



18 February 2016

ASX ANNOUNCEMENT

SRG DELIVERS 36% IMPROVED NPBT RESULT OF \$3M FOR 1H FY16

Highlights

- **SRG releases its Half Year Report to Dec 15 and Appendix 4D, highlights business has strong profit – positioned for future growth**
- **NPBT of \$3m (36% improvement from \$2.2m in 1H FY15)**
- **NPAT up by 35% to \$2m (from \$1.5m in 1H FY15)**
- **EPS of 3.2 cents per share (cps) compared with EPS of 2.4 cps from previous corresponding period**
- **Record Work in Hand (WIH) of \$240m, up from WIH of \$177m from previous corresponding period**
- **Strong balance sheet with no net debt and cash / cash equivalents of \$19.5m**
- **Fully Franked Interim Dividend declared of 2.0 cents**

SRG Limited (**ASX: STS**) (“SRG”), a leading complex services company, is pleased to announce that it has released its Half Year Report and Appendix 4D for the six months ending December 31, 2015.

SRG Managing Director, David Macgeorge stated, “We are pleased with the NPBT result of \$3m for the first six months of the financial year which builds upon the platform laid in the Foundation phase of our strategy. This represents an improvement of 36% over the NPBT result of \$2.2m at Dec 14. The company has made significant strides forward as we move into the Development phase of our strategy and is well positioned to continue to improve despite challenging market conditions.

Our diversity as an international specialist contractor provides both protection and opportunity. The focus for the next six months of FY16 is to continue to leverage the diverse SRG business streams as one and deliver an improved profit performance against the underlying FY15 NPBT result of \$6m.”

The SRG Board has resolved to pay a fully franked interim dividend of 2.0 cents per share, which will be paid on 20th April 2016 with a record date of 14th March 2016.

ENDS

PERTH
Level 1, 338 Barker Rd
Subiaco WA 6008

BRISBANE
1/12 Commerce Cct
Yatala QLD 4207

MIDDLE EAST
Office M-03, Bu Shaqar Building
Garhoud, Dubai, UAE

SYDNEY
S3/L1, 75 Carnarvon St
Silverwater NSW 2128

MELBOURNE
112 Munro St
Sth Melbourne VIC 3205

HONG KONG
Office 606, 6/F, Shun Feng International Centre
182 Queen's Road East, Wan Chai, Hong Kong

CALL
1300 775 477
+61 8 9267 5400

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Issued by SRG Limited ABN 57 006 413 574

SRG Limited are an Australian complex services company. Our vision is to make the complex simple for our customers and our mission is to be a leading provider of complex services to the construction and mining industry worldwide.

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd with the first project undertaken to supply and install rock anchors for the Snowy Mountains scheme. Listed in 1987 on the ASX as Structural Systems Limited, the organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor in building, civil, mining, products and services. SRG has offices throughout Australia as well as in the Middle East and Hong Kong. In November 2014, Structural Systems Limited became SRG Limited.

SRG LIMITED

INVESTOR UPDATE

1H FY16

FOR THE HALF YEAR ENDING 31 DECEMBER 2015

FEBRUARY 2016



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DISCLAIMER AND IMPORTANT NOTICE

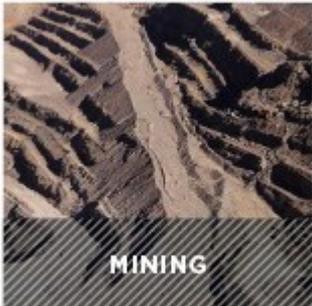


Information, including forecast financial information in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in SRG Limited or any other company. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecast and any variation may be materially positive or negative.

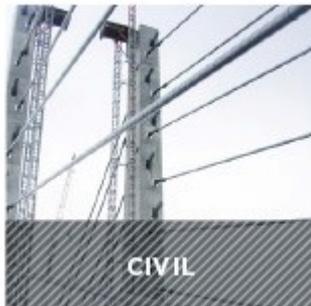
Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of SRG Limited. Before making or varying any decision in relation to holding, purchasing or selling shares in SRG Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

All currency is denominated in Australian dollars.

