



PRIME=RO

INVESTOR
PRESENTATION
SEPTEMBER 2019

DESIGN
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PRIMERO AT A GLANCE

Primero ([ASX: PGX](#)) is a multi-disciplinary engineering group specialising in the design, construction and operation of global resource projects.

Primero provides engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. Primero provides these services to a diverse client base, ranging from mid-sized companies through to international mining and energy houses.

PRESENTATION AGENDA

1. The Primero model
2. What we have delivered
3. Where we are going next
4. A snapshot of our work



01.

THE PRIMERO MODEL

WHO WE ARE

CORPORATE OVERVIEW

PRIMERO BOARD OF DIRECTORS



Cameron Henry
Managing Director



Mark Connolly
Non-Executive Chairman



Luke Graham
Non-Executive Director



Brett Grosvenor
Executive Director



Dean Ercegovic
Executive Director

CAPITAL STRUCTURE

Share price (10 September 2019) **A\$0.37**

Shares on issue 149.6M

Market capitalisation **A\$55M**

Cash at bank (30 June 2019) A\$21.9M

Board and management ownership **54%**

SHARE PRICE PERFORMANCE





WHAT WE DO

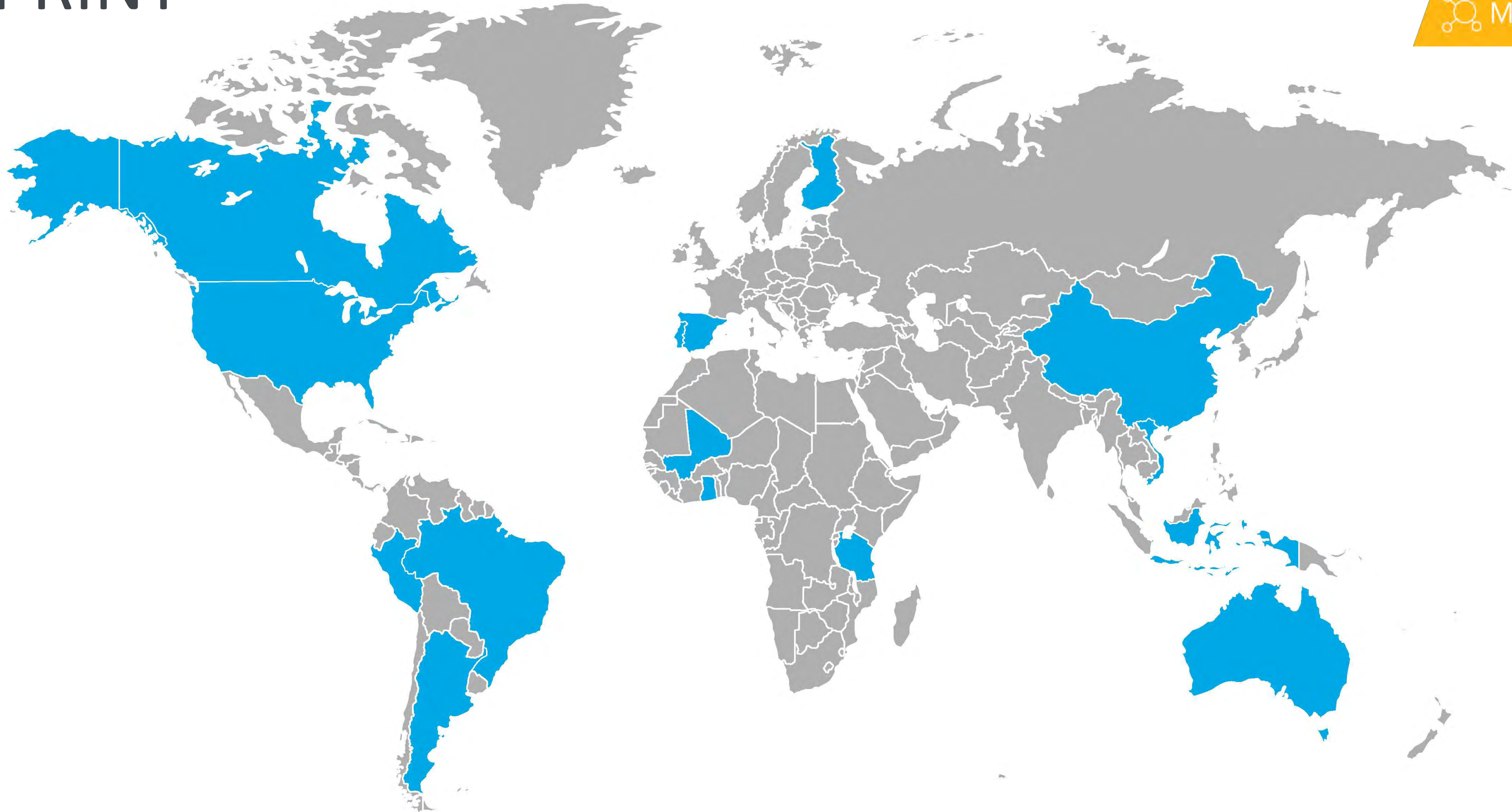
BUSINESS STRUCTURE



WHERE WE OPERATE

OPERATING FOOTPRINT

-  NPI
-  ENERGY
-  MINERALS

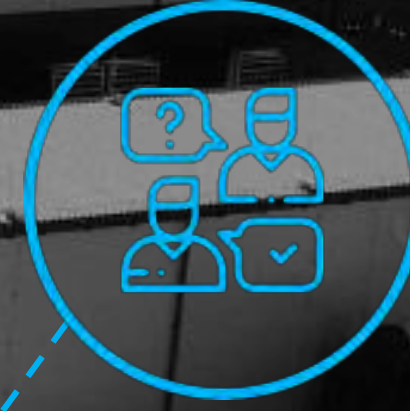


HOW WE WORK

Leading HSE performance targeting zero harm



Services business with a culture of delivery and excellence



Differentiated, client-focussed offering



Primero DNA

Our key assets being our people



Energetic team with pride and aspiration



Continual focus on strengthening capabilities, processes and people



WHY WE EXIST

SUPERIOR
RETURNS FOR
SHAREHOLDERS

A track record of delivery and excellence

Strong Board and management ownership

Excellent shareholder alignment

Unwavering focus on risk-weighted returns

Delivery of strong, sustainable growth



02.

