

ASX ANNOUNCEMENT



20 August 2024

Advance Notice: Investor Briefing

SRG Global Ltd (ASX: SRG) advises that David Macgeorge (Managing Director) and Roger Lee (CFO and Company Secretary) will host an investor briefing in relation to its FY24 performance, the outlook for FY25 and the transformational acquisition of Diona Pty Ltd ('Diona'). The details of which are set out below:

Date	Today, 20 August 2024
Time	08.30am WST / 10.30am AEST
Duration	Approximately 40 minutes
Access link	https://ccmediaframe.com/?id=tOVb99Af

The Company will make the investor briefing available on its website (srgglobal.com.au) shortly after the conclusion of the briefing.

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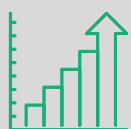


20 August 2024

SRG Global delivers record financial result & dividends; and announces transformational acquisition of Diona

SRG Global Ltd (“SRG Global” or the “Company”) (ASX: SRG) has delivered its financial results for the year ended 30 June 2024 (‘FY24’) and announces transformational acquisition of Diona Pty Ltd.

- FY24 Revenue of \$1,069.3m, up 32% from FY23
- Underlying FY24 EBITDA¹ of \$98.5m, up 23% and EBIT(A)¹ of \$65.6m, up 31% from FY23
- Excellent cash generation in FY24 with EBITDA to cash conversion of 117%
- Transitioned to net cash of \$17.8m from net debt of \$17.0m in FY23
- 2H fully franked dividend of 2.5cps up 25%, total FY24 dividend of 4.5cps up 13% on FY23
- Transformational acquisition of Diona for \$111m; EPS accretion of circa 10%
- Record Work in Hand of \$3.0b (incl \$1b from Diona) and Opportunity Pipeline of \$8.5b
- FY25 EBITDA² guidance increased to circa \$125m



Continuing to
execute SRG
Global Growth
Strategy

	FY21	FY22	FY23	FY24
Revenue	\$570.0m	\$644.2m	\$809.0m	\$1,069.3m
EBITDA	\$47.1m	\$57.2m	\$80.1m	\$98.5m
EBIT(A)	\$25.1m	\$34.2m	\$50.0m	\$65.6m
NPAT(A)	\$14.9m	\$22.4m	\$31.8m	\$40.3m
EBITDA % margin	8.2%	8.9%	9.9%	9.2%
EBIT(A) % margin	4.4%	5.3%	6.2%	6.1%
NPAT(A) % margin	2.6%	3.5%	3.9%	3.8%
Dividends (cents per share)	2.0 cents	3.0 cents	4.0 cents	4.5 cents
Earnings Per Share (A)	3.3 cps	5.0 cps	6.7 cps	7.7 cps

✓ 133% EPS(A)
growth over last
three years

✓ Business successfully
transitioned to ~80%
annuity / recurring
earnings

✓ Track record of
winning and
executing
work

✓ Track record of
cash generation
to fund growth and
dividends

Note: 1. Earnings in this announcement exclude \$1.5m of one-off redundancy costs 2. SRG Global \$109m plus 10 months from Diona \$16m

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SRG Global Limited ABN 81 104 662 259.

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Commenting on the FY24 results and acquisition, David Macgeorge, Managing Director said:

“SRG Global continues to make significant progress in the execution of our strategy. Our record FY24 result is underpinned by strong business fundamentals, excellent cash generation and solid operational delivery for our blue-chip client base.

“The transition to a truly diversified infrastructure services company is continuing to deliver results. Our FY24 financial performance is clear evidence of the strength and diversity of our business and is testament to the hard work of all our people at SRG Global.

“I am pleased to announce the transformational acquisition of Diona who is a market leader in the water security and energy transition sectors. Diona is a leading end-to-end delivery partner with unparalleled self-perform capability through long-term program and asset management agreements with utility / government agencies. Diona is complementary to SRG Global’s service offering in highly attractive growth markets and geographic locations; and will further enhance our strong track record of cross-selling our end-to-end services. Diona is a financially attractive acquisition with a pro forma FY24 EPS accretion of circa 10% and brings a capital light investment profile; and more than \$1 billion Work in Hand with a strong Opportunity Pipeline.