OUR BUSINESS STREAMS



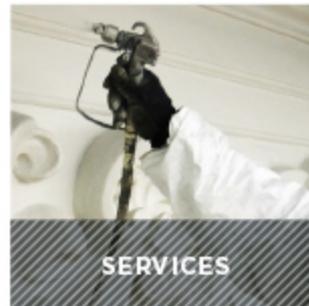
MINING



CIVIL



BUILDING



SERVICES



PRODUCTS

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OUR GEOGRAPHICAL SPREAD



● Construction

▲ Mining

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OUR BOARD



PETER McMORROW
CHAIRMAN



DAVID MACGEORGE
MANAGING DIRECTOR



MICHAEL ATKINS
NON-EXEC DIRECTOR



PETER BRECHT
NON-EXEC DIRECTOR



ROBERT FREEDMAN
NON-EXEC DIRECTOR

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OUR LEADERS



ROGER LEE

CFO / CO SEC



AMY HANCOCK

GM - PEOPLE



MARK PALMER

EGM - CONSTRUCTION



MICHELLE QUIGLEY

GENERAL COUNSEL



JOE THOMAS

EGM - MINING & PRODUCTS



COREY MARANESI

GM - COMMERCIAL

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OUR VISION

“MAKING THE COMPLEX SIMPLE”

WHAT DOES THIS MEAN?

ANYWHERE, ANYTIME, ANY TASK, WE SOLVE THE DIFFICULT PROBLEMS

OUR MISSION

**TO BE A RECOGNISED LEADER IN THE PROVISION OF COMPLEX SERVICES
TO THE CONSTRUCTION AND MINING INDUSTRIES WORLDWIDE**

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WHERE WE ARE GOING



FOUNDATION

1 Year

- Develop vision / strategy ✓
- Drive Zero Harm ✓
- Right structure / capability ✓
- Develop brand / value proposition ✓
- Rigorous review mechanisms in place ✓
- Formalise relationships with key stakeholders ✓
- Drive improvement / efficiency ✓
- Resolve legacy issues ✓

DEVELOPMENT

1-3 Years

- Execute strategy
- Projects delivered above green sheet
- Secure specialised civil projects of scale
- Organic growth in target markets
- Growth in complementary services / markets
- Selective acquisitions to accelerate growth
- Brand recognition

MARKET LEADERSHIP

3+ Years

- Zero Harm industry leader
- Global complex service partner of choice
- Strong brand
- Employer of choice
- ASX top 200
- Consistent performance
- Above market returns
- Diversified international specialist contractor

BUSINESS STREAM FOCUS



MINING

Optimise re-deployable assets, cross sell additional services & pursue contract renewals.

PRODUCTS

Expand portfolio through new product development (SureLok™, etc).

CIVIL

Secure specialised civil projects of scale in water / bridge / tanks sectors.

BUILDING

Maintain market leadership, leverage alliances & drive operational efficiency.

SERVICES

Expand remedial capability across the business (organically & through acquisition).

INTERNATIONAL

Regenerate the Middle East business & further geographic expansion.

ZERO HARM IMPROVEMENT

- LTIFR improved 48.8%
- TRIFR improved 40.7%
- Critical Risk initiatives progressed

CONTRACT EXTENSIONS

- Group wide \$150m contract with Evolution Mining
- Mt Carlton new contract

RECORD WIH AND STRONG PIPELINE

- WIH* of \$240m
- \$162m work secured YTD
- \$880m pipeline of opportunities

STRENGTHENED SERVICE OFFERING

- SureLok™ product launched to market
- Acquisition and integration of CCM Services business

