

FULL YEAR RESULTS 2020

18 AUGUST 2020

TOGETHER WE DELIVER

 Monadelphous



2 OPERATING DIVISIONS



ENGINEERING
CONSTRUCTION



MAINTENANCE &
INDUSTRIAL SERVICES

OUR INDUSTRIES



ENERGY



INFRASTRUCTURE



RESOURCES

 **5,579**
EMPLOYEES
(total workforce 5,689)

28



LOCATIONS IN 7 COUNTRIES

2020 GROUP PERFORMANCE & HIGHLIGHTS

REVENUE¹
\$1,651 MILLION

NET PROFIT AFTER TAX
\$36.5 MILLION

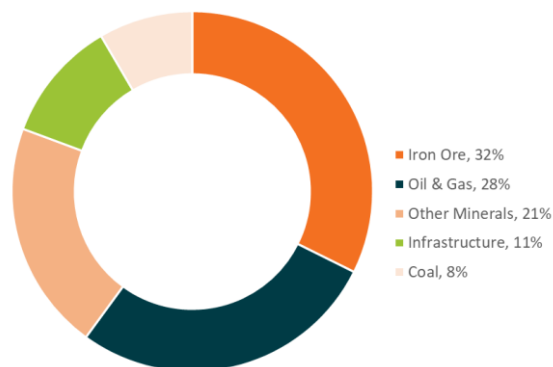
EARNINGS PER SHARE
38.7 CENTS

FULL YEAR DIVIDEND
35.0 CENTS

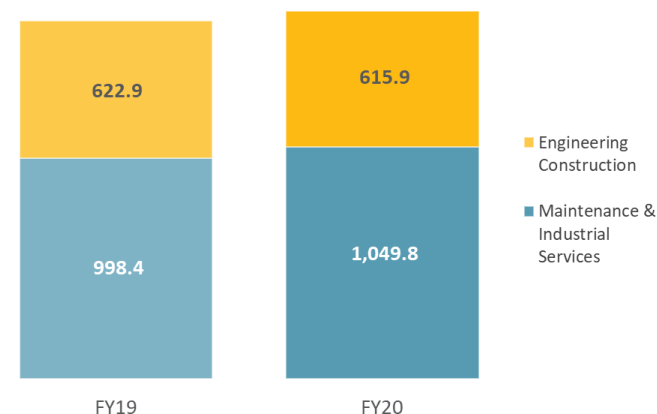
CASH
\$208.3 MILLION

CONTRACTS SECURED
\$1.2 BILLION

REVENUE BY END CUSTOMER



REVENUE BY DIVISION (\$M)



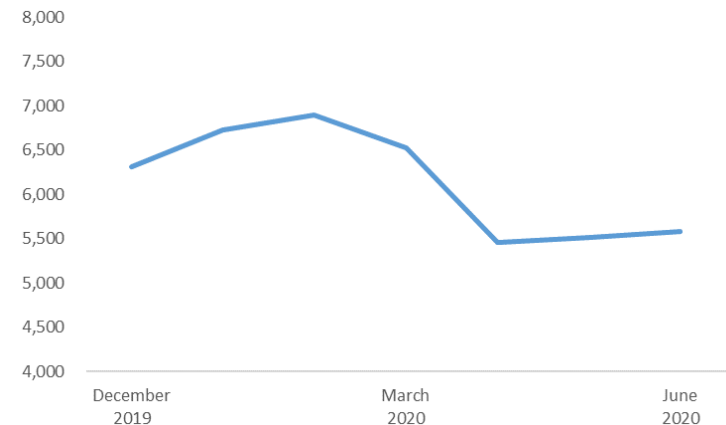
- Record revenue performance in Maintenance and Industrial Services
- Several large resources construction projects underway
- Second half impacted by COVID-19 and water underperformance
- Secured \$1.2 billion of new contracts and extensions to date
- Strategic acquisitions in coal seam gas, rail and Chile
- Strong balance sheet despite challenging economic and operating conditions

