



Seymour Whyte Limited and Controlled Entities | ABN 67 105 493 203

HALF YEAR RESULTS PRESENTATION

for the six months to 31 December 2015

John Kirkwood, Managing Director | Nicola Padget, Chief Financial Officer

24 February 2016

HALF YEAR SUMMARY



FINANCIAL

- Revenue \$166.4M, increase of 35% compared to prior corresponding period (pcp)
- Challenging market, NPAT within guidance at \$0.2 million
- Maintained strong balance sheet
- Interim dividend 1.75 cents per share (fully franked) due to expectation of a stronger second half and ongoing confidence in project pipeline

OPERATIONAL

- Margin compression experienced across market, particularly Queensland
- NSW business continuing an unprecedented growth period, revenue more than doubled on pcp
- Continued to win work in targeted new sectors
- Maintained safety performance

OUTLOOK

- \$1 billion in active tenders and expression of interests
- Utilising strengths for significant new project opportunities
- NSW and Victoria exhibiting strong steady growth into FY17 and beyond
- Focus on building strategic partnerships supporting the Group in competing for larger projects
- Utilities business increasing client base and average project size

GROWTH HIGHLIGHTS

- Unprecedented growth in NSW
 - revenue more than doubling compared to pcp, now accounting for 45% of Group revenue
 - ten infrastructure projects active in NSW
 - NSW recruitment drive resulted in more than 70 new employees in past 14 months to support increase in new projects
- \$1 billion+ in Group active tenders and expression of interests
- Strengthened position in new sectors
- Group presence maintained nationally - Perth (WA), Sydney (NSW), Melbourne (Vic) and Brisbane, Yatala, and Townsville (Qld)



