



MATRIX COMPOSITES & ENGINEERING

2022 FULL YEAR RESULTS PRESENTATION

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Brendan Cocks - CFO

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FY22 GROWTH TRAJECTORY



FINANCIAL



- Revenue \$28.6m (FY21: \$17.6m)
- Continued growth half on half through FY21 and FY22
- Diversification across rebounding oil & gas market, growing corrosion technologies and advanced materials
- Underlying EBITDA loss \$2.3m, down from \$4.4m in FY21
- Focused financial management with cash on hand \$7.6m (FY21: \$7.2m) and no trade or term debt

OPERATING



- Subsea buoyancy revenue up 51% on FY21
- Corrosion Technology business expanding with 81% revenue growth
- Advanced materials solutions continues traction into resources sector, and into renewables
- Establishing first deep water hyperbaric test chamber in the southern hemisphere suitable for the oil & gas industry - fully funded via WA Govt and SICA
- Key environmental accreditation with ISO 14001 certification

OUTLOOK



- Emerging from challenging COVID-19 induced period with strong growth prospects
- Increasing activity in offshore oil & gas markets, ~\$30m in recent drilling riser buoyancy, SURF contracts
- Corrosion Technology business increasing Matrix's exposure to stable, recurring revenue streams
- Advanced materials business broadening into clean energy
- Offshore floating wind on radar ~\$50m of new quotes
- New orders of \$30m plus recurring revenue from coatings and well construction will lead to significant revenue growth in FY23

DELIVERING ON INITIATIVES IN FY22



SUBSEA

- ✓ Capitalising on oil & gas recovery
- ✓ Increased presence in SURF and subsea market
- ✓ New deep water drilling riser buoyancy contracts
- ✓ Opportunities appearing in Offshore Wind



CORROSION TECHNOLOGIES

- ✓ Fully integrated business into Matrix's operations
- ✓ Anti-corrosion coating, equipment, technical services expanded in local energy and resources sectors
- ✓ Building sustainable revenue



ADVANCED MATERIALS

- ✓ Further exposure to resources sector
- ✓ New opportunities opened up, particularly renewables
- ✓ Momentum in Matrix's diversification strategy

FY22 FINANCIAL RESULTS

CFO – BRENDAN COCKS

KEY FINANCIAL METRICS

		FY22	FY21
Revenue	\$m	28.6	17.6
Underlying EBITDA ¹	\$m	(2.3)	(4.4)
EBITDA	\$m	(0.1)	(21.2)
Net profit/(loss) after tax	\$m	(4.8)	(27.9)
Operating cash flow	\$m	(4.1)	(3.9)
		30 Jun 22	30 Jun 21
Gross cash	\$m	7.6	7.2
Net cash/(debt) ²	\$m	7.6	7.2
Employees		90	65

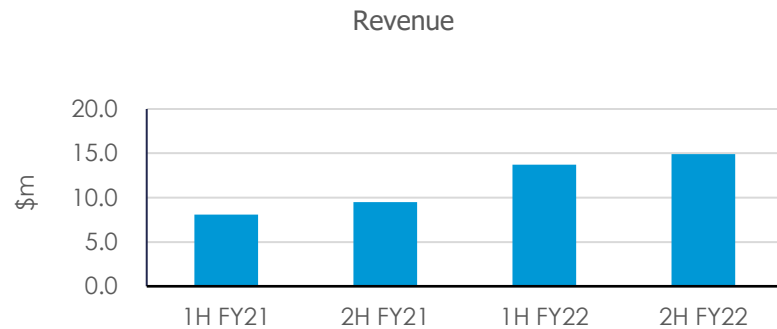
- Revenue growth with recovery in oil & gas market gaining momentum.
- Revenue up 64% on FY21, including coatings and advanced materials.
- Underlying EBITDA loss reduced with improvement during the year weighted to 2H FY22.
- Increasing activity poised for return to profit, while remaining focused on cost base.
- Focus on key client qualifications and product innovation for SURF market.
- Positive net cash position, including upfront investment in new opportunities.

Note: figures may not add up due to rounding.

