

**30** YEARS  
1989 - 2019

**AusGroup** 



**Investor Presentation  
Q3 FY2019**

Presented by  
Shane Kimpton, Eng Chiaw Koon & Christian Johnstone

# Company structure



AusGroup Ltd (Singapore)  
Investor relations  
Bank and noteholders interface



Core maintenance  
Construction  
Fabrication  
Painting, insulation and  
fireproofing  
Refractory



Scaffolding  
Rope Access  
Design, planning and  
engineering access systems  
Labour supply  
Training



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

# AusGroup brief overview

## Our Vision

To be the leading integrated service provider in the resources, energy, industrial, utilities, port and marine markets.

## Founded

1989

## Safety

LTIFR 1.10

TRIFR 4.75



## Our operations



# AusGroup brief overview

We work with our clients at all stages of their asset development and operational lifecycle, delivering value through agile and innovative solutions

## Our markets



Energy



Resources



Industrial



Utilities



Port & Marine

# **Delivering and positioning the business**

---

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

**Solid Australian presence with established customers**

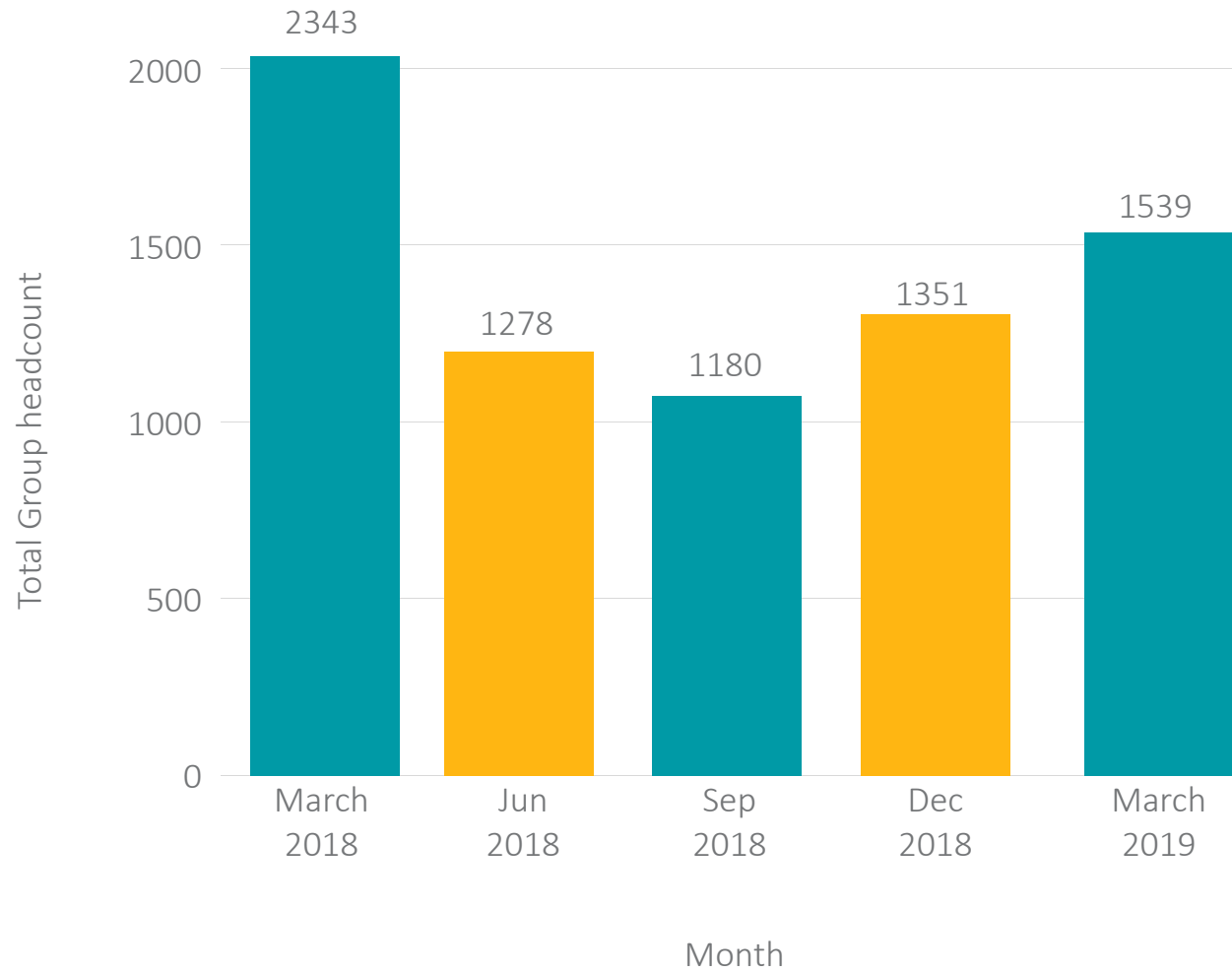
**Lean and flexible business model offering integrated service delivery**

