



# CORPORATE SNAPSHOT

**Corporate Focus:** design, construction and maintenance of steel storage tanks and the project management of ancillary facilities

Price	A\$0.75
ASX Code	SND
Shares issued	79.0M
Options	-
Market Cap	A\$59M
Cash	A\$20.5M
Top 20 Shareholders	68%
Number of Shareholders	968 (approx.)
Substantial Shareholders	Desmond Bryant – 28.3% Timothy Burnett – 12.4%

Share Price Performance and Volume as of 25/02/15



# BUSINESS DESCRIPTION

The business was founded in 1951 and specialises in the design, construction and maintenance of steel bulk liquid storage tanks.

Saunders' products and services are provided via two inter related models:

- Design & Construction; and
- Facilities Maintenance.

	DESIGN & CONSTRUCTION	FACILITIES MAINTENANCE
<b>Activities</b>	The design and construction of steel bulk liquid storage tanks and associated infrastructure	The maintenance of steel bulk liquid storage tanks, focusing on repair and refurbishment of tanks for the petroleum industry.
<b>Key Industry Sectors</b>	<ul style="list-style-type: none"><li>– Oil and gas industry</li><li>– Water and waste water infrastructure sector</li><li>– Fuel Terminal sector</li><li>– Mining and mineral processing industry</li></ul>	<ul style="list-style-type: none"><li>– Petroleum refineries and distributors</li><li>– Oil and gas producers and processing facilities</li></ul>

# DESIGN & CONSTRUCTION

## RECENT PROJECTS:

*TERMINALS PTY LTD*

Botany, NSW

Value \$9.5M





# DESIGN & CONSTRUCTION

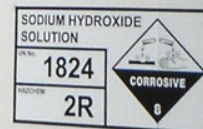
## RECENT PROJECTS:

**ORICA**

Botany, NSW

Value \$2.1M

**DEPOT No. 6/71**  
**50% SODIUM HYDROXIDE**  
**T13049**



**DANGER**  
CONFINED  
SPACE  
ENTRY BY PERMIT ONLY

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# FACILITY MAINTENANCE

## RECENT PROJECTS:

*BP Kwinana, WA*

*Tank 95 Strake Replacement*





# RECENT PROJECTS:

Refinery Pipework  
BP Bulwer Island

Part of Saunders Expanded Services

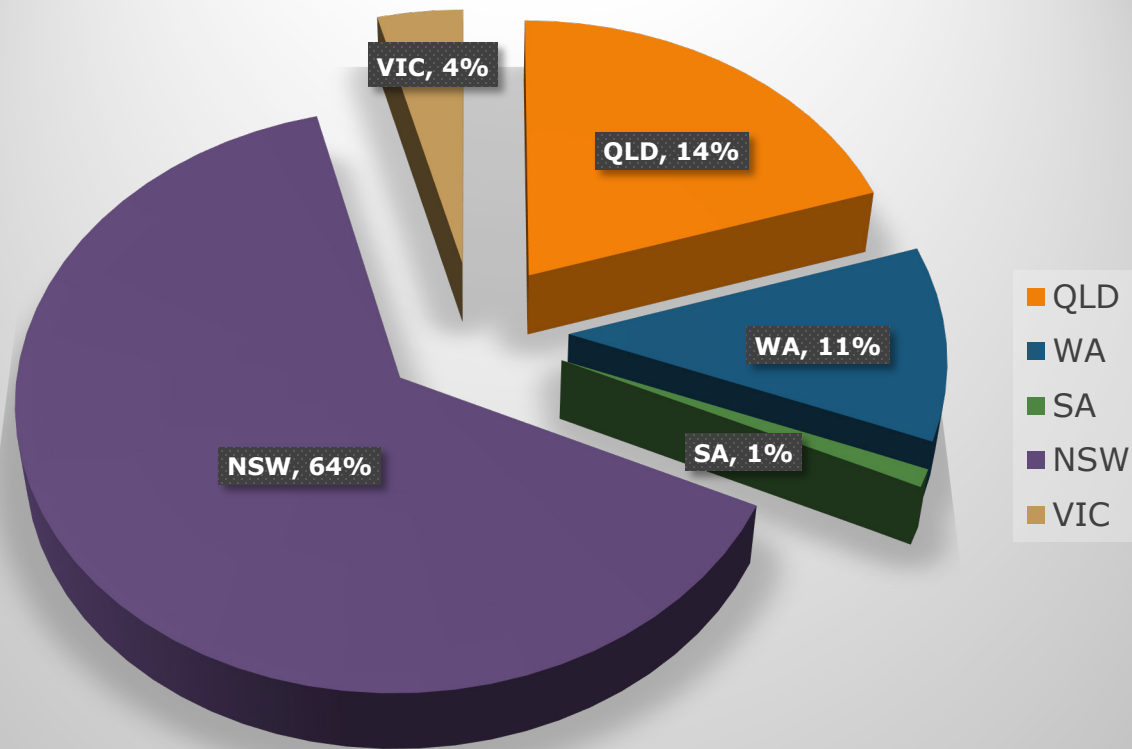


# FIRST HALF FY2015 REVENUE

<b>Total Revenue</b>	\$24,193
<b>Split of Facilities Maintenance and Design &amp; Construct</b>	60/40
<b>Total number of customers</b>	15
<b>Repeat Customers</b>	13
<b>Percent of Revenue</b>	98%
<b>New Customers</b>	2
<b>Percent of Revenue</b>	2%