“Diona comes with a high-quality management team and workforce with a proven track record of delivering for clients through long-term, collaborative program and asset management agreements. The acquisition further embeds SRG Global’s transformation to a business with a profile of 80% annuity / recurring earnings, in line with SRG Global’s long-term strategy.

“SRG Global now has Work in Hand of \$3 billion and is well positioned for long term sustainable growth with end-to-end asset life cycle capability in water, defence, resources, transport and energy transition sectors across Australia and New Zealand.

“The strong FY24 result means SRG Global will pay shareholders a 2H fully franked dividend of 2.5c per share which is up 25% from 2H last year which takes our full year dividend to 4.5c per share. This continues our track record of funding the growth phase of our strategy whilst delivering increased dividends to our shareholders.

“The Company has increased the FY25 EBITDA guidance to circa \$125m which includes 10 months contribution from Diona and continues the step-change growth journey of SRG Global.”

Business Overview

In FY24, SRG Global recorded revenue of \$1,069.3m and EBITDA of \$98.5m with continued strong margin performance and operational delivery. In the same period the Company significantly improved its cash position to be net cash of \$17.8m from net debt of \$17m last year, underpinned by excellent EBITDA to cash conversion of 117%, continuing our strong track record of cash generation.

The Company has undergone a significant strategic transformation over the past few years and to better align reporting to the current profile of the business, SRG Global will now report in two operating segments of “Maintenance & Industrial Services” and “Engineering & Construction”.

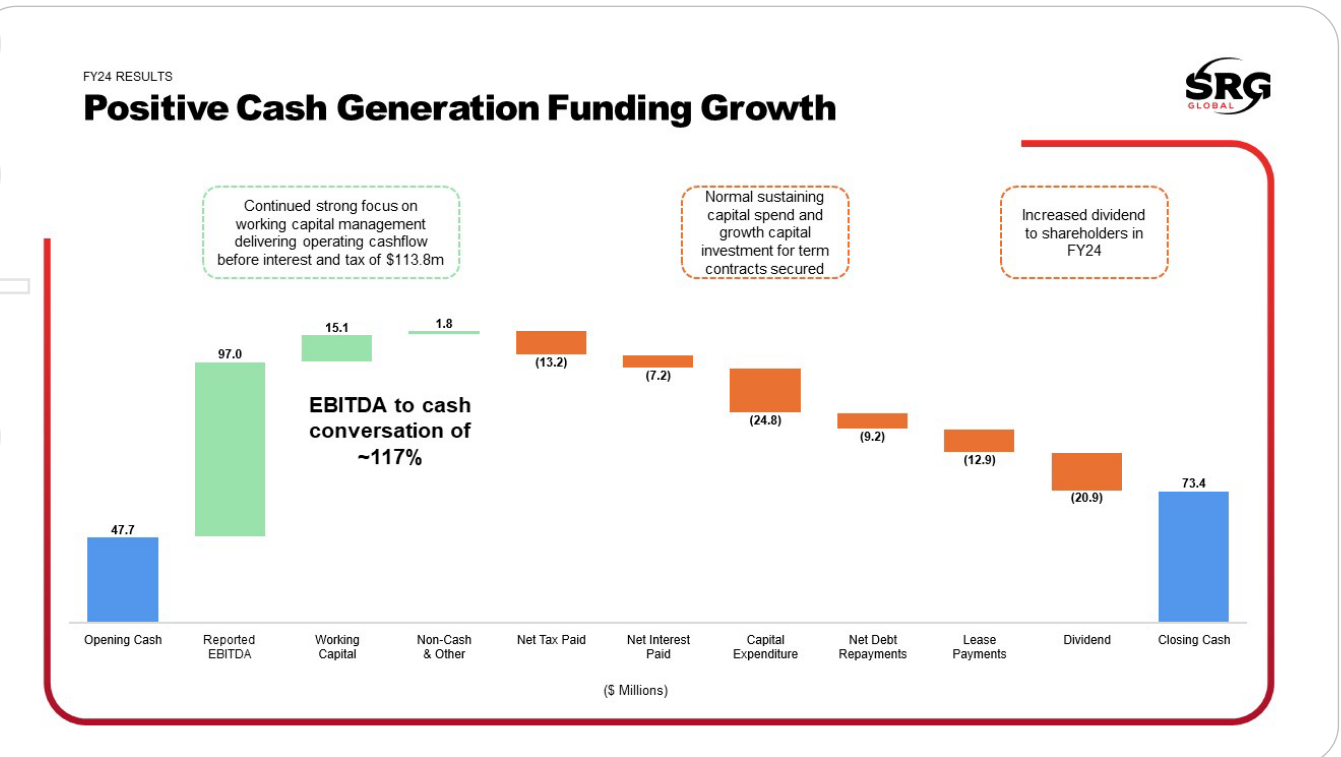
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Table 1: FY24 Segment Results (\$m)

