

2016 Half Year Results

Tuesday 16 February 2016



**TOGETHER
WE DELIVER.**

Company Profile

Monadelphous Group Limited (ASX:MND) is a S&P/ASX 200 company that provides construction, maintenance and industrial services to the resources, energy and infrastructure sectors throughout Australasia.

People	Revenue	NPAT	Earnings per share	Dividends per share
4,464	\$737m	\$37.6m	40.4c	28.0c

(as at 31 December 2015)

Engineering Construction



Maintenance and Industrial Services



Group Highlights

Financial

- Sales revenue \$737m, down 29.9%
- NPAT \$37.6m, down 37.9%
- EPS 40.4c, DPS 28.0c
- Cashflow from operations of \$42.5m, conversion rate of 87%

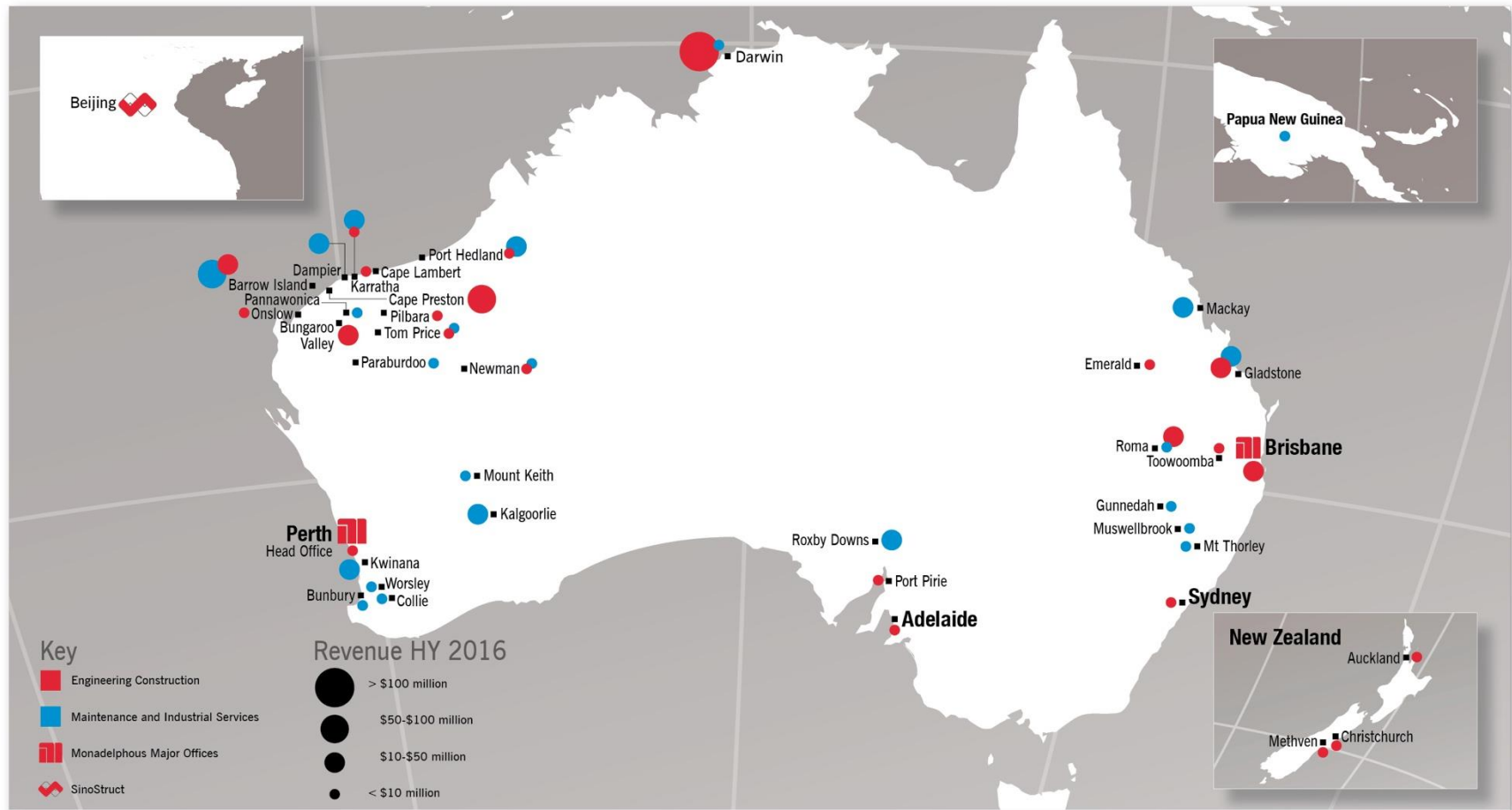
Operating

- Awarded ~\$1b of new contracts and contract extensions
- Strong safety performance – 10% improvement
- Cost reduction program achieved annualised savings of ~ \$24.3m
- Maintained a strong balance sheet

