

# ASX ANNOUNCEMENT



23 August 2022

## Advance Notice: Full Year Results Investor Briefing

SRG Global Ltd (ASX: SRG) advises that David Macgeorge (Managing Director) and Roger Lee (CFO and Company Secretary) will host an investor briefing in relation to its FY22 performance and the outlook for FY23, the details of which are set out below:

Date	23 August 2022
Time	09.00am WST / 11.00am AEST
Duration	Approximately 30 minutes
Access link	<a href="https://ccmediaframe.com/?id=YuefyTKP">https://ccmediaframe.com/?id=YuefyTKP</a>

The Company will make the investor briefing available on its website ([srgglobal.com.au](http://srgglobal.com.au)) shortly after the conclusion of the briefing.

23 August 2022

## SRG Global delivers increased profit, cash and dividend, forecasts 25% growth in FY23

SRG Global Ltd ('SRG Global' or 'the Company') (ASX: SRG) has delivered its FY22 Financial Results for the year ended 30 June 2022 ('FY22').

- Underlying **FY22 EBITDA\*** of \$57.2m, **up 22%** and **EBIT(A)\*** of \$34.2m, **up 36%** from FY21
- Strong FY22 operating cashflow with **EBITDA to cash conversion of 106%**
- **Net cash** position of **\$20.5m** after funding the WBHO Infrastructure acquisition in March 2022
- **2H fully franked dividend** of 1.5cps **up 50%**, total FY22 dividend of 3.0cps **up 50%** on FY21
- Continued **strong margin** performance underpinned by excellent operational execution
- **Strength** and **diversity** of business providing protection against labour and cost pressures
- **Successful acquisition** and integration of WBHO Infrastructure into SRG Global
- **Record Work in Hand** of **\$1.3b** and well-funded for growth with **available funds** of **\$127m**
- Strategic transformation to a **diversified industrial services** business is delivering results
- **FY23 EBITDA** expected to be circa **25% higher** than FY22 EBITDA result

	FY21	FY22	% change
Revenue	\$570.0m	\$644.2m	▲ 13%
EBITDA	\$47.1m	\$57.2m	▲ 22%
EBIT(A)	\$25.1m	\$34.2m	▲ 36%
NPAT(A)	\$14.9m	\$23.4m	▲ 57%
EBITDA % margin	8.3%	8.9%	▲ 8%
EBIT(A) % margin	4.4%	5.3%	▲ 20%
NPAT(A) % margin	2.6%	3.6%	▲ 39%
Full Year Dividends (cents per share)	2.0 cents	3.0 cents	▲ 50%
Net Cash	\$12.2m	\$20.5m	▲ 68%

\* All references to FY22 profits in this announcement exclude one-off transaction costs of \$1m for WBHO acquisition

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David Macgeorge, Managing Director said, “SRG Global continues to take major steps forward in the execution of our strategy. Our FY22 result is a significant increase on FY21 and is underpinned by new contract wins, strong operating cashflows, continued margin improvement and excellent operational delivery for our blue-chip client base.

“I am particularly pleased that we have transitioned the business towards annuity earnings and are now a truly diversified industrial services company. Our FY22 financial performance is clear evidence of the strength and diversity of our business which has provided both protection and opportunity in a challenging broader macro environment.

“The Company has record Work in Hand of \$1.3b, up 30% from FY21 and is well positioned for long term sustainable growth with two thirds annuity-style earnings and positive exposure to broader macro-economic growth drivers across the asset services, industrial and mining sectors as well as significant investment in the infrastructure and construction sectors.

“The strong result means SRG Global will pay shareholders a final fully franked dividend of 1.5c per share, a 50% increase on the 2H FY21 dividend which brings the total full year dividend to 3.0c per share against 2.0c per share in FY21. This further demonstrates our track record of funding the growth phase of our strategy whilst continuing to deliver increased dividends to our shareholders.

“The Company is well funded to continue to drive further growth and expects FY23 EBITDA to be circa 25% higher than the FY22 EBITDA performance.”

## Business Overview

In FY22, SRG Global recorded revenue of \$644.2m and EBITDA of \$57.2m. In the same period the Company significantly improved its cash position to a net cash position of \$20.5m and increased its overall EBITDA margins to 8.9% (from 8.3% in FY21).