SOLID HALF YEAR FINANCIAL RESULT

- NPBT of \$3m, up 36% on 1H FY15
- 2.0c interim dividend to shareholders

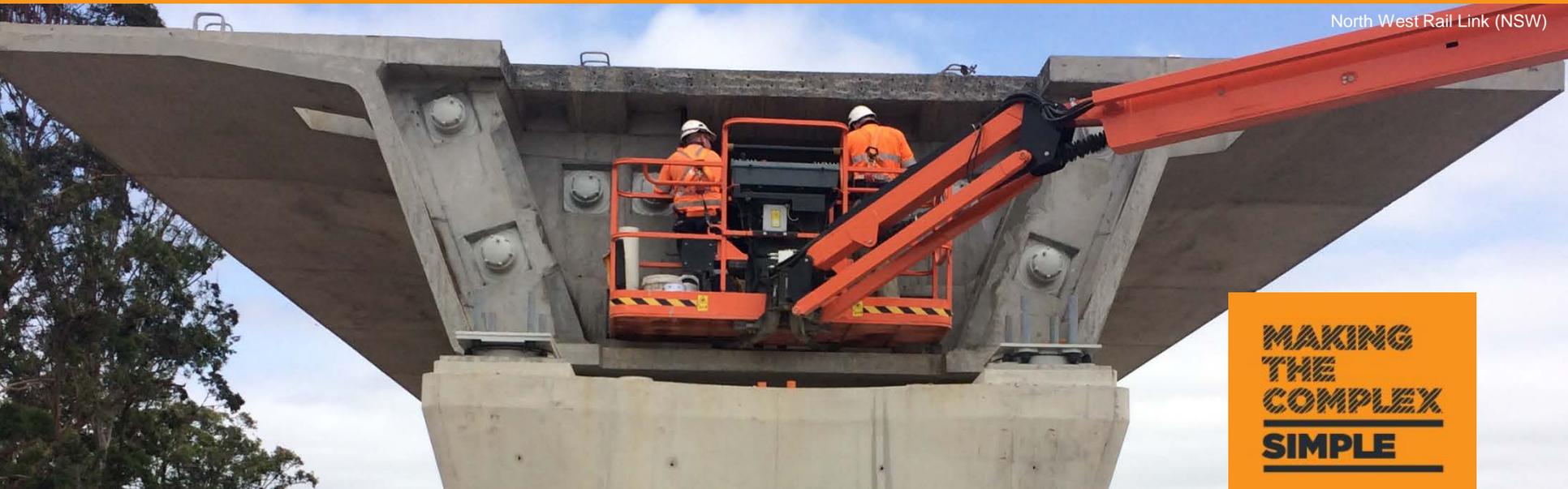
FINANCIAL STRENGTH

- Cash in Hand \$19.5m
- No net debt
- Low financial liabilities of \$4.6m

* "WIH" – Work in Hand

ZERO HARM

North West Rail Link (NSW)

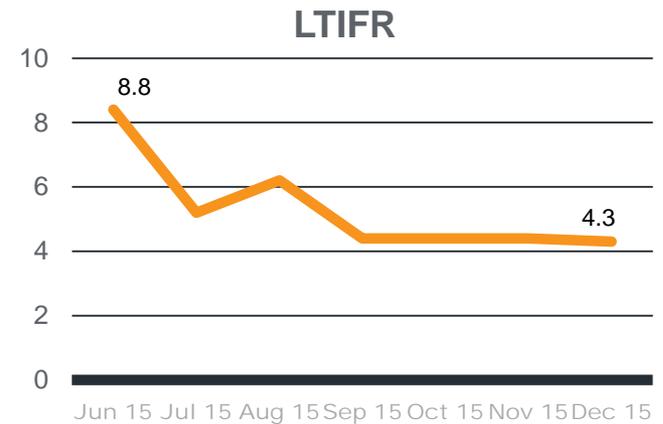
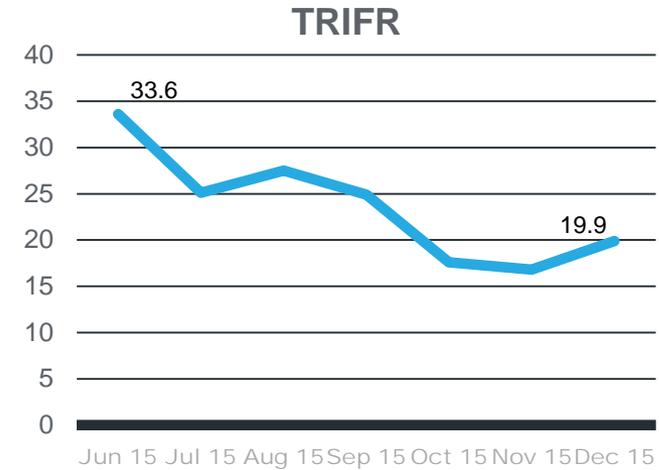


