



# 1H FY21 INVESTOR PRESENTATION

23 February 2021



# ABOUT US

## WHO WE ARE

We're a global **engineering-led** specialist asset services, mining services and construction group



## OUR OPERATING MODEL

End-to-end solutions across the entire asset lifecycle

- Engineer
- Construct
- Sustain

## OUR VISION

The **most sought-after** specialist asset services, mining services and construction business

**MAKING THE  
COMPLEX  
SIMPLE**

## SUMMARY

Shares on Issue	445.8m
Share Price <sup>(1)</sup>	\$0.46
Market Capitalisation <sup>(1)</sup>	\$205m
Net Assets	\$223m

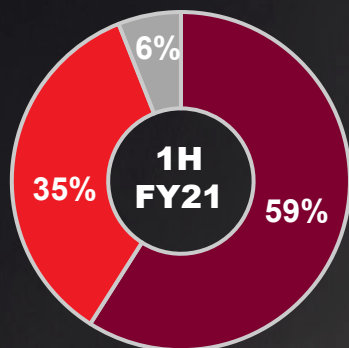
Note: (1) Share price and market capitalisation as at 22 February 2021

## SUBSTANTIAL HOLDERS

Perennial Value Investment	11.6%
Mitsubishi UFG Financial Group, Inc	8.5%
Board and Management	12.1%

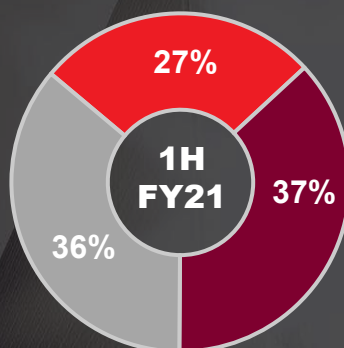
Source: Latest ASX announcements & Company share registry

## EARNINGS BY GEOGRAPHY



- Australia - East
- Australia - West
- International

## EARNINGS BY SEGMENT



- Asset Services
- Mining Services
- Construction

## OUR GLOBAL WORKFORCE



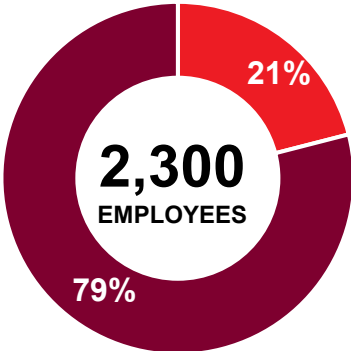
- Australia
- International



# OUR PEOPLE ARE OUR FOUNDATION

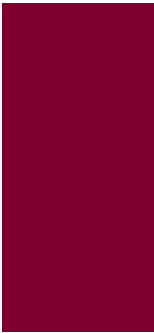


## HIGHLY SKILLED WORKFORCE



■ Tech. / Eng. / Mgmt. ■ Operational

## ZERO HARM IMPROVEMENT



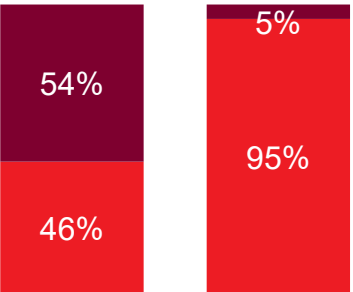
TRIFR Dec 19



TRIFR Dec 20

## GENDER DIVERSITY

■ Male ■ Female



Corporate Operational

## BUGARRBA ABORIGINAL JOINT VENTURE

Scaffolding Services



## MODERN SLAVERY GOVERNANCE

**SRG GLOBAL 2020 MODERN SLAVERY STATEMENT**

**An Opportunity for All: Removing Slavery from the Supply Chain**

SRG Global Limited ("SRG") opposes the oppression and abuse of human rights, including the use of forced labour and slavery. This statement has been prepared and approved by the Board of Directors of SRG Global Limited (Australian registered Company Number 164 862 2019) and on behalf of its related bodies corporate in accordance with the Commonwealth of Australia's Modern Slavery Act 2018 and provides our commitment to continuously review and implement steps to eradicate human rights abuses from all aspects of our supply chain.

