



# FY24 RESULTS, ACQUISITION OF DIONA & EQUITY RAISING

**MAKING THE  
COMPLEX  
SIMPLE**

Not for release to United States wire services or distribution in the United States

# Executive Summary

FY24 Results

Record Financial Result

**FY24 EBITDA<sup>1</sup> of**

**\$98.5m**

▲ Up 23% on FY23

EBIT(A)<sup>1</sup> of \$65.6m up 31% on FY23

Returns to Shareholders

**EPS(A)<sup>1</sup> of**

**7.7 cps**

▲ Up 15% on FY23

FY24 DPS of 4.5c, up 13% (2H 2.5c)

Excellent Cash Generation

**Net Cash of**

**\$17.8m**

▲ Up from Net Debt of \$17.0m

117% EBITDA to Cash Conversion

Way Forward

Transformational Acquisition

**Circa 10% EPS(A) accretive**



Market Leader in Water Security & Energy Transition

Winning and Executing

**Record Work in Hand<sup>2</sup> of**

**\$3.0b**

▲ Up 46% on FY23

80% Annuity / Recurring Earnings

Strong FY25 Growth Outlook

**EBITDA Guidance<sup>3</sup> increased to**

**~\$125m**

▲ Up 27% on FY24

Includes 10 months from Diona

**Note:** 1. All references to FY24 earnings in this presentation exclude \$1.5m of one-off redundancy costs (refer Appendix E) 2. Work In Hand includes \$1b from Diona 3. SRG Global (\$109m) plus 10 months from Diona (\$16m)



WEST WIND FARM, MERIDIAN ENERGY,  
WELLINGTON, NEW ZEALAND

# FY24 Results Overview

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# FY24 Financial Performance Key Highlights



## Record Financial Result

	FY23	FY24	Change
Revenue	\$809.0m	<b>\$1,069.3m</b>	▲ 32%
EBITDA	\$80.1m	<b>\$98.5m</b>	▲ 23%
EBIT(A)	\$50.0m	<b>\$65.6m</b>	▲ 31%
NPAT(A)	\$31.8m	<b>\$40.3m</b>	▲ 26%
EBITDA % margin	9.9%	<b>9.2%</b>	- 0.7%
EBIT(A) % margin	6.2%	<b>6.1%</b>	- 0.1%
NPAT(A) % margin	3.9%	<b>3.8%</b>	- 0.1%
Dividends (cents per share)	4.0 cents	<b>4.5 cents</b>	▲ 13%
Earnings Per Share (A)	6.7 cps	<b>7.7 cps</b>	▲ 15%

✓ SRG Global delivers above market financial performance

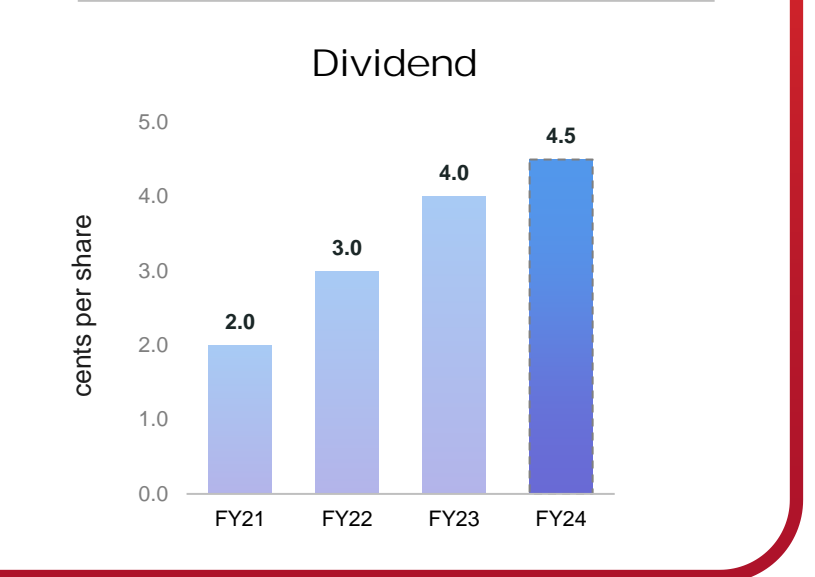
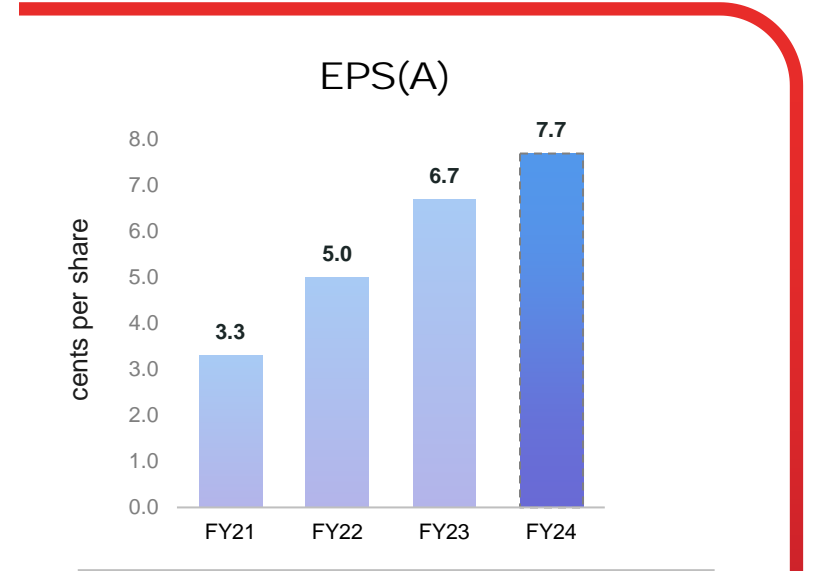
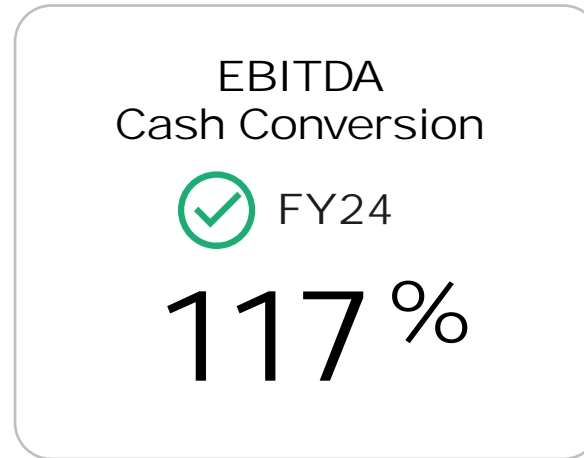
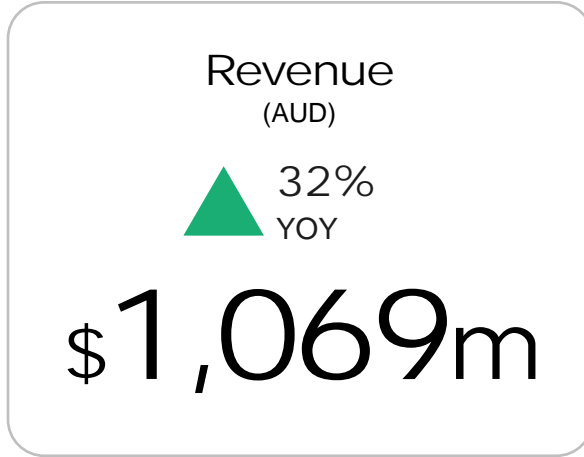
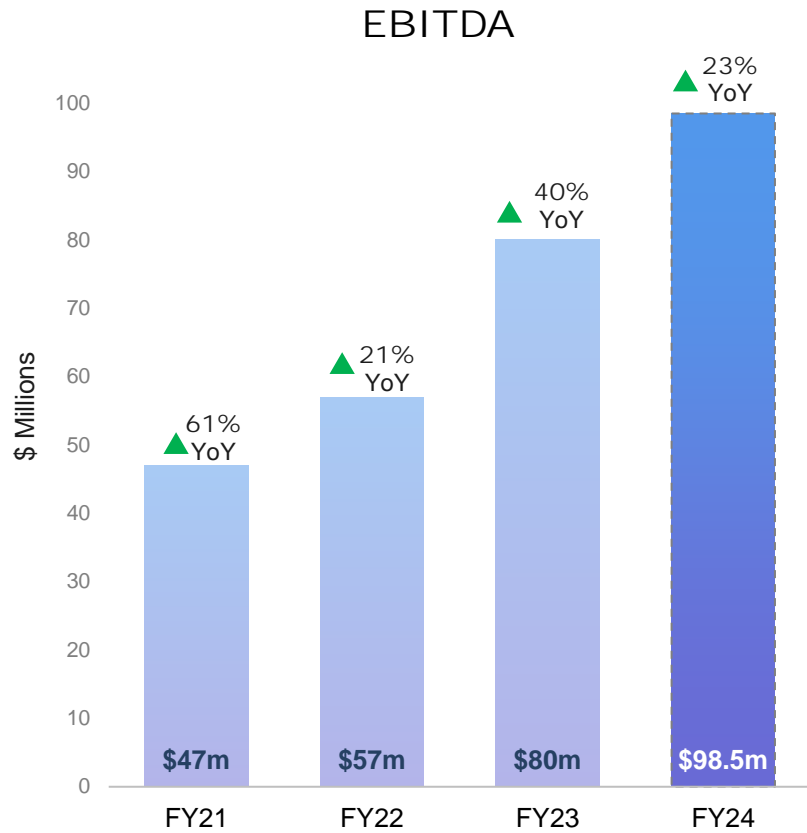
✓ Continued strong organic growth with **EPS accretion of +15%**

✓ Transitioned to **net cash of \$17.8m** from net debt of \$17.0m

✓ Strong business fundamentals provide platform for ongoing sustainable growth

# FY24 Financial Performance

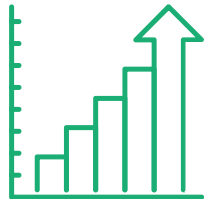
## Key Highlights



# Long Term Track Record of Delivery



	FY21	FY22	FY23	FY24
<b>Revenue</b>	\$570.0m	\$644.2m	\$809.0m	<b>\$1,069.3m</b>
<b>EBITDA</b>	\$47.1m	\$57.2m	\$80.1m	<b>\$98.5m</b>
<b>EBIT(A)</b>	\$25.1m	\$34.2m	\$50.0m	<b>\$65.6m</b>
<b>NPAT(A)</b>	\$14.9m	\$22.4m	\$31.8m	<b>\$40.3m</b>
<b>EBITDA % margin</b>	8.2%	8.9%	9.9%	<b>9.2%</b>
<b>EBIT(A) % margin</b>	4.4%	5.3%	6.2%	<b>6.1%</b>
<b>NPAT(A) % margin</b>	2.6%	3.5%	3.9%	<b>3.8%</b>
<b>Dividends (cents per share)</b>	2.0 cents	3.0 cents	4.0 cents	<b>4.5 cents</b>
<b>Earnings Per Share (A)</b>	3.3 cps	5.0 cps	6.7 cps	<b>7.7 cps</b>



Continuing to execute SRG Global Growth Strategy



**133% EPS(A) growth** over last three years



Business successfully transitioned to ~80% annuity / recurring earnings



Track record of winning and executing work



Track record of cash generation to fund growth and dividends



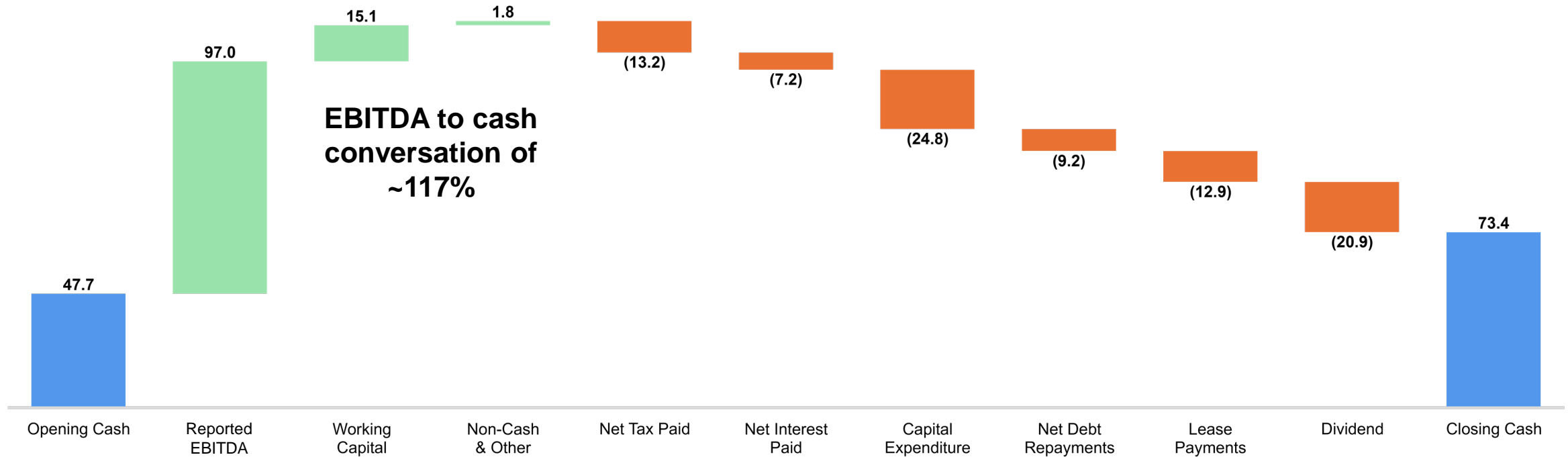
# Positive Cash Generation Funding Growth