Strategic

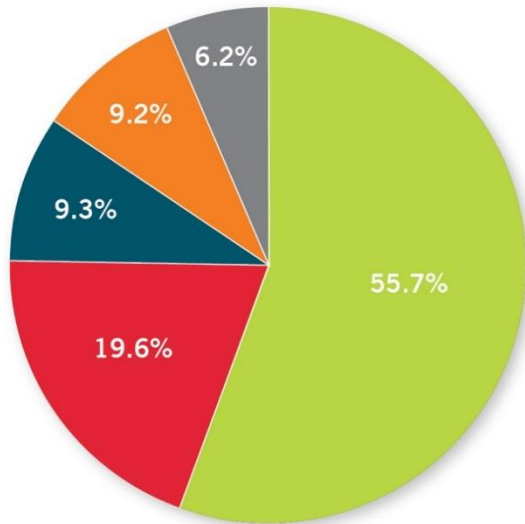
- Secured strategically significant long-term FLNG contract
- Expanded presence in upstream CSG and water infrastructure
- Established presence in USA

Contract Activity



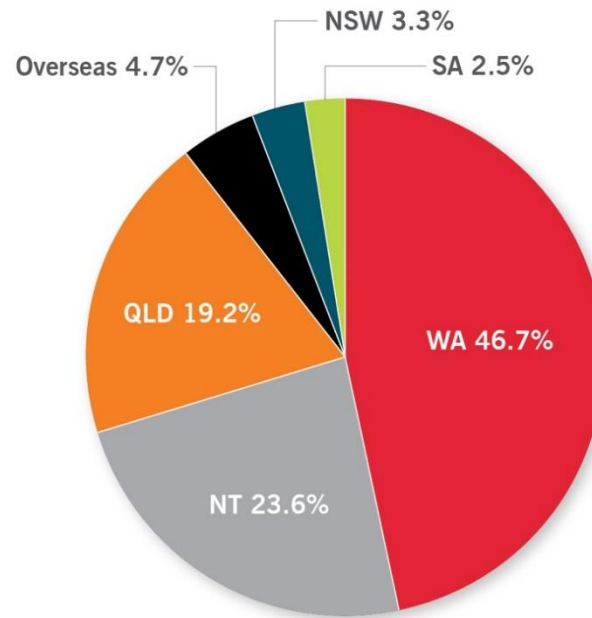
Sales Revenue Analysis

End Customer Market

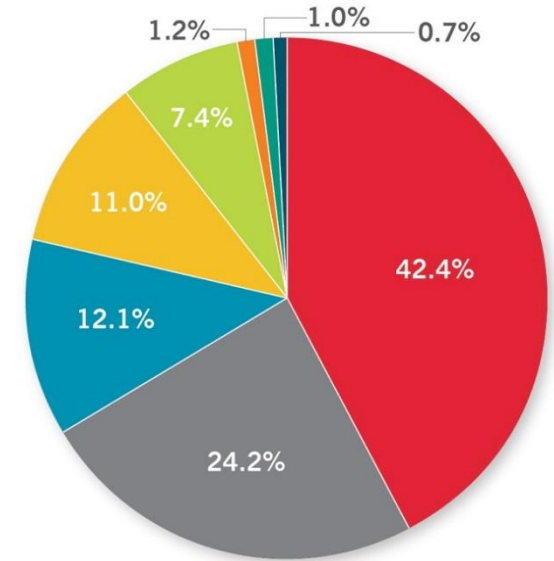


- Oil & Gas
