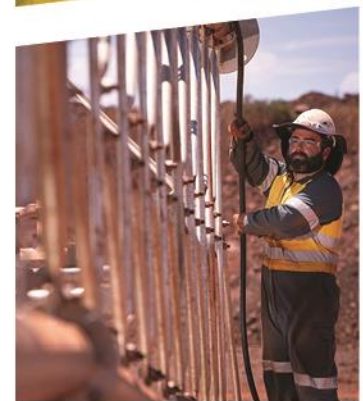


# ANNUAL GENERAL MEETING 2020

24 NOVEMBER 2020

TOGETHER WE DELIVER

 Monadelphous



## ACKNOWLEDGEMENT OF COUNTRY

MATT MACFARLANE – MONADELPHOUS LOCAL CONTENT COORDINATOR



Safety & Wellbeing



Integrity



Achievement



Teamwork



Loyalty

Artwork commissioned by Monadelphous in 2012 by internationally renowned, Perth-based Walmajarri artist, Clifton Bieundurry, illustrating the Company's values.

# 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

*Employees and workforce as at 30 June 2020*

## ONLINE ATTENDEES – QUESTION PROCESS

When the Question function is available, the Q&A icon will appear at the top of the app

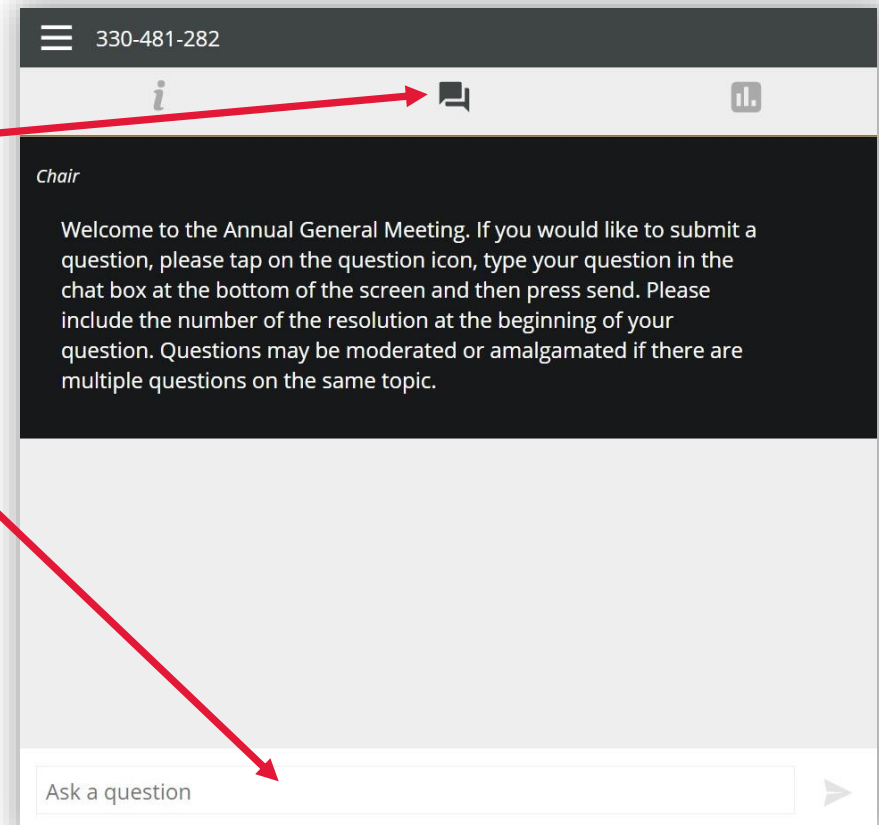


To send in a question, click in the 'Ask a question' box, type your question and press the send arrow



Your question will be sent immediately for review

 Received



## ONLINE ATTENDEES – VOTING PROCESS

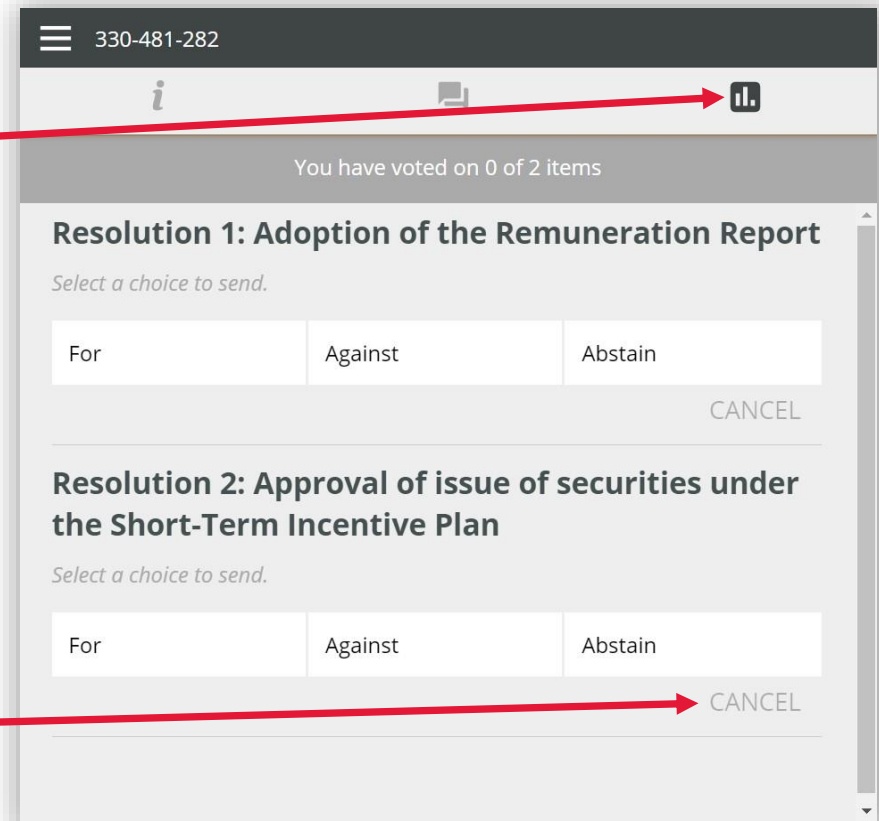
When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen.




