



Investor Presentation Q2 FY2019

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豬年 2019
YEAR OF THE PIG

Company structure



AusGroup Ltd (Singapore)

- Investor relations
- Bank and noteholders interface



Provides services across the **energy, industrial** and **resource** sectors.

- Core maintenance
- Construction
- Fabrication
- Painting, insulation and fireproofing
- Refractory

Number of employees: 952



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: 437



Supports offshore industry through the provision of fuel & marine services.

- Fuel distribution and supply
- Marine logistics
- Equipment/module transportation
- Asset operation

Number of employees: 17

AusGroup at a glance

Founded

1989

Our businesses



Our operations



Perfect Day



LTIFR 0.61
TRIFR 3.38

Our markets



Energy



Resources



Industrial



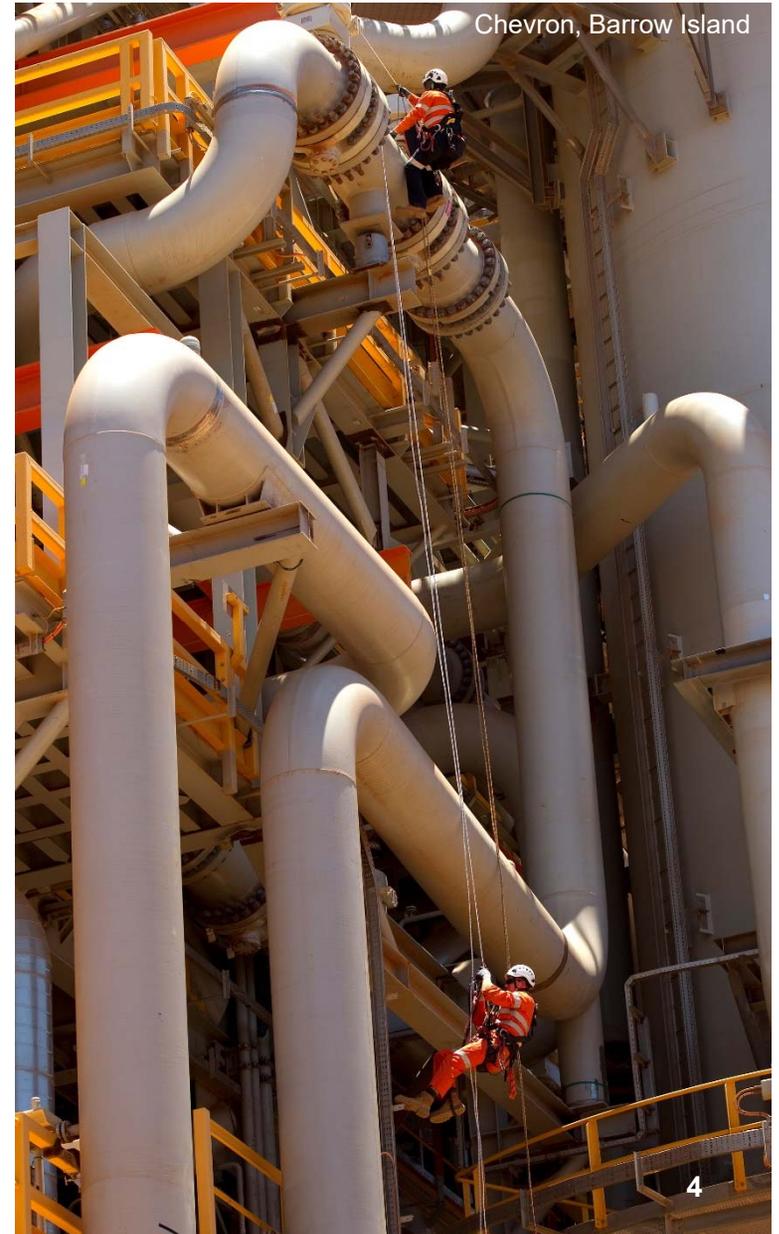
Utilities



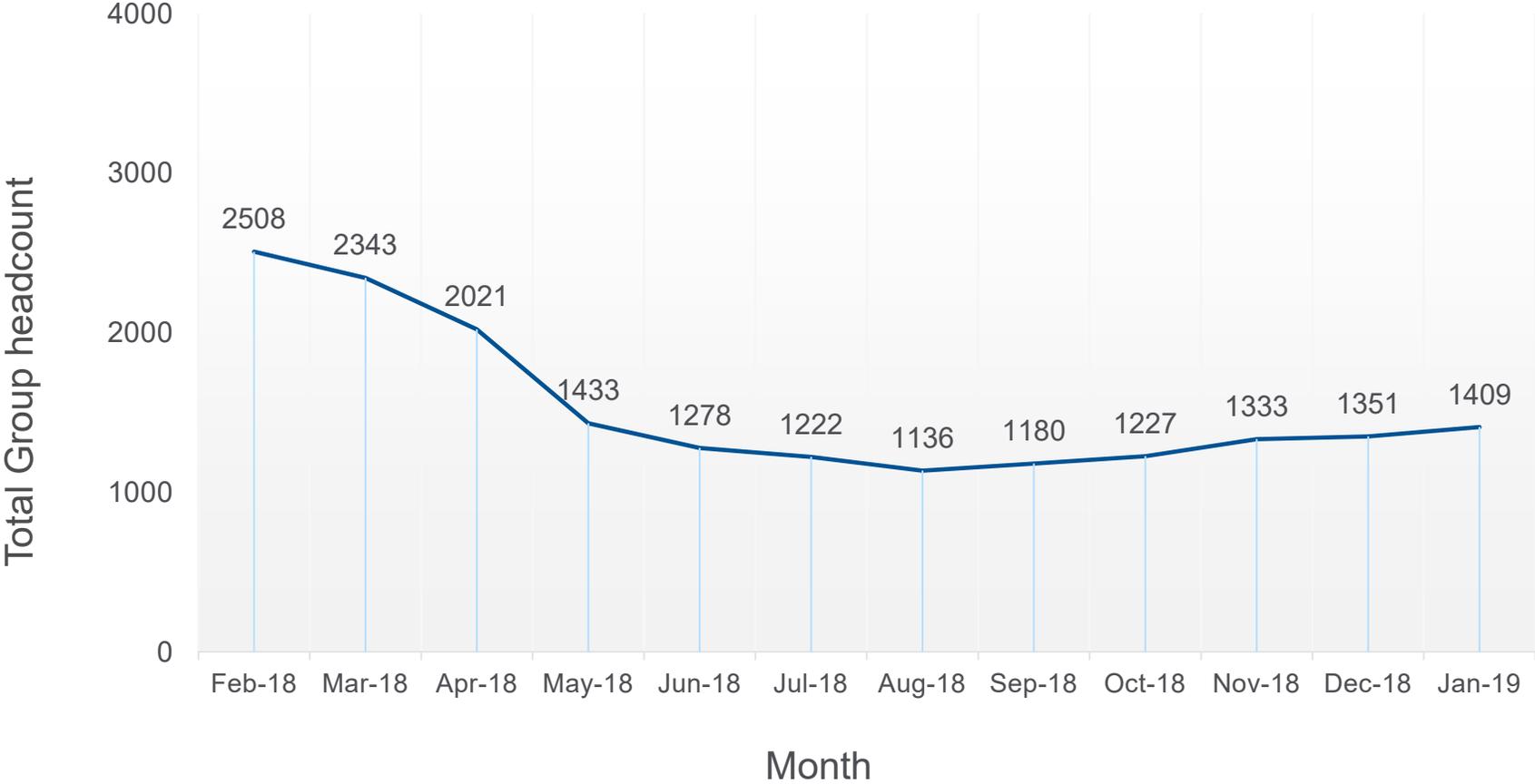
Port and marine

Key investment highlights

- Outstanding track record with ability to deliver end-to-end asset services
- Lean and flexible business model offering integrated service delivery
- Solid Australian presence with established customers
- Clear strategic vision for the future.

