

20 August 2024

## MONADELPHOUS REPORTS 2024 FULL YEAR RESULTS

**Revenue \$2.03 billion<sup>1</sup>, up 11% on FY23**

- **Record full year revenue for Maintenance and Industrial Services – \$1.32 billion**
- **Engineering Construction revenue \$712.7 million<sup>1</sup>, up 31.5%**

**Secured more than \$3.0 billion<sup>2</sup> in new contracts and extensions****EBITDA margin 6.28%, up from 5.96% pcp****Net profit after tax up by 16.2% to \$62.2 million, EPS 64.1c****Full year dividend 58cps, dividend payout ratio 91%****Cash flow from operations \$187.7 million; cashflow conversion rate 169%****Significant pipeline of opportunities in resources and energy sectors**

Engineering company Monadelphous Group Limited (ASX: MND) (“the Company”) today announced revenue of \$2.03 billion<sup>1</sup> for the year ended 30 June 2024, reflecting continued strong demand for maintenance services and higher levels of activity in the engineering construction sector.

The Maintenance and Industrial Services division delivered another record annual revenue result of \$1.32 billion, with high demand experienced across all sectors. The Company was awarded several long-term contracts and extensions in the energy sector and delivered a number of significant onshore and offshore turnarounds during the year.

The Engineering Construction division reported revenue of \$712.7 million<sup>1</sup>, up 31.5 per cent on the prior period. Construction activity increased following the award of several significant new construction contracts since 1 July 2023 valued at over \$1.1 billion<sup>2</sup>.

In total, the Company secured more than \$3.0 billion<sup>2</sup> in new contracts and extensions since the beginning of the financial year, with major contracts secured in the energy, lithium, iron ore and renewable energy sectors.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$127.4 million<sup>3</sup>, an increase of 16.8 per cent on the prior year. The Company’s ongoing focus on operational discipline and productivity enhancement contributed to an improved EBITDA margin of 6.28 per cent for the year, up from 5.96 per cent in the previous period.

Net profit after tax was \$62.2 million, up 16.2 per cent on the prior year, delivering earnings per share of 64.1 cents. The Board of Directors declared a final dividend of 33 cents per share fully franked, taking the full year dividend to 58 cents. This represents an increase of 18.4 per cent on the prior corresponding period and yielded a dividend payout ratio of 91 per cent.

Monadelphous ended the year with a very healthy cash balance of \$225.9 million. Cash flow from operations for the year was \$187.7 million, delivering an outstanding cash flow conversion rate of 169 per cent.

Monadelphous Managing Director Zoran Bebic said despite some recent commodity price volatility, key indicators of long-term resources and energy demand remain robust.

“Prospects remain positive in resources and energy, with Australian iron ore miners anticipated to continue investing, several new gas construction projects progressing, decarbonisation projects making up an increasing share of capital expenditure forecasts and the pipeline of renewal energy opportunities expanding.”

<sup>1</sup> Includes Monadelphous’ share of joint venture revenue – refer to page 12 for reconciliation.

<sup>2</sup> Includes contracts awarded from 1 July 2023 to the date of this report, less a \$200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle announced after year end, following Albemarle’s recent review of its asset and cost structure.

<sup>3</sup> Refer to page 12 for reconciliation of EBITDA.

## 2024 FULL YEAR RESULTS

The Directors of Monadelphous Group Limited are pleased to report the Company's financial results for the year ended 30 June 2024.

### Revenue

Monadelphous recorded revenue of \$2.03 billion<sup>1</sup> for the financial year ended 30 June 2024, in line with guidance provided to the market. The result, which is a 11 per cent increase on the prior year, reflects the continued strong demand for maintenance services, and higher levels of activity in the engineering construction sector.

The Maintenance and Industrial Services division delivered a record annual revenue result of \$1.32 billion. Strong demand continued for maintenance services and sustaining capital works across all sectors, supporting customers to maintain ageing assets and optimise production levels. The result was driven by particularly high levels of maintenance activity in the energy sector, with a number of significant onshore and offshore turnarounds delivered during the year.

The Engineering Construction division reported revenue of \$712.7 million<sup>1</sup> for the 12 months, an increase of 31.5 per cent on the prior year. The division experienced high levels of construction activity during the period, having been awarded a number of significant new construction contracts since 1 July 2023, valued at over \$1.1 billion<sup>2</sup>.