**Clear strategic vision for the future**

**Debt re-financing, debt reduction and fund raising completed**

# Growing workforce

---



# AGC

## Chevron Australia Master Contractor Services Contract

---

Varied scope of work for Brownfield Execution Team

Completed mobilisation of sheet metal workers / insulators and painters to Gorgon and Wheatstone Projects.

150 – 200 personnel

Wheatstone offshore specialist rope access work

RIAG install package – mechanical and electrical scope for the Gorgon Project

Awarded TAR 101 and Waste Heat RU packages which will be delivered later in the year.



# AGC Talison Lithium CGP2 Expansion

---

Structural, mechanical, piping and electrical & instrumentation installation package

Located in Greenbushes, Western Australia

Commissioning has commenced

CGP2 will significantly expand lithium oxide concentrates in response to growing demand

Approximately workforce of 240

Potential future expansion at Greenbushes for a staged increase in production.



Talison Lithium CGP2 Project



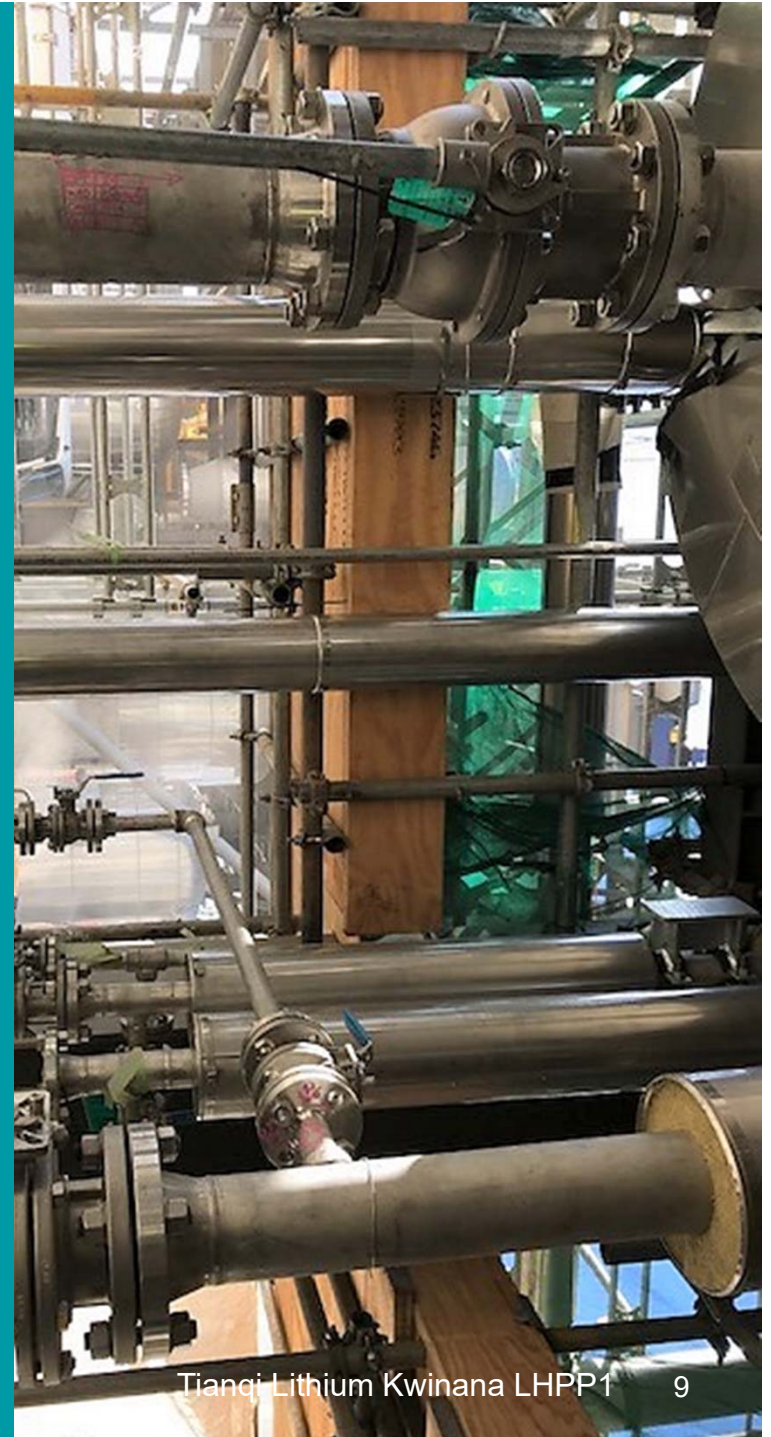
# AGC Tianqi Lithium Kwinana LHPP1

---