¹ Includes Monadelphous' share of joint venture revenue

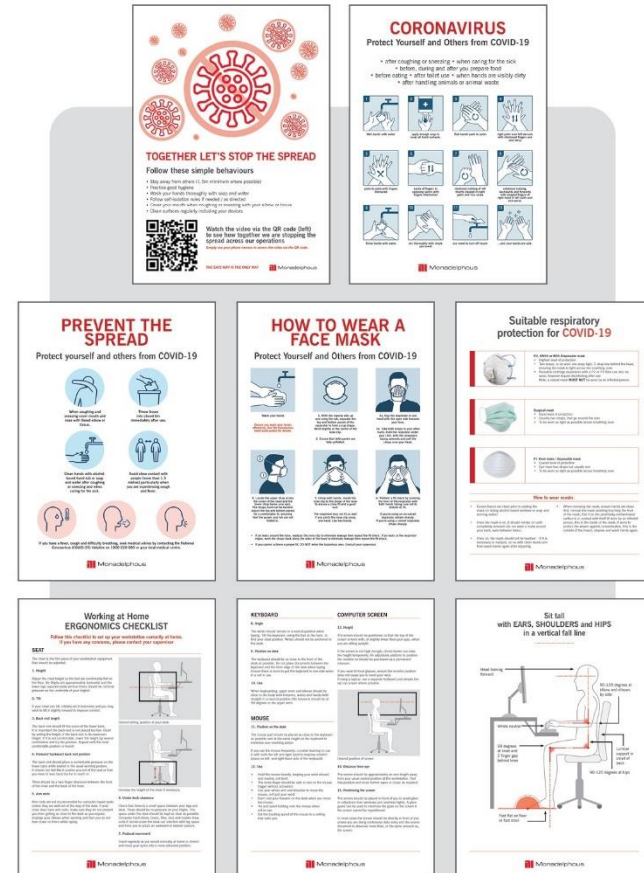
IMPACT OF COVID-19

- Second half significantly impacted by economic and social impact of COVID-19
- Measures implemented to prevent spread resulted in delay, suspension, deferral and reduction of services across broad range of projects and worksites, and temporary deferral of new awards
- Customers reduced non-essential work and delayed discretionary expenditure
- Supply chain issues caused delays on several large construction projects
- Approximately 10 per cent of FY20 revenue deferred into subsequent financial periods
- Employee numbers reduced by approximately 19 per cent from February 2020

EMPLOYEE NUMBERS



- Proactive measures implemented to ensure business sustainability and protect safety and wellbeing of employees and community
- Dedicated team to monitor, assess and provide guidance to business
- Health risk management protocols prepared and implemented
- Implemented targeted cost reduction and cash protection plan
- Board and Executive salary reductions
- Disciplined and prudent financial management resulted in strong cash flow from operations and year end cash balance
- Demand from customers steadily improving, stabilisation and slow recovery over recent months

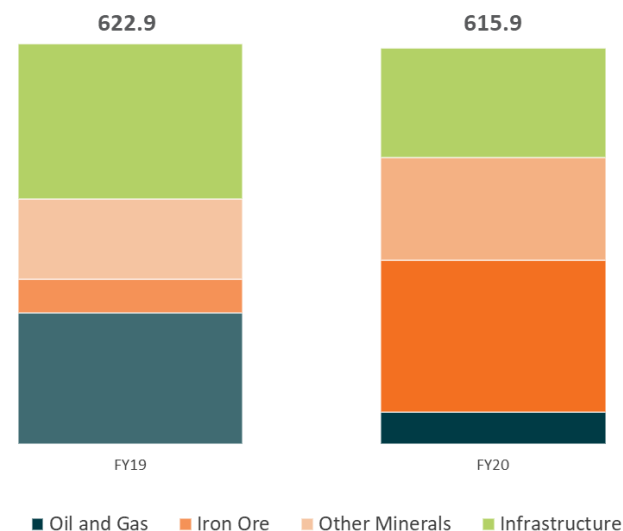


2020 DIVISIONAL HIGHLIGHTS

ENGINEERING CONSTRUCTION

- Recorded revenue of \$615.9 million¹
- Secured \$640 million of new contracts
- Work continued on several large resources construction projects for BHP, Rio Tinto and Albemarle
- Awarded contract for site assembly of world's largest ore handling stockyard machines
- Executed several projects under BHP WAIO Asset Projects Panel Contract
- Completed current packages of work on Oyu Tolgoi project
- Mondium secured strategically important \$400 million EPC contract with Rio Tinto
- SinoStruct support for delivery of key construction projects
- Zenviron continued to strengthen position in renewable energy market