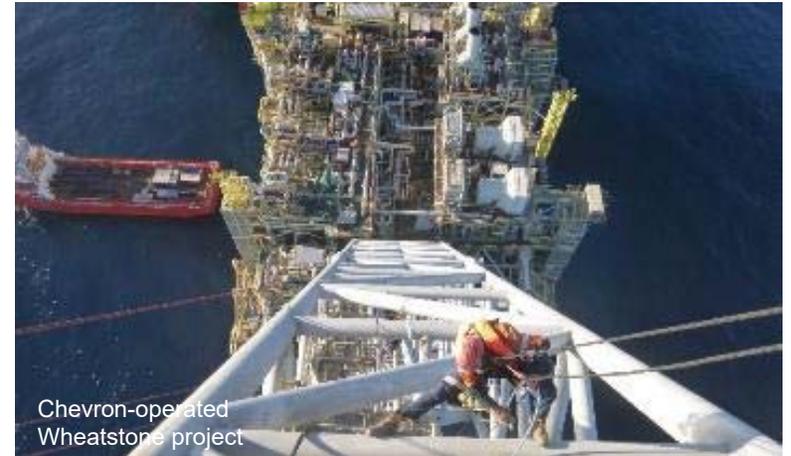


AusGroup headcount



Chevron Australia Master Contract

- Over 1 million man hours spent across all sites without any LTIs
- AusGroup expands maintenance contract across Gorgon and Wheatstone
 - Train 1 turnaround
 - Train 3 shutdown
 - Multiple projects.



Talison Lithium CGP2 Expansion

- Currently AU\$50M structural, mechanical and piping installation package
- Located in Greenbushes, Western Australia
- CGP2 will significantly expand lithium oxide concentrates in response to growing demand
- Approx. workforce of 260
- Potential future expansion at Greenbushes.



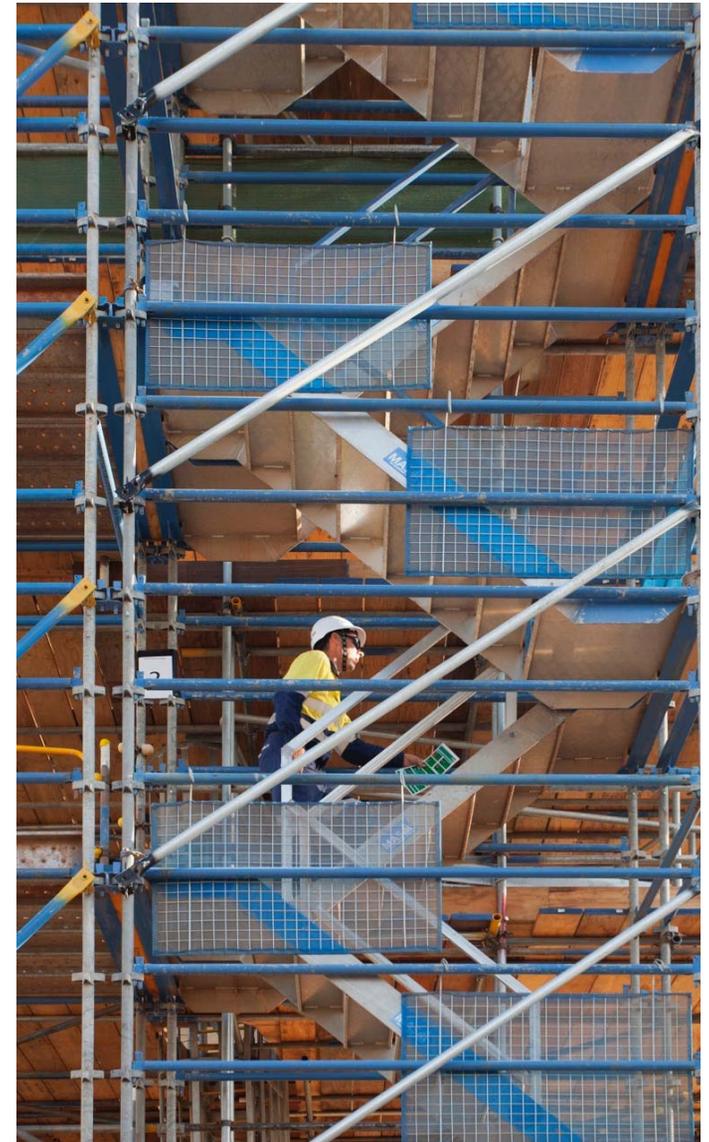
Tianqi Lithium Kwinana LHPP1

- AU\$17.7M contract for piping and insulation works on the Lithium Hydroxide Processing Plant Crystalliser building in Kwinana
- Planned workforce over 200 people
- LHPP2 construction commenced.



Other Contracts – MAS Australasia

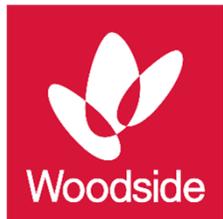
- Ichthys Offshore Scaffolding and Rope Access
- Technip Shell Prelude - Scaffolding, rope access, painting & coatings
- BHP Petroleum – 3 year maintenance contract, scaffolding and rope access awarded Q2 FY19
- Chevron-operated Gorgon Project, Barrow Island Turnaround works (TAR101, Waste Heat Recovery Stacks).



