



2021 FULL-YEAR ANNUAL RESULTS PRESENTATION

AUGUST 2021



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1. PERFORMANCE OVERVIEW

2. DETAILED FINANCIAL REVIEW

3. COMMENTARY AND OUTLOOK



PERFORMANCE SUMMARY



IN FY21 INTEGA PERFORMED AHEAD OF PRIOR YEAR WITH ASIA PACIFIC MAINTAINING MARKET SHARE AND AMERICAS BENEFITING FROM STRONG PIPELINE AND IMPROVED MARGINS

- Intega Group has continued to focus on core business strategies, optimising utilisation of resources and the reduction of overhead costs in both the head office and back office management structure during FY21
- Underlying EBITDA for FY21 was \$51.3M up 19.6% on prior year and above guidance
- The Company paid an interim dividend of 1.0 cent per share (unfranked) and has declared a final dividend of 1.4 cents per share (unfranked)
- Underlying EBIT increased 54.8% on prior year to \$19.5 million
- Underlying EPS for the year of 2.13c, up from prior year of 1.16c
- Net cash from operating activities for the year was \$40.3 million, representing cash conversion of 87.3%
- Balance sheet remains strong with the business continuing to manage working capital to free up cash, allowing for net debt repayments during the year of \$17.8 million
- Backlog has increased 4.5% on prior year on a constant currency basis with significant wins in Asia Pacific and the Americas including Oak Hill Parkway development (CEI), Salt River Project (SUE) and Bruce Highway Cooroy to Curra (CMT)
- Asia Pacific and the Americas performance was up on FY20 with a strong pipeline, expansion opportunities and the ongoing turnaround initiatives now imbedded in the T2 Utility Engineering business in Americas
- Whilst both Asia Pacific and the Americas were impacted by COVID the business remained flexible and responsive to minimise the financial impact

INTEGA DIVISION OVERVIEW



INTEGA IS A LEADING ASSURANCE, TESTING, INSPECTION AND CERTIFICATION (ATIC) BUSINESS THAT PROVIDES CONSTRUCTION MATERIALS TESTING (CMT), SUBSURFACE UTILITY ENGINEERING SERVICES (UES) AND QUALITY ASSURANCE FOR ENERGY COMPANIES (QA)



Provides construction materials testing, environmental testing, subsurface utility engineering and geotechnical engineering

Fee revenue down 6.1% from prior year due to the wind down of major projects in NSW and NZ and project delays as a result of COVID

EBITDA margin grew by 4.0% to 16.6%, driven by overhead savings and flexible operating model



Provides subsurface utility engineering, utility mapping and locating, utility coordination, utility design and surveying

Decrease in fee revenue of 19.9% (local currency down 11.0%) due to closure of loss making areas, wind down of major projects and COVID impacting on delays and staff quarantine

EBITDA margin expansion 23.5% on prior year with the business continuing to benefit from initiatives introduced in FY20



Provides construction materials testing, geotechnical engineering consulting, project management and quality assurance and inspection services

Fee revenue remained flat in local currency as the infrastructure market remained strong (decrease on prior year of 9.7% in AUD)

EBITDA margin down 0.3% on prior year with additional BD costs in FY21 to bolster business development opportunities and revenue growth in FY22 and beyond



Provides quality, consulting and engineering services with a focus on the renewable energy and oil and gas sectors

Fee revenue down 19.1% (local currency 10.1%) as a result of low oil prices and project delays during the pandemic

EBITDA margin grew by 2.0% due to ability to flex staff and carry through cost savings initiatives from prior year through to FY21

% of Fee
Revenue by
Division

Construction Sciences
44.8%

T2 Utility Engineers
10.4%

Raba Kistner
29.1%

PPI
15.7%

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2021 FULL-YEAR GROUP RESULTS



FULL-YEAR UNDERLYING EBITDA OF \$51.3M UP ON PRIOR YEAR PRO-FORMA

- Underlying EBITDA up 19.6% on prior year pro-forma, increase in EBITDA margin 4.4% to 17.2%
- Abnormal items in FY21 relate to payment of TSA to Cardno, considered to be a duplication of costs during transition to standalone entity (\$3.7 million) and retention payments for prior acquisitions (\$1.4 million). With the transition complete, no further TSA costs will be incurred
- Net Operating Profit after Tax of \$9.3 million, up \$4.2 million on prior year comparative
- On a constant currency basis backlog has grown by 4.5% driven by key wins in both Asia Pacific and Americas
- Net Cash Flow from Operations was \$40.3 million, which is reflective of ongoing operating activities following the significant process improvements in FY20

