



1H FY2019 Presentation

March 2019



About Cvmec

Australian-based, integrated, multi-disciplinary heavy engineering, construction and maintenance services provider to a range of sectors including:



Core Capabilities



Heavy Engineering



Shipbuilding



Modularisation



Structural, Mechanical & Piping



Electrical, Instrumentation & Control



Site Civil Works



Industrial Insulation



Refractory



Maintenance



Precast and Prestressed Concrete

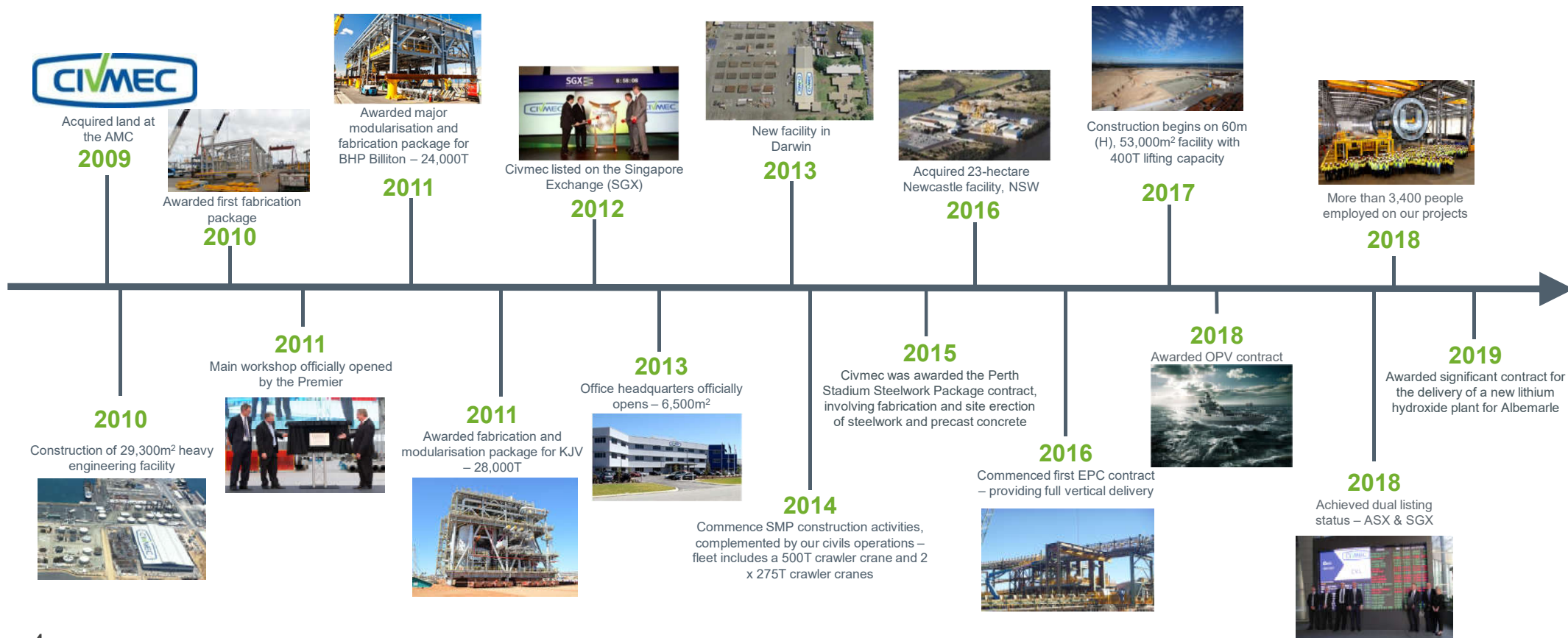


Access Solutions



Offshore Logistics

Our History



Corporate Overview

Board and Management



Jim Fitzgerald – Executive Chairman

With more than 35 years' experience, Mr Fitzgerald has a wealth of experience, with a natural ability to create solutions for complex tasks. He has a strong belief in the training and development of people which has been a key aspect of Civmec's growth and success.



