

# HALF YEAR RESULTS PRESENTATION

for the six months to 31 December 2016

Seymour Whyte Limited and Controlled Entities  
ABN 67 105 493 203





# HALF YEAR SNAPSHOT



# HALF YEAR SNAPSHOT

| FOCUSED ON GROWTH   | SOLID PROGRESS ON 2020 STRATEGIC PLAN   | POSITIVE OUTLOOK  | EXCELLENCE IN PROJECT DELIVERY   |
|---|---|---|--|
| <ul style="list-style-type: none"> <li>Revenue strong at \$232.8m, up 40% pcp</li> <li>NPAT \$0.4m, up from \$0.2m pcp</li> <li>On track to achieve targeted profit levels by FY18</li> </ul> | <ul style="list-style-type: none"> <li>Major \$450 million project won in 50:50 strategic joint venture; largest share of contract in Group history</li> <li>Successful entry into Victorian roads market with three* projects awarded</li> </ul> | <ul style="list-style-type: none"> <li>Forward order book totalling \$539m, with work in hand extending to FY20</li> <li>Total of 8 new projects (3 civil division, 5 utilities division) projects won this period</li> <li>Pursuing a current pipeline of potential projects worth \$1.5b</li> </ul> | <ul style="list-style-type: none"> <li>Recognition of excellence in project delivery and high calibre team members through five industry award wins</li> <li>Two major projects completed ahead of schedule</li> </ul> |

\*Two Victorian projects awarded in 1H FY17, and one awarded in February 2017 (subsequent to end of period)



# FINANCIAL PERFORMANCE

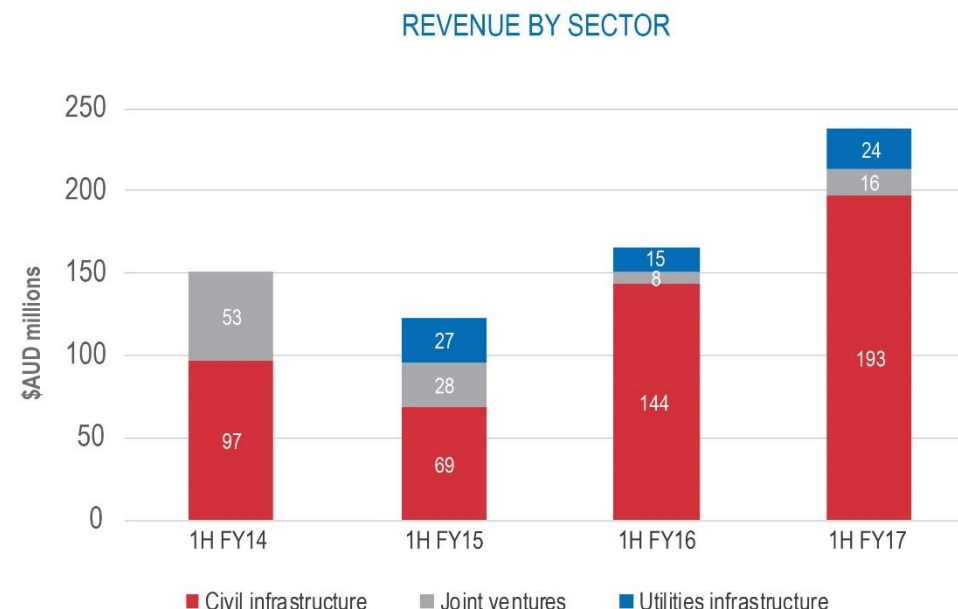
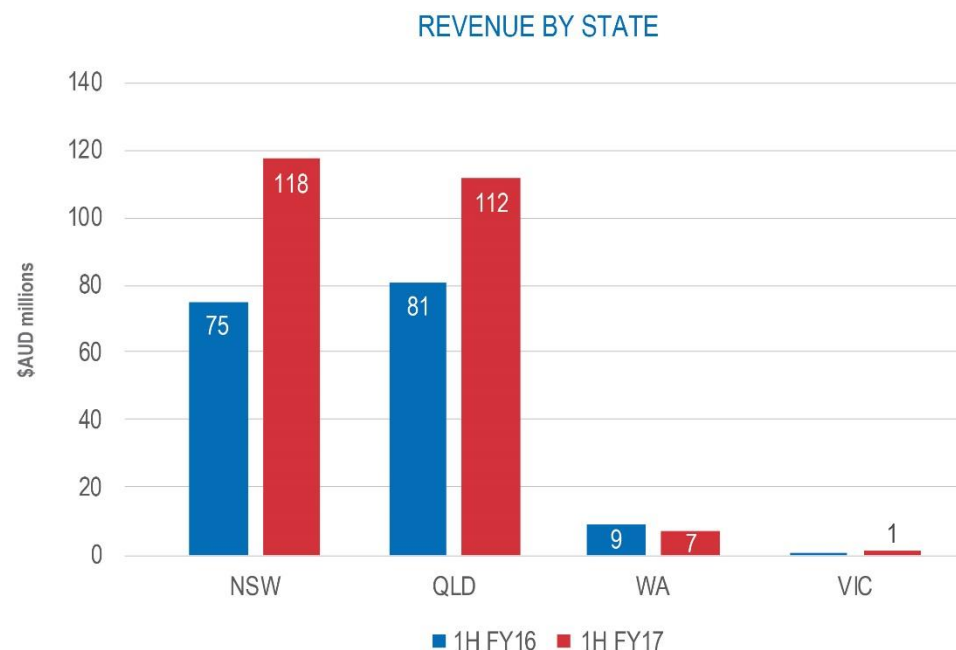