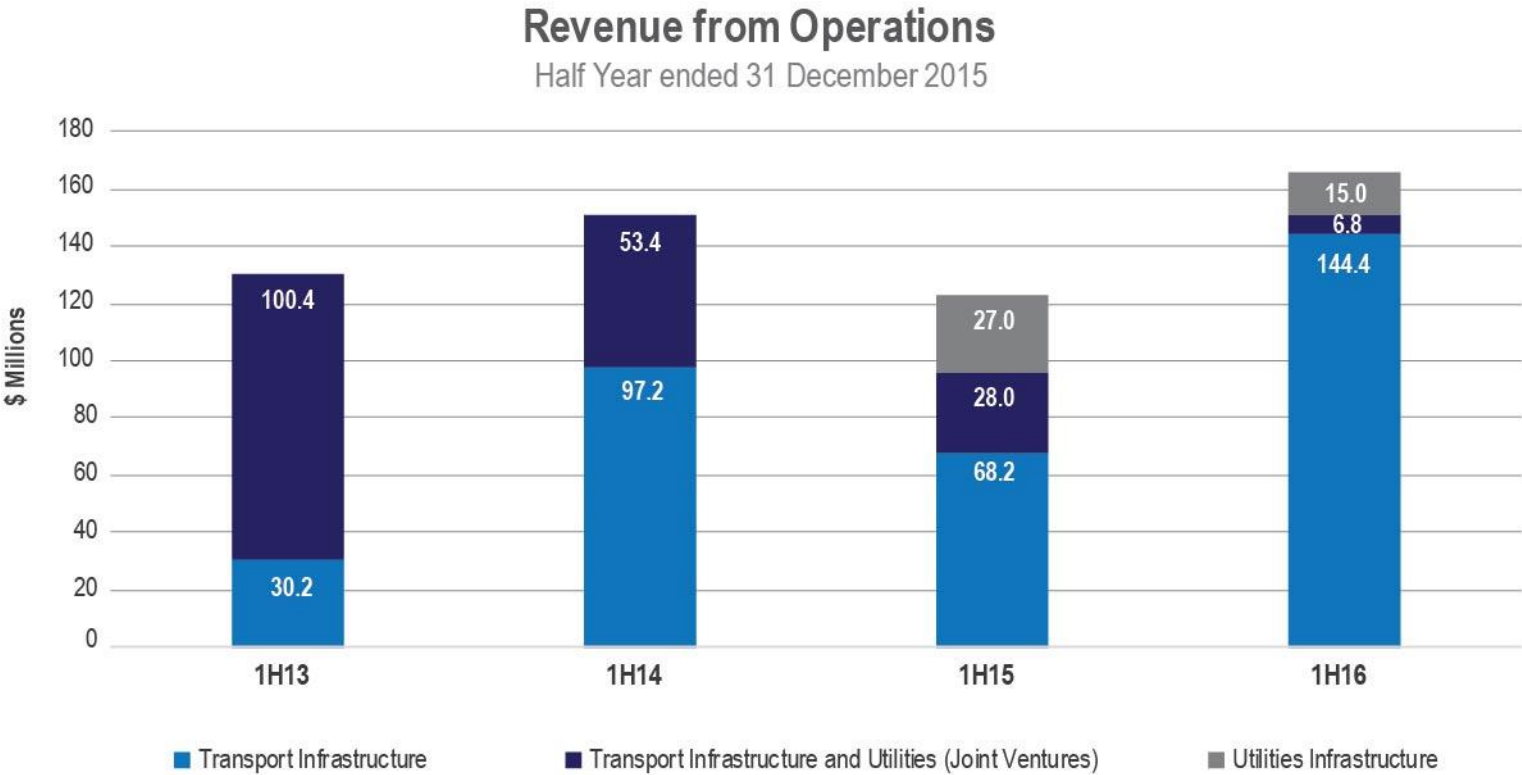
FINANCIAL PERFORMANCE

- Challenging year for the industry, particularly in Queensland
- NPAT within lower end of guidance \$0.2M, a result of general margin compression impacting the infrastructure sector, and two loss-making projects
- Revenue \$166M, up 35% on pcp
- Maintained strong balance sheet
- Interim dividend 1.75 cents per share (fully franked) – demonstrated ongoing confidence in project pipeline

		1H16	1H15	Change	%
Revenue	\$m	166.4	123.3	43.1	35.0%
EBITDA	\$m	2.4	6.9	(4.5)	(65.2)%
EBITDA Margin	%	1.5%	5.6%	(4.1)%	-
NPAT	\$m	0.2	3.2	(3.0)	(93.3)%
NPAT Margin	%	0.1%	2.6%	(2.5)%	-
Basic Earnings Per Share	(cps)	0.24	3.65	(3.4)	(93.4)%
Interim Dividend Per Share	(cps)	1.75	1.75	-	-

REVENUE

- Group revenue from operations \$166.2M, up 35% compared to pcp
- Successful projects and focus on actively balancing revenue stream has offset the full effect of current challenges
- Although increase in revenue did not contribute to the bottom line, this is reflective of market conditions and margin pressure during this period