A\$m	FY 21	FY 20 Pro-forma	FY 21 v FY 20	% Change
Gross Revenue ¹	\$398.1	\$452.0	(\$53.8)	(11.9%)
Fee Revenue ¹	\$297.5	\$334.0	(\$36.5)	(10.9%)
Underlying EBITDA ²	\$51.3	\$42.9	\$8.4	19.6%
Abnormal Items	\$5.1	(\$1.3)	\$6.3	501.4%
Underlying EBIT	\$19.5	\$12.6	\$6.9	54.8%
Underlying Net Operating Profit before Tax ³	\$14.5	\$8.0	\$6.5	82.0%
Underlying Net Operating Profit after Tax ³	\$9.3	\$5.2	\$4.2	80.9%
Statutory Profit after Tax	\$5.1	\$10.1	(\$5.0)	(49.6%)
Backlog ⁴	\$349.5	\$357.8	(\$8.3)	(2.3%)
Net Cash Flow from Operations	\$40.3	\$47.6	(\$7.3)	(15.3%)
Dividend declared (cents per share)	2.4	-	2.4	100.0%

Note: FY 20 Pro-forma numbers represent Intega for the full twelve months including the four months as a subsidiary of Cardno.

(1) Gross revenue is total revenue received from services provided and recoverable expenses. Fee revenue is the portion of gross revenue that relates to fees from services provided only.

(2) Included in underlying EBITDA is \$1.5 million in public company costs.

(3) Underlying net operating profit provides a measure of operating performance before the impact of underlying adjustments such as acquisition and demerger costs.

(4) Backlog is reported on a total contract basis, being the total gross value of the signed contract less the value of work performed to date.

2021 FULL-YEAR FINANCIAL PERFORMANCE HIGHLIGHTS



A\$ Millions	H1-20	H2-20	FY-20 Pro-forma	H1-21	H2-21	FY-21	FY21 vs FY20
Gross revenue ¹	231.0	221.0	452.0	210.7	187.4	398.1	(11.9%)
Fee revenue	169.0	165.0	334.0	157.0	140.5	297.5	(10.9%)
Underlying EBITDA	22.2	20.7	42.9	24.7	26.6	51.3	26.1%
Underlying EBITDA Margin ²	13.1%	12.5%	12.8%	15.7%	18.9%	17.2%	4.4%
Depreciation - ROU Assets	5.1	5.8	10.9	5.5	7.4	12.9	18.3%
Depreciation - Other	4.8	5.7	10.5	5.5	5.6	11.1	5.7%
Amortisation ³	4.4	4.6	9.0	4.1	3.6	7.7	(14.4%)
Interest Expense - ROU Asset	0.7	0.8	1.5	0.7	0.8	1.5	0.0%
Interest Expense - Other	0.9	2.2	3.1	1.9	1.6	3.5	12.9%
Underlying Net Operating Profit before tax ⁴	6.3	1.7	8.0	7.0	7.6	14.6	82.5%
Underlying Net Operating Profit after tax	3.6	1.6	5.2	5.6	3.7	9.3	79.4%
Statutory Profit after tax	3.0	7.1	10.1	2.0	3.1	5.1	(49.6%)
Net Operating cash flow	13.9	33.7	47.6	17.9	22.4	40.3	(15.3%)
Underlying basic earnings per share (cents)	0.81	0.35	1.16	1.25	0.88	2.13	83.6%
Dividend declared (cents per share)				1.00	1.40	2.40	

Note: FY 20 Pro-forma numbers represent Intega for the full twelve months including the four months as a subsidiary of Cardno.

(1) Gross revenue is total revenue received from services provided and recoverable expenses. Fee revenue is the portion of gross revenue that relates to fees from services provided only.