Table 1 FY22 Segment Results (\$m)

	TOTAL	ASSET MAINTENANCE	MINING SERVICES	ENGINEERING & CONSTRUCTION	CORPORATE
Revenue	644.2	214.8	114.0	315.4	-
EBITDA	57.2	25.2	23.9	22.8	(14.7)
EBIT(A)	34.2	16.8	17.1	16.5	(16.2)

<p>Revenue ▲ 13%</p> <p>EBITDA ▲ 22%</p> <p>EBIT(A) ▲ 36%</p> <p>EBITDA % Margin ▲ to 8.9% (8.3% in FY21)</p>	<p><b>Asset Maintenance</b> continued its sustained growth in FY22 with numerous contract wins and extensions. Solid financial performance and margin performance with EBITDA margin of 11.7%, in line with historical levels.</p> <p><b>Mining Services</b> delivered strongly in FY22 due to excellent operational execution and asset utilisation whilst securing significant contract extensions and new contracts during the year. Delivered solid EBITDA margin of 21.0%, in line with historical performance.</p>	<p><b>Engineering &amp; Construction</b> continued to deliver strong results with improved financials and an increased EBITDA margin of 7.2% in FY22.</p> <p><b>Civil &amp; Engineering</b> performed strongly across a diverse range of sectors with an engineering led approach to the delivery of bridges, tanks and dams.</p> <p><b>Specialist Building</b> performed strongly in FY22 with record work in hand and clear visibility of further opportunities that positions it well for the next 3 to 4 years.</p>	<p><b>Corporate</b> overheads of \$14.7m equates to 2.3% of revenue, with scope for further leverage as business grows.</p> <p><small>Note: Corporate result excludes \$1m one-off transaction costs for WBHO infrastructure acquisition</small></p>
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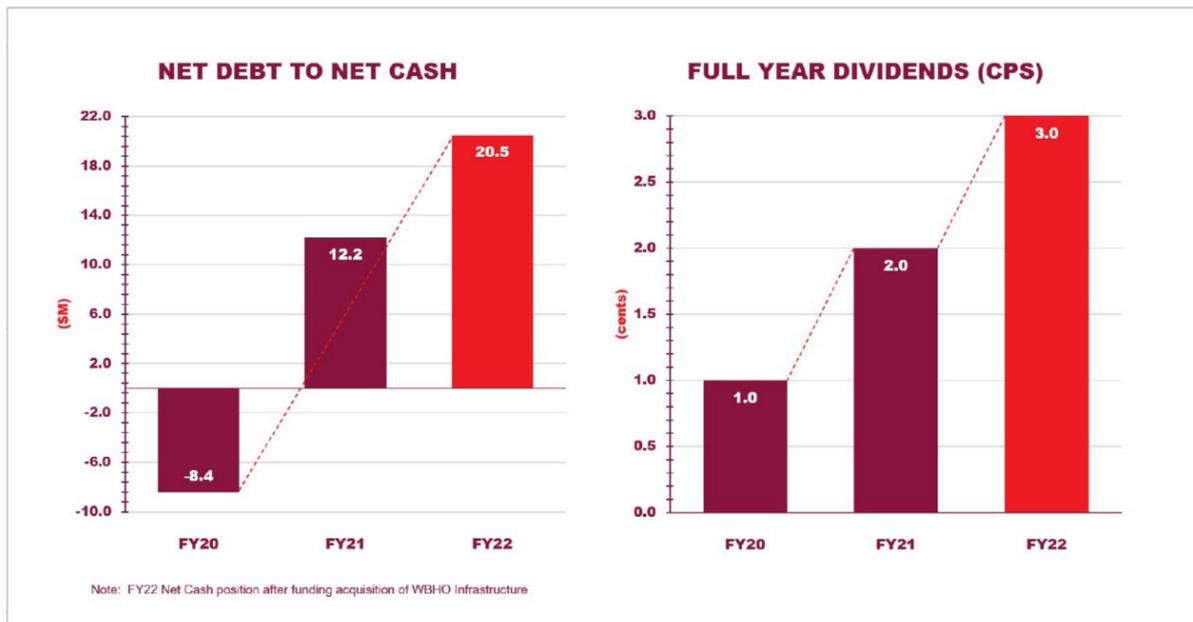
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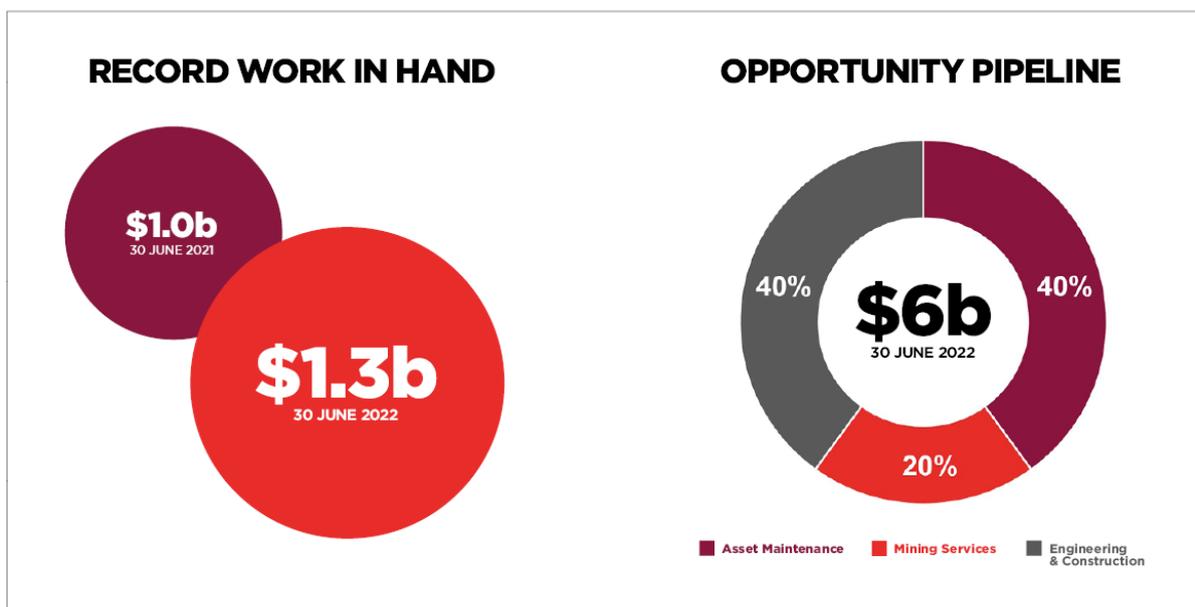