Statutory revenue for the period, which excludes Monadelphous' share of revenue from joint ventures, was \$2.01 billion, up 16.7 per cent on the 2023 financial year.

### Earnings

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$127.4 million<sup>3</sup>, an increase of 16.8 per cent on the prior year. The Company's ongoing focus on operational discipline and productivity enhancement contributed to an improved EBITDA margin of 6.28 per cent for the year, up from 5.96 per cent in the previous period.

Net profit after tax (NPAT) was \$62.2 million, up 16.2 per cent on the prior year, delivering earnings per share of 64.1 cents.

### Dividend

Monadelphous' Board of Directors declared a final dividend of 33 cents per share, taking the full year fully franked dividend to 58 cents per share and yielding a payout ratio of 91 per cent. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the final dividend.

### Balance sheet

Monadelphous ended the year with a very healthy cash balance of \$225.9 million, supported by a number of significant advances received during the period associated with construction contract awards.

Cash flow from operations was \$187.7 million, delivering an outstanding cash flow conversion rate of 169 per cent.

Monadelphous' strong balance sheet provides the Company with the financial capacity to take advantage of strategic investment opportunities when they arise.

<sup>1</sup> Includes Monadelphous' share of joint venture revenue – refer to page 12 for reconciliation.

<sup>2</sup> Includes contracts awarded from 1 July 2023 to the date of this report, less a \$200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle announced after year end, following Albemarle's recent review of its asset and cost structure.

<sup>3</sup> Refer to page 12 for reconciliation of EBITDA.

## Statement of Claim

On 26 July 2023, the Company announced that Northern SEQ Distributor – Retailer Authority, trading as UnityWater (UnityWater), had served a Claim and Statement of Claim in the Supreme Court of Queensland against one of Monadelphous' wholly owned subsidiaries, Monadelphous Engineering Pty Ltd (ME).

On 20 October 2023, UnityWater filed an amendment to that Statement of Claim in the Supreme Court Registry, amending the value of the claim to approximately \$200 million.

The claims made by UnityWater relate to a contract entered into by UnityWater and ME in 2016 for the design and construction of an upgrade to the Kawana Sewerage Treatment Plant on the Sunshine Coast in Queensland.

Monadelphous denies the allegations and claimed losses and will vigorously defend the claims, as well as pursuing available counterclaims. The Company has informed its insurers of the claims.

## STRATEGIC PROGRESS

Monadelphous continued to strengthen its position as a leader in the resources and energy sectors.

To date, the Company has been awarded more than \$3 billion<sup>1</sup> in new contracts and contract extensions since the beginning of the 2024 financial year, with major contracts secured in the energy, lithium, iron ore and renewable energy sectors.

In the energy sector, the Company secured a three-year extension, with a further two-year option, to its long-term services agreement with Woodside for onshore and offshore gas production facilities in Western Australia's (WA) north-west region.

Monadelphous was also awarded a significant variation, valued at approximately \$75 million per annum, to its existing offshore maintenance services contract with INPEX Operations Australia. The variation extends existing contract works to include the provision of operational campaign and shutdown services at the INPEX-operated Ichthys LNG onshore processing facilities in Darwin, Northern Territory (NT).

Subsequent to year end, Monadelphous was awarded a major long-term services contract to continue providing onshore support and offshore maintenance services associated with Shell Australia's Prelude Floating Liquefied Natural Gas (FLNG) facility. Monadelphous has been providing services to Shell on Prelude FLNG since 2015.

Also post 30 June 2024, the Company was awarded a construction contract with Woodside valued at approximately \$200 million to provide mechanical, electrical, instrumentation and commissioning works required for modifications to the Pluto LNG Train 1 facility and associated infrastructure near Karratha in WA. This will enable gas from the Scarborough Energy Project to be processed at the Pluto Train 1 facilities.

The Company secured a significant amount of new construction work during the year, primarily in WA, including several major contracts in the lithium sector. These included contracts at Talison Lithium's Greenbushes Project, Liontown Resources' Kathleen Valley Lithium Project and Albemarle's Kemerton Expansion Project.

