

BRIERTY

ANNUAL GENERAL MEETING

Brierty CEO: Ray Bushnell
Monday 28th November 2016



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FY2016 SUMMARY

- Revenue of \$212.5m (FY15: \$293.2m)
- Underlying Net Loss after Tax of \$18.3m, after removing x2 significant non-cash items:
 - \$23.1m impairment to plant and equipment (after tax)
 - \$11.0m non-recognition of deferred tax asset
- Issues at the North West Coastal Highway (NWCH) Project drove adverse financial impact, masking solid performance achieved at many of Brierty's other projects during FY2016
- Learnt lessons from the NWCH Project and implemented those across the business
- Ended FY2016 with a quality order book totalling \$286 million

FY2017 PRIORITIES

1. **Strict focus on margin & profit**

- Fixation on areas that generate profit for Brierty; not chasing revenue
- Cost efficiencies identified and starting to take effect

2. **Improved project reporting**

- Greater visibility on progress and financials
- Standardisation across the business

3. **Structural revamp**

- Remove internal business silos
- Implement flatter structure
- Culture of transparency

4. **Strategic Business Development**

- Re-engage lapsed customers
- Alignment with strategic clients
- Mid-long term mining projects and short-mid term metro civil projects

5. **Improved equipment utilisation & fleet optimisation**

- Optimisation of long term idle assets
- Plant rate competitiveness
- “Whole of life” strategy of fleet

SAFETY, COMMUNITY, INDIGENOUS, GENDER

Safety

- Continued focus on people and safety has resulted in significant safety improvement, and our safety results are industry leading.
- Our Total Recordable Injury Frequency Rate (TRIFR) has improved to 1.94 (down from 5.95 in 2015) and our Lost Time Injury Frequency Rate (LTIFR) continued to be 0.00 through the year (2015: 0.00).
- We are targeting further improvements for the coming year to continue our trend of year on year improvement.

Community

- Ongoing support for community initiatives and organisations in the areas in which we operate

Indigenous

- 15% of our workforce identify as either Aboriginal or Torres Strait Islander (up from 13% in 2015).
- Our approach to indigenous engagement, training, and development continues to set the benchmark in our industry.

Gender Diversity

- Female participation within the business has grown to 16% (up from 14% in 2015).
- We continue to make inroads to ensuring an appropriate gender balance within Brierty, operating in what has historically been seen as a male dominated industry.

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OPERATIONS UPDATE



WESTERN TURNER SYNCLINE 2

- Approx \$300 million contract for mining and civil work at Western Turner Syncline Stage 2 Project
- Provides significant revenue through to FY2019
- The non process infrastructure was complete and mining reached stable state during this period
- Over all the project is performing very well and Brierty is exceeding all KPIs set by the client



OTHER MINING PROJECTS

Marandoo Tailings Dam lift

- \$15 million project for Rio Tinto commenced in July 2016
- Meeting production expectations

Boddington Tailings Dam lift

- A three-year, three-stage tails dam lift for Newmont Mining with a contract value of ~\$32m
- Mobilisation complete and is meeting production expectations
- Increased utilisation of plant and equipment not previously engaged



LAND DEVELOPMENT

Mitchell Creek Green

- Brierty completed 163 lots and sold 110 lots
- The 497 lot land develop is approaching 50% complete with another 75 lots being titled ready for sale in December 2016.
- Sales have been consistent, with a slight improvement in recent months



CIVIL – Metro

Perth Stadium

- Continuing with the original scope at Perth Stadium
- Awarded additional \$8.1m scope of work to complete the roads and car parks
- Proof of Brierty's ability to seamlessly integrate with other contractors for big ticket infrastructure as well as providing standalone civil construction

Lakelands

- Stage 64 completed during the year
- Brierty recently awarded Stage 66 which started in October
- Mandjoogoordap Drive intersection completed in October 2016
- Mandurah Road intersections are in progress in conjunction with Stage 66



CIVIL – Roads

North West Coastal Highway

- Project now completed and staff/equipment demobilised
- Financial performance fully accounted for in FY2016

Coalfields Highway

- Due for completion in early FY2017
- Coalfields highway project for MRWA has been on winter shut down and is scheduled to recommence in January 2017

Kwinana Freeway

- Has been impacted by longer Perth winter
- Due for completion in early December



SMALLER PROJECTS

October 2016

- **Palmerston Hospital Sewer Head Works**
Client: NT Government

September 2016

- **Mandurah Intersections**
Client: PEET

April 2016

- **Hidden Valley Motorsports Complex - Hydraulic Infrastructure Upgrade**
Client: NT Government

March 2016

- **Tindal Airbase Erosion**
Client: Department of Defence
- **Lakelands Shopping Centre Forward Works**
Client: PEET

December 2015

- **Milligan Street**
Client: City Busport Alliance

September 2015

- **Hidden Valley Motorsports Complex**
Client: NT Department of Infrastructure
- **Lakelands Town Centre**
Client: PEET
- **Lakelands Stage 65 & 64**
Client: PEET

July 2015

- **Brockman B2B4**
Client: Rio Tinto



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STRATEGY & ORDER BOOK



ORDER BOOK AND OUTLOOK

ORDER BOOK

- Order book at 31 October 2016 of \$238m
- Strong opportunity pipeline

OUTLOOK

- Expect H1 FY2017 profit before tax of \$5m
- Strong tendering pipeline, but market will remain highly competitive for next 18 months
 - Urban infrastructure and roads highly competitive
- Growth in mining opportunities already evident, and expect this to continue
 - All minerals, particularly gold
 - Range of services including contract mining, drill & blast, crushing, and mining services (e.g. tailings dams)
- Increased opportunity through reset of client relationships
 - Greater opportunity to tender for projects
- Some targeted pipeline project start dates are being pushed out between 4-6 months



STRATEGY

- Get back to basics – tender work innovatively and execute projects productively, concentrating on margins and profitably
 - Focus on need to haves, not nice to haves
- Change plant management to “whole of life” strategy to improve our tender competitiveness
 - Better management of ownership and hiring of equipment
 - Writedown has enabled ability to tender more competitively
- Flatter management structure implemented
 - More efficient, focused, transparent and accountable management team
- A whole of business approach to everything we do
 - Remove silos in the business
- Greater scrutiny on road project tenders
- Increased focus on business development and winning work, and develop a partnering client relationship model
- Implement a continual improvement culture and greater efficiency across the business
 - Head office employees reduced by 30% in past 12 months
- Implement a more targeted, strategic and first principles approach to business planning
 - More rigorous budgeting, forecasting and financial controls





CIVIL & MINING CONTRACTING

www.brierty.com.au