

Strategic Acquisition of Alltype Engineering

November 2019
(ASX:WSI)

*Well Positioned for Project & Growth Opportunities
Across Key Industrial Markets*

INTRODUCTION

WHO WE ARE

WestStar is an Australian industrial services company providing engineering, construction and mining services to the resources, energy and infrastructure sectors.

WHAT HAVE WE DONE

WestStar has delivered sustainable growth with a focus on driving profitability across the group.

ACQUISITION OF ALLTYPE ENGINEERING

Alltype diversifies and expands WestStar's capability to provide end-to-end project solutions through workshop fabrication, site installation, construction and maintenance services to a broad range of industries in both private and public sectors.

ACQUISITION RATIONALE

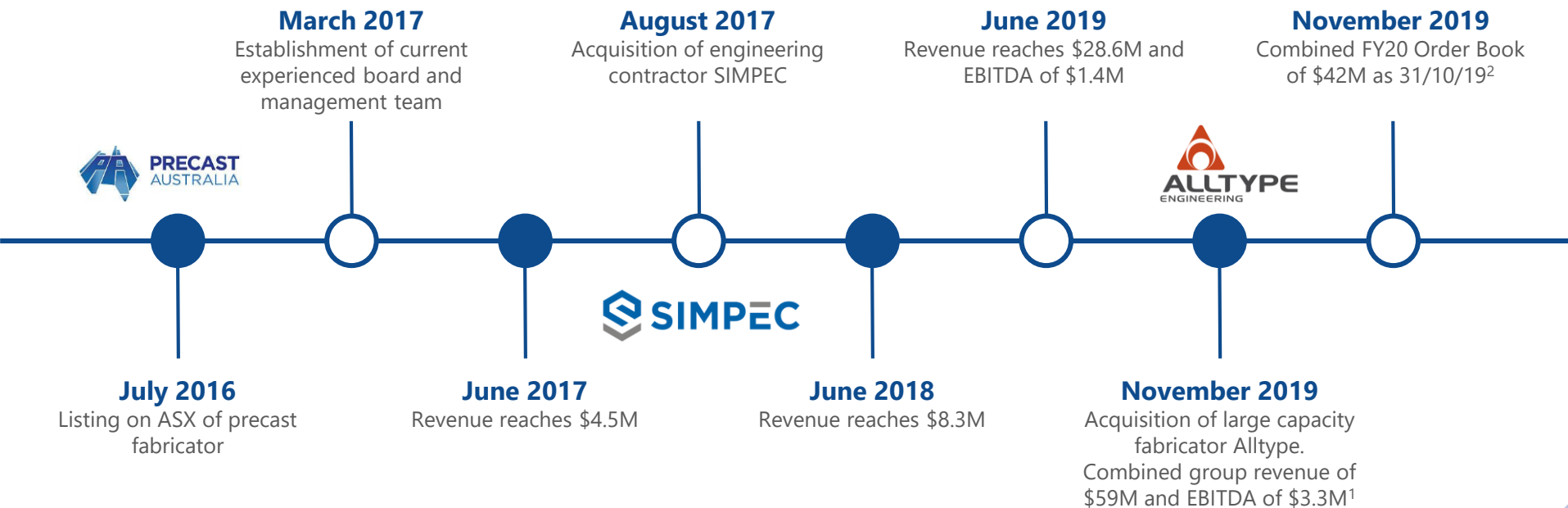
Alltype is highly complementary to WestStar's existing operations, providing meaningful opportunities for vertical integration and cross selling across an enlarged customer base.

WHERE TO NEXT?

Continued diversification across complimentary market segments and expansion into key geographical areas.



WESTSTAR AT A GLANCE - A SUCCESS STORY



¹ FY19 Financial results combined for WestStar and Alltype Engineering.

² Combined Order Book is in addition to work delivered in the September 2019 quarter.

