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# HALF YEAR RESULTS 2021

23 FEBRUARY 2021

TOGETHER WE DELIVER



## MONADELPHOUS PROFILE

### 2 OPERATING DIVISIONS

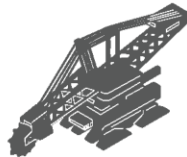


ENGINEERING  
CONSTRUCTION



MAINTENANCE  
& INDUSTRIAL  
SERVICES

### OUR INDUSTRIES



RESOURCES



ENERGY



INFRASTRUCTURE

**6,811 EMPLOYEES**  (TOTAL WORKFORCE 7,093)

**29 LOCATIONS**



IN 7 COUNTRIES

# H1 2021 GROUP PERFORMANCE AND HIGHLIGHTS

REVENUE <sup>1</sup>  
**\$947.8** MILLION

NET PROFIT AFTER TAX <sup>2</sup>  
**\$31.6** MILLION

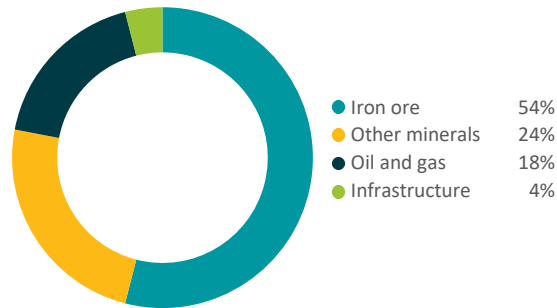
EARNINGS PER SHARE  
**33.4** CENTS

INTERIM DIVIDEND  
**24.0** CENTS

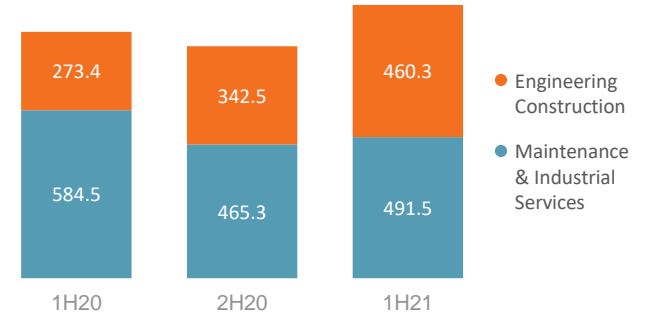
CASH  
**\$169.4** MILLION

CONTRACTS SECURED  
**\$360** MILLION

## REVENUE BY END CUSTOMER



## REVENUE BY DIVISION (\$M)



- Revenue up 11.2% on pcp and 18.7% on 2H20
- Work progressed strongly on resource construction projects
- Maintenance activity levels steadily regained momentum
- Resumption of work scopes deferred earlier in 2020
- Activity levels in iron ore ramped up significantly
- Secured \$360 million of new contracts
- Substantial improvement in safety performance

<sup>1</sup> Includes Monadelphous' share of joint venture revenue

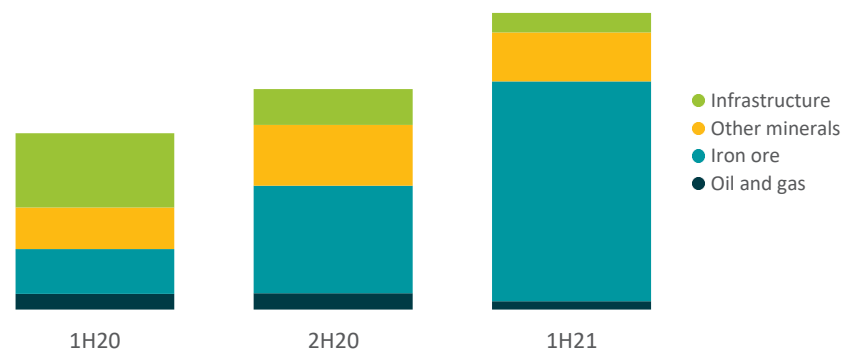
<sup>2</sup> Includes reversal of one-off provision of \$6.5m made in the 2019 financial year relating to research and development tax incentives



