



ASX Small and Mid-Cap Conference 2019

Matrix Composites & Engineering

Aaron Begley – Managing Director

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Company overview

SHARE PRICE



CORPORATE DETAILS

ASX code	MCE
Issued shares	102,321,429
Share price	36.5c
Market capitalisation	\$37.3m

FINANCIAL OVERVIEW

Revenue (FY19)	\$38m
Revenue (10 Yr Average)	\$106m
Net cash	\$2.0m
Order Bank	\$25m

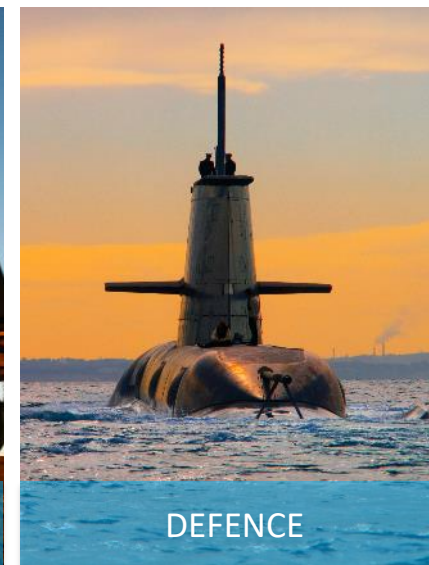
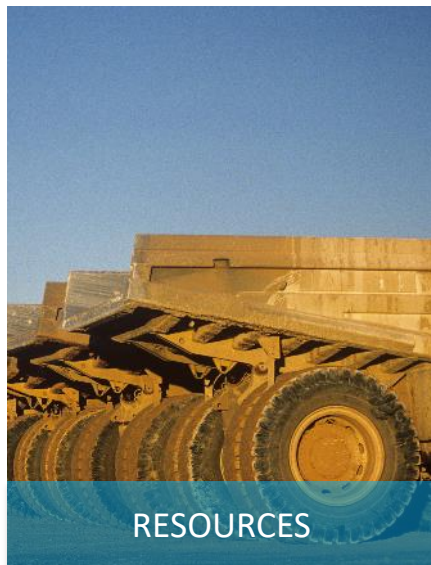
MAJOR SHAREHOLDERS

Max Begley Group	17.8%
Forager Funds Mgt	15.1%
Allan Gray	14.5%
Other Institutions	15.7%
Management and Directors	5.3%

BOARD AND MANAGEMENT

Peter Hood	Chairman
Aaron Begley	Managing Director
Steven Cole	Non-Executive
Craig Duncan	Non-Executive
Brendan Cocks	Chief Financial Officer