Continued strong focus on working capital management delivering operating cashflow before interest and tax of \$113.8m

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

Increased dividend to shareholders in FY24

**EBITDA to cash conversion of ~117%**



(\$ Millions)

# Robust Financial Position



Balance Sheet (\$m)	FY24
Cash and cash equivalents	73.4
Trade, other receivables & contract assets	214.4
Inventories	26.0
Property, plant and equipment	122.8
Right of use assets	30.7
Intangibles	167.8
Tax assets	0.3
Other	5.1
<b>Total Assets</b>	<b>640.5</b>
Trade, other payables & contract liabilities	181.3
Borrowings	55.5
Right of use liabilities	32.2
Tax liabilities	1.2
Provisions and other	65.2
<b>Total Liabilities</b>	<b>335.4</b>
<b>Net Assets</b>	<b>305.1</b>

Available liquidity: **\$192.9m**

- \$73.4m Cash on hand
- \$119.5m Available undrawn working capital and equipment finance facilities

Net cash: **\$17.8m** Net cash position provides the Company with significant capacity to fund further growth opportunities

Undrawn Facilities Available	Drawn	Undrawn	Total
<b>Borrowing Facilities</b>			
Equipment Finance	32.0	38.0	70.0
Term Loan	23.3	-	23.3
Working Capital	-	81.5	81.5
<b>Total</b>	<b>55.3</b>	<b>119.5</b>	<b>174.8</b>
<b>Security Facilities</b>			
Bank Guarantees	20.4	24.6	45.0
Surety Bonds	144.1	40.9	185.0
<b>Total</b>	<b>164.5</b>	<b>65.5</b>	<b>230.0</b>

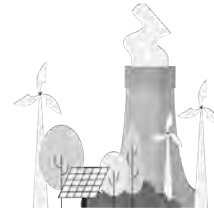


# Underpinned by a Strong Foundation





# Environmental, Social & Governance in Action



## Environmental

- Sustain Life Software Platform to track emissions
- Sustainability initiatives such as green concrete, local tree planting and solar powered site facilities



## Social

- Bugarrba Aboriginal Joint Venture progressing well
- Social partnerships supporting aligned causes such as Clontarf, Mates, Shooting Stars, Cancer Council, Telethon and other local community initiatives / programs



## Governance

- Continued focus and refinement of SRG's Risk Management Framework and suite of Policies / Initiatives including Code of Conduct, Whistle Blower, Psychosocial, Respect at Work and Modern Slavery Initiatives





# Transaction Overview – Diona



# Acquisition Overview



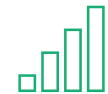
## Transaction Details

- SRG has entered into a binding agreement to acquire 100% of Diona Pty Ltd and its associated entities (collectively “**Diona**”) for \$111 million on a cash-free, debt-free basis and normal level of working capital (“**Acquisition**”)
- Implied Acquisition multiple of 6.0x on FY24 EBIT<sup>1</sup> of \$18.5 million



## Transaction Funding

- The Acquisition and associated transaction costs will be funded via:
  - An equity raising comprising a \$60 million fully underwritten institutional placement of new fully paid ordinary shares in the Company (“**Placement**”)
  - Up to \$56 million from existing cash and available debt facilities



## Pro forma Financial Impact

- Pro forma FY24 impact of the Acquisition (pre synergies):
  - Revenue and EBIT(A) increase to \$1.28 billion and \$84.1 million respectively;
  - Circa 10% EPS(A) accretion;
  - EBIT(A) margins increasing from 6.1% to 6.5%
- Organic growth from geographic expansion, enhanced capabilities and cross-selling opportunities
- Gearing ratio of 0.3x Net Debt to FY24 EBITDA to maintain a strong balance sheet



## Timing

- Completion is anticipated to occur on or around 2 September 2024
- SRG Global FY25 EBITDA Guidance of \$125m (includes 10 months contribution from Diona)

# Diona Overview



- Established in 1980, Diona is a leading **end-to-end** delivery partner for design, engineering and project execution; through long term program and asset management agreements with full **self-perform capability**
- Diona delivers specialised services within two end markets:
  - **Water Security & Rehabilitation**
  - **Energy Transition**
- Broad **geographic reach** in both urban and rural areas spread evenly across the **East Coast** including South Australia
- Client focused approach with established **long-term partnerships** with leading utilities and government agencies
- A number of **key common and complementary** clients with SRG Global
- A **skilled workforce** consisting of 750+ people with 200+ technical advisors
- **Long-term track record** of delivering significant growth through the cycle
- Well positioned to continue to drive organic growth, with more than **\$1.0 billion of work in hand** underpinned by a pipeline of more than \$2.0 billion

**40+ years**  
Full end-to-end self-perform capability

**>750**  
Skilled workforce as of June 2024

**96%**  
Blue chip utility and govt. agencies

**100%**  
East coast presence (including SA)

**\$1.0b**  
Work In Hand (WIH)

**84%**  
Cost plus / schedule of rates revenue

**\$216m**  
FY24 revenue<sup>1</sup>

**\$19.5m**  
FY24 EBITDA<sup>1</sup>

**\$18.5m**  
FY24 EBIT<sup>1</sup>

Note: 1. Based on Diona's FY24 management accounts.

# Strategic Rationale

## 1 Strengthens market position in water security and energy transition

- Leading professional program and asset management services provider
- 40-year history with long-term client relationships
- Embedded partner with utility / government agencies for:
  - Water Security and Rehabilitation encompassing Water and Wastewater Infrastructure, and
  - Energy Transition, including Energy, Power & Gas

## 2 Complementary capabilities enhance breadth and strength of service offering

- Adds complementary program management and technical expertise through early engagement advisory, design and engineering services, collaborative project delivery and ongoing asset management services
- Unlocks a range of synergies across SRG Global's Diversified Infrastructure Services business model with both common and new clients; and accelerates expansion in key geographic regions

## 3 High-quality management team with a proven track record

- Strong, reputable management team with extensive industry experience and long tenure working for Diona
- 750+ highly skilled professional services, engineering, program management and project delivery personnel
- All staff including key management personnel will transition across to SRG Global post-completion

## 4 Enhances annuity / recurring revenue and earnings profile

- High annuity style revenue / earnings profile in line with SRG Global's stated growth strategy
- 100% of earnings is underpinned by long-term program and asset management agreements, typical duration (2-4 years) providing long-term consistent, predictable earnings

## 5 \$1b work in hand and strong pipeline underpinning future growth

- Excellent revenue visibility with more than \$1bn of secured work, underpinned by long-term program and asset management agreements
- Pipeline of more than \$2bn
- Provides SRG Global with significant cross selling opportunities

## 6 Financially attractive acquisition

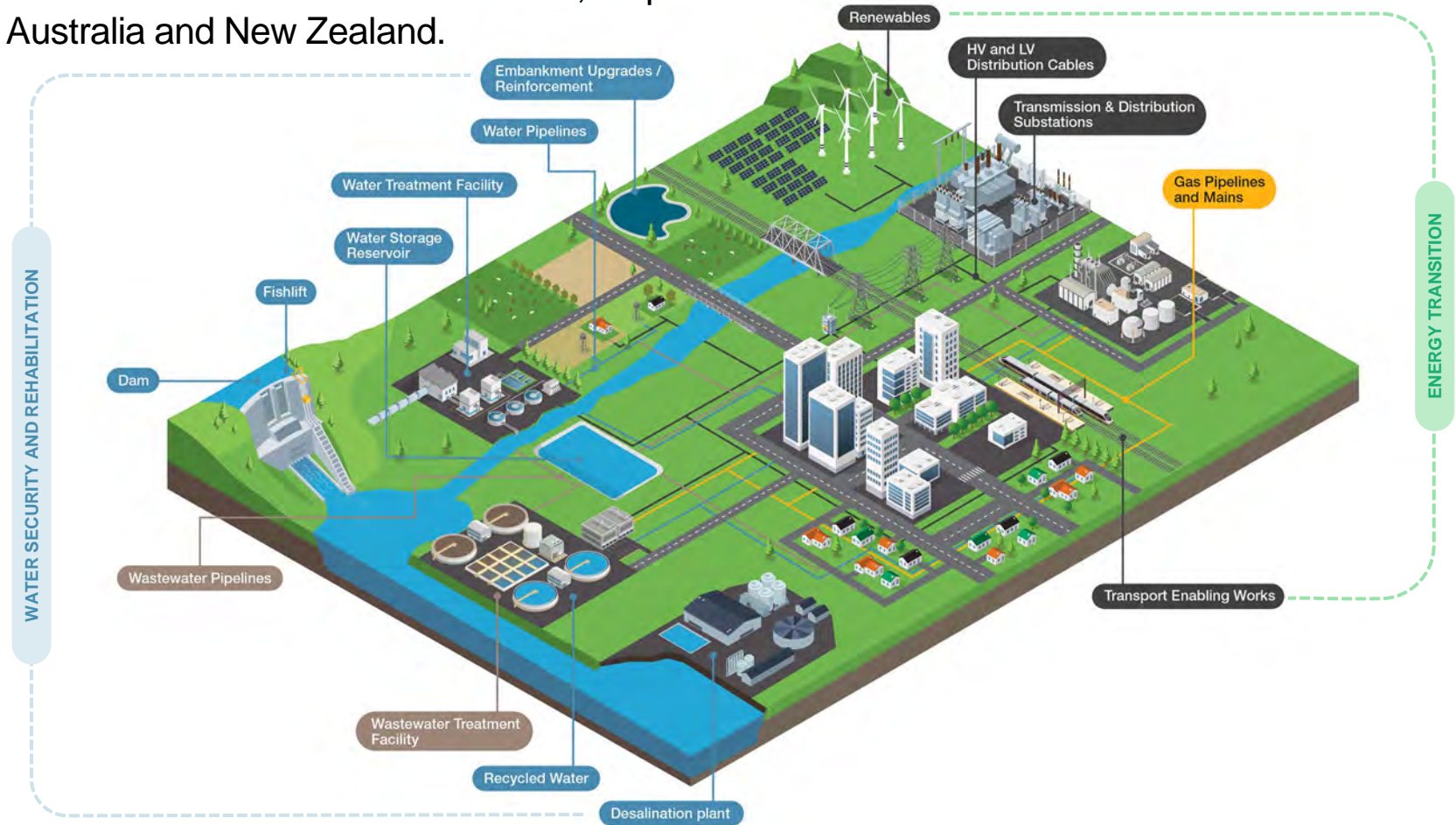
- Circa 10% FY24 pro forma EPS accretion (pre synergies / cross selling opportunities)
- Capital light investment profile (capex < 1% of revenue)
- Complements SRG Global's current growth strategy in highly attractive growth sectors of Water Security and Energy Transition



# Highly Complementary Core Capabilities

Diona's core capabilities are highly complementary with SRG Global's service offering in delivering critical infrastructure services to connect, empower and sustain major industry across Australia and New Zealand.

- Early Engagement Advisory
- Community Engagement
- Design & Engineering
- Program Management Delivery
- Asset Management