SYNERGISTIC OPERATING DIVISIONS

\$59M

FY19
Combined
Revenue

\$3.3M

FY19
Combined EBITDA

\$42M

FY20 Combined Order Book
as 31/10/19¹

Engineering, Construction and Mining Services:

- Structural Mechanical & Piping (SMP)
- Electrical & Instrumentation (E&I)
- Civil
- Capital construction project delivery
- Asset Management Services
- Earthworks
- Precast Concrete Fabrication



Project and Fabrication Capabilities:

- Site installation.
- Workshop Fabrication – 7,000m²
- Pipework Fabrication
- Structural Steel Fabrication
- Tank Vessel and Hopper Fabrication
- Maintenance shutdowns & turnarounds
- Multi disciplined turnkey projects.

¹ Combined Order Book is in addition to work delivered in the September 2019 quarter.

SIMPEC OVERVIEW - WESTSTAR CURRENT OFFERING



"Lead positively, create teams
and be like no other"

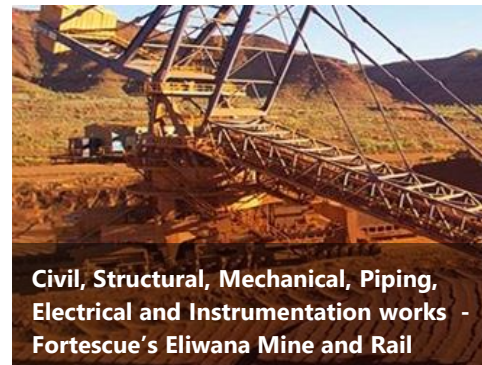
Design

Construct

Mining & Minerals

Infrastructure

Structural – Instrumentation – Mechanical – Piping - Electrical - Civil



ALLTYPE: A TRANSFORMATIONAL ACQUISITION

Alltype provides workshop fabrication, site installation, construction and maintenance services to the Oil & Gas, Water, Power Generation, Infrastructure, Mining, Resources, Utility, Petrochemical and Defence industries, in both the private and public sectors:

- ✓ **Track record of results:** Alltype is an established operator with 35 years of history which provides a robust and diverse stream of potential opportunities
- ✓ **Management strength:** the Alltype directors and management team will bring significant industry experience and customer relationships to WestStar
- ✓ **Maintenance and Shutdowns:** Alltype's additional capabilities diversify WestStar's portfolio with little to no overlap
- ✓ **Vertical and horizontal integration:** Acquisition provides opportunities for vertical integration and cross selling across a widened customer base
- ✓ **Synergies:** shared resources and significant cost savings to be achieved in the combined group
- ✓ **Diversification:** Alltype provides an expanded national customer base, as well as access to the important oil & gas, water and power generation sectors
- ✓ **Opportunity:** to leverage existing services into new markets and facilitate geographical expansion



ALLTYPE ENGINEERING: A WESTERN AUSTRALIAN SUCCESS STORY

- **Since 1985**, Alltype has provided workshop fabrication, site installation, construction and maintenance services across almost every industry in Australia. Alltype has a current workforce of around **120 personnel**
- **Significant steel fabrication capability:** process pipework fabrication, mild steel cement lined piping and fittings, structural steel fabrication, tank, vessel and hopper fabrication and integrated fabricated products such as skids, modules and multi discipline fabricated products
- Alltype leverages its fabrication capability to provide industrial maintenance services, including shutdowns, turnarounds and mechanical upgrades, as well as complete project solutions including SMP and E&I site installation and construction services, **across almost every industry in Australia**
- A national delivery capability, servicing the **Oil & Gas, Water, Power Generation, Infrastructure, Mining, Resources, Utility, Petrochemical and Defence industries**, in private and public sectors
- Products and services delivered and **installed nationally and internationally** through its workshops and on site can be found on land, offshore on islands, FPSO's and platforms, below ground and subsea



ALLTYPE MANUFACTURING FACILITIES

Alltype's head office and state-of-the-art manufacturing facilities are located in Naval Base, Western Australia, providing excellent proximity to rail, road and port transport infrastructure and ready access to supply chain support and services.