- Iron Ore
- Other Minerals
- Infrastructure
- Coal

Geography



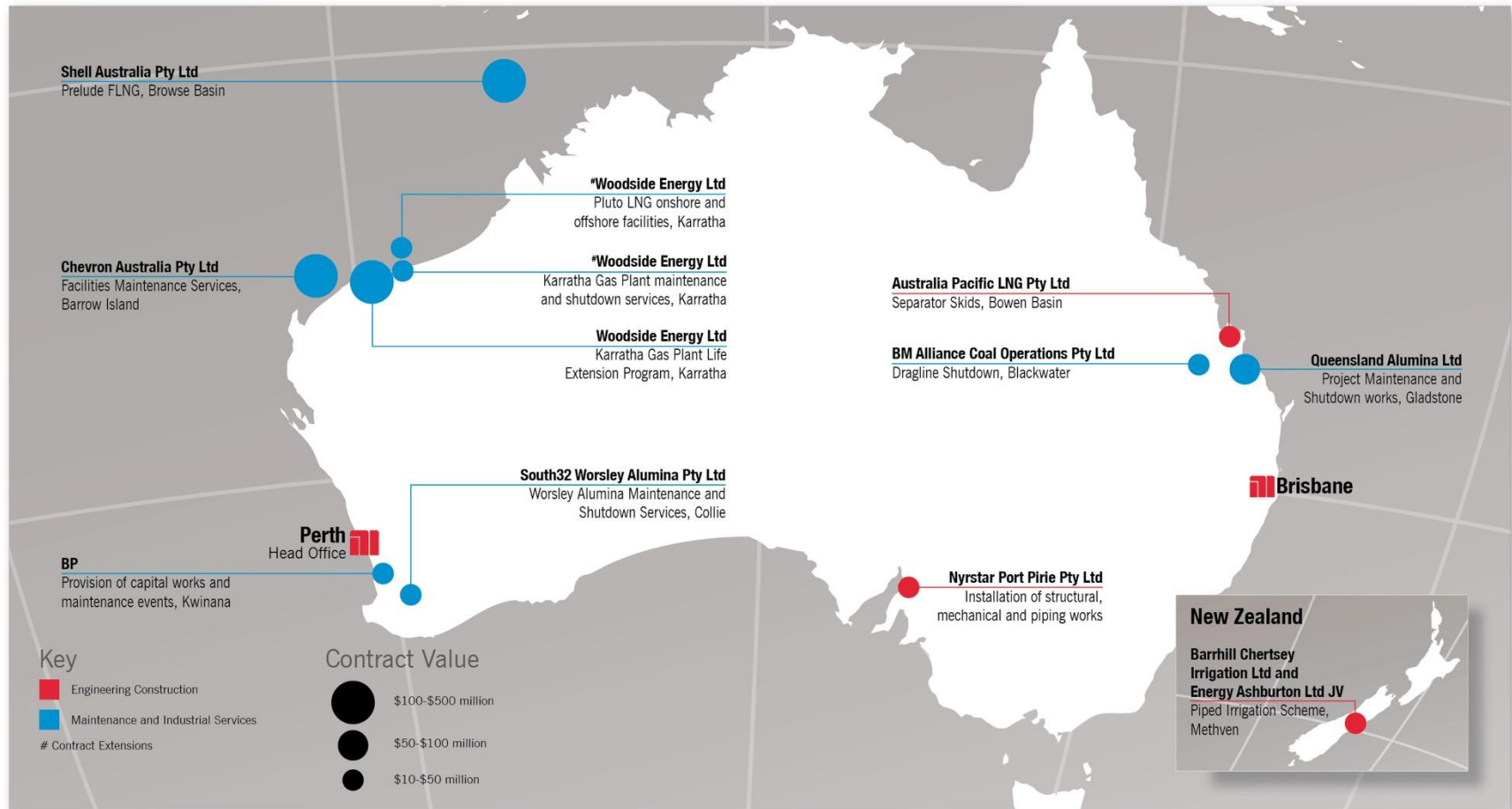
Service Market



- SMP*
- SMP* & E&I**
- O&M***
- Pipelines
- Water
- E&I**
- Fabrication
- Marine

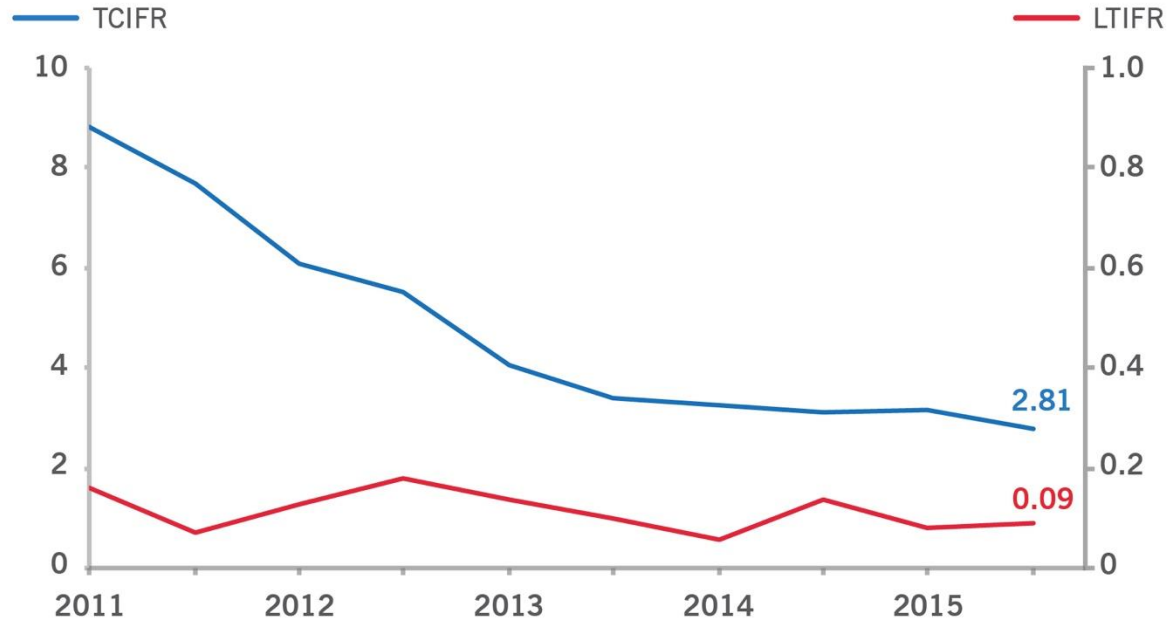
*SMP - Structural, mechanical and piping; ** E&I - Electrical and instrumentation; *** O&M - Operations and maintenance.