** Revenue represents construction revenue only*

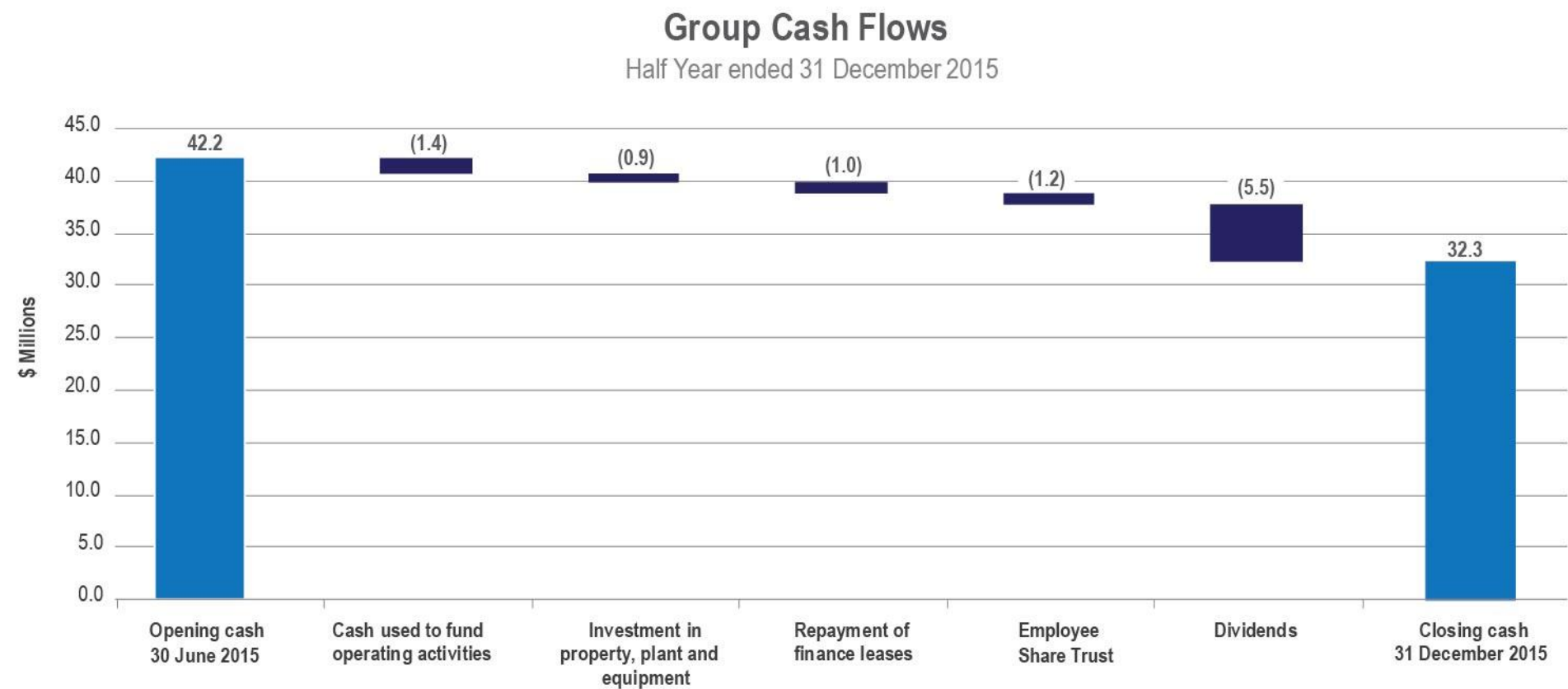
FINANCIAL POSITION

- Cash position remains sound
- Continued low levels of gearing and significant assets held as cash
- Supporting company growth through strong project pipeline
- Unencumbered cash holdings of \$32 million held at the end of the period

CASH AND DEBT		1H16	FY15	Change	%
Cash	\$m	32.3	42.2	(9.9)	(23.5)%
Debt	\$m	(3.9)	(4.2)	0.3	(7.1)%
Net Cash Position	\$m	28.4	38.0	(9.6)	(25.3)%

BANK GUARANTEE AND BONDING FACILITIES		1H16	FY15	Change	%
Utilised	\$m	42.7	38.5	4.2	10.9%
Available	\$m	43.2	38.2	5.0	13.1%
Total Facilities	\$m	85.9	76.7	9.2	12.0%

FINANCIAL POSITION



- \$1.4 million used to fund operating activities
- Purchase of company shares in employee share trust to prevent dilution to current shareholders
- Dividends paid to shareholders of 6.25 cents per share for final FY15 dividend

OPERATIONAL PERFORMANCE

TRANSPORT INFRASTRUCTURE

1H16 ACTIVE PROJECT SNAPSHOT

- 1. West Gosford - Central Coast Highway (NSW)
- 2. Northern Airport Precinct - Sydney Airport (NSW)
- 3. Great Western Highway - Forty Bends (NSW)
- 4. Townsville Ring Road Section 4 (Qld)
- 5. Warrego Highway Toowoomba to Oakey (Qld)
- 6. Exit 54 Pacific Motorway Upgrade (Qld)
- 7. Maitland Railway Roundabout Upgrade (NSW)

