

2019 ANNUAL GENERAL MEETING

19 NOVEMBER 2019



**TOGETHER
WE DELIVER**

2 OPERATING DIVISIONS



ENGINEERING
CONSTRUCTION



MAINTENANCE &
INDUSTRIAL SERVICES

OUR INDUSTRIES



ENERGY



INFRASTRUCTURE



RESOURCES

 **5,942**
EMPLOYEES
(total workforce 7,091)



24 LOCATIONS
IN 7 COUNTRIES

\$1.5 BILLION MARKET
CAPITALISATION

*Employees and workforce as at 30 June 2019
Market capitalisation as at 15 November 2019*

BOARD OF DIRECTORS



John Rubino
Chairman



Rob Velletri
Managing Director



Peter Dempsey
Lead Independent
Non-Executive Director



Helen Gillies
Independent
Non-Executive Director



Chris Michelmore
Independent
Non-Executive Director



Sue Murphy AO
Independent
Non-Executive Director



Dietmar Voss
Independent
Non-Executive Director

AGENDA

1. Chairman's Address
2. Managing Director's Address
3. Items of Business
4. Other Business

1. CHAIRMAN'S ADDRESS

John Rubino



1. CHAIRMAN'S ADDRESS

- More sustainable business
- Cemented position as market leader in maintenance services
- Maintenance - solid recurring revenue base; broadened range of services
- Diversified into renewable energy and EPC
- Continue to grow footprint overseas, including recent entry into Chile
- Improved market conditions in Australia in resources and energy, good pipeline of opportunities
- Strong balance sheet to invest in suitable opportunities
- Strong safety culture fundamental to way we operate, key differentiator
- Continue to focus on attracting, retaining and developing the right people
- Innovation, continuous improvement and technology more important than ever

2. MANAGING DIRECTOR'S ADDRESS

Rob Velletri



2019 GROUP PERFORMANCE & HIGHLIGHTS



REVENUE*
\$1,608 MILLION

UNDERLYING NET PROFIT AFTER TAX#
\$57.4 MILLION

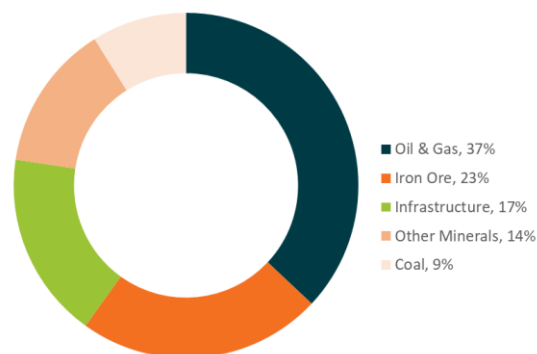
UNDERLYING EARNINGS PER SHARE#
61.0 CENTS

FULL YEAR DIVIDEND
48.0 CENTS

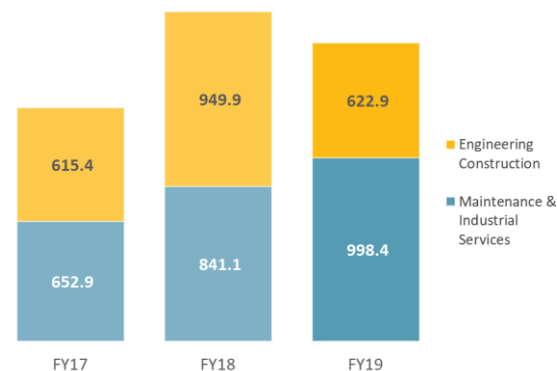
CASH
\$164.0 MILLION

CONTRACTS SECURED
\$1,350 MILLION

REVENUE BY END CUSTOMER



REVENUE BY DIVISION (\$M)



- Record revenue performance in Maintenance and Industrial Services division
- Strengthened position in water and renewables
- Secured \$1.35 billion of new contracts and extensions to date, including \$400 million secured post 30 June 2019

