



• Construct • Commission • Maintain

Video Link: <https://bit.ly/VMX-AGM-Video>

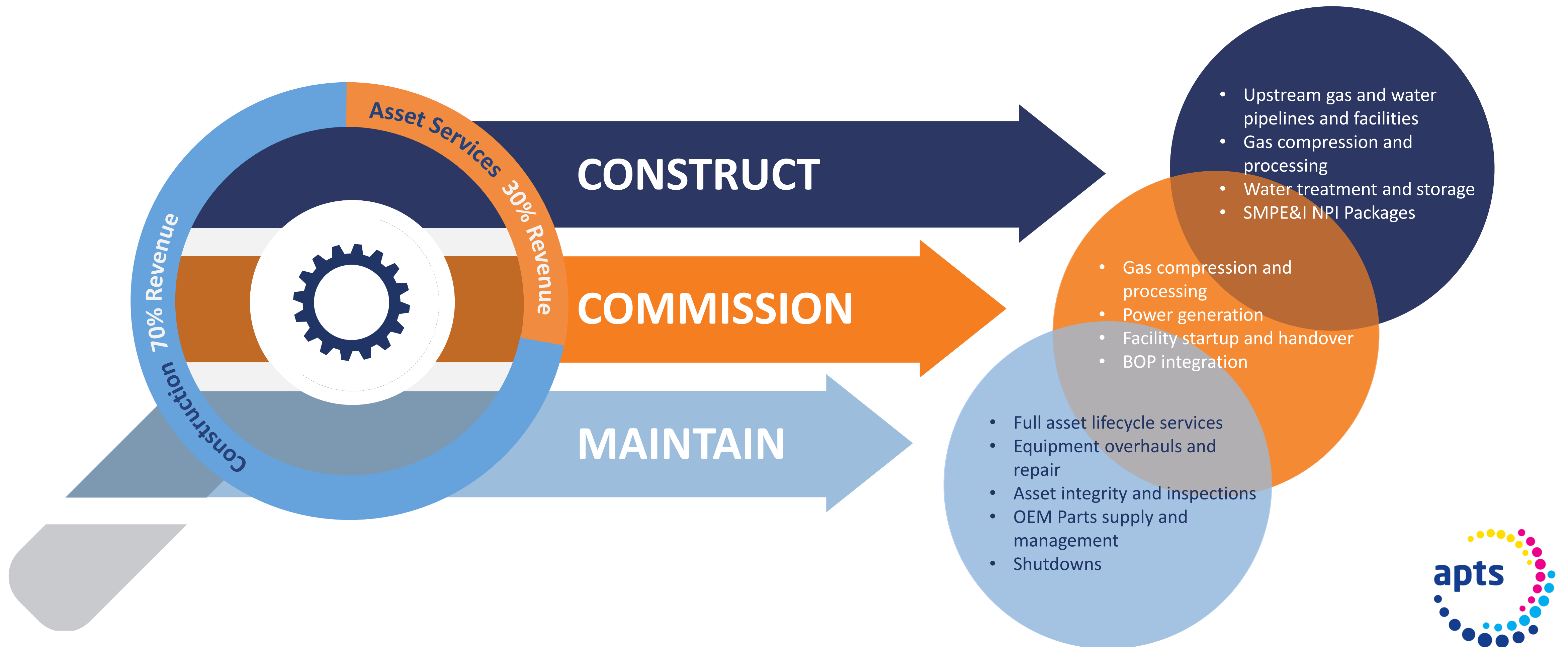
AGM & STRATEGY UPDATE PRESENTATION

November 2020

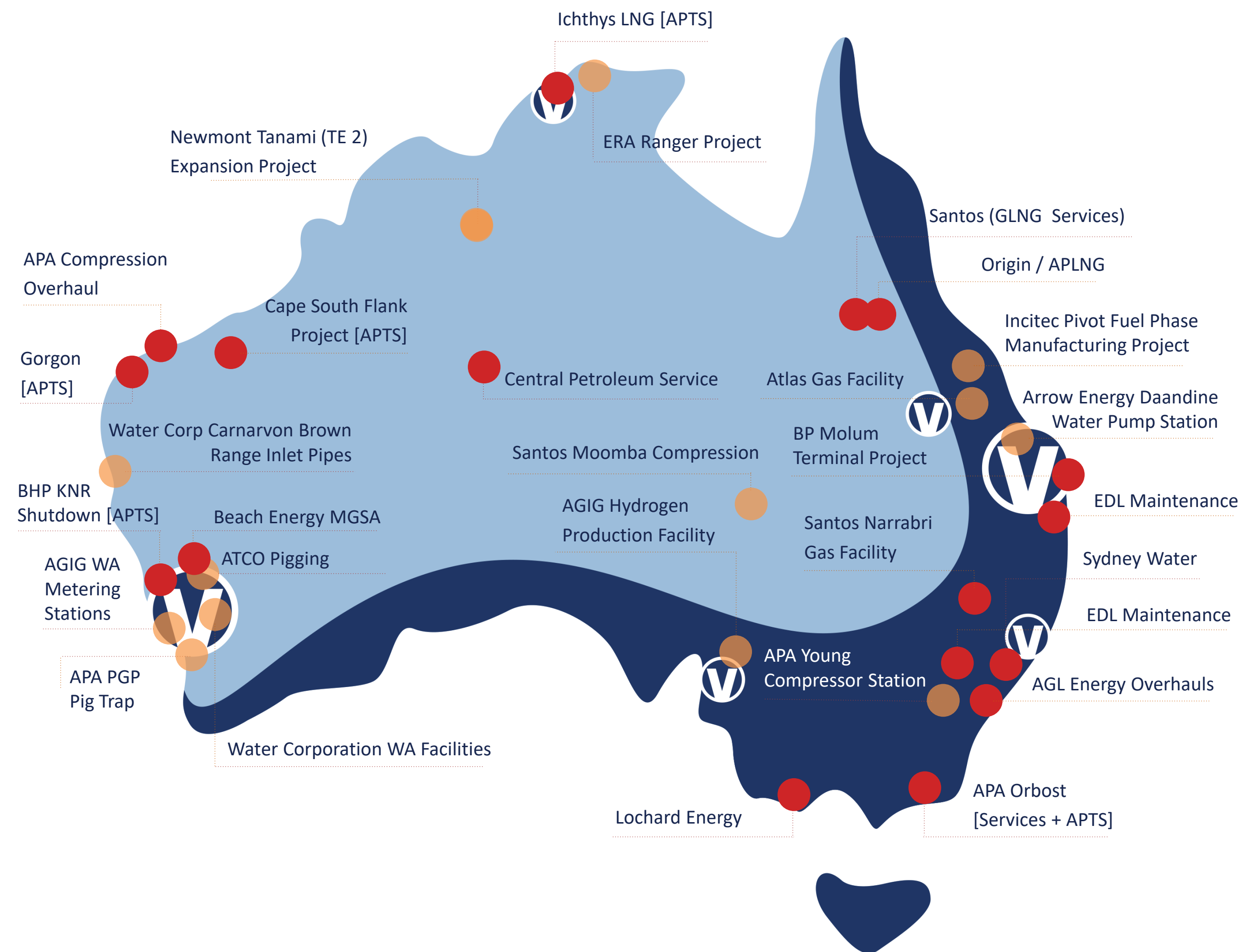
STRONG RELATIONSHIPS. RESILIENT GROWTH.

- ❶ Specialist contractor delivering in-house and niche end-to-end solutions covering design, construction and maintenance to the energy, resources and infrastructure sectors
- ❷ Proven and reputable management team with significant skin in the game
- ❸ A strong national footprint
- ❹ Repeat contract work through tier-one and diversified client base
- ❺ Construction work underpinned by Government stimulus: gas and infrastructure development
- ❻ Continued focus on safety – 3.2 million hours LTI free (> 3300 days)
- ❼ ***The energy sector is entering a major maintenance cycle***
- ❽ ***Valmec's updated corporate strategy is aimed at transitioning the Company into a full asset lifecycle provider delivering increased exposure to recurring revenue streams***