<sup>1</sup> Includes contracts awarded from 1 July 2023 to the date of this report, less a \$200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle announced after year end, following Albemarle's recent review of its asset and cost structure.

Following Albemarle's 1 August 2024 announcement regarding a comprehensive review of its asset and cost structure, Monadelphous was notified that its construction contracts at the Kemerton Expansion Project had been terminated for convenience by Albemarle. It was also subsequently notified that its maintenance services and sustaining capital projects contracts had been suspended. Company forecasts estimate that the aggregate revenue expected to be delivered from all works to be performed for Albemarle at the Kemerton Expansion Project for the year ended 30 June 2025 would have been in the range of \$75 million to \$85 million. The termination of these contracts reduces the Company's construction work-in-hand by approximately \$200 million.

Monadelphous continued to experience strong demand for its services from the Western Australian iron ore sector, securing new contracts and extensions with long-term customers Rio Tinto, BHP and Fortescue, and delivering a high volume of maintenance and construction work during the year. As testament to Monadelphous' strong reputation with customers for service delivery, the Company was named Rio Tinto's 2024 Western Australian Supplier of the Year.

Post year end, Mondium, Monadelphous' engineering, procurement and construction joint venture with Lycopodium, was awarded a major design and construction contract by Rio Tinto for a new sampling facility at a port operation located in the Pilbara region of WA.

Zenviron, the Company's full-service balance-of-plant joint venture in the renewable energy sector, successfully completed work at Tilt Renewables' Rye Park Wind Farm in New South Wales (NSW). It also entered the energy storage market, with the award of its first battery storage contract at Tilt Renewables' Latrobe Valley Battery Energy Storage System (BESS) Project located near Morwell, Victoria.

During the year, Zenviron participated in a number of early works engagements relating to wind farm projects progressing toward final approval and investment decisions. Pleasingly, subsequent to year end, the Company was awarded a contract with CS Energy to deliver the Lotus Creek Wind Farm in central Queensland in partnership with Vestas.

In October 2023, Monadelphous acquired Perth-based civil business Melchor Contracting, complementing its existing construction offering with a proven civil capability. Melchor provides earthworks, formwork, reinforcement fixing and concrete placement, and is well positioned for a pipeline of opportunities across multiple market sectors, including both standalone civil packages and vertically integrated multidisciplinary contracts.

During the period, Monadelphous invested significantly in its heavy lift crane fleet to support operational delivery, expanding the capacity and capability of the fleet and undertaking major maintenance activities to extend the useful life of existing assets.

In April 2024, the Company completed the construction of a major workshop and office facility in Karratha in the north-west of WA, where it has operated for more than 35 years. The significant investment provides a central hub for operations in the Pilbara, supports the delivery of high-quality services to customers, and further cements Monadelphous' long-term commitment to this strategically important region.

## SUSTAINABILITY

Monadelphous' vision is to achieve long-term sustainable growth by being recognised as a leader in its chosen markets and a truly great company to work for, work with and invest in. The Company prioritises the safety and wellbeing of its people, ensuring the delivery of outstanding results for its customers and shareholders, and the enrichment of the communities in which its people live and work.

The Company's Sustainability Framework, which guides Monadelphous' approach to long-term sustainable growth, focuses on the key areas of people, safety and wellbeing, diversity and inclusion, communities and environment.

### People

The key to Monadelphous' success is its people. The Company is focused on initiatives to attract, develop and retain high performing employees who are aligned with its values and culture.

Despite ongoing challenges presented by skilled labour shortages in Australia, the Company's workforce (including subcontractors) increased almost 31 per cent to 7,423 at the end of the financial year. The growth reflected improved retention rates, a ramp up in construction activity over the period, the acquisition of Melchor and the award of the INPEX onshore work scope.

During the period, more than 300 people participated in early career pathways initiatives, which include Graduate, Vacation, Apprenticeship and Traineeship programs. For the first time, the Company also implemented a winter internship program.

The Company continued to invest in the development of its current and emerging leaders through in-house leadership programs and operational development forums. Monadelphous' Registered Training Organisation delivered more than 1,800 courses to trades people throughout the year, including high risk work license accreditation and verification of competency training.