## H1 2021 DIVISIONAL HIGHLIGHTS

### ENGINEERING CONSTRUCTION

#### REVENUE BY END CUSTOMER (\$M)



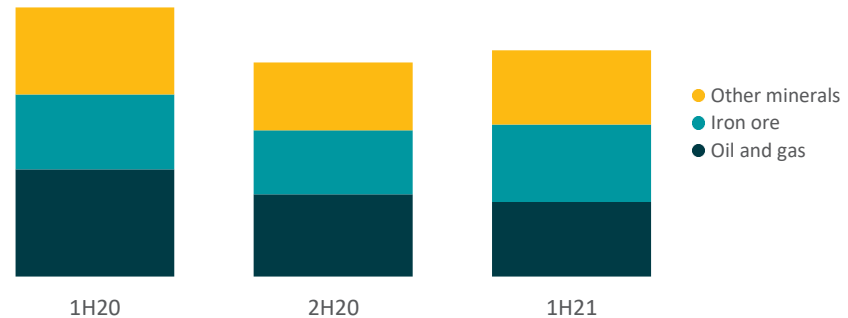
- Revenue of \$460.3 million<sup>1</sup>, up 68%
- Secured \$175 million of new contracts
- New work secured under BHP WAIO Panel Agreement and with BHP at Olympic Dam
- Large resources construction projects progressing well
- Mondium's \$400 million EPC contract with Rio Tinto in construction phase
- Establishment of SinoStruct fabrication facility in Tianjin
- Zenviron awarded Murra Warra Stage II Wind Farm

