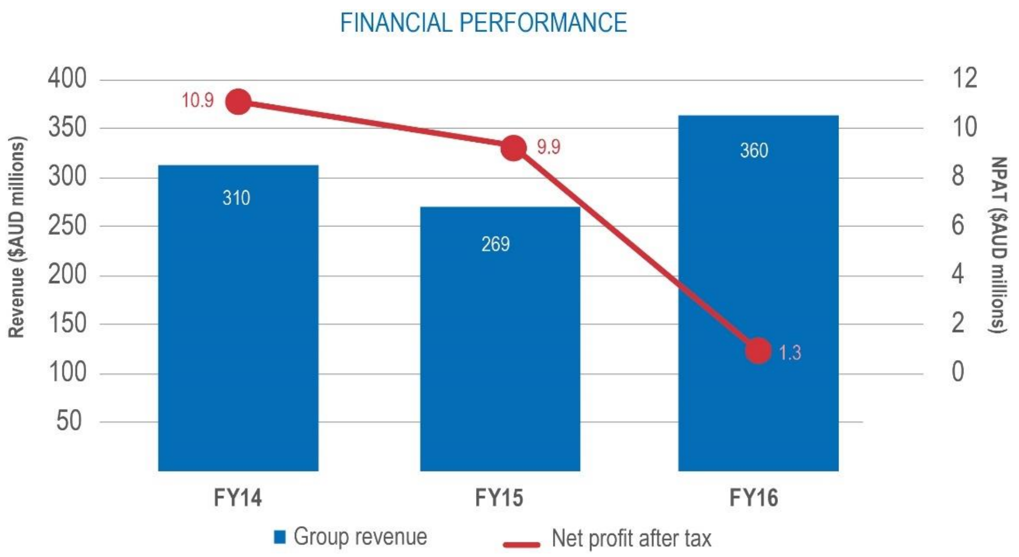
FULL YEAR RESULTS PRESENTATION **2016**

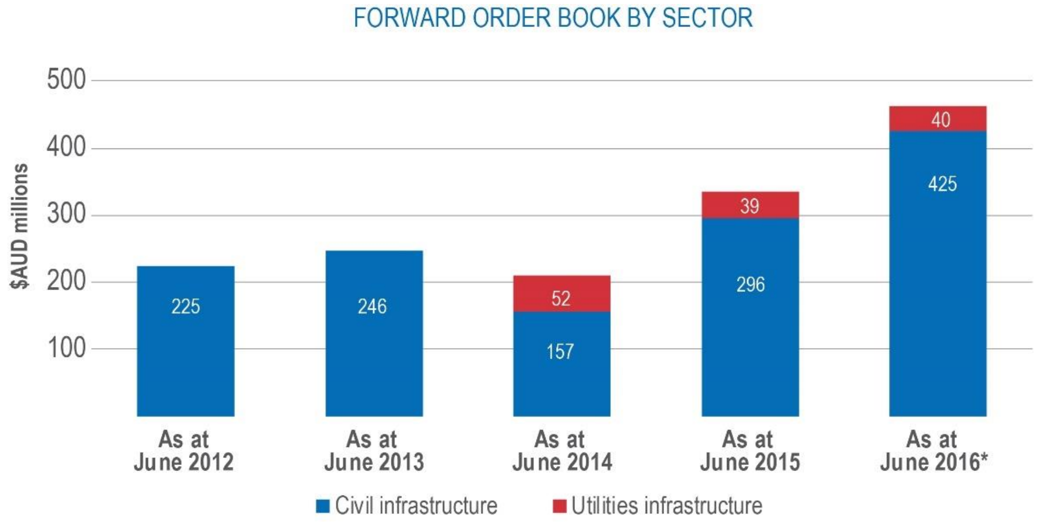
Seymour Whyte Limited and Controlled Entities
ABN 67 105 493 203

FY16 SNAPSHOT

FY16 SNAPSHOT

- Strong revenue base of $360.7 million, up 33.7% on previous year—profitability down, mainly due to four loss-making projects
- Project wins during year of circa $420 million
- Total forward order book of $465 million (up 39% on previous year)—boosted by more than $250 million in project wins since May 2016
- $394 million of work in hand forecast to be delivered in FY17, to surpass FY16 revenue
- Sound cash position and low debt profile maintained, allowing for client pre-qualification thresholds
- Launch and implementation of *2020 Strategic Plan*
- FY17 to be a year of recovery—ongoing investment to support business growth, with benefits of investment expected in FY18.

