

2017 FULL YEAR RESULTS

Tuesday 22 August 2017



TOGETHER WE DELIVER

Company Profile

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

At 30 June 2017

People	6,164
Market Capitalisation	\$1.3b
Net Cash	\$228.1m



ENGINEERING CONSTRUCTION



Image courtesy of Woodside Energy Ltd

MAINTENANCE AND INDUSTRIAL SERVICES

Group Highlights

FINANCIAL	OPERATING	STRATEGIC
<ul style="list-style-type: none"> • Sales Revenue \$1.265b* • EBITDA \$98.2^ • NPAT \$57.6m • EPS 61.4c • DPS 54c, fully franked • Operating cashflow \$111.2m • Net cash \$228.1m • Balance sheet provides capacity for investment. 	<ul style="list-style-type: none"> • Secured \$1.8b of new contracts • Awarded new construction works on Ichthys Project Onshore LNG Facilities • Strong growth in water and irrigation • Strengthened position in PNG • Rationalised support services structure • Expanded delivery of offshore services. 	<ul style="list-style-type: none"> • Secured major offshore oil and gas maintenance contracts • Entered renewable energy market – Zenviron • Broadened service offering • Secured new work in overseas markets • SinoStruct established facility in Houston, US • Secured work on Oyu Tolgoi in Mongolia • Established EPC business – Mondium.

* Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 16

^ Refer to reconciliation on slide 16

Contracts Secured

INPEX Operations

Offshore maintenance services, Browse Basin

***Technip FMC**

Piping modification and fabrication for Prelude FLNG project, Browse Basin

The Pilbara Infrastructure (a wholly owned subsidiary of Fortescue Metals Group)

Carbon steel ore wagon abrasive blasting, cleaning and relining, Port Hedland

Woodside Energy

Gas asset maintenance services and offshore brownfields implementation, Karratha and Carnarvon Basin

Chevron Australia

Facilities maintenance services, Onslow

Perth
Head Office

Rio Tinto Iron Ore
Liquid fuel supply system, Cape Lambert Port

BHP Billiton
Mining Area C water treatment plant upgrade, Pilbara

FMG Solomon (a wholly owned subsidiary of Fortescue Metals Group)
Fixed plant crane services, Pilbara

JKC Australia LNG
Additional electrical and instrumentation works and completion of gas turbine generators and associated steam piping of combined cycle power plant, Darwin

Kawasaki Heavy Industries
Subcontract for structural, mechanical, piping, electrical and instrumentation on cryogenic tanks, Darwin

Santos
Separator skids, northern Queensland

Australia Pacific LNG
Separator skids, Bowen Basin

Western Downs Regional Council
Potable water treatment plant, Chinchilla

BHP Billiton
Maintenance and industrial services support, Roxby Downs

Newcrest
Structural, mechanical and piping works, Cadia Valley

***Tilt Renewables**
Engineering, procurement, construction and commissioning for Salt Creek Wind Farm, Victoria

City of Townsville
Cleveland Bay Purification Plant upgrade, Townsville

Unitywater
Kawana Sewage Treatment Plant upgrade, Sunshine Coast

Brisbane

CWP Renewables
Civil and electrical balance of plant for Sapphire Wind Farm, Glen Innes

