



**Annual General Meeting**  
28 November 2016



**DELIVERING  
VALUE.**

## Order Book



- Current Order Book of **\$61.1m** with approximately 75% to be executed in FY17
- Increased tendering of water infrastructure and upstream gas development projects valued at \$2.5m - \$20m
- Stronger backlog across all delivery sectors
- Long term services contracts with APLNG and Arrow Energy

## Diversification of Markets



- Expanded participation in East Coast gas infrastructure service, operations and upstream development works
- Diversification of markets – targeting growth areas within Government infrastructure and assets: water, defence & transport
- Indigenous Alliance established targeting Resource sector sustaining capital works

## FY16 Results



- Revenue of \$50.8 million
- Service / recurring revenues 41% of total revenues
- Underlying EBITDA margin of 5.9%
- Earnings per share of 0.23c

# Key Milestones



**2014**

**Secured \$18m  
APA East Coast  
Project**

**Secured over  
\$10m of Service  
Contracts**

**FY14 Revenues of  
\$50.1m / EBITDA  
of \$2.9m**

**Purchase of  
Service and  
Operations  
business**

**2015**

**New Service  
business secures  
\$5m Origin  
contract**

**Group secures  
over \$64m of new  
projects and  
service contracts**

**FY15 Revenues of  
\$50.4m /  
Underlying  
EBITDA of \$1.45m**

**Pindari  
Indigenous  
Alliance  
established**

**2016**

**Award of APLNG  
Services Contract**

**Group achieves 1  
million hours LTI  
Free**

**FY16 Revenues of  
\$50.8m / EBITDA  
of \$3.03m**

**East Coast order  
book growth -  
\$10m**





# Introducing VALMEC



Energy and infrastructure services group providing equipment, construction, commissioning and integrity maintenance services to the oil and gas, resources and infrastructure sectors throughout Australia.



**Turnkey**

**EPC**

**BOOM**

**BOOT**

**Rental**

**Perth**

**Brisbane**

**Adelaide**

**Dalby**

# Financial Summary



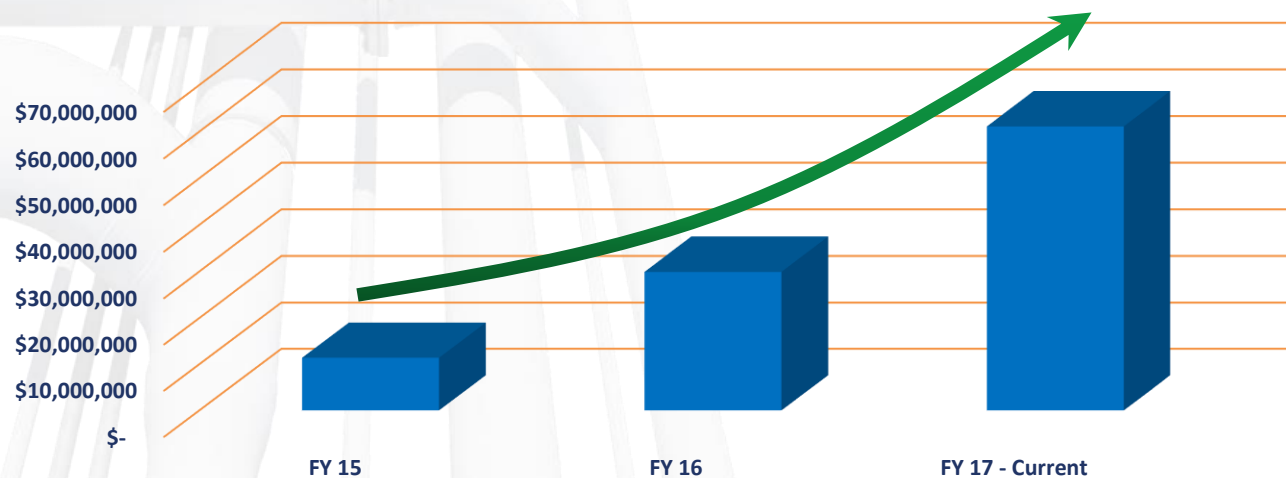
	FY 2016 \$'000	FY 2015 \$'000	FY 2014 \$'000
Revenues	50,807	50,453	50,105
Gross Profit	11,046	9,270	8,911
Gross Margin	21.7%	18.3%	17.8%
Gain on Acquisition	-	5,134	-
EBITDA	3,032	6,588	3,668
Depreciation	(1,340)	(1,360)	(788)
Interest	(1,022)	(853)	(752)
Net Profit Before Tax	670	4,375	2,128

## Major Facilities (as at October 2016):

	Oct 16 \$'000	FY 16 \$'000
<b>Working Capital</b>	<b>\$7,286</b>	<b>\$6,000</b>
Bank Guarantee/Bonding	\$10,700	\$7,500
Asset Finance/Other	\$2,700	\$2,950
<b>TOTAL FACILITIES</b>	<b>\$20,686</b>	<b>\$16,450</b>
Less: Working Capital Utilised	\$4,766	\$3,963
Less: Bank Guarantee/Bonding Utilised	\$3,592	\$2,035
Less: Asset Finance/Other Utilised	\$133	\$133
<b>AVAILABLE FACILITIES</b>	<b>\$12,195</b>	<b>\$10,319</b>
Plus Cash	\$1,049	\$611
<b>TOTAL CASH/FUNDING FACILITIES AVAILABLE</b>	<b>\$13,244</b>	<b>\$10,930</b>