- 23,300m² site includes 750m² office facility
- 7,000m² undercover workshop area with 12,000m² lay-down and hardstand area
- 4 workshop bays, with capacity to handle 5,000 tonnes of structural material, 4,000 tonnes of piping material and 3,000 tonnes of plate per annum
- 2,000m² assembly area for the erection of structural components



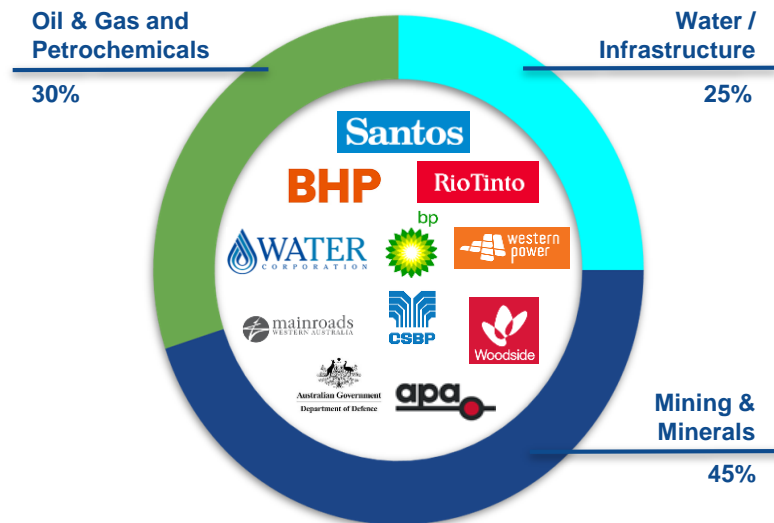
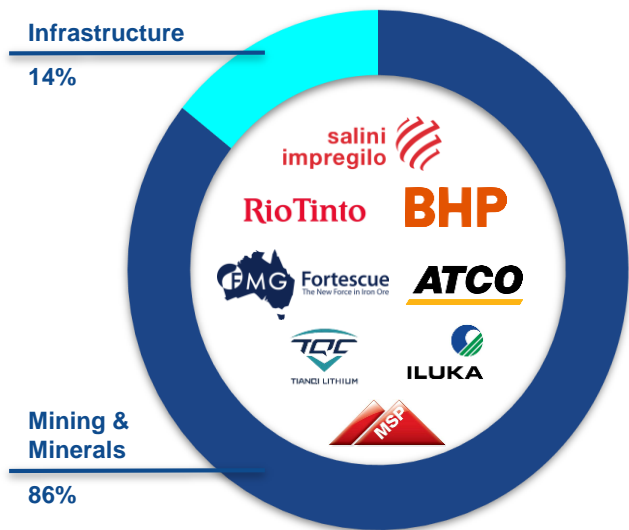
ALLTYPE BRINGS DIVERSIFIED CLIENT AND NEW MARKET SECTORS

FY19 REVENUE (%)

