure
Annuity Earnings

SPECIALIST MAINTENANCE

Highly skilled specialist maintenance services focusing on refractory, oil and gas, industrial assets and transport and marine infrastructure

ACCESS SOLUTIONS

Comprehensive structural and technical access solutions targeting the mining and resources, oil and gas, offshore marine and industrial locations

KEY CLIENTS



- Highest growth and earnings segment in the Group
- A number of contract wins
 - 5-year multi-disciplinary contract with Alcoa
 - 8-year maintenance contract with NZTA for Auckland Harbour Bridge
 - 5-year maintenance contract with Methanex
 - 2-year maintenance contract with Meridian Energy
 - 5-year access and maintenance contract with Yara
 - 8-year refractory services contract with South32
 - 2-year extension to existing 6-year engineered access contract with South32
- 2H FY20 impacted by COVID-19, operations returned to normal levels in Q1 FY21
- Continue focus on innovation, technology and data analytics as market differentiators





MINING SERVICES

Comprehensive
ground
solutions

Annuity Earnings

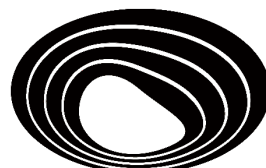
PRODUCTION DRILL & BLAST

Integrated range of
complementary production drill
& blast services working across
multiple commodities including
gold, precious metals and iron ore

SPECIALIST GEOTECH

Highly technical specialist
ground and slope stabilisation
services for all mining services
applications

KEY CLIENTS



FIRST QUANTUM
MINERALS LTD.

Evolution
MINING



NORTHERN STAR
RESOURCES LIMITED



Saracen

- A very strong FY20 financial performance
- Excellent asset utilisation of the fleet (>90%)
- Continued capital investment in fleet for growth and sustaining capital
- Early and proactive measures implemented to ensure continuity of operational delivery
- Excellent start up with new five-year \$70m contract with Saracen Minerals
- Continued focus on innovation including:
 - high precision GPS
 - bespoke real-time data analytics
 - semi-autonomous / remote control drilling
- Growth expected with key existing clients / sites and strong pipeline of new opportunities
- Key commodity exposure - gold and iron ore





CONSTRUCTION

Constructing complex infrastructure

Project Based Earnings

CIVIL & ENGINEERING

Specialist engineering, post-tensioning and construction services for complex structures in key markets including dams, bridges, windfarms and tanks

SPECIALIST BUILDING

Specialist facade and structural construction and remediation services with repeat, tier one clients

KEY CLIENTS



Transport for NSW

sunwater

snowyhydro



Built.



MULTIPLEX
Built to outperform.

seqwater
WATER FOR LIFE

JOHN HOLLAND

Civil and Engineering

- Strong performance in Australia despite COVID-19
- Strong pipeline of Government opportunities
- Imminent / near term contract wins expected
- International operations impacted by COVID-19
- Scaled back operations in the Middle East and US
- Restructured fixed cost base
- Target specialist projects globally from Australia

Specialist Building

- Specialist Facades performed strongly due to differentiated operating model
 - Near term contract wins expected
- Structures Victoria and Building Post-Tensioning impacted by COVID-19
 - Scaled back, minimising future exposure
- Structures West commenced Multiplex project
 - Strong pipeline of opportunities





OUR STRATEGIC DIRECTION



Building the **most sought-after** specialist asset services, mining services and construction business

GROWTH (1 - 2 YEARS)

- ✓ Step change growth in recurring Asset Services
- ✓ Innovation and selective growth in Mining Services
- ✓ Targeted growth in specialist Civil Infrastructure Construction
- ✓ Specialist services and products in Building Construction with key repeat clients
- ✓ **Continue transition of business mix towards annuity / recurring earnings**

LEADERSHIP (3 YEARS +)

