



2019 ANNUAL GENERAL MEETING

**26 November 2019
David MacGeorge, Managing Director**



SRG GLOBAL MODEL

WHO WE ARE

We're an **engineering-led** specialist construction, maintenance and mining services group



OUR OPERATING MODEL

End-to-end solutions across the entire asset lifecycle

- Engineer
- Construct
- Sustain

OUR VISION

The **most sought-after** specialist construction, maintenance and mining services business

**MAKING THE
COMPLEX**

SIMPLE

OPERATING SEGMENTS



CONSTRUCTION

Constructing complex infrastructure

Targeted Revenue

CIVIL

Specialist engineering and construction services for complex structures in key markets of dams, bridges, windfarms and tanks

BUILDING

Fully integrated structural, post-tensioning and facade construction and remediation with repeat, tier one clients



ASSET SERVICES

Sustaining complex infrastructure

Recurring Revenue

SPECIALIST MAINTENANCE

Highly skilled specialist maintenance services focusing on refractory, oil and gas, industrial assets and transport and marine infrastructure

ACCESS SOLUTIONS

Comprehensive structural and technical access solutions targeting the mining and resources, oil and gas, offshore marine and industrial locations



MINING SERVICES

Comprehensive ground solutions

Recurring Revenue

PRODUCTION DRILL & BLAST

Integrated range of complementary production drill & blast services working across multiple commodities including gold, precious metals, coal and iron ore

SPECIALIST GEOTECH

Highly technical specialist ground and slope stabilisation services for all mining services and civil applications

SUMMARY

Shares on Issue	445.8m
Share Price ⁽¹⁾	\$0.36
Market Capitalisation ⁽¹⁾	\$165m

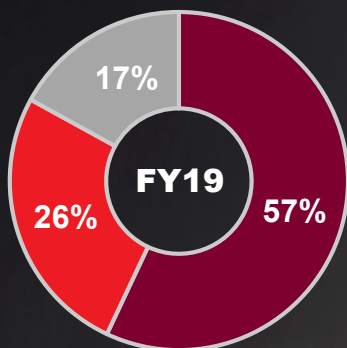
Note: (1) Share price and market capitalisation as at 25 November 2019

SUBSTANTIAL HOLDERS

Perennial Value Investment	14.4%
Mitsubishi UFG Financial Group, Inc	8.7%
Board and Management	15.0%

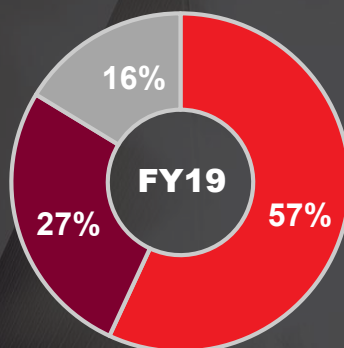
Source: Latest ASX announcements & Company share registry

REVENUE BY GEOGRAPHY



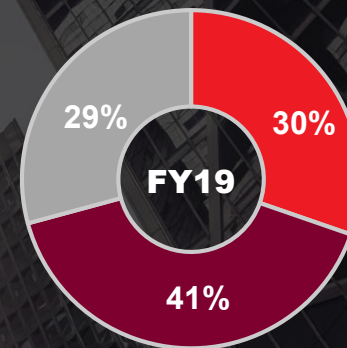
- Australia - East
- Australia - West
- International