AusGroup Kwinana facility



- Specialised fabrication work for Woodside, Chevron, Talison, Tianqi and Rio Tinto.





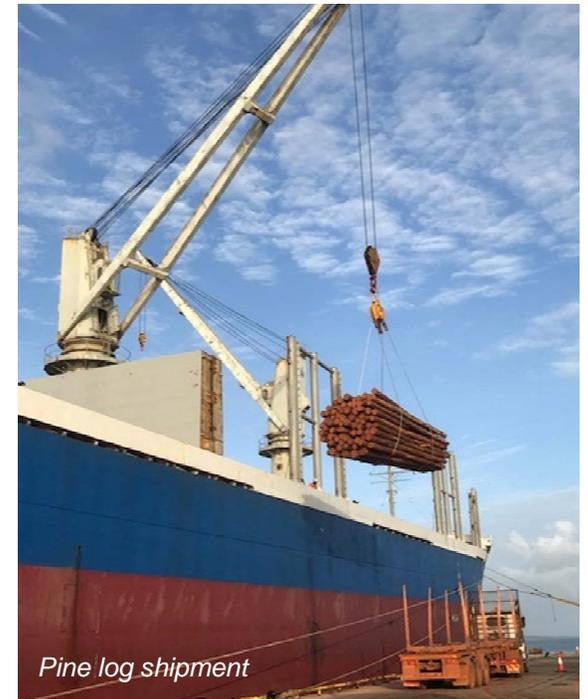
NT Port and Marine update



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NT Port and Marine update

- December first profitable month
- Woodchip shipment #15, successfully loaded on 2 January
- Over 813,000L of fuel supplied to land and marine customers
- Pine log export shipment #1 successfully loaded on 27 Dec
- ConocoPhillips assessing the viability of Port Melville to support the Barossa Development
- NT Port and Marine will be the principal sponsors of the Tiwi Islands Australian Football League.





Market outlook



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Major WA lithium projects

Operational plants



MARBLE BAR

- **Pilbara Minerals:** Pilgangoora Tantalum Lithium Mine & Processing Plant
- **Altura:** Pilgangoora Lithium Mine Power plant
- **Mineral Resources:** Wodgina Lithium Mine & Processing Plant

