



**MAKING THE
COMPLEX
SIMPLE**

1H FY23 RESULTS PRESENTATION

16 FEBRUARY 2023



THIS IS US

WHO WE ARE

We are a **diversified industrial services** company



WHAT WE DO

We bring an **engineering mindset** to deliver **critical services** for major industry

- Engineer
- Construct
- Sustain

OUR VISION

The most **sought-after** diversified industrial services business

**MAKING THE
COMPLEX**

SIMPLE

OUR PROFILE



OPERATING SEGMENTS



Asset Maintenance



Mining Services



Engineering & Construction

OWNERSHIP STRUCTURE

12% Management / Board

45% Institutional

2,600

People

20+

Industries

80+

Sites

5

Countries

750+

Revenue (\$m)

340

Market Cap (\$m)



RECORD RESULT

- 1H FY23 EBITDA of \$34m, **up 26%** on 1H FY22
- EBIT(A) of \$20.9m, **up 31%** on 1H FY22



RETURNS FOR SHAREHOLDERS

- EPS(A) of 3.0cps, **up 31%** on 1H FY22
- **Fully franked dividend** of 2.0cps, **up 33%** from 1.5cps in 1H FY22



ROBUST CASH GENERATION

- 1H FY23 EBITDA to **cash conversion** of **139%**
- **Net cash** of \$38.1m, **up 86%** from FY22 net cash of \$20.5m



STRONG OUTLOOK

- FY23 EBITDA **guidance increased** to \$72m – \$75m
- **Work in hand** of \$1.5b and **opportunity pipeline** of \$6b across a diverse range of sectors

“SRG continues to deliver on its strategic transformation to a diversified industrial services business”

KEY HIGHLIGHTS



SRG Global delivers above market financial performance

Continuing to convert opportunity pipeline with blue chip clients

Strong business fundamentals provide platform for ongoing sustainable growth

Clear evidence of continuing to execute the SRG Global Strategy

FY23 EBITDA guidance increased to a range of \$72m to \$75m

	1H FY22	1H FY23	CHANGE
Revenue	\$297.0m	\$380.0m	▲ 28%
EBITDA	\$27.0m	\$34.0m	▲ 26%
EBIT(A)	\$15.9m	\$20.9m	▲ 31%
NPAT(A)	\$10.1m	\$13.2m	▲ 31%
EBITDA % margin	9.1%	9.0%	▼ -1%
EBIT(A) % margin	5.4%	5.5%	▲ 3%
NPAT(A) % margin	3.4%	3.5%	▲ 2%
Dividends (cents per share)	1.5 cents	2.0 cents	▲ 33%
Earnings Per Share (A)	2.3 cps	3.0 cps	▲ 31%



EXECUTING **OUR STRATEGY**

BUILDING THE MOST SOUGHT-AFTER DIVERSIFIED INDUSTRIAL SERVICES BUSINESS



GROWTH HORIZON

Step change growth in recurring Asset Maintenance Services

Innovation and selective growth in Mining Services

Targeted growth in Civil Infrastructure Construction / Remediation

Specialist services and products in Building Construction with key repeat clients

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

LEADERSHIP HORIZON

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

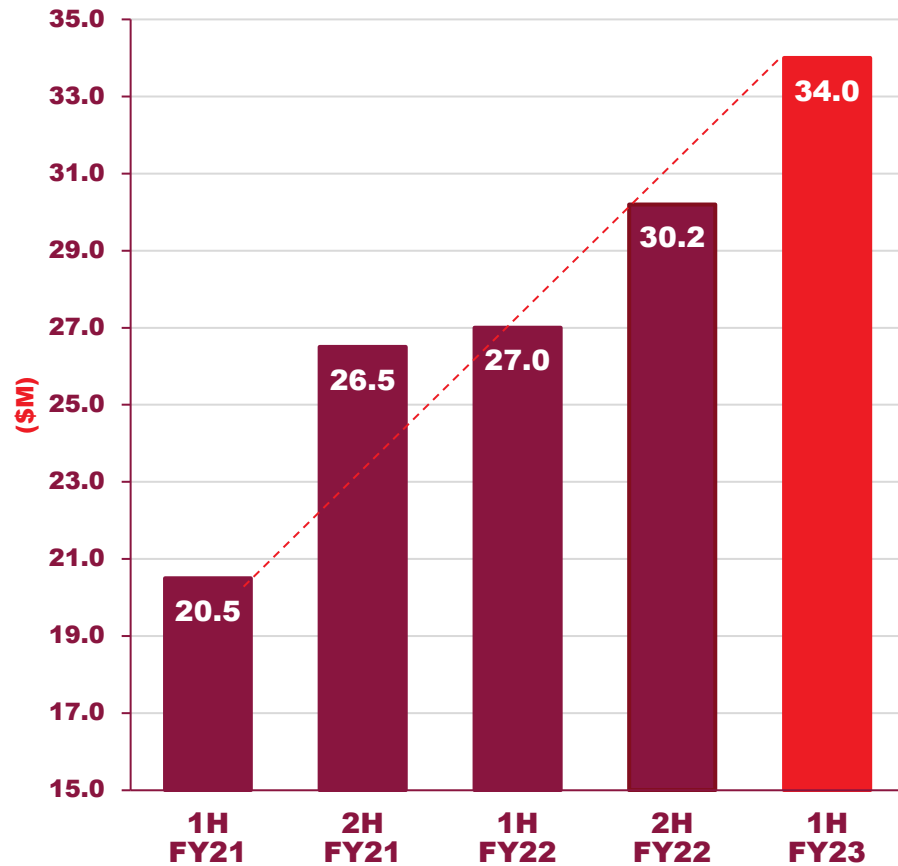
Consistent, above market shareholder returns (EPS and TSR)