REVENUE BY SEGMENT



- Construction
- Asset Services
- Mining Services

EARNINGS BY SEGMENT



- Construction
- Asset Services
- Mining Services



FY19 IN REVIEW

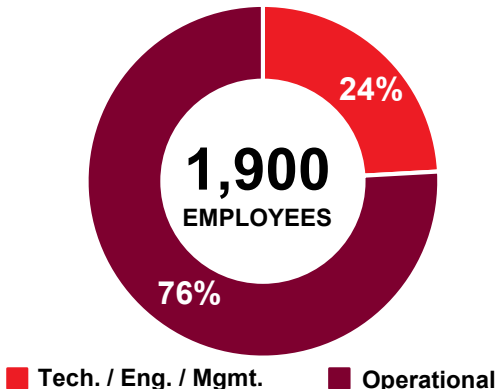


- **Revenue** in FY19 of \$506.4m
- **Adjusted EBITDA** of \$32.0m and **adjusted EBIT** of \$22.5m
- Financial result **impacted** by:
 - challenging market conditions
 - delayed awards of targeted large-scale construction projects
 - carrying costs to maintain engineering and delivery capability due to delayed awards
- **Strong balance sheet** with cash in hand of \$58.3m and **net cash** of \$12.2m
- **Final, fully franked div** of 0.5 cps (total FY19 div of 1.5 cps) balanced with **growth investment**
- **Record work in hand (WIH)** of \$708.0m, up 36% since Dec 18
- **Recurring revenue** now represents circa 70% of work in hand revenue mix
- **Opportunity pipeline** of \$5.2b across positive growth sectors
- **Well positioned** for sustainable growth in FY20 and beyond

GLOBAL WORKFORCE



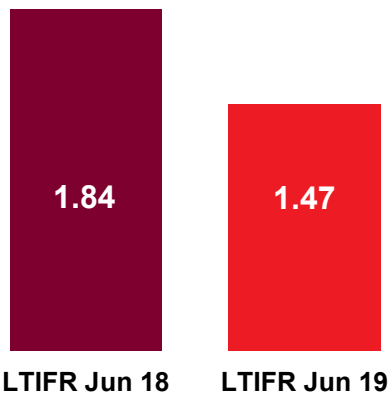
HIGHLY SKILLED WORKFORCE



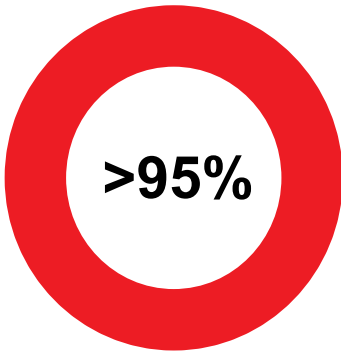
ZERO HARM LEADERSHIP



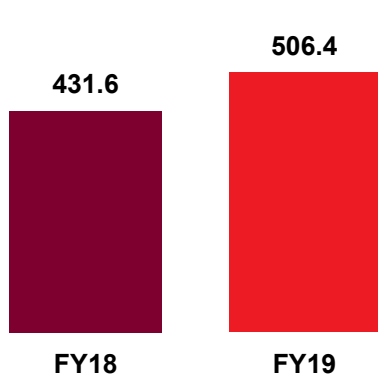
ZERO HARM IMPROVEMENT



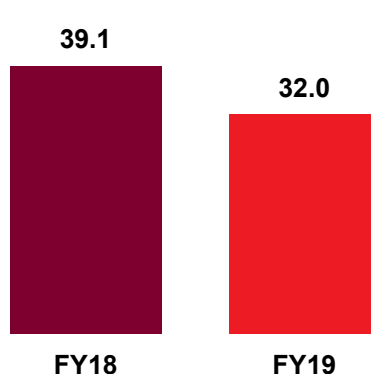
RETAINED KEY PEOPLE



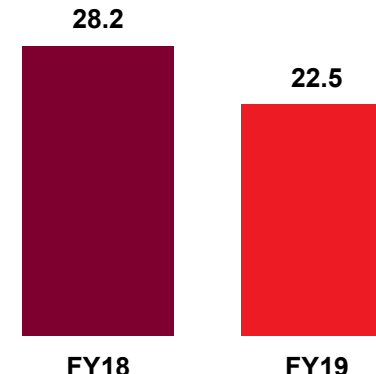
ADJUSTED REVENUE (\$M)



