

# FULL YEAR RESULTS 2023

22 AUGUST 2023

# MONADELPHOUS PROFILE

## 2 OPERATING DIVISIONS



ENGINEERING  
CONSTRUCTION



MAINTENANCE  
& INDUSTRIAL  
SERVICES

## OUR INDUSTRIES



RESOURCES



ENERGY



INFRASTRUCTURE

**5,317** EMPLOYEES



(TOTAL WORKFORCE 5,674)

**26** LOCATIONS



IN 5 COUNTRIES

*Employees and total workforce as at 30 June 2023*



IN MEMORY OF

# JOHN RUBINO

1945 – 2023



## CELEBRATING THE LIFE AND THE LEGEND

**Calogero Giovanni (John) Battista Rubino was born in Delia, a small agricultural town in Sicily, Italy, on 26 June 1945.**

An only son, with three younger sisters, John made the tough decision to leave his tight-knit family in Italy at the age of 21 in search of adventure, arriving in Australia on 6 September 1966.



From 1966 to 1970 John worked throughout the country, gaining experience in a range of roles across the structural and civil sectors, from rigging and surveying to project management, and eventually based himself in Western Australia (WA). In partnership with three great friends, John formed Rubino and Company, which later became the successful United Construction Group (today, United Group Limited). So reflective of the way John did business, the United partnership was built on a trusting handshake with no signed agreement between them. All four were equal partners from the outset and remained friends for life.

In 1987, John and his partners bought into Monadelphous, only to discover the Company was insolvent. He went on to describe this as the 'best mistake he ever made'. With an initial six-month commitment to stand in as Monadelphous' Chair and Managing Director, John ended up leading the Company for more than 30 years.



Under John's exceptional leadership, Monadelphous' fortunes turned around. The Company became a place where people were proud to come and work, that suppliers had confidence in, and that customers knew and respected. During John's time at the helm, Monadelphous was trusted with the construction and maintenance of some of the largest and most complex projects and facilities across Australia, as well as internationally. This included projects with BHP, Rio Tinto, Woodside, Chevron, Shell, Origin, INPEX, Newcrest and South32, amongst others. The Company John helped build has grown to employ up to 8,000 people at any one time across its global operations.

John's business acumen was breathtaking, and his ability to form long-term trusting and mutually rewarding relationships is the stuff of legend. With his thick Sicilian accent and his cracking sense of humour, John was a born leader, with enormous charisma, and an ability to inspire people like no other. A mentor to many, he was incredibly generous and a winner fair and square. He was the best kind of winner, because when John won, everyone around him won.



It goes without saying that John's proudest achievement of all is much closer to home, his family – his beloved wife, three daughters and eight grandchildren.

John's memory will always be present in our corridors at Monadelphous, and in the stories of our people.

**We will continue to do you proud, John.**

# 2023 GROUP PERFORMANCE AND HIGHLIGHTS

REVENUE <sup>1</sup>

**\$1.83** BILLION

EBITDA MARGIN <sup>2</sup>

**6.0** PER CENT

NET PROFIT AFTER TAX ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

**\$53.5** MILLION

EARNINGS PER SHARE

**55.8** CENTS

FULL YEAR DIVIDEND

**49.0** CENTS

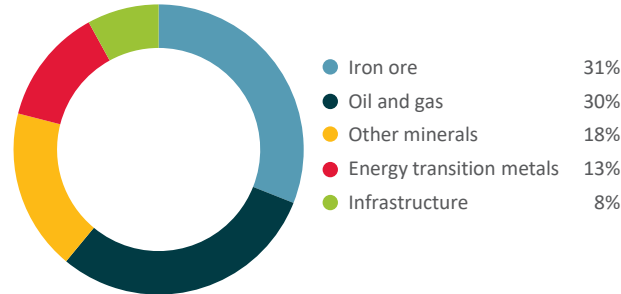
CASH <sup>3</sup>

**\$178.3** MILLION

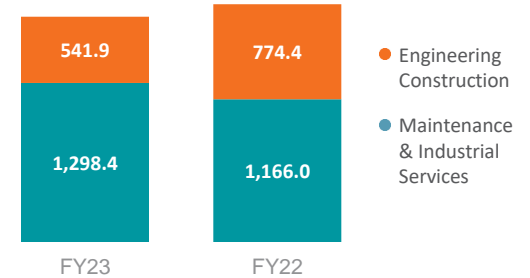
CONTRACTS SECURED <sup>4</sup>

**\$2.0** BILLION

## REVENUE BY END CUSTOMER



## REVENUE BY DIVISION (\$M)



- Record Maintenance & Industrial Services revenue
- High levels of major project tendering activity
- Engineering Construction activity impacted by award delays of new major projects
- Improving EBITDA margin
- Secured approximately \$2 billion<sup>4</sup> of new contracts and extensions
- Awarded new major resources construction contracts post year-end
- Awarded two long-term maintenance services contracts in lithium sector
- Acquired BMC to establish presence in east coast energy market
- Formalised Emissions and Energy Reduction Roadmap