REVENUE BY END CUSTOMER (\$M)



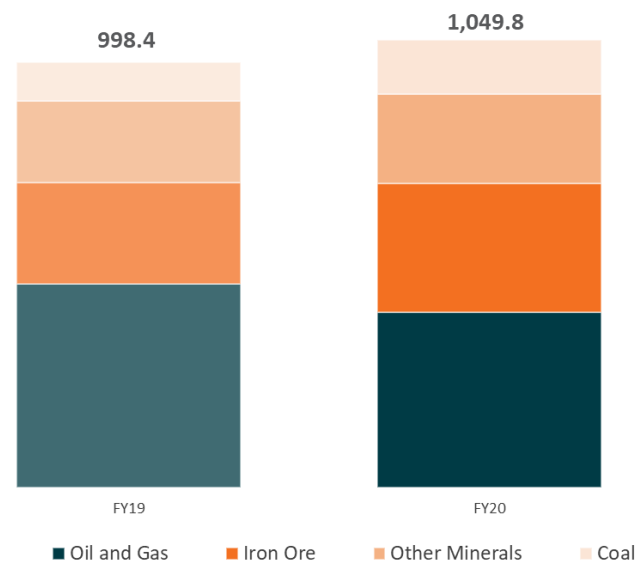
¹ Includes Monadelphous' share of joint venture revenue