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

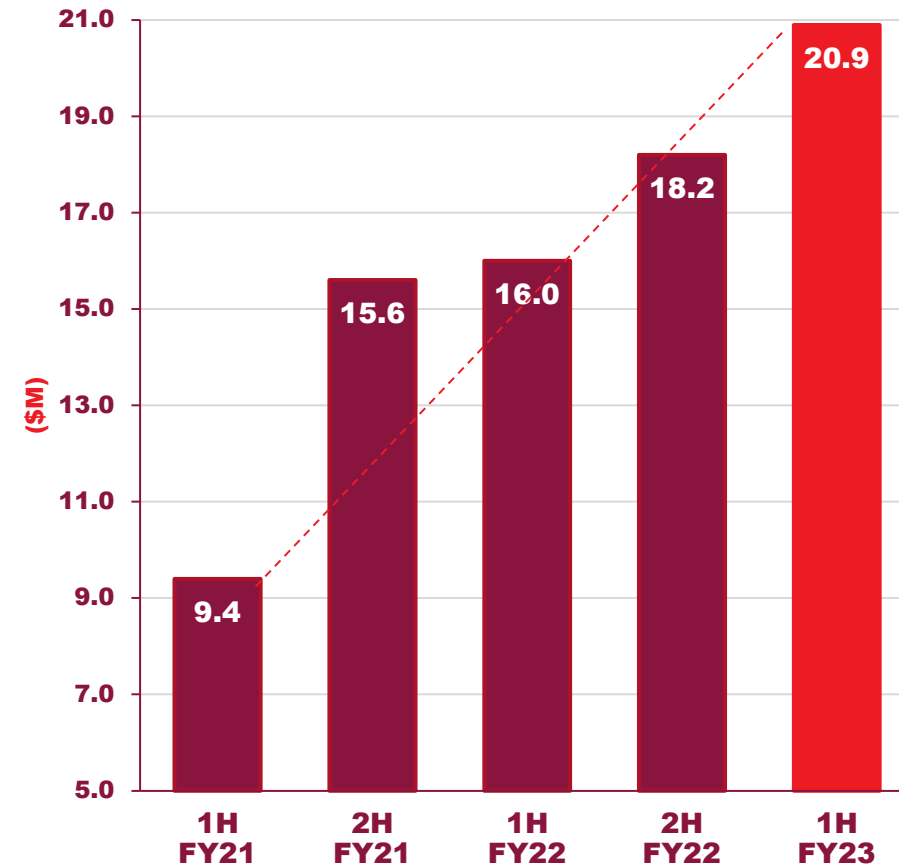
TRACK RECORD OF CONTINUED EARNINGS GROWTH



EBITDA