<sup>1</sup> Includes Monadelphous' share of joint venture revenue – refer to slide 20 for reconciliation

<sup>2</sup> Refer to slide 20 for reconciliation of EBITDA

<sup>3</sup> At 30 June 2023

<sup>4</sup> From 1 July 2022 to the date of this report

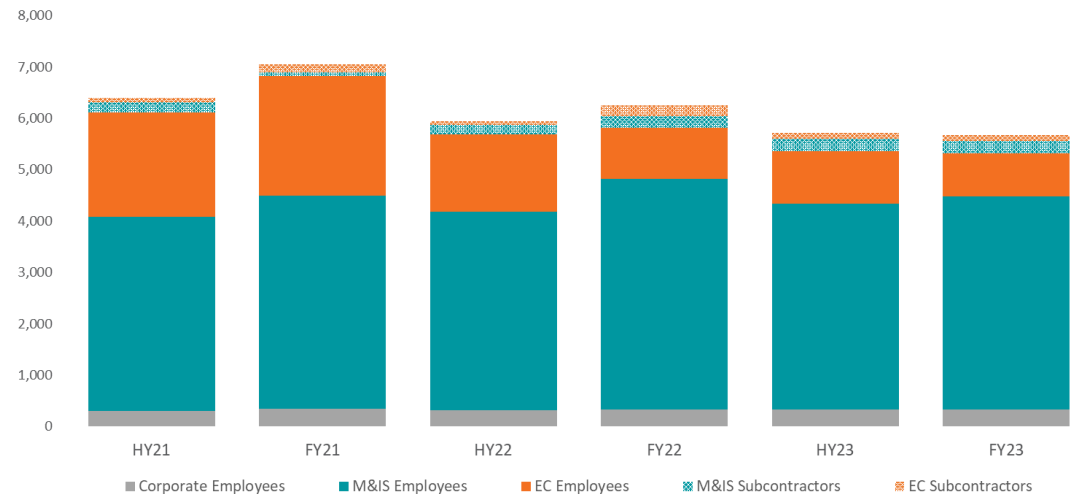
# CONTRACTS SECURED



Refer to Appendices for contract details

## SUSTAINABILITY

### PEOPLE



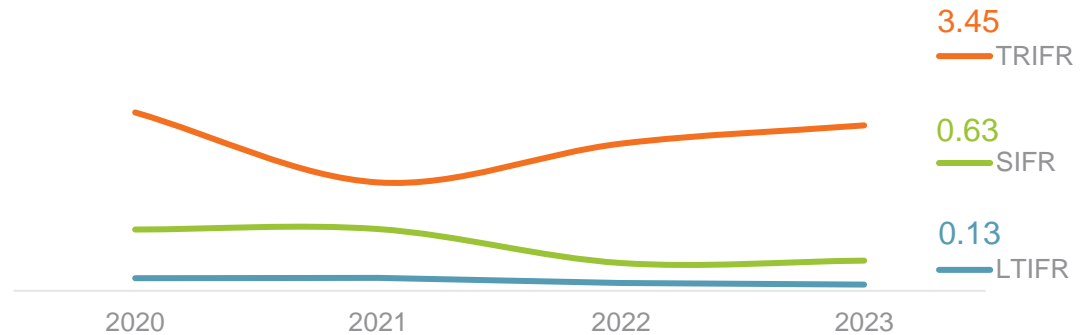
- Key Board changes in line with long-term succession plan
- People engagement survey undertaken to identify key employee motivations
- Launched Respect@Monadelphous program
- Talent acquisition system leveraged to provide deeper recruitment insights
- Continued to foster culture of leadership and talent development
- Recognised as Australia's top Construction and Property Services Graduate Employer for 2023