# FINANCIAL PERFORMANCE

|               |     | 1H FY17 | 1H FY16 | Change | % Change |
|---------------|-----|---------|---------|--------|----------|
| Revenue       | \$m | 232.8   | 166.4   | 66.4   | 39.9%    |
| EBITDA        | \$m | 2.9     | 2.4     | 0.5    | 20.7%    |
| EBITDA margin | %   | 1.2%    | 1.5%    | (0.3)% | -        |
| NPAT          | \$m | 0.4     | 0.2     | 0.2    | 100.0%   |
| NPAT margin   | %   | 0.2%    | 0.1%    | 0.1%   | -        |
| EPS           | cps | 0.46    | 0.24    | 0.22   | 92.3%    |

- Revenue of \$232.8 million, up 39.9% on previous corresponding period (pcp)
- Net profit after tax (NPAT) of \$0.4 million in line with expectations
- More than \$3 million invested in strategic expansion:
  - Victoria: \$2.0 million invested in establishing the business and tendering for higher margin design and construct contracts
  - Other states: \$1.1 million in design and construct tendering costs
- Ongoing investment in growth, with no interim dividend declared.

# REVENUE



NB: Utilities revenue shown after elimination of intersegment revenue

- Revenue at highest levels in the Group's history, driven by a stronger order book due to success in tender strategy and targeted expansion into new sectors and regions
- 50% of Group revenue contributed by NSW—surpassing QLD for the first time since the Group's focus on diversification
- Revenue from recently awarded projects in Victoria will benefit the second half of FY17.

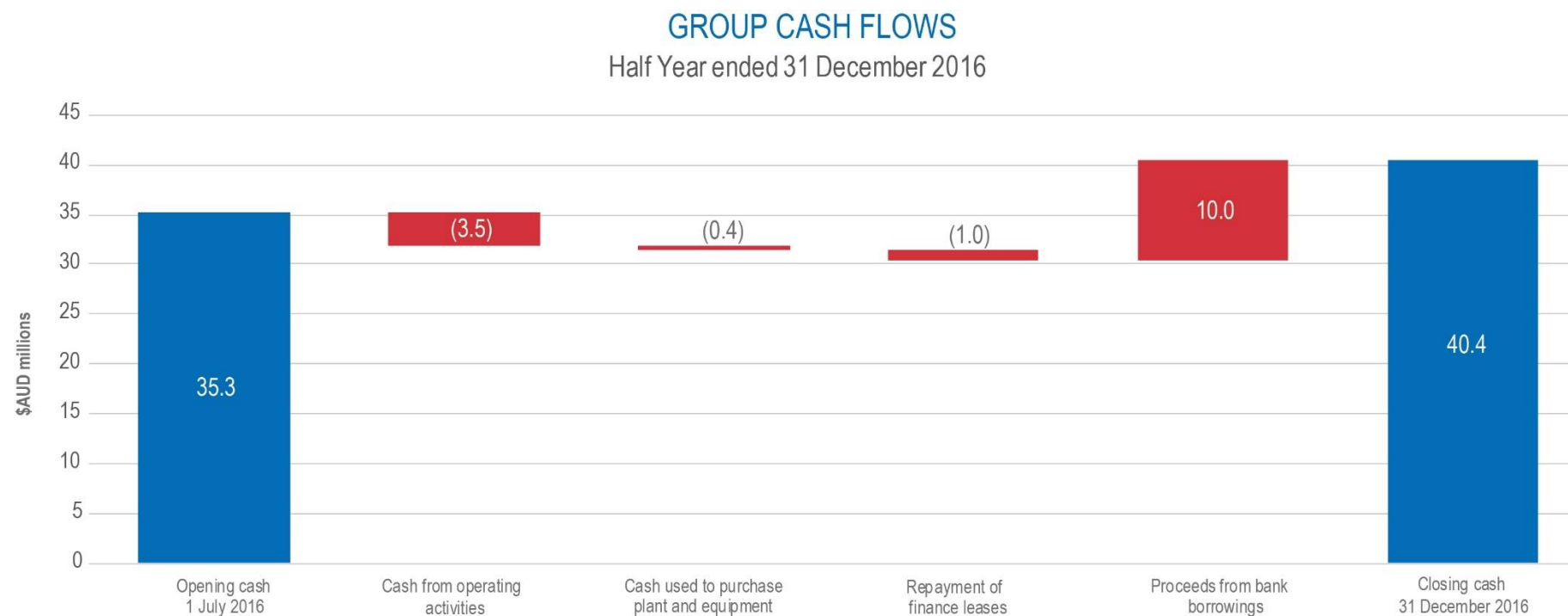
# FINANCIAL POSITION

- Group financial position remains strong with a significant portion of assets held as unrestricted cash reserves of more than \$40 million
- Increased working capital requirements due to higher project activity levels and variations approved late in the period
- Receivables further increased by tendered contractual extension of credit terms on one project
- Cash advance facility of \$10 million drawn in the short term to maintain cash levels.