ADJUSTED EBITDA (\$M)



ADJUSTED EBIT (\$M)



- Revenue increase driven through:
 - TBS acquisition in New Zealand in March 2018, and
 - Acquisition of remaining 49% of Gallery Facades in June 2018
- EBITDA and EBIT margins impacted by:
 - Challenging market conditions
 - Timing of award of targeted, large-scale construction projects
 - Carrying costs of maintaining capability given delays mentioned above

Comparative and current year financial information set out above reflects an adjusted 'like-for-like' basis so that each financial year reflects a 12 month contribution from SRG and a 10 month contribution from GCS.

FINANCIAL STRENGTH AS AT 30 JUNE 2019

CASH IN HAND



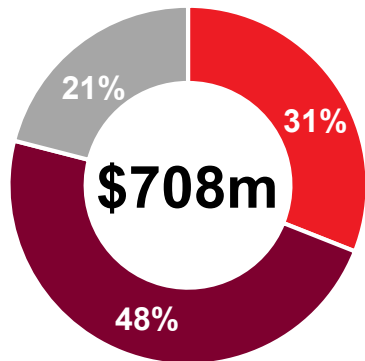
NET CASH



NET ASSETS

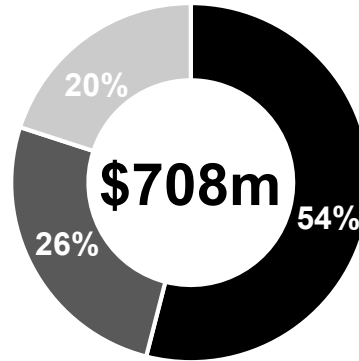


WORK IN HAND



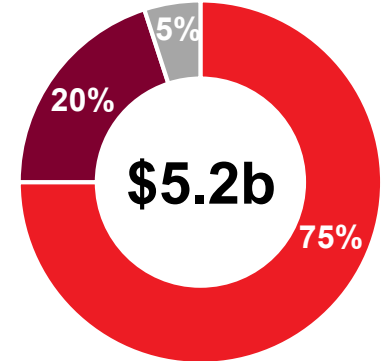
■ Construction ■ Asset Services ■ Mining Services