2020 DIVISIONAL HIGHLIGHTS

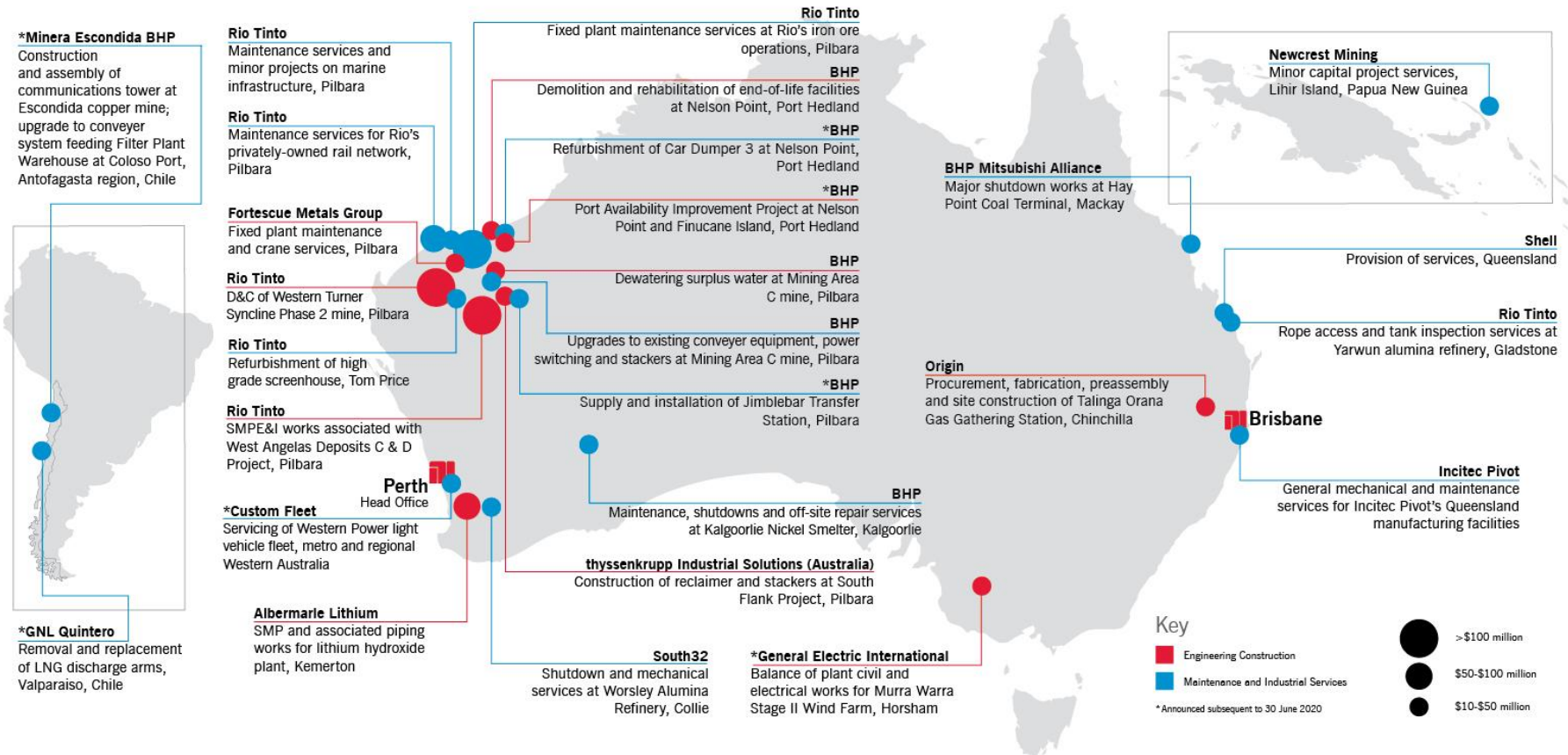
MAINTENANCE & INDUSTRIAL SERVICES

- Revenue of \$1.05 billion
- Third consecutive record annual revenue performance
- Significant increase in shutdown and maintenance work across resources sector
- Secured \$515 million in new contracts and extensions
- Awarded major five-year fixed plant maintenance and shutdown services contract with Rio Tinto
- Appointed to BHP WAIO Site Engineering Panel for further two years
- Acquired Qld based specialist CSG services provider iPipe
- Established stand-alone industrial services team
- Continued to build rail services offering
- Awarded three-year contract with Rio Tinto to service privately-owned rail network
- Acquired Chile-based maintenance and construction services company Buildtek

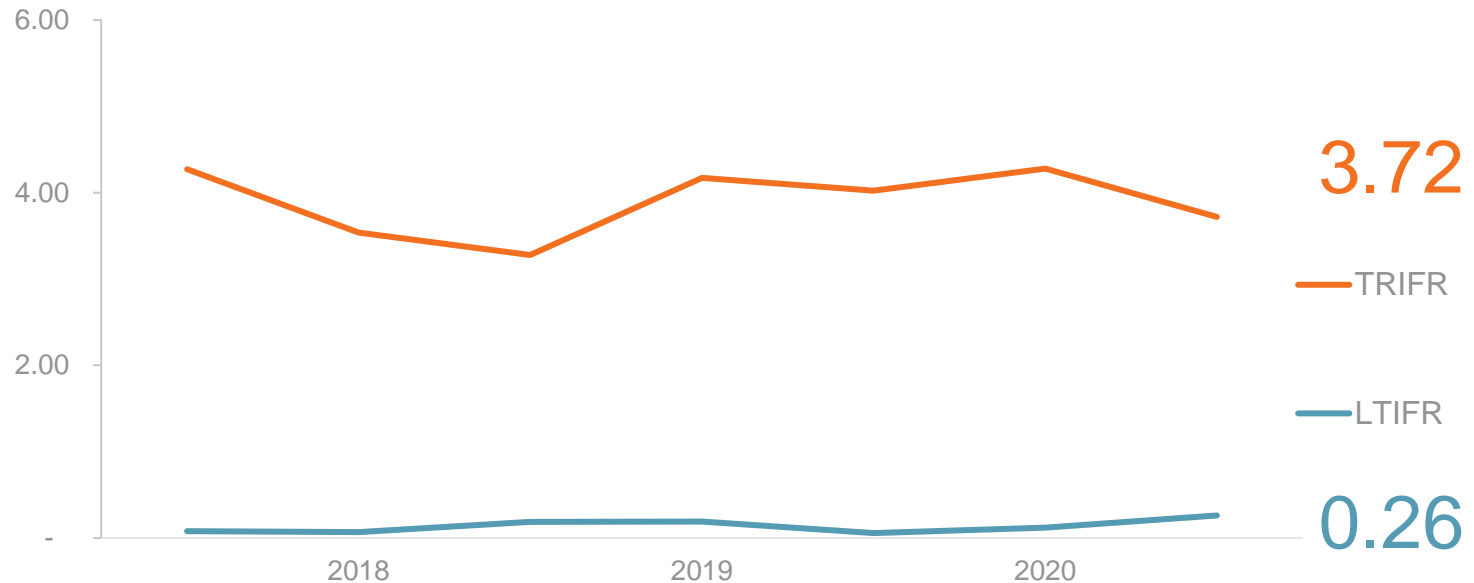
REVENUE BY END CUSTOMER (\$M)