Contracts Secured ~ \$1 billion



Safety

Injury Frequency rates*

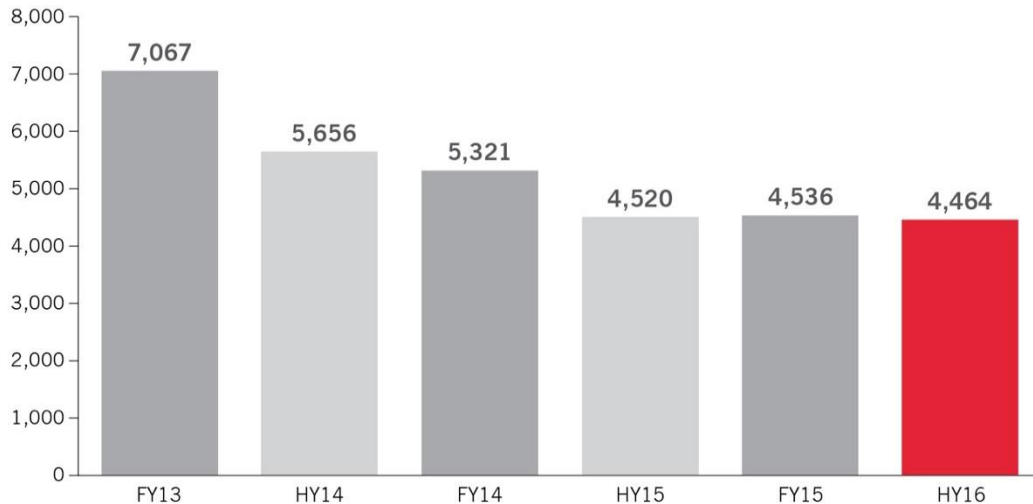


*12-month rolling average (per million man-hours worked)

- Record safety performance – TCIFR improved by 10%
- Continuing focus on risk management and frontline safety leadership.

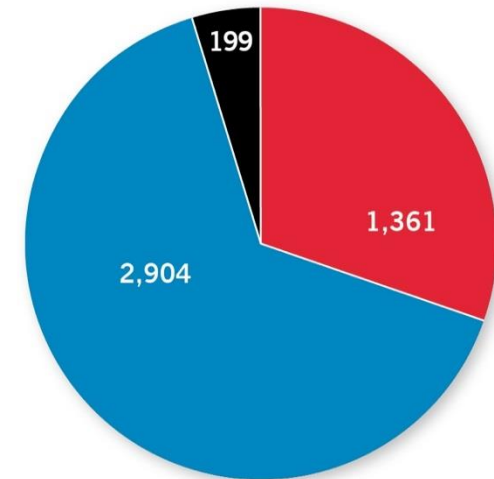
People

Employee Numbers



- Overall employee numbers remain stable with large changes within divisions
- Engineering people numbers continued to reduce in line with the slowing construction offset by increasing maintenance activity
- Improved availability of labour contributing to greater workforce productivity
- Good levels of key talent retention and improving trend in permanent staff turnover.

Employees by Division



- Engineering Construction
- Maintenance & Industrial Services
- Group Support

Financial Performance

	Unit	HY16	HY15	Change
Sales Revenue	\$m	737.0	1,052.0	(29.9%)
EBITDA	\$m	62.7	95.1	(34.0%)
EBITDA Margin	%	8.5	9.0	(0.5pp*)
NPAT	\$m	37.6	60.7	(37.9%)
NPAT Margin	%	5.1	5.8	(0.7pp*)
EPS	cps	40.4	65.4	(38.2%)
Operating Cash Flow	\$m	42.5	56.4	(24.6%)
DPS (Fully Franked)	cps	28.0	46.0	(39.1%)

*pp = percentage points.

Financial Position and Funding

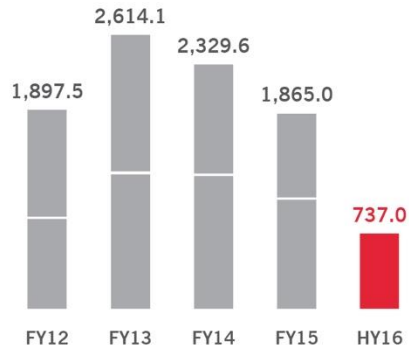
Maintained strong balance sheet

	HY16 \$m	HY15 \$m	Change
Cash at Bank	202.6	212.4	(4.6%)
Net Cash Position (Cash less interest bearing loans and borrowings)	182.7	184.4	(0.9%)
Capital Expenditure (Cash and Hire Purchase)	4.5	1.1	309.1%

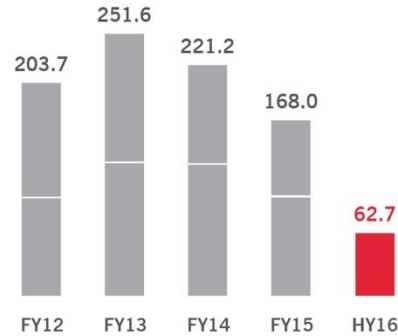
Bank Guarantee & Performance Bond Facilities

Utilised	289.7	471.2	
Available	385.3	204.4	
Total Facility	675.0	675.6	(0.0%)

