



1H FY22 RESULTS PRESENTATION

22 FEBRUARY 2022



ABOUT US

WHO WE ARE

We're a global **engineering-led** specialist asset maintenance, mining services and construction group



WHAT WE DO

We solve complex problems across the **entire asset lifecycle**

- Engineer
- Construct
- Sustain

OUR VISION

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

**MAKING THE
COMPLEX
SIMPLE**



1H FY22 IN REVIEW



EXECUTIVE SUMMARY



	1H FY21	1H FY22	% change	
Revenue	\$283.0m	\$297.0m	▲	5%
EBITDA	\$20.5m	\$27.0m	▲	32%
EBIT(A)	\$9.4m	\$15.9m	▲	69%
NPAT(A)	\$5.0m	\$10.1m	▲	102%
EBITDA % margin	7.2%	9.1%	▲	26%
EBIT(A) % margin	3.3%	5.4%	▲	64%
NPAT(A) % margin	1.7%	3.4%	▲	100%
Interim Fully Franked Dividend	1.0 cents	1.5 cents	▲	50%
Net Cash	\$5.3m	\$28.2m	▲	432%

1H FY22 EBITDA performance exceeds consensus

Work in Hand of \$1b and Opportunity Pipeline of \$6b

Well-funded for Growth with available funds of \$141m

**FY22 EBITDA guidance
upgraded to a range of
\$54m to \$57m**

“Successfully transitioned the business mix towards annuity / recurring earnings”

GROWTH

- ✓ 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
- ✓ 67% annuity / recurring and 33% project-based earnings

LEADERSHIP

Zero Harm / ESG industry leader and recognised employer / partner of choice

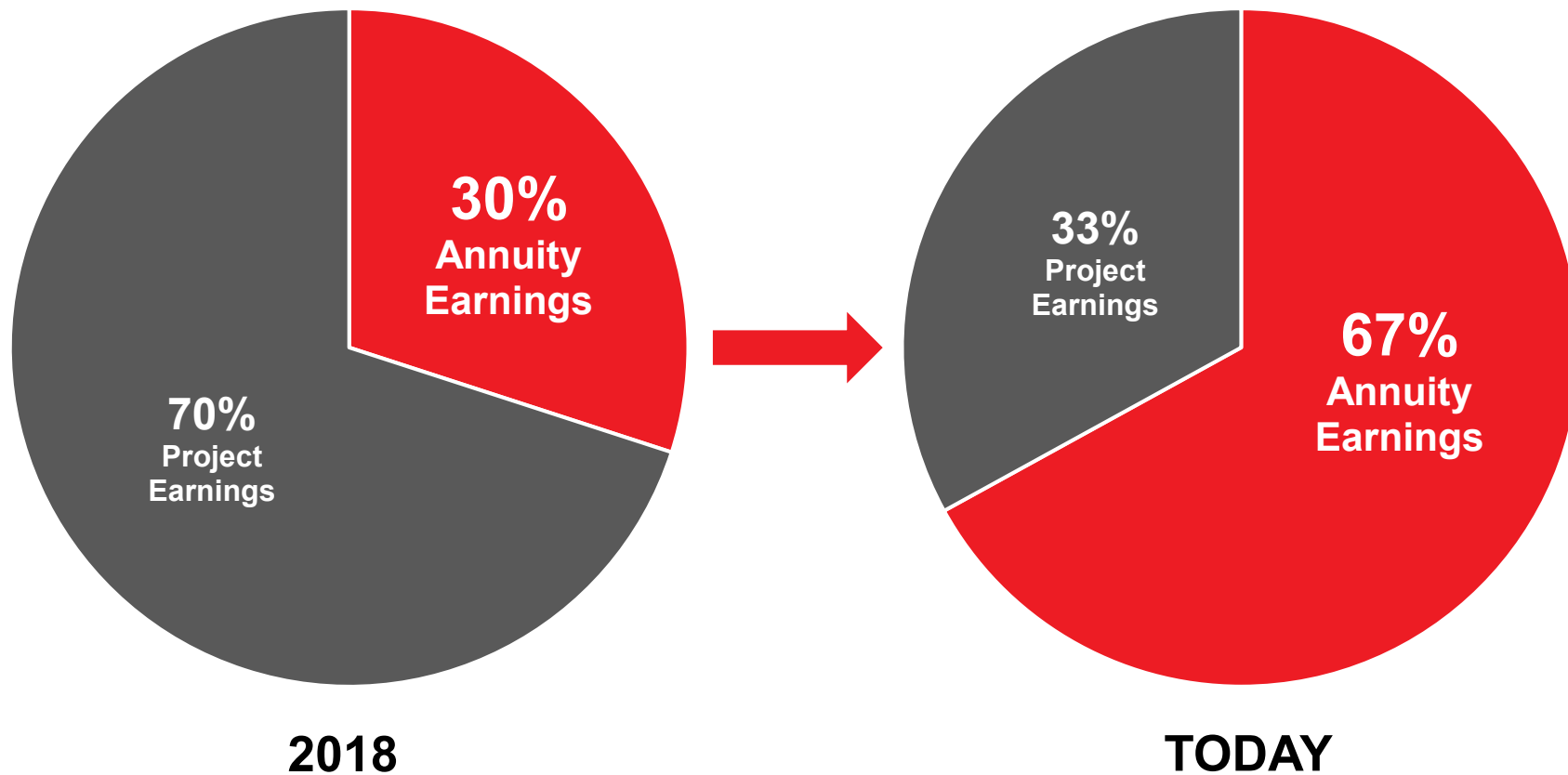
Domestic / International growth in Engineered Products across all SRG operating segments