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ZERO HARM PROGRESS



- National and Regional Zero Harm Leadership Teams embedded in business
- Take 5's proactive risk identification tool embedded across business
- Critical Risks working groups established and progressing to plan
- 40.7% reduction in Total Recordable Injury Frequency Rate (TRIFR) to 19.9
- 48.8% reduction Lost Time Injury Frequency Rate (LTIFR) to 4.3



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FINANCIAL OVERVIEW

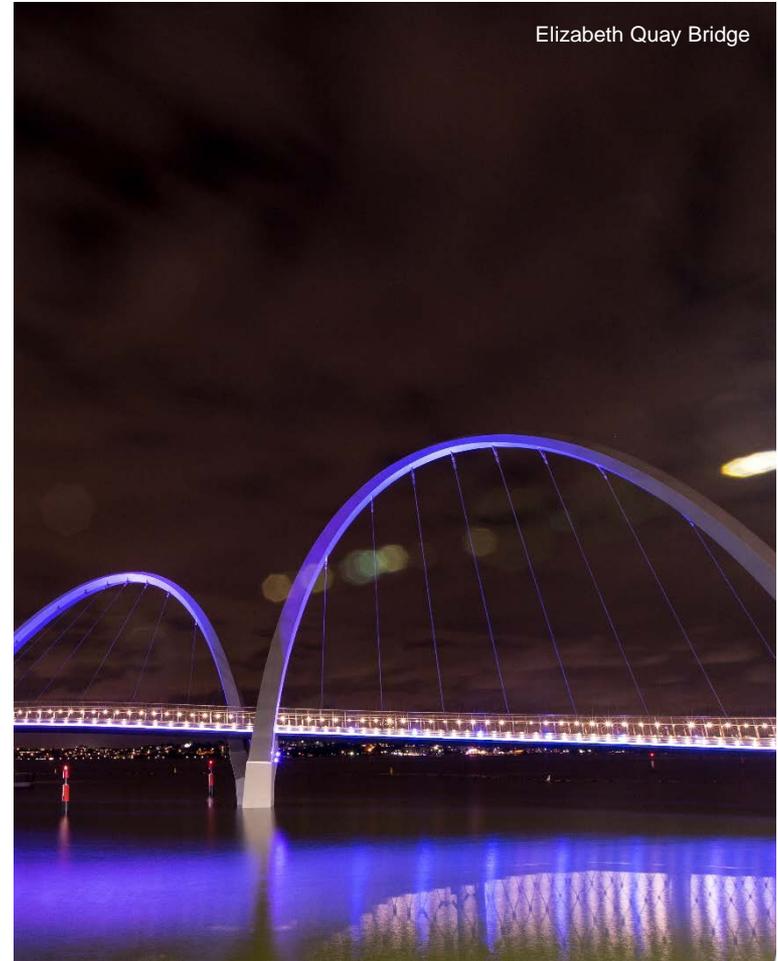
Onslow Water Tanks



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- Revenue of \$81.2m
- EBITDA of \$6.1m
- NPBT of \$3.0m
- NPAT of \$2.0m
- No net debt and cash / cash equivalents of \$19.5m
- Interim fully franked dividend of 2.0 cents
- EPS of 3.2 cents per share
- Financial liabilities (Hire Purchase debt) reduced to \$4.6m