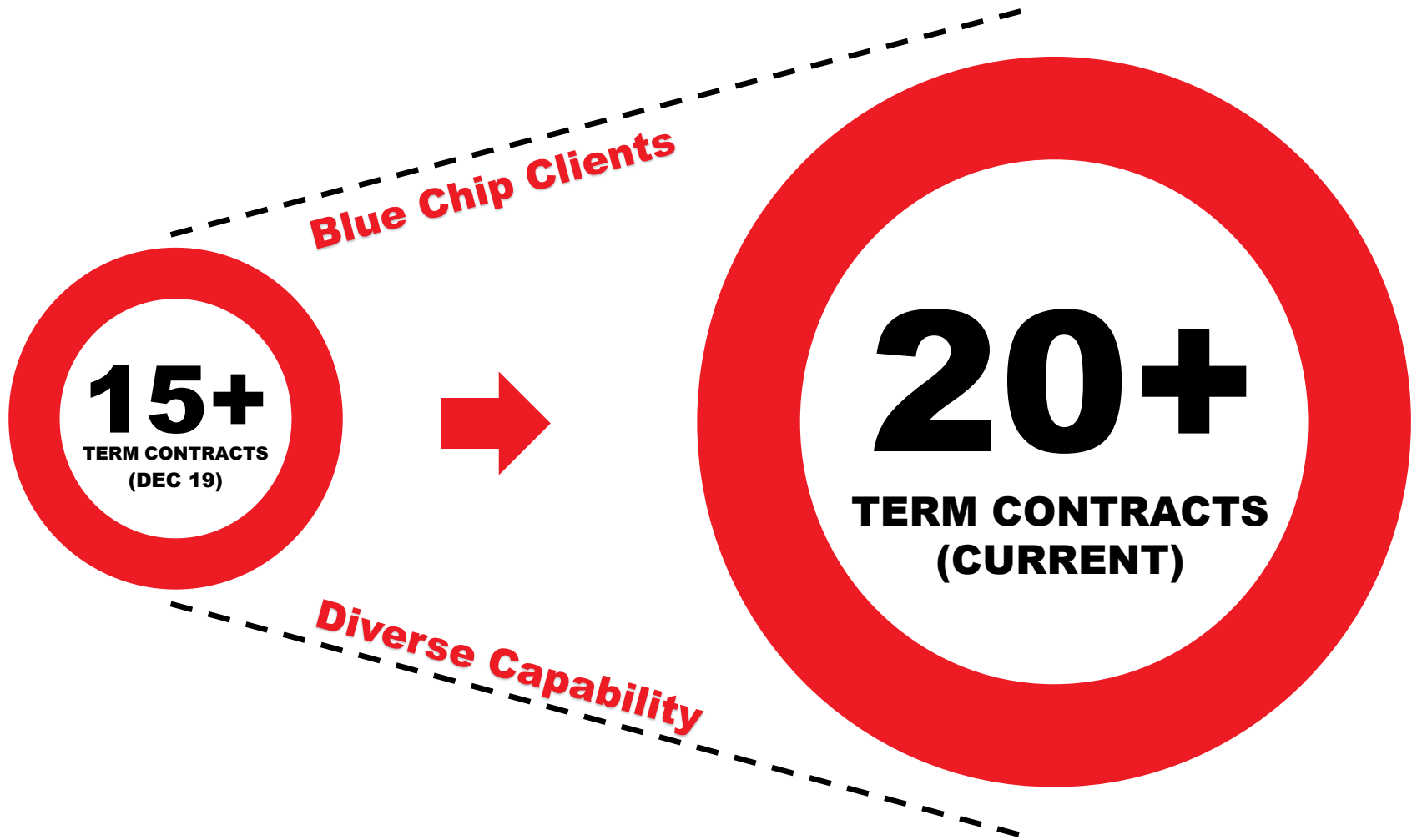
Zero Harm industry leader and recognised employer of choice

Key partner of choice in our specialised core markets with core clients

Consistent, above market shareholder returns (EPS and TSR)

Selective strategic acquisitions to complement capability / footprint

Two thirds annuity / recurring and one third project-based earnings



WINNING CONTRACTS IN DIVERSE SECTORS

TRANSPORT



CHEMICAL



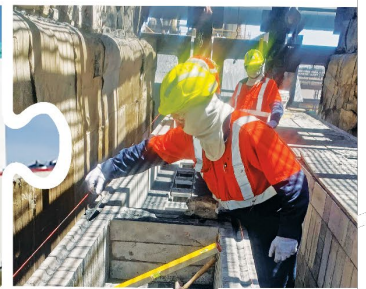
ENERGY



DAIRY



STEEL



IRON ORE



GOLD



ALUMINA



OIL & GAS



RENEWABLES

OPPORTUNITY TO LEVERAGE OUR SITE PRESENCE



INVESTMENT PROPOSITION

Complete business model (end-to-end)

Diverse market sector exposure

Annuity earnings profile

Strong growth outlook

Attractive valuation multiples

Dividend paying stock

Solving challenges wherever they are

srgglobal.com.au

○ Engineer ○ Construct ○ Sustain

**MAKING
THE
COMPLEX**

SIMPLE