VALMEC

FY20 RESULTS PRESENTATION

AUGUST **2020**

20

20

Company Highlights

FY20 HIGHLIGHTS

- Record sales revenue and earnings for H1FY20.
- Completion of the Atlas Gas Pipeline Project in SW Queensland for Jemena (Senex Limited) ($28M).
- Secured over $30M of early work packages with Newmont Goldcorp on the TE2 Project in Northern Territory.
- Delivery of Australia’s first hydrogen production facility and largest renewable gas project for Australian Gas Infrastructure Group (AGIG).
- Appointment as Platinum Tier Gas Compression provider for INNO Waukesha, a key compression equipment supplier to the Australian Gas industry.

SHAREHOLDER SNAPSHOT (AS AT 30 JUNE 2020)

17.5 cents	125.7M	~$20M	~$26.2M
Share Price	Shares on Issue	Market Capitalisation	Enterprise Value

FY20 Performance Highlights

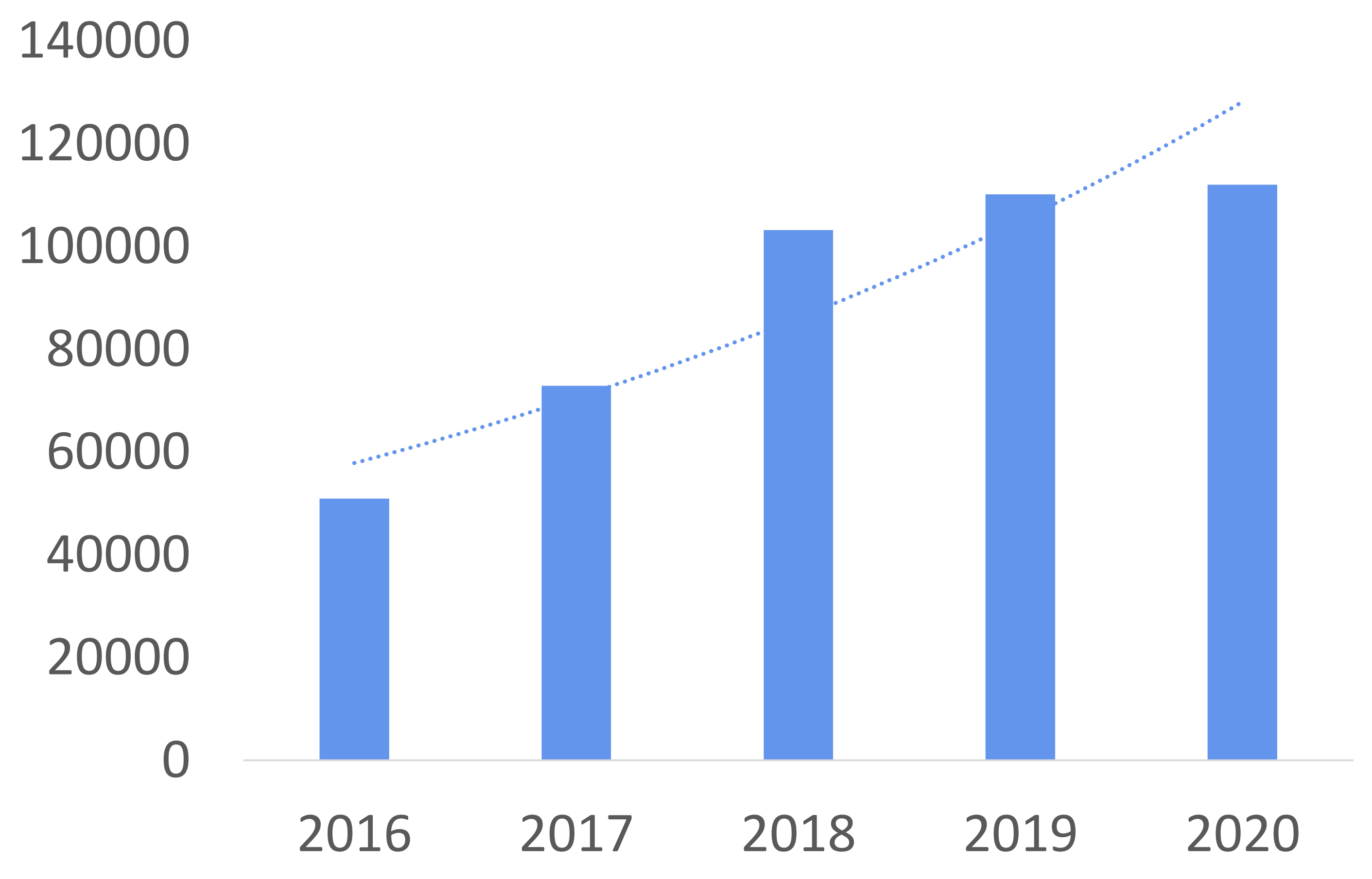
FY20 REVENUES
$112
MILLION

UNDERLYING EBITDA
$5.8
MILLION

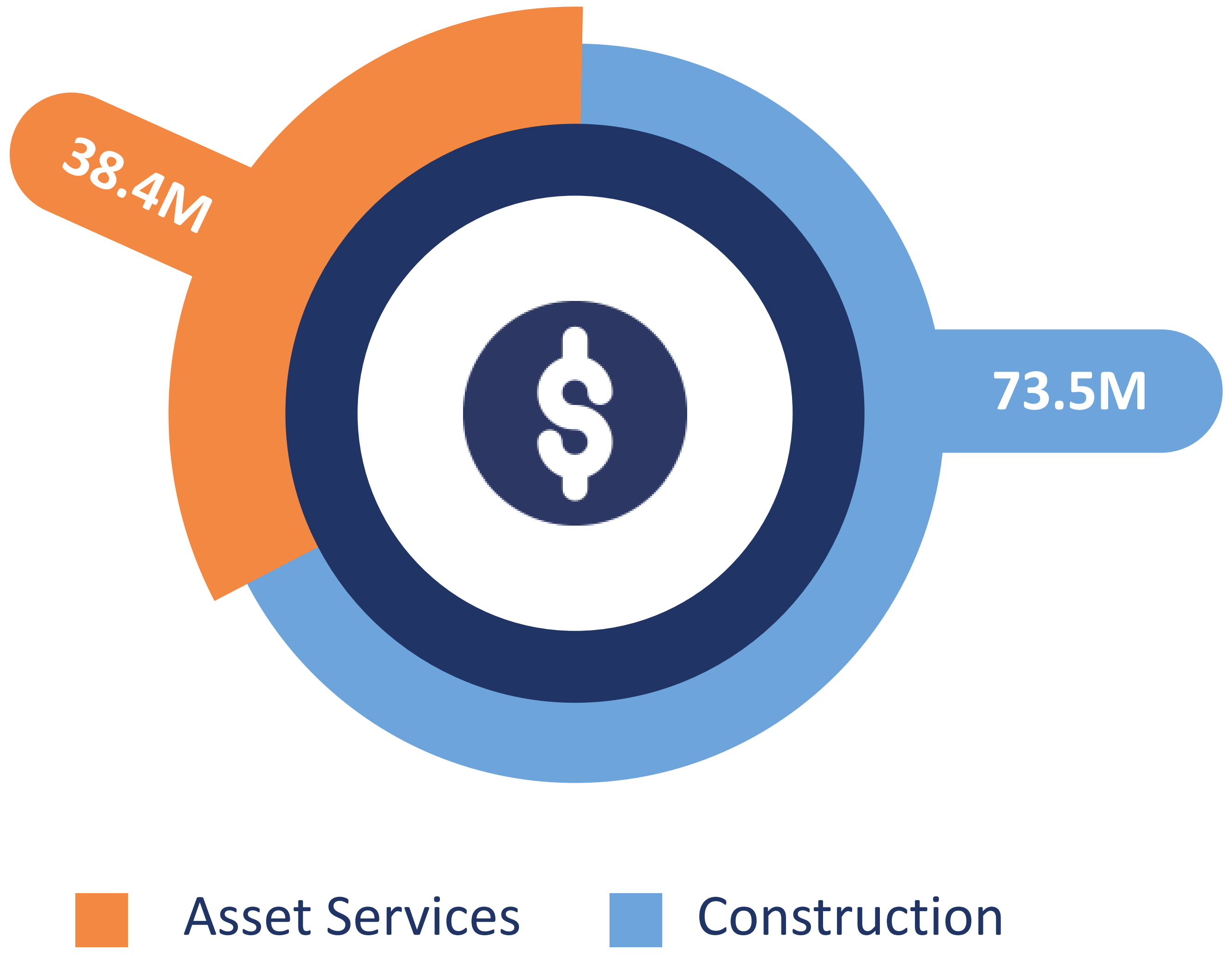
ORDERBOOK
$74.2
MILLION

CASH & AVAILABLE FACILITIES
$24.2
MILLION

REVENUE 5 YEAR TREND



REVENUE BY BUSINESS SEGMENT



- Continued revenue growth over the past 5 years.
- Strong first half performance of $70M revenue and $5.4M EBITDA. Second half impacted by COVID-19.
- Strong pipeline of identified works with repeat clients of over $600M moving into FY21.
- Significant growth within infrastructure and upstream energy services expected in next twelve months.

Revenue Pipeline & Facilities

$74.2 M
ORDERBOOK

$600 M
PIPELINE

FY21
REVENUE

FACILITIES AS AT 30TH JUNE 2020	$'000
Working Capital	$28,860
Bank Guarantee/Bonding	$15,435
Asset Finance/Other	$2,800
TOTAL FACILITIES	**$47,095**
Less: Working Capital Utilised	($15,638)
Less: Bank Guarantee/Bonding Utilised	($9,772)
Less: Asset Finance/Other Utilised	($845)
Plus: Cash	$3,425
AVAILABLE FACILITIES	**$24,265**

COVID-19 Impacts & Response

IMPACTS

- Client supply chain issues resulting in delays on various projects;
- Project productivity issues due to travel restrictions and increased COVID-19 compliance requirements;
- Prolonged early contractor involvement activities due to client delays in contract awards; and
- Temporary deferrals to planned service activities as clients delayed discretionary maintenance and shutdown programmes until FY21.

