



ONE TEAM
SEAMLESS DELIVERY



Aerison Group Ltd Half-Year Results Presentation

31 AUGUST 2021



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H1 FY21 Group Summary

FINANCIAL



- ▶ **Revenue up 22.0% to \$62.3m** (1H FY20: \$51.1m)
- ▶ **EBITDA up 56.1% to \$5.2m** (1H FY20: \$3.3m)
- ▶ **Consistent and strong gross margins**
- ▶ Net operating cash outflow of \$8.7m as a result of an increased working capital for projects commenced in 1H FY21
- ▶ After a fully subscribed IPO, \$7.5m in proceeds from the issue of shares were received in July 2021.

Revenue + 22%
\$62.3m HY1 FY20
\$51.1m

OPERATIONS

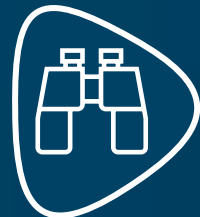


- ▶ Awarded \$191m in new contracts during 1H FY21, including, but not limited to:
 - ▶ 3 year dust maintenance master services agreement
 - ▶ Conveyor maintenance contract
 - ▶ Brownfields ultra fines construction project
 - ▶ 3 year engineering consultancy panel service agreements across agriculture, mineral sands and port facilities
 - ▶ 8 year railcar component manufacturing contract for the Metronet project
 - ▶ Multiple Preferred Status / Early Contractor Involvement ("ECI") across several projects
- ▶ **First company in Western Australia** to achieve EN15085 certification to support the manufacturing of railcars for the Metronet project
- ▶ Successful, safe delivery of multiple projects and switchrooms to major iron expansion ore projects

EBITDA + 56%
\$5.2m HY1 FY20
\$3.3m

FY21 Guidance
\$130m

OUTLOOK



- ▶ **Revenue guidance for FY21 of \$130.0m is fully secured**
- ▶ Orderbook (including secured and expected MSAs) steady at \$309m
- ▶ Multiple contract awards anticipated in 2H FY21 for delivery in 2022 and beyond
- ▶ Multi-discipline and diverse service offering will enable Aerison to pivot its focus and position the business to benefit from the next area of growth

Orderbook
\$309m

1H FY21 in Review

1H FY21

Achievements

- **Secured:** Three year dust maintenance MSA
- **Secured:** Conveyor maintenance for four new mine sites
- **Secured:** Brownfields ultra fines construction project
- **Renewal:** Panel agreement
- **Secured:** Three multi-year engineering consultancy panel service agreements in agriculture, mineral sands and port facilities.
- **Secured:** Eight year Metronet railcar component manufacturing contract
- **Achieved:** First Western Australian company to achieve EN15085 certification [Certification for Welding of Railway Vehicles and Components (CWRVC)]
- **Achieved:** ECI on water treatment plant project
- **Achieved:** ECI on sewage treatment facility
- **Achieved:** Preferred status on an energy storage construction project
- **Achieved:** ECI status on red sand washing plant.
- **Achieved:** Preferred status for two power generation facilities