*Comparative data restated to exclude Chile employee numbers*



## SUSTAINABILITY

### SAFETY AND WELLBEING



- Unrelenting focus on fatal risks
- Serious injury frequency rate remained at historically low level
- Improved infield risk management tools
- Refreshed safety communication campaigns
- Innovative, technology-based safety improvement trials undertaken
- Mental health and wellbeing programs delivered
- Recognised by industry for safety innovation efforts

## SUSTAINABILITY

### DIVERSITY, COMMUNITY & ENVIRONMENT

- Launched second Stretch Reconciliation Action Plan
- Renewed long-term partnership with Polly Farmer Foundation
- Collaboration between Indigenous Pathways Program and Madalah
- Fostered partnership with National Association for Women in Operations
- Over 120 community initiatives across 20 locations
- Focused on transition to renewable power, 'greening' the fleet and optimising operational activities
- Comprehensive greenhouse gas data review

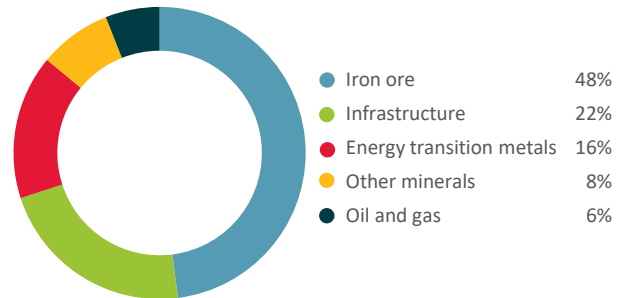




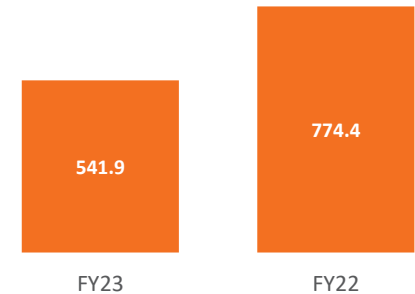
## 2023 DIVISIONAL HIGHLIGHTS

### ENGINEERING CONSTRUCTION

#### REVENUE BY END CUSTOMER



#### REVENUE (\$M)



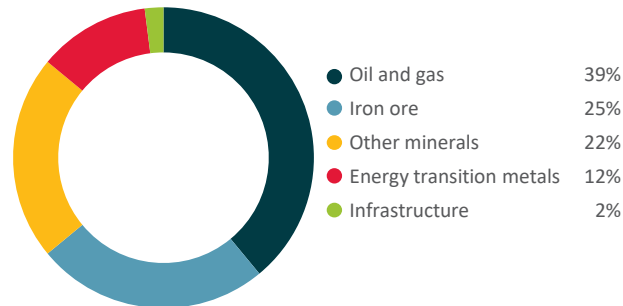
- Revenue of \$541.9 million<sup>1</sup>
- Secured approximately \$640 million of new work
- Numerous early contract involvement assignments
- Reappointed to BHP's Western Australian Iron Ore Projects Framework Agreement
- Completed packages at Fortescue's Iron Bridge Magnetite Project, and Rio Tinto's Gudai-Darri iron ore project and Western Turner Syncline Phase 2 Project
- Awarded contract for Oyu Tolgoi Underground Project in Mongolia
- Strategic review undertaken of China-based fabrication business
- SinoStruct rebranded as Inteforge; secured a number of new contracts
- Zenviron engaged on early works packages for a number of wind farm and battery storage projects

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

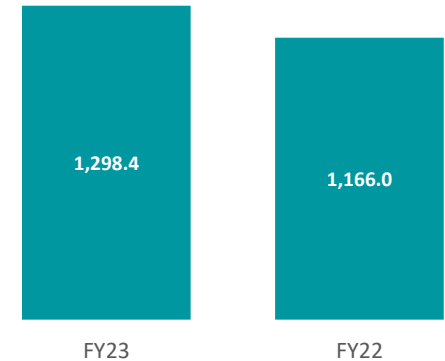
## 2023 DIVISIONAL HIGHLIGHTS

## MAINTENANCE &amp; INDUSTRIAL SERVICES

## REVENUE BY END CUSTOMER



## REVENUE (\$M)



- Record revenue of \$1.3 billion
- Secured approximately \$1.34 billion of new contracts and extensions
- Significant volume of maintenance, shutdown and project work in oil and gas and iron ore
- Reappointed to BHP's Western Australian Iron Ore Site Engineering Panel
- Awarded strategic long-term contracts with Fortescue and Albemarle
- Extension to INPEX offshore maintenance services contract
- First offshore decommissioning project commenced
- Extensions to existing contracts at Santos' PNG oil and gas facilities, South32's Worsley Alumina, BHP's Nickel West and Rio Tinto's Gove and Olympic Dam operations