WHAT WE HAVE DELIVERED

WHAT WE HAVE DONE

ACHIEVEMENTS OVER THE PAST YEAR



Successful IPO and ASX listing



Approx. 80% revenue growth for FY19



Nearing successful completion of landmark Barker Inlet Power Station contract



Strong execution of several complex and highly technical EPC projects



Multiple O&M contract awards; build-out of full life-cycle service offering



First conditional BOO contract award (Core Lithium; \$100M)

A CULTURE OF SAFETY



PROTECTING OUR PEOPLE

INDICATOR	FY19
Total manhours	1,107,463
Total Recordable Injury Frequency Rate (TRIFR) per 1,000,000 man hrs	0.90
Lost Time Injuries (LTI)	0

LOW WORKFORCE TURNOVER

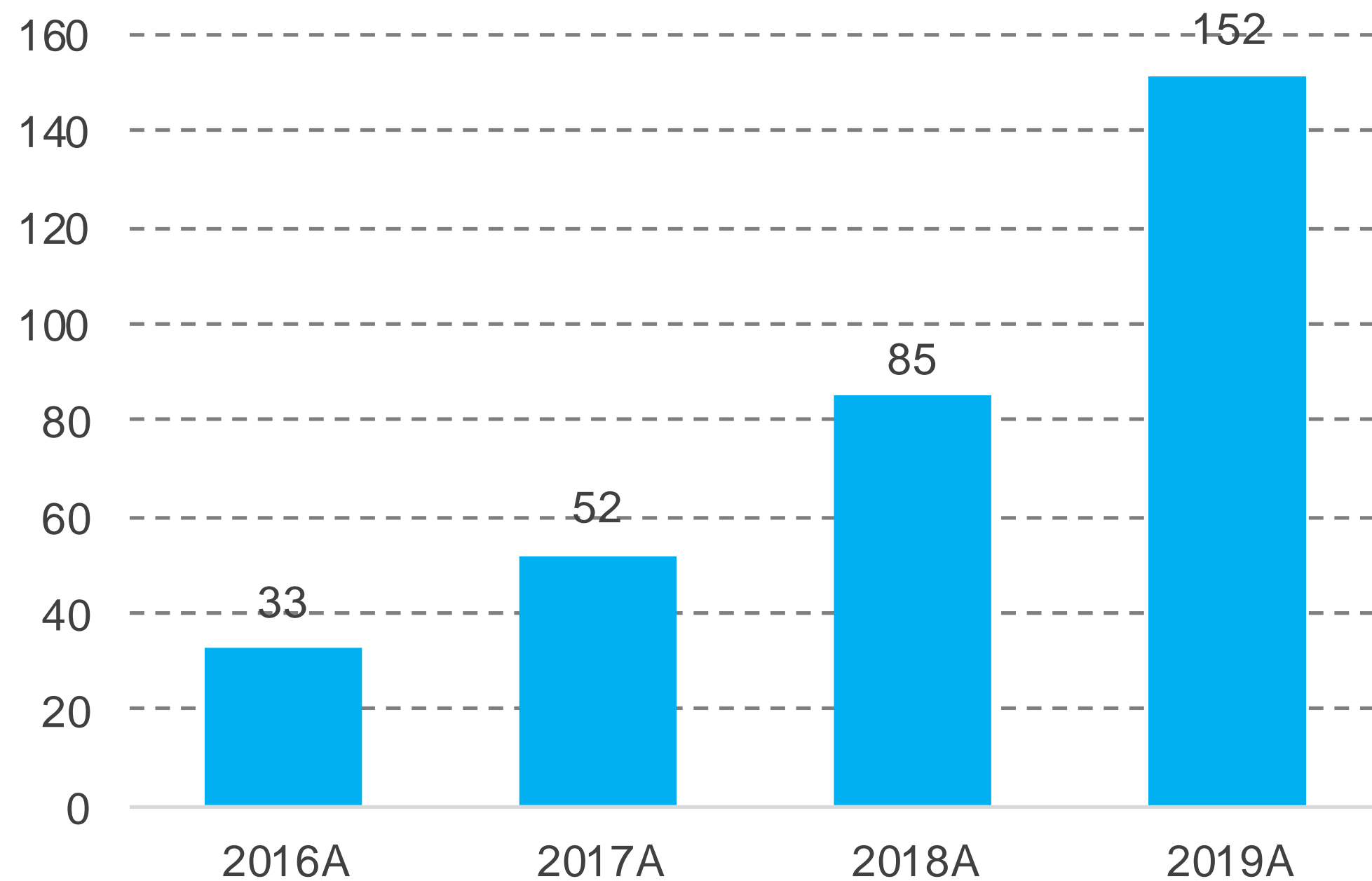
INDICATOR	FY19
Staff retention rate	>90%

