



GR Engineering Services Limited

Annual General Meeting Presentation

24 November 2021

FY21 Results

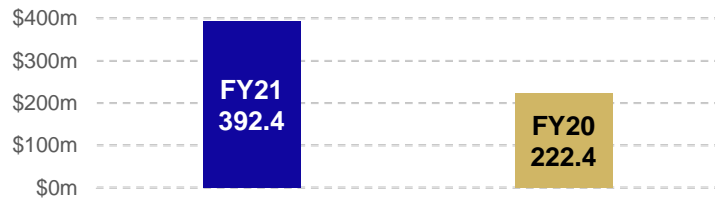
- GR Engineering reported record FY21 revenue of \$392.4 million and EBITDA of \$37.2 million.
- GR Engineering achieved revenue growth of 76% during FY21 as a result of strong contracting activity and solid operational performance in a challenging market environment.
- Cash generation was excellent and represented a high EBITDA conversion. During FY21, cash at bank increased by 84% to \$69.0 million.
- GR Engineering's strong order book and anticipated continued strong cashflow generation leaves it well placed to continue to deliver returns to its shareholders.
- The strategic acquisition of Mipac during FY21, provides GR Engineering with an opportunity to offer advanced standalone controls systems engineering, automation and technology solutions to its clients.
- The Total Reportable Injury Frequency Rate for FY21 was 9.51.
- A final dividend of 7.0 cents per share (fully franked) was declared, resulting in total FY21 dividends of 12.0 cents per share (fully franked).



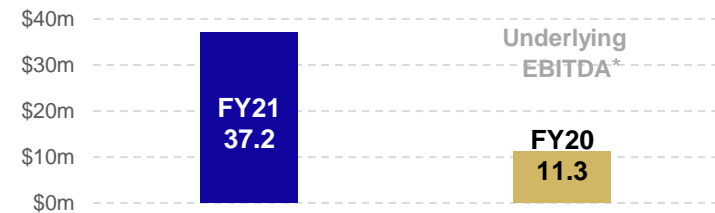
FY21 Results Summary

Earnings

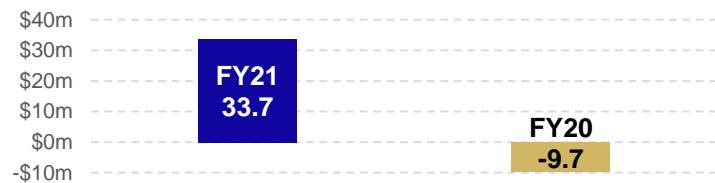
Revenue



EBITDA

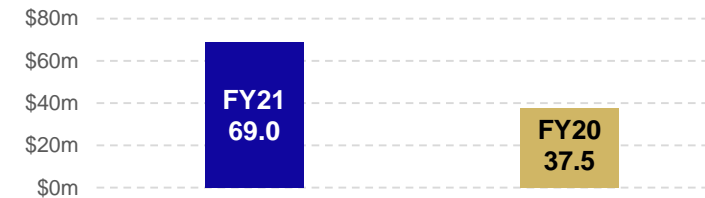


PBT



Balance Sheet & Cash Flow

Cash



Net Operating Cash Flow



Total Dividend



*Underlying FY20 EBITDA excludes one-off bad debt expenses, miscellaneous inventory and debtor write-offs and Hanlon acquisition costs

Balance Sheet & Cashflows

- Strong balance sheet maintained at 30 June 2021 and this has continued into the first quarter of FY22.
- Cash: \$69.0 million (30 June 2020: \$37.5 million).
- High EBITDA to cash conversion - net operating cashflows: \$49.5 million (30 June 2020: \$11.2 million).
- The combined bank guarantee and bonding facilities total \$155 million. There is significant headroom on these facilities.