WS WESTSTAR INDUSTRIAL

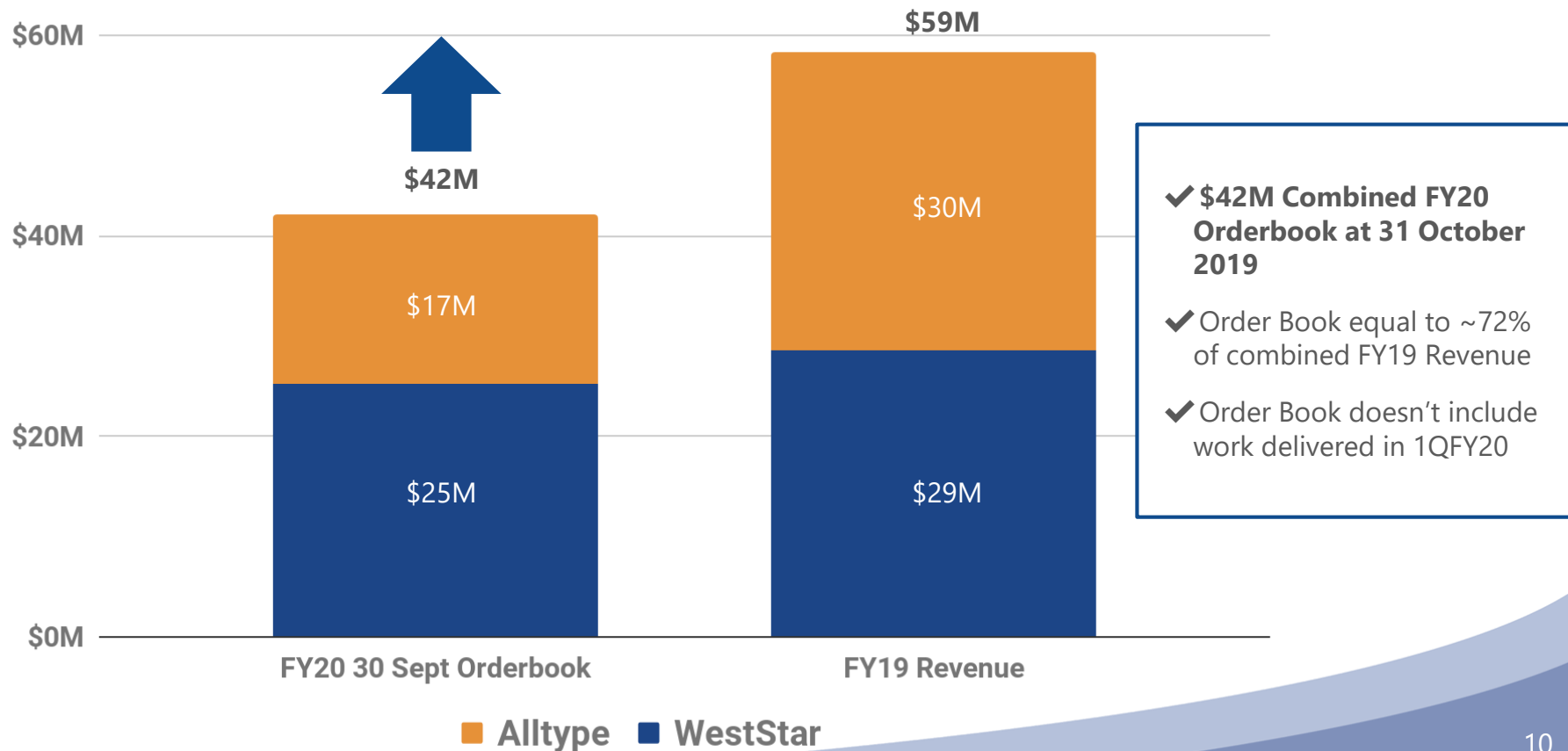
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ALLTYPE ENGINEERING



The Alltype acquisition diversifies WSI's Revenues & Earnings, Expanding its Client Base and Market Segments

COMBINED GROUP FY20 CURRENT ORDER BOOK SNAPSHOT



COMPLEMENTARY STRENGTHS

"The combination of WestStar and Alltype provides for greater diversity in varying disciplines and proven client relationships" - WestStar CEO Robert Spadanuda



OPERATIONAL EXCELLENCE

Track-record of delivering across a multitude of projects on time and on budget.

STRATEGIC OUTCOMES

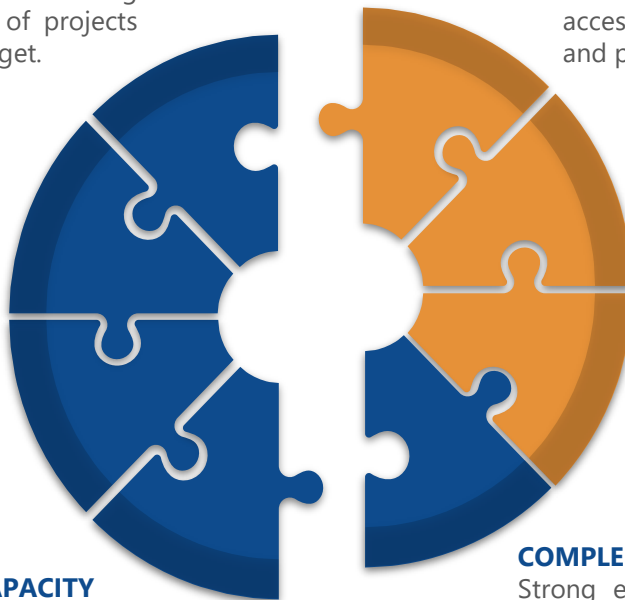
Board & Management continue to deliver sustainable and predictable outcomes as a focus.

M&A TRACK-RECORD

Proven track record of assimilating growing business outcomes.

FINANCIAL CAPACITY

Increased financial capacity to fund large scale contracts delivering greater contract revenue.



