



AusGroup



Investor presentation

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Company Structure



AusGroup Ltd (Singapore)

- Investor relations
- Bank and noteholders interface



An AusGroup Company

- Provides services across the **energy, industrial** and **mining** sectors
 - _ Core maintenance
 - _ Construction
 - _ Fabrication
 - _ Painting, insulation and fireproofing
 - _ Refractory
- Number of employees: 1,750
- Number of facilities: 2



AN AUSGROUP COMPANY

- Provides access services across the energy and resource sectors in Australia and Asia
 - _ Scaffolding
 - _ Rope Access
 - _ Design, planning and engineering access systems
 - _ Labour supply
 - _ Training
- Number of employees: 1,030
- Number of facilities: 9



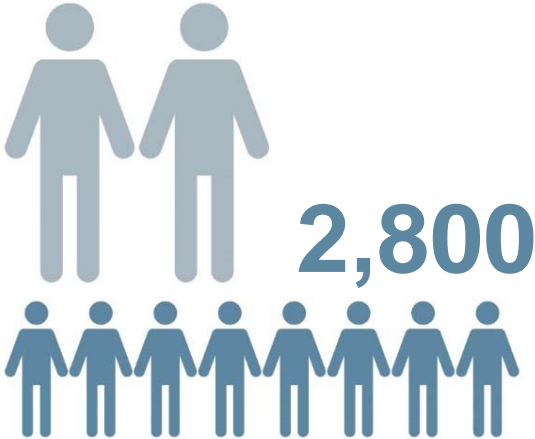
- Supports offshore industry through the provision of fuel & marine services
 - _ Fuel distribution and supply
 - _ Marine logistics
 - _ Equipment/module transportation
 - _ Asset operation
- Number of employees: 20
- Number of facilities: 2

Our operations



Company profile

AusGroup is an established construction, operations and maintenance service provider with 29 years' of experience operating across 13 locations throughout Australia and South East Asia.