RESPONSE

- Proactive measures implemented to ensure business sustainability and safety of employees;
- 20% Salary reduction for Board and Management Team;
- Health & Safety protocols implemented across all sites;
- Working with clients to adjust workforce requirements to continue operations where possible – mobilisation of teams to customer sites for extended periods.

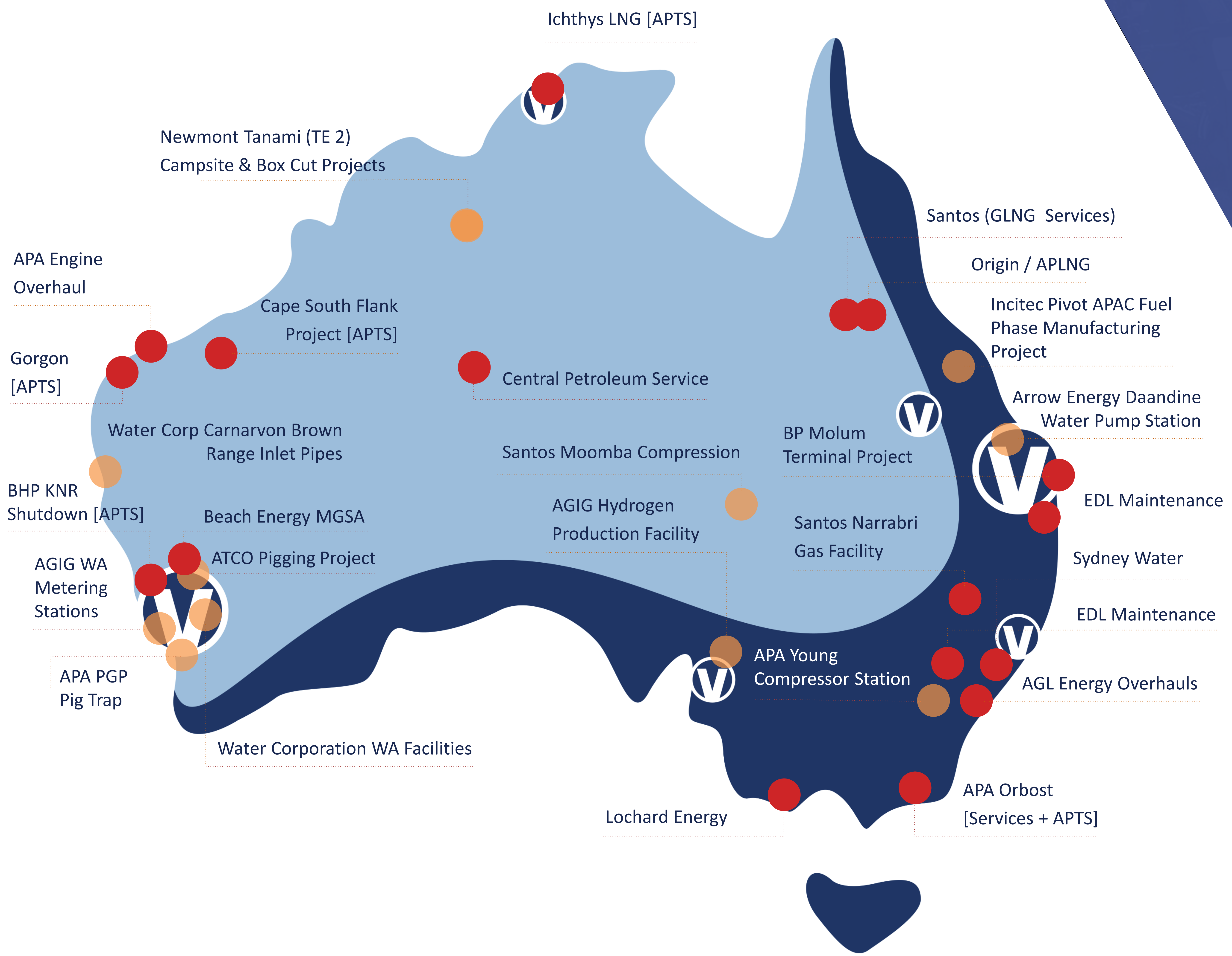
Highlights

Overview

Business Streams

Outlook

National Presence



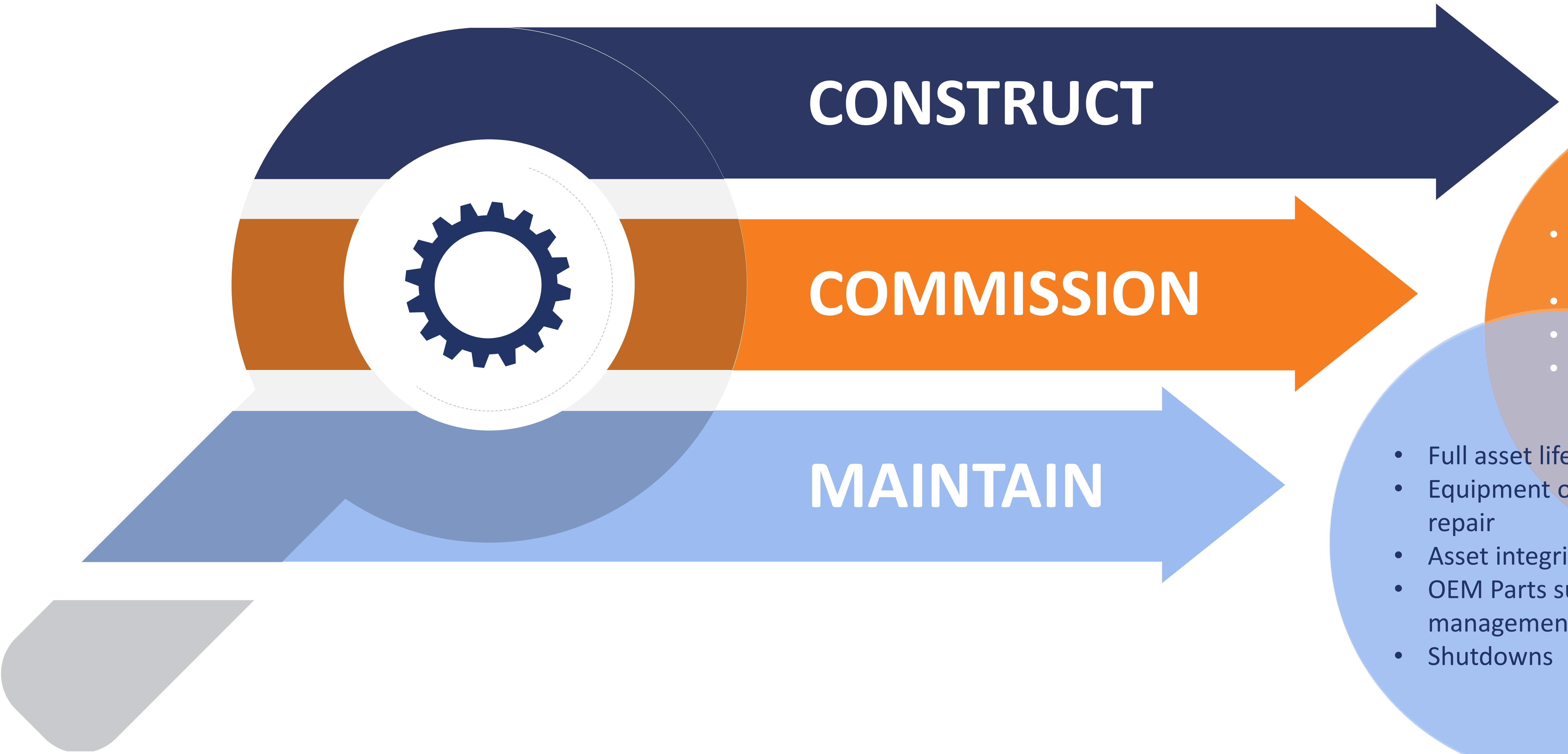
VALMEC OFFICES / WORKSHOPS

ENERGY + INFRA PROJECTS

SERVICES CONTRACTS

360+ EMPLOYEES

Delivering Value through the Asset Lifecycle



- Upstream oil and gas pipelines and facilities
- Gas compression and processing
- Water treatment and storage
- SMPE&I NPI Packages

- Gas compression and processing
- Power generation
- Facility startup and handover
- BOP integration

- Full asset lifecycle services
- Equipment overhauls and repair
- Asset integrity and inspections
- OEM Parts supply and management
- Shutdowns