<sup>1</sup> Includes Monadelphous' share of joint venture revenue

## H1 2021 DIVISIONAL HIGHLIGHTS

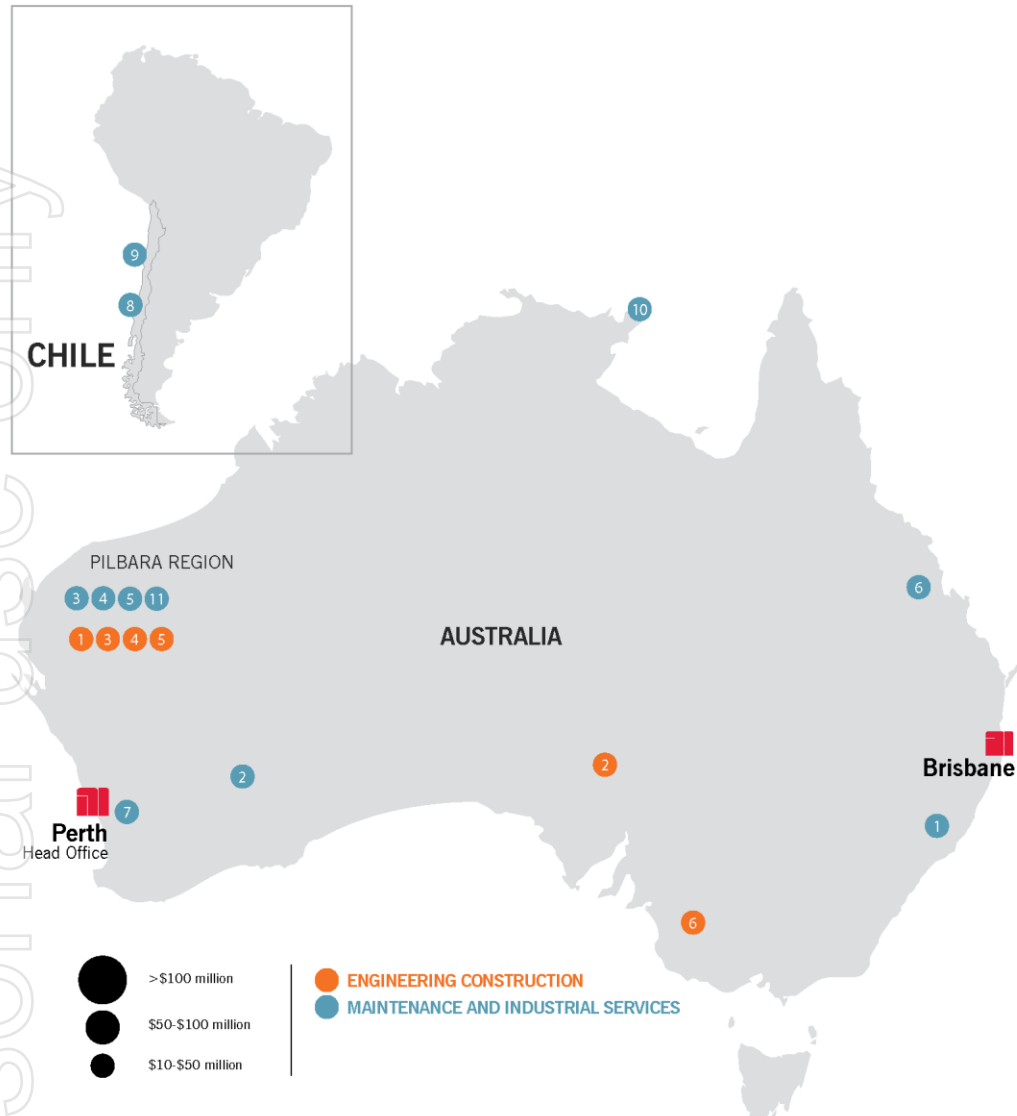
### MAINTENANCE & INDUSTRIAL SERVICES

#### REVENUE BY END CUSTOMER (\$M)



- Revenue of \$491.5 million, down 16%
- Maintenance activity levels steadily regained momentum
- Secured \$185 million in new contracts and extensions
- Awarded new contracts under BHP WAIO panel agreements
- Three-year Rio Tinto master services contracts awarded for delivery of sustaining capital projects
- High activity levels in iron ore sector
- Buildtek awarded strategically significant LNG contract
- Continued to broaden services in rail, marine, civil, CSG and corrosion management

# CONTRACTS SECURED



## ENGINEERING CONSTRUCTION

1. BHP – Dewatering surplus water at Jimblebar mine site, Pilbara
2. BHP – Multidisciplinary construction services at Olympic Dam copper mine, Roxby Downs
3. BHP – Port Availability Improvement Project at Nelson Point and Finucane Island, Port Hedland
4. \*BHP – Replacement of train loadout bin at Jimblebar mine site, Pilbara
5. \*BHP – Upgrade to stacker at Newman Hub, Pilbara
6. General Electric International – Balance of plant civil and electrical works for Murra Warra Stage II Wind Farm, Horsham

