

# 2019

## HALF YEAR RESULTS

19 FEBRUARY 2019



TOGETHER WE DELIVER

## 2 OPERATING DIVISIONS



ENGINEERING  
CONSTRUCTION



MAINTENANCE &  
INDUSTRIAL SERVICES

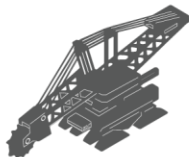
## OUR INDUSTRIES



ENERGY



INFRASTRUCTURE



RESOURCES



**5,378**  
EMPLOYEES



**26** LOCATIONS  
IN 7 COUNTRIES

**\$1.5** BILLION MARKET  
CAPITALISATION

*Market capitalisation as at 14 February 2019.*

# H1 2019 GROUP PERFORMANCE & HIGHLIGHTS

REVENUE\*  
**\$830.5** MILLION

NET PROFIT AFTER TAX  
**\$30.7** MILLION

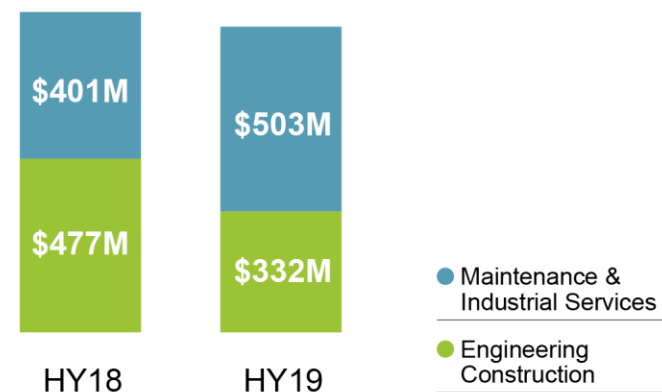
EARNINGS PER SHARE  
**32.7** CENTS

INTERIM DIVIDEND PER SHARE  
**25.0** CENTS

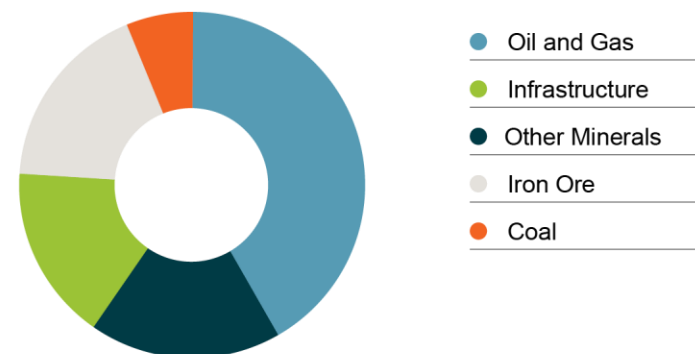
OPERATING CASHFLOW  
**\$15.5** MILLION

CASH  
**\$193.5** MILLION

## REVENUE BY DIVISION



## REVENUE BY END CUSTOMER



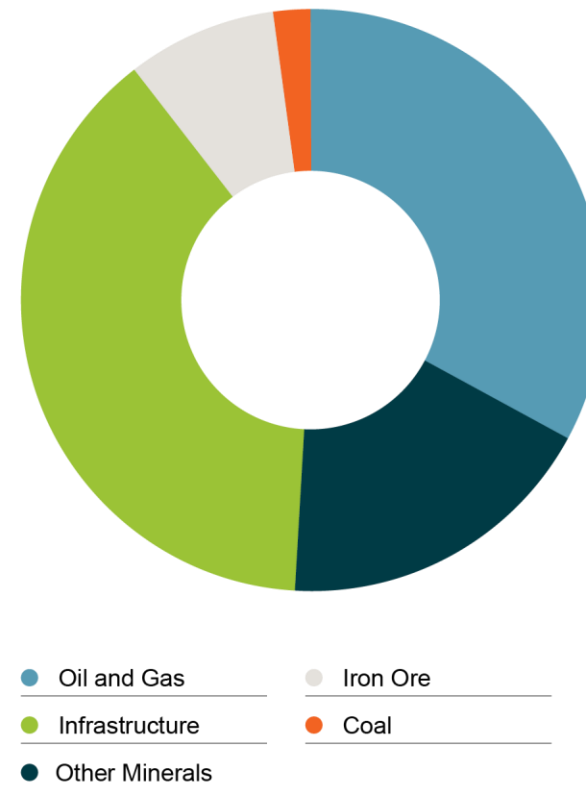
- Significant increase in maintenance revenues, up 25 per cent on pcp
- Growing contribution from infrastructure markets, with new work secured in renewables and water and irrigation
- Secured \$770 million of new contracts since beginning of financial year
- High level of tendering activity for an increasingly large number of major resource construction projects