## SUMMARY BALANCE SHEET

|   | 31 DEC 2016   | 30 JUNE 2016  | Mvt           | Mvt          |
|---|---------------|---------------|---------------|--------------|
|   | \$'m          | \$'m          | \$'m          | %            |
| Cash at bank                                  | 40.4          | 35.3          | 5.1           | 14.4%        |
| Receivables                                   | 70.0          | 55.6          | 14.4          | 25.9%        |
| Property, plant and equipment                 | 28.7          | 29.2          | (0.5)         | (1.7)%       |
| Intangibles                                   | 14.9          | 15.2          | (0.3)         | (2.0)%       |
| Other assets                                  | 4.1           | 3.4           | 0.7           | 20.6%        |
| <b>Total assets</b>                           | <b>158.1</b>  | <b>138.7</b>  | <b>19.4</b>   | <b>14.0%</b> |
| Payables                                      | (66.6)        | (58.4)        | (8.2)         | 14.0%        |
| Finance leases                                | (4.7)         | (4.6)         | (0.1)         | 2.2%         |
| Borrowings                                    | (10.0)        | -             | (10.0)        | 100.0%       |
| Employee benefit liabilities                  | (4.5)         | (4.1)         | (0.4)         | 9.8%         |
| Other liabilities                             | (7.7)         | (7.6)         | (0.1)         | 1.3%         |
| <b>Total liabilities</b>                      | <b>(93.5)</b> | <b>(74.7)</b> | <b>(18.8)</b> | <b>25.2%</b> |
| <b>Total net assets</b>                       | <b>64.6</b>   | <b>64.0</b>   | <b>0.6</b>    | <b>0.9%</b>  |
| <b>Net Tangible Asset (NTA) backing (cps)</b> | <b>56.6</b>   | <b>55.6</b>   | <b>1.0</b>    | <b>1.8%</b>  |

# CASH FLOW ANALYSIS



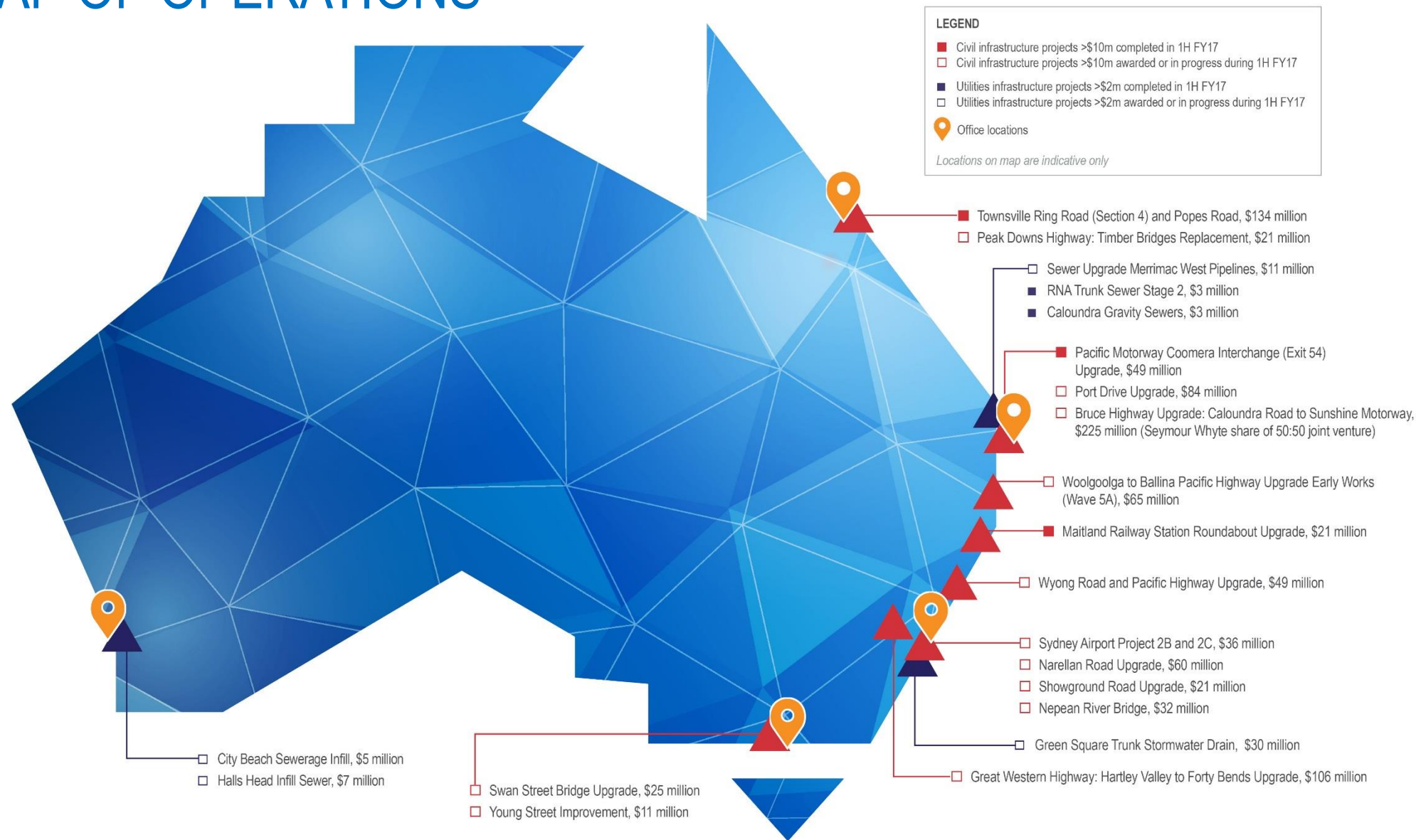
- Cash increase of \$5.1 million due to:
  - \$3.5 million expended in operations due to variations approved late in the period, with subsequent receipt in February 2017
  - prudent capital investment in utilities division for plant and equipment while awaiting further project awards
  - short term borrowing, with proceeds used to maintain cash levels following provision of extended contractual credit terms to a key client. Financing costs were allowed for in the project with full repayment anticipated prior to end of financial year.