GREENBUSHES

- **Talison Lithium:** Greenbushes Lithium Mine Processing Plant

Karratha

Broome

COOLGARDIE

- **Mineral Resources:** Mt Marion Lithium Mine

WIDGIEMOOLTHA

- **Tawana Resources:** Bald Hill Lithium Plant

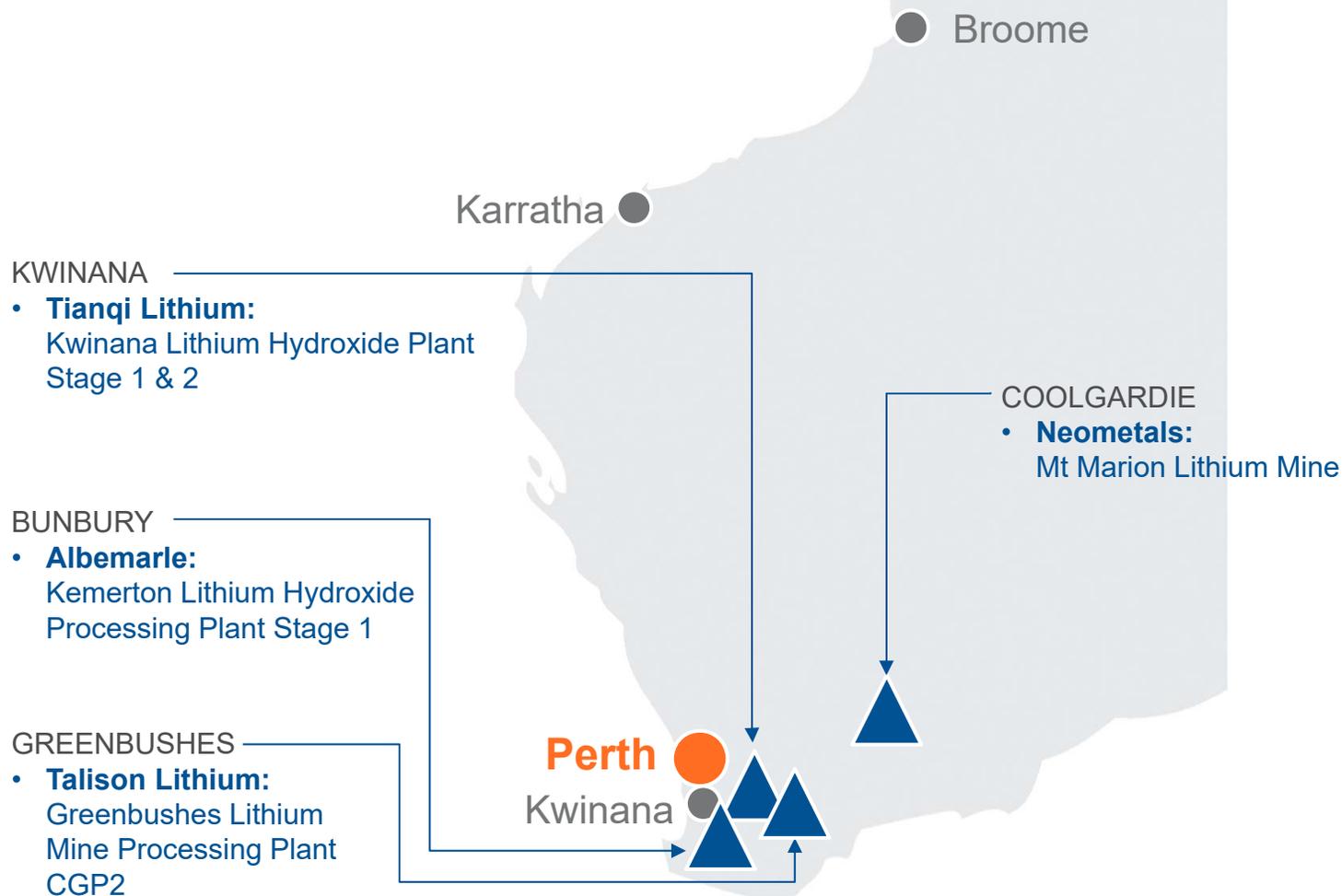
Perth
Kwinana

RAVENSTHORPE

- **Galaxy Resources:** Mt Cattlin Spodumene-Tantalite Mine

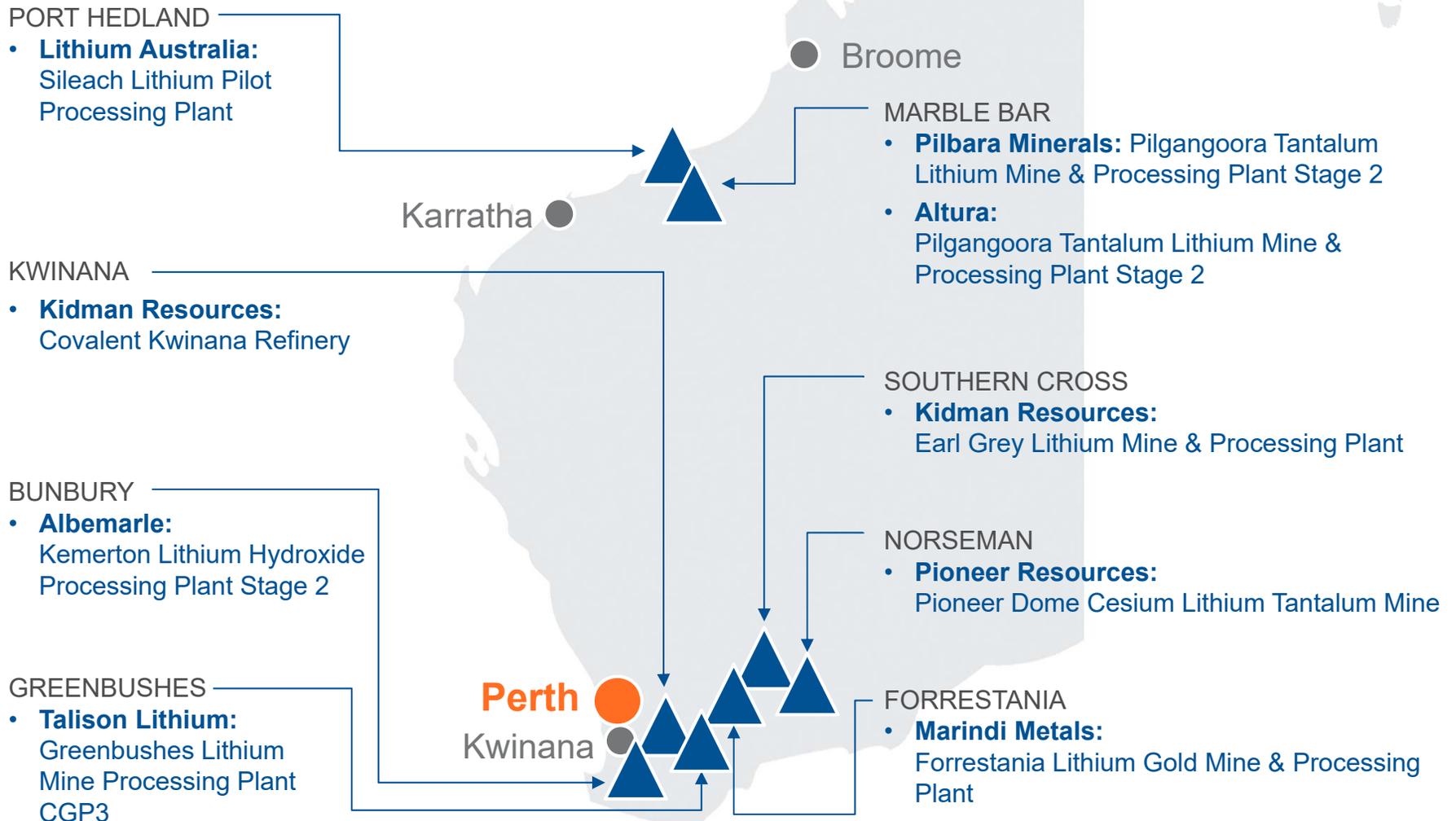
Major WA lithium projects

Plants under construction



Major WA lithium projects

Planned projects



Australian market overview

- Long-term outlook for resources and energy continues to improve across Australia
- Increasing opportunities in lithium sector
- Maintenance services prospects remain positive
- Renewed focus and growth in iron ore sector.



Talison Lithium CGP2 Expansion



Financial Performance



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Financial summary – Q2 FY2019

	Total Revenue	Total EBITDA	EBITDA margin	Net Debt
Q2 FY2019	A\$58.3m	A\$3.9m	6.8%	A\$58.8m
Q1 FY2019	A\$86.6m	A\$6.2m	7.1%	A\$118.5m

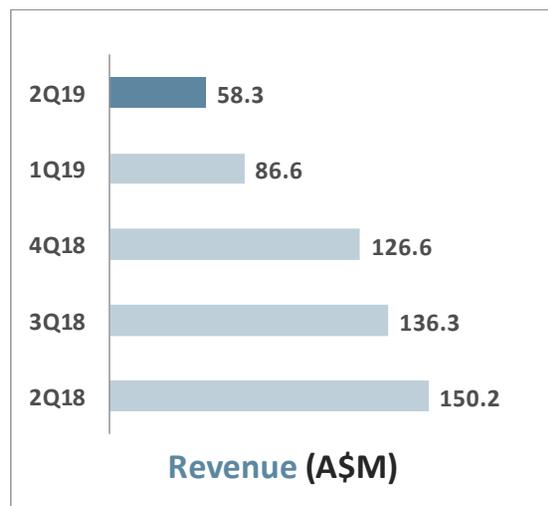
- Revenue of A\$58.3m – lower revenue in line with operating activities however current scope growth in hand for H2 and beyond on key maintenance and lithium based contracts.
- Debt re-financing programme completed and Funds raising activities completed and as a result, Net Debt reduced by A\$59.7m in the quarter.
- EBITDA of A\$3.9m – lower than Q1 FY2019 however maintaining the underlying strength in quality of earnings.
- EBITDA margins consistent throughout the year indicating consistent operational performance from maintenance, fabrication and project sectors.