Described as the severe exploitation of people for personal or commercial gain, Modern Slavery entitles more than 70 million people a global supply chain where they are exposed to unacceptable working conditions. Importantly, the term Modern Slavery is not limited to physical restraints, increasingly, circumstances of debt bondage, abuse of workers' wage payments, discriminatory employment practices, coercion, threats and deception are often further examples of exploitation methods used by those profiting through oppressive circumstances.

SRG recognises that as an organisation we have a responsibility to diligently identify and address exposure within our Supply Chain, importantly however, we understand this issue cannot be addressed solely by our actions but rather through the support of and engagement with Governments, Business and through Social Dialogue with key stakeholders.

Governments set policy and laws, such as the Modern Slavery Act 2018 (Cth), which provides actions to identify and support businesses in the eradication of slavery practices within their operations and supply chains.

Business holds a responsibility to remain diligent to ensure all aspects of their operations and supply chain is free from slavery practices.

**Social Dialogue** including engagement with stakeholders, the community and industry bodies. Core to the success of any practice implemented by organisations is that the practices both align with, and are supported by, the broader community.

This statement sets our policy and governance framework for the detection and abolition of these practices within SRG's operations or supply chain.

This statement was approved by the Board of SRG Global Limited on 15 December 2020.

Paula McInerney  
Chairman SRG Global Limited





# 1H FY21 REVIEW



- **Revenue Up 6%** to \$283m (from 1H FY20)
- **EBITDA Up 32%** to \$20.5m (from 1H FY20)
- **Net Cash Improved** to \$5.3m (from Net Debt of \$8.4m as at 30 June 2020)
- **Fully Franked Dividend Doubled** to 1 cent per share in 1H FY21 (from 1H FY20)
- **\$750m of Contract Wins** announced since 1 July 2020 with repeat / targeted clients
- **Record \$1b Work in Hand, Up 41%** as at 31 December 2020 (from 30 June 2020)
- **Well Funded for Growth** - available funds of \$82m plus undrawn \$26.5m equipment finance facility
- **Two Thirds Annuity Earnings Profile** in FY21 and beyond
- **Upgraded FY21 EBITDA Guidance** to \$45m - \$47m (up from \$42m - \$45m)

## “\$750M OF CONTRACT WINS ANNOUNCED SINCE 1 JULY”

### SRG Global Secures NZ\$25m Transport Infrastructure Maintenance Contract in NZ

7 JUL 2020

- Eight-year specialist maintenance services contract on Auckland Harbour Bridge
- Estimated revenues under the contract are NZ\$25 million
- Scope includes the provision of inspection and specialist maintenance services

### SRG Global Secures \$25m Specialist Facades Contract for Victorian Heart Hospital

15 JUL 2020

- \$25m contract with John Holland for the new Victorian Heart Hospital
- Design, supply and installation of specialist engineered curtain wall facade
- Works expected to commence in January 2021 with a duration of nine months

### SRG Global Secures \$25m Five-Year Access and Maintenance Contract with Yara Pilbara

21 JUL 2020

- Long-term five-year \$25m contract with Yara Pilbara
- Works include access and insulation services with additional scope opportunities
- Works have commenced and will continue until mid-2025

### SRG Global Secures Specialist Facades Contracts Valued at \$40m in Sydney & Melbourne

23 JUL 2020

- Two specialist facades contracts totalling \$40m
- Project works include the design, supply and installation of specialist engineered curtain wall facade in Sydney and Melbourne

### SRG Global Secures \$30m Specialist Civil Water Infrastructure Projects with Water Corporation

28 JUL 2020

- Two projects secured with Water Corporation valued at \$30m
- Scope includes the specialist design and construction of two water tanks in WA
- Works expected to commence July 2020 with an approximate 18-month duration

### NZ\$50m of New Work Secured in New Zealand, Operations Returned to Normal Levels

5 AUG 2020

- NZ business has now fully returned to normal levels of operational activity
- New work secured across access and industrial coatings, windfarm maintenance, building remediation services and specialist refractory services

### SRG Global Secures Specialist Facades and Engineering Contracts Valued at \$65m

10 SEP 2020

- PT & Products contract for Sydney Football Stadium with John Holland
- Specialist Facades & Structures contract for Capital Square Development in Perth
- Specialist Facades contract with Lendlease for works at 150 Lonsdale Street Vic