CURRENT SERVICE OFFERING



NATIONAL PRESENCE



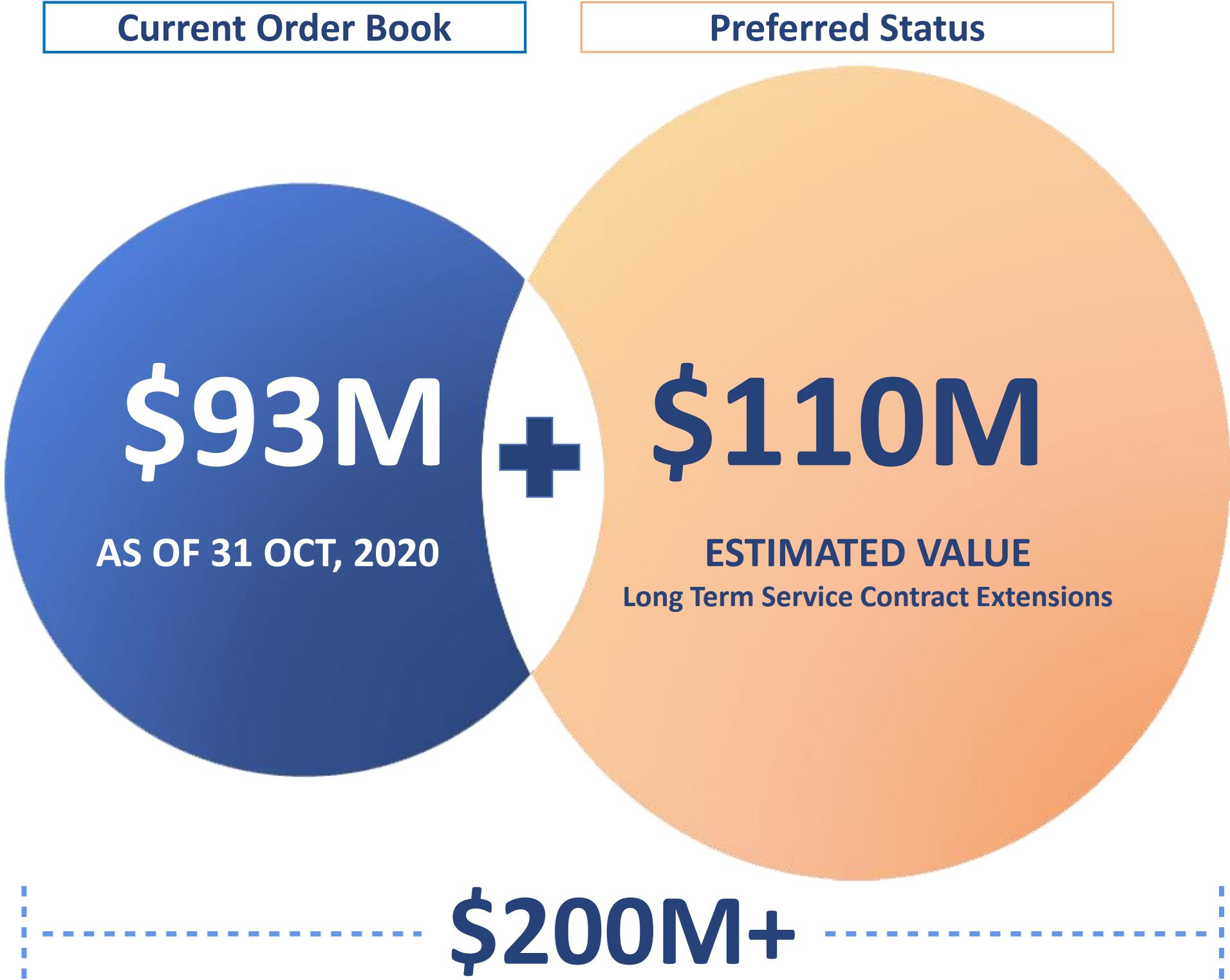
STRONG HEALTH & SAFETY CULTURE

- ✔ Safety leadership and values drive our continuous improvement
- ✔ 3.2 Million Hours LTI Free (> 3300 days)
- ✔ Industry leading TRIFR of 0.56
- ✔ Federal Safety Accreditation Status
- ✔ High staff retention rate
- ✔ Reconciliation Action Plan