Sydney Water Corporation
Network and Facility Renewals Program, greater Sydney

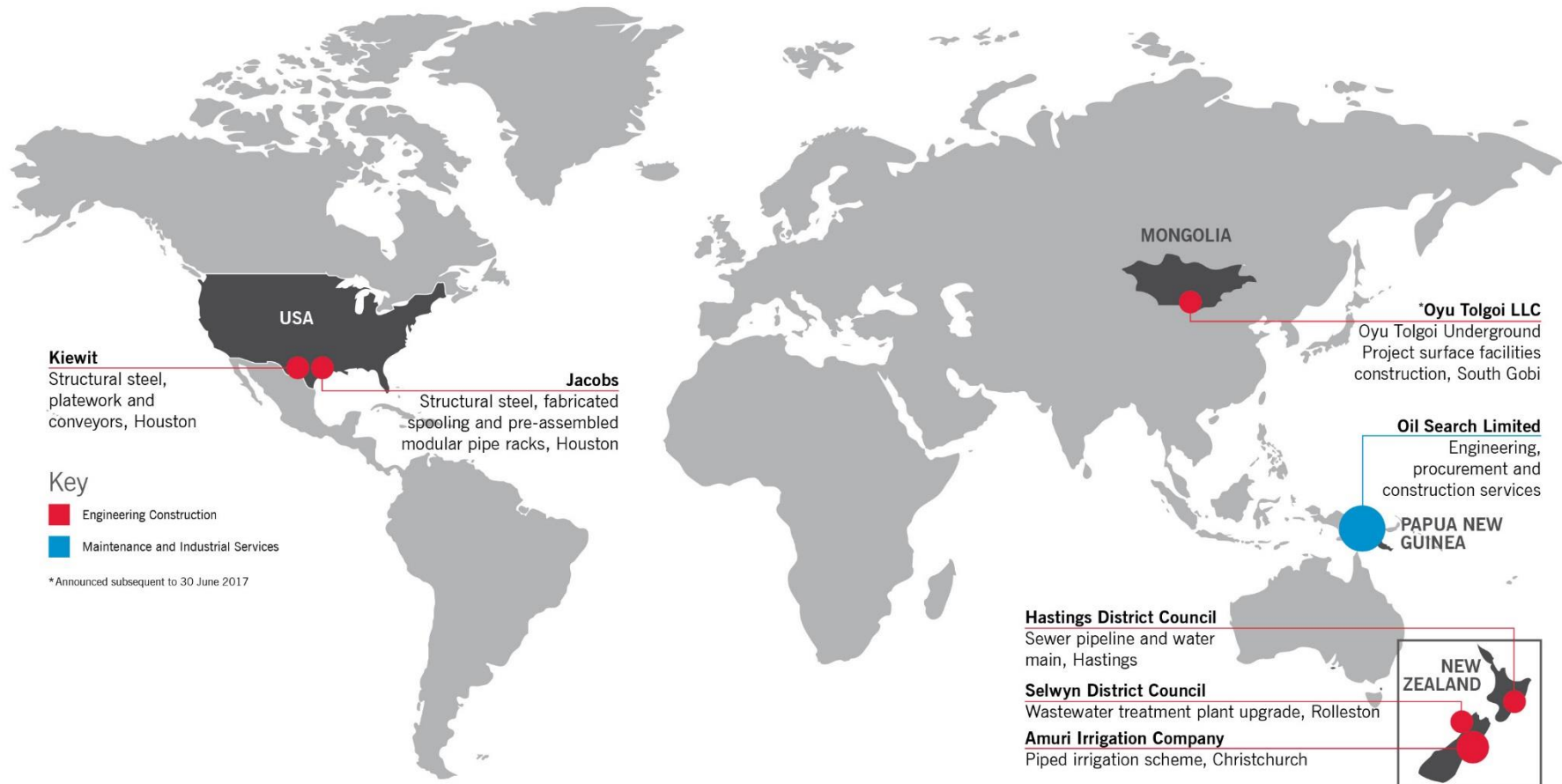
Brolton Group
Fabrication and pre-assembly of structural steel, Bass Point