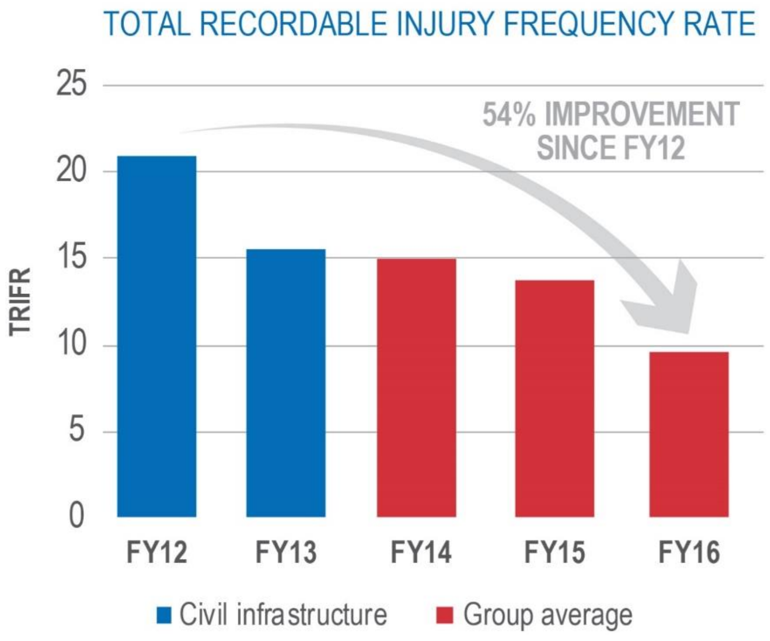




*Order book includes $63 million project award announced in July 2016

FY16 SNAPSHOT

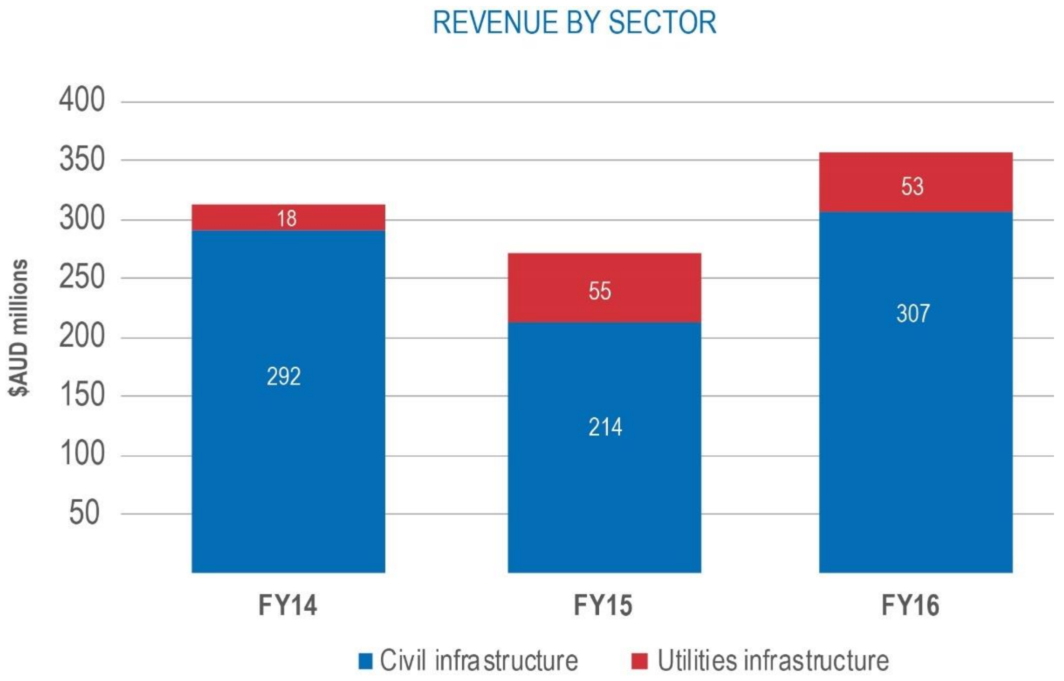
- Excellence in safety performance
  - Group-wide total recordable injury frequency rate (TRIFR) reduced to 9.6 in FY16 from 14.3 in FY15—54% improvement since FY12
  - Utilities infrastructure business TRIFR improvement of 69% since FY14
- Continuing focus on diversification to build resilience:
  - Growing track record in airport sector
  - On track for expansion in Victoria
- Awards recently won:
  - Great Western Highway: Bullaburra East Upgrade – Winner of Category 5 (projects valued between $30–$75 million) at 2016 NSW Civil Contractors Federation (CCF) Earth Awards
  - Alphington Trunk Sewer Project – Winner of Category 4 (projects valued between $10–$30 million) at 2016 Victoria CCF Earth Awards
  - Dawesville PS7 Project – Winner of Category 4 (projects valued between $10–$30 million) at 2016 Western Australian CCF Earth Awards



FINANCIAL PERFORMANCE

REVENUE

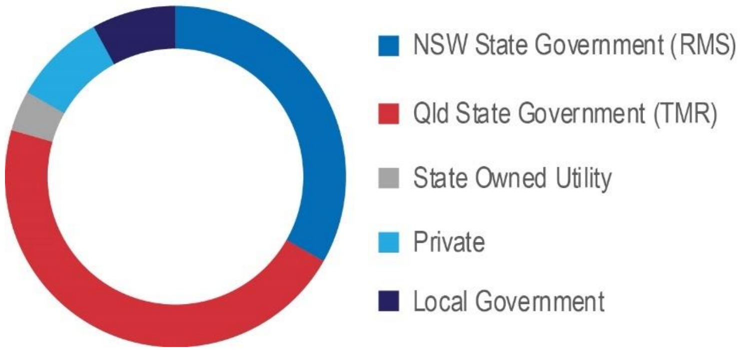
- Revenue from construction (excluding other revenue) of $359.5 million, up 33.7% compared to prior comparable period (pcp)
- Strong order book at the commencement of FY16 resulted in civil infrastructure contribution increasing by 43.5% on pcp
- Majority of FY16 revenue generated from sole-performed projects including two of the largest in the Group's history—Townsville Ring Road (Section 4) and Great Western Highway: Hartley Valley to Forty Bends
- Revenue contribution from joint ventures of $18 million, mainly from Green Square Trunk Stormwater Drain Project. Joint venture revenue expected to grow from FY17 with increased tendering activity through strategic joint ventures.



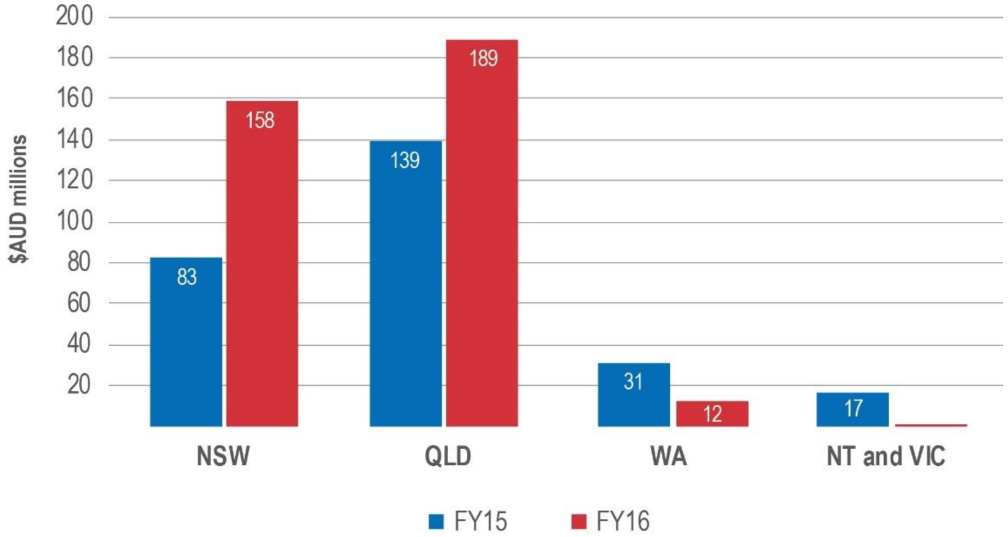
FY16 utilities revenue shown after intercompany elimination of $18.1 million (2015: $4.7 million)

REVENUE

REVENUE BY CLIENT TYPE



REVENUE BY STATE

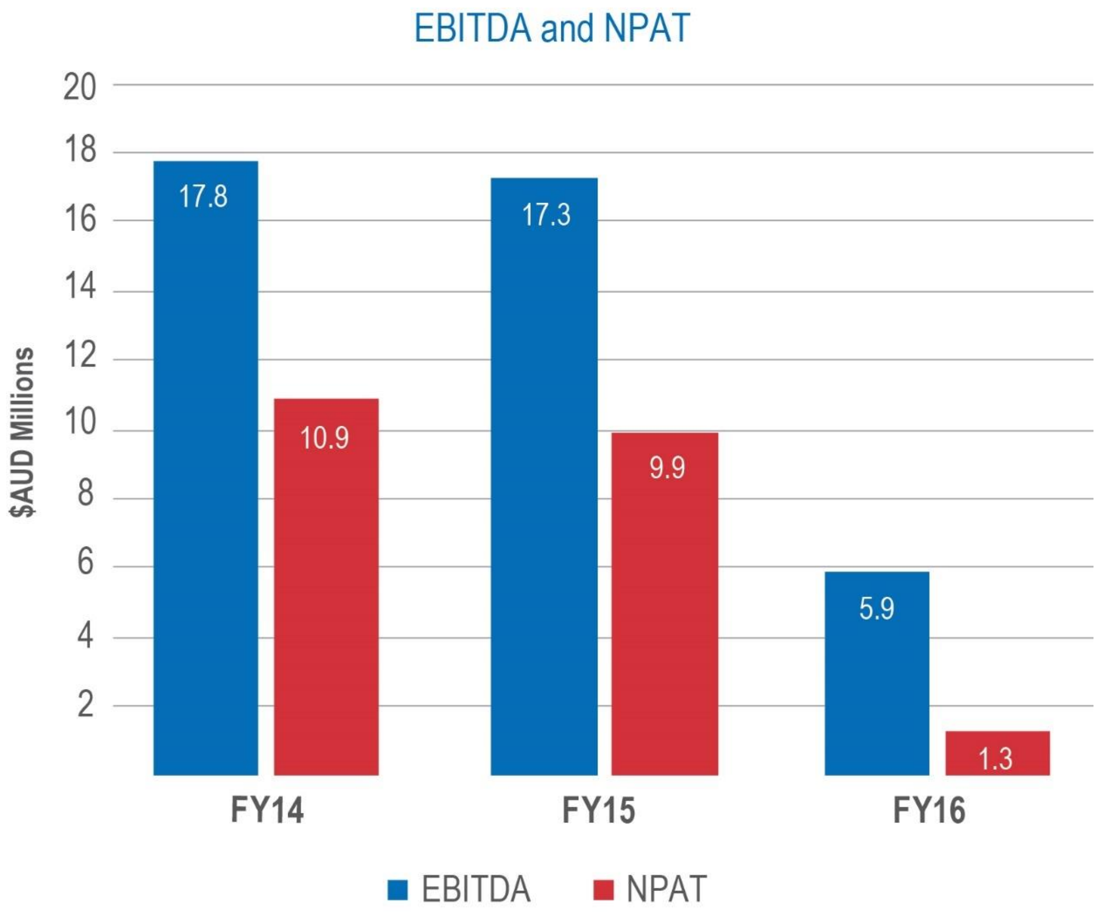


- Revenue earned across 35 projects and 17 clients
- State government clients continue to contribute majority of revenue, however efforts to diversify are ongoing
- Revenue from state-owned utilities has decreased with reduced opportunities in WA and QLD