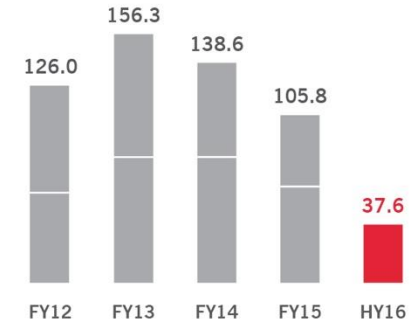
Historical Performance



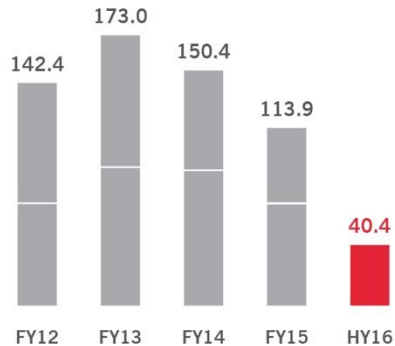
Sales Revenue (\$m)



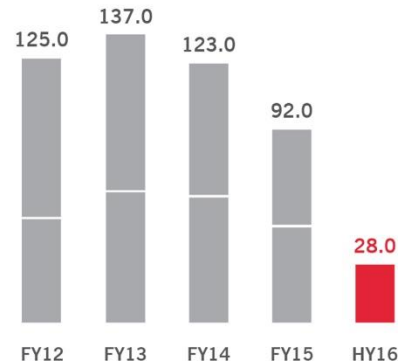
EBITDA ^ (\$m)



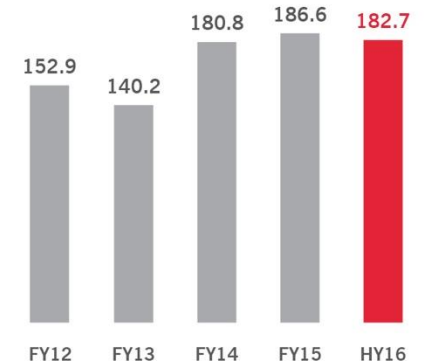
Net Profit After Tax ^ (\$m)



Earnings Per Share ^ (cents)



Dividends Per Share (cents)

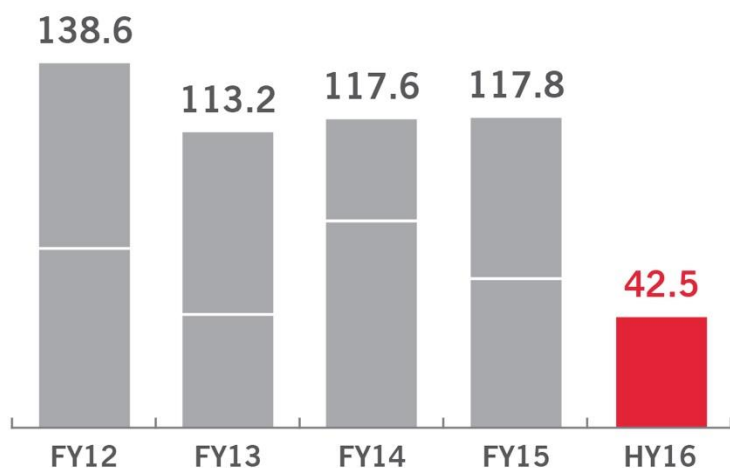


Net Cash Position (\$m)

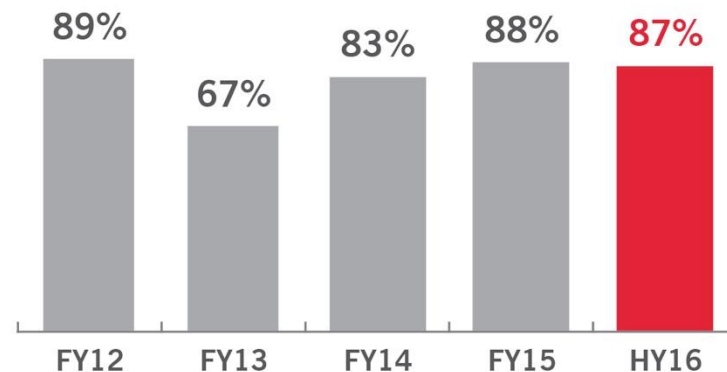
^Underlying basis.