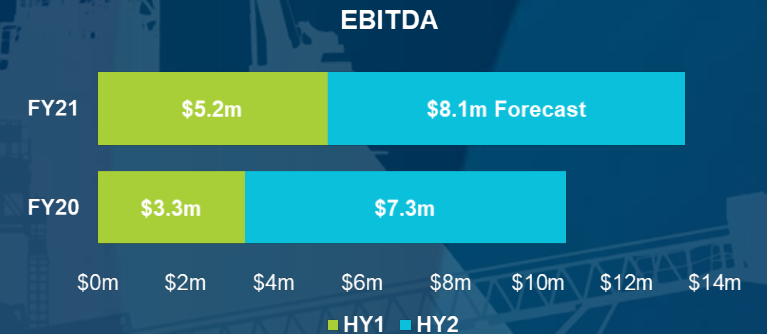
2H FY21

Achievements to Date

- **Extension:** Successful extension of MSA to September 2024 with Transurban Queensland for SMPE&I services
- **Secured:** Award of multiple engineering consultancy services with iron ore, alumina refinery and grain handling clients
- **Delivery:** Successful delivery of two switchrooms to FMG's Iron Bridge expansion project
- **Secured:** Award of works for manufacturing and technical support services associated with the Gudai-Darri iron ore expansion project which is to be completed by year end
- **Secured:** Electrical infrastructure upgrade and switchroom manufacturing projects with Marine Ports and utility sector providers

Revenue
\$62.3m
(1H FY21)

↑
\$ +22%



About us

Aerison Group Ltd is an **engineering design and construction** company self-performing multi-disciplined EPC, engineering and design, construction and maintenance services to various industries and clients across Australia.

32+
Years



Specialist environmental

Custom designed and built solutions that reduce the environmental impact of industry:

- Dust control
- Emissions control
- Water treatment
- Noise abatement
- Studies, audits and compliance testing



Engineering and construction

Specialising in Structural, Mechanical, Piping, Electrical and Instrumentation ("SMPE&I"):

- Engineering and design consultancy
- Project construction services
- Sustaining capital, maintenance and shutdown services
- Electrical and control infrastructure
- Power generation services

Natural Resources

- Minerals and mining
- Oil and gas

Non-Process Infrastructure

- Materials bulk storage and handling
- Road and rail tunnels associated infrastructure
- Rail non-rolling stock component fabrication and assembly
- Fuel facilities

Utilities

- Water
- Power and renewables
- Gas

Corporate Snapshot

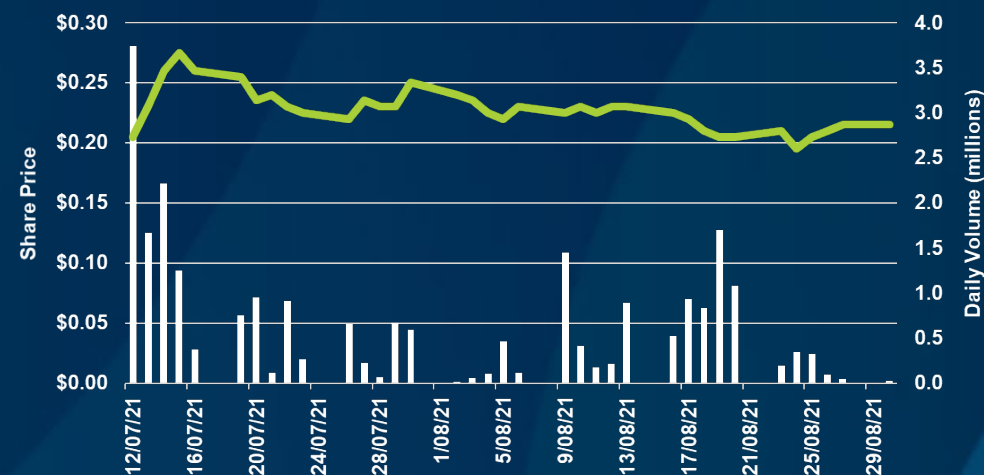
Capital Structure

ASX ticker	AE1
Ordinary shares on issue	305,937,488
Share price ¹	21.5 cents
Market capitalisation ¹	\$65.8m
Enterprise value at 30 June 2021 ²	\$67.4m
Options ³	6,000,000
Performance rights ⁴	17,500,000

Board and Senior Management

Giuseppe Leone	Managing Director and CEO
Daniel Hibbs	Executive Director and COO
Bronwyn Barnes	Non-executive Chairperson
Peter Iancov	Non-executive Director
Michael Fennell	Non-executive Director
Allen Bell	Company Secretary and CFO
Katherine Garvey	Company Secretary