- NSW revenue contribution almost doubled, reflective of increased government investment in infrastructure and successful diversification into airport and water sectors
- Strong revenue contribution from QLD largely driven by delivery of the $124 million Townsville Ring Road (Section 4) Project
- Subdued utilities market in WA, minimal opportunities in NT and VIC
- Additional resources focused towards winning work in VIC in civil infrastructure business

FINANCIAL RESULT

- Key challenges in FY16 impacting on profitability included:
  - loss-making projects
  - strong, sustained competition in the tendering environment resulting in margin compression in order book
  - unexpected changes in senior leadership.
- FY16 also saw increased investment in tendering resources and employee levels to support growth
- Remaining loss-making projects will be completed by December 2016.



EDITDA: Earnings before interest, taxes, depreciation and amortisation
NPAT: Net profit after tax .

FINANCIAL POSITION

		FY16	FY15	$ Change	% Change
Cash at bank	$m	35.3	42.2	(6.9)	(16.4)%
Debt	$m	(4.6)	(4.2)	(0.4)	(10.0)%
Net cash	$m	30.7	38.0	(7.3)	(19.3)%
Property, plant and equipment (PPE)	$m	29.2	29.3	(0.1)	(0.4)%
Debt to equity	%	7.2%	5.9%	-	-
Net assets	$m	64.0	71.5	(7.5)	(10.5)%
Net tangible asset (NTA) backing	cps	55.5	63.8	(8.3)	(13.0)%

- Cash at bank position closing at $35.3 million and remaining above $30 million in net cash (after debt)
- PPE levels remaining consistent with capital expenditure maintained at rate of depreciation
- Financial ratios have decreased as profits generated during the year did not replenish dividends paid, with NTA backing falling to FY14 levels
- Strong working capital (particularly cash) and low debt profile required for client pre-qualification thresholds
- Continuing focus on cash conversion with cash monitored and reported internally at project level.

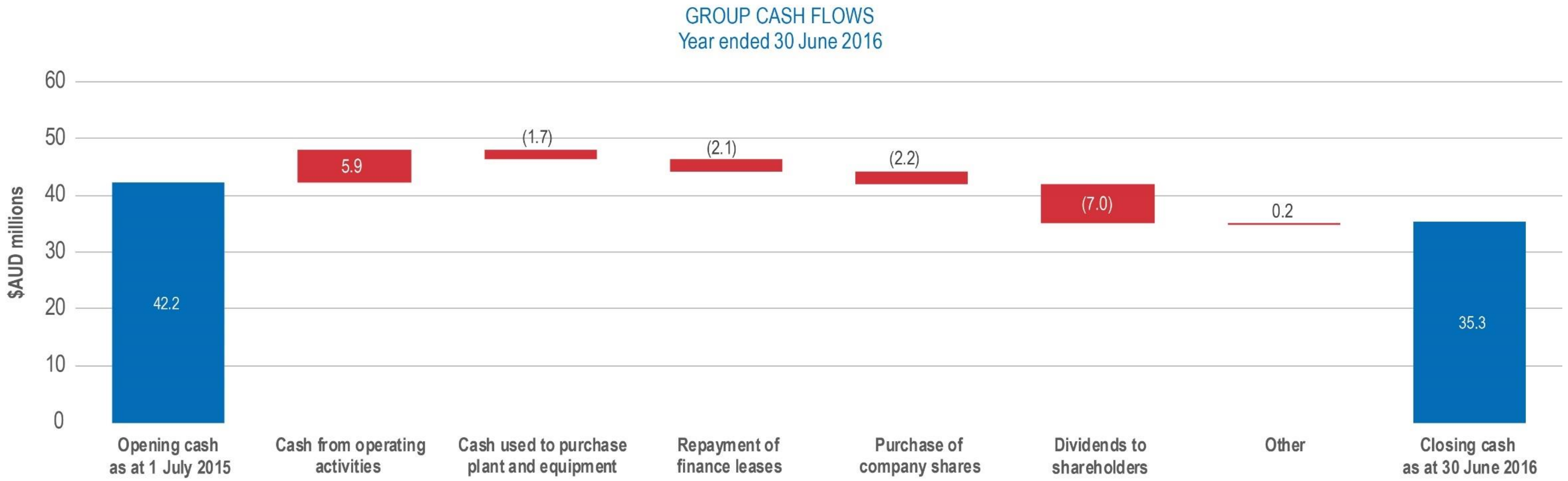
FINANCIAL FACILITIES

		Facility limit	Utilised	Available
Asset finance facility	$m	7.4	4.6	2.8
Cash advance facility	$m	10.0	-	10.0
Financial guarantee facilities				
Bank guarantee facility[1]	$m	35.4	18.6	16.8
Security bond facilities	$m	50.0	32.9	17.1
Total financial guarantee facilities	$m	85.4	51.5[2]	33.9

[1] Bank guarantee facility disclosure excludes $0.2 million legacy facility from Rob Carr Pty Ltd acquisition that is not available for drawdown
[2] Subsequent to 30 June 2016, a further net amount of $7.9 million has been drawn for new project awards less guarantees returned (as at 16 August 2016).

- Cash advance facility of $10 million available for use to support client pre-qualification requirements and project activity
- Bank guarantee and bonding capacity facilities used to guarantee contract performance increased from prior year by $10 million to support growth
- Facility drawn to 60% with detailed forecasting undertaken of future capacity requirements, given growth agenda
- Available facilities will support over $600 million in new project capacity (assumes average of 5.5% of contract value).