Selective strategic acquisitions to complement capability / footprint

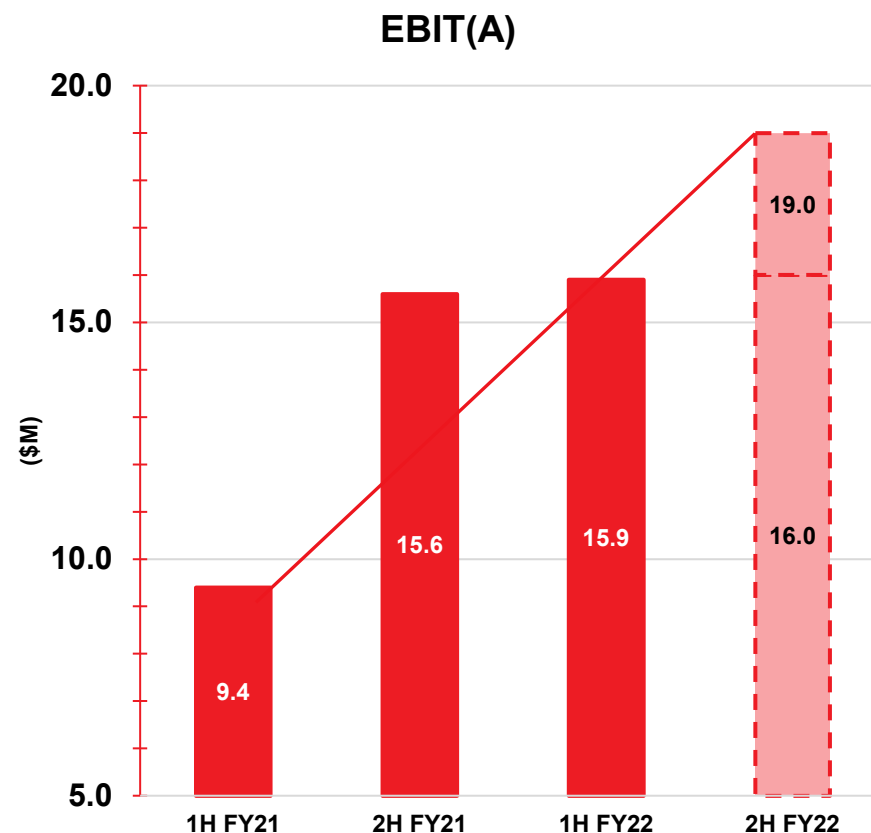
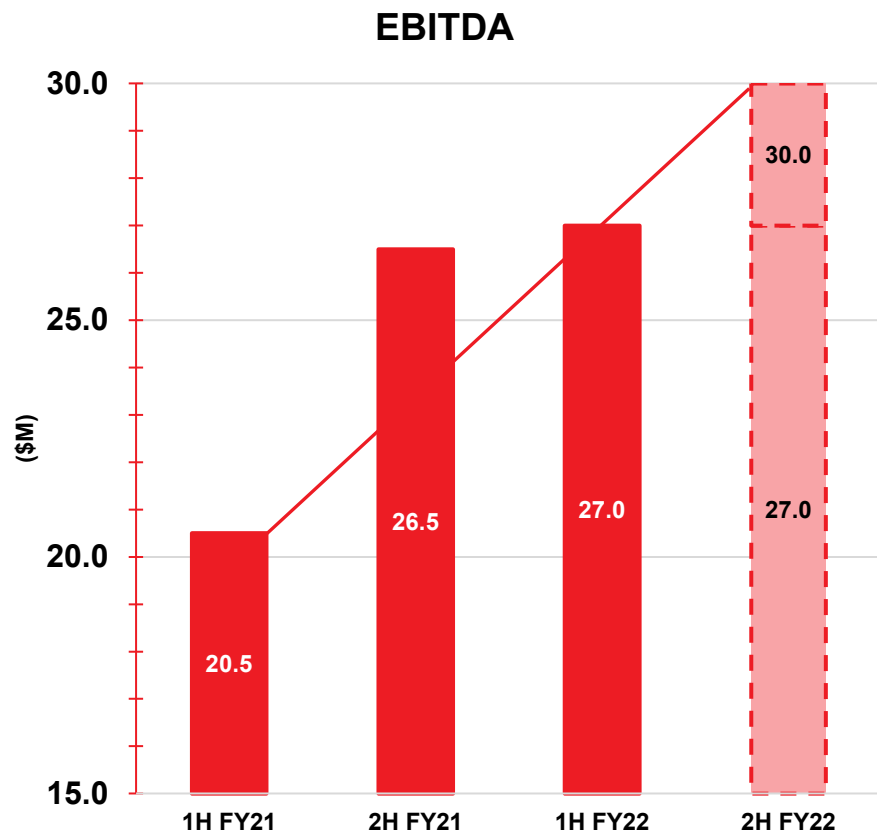
Consistent, above market shareholder returns (EPS and TSR)

