

# Investor Presentation

1 March 2021



**GR ENGINEERING SERVICES LIMITED**  
ENGINEERING CONSULTANTS AND CONTRACTORS

# Our Strategy

Growing to increase the Company's diversity and strength

Facilitate larger projects and minimise vulnerability to changing market conditions

**Extend  
Geographical  
Presence**

**Strategic  
Alliances and  
Investments**

**Larger  
Projects**

**Strong  
Client  
Relationships**

**Extend  
and Diversify  
Experience**

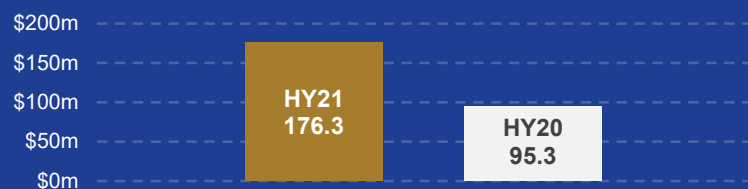
**Acquisition**



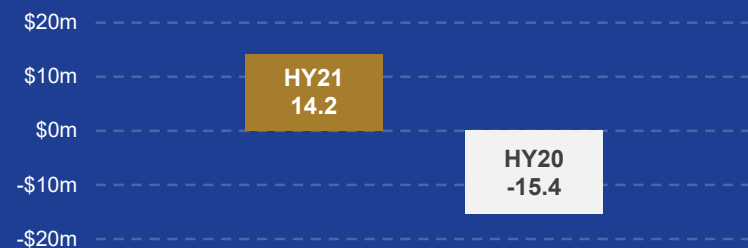
# HY21 Results Summary

## Earnings

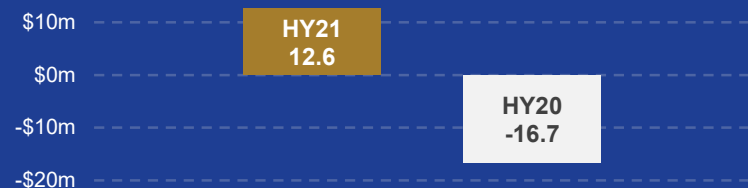
### Revenue



### EBITDA

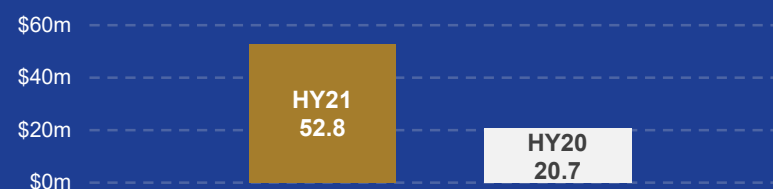


### PBT

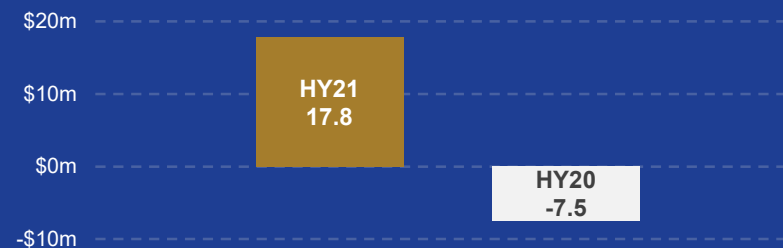


## Balance Sheet & Cash Flow

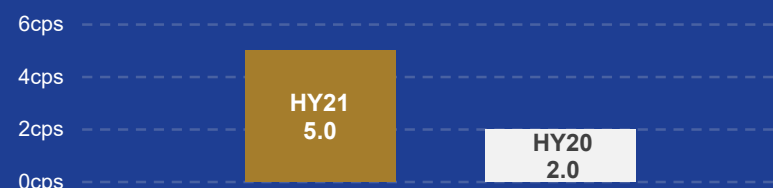
### Cash



### Net Operating Cash Flow



### Total Dividend<sup>1</sup>



1) HY21 dividend is fully franked

# HY21 Results

- GR Engineering increased revenue by 85.0% to \$176.3 million. The EBITDA contribution was \$14.2 million which was a strong turnaround from the prior corresponding period.
- Cash generation was excellent and resulted in a high conversion of EBITDA to free cashflows. During the twelve month period from 31 December 2019 to 31 December 2020, cash at bank increased by \$32.1 million.
- GR Engineering's strong order book into FY22 and anticipated continued strong cash flow generation leaves its well placed to continue to deliver returns to its shareholders.
- The Total Reportable Injury Frequency Rate for HY21 was 11.4.
- A final dividend of 5 cps (fully franked) was declared for the half year period.
- GR Engineering continues to be proactive in its response to the COVID-19 pandemic. COVID-19 has had no material impact on the HY21 results.