Cash Flow Performance

Operating Cash Flow



Cash Flow Conversion



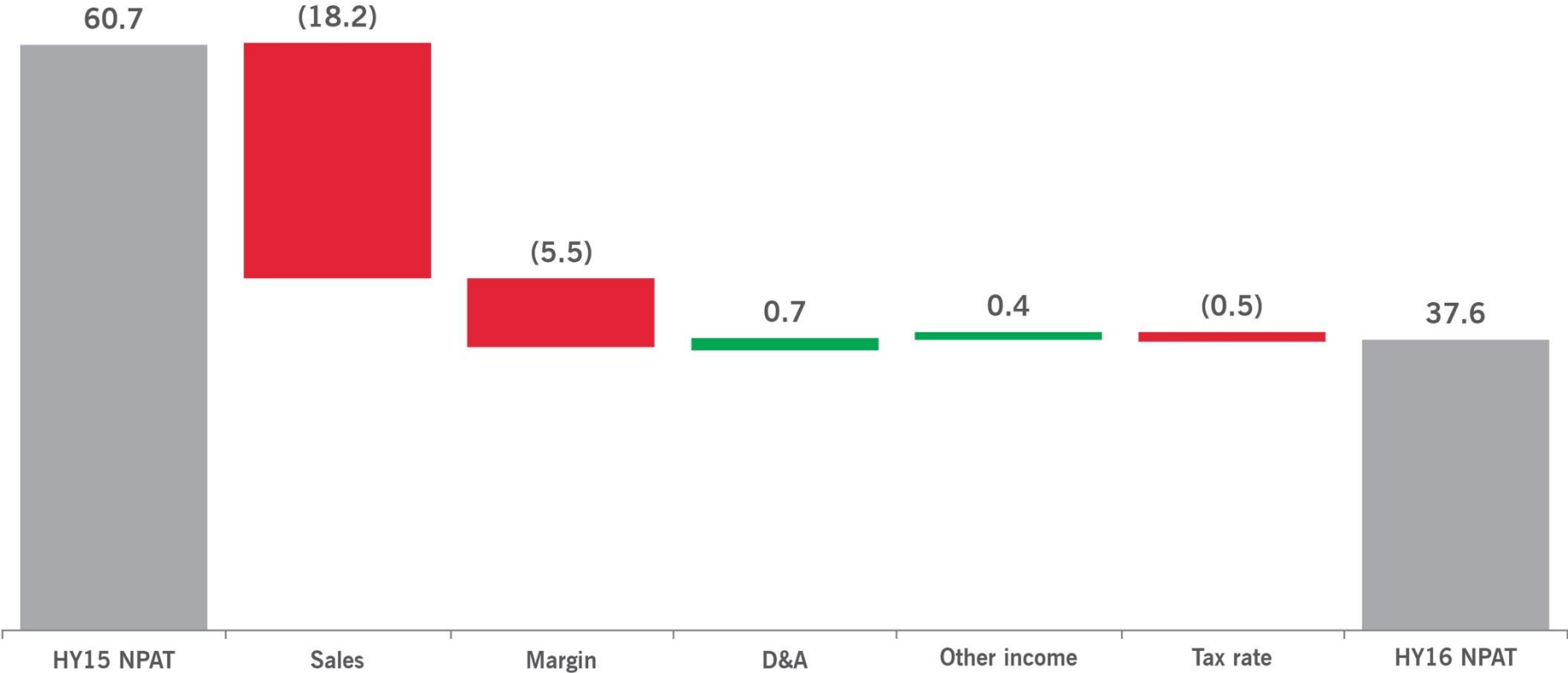
$$\text{Cash flow conversion} = \frac{\text{Operating cash flow before interest \& tax}}{\text{EBITDA}^{\wedge}}$$

- Maintained strong balance sheet, solid cash flow and robust cash flow conversion.

[^]Underlying basis.

Net Profit After Tax Analysis

NPAT Waterfall (\$m)

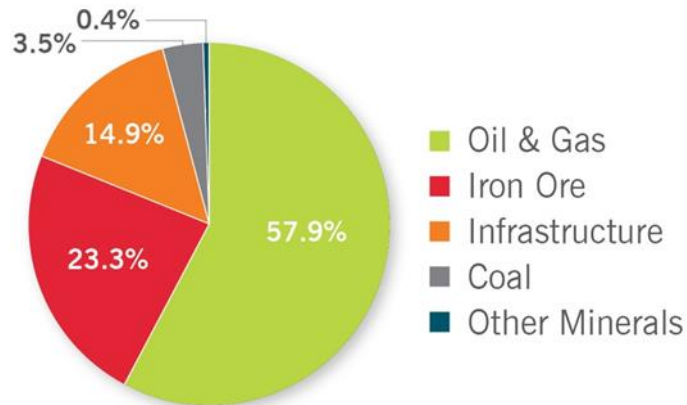


Engineering Construction

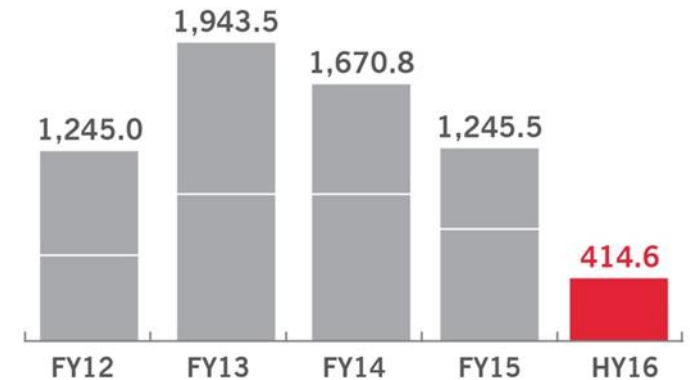
Highlights

- Established presence in USA
- Secured work in new overseas markets
- Expanded presence in water infrastructure.