80% annuity / recurring and 20% project-based earnings

“Strategic Transition towards Annuity Earnings”



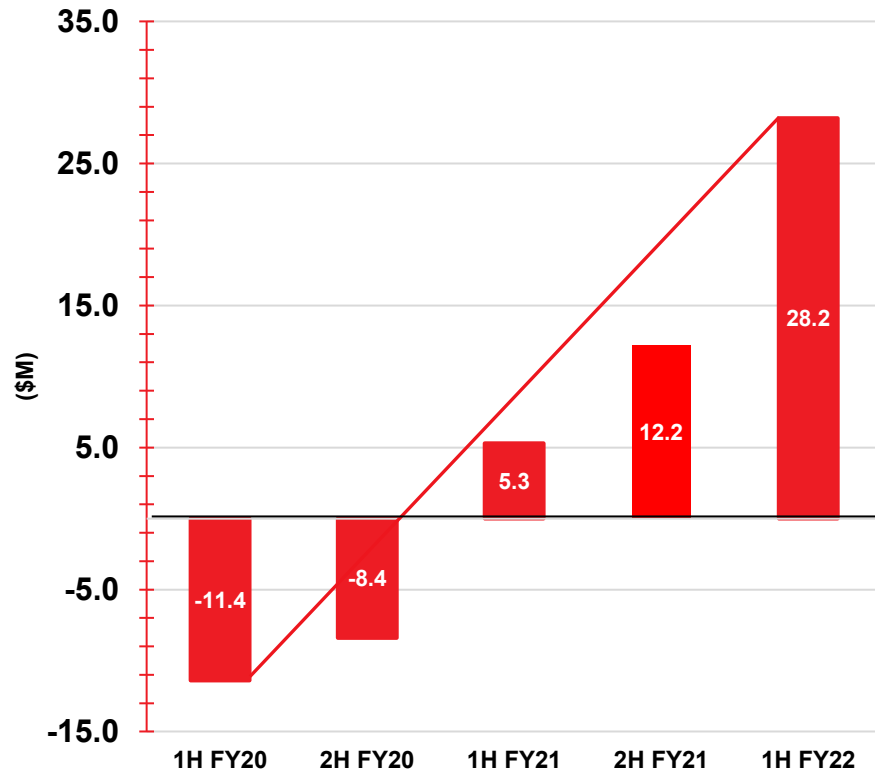
DELIVERING CONTINUED EARNINGS GROWTH



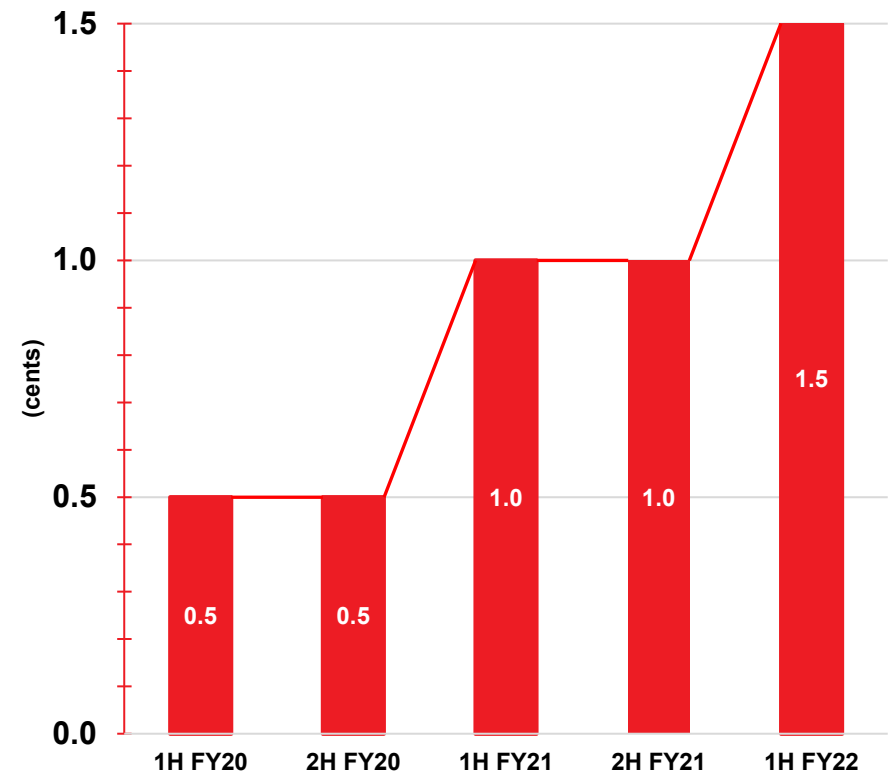
DELIVERING INCREASED CASH AND DIVIDENDS



Net Debt to Net Cash

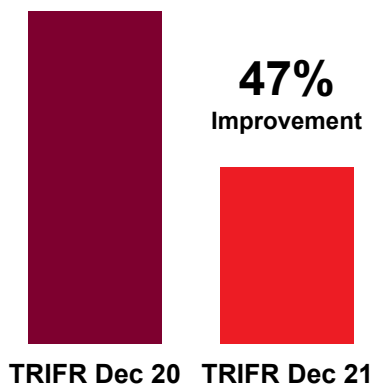


Fully Franked Dividends (cps)