To vote simply select the direction in which you would like to cast your vote. The selected option will change colour.

For  Against  Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed.



330-481-282

*i* 

You have voted on 0 of 2 items

**Resolution 1: Adoption of the Remuneration Report**  
*Select a choice to send.*

For  Against  Abstain

CANCEL

**Resolution 2: Approval of issue of securities under the Short-Term Incentive Plan**  
*Select a choice to send.*

For  Against  Abstain

CANCEL

# 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

- Continued to grow in core markets and diversify business, ensuring a sustainable business
- Strong demand for maintenance, shutdown and sustaining capital works
- Maintenance and Industrial Services division achieved third consecutive record annual revenue
- Strengthen marine, civil, fabrication and corrosion management services
- Strategic acquisitions in coal seam gas, rail and Chile
- Commenced work on large resource construction projects
- Expanded engineering, procurement and construction delivery through Mondium
- Cemented position as a leader in renewable energy via Zenviron
- COVID-19 continues to create uncertainty, however resources sector expected to provide steady flow of opportunities
- Strong balance sheet to invest in suitable opportunities

## 1. MANAGING DIRECTOR'S ADDRESS

**Rob Velletri**



# 2020 GROUP PERFORMANCE & HIGHLIGHTS

REVENUE<sup>1</sup>  
**\$1,651** MILLION

NET PROFIT AFTER TAX  
**\$36.5** MILLION

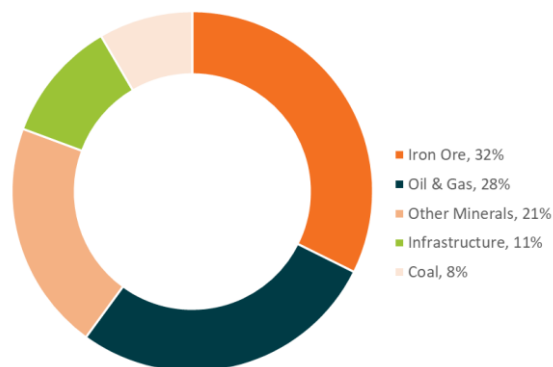
EARNINGS PER SHARE  
**38.7** CENTS

FULL YEAR DIVIDEND  
**35.0** CENTS

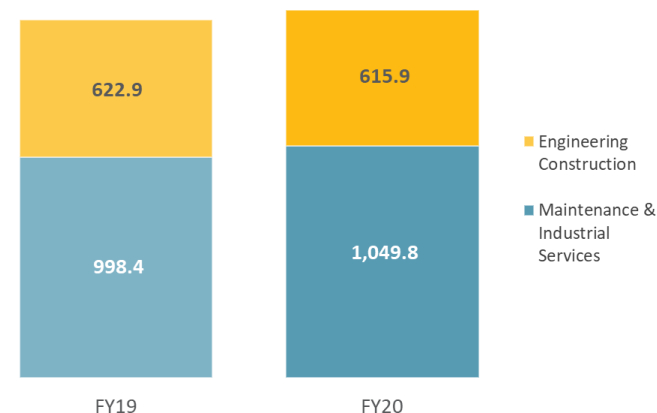
CASH  
**\$208.3** MILLION

CONTRACTS SECURED  
**\$1.34** BILLION

## REVENUE BY END CUSTOMER



## REVENUE BY DIVISION (\$M)



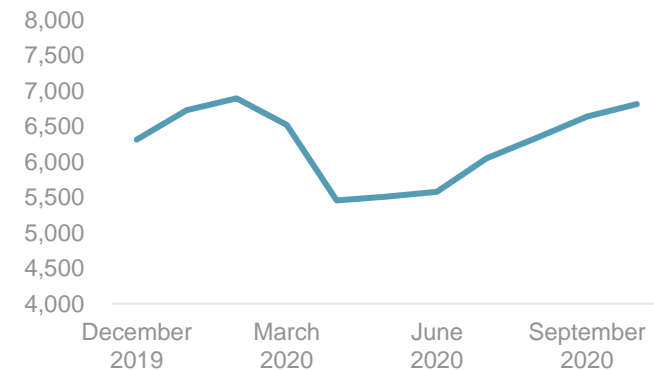
- Record revenue performance in Maintenance and Industrial Services
- Several large resources construction projects underway
- Second half impacted by COVID-19 and water underperformance
- Secured \$1.34 billion of new contracts and extensions to date, including \$325 million since 30 June