AU\$25M contract for piping and insulation works on the Lithium Hydroxide Processing Plant Crystalliser building in Kwinana

Peak workforce of approx. 260 people

Completion forecast for August 2019



# Delivering specialised fabrication work



# Other contracts

## MAS Australasia

---

### **Ichthys Offshore**

Scaffolding and Rope Access

### **Technip Shell Prelude**

Scaffolding, rope access, painting and coatings

### **BHP Petroleum**

Successful campaigns continue on Pyrenees FPSO and Macedon LNG Plant

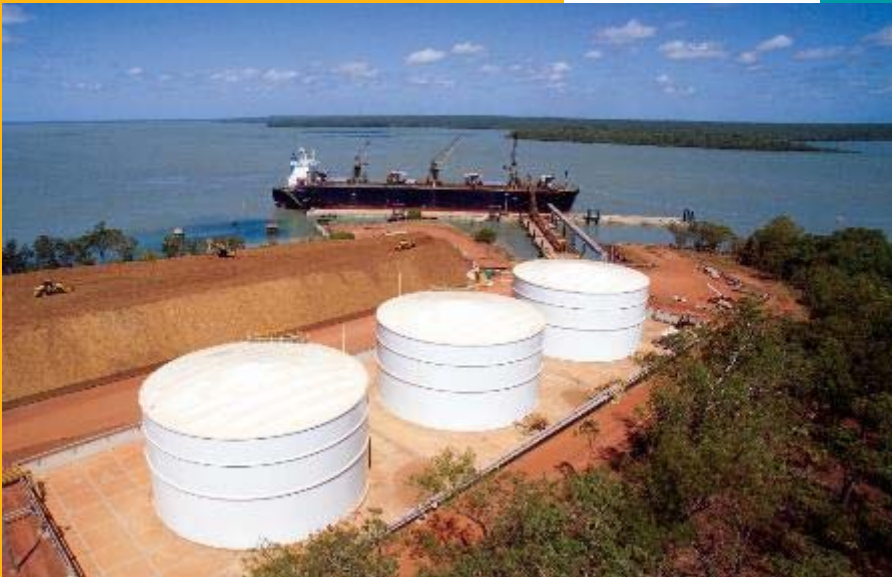
### **Chevron-operated Gorgon Project Barrow Island**

Turnaround works (TAR101, Waste Heat Recovery Stacks).



# NT Port and Marine update

---



Over 1.45ML of fuel supplied to land and marine customers YTD

Secured contract to supply 1.5ML to Plantation Management Partners Q4 FY'19 & Q1 FY'20

Barossa field development suppliers approaching NTPM directly for quotes/pricing to support field development

Port precinct continues to be developed

NTPM entered into a 3 year sponsorship arrangement for the Tiwi Island football league