# OPERATIONAL PERFORMANCE

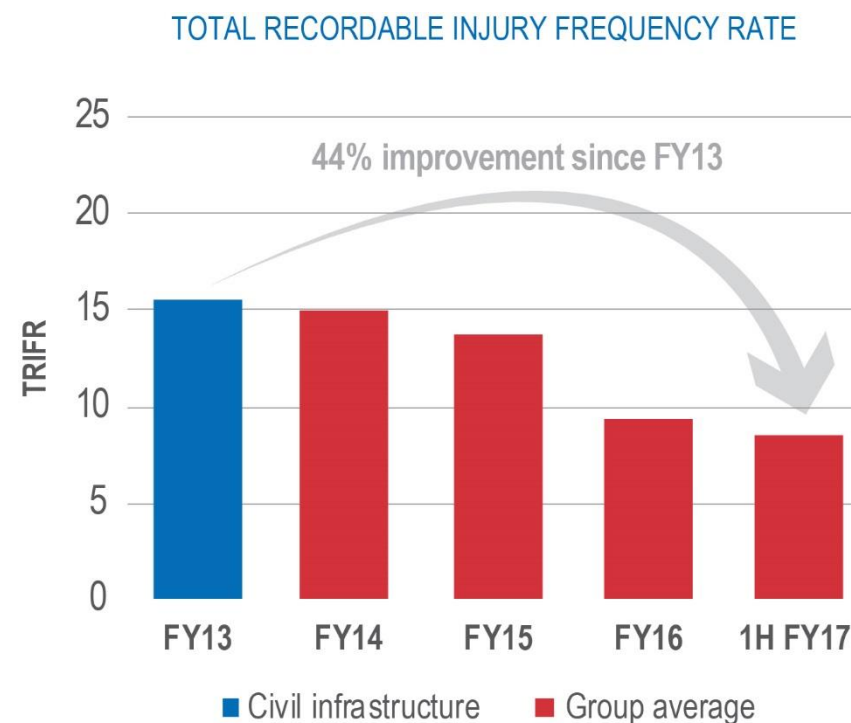


# MAP OF OPERATIONS



# HIGHLIGHTS

- Group safety performance continues to improve, with total recordable injury frequency rate (TRIFR) of 8.73 down from 9.55 at June 2016
- Significant turnaround in civil infrastructure division's performance, including one legacy loss-making project recovered to positive position
- Current order book of \$539 million, peaking at a record \$620 million during the period, with work in hand extending to FY20
- Largest contract share ever won (\$225 million) with the award of Bruce Highway Upgrade: Caloundra Road to Sunshine Motorway
- Awarded two VicRoads contracts during the period, including the upgrade of Melbourne's iconic Swan Street Bridge:
  - In February 2017, awarded the \$55.9 million Chandler Highway Upgrade; shortlisted on other tenders in Victoria





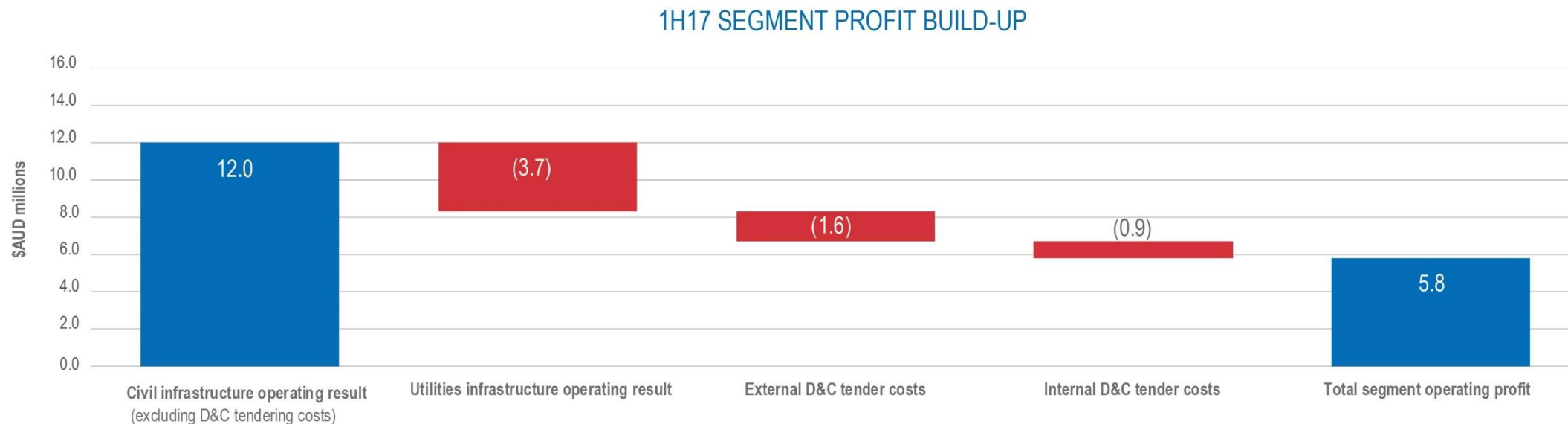
# HIGHLIGHTS

- Rob Carr Pty Ltd and Lendlease named national winner of Category 5 at the 2016 Australian Civil Contractors Federation (CCF) Earth Awards for the Alphington Sewer Project
- Four Seymour Whyte Constructions employees recognised for achievements in excellence in NSW and QLD
- Partnership with diversity champions Power of Engineering to promote careers in engineering



**Left to right.** Darren Madden (RCPL Project Manager), Angelo Soumboulidis (RCPL General Manager ) and Brett Everard (RCPL Operations Manager) accept 2016 CCF National Earth Award Category 5; Matthew Smart (Senior Project Engineer) Winner – Engineer (contracts over \$2 million), Kylie Smart (Senior HR Advisor) Winner – Excellence Award for Women in Civil Contracting and Jayden Cotte (Supervisor) Winner – Site Supervisor (contracts over \$2 million), at the 2016 Civil Contractors Federation NSW Excellence Awards; Lorraine Perera (Project Quality Manager) Winner – Award for Achievement in Construction (Civil Works) at the 2016 National Association of Women in Construction QLD Crystal Vision Awards.