<sup>1</sup> Includes Monadelphous' share of joint venture revenue

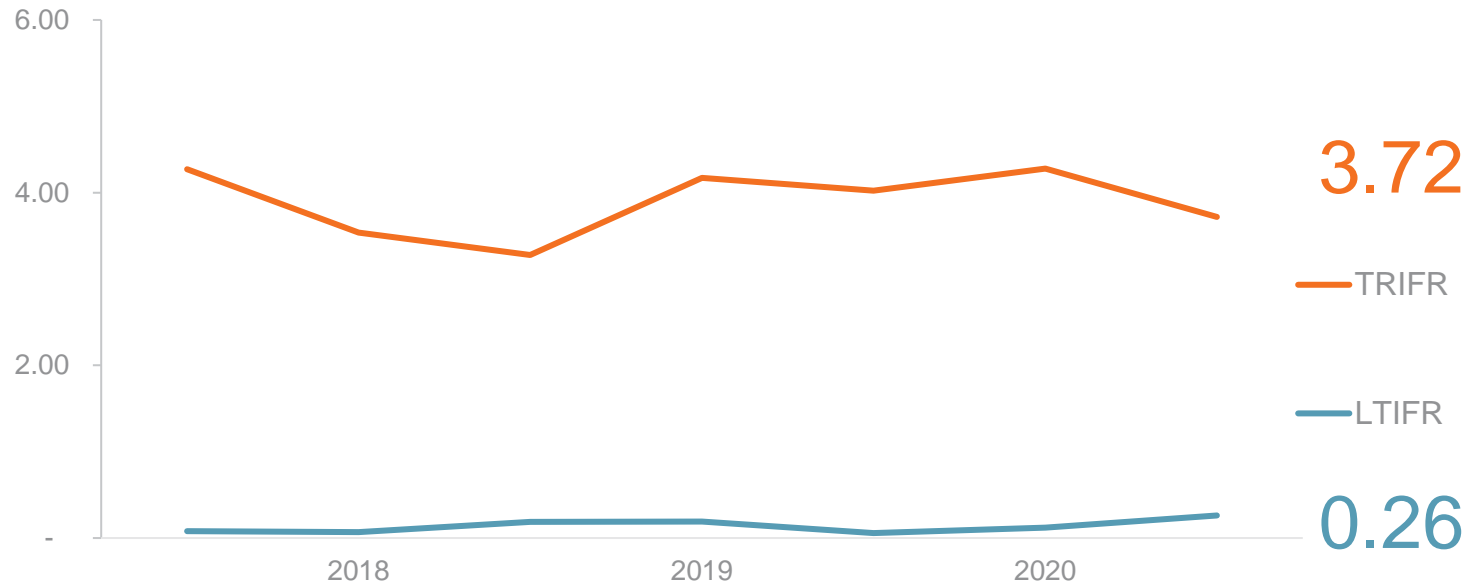
## IMPACT OF COVID-19

- Second half significantly impacted by economic and social impact of COVID-19
- Broad range of projects and services contracts delayed, suspended and reduced, and temporary deferral of new awards
- Workforce numbers declined approximately 20 per cent between February and June
- Approximately 10 per cent of FY20 revenue deferred into subsequent financial periods
- Continue to implement proactive measures protect safety and wellbeing of employees and community and ensure long term sustainability
- Health risk management protocols implemented
- Targeted cost reduction and cash protection plan
- Board and Executive salary reductions
- Demand from customers improving, recovery over recent months
- Employee workforce numbers recovered over first four months of FY21

### EMPLOYEE NUMBERS



## 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

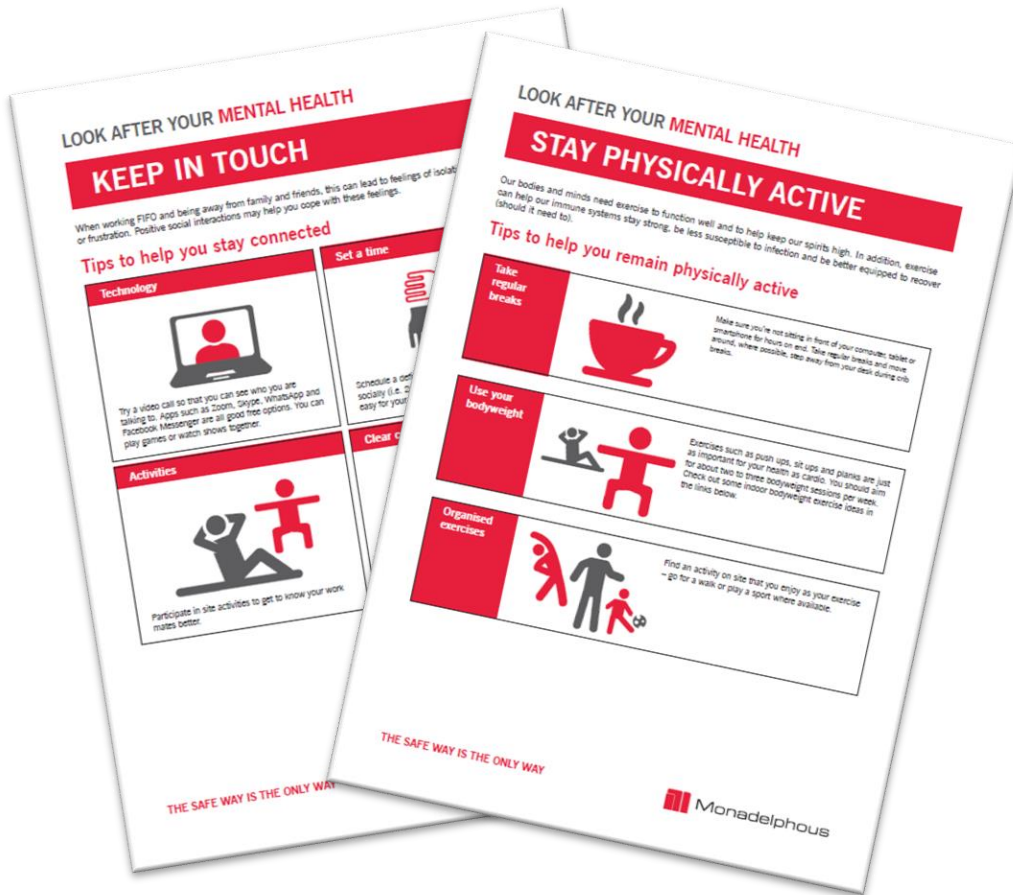
**SAFETY PERFORMANCE**  
**2020 MANAGING DIRECTOR'S SAFETY INNOVATION AWARD**



Conveyor module assembly at BHP's South Flank Project, Newman, WA.

# SAFETY PERFORMANCE

## MENTAL HEALTH



Employee wellbeing and mental health awareness a key focus for Monadelphous in 2020.

## 2020 DIVISIONAL HIGHLIGHTS

### ENGINEERING CONSTRUCTION

- Recorded revenue of \$615.9 million<sup>1</sup>
- Secured \$715 million of new contracts, including \$155 million subsequent to year end
- 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)



<sup>1</sup> Includes Monadelphous' share of joint venture revenue



**2020 DIVISIONAL HIGHLIGHTS**  
**ENGINEERING CONSTRUCTION – SOUTH FLANK**



Monadelphous cranes lifting the stacker conveyor boom into final position at BHP's South Flank Project, Newman, WA.