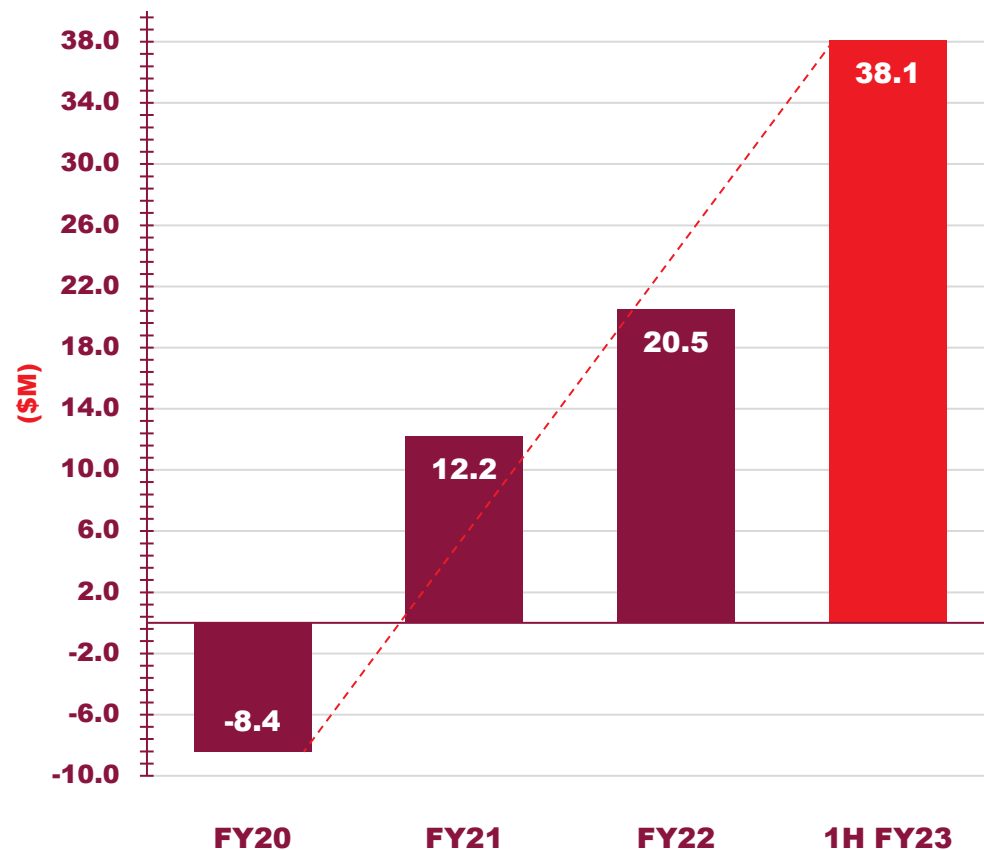
EBIT(A)



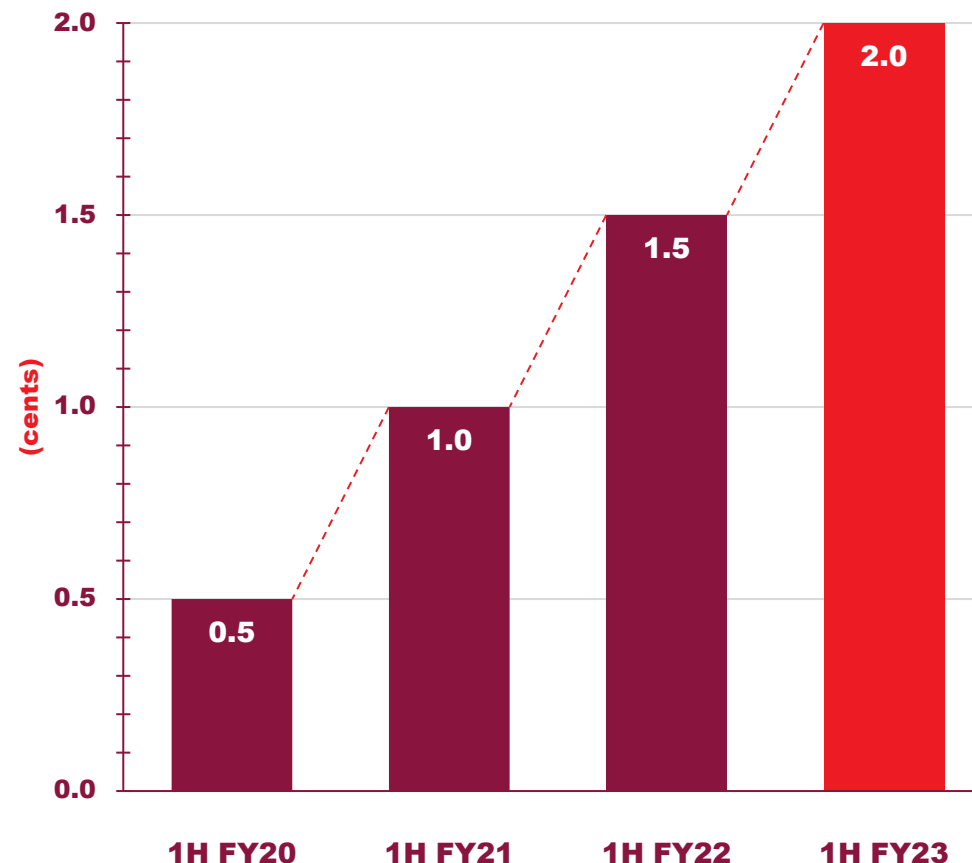
TRACK RECORD OF INCREASED CASH AND DIVIDENDS



NET DEBT TO NET CASH



DIVIDENDS (CPS)