Key

- Engineering Construction
- Maintenance and Industrial Services

* Announced subsequent to 30 June 2017

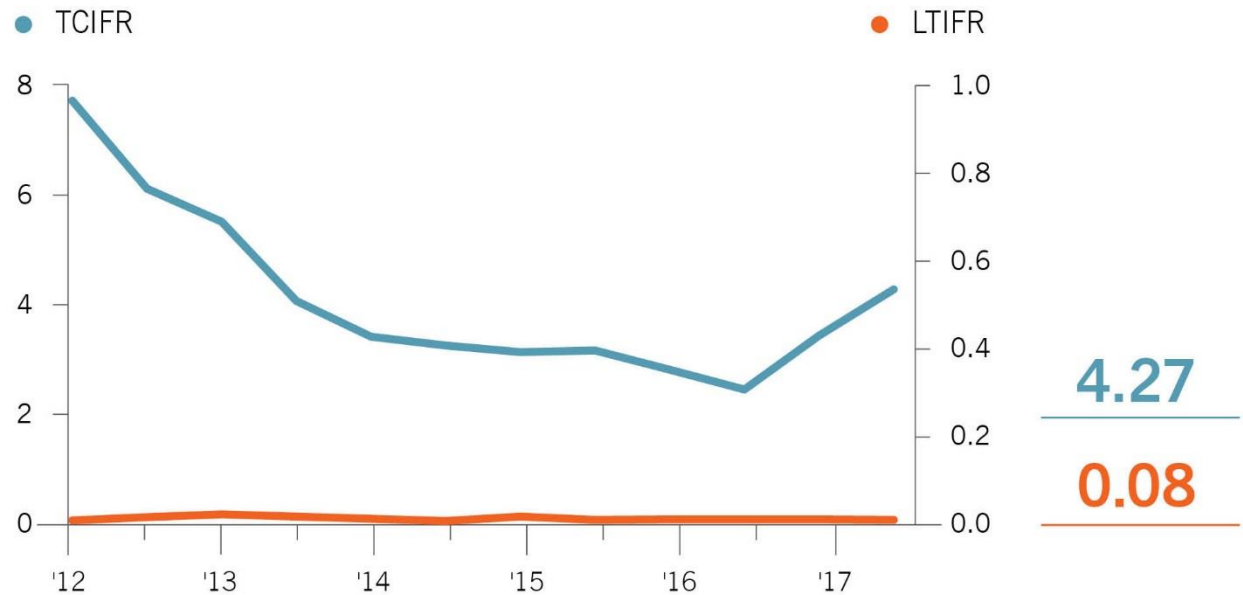
Contracts Secured



Safety Scorecard

INJURY FREQUENCY RATES*

- Diversification into new markets and changes in market conditions impacted injury rates
- Group-wide safety campaigns undertaken
- Safety initiatives implemented to support and embed strong safety culture in new areas of business.

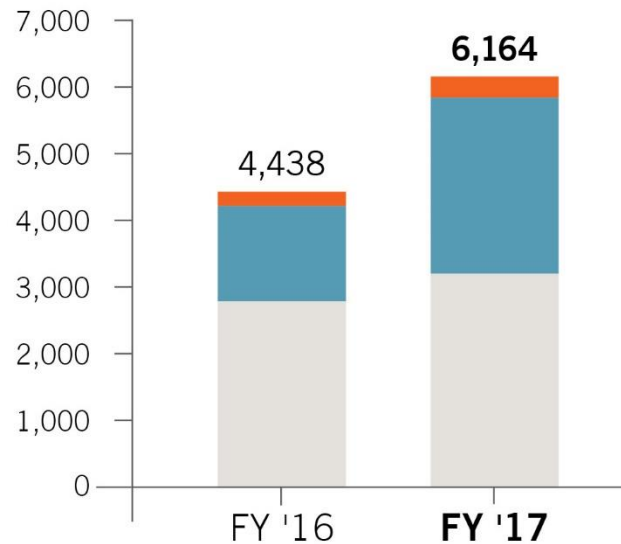


*12-month rolling average (per million man-hours worked)

People

EMPLOYEE NUMBERS

- Growth in employee numbers
- Increasing levels of maintenance services activity and ramp-up of construction activity towards year-end
- Rationalised support services structure and expanded delivery of offshore business and project services
- Key talent retention remains strong.



	FY '17
Maintenance and Industrial Services	3,208
Engineering Construction	2,640
Group Support	316
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	FY '16
Maintenance and Industrial Services	2,794
Engineering Construction	1,430
Group Support	214

Financial Performance

PERIOD ENDED 30 JUNE

		FY17	FY16	CHANGE
Sales Revenue	\$m	1,264.7*	1,364.7	(7.3%)
EBITDA	\$m	98.2^	113.6	(13.6%)
EBITDA Margin	%	7.76	8.33	(0.57pp)
NPAT	\$m	57.6	67.0	(14.1%)
NPAT Margin	%	4.55	4.90	(0.35pp)
EPS	cps	61.4	71.8	(14.4%)
DPS (Fully Franked)	cps	54.0	60.0	(10.0%)
Operating Cash Flow	\$m	111.2	78.0	42.6%
Cash Flow Conversion	%	130.8	83.2	47.6pp

* Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 16

^ Refer to reconciliation on slide 16

Financial Position and Funding

AT 30 JUNE

	FY17 \$m	FY16 \$m	CHANGE
Cash at Bank	241.9	203.5	18.9%
Net Cash Position (Cash less interest bearing loans and borrowings)	228.1	186.0	22.7%
Capital Expenditure (Cash and Hire Purchase)	16.4	8.7	89.9%