Total	MAINTENANCE & INDUSTRIAL SERVICES	ENGINEERING & CONSTRUCTION	Corporate
Revenue \$1,069.3m	Revenue \$661.5m	Revenue \$407.8m	Revenue (nil)
EBITDA \$98.5m EBITDA Margin of 9.2%	EBITDA \$94.2m EBITDA Margin of 14.2%	EBITDA \$29.3m EBITDA Margin of 7.2%	EBITDA (\$25.0m) EBITDA Margin of (2.3%)
EBIT(A) \$65.6m EBIT(A) Margin of 6.1%	EBIT(A) \$70.0m EBIT(A) Margin of 10.6%	EBIT(A) \$22.1m EBIT(A) Margin of 5.4%	EBIT(A) (\$26.5m) EBIT(A) Margin of (2.5%)

Table 2: Cash Generation



Diona Acquisition

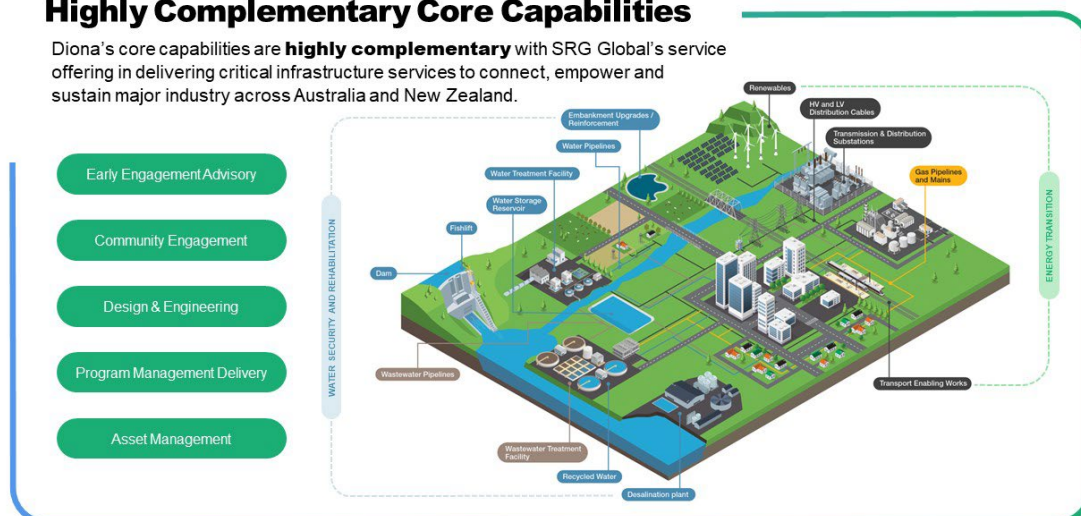
Key Highlights

- SRG Global has entered into an agreement to acquire 100% of Diona Pty Ltd and its associated entities (“Diona”) for A\$111 million
- The Acquisition Price implies an FY24 EBIT multiple of 6.0x¹, is expected to be circa 10% EPS accretive to FY24 earnings pre any synergies and is expected to be accretive to margins
- SRG Global intends to fund the acquisition via a combination of:
 - Up to A\$66 million in equity raised via a A\$60 million fully underwritten institutional placement and a non-underwritten SPP for up to A\$6 million;
 - A\$50 million drawn from a new secured term loan with National Australia Bank and CBA; and
