

18 February 2025

MONADELPHOUS REPORTS 2025 HALF YEAR RESULTS

Revenue \$1.051 billion¹, up 4.2% on pcp
NPAT \$42.5 million, up 41.3% on pcp
EBITDA \$79.8 million², an increase of 30.2%
EPS 43.3c; Interim dividend of 33cps
Cash balance \$272.5 million at 31 December 2024
Secured approximately \$1.7 billion of new contracts and extensions
Significant pipeline of prospects in resources, energy and renewable energy sectors

Engineering company Monadelphous Group Ltd (ASX: MND) (“the Company”) today announced its results for the half year ended 31 December 2024, with revenue for the six months of \$1.051 billion¹ up 4.2 per cent on the prior corresponding period.

The Maintenance and Industrial Services division continued to experience strong overall demand for maintenance services and sustaining capital works, delivering revenue for the six months of \$645.1 million. The Engineering Construction division reported revenue of \$405.4 million¹ for the half year, a 33.7 per cent increase on the prior corresponding period.

Net profit after tax (NPAT) was \$42.5 million, up 41.3 per cent on the prior corresponding period. NPAT was favourably impacted by an approximately \$7 million variance (after-tax) in non-operating items compared to the prior corresponding period, with operating margins also improving.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$79.8 million², an increase of 30.2 per cent on the prior corresponding period. The Company’s EBITDA margin increased from 6.08 per cent in the prior corresponding period to 7.59 per cent for the six months ended 31 December 2024. Approximately half of the variance is attributable to a small number of material non-operating items, including proceeds from insurance and favourable foreign exchange movements, with the balance of the increase relating to an improvement in the operating EBITDA margin.

Earnings per share (EPS) for the period was 43.3 cents, and the Board of Directors declared an interim dividend of 33 cents per share fully franked.

Monadelphous ended the period with a cash balance of \$272.5 million, bolstered by a number of advances received from customers on construction contracts. Cash flow from operations was \$93.1 million, delivering a very strong cash flow conversion rate of 145 per cent.

Monadelphous Managing Director, Zoran Bebic said that the Company had secured approximately \$1.7 billion of new contracts since 1 July 2024 across a range of sectors, including energy, iron ore, other minerals and renewable energy. Despite some global uncertainty, the resources and energy sectors are expected to provide a significant pipeline of prospects across a broad range of commodities over the long-term.

“Resources and energy demand is expected to remain strong over the long-term, underpinned by sustained economic growth and increasing investment in decarbonisation activities. Significant investment in the renewable energy sector is also forecast to support the energy transition. The Company continues to focus on sustainable growth and quality of earnings through a selective approach to new work, collaborative customer engagement, high standards of delivery, and the appropriate allocation of risk.”

¹ Revenue from contracts with customers including Monadelphous’ share of joint venture revenue – refer to page 9 for reconciliation.

² Refer to page 9 for reconciliation of EBITDA.

2025 HALF YEAR RESULTS

FINANCIAL RESULTS

Revenue

Monadelphous recorded revenue of \$1.051 billion¹ for the half year, which is in line with the guidance provided to the market. The result represents a 4.2 per cent increase on the prior corresponding period.

The Maintenance and Industrial Services division continued to experience strong overall demand for maintenance services and sustaining capital works, delivering revenue for the six months of \$645.1 million. The result is about 9 per cent down on the prior corresponding period, with energy sector turnaround activity returning to more normal levels after the heightened activity experienced in the first half of last year.

The Engineering Construction division reported revenue of \$405.4 million¹ for the half year, a 33.7 per cent increase on the prior corresponding period.

Statutory revenue from contracts with customers for the six months, which excludes Monadelphous' share of revenue from joint ventures, was \$1,018.8 million.