### SRG Global Secures Long-Term Refractory & Access Contracts with South32, valued at \$125m

1 OCT 2020

- New eight-year \$100m contract with South32 for specialist Refractory Services
- Two-year \$25m extension on existing six-year Access Services contract
- Delivering on strategy transitioning business mix to annuity/recurring earnings

### SRG Global Secures Specialist Dam, Bridge and Tank Contracts Valued at \$55m

17 NOV 2020

- Specialist bridge contract variation with Transport for NSW
- Specialist D&C contract with Water Corporation for a 20ML water tank
- Specialist dam remedial works at Paradise Dam, QLD for Sunwater / CPB

### SRG Global Secures Specialist Facades and Structures Contracts Valued at \$100m

24 NOV 2020

- SRG Global has secured two contracts totalling ~\$100m
- Specialist Facades contract with Multiplex at Queens Wharf in Brisbane, QLD
- Structures contract for the Elizabeth Quay West Development in Perth, WA

### SRG Global Secures Two Term Contracts Valued at \$45m

4 FEB 2021

- Five-year term contract with Onesteel Whyalla for access solutions
- 12-month contract with Pit N Portal to provide drill and blast services and explosives supply at Great Western gold mine.

### SRG Global Awarded \$150m Term Contract to Provide Multi-Disciplinary Services to FMG

16 FEB 2021

- SRG Global awarded a \$150m, five-year term contract
- Master agreement for maintenance and shutdown services
- Servicing Fortescue's mine, rail and port locations throughout WA