## MAINTENANCE & INDUSTRIAL SERVICES

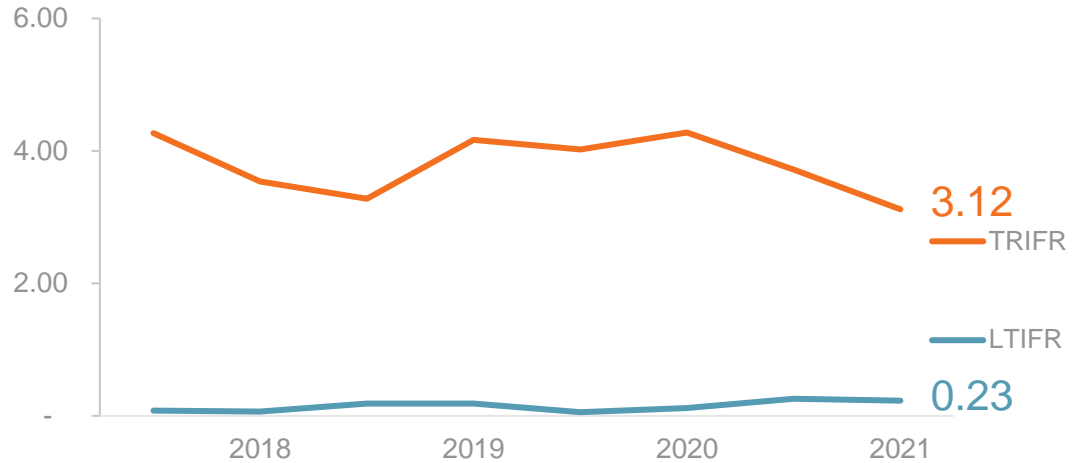
1. \*AGL Macquarie – Bayswater Fly Ash Plant Refurbishment and Slurry Line Replacement project, Muswellbrook
2. BHP – Mechanical and electrical maintenance, shutdown and project services at nickel operations in Western Australia
3. BHP – Refurbishment of Car Dumper 3 at Nelson Point, Port Hedland
4. BHP – Structural, mechanical and electrical upgrades at Newman Hub, Pilbara
5. BHP – Supply and installation of Jimblebar Transfer Station, Pilbara
6. BHP Mitsubishi Alliance – Major dragline shutdown at Saraji Mine, Dysart
7. Custom Fleet – Servicing of Western Power light vehicle fleet, metro and regional Western Australia
8. GNL Quintero – Removal and replacement of LNG discharge arms, Valparaiso, Chile
9. Minera Escondida BHP – Construction and assembly of communications tower at Escondida copper mine; upgrade to conveyer system feeding Filter Plant Warehouse at Coloso Port, Antofagasta region, Chile
10. Rio Tinto – Mechanical, electrical and access maintenance services at Gove operations, Gove
11. Rio Tinto – Sustaining capital projects across various mine sites and port operations, Pilbara

\* Announced subsequent to 31 December 2020



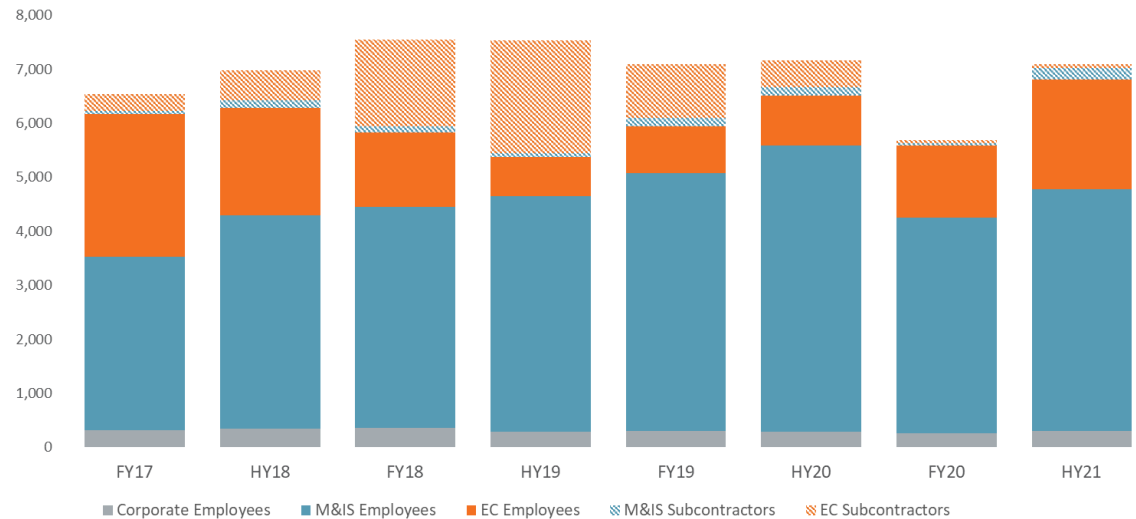


## SAFETY PERFORMANCE



- 16.1% improvement in TRIFR performance
- Systems improvements to reinforce line-of-fire fatal risk controls
- Revised front-line safety leadership program
- Focus on mental health awareness

## PEOPLE



- Employee numbers up 22% from 30 June 2020
- Increased employee equity scheme participation
- Detailed labour market analysis performed
- Launched award-winning MonaWork workforce application
- 'Make It Yours' employer branding program
- Commenced implementation of new recruitment, onboarding and talent management system