# PERFORMANCE OVERVIEW



D&C: Design and construct

- Civil infrastructure division result of \$12 million assisted by successful recovery on a problematic legacy project and completion of a major contract, the Townsville Ring Road – Section 4 project
- Utilities infrastructure division result affected by a negative margin project identified during the period
- Investment of \$2.5 million in tendering targeted civil design and construction opportunities in line with *2020 Strategic Plan*
- New tendering framework implemented to underpin future margins and ensure an ongoing disciplined approach

# CIVIL INFRASTRUCTURE DIVISION

|                  |     | 1H FY17 | 1H FY16 | Change | % Change |
|------------------|-----|---------|---------|--------|----------|
| Revenue          | \$m | 200.1   | 146.6   | 53.5   | 36.5%    |
| EBITDA           | \$m | 10.1    | 4.1     | 6.0    | 146.3%   |
| EBITDA margin    | %   | 5.0%    | 2.8%    | 2.2%   | -        |
| Operating result | \$m | 9.6     | 3.5     | 6.1    | 174.3%   |
| Operating margin | %   | 4.8%    | 2.4%    | 2.4%   | -        |



- Revenue increase of 36.5% pcp following strong order book at commencement of period
- Operating result increase of 174.3% pcp indicates tracking well against *2020 Strategic Plan*
- Substantial improvement in profitability despite \$3 million investment in strategic expansion and the residual impact of margin compression in order book
- Two of three design and construct contracts awarded during the period relate to entry into Victorian market
- Remaining two problematic contracts closed out by December 2016, with one recovering to a positive position.



# UTILITIES INFRASTRUCTURE DIVISION

|                  |     | 1H FY17 | 1H FY16 | Change  | % Change |
|------------------|-----|---------|---------|---------|----------|
| Revenue*         | \$m | 37.3    | 27.1    | 10.2    | 37.6%    |
| EBITDA           | \$m | (2.4)   | 3.3     | (5.7)   | (172.7)% |
| EBITDA margin    | %   | (6.4)%  | 12.2%   | (18.6)% | -        |
| Operating result | \$m | (3.7)   | 2.0     | (5.7)   | (285.0)% |
| Operating margin | %   | (9.9)%  | 7.4%    | (17.3)% | -        |

\*Represents segment revenue pre-elimination of inter-segment revenue



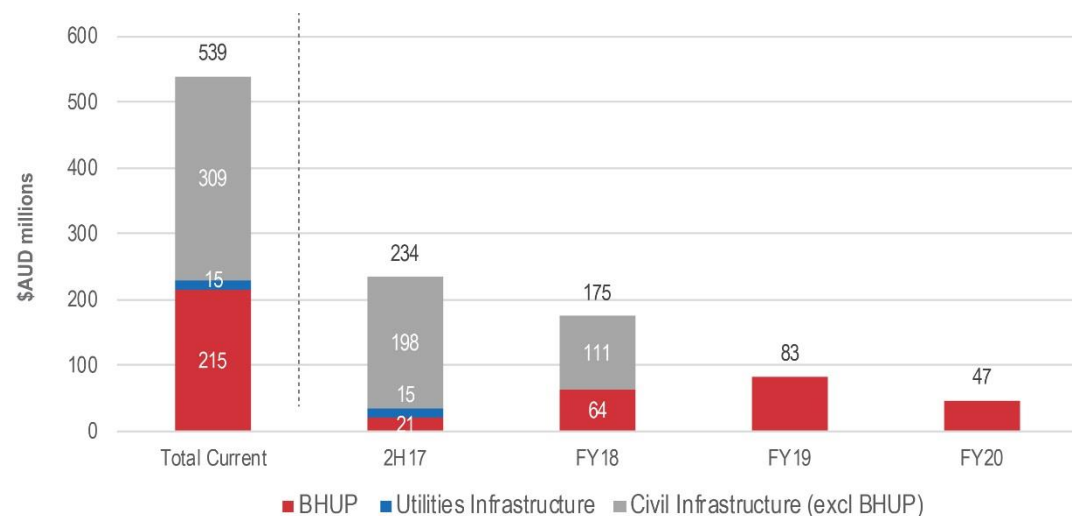
- Revenue up 37.6% pcp due to increased activity in Queensland
- Operating results largely affected by negative margin project identified during the period which is scheduled for completion in March 2017
- Awarded five new projects in the first half of FY17 and shortlisted on several strategic opportunities awaiting award
- Western Australian market showing signs of recovery with \$3.4 million in new contracts won during the period
- Company leadership strengthened with the appointment of Operations Manager – WA to provide strategic direction for utilities infrastructure division and position the civil infrastructure division to enter the WA market

# OUTLOOK



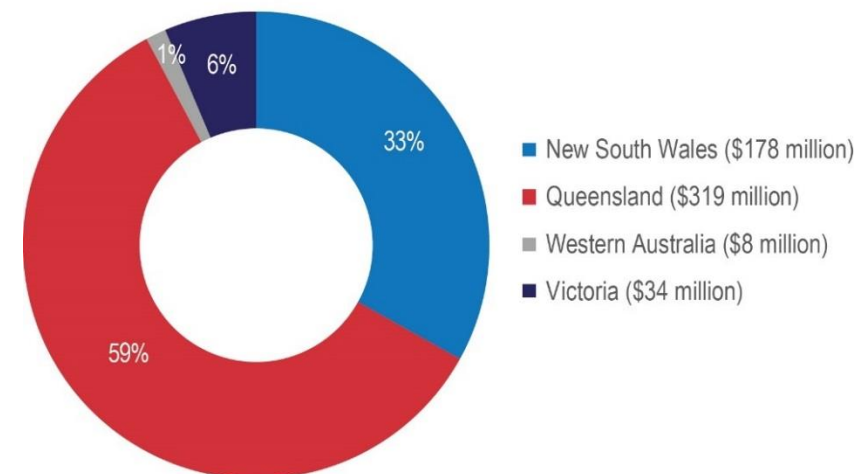
# FORWARD ORDER BOOK

ORDER BOOK RUN OFF



NB: Order book subject to change due to adjustments in project scope, duration and/or timing  
BHUP: Bruce Highway Upgrade: Caloundra Road to Sunshine Motorway