TRACK RECORD OF PERFORMANCE

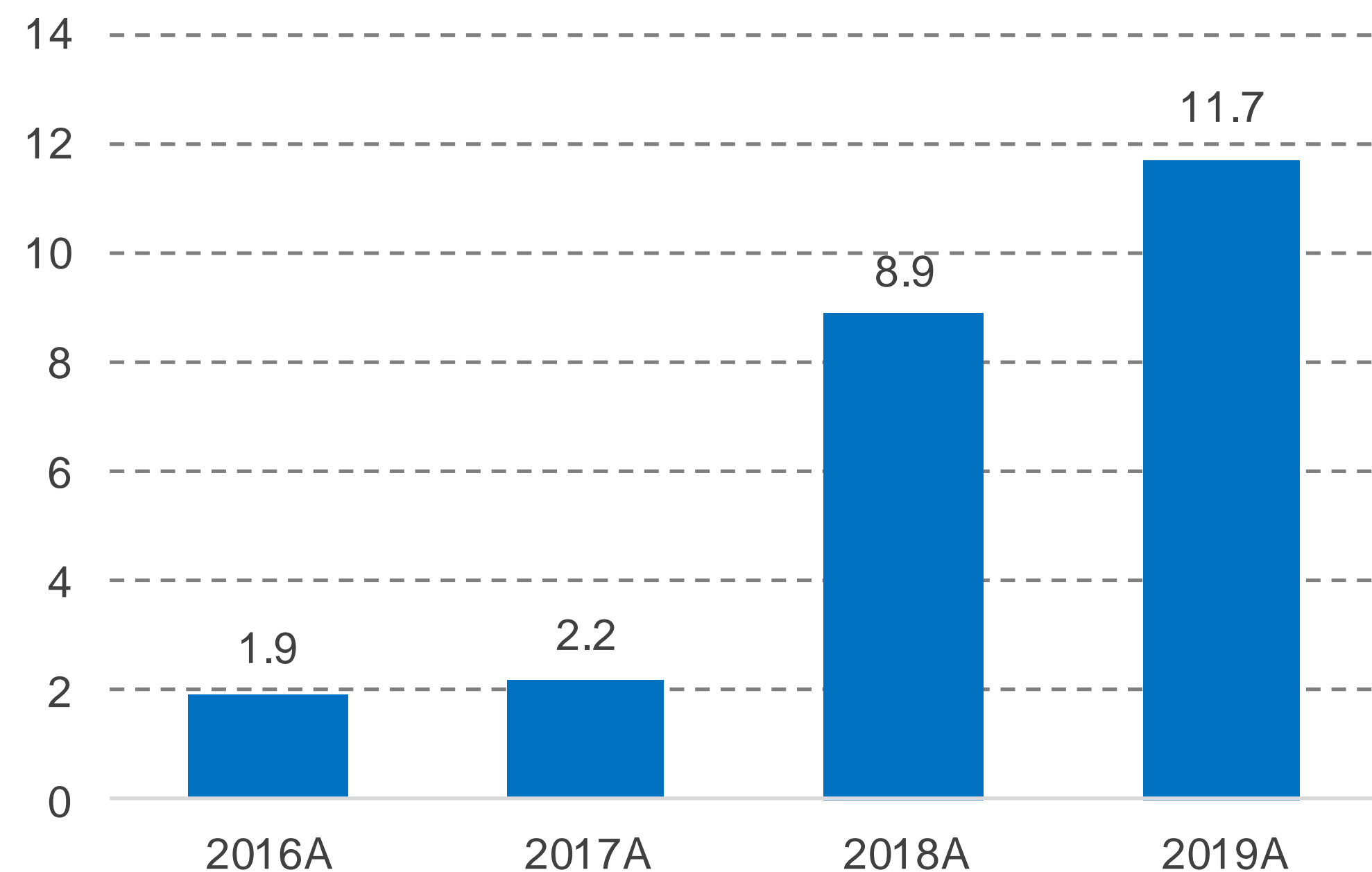
OUTSTANDING FINANCIAL DELIVERY

Three-year compound growth in underlying EBITDA of +80% pa

REVENUE (A\$M)