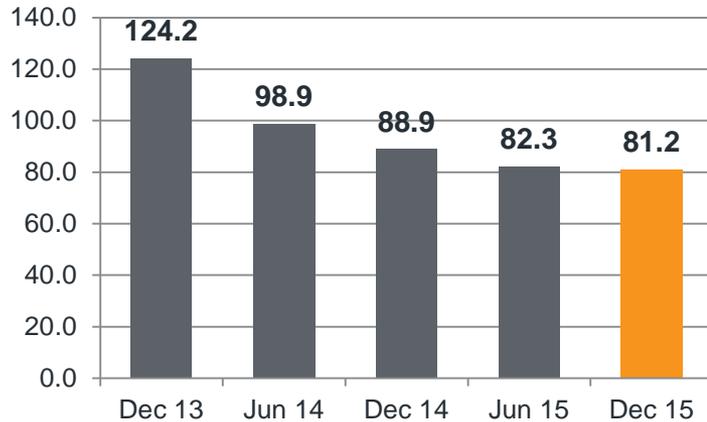
Elizabeth Quay Bridge



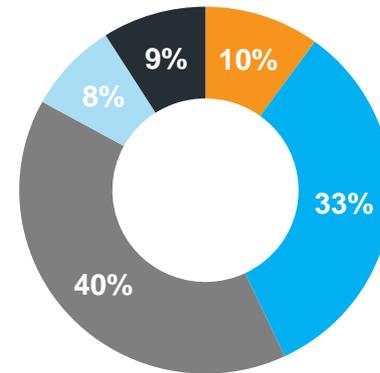
FINANCIAL PERFORMANCE



Revenue (\$M)

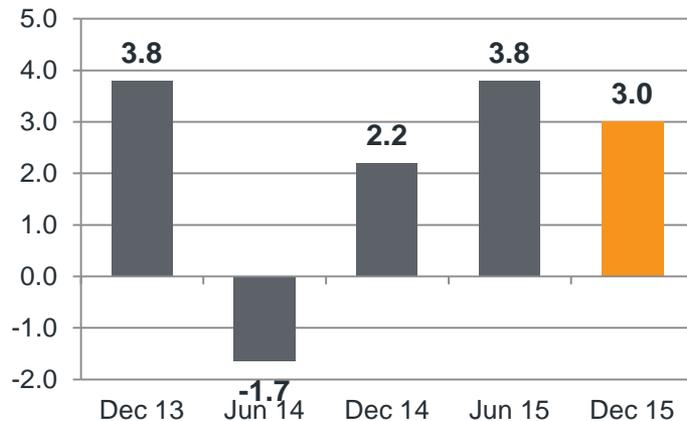


Revenue (%)

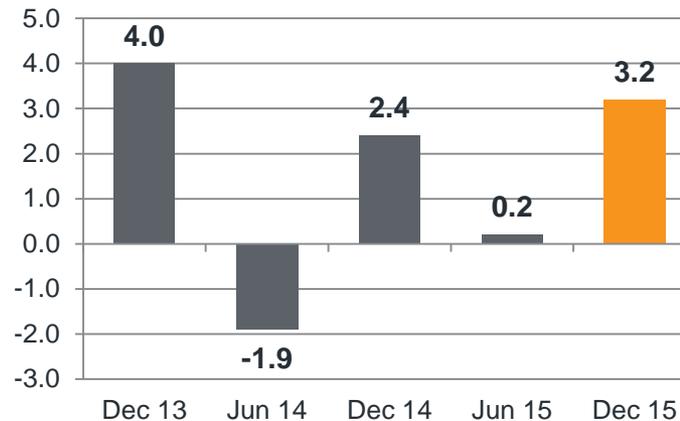


■ Civil
 ■ Mining
 ■ Building
 ■ Services
 ■ Products

PBT Continuing Operations (\$M)



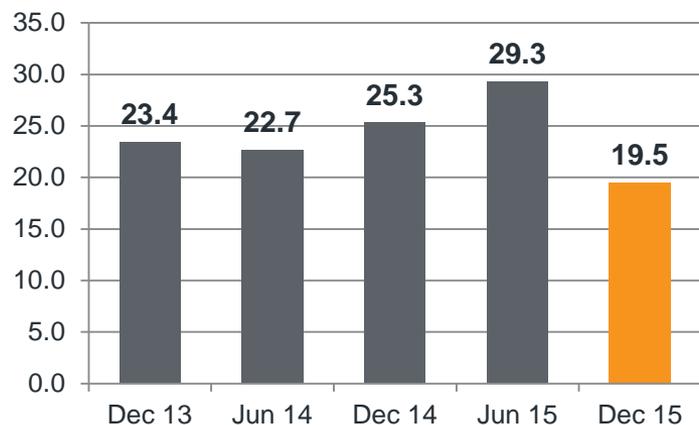
Earnings per share (cents)