Pat Tallon – Chief Executive Officer

Over the past 30 years, Mr Tallon has worked across the Oil & Gas, Metals & Minerals, Infrastructure and Defence sectors. Mr Tallon is responsible for implementing the strategic decisions and policies of the company and is a key driver of innovation, productivity improvement, and waste elimination programs within the business.



Kevin Deery – Chief Operating Officer

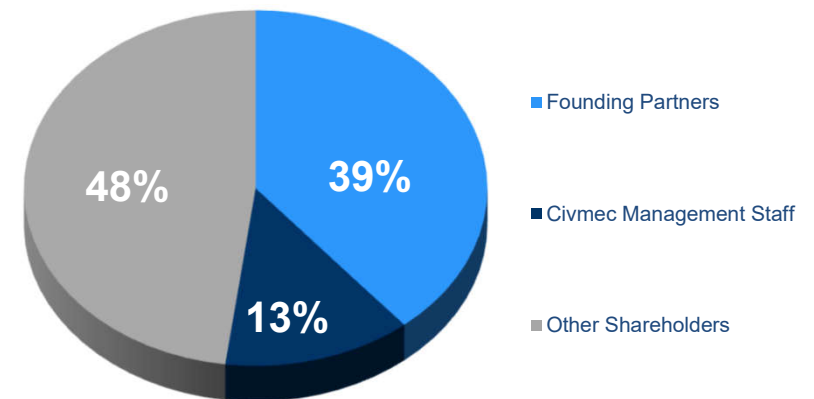
Mr Deery is responsible for ongoing business operations and has more than 20 years' industry experience, including significant time spent within the construction and engineering services industry throughout Australia.



Justine Campbell – Chief Financial Officer

Ms Campbell is responsible for all financial and risk management aspects of the business. Ms Campbell has over 20 years' experience in finance, accounting, corporate transactions and commercial projects.

Shareholder Breakdown



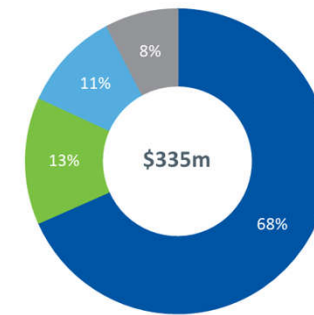


1H FY2019 Financial Highlights

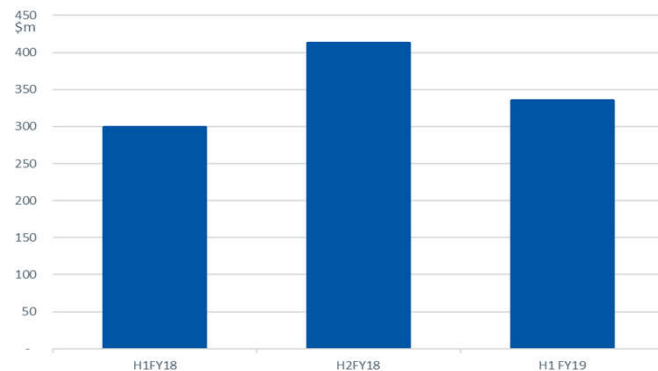


1H FY19 – Financial Highlights

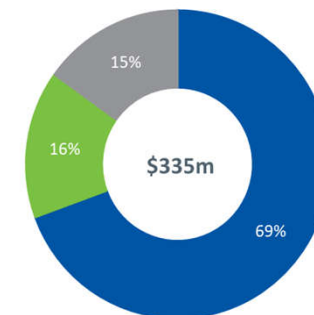
- Revenue – \$335.0 million
- Increase in revenue in 1H FY19 from 1H FY18
- EBITDA – \$15.4 million
- Net Profit after Tax – \$6.7 million
- Net cash from Operations – \$16.7 million