# Mineral Processing

- Practical completion was achieved on the following projects in HY21:
  - Saracen Minerals Holdings Ltd's Carosue Dam Operations Plant Expansion Project (excluding variation work)
  - Tellus Holdings Limited's Sandy Ridge Project
- Practical completion was also achieved on Ora Banda's Davyhurst Restart Project post 31 December 2020.
- GRES has been successful in building up its contracted pipeline of work during FY20 and subsequent to year end. New and ongoing projects include:

<b><i>Salt Lake Potash Ltd</i></b>	<i>Lake Way Project</i>	<i>EPC/EPCM</i>	<i>\$107.9m</i>	<i>Australia</i>
<b><i>Calidus Resources Ltd</i></b>	<i>Warrawoona Gold Project</i>	<i>EPC</i>	<i>\$75.0m</i>	<i>Australia</i>
<b><i>Pantoro Ltd</i></b>	<i>Norseman Gold Project</i>	<i>EPC</i>	<i>\$57.2m</i>	<i>Australia</i>
<b><i>Saracen Minerals Holdings Ltd</i></b>	<i>Thunderbox Paste Plant Project (and variation)</i>	<i>EPC</i>	<i>\$34.2m</i>	<i>Australia</i>
<b><i>Wiluna Mining Corporation</i></b>	<i>Wiluna Gold Operation – Concentrator</i>	<i>EPC</i>	<i>\$25.7m</i>	<i>Australia</i>
<b><i>Silver Lake Resources Ltd</i></b>	<i>Deflector Flotation Tails Leach Project</i>	<i>EPC</i>	<i>\$23.0m</i>	<i>Australia</i>
<b><i>Novo Resources Corp.</i></b>	<i>Nullagine Mill Refurbishment Project</i>	<i>Reimbursable</i>	<i>\$8.3m</i>	<i>Australia</i>
<b><i>BCI Minerals Ltd</i></b>	<i>Mardie Salt Project – FEED / Early Works</i>	<i>FEED / Early works</i>	<i>\$6.1m</i>	<i>Australia</i>
<b><i>First Majestic Corp.</i></b>	<i>San Dimas Silver Mine Project</i>	<i>EPCM</i>	<i>US\$4.5m</i>	<i>Mexico</i>



# Mineral Processing

- GR Engineering's pipeline of work opportunities includes:

<b><i>Galena Mining Ltd</i></b>	<i>Abra Base Metals Project</i>	<i>\$74m</i>	<i>Australia</i>
<b><i>Geopacific Resources Ltd</i></b>	<i>Woodlark Gold Project</i>	<i>\$92m</i>	<i>PNG</i>
<b><i>EcoGraf (Australia) Ltd</i></b>	<i>WA Battery Graphite Manufacturing Facility</i>	<i>\$25m</i>	<i>Australia</i>
<b><i>Sheffield Resources Ltd</i></b>	<i>Thunderbird Minerals Sands Project</i>	<i>\$244m</i>	<i>Australia</i>
<b><i>Australian Potash Ltd</i></b>	<i>Lake Wells SOP Project</i>	<i>\$170m</i>	<i>Australia</i>
<b><i>Bluestone Mines JV Ltd</i></b>	<i>Renison Paste Plant</i>	<i>\$16m</i>	<i>Australia</i>
<b><i>Galena Mining Ltd</i></b>	<i>Abra Paste Plant</i>	<i>\$12m</i>	<i>Australia</i>

- At 31 December 2020, GR Engineering was engaged on 24 studies across a broad range of commodities for projects both in Australia and abroad.



# Oil & Gas

- GR Engineering's wholly owned subsidiary, Upstream PS, generates longer term operations and maintenance services revenue which results in baseline revenue alongside project based design and construction work.
- During HY21, revenue contributions were primarily from:
  - Wellsite and plant maintenance work in the Bowen and Surat Basins (Origin Energy Ltd and Santos Ltd)
  - Providing operations and maintenance and project services to the Northern Endeavour FPSO and associated infrastructure
  - Timor Sea operations and maintenance services (Australian Government and Eni Australia Ltd)
  - Maintenance work on assets in the Perth Basin including Mitsui Co. (Australia) Pty Limited
  - Commissioning, operations and maintenance support services and surface facility construction in Victoria to clients including APA Group





# Balance Sheet

- Strong balance sheet maintained at 31 December 2020
- Cash: \$52.8 million (31 December 2019: \$20.7 million)
- Significant headroom on bank guarantee and bonding facilities
- Net operating cashflows: \$17.8 million (HY20: negative \$7.5 million)
- Half year dividend declared: 5 cents (fully franked)





# FY21 Outlook

- As the consolidated entity moves into FY21, GR Engineering has a strong order book dominated by Australian projects.
- The consolidated entity expects revenue for FY21 to be in the range of \$340 million to \$360 million, with improved EBITDA margins.
- GR Engineering's strong cash position means that it is well capitalised to deliver its pipeline of work.