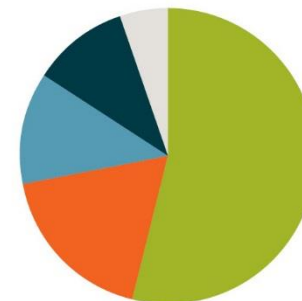
Sales Revenue Summary

DIVISIONAL HIGHLIGHTS

	FY17 \$m	FY16 \$m	CHANGE %
Engineering Construction	615.4	757.6	(18.8)
Maintenance and Industrial Services	652.9	608.4	7.3
<i>Internal Eliminations</i>	<i>(3.5)</i>	<i>(1.3)</i>	
Total	1,264.7*	1,364.7	(7.3)

- Lower activity levels within engineering construction market partially offset by an increase in maintenance activity in the resources and energy sector.

REVENUE BY END CUSTOMER



	%
Oil and Gas	54.1
Other Minerals	17.9
Iron Ore	12.4
Infrastructure	10.5
Coal	5.1

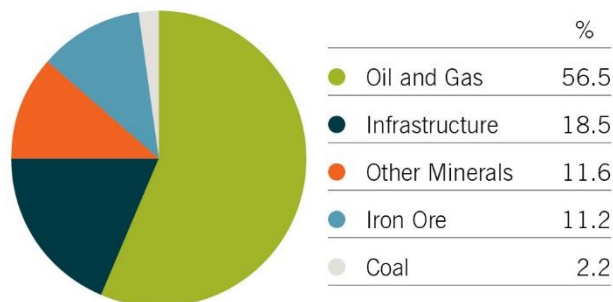
* Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 16

Engineering Construction

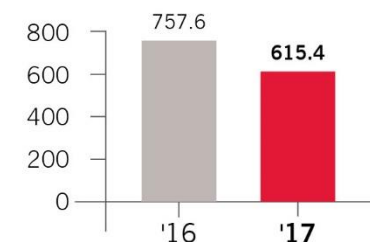
HIGHLIGHTS

- Secured \$800m of new work
- Awarded new construction works on Ichthys Project Onshore LNG Facilities
- Award-winning safety performance on Ichthys Project Onshore LNG Facilities: 2016 Gold Standard Award, presented by JKC Australia LNG
- Strong growth in water and irrigation
- Established Zenviron (renewable energy) and Mondium (EPC)
- Overseas expansion of SinoStruct
- Strong focus on productivity and innovation.

END CUSTOMER



SALES REVENUE (\$M)



MAJOR PROJECT ACTIVITY

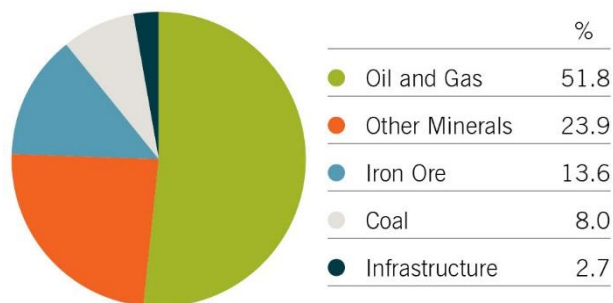
- JKC, SMPE&I and completion of gas turbine generators and associated steam piping of combined cycle power plant at the Ichthys Project Onshore LNG Facilities, Darwin, NT
- CWP Renewables, civil and electrical balance of plant, Sapphire Wind Farm Project, NSW
- Amuri, design and construction of 130km irrigation scheme, Christchurch, New Zealand
- BHP, water treatment plant upgrade at Mining Area C, northwest WA
- Kawasaki Heavy Industries, SMPE&I works on cryogenic tanks at the Ichthys Project Onshore LNG Facilities, Darwin, NT
- Newcrest, SMP works at the gold processing plant, Cadia Valley, NSW
- Nyrstar, SMP works at Port Pirie Smelter, SA
- Santos, supply, fabrication, assembly and delivery of wellhead separate skids, north Qld

Maintenance and Industrial Services

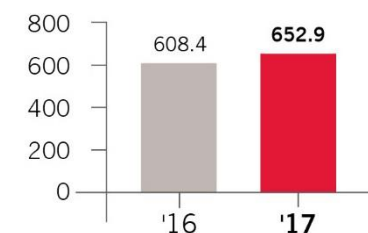
HIGHLIGHTS

- Secured \$1b in new contracts
- Awarded major onshore and offshore oil and gas contracts with INPEX and Woodside
- New five year Oil Search EPC services contract
- Delivered innovative and cost effective solutions to customers
- Expanded range of services.