UNDERPINNED BY A STRONG FOUNDATION

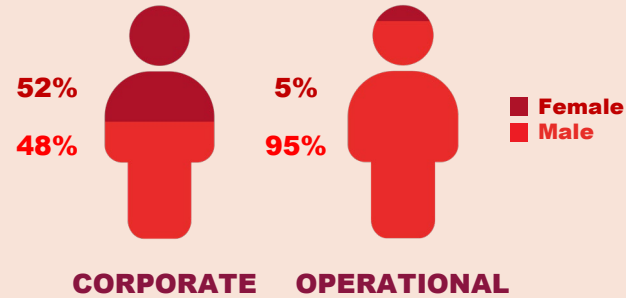


ZERO HARM IMPROVEMENT

50% ↓

TRIFR REDUCTION
(24 MONTHS)

GENDER DIVERSITY



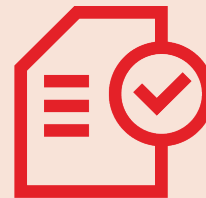
WHAT WE STAND FOR

Live for the challenge
Smarter together
Never give up
Have each other's backs

COMMUNITY ENGAGEMENT



CORPORATE GOVERNANCE





FINANCIAL **OVERVIEW**

STRONG 1H FY23 FINANCIAL PERFORMANCE



SEGMENT RESULTS (\$m)

	TOTAL	ASSET MAINTENANCE	MINING SERVICES	ENGINEERING & CONSTRUCTION	CORPORATE
Revenue	380.0	123.1	70.5	186.4	-
EBITDA	34.0	14.3	14.2	13.8	(8.3)
EBIT(A)	20.9	9.5	10.5	9.8	(8.9)

Revenue ▲ 28%

EBITDA ▲ 26%

EBIT(A) ▲ 31%

EBITDA % Margin of 9% in line with historical levels

Asset Maintenance continued its strong growth with numerous contract wins and extensions. Solid financial performance and margin performance with EBITDA margin of 11.6%, in line with historical levels.

Mining Services delivered significant growth in 1H FY23 combined with excellent operational execution and high levels of asset utilisation. Solid margin performance of 20.1%, in line with historical levels.

Engineering & Construction continued to deliver solid results with improved financials and increased EBITDA margin of 7.4%.

Civil & Engineering performed strongly across a diverse range of sectors including transport, water, energy and mine site infrastructure.

Specialist Building performed strongly with record WIH with repeat blue-chip clients and a significant pipeline of future opportunities.

Corporate overheads of \$8.3m equates to 2.2% of revenue, with scope for further leverage as business grows.