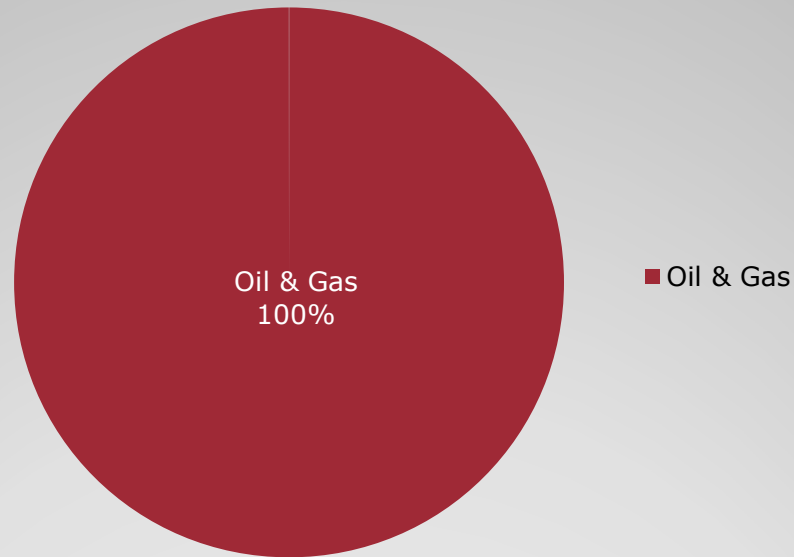


# H1FY15 GEOGRAPHICAL REVENUE DISTRIBUTION



- ❖ Decrease in Revenue from South Australia due to completion of large Terminal Project. Next large project commences April 2015.
- ❖ Increase in Revenue from NSW due to increased Oil Terminal activity in both Sydney and Newcastle.

# H1FY15 NEW CONTRACTS SECURED SECTOR DISTRIBUTION



- ❖ **Total New Contracts \$24M – does not include contracts secured since 31 Dec 2014 (Approx. value \$12M)**
- ❖ **Continued emphasis on Terminal Construction and Maintenance**

# OUTLOOK SECOND HALF FY2015

**Work in hand**

**31 Dec 2014**  
**34m**

**30 Jun 2014**  
**28m**





# OUTLOOK SECOND HALF FY2015

## Design and Construct -

- ❖ Work in Hand of \$34 million
- ❖ Work in Hand to carry into FY16
- ❖ Competitive market place still putting pressure on margins  
Second half profit expected to be less than first half
- ❖ New projects still slow to be released
- ❖ Strong emphasis on expanding Process Design and EPC capability

# OUTLOOK SECOND HALF FY2015

## **Facilities Maintenance -**

- ❖ **Reduced Revenue from Refinery Maintenance**
- ❖ **Focus on executing BP Brisbane conversion contract and winning Viva (Shell) conversion contract for Clyde**
- ❖ **Continue emphasis on securing non-refinery maintenance work**

# FINANCIAL METRICS

KEY FINANCIAL STATISTICS	31 December 2014	31 December 2013
Revenue	\$24.2 m	\$33.1 m
EBITDA	\$4.0 m	\$4.0 m
<i>EBITDA % margin</i>	16.5%	12%
EBIT	\$3.7 m	\$3.7 m
NPBT	\$3.9 m	\$4.0 m
NPAT	\$2.7 m	\$2.8 m
EPS	3.47 cents	3.55 cents
FY 2015 Dividend		
Interim Dividend per Share (fully franked)	2.0 cents	2.0 cents



# BALANCE SHEET

BALANCE SHEET (\$ Million)	31 DECEMBER 2014	30 JUNE 2014
<b>Assets</b>		
Cash	20,509	18,219
Trade receivables	2,120	10,673
Plant and equipment	2,129	1,787
Deferred tax assets	993	1,378
Others	1,007	454
<b>Total Assets</b>	<b>26,758</b>	<b>32,511</b>
<b>Liabilities</b>		
Payables	4,542	8,504
Tax Liabilities	750	1,024
Provisions	2,685	3,780
<b>Total Liabilities</b>	<b>7,977</b>	<b>13,308</b>
<b>Net Assets</b>	<b>18,781</b>	<b>19,203</b>
<b>NTA per share</b>	<b>22 cents</b>	<b>23 cents</b>

- ☐ Strong cash reserves
- ☐ No debt

# FINANCIAL PERFORMANCE

## BUSINESS STRATEGY

### ❑ Design & Construction:

- Leverage enhanced Process Engineering capacity to secure EPC contracts for Tankage related projects
- Position the business to capitalise on any Fuel Terminal expansion which may be required due to the restructure of Shell, BP and Caltex Refineries

### ❑ Facilities Maintenance:

- Broaden and grow the business unit's revenue base by concentrating on non-refinery maintenance
- Position the business to participate in the Refinery modifications which will be required due to change of operations at the Shell, BP and Caltex Refineries
- Continue to grow Saunders General Contract Services capability

### ❑ Strategic Acquisitions:

- Continue search for acquisitions that will enhance the existing business
- Part of any capital required already available