## FINANCIAL SNAPSHOT

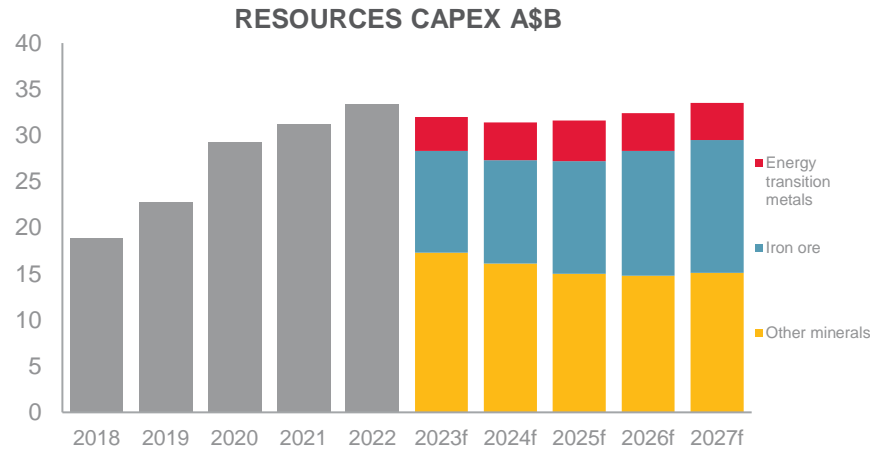
Period ended 30 June		FY23	FY22	CHANGE
Revenue <sup>1</sup>	\$M	<b>1,828.8</b>	1,930.0	(5.2%)
Engineering Construction <sup>1</sup>	\$M	<b>541.9</b>	774.4	(30.0%)
Maintenance & Industrial Services	\$M	<b>1,298.4</b>	1,166.0	11.4%
<i>Internal Eliminations</i>	\$M	<b>(11.5)</b>	(10.4)	
EBITDA <sup>2</sup>	\$M	<b>109.1</b>	111.2	(1.9%)
EBITDA margin	%	<b>6.0</b>	5.8	0.2pp
NPAT Attributable to Equity Holders of the Parent	\$M	<b>53.5</b>	52.2	2.5%
EPS	cps	<b>55.8</b>	54.9	1.7%
DPS (fully franked)	cps	<b>49.0</b>	49.0	-
Cash	\$M	<b>178.3</b>	183.3	(2.7%)

<sup>1</sup> Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 20

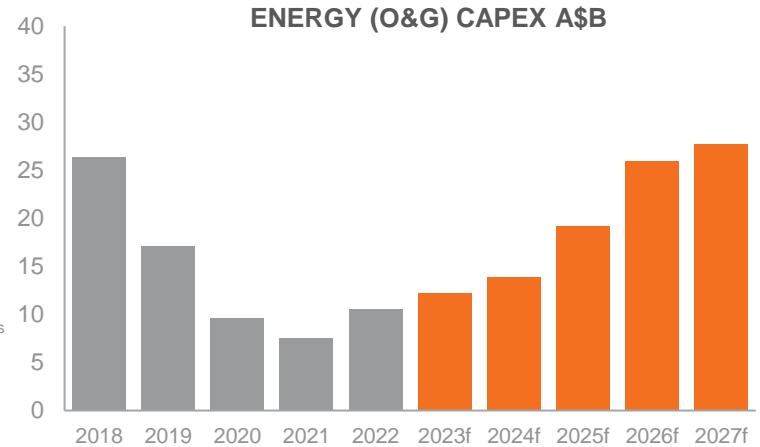
<sup>2</sup> Refer to reconciliation on slide 20



