



FULL YEAR RESULTS 2016

INNOVATION | EXCELLENCE | GROWTH

PRESENTED BY MARK BENSON
MANAGING DIRECTOR & CEO



AGENDA

SLIDE 3 - COMPANY OVERVIEW

SLIDE 4 - CORPORATE SNAPSHOT

SLIDE 5 - SHAREHOLDER RETURN

SLIDE 6 - FINANCIAL PERFORMANCE

SLIDE 7 - HIGHLIGHTS FY16

SLIDE 8 - OPERATING RESULTS

SLIDE 9 - BALANCE SHEET

SLIDE 10 - REVIEW OF OPERATIONS

SLIDE 11 - MAINTENANCE OPERATIONS

SLIDE 12 - ENGINEERING CONSTRUCTION OPERATIONS

SLIDE 13 - GEOGRAPHICAL REVENUE DISTRIBUTION

SLIDE 14 - KEY PROJECTS

SLIDE 15 - ENGINEERING CONSTRUCTION OPERATIONS

SLIDE 16 - FACILITY MAINTENANCE OPERATIONS

SLIDE 17 - ASSET SERVICES OPERATIONS

SLIDE 18 - OUR PEOPLE

SLIDE 19 - STRATEGY

SLIDE 20 - OUTLOOK

SLIDE 21 - DISCLAIMER

SLIDE 22 - CONTACT

COMPANY OVERVIEW

Saunders International is a multi-disciplined and integrated engineering and construction business. We are one of Australia's most experienced companies specialising in the design, construction and maintenance of steel bulk liquid storage tanks and associated facilities.



Saunders operates from three business groups, the Engineering Construction group, the Facility Maintenance group and the Asset Services group.

The Engineering Construction group has in-house expertise to provide a turnkey solution for our clients from engineering, procurement, manufacturing, construction including structural, mechanical and piping (SMP).

Saunders Facility Maintenance group has core capabilities in tank maintenance and rehabilitation, general maintenance and shutdowns.

The Asset Services group encompasses a diverse range of specialist maintenance services including, remedial maintenance, general shutdown solutions, blasting and painting, waterproofing and heritage building works.

Saunders services a client base comprising a variety of 'blue chip' companies operating in the oil and gas, resources, energy, chemicals, commercial and water industries. We have a proud history in Australia with over 65 years' experience and our success is driven by our ability to build strong relationships and produce positive outcomes for our clients.

CORPORATE SNAPSHOT - AUGUST 2016

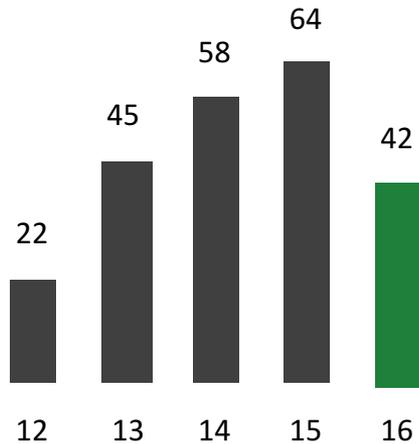
PRICE	A\$0.575
ASX CODE	SND
SHARES ISSUED	79M
OPTIONS	-
MARKET CAP	A\$45.5M
CASH	A\$14.3M
TOP 20 SHAREHOLDERS	68%
NO. OF SHAREHOLDERS	927 (approx.)
SUBSTANTIAL SHAREHOLDERS	Desmond Bryant - 28.3% Timothy Burnett - 12.4% JP Morgan Nominees Aust - 5.82%