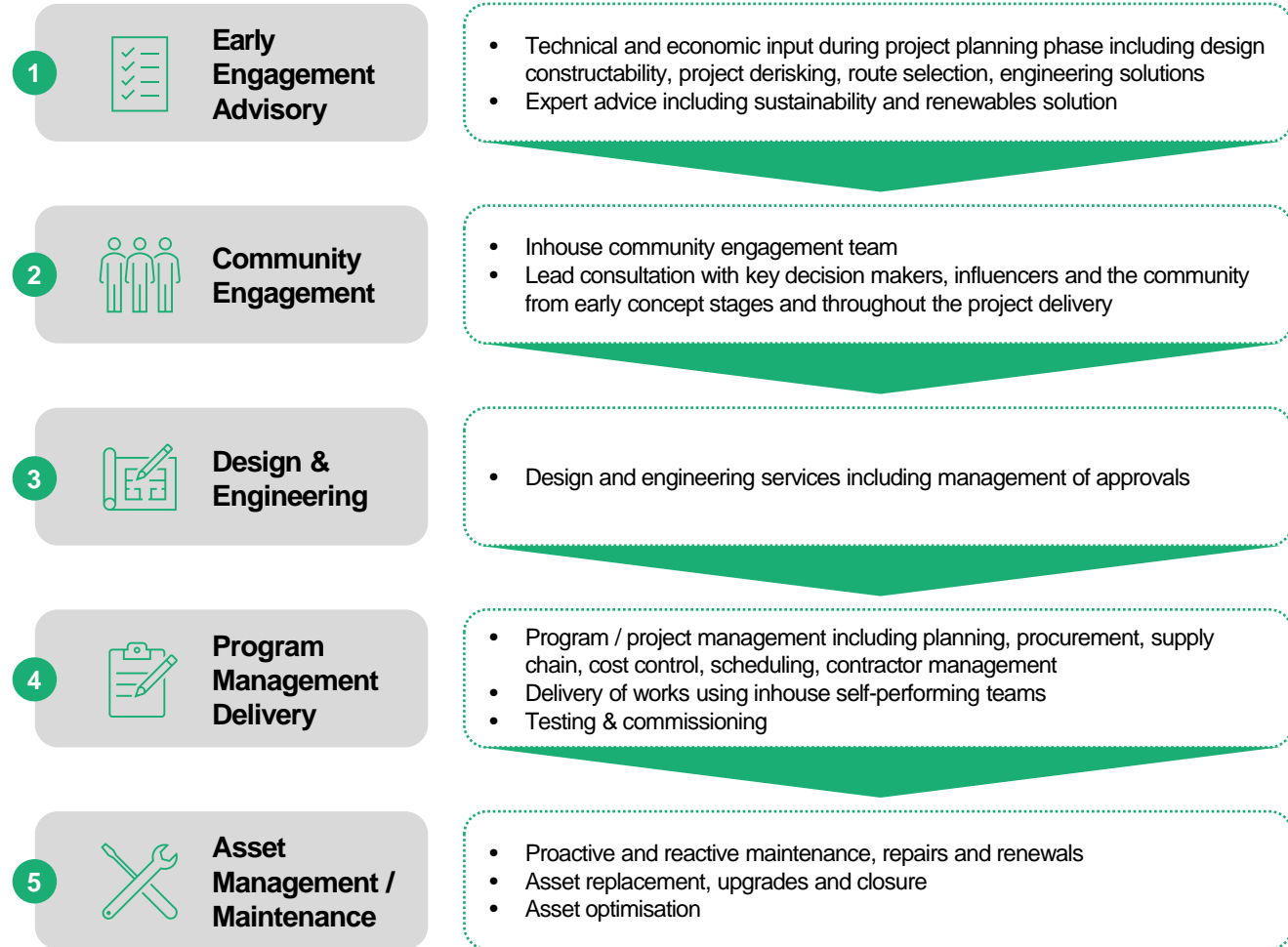
# Robust Commercial Model



## Program / Asset Management Agreements



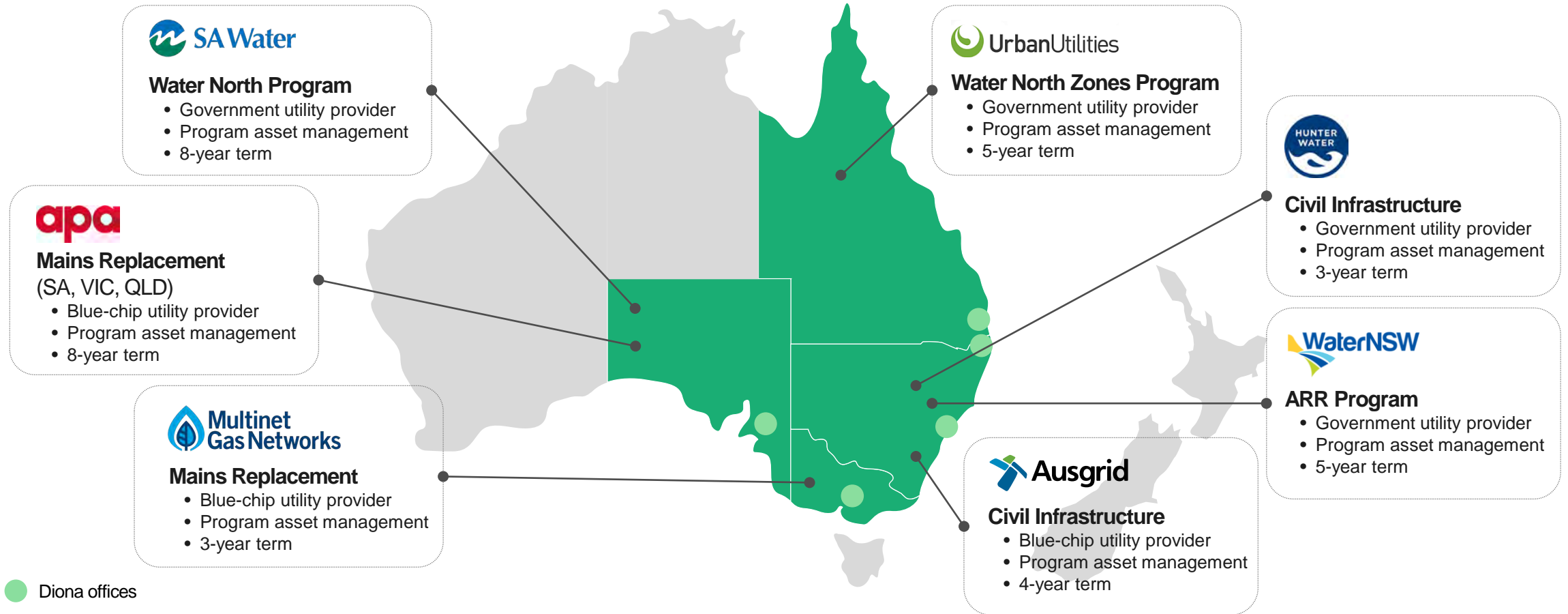
# Unparalleled End-to-End "Self-Perform" Capability



Asset lifecycle

# Client Focused Approach

Diona's model integrates a low-risk collaborative approach with long-term agreements, ensuring sustainable and consistent earnings, and embedded partnerships with leading utility and government agencies.





# Key End Markets

Diona delivers specialised services **within two pivotal End Markets: Water Security & Rehabilitation**, encompassing Water & Wastewater, and **Energy Transition**, including Gas, and Power & Energy.

## END MARKETS



### WATER SECURITY & REHABILITATION

Safeguarding and sustaining water resources with vital infrastructure ensuring community wellbeing and environmental sustainability



### ENERGY TRANSITION

Gas, Power & Energy, leading the way in supporting Australia's move towards a sustainable energy future

#### WATER AND WASTEWATER

- **Resources Security**  
Rehabilitate and maintain critical water and wastewater infrastructure, ensuring sustainable water management
- **Advanced Water Solutions**  
Use of solar water storage and hydrogen solutions emphasises an innovative approach to decarbonisation
- **Proven Project Delivery**  
Track record in brownfield projects and community engagement reflects commitment to excellence and reliability

#### GAS

- **Compression Technologies**  
Advanced gas compression technologies and design ensure efficient gas transportation while striving to improve energy efficiency
- **Leak Minimisation**  
Measures to decrease leaks, enhancing the integrity and sustainability of gas infrastructure
- **Proven Project Delivery**  
Track record in brownfield projects and community engagement reflects commitment to excellence and reliability

#### POWER & ENERGY

- **High-Voltage Expertise**  
Adept in HV cable transmission, specialising in robust and efficient energy distribution networks
- **Sustainable Solutions**  
Focus is on integrating renewable energy sources, enhancing grid connections, and driving the energy transition forward
- **Collaborative Energy Projects**  
Through effective community and stakeholder collaboration, strengthening energy partnerships



# Market Overview

Diona is strategically positioned to benefit from long-term industry tailwinds across water security & rehabilitation as well as other sectors facing the broader energy transition.

## WATER INFRASTRUCTURE

~\$12bn Annual Spend

Principally **driven by trends in population growth, water availability, and government infrastructure funding**. The steady expansion of Australia's population and widening of settlements into outer metropolitan areas has underpinned more significant requirement for delivering potable water and sewerage services in recent years.

**Increase in nationally significant water infrastructure through the \$3.5bn National Water Grid Fund** with Government funding aimed at improving water security through funding projects such as dams, weirs, pipelines, water recycling plants, and other large wastewater processing plant projects.

**Sydney Water recently announced the investment of \$34bn over the next 10 years** from FY24 to FY35 to renew existing assets, deliver new investments in water supply, recycled water, stormwater and waterway management, and renewable sources of energy.

Diona stands to benefit from long-term partnerships with key water utilities providers such as Urban Utilities, WaterNSW, SA Water and Sydney Water

## GAS PIPELINE INFRASTRUCTURE

~\$23bn Annual Spend

**Roll-out of high-pressure gas pipelines by pipeline transporters such as Jemena have provided investment that is driving rapid industry expansion** and underpinning accelerated growth in pipeline work and associated maintenance requirements.

Large-scale high-pressure gas interconnector pipeline developments mainly service the East Coast domestic gas market, including residential, industry and mining.

Demand from the pipeline transport industry, which commissions the construction of new pipelines and expands existing pipeline networks, is expected to continue driving maintenance, repair and upgrade work.

Ability for Diona to leverage its 25 years of gas delivery expertise and track record in high-quality gas infrastructure projects to capture further opportunities

## ELECTRICITY INFRASTRUCTURE

**Demand for high-voltage transmission networks will maintain historically high activity levels within the industry.** Further, investment in high-voltage transmission systems for Renewable Energy Zones (REZs) will boost public sector funding.

REZs will help unlock the development of large renewable energy projects, initially focusing on the New England REZ network expansion in NSW and the South-West, and Western REZ network expansion in VIC.

The Australian Energy Market Operator (AEMO) 2024 Integrated System Plan (ISP) calls for the **construction of nearly 10,000km of new transmission lines by 2050** to connect new generation sources and meet reliability targets. The **cost of these projects is estimated at \$16bn**. This construction will significantly increase the installed base of assets which will require ongoing maintenance.

Diona is well placed to benefit given its high-voltage expertise and capabilities

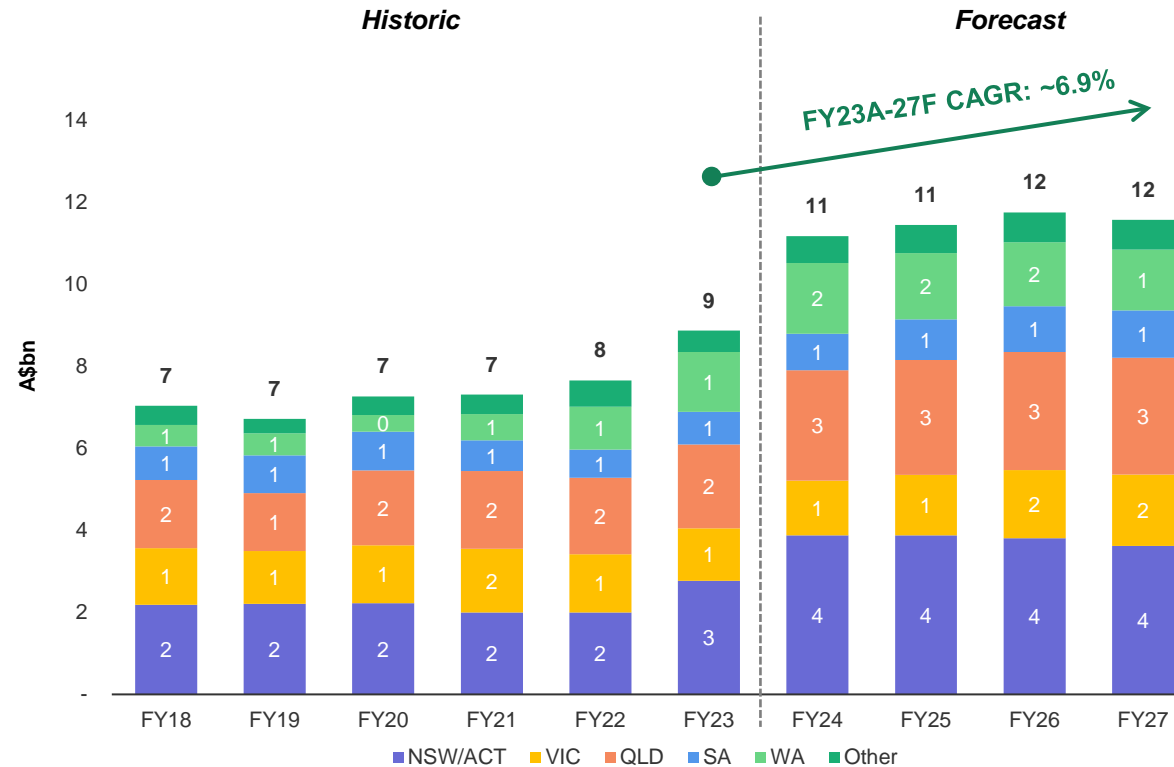
# Water Infrastructure Spend Highlights

Investment in the water infrastructure sector is expected to increase over the medium term due to population growth, climate change and water security, and increasing maintenance requirements for water infrastructure

## Macro Drivers of Growth

- Population growth
- Climate change and water security
- Urbanisation and congestion management
- Aging infrastructure asset base
- Technological advancements in water management
- Government investments and incentives

## Water Infrastructure – Forecast Spend



## Market Commentary



- Capital expenditure budget includes \$9bn over the three years to FY26, with a longer-term plan of \$34bn over the next 10 years to FY34 across new water facilities, purified recycled water schemes and bulk supply and transfer infrastructure
- Opportunity for Diona to add incremental share of spend given its long-term history of working with Sydney Water



- Forecast long-term capital expenditure of ~\$2.1bn per annum in relation to water assets and ~\$1.2bn per annum in relation to wastewater assets for FY24-26
- Diona's is well positioned to deliver a large share of the above future spend given its long-term relationship & program management agreement with SA Water



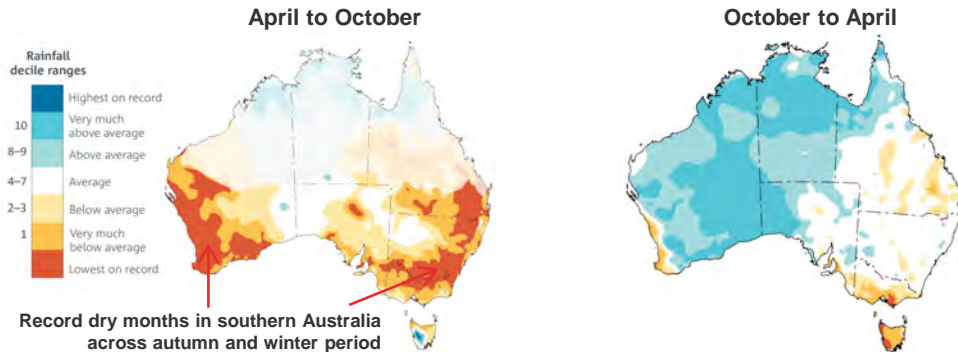
# Weather Patterns Driving Investment in Infrastructure

Both government and private sector stakeholders are increasingly focused on the impact of climate change and its growing influence on how urban water is supplied, used and managed.