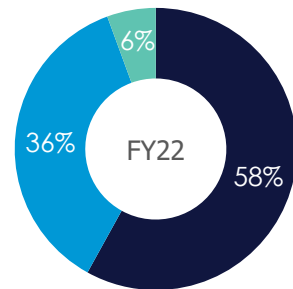
¹ Underlying EBITDA FY22 excludes foreign exchange (FX) gains \$0.7m, Asset Retirement obligation reduction \$1.5m. Prior period FY21 excludes FX losses (\$1.3m) and non-cash asset impairment costs (\$15.4m).

² \$3.3m right of set off held by ANZ in relation to bank guarantees provided.

REVENUE GROWTH & DIVERSIFICATION



- Subsea Buoyancy
- Corrosion Technology
- Advanced Materials



- Revenue building coming out of lingering impact of weak oil price and COVID-19.
- Consistent revenue growth lifting from \$8.1m 1H FY21 to just under \$15m 2H FY22.
- Subsea – riser buoyancy, SURF and well construction – up 51% to \$16.6m in FY22.
- Corrosion Technology increased 81% to \$10.4m to more than one third of total revenue.
- Advanced Materials emerging at \$1.6m FY22.
- Diversification in revenue base, including more stable and assured revenue streams.

BALANCE SHEET

\$m	30 Jun 22	30 Jun 21
Cash	7.6	7.2
Trade and other receivables	3.5	5.3
Inventory	6.5	6.6
Other assets	0.4	0.3
Current Assets	18.0	19.4
Property, plant & equipment	6.8	8.9
Intangible and right-of-use assets	8.4	8.2
Total Assets	33.2	36.5
Trade payables	2.4	3.0
Progress claims & deposits	0.5	2.3
Other	2.3	1.7
Current liabilities	5.2	7.1
Financial and lease liabilities	26.7	27.2
Provisions & Asset Retirement Obligation	2.6	5.1
Total Equity	(1.3)	(2.9)
Net cash/(debt)	7.6	7.2
Net working capital	7.1	6.6

- Balance sheet stable, retaining positive net cash position.
- Continue to hold no trade or term debt. Exploring financing opportunities in recovering market with new contract wins and strong growth outlook.
- PPE and right-of-use assets relate to Henderson advanced manufacturing facility.
 - Reflects historical accounting impairments in FY21 and FY20 due to subdued oil & gas market and uncertainty in recovery.
 - Full manufacturing capability retained. Nameplate capacity – 18,000 buoyancy “parts” per year (plant historically produced up to \$180m in a year).
- Lease liability relates to Henderson facility recognised under AASB16.
- Asset retirement obligation reduced following external expert review of provision.

Note: figures may not add up due to rounding.

CASH FLOW FROM OPERATIONS

\$m	FY22	FY21
Underlying EBITDA /(Loss)	(2.3)	(4.4)
Receivables	1.8	0.1
Trade Payables	(0.6)	0.7
Inventory	0.1	1.0
Deposits / Progress Billing	(1.8)	1.0
Other	(1.3)	(2.3)
Cash from Operations	(4.1)	(3.9)
Capital expenditure (incl. R&D)	(1.5)	(3.1)
Proceeds issue of shares	6.5	-
Net proceeds/(repayment) trade finance, lease	(0.5)	(0.5)
Net Change in Cash	0.4	(7.5)
Closing Cash	7.6	7.2

- Operating cash outflow stemming from EBITDA loss with small working capital movement.
- Other outflows largely reflect interest expense on lease liabilities and fx.
- Capex lower following early investment in Corrosion Technology application equipment and project tooling during FY21.
- Capital raising completed supporting new projects in recovering oil & gas market and expansion of Corrosion Technology business.
- Continued focus on prudent cash flow and capital management

Note: figures may not add up due to rounding.

STRATEGY & OUTLOOK

CEO – AARON BEGLEY

THREE BUSINESS PILLARS

Increasingly diversified operational structure to underpin long-term sustainable growth.

Leveraging capability and expertise in materials science and advanced manufacturing to build revenue across the traditional energy, renewable energy and resources sectors.