Share Price Performance & Volume as at 12/08/2016

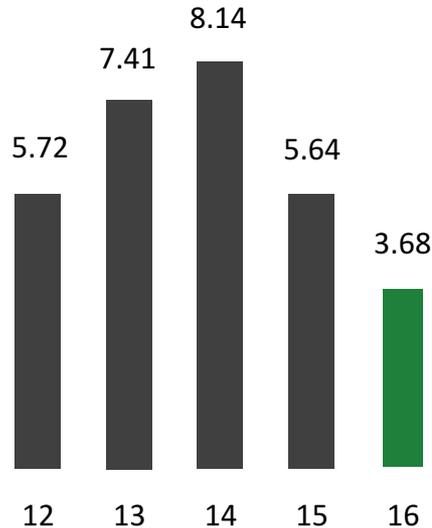


SHAREHOLDER RETURN

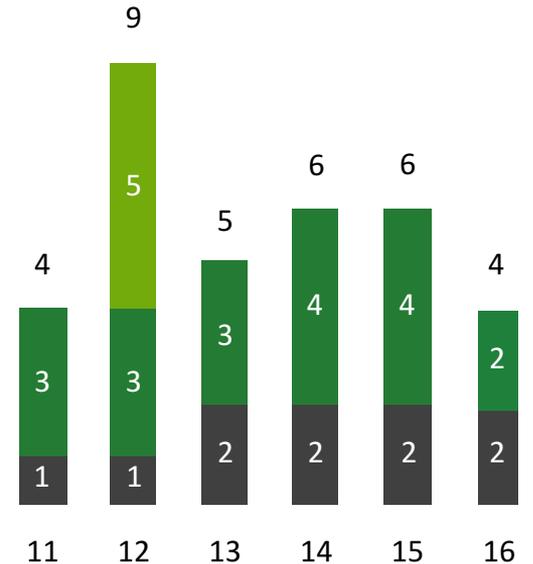
MARKET CAPITALISATION - \$M
FY



BASIC EARNINGS PER SHARE - CENTS
FY



DIVIDENDS - CENTS PER SHARE
FY



■ Interim Dividend ■ Final Dividend ■ Special Dividend

FINANCIAL PERFORMANCE

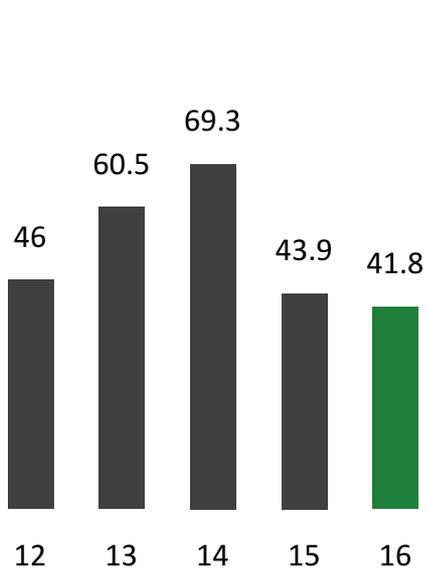
	30 JUNE 2016 FULL YEAR \$000	30 JUNE 2015 FULL YEAR \$000
Revenue	\$41,828	\$43,954
Net profit before tax	\$3,705	\$6,324
Net profit after tax	\$2,891	\$4,431
Net profit %	6.9%	10.1%
Return on equity %	16.9%	23.4%
Basic earnings per share	3.68c	5.64c
Work in hand	24.5M	28M

HIGHLIGHTS FY16

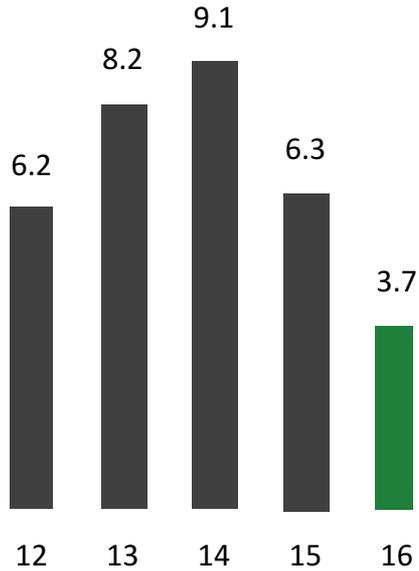
- Safety performance continues to improve with our **TIFR down by 32%** **which was on top of a 50% reduction the previous year**
- Current tendering activity improving - **\$133M**
- Preliminary design order & **preferred contractor status on significant bulk liquid storage terminal opportunity**
- **\$167M** project pipeline (yet to be tendered)
- Newly established **Assets Services Group** gaining momentum with several wins
- Executing diversification strategy with **Structural, Mechanical, Piping (SMP) contract wins**
- Investing in people, process and systems to provide a **foundation for future growth**
- **Management Team restructure** with clear business groups
- Maintained strong balance sheet (**\$14.3M cash**)