*\*Includes Monadelphous' share of joint venture revenue*

## ENGINEERING CONSTRUCTION

- Recorded revenue of \$331.6\* million
- Successfully completed largest ever project, Ichthys Project Onshore LNG Facilities
- Executed a number of projects under panel contract with BHP in the Pilbara
- Ramp up of Oyu Tolgoi Underground Project in Mongolia
- Zenviron secured a further two new wind farm contracts
- Ongoing growth in water infrastructure, appointed to Hunter Water Panel and secured piped irrigation scheme for Kurow Duntroon Irrigation
- Increased activity in heavy lift crane services, including new work for Woodside
- High level of tendering activity associated with major resource construction prospects

## REVENUE BY END CUSTOMER

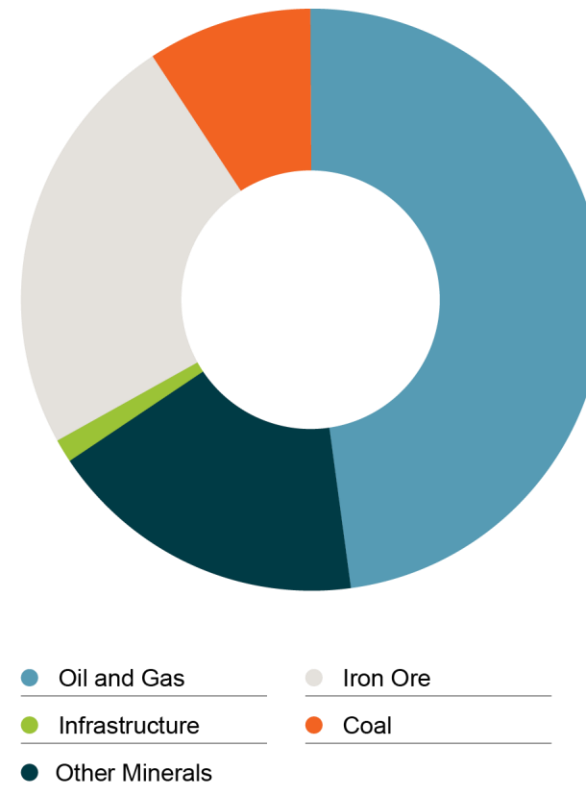