## 2020 DIVISIONAL HIGHLIGHTS ENGINEERING CONSTRUCTION – KEMERTON PLANT



Construction underway at the MARBL Lithium Joint Venture's Kemerton Plant, south-west region, WA.

2020 DIVISIONAL HIGHLIGHTS  
ENGINEERING CONSTRUCTION – MONDIUM



Mondium preparing reinforcing bar for the primary crusher vault at Rio Tinto's Western Turner Syncline Phase 2 mine, Pilbara region, WA.

**2020 DIVISIONAL HIGHLIGHTS**  
**ENGINEERING CONSTRUCTION – ZENVIRON**



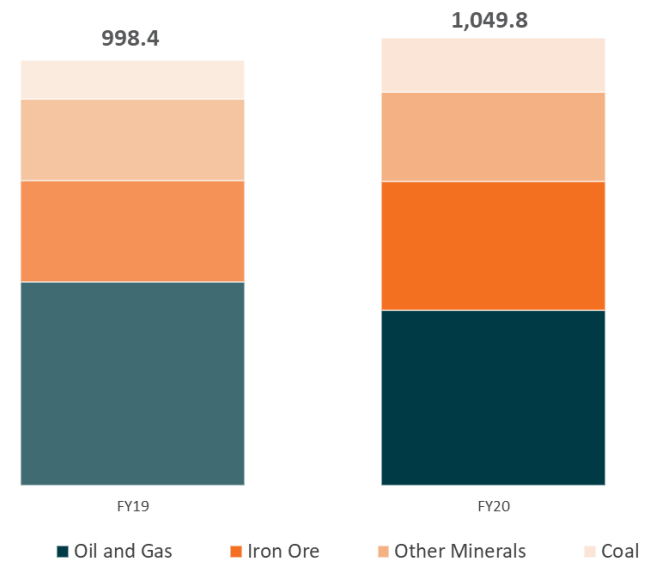
Lal Lal Wind Farm in regional Victoria.

## 2020 DIVISIONAL HIGHLIGHTS

### MAINTENANCE & INDUSTRIAL SERVICES

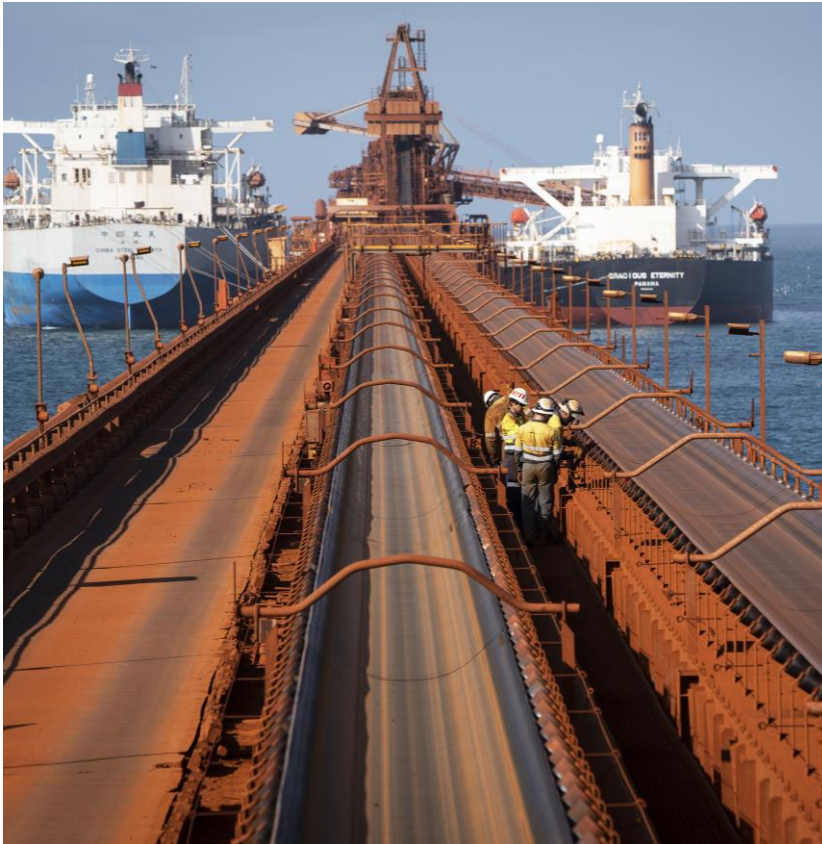
- Revenue of \$1.05 billion
- Third consecutive record annual revenue performance
- Significant increase in shutdown and maintenance work across resources sector
- Secured \$625 million in new contracts and extensions, including \$170 million subsequent to year end
- Awarded major five-year fixed plant 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)



## 2020 DIVISIONAL HIGHLIGHTS

### MAINTENANCE & INDUSTRIAL SERVICES – MAJOR IRON ORE CONTRACTS



Rio Tinto's Cape Lambert, Pilbara region, WA.



BHP's Nelson Point, Pilbara region, WA.

**2020 DIVISIONAL HIGHLIGHTS**  
**MAINTENANCE & INDUSTRIAL SERVICES – BUILDTEK**



Acquired Chilean-based maintenance and construction services contractor, Buildtek.