Table 2: Delivering Increased Cash and Dividends



## Record Work in Hand

As at 30 June 2022, the Company has record Work in Hand of \$1.3b, an increase of 30% since 30 June 2021. SRG Global has a further \$6b pipeline of opportunities with positive exposure to government-backed infrastructure investment, high quality commodities, diverse industries and a blue-chip client base.



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## Operating Segment Outlook

- Asset Maintenance delivering **step change growth** in diverse sectors with blue-chip clients
- Mining Services operating in **high demand, high quality** growth commodities
- Engineering & Construction positively linked to **significant infrastructure** investment
- SRG Engineered Products gaining momentum both **domestically** and **internationally**

## Business Outlook

- **FY23 EBITDA** expected to be circa **25% higher** than FY22 EBITDA
- **Strength / diversity** of business provides ongoing protection against labour / cost pressures
- **Robust balance sheet** position to support growth working capital requirements
- Earnings profile of **two thirds annuity earnings** continuing in FY23 and beyond
- Strategic transition to a **diversified industrial services** business will continue to deliver results

## Final Fully Franked Dividend

The Board of Directors has declared a final fully franked dividend of 1.5 cents per share. This brings the total FY22 dividend to 3.0 cents per share. The record date of the dividend is 9 September 2022 with a payment date of 13 September 2022.

## Board Update

Peter Brecht has decided to retire from the SRG Global Board at the Annual General Meeting in October 2022. The Board would like to acknowledge and thank Peter for his significant contribution to the business over the past eight years and wish him all the best for the future.

- ENDS -

## **CONTACT**

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Group Financial Controller & Company Secretary  
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## **ABOUT SRG GLOBAL**

SRG Global is a diversified industrial services company bringing an engineering mindset to deliver critical services for major industry across the entire asset lifecycle of engineer, construct and sustain. The Company has over 2,600 employees across three operating segments of Asset Maintenance, Mining Services and Engineering & Construction. Our vision is to be the most sought-after in what we do through “Making the Complex Simple”. For more information about SRG Global, please click [here](#).

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

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