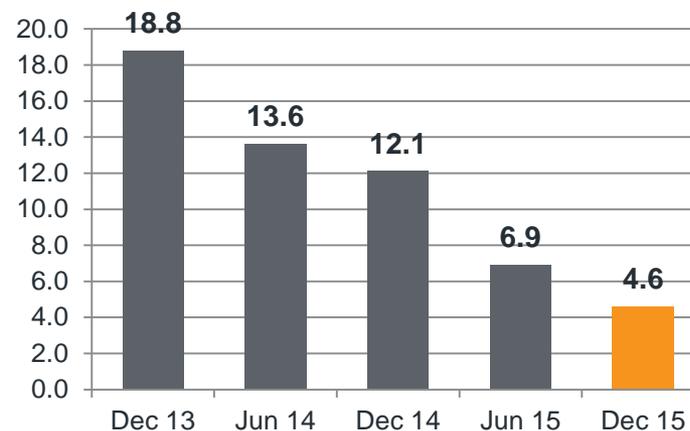
FINANCIAL STRENGTH



Cash at Bank (\$M)



Financial Liabilities (\$M)



Dividends (cents)



BUSINESS UNIT PERFORMANCE

Geotechnical Works WA



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CIVIL



Elizabeth Quay

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Highlights

- 12 months LTI Free
- Completed iconic Elizabeth Quay bridge project
- Commenced Samson Brook Dam in WA and Hazelmere Dam in South Africa
- Good progression on Doha Metro project in Qatar



Looking Forward

- Execution of key dam projects
- Execution of key rail projects
- Continued development of International strategy
- Continued focus on converting work pipeline in Dams, Bridges and Tanks

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MINING



Edna May Gold Mine

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Highlights

- Excellent safety performance – TRIFR 2.4
- Group wide \$150m contract with Evolution Mining
- Secured Mt Carlton mine
- Strong cross selling and wins in Geotech and Radar businesses
- Completed geotech crusher pockets with First Quantum in Zambia

Looking Forward

- Commencement of Mt Carlton operations
- Geotech opportunities increasing in civil space
- Focused on organic growth, strong asset utilisation and cross-business collaboration



BUILDING



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Highlights

- Reduced LTIFR by 58% and TRIFR by 46%
- Secured \$42.1m new work in 1H
- Commenced construction of Commonwealth Games Village with Grocon
- Commenced Northern Beaches Hospital with CIMIC / CPB
- Cross selling of SureLok™

Looking Forward

- Strong focus on project execution
- Continuing to leverage alliances with key partners
- Numerous projects up to \$5m in Australia
- Growing pipeline of opportunities in the Middle East