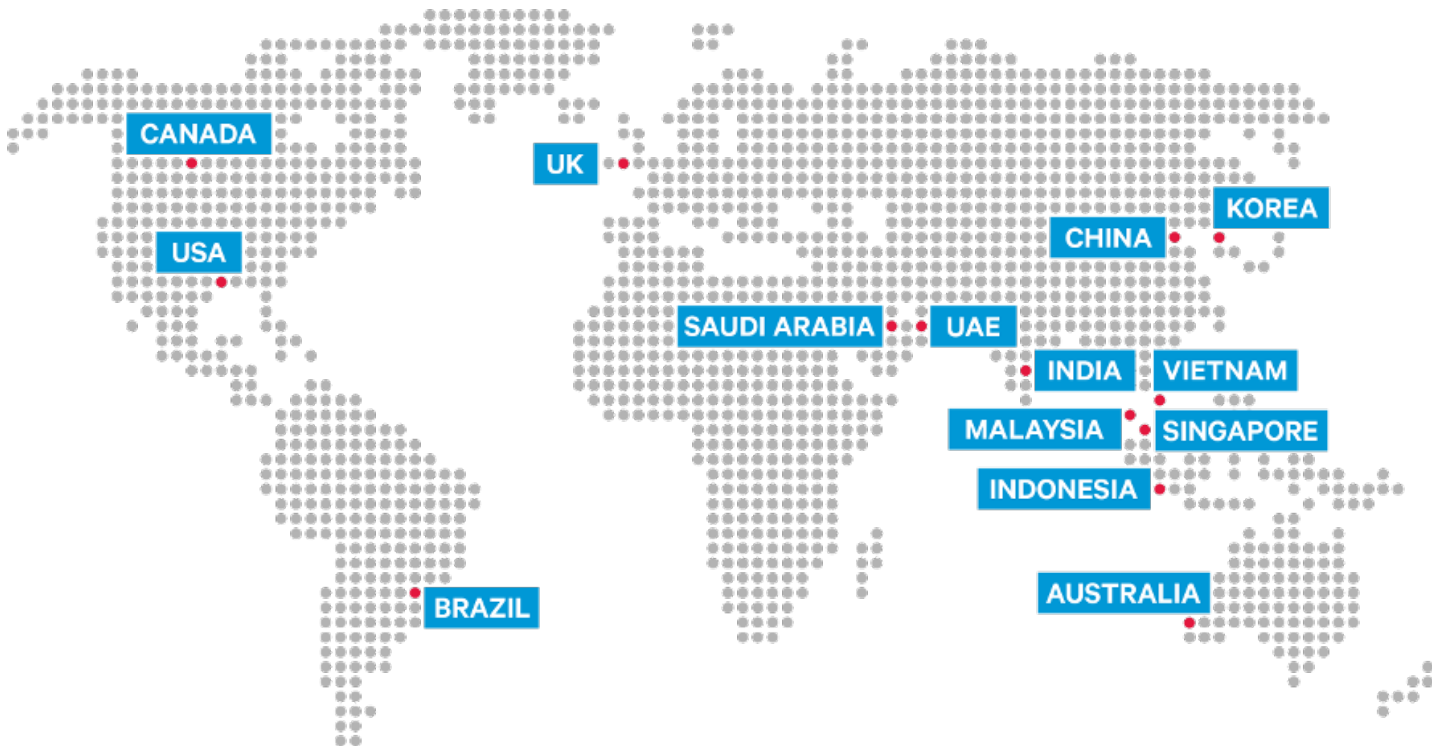
Matrix Composites & Engineering



WORKING WITH OUR CUSTOMERS, MATRIX PROVIDES INNOVATIVE ENGINEERING SOLUTIONS USING ADVANCED MATERIALS AND COMPOSITES TO INDUSTRIES WHERE SAFETY AND RELIABILITY ARE CRITICAL.

Matrix at a glance

ACTIVELY SERVICED MARKETS



WORLD'S LARGEST
MANUFACTURER OF
SYNTACTIC FOAMS



ONGOING INVESTMENT
IN RESEARCH AND
DEVELOPMENT



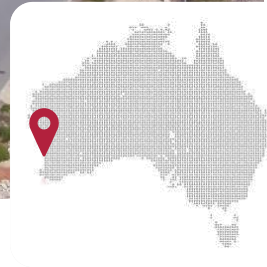
21 REGISTERED &
PROVISIONAL
PATENTS (MULTIPLE
JURISDICTIONS)



LEADING AUSTRALIAN
EXPORTER OF OIL & GAS
EQUIPMENT - \$1 BILLION
DELIVERED OVER LAST 10
YEARS

Manufacturing facility

Australian Marine Complex, Henderson WA



- Australian Marine Complex
Henderson, Western Australia
- 85,000m² (22,000m² covered)
- Highly automated, SCADA
controlled, lean manufacturing
- Good access to sea, air and
road transport links
- Largest hydrostatic pressure
testing facility in the Southern
Hemisphere
- Fully equipped materials testing
lab

Oil & Gas operations

RISER BUOYANCY



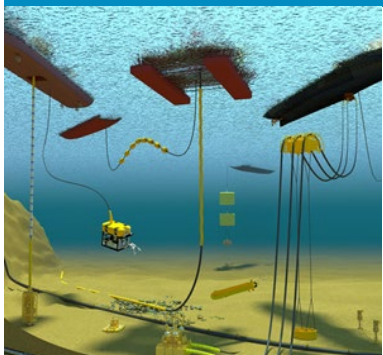
- Historically, Matrix's primary product
- Used in deepwater drilling operations
- Impacted by a sustained period of low capex
- Seeing turnaround – e.g. awarded \$15.3 million riser buoyancy contract in November 2018, Matrix's largest in three years.