Monadelphous conducted a review of its long-term leadership reward programs, which are designed to support the retention of key talent in a manner aligned to shareholder interests, implementing the Long-Term Senior Leadership Performance Reward Plan (LTPR Plan). The LTPR Plan provides awards of performance rights that vest three years after grant subject to the employee's continued employment and the achievement of an Earnings Per Share growth performance hurdle.

Following an employee engagement survey undertaken in the previous period, the Company implemented a range of actions to support employee retention. Initiatives included enhancing workplace flexibility practices, improving communication around upcoming opportunities and employee benefits, and ensuring the continued maintenance of safe, respectful and inclusive workplaces.

As part of Monadelphous' commitment to ensuring the prevention and elimination of unacceptable workplace behaviour, the Company continued to progress the actions included in its Respect@Monadelphous framework. Initiatives undertaken during the year included annual Code of Conduct Refresher training which is mandatory for all employees, a pilot buddy program for new female recruits, and active partnerships with domestic violence support organisations.

### Safety and Wellbeing

The Company's Total Recordable Injury Frequency Rate for the year ended 30 June 2024 was 3.02 incidents per million hours worked, a 12.5 percent improvement on the prior corresponding period.

The Company's commitment to safety and innovation led to industry recognition during the year, including a Queensland Work Well Award for 'Best demonstrated healthy and safe work design' and the 2023 Queensland and Northern Territory Welding Excellence Awards: Health and Safety in Welding Award. Melchor's commitment to employee wellbeing was also recognised, with the business named a finalist for a Mentally Healthy Workplace Award in the WA Mental Health Awards.

Monadelphous continued its extended Fatal Risk Controls campaign focused on further improving the identification, reduction and elimination of fatal risks. During the period the Company rolled out its annual divisional health and safety campaigns, reinforcing employee awareness of common safety risks, as well as refreshing its Delivering the Safe Way safety behaviour framework, which promotes discussion and reflection on individual behaviours.

As part of its ongoing commitment to employee health and wellbeing, the Company offered a range of complimentary physical health services to employees, including skin checks and heart health checks. A series of online information sessions were also implemented, focusing on topics including women's health, nutrition and mental health.

The Company implemented a range of mental health initiatives supporting employees and their families to develop resilience and improve emotional wellbeing, including partnering with the Resilience Project and participating in national awareness campaigns. In addition, it also launched Mental Health Lived Experience Talks for team members to share personal experiences and to encourage meaningful conversations, with training in mental health first aid introduced for Monadelphous' Wellbeing Supporters.

The Company also completed an independent review of psycho-social risk management systems to identify opportunities for continuous improvement in supporting the wellbeing of its people.

The Gladstone Workshop team were recipients of the Monadelphous Managing Director's Safety Innovation Award for developing an innovative, safer solution for removing and refurbishing heat exchangers. This method significantly reduces risk in the refurbishment of heater cassettes, eliminates the requirement for confined space work, and delivers a substantial improvement in productivity.

### **Diversity, Community and Environment**

Monadelphous remains committed to making a positive contribution to the communities in which it operates, increasing diversity and inclusion across its workforce and improving its environmental sustainability.

The Company continued to progress the commitments outlined in its fourth Reconciliation Action Plan (RAP) and second Stretch RAP, providing long-term Indigenous employment opportunities, supporting Indigenous businesses and delivering training and development programs.

Monadelphous exceeded its RAP targets for both Indigenous workforce participation and Indigenous business spend during the year ended 30 June 2024. The Company's Indigenous workforce increased by 42 per cent during the period, ending the year with an Indigenous participation of 4.1 per cent (up from 3.3 per cent last year), with Monadelphous' Indigenous business spend up 67 per cent to approximately \$20 million. The Company continued to deliver the Indigenous Pathways Program, offering current and future employees traineeships, apprenticeships and tertiary study support, in partnership with Rio Tinto.

Through its ongoing partnership with the Polly Farmer Foundation, Monadelphous continued support of both the Follow the Dream (school-based) and Living the Dream (Follow the Dream alumni) programs. This included hosting school visits, delivering pro-bono trades-related training for Foundation alumni, and awarding scholarships to students participating in the Living the Dream program to pursue educational pathways.

Monadelphous released its enhanced cultural awareness online learning, incorporating cultural safety activities to foster an environment of understanding and respect across the business.