* Includes Monadelphous' share of joint venture revenue

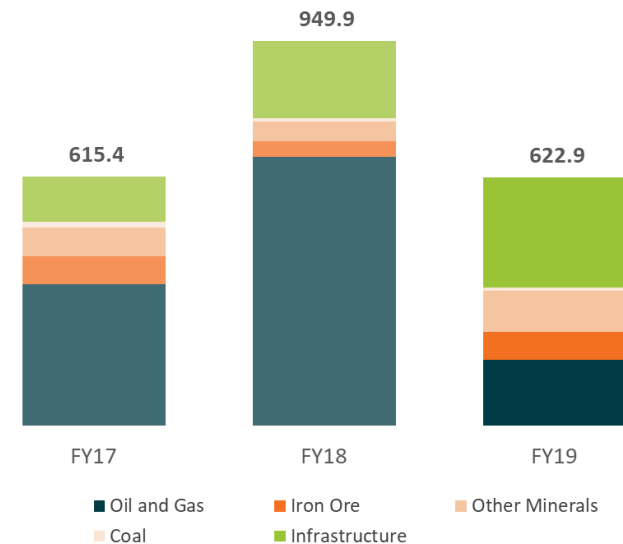
Underlying Net Profit After Tax (NPAT) and Underlying Earnings Per Share (EPS) exclude the impact of the \$6.8 million Research and Development tax repayment. Reported NPAT was \$50.6 million and reported EPS was 53.7 cents

2019 DIVISIONAL HIGHLIGHTS

ENGINEERING CONSTRUCTION

- Recorded revenue of \$622.9* million
- Renewed confidence in resources sector
- Secured major construction contracts on BHP's South Flank, and post year end, Rio Tinto's West Angelas and Albemarle Lithium's Kemerton projects
- \$500 million of resources construction contracts secured since 1 January 2019
- Executed a number of projects under the BHP WAIO Asset Projects Panel Contract
- Good progress on Oyu Tolgoi Underground Project in Mongolia
- Growth in revenue from infrastructure sectors
- Appointed to Hunter Water Corporation Complex Capital Works Design and Construct Panel
- Zenviron secured three new wind farm contracts
- Heavy lift crane services secured new work for Woodside

REVENUE BY END CUSTOMER (\$M)



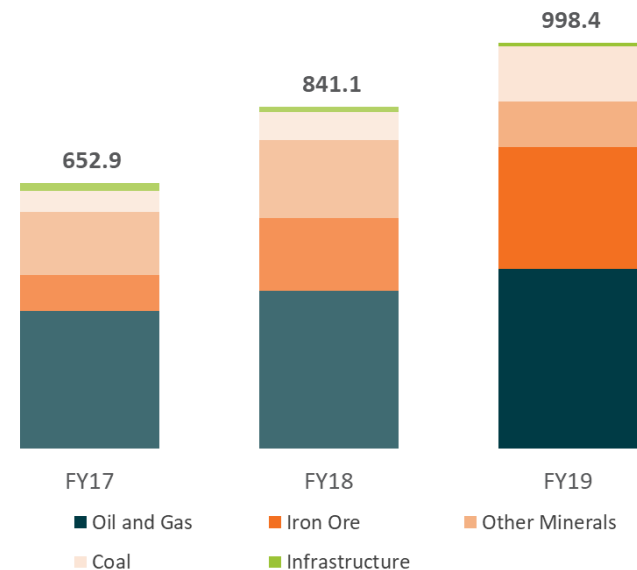
* Includes Monadelphous' share of joint venture revenue

2019 DIVISIONAL HIGHLIGHTS

MAINTENANCE & INDUSTRIAL SERVICES

- Revenue up 19 per cent to \$998.4 million
- Increased demand in WA resources sector for sustaining capital works, and additional turnaround activity
- Secured \$240 million three-year general maintenance services contract with BHP for iron ore operations in the Pilbara
- Strong growth in iron ore and oil and gas maintenance
- Continued to offer broadened range of services to new and existing customers
- Ongoing geographical expansion in NSW and Qld
- Purchased assets of iPipe Services
- Awarded \$60 million three-year rail services contract with Rio Tinto
- Divisional restructure completed to support growth

REVENUE BY END CUSTOMER (\$M)