Earnings

Net profit after tax (NPAT) was \$42.5 million, up 41.3 per cent on the prior corresponding period, delivering earnings per share of 43.3 cents. NPAT was favourably impacted by an approximately \$7 million variance (after-tax) in non-operating items compared to the prior corresponding period, with operating margins also improving.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$79.8 million², an increase of 30.2 per cent on the prior corresponding period. The Company's EBITDA margin increased from 6.08 per cent in the prior corresponding period to 7.59 per cent for the six months ended 31 December 2024. Approximately half of the variance is attributable to a small number of material non-operating items, including proceeds from insurance and favourable foreign exchange movements, with the balance of the increase relating to an improvement in the operating EBITDA margin.

Dividend

Monadelphous' Board of Directors declared an interim dividend of 33 cents per share fully franked. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the interim dividend.

Balance sheet

The Company ended the half year with a cash balance of \$272.5 million, bolstered by a number of advances received from customers on construction contracts.

Cash flow from operations was \$93.1 million, delivering a very strong cash flow conversion rate of 145 per cent.

Monadelphous' balance sheet will enable the Company to take advantage of appropriate strategic investment opportunities that support long-term sustainable growth and the creation of value for shareholders.

¹ Includes Monadelphous' share of joint venture revenue – refer to page 9 for reconciliation.

² Refer to page 9 for reconciliation of EBITDA.

STRATEGIC PROGRESS

Monadelphous has secured approximately \$1.7 billion of new contracts and extensions since the beginning of the 2025 financial year. Major contracts and extensions were awarded across a range of industry sectors, including energy, iron ore, other minerals and renewable energy.

In the energy sector, Monadelphous secured major construction and maintenance contracts with blue chip customers Woodside and Shell, valued at approximately \$800 million in aggregate.

The Company secured a significant multidisciplinary construction contract with Woodside for modifications required to the Pluto Liquefied Natural Gas Train 1 facility and associated infrastructure. The works will enable the processing of gas from the Scarborough Energy Project at the Pluto facility.

The Company was also awarded a seven-year contract to continue providing maintenance and minor construction services associated with Shell Australia's Prelude Floating Liquefied Natural Gas (FLNG) facility, located off the north-west coast of Western Australia (WA). Monadelphous has provided services to Shell on the Prelude FLNG facility for the past nine years.

In iron ore, Monadelphous secured several construction, maintenance and minor project contracts across Rio Tinto's operations in the Pilbara, WA.

Awards included two one-year contract extensions for fixed plant maintenance services and sustaining capital projects, as well as a fabrication, supply, installation and commissioning contract at Rio Tinto's Tom Price mine.

Subsequent to the reporting period, the Company was awarded a multidisciplinary construction contract at the Brockman 4 mine, as well as a three-year panel contract to provide water management works across Rio Tinto's mine operations in the Pilbara.

Mondium, Monadelphous' engineering, procurement and construction joint venture with Lycopodium, was awarded a major design and construct contract, also by Rio Tinto, for a new sampling facility at Cape Lambert in the Pilbara region of WA.

The Company also secured a multidisciplinary construction contract with BHP in the iron ore sector associated with the dewatering of surplus water from Orebody 32 in Newman, WA.

In addition, BHP awarded Monadelphous a multidisciplinary construction contract at the Prominent Hill Expansion Project, an underground mining operation and copper processing facility located approximately 650 kilometres north-west of Adelaide, South Australia (SA).

Melchor, Monadelphous' civil business, was awarded a structural concrete construction contract by the Saipem Clough Joint Venture at Project Ceres, Perdaman Industries' urea plant located near Dampier, WA. Alevro, Monadelphous' heavy lift services joint venture with Fagioli, also secured a contract to provide heavy haulage services at the project.

Zenviron, the Company's renewable energy joint venture, continued to strengthen its market position with the award of a contract for the delivery of CS Energy's Lotus Creek Wind Farm, located in Central Queensland.