EXCELLENT CASH GENERATION



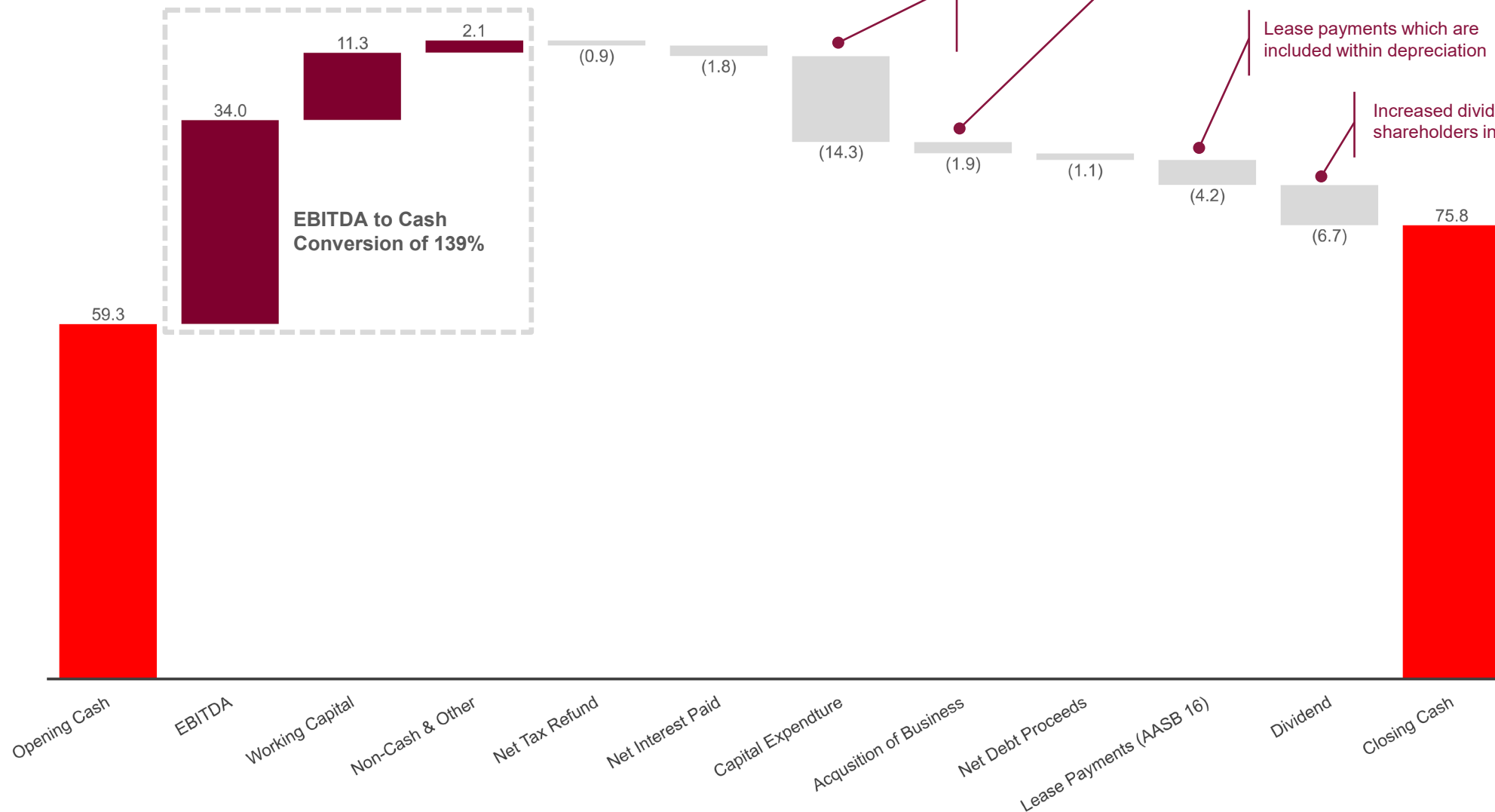
Continued strong focus on working capital management delivering operating cashflow before interest and tax of \$47.4m

Normal sustaining capital spend and growth capital investment for term contracts secured

Acquisition of Specialist Engineering Products business

Lease payments which are included within depreciation

Increased dividend return to shareholders in 1H FY23



ROBUST FINANCIAL POSITION



BALANCE SHEET (\$m)

	1H FY23
Cash and cash equivalents	75.8
Trade, other receivables & contract assets	147.2
Inventories	20.9
Property, plant and equipment	110.1
Right of use assets	21.7
Intangibles	102.7
Tax assets	12.2
Other	8.5
Total Assets	499.1
Trade, other payables & contract liabilities	160.3
Borrowings	37.7
Right of use liabilities	22.9
Provisions and other	36.5
Total Liabilities	257.4
Net Assets	241.7

Available liquidity of \$173.7m, comprising of cash on hand of \$75.8m and available undrawn working capital and equipment finance facilities of \$97.9m

Net cash of \$38.1m from a net cash position of \$20.5m at 30 June 2022 representing a \$17.6m improvement in the last 6 months through prudent management of working capital

Significant **undrawn facilities** available for growth

	DRAWN	UNDRAWN	TOTAL
Borrowing Facilities			
Equipment Finance	33.9	36.1	70.0
Term Loan	3.8	-	3.8
Working Capital	-	61.8	61.8
Total	37.7	97.9	135.6
Security Facilities			
Bank Guarantees	11.7	8.3	20.0
Performance Bonds	82.8	47.2	130.0
Total	94.5	55.5	150.0