END CUSTOMER



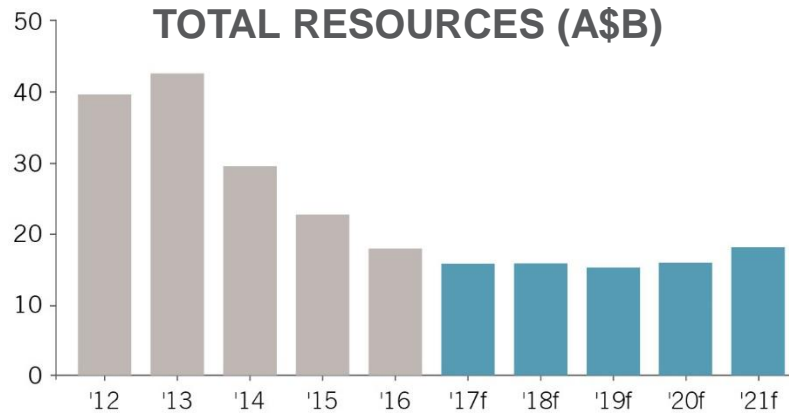
SALES REVENUE (\$M)



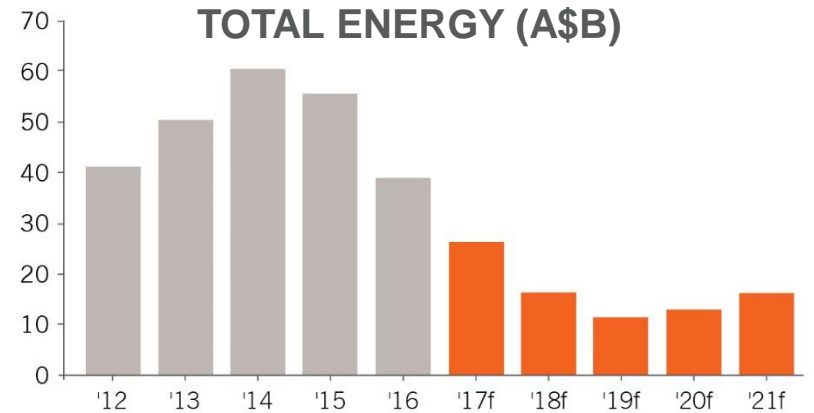
MAJOR CONTRACT ACTIVITY

- BHP Billiton Nickel West maintenance and shutdowns in the Goldfields, WA
- BHP Billiton, Olympic Dam maintenance and turnaround works, Roxby Downs, SA
- BM Coal Alliance, maintenance and turnaround works, Blackwater, Queensland
- BP, capital works and maintenance events, Kwinana Refinery, WA
- Chevron Australia, facilities maintenance at Barrow Island and Onslow, WA
- Incitec Pivot, shutdown and maintenance services, Moranbah, Qld
- Oil Search, project fieldwork services at production and support facilities in Papua New Guinea.
- QGC, shutdown and maintenance services at the LNG Plant, Curtis Island, Qld
- Rio Tinto, maintenance and minor capital works at coastal and inland operations, Pilbara, WA
- Shell Australia, early works on FLNG facilities, Browse Basin, WA
- Woodside, maintenance and turnarounds at Karratha Gas Plant and services under KLE Program through MGJV, Karratha, WA