**2020 DIVISIONAL HIGHLIGHTS**  
**MAINTENANCE & INDUSTRIAL SERVICES – RAIL**



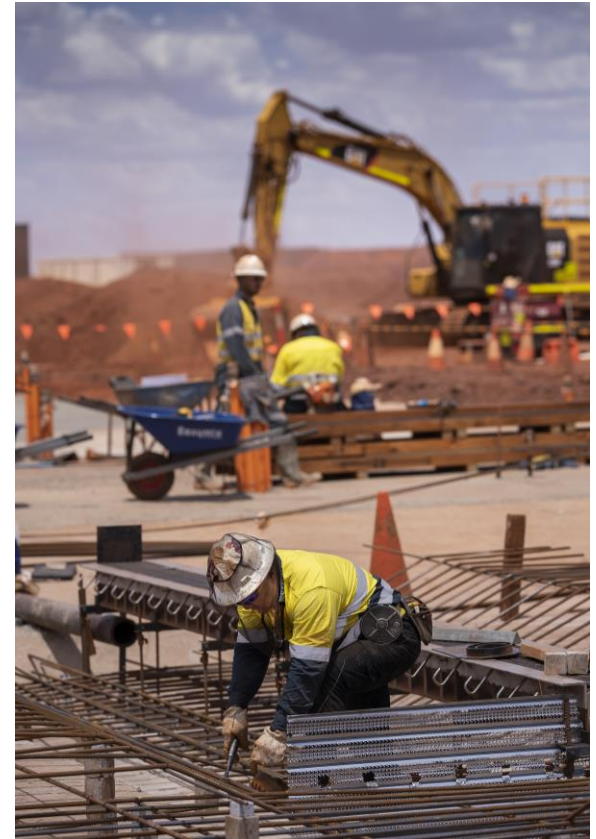
Secured a contract with Rio Tinto on its rail network, Pilbara region, WA.

*Photo courtesy of Rio Tinto.*



## 2020 DIVISIONAL HIGHLIGHTS

### MAINTENANCE & INDUSTRIAL SERVICES – SERVICE DIVERSIFICATION



Further strengthened its marine, civil and corrosion management capabilities.

# FINANCIAL SNAPSHOT



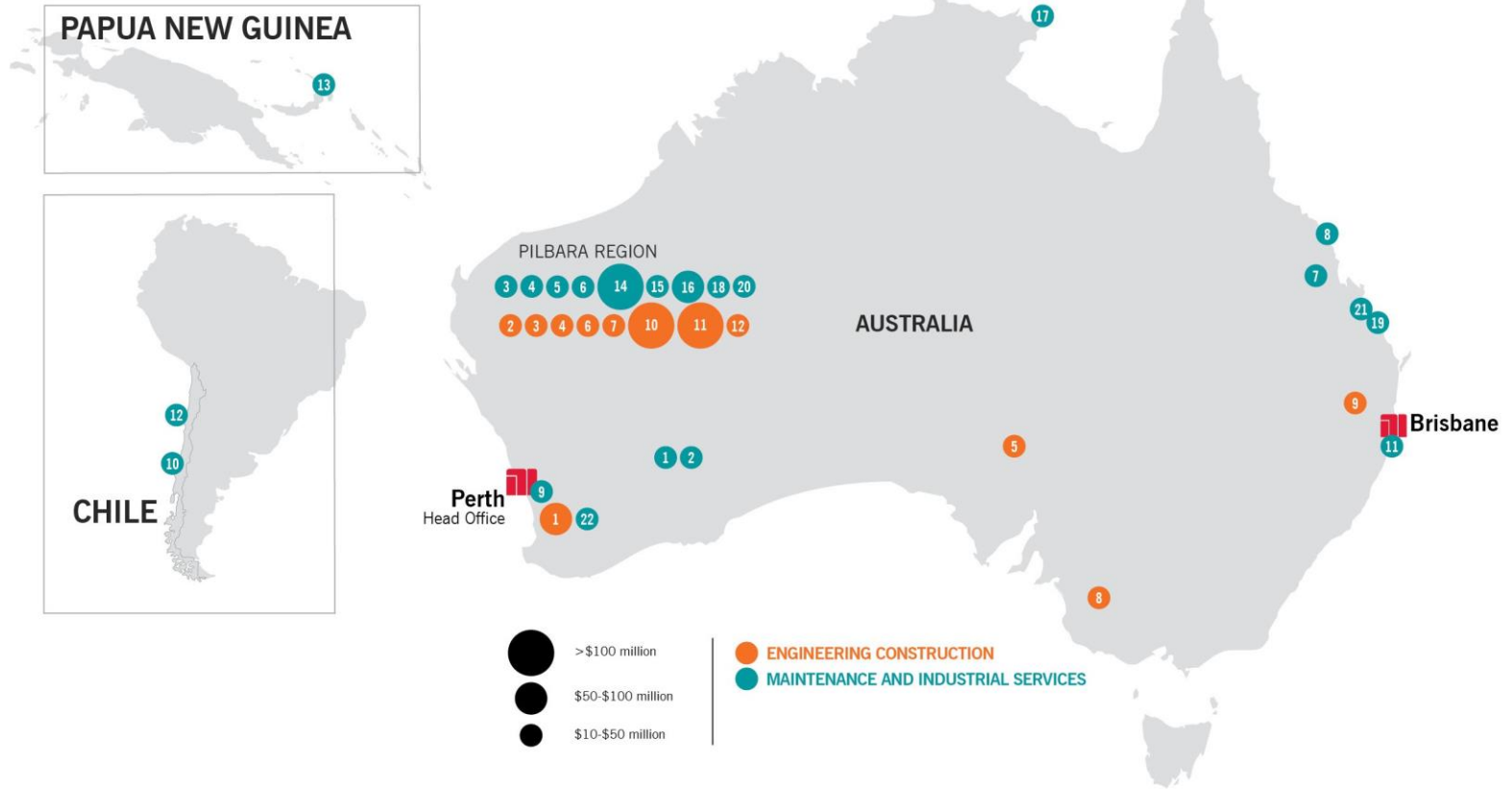
Period ended 30 June		FY20	FY19	CHANGE
Revenue <sup>1</sup>	\$M	<b>1,650.8</b>	1,608.3	2.6%
Engineering Construction <sup>1</sup>		<b>615.9</b>	622.9	(1.1%)
Maintenance and Industrial Services		<b>1,049.8</b>	998.4	5.1%
<i>Internal Eliminations</i>		<b>(14.9)</b>	(13.0)	
EBITDA <sup>2,3</sup>	\$M	<b>92.1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

<sup>1</sup> Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 50.

<sup>2</sup> 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.