Group Highlights

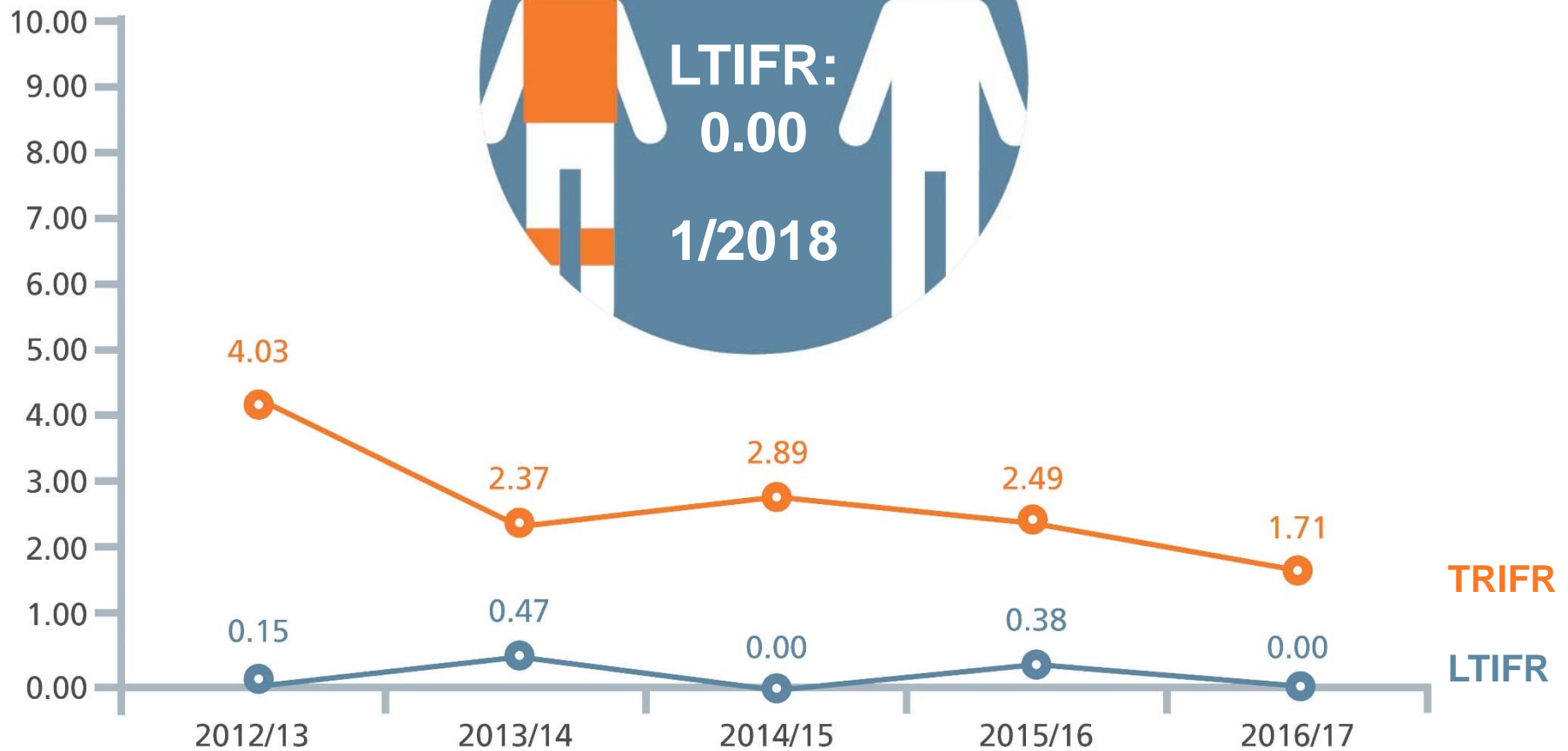
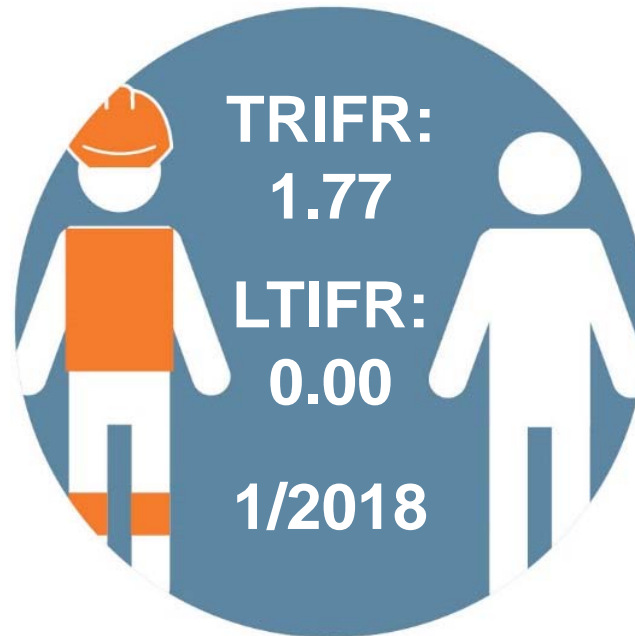


- Broadened service offering to the Oil & Gas, resources and industrial markets to diversify client portfolio
- Strong pipeline of opportunities
- Establishing a footprint in Eastern Australia & South East Asia



- Fifth consecutive quarter of profitability
- Continue to deliver safely
- Awarded >\$200m in extensions on Ichthys LNG Project
- Shortlisted contractor on MSP Lithium Talison (Jan 18)
- Chevron Master Services Contract; Increased scope on Wheatstone Project, W.A.
- Shell Prelude FLNG contract performing well
- Extended the Woodside fabrication contract

Perfect Day – Safety



Leadership

- Executive team with vast industry experience and knowledge
- Nathan Pike - EGM HSEQ joined the Executive
- Industry experts from the resources and oil & gas sectors



NT Port and Marine



- Port Melville commissioned with fuel in tanks
- Purchased Fuel truck which is now at Port Melville
- Fuel sales are ready to commence
- Australia Border Force vessel 'Cape Wessel' berthed at Port Melville, NT
- First shipment of woodchips for CY2018 loaded in January with the next scheduled for February 2018.



Singapore downtown with Inpex LNG overlaid





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Strategy & Market outlook



Strategy



**Maximising returns
from existing markets**



**Diversify service offering
in existing markets**

**Expand into new
markets
(geographical &
sector)**



Business development

138 live opportunities being tracked worth over AU\$2B.

23 proposals submitted for the month of Jan 2018.