# WINNING IN DIVERSE SECTORS

## Contracts won in FY21

### TRANSPORT



### WATER



### BUILDING



### CHEMICAL



### STEEL



### IRON ORE



### GOLD



### ALUMINA



### OIL & GAS

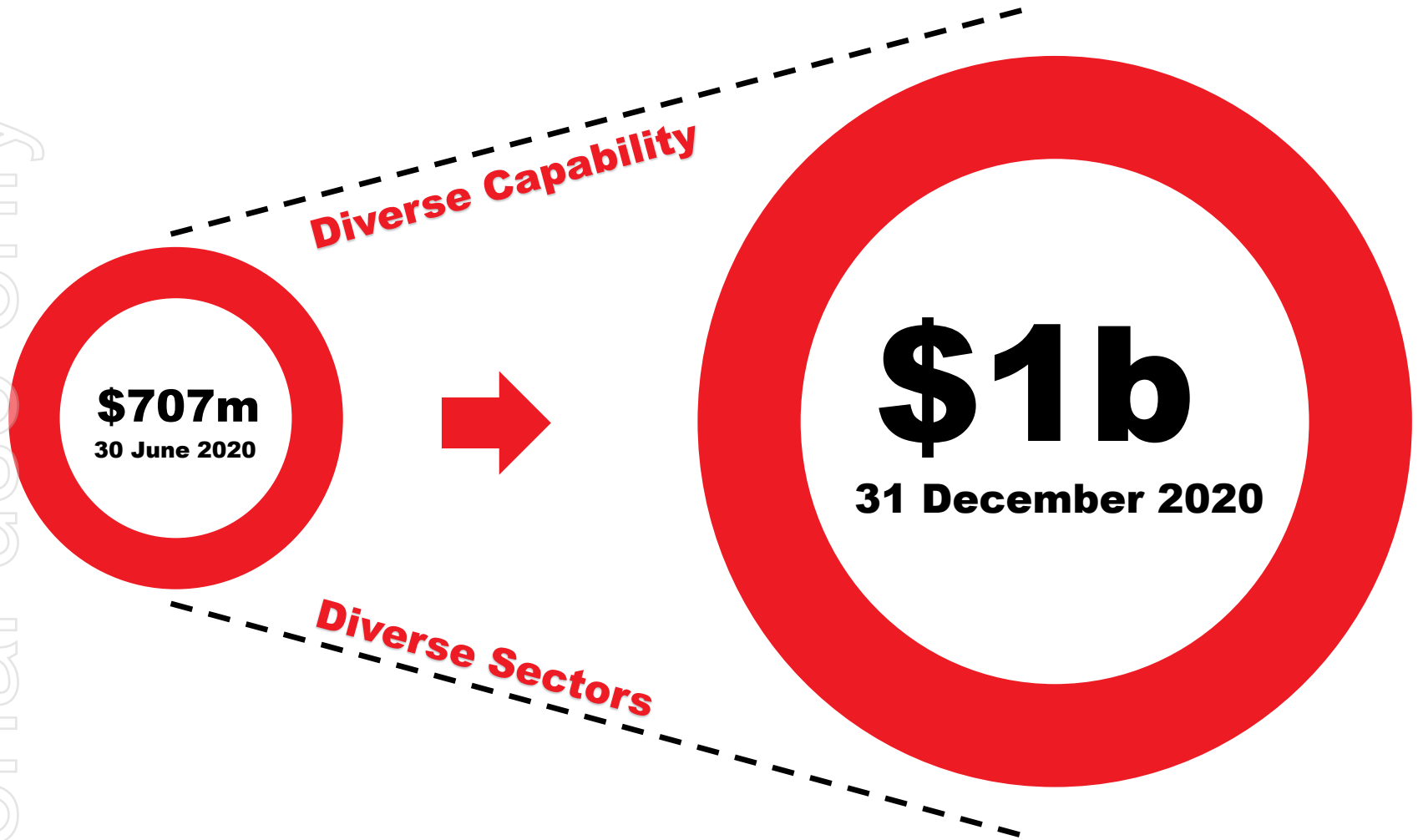


### RENEWABLES

## Contracts won in FY21



# RECORD WORK IN HAND



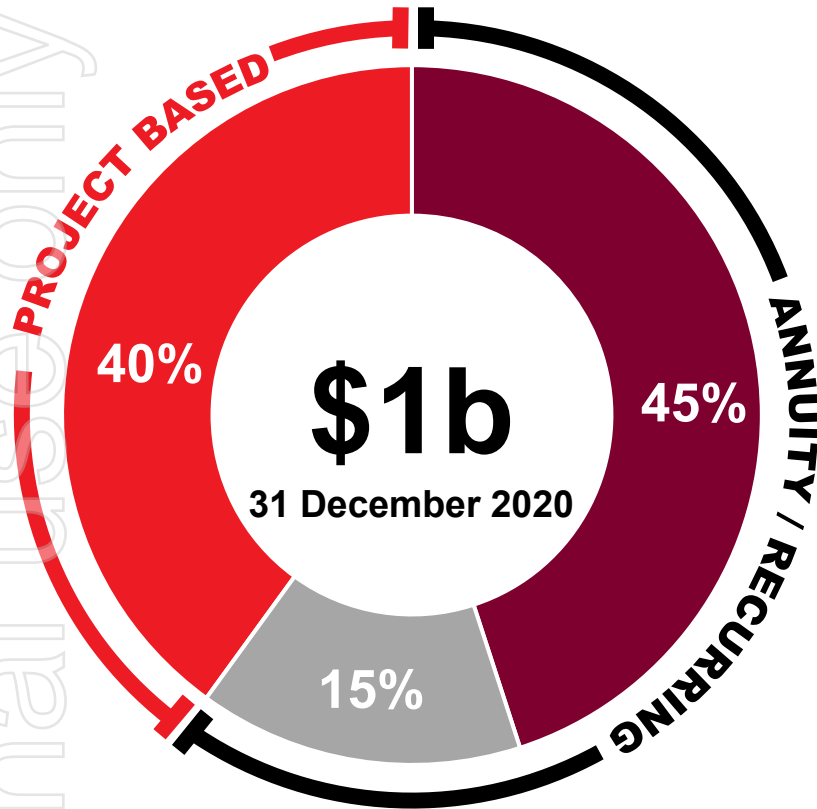
Note: Work In Hand as at 31 December 2020 does not include \$200m of work announced in January and February 2021