Share Price Performance



Substantial Holders

Giuseppe Leone (and related entities) ⁵	77,893,999	25.5%
Daniel Hibbs (and related entities) ⁵	77,893,999	25.5%
Qiudong Qiao ⁵	45,339,230	14.8%
Others	40,541,011	15.8%
Total Top 20	249,545,376	81.6%

Notes:

1. Closing price on 30/08/21
2. Enterprise value = Market capitalisation – Cash and cash equivalents – Restricted cash + Financial debt
3. Options issued to Peloton Capital, expiring on 6 July 2024 and an exercise price of \$0.30/share
4. Performance rights issued to the spouses of G. Leone and D. Hibbs, automatically converting to ordinary shares 15 months from 6 July 2021 for nil consideration.
5. Shares held in escrow for 12 months from the date of listing

Successful project and service delivery

Construction Projects



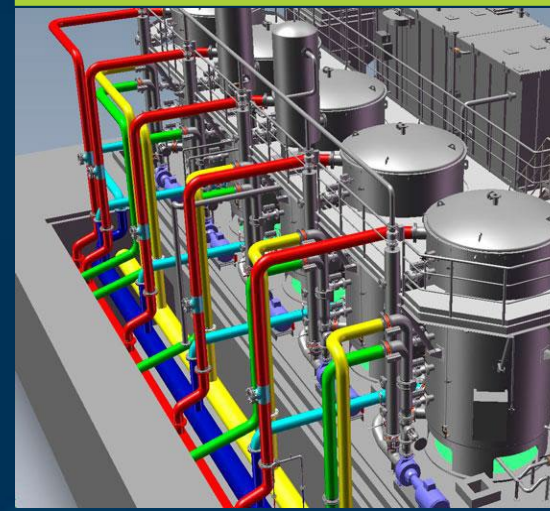
- Nickel Sulphate expansion project
- Rio Tinto WTS2 Brownfield upgrade project
- BHP Newman Upgrade project
- Synergy fire services upgrade
- FMG Pilot Plant
- Rio Tinto Zero waterline project

Environmental Services and Projects



- Paraburdoo dust collection & disposal system
- Yandi dust collection & disposal system
- Tom Price dust collection & disposal system
- Koodaideri dust collection & disposal system
- Tianqi Lithium Gas Of take Scrubbers
- KGCM dust collection & disposal system
- Newmont dust collection & disposal system
- BHP CD2 wet scrubber
- BHP Leach scrubbers
- BHP Nickel West NiSO4 Dust Extraction
- Hope downs HD1 project dust project
- Dargues Gold dust collection system
- Dust Auditing & Maintenance
- Iluka Cataby dust collection project
- CSBP Regenerative Thermal Oxidiser (RTO)
- Shell Regenerative Thermal Oxidiser (RTO)
- Alcoa Regenerative Thermal Oxidiser (RTO)

Engineering and Design Consultancy



- Accionia waste to energy project
- BHP Minerals Australia piping design
- SAMI Storage and export Facility design
- Rio Tinto Nitrogen Tyre facility design
- Galaxy Lithium plant upgrades
- Covalent Lithium engineering services
- Salt Lake Potash engineering
- MACA Dust suppression electrical design
- ThyssenKrupp South flank engineering
- CBH Lake Grace Out loading engineering study
- BHP Ports General design & engineering
- Roy Hill (WHIMS) Commissioning

Maintenance and Shutdown Services



- Newmont Coarse Ore Bin Wall replacement
- Rio Tinto Conveyor maintenance Paraburdoo, Yandi, Tom Price, West Angela's
- FMG Conveyor Maintenance Chichester region
- Citic Pacific Mining E&I maintenance
- BHP Whaleback shutdowns
- SEA Gas Yallamurray pipeline
- DBNG Pipeline
- Worsley Alumina RTO maintenance
- CPM Process water line upgrade
- Perth to Kalgoorlie water pipe refurbishment