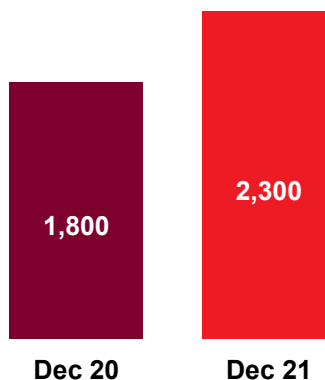


UNDERPINNED BY A STRONG FOUNDATION

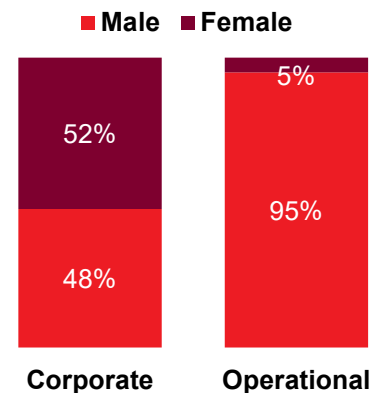
ZERO HARM IMPROVEMENT



GROWING WORKFORCE



GENDER DIVERSITY



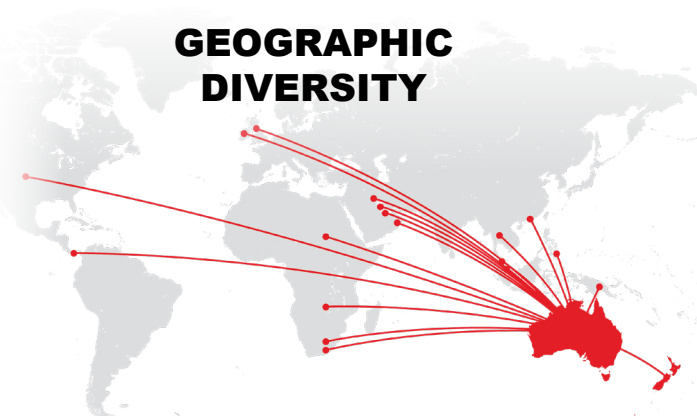
COMMUNITY ENGAGEMENT



Indigenous Joint Venture



GEOGRAPHIC DIVERSITY



CORPORATE GOVERNANCE





FINANCIAL OVERVIEW



STRONG 1H FY22 FINANCIAL PERFORMANCE



SEGMENT RESULTS (\$m)

	TOTAL	ASSET SERVICES	MINING SERVICES	CONSTRUCTION	CORPORATE
Revenue	297.0	101.0	53.0	143.0	-
EBITDA	27.0	11.6	11.4	11.1	(7.1)
EBIT(A)	15.9	7.6	7.8	8.3	(7.8)

Revenue ▲ 5%
EBITDA ▲ 32%
EBIT(A) ▲ 69%
EBITDA % Margin ▲
 to 9.1% (7.2% in 1H FY21)

Asset Services experienced good growth with contracts secured with Rio Tinto, Roy Hill, Fonterra, Transpower NZ and Refining NZ. Solid financial and margin performance with EBITDA margin of 11.5%.

Mining Services disciplined growth and improved financial performance in 1H FY22 with EBITDA margin of 21.4%. Excellent operational delivery across all sites and high levels of asset utilisation