○ Engineer ○ Construct ○ Sustain

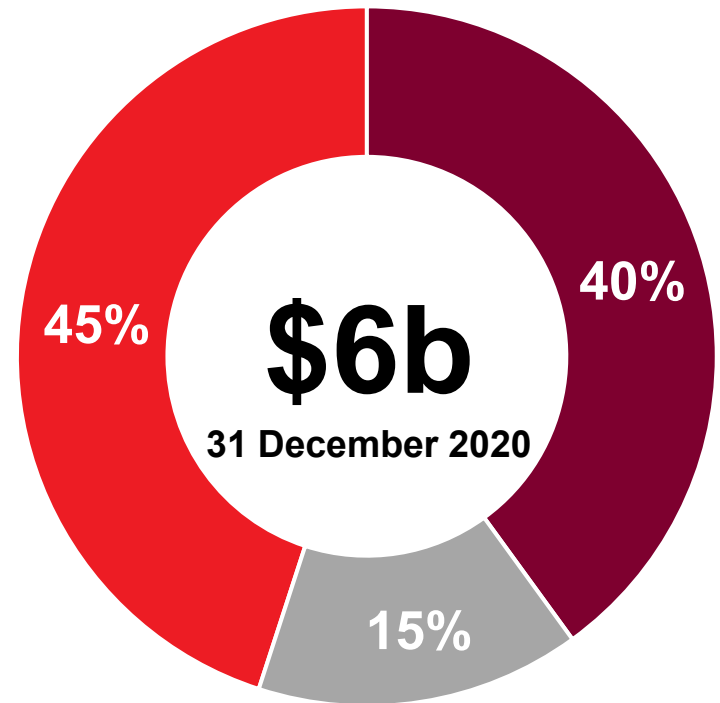


# STRONG PLATFORM FOR GROWTH

## WORK IN HAND



## OPPORTUNITY PIPELINE



■ Asset Services    ■ Mining Services    ■ Construction

○ Engineer    ○ Construct    ○ Sustain

**MAKING THE  
COMPLEX  
SIMPLE**

## “Continuing to transition the business mix towards annuity earnings”

### GROWTH

- ✓ Step change growth in recurring Asset Services
- ✓ Innovation and selective growth in Mining Services
- ✓ Targeted growth in specialist Civil Infrastructure Construction
- ✓ Specialist services and products in Building Construction with key repeat clients
- ✓ **Two thirds annuity / recurring and one third project-based earnings**

### LEADERSHIP

- Zero Harm / ESG industry leader and recognised employer of choice
- Key partner of choice in our specialised core markets with core clients
- Consistent, above market shareholder returns (EPS and TSR)
- Selective strategic acquisitions to complement capability / footprint
- Two thirds annuity / recurring and one third project-based earnings

# SOLID 1H FY21 FINANCIAL PERFORMANCE



## SEGMENT RESULTS (\$m)

	TOTAL	ASSET SERVICES	MINING SERVICES	CONSTRUCTION	CORPORATE
Revenue	283.3	85.9	42.9	154.4	-
EBITDA	20.5	10.2	9.9	7.4	(7.0)

**Revenue** in 1H FY21 of \$283m (up 6% from 1H FY20).

**EBITDA** in 1H FY21 of \$20.5m (up 32% from 1H FY20).

**Overall EBITDA % margin** increased to 7.2% in 1H FY21 from 5.8% in 1H FY20.

**Asset Services** experienced strong growth with 8 new long-term contracts secured YTD. Solid financial and margin performance with EBITDA margin of 11.9% in line with historical levels. Excellent start up and mobilisation of new contracts which will continue in 2H FY21.

**Mining Services** disciplined growth and improved financial performance in 1H with EBITDA margin of 23.1%. Excellent operational delivery across all sites and high levels of asset utilization. A very successful start up of Saracen (now Northern Star) drill and blast contract.

**Construction** delivered an improved financial performance in 1H with increased EBITDA margins of 4.8% which are expected to further improve post scale back and exit of non-core businesses.

**Civil & Engineering** strong performance across all Australian projects and scaled back operations Internationally.

**Specialist Building** solid performance across Facades and Structures West and completed the exit of Structures Victoria in 1H FY21.

