



# GR Engineering Services Limited

Investor Presentation

27 November 2024

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# Group FY24 Results

- The Group reported FY24 revenue of \$424.1 million (\$551.4 million) and EBITDA of \$50.9 million (\$44.4 million).
- During FY24:
  - GR Engineering successfully delivered multiple major projects, including the world class Thunderbird Mineral Sands Project, Bellevue Gold Project and Cosmos Nickel Concentrator Facility Upgrade.
  - GR Production Services continued to deliver operational and maintenance services to key clients including Santos, INPEX, Eni and QPM Energy.
  - Mipac and Paradigm worked with key repeat clients such as First Quantum Minerals, Glencore Technology, Anglo American, BHP Group, OK Tedi, Rio Tinto and HanRoy.
- The Group was able to achieve an improved EBITDA result from a lower revenue base compared to the prior year. This was the result of solid operational performance across the group.





## Group FY24 Results (cont'd)

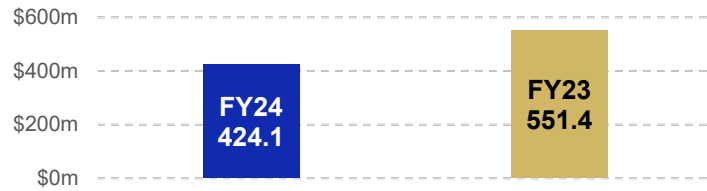
- The Group Total Reportable Injury Frequency Rate for FY24 was 2.11. One LTI was recorded during the year.
- The Board resolved to declare a fully franked dividend of 10.0 cents per share, (total FY24 fully franked dividends: 19.0 cents per share). The Group's annual dividend payout has been consistent for the past three financial years.
- During the last twelve months, the Group's shareholder base has increased from 3,536 shareholders to 4,787 shareholders. Year on year shareholder growth for the past three years has been approximately 40% per annum.