End Customer



Sales Revenue (\$m)



Major Project Activity

- Sino Iron, SMP works for Sino Iron Project, Cape Preston, WA
- JKC, SMP works at utility and offsite area for Ichthys Project Onshore LNG Facility, Darwin, NT
- JKC, EPC works on the gas export pipeline for Ichthys Project Onshore LNG Facility, Darwin, NT
- ALIS, design and construction of 240km irrigation scheme, Methven, New Zealand

Project Awards

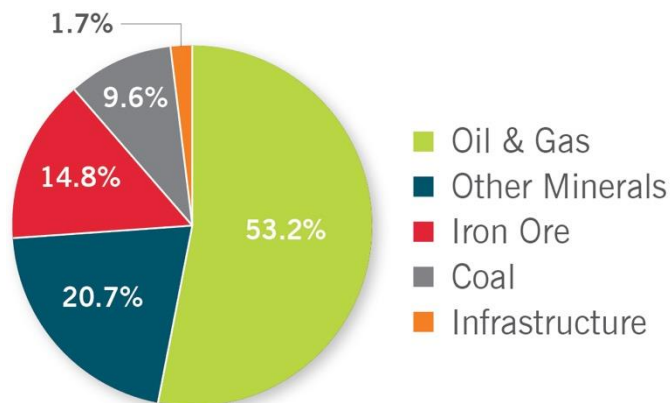
- APLNG, fabrication and supply of wellhead separator skids, Surat Basin, Queensland
- BCI, design and construction of 40km piped irrigation scheme, Methven, New Zealand
- Nyrstar, SMP works at Port Pirie Smelter, South Australia

Maintenance and Industrial Services

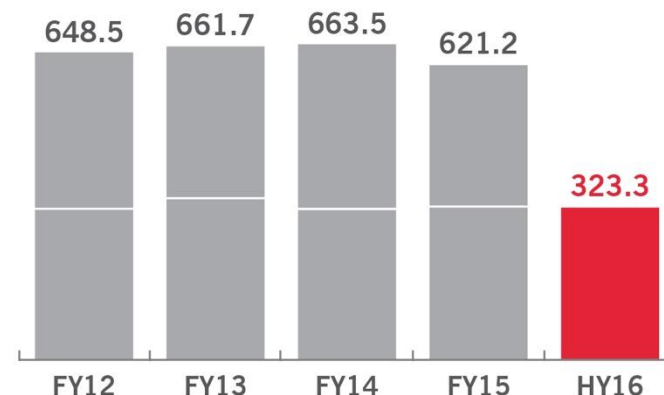
Highlights

- Maintained revenue in challenging market
- Worked closely with customers to improve productivity
- Awarded \$900m of new contracts and extensions
- Strengthened leading position in oil and gas services.

End Customer



Sales Revenue (\$m)



Major Contract Activity

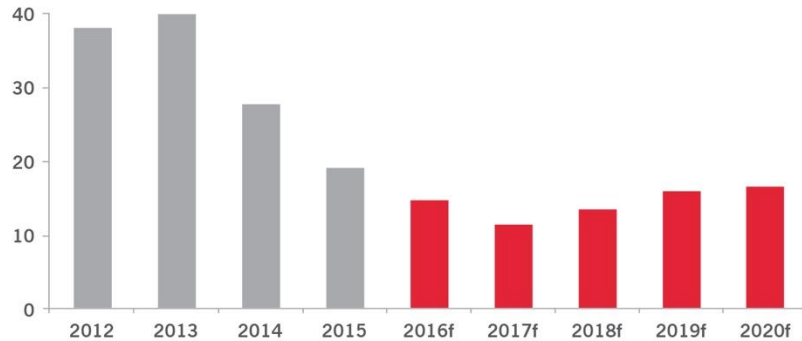
- Chevron-operated Barrow Island Asset, WA
- Woodside-operated Karratha Gas Plant, Karratha WA
- Rio Tinto, coastal and inland operations, Pilbara, WA
- BHP Billiton Nickel West, Goldfields, WA
- BM Alliance Coal Operations, Blackwater, Queensland
- Queensland Alumina Limited in Gladstone, Queensland

New Contracts and Extensions

- BP Refinery maintenance, WA (3-yr)
- Chevron-operated Barrow Island assets facilities maintenance, WA (3-yr)
- QAL maintenance and shutdown, Gladstone, Queensland (3-yr)
- Shell Prelude FLNG maintenance, WA (7-yr)
- South32 Worsley Alumina maintenance and shutdown, WA (3-yr)
- Woodside-operated Karratha Life Extension Program, WA (2-yr)
- Woodside-operated Karratha Gas Plant and Pluto LNG Plant, WA (1-yr ext)

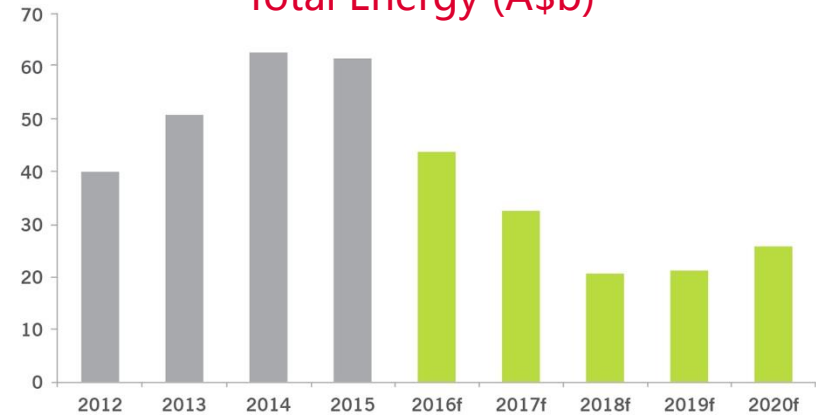
Australian Market Conditions

Total Resources (A\$b)