OPERATING RESULTS

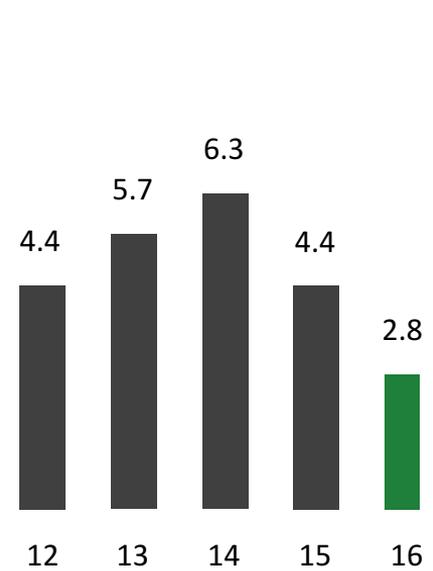
REVENUE - \$M
FY



NPBT - \$M
FY



NPAT - \$M
FY



BALANCE SHEET

BALANCE SHEET (\$M)	30 JUNE 2016	30 JUNE 2015
Assets		
Cash	14,347	17,874
Trade receivables	7,085	5,014
Plant & equipment	1,806	1,992
Deferred tax assets	864	993
Others	294	804
Total Assets	24,396	26,677
Liabilities		
Payables	4,685	4,819
Tax liabilities	582	107
Provisions	2,414	2,836
Total Liabilities	7,099	7,762
Net Assets	17,297	18,915
NTA per share	20.72 cents	22.81 cents

REVIEW OF OPERATIONS



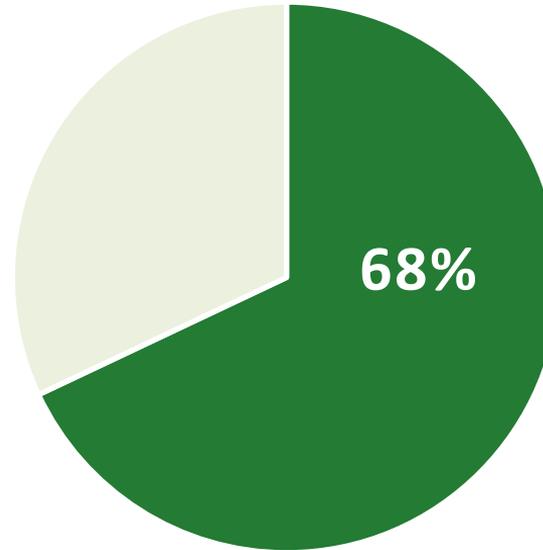
FY16 Revenue \$28.5M

Performance Highlights

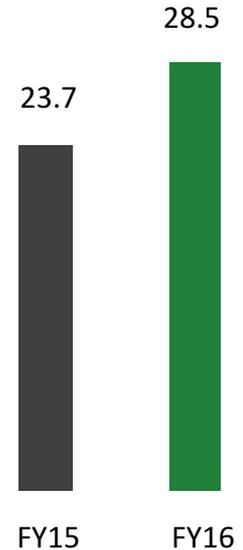
- BP Bulwer terminal conversion
- Viva Clyde terminal conversion
- Kwinana refinery maintenance
- Executed general maintenance work for current clients
- Operating in multiple states NSW, QLD, WA, VIC

Opportunities

- Build on our entry into general maintenance work
- Maintenance shutdown work
- Remedial maintenance work