Successful project and service delivery

Sustaining Capital and Minor Projects



- Pilbara Seawater Intake Refurbishment Project
- Roy Hill Ultrafine Iron Recovery Project (WHIMS)
- 4M Gravity take up tower project
- FMG Christmas creek platform modification
- GMA Garnet remedial works
- FMG Eliwana ROM Bins
- Rio Tinto EII Structural Integrity works
- FMG Chiller Project
- Rio Tinto Yandi Chiller upgrade project
- Water Corporation Minnivale refurbishment
- Tom Price Fuel facility

Electrical and Control Infrastructure



- PLNSP Site E&I Works
- FMG Iron Bridge Switchrooms (7)
- FQML Switchrooms Shoemaker Project
- APA Lakeway Project Switchrooms
- Alcoa 22kV Pinjarra Switchrooms
- Horizon Power Switchrooms
- Santos communication rooms
- MSP CGP3 HV Switchrooms
- PLNSP 415V HV substation & 11kV LV Sub station
- Tronox Sub 500 Switchrooms
- Tom Price Zone Substation project

Power Generation Services



- Woodside LM 6000 Generators
- GLNG NCS Compressors
- QGC Argyle Compressors stations
- Jemena Banana & Rolleston Compressors
- QGC Lauren Field Compressor stations
- Christmas Island Power Generation Project
- Chevron Wheatstone Essential generators
- Rio Tinto CLP Generators
- Penske Crown towers standby generators
- WA Government ES generator replacement
- Gorgon ventilation silencers
- APA ventilation silencers
- Water Corp Chidlow generator

Fabrication and Module Assembly



- PLNSP Project Fabrication & Assembly
- FMG Eliwana ROM Bins
- Synergy Pinjarra baffles & screens
- WTS2 Chutes and covers
- LOR Structural fabrication
- Metronet railcar manufacturing
 - Cab structures
 - Battery Boxes
 - Pantographs
 - Fuel tanks
- FMG, Rio, BHP, Alcoa ducting fabrication
- Newmont Coarse Ore Bin walls

1H FY21 Results

Unique engineering and construction
Mining Services company operating in
multiple Australian resources, energy and
infrastructure sectors.

Supported by a growing industry, multiple
growth drivers and diversification into a
buoyant market that is anticipated to
continue for at least the next five years.



Financial Performance *Proven track record of sustainable growth*

A\$m	1H FY21	1H FY20
Revenue	62.3	51.1
Total costs	57.1	47.8
EBITDA	5.2	3.3
<i>EBITDA margin</i>	8.3%	7.6%
Depreciation	1.3	0.8
EBIT	3.9	2.5
<i>EBIT margin</i>	6.3%	4.9%
Finance costs	1.3	0.8
Profit before taxes	2.6	1.7
Income tax expense	0.7	0.1
Profit after taxes	1.9	1.6

- ▶ The increase in the profile and scale of projects continues to drive double-digit revenue and earnings growth. This has driven an increase in revenues of \$11.2m for the first half from 1H F20
- ▶ Improved margins on increased revenues has resulted in a 56.1% increase in EBITDA to \$5.2m
- ▶ Depreciation increased due to growth CAPEX spend on plant and equipment in support of increased scale in operating activities. This includes outlay for investment in a fit-for-purpose fabrication and assembly facility situated in Forrestfield Western Australia
- ▶ Finance costs increased commensurately with increased working capital requirements including contract assets
- ▶ The effective tax rate in 1H FY21 26.4% was (1H FY20: 7.3%). In 1H FY20, Aerison brought to account previously unrecognised deductible temporary differences, which contributed to the lower effective tax rate.