RECENTLY AWARDED

- 8. Pacific Hwy/Wyong Rd Intersection Approaches (NSW)
- 9. Narellan Road Stage B (NSW)



OPERATIONAL PERFORMANCE

TRANSPORT INFRASTRUCTURE

- Transport segment revenue increased by 52.7% on pcip
- Growth in NSW strengthened, doubling revenue on pcip
- Loss-making project and tight margins had a significant effect on EBITDA and segment margin
- Substantial investment in tendering activity – increasing opportunities in larger design and construct projects
- Successful contract performance on major projects continuing into 2H16 - Townsville Ring Road 4 and Sydney Airport
- Further penetration into airport market and continuing to actively tender core business in Victoria
- 2H16 outlook - increased project activity however margin pressure will continue in Queensland

		1H16	1H15	Change	%
Revenue	\$m	146.6	96.0	50.6	52.7%
EBITDA	\$m	4.1	7.4	(3.3)	(44.6)%
EBITDA Margin	%	2.8%	7.7%	(4.9)%	-
Operating Segment Result (before tax)	\$m	3.5	6.7	(3.2)	(47.8)%
Segment Margin	%	2.4%	7.0%	(4.6)%	-

OPERATIONAL PERFORMANCE

UTILITIES INFRASTRUCTURE

1H16 ACTIVE PROJECT SNAPSHOT

- 1. Green Square Trunk Stormwater Drainage (NSW)
- 2. Jindalee Water Main Replacement and Rising Main (Qld)
- 3. Busselton Infill Sewerage Project (WA)
- 4. Roy Hill Mine Operational Water Main (WA)
- 5. Dawesville PS7 (WA)

RECENTLY AWARDED

- 6. RNA Trunk Sewer Stage 1 (Qld)
- 7. Merrimac Sewer Upgrade (Qld)
- 8. Surf Street Drainage Upgrade (Qld)



OPERATIONAL PERFORMANCE

UTILITIES INFRASTRUCTURE

- Revenue earned across 11 projects dominated by Jindalee (Qld), Green Square (NSW) and Busselton Infill Sewerage Project (WA) representing push into larger projects
- Revenue growth impeded by subdued utilities market in Western Australia
- EBITDA margin impacted by loss-making project Roy Hill – currently pursuing contractual entitlements to recoup some of these losses
- 2H16 outlook considerably stronger with >\$20M in new Qld project wins late in the period
- Multidisciplinary utilities service offering driving new business opportunities

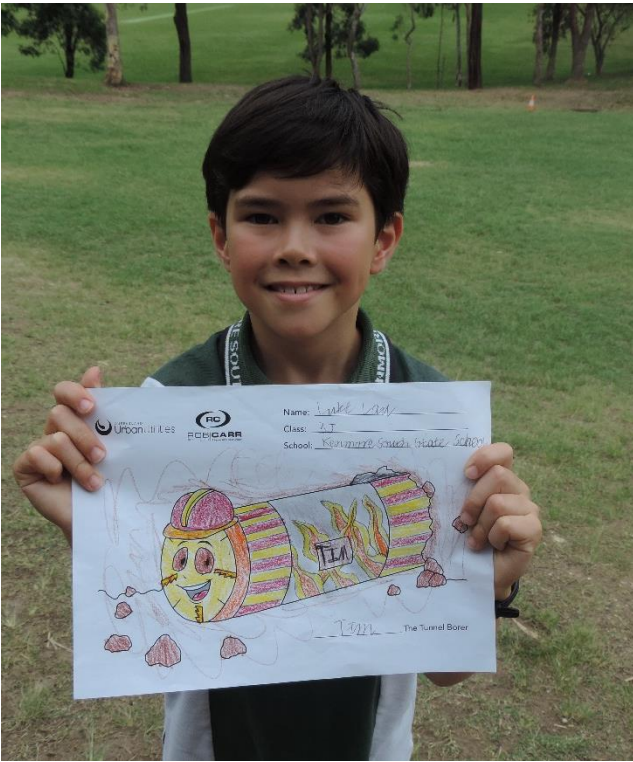
		1H16	1H15	Change	%
Revenue*	\$m	27.1	27.0	0.1	0.4%
EBITDA	\$m	3.3	4.7	(1.4)	(29.7)%
EBITDA Margin	%	12.2%	17.3%	(5.1)%	-
Operating Segment Result (before tax)	\$m	2.0	3.2	(1.2)	(37.5)%
Segment Margin	%	7.5%	11.9%	(4.5)%	-