REVENUE \$M



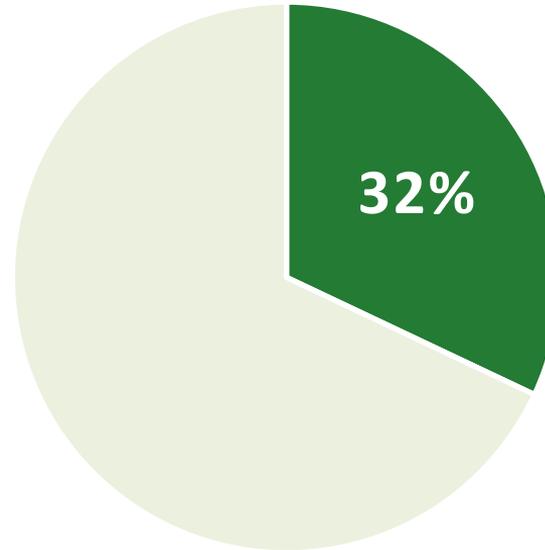
FY16 Revenue \$13.3M

Performance Highlights

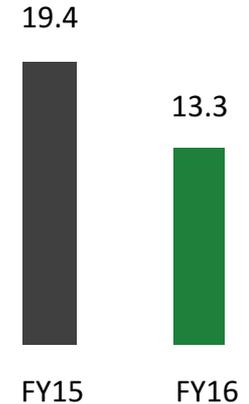
- Stolthaven Newcastle terminal
- Port Bonython fuels terminal
- Operating in multiple states
NSW, QLD, SA

Opportunities

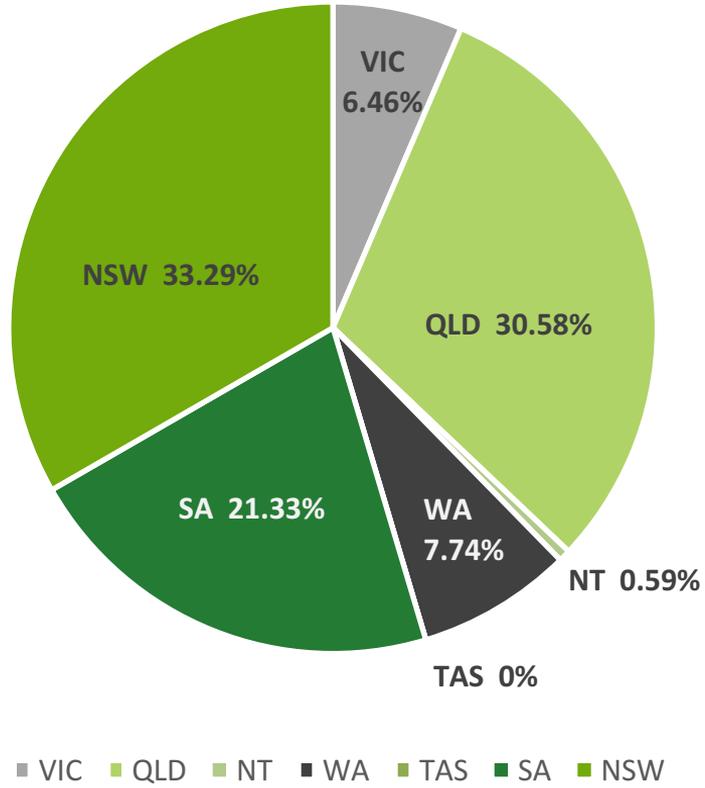
- New terminal construction
- Expansion of existing terminals
- Value add projects through our
EPC capabilities
- New structural, mechanical
& piping work (SMP)



REVENUE \$M



GEOGRAPHICAL REVENUE DISTRIBUTION - 2016



KEY PROJECTS





BP Bulwer Island - SMP Package on Jet Fuels Project

- Civil works
- Fabrication & installation of structural steel supports & piping for both water & foam lines
- Fabrication & installation of the cooling rings & splash plates
- Fabrication & installation of platforms & hand rails



Port Bonython Fuels Terminal Project

- Successful completion of installation of 3 x 42m dia x 20.4 high column supported roof tanks
- 0 LTIs on project
- Tank installation duration was achieved in 8 months



BP Bulwer - SMP Package

- Install firefighting & cooling ring pipe lines
- Install fast flush systems
- General on-site mechanical works during conversion of refinery to terminal
- Installation of HDPE lines