CONTRACTS SECURED

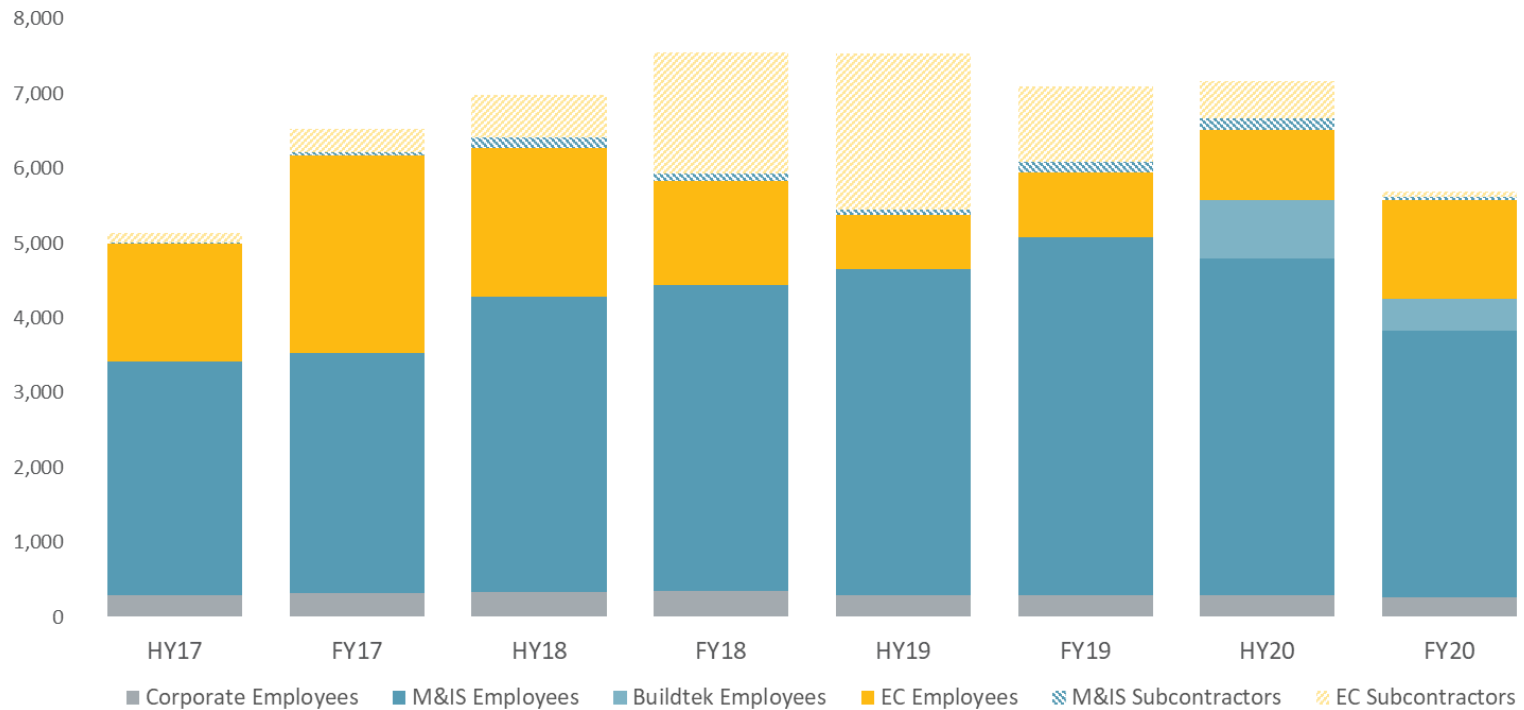


SAFETY PERFORMANCE



- Tragic incident at Kalgoorlie services facility
- Year-on-year improvement in TRIFR performance
- Engineering Construction achieved zero recordable injuries in resources for 12 month period
- Rollout of Maintenance & Industrial Services division safety behavioural framework
- Enhanced fatal risk controls