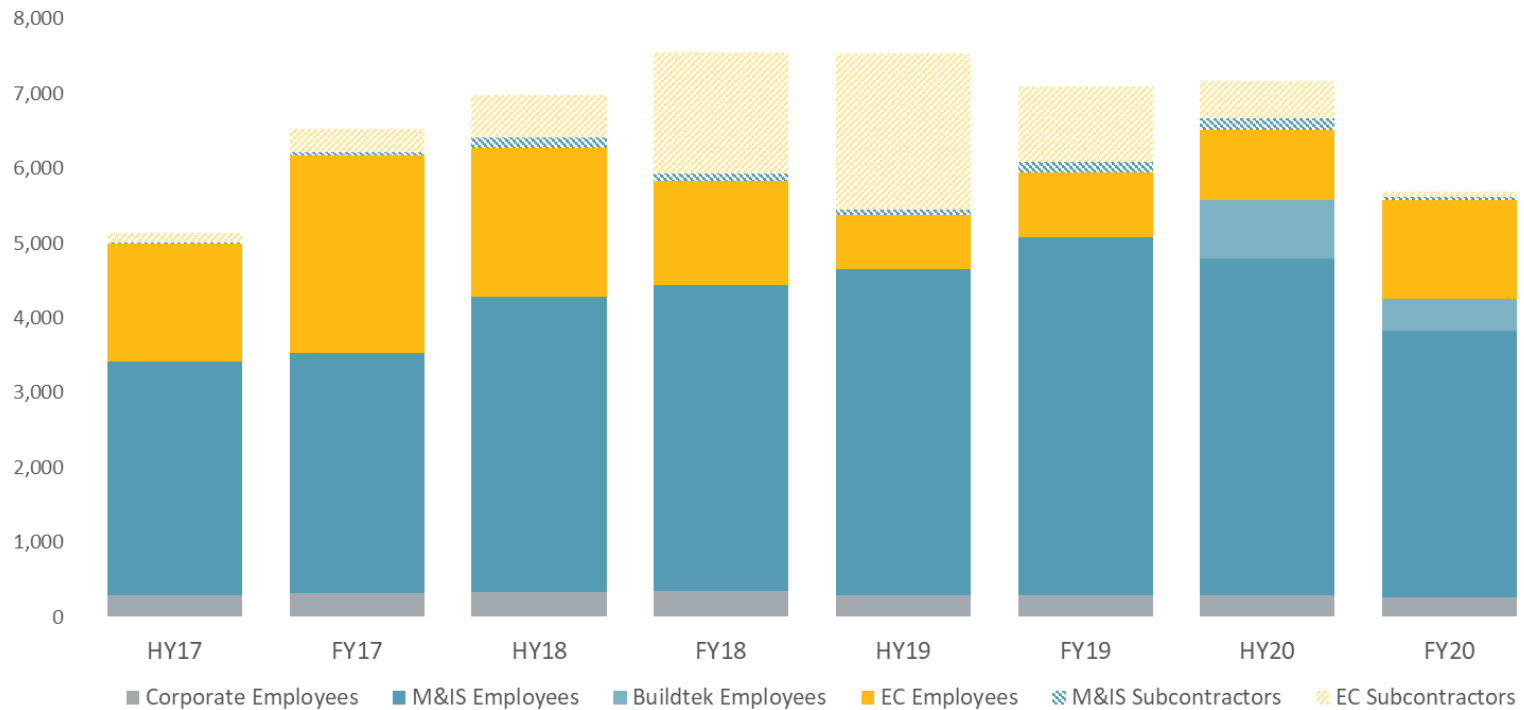
<sup>3</sup> Refer to reconciliation of EBITDA on slide 50.

# CONTRACTS SECURED



Refer to slides 51 and 52 for contract details.

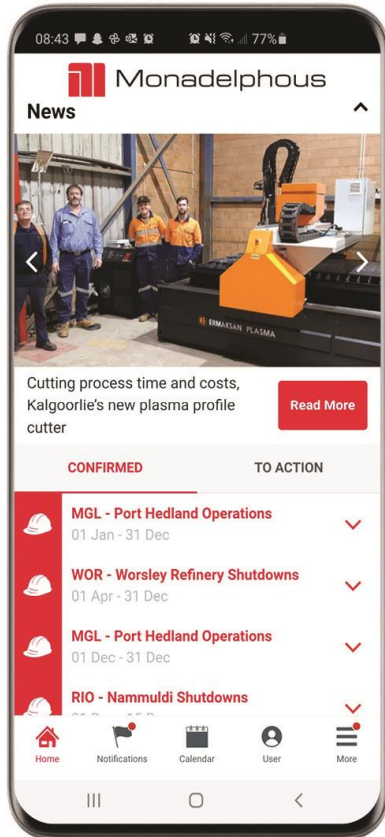
# PEOPLE



- 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

# PEOPLE

## MONAWORK APPLICATION



MonaWork, Monadelphous' award winning employee app was launched.

## DIVERSITY

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

## EDUCATION

---



- Future talent pipeline
- Promotion of STEM curriculum choices

## COMMUNITY

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

## ENVIRONMENT

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- Conservation and protection
- Waste reduction and management

**SOCIAL VALUE HIGHLIGHTS 2020**  
**DIVERSITY & INCLUSION – GENDER**



A Monadelphous scaffolder at BHP's South Flank Project, Newman, WA.

Monadelphous employees at the FMG Empower your Career Women's Summit, Perth, WA.