The Company also continued to progress initiatives within its Gender Diversity and Inclusion plan, focusing on ensuring a safe, respectful and inclusive workplace for all, increasing female participation through early career pathways, nurturing key female talent, and removing gender-based barriers to entering trade roles.

Pleasingly, Monadelphous was recognised as the winner in the Outstanding Company Initiative Award at the Chamber of Minerals and Energy WA (CME) 2024 Women in Resources Awards for its Crane Operations Pathway Traineeship Program, a three-year program designed to prepare female and Indigenous trainees to qualify as crane operators.

Through its partnership with National Association of Women in Operations (NAWO), Monadelphous provided networking and learning opportunities for employees. As a part of International Women's Day celebrations, the Company provided additional resources to improve awareness of gender equality in the workplace and hosted events for women to share their experiences.

During the year, Monadelphous supported over 80 community initiatives, contributing more than \$260,000 in funds and approximately 550 volunteering hours to charities, local groups and grassroots organisations. This included support of the Company's charity partner, Starick, supporting women and children escaping family and domestic violence in WA.

The Company also launched its inaugural Karratha Community Grants Program as part of its long-term commitment to the region, which saw over 20 community grassroots organisations successfully awarded grants, including local sporting clubs, schools and community support programs.

Monadelphous continued to work towards minimising the impact of its operations on the environment, as well as enhancing its data capture processes to enable improved decision making and the tracking of progress towards its Net Zero by 2050 goal.

During the year, alternative low emission welding pre-heating methods were trialled to reduce reliance on liquid petroleum gas (LPG), along with trials of hybrid power supply using diesel generators and battery storage solutions.

Monadelphous increased the composition of its hybrid vehicle fleet, trialled fully electric vehicles and commenced installation of small-scale solar panels to power battery operated tooling in vehicles and stores. The Company also installed solar panels on its new Karratha facility and is undertaking a program to transition other facilities to renewable power.

With the incoming mandatory Australian climate reporting requirements, the Company undertook a review of the exposure draft reporting standards and completed a gap analysis identifying process improvements required to effectively address future disclosure obligations. The Company is currently working through these actions to improve its external reporting of climate-related risks and opportunities.

## **PRODUCTIVITY AND INNOVATION**

Monadelphous strives for continuous improvement by identifying and implementing innovative solutions and work practices that drive increased productivity, support its commitment to safety, create efficiencies and deliver maximum value to customers.

Fabrication and deployment of the Company's innovative 'plug and play' modular building solutions commenced during the year, transforming prefabricated storage containers into standardised site facilities such as offices, crib rooms and training rooms. Plug and play facilities were installed at Rio Tinto's Western Range and Talison Lithium's Chemical Grade Plant 3 project sites, creating cost and time efficiencies and reducing the effort involved in establishing site facilities.

Following trials, the Company undertook installation of driver fatigue and distraction monitoring technology in over 100 light vehicles. The technology improves safety by leveraging computer vision, artificial intelligence and haptic feedback to provide real-time driver alerts.

Over 130 innovations were ideated and implemented across the Company during the year, generating a range of safety, cost and productivity benefits. Implemented initiatives included application of 3D printing for the manufacture of unique supply components to alleviate supply chain delays, introduction of new project management applications which maximise data-backed decision-making, and the ongoing digitalisation and automation of in-field processes.

## OPERATIONAL ACTIVITY

### Engineering Construction

Monadelphous' Engineering Construction division, which provides large-scale, multidisciplinary project management and construction services, reported revenue of \$712.7 million<sup>1</sup> for the year, 31.5 per cent up on the previous corresponding period.

The division has been awarded more than \$1.1 billion<sup>2</sup> of new construction contracts since the beginning of the financial year, with significant contracts secured in the iron ore, lithium, energy, rare earths and renewable energy sectors.

In iron ore, Monadelphous continued to progress work for BHP's Car Dumper 3 Renewal Project at Nelson Point in Port Hedland, WA, which includes structural, mechanical and piping works. Late in the period, the Company secured a contract with Rio Tinto for shutdown and miscellaneous works at the Western Range Project in the Pilbara region of WA.

The Company also completed the supply and construction of an overland conveyor at Fortescue's Christmas Creek mine in the Pilbara region of WA. The scope of work included civil, structural, mechanical, piping, electrical and instrumentation works, with steelwork supplied by Inteforge. Monadelphous also supported Fortescue to expand the iron ore export capacity of its stockyard facility and managed a number of shutdowns at Anderson Point in Port Hedland, WA.