Negotiation over **AU\$65M** in contracts.

LONG TERM
Woodside
fabrication
contract
RENEWED.

Awarded
16 NEW
contracts
for Jan
2018.

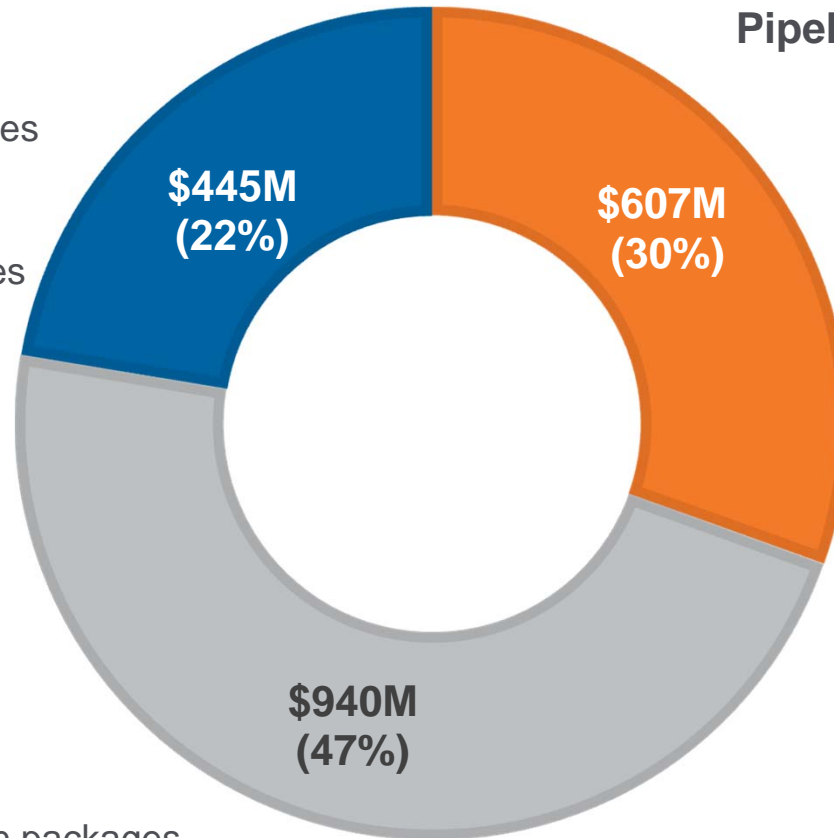
Work in hand as
at 31 December
2017 is **AU\$356M.**

Business development pipeline including; prospects, pursuits & tenders

Pipeline value \$2B

Other industry

- Port and marine activities ramping up
- Increasing industrial processing opportunities
- Diversified fabrication offerings



Energy

- Steady release of oil & gas maintenance scopes under framework agreements
- Upcoming large and complex fabrication scopes
- Multi-year maintenance contracts to be tendered

Resources

- Iron ore plant fabrication packages
- Increased opportunities in Capital & maintenance
- Lithium projects obtaining approvals

■ Energy ■ Resources ■ Other

Source: AGC pipeline database

Market outlook – Australia

Value of resource and energy projects in the investment pipeline in the 12 months to October 2017