**Market outlook**

# Major WA Lithium Projects

## Operational plants



### Marble Bar

#### PILBARA MINERALS

Pilgangoora Tantalum Lithium  
Mine & Processing Plant

#### ALTURA

Pilgangoora Lithium Mine  
Power plant

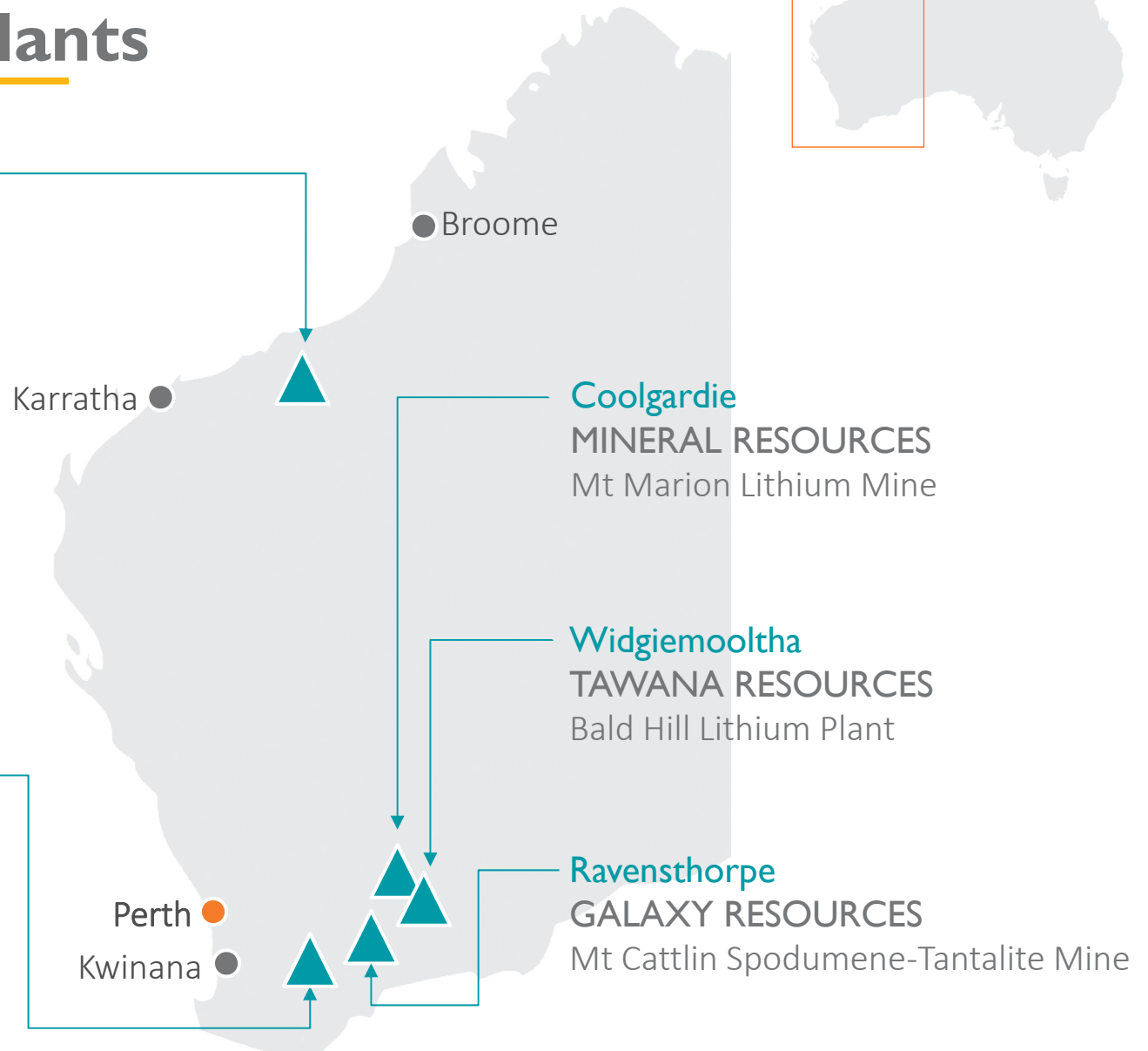
#### MINERAL RESOURCES

Wodgina Lithium Mine  
& Processing Plant

### Greenbushes

#### TALISON LITHIUM

Greenbushes Lithium  