WORK IN HAND BY YEAR



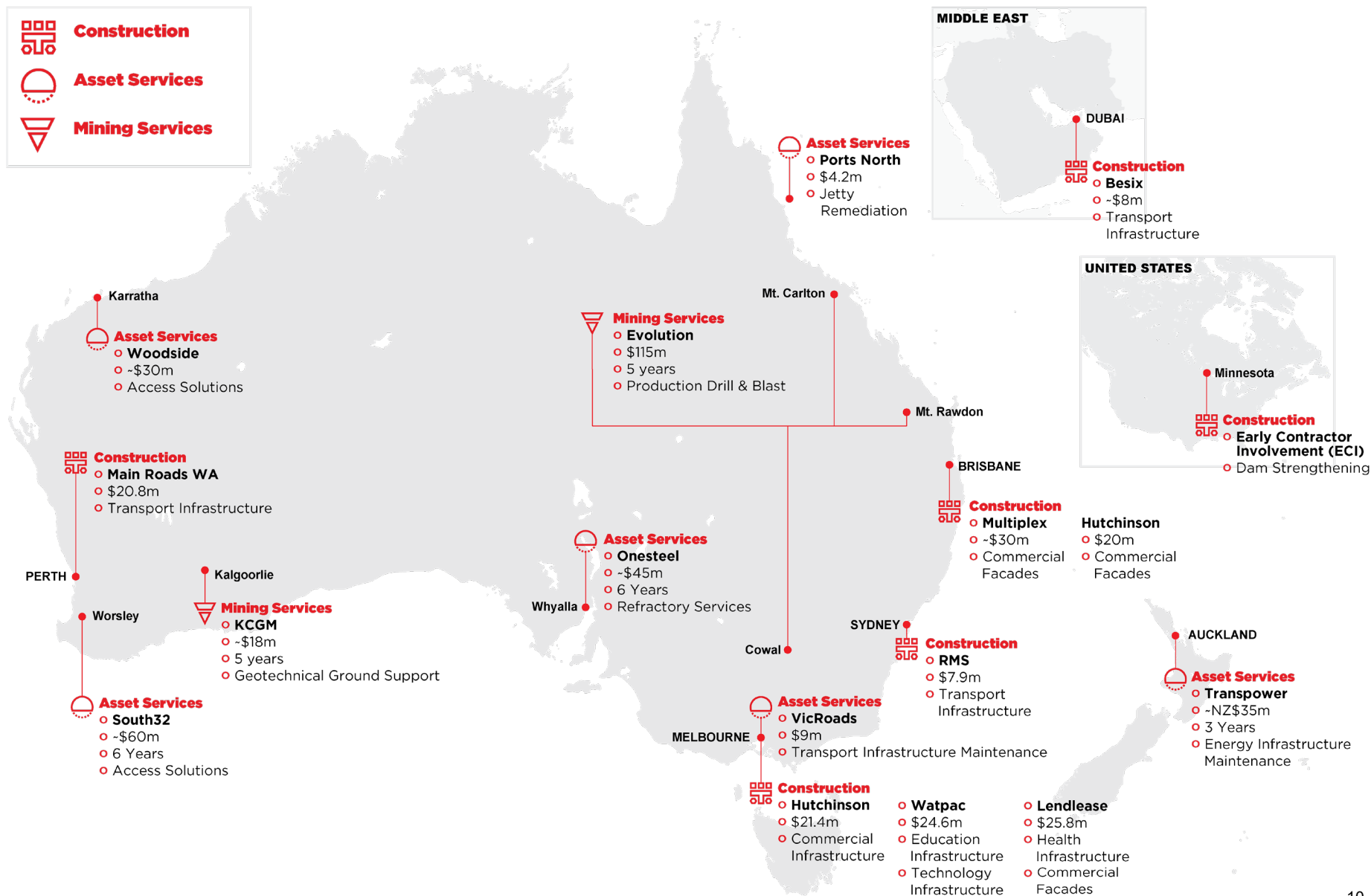
■ FY20 ■ FY21 ■ FY22+

OPPORTUNITY PIPELINE

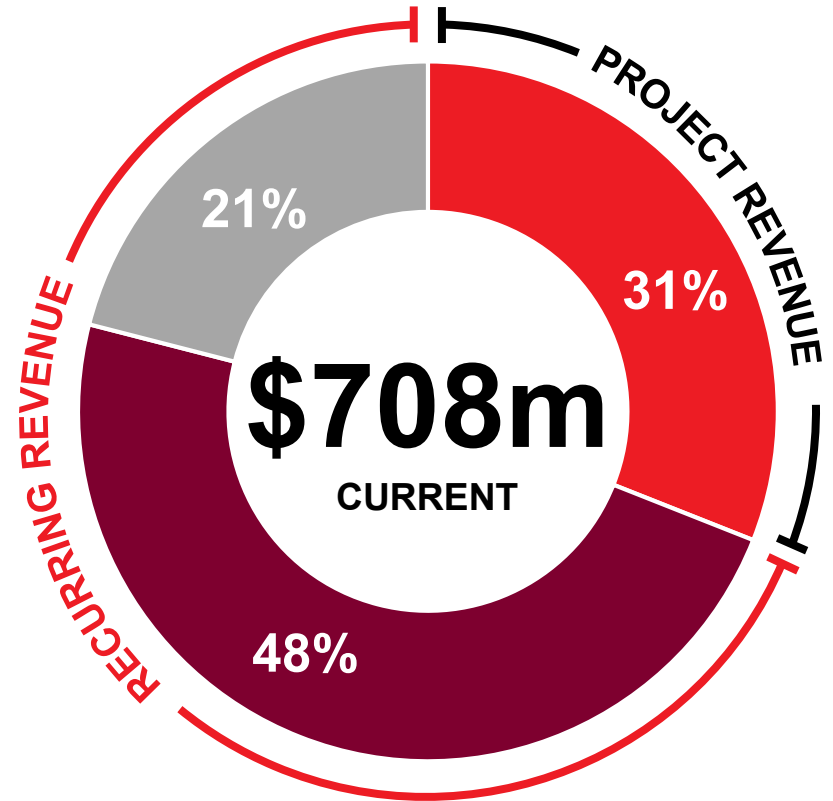
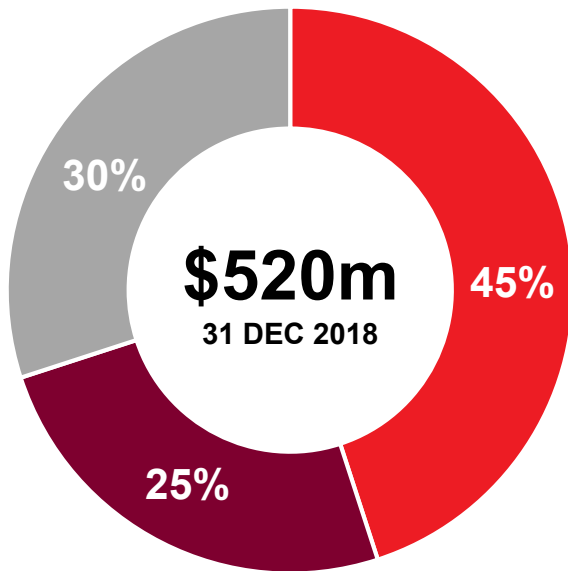


■ Construction ■ Asset Services ■ Mining Services

RECENT MAJOR CONTRACT AWARDS



RECORD WORK IN HAND... BUILDING MOMENTUM



■ Construction

■ Asset Services

■ Mining Services



OPERATING SEGMENT UPDATE





CIVIL / BUILDING

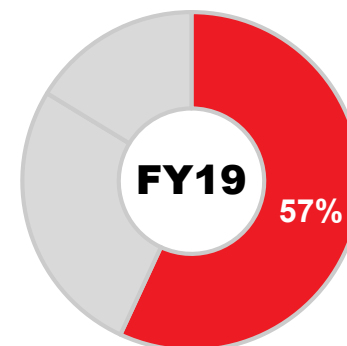
Key Focus

- Global focus on specialist markets of dams, bridges, tanks and windfarms
- Secure vertically integrated scale projects with repeat Tier 1 Building clients

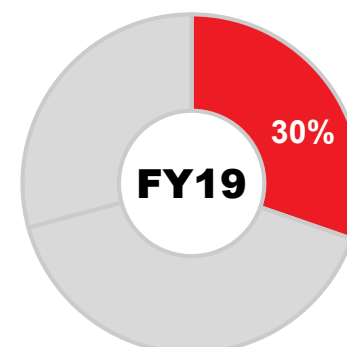
Overview

- Challenging markets conditions in FY19 (carrying costs vs timing / commencement of projects)
- Transport infrastructure wins for bridges
- Early Contractor Involvement (ECI) for first dam in the US
- Anchoring technology applied to windfarm sector
- Multiple integrated offerings secured in Building in the health, education, commercial and hospitality sectors
- Winning major facades contracts with key clients
- Business unit established to target flammable cladding

REVENUE CONTRIBUTION



EBITDA CONTRIBUTION



PIMLICO TO TEVAN, STAGE 3



Specialist Bridge Construction

The project is part of the \$4.3 billion Woolgoolga to Ballina Pacific Highway upgrade between Pimlico and Tevan. It involves construction of the final southbound carriageway, demolition and reconstruction of two decommissioned bridges over Emigrant and Duck creeks, earthwork and realignment of a new permanent junction with Pacific Highway just south of Ballina. Bridge construction methods involved insitu balance cantilever constructed with form traveler and precast girder construction.