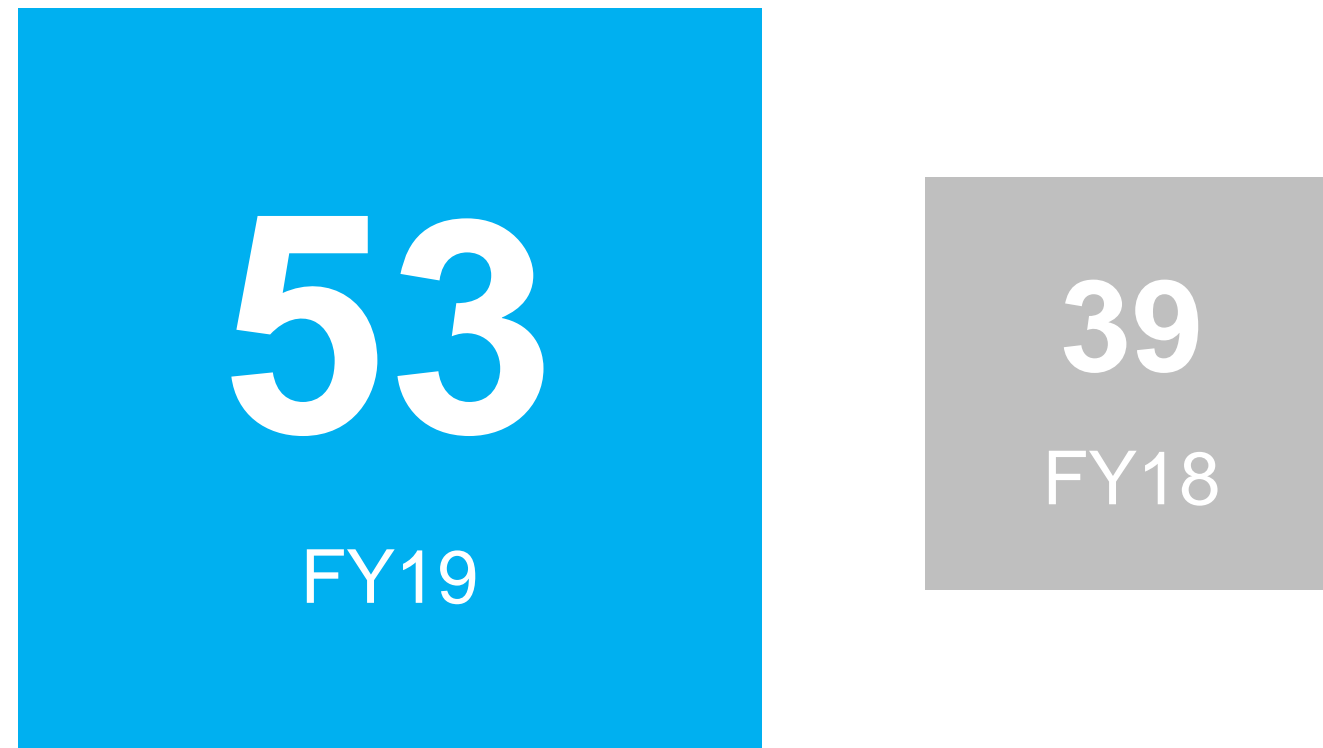
EBITDA(excl one-offs) (A\$M)



INCREASED BUSINESS DIVERSITY

BROADENING OF THE BASE

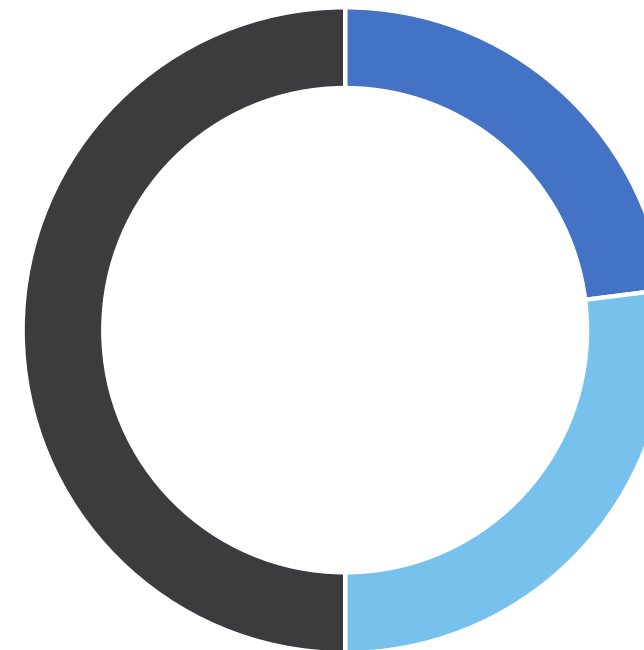
Number of clients



Revenue composition

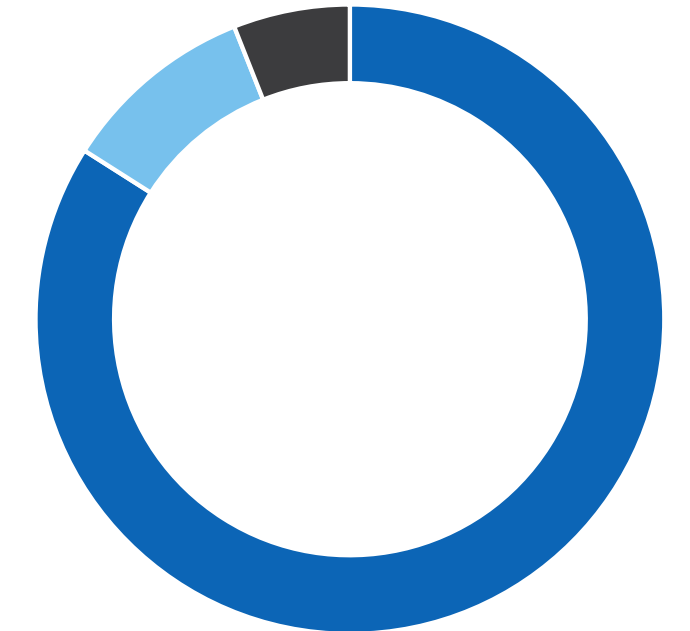
FY19 Revenue by Segment

- Minerals (23%)
- NPI (27%)
- Energy (50%)



FY18 Revenue by Segment

- Minerals (84%)
- NPI (10%)
- Energy (6%)



HIGHLY ROBUST BALANCE SHEET

A PLATFORM FOR FUTURE GROWTH

Strong cash position (A\$21.9M) with very low gearing (A\$3.0M debt) (30 June 2019)