**Corporate** overheads of \$7m equates to 2.5% of revenue, with scope for further leverage as business grows.



# GENERATING POSITIVE OPERATING CASH

Strong focus on working capital management, converting WIP to cash and reducing payment times from customers

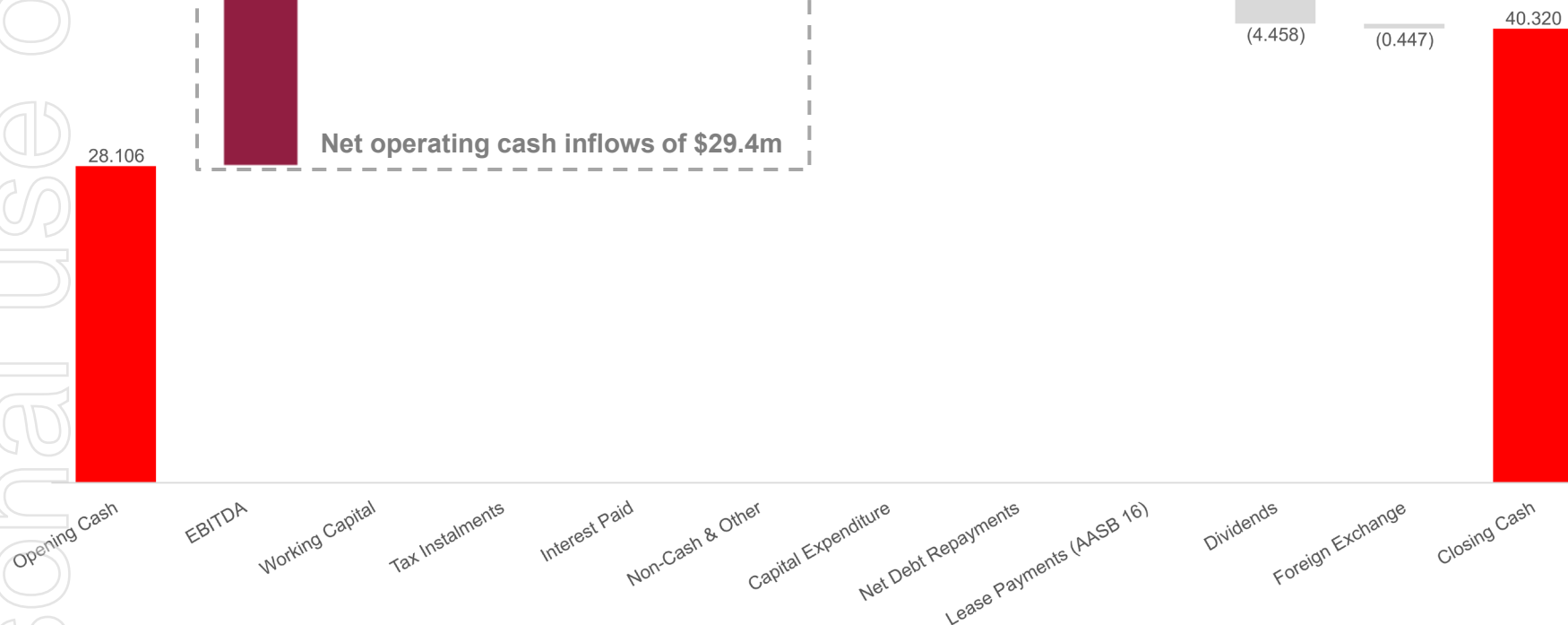
Normal sustaining capital spend and growth capital investment for eight-year, \$100m contract secured with South32

Reflects prudent capital management with a continued focus on minimising Group leverage

Introduction of AASB16 means lease payments are included within depreciation

Increasing dividend returns to shareholders

Net operating cash inflows of \$29.4m



# STRONG FINANCIAL POSITION FOR GROWTH

## BALANCE SHEET (\$m)

1H FY21

Cash and cash equivalents	40.3
Trade, other receivables & contract assets	109.2
Inventories	17.3
Property, plant and equipment	79.2
Right of use assets	23.1
Intangibles	105.3
Tax assets	32.3
Other	7.3
<b>Total Assets</b>	<b>414.0</b>
Trade, other payables & contract liabilities	100.2
Borrowings	35.0
Right of use liabilities	24.0
Current tax liabilities	2.3
Provisions and other	29.5
<b>Total Liabilities</b>	<b>191.0</b>
<b>Net Assets</b>	<b>223.0</b>

**Available liquidity** of \$82m, comprised of cash on hand of \$40m and available undrawn working capital facilities of \$42m

**Net cash** of \$5.3m, from a net debt position of \$8.4m at 30 June 2020 representing a \$13.7m improvement in 1H FY21 through prudent management of working capital.