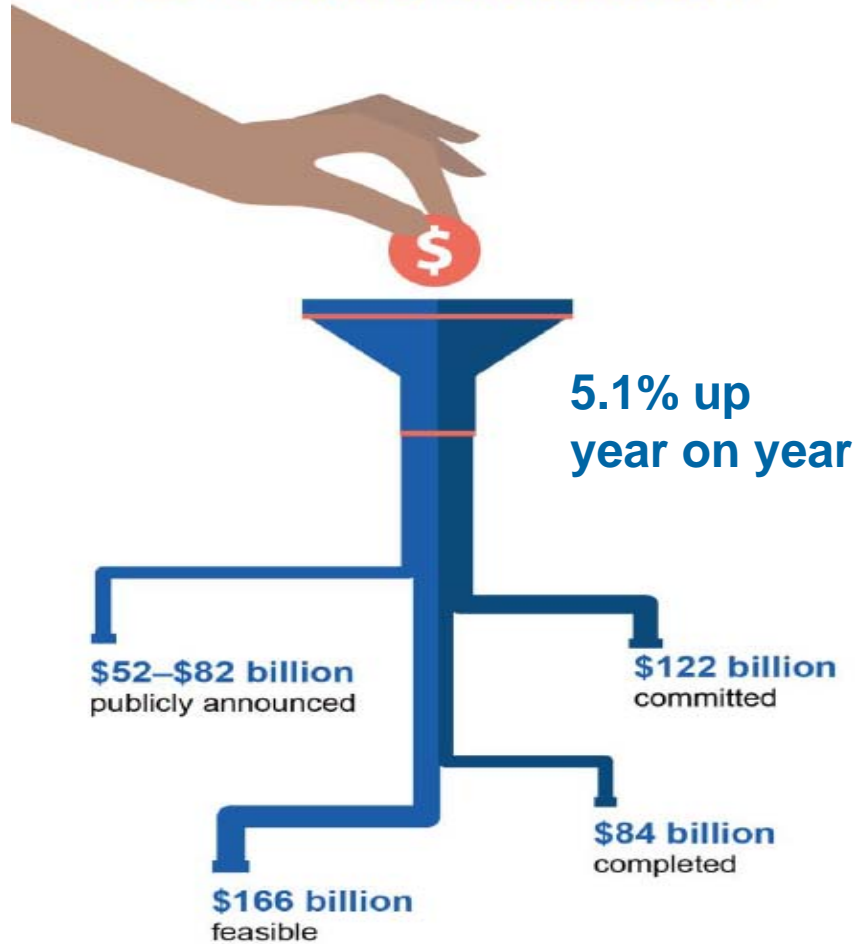
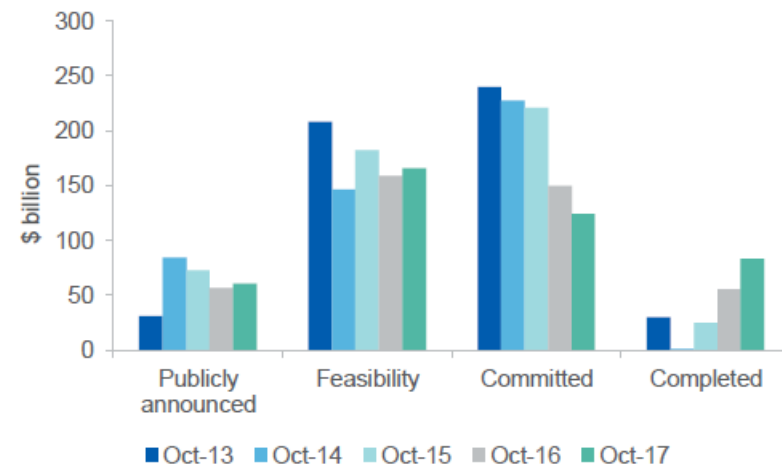


Figure 15.2: Value of projects in the investment pipeline



Notes: value of projects at publicly announced is estimated as the mid-point of the range. Source: Department of Industry, Innovation and Science (2017)

Market outlook

- Solid levels of capital expenditure providing resource construction opportunities
- Maintenance services prospects remain positive
- Margins to remain under pressure from high levels of competition.





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Financial
Performance



Income statement

Income statement	Q2 2018	Q2 2017	+ / (-) %	Q2 FY 18	Q2 FY 18	Q2 FY 18
	AU\$'000	AU\$'000		Energy & Process	NT Port & Marine	Total
				AU\$'000	AU\$'000	AU\$'000
Revenue	150,164	106,284	41.3	149,777	387	150,164
Gross profit	11,196	9,511	17.7	12,022	(826)	11,196
<i>Gross margin</i>	7.5%	8.9%		8.0%	<i>n.m.</i>	7.5%
Other operating income / (loss)	(236)	607	(138.9)	(320)	84	(236)
Administration, marketing & other costs	(4,207)	(5,353)	(21.4)	(3,138)	(1,069)	(4,207)
EBIT	6,753	4,765	41.7	8,563	(1,810)	6,753
<i>EBIT Margin</i>	4.5%	4.5%		5.7%	<i>n.m.</i>	4.5%
Net gain on debt conversion	861	-	<i>n.m.</i>	861	-	861
Finance costs	(3,312)	(3,733)	(11.3)	(1,053)	(2,259)	(3,312)
Income and withholding tax	(216)	(75)	188.0	(26)	(190)	(216)
Discontinued operations	(19)	137	(113.9)	(19)	-	(19)
Net profit/(loss) for the period	4,067	1,094	271.6	8,327	(4,260)	4,067
<i>Net Profit Margin</i>	2.7%	1.0%		5.6%	<i>n.m.</i>	2.7%
<i>EBITDA</i>	9,408	7,922	18.8	10,667	(1,258)	9,408
<i>EBITDA Margin</i>	6.3%	7.5%		7.1%	<i>n.m.</i>	6.3%