Excellent liquidity: A\$20M bonding facility and A\$15M multi-option facility

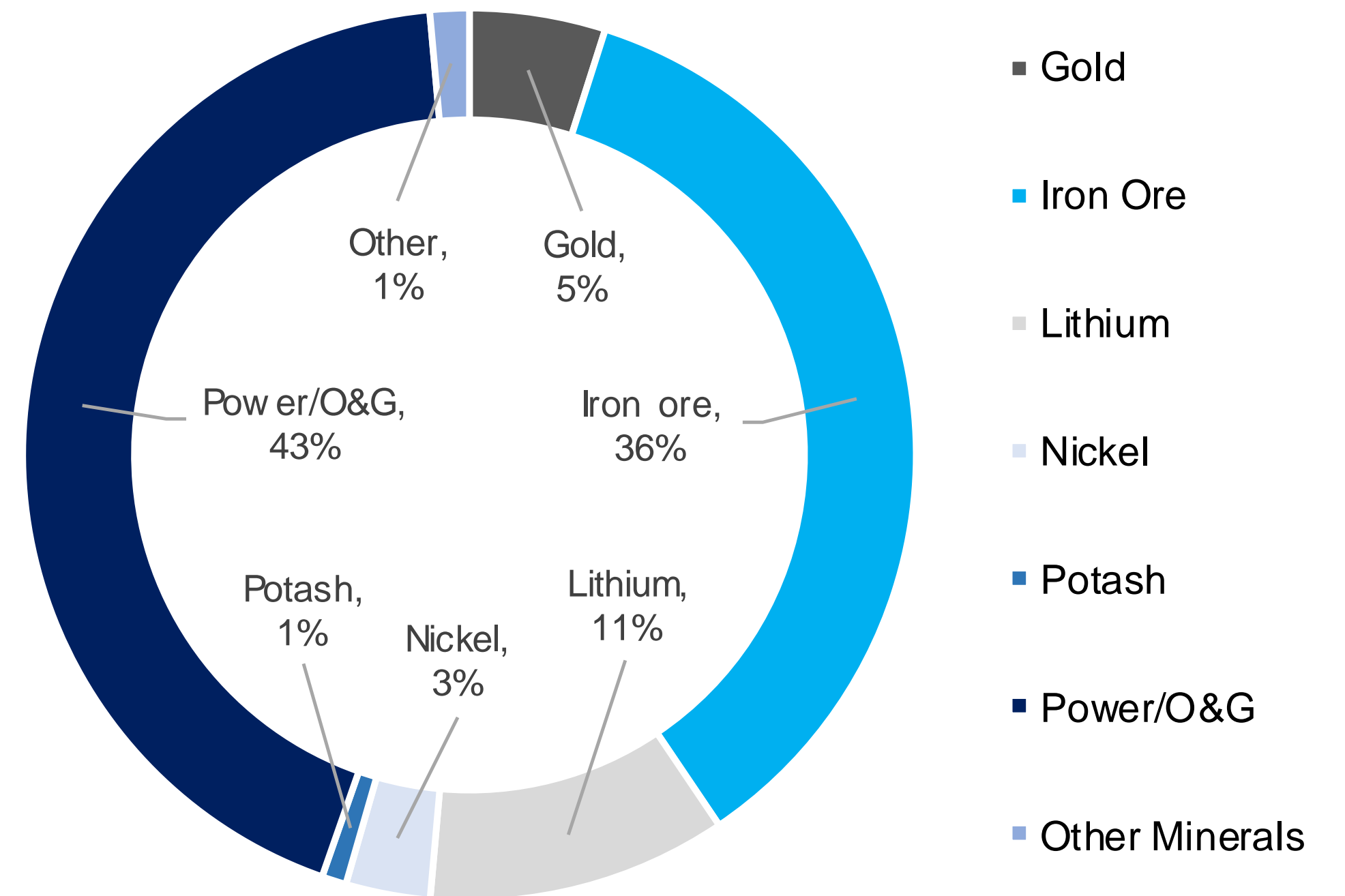
FY20 PERSPECTIVES

Active and competitive business conditions in all key sectors

Capital programs of Pilbara majors generating considerable Minerals and NPI opportunities

Current contracted revenue for FY20 is approximately A\$90M; similar level to that which existed 12 months ago for FY19