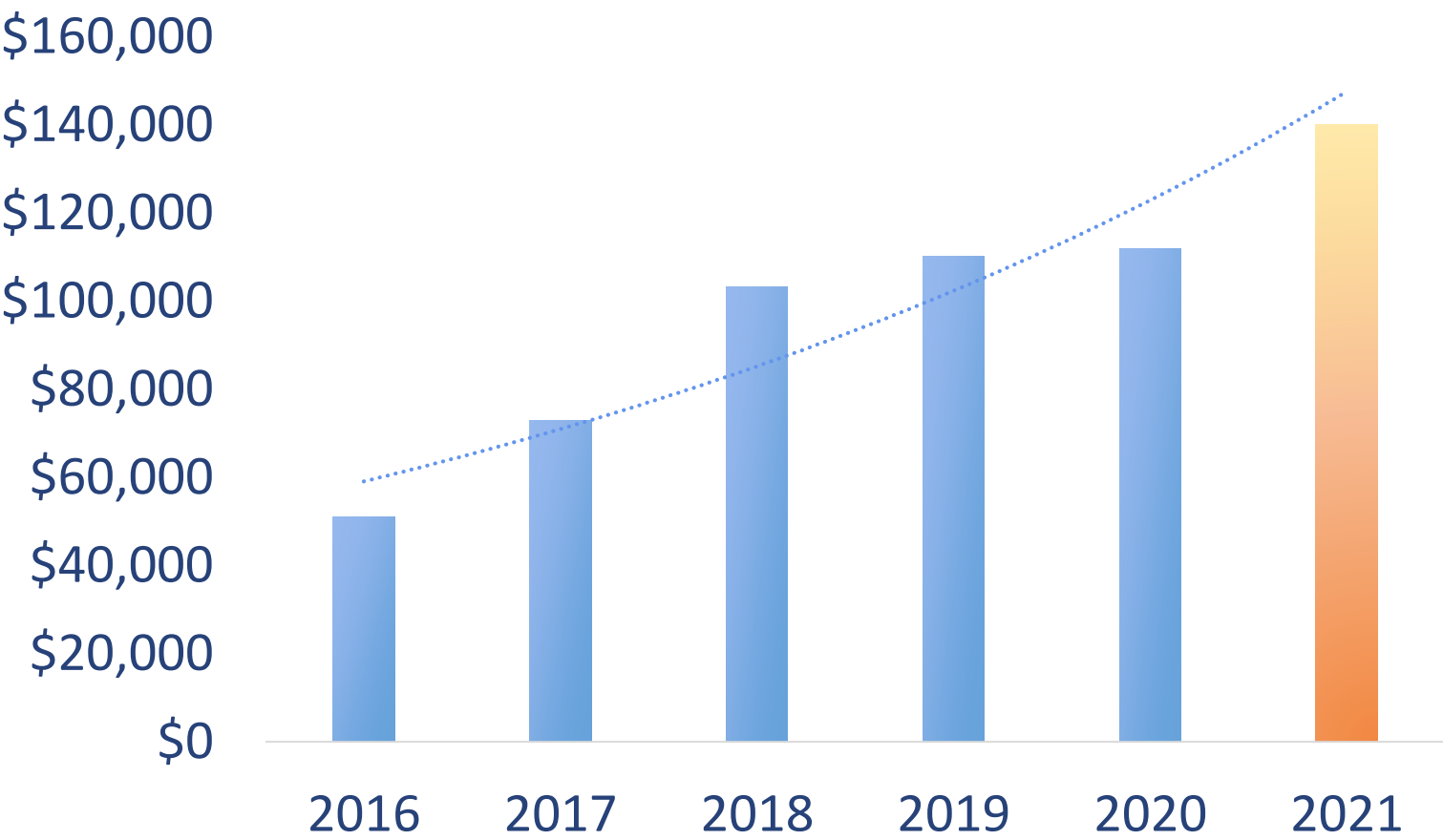


ESTABLISHED TRACK RECORD

- ✔ Recurring revenue and excellent business growth through established, blue-chip client base
- ✔ A recognised first-mover in the emerging hydrogen sector
- ✔ Asset services strategy to enhance Valmec's offering and deliver the next phase of significant growth



REVENUE 5 YEAR TREND



FY21 Revenues Locked in



THE ASSET SERVICES STRATEGY

CREATING A 'ONE-STOP' SHOP

- ❖ To be the most trusted specialist services group in the delivery of projects, operations and maintenance services in energy, resources and infrastructure
- ❖ Asset Services strategy will transition Valmec into a 'one-stop' shop covering the full project lifecycle of key assets – Construct, Commission, Maintain
- ❖ Industry recognised E.C.I. partner delivering a broad range of asset services from conception to decommissioning
- ❖ Primary goal is to increase asset life and lower the total cost of ownership for clients
- ❖ Targeted mergers and acquisitions will round out the Valmec service offering