Mine Processing Plant



### Coolgardie

#### MINERAL RESOURCES

Mt Marion Lithium Mine

### Widgiemooltha

#### TAWANA RESOURCES

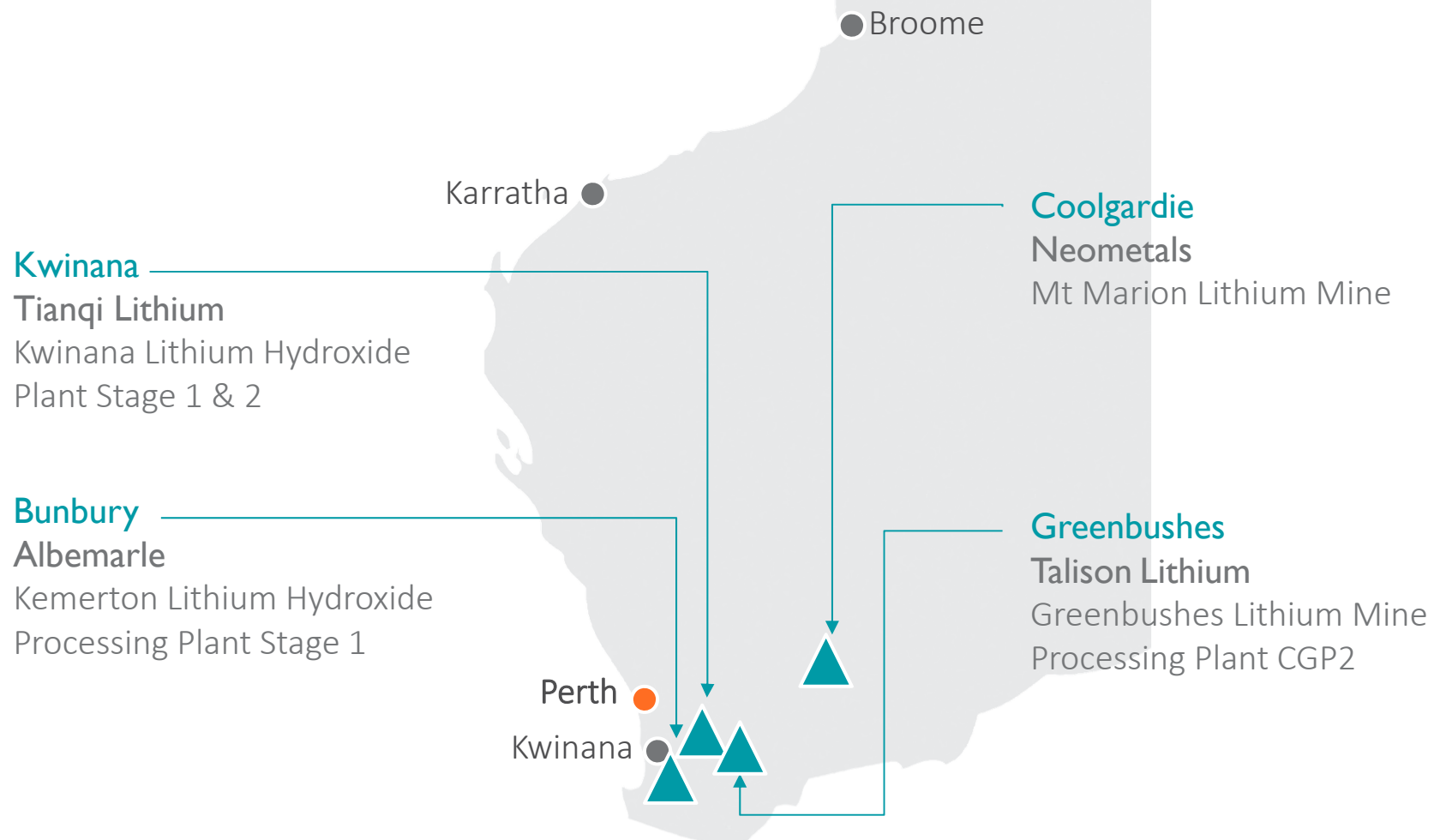
Bald Hill Lithium Plant

### Ravensthorpe

#### GALAXY RESOURCES

Mt Cattlin Spodumene-Tantalite Mine

# Major WA Lithium Projects Plants under construction



# Major WA lithium projects

## Planned projects



**Port Hedland**  
Lithium Australia