FINANCIAL SNAPSHOT



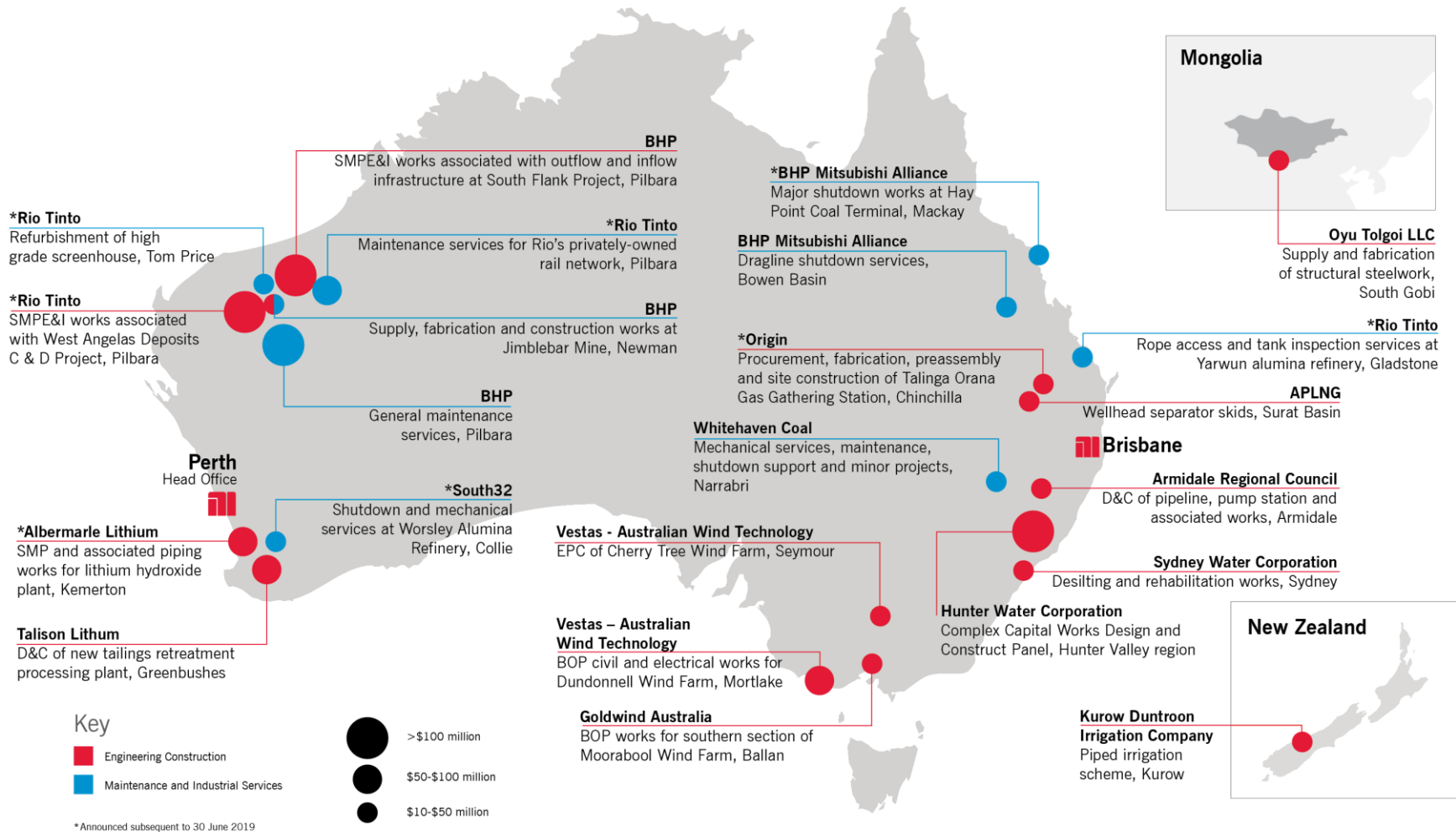
Year ended 30 June		FY19	FY18	CHANGE
Revenue	\$M	1,608.3*	1,784.0*	(9.85%)
Engineering Construction		622.9*	949.9*	(34.4%)
Maintenance and Industrial Services		998.4	841.1	18.7%
<i>Internal Eliminations</i>		(13.0)	(7.0)	
EBITDA	\$M	106.8^	119.0^	(10.3%)
EBITDA margin	%	6.6	6.7	(0.1pp)
Underlying NPAT	\$M	57.4#	71.5	(19.6%)
Reported NPAT	\$M	50.6	71.5	(29.3%)
Underlying EPS	cps	61.0	76.1	(19.8%)
Reported EPS	cps	53.7	76.1	(29.4%)
DPS (fully franked)	cps	48.0	62.0	(22.6%)
Cash balance	\$M	164.0	208.8	(21.4%)

* Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 44

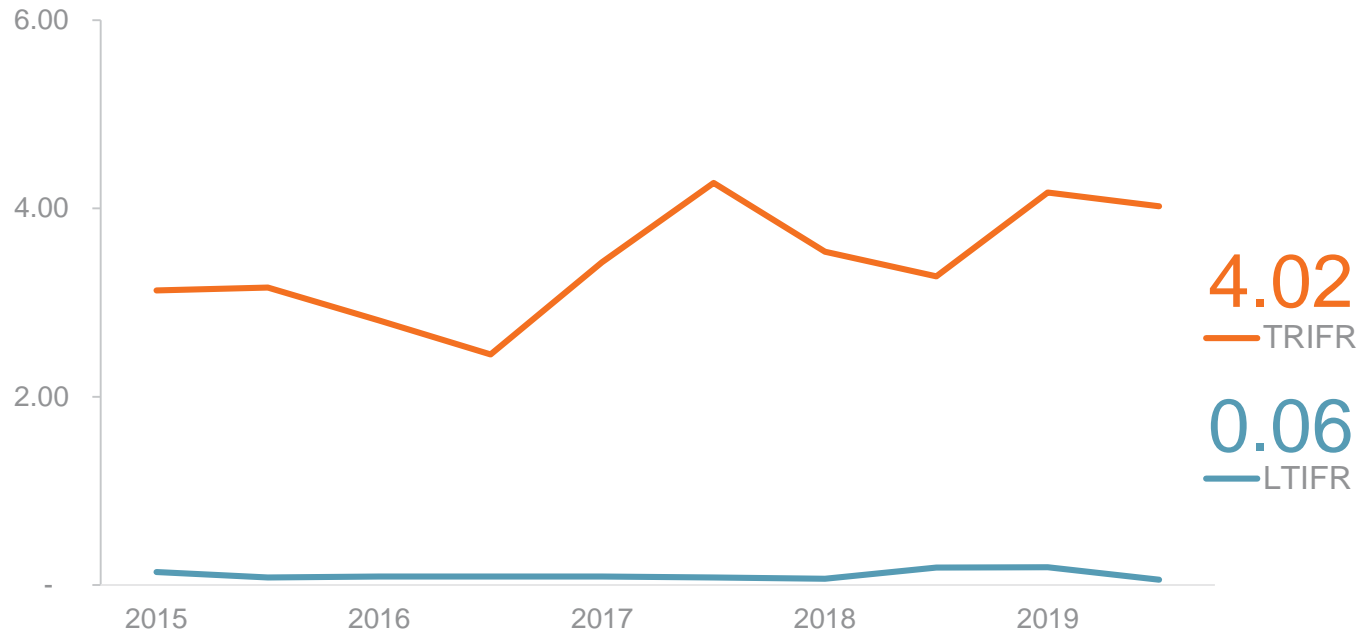
^ Refer to reconciliation on slide 44

Refer to reconciliation on slide 44

CONTRACTS SECURED

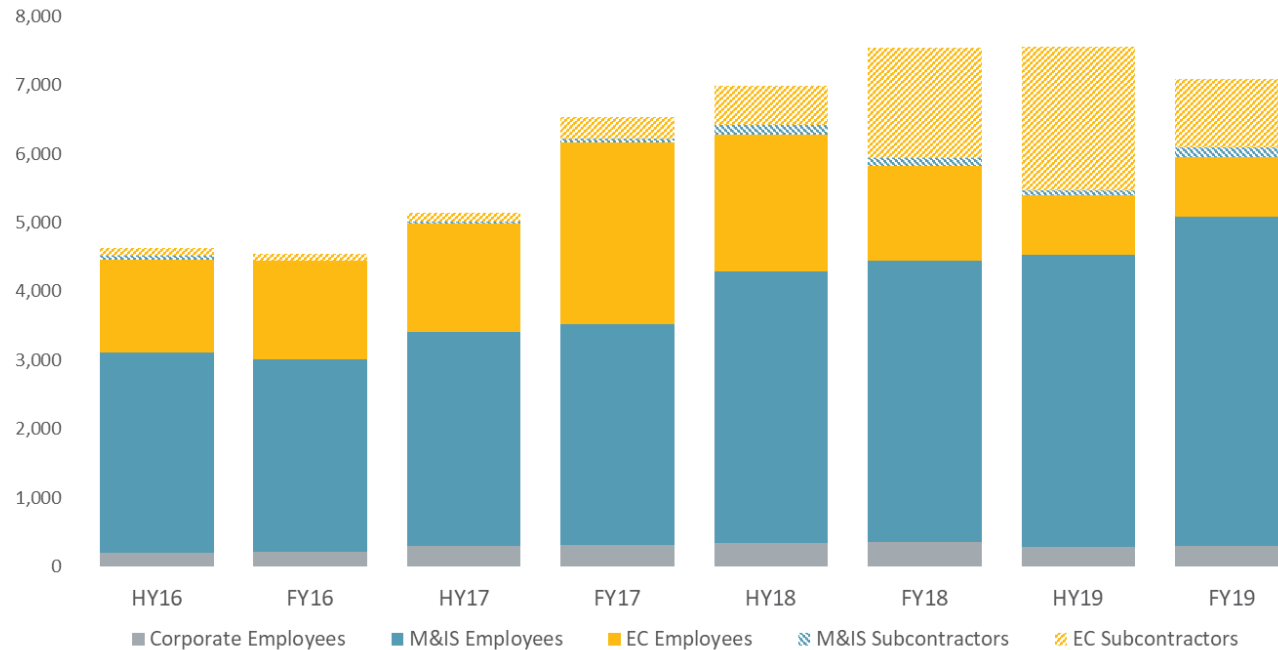


SAFETY PERFORMANCE



- TRIFR impacted by rapid mobilisation of resources to support growth in maintenance activity and increased subcontractor numbers across business
- Implemented improved subcontractor management, revised safety leadership development program, and launched safety behavioural framework
- Major M&IS divisional restructure to focus management resources on safety performance and initiatives

PEOPLE



- Large proportion of subcontractor labour, both internationally and in infrastructure
- Increase in direct employee numbers due to increase in maintenance services activity