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SERVICES



Loy Yang Power Station

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Highlights

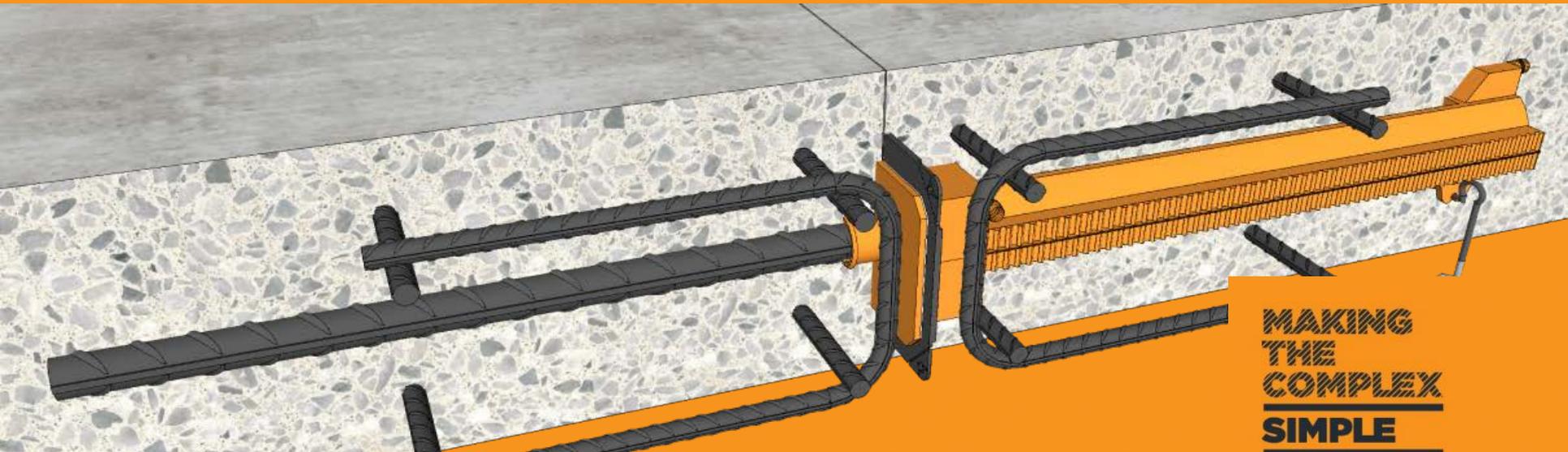
- Integration of CCM Group
- Progressed Loy Yang Power Station project
- Secured contract with UGL / Kentz at Inpex
- Commenced Monash University facade refurbishment project

Looking Forward

- Strong focus on project execution
- Securing term contracts
- Cross selling with other SRG businesses
- Long term growth potential



PRODUCTS



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Highlights

- Introduced SureLok™ to the Australian market
- Ongoing discussions for the international distribution of SureLok™
- Strong early sales including Commonwealth Games Village and Northern Beaches Hospital
- Positive collaboration with SRG Building

Looking Forward

- Drive efficiency in manufacturing business
- Grow Domestic market - SureLok™
- Introduce SureLok™ to international market
- Continue to develop a pipeline of products to introduce in future years



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WORK OPPORTUNITY

PIPELINE

Hazelmere Dam Durban



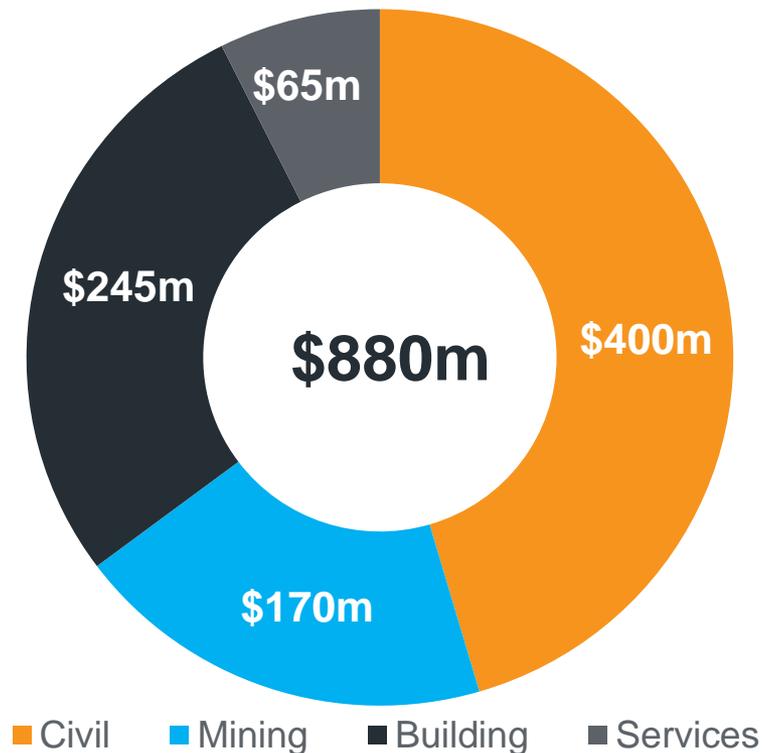
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WORK OPPORTUNITY PIPELINE