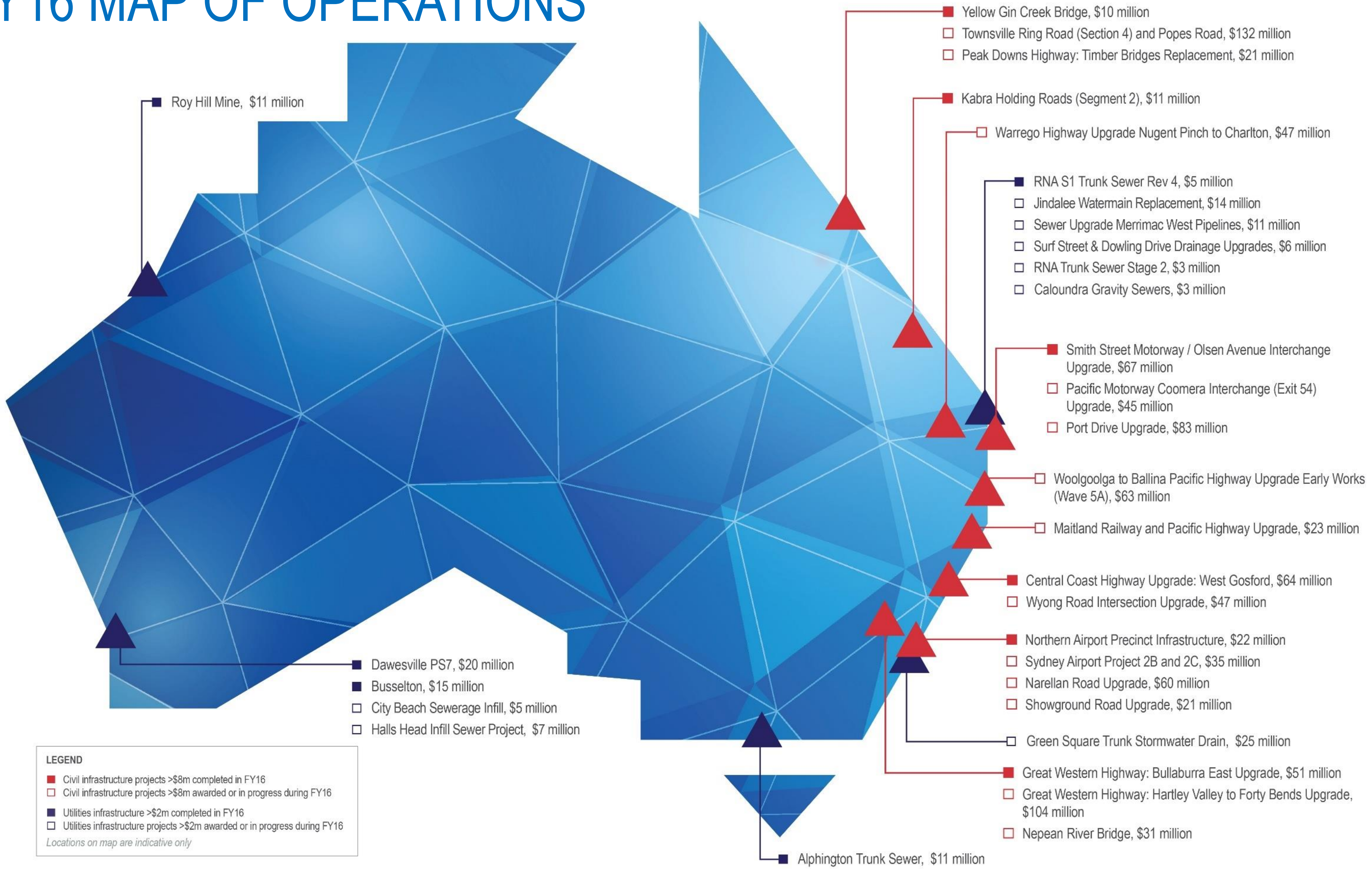
GROUP CASHFLOW ANALYSIS



- Cash of $5.9 million generated from operations, aided by $3.1 million income tax refund
- Capital expenditure financed where possible, with $1.7 million paid in cash for IT equipment and internally generated plant
- Purchase of company shares to meet vesting obligations of FY13 and FY14 performance rights, where shares purchased on-market to prevent dilution for current shareholders
- Dividends of 8.0 cps paid during the year (FY15 final 6.25 cps, FY16 interim 1.75 cps).

OPERATIONAL PERFORMANCE

FY16 MAP OF OPERATIONS

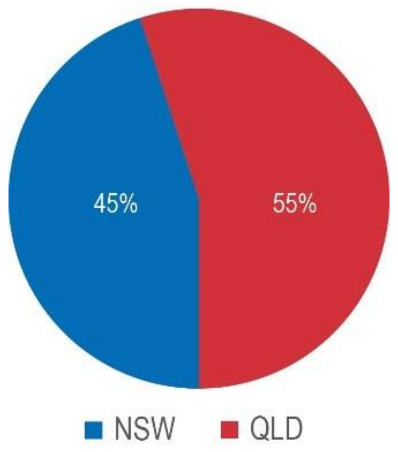


CIVIL INFRASTRUCTURE DIVISION

		FY16	FY15	$ Change	% Change
Revenue	$m	306.9	213.9	93.0	43.5%
EBITDA	$m	4.4	18.3	(13.9)	(76.0)%
EBITDA/revenue	%	1.6%	8.6%	-	-
Operating profit (before tax)*	$m	2.9	16.3	(13.4)	(82.2)%
Operating margin	%	0.9%	7.5%	-	-
Capital expenditure	$m	1.6	4.7	(3.1)	(66.1)%

*Operating profit represents the segment contribution to the Group before tax

REVENUE BY REGION



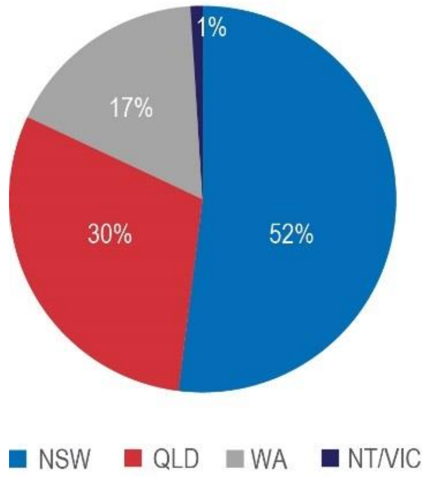
- Revenue of $306.9 million, up 43.5% on prior comparable period. Delivery of two largest independent projects well-advanced, contributing significantly to revenue in period
- Increasing contribution from NSW with 45% of civil revenue in FY16—also makes up 61% of forward order book
- Successful and ongoing penetration into targeted airport sector
- Operating result impacted by three loss-making projects. Margin compression in order book will have residual impact during the first half of FY17
- Increased tendering investment in larger design and construct (D&C) projects
- Focused investment in new geographic segment of VIC, shortlisted on a number of D&C projects
- Capital expenditure back to normal levels following $3.3 million land purchase for yard storage facilities in prior year.

UTILITIES INFRASTRUCTURE DIVISION

		FY16	FY15	$ Change	% Change
Revenue	$m	71.3	60.0	11.3	18.9%
EBITDA	$m	11.2	8.0	3.2	39.7%
EBITDA/revenue	%	15.7%	13.4%	-	-
Operating profit (before tax)*	$m	8.7	5.8	2.9	49.8%
Operating margin	%	12.2%	9.7%	-	-
Capital expenditure	$m	2.8	3.4	(0.6)	(16.5)%

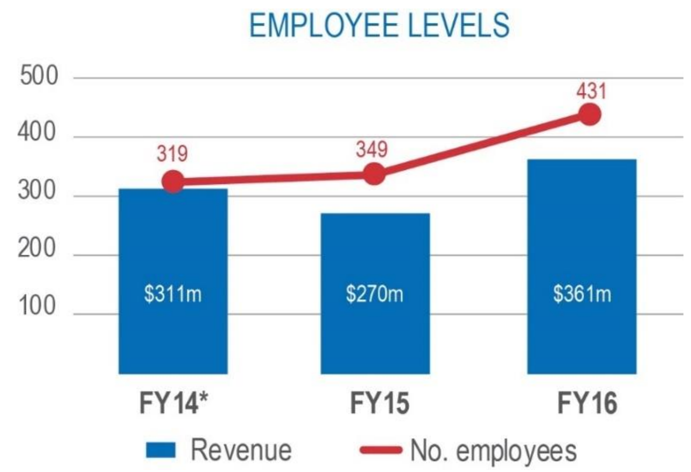
*Operating profit represents the segment contribution to the Group before tax

REVENUE BY REGION



- Revenue growth largely due to increased scope of Green Square Trunk Stormwater Drain Project in NSW
- Awarded 17 new projects resulting from increased tendering activity in south-east QLD
- Strong performance with higher operational margins despite:
  - subdued WA market (only two notable projects awarded late in the year)
  - loss-making project that has been closed out
  - project delays caused by difficult ground conditions.