Subsequent to year end, Monadelphous was awarded a multidisciplinary construction contract under its WAIO Asset Panel Framework Agreement with BHP associated with the dewatering of surplus water from Orebody 32 in Newman, WA. The work includes the installation of civil, concrete, mechanical, piping, structural and electrical and instrumentation infrastructure, and is expected to be completed in the second half of 2025.

In the lithium sector, Monadelphous secured work with Lontown Resources, Talison Lithium and Albemarle (which was subsequently terminated for convenience by Albemarle following a recent review of asset and cost structure).

Monadelphous was awarded a contract valued at approximately \$100 million with Lontown Resources for construction of the wet plant at the Kathleen Valley Lithium Project, north of Leinster in the Northern Goldfields region of WA. The Company was also awarded a multidisciplinary construction contract valued at approximately \$160 million for Talison Lithium's Chemical Grade Plant 3 (CGP3) at the Greenbushes site in the south-west of WA.

In the energy sector, Monadelphous secured a construction contract with Chevron Australia for its Jansz-Io Compression Project in WA. The Company commenced mobilisation to the project in early 2024, with the work, including the installation and modification of electrical power and control facilities, expected to be complete in late 2025.

Monadelphous completed its scope of work with Lynas Rare Earths for Stage 1 of the Mt Weld Expansion Project in the Goldfields region of WA, which included structural, mechanical and piping works associated with the new concentrate processing facility.

In Mongolia, Monadelphous successfully progressed construction of surface infrastructure at the Oyu Tolgoi Underground Project, with Inteforge completing the fabrication of mechanical platework and piping for the project.

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

<sup>2</sup> Includes contracts awarded from 1 July 2023 to the date of this report, less a \$200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle announced after year end, following Albemarle's recent review of its asset and cost structure.

Inteforge also completed the fabrication and assembly of hydrogen separator modules for HydrogenPro associated with a renewable energy project in the United States of America and continued to supply and fabricate wellhead separator skids under its Master Goods Agreement with Origin Energy.

Monadelphous provided heavy lift services and associated engineering support and supply of equipment to several projects across Australia, including to the CPB Contractors and John Holland Joint Venture for the West Gate Tunnel Project in Melbourne, Victoria, and Fortescue's Solomon and Eliwana mine sites in the Pilbara, WA.

Finally, Alevro, Monadelphous' heavy lifting services joint venture with Fagioli, delivered specialist haulage and lifting services to Bechtel at Woodside's Pluto Train 2 project in Karratha, WA.

### **Maintenance and Industrial Services**

Monadelphous' Maintenance and Industrial Services division, which specialises in the planning, management and execution of multidisciplinary maintenance services, turnarounds and sustaining capital works, recorded revenue for the period of \$1.32 billion, another record result.

The division continued to experience high demand for maintenance services across all sectors, having secured approximately \$1.9 billion in new contracts and contract extensions since the beginning of the 2024 financial year, including several major long-term extensions and variations with energy customers.

In the energy sector, the Company secured a three-year extension to its long-term maintenance, shutdown and brownfields project services agreement with Woodside for onshore and offshore gas production facilities in WA's north-west region, with an option for a further two years. The contract is valued at approximately \$180 million per annum.

Monadelphous was also awarded a significant variation, valued at approximately \$75 million per annum, to its existing offshore maintenance services contract with INPEX Operations Australia. The variation extends existing contract works to include the provision of operational campaign and shutdown services at the INPEX-operated Ichthys LNG onshore processing facilities in Darwin, NT. During the year, the Company successfully commenced work onshore, employing approximately 250 people onsite, in addition to the Perth-based support team.

Subsequent to year end, Monadelphous was awarded a major long-term maintenance, turnaround and construction services contract to continue providing onshore and offshore services associated with Shell Australia's Prelude Floating Liquefied Natural Gas (FLNG) facility. The contract is for a term of seven years and commences at the expiry of the Company's existing contract in November 2024. Monadelphous has been providing services to Shell on Prelude FLNG for the past nine years.