1H FY19 Revenue by Geography



FY18 & FY19 Revenue Half-on-Half

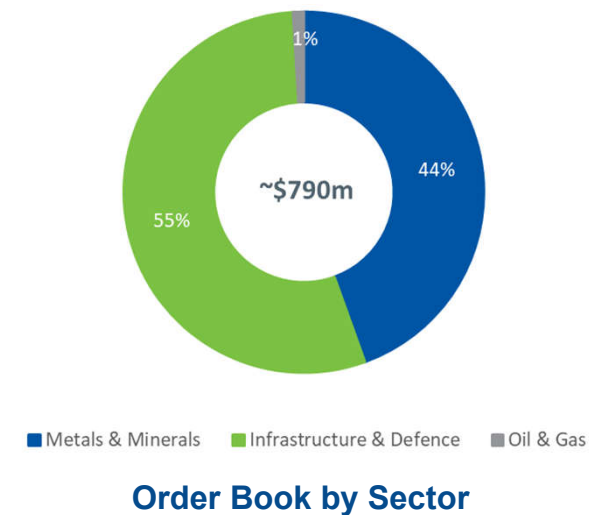


1H FY19 Revenue by Sector

FY2019 – Year of Consolidation

FY2019 focus is on consolidating the Group's position

- Successful close of \$60 million Senior Secured Note
- Commercial close-out of current and recently completed projects
- New contracts and strong pipeline expected to contribute to continued revenue growth in FY2020
- Group-wide focus on improving operational and commercial performance on projects



Group Balance Sheet

- Net Assets of \$173.9 million
- \$60 million Secured Note to partly fund new shipbuilding facility (November, 2018)
- Total unutilised facilities of ~ \$100 million, including bond facilities

	December 2018 (\$M)	June 2018 (\$M)
Current Assets	301.2	296.3
Non-Current Assets	172.8	146.2
Total Assets	474.0	442.5
Total Liabilities	300.1	271.7
Equity	173.9	170.8



Strategic Focus



Continuing to Deliver on our Strategy

We are continuing to deliver on our strategy, which targets the following key focus areas:

1. Expand on consistent and recurring revenue streams

- Leveraging maintenance opportunities across primary operating sectors
- Establishment of a world-class shipbuilding capability in Western Australia
- Optimising output efficiencies from Newcastle facility for east coast infrastructure projects

2. Capitalise on major expansion projects opportunities

- Significant sustaining and expansion projects across the energy and resources sectors
- Substantial activity in minerals such as lithium and other precious minerals

3. Continual improvement

- Investment in system and process improvements to support project delivery performance
- Investment in the training and development of our people to retain and grow capability across our specialised disciplines

Consistent and Recurring Revenue – Maintenance

Leveraging maintenance opportunities across primary operating sectors

- Multi-disciplined, self-performance capability is recognised by clients as a significant benefit in providing maintenance, refurbishment and repair services
- Dedicated maintenance facilities and strength of management capability enables specialised maintenance service offering
- Ongoing maintenance contracts with key clients including Alcoa Australia, Rio Tinto, FMG and Cockburn Cement
- Recently awarded long-term contract for the provision of shutdown and maintenance services at Roy Hill Holdings' Pilbara mine and port
- Significant future opportunities pipeline – requirement to maintain new plants in the Metals & Minerals and Oil & Gas sectors across Australia; Defence sector sustainment and through-life support



Roy Hill, Pilbara, WA

Consistent and Recurring Revenue – Shipbuilding Capability

Establishment of a world-class shipbuilding capability in Western Australia

SEA 1180 Offshore Patrol Vessel program:

- Preparation and profile cutting of steel plates for the first two vessels to be built in South Australia underway at Henderson
- Cvmec will undertake fabrication and construction of the following 10 vessels in its new world-class facility

Naval Shipbuilding Plan:

- Federal Government commitment to undertake minor naval vessel continuous build program and sustainment of these vessels at Henderson



Henderson Facility, WA

Consistent and Recurring Revenue – Shipbuilding Capability

Establishment of a world-class shipbuilding capability in Western Australia

Construction of new facility at Henderson well underway, including:

- Office
- Main Assembly Hall
- Blast & Paint Shed
- Pipe Processing Shed
- Highbay and Lowbay Stores
- Carpark