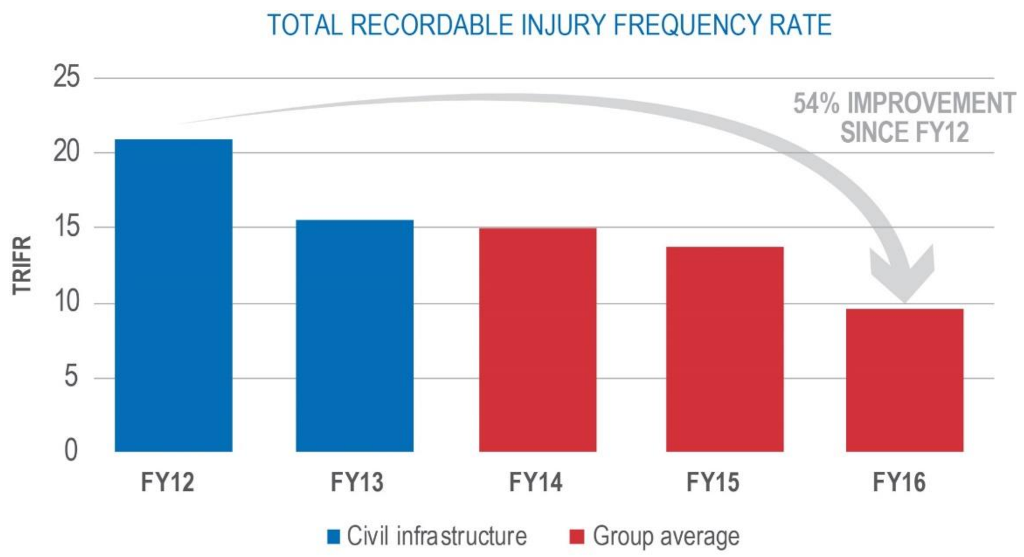
PEOPLE

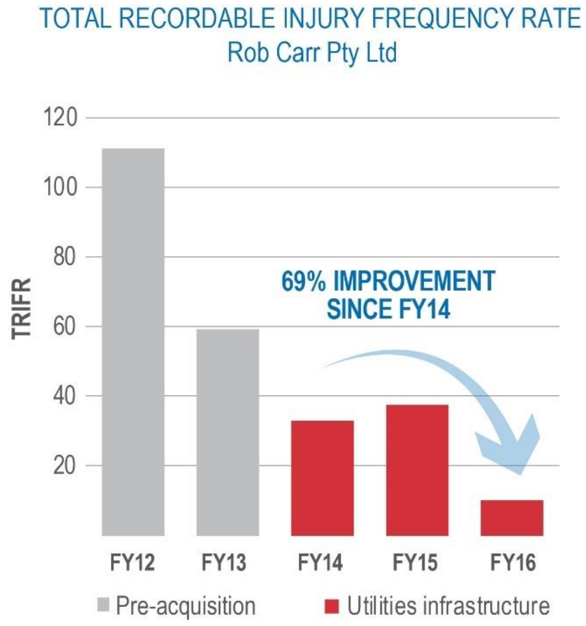


*Rob Carr Pty Ltd was acquired in February 2014 and only contributed four months of revenue

- Employee numbers increased by 24% from 349 to 431 in the second half of FY16 to support operational growth and expansion of tender capabilities
- Increased competition for quality candidates in NSW due to rising infrastructure activity—steps taken to ensure we remain an employer of choice, e.g. employee incentives and engagement initiatives
- Project Engineer Amandine Daniel awarded CCF Achievement in Construction (Civil Works) Award at National Association of Women in Construction Queensland 2015 Crystal Vision Awards.

SAFETY





- **Outstanding safety performance:**
  - Group-wide total recordable injury frequency rate (TRIFR) continues to improve—achieved 54% decrease in Group TRIFR since FY12
  - Successful integration of Group safety systems across utilities business, resulting in a 69% improvement since FY14
- Participation of all safety critical roles from leading hands through to managers in the Group's safety leadership program *Safe Steps*
- Implementation of award winning mobile system across all projects, which will streamline safety functions in the field.

ENVIRONMENT

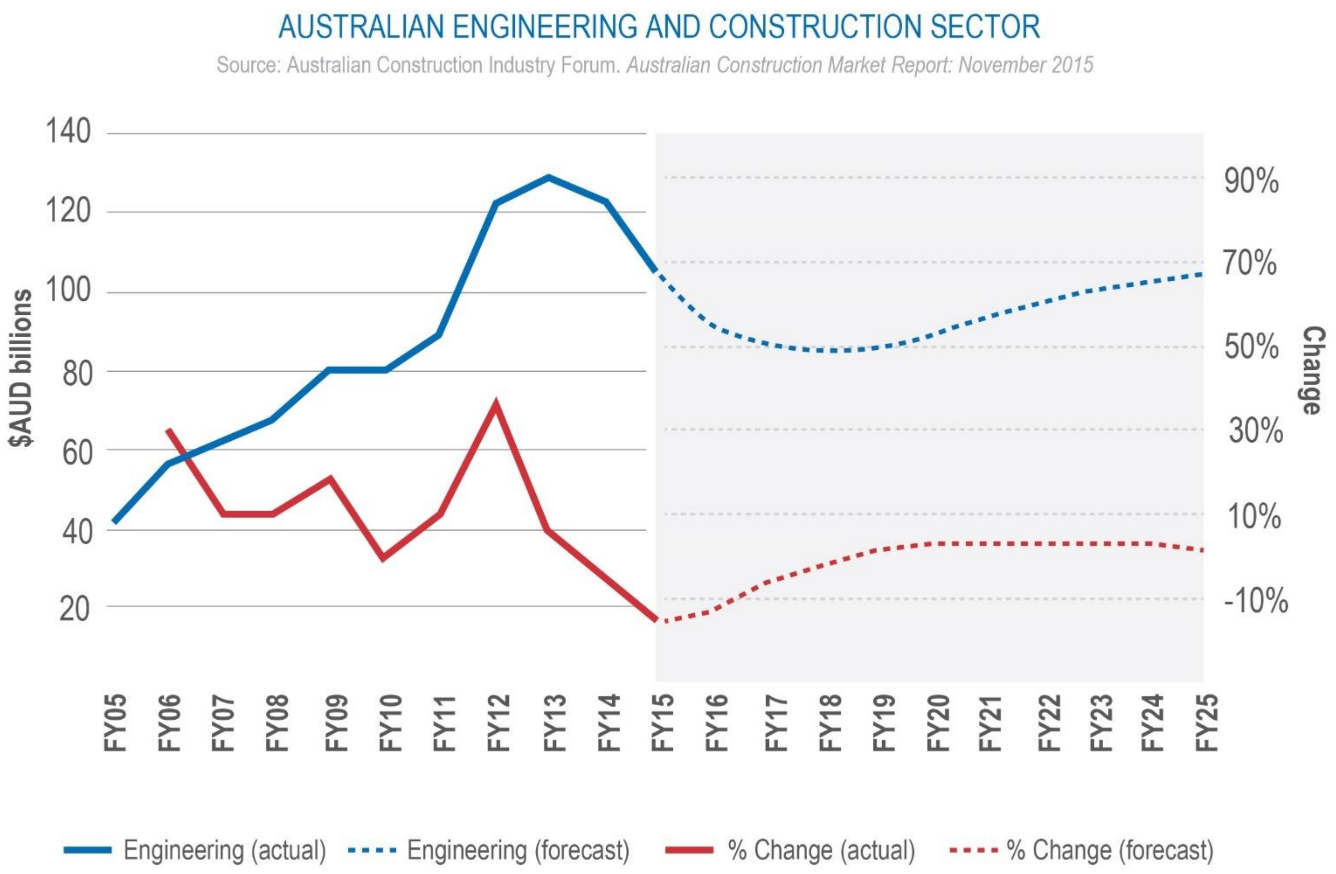
- **Environmental management**
  - Recognised for 15 years continuous compliance to both ISO 9001 and ISO 14001 environmental and quality management certification.
  - Achievement of zero Class 1 (significant environmental impact/harm) incidents
  - No fines or prosecutions for breaches of environmental legislation