* Revenue of \$27.1m represents segment revenue pre-elimination of intersegment revenue

COMMUNITY HIGHLIGHT

JINDALEE WATERMAIN REPLACEMENT PROJECT - SCHOOLS PROGRAM

- Targeted community engagement program invited local school children to name and design the tunnel borer to be used on \$14M Jindalee water and sewerage project
- Resulted in participation from more than 300 students and parents from across four schools within the project impact area
- Positive collaboration with major client Queensland Urban Utilities, continuing into 2H16
- Campaign resulted in local exposure highlighting project benefits
- Future project milestones will provide additional positive engagement opportunities



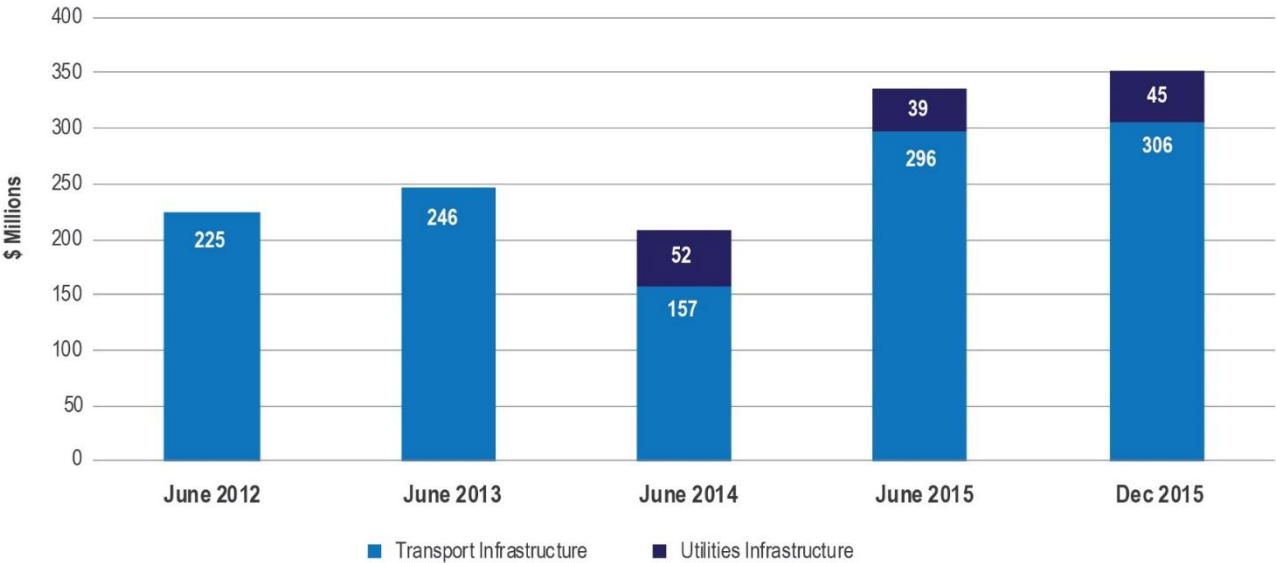
Winning 'flame' design – Luke Lau from Kenmore South State School