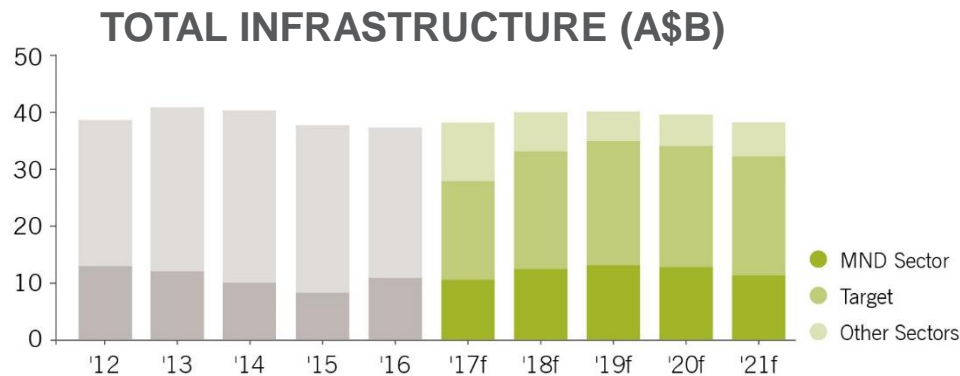
Australian Market Conditions



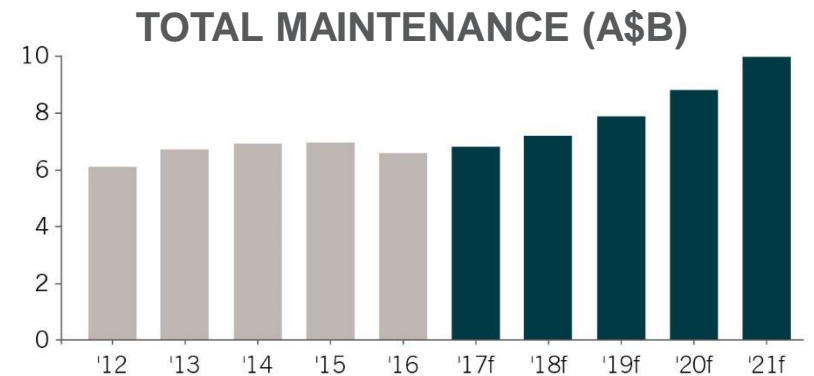
Source BIS Shrapnel – Mining in Australia (released May 2017)



Source BIS Shrapnel – Mining in Australia (released May 2017)



Source BIS Shrapnel – Value of work done Constant (May 2017)



Source BIS Shrapnel – Maintenance in Australia report (released December 2016)

Strategy

MAXIMISE RETURNS FROM CORE MARKETS	BUILD AN INFRASTRUCTURE BUSINESS	DELIVER CORE SERVICES TO NEW OVERSEAS MARKETS
<ul style="list-style-type: none"> ✓ Secured major onshore and offshore oil and gas maintenance contracts ✓ Awarded new construction works on the Ichthys Project Onshore LNG Facilities ✓ Broadened specialist services offering ✓ Awarded EPC contract for Oil Search in PNG <p>PRIORITIES</p> <ul style="list-style-type: none"> • Continue to improve cost competitiveness and drive innovation • Secure EPC projects through Mondium • Deliver broader range of services to customers. 	<ul style="list-style-type: none"> ✓ Award of new contracts in water and irrigation in Australia and New Zealand ✓ Entered renewable energy market through Zenviron and secured two wind farm contracts to date <p>PRIORITIES</p> <ul style="list-style-type: none"> • Continue to grow water and irrigation in Australia and New Zealand • Grow Zenviron renewable energy business • Enter Australian civil transport infrastructure market. 	<ul style="list-style-type: none"> ✓ SinoStruct awarded fabrication contracts in North America; established workshop in Houston ✓ Secured work on Oyu Tolgoi in Mongolia ✓ Established offshore support services capability in Manila <p>PRIORITIES</p> <ul style="list-style-type: none"> • Capitalise on SinoStruct's North American presence • Secure further Oyu Tolgoi packages • Assess preferred overseas markets for future entry.

Outlook

- Australian resources and energy market conditions have stabilised
- Solid levels of sustaining capital expenditure to provide resources construction opportunities
- Maintenance services prospects remain positive
- Revenues from overseas business and infrastructure projects expected to grow
- Margins to remain under pressure from high levels of competition
- Continue to pursue acquisition opportunities in infrastructure markets.

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.

STATUTORY SALES REVENUE AND EBITDA RECONCILIATION

	FY17 \$M	FY16 \$M
Total sales revenue including joint ventures	1,264.7	1,364.7
Share of revenue from joint ventures ^	(19.5)	-
STATUTORY SALES REVENUE	1,245.2	1,364.7
^ Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method		
Profit before income tax	82.7	95.6
Interest expense	0.7	1.0
Interest revenue	(3.8)	(4.2)
Depreciation expense	17.9	21.1
Amortisation expense	0.6	0.1
Share of interest, tax, depreciation and amortisation from joint ventures #	0.2	-
EBITDA	98.2	113.6

Represents Monadelphous' proportionate share of interest, tax, depreciation and amortisation of joint ventures accounted for using the equity method

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.