

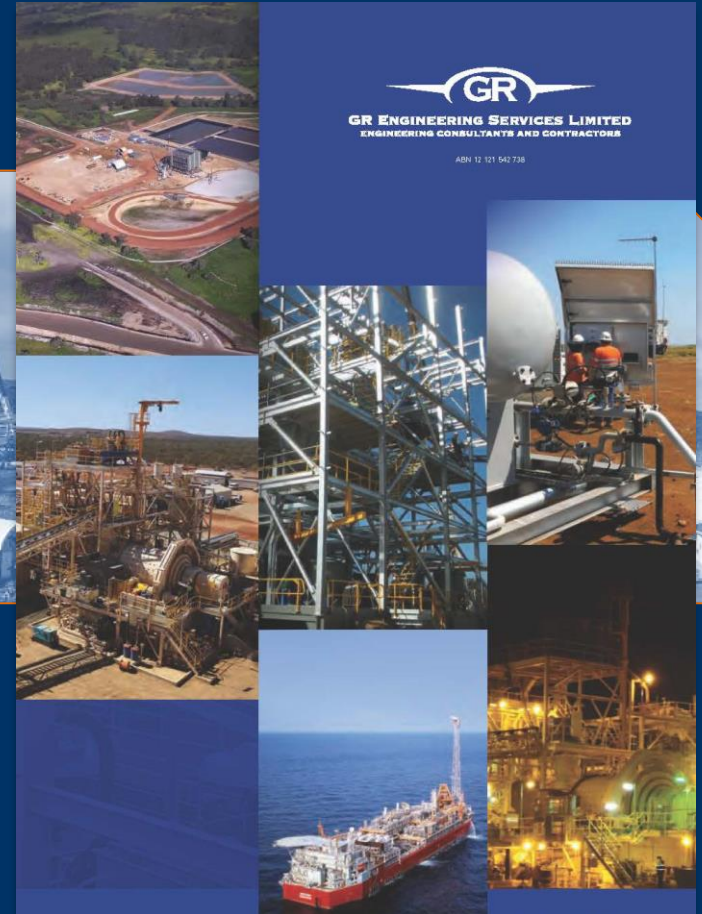


**GR ENGINEERING SERVICES LIMITED**  
ENGINEERING CONSULTANTS AND CONTRACTORS



## **2016 ANNUAL GENERAL MEETING**

15 November 2016



# Resolution 1

## Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following as a non-binding resolution:

*"That the Remuneration Report as set out in the Annual Report be adopted."*

For	Against	Abstain	Proxy's Discretion
51,642,063	1,771,039	9,829,891	40,003

# Resolution 2

## Re-election of Tony Patrizi as a Director

To consider and, if thought fit, pass the following as an ordinary resolution:

*"That, Tony Patrizi, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."*

For	Against	Abstain	Proxy's Discretion
81,203,182	60,833	19,598,978	40,003

# Resolution 3

## Election of Phil Lockyer as a Director

To consider and, if thought fit, pass the following as an ordinary resolution:

*“That, Phil Lockyer, who was appointed as a Director pursuant to clause 13.5 of the Constitution to fill a casual vacancy and being eligible for election, be elected in accordance with clause 13.3 of the Constitution as a Director.”*

For	Against	Abstain	Proxy's Discretion
100,842,405	15,188	5,400	40,003

# Resolution 4

## Issue of Share Appreciation Rights to Geoff Jones

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue:*

- (a) 650,000 Class F Share Appreciation Rights vesting on 30 June 2019 with an Initial Market Value of \$0.89 and a minimum required share price of \$1.36 at vesting; and*
- (b) 500,000 Class G Share Appreciation Rights vesting on 30 June 2020 with an Initial Market Value of \$0.89 and a minimum required share price of \$1.50 at vesting, for no consideration to the Company's Managing Director, Mr Geoff Jones (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."*