(2) Underlying EBITDA margin is calculated as a percentage of fee revenue

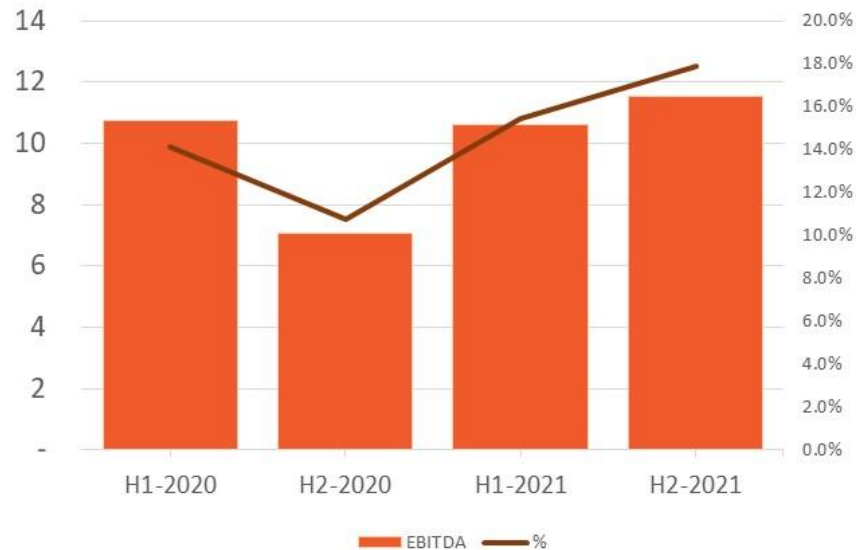
(3) Amortisation relates to identifiable intangible assets acquired via acquisitions. The intangibles are amortised over 3 years and will be fully amortised in December 2021.

(4) Net operating profit provides a measure of operating performance before the impact of underlying adjustments such as acquisition and demerger costs.

2021 FULL-YEAR SEGMENT OVERVIEW: ASIA PACIFIC

ASIA PACIFIC EBITDA AND % MARGIN

A\$ million



ASIA PACIFIC EBITDA INCREASED 24.3% ON PRIOR YEAR DESPITE A DECLINE IN FEE REVENUE

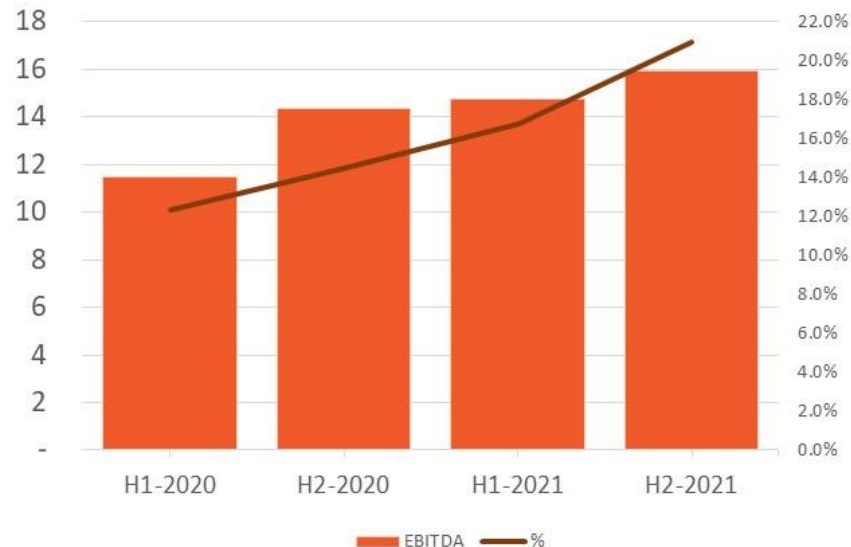
- Fee Revenue for FY21 declined 6.1% on prior year with Pacific Highway projects in northern New South Wales, and Transmission Gully project in New Zealand winding down, offset by the ramp up of projects in Western Australia, Queensland and Northern Territory such as, Mount Holland Lithium, Kidston Pumped Hydro and Townsville Ring Road 5 projects
- Underlying EBITDA was \$22.1 million compared to \$17.8 million in the prior period
- Underlying EBITDA margin for FY21 was 16.6%, an improvement of 4.0% on FY20
- While Asia Pacific was impacted by COVID causing project delays, border restrictions impacting on “fly in fly out” workforce and resourcing and staff quarantining throughout the year, the business has remained flexible and responsive to ensure that any financial impact is minimised