OUR OPERATING SEGMENTS

ASSET MAINTENANCE




WHAT WE DO

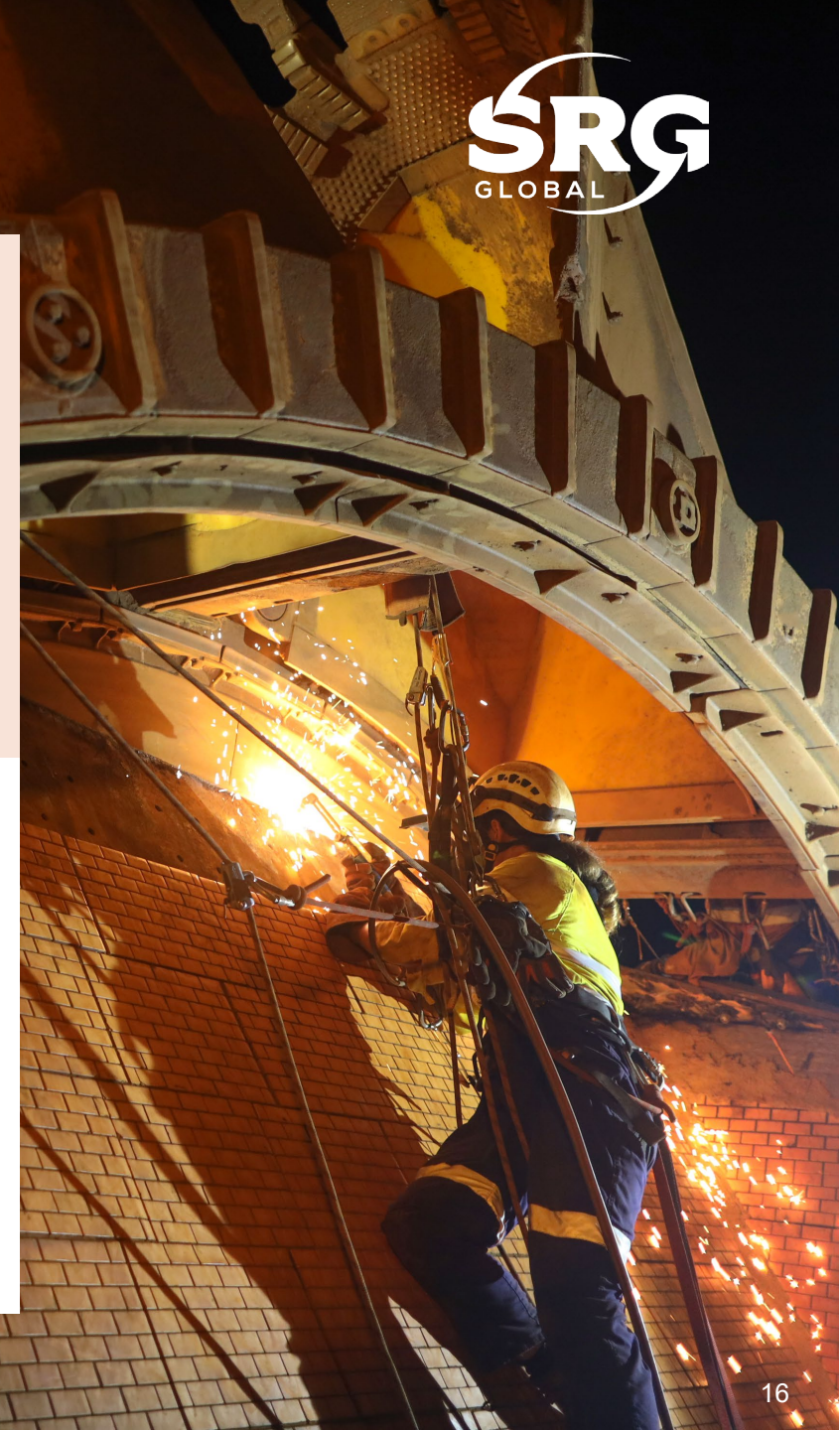
Integrated multi-disciplinary maintenance, access solutions, asset repair and protection services that sustain and extend critical industries and infrastructure.

CORE SERVICES

- Specialist Maintenance
- Access Solutions

EARNINGS

 Annuity / Recurring



ASSET MAINTENANCE IN REVIEW

- **Excellent mobilisation and operational delivery**
- **Significant number of contract wins and extensions secured**
 - 3-year marine maintenance contract with Fremantle Ports
 - 4-year industrial services contract with Alcoa
 - 2.5-year specialist access contract with Albermarle
 - 4-year windfarm maintenance contract with Genesis Energy
 - 3-year maintenance contract with Channel Infrastructure
- **Strong pipeline of opportunities in diverse sectors**
- **Significant scope expansion potential with existing clients**
- **Geographic expansion building momentum**
 - Queensland
 - South Australia
 - New South Wales
 - South Island NZ
- **Aboriginal JV Company (Bugarrba) well established**
 - secured new 5-year contract with FMG at Iron Bridge
 - secured contract works with BHP Iron Ore



Wagerup Alumina Refinery, Alcoa WA



Kwinana Bulk Jetty, Fremantle Ports WA

MINING SERVICES




WHAT WE DO

The critical drill and blast, performance analytics software and ground stabilisation services that keep mine production moving.

