

# Euroz Hartleys Perth Bespoke Industrial Forum 2024



18 June 2024



# Introduction to SCEE



## Leading national electrical, instrumentation, communications, security and maintenance group...

- Established in 1978 in Perth and listed in 2007 (ASX:SXE)
- Leading and trusted national provider of specialized electrical, instrumentation, communications, security and maintenance services and products
- Diversified operations across three broad market sectors of Infrastructure, Commercial and Resources with circa two-thirds of order book on East Coast
- Diversification supported by successful track record of acquiring value accretive businesses: Datatel in 2016, Heyday in 2017, the Trivantage Group (S.J. Electric, SEME Solutions, and Trivantage Manufacturing) in 2020, and the MDE Group in 2024
- Over last seven years, management have materially grown revenues from \$200m in FY17 to forecasting over \$500m in FY24

## ...built by design through operational excellence and a disciplined M&A strategy



Historically focused on resources and industrial work, but now also diversified into transport, infrastructure, defence, utilities and renewables



Telecoms and communications specialist providing services to the education, health, government, commercial, resources and transport sectors



Heyday Group

NSW and ACT-based electrical contractor servicing the commercial and fit-out sectors, and the retail, education, health, hotel, transport, datacentre, and residential sectors



National provider of electrical and maintenance services to supermarkets, and the retail and commercial sectors



Provides electronic security services to the resources, law enforcement, custodial, industrial, and health sectors



Leading manufacturer of premium quality switchboards to a range of end users both internally within the Group and to external customers



Communications, data, and electrical services provider to commercial building, data centre, healthcare and transport infrastructure sectors



# Highlights and outlook

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**Targeting FY24 revenue over \$500m** and stronger H2 profitability to match FY23 EBITDA (\$38.2m)

**Announced over \$400m new orders** to date in FY24

**Four data centre projects** included in FY24 awards above

**Collie Battery Energy Storage System** biggest ever initial award received in May

**MDE Group acquisition completed 31 May** expanding east coast service offerings

**Record order book over \$700m** going into FY25

**Anticipating FY25 EBITDA of at least \$53m** with expectations of further growth in FY26 onwards

**Strong balance sheet supports further acquisitions** \$65.0m cash at 31 December and no debt

**Michael McNulty appointed to Board** and Derek Parkin OAM to retire, effective 1 September

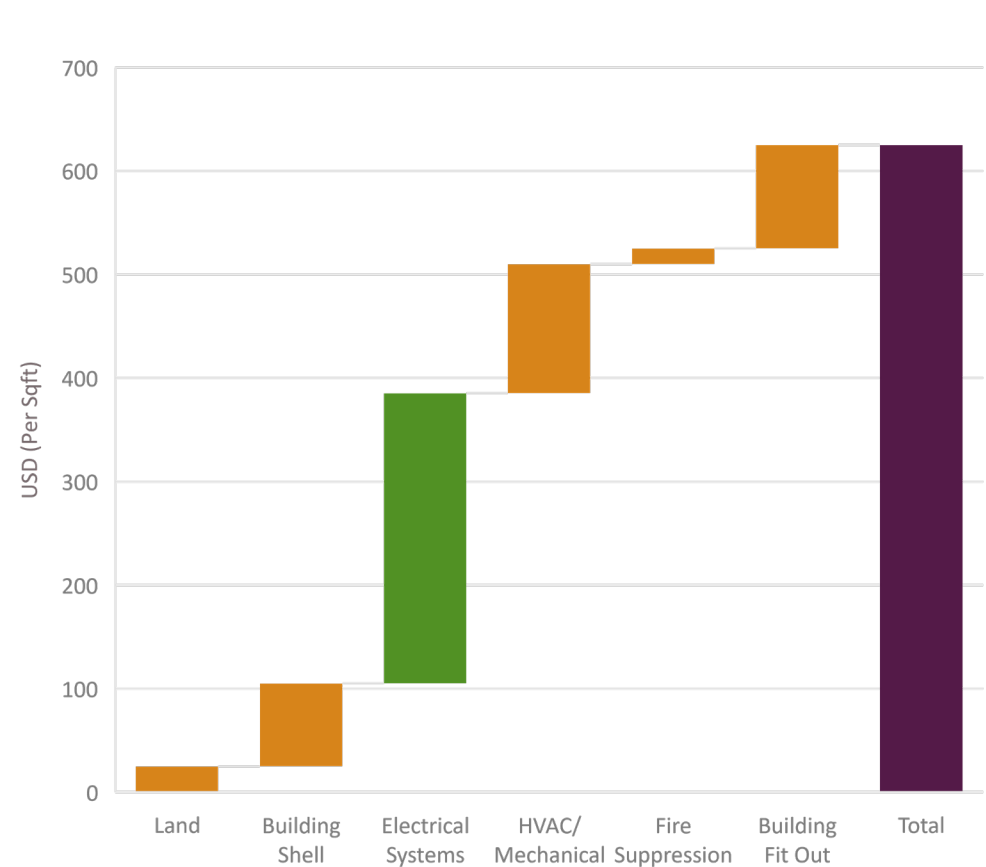


# Three structural tailwinds

# Data centres

## Data centres have already been a strong area for SCEE in recent years and sector is now showing exponential growth with cloud computing and AI developments

