



# GR Engineering Services Limited

## Investor Presentation

### August 2021

# Capabilities

## GR Engineering

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

## Upstream PS

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

## Mipac

- Mipac provides advanced standalone control systems engineering, automation and technology solutions to its clients.
- Mipac has strong capabilities across multiple commodities.

# Selected Clients



## GR Engineering



## Upstream Production Solutions



## Mipac





# FY21 Results

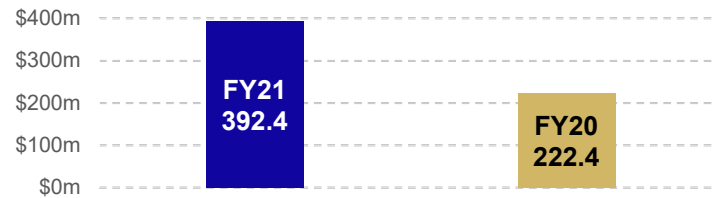
- GR Engineering reported record FY21 revenue of \$392.4 million and EBITDA of \$37.2 million.
- GR Engineering achieved revenue growth of 76% during FY21 as a result of strong contracting activity and solid operational performance in a challenging market environment.
- Cash generation was excellent and represented a high EBITDA conversion. During FY21, cash at bank increased by 84% to \$69.0 million.
- GR Engineering's strong order book and anticipated continued strong cashflow generation leaves it well placed to continue to deliver returns to its shareholders.
- The strategic acquisition of Mipac during FY21, provides GR Engineering with an opportunity to offer advanced standalone control systems engineering, automation and technology solutions to its clients.
- The Total Reportable Injury Frequency Rate for FY21 was 9.51.
- A final dividend of 7.0 cents per share (fully franked) was declared, resulting in total FY21 dividends of 12.0 cents per share (fully franked).



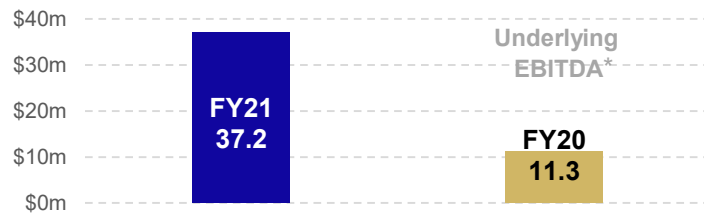
# FY21 Results Summary

## Earnings

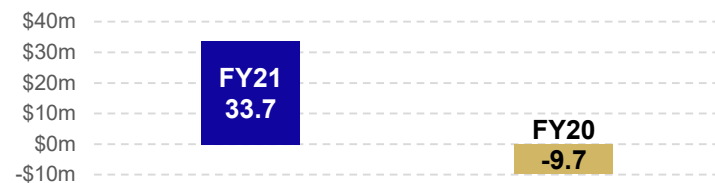
### Revenue



### EBITDA



### PBT



## Balance Sheet & Cash Flow

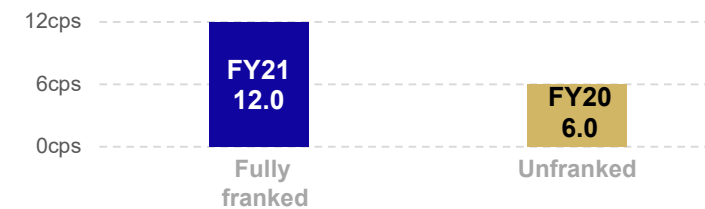
### Cash



### Net Operating Cash Flow



### Total Dividend



\*Underlying FY20 EBITDA excludes one-off bad debt expenses, miscellaneous inventory and debtor write-offs and Hanlon acquisition costs

# Balance Sheet & Cashflows

- Strong balance sheet maintained at 30 June 2021.
- Cash: \$69.0 million (30 June 2020: \$37.5 million).
- High EBITDA to cash conversion - net operating cashflows: \$49.5 million (30 June 2020: \$11.2 million).
- Significant headroom on bank guarantee and bonding facilities.
- Final dividend declared: 7.0 cents per share (fully franked), resulting in total FY21 dividends of 12.0 cents per share (fully franked).



# Mineral Processing

- GR Engineering's design and construction order book for works currently being undertaken and which will continue into FY22 include:

Company	Project	Type	Value (\$'m)
Northern Star Resources Limited	Thunderbox 6 Mtpa Expansion Project	EPC	101.0
Calidus Resources Limited	Warrawoona Gold Project	EPC	75.0
RUC Cementation Mining Contractors Pty Ltd	Newmont Tanami Gold Mine	Subcontractor	68.0
Pantoro Limited	Norseman Gold Project	EPC	59.5
Wiluna Mining Corporation	Wiluna Gold Operation Project	EPC	25.7