Trading Performance – Q2 FY2019

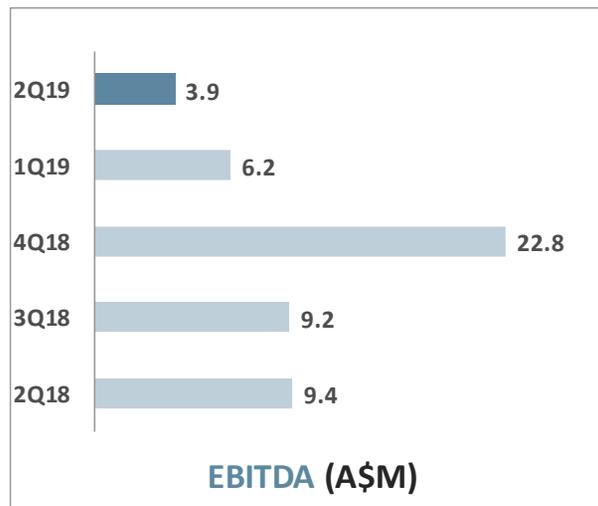
	Q2 2019	Q2 2018	+ / (-) %	Q2 2019 Energy & Process	Q2 2019 NT Port & Marine	Q2 2019 Total
	AU\$'000	AU\$'000		AU\$'000	AU\$'000	AU\$'000
Revenue	58,330	150,164	(61.2)	56,543	1,787	58,330
Gross profit	6,142	11,196	(45.1)	6,659	(517)	6,142
Gross margin	10.5%	7.5%		11.8%	<i>n.m.</i>	10.5%
Other operating income / (loss)	950	(236)	(502.5)	757	193	950
Administration, marketing & other costs	(5,008)	(4,207)	19.0	(4,244)	(764)	(5,008)
EBIT	2,084	6,753	(69.1)	3,172	(1,088)	2,084
EBIT Margin	3.6%	4.5%		5.6%	<i>n.m.</i>	3.6%
Net gain on debt conversion	566	861	(34.3)	566	0	566
Finance costs	(1,872)	(3,312)	(43.5)	288	(2,160)	(1,872)
Income and withholding tax	(286)	(216)	32.4	(286)	0	(286)
Discontinued operations	-	(19)	<i>n.m.</i>	0	0	-
Net profit/(loss) for the period	492	4,067	(87.9)	3,740	(3,248)	492
Net Profit Margin	0.8%	2.7%		6.6%	<i>n.m.</i>	0.8%
EBITDA and impairments	3,948	9,407	(58.0)	4,369	(421)	3,948
EBITDA Margin	6.8%	6.3%		7.7%	<i>n.m.</i>	6.8%

- Revenue lower than prior year due to completion of large major projects. The GP% for Q2 2019 (10.5%) is higher than the comparative quarter Q2 2018 (7.5%) as a result of improved performances on the current projects and are at the top end of the target GP range of 7% to 10%. EBIT for the quarter has dipped below the normal level of 4.5% to 5.0% due to the overall decrease in operating activities and the later than expected start of new work in the Projects and Maintenance business sectors.
- The ratio of EBIT to Finance costs was 1.1 : 1.0, with improvements expected in H2 following debt re-structuring in Q2 2019.
- Net profit for Q2 of \$0.5m – another profitable quarter (the ninth in succession) continuing the success of last financial year.

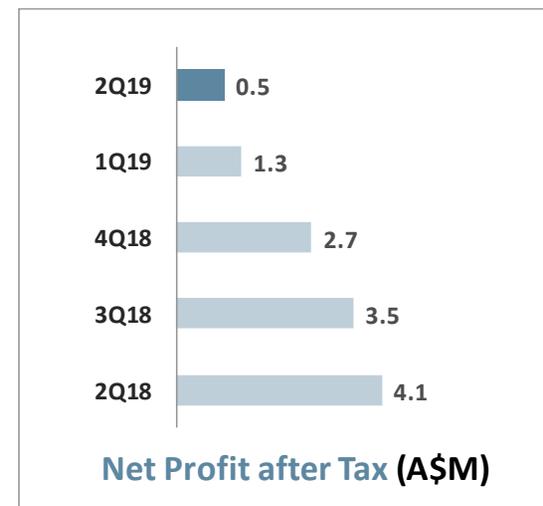
Key performance indicators



Does not include discontinued operations



Does not include discontinued operations



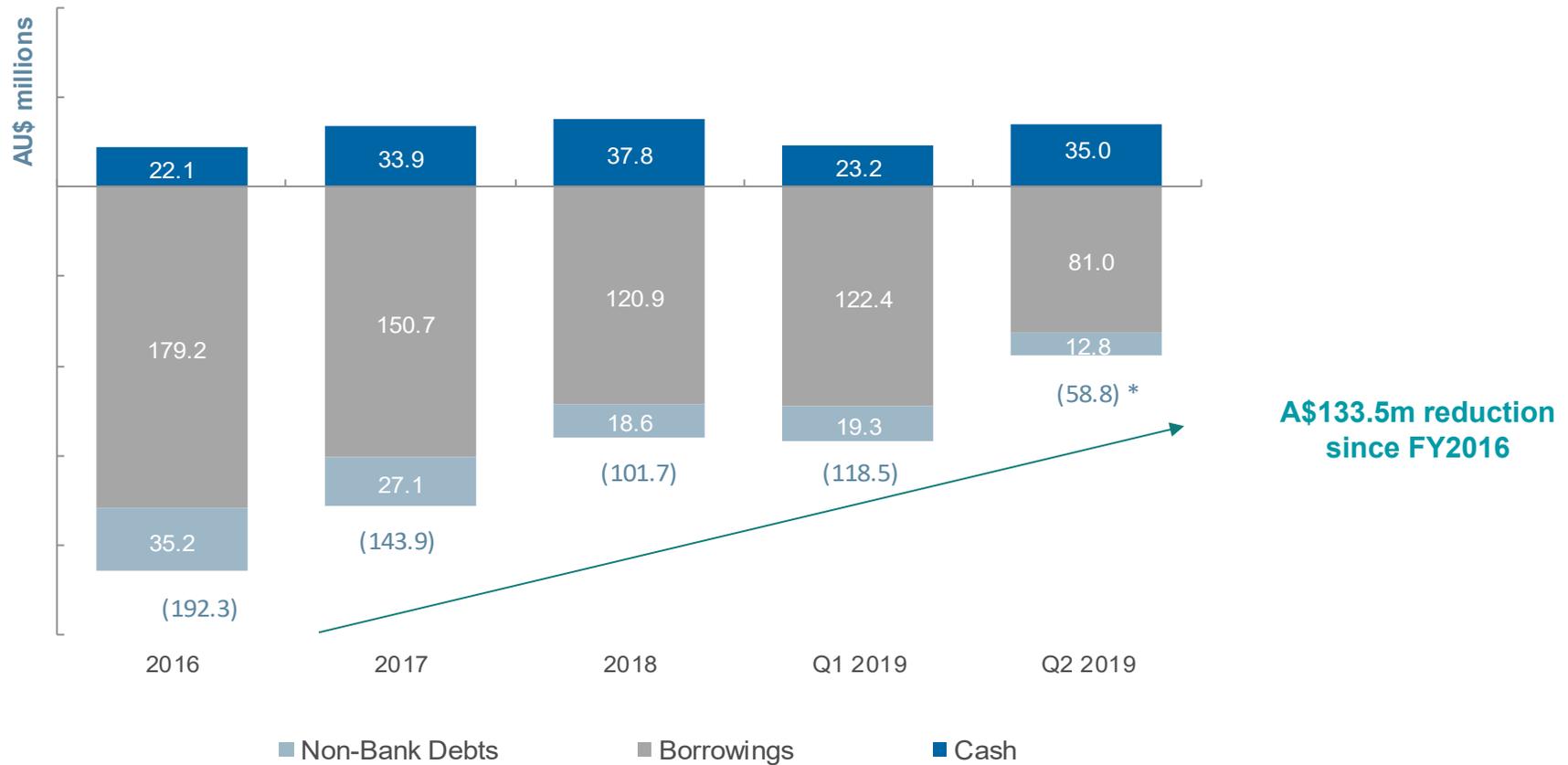
- Revenue has reduced due to the completion of the large major projects last year. Underlying performance from all sectors generating positive organic growth.
- A good start to the year with another quarter of positive EBITDA. Performance for scaffolding and maintenance contracts particularly strong and supported by growth in the fabrication volumes.
- Net Profit after tax shows lower return than in previous comparative quarters however the consistency in the earnings base sets up the year ahead.
- Nine successive quarters of quarterly profits.