AL ZOUR LNG TANKS, KUWAIT



Specialist LNG Tank Construction

The Al-Zour Import Terminal project for Hyundai Engineering and Construction Co., Ltd is now well underway and includes the construction of a large scale liquefied natural gas plant, including eight LNG storage tanks, located 90 kilometers south of Kuwait City

SRG Global is responsible for post-tensioning the eight LNG storage tanks which are a core part of the project.

KEEPIT DAM



Dam Anchoring / Strengthening

SRG Global are undertaking strengthening works for WaterNSW on the Keepit Dam in New South Wales.

Works include installation of 67 permanent ground anchors in the concrete section of the existing dam, as well as significant civil works associated with the project.

Each anchor is made up of 15.7mm strand cables of varying lengths, the largest anchors will have 91 strands and be approximately 88m in length.

STOCKYARD HILL WIND FARM



Specialist Wind Farm Anchoring

SRG Global's scope on this project includes the installation of 576 ground anchors to 48 of the 149 footings. The works form a critical part of the concrete foundations, ultimately securing the wind turbines to the ground.

SRG Global were successful in securing this complex wind farm project with WBHO / SNC-Lavalin JV through the alternative anchored construction method proposed, which was considered both economical and practical.

GOULBURN VALLEY HEALTH



Integrated Building Structures

SRG Global secured an integrated building structure contract with Lendlease for the Goulburn Valley Health redevelopment in Shepparton, Victoria.

SRG Global are undertaking the complete concrete structure works including installation of precast panels, post-tensioning, reinforcement and all other related concrete structure installations.

300 GEORGE STREET



Specialist Facade Construction

The 300 George Street project is a mixed-use development being constructed by Multiplex. Project consists of a residential tower, commercial use tower and a hotel tower. The residential tower will be the equal tallest building in the Brisbane CBD.

SRG Global are undertaking the design, fabrication and construction of the curtain wall facade over an approximate two year period.



SPECIALIST MAINTENANCE / ACCESS SOLUTIONS

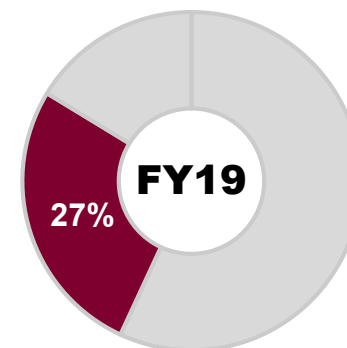
Key Focus

- Sustaining key infrastructure assets across a broad range of industries
- Step change growth in Recurring / Term Specialist Asset Maintenance Services
- Leverage site presence for “One Stop Shop” model

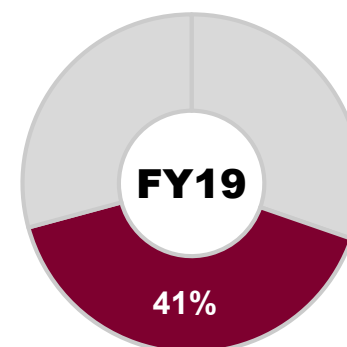
Overview

- First term contract secured in refractory services in Australia (\$45m over 6 years) with Onesteel
- Woodside access contract extended further 4 years (circa \$30m)
- South32 contract secured (\$60m over 6 years) for access solutions
- Transpower NZ contract extended 3 years (circa \$35m)
- Continuing to leverage market leadership in bridge strengthening

REVENUE CONTRIBUTION



EBITDA CONTRIBUTION



SOUTH32 WORSLEY



Specialist Access Solutions

SRG Global secured a long-term access solutions contract with South32 Worsley Alumina.