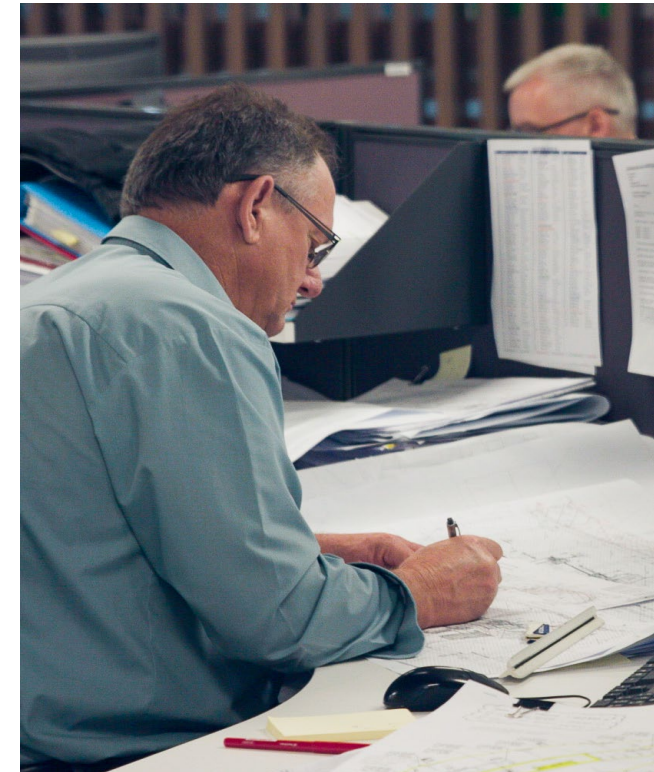


# Mineral Processing

- GR Engineering's pipeline of work opportunities include:

Company	Project	Type	Value (\$'m)
Abra Mining (50% owned by Galena Mining Ltd)	Abra Base Metals Project	EPC	74.0
Sheffield Resources Limited	Thunderbird Mineral Sands Project	EPC	244.0
Geopacific Resources Limited	Woodlark Gold Project	EPC	114.0
EcoGraf (Australia) Limited	WA Battery Graphite Manufacturing Facility	EPC: Stage 1 Stage 2	25.0 50.0
Bardoc Gold Limited	Bardoc Gold Limited	EPC	110.0

- At 30 June 2021, GR Engineering was engaged on 30 studies across a broad range of commodities for projects in Australia, the Americas (including Hanlon Engineering) and abroad.
- Major projects completed during FY21 and subsequent to year end included: Thunderbox Paste Plant, Carosue Dam Operations Plant Expansion, Deflector Flotation Tails Leach, Lake Way Potash, Nullagine Mill Refurbishment, Davyhurst Restart and Sandy Ridge Waste Storage.





# Oil & Gas

- GR Engineering's wholly owned subsidiary, Upstream PS, generates longer term operations and maintenance services revenue alongside project based design and construction work.
- During FY21, revenue contributions were primarily from:
  - Wellsite and plant maintenance work in the Bowen and Surat Basins;
  - Working with the Australian Government to maintain the Northern Endeavour FPSO (FPSO) in a non-producing state. Upstream PS continues to provide the Australian Government with operations, maintenance and project services in preparation for the disconnection and removal of the FPSO;
  - Timor Sea operations and maintenance services, including through its Darwin base of operations;
  - Maintenance work on assets in the Perth Basin;
  - Supporting onshore clients in Victoria and South Australia with respect to carbon sequestration, pipeline and gas production facility projects, operations and maintenance services.



# FY22 Outlook

- GR Engineering has been successful in building its order book for FY22 and FY23.
- The consolidated entity expected revenue for FY22 to be in the range of \$440 million to \$460 million.
- GR Engineering's strong balance sheet means that it is well capitalised to deliver its pipeline of work.



# Corporate Profile

## Capital Structure

Shares on issue	<i>m</i>	160.9
Share price ( <i>GNG.ASX</i> ) (25 August 21)	<i>\$</i>	1.73
<b>Market Capitalisation</b>	<b><i>\$m</i></b>	<b>278.3</b>
Cash (30 June 2021)	<i>\$m</i>	69.0
Debt (30 June 2021) (excluding lease liabilities)	<i>\$m</i>	2.4
<b>Enterprise Value</b>	<b><i>\$m</i></b>	<b>211.7</b>

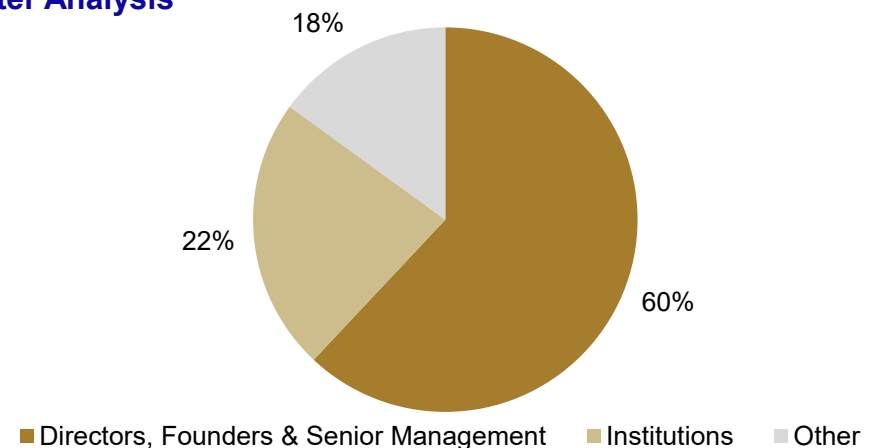
## Share Price History



## 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>

## Register Analysis





# Contact Details

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