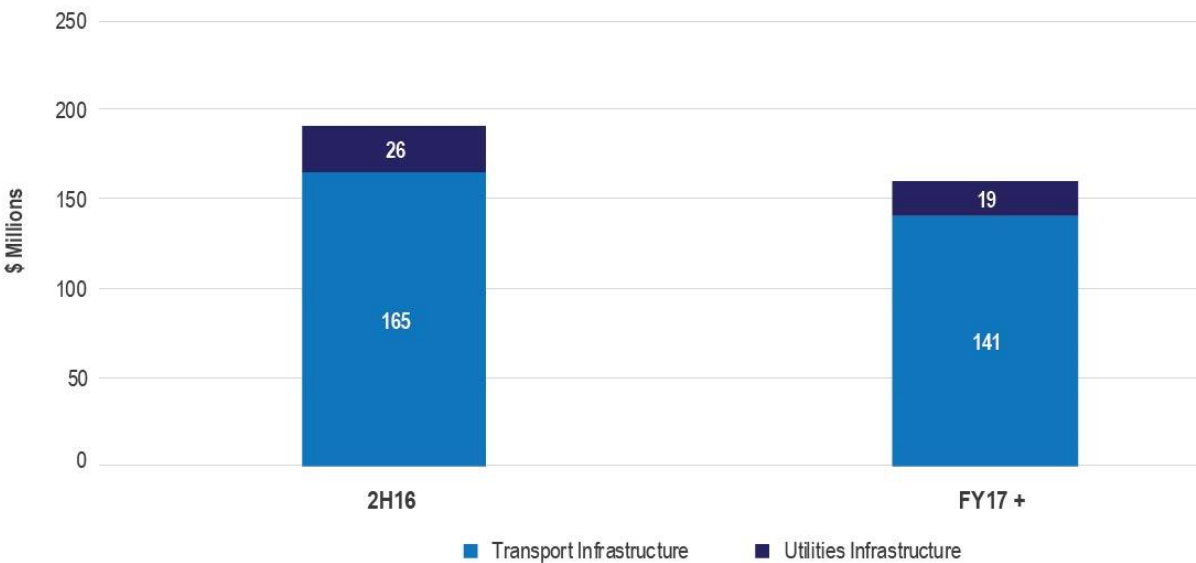
Winning name 'Kenji' - Olivia Harm from Jindalee State School

FORWARD ORDER BOOK

Order Book by Sector



Order Book Forecast Delivery



- Positive future outlook solidified with a desirable mix of projects and work in hand for FY16
- Order book \$351 million, of which \$191 million is secured revenue for delivery by 30 June 2016
- \$306 million in transport (59% to be delivered in NSW) and \$45 million in utilities (64% to be delivered in Qld)
- \$1 billion+ in active tenders and expression of interests