Significant **undrawn facilities** available for growth

	DRAWN	UNDRAWN	TOTAL
<b>Borrowing Facilities</b>			
Equipment Finance	23.5	26.5	50.0
Term Loan	9.75	-	9.75
Working Capital	-	41.9	41.9
Other	1.79	-	1.75
<b>Total</b>	<b>35.0</b>	<b>68.4</b>	<b>103.4</b>
<b>Security Facilities</b>			
Bank Guarantees	10.3	9.7	20.0
Performance Bonds	64.9	69.7	134.6
<b>Total</b>	<b>75.2</b>	<b>79.4</b>	<b>154.6</b>



# OUR OPERATING SEGMENTS







## ASSET SERVICES

Sustaining  
complex  
infrastructure

**Annuity Earnings**

## SPECIALIST MAINTENANCE

Highly skilled specialist  
maintenance services focusing  
on refractory, oil and gas,  
industrial assets and transport  
and marine infrastructure

## ACCESS SOLUTIONS

Comprehensive structural  
and technical access solutions  
targeting the mining and  
resources, oil and gas, offshore  
marine and industrial locations

## KEY CLIENTS



- Strong operational / financial performance in 1H
- A number of contract wins YTD in FY21
  - 5-yr multi-disciplinary contract with FMG
  - 5-yr access contract with Liberty OneSteel
  - 8-yr maintenance contract with NZTA for Auckland Harbour Bridge
  - 5-yr maintenance contract with Methanex
  - 2-yr maintenance contract with Meridian Energy
  - 5-yr access / maintenance contract with Yara
  - 8-yr refractory services contract with South32
  - 2-yr extension to existing 6-yr engineered access contract with South32
- Strong relationships and delivery driving expanded scope and tenure with key repeat clients
- Continued focus on innovation, technology and data analytics as market differentiators
- Established JV Company (Bugarrba) with members of the Njamal people to pursue sustainable employment opportunities for Aboriginal people







**Alcoa**  
5 Year Term Contract  
Multi-Disciplinary Services  
“End to End Solution”



**South32**  
8 Year Term Contract  
Refractory Services  
“Leveraging Site Presence / Capability”



**Fortescue Metals (FMG)**  
5 Year Term Contract  
Multi-Disciplinary Services  
“Across all FMG Sites”

## MARKET DYNAMIC

- *DIVERSE CAPABILITY*
- *DATA ANALYTICS*
- *VALUE ADDING PARTNERSHIPS*

## WHY SRG GLOBAL

- ✓ Complete end to end service offering
- ✓ Data and technology driven
- ✓ Relationships and delivery



## MINING SERVICES

Comprehensive  
ground  
solutions

**Annuity Earnings**

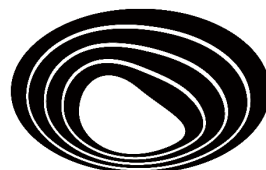
## PRODUCTION DRILL & BLAST

Integrated range of  
complementary production drill  
& blast services working across  
multiple commodities including  
gold, precious metals and iron ore

## SPECIALIST GEOTECH

Highly technical specialist  
ground and slope stabilisation  
services for all mining services  
applications

## KEY CLIENTS



FIRST QUANTUM  
MINERALS LTD.



NORTHERN STAR  
RESOURCES LIMITED





- A very strong performance in 1H FY21
- Excellent asset utilisation of >90%
- Continued capital investment in fleet for growth and sustaining capital
- Continued focus on innovation including:
  - high precision GPS
  - bespoke real-time data analytics
  - semi-autonomous / remote control drilling
- Further growth expected with key existing clients / sites
- Strong pipeline of new opportunities
- Key commodity exposure
  - Gold
  - Iron Ore







## **Saracen**

5 Year Term Contract  
Production Drill & Blast Services  
“New Blue-Chip Client”



## **Kalgoorlie Super Pit**

5 Year Term Contract  
Specialist Geotech Services  
“25-year history on site”



## **Innovation**

Remote Control Drilling  
Data Analytics  
“Innovation and Technology”

## **MARKET DYNAMIC**

- *GROWING DEMAND*
- *OPERATIONAL EXCELLENCE*
- *INNOVATION / TECHNOLOGY*

## **WHY SRG GLOBAL**

- ✓ Best practice in asset utilisation
- ✓ Deep industry experience (gold, iron ore)
- ✓ Data and technology driven