Balance Sheet

- ▶ Current cash reserves and unused banking facilities are in place to support the current orderbook
- ▶ Restricted cash represents share subscriptions held in trust of \$7.5m, which was released to Aerison on the back of a fully subscribed, successful IPO in July 2021
- ▶ The increase in trade and other receivables mirrors the increase in scale of operating activities
- ▶ The increase in PPE highlights additions to right-of-use assets for the Forrestfield fabrication facility and motor vehicles (\$3.5m), partially offset by depreciation (\$1.5m)
- ▶ Borrowings increased due to net drawdowns against revolving bank facilities (\$8.6m) and new lease liabilities (\$2.5m), partially offset by the conversion of convertible notes to issued capital (\$3.9m)
- ▶ Issued capital increased upon the conversion of convertible notes (\$3.9m) to issued capital

JUN21 – Pro-forma

- ▶ On 6 July 2021, share subscriptions held in trust (restricted cash) was released to Aerison following the issue of 37,500,000 ordinary shares to IPO subscribers.
- ▶ Cash and issued capital increased by \$7.5m on 6 July 2021.

\$'M	JUN 21	JUN 21 Proforma	DEC 20
Current assets			
Cash and cash equivalents	6.0	13.5	7.8
Restricted cash – Share subscriptions held in trust	7.5	-	-
Trade and other receivables and other current assets	53.9	53.9	38.7
Total current assets	67.4	67.4	46.5
Non-current assets			
Property, plant and equipment (PPE)	7.0	7.0	5.0
Other non-current assets	0.9	0.9	1.1
Total non-current assets	7.9	7.9	6.1
Total assets	75.3	75.3	52.6
Current liabilities			
Trade and other payables	16.8	16.8	13.6
Borrowings	20.9	20.9	15.6
Share subscriptions held in trust	7.5	-	-
Other current liabilities	2.3	2.3	3.2
Total current liabilities	47.5	40.0	32.4
Non-current liabilities			
Borrowings	4.1	4.1	2.1
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	4.2	4.2	2.2
Total liabilities	51.7	44.2	34.7
Net assets	18.0	18.0	26.8
Equity			
Issued capital	7.3	14.8	3.3
Options reserve	0.1	0.1	0.1
Accumulated profits	16.2	16.2	14.6
Total equity	23.6	31.1	18.0

Cash Flow

A\$'M	HY21	HY20
EBITDA	5.2	3.3
Movement in net working capital	(12.6)	0.5
Other operating cash flows ¹	(1.3)	(0.6)
Operating cash flow	(8.7)	3.2
Capital expenditure	(0.9)	(0.9)
Net cash flow before financing	(9.5)	2.2
Operating cash flow conversion	(167%)	96%

¹ Includes interest, finance costs and taxes paid

² Operating cash flow as a proportion of EBITDA

Net working capital (A\$'M)	HY21	HY20
Trade and other receivables	53.9	35.6
Inventories	0.1	0.2
Trade and other payables	(16.8)	(20.0)
Employee benefits	(1.9)	(2.4)

- ▶ For H1 FY21, more than 90.0% of revenue was generated from mining and mineral contract services in Western Australia
- ▶ The profile of custom is increasingly diversified geographically, with a broadening client base
- ▶ Proceeds from the \$7.5m share issue in July 2021 will be utilised in working capital to support growth in operating activities
- ▶ Operating cash flow conversion decreased due to an increase in contract assets. Aerison anticipates a significant improvement in cash conversion over the course of H2 FY21.
- ▶ Capital expenditure (\$0.9m) relates to the purchase of equipment and the fit-out of the new Forrestfield fabrication and assembly facility

Outlook and Strategy

Our strategy is to create superior, sustainable value for shareholders by meeting our customers needs, maximising cash, selectively tendering and pursuing growth.