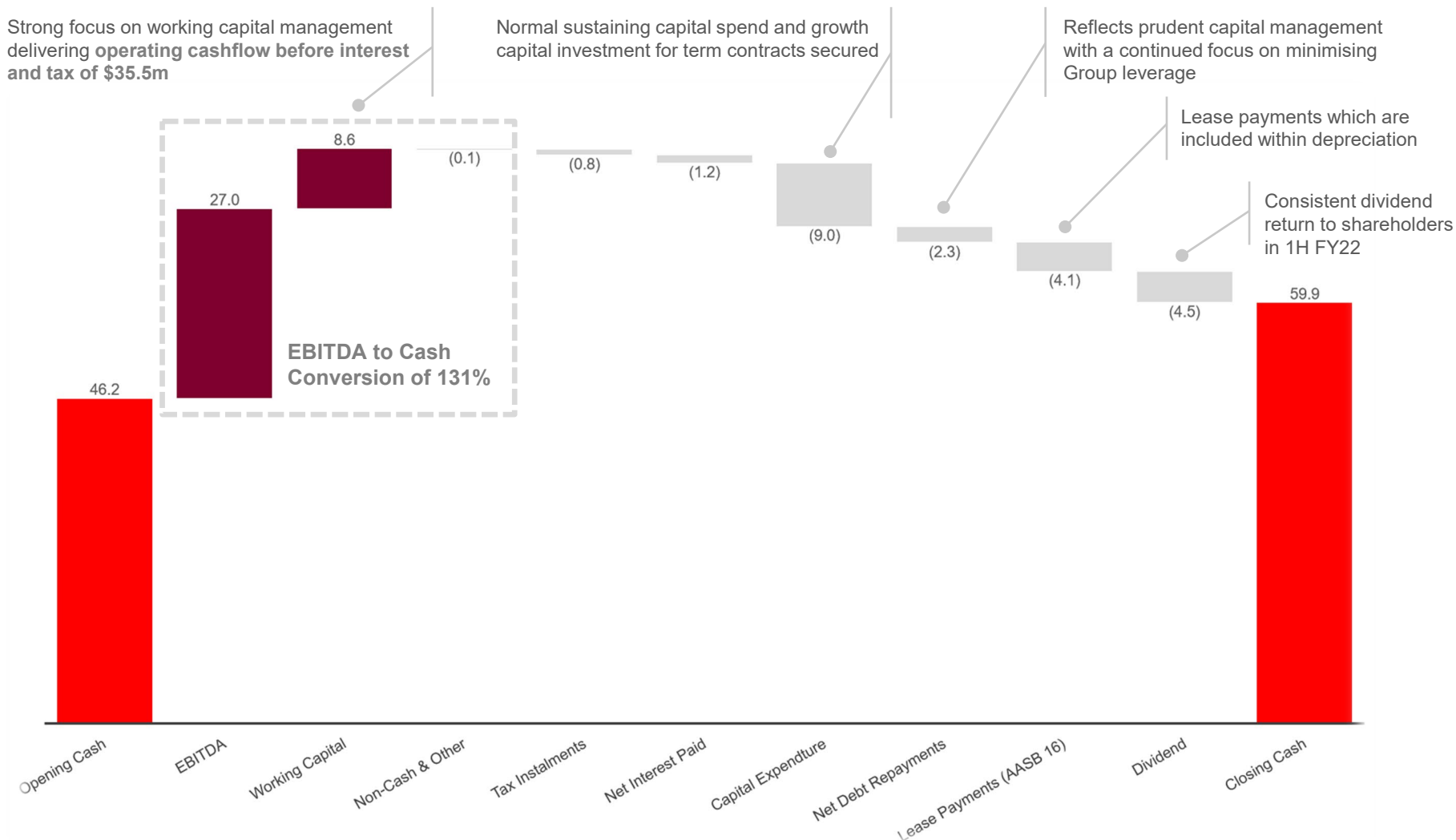
Construction continued to deliver an improved financial performance in 1H FY22 with increased EBITDA margins of 7.8% which are expected to further improve

Civil & Engineering strong delivery performance across all projects.

Specialist Building solid performance across Facades and Structures West.

Corporate overheads of \$7.1m equates to 2.4% of revenue, with scope for further leverage as business grows.

EXCELLENT CASH GENERATION



BALANCE SHEET (\$m)

1H FY22

Cash and cash equivalents	59.9
Trade, other receivables & contract assets	116.8
Inventories	17.6
Property, plant and equipment	82.5
Right of use assets	16.9
Intangibles	104.3
Tax assets	24.7
Other	8.6
Total Assets	431.3
Trade, other payables & contract liabilities	117.8
Borrowings	31.7
Right of use liabilities	17.9
Current tax liabilities	0.5
Provisions and other	31.5
Total Liabilities	199.5
Net Assets	231.8

Available liquidity of \$101.8m, comprised of cash on hand of \$59.9m and available undrawn working capital facilities of \$41.9m

Net cash of \$28.2m, from a net cash position of \$5.3m at 31 December 2020 representing a \$22.9m improvement in the last 12 months through prudent management of working capital

Significant **undrawn facilities** available for growth

	DRAWN	UNDRAWN	TOTAL
Borrowing Facilities			
Equipment Finance	20.9	39.1	60.0
Term Loan	6.75	-	6.75
Working Capital	0.1	41.9	42.0
Other	4.0	0.3	4.3
Total	31.7	81.0	113.1
Security Facilities			
Bank Guarantees	10.9	9.1	20.0
Performance Bonds	69.1	62.5	131.6
Total	80.0	71.6	151.6