 - Existing cash on hand as at 30 June 2024
- The acquisition is highly strategic, with Diona’s market leading position in program and asset management services in water security and energy transition with utilities / government agencies under long-term collaborative program and asset management agreements, complementing SRG Global’s current end-to-end full asset life cycle capability in water, defence, resources, transport and energy transition
- The combined group brings together two highly complementary businesses that provide significant cross selling opportunities with existing and complementary clients
- It further embeds SRG Global’s strategic transformation towards annuity / recurring earnings with the Company’s overall group profile post-acquisition of 80% annuity / recurring earnings

DIONA ACQUISITION

Highly Complementary Core Capabilities

Diona’s core capabilities are **highly complementary** with SRG Global’s service offering in delivering critical infrastructure services to connect, empower and sustain major industry across Australia and New Zealand.



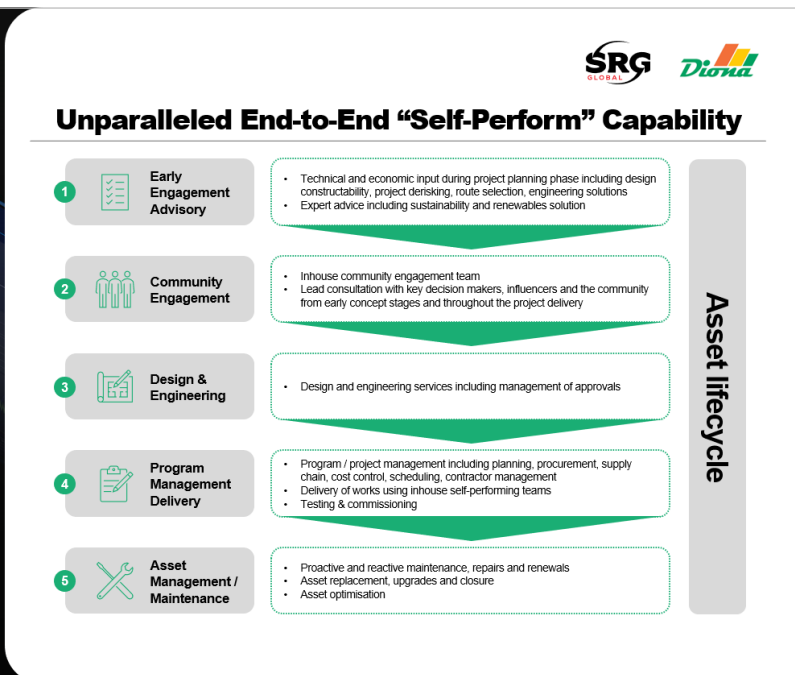
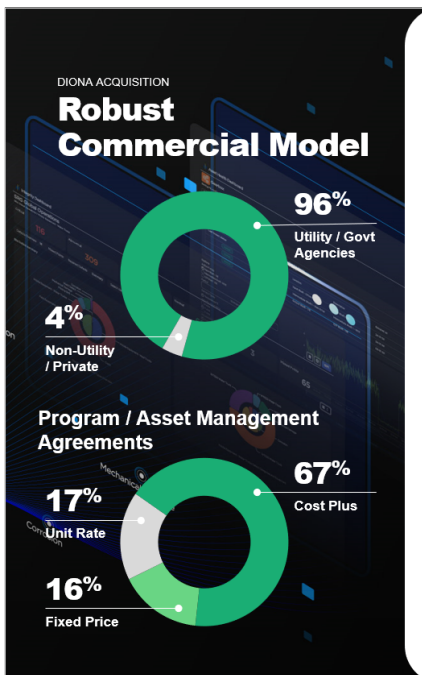
Note: 1. Based on Diona’s management accounts for FY24.