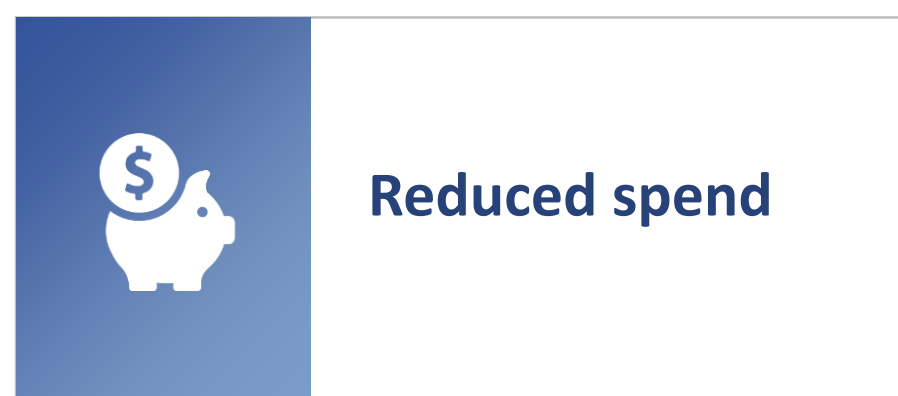


A business model that is hard to replicate

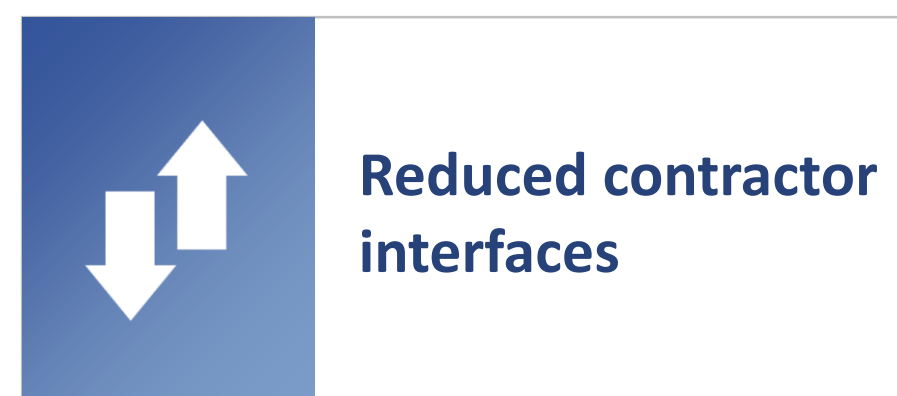


REDUCING ASSET COSTS FOR CLIENTS

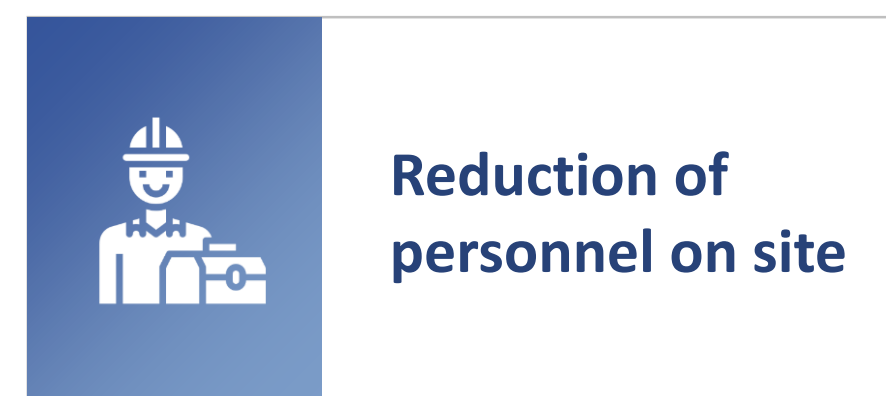
- ❖ Energy sector is entering a major maintenance cycle
- ❖ A low-risk strategy – leveraging current capabilities and experience
- ❖ Well placed to deliver an enhanced offering through current client base and upcoming tender opportunities
- ❖ Reducing the cost of asset ownership and maintaining asset integrity and lifespan are key deliverables in current climate
- ❖ An attractive offering to clients