- Strong increase in earnings and margin compared to the comparative quarter last year.
- Underlying EBITDA of AU\$9.4m (an increase of ~19%) and EBIT of AU\$6.8m (an increase of ~42%) due to strong operational performance and reduction of Administration, marketing and other costs (decrease of 21.4% QoQ).
- Finance costs are at 49% of Q2 FY18 EBIT. As the return to profitability continues, debt servicing cover improves.
- NT Port and Marine Services commercialisation of fuel service offering substantially completed in Q2 FY18 – slower start than budgeted.

Key performance indicators

REVENUE

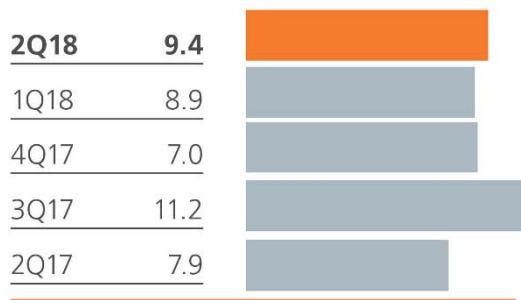
(AU\$M)



Does not include discontinued operations

EBITDA

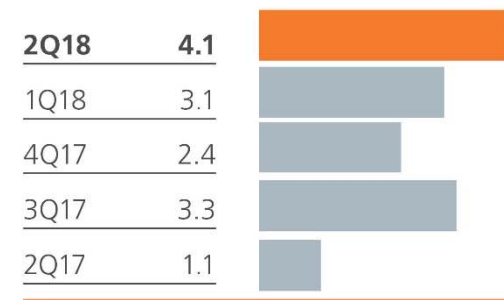
(AU\$M)



Does not include discontinued operations

NET PROFIT AFTER TAX

(AU\$M)