Sileach Lithium Pilot Processing Plant

Karratha

**Kwinana**

Kidman Resources

Covalent Kwinana Refinery

**Bunbury**

Albemarle

Kemerton Lithium Hydroxide  
Processing Plant Stage 2

**Greenbushes**

Talison Lithium

Greenbushes Lithium Mine  
Processing Plant CGP3

**Perth**

Kwinana

Broome

**Marble Bar**

Pilbara Minerals

Pilgangoora Tantalum Lithium Mine  
& Processing Plant Stage 2

**Altura**

Pilgangoora Tantalum Lithium Mine  
& Processing Plant Stage 2

**Southern Cross**

Kidman Resources

Earl Grey Lithium Mine & Processing Plant

**Norseman**

Pioneer Resources

Pioneer Dome Cesium Lithium Tantalum  
Mine

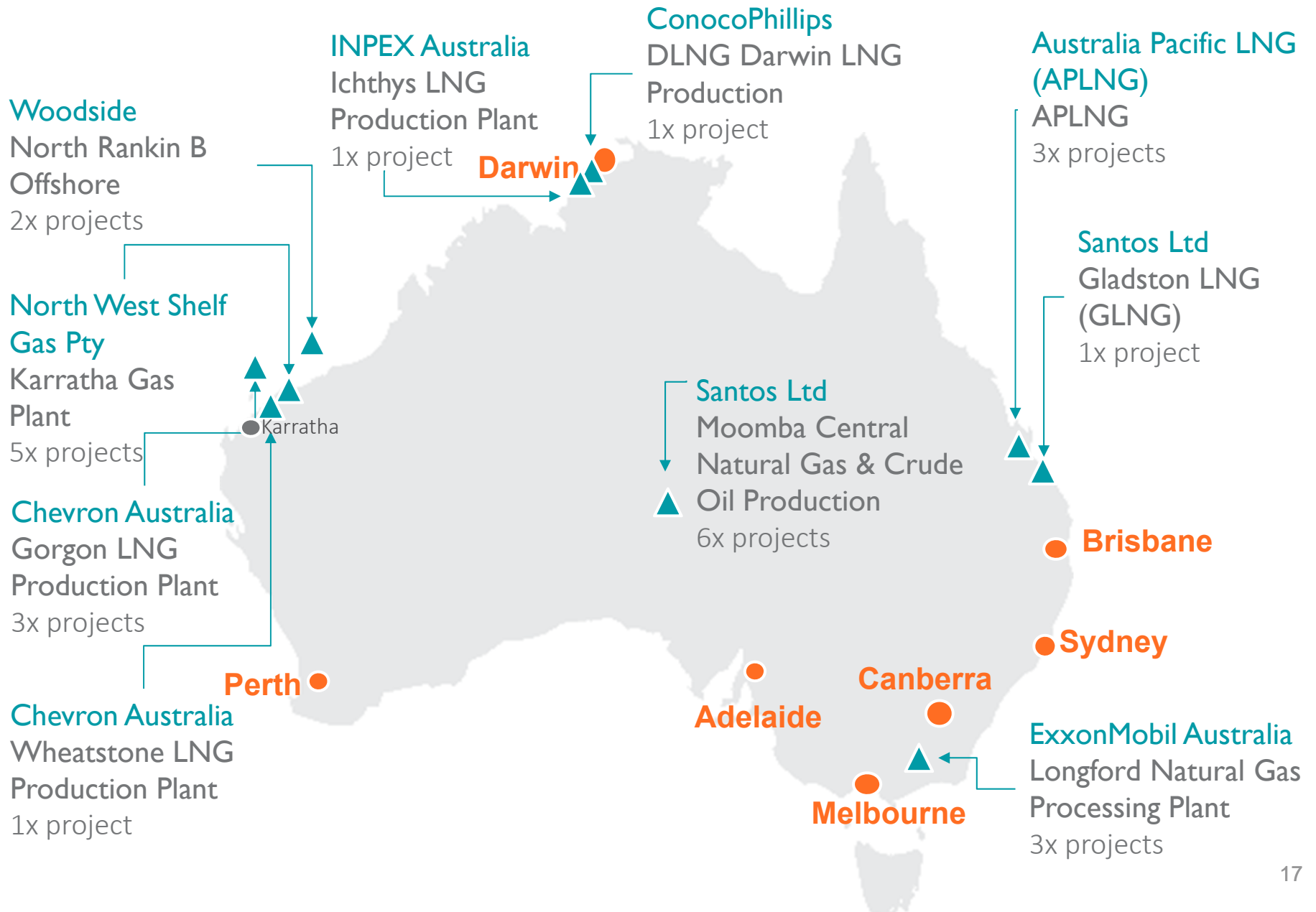
**Forrestania**

Marindi Metals

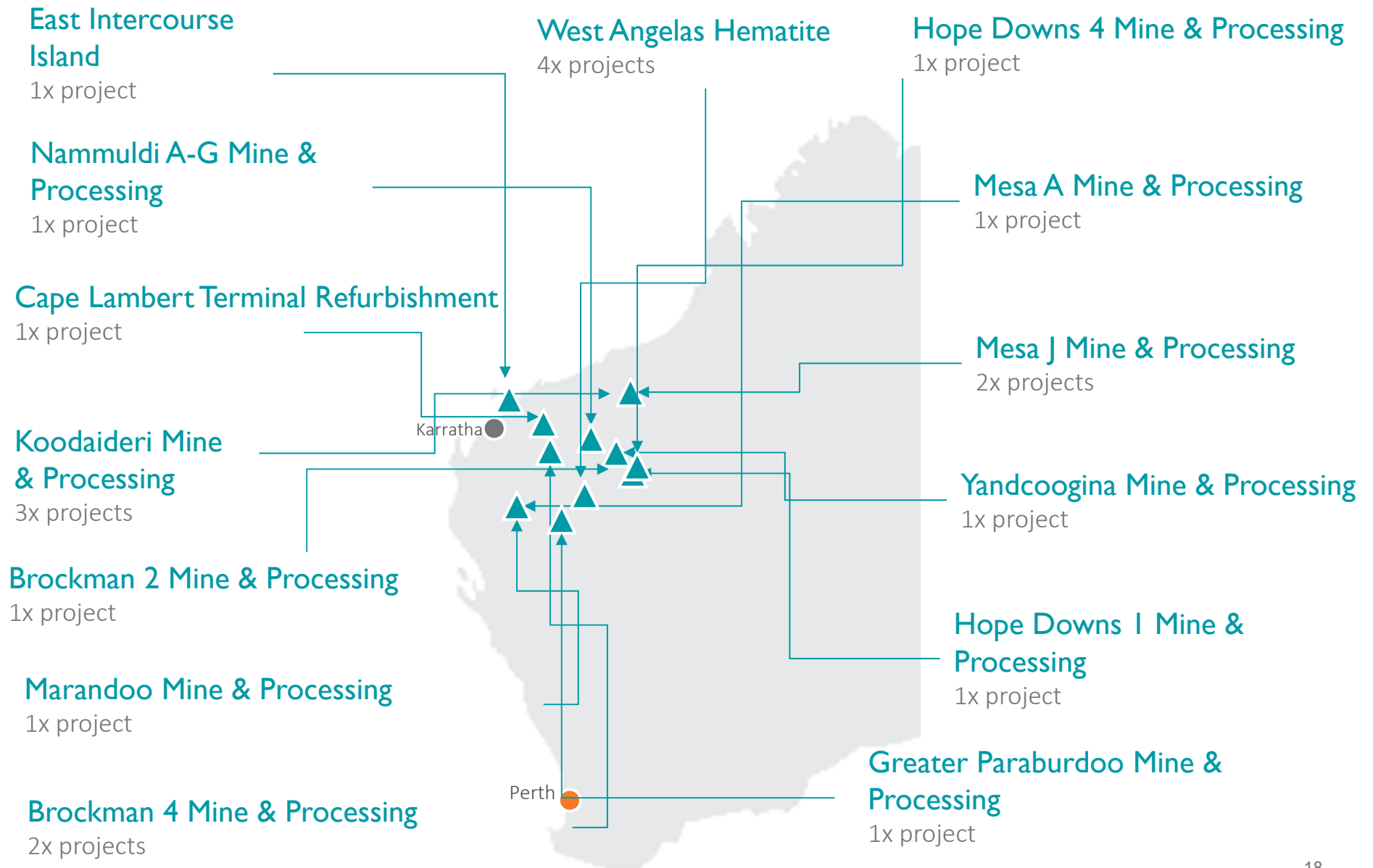
Forrestania Lithium Gold Mine &  
Processing Plant