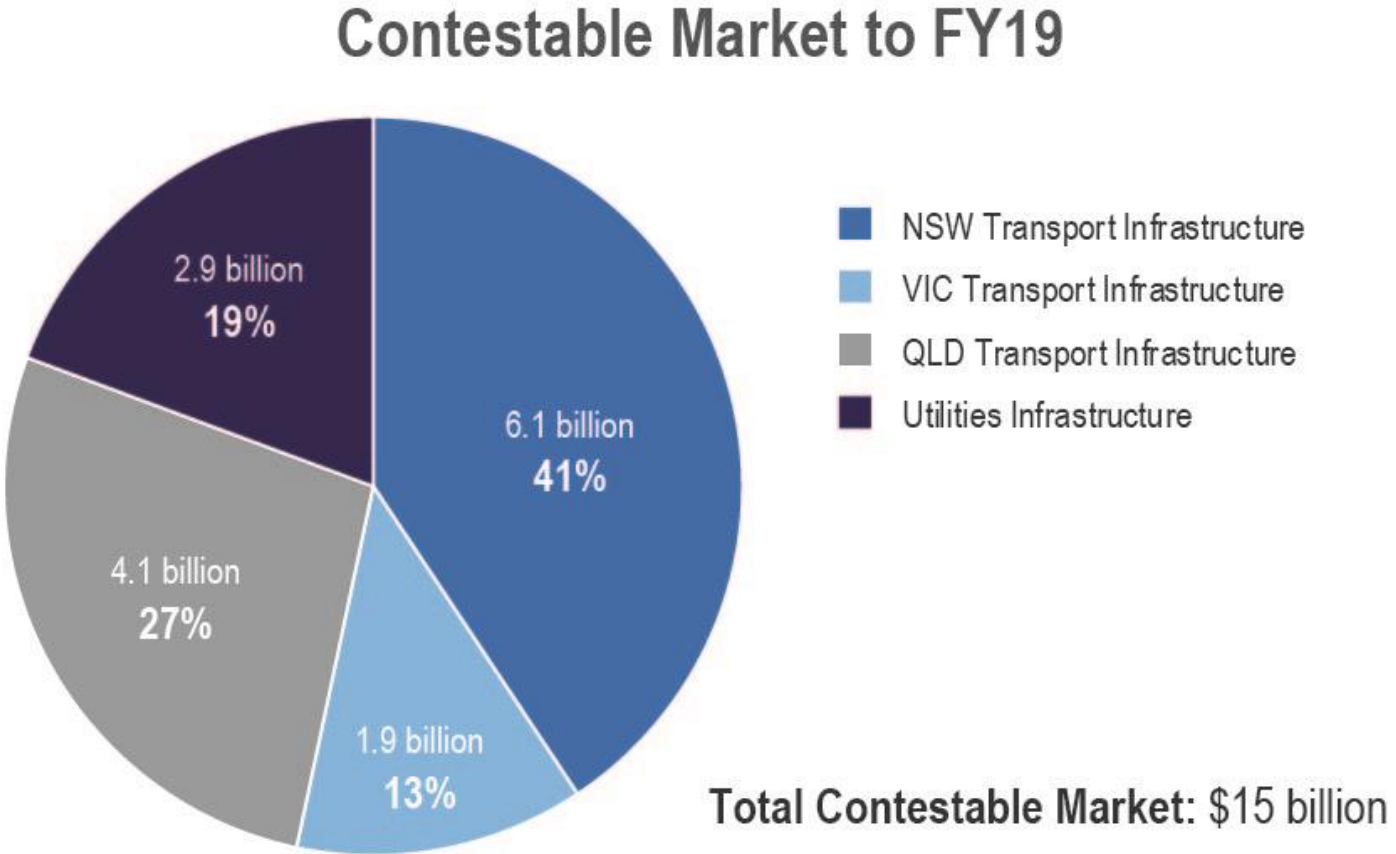
FORWARD ORDER BOOK

	Contract Value	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
TRANSPORT									
Northern Airport Precinct Landslide Bridge	\$20m								
Warrego Hwy - Nugent Pinch to Charlton	\$47m								
Townsville Ring Road Section 4	\$119m								
Great Western Highway - Forty Bends	\$102m								
Maitland Railway Roundabout Upgrade	\$22m								
Coomera Interchange - Exit 54	\$33m								
Yellow Gin Creek	\$9m								
Narellan Road Upgrade (Stage B)	\$60m								
Pacific Hwy/Wyong Rd Intersection Approaches	\$41m								
T1 Ground Access Improvements - Project 2B	\$6m								
UTILITIES									
Busselton Infill Sewerage	\$15m								
Jindalee Watermain Replacement	\$14m								
Green Square Trunk Stormwater	\$25m*								
RNA Trunk Sewer Stage 1	\$4m								
Merrimac Sewer Upgrade	\$11m								
Surf Street Drainage Upgrade	\$6m								
TOTAL ORDER BOOK		FY16 - \$191m			FY17 & Beyond - \$160m				

Project end dates and values are indicative and are subject to change due to variations and scope changes.
 Forecast information is subject to major weather and other adverse events
 Chart includes only those projects currently in order book.
 * As this is an Alliance Project the contract value shown above relates to the Group's share only