SUBSEA

SURF, deep water drilling and well construction. Energy transition opportunity with offshore wind

- Cyclical upswing post COVID and oil price recovery
- Leverage plant and available capacity
- Focus: Brazil, Malaysia, USA, Australia
- Global floating wind projects emerging



CORROSION TECHNOLOGIES

Growing anti corrosion coating, application equipment and technical services

- Sustainable maintenance and OPEX revenue: Woodside, Inpex, Alcoa Santos and CSBP
- Local resource sector
- Focus: Brownfields OPEX and sustainment
- Growth: Other composite solutions for corrosion



ADVANCED MATERIALS

High tech composite material solutions across traditional & renewable energy and resources

- Emerging high tech, cost saving solutions
- Focus: LNG, Iron Ore, Gold, Hydrogen and Renewables
- Lighter, Stronger, Corrosion Free

OUR COMMITMENT TO **SUSTAINABILITY**

- Circular economy - exploring ways to make our business more sustainable
- Climate action - focused on reducing carbon footprint
- Key sustainability accreditation – awarded ISO 14001 certification

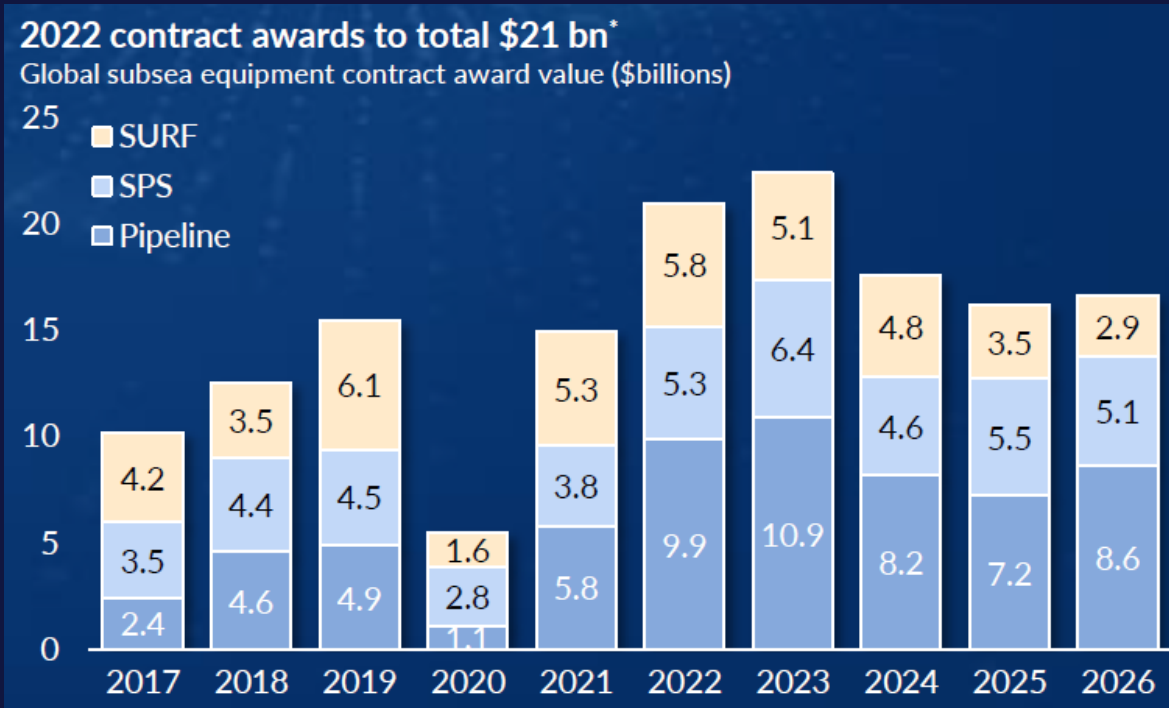




APPLICATIONS ACROSS OIL & GAS AND RENEWABLE ENERGY

SUBSEA

GLOBAL SUBSEA SPEND



Source: Westwood Analysis – SubseaLogix

- Global activity in SURF reflected in recent significant award win, with growing pipeline of opportunities and outstanding quotes.
- Revenue and market share expected to grow over coming years.