VIVA, Clyde

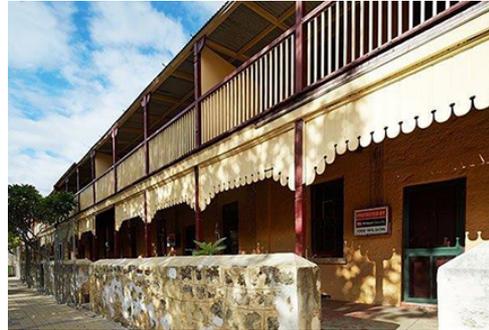
- 16 month project consisting of refurbishment of 3 tanks at the old refinery site
- Successfully completed assembly and installation of 2 x 40m dia Aluminum geodesic dome roofs
- Protective coating refurbishment of the 3 tanks

Performance Highlights

- Awarded Dept of State Heritage contract for heritage works in Fremantle, WA
- Currently completing detailed concrete investigation survey on the Inverarity Stands at WACA
- Short-listed for several high profile projects in WA

Opportunities

- Follow up stadium refurbishment works
- Maintenance works
- Gas Plant maintenance works
- Heritage Remediation works



Warders' Cottages (heritage building), Fremantle, WA



Application of high performance elastomeric urethane



Inverarity Stands at WACA, Perth, WA



Torch applied waterproofing membrane

OUR PEOPLE

Safety

- Our Total Injury Frequency Rate (TIFR) reduced 32%
- 3 years LTI free across entire group
- Introduction of new safety program, continued roll out FY17

Workforce

- Average workforce around 160 (125-175)
- Apprentices = 4
- Female workforce = 10%



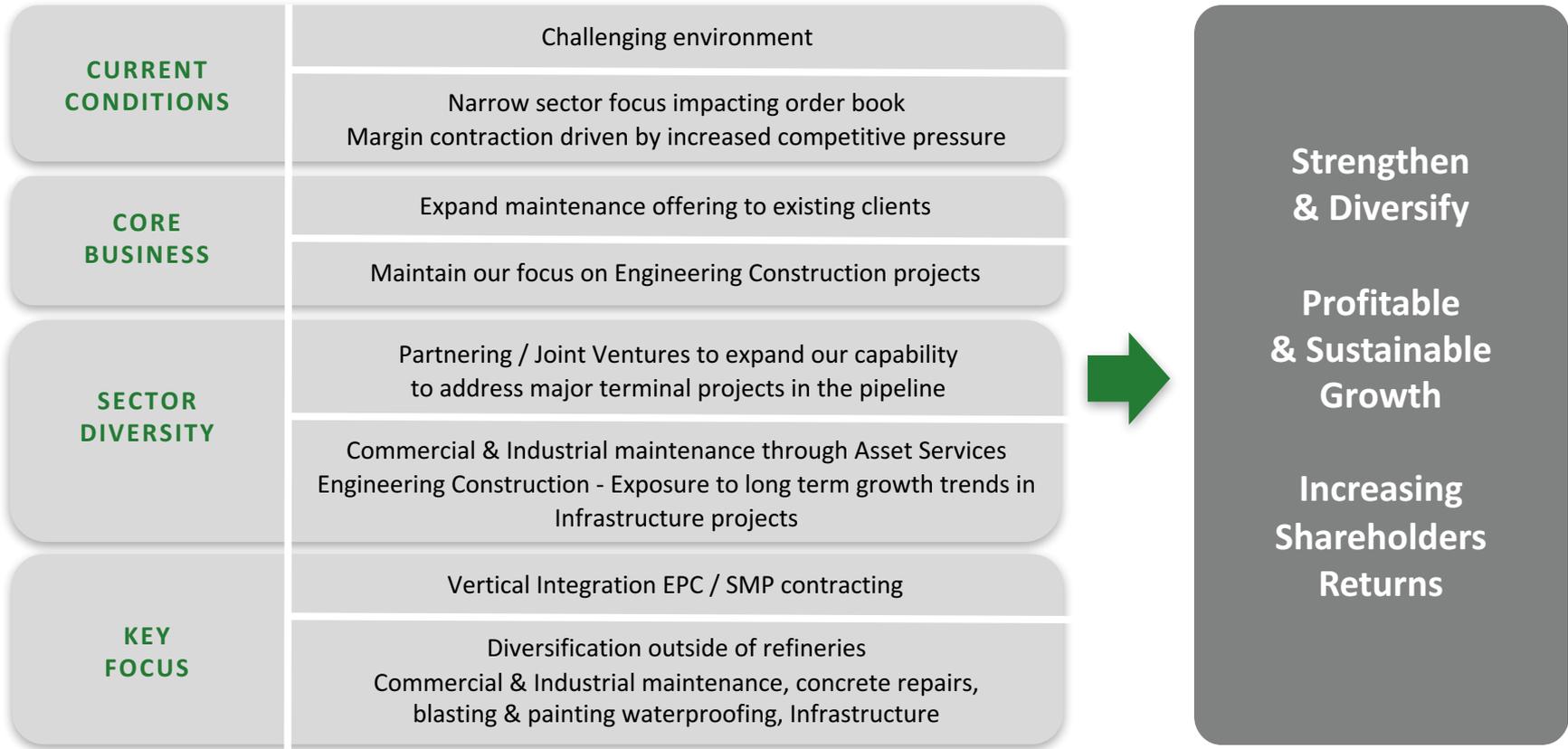
Our people is what makes Saunders International the Company that it is. Our workforce comprises of 160 employees across all States and we are proud to be working on increasing the female participation rate above 10% this year. We have four apprentices and we look forward to being a part of their journey with Saunders International. Safety of our people is paramount, and we are three years LTI free across all divisions.