WELL CONSTRUCTION



- Consumable item used in shale oil and gas production
- Distribution in North America continuing to expand, although recent rig count drop in the region
- Continued technical development - new product releases expected in 2020.

SUBSEA UMBILICALS, RISERS AND FLOWLINES (SURF)



- Range of subsea products for offshore oil and gas
- Opportunities growing with sustained increase in activity across Australia and target export markets
- Expected to grow substantially in 2021 on back of offshore Final Investment Decisions (FIDs).

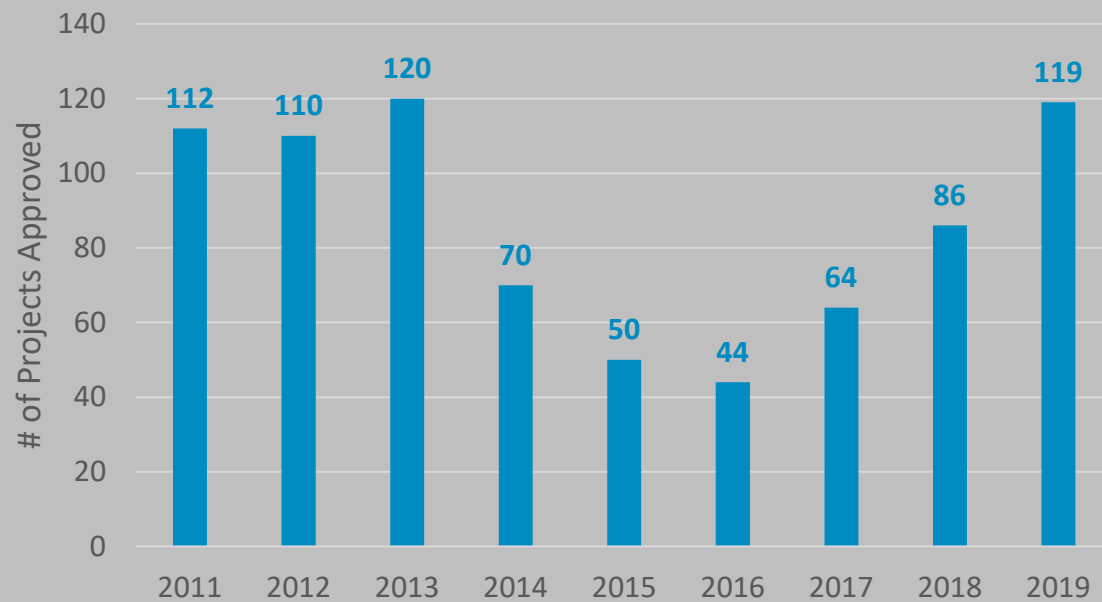
LGS (VIV AND DRAG REDUCTION)