# Capabilities

## GR Engineering

- Process engineering design and construction contractor servicing the mining and minerals processing industry
- Specialising in EPC / EPCM project delivery to provide project outcomes with secure cost, time, plant performance and contract completion warranties and guarantees
- Expertise in gold, base metals and industrial mineral commodities

## Upstream Production Solutions

- Oil and gas services business providing operations, maintenance, project advisory and engineering services to Australian oil and gas industry
- Strong presence on and offshore Perth Basin, Timor Sea, Queensland and Victoria

## Selected Clients



## Selected Clients



# Corporate Profile

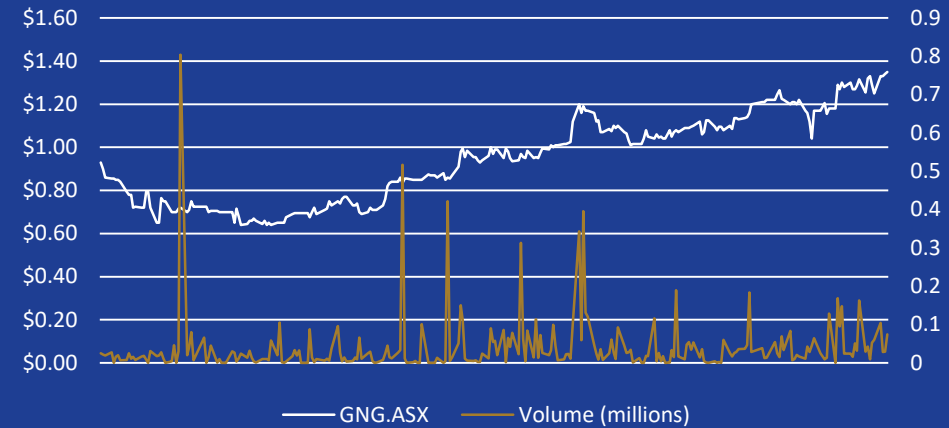
## Capital Structure

Shares on issue	m	155.2
Share price (GNG.ASX) (26 Feb 2021)	\$	1.37
<b>Market Capitalisation</b>	<b>\$m</b>	<b>212.6</b>
Cash (31 December 2020)	\$m	52.8
Debt (31 December 2020) (excluding office lease liabilities and premium financing)	\$m	2.8
<b>Enterprise Value</b>	<b>\$m</b>	<b>162.6</b>

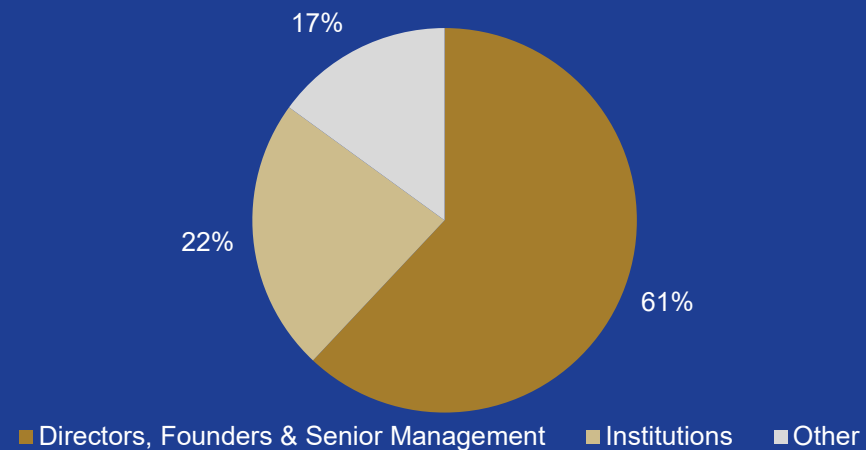
## Directors & Management

Phillip Lockyer	<i>Non-Executive Chairman</i>
Geoff Jones	<i>Managing Director</i>
Tony Patrizi	<i>Executive Director</i>
Peter Hood	<i>Non-Executive Director</i>
Joe Totaro	<i>Non-Executive Director</i>
Omesh Motiwalla	<i>Chief Financial Officer</i>

## Share price history



## Register Analysis





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