## SOCIAL VALUE

### DIVERSITY



- Inclusive organisational culture
- Employment pathways for Aboriginal and Torres Strait Islander peoples and women

### EDUCATION



- Future talent pipeline
- Promotion of STEM curriculum choices

### COMMUNITY



- Strong relationships with local employees, businesses and community groups
- Local, grassroots initiatives

### ENVIRONMENT



- Conservation and protection
- Waste reduction and management

- 4<sup>th</sup> Reconciliation Action Plan substantially developed
- Enhanced Gender Diversity and Inclusion Plan
- Appointed first female operational General Manager
- Provision of education and career pathways for Indigenous students in partnership with Graham (Polly) Farmer Foundation
- Monadelphous Mechanical Mob announced as finalist for Indigenous Engagement Award

## FINANCIAL SNAPSHOT

Period ended 31 December		HY21	HY20	CHANGE
Revenue <sup>1</sup>	\$M	<b>947.8</b>	852.0	11.2%
Engineering Construction <sup>1</sup>	\$M	<b>460.3</b>	273.4	68.4%
Maintenance & Industrial Services	\$M	<b>491.5</b>	584.5	(15.9%)
<i>Internal Eliminations</i>	\$M	<b>(4.0)</b>	(5.9)	
EBITDA <sup>2</sup>	\$M	<b>57.0</b>	59.1	(3.5%)
EBITDA margin	%	<b>6.0</b>	6.9	(0.9pp)
NPAT <sup>3</sup>	\$M	<b>31.6</b>	28.5	11.0%
EPS	cps	<b>33.4</b>	30.2	10.6%
DPS (fully franked)	cps	<b>24.0</b>	22.0	9.1%
Cash	\$M	<b>169.4</b>	163.3	3.7%

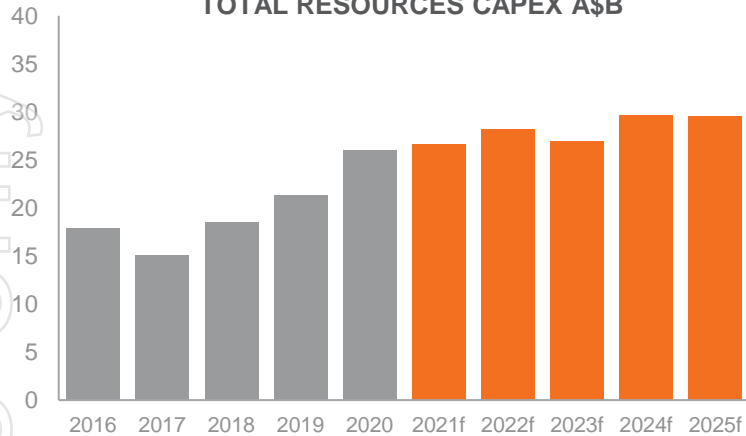
<sup>1</sup> Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 16

<sup>2</sup> Refer to reconciliation on slide 16

<sup>3</sup> Includes reversal of one-off provision of \$6.5m made in the 2019 financial year relating to research and development tax incentives