*\*Includes Monadelphous' share of joint venture revenue*

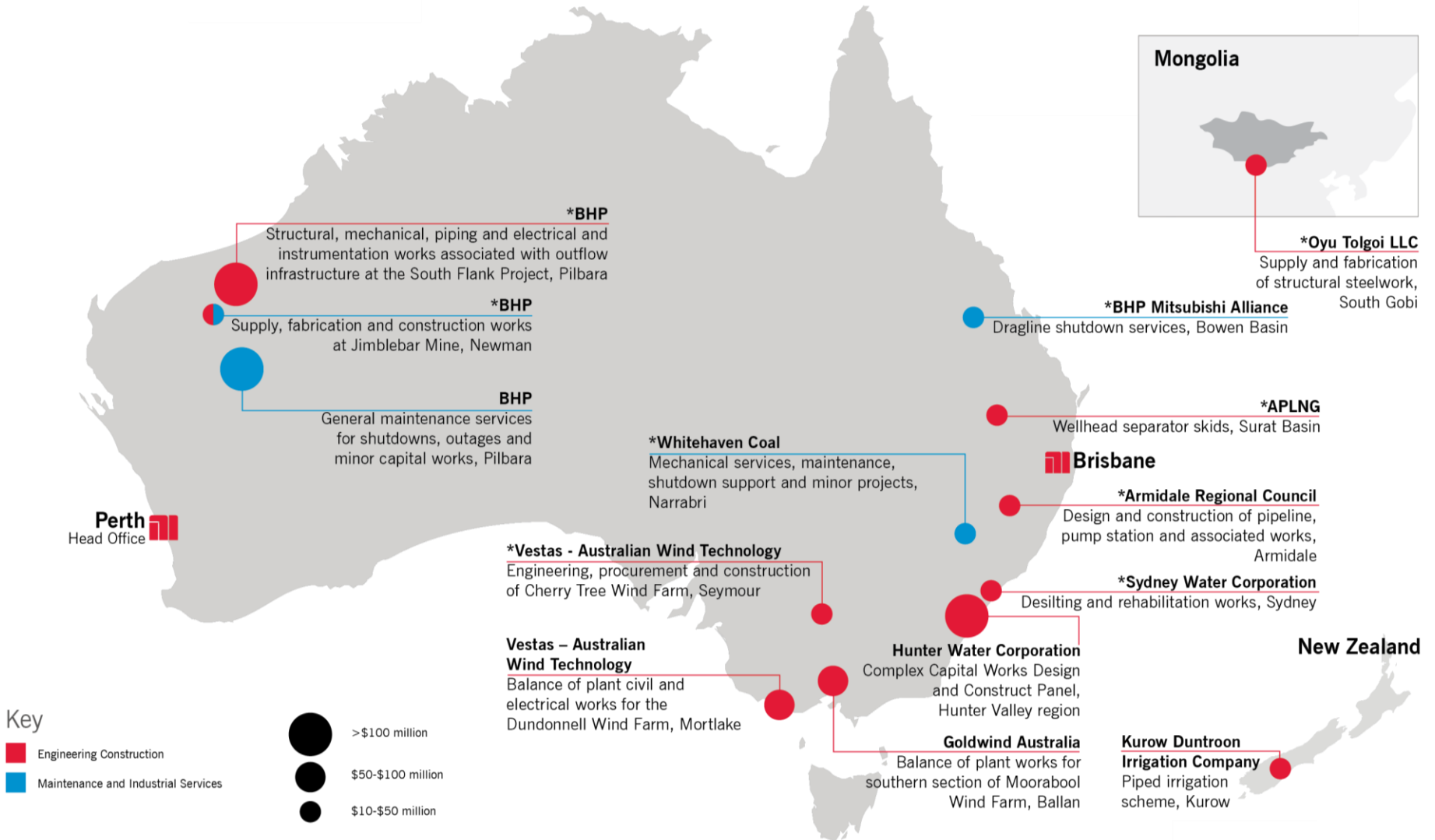
## MAINTENANCE & INDUSTRIAL SERVICES

- Record revenue performance for division, up 25 per cent to \$503.2 million
- Significant ramp up of oil and gas maintenance contracts, both onshore and offshore
- Increase in demand for sustaining capital works in resources sector, and increase in general shutdown activity
- Awarded \$240 million three-year general maintenance services contract with BHP for iron ore operations in the Pilbara
- Continued to offer broad range of services to new and existing customers and diversify presence in new geographical locations
- Completed divisional restructure to support future growth