1:Order Book	Value
Energy and Infrastructure Projects	\$29.7m
Energy Services <sup>1</sup>	\$31.4m
<b>Total Order Book</b>	<b>\$61.1m</b>

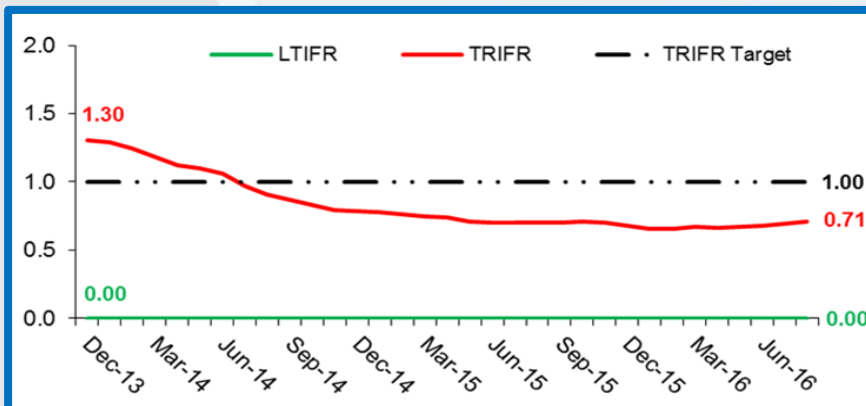
## ORDERBOOK GROWTH



<sup>1</sup> Potential value over current contract terms excluding renewal and extension options

## Key Milestones

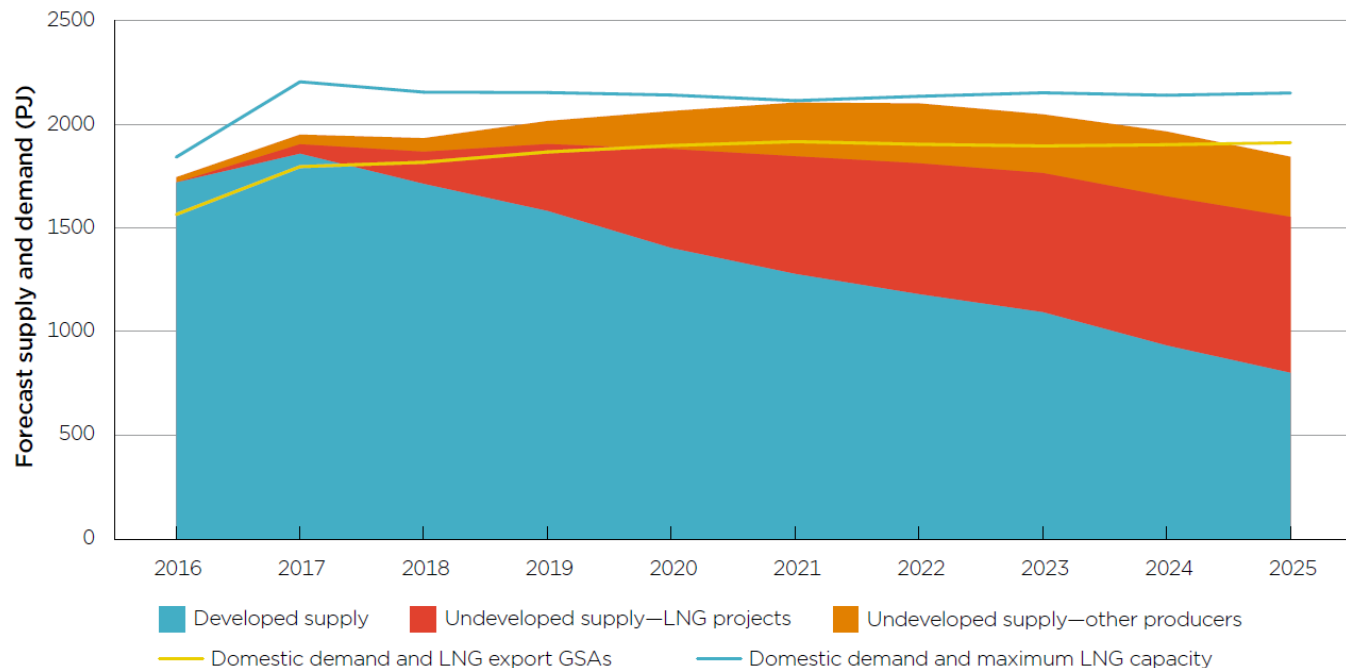
- Significant safety performance milestones achieved
- 5 Years / > 1 million hours LTI Free
- TRIFR of 0.71
- Focus on safety culture through effective communication and enhanced reporting at all work fronts.