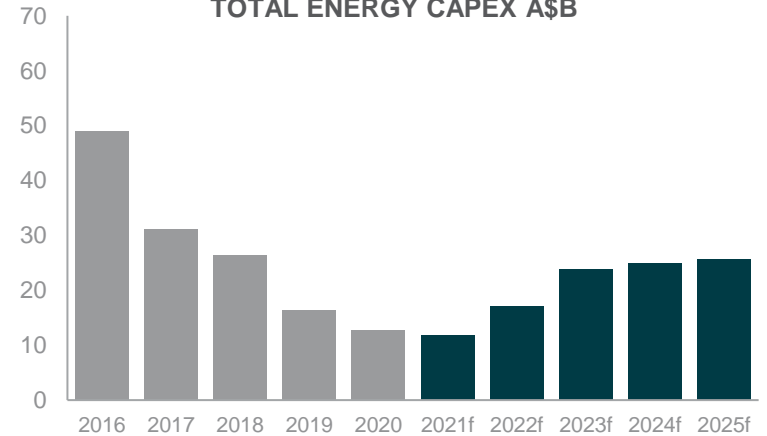
# INDUSTRY OUTLOOK – AUSTRALIA

**TOTAL RESOURCES CAPEX A\$B**



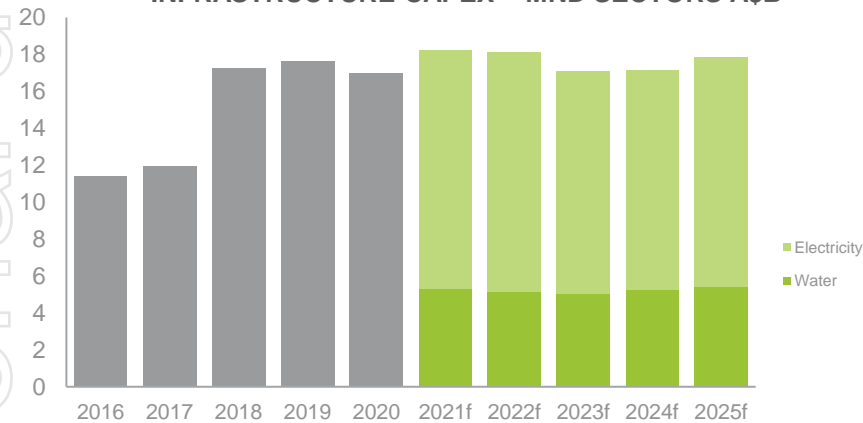
Source: BIS Oxford Economics, ABS (December 2020)

**TOTAL ENERGY CAPEX A\$B**



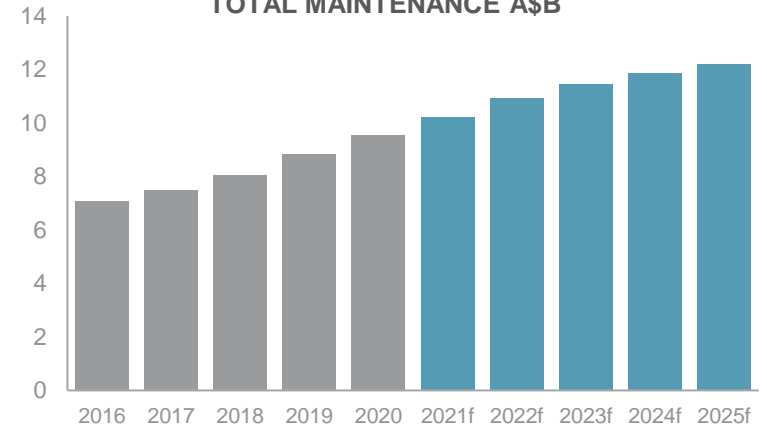
Source: BIS Oxford Economics, ABS (December 2020)

**INFRASTRUCTURE CAPEX – MND SECTORS A\$B**



Source: BIS Oxford Economics, ABS (January 2021)

**TOTAL MAINTENANCE A\$B**



Source: BIS Oxford Economics, ABS (December 2020)

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## OUTLOOK

- Resources sector expected to provide steady flow of construction and maintenance opportunities
- Outlook for Australian iron ore remains solid
- Other resources sectors expected to provide ongoing prospects
- Declining global demand in oil and gas sector
- Long term outlook for renewable sector positive
- Demand for maintenance services expected to grow steadily
- Labour capacity constraints expected to be a key challenge
- FY21 revenue forecast to increase around 10% on pcp
- Strong position to capitalise on opportunities and deal with challenges ahead