Contracted FY20 order book by commodity



A STRONG OUTLOOK

A LOOK AT THE PIPELINE

Qualified tender pipeline currently stands at approx. A\$930M

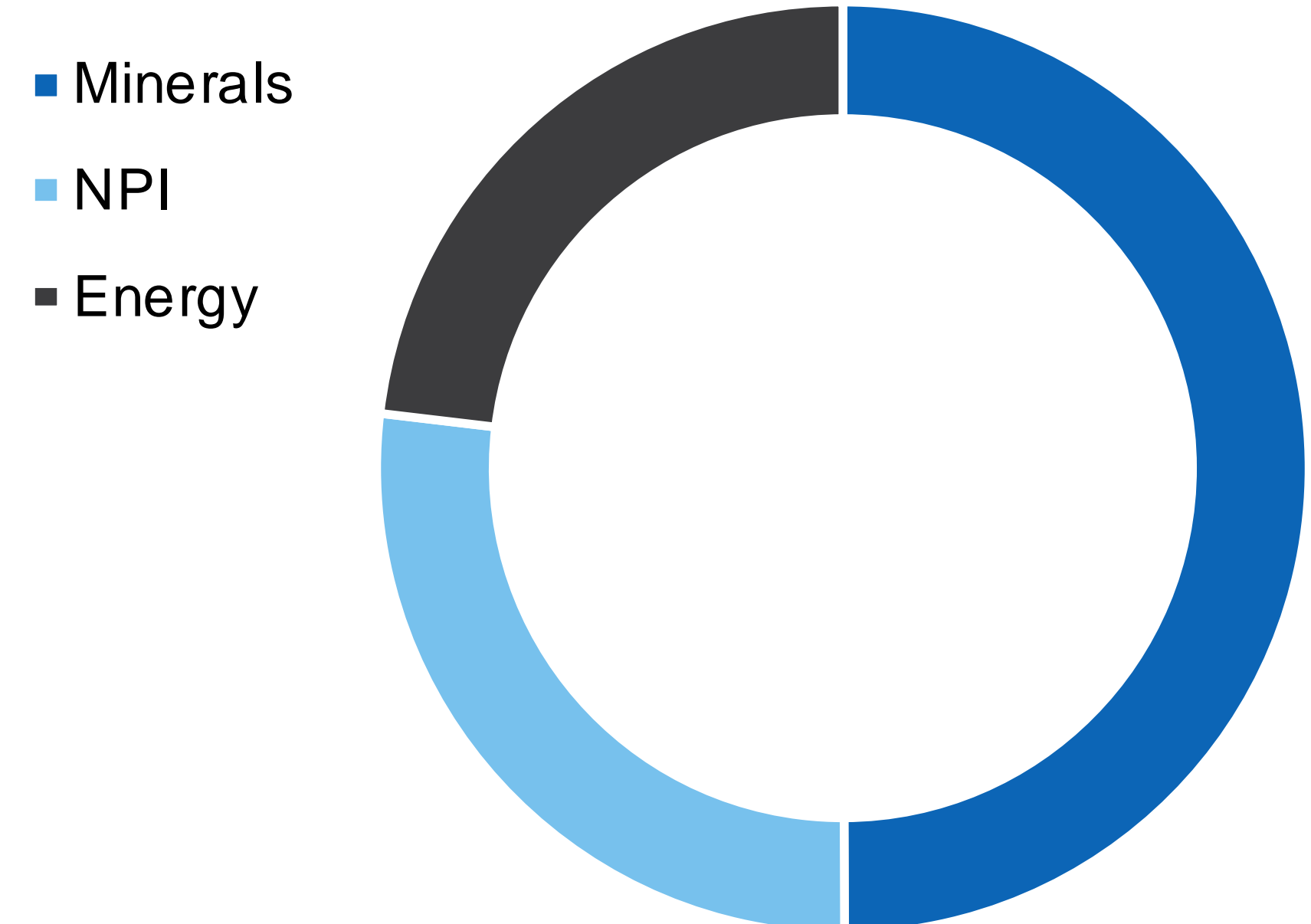
Large volume of new EPC opportunities up for award over FY20 and FY21

Substantial additional BOO and O&M contract opportunities

Recent ECI wins deliver strong follow-on potential for large-scale EPC roles

Broad range of commodity and industry leverage

Contracted and prospective business pipeline by key segment





03.

WHERE WE ARE
GOING NEXT

THE TARGETED PATH AHEAD

KEY GROWTH AREAS

EXISTING BUSINESS

Proven capability and track record of EPC NPI delivery

Excellent leverage to current phase of Pilbara iron ore majors capex

Established onshore and offshore oil & gas facility expertise

Landmark Barker Inlet Power Station contract with Wartsila

Full project life-cycle service suite from assessment to ops expansion

Highly regarded specialist work in growth sectors (eg battery minerals)



FUTURE OPPORTUNITY

Pursue further panel positions for majors sustaining capital group work

Strengthen offering to capture other major sector spends within Australia

Accelerate into Australian east coast energy project work

Further power generation and battery storage project opportunities

Enhance commodity suite for full life-cycle project services delivery

Expand global project footprint in key areas of specialisation

HOW WE WILL GET THERE

KEY STRATEGIC ENABLERS

1. Leveraging specialist EPC expertise
2. Early Contractor Involvement (ECI)
3. Increasing O&M workstream
4. The next leg: BOO

1.

LEVERAGING SPECIALIST EPC EXPERTISE

Global minerals processing expertise and track record of strong client outcomes

Growing reputation for delivery on complex and highly technical projects across all three sectors of expertise

Larger turnkey project exposure, with potential for higher margin opportunities

North America Minerals strategy with growing brand and reputation

2.

EARLY CONTRACTOR INVOLVEMENT (ECI)

Establishing a highly successful model for early stage involvement and integration into projects

Delivers follow-on potential for large-scale EPC

Greater alignment and lower final delivery risk

Partner of choice given technical excellence and back-end execution horsepower

Recent examples: Mackay SOP (Agrimin), Hydrogen Commercial Demonstration Plant (Hazer)

3.

INCREASING O&M WORKSTREAM

Building momentum in O&M contract awards

Proven operating pedigree and superior client outcomes

Longer duration contracts with recurring earnings streams and enhanced visibility

Rolling EPC excellence through to O&M roles as a seamless 'de-risking' transition

Client partnering presenting new opportunities

4.

THE NEXT LEG: BOO

Clear market gap exists for BOO process plant solutions on smaller projects

Leverage specialist process expertise and current mining project funding hurdles

Lessens owner's team build and management

Multi-year contracts with significant cashflow and attractive risk-weighted returns

Broader opportunities in the NPI space

WHAT IS SUCCESS?

A sustained culture of safety and excellence

Consistently superior returns to our shareholders

Global leadership in the sub-\$150M capex EPC project delivery space

Further exposure to contract operational models (O&M, BOO) with 5-7 year life duration

Built-out capabilities, systems and processes to sustain strong growth levels

Continued diversification across key sectors, with further expansion in existing and new geographies



04.