ORDER BOOK BY GEOGRAPHY



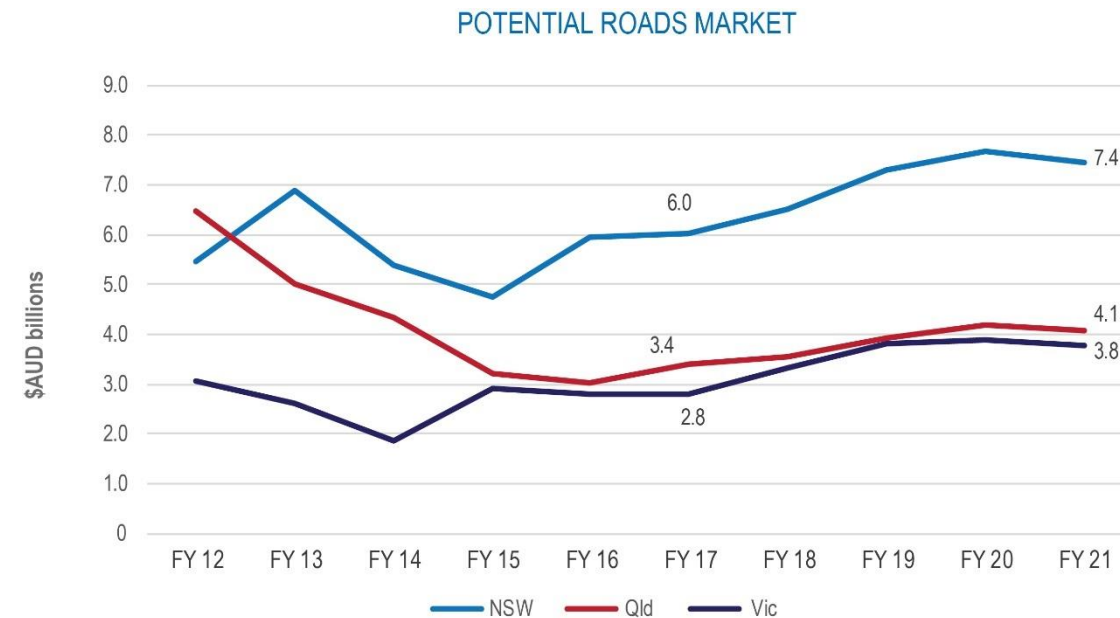
- Total forward order book at 31 December 2016 of \$539 million—with \$300 million secured for FY18 and beyond
- Remaining work in hand to be delivered by June 2017 brings FY17 total contracted revenue to \$470 million
- Civil infrastructure order book of \$524 million supported by \$225 million BHUP contract that delivers revenue to FY20
- Utilities order book of \$15 million assisted by further \$6.1 million in new WA contract wins subsequent to period end, with optimistic outlook on larger opportunities