## REVENUE BY END CUSTOMER



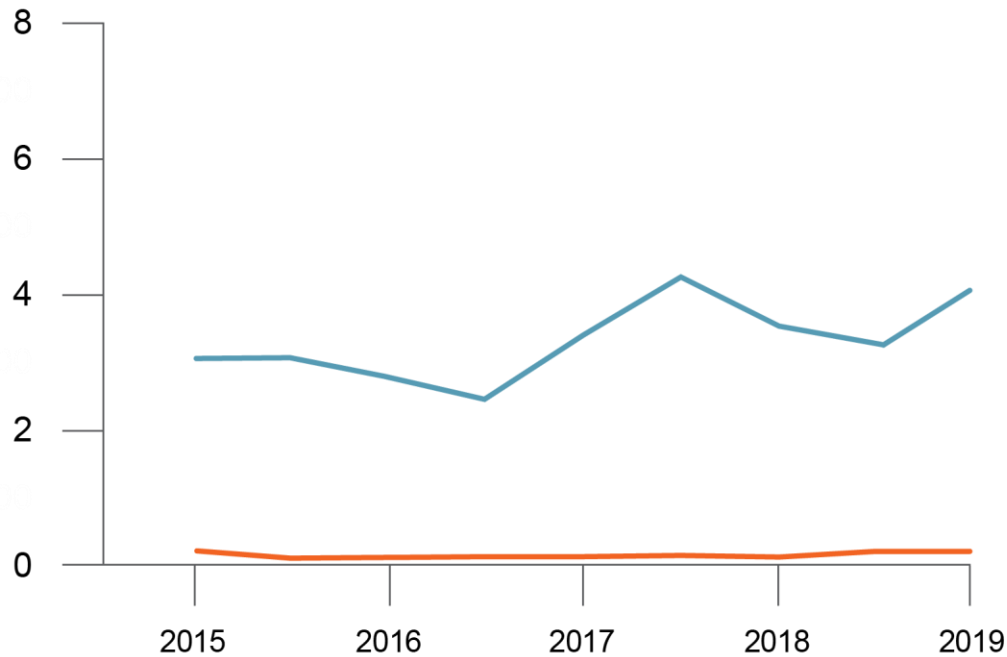
# CONTRACTS SECURED



\* Announced subsequent to 31 December 2018



# SAFETY PERFORMANCE



TCIFR

**4.17**

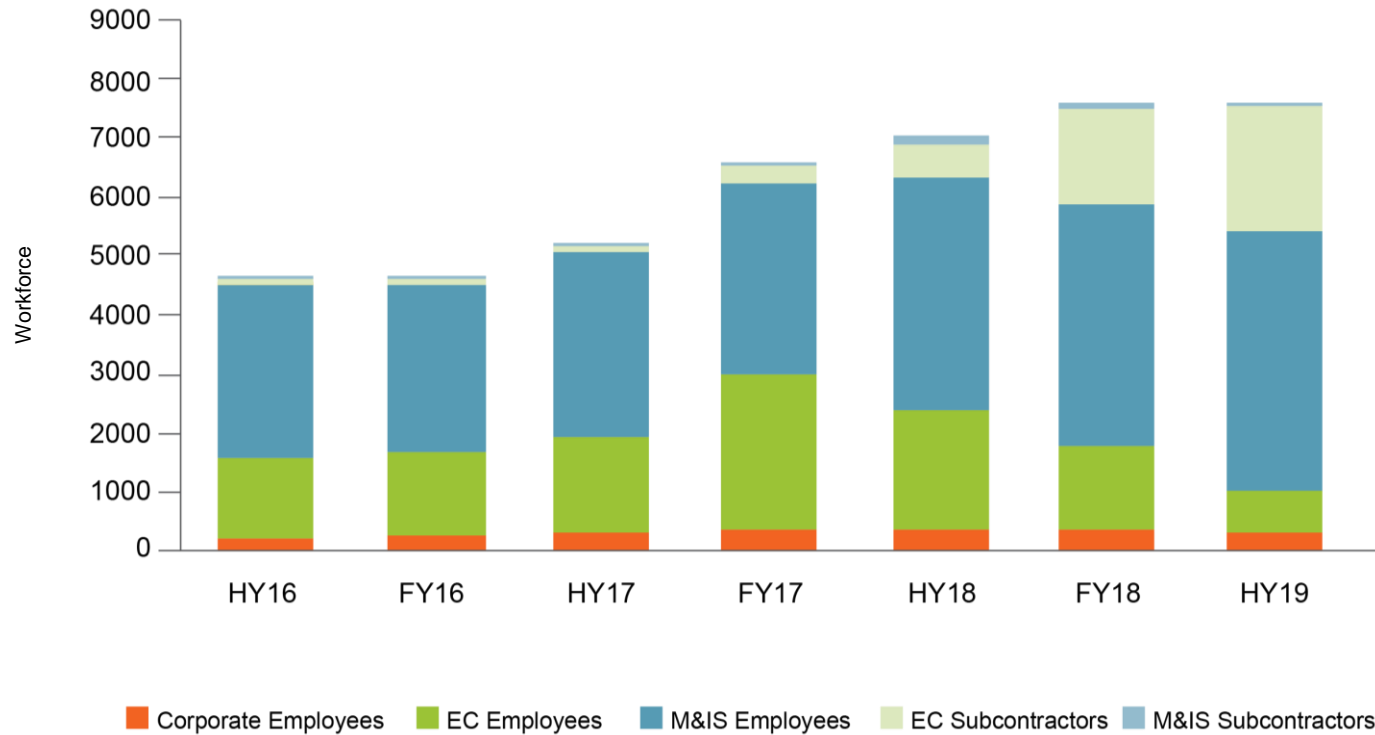
LTIFR

**0.19**

- TCIFR impacted by rapid ramp up in maintenance activity
- M&IS divisional restructure and renewed Safety Leadership Development Program implemented to strengthen leadership in impacted areas

*12-month rolling average (per million man-hours worked)*

# PEOPLE



- Increasingly diverse team as a result of growth in new sectors and geographies, substantial increase in engagement of subcontractors in infrastructure and overseas work
- Continued focus on people development and key talent retention as employment market tightens