## Climate Change Trends

- Australia is set to undergo a period of significant change to its weather and climatic patterns over the near and medium term. As part of this change, water infrastructure is likely to be threatened by increasingly frequent and intense weather events, and extended periods of higher temperatures and reduced rainfall.
- The Bureau of Meteorology and CSIRO forecast that over the coming decades climate change is likely to result in:
  - more frequent and intense rainfall events, particularly in northern regions, potentially causing flooding
  - rising temperatures, with more hot days and fewer cool days, bringing increased risks of bushfires and evaporation of water in storage
  - rising sea levels, exposing coastal areas to damage and erosion
  - ocean acidification, potentially harming marine life and biodiversity
  - lower annual average rainfall in southern regions, with increased likelihood of droughts

## Rainfall Changes against Historical Averages<sup>(1)</sup>



## Impacts on Water Infrastructure

- Extreme weather events such as floods, cyclones and bushfires can damage assets and disrupt water / wastewater treatment processes. The resilience of assets and systems are likely to be tested by such natural disasters and extreme weather events
- Higher temperatures can increase the volume of water in storage lost through evapotranspiration and pipes can crack as a result of changes in soil moisture or temperature, or as tree roots spread to source water
- The risks of climate change may be even more pressing in regional towns which do not have the same level of resources as their metropolitan counterparts. In cases of system failure in some regional towns, it may take lengthy periods to restore services

## DIONA OPPORTUNITIES



**Increasing maintenance requirements for urban water infrastructure**



**Focus on advancing regional utilities infrastructure for urban security of supply**



**Government investment in irrigation systems**



**Embracing alternative water supply sources such as recycled water and stormwater harvesting**

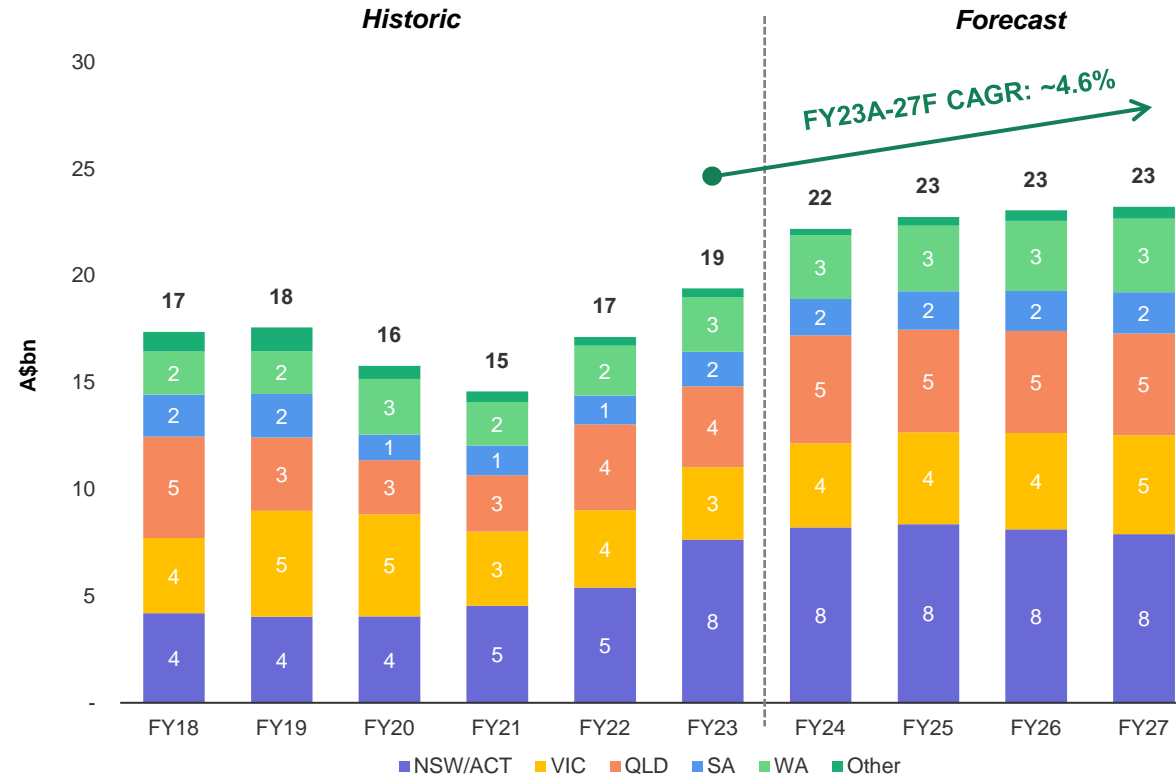
# Energy and Gas Infrastructure Spend Highlights

Spend in the energy and gas infrastructure sector is expected to remain strong, driven by Australia's push towards renewable energy, energy security, and the modernisation of existing networks to meet the demands of the energy transition

## Macro Drivers of Growth

- Expansion of renewable energy
- Aging transmission infrastructure
- Government incentives and policies
- National energy security
- Reshoring & supply chain adjustments
- Increased electrification needs

## Energy & Gas Infrastructure – Forecast Spend



## Market Commentary



- Capital expenditure forecast of ~\$670m for the 2023-28 access arrangement period with ~61% of this spend related to mains replacements
- Diona is a trusted partner for Multinet's gas main replacement and upgrade works, and is well placed to secure further packages in the future



- Forecast capex of ~\$3.3bn for the 2024-29 period including investment to replace network assets
- Opportunity for Diona to leverage its long-term relationship with Ausgrid since 2006 to continue collaborating on extensive upcoming works on its network and transmission grid

# Long-Term Investment in Energy

Diona is uniquely positioned to capitalise on underlying secular tailwinds, including the ongoing reliance on renewable power, battery energy storage and transmission infrastructure.

## Demand for Diona's transmission and distribution capability is underscored by the energy transition, which is expected to be sustained through the medium and long term

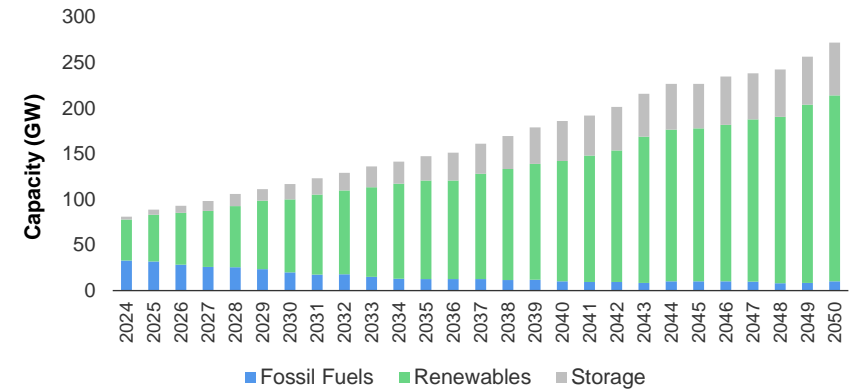


The rapid construction of critical renewables projects has resulted in increasing investment demand for transmission infrastructure and renewable energy storage



- By 2050, there will be nearly 30x increase in energy storage capacity, 9x in grid-scale wind and solar energy generation and 5x distributed PV capacity
- Transmission projects within the AEMO's "optimum development path" is expected to aggregate a cost of \$12.7bn
- The Federal Government "Rewiring the Nation Plan" provides \$20bn in funding for national transmission infrastructure, requiring 10,000km of new transmission grid by 2050. Commitment spend includes \$4.7bn for NSW, \$2.25bn for VIC and \$3bn for QLD
- In absence of coal-fired generation, Australia's National Electricity Market ('NEM') will require by 2050, 46 GW of dispatchable capacity from battery and hydro storage

Forecast National Electricity Market (NEM) Capacity



## Diona is uniquely placed to capitalise on the strong tailwinds supporting demand primarily from the national energy transition and growing demand for maintenance services

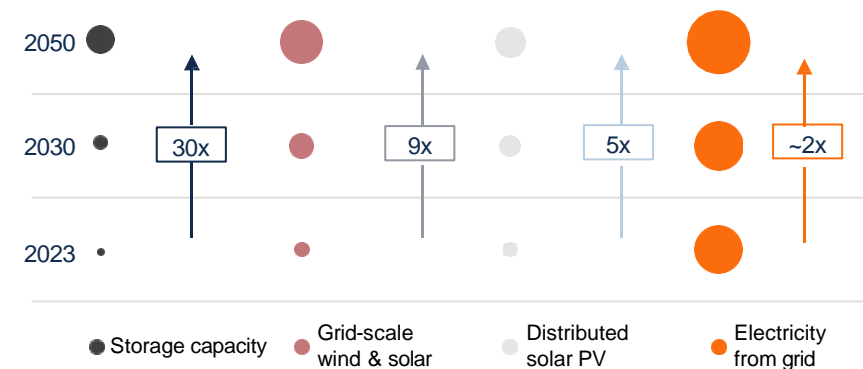


Significant infrastructure investment and maintenance demand is expected through government funded projects, electricity generation and grid augmentation projects



- Energy storage installations in Australia are expected to grow ~25x by 2030 to 12.8 GW and comprise 7% of global market
- Estimated \$3.2bn in spend on 33 battery projects (4.6 GW) under construction
- The switchyard services market is growing at 5.7% CAGR (management forecast) as a result of rising infrastructure development costs and legislative restrictions on extending the power grid in rural areas