SUSTAINABILITY

Monadelphous continues to strive for long-term sustainable growth, building on its reputation as a great company to work for, work with and invest in. The Company is focused on the safety and wellbeing of its people, delivering for its customers and shareholders, and making a positive contribution to the communities in which it operates.

The Company's Sustainability Framework guides its approach in the key areas of people, safety and wellbeing, diversity and inclusion, community and environment.

People

Monadelphous' success and long-term sustainability is founded in its highly talented workforce. The Company is committed to retaining, attracting and developing people who are highly competent, live the Monadelphous values and actively contribute to the success of the business.

The Company's workforce at 31 December 2024 (including subcontractors) totalled 7,289. Overall employee retention rates continued to improve during the period, with staff turnover declining. Key talent retention remained at approximately 95 per cent.

The Company focused on improving its early careers and talent development pathways, introducing a Winter Internship Program to complement its existing Summer Vacation Program, and expanding the ongoing development, mentoring and upskilling journey of the Company's future business leaders.

Monadelphous launched its refreshed onboarding and welcome hub, improving the new employee experience for both new starters and managers, and delivered important collaboration and development opportunities for operational leaders through its annual divisional leadership conferences.

Around 240 people participated in Monadelphous' graduate, undergraduate, apprenticeship and traineeship programs, and the Company supported the development of more than 100 employees through its suite of in-house leadership programs.

Monadelphous continued to embed the Respect@Monadelphous behavioural framework as a part of the Company's commitment to ensuring a safe, respectful and inclusive workplace, as well as launching the Respect in Every Step program. The Company's psychosocial risk management response is part of its mentally healthy workplace strategy, aligned to AREEA's Resources and Energy Industry Workforce Mental Health framework.

An employee engagement campaign was also rolled out promoting behavioural expectations as well as increasing awareness of the Company's reporting protocols.

Safety and Wellbeing

The Company remained focused on ensuring "The Safe Way is the Only Way", with the 12-month Total Recordable Injury Frequency Rate remaining relatively stable at 31 December 2024 at 3.34 incidents per million hours worked.

Monadelphous achieved broad industry recognition during the period for its commitment to safety and innovation, with Melchor receiving awards at the Mates in Construction WA Awards, and Alevro collecting awards from the Crane Industry Council of Australia. Monadelphous was also named as a finalist for a range of safety and innovation accolades awarded by the Department of Energy, Mines, Industry Regulation and Safety (DMIRS), the NSCA Foundation National Safety Awards of Excellence, and the Workplace Health and Safety (WHS) Foundation Awards of Excellence.

During the six months, Monadelphous continued its Fatal Risk Controls campaign which focused on further improving the identification, reduction and elimination of fatal risks.

Monadelphous continued to focus on employee health and wellbeing, offering complimentary skin checks, heart health checks and online information sessions on a range of relevant topics including mental health and women's health. The Company also launched another program within the Resilience Project titled "Authentic Connections", with leaders within the business sharing personal experiences focused on the topics of vulnerability, perfectionism and passion.

Diversity and Inclusion, Community and Environment

Monadelphous continued to focus its efforts on enriching the communities in which it operates, increasing diversity and inclusion across its workforce, and progressing its roadmap to Net Zero by 2050.

The Company continued to progress its Stretch Reconciliation Action Plan (RAP) commitments, focusing on long-term employment opportunities, training and development programs for First Nations people and supporting First Nations businesses.

Monadelphous exceeded its RAP targets for First Nations workforce participation, reaching 3.7 per cent, and for First Nations business spend, surpassing more than \$9 million and onboarding seven new First Nations business partners during the six-month period.

The Company provided career opportunity pathways for current and future First Nations employees through traineeships, apprenticeships and the Indigenous Pathways Program, in partnership with Rio Tinto, and extended its partnership with the Polly Farmer Foundation for a further two years.