DIVERSIFICATION

National customer base and access to the oil & gas, water and power generation sectors.

FABRICATION FACILITIES

Large capacity fabricator providing complete project solutions across almost every industry "Australia wide".

CONSISTENT TRACK-RECORD

Established operator with 35 years of history providing a robust and diverse stream of potential opportunities.

COMPLEMENTARY STRENGTHS

Strong executive and cultural fit across the two companies, looking to harness capabilities of both groups.



COMBINED GROUP CAPABILITIES



NEW MARKETS FOR WESTSTAR

Oil & Gas
Water Infrastructure
Mining and Minerals
Industrial
Petrochemicals
Transport and Infrastructure
Defence and Government
Power Generation and Utilities



NEW CAPABILITIES FOR WESTSTAR

Processing - Pipe, Plate & Structural Steel
Fabrication - Carbon and Stainless Steel
Industrial Maintenance Services, Shutdowns and Turnarounds
Multi-discipline Turn-Key Projects

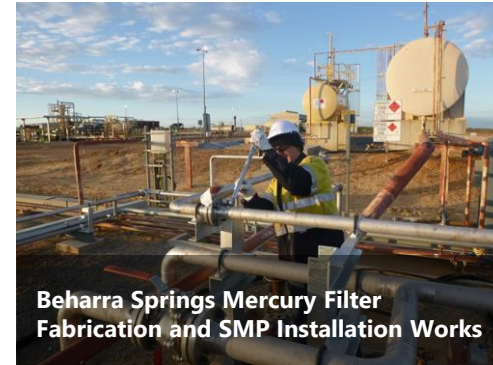


TURNKEY PROJECT CAPABILITIES

Gas Compressor Stations
Pipeline Offtake Facilities
Main Valve Stations
Gas Processing Packages
Liquid and Gas Fuel Stations
Metering Stations
Pump Stations



ALLTYPE EXPERIENCE: OIL & GAS



ALLTYPE EXPERIENCE: PETROCHEMICALS, MINING, WATER, TRANSPORT



Stage 2 Tianqi Lithium Hydroxide
Processing Plant Tankwork Package



Newmont Tanami Expansion Project
Tankwork Package



Desalination Plant - Reverse Osmosis
Racks



Nowergup Maintenance Facility –
Walkway Supply and Install



Northlink WA stage 2 Perth Darwin
national highway project



Woodman Point Wastewater
Treatment Plant

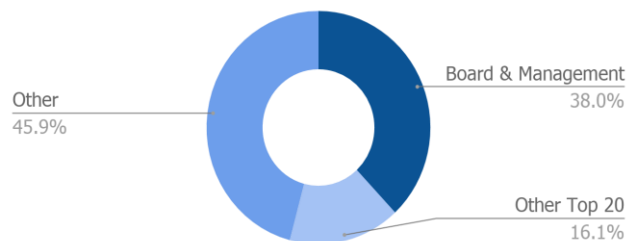
ALLTYPE: TRANSACTION SUMMARY

Overview:	<ul style="list-style-type: none">• Alltype Engineering is a leading Western Australian provider of workshop fabrication, site installation, construction and maintenance services.• Privately owned and founded in Western Australia in 1985.
Transaction Summary:	<ul style="list-style-type: none">• WestStar to acquire 100% of the issued capital in Alltype.• Consideration comprises <u>only</u> fully paid ordinary shares in WestStar.• All-scrip up-front consideration of \$5.9M based on the 7-day VWAP prior to Settlement Date.• All-scrip deferred consideration of up to \$4.4M if Alltype achieves FY20 EBITDA of \$2.5M, based on the 7-day VWAP prior to the issue of the deferred consideration shares (min 1.8¢ per share). Deferred consideration becomes payable <u>only</u> if Alltype achieves FY20 EBITDA of at least 70% of FY19 EBITDA.• Plant & Equipment asset backing of ~\$4M.
Pro-Forma FY19 Metrics:	<p>Following the transaction, the combined group will have:</p> <ul style="list-style-type: none">• Pro-Forma FY19 revenue of ~\$59M and EBITDA of ~\$3.3M.• Pro-Forma Market Capitalisation of \$20.7M at \$0.024 per share (22 November 2019).• Combined FY20 Order Book of \$42M at 31 October 2019, in addition to work delivered in the September 2019 quarter.
Management Team:	<p>All key Alltype management team and vendors to join WestStar:</p> <ul style="list-style-type: none">• Kelvin Andrijich - Managing Director Alltype• Colin Heitman - General Manager Alltype• Kathryn Kronberger - Chief Financial Officer Alltype
Alltype Shareholding & Escrow:	<ul style="list-style-type: none">• Alltype vendors will own circa 28.6% of WestStar upon issue of Initial Consideration (based on a 2.4¢ share issue price).• Alltype vendors subject to escrow of 12 months.
Conditions Precedent:	<ul style="list-style-type: none">• WestStar shareholder approval• Government, regulatory, ASX and ASIC approvals• Mr Colin Heitman entering into an employment agreement as General Manager with WestStar.• The Alltype vendors entering into escrow agreements for a minimum period of 12 months.• The Alltype vendors providing guarantees to the total value of Alltype's Bank Guarantees and Bonds as at 30 June 2019.