## SOCIAL VALUE HIGHLIGHTS 2020

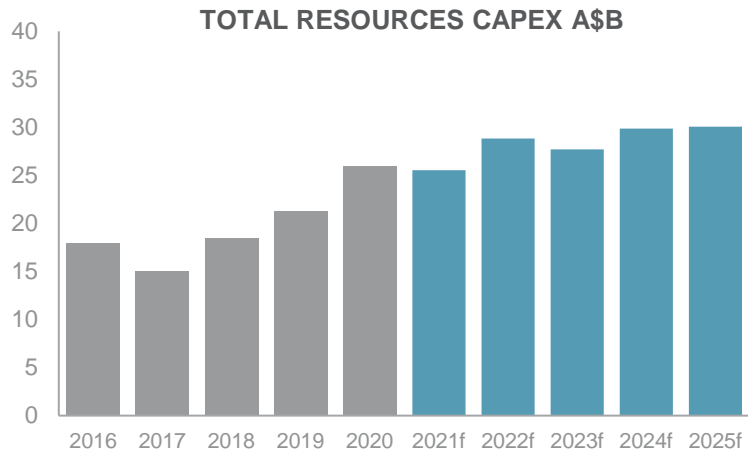
### DIVERSITY & INCLUSION – ABORIGINAL & TORRES STRAIT ISLANDER PEOPLES



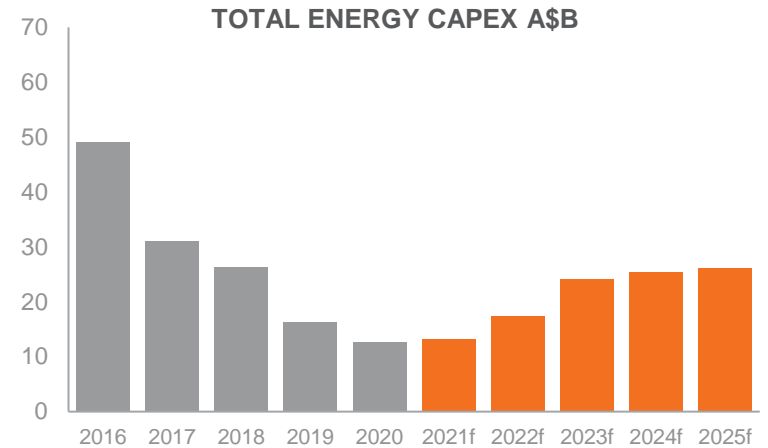
A Monadelphous employee hears from students of the Graham (Polly) Farmer Foundation.

A Monadelphous employee mentoring students at the Monadelphous Mechanical Mob.

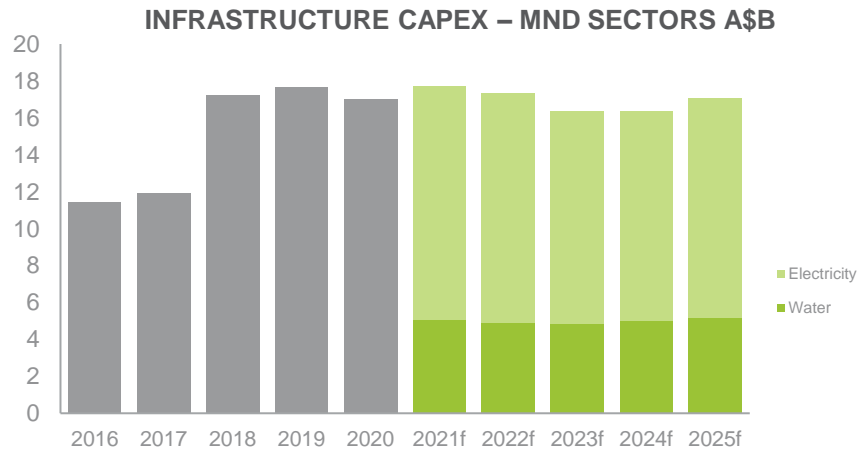




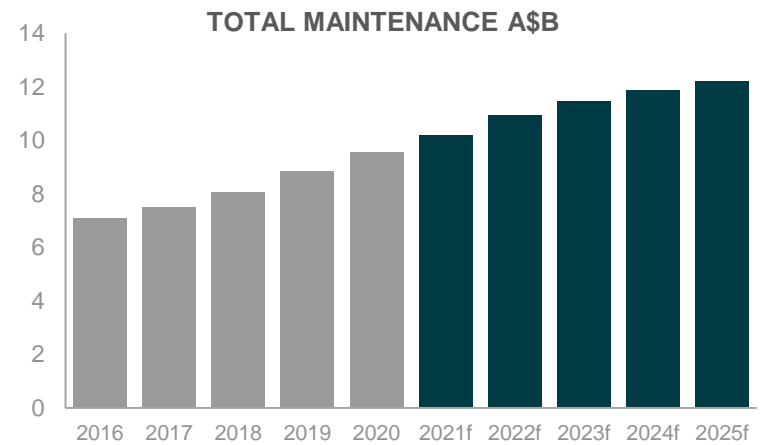
Source: BIS Oxford Economics, ABS (October 2020)



Source: BIS Oxford Economics, ABS (October 2020)



Source: BIS Oxford Economics, ABS (October 2020)



Source: BIS Oxford Economics, ABS (October 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 with strong and steady demand for construction and maintenance services
- Other resources sectors also expected to provide ongoing prospects
- Declining global demand on oil and gas sector resulted in delays in new LNG developments
- Long term outlook for renewable projects positive
- Maintenance activity in resources and energy sectors has recovered steadily
- Longer term demand for maintenance services expected to grow steadily
- Entered FY21 with solid forward workload
- Expect 1H21 revenue to be up around 10 per cent on 2H20
- Well positioned to capitalise on opportunities and deal with challenges ahead

### 3. ITEMS OF BUSINESS



A Monadelphous employee installing equipment in the long-term evolution tower at BHP's Jimblebar, Newman, WA.



To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2020.

## RESOLUTION 1: RE-ELECTION OF DIRECTOR



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

## RESOLUTION 1: RE-ELECTION OF DIRECTOR

The total of valid proxies received for Resolution 1 is 54,472,814 being:

51,046,209	FOR the resolution
2,473,290	AGAINST the resolution
953,315	OPEN to proxy
204,384	ABSTAIN

## RESOLUTION 2: RE-ELECTION OF DIRECTOR



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

## RESOLUTION 2: RE-ELECTION OF DIRECTOR

The total of valid proxies received for Resolution 2 is 54,475,602 being:

53,028,096	FOR the resolution
485,433	AGAINST the resolution
962,073	OPEN to proxy
201,596	ABSTAIN



## RESOLUTION 3: GRANT OF OPTIONS TO MANAGING DIRECTOR



To grant 300,000 options 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 3: GRANT OF OPTIONS TO MANAGING DIRECTOR



The total of valid proxies received for Resolution 3 is 51,128,010 being:

43,031,453	FOR the resolution
7,176,516	AGAINST the resolution
920,041	OPEN to proxy
346,535	ABSTAIN

## RESOLUTION 4: ADOPTION OF REMUNERATION REPORT



To consider and adopt the Remuneration Report for the year ended 30 June 2020.