Energy Transition Requiring Considerable Infrastructure Investment



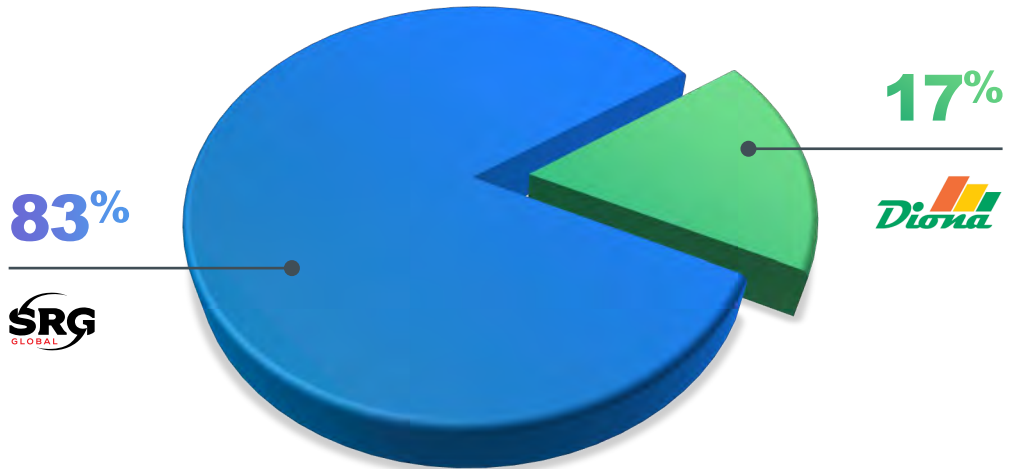


# Pro Forma Financials

# Pro Forma FY24 Revenue & EBITDA

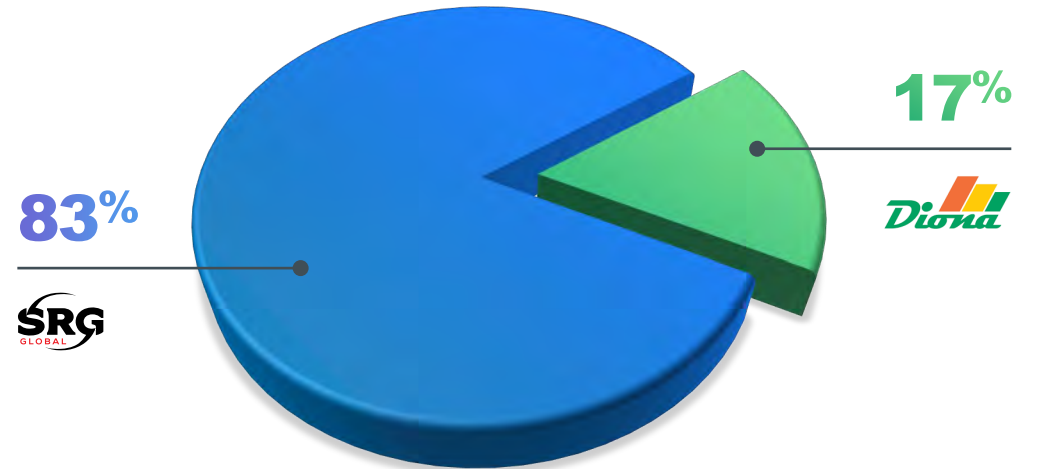
Pro forma FY24 Revenue<sup>1</sup>

\$1.28b



Pro forma FY24 EBITDA<sup>1</sup>

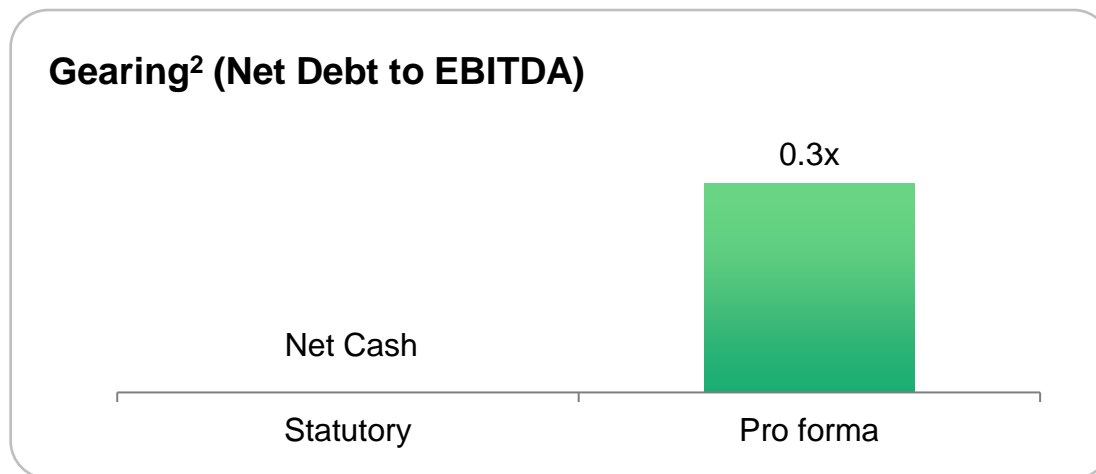
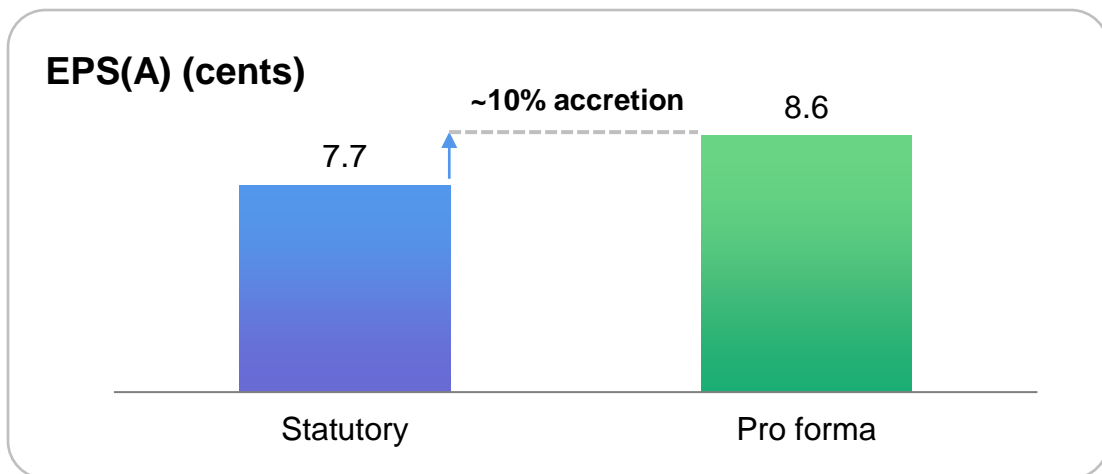
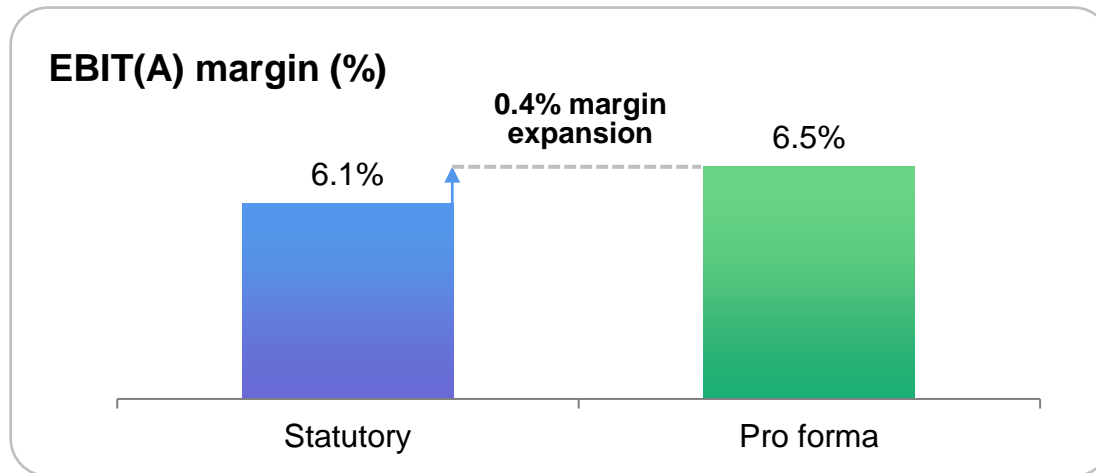
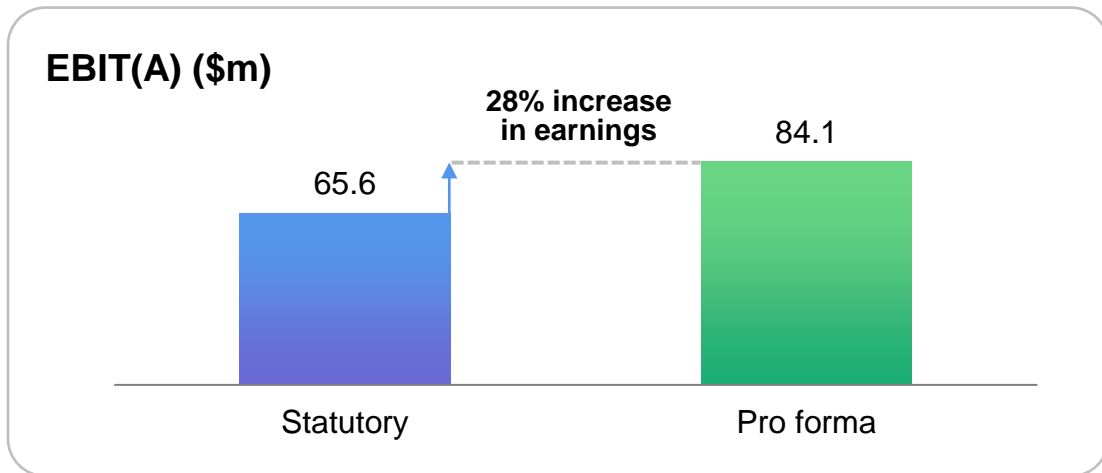
\$118m



Note: 1. Based on Diona's FY24 management accounts pre synergies and cross-selling opportunities.



# Pro Forma FY24 – Financial Metrics<sup>1</sup>



Note: 1. Based on Diona's FY24 management accounts pre synergies and cross-selling opportunities

2. Gearing is net debt (excl leases) to FY24 EBITDA.



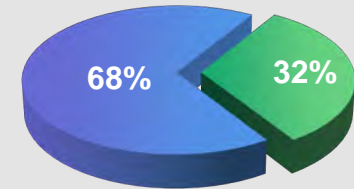
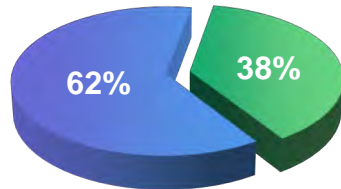
# Pro Forma FY24 – Business Mix<sup>1</sup>



Pro forma

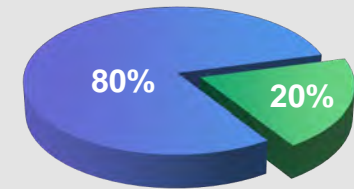
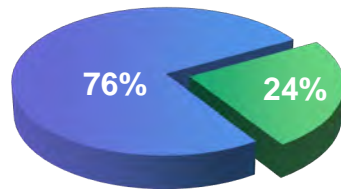
## Revenue by Business Mix

- Maintenance & Industrial Services
- Engineering & Construction



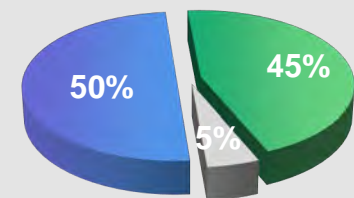
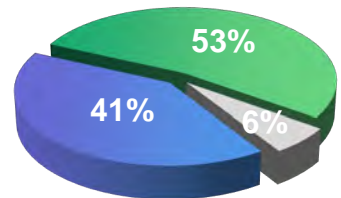
## Earnings<sup>2</sup> by Business Mix

- Recurring
- Project Based



## Revenue by Geographic Mix

- East
- West
- New Zealand



Note: 1. Based on Diona's FY24 management accounts pre synergies and cross-selling opportunities 2. Earnings reference EBITDA.

WEST WIND FARM, MERIDIAN ENERGY,  
WELLINGTON, NEW ZEALAND

# Way Forward



# THIS IS US

## WHO WE ARE

We are a diversified infrastructure 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 infrastructure services business

**MAKING THE  
COMPLEX  
SIMPLE**



# OUR PROFILE

People  
**4,300**

Industries  
**20+**

Proforma Revenue  
**\$1.3b**

Market Cap (\$m)  
**500**



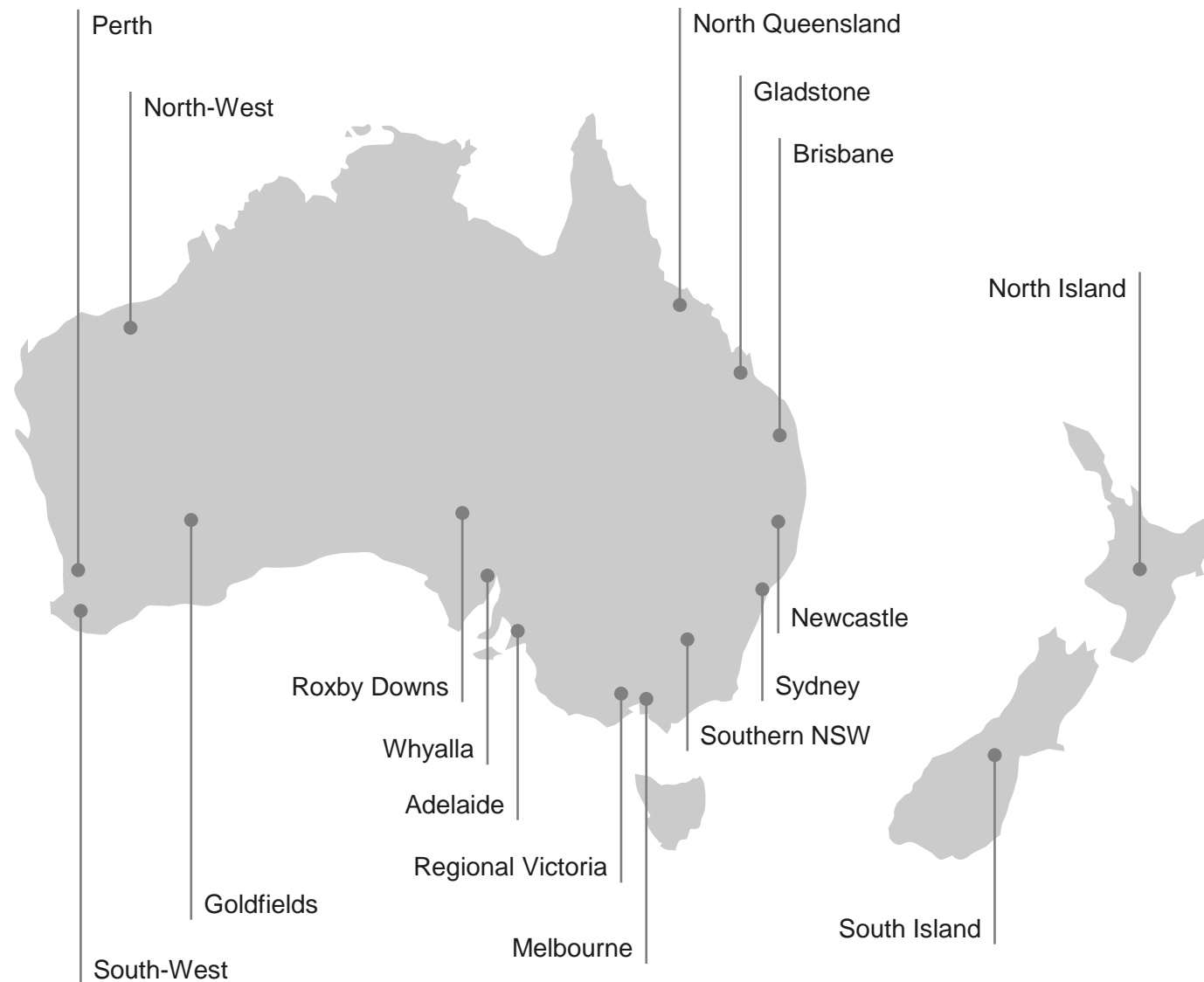
Diversified  
Infrastructure  
Services Business  
80% Annuity / Recurring  
Earnings Profile

## Geographic split

**50%** East

**45%** West

**5%** New Zealand



# DIVERSIFIED INFRASTRUCTURE SERVICES



**MAINTENANCE &  
INDUSTRIAL SERVICES**



**ENGINEERING &  
CONSTRUCTION**





# MAINTENANCE & INDUSTRIAL SERVICES



## What we do

Integrated asset program management, asset monitoring, inspection & testing, asset maintenance & remediation, specialist drill & blast and geotech, engineered products and access services that sustain and extend critical industries and infrastructure

## Core services

- Asset Program Management
- Asset Monitoring & Testing
- Asset Maintenance & Remediation
- Specialist Drill & Blast; and Geotech
- Engineered Products
- Engineered Access Services

## Earnings

Annuity / Recurring

Fortescue	SA Water	SOUTH32	WaterNSW	origin	TRANSPower	NORTHEM STAR	Metrolina WATER	Unitywater
Meridien	RioTinto	BHP	Alcoa	Evolution	Fonterra Dairy for life	apa	GENESIS WATERS LIMITED	sunwater
UrbanUtilities	Multinet Gas Networks	NEW ZEALAND STEEL	methanex	WAKA KOTAHĪ	RETINIWI NZ	Shell	agl	YARA







# ENGINEERING & CONSTRUCTION



## What we do

Specialist engineering and construction of critical infrastructure across a diverse range of growth sectors including water, transport, defence, resources, energy, health & education

## Core services

- Advisory Services
- Specialist Design Services
- Early Contractor Engagement
- Civil Infrastructure
- Specialist Engineered Facades