PEOPLE



- Strong demand for resources sector personnel
- Implemented strategic sourcing initiatives and reviewed succession planning
- 5,579 employees at 30 June 2020
- Retention and development initiatives will become increasingly important as labour market tightens across resources sector

DIVERSITY



- Inclusive organisational culture
- Employment pathways for Aboriginal and Torres Strait Islander peoples and women

EDUCATION



- Future talent pipeline
- Promotion of STEM curriculum choices

COMMUNITY



- Strong relationships with local employees, businesses and community groups
- Local, grassroots initiatives

ENVIRONMENT



- Conservation and protection
- Waste reduction and management

- Strong female participation, including job and development opportunities
- 40% of 2020 Apprenticeship Program appointments and 25% of 2020 Graduate Program appointments were female
- 20% of key leadership development programs participants were female
- Aboriginal and Torres Strait Islander employment stretch goal achieved and maintained
- Engaged with key stakeholders to develop next Stretch Reconciliation Action Plan and Gender Diversity and Inclusion Plan for 2021 – 2023
- Developed dedicated engagement plans for strategic regional locations
- Supported more than 50 local community initiatives

FINANCIAL SNAPSHOT

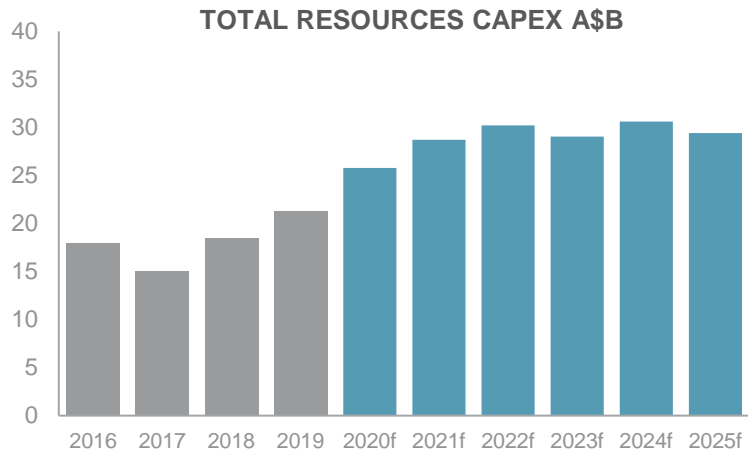


Period ended 30 June		FY20	FY19	CHANGE
Revenue ¹	\$M	1,650.8	1,608.3	2.6%
Engineering Construction ¹		615.9	622.9	(1.1%)
Maintenance and Industrial Services		1,049.8	998.4	5.1%
<i>Internal Eliminations</i>		(14.9)	(13.0)	
EBITDA ^{2,3}	\$M	92.1	106.8	(13.8%)
EBITDA margin ²	%	5.6	6.6	(1.0pp)
NPAT	\$M	36.5	50.6	(27.8%)
EPS	cps	38.7	53.7	(28.0%)
DPS (fully franked)	cps	35.0	48.0	(27.1%)
Cash balance	\$M	208.3	164.0	27.0%

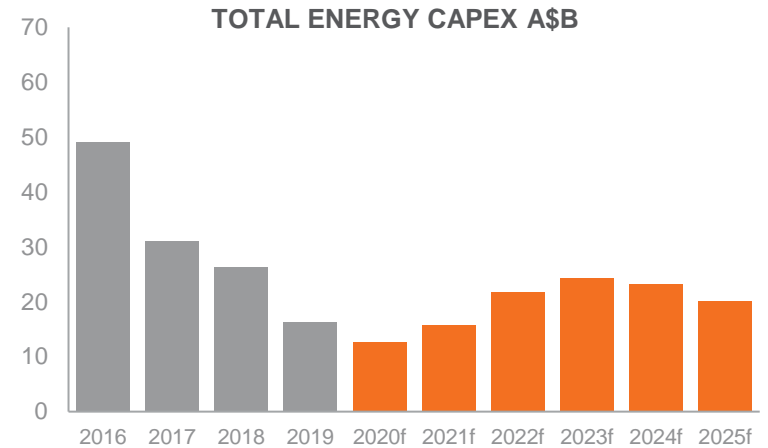
¹ Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 18

² The adoption of the new accounting standard AASB 16 Leases from 1 July 2019 resulted in additional depreciation and interest expenses on other lease liabilities of \$9.9 million for the period, with a corresponding \$9.3 million reduction in operating lease expenses.