- Formalised Gender Diversity and Inclusion Plan, underlining longstanding commitment to female participation levels across the Company



# FINANCIAL SNAPSHOT

## Period ended 31 December

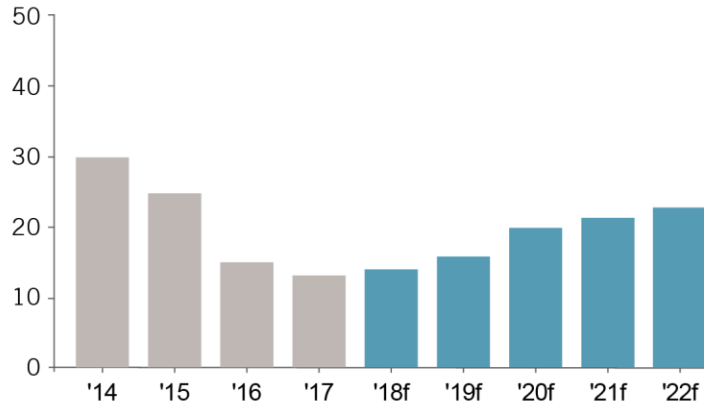
		HY19	HY18	CHANGE
Revenue	\$M	<b>830.5*</b>	874.1*	(5.0%)
Engineering Construction		<b>331.6*</b>	477.5*	(30.5%)
Maintenance and Industrial Services		<b>503.2</b>	400.7	25.6%
<i>Internal Eliminations</i>		<b>(4.3)</b>	(4.1)	
EBITDA	\$M	<b>55.8^</b>	62.1^	(10.2%)
EBITDA margin	%	<b>6.7</b>	7.1	(0.4pp)
NPAT	\$M	<b>30.7</b>	37.6	(18.3%)
NPAT margin	%	<b>3.7</b>	4.3	(0.6pp)
EPS	cps	<b>32.7</b>	40.1	(18.5%)
DPS (fully franked)	cps	<b>25.0</b>	30.0	(16.7%)
Net cash	\$M	<b>166.4</b>	187.8	(11.4%)

\* Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 15

^ Refer to reconciliation on slide 15

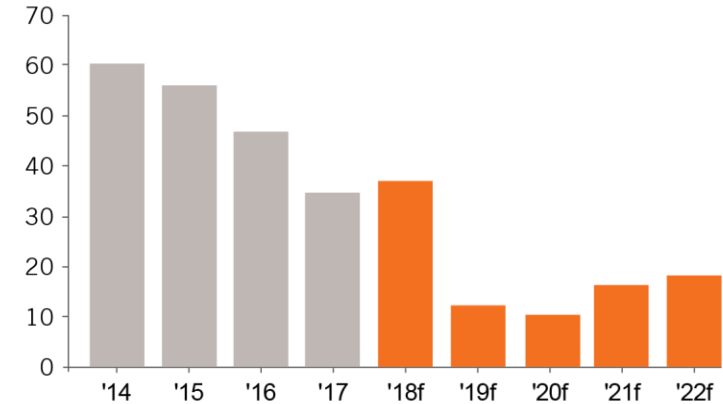
# INDUSTRY OUTLOOK – AUSTRALIA

**TOTAL RESOURCES CAPEX \$B**



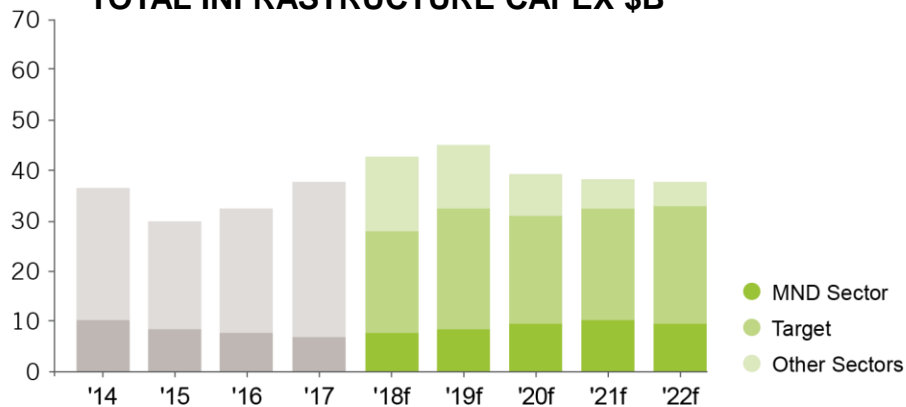
Source: BIS Oxford Economics, ABS (September 2018)

**TOTAL ENERGY CAPEX \$B**



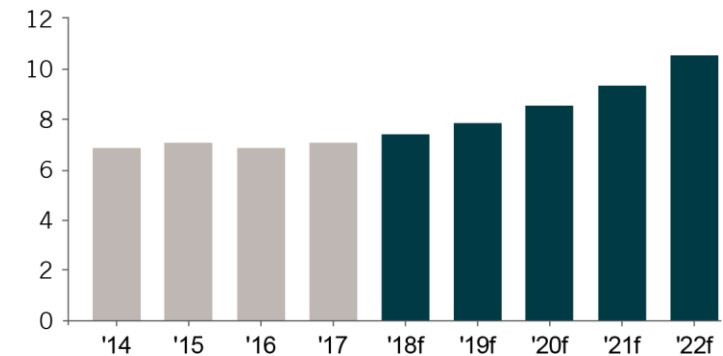
Source: BIS Oxford Economics, ABS (September 2018)

**TOTAL INFRASTRUCTURE CAPEX \$B**



Source: BIS Oxford Economics, ABS (May 2018)

**TOTAL MAINTENANCE \$B**



Source: BIS Oxford Economics, ABS (September 2018)

- Resources and energy sectors continue to strengthen
- Project development activity increasing, particularly in iron ore and lithium
- Strong demand for maintenance services expected
- Investment in infrastructure healthy, prospects continuing in water and renewables
- Well placed to secure new work on major resource construction projects
- Opportunities expected to generate significant construction revenue in FY20 and beyond
- Project timing and Ichthys run-off forecast to result in lower construction revenues in FY19
- FY19 revenue expected to be around 10 per cent less than pcg
- Productivity improvements remain a high priority
- Attraction and retention of labour a key focus
- Strong balance sheet provides capacity for investment