## Earnings

Project Based



# Building the Most Sought-after Diversified Infrastructure Services Business

## Growth Horizon

- ✓ Long term growth in recurring Maintenance & Industrial Services across a broad range of sectors
- ✓ Targeted growth in Engineering & Construction with key repeat clients
- ✓ Step change growth in Engineered Products across diverse sectors and geographies
- ✓ Leveraging our capability and footprint in water security and energy transition / decarbonisation
- ✓ 75% annuity / recurring and 25% project-based earnings

## Leadership Horizon

- ✓ Zero Harm / ESG industry leader and recognised employer / partner of choice
- ✓ Continuing to enhance our Innovation and Technology to drive sustainable growth and competitive advantage
- ✓ Selective strategic acquisitions to complement capability / footprint
- ✓ Consistent, above market shareholder returns (EPS and TSR)
- ✓ 80% annuity / recurring and 20% project-based earnings



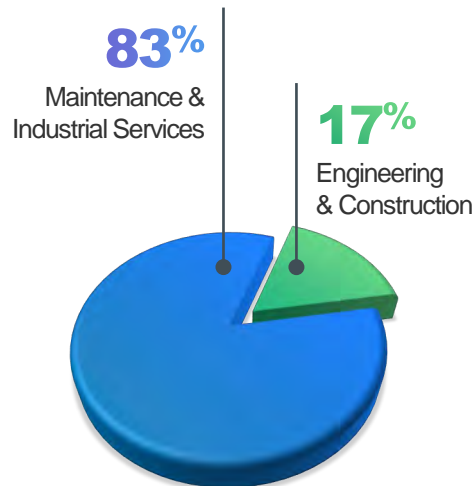
# Strategic Transformation Delivering Sustainable Growth

Strong Platform for Sustainable Earnings Growth

Work in Hand (WIH):

**\$3.0b**

August 2024

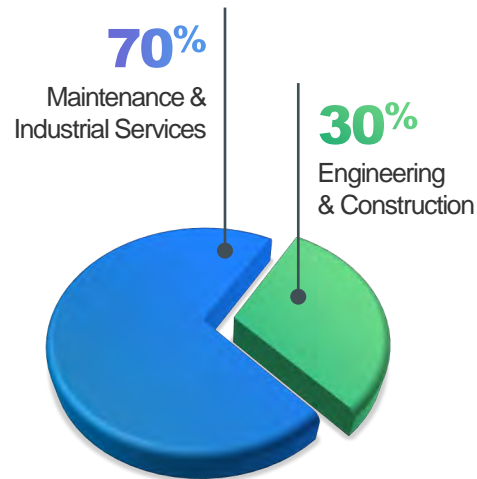


Exposure to Diverse Sectors and Geographies

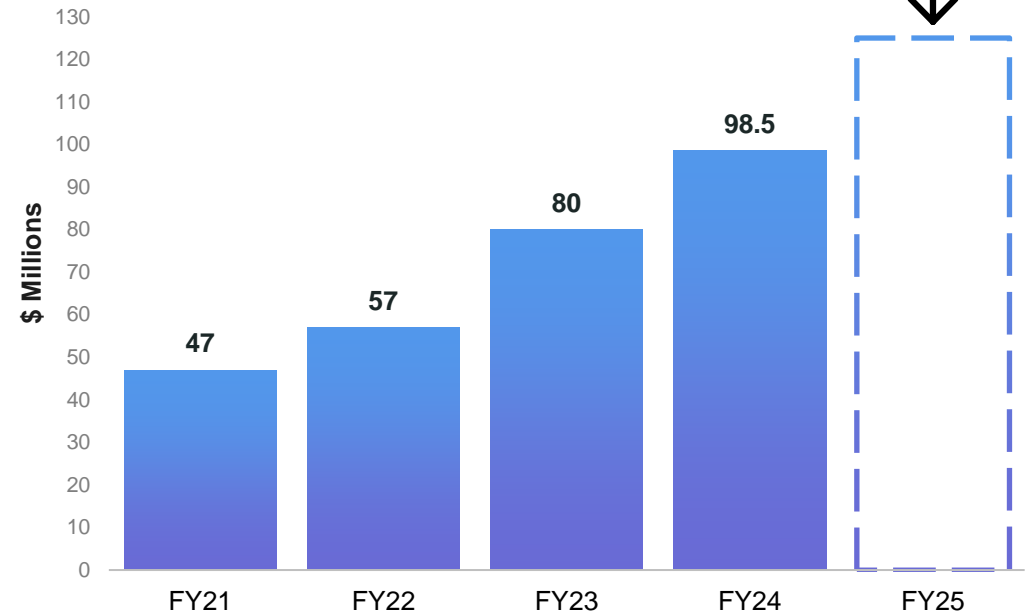
Opportunity Pipeline:

**\$8.5b**

August 2024



**~\$125m** FY25 EBITDA guidance



Diversified Infrastructure Services Business

80% Annuity / Recurring Earnings Profile



# Positive Outlook



Operating segment performance...



**MAINTENANCE &  
INDUSTRIAL SERVICES**



**ENGINEERING &  
CONSTRUCTION**

...driving positive momentum

- ✓ FY25 guidance increased to ~\$125m EBITDA
- ✓ \$3.0b Work In Hand and \$8.5b Opportunity Pipeline provides platform for long-term sustainable growth
- ✓ Positive exposure to growth sectors including water, defence, resources, transport and energy transition
- ✓ Earning profile of circa 80% annuity / recurring earnings in FY25 and beyond
- ✓ Strategic transformation to a diversified infrastructure services business will continue to deliver results

# Investment Proposition



End-to-end  
asset lifecycle  
capability

---



Diverse  
market sectors  
/ geographies

---



Highly  
scalable  
business model

---



Annuity  
earnings  
profile



Capital  
light  
investment profile



High yield  
dividend  
stock





# Equity Raising Overview



# Offer Summary

## Offer size, structure and underwriting

- Fully underwritten institutional placement to eligible institutional investors to raise approximately \$60 million (“**Placement**”)
- Non-underwritten share purchase plan to eligible shareholders to raise up to \$6.0 million (“**SPP**”)
- Comprising the issue of approximately 72.3 million new fully paid ordinary shares in SRG Global (“**New Shares**”) under the Placement, and up to approximately 7.2 million New Shares under the SPP, together representing ~15.3% of existing ordinary shares on issue

## Placement pricing

- The Placement will be conducted at \$0.83 per New Share (“**Placement Price**”), which represents a:
  - 1.2% discount to the dividend adjusted<sup>1</sup> last closing price of \$0.84 per share on Monday, 19 August 2024
  - 2.1% discount to the dividend adjusted 5-day VWAP of \$0.848 per share as at Monday, 19 August 2024

## Share purchase plan

- Existing eligible shareholders, being those shareholders that are residents in Australia or New Zealand that held SRG Global shares as at 7.00pm AEST on Monday, 19 August 2024, will be invited to apply under the SPP for up to \$30,000 of New Shares at the Placement Price, free of any brokerage, commission and transaction costs
- The SPP to raise up to \$6.0 million
- SRG Global may decide to accept applications (in whole or in part) that result in the SPP raising more or less than \$6.0 million in its absolute discretion. SRG Global reserves the right (in its absolute discretion) to scale back applications under the SPP if demand exceeds \$6.0 million, raise a higher amount or close the SPP at an earlier date
- A SPP Booklet containing further details about the SPP will be made available to eligible shareholders on Tuesday, 27 August 2024

## Ranking / dividend

- New Shares issued via the Placement and SPP will rank equally with existing SRG Global shares from the date of respective allotment dates but will not be entitled to the dividend for the 2H FY24 of 2.5 cents per share (ex-dividend date of Friday, 23 August 2024)

## Sole Lead Manager & Underwriter

- Bell Potter Securities Limited is acting as the Sole Lead Manager, Underwriter and Bookrunner to the Placement.

# Acquisition Funding

<b>Purchase consideration</b>	<ul style="list-style-type: none"> <li>SRG Global has entered into a binding agreement to acquire 100% of Diona Pty Ltd and its associated entities for \$111 million on a cash-free, debt-free basis and normal level of working capital</li> </ul>
<b>Placement</b>	<ul style="list-style-type: none"> <li>A fully underwritten institutional placement for \$60.0 million</li> </ul>
<b>Debt facilities</b>	<ul style="list-style-type: none"> <li>SRG Global expects to draw down approximately \$50.0 million from a new secured term loan with National Australia Bank and CBA</li> <li>Conservative gearing level post Acquisition of 0.3x</li> </ul>
<b>Cash from balance sheet</b>	<ul style="list-style-type: none"> <li>SRG Global expects to use approximately \$6.0 million of cash from its balance</li> <li>Post Acquisition SRG Global expects to have \$67.4 million of cash remaining on its balance sheet</li> </ul>

## Sources and uses of funds

<b>Uses of Funds</b>	<b>\$m</b>	<b>%</b>
Purchase consideration	111	95.7
Transaction and integration costs	5	4.3
<b>Total Uses</b>	<b>116</b>	<b>100%</b>

<b>Sources of Funds<sup>1</sup></b>	<b>\$m</b>	<b>%</b>
Proceeds from Placement (before costs)	60	51.7
Acquisition debt facility	50	43.1
Existing cash	6	5.2
<b>Total Sources</b>	<b>116</b>	<b>100%</b>

**Note:** 1. Shown exclusive of the SPP as this is non-underwritten



DIONA ACQUISITION

# Pro Forma Capital Structure



		SRG status quo <sup>1</sup>	Pro forma <sup>2</sup>
Share price	\$ / share	0.865	0.830
Shares outstanding	M	521.3	593.6
<b>Market capitalisation</b>	<b>\$m</b>	<b>451.0</b>	<b>492.7</b>
Cash	\$m	73.4	67.4
Debt (excluding lease liabilities)	\$m	55.6	105.6
<b>Net debt / (cash)</b>	<b>\$m</b>	<b>(17.8)</b>	<b>38.2</b>
<b>Enterprise value</b>	<b>\$m</b>	<b>433.2</b>	<b>530.9</b>

**Note:** 1. Share price based SRG Global's closing share price as of 19 August 2024; Cash and debt, based on SRG Global's 30 June 2024 audited accounts; 2. Share price based on Placement Price; Shown exclusive of the SPP as this is non-underwritten.

# Placement and SPP Timetable

Event	Date <sup>1</sup>
Record date for participation in the SPP	7PM AEST Monday, 19 August 2024
Trading halt and announcement of Acquisition, Placement and SPP	Tuesday, 20 August 2024
Placement bookbuild	Tuesday, 20 August 2024
Trading halt lifted and announcement of outcome of Placement	Wednesday, 21 August 2024
Settlement of Placement shares	Monday, 26 August 2024
Allotment and normal trading of Placement shares	Tuesday, 27 August 2024
SPP offer opens and SPP offer booklet dispatched	Tuesday, 27 August 2024
SPP offer closes	5PM AEST Tuesday, 10 September 2024
Announcement of results of SPP	Tuesday, 17 September 2024
Allotment of SPP shares	Tuesday, 17 September 2024
Normal trading of SPP shares	Wednesday, 18 September 2024

Note: 1. All dates and times are indicative only and SRG Global reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All times and dates are in reference to Australian Eastern Standard Time (AEST).



# Appendix A: Disclaimer



# Disclaimer

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Unless otherwise defined in these notices and disclaimer, capitalised terms have the meanings given to them elsewhere in this investor presentation (**Presentation**).

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This Presentation has been prepared in relation to:

- SRG Global's FY2024 financial results;
- SRG Global's proposed acquisition of 100% of the share capital in Diona Pty Ltd and its associated entities (together, the **Target Entities or Diona**) (**Acquisition**); and
- a fully underwritten placement of new fully paid ordinary shares in SRG Global (**New Shares**) to eligible institutional investors under section 708A of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Placement**) and a non-underwritten offer of New Shares to eligible SRG Global shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**SPP**) (the Placement and SPP together, the **Offer**).

This Presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of SRG Global (having regard to the requirements of all relevant jurisdictions). SRG Global reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so). SRG Global is not licensed to provide financial product advice in respect of an investment in shares. Cooling off rights do not apply to the acquisition of New Shares.

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An offer booklet in respect of the SPP will be made available to eligible shareholders in Australia and New Zealand following its lodgement with ASX (**Offer Booklet**). Any eligible shareholder in Australia or New Zealand who wishes to participate in the SPP should consider the Offer Booklet before deciding whether to apply for New Shares under the SPP. Anyone who wishes to apply for New Shares under the SPP will need to apply in accordance with the instructions contained in the Offer Booklet and the application form.

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## Disclaimer

Bell Potter Securities Limited is acting as sole lead manager and sole underwriter to the Placement (**Underwriter**). A summary of the key terms of the underwriting agreement between SRG Global and the Underwriter is provided in Appendix C. The Underwriter is acting for and providing services to SRG Global in relation to the Placement. The Underwriter has been

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## Underwriter

The Underwriter and its affiliates and related bodies corporate are full service financial institutions engaged in various activities, which may include (but are not limited to) underwriting, securities trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, market lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. In the ordinary course of their various business activities, the Underwriter and its affiliates or related bodies corporate may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of SRG Global, and/or persons and entities with relationships with SRG Global. The Underwriter and its affiliates and related bodies corporate may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In connection with the Placement, one or more institutional investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Underwriter (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire New Shares in SRG Global in connection with the writing of those derivative transactions in the Placement and/or the secondary market. As a result of those transactions, the Underwriter (or its affiliates) may be allocated, subscribe for or acquire New Shares or securities of SRG Global in the Placement and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in SRG Global acquired by the Underwriter or its affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriter or its affiliates disclosing a substantial holding and earning fees.