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## APPENDICES



## ENGINEERING CONSTRUCTION

### MAJOR PROJECTS HY 2021

- BHP; SMPE&I works associated with Inflow infrastructure at South Flank Project, Pilbara, WA
- BHP; SMPE&I works associated with Outflow infrastructure at South Flank Project, Pilbara, WA
- thyssenkrupp; site assembly of stackers and reclaimer, South Flank Project, Pilbara, WA
- Rio Tinto; SMPE&I works associated with West Angelas Deposits C & D Project, Pilbara, WA
- MARBL Lithium Joint Venture; SMP and associated piping works for lithium hydroxide plant, Kemerton, WA
- BHP; WAIO Asset Projects Panel, various SMPE&I integrated packages, Pilbara, WA
- Fortescue Metals Group; crane services, Pilbara, WA
- BHP; multidisciplinary construction services at Olympic Dam copper mine, SA
- Australia Pacific LNG; supply, fabrication and assembly of wellhead separator skids, Qld
- Rio Tinto; design and construction of Western Turner Syncline Phase 2 mine, Pilbara, WA
- Talison Lithium; design and construction of new tailings retreatment processing plant, Greenbushes, WA
- CWP Asset Management; design and construction of civil and electrical balance of plant, transport and erection of Crudine Ridge Wind Farm, Mudgee, NSW
- General Electric International; balance of plant civil and electrical works for Murra Warra Stage II Wind Farm, Horsham, Vic



## MAINTENANCE & INDUSTRIAL SERVICES

### MAJOR SERVICE CONTRACTS HY 2021

- BHP Iron Ore; general maintenance, shutdowns and sustaining capital works, Pilbara, WA
- Woodside; onshore and offshore maintenance and brownfields services for Woodside-operated gas production facilities in north west of WA, maintenance and turnarounds at Karratha Gas Plant and Pluto LNG, WA
- Rio Tinto; fixed plant maintenance services and sustaining capital works, Pilbara, WA
- Shell; provision of services in WA and Queensland
- INPEX Operations Australia; offshore maintenance services, Browse Basin, WA
- BHP Mitsubishi Alliance; Saraji Mine shutdown works; maintenance and dragline shutdown works, Bowen Basin, Qld
- BHP; maintenance and shutdowns at Olympic Dam, Roxby Downs, SA
- Oil Search; engineering, procurement and construction services at oil and gas production and support facilities, Papua New Guinea
- South32; shutdown and mechanical services; Worsley, WA
- BHP Nickel West; maintenance and shutdowns, Goldfields, WA
- Rio Tinto; rail network maintenance, Pilbara, WA
- Newcrest Mining; maintenance works, Lihir Island, PNG
- Queensland Alumina Limited; maintenance and projects, Gladstone, Qld
- Minera Escondida BHP; construction and assembly of communications tower at Escondida copper mine, Antofagasta region, Chile
- Codelco; maintenance of underground water infrastructure at Chuquicamata underground copper mine, Antofagasta region, Chile

## NOTES TO FINANCIALS

### Non-IFRS Financial Information

Monadelphous Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

### Reconciliation of total revenue from contracts with customers including joint ventures to statutory revenue from contracts with customers

	HY21 \$'000	HY20 \$'000
Total revenue from contracts with customers including joint ventures	947,828	851,980
Share of revenue from joint ventures <sup>1</sup>	(105,750)	(75,175)
<b>Statutory revenue from contracts with customers</b>	<b>842,078</b>	<b>776,805</b>

### Reconciliation of profit before income tax to EBITDA

Profit before income tax	39,241	42,205
Interest expense on loans and hire purchase finance charges	390	738
Interest expense on other lease liabilities	725	977
Interest revenue	(263)	(645)
Depreciation of owned and hire purchase assets	11,258	10,771
Depreciation of other lease assets	3,869	3,777
Amortisation expense	187	323
Share of interest, tax, depreciation and amortisation from joint ventures <sup>2</sup>	1,642	986
<b>EBITDA</b>	<b>57,049</b>	<b>59,132</b>

<sup>1</sup> Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method

<sup>2</sup> Represents Monadelphous' proportionate share of interest, tax, depreciation and amortisation of joint ventures accounted for using the equity method

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