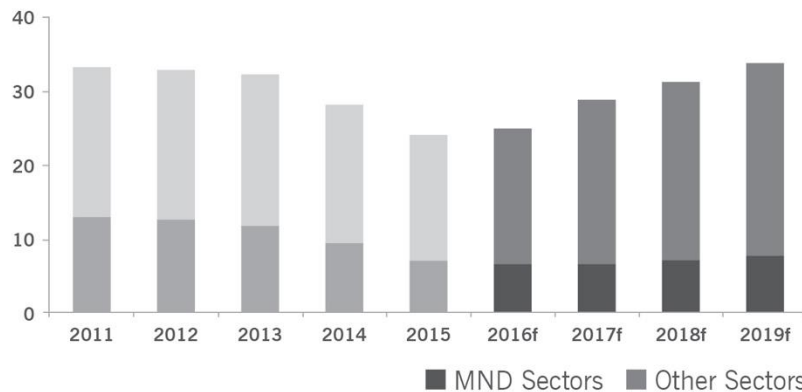
Source BIS Shrapnel – Mining in Australia (released November 2015)

Total Energy (A\$b)



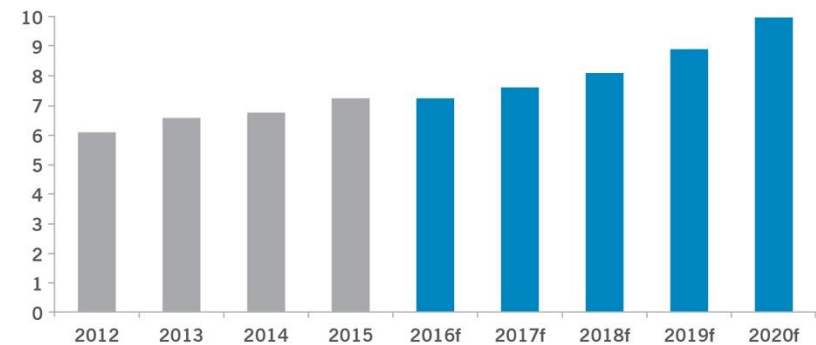
Source BIS Shrapnel – Mining in Australia (released November 2015)

Total Infrastructure (A\$b)



Source BIS Shrapnel - Value of work done Constant (November 2015)

Total Maintenance (A\$b)



Source BIS Shrapnel – Mining in Australia (released November 2015)

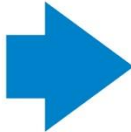
Strategic Progress

Maximise our position in core markets



- Secured 3 new long-term LNG maintenance contracts:
 - Chevron Barrow Island (3 years)
 - Shell Prelude FLNG (7 years)
 - Woodside Karratha Life Extension (2 years)
- Secured new panel service contracts and wellhead skids for CSG upstream market
- Company well placed to secure new maintenance opportunities

Enter new services markets



- Award of further irrigation projects through Water Infrastructure business
- Opportunities incorporating access solutions and corrosion management significantly progressed
- Actively pursuing opportunities in civil infrastructure, power and utility network services

Expand core services in overseas markets



- Established Monaro LLC in USA
- Strategic partnership for global EPC projects to the resources sector under development
- Opportunities for overseas fabrication supply to North and South America at prequalification and tender stage.

Outlook

- Australian market conditions to remain challenging with customers minimising capital and operating costs
- Opportunities for new major construction contracts likely to remain at low level
- Outlook for maintenance is positive and Company in a strong position to capitalise on opportunities
- Focus on expanding presence in water infrastructure markets in Australia and New Zealand
- Company will prioritise initiatives to reduce cost and protect margins in competitive environment
- 2015/16 revenue anticipated to be around 25 per cent lower than 2014/15
- Committed to maintaining a strong balance sheet and pursuing investment opportunities that support long term market growth strategy.

Notes to Financials

Non-IFRS Financial Information

Monadelphous Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

	31-Dec 2015 \$'000	31-Dec 2014 \$'000
EBITDA		
Profit before income tax	53,188	84,622
Interest expense	548	974
Interest revenue	(2,021)	(2,550)
Depreciation expense	10,961	11,637
Amortisation expense	65	390
	<u>62,741</u>	<u>95,073</u>

Important Notice

Disclaimer

Information, including forecast financial information, in this presentation, should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Monadelphous Group Limited or any other company. Due care and attention has been used in the preparation of forecast information, however, actual results may vary from forecast and any variation may be materially positive or negative.

Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of Monadelphous Group Limited. Before making or varying any decision in relation to holding, purchasing or selling shares, securities or other instruments in Monadelphous Group Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

For more information

Investor Relations

Telephone: +61 (08) 9315 7312

Email: investor_relations@monadel.com.au

www.monadelphous.com.au

A decorative graphic consisting of a series of parallel lines that fan out from the left side of the page towards the right. The lines are thin and grey, and they transition into a solid red area on the right side of the page.

**TOGETHER
WE DELIVER.**