Blast & Paint Shed



Pipe Processing Shed



Office & Main Assembly Hall



High Bay Stores

Consistent and Recurring Revenue – Output Efficiencies

Optimising output efficiencies from Newcastle facility for east coast infrastructure projects

- Facilities under further development to increase capacity and output (staged expansion)
- Greater capacity to capitalise on supply of fabricated and precast elements for major infrastructure projects in delivery on the east coast



Newcastle Facility, NSW

Consistent and Recurring Revenue – Output Efficiencies

Facility development to enable output efficiencies

- Precast facility complete
- Extension to fabrication facility 90% complete
- Installation of processing equipment, including plasma cutters and beamline complete



Precast Facility



Fabrication Facility



Plasma Cutter



Beamline

Capitalise on Major Expansion Projects

Sustaining and expansion projects across the energy and resources sectors

- Extensive fabrication capability and capacity facilitates participation in new construction and expansion projects with key clients, particularly in iron ore, enabling partial or full delivery
- Delivering a number of substantial fabrication packages recently awarded to Henderson facility, including components for material handling machines for South Flank, East Intercourse Island and Paraburdoo

Substantial activity in minerals such as lithium and other precious minerals

- Awarded key role in delivery of Albemarle's new lithium hydroxide plant in WA's south-west – fabrication and pre-assembly in Henderson facility, for on-site erection; two-year project, employing approximately 300 personnel at peak
- Awarded additional works from MSP Engineering for the Tianqi Lithium Hydroxide Processing Plant in Kwinana, WA

Continual Improvement

Investment in system and process improvements

- Evolution of Civtrac continues to drive operational efficiencies, eg incorporation of CRM platform, Civtrac People



Investment in the training and development of our people

- Significant focus on development of safety and leadership capability across the business
- Facilitate career development through mentoring and technical training (in-house Registered Training Organisation)
- Committed to supporting the future of our industry – more than 60 apprentices and trainees across our operations



60+

APPRENTICES
and TRAINEES



Recent Awards and Market Outlook



Recent Awards

Albemarle Lithium Plant

- Awarded significant contract for the delivery of a new lithium hydroxide plant to be built in the Kemerton Strategic Industrial Area near Bunbury
- Scope of work includes Structural, Mechanical and Piping for the Hydromet and Final Product, Reagents and Utilities for Trains 1, 2 and 3
- Henderson facility will be utilised to fabricate and pre-assemble selected components for the on-site plant erection
- Peak manning ~ 300
- Duration – Fabrication will commence immediately, with site works expected from mid-2019 to March 2021

BHP South Flank

- Fabrication and modularisation of key components for BHP's South Flank iron ore mine
- Secured works directly with BHP and via ThyssenKrupp
- BHP – Conveyor shuttle modules, sample station, pump skids, train loadout and feeder modules; fabrication and assembly in Henderson before being transported to site for installation; work to commence immediately, with completion anticipated by mid-2020; peak manning ~ 80
- ThyssenKrupp – Supply, manufacture, trial assembly, surface treatment and pre-assembly of stackers, bogies and equalisers for the rail mounted machines; work currently underway at Henderson, with completion anticipated December 2019

Market Outlook

Improved market conditions and confidence across primary operating sectors

Oil & Gas

- Investment in the development and expansion of existing LNG plants, supporting infrastructure and subsea
- Substantial opportunity to service the ongoing maintenance requirements in this sector

Metals & Minerals

- Significant expansion, sustaining capital and maintenance opportunities in iron ore
- Activity in other minerals such as lithium is growing, amid increasing global demand

Infrastructure

- Infrastructure spending across Australia remains strong, particularly in road and rail projects on the east coast
- Focus on supply of fabricated and precast elements from WA and NSW facilities

Marine & Defence

- Federal Government's Naval Shipbuilding Plan is supporting a sustainable Australian naval shipbuilding industry that will continue to provide opportunities over the long term

Tendering

- Focus on capitalising on opportunities with clients where we have a strong, established relationship based on previous successful project delivery with the following blue-chip clients:

BHP



Santos **RioTinto**