## RESOLUTION 4: ADOPTION OF REMUNERATION REPORT

The total of valid proxies received for Resolution 4 is 51,082,564 being:

48,136,868	FOR the resolution
2,034,612	AGAINST the resolution
911,084	OPEN to proxy
294,320	ABSTAIN



A Monadelphous employee mechanically inspecting a Franna boom at BHP's South Flank, Pilbara region, WA.



Monadelphous employees preparing for idler changeout at Cape Lambert, Pilbara region, WA.

## 4. OTHER BUSINESS



A Monadelphous employee installing equipment in the long-term evolution tower at BHP's Jimblebar, Newman, WA.

## FOR MORE INFORMATION:



Investor Relations

Telephone: +61 8 9316 6386

Email: [investor\\_relations@monadel.com.au](mailto:investor_relations@monadel.com.au)

[www.monadelphous.com.au](http://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

	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 <sup>1</sup>	(163.4)	(131.0)
<b>STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>1,487.4</b>	<b>1,477.3</b>
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 <sup>2</sup>	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 <sup>2</sup>	8.0	-
Amortisation expense	0.7	1.3
Share of interest, tax, depreciation and amortisation from joint ventures <sup>3</sup>	3.3	2.9
<b>EBITDA</b>	<b>92.1</b>	<b>106.8</b>

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

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

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

## CONTRACTS SECURED – DETAIL

### ENGINEERING CONSTRUCTION

- 1 **Albermarle Lithium** - SMP and associated piping works for lithium hydroxide plant, Kemerton
- 2 **BHP** - Demolition and rehabilitation of end-of-life facilities at Nelson Point, Port Hedland
- 3 **\*BHP** - Dewatering surplus water at Jimblebar mine site, Pilbara
- 4 **BHP** - Dewatering surplus water at Mining Area C mine, Pilbara
- 5 **\*BHP** - Multidisciplinary construction services at Olympic Dam copper mine, Roxby
- 6 **\*BHP** - Port Availability Improvement Project at Nelson Point and Finucane Island, Port Hedland
- 7 **Fortescue Metals Group** - Fixed plant maintenance and crane services, Pilbara
- 8 **\*General Electric International** - Balance of plant civil and electrical works for Murra Warra Stage II Wind Farm, Horsham
- 9 **Origin** - Procurement, fabrication, preassembly and site construction of Talinga Orana Gas Gathering Station, Chinchilla
- 10 **Rio Tinto** - D&C of Western Turner Syncline Phase 2 mine, Pilbara
- 11 **Rio Tinto** - SMPE&I works associated with West Angelas Deposits C & D Project, Pilbara
- 12 **thyssenkrupp Industrial Solutions (Australia)** - Construction of reclaimer and stackers at South Flank Project, Pilbara

*\* Announced subsequent to 30 June 2020.*

## CONTRACTS SECURED – DETAIL

### MAINTENANCE & INDUSTRIAL SERVICES

- 1 **BHP** - Maintenance, shutdowns and off-site repair services at Kalgoorlie Nickel Smelter, Kalgoorlie
- 2 **\*BHP** - Mechanical and electrical maintenance, shutdown and project services at nickel operations in Western Australia
- 3 **\*BHP** - Refurbishment of Car Dumper 3 at Nelson Point, Port Hedland
- 4 **\*BHP** - Structural, mechanical and electrical upgrades at Newman Hub, Pilbara
- 5 **\*BHP** - Supply and installation of Jimblebar Transfer Station, Pilbara
- 6 **BHP** - Upgrades to existing conveyer equipment, power switching and stackers at Mining Area C mine, Pilbara
- 7 **BHP Mitsubishi Alliance** - Major dragline shutdown at Saraji Mine, Dysart
- 8 **BHP Mitsubishi Alliance** - Major shutdown works at Hay Point Coal Terminal, Mackay
- 9 **\*Custom Fleet** - Servicing of Western Power light vehicle fleet, metro and regional Western Australia
- 10 **\*GNL Quintero** - Removal and replacement of LNG discharge arms, Valparaiso, Chile
- 11 **Incitec Pivot** - General mechanical and maintenance services for Incitec Pivot's Queensland manufacturing facilities
- 12 **\*Minera Escondida BHP** - Construction and assembly of communications tower at Escondida copper mine; upgrade to conveyer system feeding Filter Plant Warehouse at Coloso Port, Antofagasta region, Chile
- 13 **Newcrest Mining** - Minor capital project services, Lihir Island, Papua New Guinea
- 14 **Rio Tinto** - Fixed plant maintenance services at Rio's iron ore operations, Pilbara
- 15 **Rio Tinto** - Maintenance services and minor projects on marine infrastructure, Pilbara
- 16 **Rio Tinto** - Maintenance services for Rio's privately-owned rail network, Pilbara
- 17 **\*Rio Tinto** - Mechanical, electrical and access maintenance services, Gove
- 18 **Rio Tinto** - Refurbishment of high grade greenhouse, Tom Price
- 19 **Rio Tinto** - Rope access and tank inspection services at Yarwun alumina refinery, Gladstone
- 20 **\*Rio Tinto** - Sustaining capital projects across various mine sites and port operations, Pilbara
- 21 **Shell** - Provision of services, Queensland
- 22 **South32** - Shutdown and mechanical services at Worsley Alumina Refinery, Collie

*\* Announced subsequent to 30 June 2020.*

## 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.