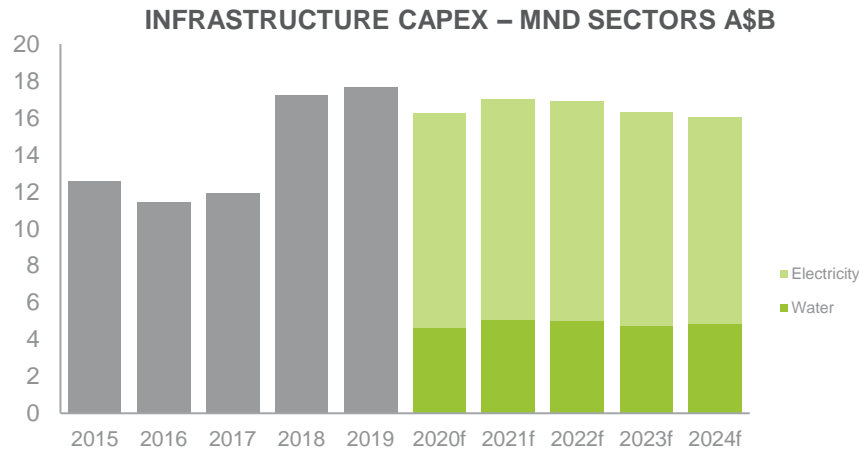
³ Refer to reconciliation of EBITDA on slide 18



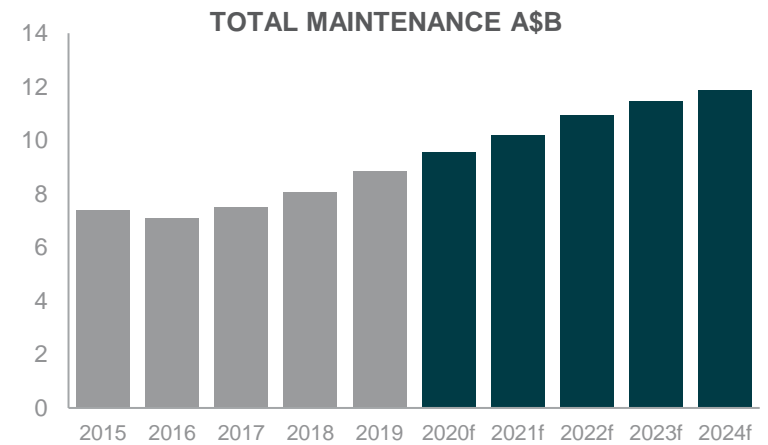
Source: BIS Oxford Economics, ABS (June 2020)



Source: BIS Oxford Economics, ABS (June 2020)



Source: BIS Oxford Economics, ABS (April 2020)



Source: BIS Oxford Economics, ABS (June 2020)

- Uncertain global economic outlook due to COVID-19
- Resources sector expected to provide steady flow of opportunities
- Outlook for Australian iron ore remains solid
- Chilean copper market expected to provide growth opportunities
- Declining global demand on oil and gas sector resulted in delays in new LNG developments
- Long term outlook for renewable projects positive
- Maintenance activity expected to recover slowly
- Longer term demand for maintenance services expected to grow
- Entered FY21 with solid forward workload
- Short to medium term financial performance dependent on extent and duration of impact from COVID-19
- Well positioned to capitalise on opportunities and deal with challenges ahead