PRO-FORMA CAPITAL STRUCTURE

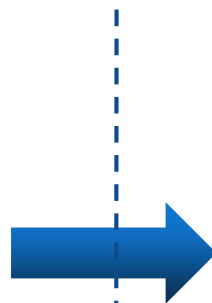
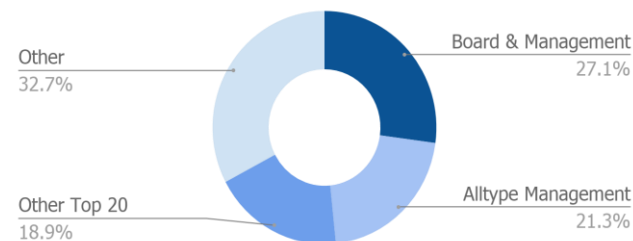
Current Capital Structure

Share Price¹:	\$0.024
Shares on Issue:	615.8M
Market Capitalisation:	\$14.8M
FY19 EBITDA:	\$1.4M
Cash²:	\$8.9M
Debt³:	\$0.9M
Enterprise Value:	\$6.8M



Post-Acquisition Capital Structure

Share Price¹:	\$0.024
Shares on Issue⁴:	862.7M
Market Capitalisation:	\$20.7M
FY19 EBITDA:	\$3.3M
Cash²:	\$9.9M
Debt³:	\$1.9M
Enterprise Value:	\$12.7M



¹ Share Price at 25 November 2019.

² Cash balance as at 30 September 2019.

³ Debt balance as at 30 June 2019. Alltype's \$1M debt is an unsecured working capital facility provided by Alltype's vendors.

⁴ Excludes any Deferred Consideration.

STRENGTHENED BOARD & MANAGEMENT TEAM



Philip Re
Non Executive Chairman,
WSI

Director of diverse publicly listed and unlisted companies, across multiple industry.



Bert Mondello
Non Executive Director,
WSI

Over 20 years experience across the private and public sectors and equity capital markets.



LayAnn Ong
Non Executive Director,
WSI

Experienced entrepreneur & executive across public and private companies over the last 18 years.



Robert Spadanuda
Chief Executive Officer,
WSI

Experienced senior executive with 25 years experience in the engineering, construction and civil industry.



Mark Dimasi
Managing Director, Simpec

Significant experience in major mining, oil & gas projects throughout Australia.



David Dimasi
E&I Director, Simpec

Experienced director across SMP and E&I works as well as stand-alone specialised installations across industries.



Kelvin Andrisich
Managing Director, Alltype

25 years of experience in strategy, leadership and management across multiple industries.



Colin Heitman
General Manager, Alltype

Formerly MD of Alltype, Colin is today responsible for project delivery and operations.

TRANSACTION INDICATIVE TIMETABLE

Event	Date
ASX announcement of Acquisition	13 November 2019
Despatch of Notice of Meeting for approval of issue of Shares as consideration for the Acquisition	22 November 2019
Meeting of WestStar shareholders to approve the Acquisition	24 December 2019
Satisfaction (or waiver) of the Conditions Precedent	8 January 2020
Completion of Acquisition at Settlement Date	17 January 2020



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