## APPENDICES



# ENGINEERING CONSTRUCTION

## MAJOR PROJECTS H1 2019

- JKC Australia LNG; SMPE&I works and completion of gas turbine generators and associated steam piping of combined cycle power plant at the Ichthys Project Onshore LNG Facilities, Darwin, NT
- Oyu Tolgoi LLC; SMPE&I works, Oyu Tolgoi Underground Project, South Gobi region, Mongolia
- Townsville City Council; upgrade of the Cleveland Bay Purification Plant, Townsville, Qld
- BHP; SMPE&I integrated packages, Pilbara, WA
- Galaxy Lithium Australia; design, engineering, construction and upgrade of four circuits at Mt Cattlin project, Ravensthorpe, WA
- Fortescue Metals Group; fixed plant maintenance and shutdown crane services at Solomon Hub, Pilbara, WA
- Unitywater; major upgrade to Kawana Sewage Treatment Plant, Sunshine Coast, Qld
- Australia Pacific LNG, Santos; supply, fabrication and assembly of wellhead separator skids, Qld
- Pukaki Irrigation; design, supply, installation and commissioning of gravity pressurised irrigation scheme, Mackenzie Basin, New Zealand
- Sydney Water Corporation; network delivery management, delivery contractor panel for facilities and networks, Sydney, NSW
- Lal Lal Wind Farms; engineering, procurement, construction and commissioning of balance of plant works, Moorabool Shire, south-east of Ballarat, Vic
- Goldwind Australia; balance of plant works on the Moorabool Wind Farm, Ballan, Vic
- CWP Asset Management; design and construction of civil and electrical balance of plant, transport and erection of Crudine Ridge Wind Farm, Mudgee, NSW

# MAINTENANCE & INDUSTRIAL SERVICES

## MAJOR PROJECTS H1 2019

- BHP Iron Ore; sustaining capital works and shutdowns, Pilbara, WA
- BHP Nickel West, Olympic Dam; maintenance and shutdowns, Goldfields, WA and Roxby Downs, SA
- BHP Coal; shutdown maintenance at Mount Arthur Coal, Hunter Valley, NSW
- BHP Mitsubishi Alliance; maintenance and dragline shutdown works, Bowen Basin, Qld
- Chevron Australia; facilities maintenance at Barrow Island and Onslow, WA
- Glencore; maintenance and turnarounds, Hunter Valley, NSW
- INPEX Operations Australia; offshore maintenance services, Browse Basin, WA
- Oil Search; engineering, procurement and construction services at oil and gas production and support facilities, Papua New Guinea
- QAL; maintenance and turnarounds, Gladstone, Qld
- QGC; shutdown and maintenance services at the LNG Plant, Curtis Island, Qld
- Rio Tinto; fixed plant maintenance services at coastal and part of inland operations, Pilbara, WA
- Shell Australia; maintenance and turnaround services on Prelude FLNG Facility, Browse Basin, WA
- Woodside; offshore maintenance and brownfields services for Woodside-operated gas production facilities in north west of WA, maintenance and turnarounds at Karratha Gas Plant and services under KLE Program through MGJV, Karratha, WA

# NOTES TO FINANCIALS

## NON-IFRS FINANCIAL INFORMATION

Monadelphous Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

## STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS AND EBITDA RECONCILIATION

	HY19 \$M	HY18 \$M
Total revenue from contracts with customers including joint ventures	<b>830,533</b>	874,103
Share of revenue from joint ventures <sup>^</sup>	<b>(53,338)</b>	(25,793)
<b>STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>777,195</b>	848,310
Profit before income tax	<b>45,554</b>	54,479
Interest expense	<b>456</b>	223
Interest revenue	<b>(1,203)</b>	(1,285)
Depreciation expense	<b>9,466</b>	8,123
Amortisation expense	<b>614</b>	375
Share of interest, tax, depreciation and amortisation from joint ventures <sup>*</sup>	<b>871</b>	172
<b>EBITDA</b>	<b>55,758</b>	62,087

<sup>^</sup>Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method

<sup>\*</sup>Represents Monadelphous' proportionate share of interest, tax, depreciation and amortisation of joint ventures accounted for using the equity method



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