- Maintain focus on attracting and retaining key talent as conditions improve and employment market tightens
- Launched Gender Diversity and Inclusion Plan



Left: Hunter Water's Dungog Wastewater Treatment Plant in New South Wales.

Right: The Pukaki Irrigation Scheme located in the Mackenzie Basin, New Zealand.



228MW Lal Lal Wind Farm, located in the Moorabool Shire of Victoria.



Talison Lithium's Greenbushes mine site in Western Australia.



Maintenance work continues to ramp up at BHP's iron ore operations across the Pilbara.



Shell's Prelude Floating Liquefied Natural Gas Facility in Western Australia.



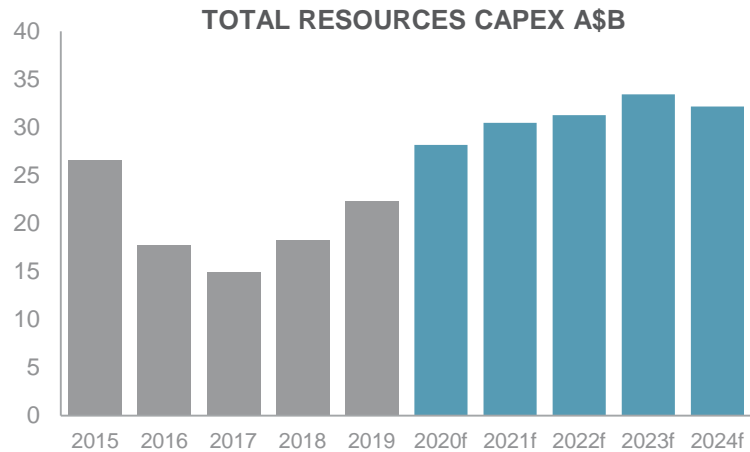
Our newly formed Rail Team undertaking work on Rio Tinto's iron ore rail network in the Pilbara.



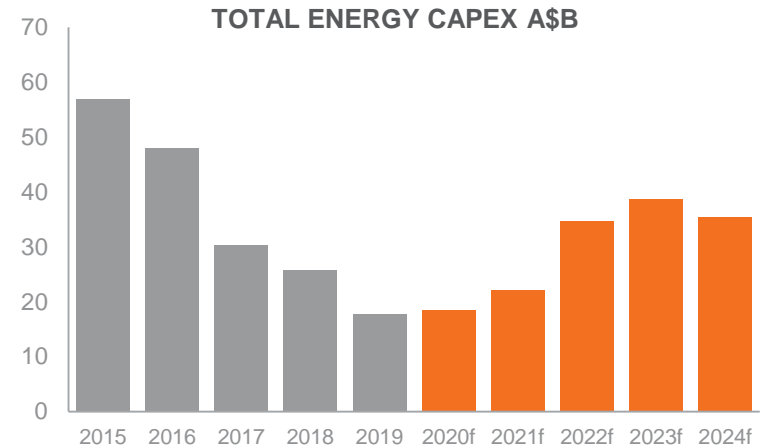
Chilean-based construction and maintenance services contractor, Buildtek.