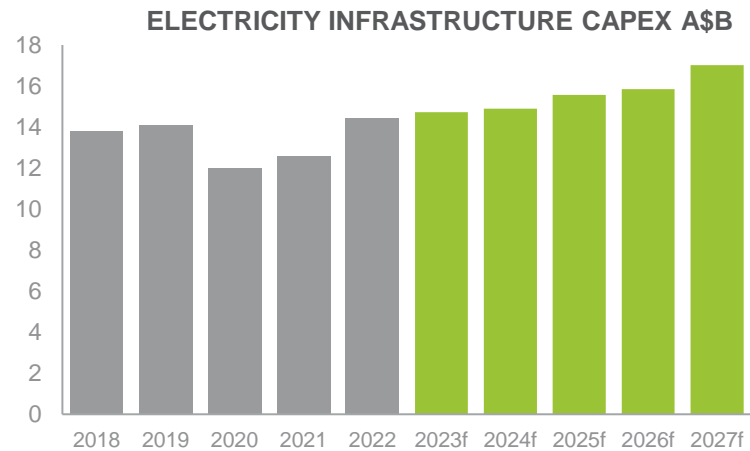
# INDUSTRY OUTLOOK – AUSTRALIA



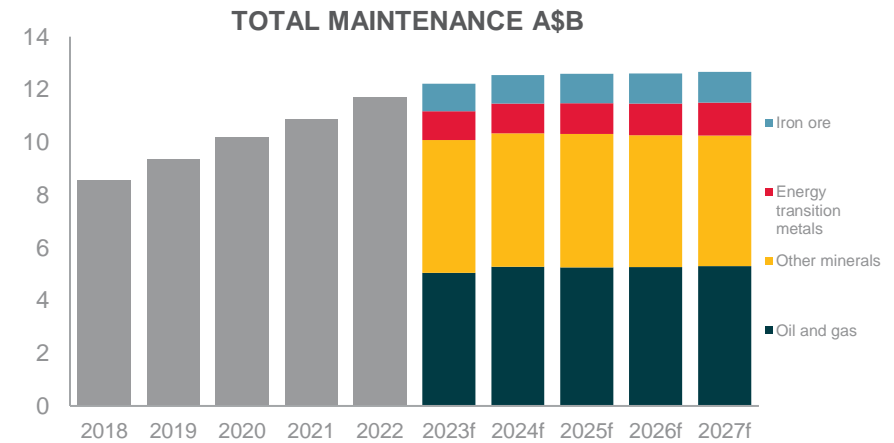
Source: BIS Oxford Economics, ABS (August 2023)



Source: BIS Oxford Economics, ABS (August 2023)



Source: BIS Oxford Economics, ABS (May 2023)



Source: BIS Oxford Economics, ABS (August 2023)

## OUTLOOK

- Longer-term demand expected to remain strong
- Significant pipeline of prospects in resources and energy
- Increasing expenditure related to energy transition
- High level of activity anticipated in battery metals and iron ore
- New gas construction projects in development pipeline
- Heightened demand expected for maintenance and decommissioning services in energy sector
- Maintenance activity in resources sector forecast to grow
- Accelerating decarbonisation efforts driving expanded pipeline of renewable energy opportunities
- Skilled labour shortages continue to be a challenge
- Focus on employee retention, attraction, training and development
- Escalating cost environment and supply chain risks expected to continue
- Secured several new construction contracts post FY23, further awards expected over coming months
- Construction revenue anticipated to progressively ramp up over FY24

## FOR MORE INFORMATION:

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# APPENDICES



## CONTRACTS SECURED – DETAIL

### ENGINEERING CONSTRUCTION

		Market Sector
1	*Albemarle – Front-end pyromet SMPE&I works associated with the Kemerton lithium hydroxide plant expansion	Lithium
2	Bechtel – Haulage and lifting services on Woodside’s Pluto Train 2 project	Oil and Gas
3	BHP – Early works and construction for Car Dumper 3 Renewal Project	Iron Ore
4	*BHP – Electrical and instrumentation services at Car Dumper 3 Renewal Project	Iron Ore
5	BHP – Multidisciplinary works across BHP’s Pilbara iron ore operations	Iron Ore
6	CPB Contractors and John Holland JV – Heavy lift services associated with movement of structural steel on West Gate Tunnel Project	Infrastructure
7	Fabrication of structural steel for construction project in Ashburton	Iron Ore
8	Fortescue Metals Group – Construction services at Iron Bridge Magnetite Project	Iron Ore
9	*Fortescue Metals Group – Supply and construction of overland conveyor and transfer station at Christmas Creek mine	Iron Ore
10	Liontown Resources – Supply and fabrication of structural steel for Kathleen Valley Lithium Project	Lithium
11	Oyu Tolgoi – Construction of surface infrastructure for Oyu Tolgoi Underground Project	Copper
12	Talison Lithium – Construction of facilities at Greenbushes mine site	Lithium
13	Oyu Tolgoi – Fabrication of mechanical platework and piping for Oyu Tolgoi Underground Project	Copper
	HydrogenPro – Fabrication and assembly of hydrogen gas separator modules	Hydrogen