Reduced spend



Reduced contractor
interfaces



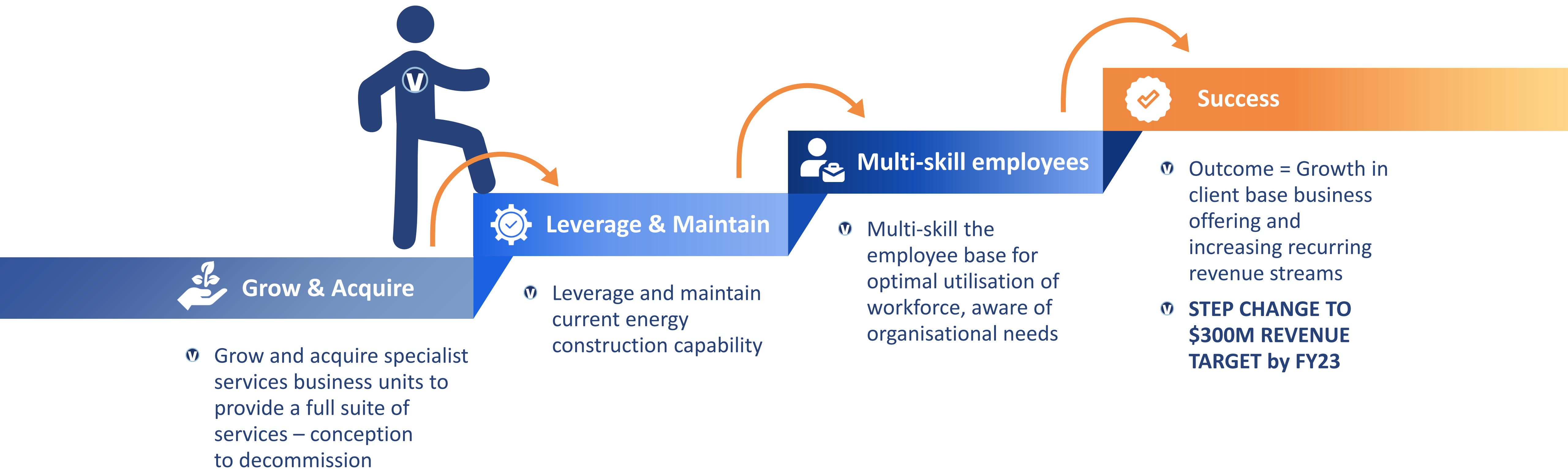
Reduction of
personnel on site



Reduction in
vehicles,
accommodation
and flights required

THE STRATEGIC ROADMAP

- ① Significant opportunity to position the business across the entire Energy Services supply chain