COMMUNITY

- **Community investment**
  - Ongoing support of the Seymour Whyte Distinguished Visiting Scholar Program for women in engineering—more than 200 participants over a four-day period for the 2015 event
  - Ongoing partnership with Cerebral Palsy League (CPL) through the Metal for Mobility initiative, where funds raised from scrap metal recycling is donated to CPL's local not-for-profit partner
  - Continuing sponsorship with Queensland Music Festival to engage with indigenous communities through music.
- **Community engagement**
  - Smith Street Motorway and Olsen Avenue Interchange Upgrade Project awarded finalist at the Public Relations Institute of Australia's 2015 Queensland Awards

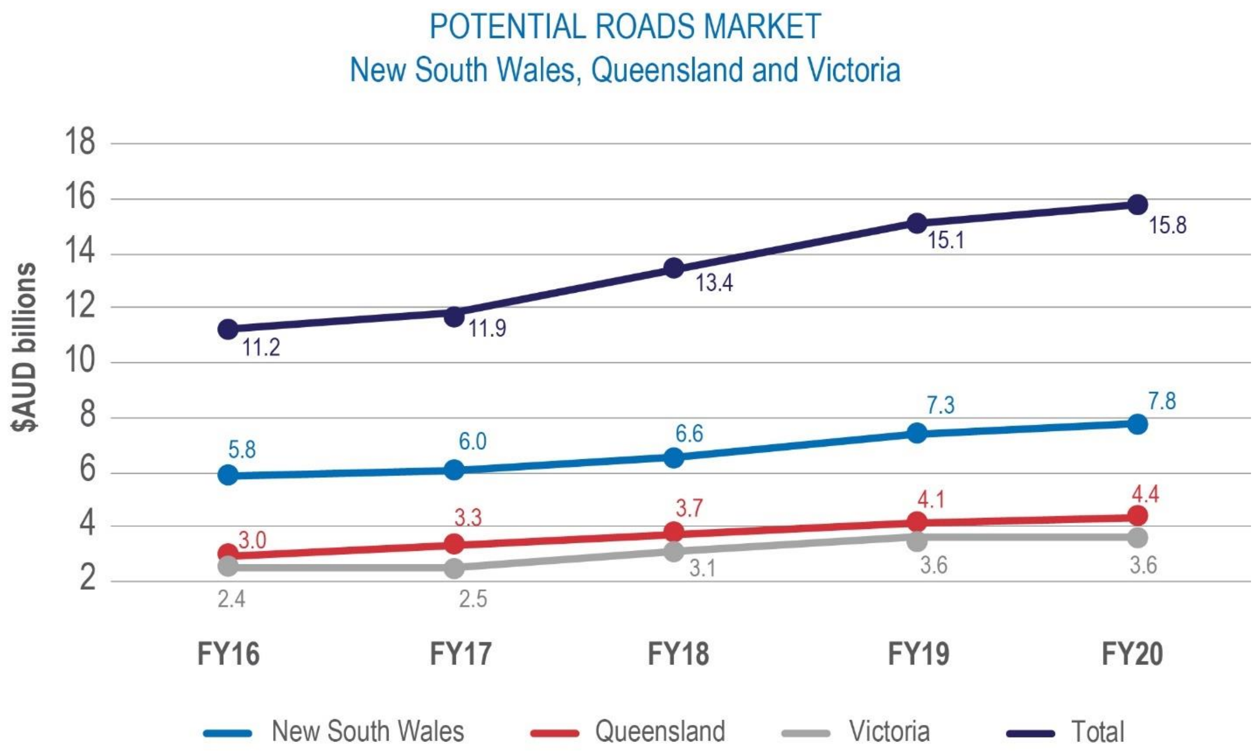
OUTLOOK & STRATEGY

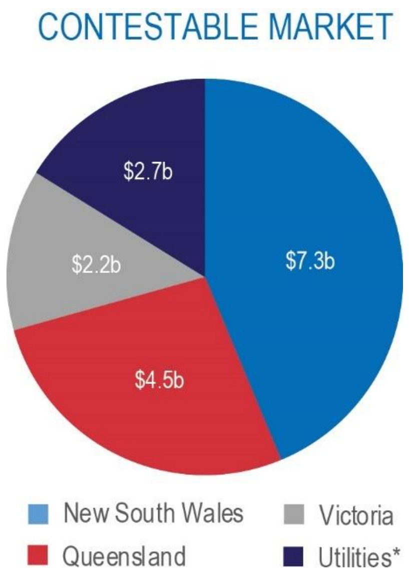
MARKET OPPORTUNITIES



- Activity in the Australian engineering and construction sector slowed dramatically in FY14 but is expected to recover from FY18.

MARKET OPPORTUNITIES





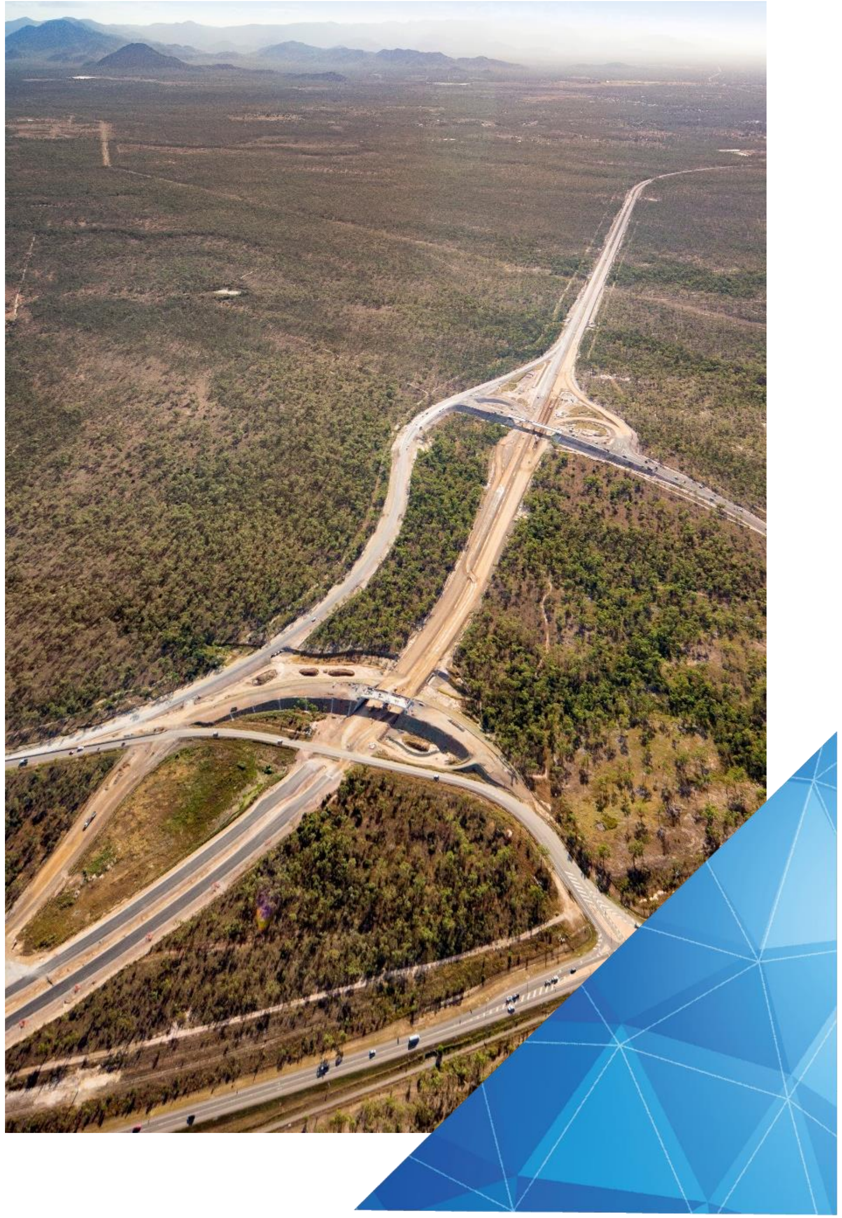
*Utilities contestable market disclosed as a national figure