A SNAPSHOT OF OUR WORK

MINERALS PROCESSING SOLUTIONS

Finniss Lithium Project (BOO-EPC-O&M)

Located in Darwin, Australia

Core Lithium client

1.5Mtpa BOO Crushing facility

1.0Mtpa EPC Dense Media Separation

4 year Operations & Maintenance contract

ECI partnering solution from testwork/study through execution

Opportunity to expand and extend with new resource delineation

Finalisation of contract subject to FID



MINERALS PROCESSING SOLUTIONS

Mackay Potash Project

Located in Australia

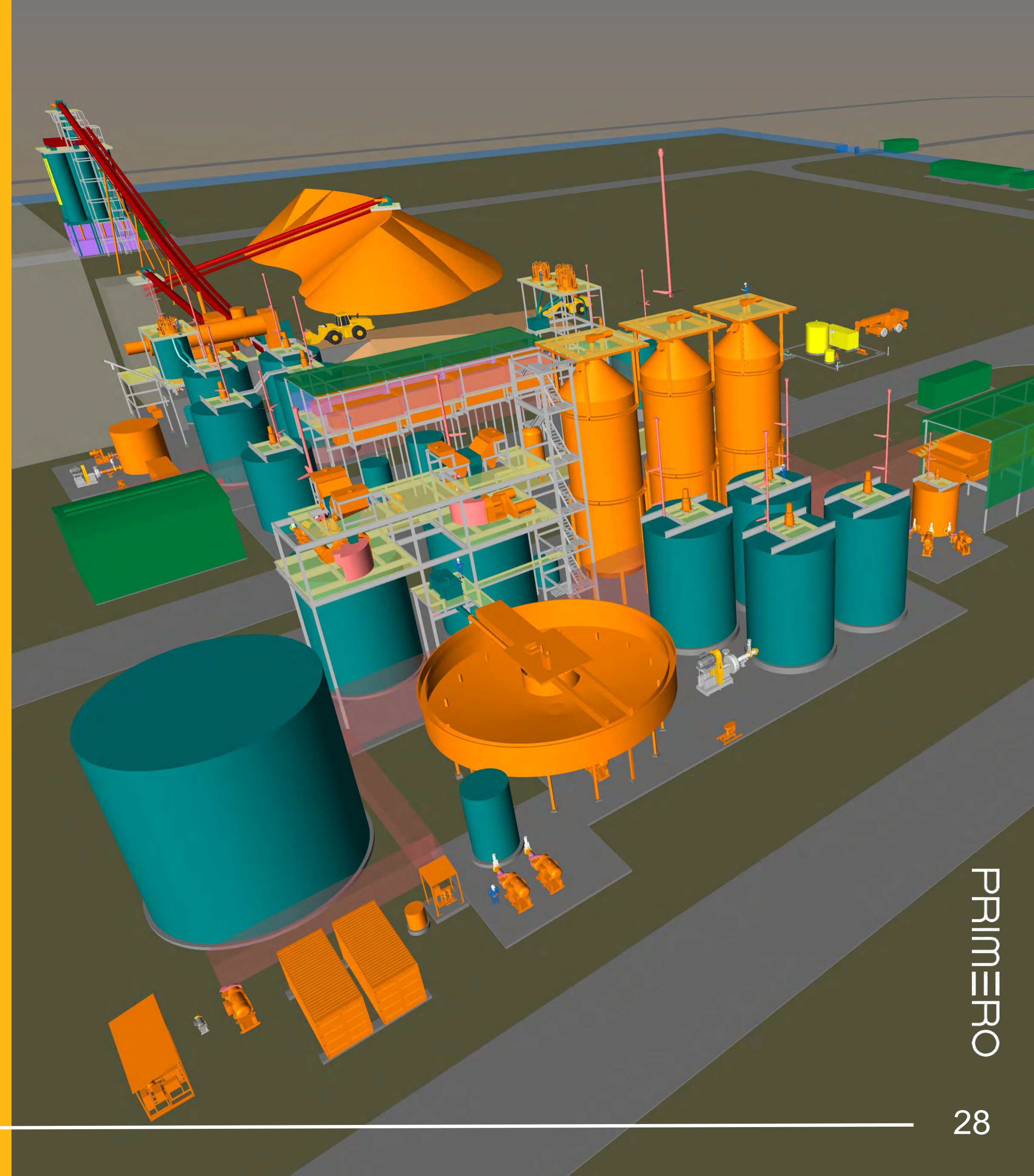
Agrimin client

426,000 tpa dry Sulfate of Potash (SOP)
Processing Facility

ECI Engagement for EPC of processing facility

Sound project economics with 20+ yr project life

Showcasing Primero's chemical technical expertise



NON-PROCESS INFRASTRUCTURE SOLUTIONS

South Flank Fuel & Lube Facilities

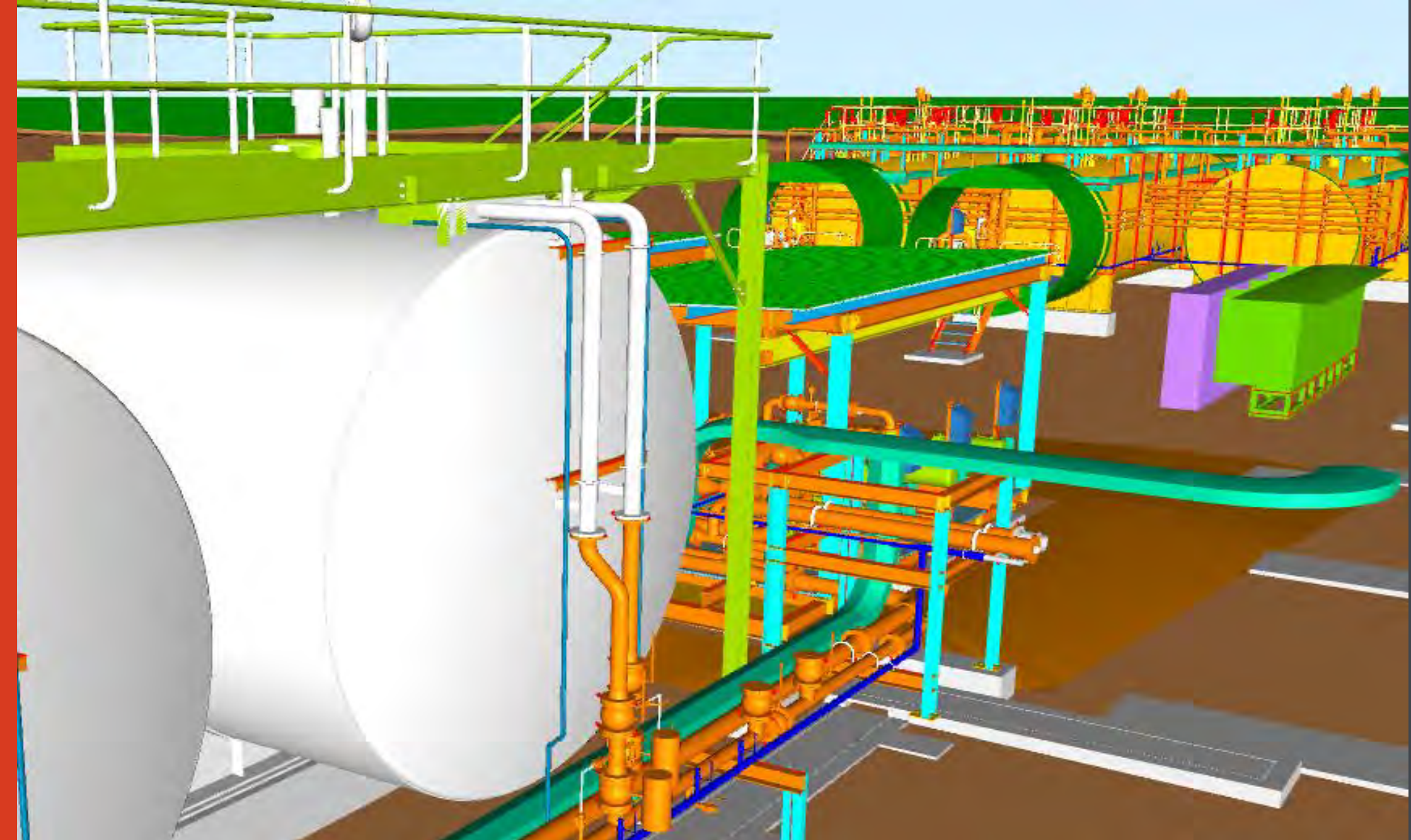
BHP/Clough client

Fuel storage & lubrication distribution systems

Complete vertical EPC

Turnkey design, construction & commissioning of 2ML offloading, storage & distribution diesel system and HV Workshop lubrication system

Over 40ML of turnkey designed, constructed and commissioned diesel facilities deployed into the Pilbara to date



FEATURED PROJECTS



ENERGY AND HYDROCARBON SOLUTIONS

Barker Inlet Power Station

211MW Smart Power Generation

AGL end-client

First utility-scale reciprocating engine power plant connected to Australia's NEM

Complete vertical construction – earthworks, piling, civil, structural, mechanical, electrical