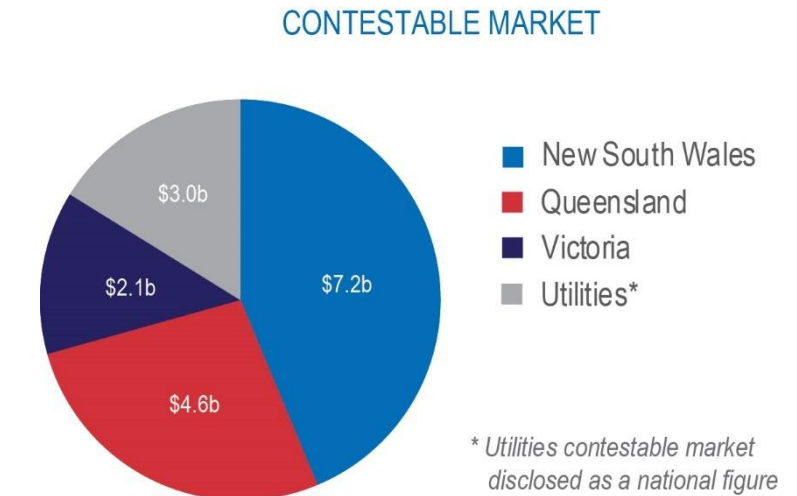
# FORWARD ORDER BOOK

|   | Contract Value<br>\$AUD Million | Mar-17        | Jun-17 | Sep-17 | Dec-17                   | Mar-18 | Jun-18 | Sep-18 | Dec-18 + |
|---|---------------------------------|---------------|--------|--------|--------------------------|--------|--------|--------|----------|
| CIVIL INFRASTRUCTURE >\$10M                                   |                                 |               |        |        |                          |        |        |        |          |
| QLD   |                                 |               |        |        |                          |        |        |        |          |
| Bruce Highway Upgrade Project                                 | 221                             |               |        |        |                          |        |        |        |          |
| Port Drive Upgrade  | 84                              |               |        |        |                          |        |        |        |          |
| Peak Downs Highway Timber Bridges Replacement                 | 21                              |               |        |        |                          |        |        |        |          |
| NSW   |                                 |               |        |        |                          |        |        |        |          |
| Narellan Road Upgrade (Stage B)                               | 72                              |               |        |        |                          |        |        |        |          |
| Wyong Rd and Pacific Motorway Upgrade at Tuggerah             | 49                              |               |        |        |                          |        |        |        |          |
| MR157 Showground Road Upgrade                                 | 28                              |               |        |        |                          |        |        |        |          |
| Sydney Airport Ground Access Improvement - Project 2C         | 27                              |               |        |        |                          |        |        |        |          |
| Great Western Highway - Forty Bends                           | 106                             |               |        |        |                          |        |        |        |          |
| Nepean River Bridge   | 32                              |               |        |        |                          |        |        |        |          |
| Woolgoolga to Ballina Pacific Highway Upgrade Wave 5          | 65                              |               |        |        |                          |        |        |        |          |
| VIC   |                                 |               |        |        |                          |        |        |        |          |
| Swan Street Bridge Upgrade                                    | 25                              |               |        |        |                          |        |        |        |          |
| Young Street Improvement Project                              | 11                              |               |        |        |                          |        |        |        |          |
| UTILITIES INFRASTRUCTURE >\$5M                                |                                 |               |        |        |                          |        |        |        |          |
| NSW   |                                 |               |        |        |                          |        |        |        |          |
| Green Square Trunk Stormwater                                 | 30                              |               |        |        |                          |        |        |        |          |
| QLD   |                                 |               |        |        |                          |        |        |        |          |
| Construction of Pipelines at Merrimac West Sewerage Catchment | 11                              |               |        |        |                          |        |        |        |          |
| WA  |                                 |               |        |        |                          |        |        |        |          |
| Halls Head  | 6                               |               |        |        |                          |        |        |        |          |
| City Beach 2A Infill Project                                  | 5                               |               |        |        |                          |        |        |        |          |
| TOTAL ORDER BOOK  |                                 | FY17 - \$234M |        |        | FY18 and beyond - \$305M |        |        |        |          |

# MARKET OUTLOOK



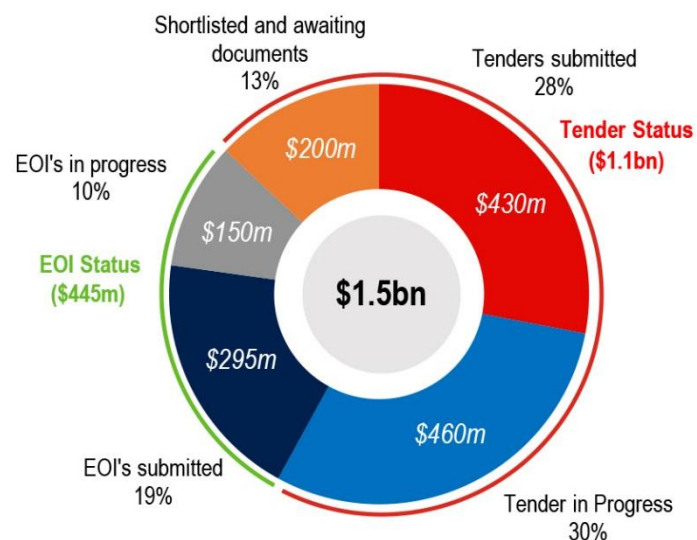
- Strong outlook for the roads market in NSW, with Victoria continuing to show significant improvement. Queensland is showing increased civil infrastructure activity, with levels expected to increase in FY18.
- In the specialist sectors of water & sewerage and pipelines, most opportunities lie in Queensland, followed closely by NSW.



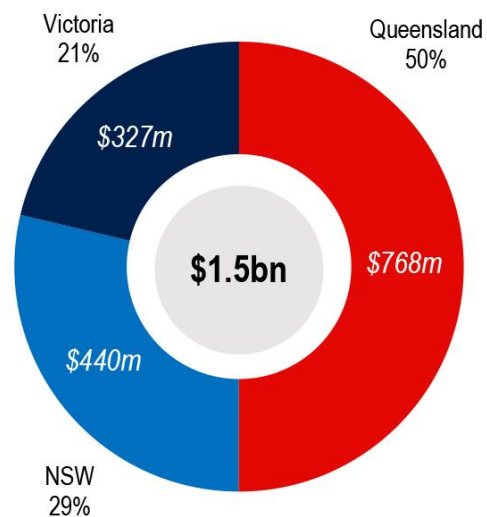
- The Group's total contestable market within a predominantly four-year horizon is approximately \$16.9 billion.

# CURRENT MARKET OPPORTUNITIES

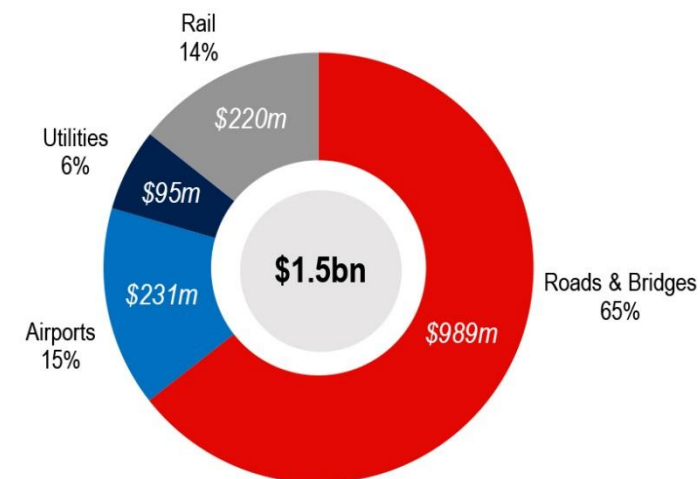
## PIPELINE BY TYPE



## PIPELINE BY GEOGRAPHY



## PIPELINE BY SECTOR



- Pursuing a current pipeline of potential projects worth \$1.5 billion for delivery in FY18 and beyond
- Queensland: Significant opportunities in progress under strategic joint venture arrangements
- Victoria: Recent conversion of \$55.9 million contract in February 2017, shortlisted and awaiting award of design & construct contracts while intensive tendering activity continues



# PROGRESS ON 2020 STRATEGIC PLAN



- Significant progress on plan since inception in early 2016
  - \$450 million project won in 50/50 strategic joint venture; largest share of contract in company history
  - Three projects secured in Victoria—two during the period and the third in February 2017
- FY17 focus: continue with recovery efforts while undertaking strategic expansion.