- Opportunities in our core capability area of road construction continues to grow
- Strong project outlook for NSW, with VIC ramping up in FY17. Opportunities exist in QLD, with activity levels expected to improve fully from FY19
- WA continues to experience increased roads competition following the downturn in mining investment.

- The Group's total contestable market within a predominantly four-year horizon is approximately $16.7 billion.

2020 STRATEGIC PLAN

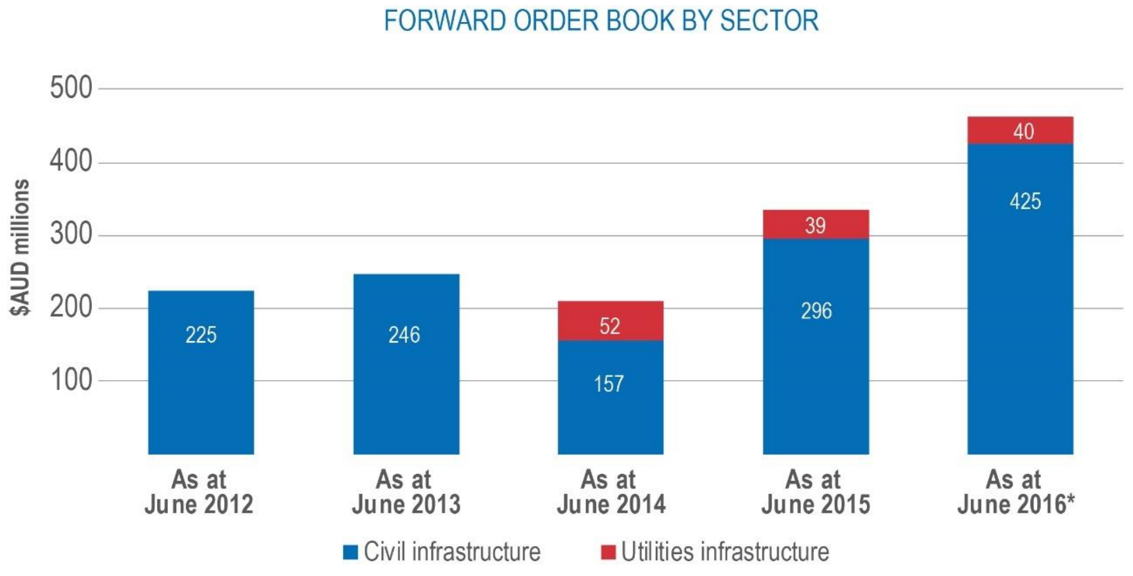
- Positive industry outlook provides opportunities for expansion to deliver improved shareholder returns, a more sustainable fixed cost structure and greater opportunities for our people.
- We will become a leading infrastructure business by 2020, selectively competing in the Tier 1 space while leveraging our competitive advantages as a Tier 2 contractor.
- Learnings from FY16 have been incorporated, i.e. tighter discipline on contractual and tendering management processes, improvements in design management and cost control, and innovation to obtain better project margins.



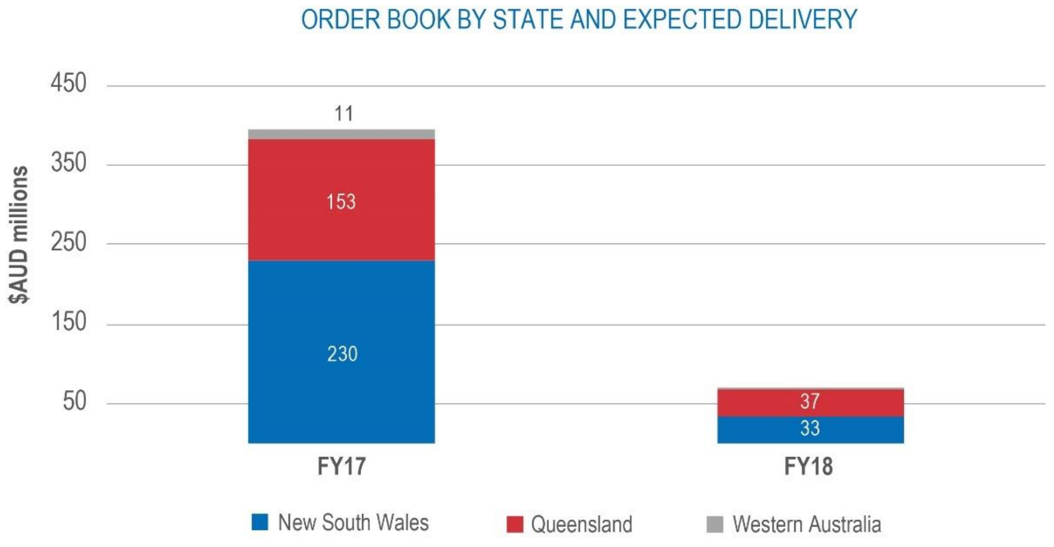
2020 STRATEGIC PLAN

- Seek out **opportunities in the $200 to $500 million** contract sum range
- Pursue **strategic joint ventures** to build capability and leverage our balance sheet
- Continue **diversifying into new regions** and sectors
- **Grow utilities division** focusing on partnerships with our civil division
- **Stay true to our values** of safe delivery, nimble and agile, disciplined, reputable, creative and collaborative
- Recruit and **develop skilled people** to meet the needs of our growing business
- **Improve efficiencies** in project delivery

FY17 AND BEYOND



*Order book includes $63 million project award announced in July 2016



- Total forward order book of $465 million (up 39% on same time last year), benefited by more than $250 million in project wins since May 2016
- Civil infrastructure order book of $425 million (up 43%) due to recent project wins including contracts for Port of Brisbane Motorway ($83 million) and Woolgoolga to Ballina Pacific Highway Upgrade ($63 million)
- Utilities infrastructure order book of $40 million relatively consistent with prior comparable period
- Project wins during year of $420 million (civil $375 million, utilities $45 million)
- Quality of order book strengthening as pressure on tendering margins start to ease in some sectors.