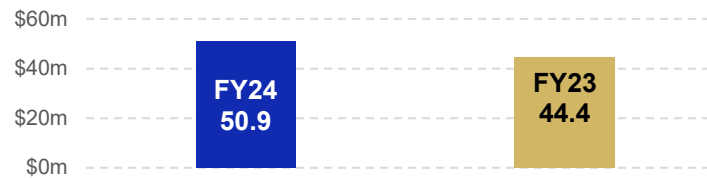
# FY24 Group Results

## Earnings

### Revenue



### EBITDA

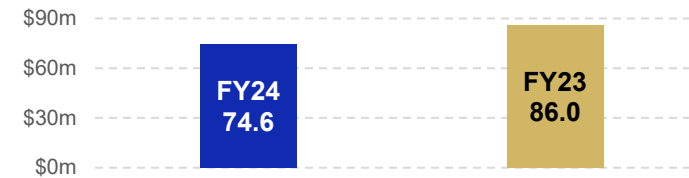


### PBT

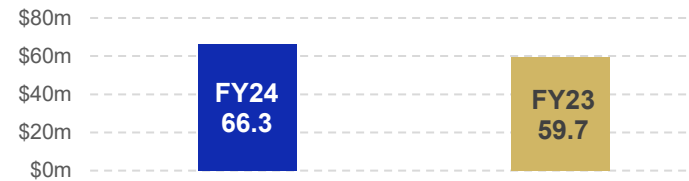


## Balance Sheet & Cash Flow

### Cash



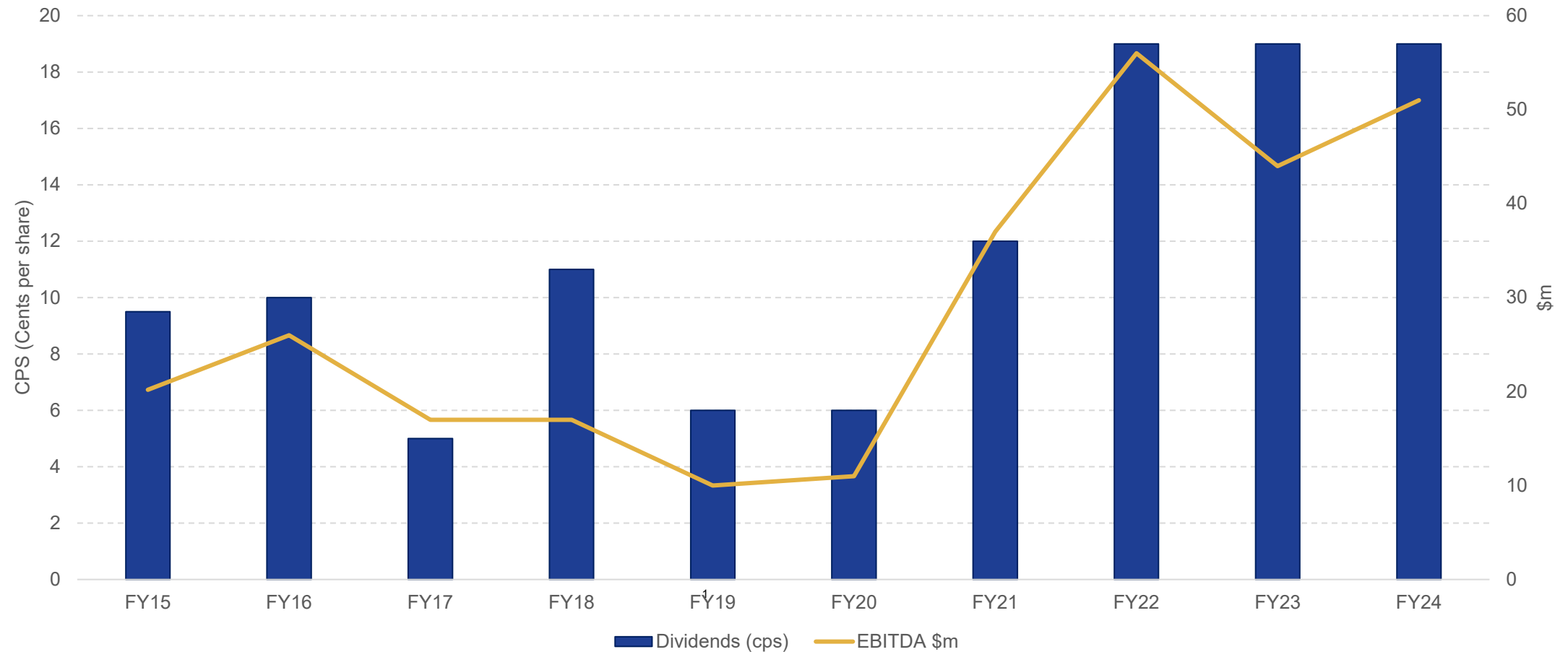
### Net Assets



### Total Dividends (Fully Franked)



# EBITDA and Dividend Performance



1) FY20 EBITDA is based on underlying EBITDA after adjusting for one-off abnormal items

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# Balance Sheet

- Strong balance sheet maintained at 30 June 2024.
- At 30 June 2024, the Group held a cash balance of \$74.6 million (30 June 2023: \$86.0 million) with negligible external bank debt.
- At 30 June 2024, the Group had significant headroom on its combined bank guarantee and bonding facilities (undrawn facilities: \$67.2 million).
- During FY24, the Group paid out \$31.3 million (FY23: \$30.7 million) in fully franked dividends to shareholders. On 13 March 2024, the Group acquired Paradigm Engineers for \$9 million. The consideration was comprised of 50% cash and 50% scrip.



# Mineral Processing – GR Engineering

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

Company	Project	Type	(\$'m)
Evolution Mining Limited	Mungari Future Growth Project	EPC	155
K92 Mining Ltd	Kainantu Gold Mine – 1.2 Mtpa Process Plant	EPC	USD81
Liontown Resources Limited	Kathleen Valley Lithium Backfill Project	EPC	71
Develop Global Limited	Woodlawn Restart Project	EPC	26

- In addition to the above ongoing projects, GR Engineering is currently engaged on 24 studies across a broad range of commodities for projects in Australia and abroad.





# Energy – GR Production Services (GRPS)

- GR Production Services (GRPS), generates longer term operations and maintenance (O&M) services revenue alongside project work. GRPS's contracted pipeline includes, but is not limited, to the following key projects:

Company	Project	Start Date	Contract Term (excl. options)	Est. \$'m per annum
QPM Energy	Moranbah Gas Plant – O&M	2023	5 years	25
Santos Ltd*	Surat Basin – maintenance	2021	3 years	15
INPEX	Ichthys LNG Project – O&M	2023	3 years	12
Santos Ltd*	Cooper Basin – maintenance and construction	2023	3 years	12
Eni Australia	Blacktip Gas Field – O&M	2022	2 years	10
Senex	Construction, mechanical and electrical services	2022	4 years	7
Chevron	Gorgon and Wheatstone Projects - O&M	2022	5 years	2
Mitsui E&P	Waitsia Project – O&M	2024	2 years	2

*\*Subsequent to year end, these projects have been extended by two years to 30 November 2026*





# Process Controls – Mipac and Paradigm

- Mipac and Paradigm are leading global providers of control systems, operational technology and engineering services primarily in the mineral processing, energy and water industries.
- On 13 March 2024, Mipac acquired Paradigm, a provider of control systems and electrical engineering automation and technology services based in Western Australia.
- This strategic transaction enhances the combined group's control system and design capabilities and expands its existing footprint in Western Australia.
- The combined group delivers solutions to Tier 1 repeat clients including First Quantum Minerals, Glencore Technology, Anglo American, BHP Group, OK Tedi, Rio Tinto and HanRoy.
- The combined group continues to operate at a high utilisation based on its strong contracted and near term pipeline of work.