For	Against	Abstain	Proxy's Discretion
69,298,637	14,258,356	11,000	40,003



**GR ENGINEERING SERVICES LIMITED**



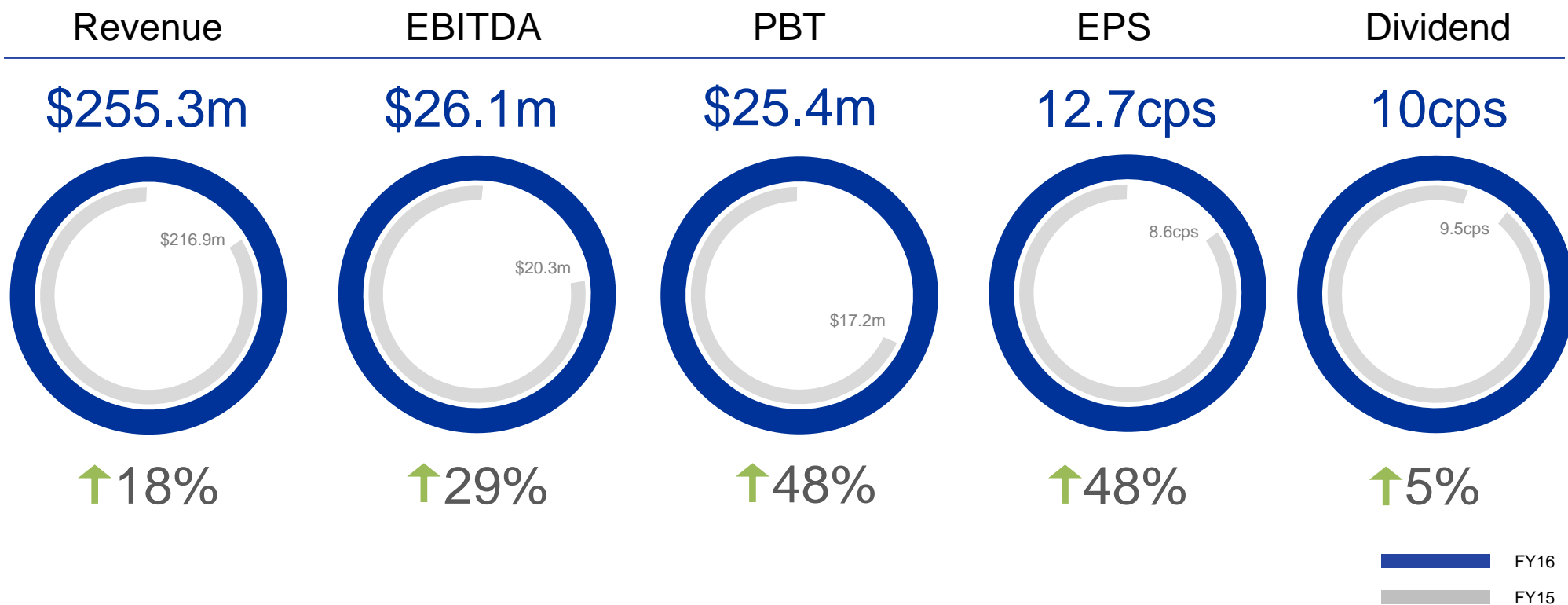
## **Investor Presentation**

2016 Annual General Meeting

15 November 2016

# FY16 Results Summary

- Improvement on FY15 across all key earnings metrics
- EPS growth and improved shareholder returns





# FY16 Results Summary

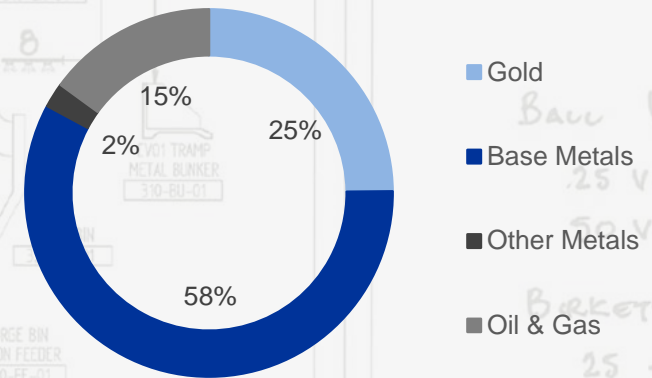
## Balance Sheet & Cash Flow

- Net cash - \$64.0 million
- Listed investments - \$3.7 million
- No material debt (<\$1.0 million)
- Net operating cashflow - \$18.2 million
- Final dividend 5cps (fully franked)
- Record full year dividend 10cps (fully franked)

## Corporate

- Established corporate presence in Greece and Peru to progress contracted work and pursue further opportunities
- Consolidation of GR Engineering and Upstream Production Solutions Brisbane offices

## Revenue by Commodity





# FY16 Operational Performance

- Earnings growth driven by record levels of EPC contracting activity
- Lost Time Injury Frequency Rate (LTIFR) of 0.42 and Total Recordable Injury Frequency Rate (TRIFR) of 5.89 – focus remains on zero harm
- Delivery of Hemerdon Tungsten & Tin Project, Keysbrook Minerals Sands Project, Nova Nickel Project NPI and Deflector Gold Project
- Continued activity on Nova Nickel Project processing facilities, Wetar Copper Project, Olympias Phase II and numerous brownfields engagements
- Positive contributions from the Company's EPCM projects and design and consultancy engagements
- Upstream Production Solutions performed well with several contract awards and renewals and successful operational outcomes achieved
- 29 studies completed on projects across diversified commodity mix