FY17 AND BEYOND

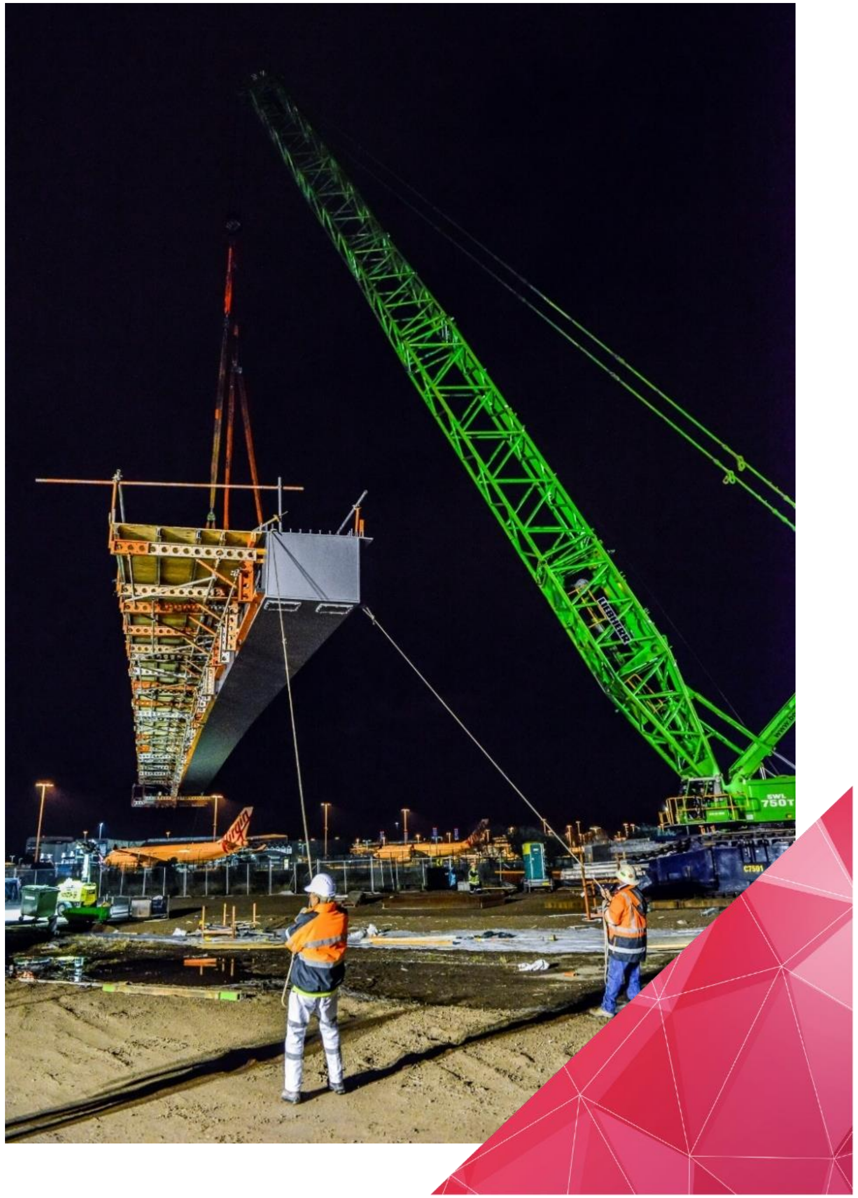
	Contract Value $AUD Million
CIVIL INFRASTRUCTURE >$20 million	
QLD	
Townsville Ring Road (Section 4)	$124 m
Pacific Motoway Coomera Interchange (Exit 54) Upgrade	$45 m
Port of Brisbane Motorway	$83 m
Peak Downs Timber Bridges Replacement	$21 m
NSW	
Great Western Highway: Hartley to Forty Bends Upgrade	$104 m
Maitland Railway Roundabout Upgrade	$23 m
Narellan Road Upgrade (Stage B)	$60 m
T1 Ground Access Improvement - Project 2C	$27 m
Wyong Rd and Pacific Motorway Upgrade at Tuggerah	$47 m
MR157 Showground Road Upgrade	$21 m
Nepean River Straight Bridge	$31 m
Woolgoolga to Ballina Pacific Highway Upgrade Wave 5	$63 m
UTILITIES INFRASTRUCTURE	
QLD	
Jindalee Watermain Replacement and Rising Main Solution	$14 m
Construction of Pipelines at Merrimac West Sewerage Catchment	$11 m
NSW	
Green Square Trunk Stormwater (ALLIANCE SHARE ONLY)	$25 m
WA	
City Beach 2A Infill Project	$5 m
Halls Head	$7 m
TOTAL ORDER BOOK	FY17 $394 million; FY18 $71 million

Timeline: Sep-16, Dec-16, Mar-17, Jun-17, Sep-17, Dec-17, Mar-18

Project end dates and values are indicative and are subject to change due to variations and scope changes.
Forecast information subject to major weather and other adverse events
Chart includes only projects currently in order book—excludes projects that have achieved practical completion during the reporting year

FY17 AND BEYOND

- $394 million of work in hand forecast to be delivered in FY17, to surpass FY16 revenue
- Currently undertaking significant tendering activity for delivery in FY18 and beyond
- Awaiting decisions on a number of tender submissions for major projects
- Ongoing implementation of *2020 Strategic Plan*, highlighted by:
  - increased revenue from joint ventures, in line with a renewed focus on tendering through joint ventures and being short-listed on a number of joint venture projects
  - ongoing investment in tendering on higher margin design and construct projects
  - additional resources towards winning and delivering our first civil infrastructure project in Victoria.
- Residual impact of two loss-making projects on profitability expected in first half of FY17.



COMPANY INFORMATION

COMPANY PROFILE

ASX:SWL (information as at 22 August 2016)	
Listed	31 May 2010
Total shares on issue	87,976,230
Market capitalisation	$65.1 million
Current share price	0.74
Share price (52-week high/low)	1.40/0.61

Shareholder registry	Percentage held
Racelid Pty Ltd (entity associated with founder Garry Whyte)	22.6
Rabtuvi Pty Ltd (entity associated with founder John Seymour)	19.4
Mr Robert Patrick Carr	5.5
Ms Catherine Mary Carr	5.4
Other shareholders	47.1

Board of Directors	
Mac Drysdale	Chairman
John Kirkwood	Managing Director and Chief Executive Officer
Rob Carr	Executive Director and Chief Executive (RCPL)
John Seymour	Director
Don Mackay	Director
Susan Johnston	Director
Christopher Greig	Director
David Wilson	Director

Senior Executives	
Nicola Padget	Chief Financial Officer
Amy Deeb	Company Secretary
Steve Davies-Evans	National Pre-Contracts Manager
Will MacDonald	Operations Manager – Northern
Steve Lambert	Regional Manager – Southern

ORGANISATION STRUCTURE

SEYMOUR WHYTE GROUP

Oversight & Governance
- Seymour Whyte Limited Board
- Managing Director & CEO
- Executive Management Team

Shared Services
- Health, Safety, Environment & Quality
- Legal & Commercial
- Communication & Community Engagement
- Finance
- Human Resources
- Information Technology

Civil Infrastructure Division | Utilities Infrastructure Division

Pre-Contracts
- Pre-Contracts

Operations
- Queensland Region
- NSW Region
- Victorian Region
- Chief Executive
  - East Coast Region
  - West Coast Region

DISCLAIMER

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This presentation contains forward looking statements, which are by their nature subject to significant uncertainties and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Seymour Whyte and its Directors). These may cause the actual results or performance of Seymour Whyte to be materially different from any future results or performance expressed or implied by such forward looking statements.

This presentation provides information in summary form only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

This presentation should be read in conjunction with other publicly available material. Further information including historical results are available on our website: www.seymourwhyte.com.au

This presentation provides a snapshot of Seymour Whyte's operational and financial highlights for FY2016. The financial information contained in this presentation has mainly been extracted from Appendix 4E: Preliminary Financial Report For the Year Ended 30 June 2016, lodged with the ASX on 23 August 2016. This information is also available on Seymour Whyte's website at www.seymourwhyte.com.au The financial report should be read in conjunction with the company's Annual Report for the year ended 30 June 2016 (to, for example, allow readers to understand significant accounting policies and methodological information contained in the statistical summary).