Supporting its ongoing commitment to positively contribute to the regions in which it operates, the Company delivered its Karratha Community Grants Program for the second year running and launched similar programs in Darwin and Bunbury. Across Australia and internationally, Monadelphous supported over 70 community initiatives, contributing more than \$150,000 in funding, as well as over 150 volunteering hours to charities, local groups and grassroots organisations.

Monadelphous progressed a range of initiatives to support its goal of Net Zero by 2050, including trialling fully electric utility vehicle options. Progressing sustainability goals through innovative solutions also remained a focus, with site-based product trials of electric-battery solutions to reduce diesel usage, and electric forklifts to reduce LPG emissions.

The transition to renewable power continued with the installation of a 40-kilowatt solar system at its workshop facility in Mackay, Queensland, in line with the Company's interim target of switching to 100 per cent renewable power alternatives by 2030 for its facilities in Australia.

Work continued in preparation for the incoming Australian climate reporting with a review of the final sustainability standards released during the period and the identification of process improvements required to effectively address future disclosure requirements.

PRODUCTIVITY AND INNOVATION

Monadelphous monitors emerging trends, industry advancements and proven technologies, and seeks to identify and implement innovative solutions that drive improved safety outcomes, increase productivity and support the delivery of value for customers.

The Company continues to support employees in actively identifying opportunities to improve and innovate, especially those with safety, efficiency and productivity benefits. Monadelphous' ongoing emphasis on digital literacy skills has led to a significant take up of digital solutions across the business, with new and innovative ways to apply and scale solutions being implemented, both maximising value and driving efficiencies.

Alevro received awards from The Crane Industry Council of Australia for the synchronous jacking system used at the Pluto 2 project. The innovation allowed for greater control and precision in placing modules and significantly reduced on-site installation time.

The exploration of Artificial Intelligence case studies for intelligent searching, predictive insights and enhanced workflows was progressed. Monadelphous also collaborated with The University of Western Australia on an exploratory development project to improve pipe welding using robotics, potentially enabling faster welding with safer results.

OPERATIONAL ACTIVITY

Engineering Construction

Monadelphous' Engineering Construction division reported revenue of \$405.4 million¹ for the six months, and was awarded approximately \$740 million of new construction contracts during the period.

The Company successfully completed construction of the wet plant at Liontown Resources' Kathleen Valley Project, a spodumene lithium and tantalum mining and processing operation located 680 kilometres northeast of Perth in WA.

Monadelphous also progressed construction of the Chemical Grade Plant 3 (CGP3) at Talison Lithium's Greenbushes site in the southwest of WA, including structural, mechanical, piping, electrical, and instrumentation for a new crushing and screening facility and lithium concentrate processing plant. Melchor completed civil and concrete works at the CGP3 Project, delivering detailed earthworks, formwork, reinforcement and concrete placement, along with the installation of primary crusher drainage and a fine ore stockpile tunnel.

Work advanced at BHP's Car Dumper 3 Renewal Project at Nelson Point in Port Hedland. The Company also commenced work on a multidisciplinary construction contract for BHP associated with the dewatering of surplus water from Orebody 32 in Newman, WA, as well as at BHP's Prominent Hill Expansion Project, a copper, silver and gold mine in Mount Eba, SA.

Monadelphous delivered key shutdown and miscellaneous works at Rio Tinto's Western Range Project in Paraburdoo and continued to provide crane and heavy lift services at Fortescue's mine sites in the Pilbara region of WA.

In the energy sector, Monadelphous progressed construction at Chevron Australia's Jansz-Io Compression Project in WA, including the installation and modification of electrical power and control facilities, with Alevro delivering specialist haulage and lifting services to Bechtel at Woodside's Pluto Train 2 project in Karratha, WA.

Inteforge, Monadelphous' fabrication business, secured contracts for the supply and fabrication of structural steelwork and pipe racks for Iluka's Eneabba Rare Earths Refinery Project in WA.

In Mongolia, Monadelphous successfully completed construction of surface infrastructure at the Oyu Tolgoi Underground Project achieving a strong safety record for the duration of the project.