OUR 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

KEY CLIENTS

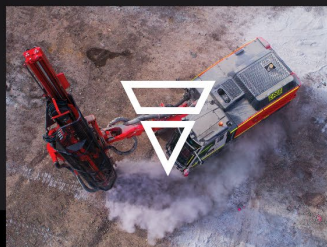
- Excellent mobilisation and operational delivery
- A number of contract wins and extensions achieved
 - 3 + 1 year contract with Roy Hill
 - 3-year contract with Minara Resources
 - 3-year contract with Fonterra NZ
 - 1-year contract extension with Transpower NZ
 - 1-year contract extension with Refining NZ
 - 18-month contract with Rio Tinto's QAL alumina refinery
 - 18-month contract with Rio Tinto's Yarwun alumina refinery
- Successful geographic expansion into Gladstone Qld
- Strong business development pipeline and scope expansion opportunities with existing clients
- Aboriginal JV Company (Bugarrba) secured and commenced 5-year contract with FMG



Meridian Energy Windfarm Maintenance



South32 Access and Refractory Services



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



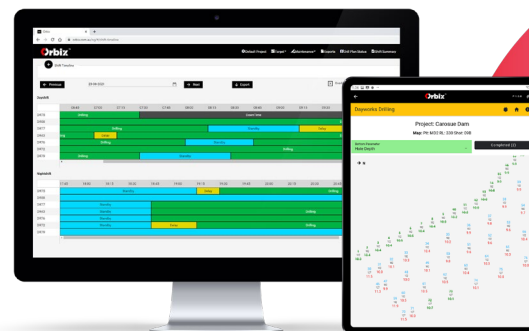
RioTinto



- Continued strong operational / financial performance
- Excellent asset utilisation of >90%
- A number of contract wins and contract extensions achieved
 - 5-year contract with SIMEC Mining
 - 2-year contract with Evolution Mining
 - 2-year contract with Navarre Minerals
 - 6-month contract with Red 5
- Key commodity exposure
 - Gold
 - Iron Ore
- Innovation focus
 - high precision GPS
 - semi-autonomous / remote-control drilling
 - Orbix proprietary data intelligence system
- Strong BD pipeline and expansion opportunities with existing clients
- Disciplined capital investment to support targeted growth opportunities



Northern Star, Carosue Dam Drill and Blast Services



Orbix Bespoke Data Intelligence Software





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

MULTIPLEX <small>Built to outperform.</small>		Built.		JOHN HOLLAND
Transport for NSW				

Civil and Engineering

- Strong 1H performance
- Robust pipeline of Government opportunities
 - Dams, Bridges, Tanks
- Achieved higher bridge / road accreditation (R2 / B4) opening up larger infrastructure opportunities
- High demand for SRG engineered products with excellent growth opportunities globally

Specialist Building

- Solely focused on key repeat clients
- Specialist Facades (nationally) and Structures West (WA) performing well
 - significant level of work in hand
 - good pipeline of major opportunities
- Successful entry into Defence Sector
 - new market for SRG
 - further diversification of our sectors and opportunities