2021 FULL-YEAR SEGMENT OVERVIEW: AMERICAS



AMERICAS EBITDA AND % MARGIN

A\$ million



THE AMERICAS DIVISION MAINTAINED GROWTH TRAJECTORY FROM FY20 FOR EBITDA AND MARGIN

- Fee Revenue for FY21 declined by 14.6% on FY20 (local currency decline 5.0%), primarily due to low oil prices, project delays and shutdowns from COVID and the closure of some loss making business units during the year
- The Americas construction materials testing business continues to benefit from infrastructure spend which resulted in a small increase in fee revenue on prior year and an increase of US \$14 million in backlog during the year
- Oil and gas business has continued to see both quality assurance and engineering revenues impacted project delays as a result of COVID. EBITDA has remained largely flat year on year as the business flexes workforce and other cost savings in response
- Initiatives to turn around the T2 Utility Engineering business have been embedded with EBITDA up on prior year \$7.0 million and margin up 23.5%
- Underlying EBITDA for FY21 was \$30.7 million up on prior year by \$4.7 million from \$26.0 million and an overall increase in underlying EBITDA margin of 5.2% to 18.7%

2021 YEAR END BACKLOG

BACKLOG REPORTED ON A TOTAL CONTRACT BASIS, BEING THE TOTAL GROSS VALUE OF THE SIGNED CONTRACT LESS THE VALUE OF THE WORK PERFORMED TO DATE

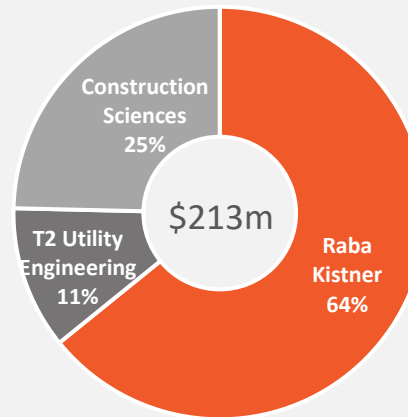
Construction Sciences

- FY 21 backlog includes 1 year of Holcim Supply agreement
- Backlog less than 1 year is approximately 59% of total Construction Sciences backlog

T2 Utility Engineers

- Backlog predominately relating to transport infrastructure projects
- Backlog less than 1 year is approximately 54% of total T2 backlog

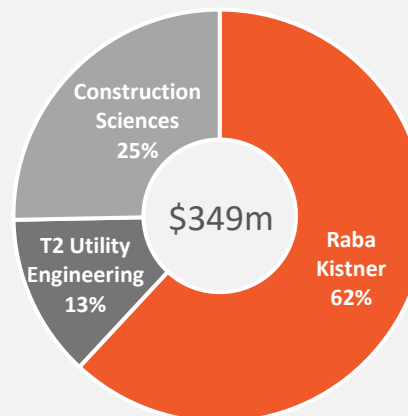
Backlog less than 1 Year



Raba Kistner

- Strong backlog underpinned by large transportation infrastructure projects estimated for completion over multiple years
- Backlog less than 1 year is approximately 63% of total Raba Kistner backlog

Total Backlog



PPI

- Is predominately a book and burn business where projects are short term and services are provided on demand in line with client master service agreements (MSA). Therefore PPI does not record backlog

2021 YEAR END BALANCE SHEET

CONTINUED FOCUS ON BALANCE SHEET

- Strong focus on collections activity for trade receivables and improvement in billing processes has reduced WIP resulting in a more efficient cash cycle
- Reduction in trade and other payables in FY21 due to the timing of payroll and creditor payments and final deferred settlement for Raba acquisition
- Intangible assets impacted by strengthening AUD against USD (0.6863 30 June 2020 to 0.7518 30 June 2021)
- Net debt as at 30 June 2021 excluding the impact of AASB 16 was \$45.5 million, in line with FY20
- All lending covenant ratios met at 30 June 2021