Finally, Zenviron progressed works at Tilt Renewables' Latrobe Valley BESS (Battery Energy Storage System) Project, located south of Morwell in Victoria.

Maintenance and Industrial Services

Monadelphous' Maintenance and Industrial Services division recorded revenue for the period of \$645.1 million. High demand for maintenance services across all sectors continued, with the division having secured approximately \$950 million in new contracts and contract extensions since 1 July 2024.

In the energy sector, Monadelphous continued to deliver a significant volume of maintenance and minor construction services associated with Shell's Prelude FLNG facility, as well as for Woodside's onshore and offshore gas production facilities in WA's north-west region.

Activity was high at the INPEX-operated Ichthys LNG onshore processing facilities in Darwin, Northern Territory (NT), with turnarounds completed for Trains 1 and 2. The Company continued to deliver maintenance services for the Ichthys Explorer central processing facility (CPF) and the Ichthys Venturer floating production storage and offloading facility (FPSO), located in the Browse Basin, WA.

¹ Includes Monadelphous' share of joint venture revenue.

WA's iron ore sector continued to drive significant levels of activity, with the Company providing fixed plant maintenance services and sustaining capital projects to Rio Tinto, fixed plant services to Fortescue under its long-term maintenance and non-process infrastructure panel agreements, as well as general maintenance services to BHP.

Monadelphous also delivered maintenance services across BHP operations at the Olympic Dam mine site in South Australia and Mt Arthur Coal in the Hunter Valley, New South Wales (NSW).

The Company continued to provide decommissioning services to Petrofac on the Northern Endeavour floating production, storage and offtake facility, further building out its capability and positioning Monadelphous for future decommissioning activity expected within Australia's North-West Shelf and Bass Strait regions.

In Papua New Guinea, the Company continued to provide sustaining capital projects and maintenance support activities at Newmont's gold operations at Lihir Island, and Santos' production and support facilities in the Southern Highlands region.

The Company secured a three-year contract, with two one-year extension options, for shutdown and maintenance services at South32's Worsley Alumina operations in the south-west of WA, where Monadelphous has been providing services for 20 years. In addition, Monadelphous was awarded a new three-year contract for the provision of minor project works at Worsley Alumina.

Other significant contract activity undertaken during the period included:

- mechanical maintenance services at Queensland Alumina Limited's operations located in Gladstone, Queensland;
- rope access and associated services for Dalrymple Bay Coal Terminal in Hay Point, Queensland;
- rail maintenance projects for Pacific National across WA, NSW and SA;
- dragline shutdowns for BHP Mitsubishi Alliance in Mackay, Queensland;
- operation and maintenance of the coal handling facility at the Muja Power Station for Synergy in Collie, WA; and
- mechanical, electrical and access maintenance services for fixed plant shutdowns at Rio Tinto's Gove operations, NT.

MARKETS AND OUTLOOK

Resources and energy demand is expected to remain strong over the long-term, underpinned by sustained economic growth and increasing investment in decarbonisation activities. Despite some global uncertainty, worldwide economic forecasts expect growth to remain resilient with the resources and energy sectors expected to provide a significant pipeline of prospects across a broad range of commodities.

Demand for sustaining capital works and maintenance services continues to be driven by ongoing high levels of production across most commodities. In Australia's iron ore sector, investment is projected to continue to sustain current production levels, with a focus on operational discipline and efficiency to maintain a position of global competitiveness.

After a period of significant price volatility within the energy transition metals sector, there has been a slow and modest recovery in commodity prices over the past year. Long-term fundamental indicators remain robust and mining and mineral processing development in the energy transition metals sector is projected to increase over the long-term. This extends to copper and critical minerals, which will require significant capital investment to meet forecast demand.

The energy sector continues to provide opportunities, including several gas construction projects and ongoing strong demand for maintenance services. Monadelphous is well positioned to support the decommissioning activities expected over the coming decade for oil and gas assets.