# FY16 Project Summary

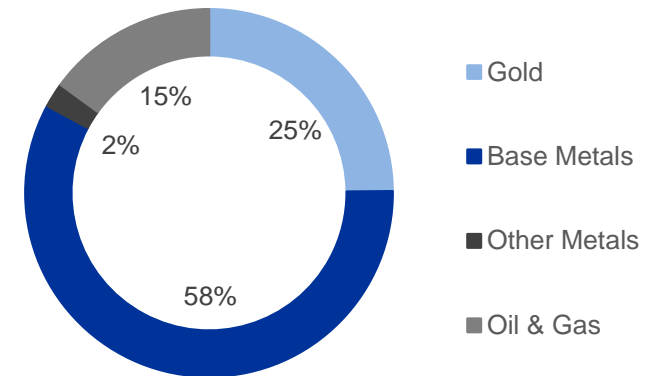
## Commodity Mix

- Design and construction activity predominantly associated with gold and base metals projects (Nova, Deflector, Wetar)
- Additional contribution from industrial metals projects in WA and the UK
- Strategic study engagements on projects associated with uranium and other emerging commodities
- Study activity established a delivery pipeline weighted towards gold projects

## Geographic Exposure

- EPC earnings predominantly derived from projects in Australia – likely to remain the case for FY17
- Active on design engineering studies and EPCM engagements for offshore projects:
  - Wetar – Indonesia
  - Olympias Phase II – Greece
  - Jabal Sayid – Saudi Arabia
  - Hot Maden – Turkey

## Revenue by Commodity



# Upstream Production Solutions



## Financial

- Revenue \$37.7 million (FY15 \$31.2 million) ↑ 21%
- EBITDA \$3.3 million
- Financial performance underpinned by recurring revenue and new contract awards

## Operations

- Several contract awards and renewals in FY16 for the provision of operations and maintenance services, including:
  - Northern Oil & Gas Australia – Northern Endeavour operations and maintenance services
  - Origin Energy – Australia Pacific LNG – Maintenance and major works support
  - Empire – Red Gully operations and maintenance services
- Targeting additional O&M opportunities from transactional activity associated with mature assets