	Restated FY-20 A\$000's	FY-21 A\$000's
Cash and cash equivalents	40,029	19,645
Trade and other receivables	64,899	57,996
Contract assets	26,319	20,598
Inventories	165	166
Other current assets	4,065	2,903
Total current assets	135,477	101,308
PPE	18,718	14,798
Right of use asset	38,033	36,640
Intangible assets	99,666	87,268
Deferred tax assets	21,515	19,743
Total non-current assets	177,932	158,449
Total assets	313,409	259,757
Trade and other payables	46,597	31,782
Lease Liabilities - Finance	3,306	4,762
Lease Liabilities - Operating	10,335	10,050
Other current liabilities	20,607	19,362
Total current liabilities	80,845	65,956
Borrowings	73,199	51,787
Lease Liabilities - Finance	9,496	8,546
Lease Liabilities - Operating	22,382	20,853
Other non-current liabilities	2,753	2,143
Non-current liabilities	107,830	83,329
Total liabilities	188,675	149,285
Net assets	124,734	110,472
Net debt	45,972	45,450
Net Debt/EBITDA <i>(lending covenant <= 3.0x)</i>	1.5x	1.2x
Fixed Charge Cover Ratio <i>(lending covenant >= 2.0x)</i>	3.0x	3.3x
Net Asset Value <i>(lending covenant >= \$80.0M)</i>	\$127m	\$112m

2021 YEAR END CASH FLOW

CONTINUED FOCUS ON WORKING CAPITAL MANAGEMENT TO GENERATE CASH FOR DEBT REDUCTION

- Positive net cash from operations driven by continued focus on working capital management. Working capital movement impacted by payment of TSA costs, otherwise would have been largely flat in FY21 following the significant improvement process in FY20
- Final deferred settlement payment relating to acquisition of the Raba business paid
- Intega paid a dividend of 1.0 cent per share and completed a share buy back including unmarketable parcel buyback during the year
- Repayment of borrowings during the year of \$17.8 million
- Increase in lease liabilities due to increase in operating leases and actively looking to finance all capex spend to optimise cash flow
- Cash conversion and free cash flow down on prior year. Cash conversion excluding TSA and other one off items of 87.3% which is more reflective of underlying business

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	FY-20 A\$000's	FY-21 A\$000's
EBITDA	42,946	51,293
Working capital movement	8,776	(5,288)
Net interest paid	(4,144)	(4,904)
Income tax paid	0	(807)
Net cash provided by operating activities	47,578	40,294
Proceeds from sale of property, plant and equipment	475	1,189
Acquisition of subsidiaries, deferred consideration	(8,522)	(5,983)
Payments for PPE	(5,020)	(3,769)
Net cash used in investing activities	(13,067)	(8,563)
Net Proceeds/(Repayments) of borrowings	5,669	(17,798)
Repayment of lease liabilities	(13,226)	(17,519)
Share buyback	0	(9,816)
Dividend payment	0	(4,253)
Net cash used in financing activities	(7,557)	(49,386)
Net increase in cash	26,954	(17,655)
Cash 1 July	13,062	40,029
Other	13	(2,729)
Cash and cash equivalents	40,029	19,645
Cash Conversion ⁽¹⁾	110.8%	78.6%
Free Cash Flow ⁽²⁾	33,476	24,717

⁽¹⁾ Cash Conversion represented by net cash provided by operating activities / EBITDA

⁽²⁾ Free Cash Flow represents net cash provided by operating activities excluding interest and tax plus capex and lease liabilities payments

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OUTLOOK FOR FY22



DURING THE YEAR, THE GROUP CONTINUED TO FOCUS ON IMPROVING THE BALANCE SHEET, BACKLOG AND OVERALL RESULT IN A CHALLENGING ENVIRONMENT

ASIA PACIFIC

- Position to benefit from improving market conditions with expected additional investment in Government infrastructure and mining infrastructure
- Expansion of niche service lines through acquisition

AMERICAS

- Position to benefit from improving market conditions with expected additional investment in Government infrastructure
- Geographic expansion of Raba Kistner business both organically and through acquisition
- Completion and integration of two acquisitions in Texas for the Raba business, both expected in Q1 FY22

GROUP

- Completion of the strategic review announced by the Board in June, aimed at maximizing shareholder value including exploration of ownership options
- Continuation of the existing dividend policy of distributing between 50 – 70% of NPAT adjusted for amortisation of intangibles back to shareholders (franked to the extent possible)
- Refinance of existing debt facilities, including options to increase headroom and improve pricing, due for renewal in October 2022

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THANK YOU