# Environmental Social Governance (ESG)

As part of the Group's ESG framework, we:

Support our communities, including:



- Promote and encourage diversity in our workforce and operations. We recognise that a diverse workforce is a contributor to the business achieving its strategic objectives.
- Regularly partner with clients on social ventures, particularly in relation to initiatives involving the regional communities in which our clients operate.
- Favour local suppliers and supply chain ethics that are supported by our standards. The risk of modern slavery in our supply chain and operations is low.
- Maintain a proactive assessment towards potential environmental impacts. We work closely with our clients and adhere to their environmental management plans.
- Support university engineering students with scholarships and maintain an active graduate recruitment program.



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# Outlook

- The Group has a solid orderbook and pipeline of opportunities.
- The Group is currently working on a high volume of studies across a broad range of commodities and geographies and is involved in multiple active tender opportunities. The Group continues to work with the energy sector to secure longer term annuity style contracts.
- The consolidated entity expects revenue for FY25 to be in the range of \$425 million to \$450 million (FY24 reported revenue: \$424.1 million), with revenue weighted towards the first half of FY25. The forecast FY25 revenue is largely underpinned by the contracted orderbook across the Group.
- The business has a strong balance sheet which means that it is well capitalised to deliver its pipeline of work.
- The Group will continue to assess potential strategic growth opportunities that provide scale, diversity and technical expertise to the business.



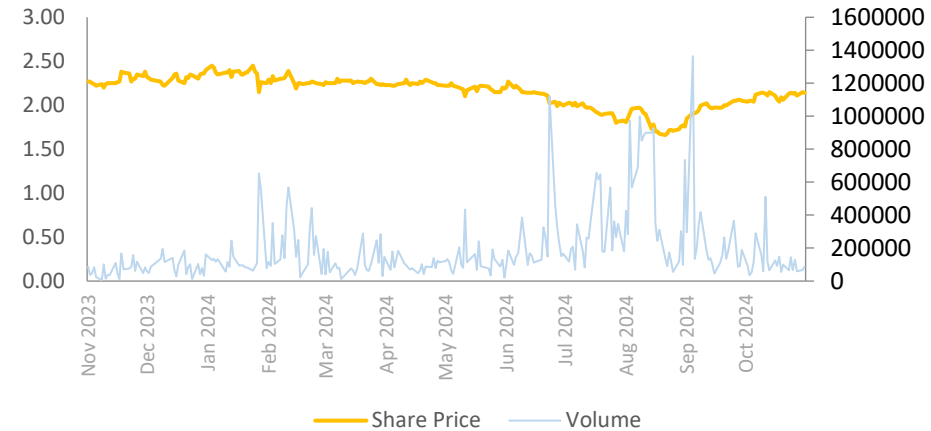


# Corporate Profile

## Capital Structure

Shares on issue	<i>m</i>	167.0
Share price ( <i>GNG.ASX</i> ) (19 Nov 2024)	\$	2.14
<b>Market Capitalisation</b>	<b>\$m</b>	<b>357.4</b>
Cash (30 Jun 2024)	\$m	74.6
Debt (30 Jun 2024) (excluding lease liabilities)	\$m	0
<b>Enterprise Value</b>	<b>\$m</b>	<b>282.8</b>

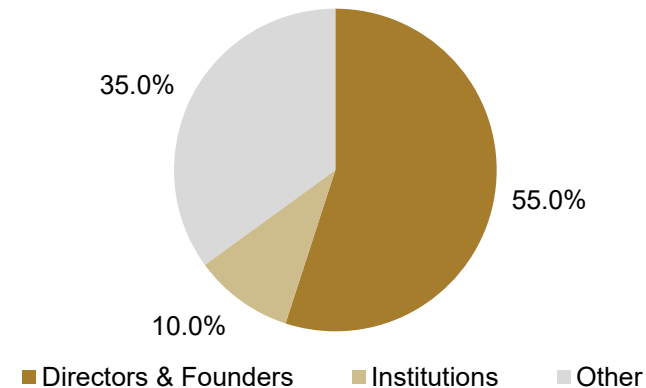
## Share Price History



## Directors & Management

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

## Register Analysis



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# Contact Details

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## Key locations

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