Mineral Processing

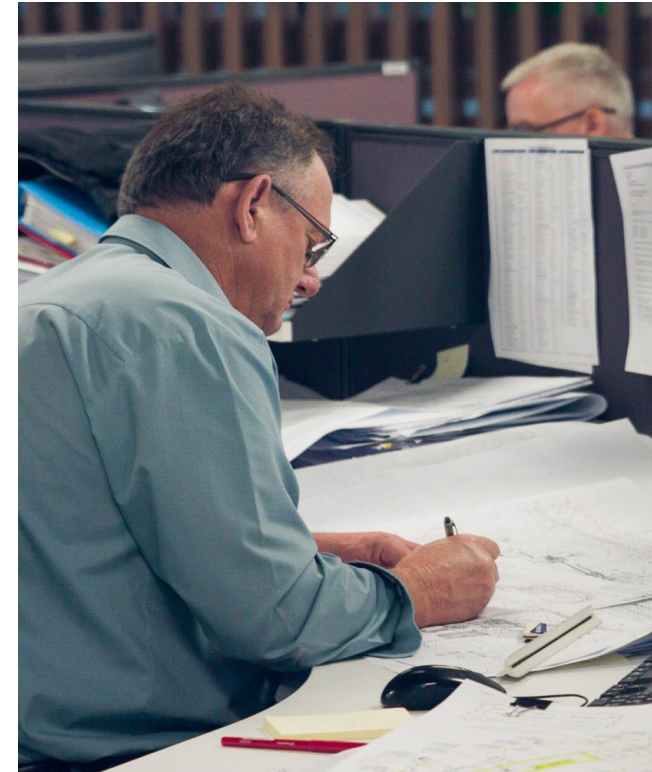
- GR Engineering's design and construction order book of current work includes:

Company	Project	Type	(\$'m)
Northern Star Resources Limited	Thunderbox 6 Mtpa Expansion Project	EPC	101.0
Abra Mining Pty Ltd	Abra Base Metals Project and Paste Plant	EPC	89.5
Calidus Resources Limited	Warrawoona Gold Project	EPC	75.0
Aureenne Alt Resources Pty Ltd	Mt Ida Gold Project	EPC	73.0
RUC Cementation Mining Contractors Pty Ltd	Newmont Tanami Gold Mine	Rates	68.0
Pantoro Limited	Norseman Gold Project	EPC	59.5
Western Areas Limited	Cosmos Nickel Operations	EPC	48.0
Bluestone Mines Tasmania JV	Renison Tin Operations	EPC	31.7
Wiluna Mining Corporation	Wiluna Gold Operation Project	EPC	25.7



Mineral Processing

- GR Engineering's pipeline of near term work opportunities includes, but is not limited to, the following projects:
 - Kimberley Sands JV – Thunderbird Mineral Sands Project
 - OZ Minerals Limited – West Musgrave Project
 - Geopacific Resources Limited – Woodlark Gold Project
 - Bellevue Gold Limited – Bellevue Gold Project
 - EcoGraf (Australia) Limited - WA Battery Graphite Manufacturing Facility
 - Australian Potash Limited – Lake Wells Project
- At 30 June 2021, GR Engineering was engaged on 30 studies across a broad range of commodities for projects in Australia, the Americas (including Hanlon Engineering) and abroad.
- One of GR Engineering's core values is its ongoing commitment to innovation and quality. GR Engineering continues to provide innovative solutions to its clients including, but not limited to:
 - Vertical Roller Mills
 - Innovative designs in industries supporting the transition to clean energy such as the downstream battery graphite sector
 - Technology solutions involving process control systems



Oil, Gas, Energy & Water - Upstream PS

- GR Engineering's wholly owned subsidiary, Upstream PS, generates longer term operations and maintenance services revenue alongside project based design and construction work.
- During FY21, revenue contributions were primarily from:
 - Working with the Australian Government to maintain the Northern Endeavour FPSO (FPSO) in a non-producing state. Upstream PS continues to provide the Australian Government with operations, maintenance and project services in preparation for the disconnection and removal of the FPSO;
 - Wellsite and plant maintenance work (Santos and Origin) in the Bowen and Surat Basins. Upstream PS recently expanded its service offering to Santos Limited in the Surat Basin;
 - Upstream PS has recently executed a Master Services Agreement with Senex Energy to provide operations, maintenance and safety critical device certification;
 - Timor Sea operations and maintenance services (ENI), including through its Darwin base of operations;
 - Maintenance work on assets in the Perth Basin;
 - Supporting onshore clients in Victoria and South Australia with respect to carbon sequestration, operations and maintenance services.