Balance sheet

(A\$ million)	31-Dec-18	30-Jun-18	Variance
Cash	35.0	37.8	(2.8)
Receivables	101.6	93.4	8.2
PPE	73.8	75.6	(1.8)
Intangible Assets	44.2	43.7	0.5
Other Assets	11.2	12.5	(1.3)
Total Assets	265.8	263.0	2.8
Payables	69.7	84.8	(15.1)
Debt	89.9	120.9	(31.0)
Other Liabilities	10.3	15.6	(5.3)
Total Liabilities	169.9	221.3	(51.4)
Net Assets	95.9	41.7	54.2
Net Tangible Assets	51.7	(2.0)	53.7
Current Liquidity	51.1	(40.8)	91.9

- Debt re-financing completed – improved net worth by \$54.2m to \$95.9m.
- Cash levels stabilised since end of FY18. Working capital injection of \$17.2m after share placement and rights issue.
- Borrowings reduced by \$31.0m after funds raised and partial repayment from proceeds.
- Current liquidity improved by \$91.9m to \$51.1m as debt now reclassified as long term (MTN – Dec'22, Shareholders – Oct'23).

Group net debt - deleveraging

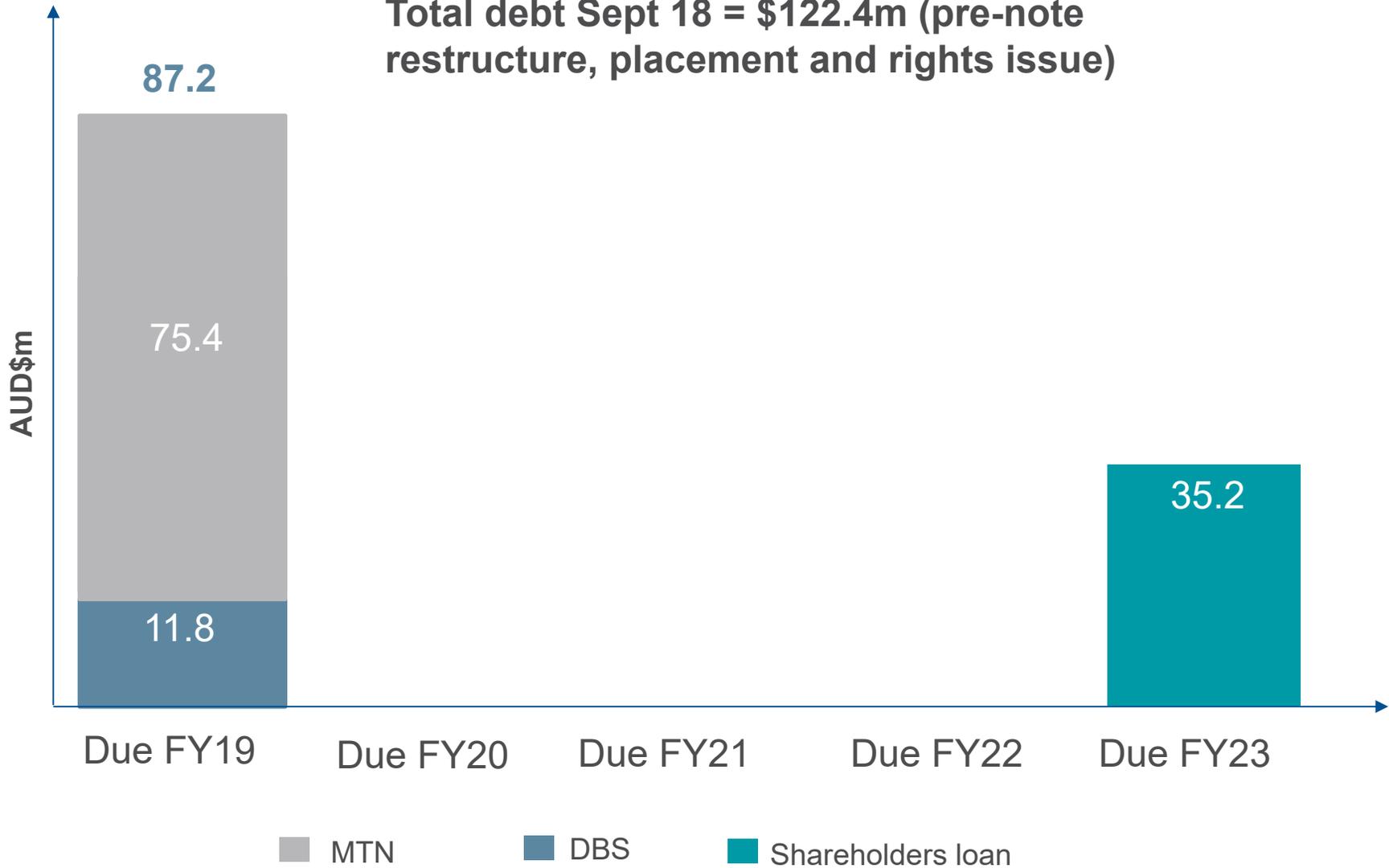


* This includes post balance sheet adjustment for partial redemption of Notes of \$7.5m on 03/01/2019.