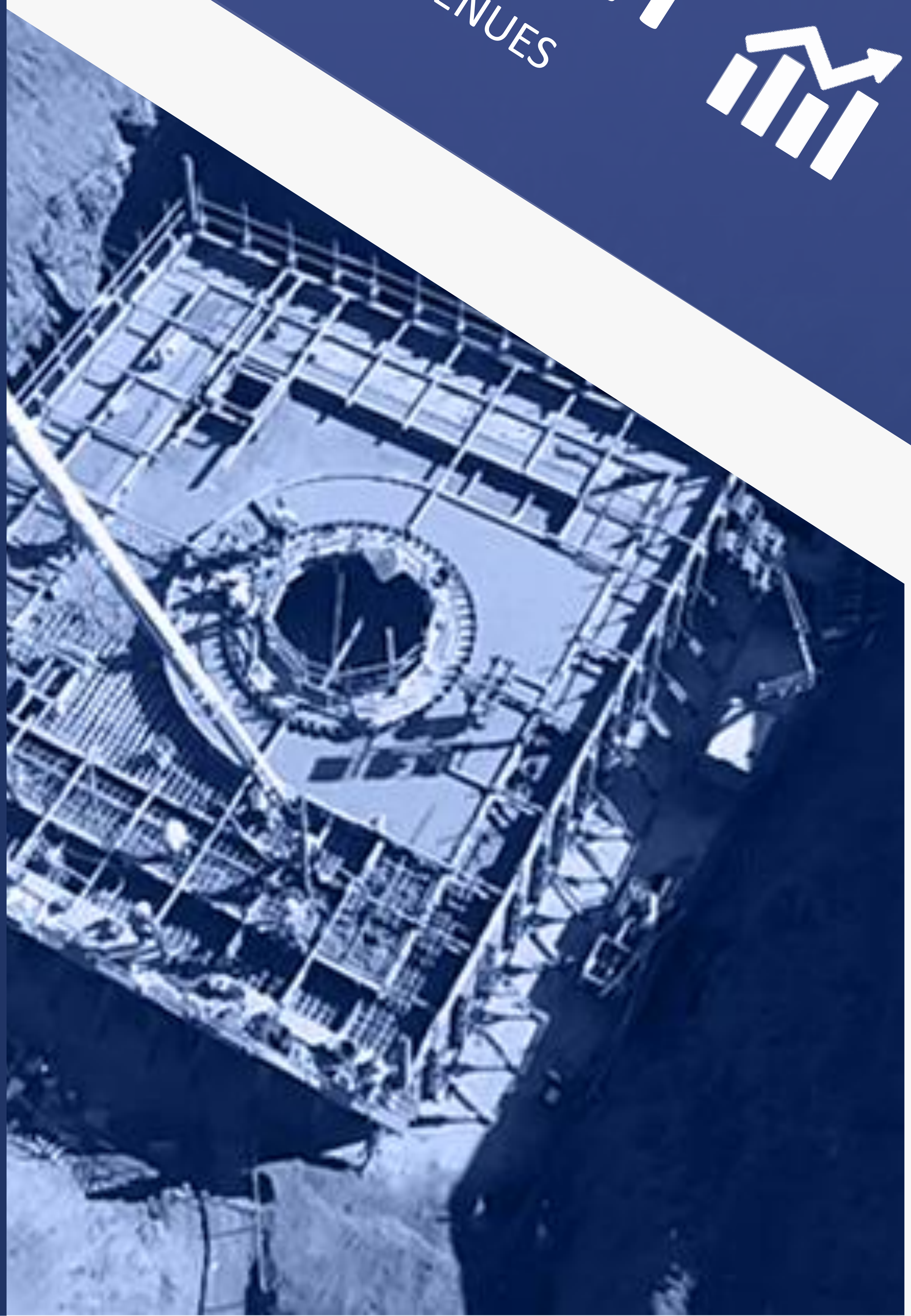
Work, Health & Safety

- Total employees exceed 360
- Achieved Federal Safety Accreditation Status
- 3 Million Hours LTI Free (> 3,200 days)
- TRIFR of 0.55
- No Compromise – Strong Safety Culture

FSC APPROVED • GET ACCREDITED • GET BUILDING

3M HOURS
LTI FREE JUNE 2020

At Valmec, we live our Core Value of Safety everyday – for us, there is no compromise.