\* Announced subsequent to 30 June 2023

## CONTRACTS SECURED – DETAIL

MAINTENANCE AND INDUSTRIAL SERVICES		Market Sector	MAINTENANCE AND INDUSTRIAL SERVICES		Market Sector
1	Albemarle – Maintenance services and sustaining capital projects at Kemerton lithium operations	Lithium	15	Pipeline maintenance services in Queensland coal seam gas market	Oil and Gas
2	BHP – Bridge bearing replacements in the Port Hedland region	Iron Ore	16	Rio Tinto – Construction of new conveyor at Tom Price mine	Iron Ore
3	BHP – Construction services under Olympic Dam Construction Panel Framework Agreement	Copper	17	Rio Tinto – Construction services across Queensland aluminium operations	Other Minerals
4	BHP – General maintenance and shutdown services at iron ore operations	Iron Ore	18	Rio Tinto – Marine infrastructure maintenance services and minor projects at Cape Lambert and Dampier ports	Iron Ore
5	BHP – Maintenance, shutdown and project services at nickel operations	Other Minerals	19	*Rio Tinto – Mechanical, electrical and access maintenance services for fixed plant shutdowns at Gove operations	Other Minerals
6	*BHP – Maintenance services at Olympic Dam operations	Copper	20	Rio Tinto – Replacement of overland conveyor belt at Western Turner Syncline mine	Iron Ore
7	BHP – Remediation of balance machines at Finucane Island and Nelson Point	Iron Ore	21	Rio Tinto – Supply, installation and commissioning of potable water distribution system at Hope Downs 1 mine	Iron Ore
8	BHP Mitsubishi Alliance – Shutdown and maintenance services and minor capital projects on draglines and coal preparation plant operations	Coal	22	Rio Tinto – Upgrade to conveyor facilities at Marandoo mine site	Iron Ore
9	BHP – Multidisciplinary services under WAIO Site Engineering Panel at mine site and port operations	Iron Ore	23	Rio Tinto – Upgrade to conveyor gravity take up systems at Brockman 2 mine, Cape Lambert Port A and Tom Price mine	Iron Ore
10	Fortescue Metals Group – Maintenance, repairs, shutdowns and minor projects	Iron Ore	24	Rio Tinto – Upgrade to wet plant dilution water system at Nammuldi mine	Iron Ore
11	Fortescue Metals Group – Non-process infrastructure services panel across Pilbara operations	Iron Ore	25	Roy Hill – Construction of pipeline, access road and transfer pond infrastructure at Roy Hill mine site	Iron Ore
12	General, electrical and mechanical maintenance and shutdown support at Boddington and Tanami gold mines	Other Minerals	26	Santos – Engineering, procurement and construction services	Oil and Gas
13	INPEX – Operational, campaign and shutdown maintenance services and brownfields projects implementation associated with Ichthys Explorer CPF and Ichthys Venturer FPSO	Oil and Gas	27	South32 – Supply of major shutdown and mechanical services at Worsley Alumina operations	Other Minerals
14	Petrofac – Operations, maintenance and industrial services to support decommissioning of Northern Endeavour FPSO	Oil and Gas	28	Water Corporation – Coating and concrete repairs at various sites and locations in WA	Infrastructure
			29	Yancoal – Major overhaul and heavy shutdown services at Mount Thorley Warkworth Mine	Coal

