

22 February 2022

SRG Global upgrades FY22 guidance and delivers increased profit, cash and dividend in 1H FY22

SRG Global Limited ('SRG Global' or 'the Company') (ASX: SRG), an engineering-led global specialist asset maintenance, mining services and construction group, has delivered its Half Year Financial Results for the six months ended 31 December 2021 ('1H FY22').

Highlights

	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 in diverse sectors/geographies
- **Well-funded for Growth** with available funds of \$141m
- **FY22 EBITDA guidance upgraded** to a range of \$54m to \$57m

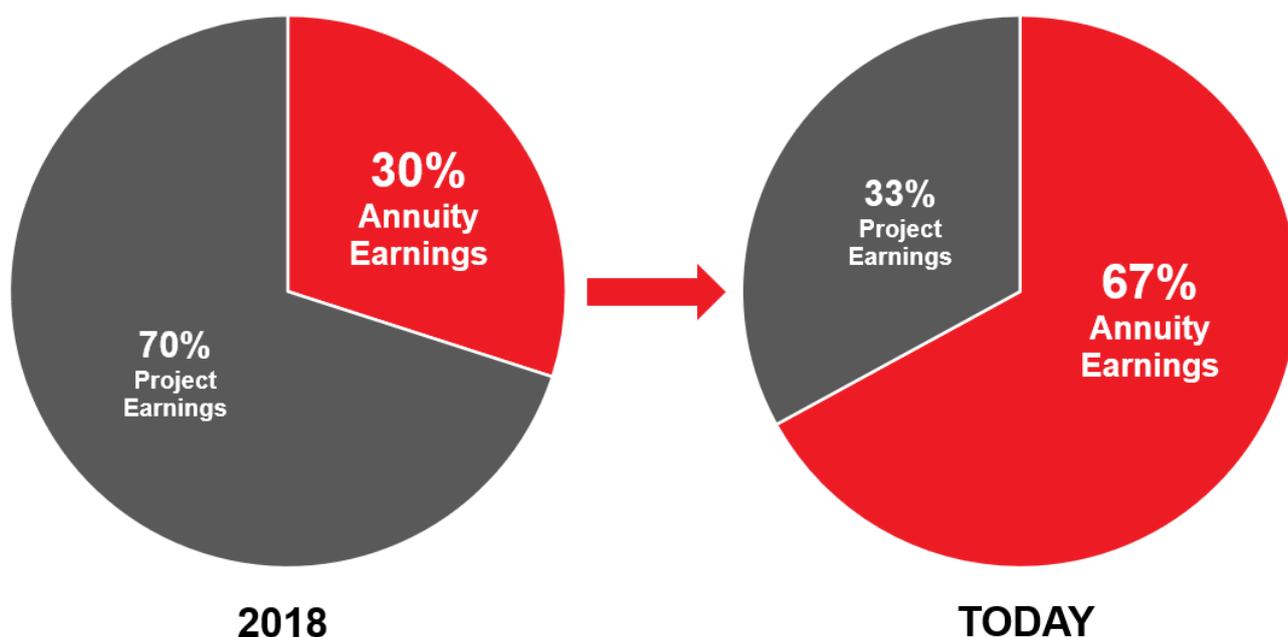
The 1H FY22 results demonstrate the continued delivery of the SRG Global strategy. The significant level of new contract wins and strong Work in Hand of \$1b is underpinned by demand for the Company's engineering led, end-to-end solutions, across the asset maintenance, mining and construction sectors.

The Company is well positioned for long term sustainable growth with a high level of annuity-style earnings and positive exposure to a diverse range of sectors and geographies across the asset maintenance, industrial and mining sectors and government stimulus programs in the infrastructure and construction sectors.

SRG Global has significantly strengthened its financial position over the past twelve months, moving from net cash of \$5.3m to a net cash position of \$28.2m. It has also improved its available funds to a total of \$141m which is comprised of \$101.8m of cash and undrawn working capital facility plus an additional \$39.1m of undrawn equipment finance facility which places the Company in an excellent position to fund future growth.

SRG Global Managing Director, David Macgeorge said, “SRG Global continues to take significant steps forward in the execution of the growth phase of our strategy and our first half result is further evidence of the steps we are taking towards this.