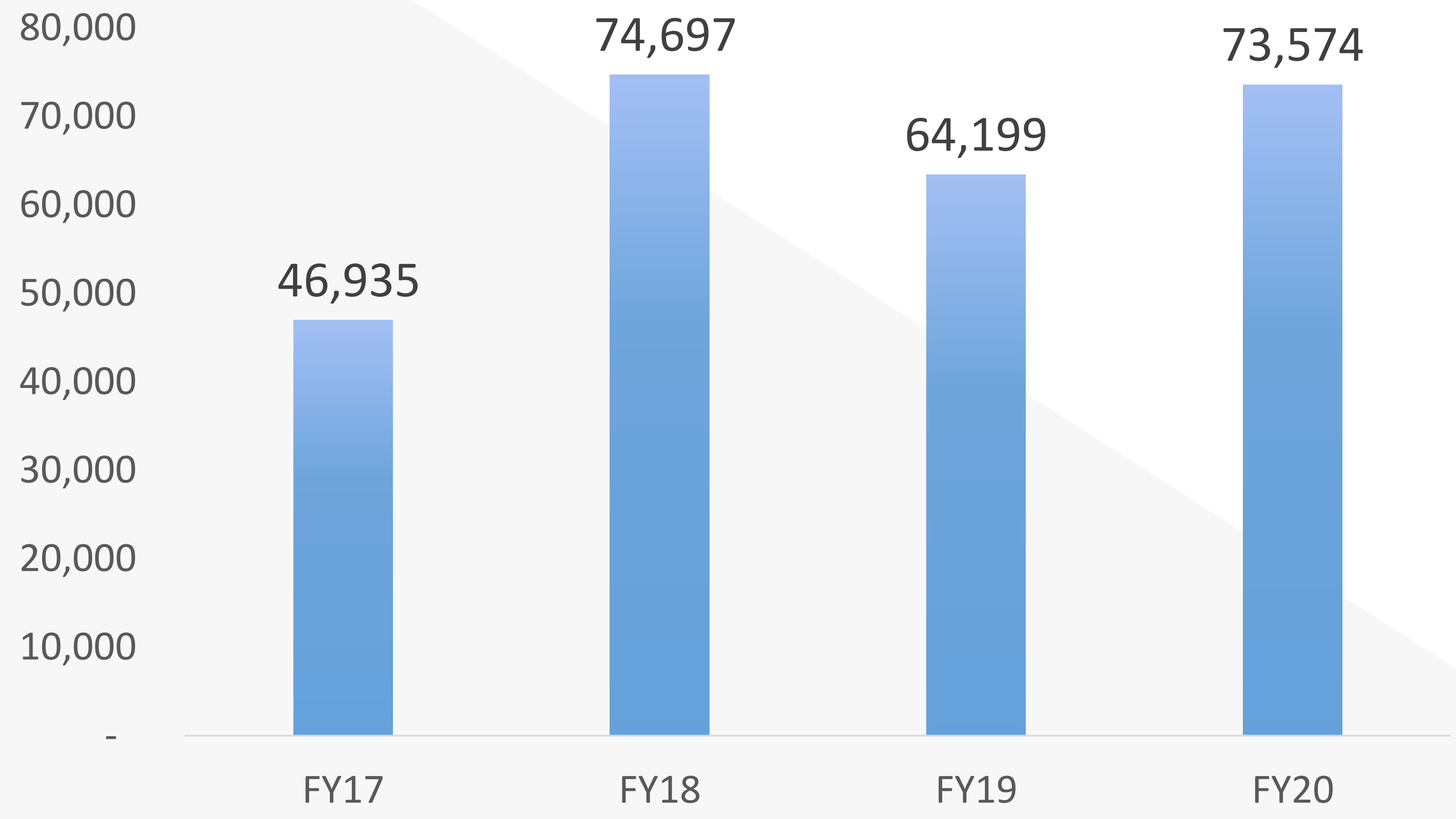
$73.5M
FY20 REVENUES

$600M
TENDER PIPELINE

Construction

- Valmec provides in-house engineering and trade resources to fully self-execute earthworks, civil, structural, mechanical, piping, electrical and instrumentation construction scopes.

- Our clients' requirements range from fit for purpose commercial and industrial installations, through to engineered large scale and technically complex projects.



Atlas Gas Compressor Facility

Valmec was contracted for facility construction works by Jemena on it's Atlas Gas Pipeline Project in South West Queensland [$28 million].

- Turnkey construction of Coal Seam Methane Gas Compression and Processing Facility.
- The Atlas Compressor Station is located in the Western Downs Region of Queensland, approximately 20 km South-west of Wandoan.
- The facility will be capable of delivering 40 TJ/day of export quality gas.

Senex

Fast-Tracked
DOMESTIC GAS

40 TJ/d
EXPORT QLTY GAS

160K
MAN HOURS

HyP South Australia Project

As an early player in this emerging industry, Valmec is now actively sought after to develop similar facilities around Australia.

- Valmec is proud to be involved in the largest renewable gas project in Australia, a first of its kind - which will assist with the development of the hydrogen economy in Australia.
- With a contract value of circa $5 million, Valmec was engaged by Australian Gas Infrastructure Group (AGIG) to deliver the EPC project at Hydrogen Park SA (HyP SA) in Tonsley, SA.
- With the facility set to be operational later this year, AGIG will be able to produce renewable hydrogen, for blending with natural gas, as part of a five-year (minimum) demonstration.