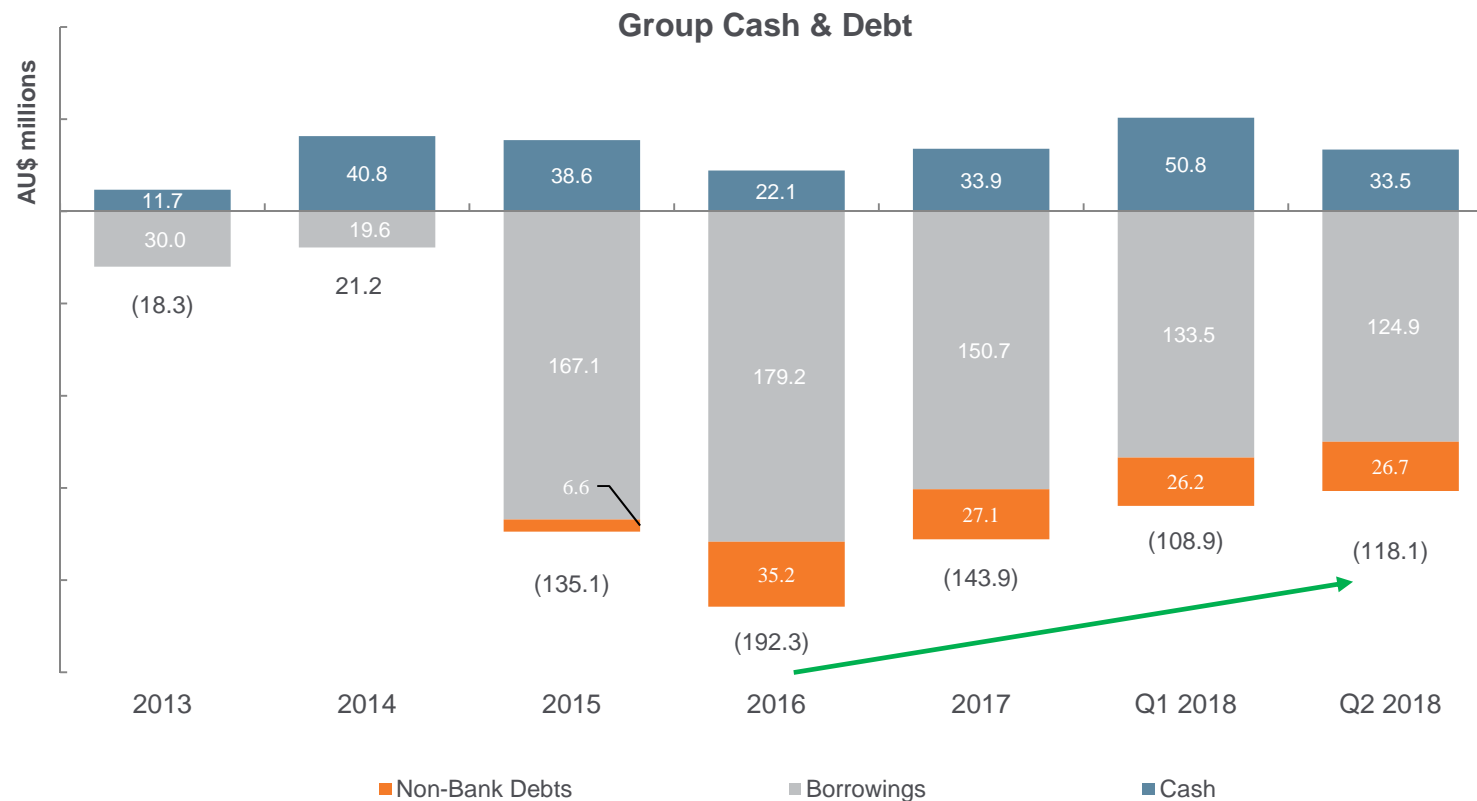
- Revenue growth sustained since Q2 FY17 on the back of strong performances from the Energy & Process based projects at INPEX and Gorgon/Wheatstone.
- EBITDA growth represents a return to more sustainable and realisable earnings.
- Net Profit after tax shows the significant turnaround and growth overall from last year and builds quarter by quarter.

Balance sheet

(A\$ million)	31-Dec-17	30-Jun-17
Cash	33.5	33.9
Receivables	121.4	133.1
PPE	84.8	87.4
Intangible Assets	46.6	47.6
Other Assets	14.1	10.2
Total Assets	300.4	312.2
Payables	109.9	114.7
Debt	124.9	150.7
Other Liabilities	32.3	23.5
Total Liabilities	267.1	288.9
Net Assets	33.3	23.3
Net Tangible Assets	(13.3)	(24.3)

- Improvement in Net Assets since FY17 year end reflecting the underlying profitability in business.
- Debt repayments have been made in line with obligations resulting in reduction of \$25.8m.
- Outstanding receivables have reduced by \$11.7m since FY17 improving cash flow.
- Excess cash used to repay debt, hence minimal movement in cash balance since FY17, which includes restricted cash.
- Ongoing strengthening Balance Sheet:
 - Additional debt/equity conversion of \$7.7m
 - Improved Net Assets by \$10.0m since FY17