SRG Global are providing a complete suite of engineered access solutions for the Worsley Alumina operation in Western Australia including scaffold services and highly skilled rope access technicians.

ONESTEEL WHYALLA



Specialist Refractory Services

SRG Global secured a long-term refractory services contract with Onesteel in Whyalla.

SRG Global are undertaking refractory services throughout the Whyalla Steelworks site. This is the first project of its kind awarded to SRG Global in Australia and the first major step in taking our refractory capabilities from New Zealand across to Australia.

TRANSPOWER NZ



Specialist Infrastructure Maintenance

SRG Global are providing specialist industrial services including removal of existing coatings through specialist blasting, application of industrial protective coatings and minor steel replacement.

SRG Global has a long history working with Transpower, providing Asset Services to its National Grid for more than 20 years.

GREAT BARRIER REEF



Specialist Marine Infrastructure Maintenance

SRG Global are undertaking extensive remediation works to the Green Island Jetty off the coast of Cairns in Queensland for Ports North, continuing on from recent marine structure works on Thursday Island in Far North Queensland.

Works will include repair / replacement of sections of concrete deck and piles, treatment / replacement of corroded reinforcement bars and repairs to abutment.



PRODUCTION DRILL & BLAST / SPECIALIST GEOTECH

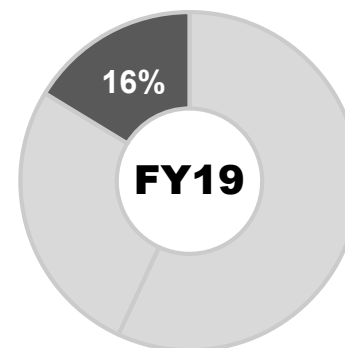
Key Focus

- Selective growth with targeted clients / commodities
- Drive operational efficiency and high asset utilisation
- Leverage site presence for other SRG Global offerings

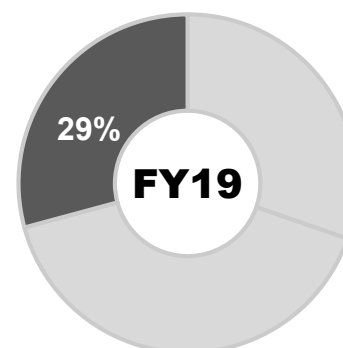
Overview

- Strong asset utilisation across the fleet >95%
- Key commodity exposure in gold and iron ore
- Secured extended 5 year contract with Evolution Gold across multiple sites (\$115m)
- Secured extended 5 year contract with KCGM for specialist Geotech work (\$18m)
- Commenced remote control drilling on select sites as part of SRG Global Innovation initiatives

REVENUE CONTRIBUTION



EBITDA CONTRIBUTION



EVOLUTION MINING



Production Drill and Blast

SRG Global secured a \$115m Umbrella Agreement with Evolution Mining to extend the terms of its drill and blast operations at the Cowal, Mt Rawdon and Mt Carlton mine sites.

SRG Global will continue to provide drill and blast services at Mt Rawdon and Mt Carlton mines in Queensland and Cowal mine in New South Wales.

KALGOORLIE SUPERPIT



Specialist Geotech

SRG Global secured a new ground support terms contract with Kalgoorlie Consolidated Gold Mines (KCGM) at the Super Pit in Kalgoorlie.

Over the 22 years working at the mine, SRG Global has developed specialised plant to meet the demands of the unique Super Pit environment. Ground support works under the contract include both in-phase ground support, rock fall mitigation and rock face remediation.