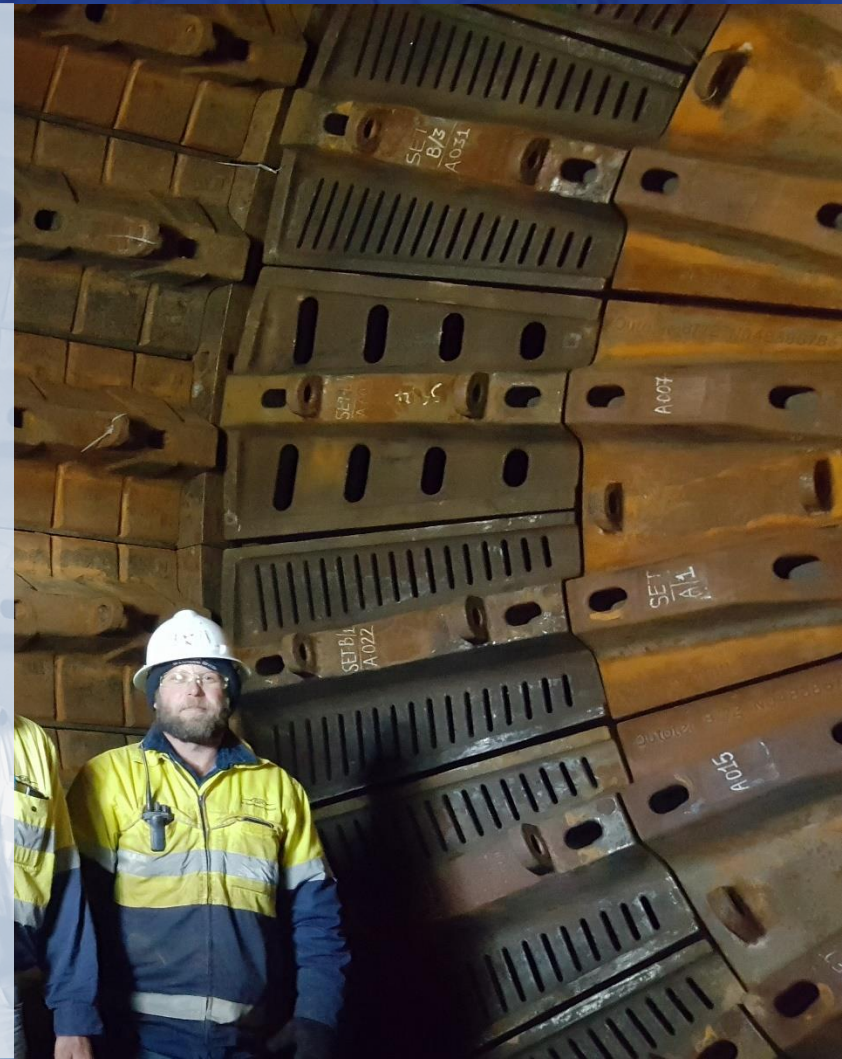




# Looking Ahead

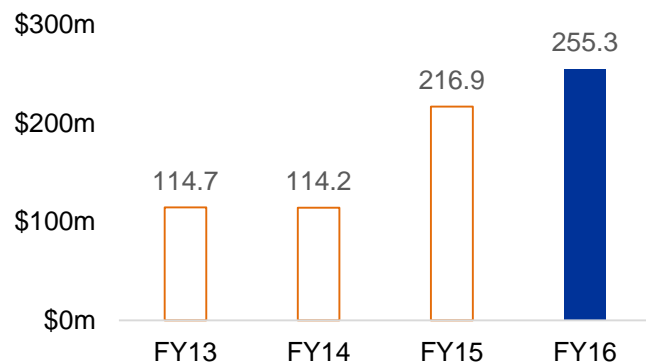
## Order book and pipeline

- Mungana gold, lead/zinc concentrator EPC works awarded post FY16 – commenced and due for completion in 2H17
- Ongoing contributions from Nova Nickel Project, Chillagoe Project (Mungana), Wetar Copper Expansion Project in Indonesia and Olympias Phase II gold lead/zinc Project in Greece
- Approximately \$115 million of contracted revenue reporting to FY17
- Solid study pipeline and tendering activity
  - 16 studies underway as at FY16 with emphasis on gold and copper projects
  - Near term opportunities exist for design and construction projects, primarily in the precious and base metals sector
- Should the conversion of these opportunities be consistent with historical conversion rates, FY17 revenue is expected to be broadly consistent with FY16, again weighted towards the second half