“Strategic Transition towards Annuity Earnings”



“The strong result is underpinned by new contract wins, strong operating cashflows and continued margin improvement through delivering for our blue-chip client base.

“The Company has Work in Hand of \$1b and is well positioned for long term sustainable growth with a high level of annuity-style earnings and positive exposure to broader macro-economic growth drivers across the asset maintenance, industrial and mining sectors and government stimulus programs in the infrastructure, defence and construction sectors.

“The Company is well funded to continue to drive further growth and I am pleased to upgrade guidance to a range of \$54m to \$57m EBITDA for FY22.

“The strong result means SRG Global will pay shareholders an interim fully franked dividend of 1.5c per share which is a 50% increase on the 1H FY21 interim dividend.”

Business Overview

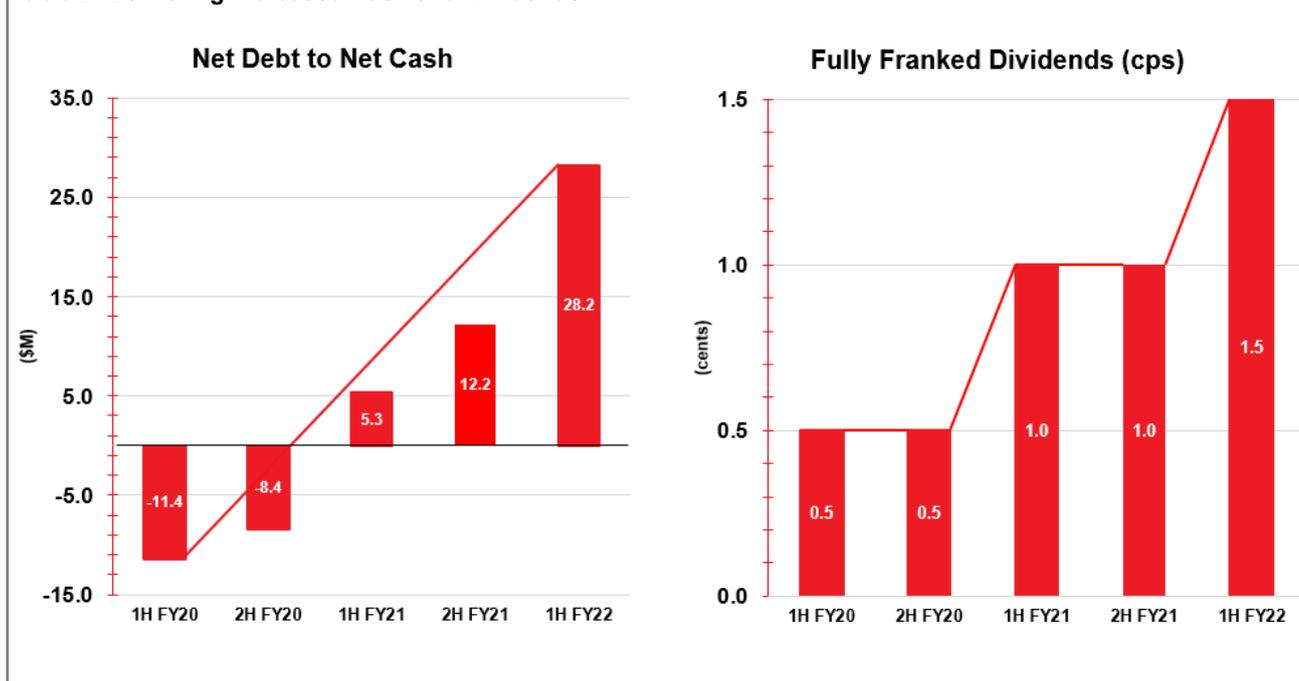
During 1H FY22, SRG Global recorded revenue of \$297m and EBITDA of \$27m. In the same period the Company significantly improved its cash position to a net cash position of \$28.2m and increased its overall EBITDA margins to 9.1% (from 7.2% in 1H FY 21).