Group net debt

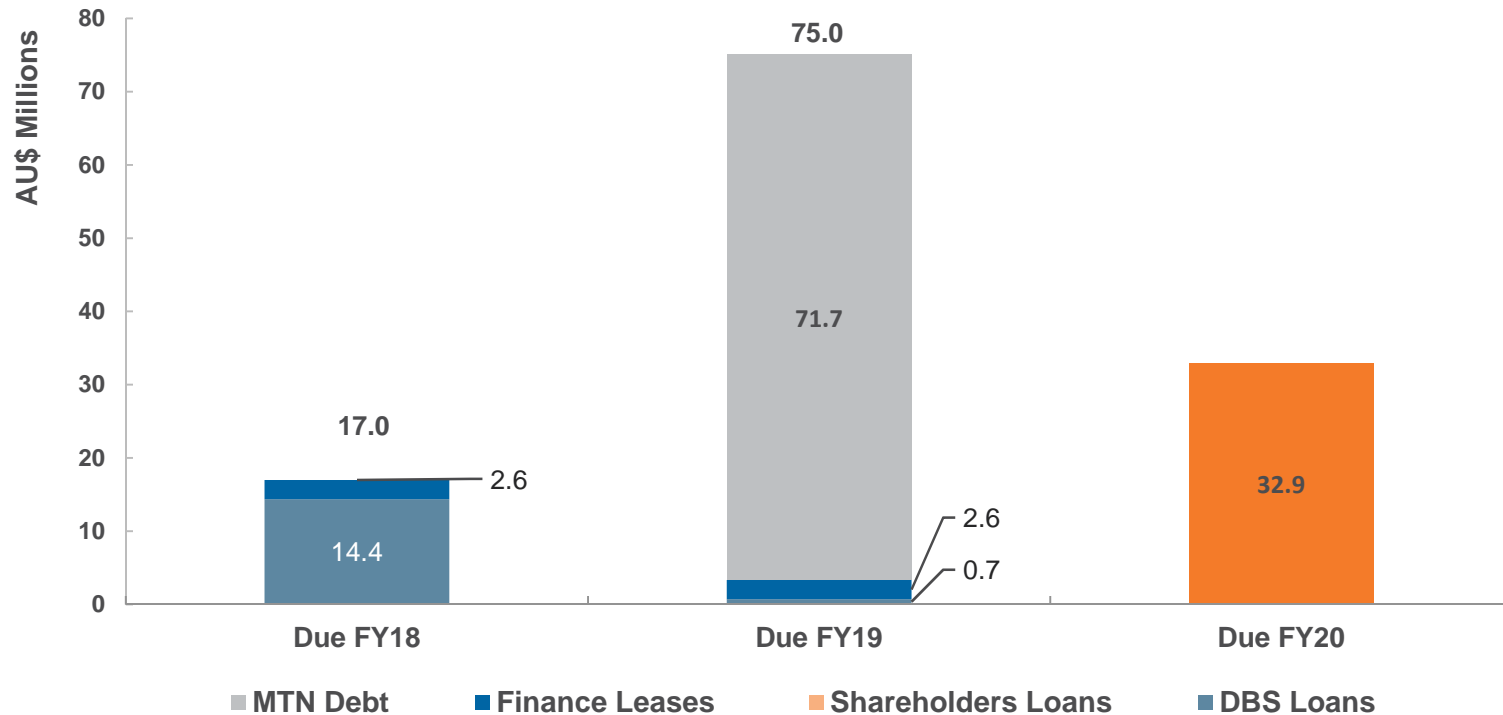


- **Net debt reduces by \$25.8m from FY17.**
- Cash at bank balance decreased by \$0.4m.
- Short term borrowings repaid and other repayments made - \$31.3m.

Insurance premium funding, finance leases and foreign exchange movement on loans (\$5.1m).

Group debt maturity

Debt maturity - January 2018



- MTN notes due for payment in October 2018 (FY19), with the potential that this will be extended to October 2019 (FY20).
- The long term bank debt, unless extended, will be repaid in April 2018 (FY18).
- Bank loans due for payment according to agreed instalment plans will be fully repaid by Sep'18. (FY19).
- The shareholders loan is fully sub-ordinated to all bank loans and is not be repayable until after Jun'19 (FY20).

MTN – Current Maturity October 2018

- Appointment of financial and legal advisers to consider structure to extend the MTN beyond October 2018
- Extension of tenure on revised terms
- Aim to finalise process before 30 June 2018

Key investment highlights

Outstanding track record with ability to deliver end-to end asset services

- 29 years' experience in the Australian and South East Asian markets
- Capability to provide full end-to-end project delivery: Planning, construction, hook-up, operations and maintenance

Solid Australian presence with established customers

- Blue chip long term contracts
- Positioned to capture future works through strong client relationships

Lean and flexible business model offering integrated service delivery

- Strong in-house capability that is scalable for growth
- Self performing delivery model eliminating interface management
- Industry leading recruitment model with flexibility to meet business requirements

Clear strategic vision for the future

- Experienced core leadership & management team
- Strategy set for growth
- Visible pipeline of growth in a stabilised market



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