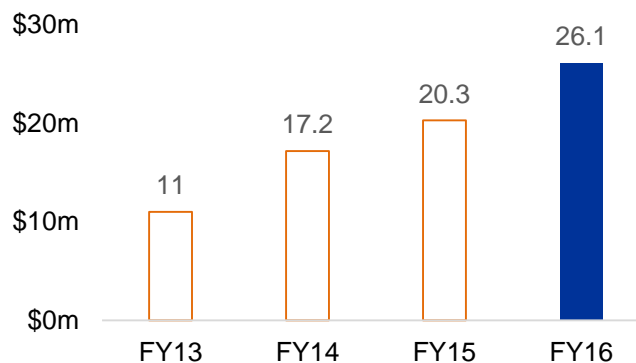


# Appendix: Historical Earnings Performance

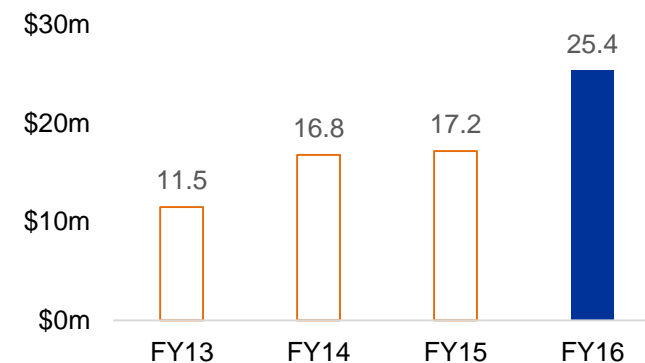
## Revenue



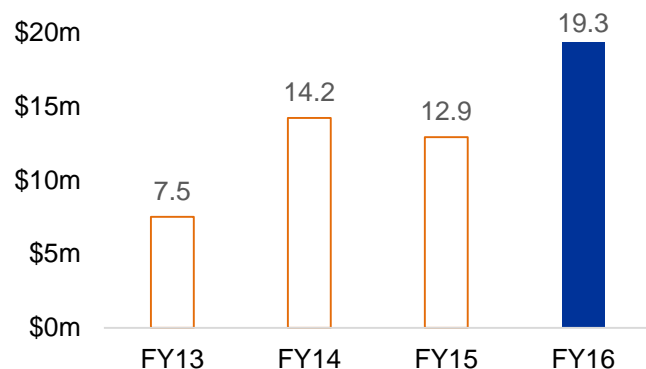
## EBITDA



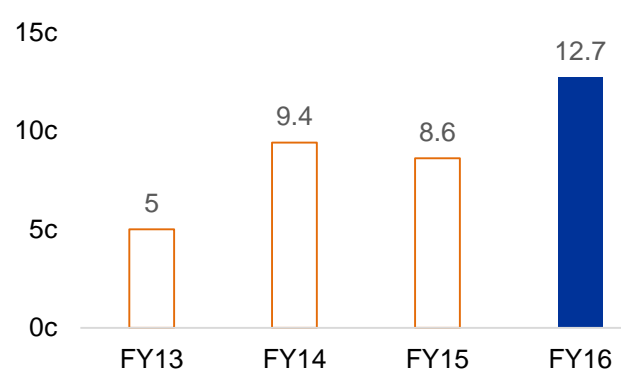
## PBT



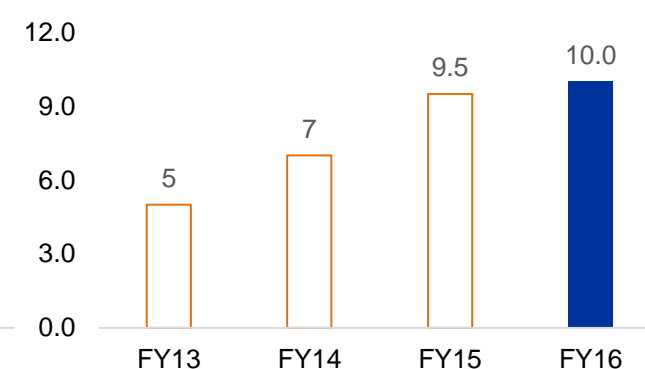
## NPAT



## EPS



## DPS



# Appendix: Corporate Summary

## Capital Structure

Shares on issue	m	152.9
Share price (GNG.ASX) (14/11/16)	\$	1.70
<b>Market capitalisation</b>	<b>\$m</b>	<b>260.0</b>
Cash (30 June 2016)	\$m	64.9
Debt (30 June 2016)	\$m	0.9
<b>Enterprise Value</b>	<b>\$m</b>	<b>196.0</b>

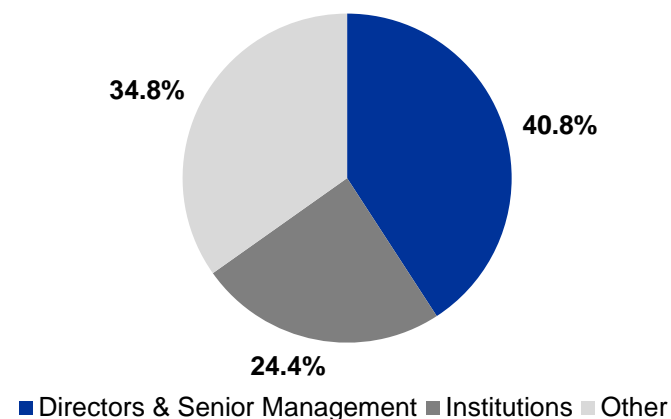
## Directors & Management

Peter Hood	<i>Non-Executive Chairman</i>
Geoff Jones	<i>Managing Director</i>
Tony Patrizi	<i>Executive Director</i>
Barry Patterson	<i>Non-Executive Director</i>
Terry Strapp	<i>Non-Executive Director</i>
Phil Lockyer	<i>Non-Executive Director</i>
Joe Totaro	<i>Company Secretary &amp; CFO</i>

## Share Price Performance



## Register Analysis





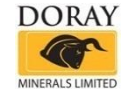
# Appendix: About GR Engineering

## Mineral Processing



- Process engineering design and construction contractor servicing the mining and minerals processing industry
- Specialising in EPC / EPCM contracting to provide project delivery with secure cost, time, plant performance and contract completion warranties and guarantees
- Australian offices in Perth and Brisbane. Offshore presence in West Africa, United Kingdom, PNG, Indonesia and the Americas
- Expertise in gold, base metals, uranium and industrial mineral commodities
- GR Engineering operates in a niche market – limited EPC competitors, high barriers to entry

## Selected Clients



## Oil and Gas Services



- Oil and gas services business providing operations, maintenance and well management services to Australian and South East Asian oil and gas industry

## Selected Clients



# Contact

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