Process Controls Systems - Mipac

- In May 2021, GR Engineering successfully acquired the Mipac business, a leading global provider of controls systems engineering, automation and technology services.
- Mipac enhances GR Engineering's control systems design capabilities and expands its service offering from its broader mineral processing design and construction business.
- Mipac has a proven business model and long term relationships with tier 1 and other clients requiring continuous control systems solutions for complex, business critical operations, primarily in the mineral, processing, energy and water industries.
- The post acquisition integration with GR Engineering has been seamless and Mipac's management team have all remained in their roles post transaction.
- Earlier this month, Mipac was awarded a key contract with MESCO Inc., a listed Japanese conglomerate, to complete Stage 2 work on the Kyshtym Copper Electrolytic Plant. As part of the work, Mipac will supply in-house developed specialised monitoring technology and software solutions.



Environmental Social Governance

- At GR Engineering we:
 - Favour local suppliers and supply chain ethics that are supported by our standards
 - Support engineering students with Curtin University scholarships
 - Support our communities via programs including Ronald McDonald House and Starlight Children's Foundation



- Provide Indigenous employment and training during the project construction phase to ensure local talent during the operational phase
- Promote and encourage diversity in our workforce and operations
- Maintain a proactive assessment towards potential environmental impacts



FY22 Outlook

- GR Engineering continues to build its contracted and near term prospective pipeline of work across a diverse commodity base and also increase its revenue and earnings visibility for FY22 and future years.
- The consolidated entity has had a solid first quarter to 30 September 2021 and expects revenue for FY22 to be in the range of \$540 million to \$560 million, based on revised revenue guidance provided on 1 November 2021.
- GR Engineering's strong balance sheet means that it is well capitalised to deliver its pipeline of work.



Selected Clients



GR Engineering



Upstream Production Solutions



Mipac



Corporate Profile

Capital Structure

Shares on issue	<i>m</i>	161.2
Share price (<i>GNG.ASX</i>) (19 Nov 2021)	\$	2.01
Market Capitalisation	\$m	324.1
Cash (30 June 2021)	\$m	69.0
Debt (30 June 2021) (excluding lease liabilities)	\$m	2.4
Enterprise Value	\$m	257.5

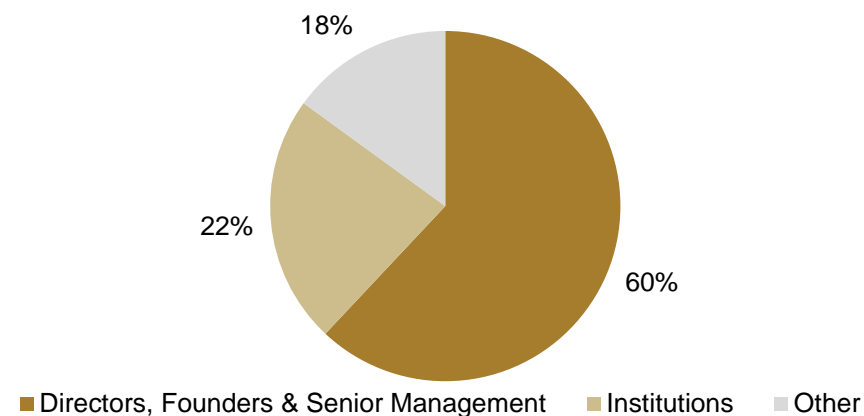
Directors & Management

Phillip Lockyer	<i>Non-Executive Chairman</i>
Geoff Jones	<i>Managing Director</i>
Tony Patrizi	<i>Executive Director</i>
Peter Hood	<i>Non-Executive Director</i>
Joe Totaro	<i>Non-Executive Director</i>
Omesh Motiwalla	<i>Chief Financial Officer</i>

Share Price History



Register Analysis



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ROUNDING

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.