# COMPANY INFORMATION



# PROFILE

| ASX:SWL (information as at 24 February 2017) |                |
|--|----------------|
| Listed                                       | 31 May 2010    |
| Total shares on issue                        | 87,976,230     |
| Market capitalisation                        | \$84.5 million |
| Current share price                          | 0.96           |
| Share price (52-week high/low)               | 1.00/0.61      |

| Shareholder registry   | Percentage held |
|--|-----------------|
| Racelid Pty Ltd<br>(entity associated with founder Garry Whyte)  | 22.6%           |
| Rabtuvi Pty Ltd<br>(entity associated with founder John Seymour) | 19.4%           |
| Mr Robert Patrick Carr   | 5.6%            |
| Ms Catherine Mary Carr   | 5.5%            |
| Other shareholders   | 46.9%           |

| Board of Directors |   |
|--------------------|---|
| Mac Drysdale       | Chairman                                      |
| John Kirkwood      | Managing Director and Chief Executive Officer |
| Rob Carr           | Non-Executive Director                        |
| Don Mackay         | Independent Director                          |
| Susan Johnston     | Independent Director                          |
| Christopher Greig  | Independent Director                          |
| David Wilson       | Independent Director                          |
| Julie Tealby       | Company Secretary                             |

| Senior Executives   |                                     |
|---------------------|-------------------------------------|
| Nicola Padget       | Chief Financial Officer             |
| Steve Davies-Evans  | National Pre-Contracts Manager, SWC |
| Will MacDonald      | Operations Manager – Northern, SWC  |
| Steve Lambert       | Regional Manager – Southern, SWC    |
| Angelo Soumboulidis | General Manager, RCPL               |



# CAPABILITIES

Seymour Whyte Group



Civil Infrastructure Division



Utilities Infrastructure Division



## ROADS



**TOWNSVILLE RING ROAD – SECTION 4**  
Townsville, Qld

The project involved the construction of an 11.5 km new alignment at the western end of the Townsville Ring Road from Shaw Road to the Bruce Highway north of Mount Low Parkway. It included the new four lane road link, new bridges over Saunders and Stony Creeks and new pedestrian and cycling facilities.

**Contract value:** \$126 million

## BRIDGES



**PACIFIC MOTORWAY - EXIT 54 INTERCHANGE UPGRADE**  
Coomera, Qld

The interchange was upgraded to cater for continued growth in the Coomera area. The upgrade replaced two roundabouts with signalised intersections and included a three-lane overpass over the motorway and a loop ramp for northbound motorists to connect to the Coomera Town Centre.

**Contract value:** \$49 million

## AIRPORTS



**NORTHERN AIRPORT PRECINCT**  
Sydney Airport, NSW

Design and construct contract to build a vehicle storage area, new four lane landside bridge, and an approach road from Airport Drive. The landside bridge is a 50m single span underslung curved box girder steel bridge with an integral concrete deck that allows for B-doubles and vehicles of any height. Design also allows for bridge pedestrian and bicycle access.

**Contract value:** \$22 million

## RAIL



**WIGGINS ISLAND RAIL PROJECT SEGMENT 2 - KABRA HOLDING ROADS**  
Gladstone, Qld

Kabra Holding Roads, as part of the Wiggins Island Rail Project, is the staged development of new rail lines and upgrading of existing lines to service the new Wiggins Island Coal Export Terminal at the Port of Gladstone. The project is a vital link between the new terminal and mines in the southern Bowen and Surat Basins.

**Contract value:** \$11 million

## WATER & SEWERAGE



**DAWESVILLE 1B, 4A AND 5A**  
Dawesville, WA

This award-winning project consisted of the construction of gravity sewers, pumping stations and pressure mains for reticulation areas and a connecting sewer. The project team was recognised at the state 2016 CCF Earth Awards for excellence in project delivery in the category valued between \$10-\$30 million.

**Contract value:** \$19 million

## PIPELINES



**MT ISA SEWERAGE AUGMENTATION STG 1**  
Mount Isa, Qld

The project involved construction of 8km of trunk sewer rising mains, a major new sewage pumping station (PS01) adjacent to an existing pumping station (PS04), including construction of an emergency storage tank and changes to the pump controls and construction of two microtunnels and 820m of gravity sewer reticulation systems in two separate areas.

**Contract value:** \$14 million

## TELECOMMUNICATIONS



**ROY HILL MINE**  
Pilbara Region, WA

Design and construction of a 25.5km raw water supply pipeline from the existing borefields through to the stockyard and port facility in Port Hedland. The project scope involved installation of bore pumps, trenchless works beneath roads and rail embankments, construction and commissioning of 16km of telecommunications conduits, and 79 communication pits for rail signalling.

**Contract value:** \$11 million

# DISCLAIMER



# DISCLAIMER

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.

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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](http://www.seymourwhyte.com.au)

This presentation provides a snapshot of Seymour Whyte's operational and financial highlights for 1H FY2017. The financial information contained in this presentation has mainly been extracted from Appendix 4D and Interim Financial Report For the Half Year Ended 31 December 2016, lodged with the ASX on 27 February 2017. This information is also available on Seymour Whyte's website at [www.seymourwhyte.com.au](http://www.seymourwhyte.com.au) The financial report should be read in conjunction with the company's Interim Financial Report For the Half Year Ended 31 December 2016 (to, for example, allow readers to understand significant accounting policies and methodological information contained in the statistical summary).