In addition to the long-term work secured with Woodside, INPEX and Shell, Monadelphous was awarded a three-year services contract, with three one-year extension options, to continue providing sustaining capital projects and maintenance support at Santos' production and support facilities in the Southern Highlands region of Papua New Guinea. The Company also secured a two-year extension to its existing contract for the provision of midstream maintenance and turnaround services at Shell QGC's Curtis Island operations in Gladstone, Queensland.

Monadelphous delivered a high volume of shutdown, sustaining capital and maintenance work for customers during the financial year, particularly within the energy and iron ore sectors.

The Company performed a significant turnaround at the Shell Prelude FLNG facility, and multiple onshore and offshore shutdowns for Woodside at the Goodwyn and North Rankin facilities, Karratha Gas Plant and Pluto LNG facilities. In addition, operational campaign and maintenance services were also provided at INPEX Operations Australia's offshore and onshore facilities associated with the Ichthys LNG Project.

The Company progressed decommissioning work with Petrofac on the Northern Endeavour floating production, storage and offtake facility, its first oil and gas decommissioning project. This work strengthens Monadelphous' position for a future wave of decommissioning activity in Australia's North-West Shelf and Bass Strait regions.

Monadelphous continued to deliver a significant volume of services work in iron ore, including under its long-term maintenance and non-process infrastructure panel agreements with Fortescue. The Company was appointed to a further panel providing fixed plant projects across Fortescue's Pilbara operations until mid-2025, with a one-year extension option.

The Company secured a one-year extension to its sustaining capital works master services agreement with Rio Tinto providing multidisciplinary project services across its Pilbara iron ore operations, and progressed work on the construction of a potable water distribution system at Rio Tinto's Hope Downs 4 mine.

Monadelphous was also awarded an extension to its existing contract providing general maintenance services to BHP's iron ore operations in the Pilbara region of WA through to mid-2025, with a one-year extension option, and secured additional maintenance services contract extensions across BHP operations at Nickel West, WA, Mt Arthur Coal in the Hunter Valley, NSW, and Olympic Dam mine site in South Australia (SA).

In Papua New Guinea, the Company secured a contract to continue providing sustaining capital projects and maintenance support activities for a further three years at Newmont's gold operations at Lihir Island.

BMC, Monadelphous' Victorian-based specialist electrical and maintenance services business, secured an outage contract at the Loy Yang B power station in Traralgon. The successful completion of the shutdown work strengthens the Company's position in the energy generation, transmission and storage market on the east coast.

In Queensland, Monadelphous secured a two-year extension to its existing contract providing mechanical maintenance services at Queensland Alumina Limited's operations located in Gladstone, as well as a three-year contract to continue providing rope access and associated services for Dalrymple Bay Coal Terminal in Hay Point. In the NT, the Company was awarded a two-year extension to continue providing mechanical, electrical and access maintenance services for fixed plant shutdowns at Rio Tinto's Gove operations.

Other significant contract activity undertaken by Monadelphous during the period included:

- rail maintenance projects for Pacific National across WA, NSW and SA;
- dragline shutdowns for BHP Mitsubishi Alliance in Mackay, Queensland;
- major shutdown, mechanical services and minor capital works at South32's Worsley Alumina operations;
- shutdown maintenance work for Origin's gas processing facilities in Queensland;
- operation and maintenance of the coal handling facility at the Muja Power Station for Synergy in Collie, WA;
- general, electrical and mechanical maintenance, shutdown support and tank refurbishment services at Boddington Gold Mine, WA, and Tanami Gold Mine, NT; and
- maintenance, shutdown and sustaining capital works for Albemarle's lithium hydroxide plant in Kemerton, WA.

## MARKETS AND OUTLOOK

Fundamental indicators of long-term resources and energy demand, such as sustained global economic growth, urbanisation and decarbonisation, remain robust and are expected to support commodity prices. Despite ongoing short-term global uncertainties and cautious sentiment, the resources and energy sectors continue to provide a significant pipeline of opportunities, with projects related to decarbonisation making up an increasing share of capital expenditure forecasts.

Production across most commodities is expected to remain high, supporting ongoing sustaining capital and maintenance activity. Australian iron ore miners are anticipated to continue investing to sustain production levels with a focus on operational discipline and efficiency to maintain their competitive global cost position.