CORE SERVICES

- Production Drill and Blast
- Geotechnical Services

EARNINGS

 Annuity / Recurring

BHP

RioTinto

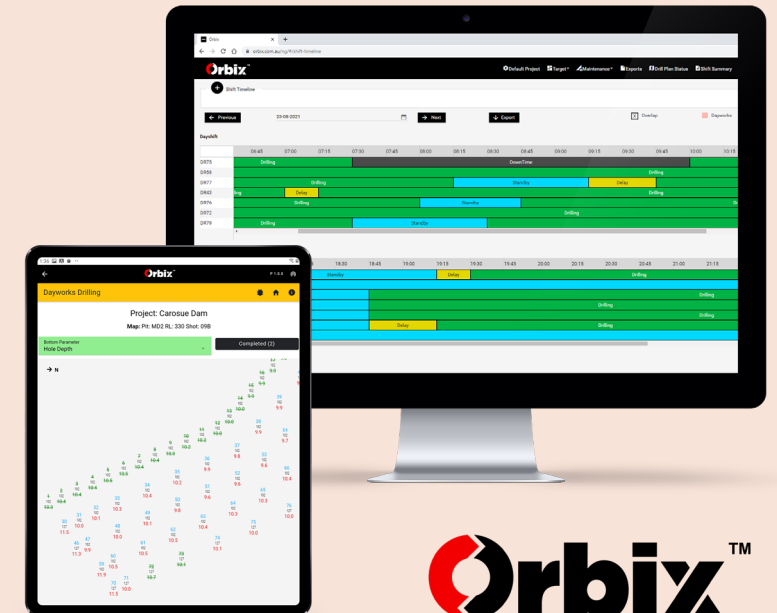


MINING SERVICES IN REVIEW

- Continued strong operational / financial performance
- Excellent asset utilisation of >90%
- A number of contract wins with Northern Star secured
 - 5-year contract at KCGM
 - 5-year contract at Bronzewing
 - 2-year contract extension to existing 5-year contracts at Thunderbox and Carosue Dam
- Key commodity exposure
 - Gold
 - Iron Ore
- Innovation Focus
 - High precision GPS
 - Semi-autonomous / remote-control drilling
 - Orbix proprietary data intelligence software
- Strong pipeline & expansion opportunities with existing clients
- Disciplined capital investment to support growth opportunities



KCGM Super Pit, Goldfields region of WA



ENGINEERING & CONSTRUCTION



WHAT WE DO

Specialist engineering and construction of critical infrastructure focused on dams, bridges, tanks, wind farms, engineered facades and mine site infrastructure across a diverse range of sectors.

CORE SERVICES

- Civil & Engineering
- Specialist Building
- Engineered Products

EARNINGS

 Project Based



ENGINEERING & CONSTRUCTION IN REVIEW

Civil & Engineering

- Strong operational performance
- Robust pipeline of infrastructure opportunities
 - dams, bridges, tanks, windfarms, mine site infrastructure
- Increased demand for remedial engineering services in transport and water sectors with key repeat clients
- Successful acquisition / integration of Bartek Engineered Products

Specialist Building

- Specialist Facades performing well nationally
 - high level of work in hand
 - significant pipeline of major opportunities
 - landmark projects in all major Australian cities
 - successful entry into NZ market
- Structures West delivering strongly
 - solid pipeline of major opportunities with key repeat clients
 - excellent operational execution
 - successful entry into Defence Sector
- Exit of Building Post-Tensioning business progressing to plan with completion in 2H FY23