Debt Profile	Q1	Q2
DBS	11.8	10.2
MTN	75.4	39.9
Ezion	35.2	30.9
Total	122.4	81.0

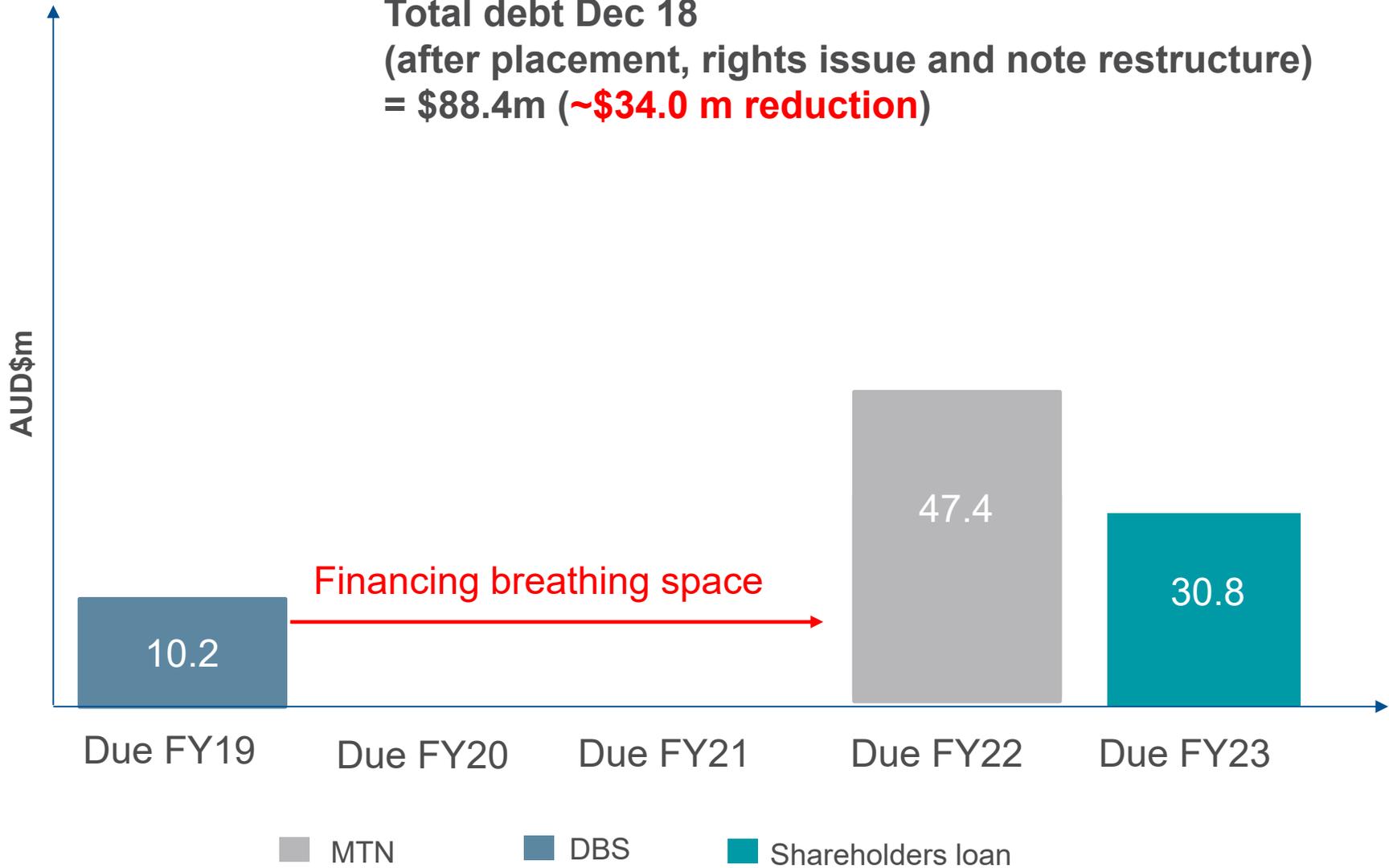
Extension of debt maturity provides stability

Total debt Sept 18 = \$122.4m (pre-note restructure, placement and rights issue)



Extension of debt maturity provides stability

Total debt Dec 18
(after placement, rights issue and note restructure)
= \$88.4m (~\$34.0 m reduction)