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Strategic and Financial Highlights

- Introduces an embedded partner with utility / government agencies with client relationships spanning 40+ years in water security and energy transition
- Adds complementary program management and technical expertise through early engagement advisory, design / engineering services, collaborative project delivery and asset management services
- Unlocks a range of synergies across SRG Global's Diversified Infrastructure Services business model with both common and new clients; and accelerates expansion in key geographic regions
- Strong management team with extensive industry experience and long tenure with Diona
- 750+ highly skilled professional engineering, program management & project delivery personnel
- High annuity style revenue / earnings profile in line to SRG Global's stated growth strategy
- 100% of earnings is underpinned by long-term program and asset management agreements with typical duration (2-4 years) and circa 85% under cost plus / schedule of rates
- Excellent revenue visibility with more than \$1b Work in Hand and an Opportunity Pipeline of \$2b
- Provides significant cross-selling opportunities and complements SRG Global's current growth strategy in highly attractive growth sectors of water security and energy transition
- Operates a capital-light business model (capex <1% of revenue) and has historically delivered strong cash generation



Outlook

- FY25 EBITDA guidance increased to circa **\$125m**
- **\$3.0b WIH** and **\$8.5b Opportunity Pipeline** provides platform for long-term sustainable growth
- **Positive exposure** to growth sectors including water, defence, resources, transport and energy transition
- Earning profile of circa **80% annuity / recurring earnings** in FY25 and beyond
- Strategic transformation to a **diversified infrastructure services** business will continue to deliver results

FY24 RESULTS PRESENTATION



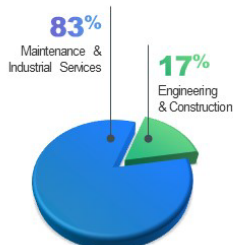
Strategic Transformation Delivering Sustainable Growth

Strong Platform for Sustainable Earnings Growth

Work in Hand (WIH):

\$3.0b

August 2024

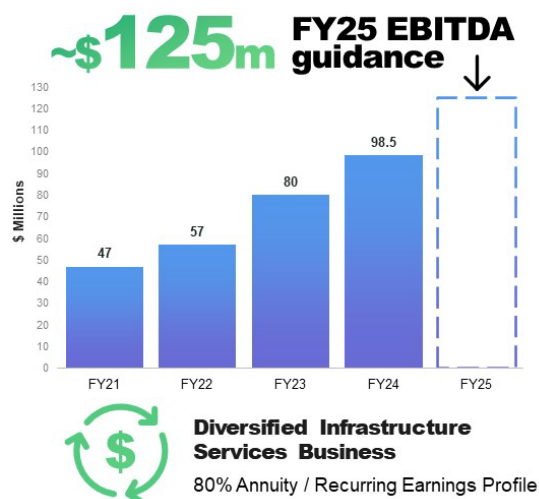
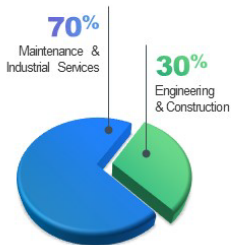


Exposure to Diverse Sectors and Geographies

Opportunity Pipeline:

\$8.5b

August 2024



FY25 EBITDA Guidance Note: SRG Global (\$109m) plus 10 months from Diona (\$16m).

Final Fully Franked Dividend

The Board of Directors has declared a final fully franked dividend of 2.5 cents per share, bringing the full year dividend to 4.5 cents per share. The record date of the dividend is Monday, 26 August 2024 with a payment date of Thursday, 26 September 2024.

– ENDS –

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ABOUT SRG GLOBAL

SRG Global is a diversified infrastructure services company bringing an engineering mindset to deliver critical services for major industry across the entire asset lifecycle of engineer, construct and sustain. The Company employs over 4,300 people across its Maintenance & Industrial Services and Engineering & Construction operating segments. Our vision is to be the most sought-after in what we do through "Making the Complex Simple". For more information about SRG Global, please click [here](#).

This announcement was authorised for release to ASX by the Managing Director.

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