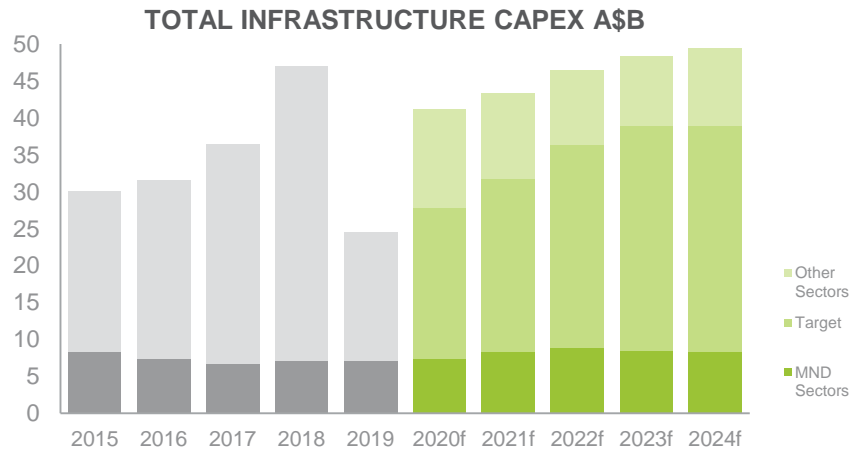
Monadelphous Mechatronics Engineer with our in-house developed skirt inspection robot.



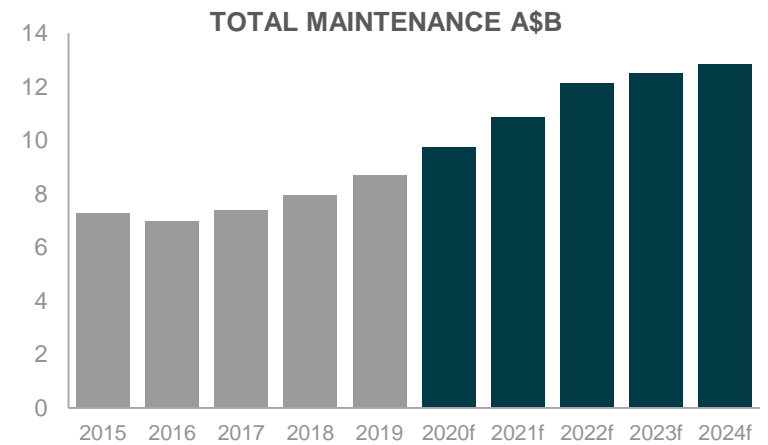
Source: BIS Oxford Economics, ABS (September 2019)



Source: BIS Oxford Economics, ABS (September 2019)



Source: BIS Oxford Economics, ABS (October 2019)



Source: BIS Oxford Economics, ABS (September 2019)

- Solid pipeline of opportunities in resources and energy sector
- Project development activity increasing, particularly in iron ore
- LNG prospects expected to be positive in years to come
- Maintenance activity to remain strong
- Investment in infrastructure healthy, prospects continuing in water and renewables
- FY20 revenue dependent on timing of secured work and value and timing of future awards
- Anticipate FY20 revenue to show progressive growth and be skewed towards second half
- 1H20 revenue expected to be up on 2H19 and similar to pcp
- High levels of competition, customer price sensitivity and expectations for cost competitive delivery will drive demand for productivity improvements and challenge margins
- Pressure in employment market, labour attraction and retention high priority



Monadelphous employees at our Port Hedland workshop in the Pilbara region of Western Australia.

3. ITEMS OF BUSINESS



Talinga Orana Gas Gathering Station near Chinchilla in Queensland.



To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2019.

RESOLUTION 1: RE-ELECTION OF DIRECTOR



To re-elect a Director: Mr John Rubino who, being eligible, offers himself for re-election.