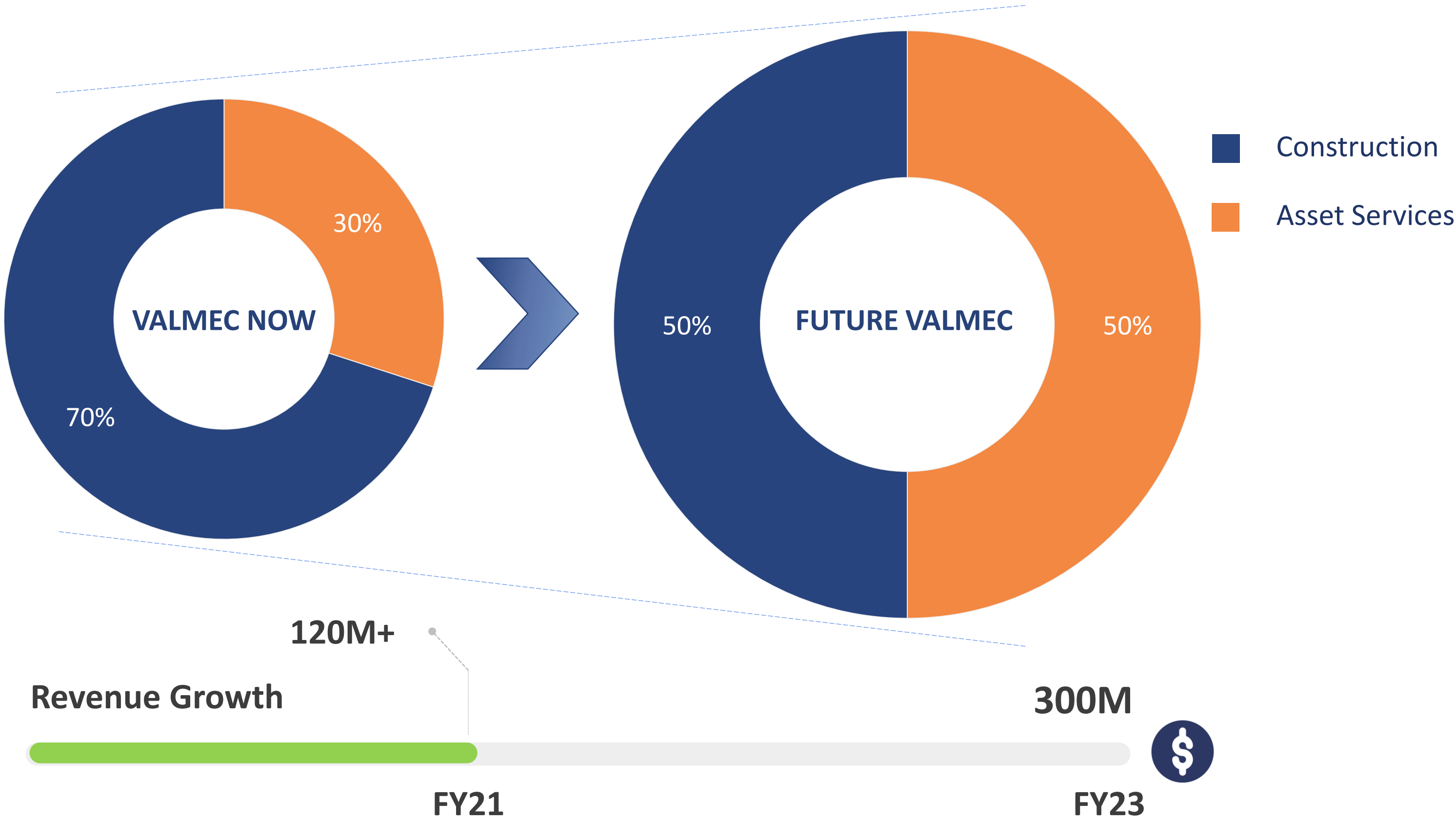


EXPANDING THE FOCUS

❶ Order book to be dominated by recurring revenue streams:

- ❶ Construction: ECI for recurring clients and government infrastructure panel works
- ❶ Asset Services: Long term asset lifecycle services contracts

TARGET REVENUE & BUSINESS SEGMENT GROWTH



DIVERSIFIED MARKETS. RESILIENT GROWTH.

ASSET SERVICES



- ❶ Long Term Services Contract with Origin Energy Resources Limited on behalf of the Australia Pacific LNG Joint Venture (APLNG) Project in South West Queensland
- ❷ Since the contract's inception in 2016, Valmec has provided specialist technicians, equipment and parts, within its preventative and corrective maintenance service scope, as well as delivering brownfield construction services to the APLNG Project's upstream gas compression and power generation assets.



UPSTREAM ENERGY



- ❶ Valmec was awarded a contract with Jemena for facility construction works at its Atlas Gas Pipeline Project in South West Queensland
- ❷ With a turnkey scope valued at \$22.1 million and incorporating a large scale 10 compressor package facility, works commenced in January 2019 with completion achieved less than 10 months later.

***Fast-tracked domestic supply
“...record time for a greenfield
project...”***

- Senex Announcement, 10.12.19



Senex

**Fast-Track
DOMESTIC GAS**

WATER UTILITIES



- ❶ Key water infrastructure expertise has seen Valmec become a key long term partner in Water Corporation's metropolitan and regional infrastructure upgrades in Western Australia
- ❷ Together with works on the Pipes for Perth water main renewal programme, Valmec has now delivered over \$45 million of works for Water Corporation in recent years.



REPLACING

AGEING WATER PIPES



HYDROGEN



- ❶ Valmec is an early player in the rapidly growing Hydrogen sector, paving the pathway to a cleaner energy future
- ❷ Valmec was engaged by Australian Gas Infrastructure Group (AGIG) to deliver the EPC project at HyP SA in South Australia
- ❸ HyP SA is set to be in operational by late 2020 and will produce renewable hydrogen, for blending with natural gas
- ❹ *Valmec now actively sought after to develop similar facilities around Australia*