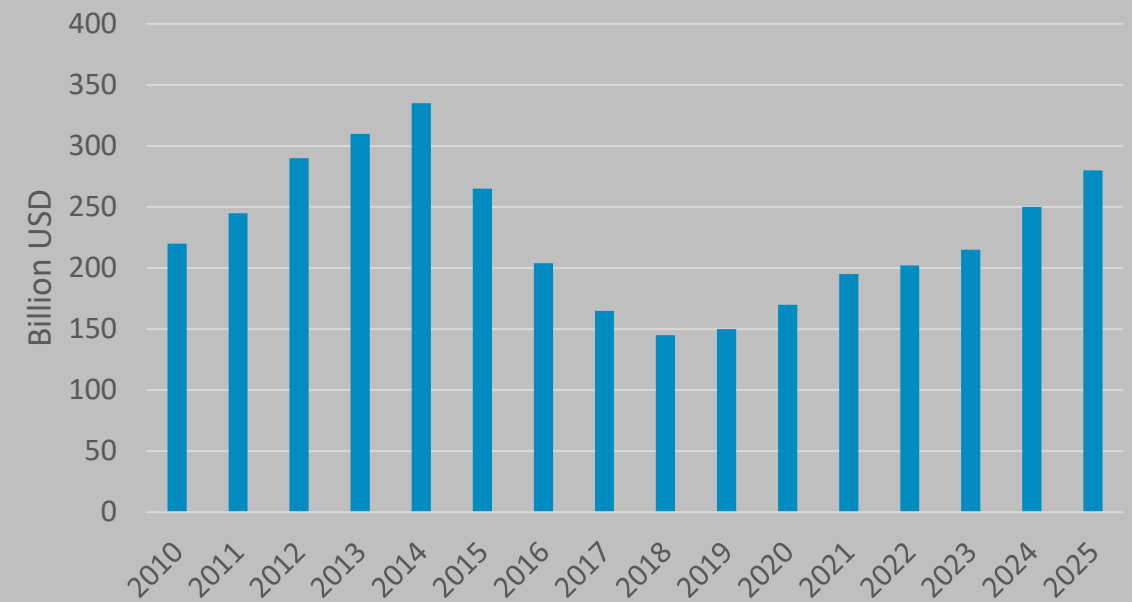
- Innovative product to enhance production in strong water currents
- Targeting brownfields and greenfield offshore application
- Expanded applications across drilling risers, pipelines and production risers
- Opportunities increasing as offshore drilling activity increases.

Oil & Gas – market indicators remain positive

OFFSHORE PROJECT APPROVALS ARE INCREASING



OFFSHORE SPENDING SET FOR STRONG GROWTH



Source: Rystad Energy, Clarkson Platou Securities AS

Diversified operations

TRANSPORTATION



- Opportunities in vehicle lightening to maximise payload capacity
- Awarded \$2.4m contract for four prototype advanced composite material bulk transport systems.
- Established necessary infrastructure and tooling required for initial prototypes
- Project currently in design review awaiting the next stages of development

CIVIL AND INFRASTRUCTURE



- Range of opportunities to use composites in civil and infrastructure products
- Awarded five-year manufacturing agreement to produce unique Tunnelwell® arch stormwater systems - minimum +\$2m order over 24 months.
- Recently entered production – expected to increase over 2020.

DEFENCE



- Applying expertise in advanced materials and technology to develop products applicable to new build and sustainment programs (e.g. anechoic coatings, buoyant materials and structural work).
- Strong interest in Matrix hyperbaric test facilities as sovereign industry capability.
- Establishment of long-term relationship with leading Australian defence prime – Thales.

RESOURCES



- Ongoing focus to leverage transport opportunities in large composite structures and capability, and to apply to resource sector
- Development and opening of large composite workshop.

Our customers and partners



Conclusion

- Summary
 - FY19 revenue of \$38.2m, up 95% on FY18
 - H2 FY19 earnings represented Matrix's best six month period since 2016
 - Entered FY20 with \$25m order book, larger than at the start of FY19.
 - Delivering on diversification strategy in defence, transportation and civil & infrastructure markets
- Outlook
 - Offshore exploration must increase as industry is replacing extracted oil & gas at historic lows.
 - Underpinned by offshore FIDs (increased from 44 in 2016 to 119 in 2019), resulting in substantial backorders with EPIC contractors
 - Matrix well positioned to respond to recovery in oil and gas sector – near-term opportunity pipeline of +\$50 million
 - Solid financial position with net cash and no term debt ensures Matrix is well positioned to win and deliver on future orders



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