APPENDICES



ENGINEERING CONSTRUCTION MAJOR PROJECTS FY 2020

- BHP; SMPE&I works associated with Inflow infrastructure at South Flank Project, Pilbara, WA
- BHP; SMPE&I works associated with Outflow infrastructure at South Flank Project, Pilbara, WA
- thyssenkrupp; site assembly of stackers and reclaimer, South Flank Project, Pilbara, WA
- Oyu Tolgoi LLC; SMPE&I works, Oyu Tolgoi Underground Project, South Gobi region, Mongolia
- Rio Tinto; SMPE&I works associated with West Angelas Deposits C & D Project, Pilbara, WA
- Albemarle Lithium; SMP and associated piping works for lithium hydroxide plant, Kemerton, WA
- Origin; procurement, fabrication, preassembly and site construction of Talinga Orana Gas Gathering Station, near Chinchilla, Qld
- BHP; WAIO Asset Projects Panel, various SMPE&I integrated packages, Pilbara, WA
- Hunter Water Corporation; complex capital works design and construct panel, Hunter Valley, NSW
- Kurow Duntroon Irrigation Company; design and construction of piped irrigation scheme, Kurow, New Zealand
- Unitywater; upgrade to Kawana Sewage Treatment Plant, Sunshine Coast, Qld
- Sydney Water Corporation; network delivery management, delivery contractor panel for facilities and networks, Sydney, NSW
- Fortescue Metals Group; crane services, Pilbara, WA
- Australia Pacific LNG; supply, fabrication and assembly of wellhead separator skids, Qld
- Rio Tinto; design and construction of Western Turner Syncline Phase 2 mine, Pilbara, WA
- Talison Lithium; design and construction of new tailings retreatment processing plant, Greenbushes, WA
- Vestas – Australian Wind Technology; engineering, procurement and construction of Dundonnell Wind Farm, Mortlake, Vic
- CWP Asset Management; design and construction of civil and electrical balance of plant, transport and erection of Crudine Ridge Wind Farm, Mudgee, NSW
- Goldwind Australia; balance of plant works on the Moorabool Wind Farm, Ballan, Vic
- Vestas – Australian Wind Technology; engineering, procurement and construction of Cherry Tree Wind Farm, Seymour, Vic

MAINTENANCE & INDUSTRIAL SERVICES MAJOR SERVICE CONTRACTS FY 2020



- Woodside; onshore and offshore maintenance and brownfields services for Woodside-operated gas production facilities in north west of WA, maintenance and turnarounds at Karratha Gas Plant
- BHP Iron Ore; general maintenance, shutdowns and sustaining capital works, Pilbara, WA
- Rio Tinto; fixed plant maintenance services and sustaining capital works, Pilbara, WA
- BHP Mitsubishi Alliance; Hay Point SL2 shutdown works; maintenance and dragline shutdown works, Bowen Basin, Qld
- Oil Search; engineering, procurement and construction services at oil and gas production and support facilities, Papua New Guinea
- INPEX Operations Australia; offshore maintenance services, Browse Basin, WA
- Shell; provision of services in Queensland and WA
- BHP Olympic Dam; maintenance and shutdowns, Roxby Downs, SA
- BHP Nickel West; maintenance and shutdowns, Goldfields, WA
- Incitec Pivot; general mechanical contractor services, Moranbah, Qld
- South32; shutdown and mechanical services; Worsley, WA
- Rio Tinto; rail network maintenance, Pilbara, WA
- Glencore; maintenance and shutdowns, Hunter Valley, NSW
- BHP Coal; shutdown maintenance at Mount Arthur Coal, Hunter Valley, NSW
- Queensland Alumina Limited; maintenance and projects, Gladstone, Qld
- Newcrest Mining; maintenance works, Lihir Island, PNG
- Newmont; mechanical shutdown and tank maintenance and refurbishments, Boddington, WA

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

	FY20 \$M	FY19 \$M
Total revenue from contracts with customers including joint ventures	1,650.8	1,608.3
Share of revenue from joint ventures ¹	(163.4)	(131.0)
STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS	1,487.4	1,477.3
Profit before income tax	55.1	83.4
Interest expense on loans and hire purchase finance charges	1.7	1.9
Interest expense on other lease liabilities ²	1.9	-
Interest revenue	(1.2)	(2.2)
Depreciation of owned and hire purchase assets	22.6	19.5
Depreciation of right of use assets ²	8.0	-
Amortisation expense	0.7	1.3
Share of interest, tax, depreciation and amortisation from joint ventures ³	3.3	2.9
EBITDA	92.1	106.8

¹ Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method

² The new accounting standard AASB 16 Leases was adopted from 1 July 2019. Comparatives have not been restated.

³ Represents Monadelphous' proportionate share of interest, tax, depreciation and amortisation of joint ventures accounted for using the equity method

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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.