MTN debt – Current Maturity November 2022

Extension

288 notes

Initial 30% principal repaid – S\$21.5m

Additional principal repaid – S\$7.4m
in January 2019

Conversion to equity at 4.2 cents

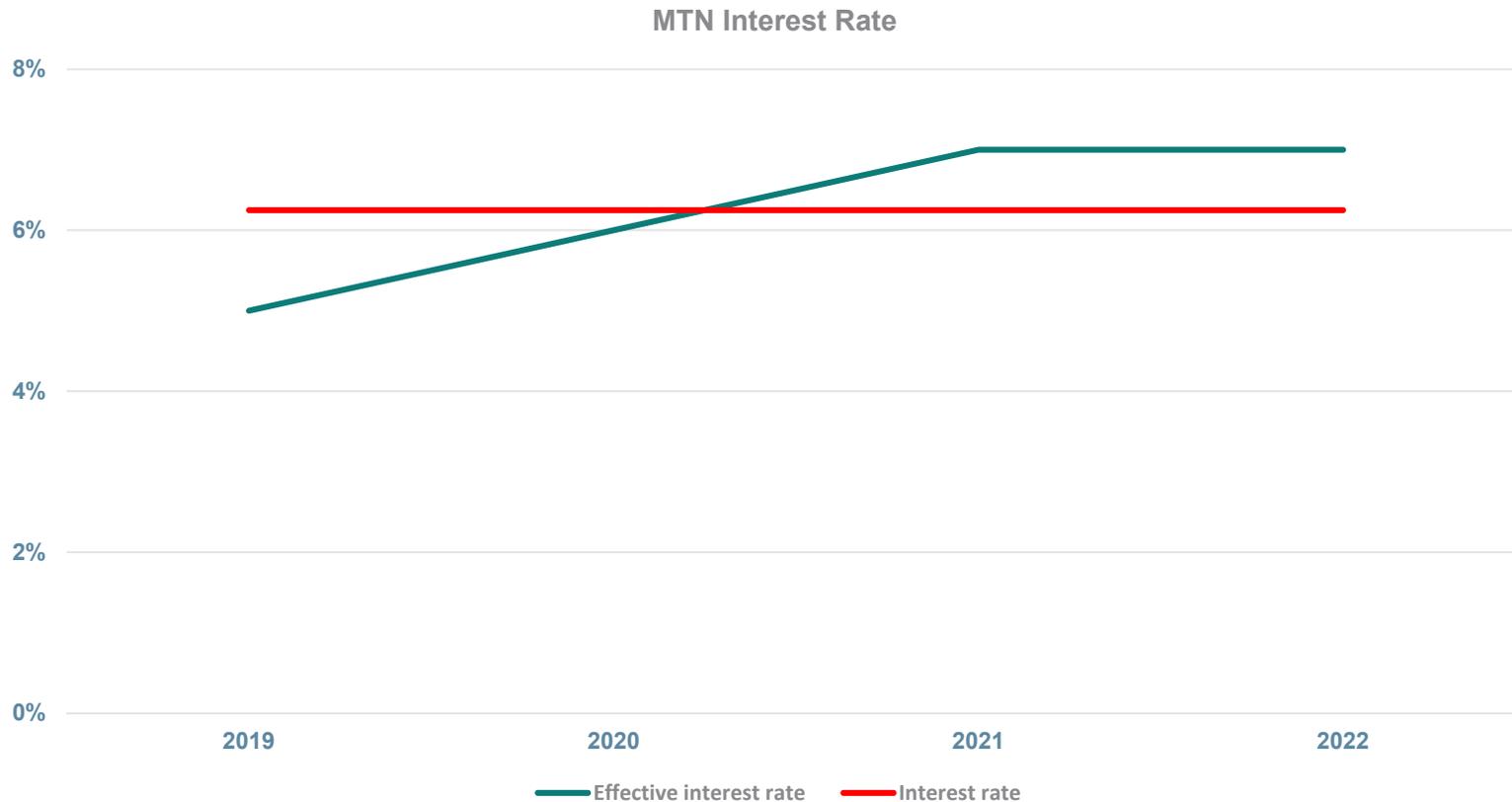
14 notes redeemed

80.2 million shares to be issued

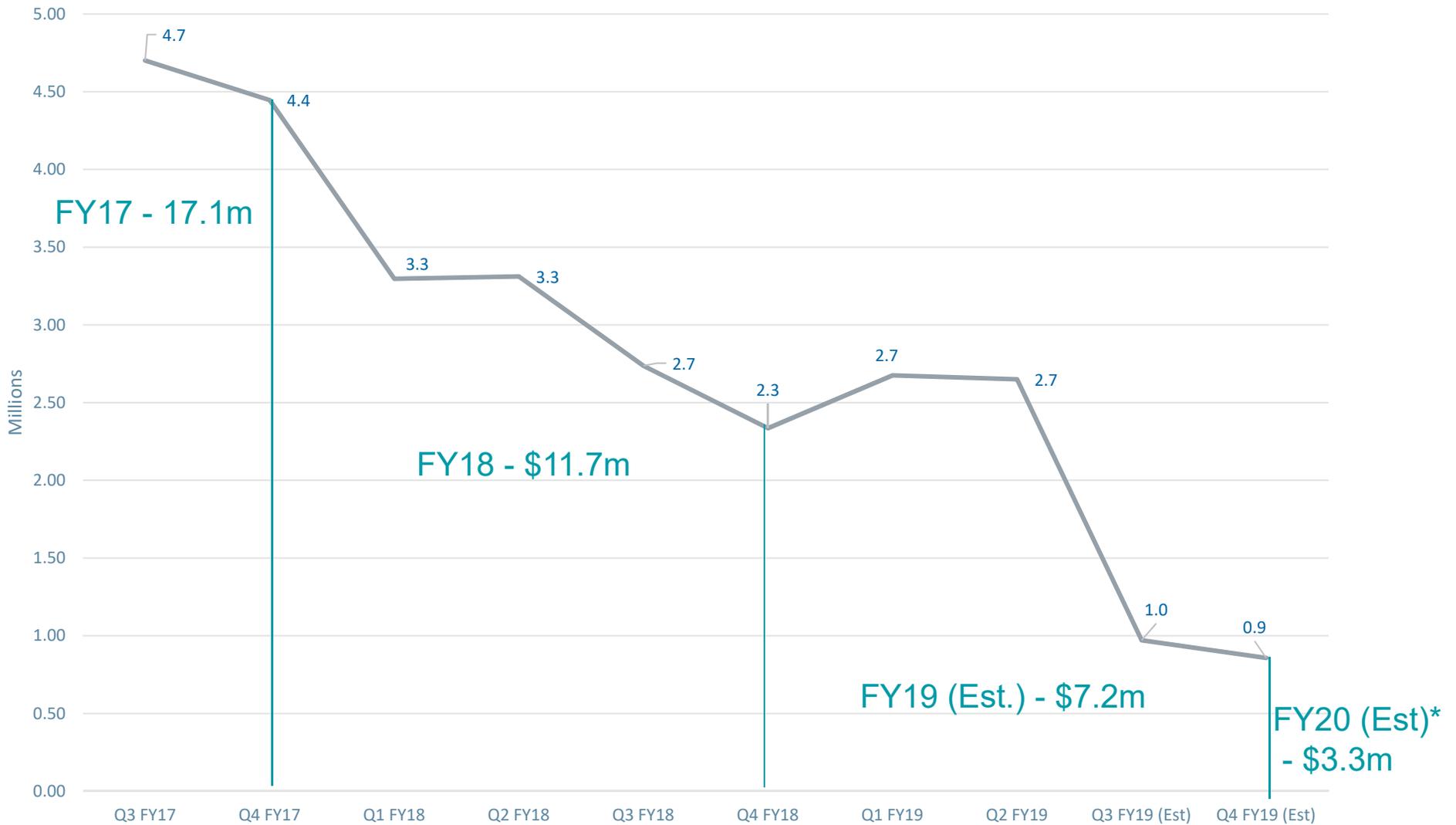
Outstanding principal after restructure = S\$40.1m

MTN debt – Current Maturity November 2022

- Noteholders approved extended the maturity date by four years on revised terms
- Effective interest at 6.25% p.a.



Reducing interest charges



* Based on the current debt profile and terms at December 2018.

Summary

Strategic

Diversifying our portfolio of clients

Establishing a footprint in Eastern Australia & South East Asia

Growing pipeline of opportunities

Broadened service offering across markets

Operating

Continue to deliver safely

Awarded major turnaround and fabrication package with Chevron and extended Woodside panel agreement

Port Melville continues to build commercialisation

Growth in Lithium scope of works

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