- Global data centre market is estimated to grow at a compound annual growth rate of 9.6% during the period 2023-2030 (*IndustryARC*)
- Data centres are electrically dense, electrical work comprising largest component of construction cost
- SCEE has announced fifteen data centre awards totaling over \$170m in last four years
- Currently working on data centres for a hyperscale cloud provider in North Sydney, another hyperscale cloud provider in Western Sydney, and at NEXTDC SYD03 Artarmon, and supplying switchboards to DCI Auckland and Hickory Victoria
- Currently tendering on or positioning for over \$500m of work to be awarded in next two years for extensions at existing or new builds of twelve separate data centres



Source: Dgtl Infra

**Infrastructure very wide sector for SCEE across federal, state, and private investment in transport (road, rail, airports, ports), defence, data centres, education, agriculture, water, energy, utilities, health and aged care**

Western Sydney Airport will be SCEE's largest revenue contributor in FY24 - a project to provide a full-service international and domestic airport handling 10 million passengers by 2031:

- Heyday initially awarded terminal works over \$100m in late 2021
- Subsequently added Fuel Farm and Border Force fit-out packages
- Now at high levels of activity as first flights scheduled for late-2026
- Currently tendering on cargo handling facilities, command centre and Sydney Metro airport line railway stations

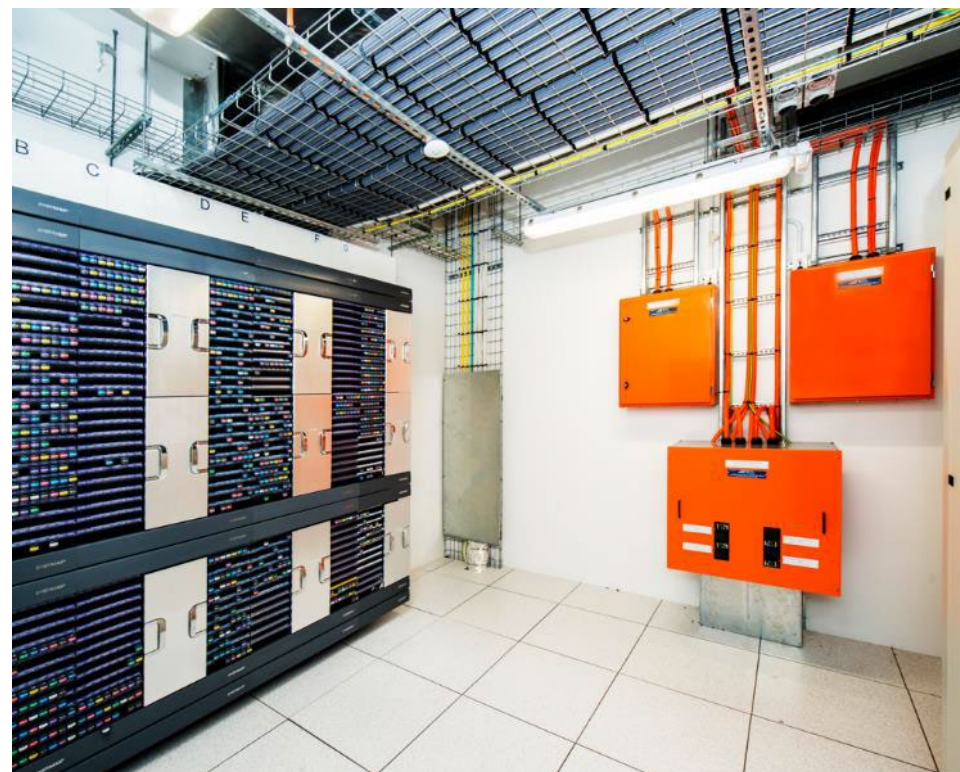
Expecting long-term pipeline of works with further airport expansion and in surrounding Aerotropolis region multiple logistics, commercial, accommodation, and infrastructure opportunities



# MDE Group acquisition

**Acquired MDE Group on 31 May, a Sydney-based provider of communications, data, and electrical services across a range of sectors including commercial buildings, data centres, healthcare and transport infrastructure**

- Strong operational synergies with Heyday, working together at Western Sydney International Airport
- Growing data centre project pipeline contains significant communications elements
- Positions Heyday to offer combined electrical, data and communications service and maintenance proposition on completion of its construction projects
- Potential for further growth into other states and to support other SCEE Group businesses
- Vendors incentivised to grow business on long-term employment arrangements
- Acquired for an enterprise value of up to \$10.55m and forecasting EBIT contribution of at least \$5m for FY25 and beyond



# Electrification and decarbonisation

**Australia is undergoing an energy transition to achieve net zero emissions by 2050 and SCEE is exposed to the electrification and decarbonisation of the economy through three avenues:**

- Supporting clients to decarbonise operations – for example in the resources sector undertaking battery, solar and wind projects for mining companies
- Assisting meeting the demand for commodities required for decarbonisation
- Offering our services across a diverse and growing range of electrification and decarbonisation initiatives – including green buildings, solar farms, powerlines, recycling plants, refrigeration power efficiencies and electric vehicle charging systems

Recently announced our largest ever initial award of \$160m by Synergy for the Collie Battery Energy Storage System (“CBESS”). Involves installation of 640 battery container units and 220kms of cabling to provide a 500MW/2,000MWh battery to feed into the South West Interconnected System (“SWIS”) as part of the WA State Government’s plan to retire coal-fired power by 2030





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