RESOLUTION 1: RE-ELECTION OF DIRECTOR

The total of valid proxies received for Resolution 1 is 52,397,405 being:

50,676,337	FOR the resolution
965,220	AGAINST the resolution
755,848	OPEN to proxy
230,786	ABSTAIN

RESOLUTION 2: RE-ELECTION OF DIRECTOR



To re-elect a Director: Mr Dietmar Voss who, being eligible, offers himself for re-election.

RESOLUTION 2: RE-ELECTION OF DIRECTOR

The total of valid proxies received for Resolution 2 is 52,396,950 being:

51,379,757	FOR the resolution
256,558	AGAINST the resolution
760,635	OPEN to proxy
231,241	ABSTAIN

RESOLUTION 3: RE-ELECTION OF DIRECTOR



To re-elect a Director: Ms Sue Murphy who, being eligible, offers herself for re-election.

RESOLUTION 3: RE-ELECTION OF DIRECTOR

The total of valid proxies received for Resolution 3 is 52,397,846 being:

51,481,662	FOR the resolution
157,231	AGAINST the resolution
758,953	OPEN to proxy
230,345	ABSTAIN

RESOLUTION 4: FEES TO NON-EXECUTIVE DIRECTORS

To consider that for the purposes of ASX Listing Rule 10.17 and Clause 11.15 of the Company's Constitution, the maximum aggregate amount of directors' fees that may be paid to the Company's Non-Executive Directors per annum is increased by \$100,000, from \$750,000 per annum to \$850,000 per annum.

RESOLUTION 4: FEES TO NON-EXECUTIVE DIRECTORS

The total of valid proxies received for Resolution 4 is 52,215,757 being:

50,993,757	FOR the resolution
463,894	AGAINST the resolution
758,106	OPEN to proxy
409,582	ABSTAIN

RESOLUTION 5: GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR



To grant up to a maximum of 19,310 performance rights to the Company's Managing Director, Mr Robert Velletri, or his nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.

RESOLUTION 5: GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR

The total of valid proxies received for Resolution 5 is 52,034,013 being:

50,243,054	FOR the resolution
1,039,598	AGAINST the resolution
751,361	OPEN to proxy
594,178	ABSTAIN

RESOLUTION 6: ADOPTION OF REMUNERATION REPORT



To consider and adopt the Remuneration Report for the year ended 30 June 2019.

RESOLUTION 6: ADOPTION OF REMUNERATION REPORT

The total of valid proxies received for Resolution 6 is 52,189,811 being:

49,682,339	FOR the resolution
1,756,624	AGAINST the resolution
750,848	OPEN to proxy
384,919	ABSTAIN



Wind turbines at Lal Lal Wind Farm in regional Victoria.

4. OTHER BUSINESS



Employees reviewing the Monadelphous Stretch Reconciliation Action Plan 2017-2020.

FOR MORE INFORMATION:



Investor Relations

Telephone: +61 8 9316 6386

Email: investor_relations@monadel.com.au

www.Monadelphous.com.au

APPENDICES



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 REVENUE FROM CONTRACTS WITH CUSTOMERS AND EBITDA RECONCILIATIONS

	FY19 \$M	FY18 \$M
Total revenue from contracts with customers including joint ventures	1,608.3	1,784.0
Share of revenue from joint ventures [^]	(131.0)	(49.1)
STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS	1,477.3	1,734.9
Profit before income tax	83.4	102.8
Interest expense	1.9	0.5
Interest revenue	(2.2)	(2.6)
Depreciation expense	19.5	17.2
Amortisation expense	1.3	0.6
Share of interest, tax, depreciation and amortisation from joint ventures [*]	2.9	0.5
EBITDA	106.8	119.0

[^] Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method

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

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UNDERLYING NET PROFIT AFTER TAX RECONCILIATION

	FY19 \$M	FY18 \$M
Reported net profit after income tax attributable to members	50.6	71.5
Research and development tax repayment*	6.8	-
UNDERLYING NET PROFIT AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS	57.4	71.5

* During the period, the Company made a one-off provision of approximately \$7 million (net of tax) which impacted its net profit after tax. The provision resulted from the receipt of Notices of Amended Assessments from the Australian Taxation Office relating to the 2015 and 2016 income years. The amended assessments relate to Research and Development tax incentives claimed by the Company in those years, which were subsequently deemed to be ineligible.

DISCLAIMER & IMPORTANT NOTICE



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.