Merredin Tank Civil Construction



Elizabeth Quay Specialist Facades / Structures



OUR STRATEGIC DIRECTION



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

GROWTH

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

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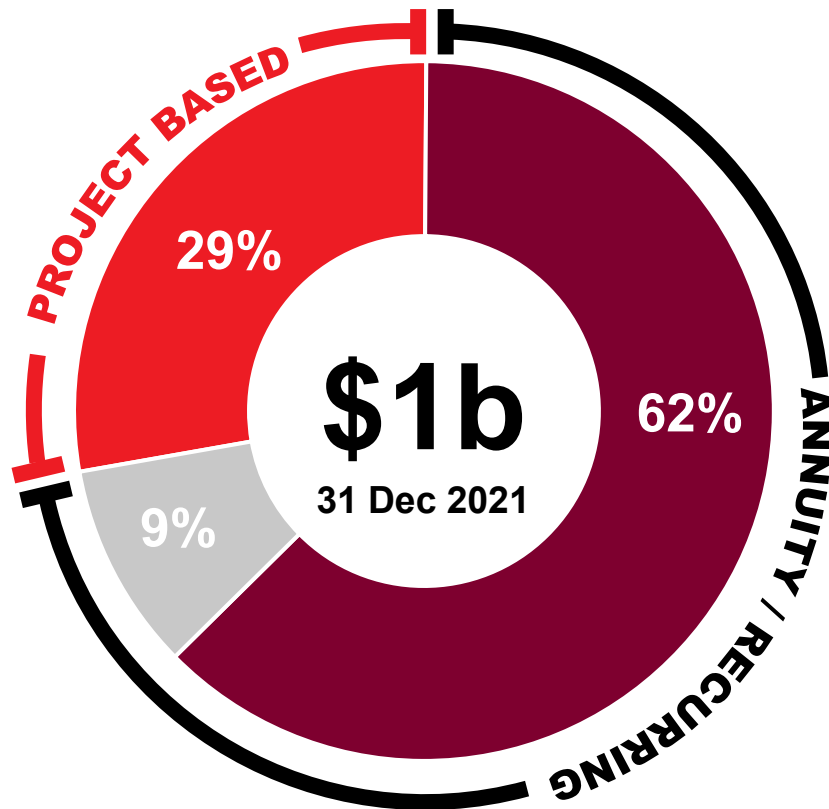
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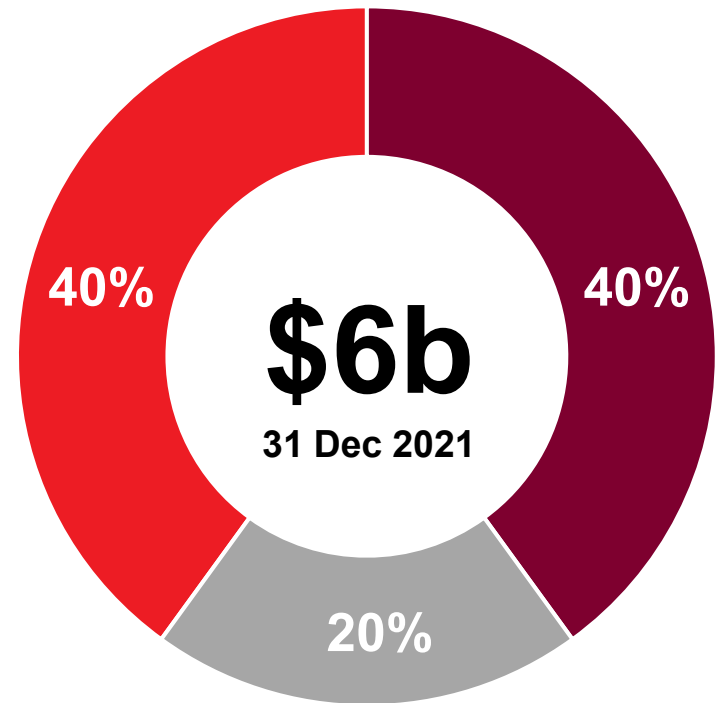
STRONG PLATFORM FOR CONTINUED GROWTH



WORK IN HAND



OPPORTUNITY PIPELINE



■ Asset Services ■ Mining Services ■ Construction

○ Engineer ○ Construct ○ Sustain

**MAKING THE
COMPLEX
SIMPLE**

Operating Segment Outlook

- Asset Services delivering **step change growth** in diverse sectors with blue-chip clients
- Mining Services operating in **high demand, high quality** growth commodities
- Construction positively linked to **Government Infrastructure stimulus** programs
- SRG Engineered Products gaining momentum both **domestically and internationally**

Business Outlook

- **FY22 EBITDA guidance upgraded** to a range of \$54m to \$57m
- **Robust liquidity / balance sheet position** to support growth working capital requirements
- Continuing to transition the earnings profile towards **annuity earnings**
- Continued execution of a **clear strategy** and well positioned for long term **sustainable growth**

INVESTMENT PROPOSITION

End-to-end
asset lifecycle
capability

Highly scalable
business
model

Diverse
market sectors /
geographies

Capital light
investment
profile

Annuity
earnings
profile

Dividend
paying
stock

**Solving challenges
wherever they are**

srgglobal.com.au

 **Engineer**  **Construct**  **Sustain**

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