A key element of our three year strategy is the development of our people, ensuring our people and our service is a key point of difference by implementing best practice.

My personal commitment to our people is:

1. We will ensure everyone is crystal clear of what is expected of them
2. Everyone will receive honest and regular feedback on their performance
3. We will share the vision of the organization and the strategic priorities
4. We will give our people opportunities to grow and develop
5. We will create a team environment so that everyone feels like they belong

STRATEGY (STRENGTHEN & GROW)



OUTLOOK

KEY INDICATORS	Backlog \$24.5M 30 th June
	Live tenders \$133M, project pipeline \$167M
ENGINEERING CONSTRUCTION	Preliminary design contract for major EPC terminal (FY17 Q3 construction opportunity)
	Strong pipeline of further terminal tankage projects
MAINTENANCE	Continue organic traction with Asset services business (\$4M backlog) commercial & industrial maintenance
	Position for Infrastructure work Grow tankage services outside of major refineries
LOOK AHEAD	H1 earnings affected by project timings, H2 weighted
	Increased competition will continue to maintain margins at current levels Building order book & diversify sector focus Strong balance sheet no debt



Competitive Cycle

Strengthen & Growth

Build Order Book

Diversify Sector Focus

Strong Balance Sheet - No debt

DISCLAIMER

IMPORTANT NOTICE

This presentation has been prepared by Saunders International Limited (“Saunders”) as a summary of the Company and its operations and for general information purposes only.

This presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in Saunders, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Saunders will be entered into on the basis of this presentation.

Saunders has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, neither makes any representation and neither can give any assurance, guarantee or warranty, express or implied, as to, and neither takes any responsibility and assumes liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this presentation.

You should not act or refrain from acting in reliance on this presentation material. This overview of Saunders does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision.

The contents of this presentation are confidential. This presentation is being provided to you on the condition that you do not reproduce or communicate it or disclose it to, or discuss it with, any other person without the prior written permission of the Company.

The presentation contains certain forward-looking statements which have not been based solely on historical facts but, rather, on Saunders’s current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of Saunders and its directors, officers and advisers.



MARK BENSON

Managing Director & Chief Executive Officer

P (02) 9792 2444

E mark.benson@saundersint.com

A 271 Edgar Street, Condell Park NSW 2200

saundersint.com | 