1.25MW
ELECTROLYSER

H_2
BLEND
w/NATURAL GAS

100%
RENEWABLE H2

Key Projects Energy + Infrastructure

YOUNG WAGGA COMPRESSOR STATION

Young, NSW

SHENTON PARK PUMP TEST FACILITY

Perth, WA

HYDROGEN FACILITY PROJECT

Tonsley, SA

TANAMI EXPANSION (TE 2) PROJECT

Tanami, NT

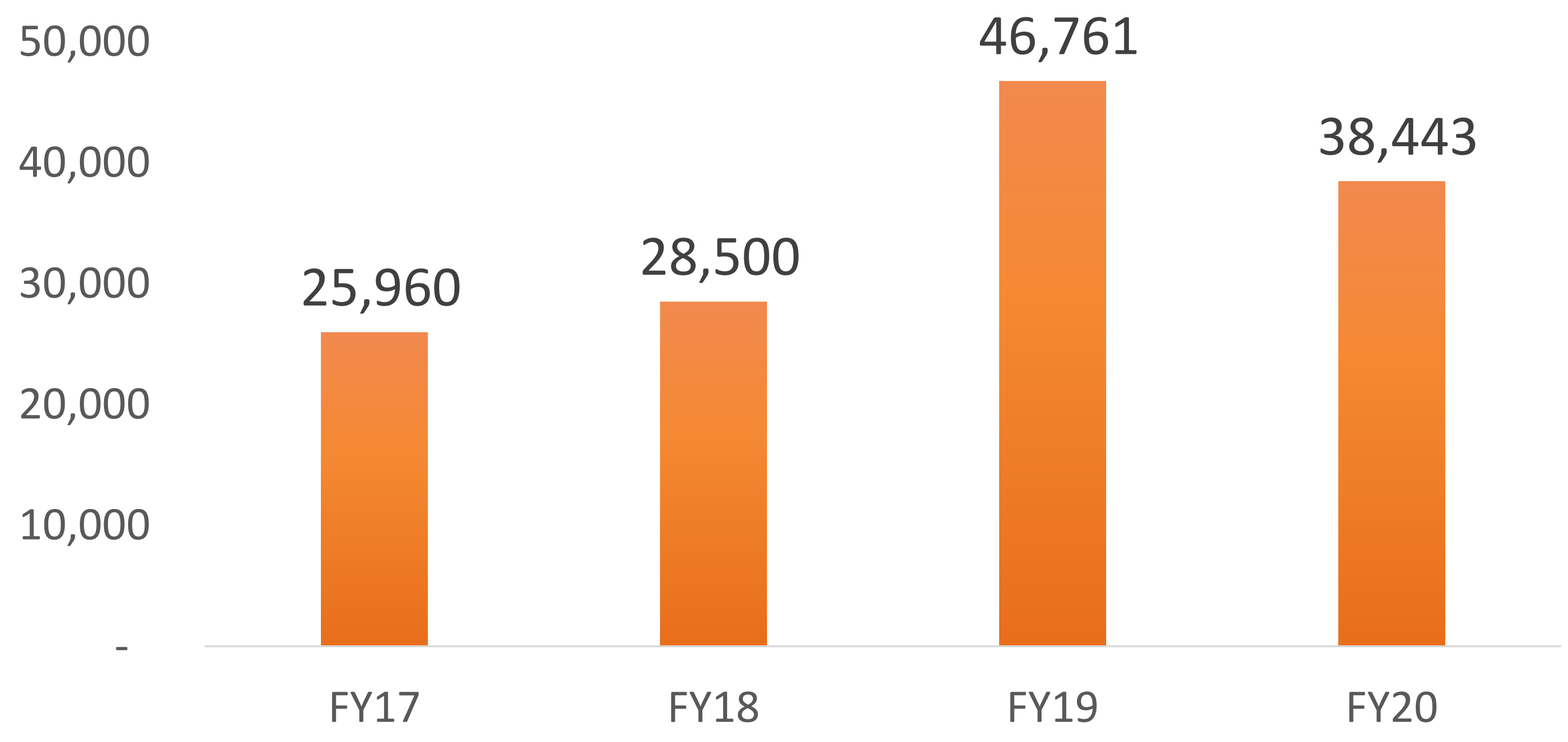
DAANDINE WATER PUMP STATION

Daandine, QLD

Asset Services

- Valmec delivers Services to our clients across their asset's full lifecycle.
- We do this by leveraging our existing capabilities, supporting alliances and technology partnerships to enter new operation critical/maintenance service opportunities within our current sectors.
- Our differentiator is the provision of integrated, multi-discipline and lower total cost of ownership solutions for our clients.
- We provide superior value through improved safety, cost and production uptime.

REVENUES ($'000)



Origin Energy LTSA for APLNG

Valmec continues to deliver its Long Term Services Agreement with Origin Energy Resources Limited on behalf of the Australian Pacific LNG Joint Venture, (APLNG) Project.

- Since the contract's inception in 2016, Valmec has provided specialist technicians, equipment and parts, within its preventative and corrective maintenance service scope, as well as delivered brownfield construction services to the APLNG Project's upstream gas compression and power generation assets, located in South West Queensland.
- The Spring Gully operations consist of three reciprocating gas compression plants – Spring Gully, Strathblane and the Taloona gas plants.
- Across the three plants, 9 Valmec technicians are responsible for the maintenance of 16 compressor packages.