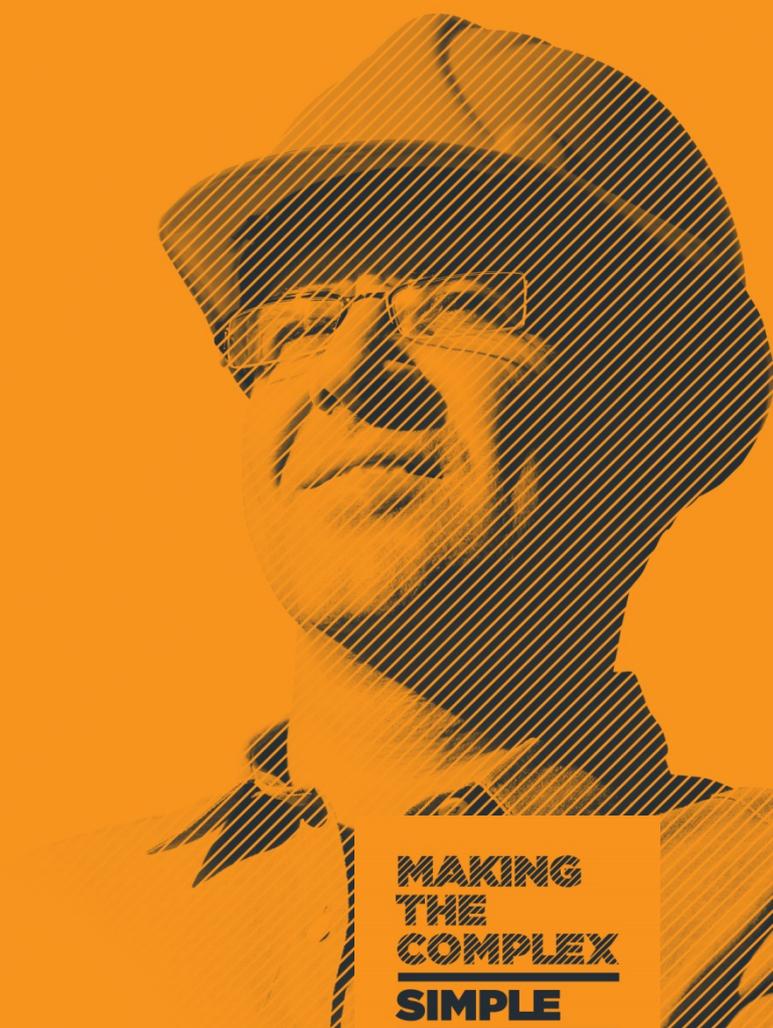
- WIH at Dec 15 was \$240m (up from \$177m previous period)
- 131 projects secured in 6 months valued at \$162m including:
 - Mt Carlton Mine
 - Evolution Group deal
 - Inpex Darwin
 - Various Bunnings stores
 - Warringah Mall
 - Mazaya Residences in Oman
 - Bermagui Jetty
 - Various projects on Garden Island, WA
 - Eungella Dam, Qld.

WORK OPPORTUNITY PIPELINE



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OUTLOOK



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- Market conditions remains challenging
- Our diversity as an international specialist contractor provides both protection and opportunity
- Good progress made transitioning from Foundation phase to Development phase of strategy
- Company well positioned with recent contract renewals, record WIH levels and \$880m pipeline of work opportunities
- Focusing on profitable growth across the business streams – projects not targeted solely for revenue growth
- Strong balance sheet provides financial strength
- A highly targeted M&A strategy
- Expect returns to shareholders to increase through improved profit performance in FY16 against underlying FY15 result

**WE SOLVE THE
COMPLEX PROBLEMS
THAT OTHERS CAN'T**

**LEARN MORE ABOUT THE PROJECTS WE'VE
BEEN INVOLVED IN ONLINE.**

SRGLIMITED.COM.AU