**This Presentation has been authorised for release to ASX by the SRG Global Board of Directors.**



# Appendix B: Key risks



# Key risks (CONTINUED)

## Overview

This section discusses some of the key risks associated with any investment in SRG, which may affect the value of SRG shares. The risks set out below are not necessarily listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in SRG. Before investing in SRG, you should be aware that an investment in SRG has a number of risks, some of which are specific to SRG and some of which relate to listed securities generally, and many of which are beyond the control of SRG.

Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on SRG (such as that available on the websites of SRG and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional advisers before making an investment decision.

## Risks related to the Acquisition

### **Integration risks and realisation of anticipated synergies**

The integration of a business of the size and nature of Diona carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this Presentation (including any synergies and cross selling opportunities), is dependent on the effective and timely integration of Diona's business alongside SRG's business following completion of the Acquisition. A failure to fully integrate the operations of Diona, or a delay in the integration process, could impose unexpected costs or prevent the realisation of benefits that may adversely affect the financial performance and position of SRG.

### **Future earnings**

SRG has undertaken financial and business analysis of Diona in order to determine its attractiveness to SRG and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by SRG, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by Diona are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of Diona, there is a risk that the profitability and future earnings of the operations of SRG may differ (including in a materially adverse way) from the performance as described in this Presentation.

### **Historical liabilities**

Following completion of the Acquisition, SRG will be responsible for any outstanding liabilities that Diona has incurred prior to the Acquisition, including any liabilities that were not identified during SRG's due diligence or which are greater than expected, for which insurance may not be available, and for which SRG may not have post-Acquisition recourse under the agreement for the Acquisition. Such liabilities could include liabilities relating to current or future litigation or other proceedings or investigations, failure by the Diona to hold required regulatory approvals, authorisations or licences, regulatory actions (including without limitation in relation to any such failure), health and safety claims, warranty or performance claims, historical tax liabilities and other liabilities. Diona's historical liabilities may adversely affect the financial performance or position of SRG.

### **Completion of the Acquisition**

SRG expects the acquisition to proceed as advised in this Presentation. If the Acquisition fails to complete or completion is delayed, SRG may not be able to realise some or all of the benefits that it expects to achieve within its expected timeframe or at all. If the acquisition is not completed, SRG would assess the best way to utilise the proceeds of the Placement and SPP. If completion of the Acquisitions is delayed, SRG may incur additional costs and it may take longer than anticipated for SRG to realise the benefits of that Acquisition including the synergies described in this Presentation. Any failure to consummate the acquisition could materially and adversely affect SRG and its share price.

### **Early contract termination**

Some of the contracts to which Diona is a party include provisions requiring notification to, or the consent of a counterparty to a change of control in Diona as well as provisions allowing the counterparty to terminate for convenience, which as discussed below is common practice in the industry in which Diona operates. Despite the Acquisition making Diona is part of the larger SRG group, with greater support and delivery capabilities, there is a risk that some contract counterparties may elect not to continue their contractual arrangements with Diona following the Acquisition.

### **Due Diligence**

SRG undertook a due diligence process in respect of Diona, which relied in part on the review of financial, legal and other information (including unaudited financial information) concerning the businesses of Diona, which was provided to SRG by the seller of Diona. Despite making reasonable efforts as part of its due diligence investigations, SRG has not been able to verify the accuracy, reliability or completeness of all the information which was provided.

If any of the data or information provided to and relied upon by SRG in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Diona and the combined group may be materially different to the financial position and performance expected by SRG and reflected in this Presentation.

There is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been completely or accurately identified and avoided (or managed appropriately) and actual performance or circumstances may differ from SRG's conclusions. There is a risk that unforeseen issues and risks in respect of the Acquisition in relation to Diona and their businesses may arise, which may have a material adverse impact on SRG (for example, SRG may later discover liabilities or issues which were not identified through due diligence). This could adversely affect the operations, financial performance and/or financial position of SRG and Diona on a combined basis.

# Key risks (CONTINUED)

## **The financial capacity of, and recourse to, the seller and the warranty and indemnity insurer**

Warranty and indemnity insurance has been purchased by SRG for the Acquisition. If the Acquisition completes and if a warranty or other claim is made under the acquisition agreement, the warranty and indemnity policy may not respond on all matters and is subject to a maximum liability cap, along with time and other limitations, and therefore may provide limited or no coverage on a particular liability or loss for SRG. In this case, there may be no or limited recourse against the seller of Diona.

Where, notwithstanding the above, it is possible to have recourse against the seller of Diona, there can be no guarantee as to the on-going financial capacity of the respective seller of Diona to the extent that a warranty claim is made by SRG against them.

Any inability to recover amounts claimed could materially adversely affect SRG's financial position and performance. Further, if SRG were to take legal action to enforce a claim under the warranty and indemnity policy or against the seller, there is a risk that the enforcement process is protracted, costly and diverts management's time and attention away from running the SRG business, each of which could materially adversely impact SRG's financial position and performance.

## **Funding the Acquisition**

SRG has entered into an underwriting agreement with the Underwriter pursuant to which the Underwriter has agreed to underwrite the Placement (**Underwriting Agreement**). The Share Purchase Plan is not underwritten. If certain conditions are not satisfied or if certain termination events occur, the Underwriter may terminate the Underwriting Agreement. Those termination events are summarised in Appendix C of this Presentation.

Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Placement, which could result in SRG needing to seek alternative sources of funding to fund the Acquisition. Alternative sources of funding may result in SRG incurring additional costs (for example, by way of interest payments on debt) and/or potential restrictions being imposed on the manner in which SRG conducts its business and deals with its assets.

SRG has also entered into financing agreements with financiers pursuant to which the financiers have agreed to provide debt financing for the Proposed Acquisition. If certain events occur (such as SRG failing to satisfy the conditions precedent to first drawdown, SRG breaching a representation or warranty under the financing agreements, or the occurrence of an event of default under the financing agreements), then the financiers may terminate the debt financing or otherwise elect not to fund the Acquisition. The conditions precedent to drawdown of the debt financing are customary for acquisition financing of this nature. The events of default that apply to the financing on an ongoing basis are also customary for acquisition financing of this nature and include non-payment of principal, interest and other amounts, failure to comply with other obligations, breach of required financial covenants, insolvency, etc.

SRG's agreement to proceed with the Acquisition (under the acquisition agreement) is not subject to any financing or funding conditions. Therefore, termination of the debt financing agreement would mean that SRG would have to seek alternative funding (whether by equity or debt, or a combination of the two) in potentially a very short time frame, the availability and terms of which are uncertain and may be less favourable to SRG than if SRG was not required to urgently raise funding to meet a legal commitment. In that case, if SRG was unable to source an alternative form of finance in the time required, then SRG may be in breach of its obligations under the acquisition agreement.

## **Risks relating to SRG and its business**

While the risks set out in this section are stated to relate to SRG and its business, investors should consider that some or all of these risks will also apply to Diona and their businesses, which SRG will own following completion of the Acquisition.

### **Professional negligence and product liability claims**

As a professional service provider, and manufacturer and supplier of specialist products, SRG is exposed to the risk of professional negligence and product liability claims against it. SRG maintains professional indemnity and product liability insurance to mitigate its exposure to liability in the event of a professional negligence or product liability claim against it. However, if a professional negligence or product liability claim against SRG was successful, this may adversely affect SRG's reputation, increase future insurance costs and, to the extent the claim was not insured or indemnity was refused by the insurer, cause material financial loss.

In addition, any claim or litigation, whether or not settled and whether or not determined in SRG's favour, may result in negative publicity, significantly increase SRG's operating costs and require significant time and attention of management and technical personnel. This may adversely impact the financial performance, financial position, cash flow and share price of SRG.

### **Key personnel and labour**

A number of key personnel are important to attaining the business goals of SRG. One or more of these key employees could leave their employment, and this may adversely affect the ability of SRG to conduct its business and, accordingly, affect the financial performance of SRG and the price of SRG's shares. Recruiting and retaining qualified personnel is important to the success of SRG.

The number of persons skilled in the types of services which SRG provides (and specialises in) is limited and competition for such persons is significant. SRG cannot be certain that it will be successful in managing, attracting and retaining the personnel required to successfully conduct its operations. In addition, any disputes with employees (through personal injuries, industrial matters or otherwise), changes in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact SRG's operations.



# Key risks (CONTINUED)

## Cost overrun

Commencement of contracts by SRG and provision of services under those contracts may be delayed past the expected commencement date. In addition, SRG's provision of services under existing contracts may also be impacted by the customer requesting to delay or reduce the level of services provided, or adverse weather conditions.

SRG's ability to perform its obligations and commence earning revenue may also be dependent on customers or other third parties performing their own contractual arrangements in a timely manner. Any delay in the commencement or performance of services under a contract for any reason may result in a delay in SRG receiving revenue or may cause SRG to incur additional costs.

SRG perform certain services under fixed price contracts. If unforeseen circumstances arise and the costs of performing those services increase, SRG may not always be able to recover those increased costs, resulting in lower revenues or even losses under those contracts. If future fixed price contracts are priced incorrectly, or costs increase above those anticipated at the time of entering the contracts, then this may adversely affect SRG's financial performance and/or financial position.

The above factors could have an adverse impact on SRG's financial performance.

## Foreign exchange rates

Doing business internationally exposes SRG to risks related to the value of one currency compared to another. The functional currency for SRG for accounting purposes is Australian dollars. However, SRG may earn revenues and incur expenditures in other currencies, principally denominated in the currency in the location in which activities are undertaken. In cases where SRG's debt or other obligations are in currencies different to the functional currency of the borrowing entity, SRG's earnings may be impacted positively or adversely as a result of fluctuations in exchange rates. As a result, the financial performance and results of SRG will be impacted by the relative performance of the relevant currencies and conversion of costs and revenue to Australian dollars. SRG may use derivative instruments in order to hedge against movements in currency exchange rates. Too much exposure in the derivative markets relative to SRG's exposure in the spot market may have a material adverse effect on SRG.

## Key contractors

SRG may use external contractors or service providers for its activities, and as such the failure of any current or proposed contractors, sub-contractors or other service providers to perform their contractual obligations may negatively impact the business of SRG. SRG cannot guarantee that such parties will fulfil their contractual obligations and there is no guarantee that SRG would be successful in enforcing any of its contractual rights through legal action. Further, the insolvency or managerial failure by any such contractors or other service providers may pose a significant risk to SRG's operating and financial performance and financial position.

## Regulation

SRG's business activities will be subject to laws and regulations. A failure to comply with relevant laws and regulations may result in operations being impacted and financial penalties, along with the potential for associated damage to the reputation of SRG. The possible nature and extent of changes to legislation, regulations or guidelines or their interpretation or administration cannot be predicted with any certainty. Such changes may result in the imposition of more onerous obligations on SRG and, in turn, impact on the planned activities of SRG and its operating and financial performance.

In addition, the import and export policies of any jurisdiction in which SRG operates may change in the future. As the revenues of the SRG depends (at least in respect of its product operations) upon the process of exporting, the profitability and financial position of SRG may be adversely affected by any such adverse import and export regulations.

## Workplace health and safety

SRG's operations involve a variety of risks to the health and safety of its personnel. A failure to maintain adequate systems and processes to avoid or mitigate the risks of health and safety incidents may result in events effecting the health and safety of SRG's personnel which, in turn, may result in regulatory or other legal action against SRG. This could lead to increased operating costs, legal liability, regulatory action, the loss of operating licenses and/or damage to SRG's reputation.

## Availability and cost of key equipment

SRG requires specific products, plant and equipment and construction materials to provide its full suite of complex services. Any delay, lack of supply or increase in price in relation to such equipment and material could adversely impact the financial position of SRG.

## Competition

Competition in the construction and services industry is significant, and competition from other construction and specialist contracting and services companies may impact the future profitability of SRG. Competition includes major construction companies in Australia and internationally, some of which possess greater financial and other resources than SRG and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that SRG can compete effectively with these companies. Further, SRG may face competition from new construction and specialist services companies or facilities, which may lower contract prices. SRG may be unable to acquire new projects required to sustain or increase its future production level due to competition from such other companies.

# Key risks (CONTINUED)

## Early contract termination and contract variations

As is common practice in industries and sectors within which it operates, some contracts to which SRG and its subsidiaries are party may be terminable for convenience or otherwise on short notice. The contractual relationship for such contracts might allow termination for convenience without penalty, with the customer paying for all work completed to date, unused material and in most cases demobilisation from the site and redundancies.

In addition, some contracts to which SRG and its subsidiaries are party may be able to be varied to reduce the scope of SRG's scope of work through granting appropriate notice. There is a risk that customers could exercise their rights to reduce the scope of work.

As a result, there can be no assurance that work in hand will be realised as revenue in future periods.

## Permits, licences, accreditations and certifications

SRG will be required to hold certain operating permits, licences, accreditations and certifications to conduct its business. Loss of, failure to comply with or failure to hold such required permits, licences, accreditations and certifications may directly impact SRG's ability to fulfil its contractual obligations and adversely affect profitability.

## Insurance

SRG maintains insurances across its businesses, notably its contractual covers (e.g. professional liability/indemnity, general/third-party liability, contract works, etc) and employment covers (workers compensation, travel, etc). Although SRG maintains insurance, no assurance can be given that adequate insurance will continue to be available to SRG in the future or on commercially acceptable terms.

## Financing risk and capital requirements

SRG's capital requirements will depend on a number of factors. While every care has been taken in estimating the capital cost and future operating costs for SRG's business, including contingency, the actual costs experienced in SRG's services may vary from its estimates. Any variations could adversely affect SRG's financial position and performance.

Following the Offer, SRG is expected to have sufficient funding (based on existing estimates of funding requirements) in relation to SRG's operations. However, further funding may be required in the future for SRG's growth, development and ongoing activities. SRG may need to seek alternative or further funding (either in the form of debt or equity).