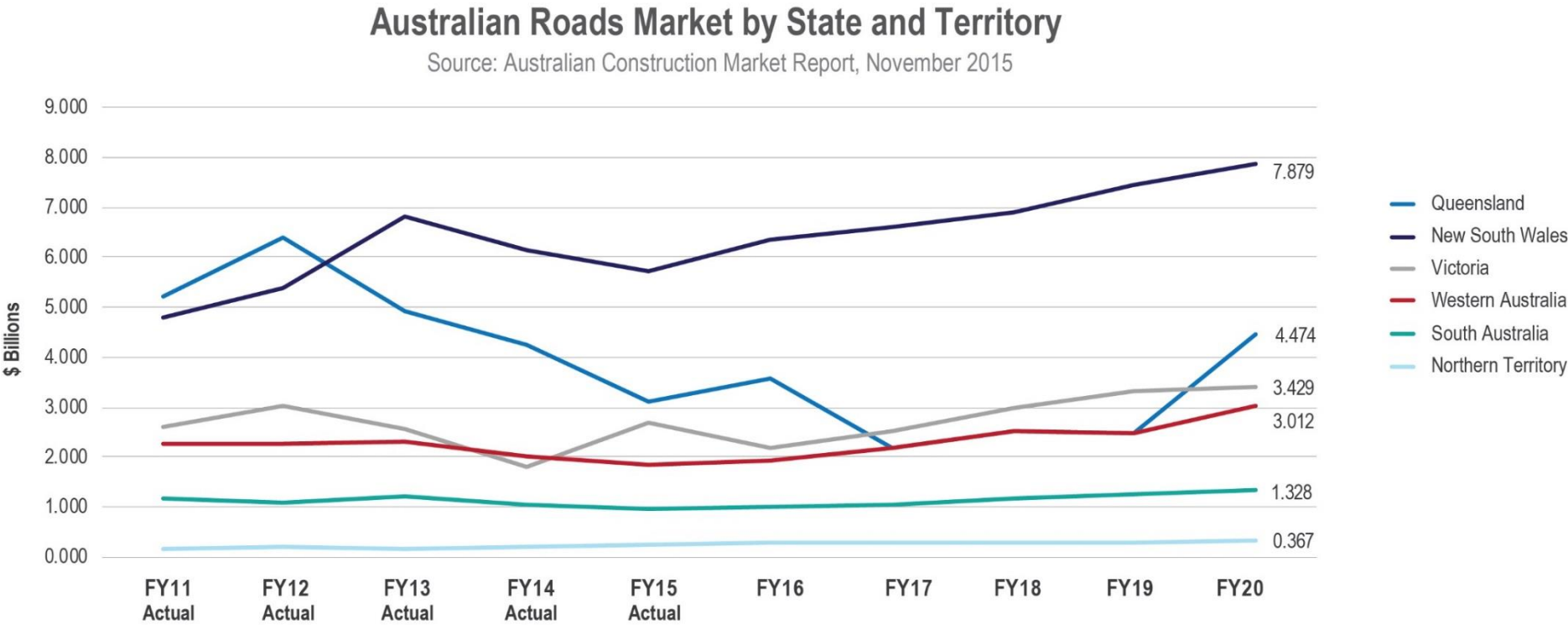
CONTESTABLE MARKET

- NSW transport infrastructure sector exhibiting strong steady growth into FY17 and beyond
- Victoria transport infrastructure shows good potential growth for Seymour Whyte in FY17 and beyond
- Qld remains subdued, however with significant turnaround expected in the next 2 to 3 years
- Utilities infrastructure market shows strength in Qld and NSW
- Seymour Whyte contestable market in excess of approx. \$15 billion (predominately over next 4 years)



* Utilities contestable market disclosed as national figure

MARKET BY STATE



Forecast activity in one of Seymour Whyte’s key markets (by state and territory):

- NSW - steady growth year on year
- Vic - stable market with strong opportunities for market penetration by Seymour Whyte
- Qld - challenges expected to continue for next 12-18 months with recovery phase expected from FY19
- WA & SA - remains steady

OUTLOOK

- Targeting stronger 2H16 with increased revenue on first half
- Full year guidance revised to anticipated range of \$4M to \$5M, with potential upside arising from outstanding claims
- Drive organic growth of core operating divisions
- Capitalise on recent success in airport sector project delivery
- Positioned to benefit from significant spend in New South Wales and Victoria in next 12 to 24 months
- Renewed approach to strategic partnerships to support competing for larger projects
- Utilities business steadily positioning to capitalise on new project opportunities