Australian Government



GOVERNMENT OF
WESTERN AUSTRALIA

METRONET



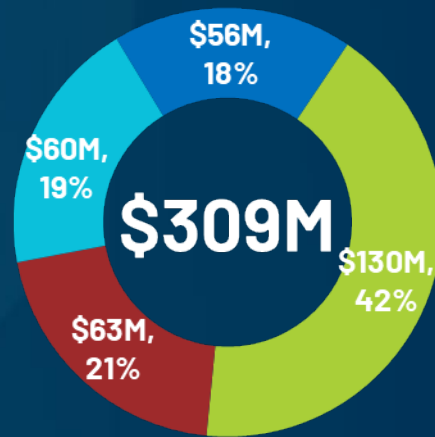
Orderbook and Pipeline

FYF Revenue 2021



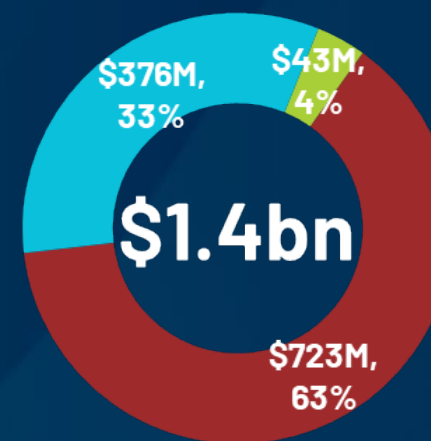
■ Secured Contract and Expected MSA
■ Unsecured

Order Book



■ FY21 ■ FY22 ■ FY23 ■ FY24+

Total Pipeline



■ FY21 ■ FY22 ■ FY23+

100%
2021 FC Revenue
Secured
as at 31 August 2021

- ▶ Orderbook of **\$309m** of which **\$130m** is secure for FY21, \$67.5m has been executed to the half-year
- ▶ Forward order book is underpinned by works under **Master Services Agreements** (MSA) over the next 5 years
- ▶ **MSAs** across iron ore, gold, marine, mineral sands, Government
- ▶ Government rail **Metronet** cab structures - 8 years manufacturing and maintenance opportunities
- ▶ **ECI and preferred vendor status** achieved on target projects
- ▶ \$1.4bn risk weighted pipeline

Master Service Agreements

RioTinto

Transurban

ALSTOM

NEWMONT



ILUKA



ALCOA



CITIC PACIFIC
MINING



Growth 2021 and beyond to be driven by:

- ▶ 5 Year Sustaining Capital MSA
- ▶ 3 Year Air Particle Control (APC)/Dust Contract
- ▶ 3 Year Engineering Services MSA (Port)
- ▶ 3 Year Engineering Services MSA (Mineral Sands)
- ▶ 8 Year Railcar Component Manufacturing Contract
- ▶ 3 Year Electrical and SMP labour supply

25+
Mine Operations



75+ Km
Road & Tunnel



6+
Port Terminals



240+
Rail Cars



2,000+ Km
Rail



+++
Studies



Long Term Clients

- ▶ 32 Years building Relationships with Tier 1's
- ▶ Repeat Business
- ▶ Multi Year Master Service Agreements
- ▶ Growing Customer Base
- ▶ Multiple Industry Segments
- ▶ Large footprint



Mining & Minerals



Manufacturing



Infrastructure



Oil & Gas



Rail



Utilities

BHP
Rio Tinto
Iluka
FMG
Newmont
Alcoa
Bradken
KCGM
QGC
Southern Ports
Water Corp
Synergy
EDL
CBH
Talison Lithium
Roy Hill
Citic Pacific

Minara
Barrick Gold
Origin Energy
Santos
CSBP
APA
EPSA
Jemena
Covalent Lithium
Pilbara Minerals
South32
Tianqi Lithium
Galaxy Lithium
Tronnox
APA
Santos
GE

Schneider
ABB
FL Smidth
Salt Lake Potash
Cockburn Cement
Zinfra
Laing O'Rourke
First Quantum
Glencore
Thyssen Krupp
Alstom
Eaton
Wabtec
Pilbara Ports
Acciona
Western Power
Transurban

Our strategy has set the business up for the future



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THANK YOU

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