Peak workforce 350+

September 2019 completion



PRIMERO



Capitalising on our promise and potential

Leveraging our people, systems, capabilities and expertise

Delivering for our clients

Returning to our shareholders

A RELIABLE PARTNER



APPENDIX:
FY19 FINANCIAL
RESULTS

FY19 FINANCIAL RESULTS

REVENUE AND EARNINGS GROWTH

78% increase in total revenue to A\$151.7M

Gross operating margin of 13.0%

30% increase in EBITDA excl. one-offs to A\$11.7M

EBITDA margin (excl. one-offs) of 7.7%; strong operational performance coupled with ongoing investment in people, systems and processes

Revenue and Earnings	FY19 (A\$M)	FY18 (A\$M)	Change
Total revenue	151.7	85.2	+78%
EBITDA	10.5	8.4	+25%
<i>EBITDA (excl one-off costs)</i>	<i>11.7</i>	<i>9.0</i>	<i>+30%</i>
<i>EBIT (excl one-off costs)</i>	<i>10.5</i>	<i>8.1</i>	<i>+28%</i>
<i>Pre-tax profit (excl one-off costs)</i>	<i>10.4</i>	<i>8.0</i>	<i>+29%</i>
Statutory NPAT	6.2	5.2	+19%

CASHFLOW OUTCOMES

Typical working capital build in FY19 directly attributable to the large year-on-year increase in service revenue

Considerable milestone payments expected to be received in coming months (reflected in elevated Work in Progress and Accrued Income balances):

- + Wartsila Barker Inlet Power Station contract
- + Clough South Flank project work

Cashflow	FY19 (A\$M)	FY18 (A\$M)
Net operating cashflow	3.1	4.7
Net investing cashflow	(1.8)	(1.4)
Net financing cashflow	20.1	(2.6)
<i>Net change in cash balance</i>	21.4	0.7