Table 1: 1H FY22 Segment Results (\$m)

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)

<p>Revenue ▲ 5%</p> <p>EBITDA ▲ 32%</p> <p>EBIT(A) ▲ 69%</p> <p>EBITDA % Margin ▲ to 9.1% (7.2% in 1H FY21)</p>	<p>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%.</p> <p>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</p>	<p>Construction continued to deliver an improved financial performance in 1H FY22 with increased EBITDA margins of 7.8% which are expected to further improve</p> <p>Civil & Engineering strong delivery performance across all projects.</p> <p>Specialist Building solid performance across Facades and Structures West.</p>	<p>Corporate overheads of \$7.1m equates to 2.4% of revenue, with scope for further leverage as business grows.</p>
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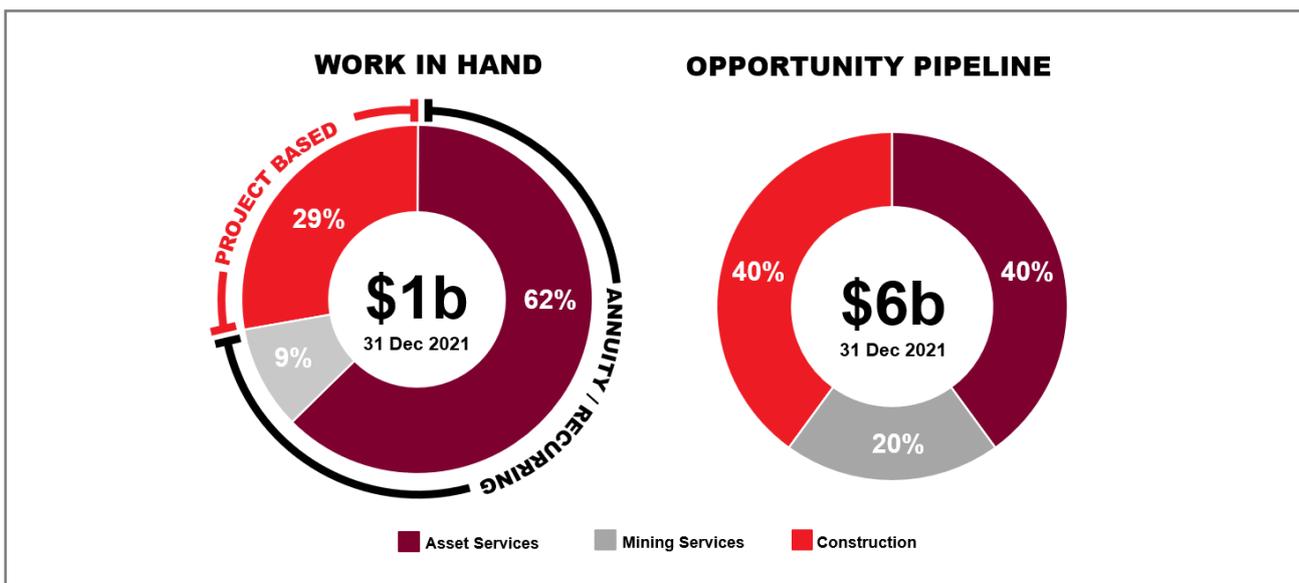
Table 2: Delivering Increased Cash and Dividends



Strong Work in Hand

As at 31 December 2021, the Company had Work in Hand in excess of \$1b of which approximately two thirds falls into the annuity / recurring earnings category, which is in line with the Company's objective for the growth phase of its strategy.

SRG Global has a \$6b pipeline of opportunities with positive exposure to Government-backed infrastructure investment, high quality commodities, diverse industries and a blue-chip client base.



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**

Interim Fully Franked Dividend

The Board of Directors has declared an interim dividend of 1.5 cents per share, fully franked. The record date of the dividend is 10 March 2022 with a payment date of 28 April 2022.

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Investor Contact

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About SRG Global

SRG Global is an engineering-led global specialist asset maintenance, mining services and construction group operating across the entire asset lifecycle of engineer, construct and sustain. The Company operates three segments of Asset Services, Mining Services and Construction. For more information about the variety of services offered by SRG Global, click [here](#).

This announcement was authorised for release to ASX by the Managing Director.