POWERING FORWARD

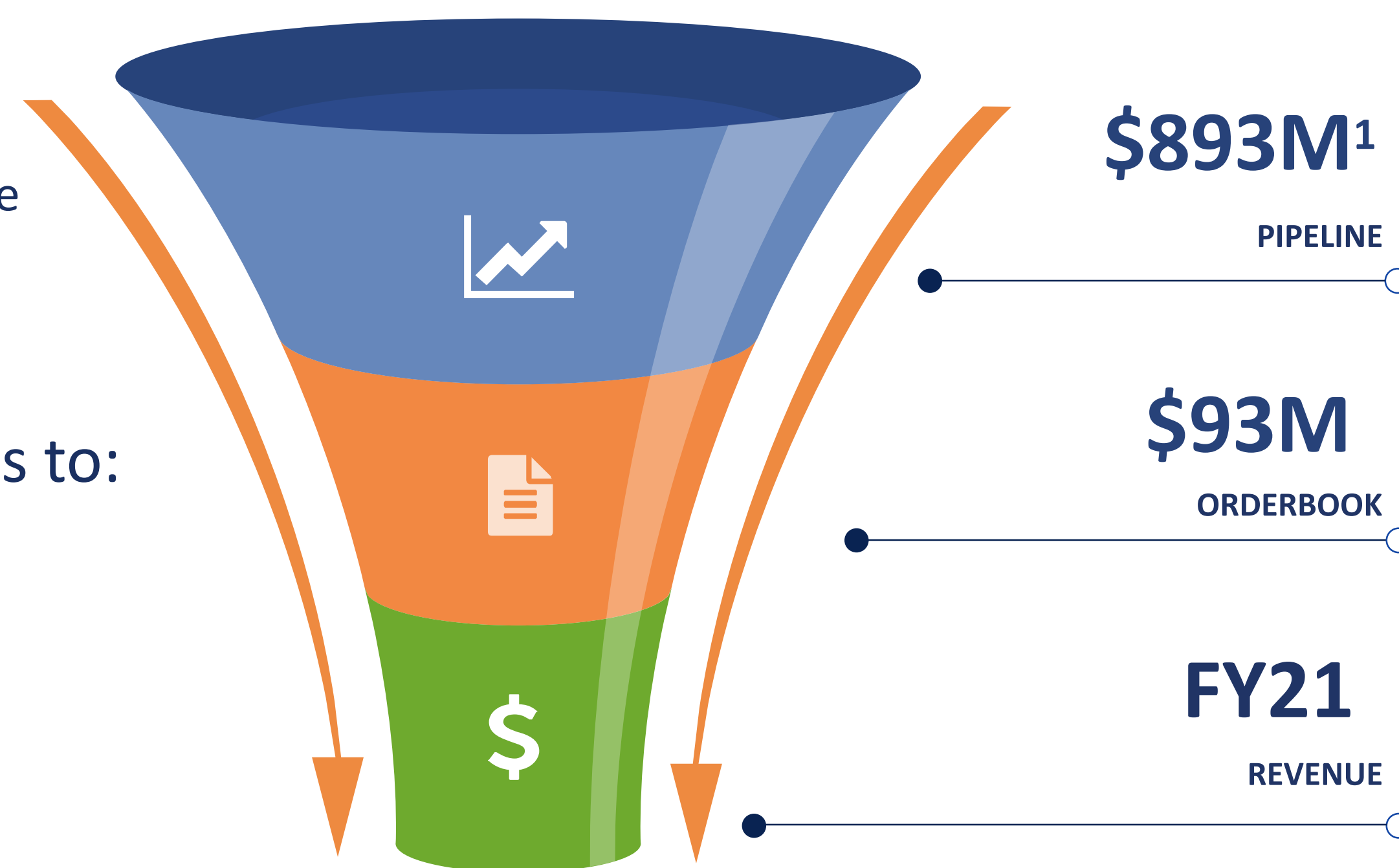
KEY GROWTH DRIVERS & MILESTONES

❶ Revenue growth will be driven by

- ❶ Government stimulus infrastructure spend
- ❶ The 'gas-led' economic recovery
- ❶ Asset services growth underpinned by major maintenance cycle
- ❶ Targeted growth in national water sectors
- ❶ Hydrogen as a highly prospective emerging energy source

❷ Execute targeted merger & acquisition opportunities to:

- ❶ Expand customer base
- ❶ Increase skillset across key growth areas
- ❶ Deliver synergies



¹: Includes Preferred Status Service Contracts of \$110M

“A BUSINESS MODEL THAT IS HARD TO REPLICATE”

- ✔ Widely recognised across key sectors for in-house expertise in design, construction, commissioning and maintenance of client assets
- ✔ Led by proven and highly-reputable management, with significant skin in the game and strong industry relationships
- ✔ A loyal, tier-one client base across oil and gas, infrastructure and resources
- ✔ Well-established national footprint
- ✔ Transitioning Valmec into a full service asset lifecycle provider with strong recurring revenue
- ✔ Positioned to benefit from:
 - ✔ Government infrastructure spend
 - ✔ The re-emergence of gas as a cheap energy source
 - ✔ A looming major maintenance cycle
 - ✔ The national importance of water infrastructure
 - ✔ The emerging hydrogen sector

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