Any debt funding, if available, may involve restrictions on SRG's financing and operating activities, or its business strategy, and additional equity funding may dilute shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to SRG's or at all. In the ordinary course of operations, SRG will be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. SRG's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

## Litigation

The risk of litigation and claims is a general risk of SRG's business. The nature of SRG's business means that it is likely to be involved in litigation or regulatory actions arising from a wide range of matters, including customer claims, contractual claims, and occupational health and safety claims. Any claims, litigation or investigation, with or without merit, and whether or not settled out of court or determined in SRG's favour, may result in negative publicity, significantly increase SRG's operating costs and require significant time and attention of management and technical personnel. SRG may incur costs in making payments to settle any such claims or complying with any court order which may not be adequately covered by insurance, or at all. This may adversely impact the financial performance, financial position, cash flow and share price of SRG.

## Technology failure or access

SRG is dependent upon the use of computer, information and communications technology and systems. SRG's technology systems could be interrupted or damaged by a diverse array of events, including natural disasters, acts of war or terrorism, telecommunications failures or other similar occurrences, and are exposed to the potential risk of computer hackers, unauthorised users, computer viruses, malicious codes and cyber-attacks. Any disruption in SRG's computer and communications systems could adversely impact SRG's operating results.

SRG's security precautions may be unable to prevent attacks, which could directly impair SRG's operations and necessitate increased expenditure on technology protections in the future.



# Key risks (CONTINUED)

## General investment risks

### Investment in shares

There are general risks associated with investments in equity capital such as SRG shares. The trading price of SRG shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer price. Generally applicable factors that may affect the market price of shares include: general movements in Australian and international stock markets; investor sentiment; Australian and international economic conditions and outlooks; changes in interest rates and the rate of inflation; changes in government legislation and policies, in particular taxation laws and climate-related laws and regulations; announcement of new technologies; pandemics (such as COVID-19); epidemics; geo-political instability, including international hostilities and acts of terrorism; demand for and supply of SRG shares; announcements and results of competitors; and analyst reports.

No assurance can be given that the New Shares will trade at or above the Offer price or that there will be an active market in SRG shares. None of SRG, its directors nor any other person guarantees the performance of the New Shares.

The operational and financial performance and position of SRG and SRG's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.

### Changes in accounting standards

Australian Accounting Standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the control of SRG and its directors. The AASB may introduce new or refine Australian Accounting Standards, which may affect future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in SRG's consolidated financial statements.

### Dividends

The payment of dividends in respect of SRG's shares is impacted by several factors, including SRG's profitability, capital requirements and free cash flow. Any future dividends will be determined by SRG's board having regard to these factors, among others. There is no guarantee that any dividend will be paid by SRG, or if paid, paid at historical levels.

### Changes to tax laws

Future changes in taxation laws in jurisdictions in which SRG operates, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in SRG shares or the holding and disposal of those shares.

Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which SRG operates, may impact the future tax liabilities of SRG.

An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in SRG.

### Force majeure events

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of SRG and the price of the SRG shares. These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for SRG's services.

### Dilution

If shareholders do not participate in the SPP then their percentage shareholding in SRG will be diluted as a result of the issue of new Shares under the Offer. Even if a shareholder does apply for the maximum number of new Shares under the SPP, their percentage shareholding in SRG may be diluted by the Placement and may also be diluted by the SPP either as a result of scale-back or because participation is limited to a fixed amount and that amount is less than the amount that a particular shareholder would be able to apply for if they were entitled to participate in the Offer on a pro rata basis relative to their existing shareholding.



TRANSPOWER TOWER MAINTENANCE,  
NORTH ISLAND, NEW ZEALAND

# Appendix C: Summary of Placement Agreement



# Summary of Placement Agreement

SRG Global has entered into an underwriting agreement with the Underwriter in respect of the Placement (**Placement Agreement**). The Placement Agreement contains certain conditions precedent, representations and warranties, undertakings and indemnities in favour of the Underwriter. Details of the fees payable to the Underwriter are included in the Appendix 3B released to ASX on the date of this Presentation. The Underwriter may terminate its obligations under the Placement Agreement on the occurrence of certain events, including the following:

- the share purchase agreement in relation to the acquisition of the Target Entities (**Acquisition Agreement**) is terminated, rescinded or repudiated (or threatened to be so), amended in a manner that would have a material adverse effect on the conduct or success of the Placement without the prior written consent of the Underwriter, or is or becomes void or voidable;
- the ASX/S&P 200 Index, on a business day in the period up to and including the date of settlement of the Placement, closes at a level that is 10% or more below its level at market close on the ASX trading day immediately prior to the date of the Placement Agreement;
- ASX announces that SRG Global will be removed from the official list or that any shares will be removed from official quotation or suspended from quotation by ASX for any reason;
- any of SRG Global's announcements, advertisements, publicity or roadshow materials relating to SRG Global or the Placement (including announcements in respect of the Placement) (**Public Documents**) includes content that is misleading or deceptive or is likely to mislead or deceive (including by omission), in each case in a material respect; any statement of opinion or belief in any of SRG Global's Public Documents (including announcements in respect of the Placement) is not truly and honestly held or there are no reasonable grounds for making any such statement; or any amendment or update to the cleansing notice in respect of the Placement which is issued or is required to be issued is materially adverse from the point of view of an investor;
- there is an application to a government authority for an order, declaration or other remedy, or a government authority commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement or any agreement entered into in respect of the Placement which, in the Underwriter's reasonable opinion, has reasonable prospects of success and such application, investigation or hearing becomes public or is not withdrawn by the time stipulated in the Placement Agreement; or proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement, which in the Underwriter's reasonable opinion, has reasonable prospects of success;
- ASIC (1) makes, or threatens to make, an application for an order under Part 9.5 of the Corporations Act in relation to the Placement and such application (or threat) becomes public or is not withdrawn by the time stipulated in the Placement Agreement; (2) commences, or conveys its intention to commence, any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Placement and any such investigation or hearing (or intention) becomes public or is not withdrawn by the time stipulated in the Placement Agreement; or (3) otherwise issues or threatens to issue proceedings in relation to the Placement or commences any formal investigation or inquiry into the Placement and such issue, threat or commencement becomes public or is not withdrawn by the time stipulated in the Placement Agreement;
- ASX does not, or states that it will not, grant official quotation of all the Placement shares;
- an SRG Global director or certain specified members of SRG Global management or Diona management is charged with an indictable offence, any regulatory body commences (or announces an intention to take) any public action against an SRG Global director in his or her capacity as such, or any SRG Global director is disqualified from managing a corporation under the Corporations Act;
- an event in the timetable for the Placement is delayed by SRG Global for more than one business day without the prior written approval of the Underwriter;
- SRG Global alters its capital structure (subject to certain specified exclusions) without the prior consent of the Underwriter;
- a Public Document includes any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds or any other announced forecast or expectation comes incapable of being met;
- SRG Global or any member of the SRG Global group breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party which has an adverse effect on the SRG Global group, or an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar event occurs which has an adverse effect on the SRG Global group;
- SRG Global or any of its related bodies corporate or any of their respective directors or officers engage in any fraudulent conduct or activity;
- there is an event, occurrence or non-occurrence, or development of an existing event, occurrence or non-occurrence, which makes it illegal for the Underwriter to satisfy a material obligation under the Placement Agreement;
- SRG Global withdraws the Placement or any part of it;
- a change to the SRG Global board of directors, managing director or chief financial officer;
- any certificate which is required to be provided by SRG Global under the Placement Agreement is not provided when required;
- SRG Global, any other SRG Global group member that represent in excess of 10% of the consolidated assets or earnings of the group or a Target Entity is, or becomes, insolvent;
- a condition precedent, as set out in the Placement Agreement, is not satisfied or waived by the Underwriter by the time required;
- a new circumstance that would be adverse from the point of view of an investor arises that would have been required to be disclosed in the documents relating to the Placement;
- SRG Global is in breach of the Placement Agreement or any of SRG Global's representations or warranties in the Placement Agreement is or becomes incorrect, untrue or misleading;
- there is an omission from or misstatement relating to the completed due diligence questionnaire provided by SRG Global to the Underwriter, meetings with management provided by SRG Global pursuant to the Placement Agreement or any other information supplied by or on behalf of SRG Global to the Underwriter;

# Summary of Placement Agreement

(CONTINUED)

- there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Placement Agreement), any of which does or is likely to prohibit, regulate or otherwise adversely affect the business of SRG Global, the Placement, capital issues or stock markets;
- a contravention by SRG Global of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law or regulation;
- SRG Global or a Target Entity or any of their respective related bodies corporate charges, or agrees to charge, the whole or a substantial part of their respective business or property other than certain specified exceptions;
- any aspect of the Placement does not comply with the Corporations Act or the ASX Listing Rules;
- any certificate which is required to be provided by SRG Global under the Placement Agreement is untrue or incorrect;
- there is an adverse change in the financial position, results, condition, operations or prospects of the SRG Global group or the Target Entities other than as disclosed by SRG Global to the ASX on or before the date of this Presentation;
- trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, NASDAQ or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;
- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand, the People's Republic of China, Hong Kong, Japan, Singapore, a member state of the European Union, the United States or the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions;
- a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Hong Kong, Japan, Singapore, a member state of the European Union, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- hostilities not presently existing at the date of this Placement Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a major terrorist act is perpetrated involving any one or more of Australia, New Zealand, the United States of America, Japan, Hong Kong, the People's Republic of China, any member state of the European Union, the Democratic People's Republic of Korea, Russia, Iran, Israel or the United Kingdom or a national emergency is declared by any of those countries, excluding certain specified changes;
- certain SRG Global information includes a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or
- a scheme of arrangement or reconstruction is announced by SRG Global, or another offer to security holders is announced by another person, which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in SRG Global.

In some cases, the ability of the Underwriter to terminate the Placement Agreement is limited to circumstances where the Underwriter has reasonable grounds to believe that such event, matter or circumstance has or is likely to have a material adverse effect on the financial position or prospects of the SRG Global group or the outcome or success of the Placement (or any part of it) or the market price of, or ability to settle the Placement of, any of the Placement Shares, or could give rise to a contravention by the Underwriter (or one of its affiliates) of (or the involvement of the Underwriter in a contravention of) or liability of the Underwriter (or one of its affiliates) under the Corporations Act or any other applicable law.

If the Underwriter terminates its obligations under the Placement Agreement, the Underwriter will not be obliged to perform any of its obligations that remain to be performed. Termination of the Placement Agreement could have an adverse impact on the amount of proceeds raised under the Placement. In these circumstances, SRG Global would need to utilise alternative funding to meet its obligations under the Acquisition Agreement.



# Appendix D: Foreign Selling Restrictions

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# Foreign selling restrictions

## International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.



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WELLINGTON, NEW ZEALAND

# Appendix E: Segment Reporting



# Strong FY24 Segment Financial Performance

Revenue

**32%**

▲ from FY23

EBITDA

**23%**

▲ from FY23

EBIT(A)

**31%**

▲ from FY23



## MAINTENANCE & INDUSTRIAL SERVICES

Total

Revenue

**\$1,069.3m**

EBITDA

**\$98.5m**

EBITDA Margin of 9.2%

EBIT(A)

**\$65.6m**

EBIT(A) Margin of 6.1%

Revenue

**\$661.5m**

EBITDA

**\$94.2m**

EBITDA Margin of 14.2%

EBIT(A)

**\$70.0m**

EBIT(A) Margin of 10.6%

Maintenance & Industrial Services Segment now incorporates Asset Care, Asset Maintenance, Asset Remediation, Specialist Drill & Blast and Geotech, and Engineered Products. Margins in line with historical levels

**Note:** EBITDA and EBIT results are before \$1.5m of redundancy costs



## ENGINEERING & CONSTRUCTION

Revenue

**\$407.8m**

EBITDA

**\$29.3m**

EBITDA Margin of 7.2%

EBIT(A)

**\$22.1m**

EBIT(A) Margin of 5.4%

Engineering & Construction continued to deliver solid results with financials in line with historical results.



Corporate

Revenue

(nil)

EBITDA

**(\$25.0m)**

EBITDA Margin of (2.3%)

EBIT(A)

**(\$26.5m)**

EBIT(A) Margin of (2.5%)

Corporate overheads of (\$25.0m) equates to 2.3% of revenue, in line with previous years



# Reconciliation of Financial Information

	FY23	FY24
<b>Profit before Tax</b>	<b>35.9</b>	<b>50.1</b>
Finance costs	4.3	7.2
Amortisation	3.3	6.8
Costs associated with one-off redundancies	0.0	1.5
Costs associated with exiting the PT businesses in Australia and the Middle East	2.0	0.0
Acquisition and integration costs	4.5	0.0
<b>EBIT(A)<sup>(1)</sup></b>	<b>50.0</b>	<b>65.6</b>
Depreciation	29.5	32.9
Amortisation	0.6	0.0
<b>EBITDA</b>	<b>79.5</b>	<b>98.5</b>
<b>NPAT Reported</b>	<b>22.6</b>	<b>34.4</b>
Amortisation	2.3	4.8
Costs associated with one-off redundancies	0.0	1.1
Costs associated with exiting the PT businesses in Australia and the Middle East	1.4	0.0
Acquisition and integration costs	4.5	0.0
Tax impact from prior year	1.0	0.0
<b>NPAT(A)<sup>(1)</sup></b>	<b>31.8</b>	<b>40.3</b>
Weighted Average Number of Shares Outstanding	472,552,465	521,015,595
<b>EPS(A)<sup>(1)</sup></b>	<b>6.7</b>	<b>7.7</b>

Note 1: EBIT(A), NPAT(A) and EPS(A) represent profit before amortisation of acquired intangibles

# WHEN IT HAS TO BE DONE RIGHT

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