## CONSTRUCTION

Constructing complex infrastructure

**Project Based Earnings**

## CIVIL & ENGINEERING

Specialist engineering, post-tensioning and construction services for complex structures in key markets including dams, bridges, windfarms and tanks

## SPECIALIST BUILDING

Specialist facade and structural construction and remediation services with repeat, tier one clients

## KEY CLIENTS



Transport  
for NSW

**sunwater**

**snowy**hydro



**MULTIPLEX**  
Built to outperform.

**seqwater**  
WATER FOR LIFE

**Built.**

**JOHN  
HOLLAND**

## Civil and Engineering

- Strong performance in Australia
- Strong pipeline of Government opportunities
  - Dams, Bridges, Tanks
- Scaled back operations Internationally
- Target specialist projects globally from Australia
  - Dams, Bridges, Tanks

## Specialist Building

- Specialist Facades performing strongly
  - strong work in hand
  - solid pipeline of opportunities
- Structures Victoria business exited in 1H FY21
- Structures West performing strongly
  - strong work in hand
  - solid pipeline of opportunities
- Focus on key repeat clients







## **Fairbairn Dam**

Sunwater, Queensland  
Specialist Dam Anchoring  
“Water Infrastructure”



## **Bolivia Hill**

Transport for NSW  
Specialist Bridge Construction  
“Transport Infrastructure”



## **Kuwait LNG Tanks**

Hyundai Engineering & Construction  
Specialist Post-Tensioning Engineering  
“Energy Infrastructure”

### MARKET DYNAMIC

- *GOVERNMENT STIMULUS*
- *ALLIANCE CONTRACTING*
- *VALUE ENGINEERING*

### WHY SRG GLOBAL

- ✓ Specialised engineering capability
- ✓ 50-year global track record
- ✓ Industry expertise (water, transport, energy)



## Elizabeth Quay Capital Square

Specialist Facades and Structures  
“Commercial / Mixed Use”



## Melbourne Heart Hospital

Specialist Facades  
“Health”



## Queens Wharf Brisbane Casino

Specialist Facades  
“Tourism & Hospitality”

### MARKET DYNAMIC

- *INFRASTRUCTURE INVESTMENT*
- *LONG-TERM PARTNERSHIPS*
- *VALUE ENGINEERING*

### WHY SRG GLOBAL

- ✓ Market Leader (30+ year track record)
- ✓ Long-term key relationships
- ✓ High levels of technical expertise





# OUR STRATEGIC DIRECTION



## Building the **most sought-after** specialist asset services, mining services and construction business

### GROWTH

Step change growth in recurring Asset Services

Innovation and selective growth in Mining Services

Targeted growth in specialist Civil Infrastructure Construction

Specialist services and products in Building Construction with key repeat clients

**Two thirds annuity / recurring and one third project-based earnings**

### LEADERSHIP

Zero Harm / ESG industry leader and recognised employer of choice

Key partner of choice in our specialised core markets with core clients

Consistent, above market shareholder returns (EPS and TSR)

Selective strategic acquisitions to complement capability / footprint

**Two thirds annuity / recurring and one third project-based earnings**

## Operating Segment Outlook

- Asset Services delivering **step change growth** in diverse sectors with blue-chip clients
- Mining Services operating in **high demand, high quality** growth commodities
- Construction positively linked to **Government Infrastructure stimulus** programs
- International focus on Specialist Civil Engineering opportunities – **Dams / Bridges / Tanks**

## Business Outlook

- **FY21 EBITDA Guidance** range **upgraded** to \$45m - \$47m (up from \$42m - \$45m)
- **Record Work in Hand** of **\$1b** with an **Opportunity Pipeline** of **\$6b**
- **Strong liquidity / balance sheet position** to support growth working capital requirements
- Earnings profile of **two thirds annuity earnings** in FY21 and beyond
- Continued execution of a **clear strategy** and well positioned for long term **sustainable growth**



# INVESTMENT PROPOSITION

End-to-end  
asset lifecycle  
capability

Diverse  
market sectors /  
geographies

Annuity  
earnings  
profile

Strong  
growth  
outlook

Attractive  
valuation  
multiples

Dividend  
paying  
stock