\* Announced subsequent to 30 June 2023



## ENGINEERING CONSTRUCTION

### MAJOR PROJECTS 2023

- Fortescue Metals Group subsidiary FMG Iron Bridge and Formosa Steel IB – Construction services at Iron Bridge Magnetite Project, Pilbara, WA
- Fortescue Metals Group – Crane services, Pilbara, WA
- Talison Lithium – Construction of mine services area facilities, Greenbushes, WA
- Rio Tinto – SMPE&I works associated with Gudai-Darri Project, Pilbara, WA
- Oyu Tolgoi – Construction of surface infrastructure for Oyu Tolgoi Underground Project, South Gobi region, Mongolia
- Australia Pacific LNG – Supply, fabrication and assembly of wellhead separator skids, Chinchilla, QLD
- Tronox Mining Australia – CSMPE&I works associated with Broken Hill HMC Upgrade Project, Broken Hill, NSW
- BHP – WAIO Asset Projects Framework, various SMPE&I integrated packages, Pilbara, WA
- BHP – SMP works on Car Dumper 3 Renewal Project, Pilbara, WA
- BHP – SMPE&I works associated with Inflow infrastructure at South Flank Project, Pilbara, WA
- NMT Logistics – Lifting and haulage services for Iron Bridge Magnetite Project, Pilbara, WA
- MARBL Lithium Joint Venture – SMPE&I works for lithium hydroxide plant, Kemerton, WA
- Fabrication of structural steel for construction project, Ashburton, WA
- Liontown Resources – Supply and fabrication of structural steel for Kathleen Valley Lithium Project, Leinster, WA
- Woodside Energy – Crane services, Karratha, WA
- CPB Contractors and John Holland Joint Venture – Movement of structural steel on West Gate Tunnel Project, Melbourne, VIC
- Bechtel – Haulage and lifting services at Woodside’s Pluto Train 2 Project, Pilbara, WA
- Rio Tinto – Shutdown works at Western Turner Syncline Phase 2 Project, Pilbara, WA
- Rye Park Renewable Energy – Balance of plant civil and electrical works for Rye Park Wind Farm, Yass, NSW

## MAINTENANCE & INDUSTRIAL SERVICES

### MAJOR CONTRACTS 2023

- Woodside – Onshore and offshore maintenance and brownfields services for Woodside-operated gas production facilities in north-west WA, maintenance and turnarounds at Karratha Gas Plant and Pluto LNG, WA
- Rio Tinto – Fixed plant maintenance services, marine maintenance and sustaining capital works, Pilbara, WA
- Shell – Provision of services in WA and QLD
- INPEX Operations Australia – Offshore maintenance services, Browse Basin, WA
- BHP – Shutdown maintenance and minor projects, Mt Arthur Coal, Hunter Valley, NSW
- BHP Iron Ore – General maintenance, shutdowns and sustaining capital works, Pilbara, WA
- BHP – Maintenance and shutdowns at Olympic Dam, Roxby Downs, SA
- Newcrest Mining – Maintenance works, Lihir Island, PNG
- Origin - Turnaround and shutdown services at coal seam gas facilities, QLD
- Roy Hill – Construction of pipeline, access road and transfer pond infrastructure, Pilbara, WA
- Santos – Engineering, procurement and construction services at oil and gas production and support facilities, Papua New Guinea
- BHP Mitsubishi Alliance – Maintenance and shutdown works, Bowen Basin, QLD
- South32 – Shutdown and mechanical services, Worsley, WA
- BHP Nickel West – Maintenance and shutdowns, Goldfields, WA
- Queensland Alumina Limited – Maintenance and projects, Gladstone, QLD
- Rio Tinto – Shutdown services, Gove, NT
- Petrofac – Operations, maintenance and industrial services for decommissioning of Northern Endeavour FPSO, Timor Sea, NT
- Synergy – Muja Power Station and Collie Power Station infrastructure operation and maintenance, Collie, WA
- Fortescue Metals Group - Maintenance, shutdowns and minor projects, Pilbara, WA

## 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.

### Reconciliation of total revenue from contracts with customers including joint ventures to statutory revenue from contracts with customers

	FY23 \$M	FY22 \$M
Total revenue from contracts with customers including joint ventures	1,828.8	1,930.0
Share of revenue from joint ventures <sup>1</sup>	(107.8)	(120.6)
<b>Statutory revenue from contracts with customers</b>	<b>1,721.0</b>	<b>1,809.4</b>

### Reconciliation of profit before income tax to EBITDA

Profit before income tax	73.5	73.5
Interest expense on loans and hire purchase finance charges	2.0	1.8
Interest expense on other lease liabilities	1.5	1.5
Interest revenue	(4.3)	(0.7)
Depreciation of owned and hire purchase assets	25.1	24.5
Depreciation of right of use assets	8.0	8.6
Share of interest, depreciation, amortisation and tax from joint ventures <sup>2</sup>	3.3	2.0
<b>EBITDA</b>	<b>109.1</b>	<b>111.2</b>

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

<sup>2</sup> Represents Monadelphous' proportionate share of interest, depreciation, amortisation and tax 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.

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