West Gate Bridge, Melbourne VIC



Atlassian Building, Sydney NSW



OUR **STRATEGIC DIRECTION**

BUILDING THE MOST SOUGHT-AFTER DIVERSIFIED INDUSTRIAL SERVICES BUSINESS



GROWTH HORIZON

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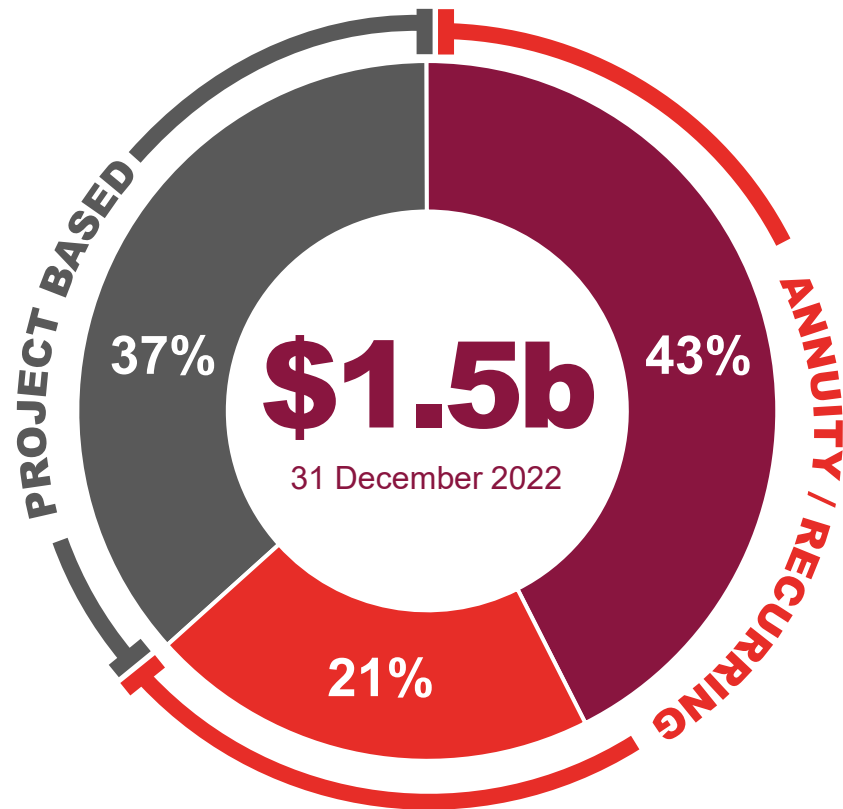
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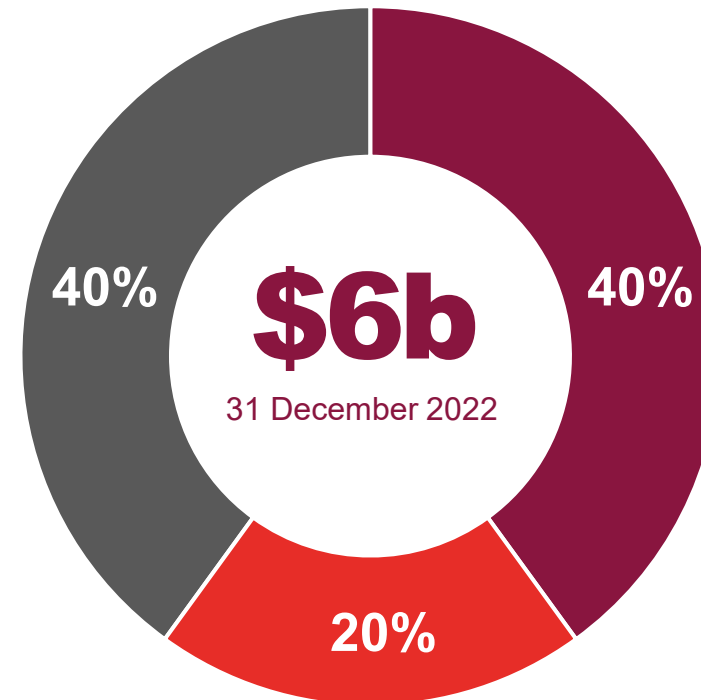
STRONG PLATFORM FOR CONTINUED GROWTH



WORK IN HAND



OPPORTUNITY PIPELINE



■ Asset Maintenance ■ Mining Services ■ Engineering & Construction

Operating segment performance...

-  **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**

...driving positive momentum

- ✓ FY23 EBITDA **guidance increased** to a range of \$72m - \$75m
- ✓ **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 transformation to a **diversified industrial services** business will continue to deliver results

INVESTMENT PROPOSITION



**End-to-end
asset lifecycle
capability**

**Diverse
market sectors /
geographies**

**Annuity
earnings
profile**

**Highly scalable
business
model**

**Capital light
investment
profile**

**High yield
dividend
stock**



“WHEN IT HAS
TO BE DONE RIGHT”

SRG GLOBAL

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**MAKING THE
COMPLEX**

SIMPLE

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