OUTLOOK



Building the **most sought-after** specialist construction, maintenance and mining services business

OPTIMISATION

One Business One Team culture	✓
Optimise fixed cost base / footprint	✓
Maximise cross-selling opportunities	✓
Asset utilisation / capital efficiency	✓
Integration	✓

GROWTH

Vertically integrated solutions in Building Construction
Targeted growth globally in specialist Civil Infrastructure Construction
Step change growth in recurring Asset Maintenance Services
Optimisation and cross selling in Mining Services
Selective acquisitions to complement capability / footprint

LEADERSHIP

Zero Harm industry leader
Recognised employer of choice
Key partner of choice in our specialised fields
\$1bn+ Annual Revenues (50% recurring and 50% project based)
Consistent, above market shareholder returns (EPS and TSR)

- **Record** Work in Hand of \$708m with 70% recurring revenue mix
- **Strong pipeline** of \$5.2B in positive growth sectors
- Maintain conservative **net cash** balance sheet
- Leverage **site presence** to deliver **expanded offering** to client base
- Maintain **disciplined** and **targeted** approach to project selection
- Well positioned for **sustainable growth** in FY20 and beyond under-pinned by record work in hand and a significant and growing **recurring revenue** base

Attractive Investment Proposition

Complete
business model
(end-to-end)

Diverse
market sector
exposure

Specialist
global
footprint

Recurring /
repeat
revenues

Robust
balance
sheet

Growth /
dividend
stock

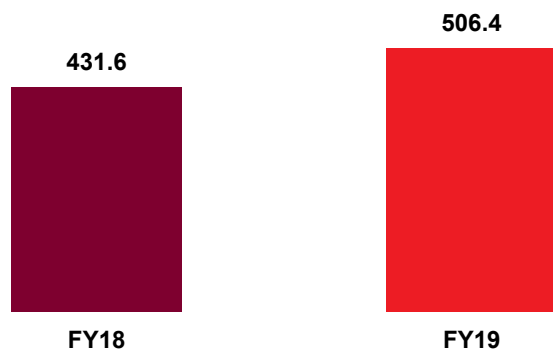


APPENDIX

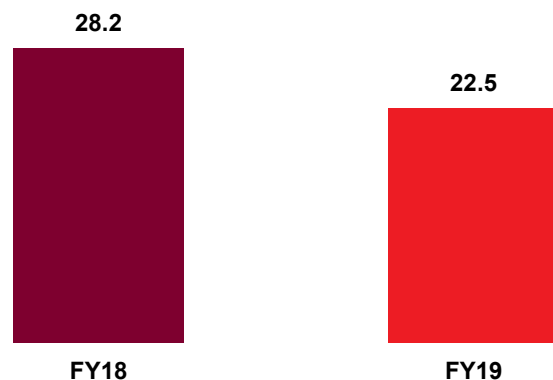


RECONCILIATION OF FINANCIAL INFORMATION

ADJUSTED REVENUE (\$m)



ADJUSTED EBIT (\$m)



REVENUE ADJUSTMENTS (\$m)

	FY18	FY19
Reported Revenue	486.7	486.4
ADD ADJUSTMENT ITEMS		
49% of Gallery Facades not owned & GCS July - Aug 17 contribution	(75.1)	-
50% of JV revenue	20.0	20.0
Total Adjustment Items	(55.1)	20.0
Adjusted Revenue	431.6	506.4

EBIT AND EBITDA ADJUSTMENTS (\$m)

	FY18	FY19
Reported EBIT	28.8	8.1
ADD ADJUSTMENT ITEMS		
49% of Gallery Facades not owned & GCS July - Aug 17 contribution	(5.0)	-
Transaction and restructuring costs	4.3	7.8
Amortisation of customer related intangibles	-	6.6
Total Adjustment Items	(0.7)	14.4
Adjusted EBIT	28.2	22.5
Add Depreciation	10.9	9.5
Adjusted EBITDA	39.1	32.0

Note: FY18 is based the addition of the financial information contained in the Appendix 4E's released to ASX by SRG Limited and Global Construction Services Limited on 14 August 2018

Solving challenges wherever they are

srgglobal.com.au

○ Engineer ○ Construct ○ Sustain

**MAKING
THE
COMPLEX**

SIMPLE