APPLICATIONS ACROSS OIL & GAS AND RENEWABLE ENERGY

SUBSEA

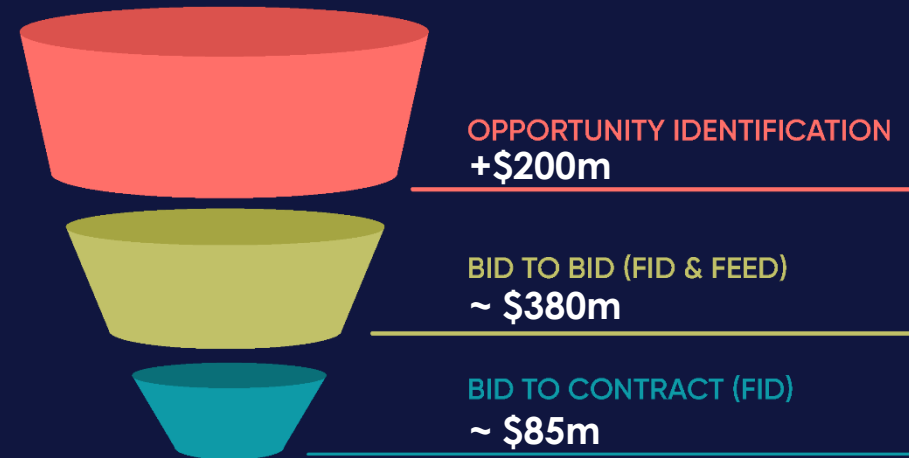
OVERVIEW

- World's largest syntactic foam buoyancy plant. Buoyancy applications for:
 - Deepwater drilling
 - Subsea umbilicals, risers and flowlines (SURF)
 - Offshore floating wind turbines and infrastructure
- Manufacture Matrix LGS VIV and drag reduction buoyancy system

MOMENTUM BUILDING

- \$30m worth of contracts received in last 2 months (FY23 projects)
- Increasing market share in the SURF market using the same processes and technologies as drilling riser buoyancy
- New opportunities for floating wind emerging

OUR QUOTATION PIPELINE



- Pipeline still growing in current environment
- Expect bulk of Bid to Contract opportunities to be decided during next 6 months
- Focus on Global projects: Petrobras deep water developments; Exxon South America; West Africa Deepwater
- Regional projects – Scarborough, Barossa & Dorado
- Includes recently submitted floating wind bids of ~\$50m



LIGHTER, STRONGER, CORROSION FREE

ADVANCED MATERIALS

LOCAL RESOURCES SECTOR

- Iron ore, LNG, Gold
- Hydrogen, Renewables

KEY CLIENTS

- Fortescue Future Industries
- Woodside Energy
- Newcrest Mining
- Active discussions with other major resource companies

TECHNOLOGY SOLUTIONS

- Steel replacement and advanced composite applications for
 - Mining – ore handling, extraction, processing
 - Green energy – high pressure green hydrogen systems, solar applications





CORROSION TECHNOLOGIES

LOCAL RESOURCES SECTOR

- LNG
- Brownfield developments
- Operational maintenance

Strong Performance

- Coatings revenue growth of 81% for FY22 to \$10.4m

TECHNOLOGY SOLUTIONS

- Humidur® coatings
- Composite repairs
- Equipment
- Roto lining: Thermoplastic lining



RENEWABLE ENERGY AN EMERGING GROWTH OPPORTUNITY

Entry to fast emerging renewables market

Fortescue Future Industries (FFI) contract - Develop equipment and materials technologies for FFI's green hydrogen objectives.

Matrix awarded key environmental certification - ISO 14001

Enhanced environmental quality standards

Actively discussing broader clean energy sector opportunities

New technological developments in hydrogen and wind

Progressing in FY23 and beyond

STRONG GROWTH OUTLOOK

- Heading into FY23 with challenging COVID-19 induced period in rear view, and larger, more diversified pipeline of work evident
- Increasing activity in subsea markets, ~\$30m in recent drilling riser buoyancy, SURF contracts
- Floating wind opportunities being pursued – recent quotes total ~ \$50m
- Corrosion Technology business growing, increasing Matrix’s exposure to stable, recurring revenue streams
- Advanced materials business enhancing diversification in energy, resources and broadening into clean energy renewables
- Significant revenue growth in FY23 expected. New orders of \$30m plus recurring revenue from coating and well construction products provide solid base for growth





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