3
GAS FACILITIES

16
COMPRESSOR PKGS

9
TECHNICIANS

Key Projects Asset Services

BEACH ENERGY MGSA

Beharra Spring, WA

BP MOLUM TERMINAL PROJECT

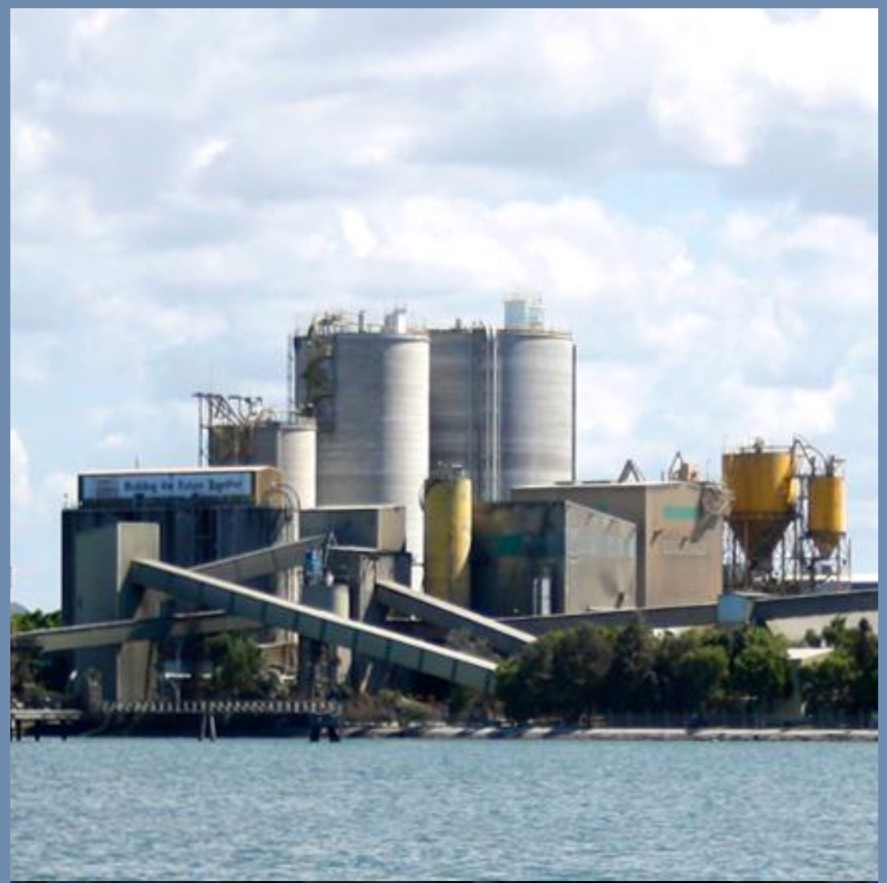
Bulwer Island, QLD

ORIGIN ENERGY LTSA FOR APLNG

Spring Gully, QLD

ORBOST PLANT UPGRADE

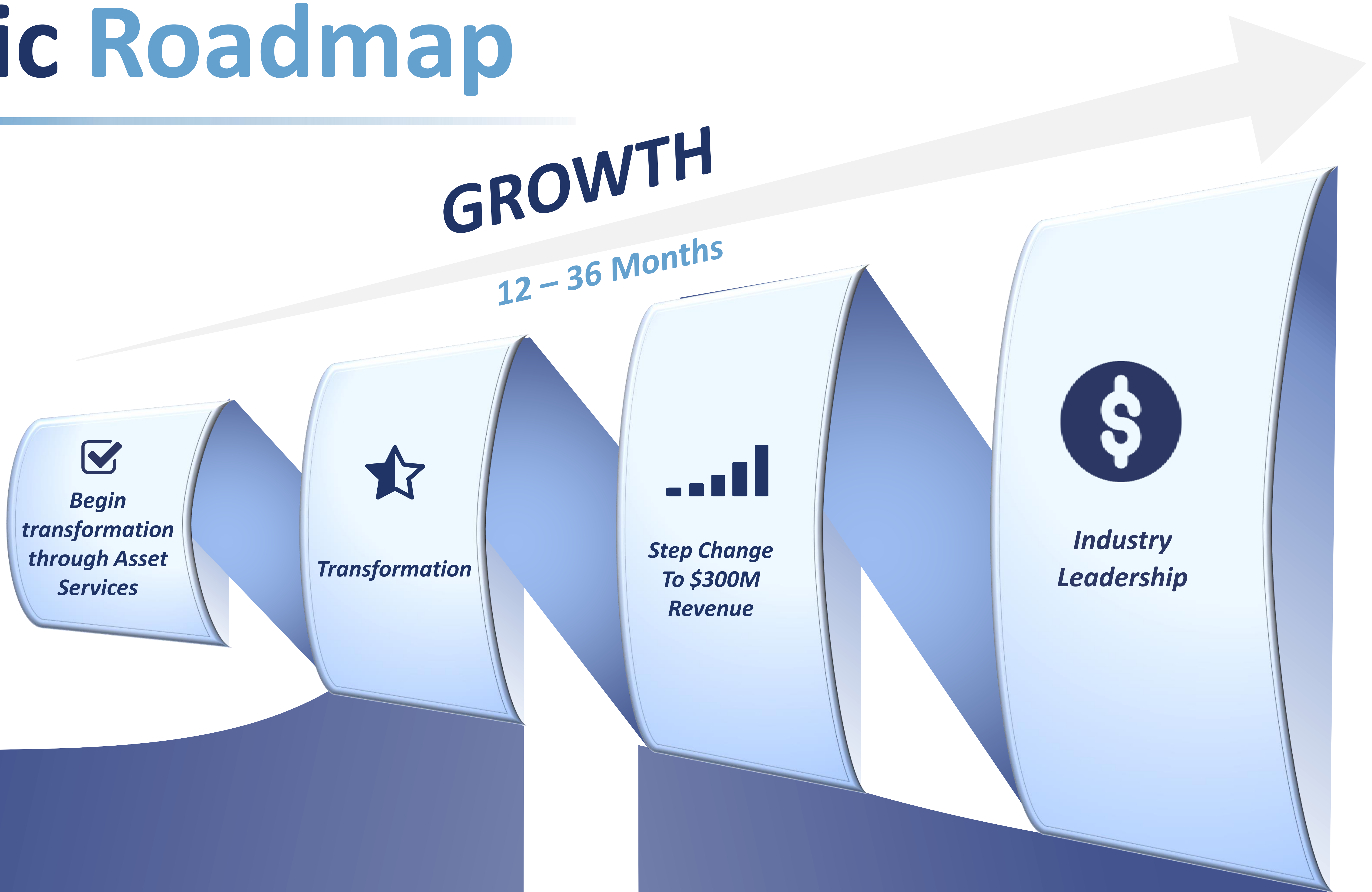
Newmerella, VIC



KWINANA NICKEL REFINERY SHUTDOWN

Kwinana, WA

Strategic Roadmap



- Delivery of Assets Services strategy
- Build resilience of earnings through diversified services and markets.
- Targeted growth in national water sectors
- Selected resource infrastructure markets for scale and footprint
- **Acquisitions to expand capabilities**

- Organic and acquisition growth
- Sales mix dominated by recurring earnings
- Market leader in Hydrogen delivery solutions
- Leveraged to new Government led energy infrastructure
- Geographical Expansion

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