Additional opportunities are arising from customers' decarbonisation investments, which includes electrification of operations and energy storage.

Australia's Net-Zero Emissions objective is driving a pipeline of renewable energy prospects within the coming years, as high investment activity is forecast across generation, storage and transmission. Zenviron remains well positioned to capitalise on the growth projected within the wind farm and battery energy storage sectors.

Significant long-term investment is also forecast for the essential electricity transmission infrastructure needed to support energy transition and grid stability. The power sector is addressing challenges such as network constraints, supply chain pressures and delays in planning approvals, which will further expand these opportunities.

While labour demand has moderated and general labour availability has improved slightly, the challenge of a skilled labour shortage remains within Australia's resources and energy sectors. Monadelphous continues to address this by enhancing the capability and capacity of its workforce through focused employee attraction, retention and development initiatives.

Monadelphous will continue to focus on sustainable growth and quality of earnings through a selective approach to new work, collaborative customer engagement, high standards of delivery, and the appropriate allocation of risk.

With construction activity levels increasing and the strong flow of new work in FY25 to date, the Company is anticipating to see high single digit revenue¹ growth together with improved operating margins for the full financial year.

A strong balance sheet enables the Company to continue to assess strategic acquisition opportunities which support an expansion of services and capabilities, and market diversification, driving long-term sustainable growth.

In conclusion, I would like to take this opportunity to thank the talented team at Monadelphous, whose loyalty and dedication supports our continued growth. I also extend my appreciation to our shareholders, customers and our many other stakeholders for their ongoing support.

¹ Includes Monadelphous' share of joint venture revenue.

Revenue including joint ventures is a non-IFRS measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to revenue presented by other companies. This measure, which is unaudited, is important to management when used as an additional means to evaluate the Company's performance.

Reconciliation of Total Revenue from Contracts with Customers including joint ventures to Statutory Revenue from Contracts with Customers (unaudited)

	31 December 2024 \$'000	31 December 2023 \$'000
Total revenue from contracts with customers including joint ventures	1,050,532	1,007,871
Share of revenue from joint ventures ¹	(31,697)	(7,643)
Statutory revenue from contracts with customers	1,018,835	1,000,228

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

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the Company's performance.

Reconciliation of profit before income tax to EBITDA (unaudited):

	31 December 2024 \$'000	31 December 2023 \$'000
Profit before income tax	61,732	44,775
Interest expense on loans and hire purchase finance charges	1,360	1,175
Interest expense on other lease liabilities	606	765
Interest revenue	(4,992)	(2,984)
Depreciation of owned and hire purchase assets	16,329	13,122
Depreciation of right of use assets	4,068	4,367
Amortisation of intangibles	410	300
Share of interest, depreciation, amortisation and tax of joint ventures ²	263	(229)
EBITDA	79,776	61,291

² Represents Monadelphous' proportionate share of the interest, depreciation, amortisation and tax of joint ventures accounted for using the equity method.

DIVIDEND ENTITLEMENTS

The fully franked interim dividend of 33 cents per share will be paid to shareholders on 28 March 2025 with the record date for entitlements being 7 March 2025.

Updating Direct Credit Details

Monadelphous strongly encourages all shareholders in Australia and New Zealand to update their Australian or New Zealand banking details online through Computershare's Investor Centre website. Please login or register at www.investorcentre.com/au. This is a quick and easy way to manage your security holding. Alternatively, you may contact Computershare on 1300 364 961 (within Australia) or +61 3 9946 4415 (outside Australia). Payments will be made in the currency of the bank account which is recorded on the register as at 7 March 2025.

Further Information

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About Monadelphous

With over 50 years of experience, Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.

Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and offices, projects, facilities and workshops across Australia and in China, Mongolia, Papua New Guinea and the Philippines. Please visit www.monadelphous.com.au for further information.