Price volatility in certain commodities over the past year has resulted in reduced production, some cessation of operations, and the deferral of capital spend, particularly in nickel and lithium. Despite this uncertainty, the level of mining and mineral processing development in the energy transition metals sector is projected to remain high over the long-term. This includes the copper sector, which will require significant capital investment to address forecast demand shortfalls.

Prospects in the energy sector remain positive, with several new gas construction projects currently underway or in development and strong ongoing demand for maintenance services. Additionally, the increasing need for decommissioning of oil and gas assets is expected to create opportunities over the coming decade.

Decarbonisation investments across customer operations, including electrification, energy storage and hydrogen, are beginning to proceed to investment.

Continued efforts to decarbonise the Australian power sector have been affected by network constraints, delayed planning approvals and supply chain pressures. Despite these challenges, the pipeline of renewable energy opportunities is expanding, with numerous new wind farms and battery energy storage projects in various stages of development. Zenviron remains well positioned to capitalise on the significant growth anticipated in this sector over coming years. Additionally, ongoing investment in electricity transmission infrastructure and grid stability will be essential to support the increased introduction of renewable energy generation.

While general labour availability has moderated slightly, Australia continues to face a shortage of skilled labour. Monadelphous continues to focus on employee attraction, training, and development initiatives aimed at fostering retention and bolstering workforce capability and capacity.

Market opportunities remain strong with further contract awards expected over coming months, and given the constraints on skilled labour and other key inputs, the Company will adopt a selective and targeted approach to new work. Monadelphous will continue to engage collaboratively with its customers to support high standards of delivery, focusing on quality of earnings and appropriate risk allocation.

With a strong balance sheet, Monadelphous will continue to assess potential acquisition opportunities to facilitate service expansion, market diversification and long-term sustainable growth.

In conclusion, I would like to thank the talented and committed team at Monadelphous for their loyalty and dedication to the Company's continued growth and another strong year. I also extend my appreciation to our shareholders, customers and our many other stakeholders for their ongoing support.

Revenue including joint ventures is a non-IFRS measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to revenue presented by other companies. This measure, which is unaudited, is important to management when used as an additional means to evaluate the Company's performance.

**Reconciliation of Total Revenue from Contracts with Customers including joint ventures to Statutory Revenue from Contracts with Customers (unaudited)**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Total revenue from contracts with customers including joint ventures	<b>2,029,758</b>	1,828,755
Share of revenue from joint ventures <sup>1</sup>	<b>(21,196)</b>	(107,799)
Statutory revenue from contracts with customers	<b>2,008,562</b>	1,720,956

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

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the Company's performance.

**Reconciliation of profit before income tax to EBITDA (unaudited):**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before income tax	<b>91,945</b>	73,446
Interest expense on loans and hire purchase finance charges	<b>2,345</b>	1,986
Interest expense on other lease liabilities	<b>1,441</b>	1,509
Interest revenue	<b>(7,353)</b>	(4,300)
Depreciation of owned and hire purchase assets	<b>29,005</b>	25,128
Depreciation of right of use assets	<b>8,714</b>	8,029
Amortisation of intangibles	<b>747</b>	-
Share of interest, depreciation, amortisation and tax of joint ventures <sup>2</sup>	<b>592</b>	3,285
EBITDA	<b>127,436</b>	109,083

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

## DIVIDEND ENTITLEMENTS

The fully franked final dividend of 33 cents per share will be paid to shareholders on 27 September 2024 with the record date for entitlements being 6 September 2024.

## Updating Direct Credit Details

Monadelphous strongly encourages all shareholders in Australia and New Zealand to update their Australian or New Zealand banking details online through Computershare's Investor Centre website at [www.computershare.com.au/easyupdate/MND](http://www.computershare.com.au/easyupdate/MND). Alternatively, you may contact Computershare on 1300 364 961 (within Australia) or + 61 3 9946 4415 (outside Australia). Payments will be made in the currency of the bank account which is recorded on the register as at 6 September 2024.

## Further Information

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## About Monadelphous

*With over 50 years of experience, Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.*

*Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and offices, projects, facilities and workshops across Australia and in China, Mongolia, Papua New Guinea and the Philippines. Please visit [www.monadelphous.com.au](http://www.monadelphous.com.au) for further information.*