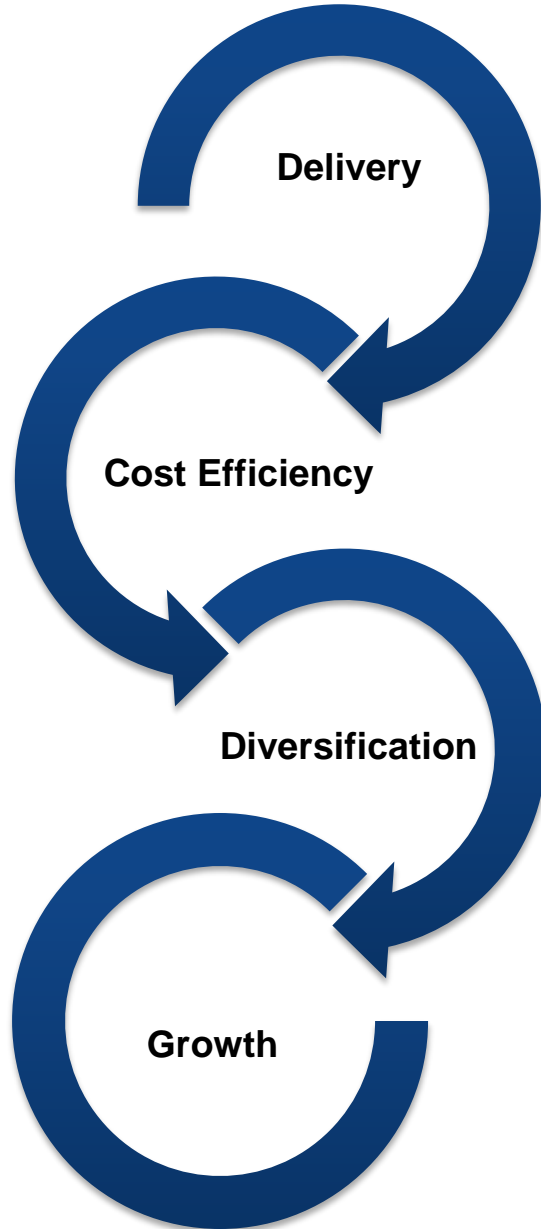




- Current East Coast market development opportunity;
- Supply pressures placing sustained upward pressure on gas prices;
- Low oil price and regulatory moratoria in NSW / VIC has constrained production and investment since 2014;
- Demand growth through LNG export now driving upstream expansion planning and development activities for Tier 1 & Tier 2 producers

Chart 1.1 Forecast gas supply and demand balance in the east coast gas market, excluding Arrow, 2016–25





- Client operations, reliability and availability support models implemented
- Multiphase, multidiscipline, whole of asset life offering
- Project and Indigenous alliances in place [Pindari (WA)]

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- Our People : Lean, efficient, highly experienced teams
  - Self execution capability
  - Removal of interface risk
  - Cost effective solutions

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- Energy EPC projects
  - Service and Maintenance
  - Product Delivery / Global technology & support
  - Multi-Discipline Resource and Infrastructure Services

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- Recurring Service revenue streams
  - Larger integrated gas processing and infrastructure project capability
  - Well - Positioned for growth in East Coast CSG upstream development for LNG
  - Acquisition and Investment - Services led strategy

## APLNG: Long Term Services Agreement

<b>Client</b>	APLNG
<b>Location</b>	South West Queensland
<b>Scope of Work</b>	<ul style="list-style-type: none"><li>- Service agreement for all gas compression and power generation assets</li><li>- 2 year initial term with 2 x 1 year extensions incorporated;</li><li>- Programmed and field response services, parts supply</li></ul>
<b>Delivery Time</b>	24 Months
<b>Completion Date</b>	Current



## Chevron DomGas Meter Station Remediation

<b>Client</b>	DBP Development Group
<b>Location</b>	Greater Gorgon Gas Fields
<b>Scope of Work</b>	Construction & Engineering support Provision of resources, plant & equipment including planning, materials procurement, supervision, labour, fixed equipment, tooling and services.
<b>Delivery Time</b>	22 Weeks
<b>Completion Date</b>	April 2016





## BHP Screenhouse & TS10 Drainage Improvement (Pindari Alliance)

<b>Client</b>	BHP Billiton
<b>Location</b>	Ore Handling Plant 01 at Mining Area C
<b>Scope of Work</b>	Multi-discipline design and construction – drainage upgrades for processing plants.
<b>Completion Date</b>	Current



- Improved visibility over project pipeline with increasing order book
- LNG market disruption and uncertainty around future domestic and export gas supply providing new development opportunities
- New pipeline (NGP) driving greater focus on upstream field development and smaller infrastructure projects, asset reliability costs and asset optimisation (Valmec core markets)
- Valmec in strong position to capitalise on new maintenance and operational support opportunities
- Improved commodity pricing driving resource sector investment – gas as a preferred fuel source
- Diversification strategy into Government infrastructure sector delivering new multi-discipline project and service opportunities
- Project partnering, consolidation and investment focus to support growing diversification and scale objectives

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