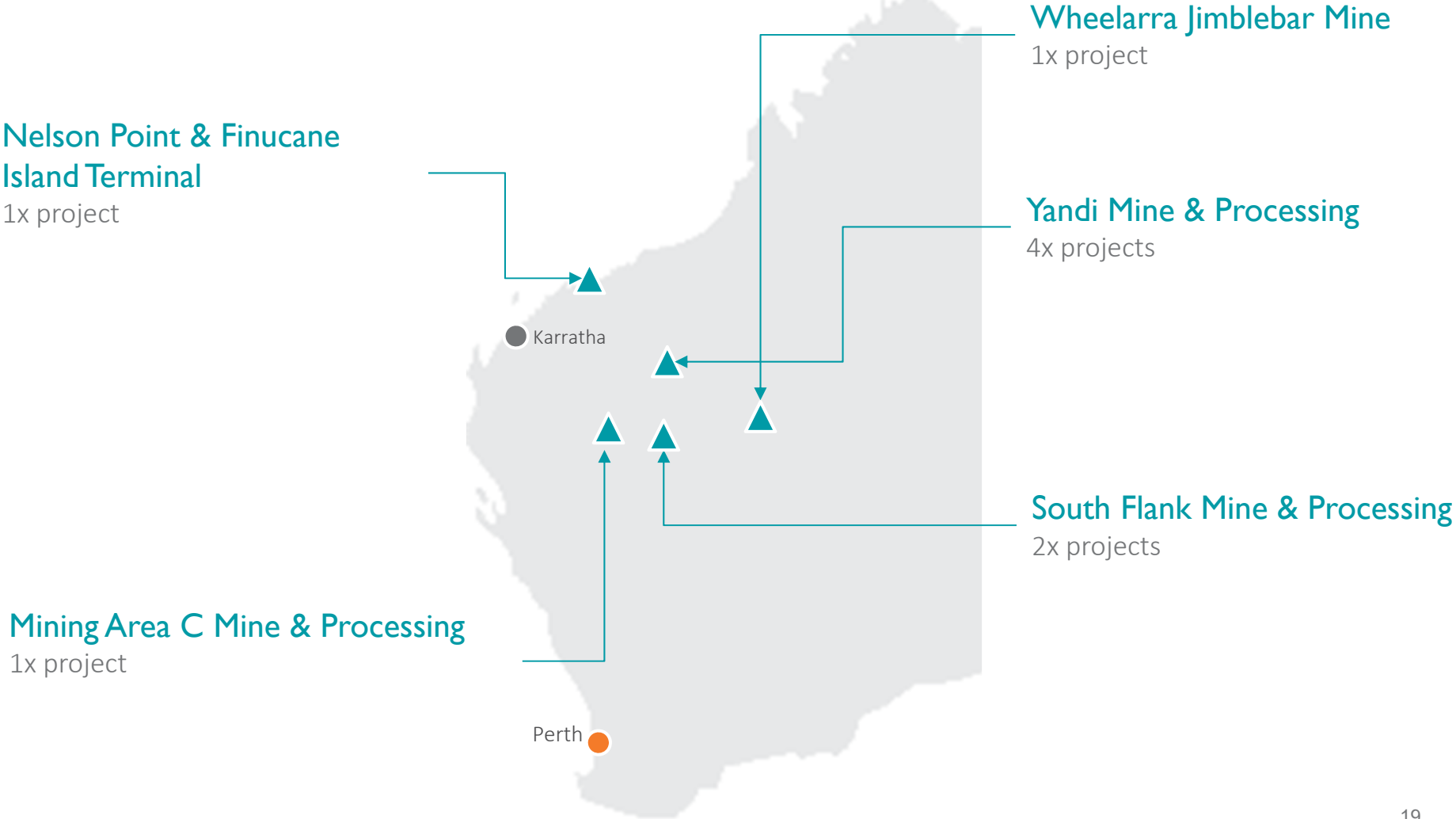
# LNG Train Maintenance FY19-22



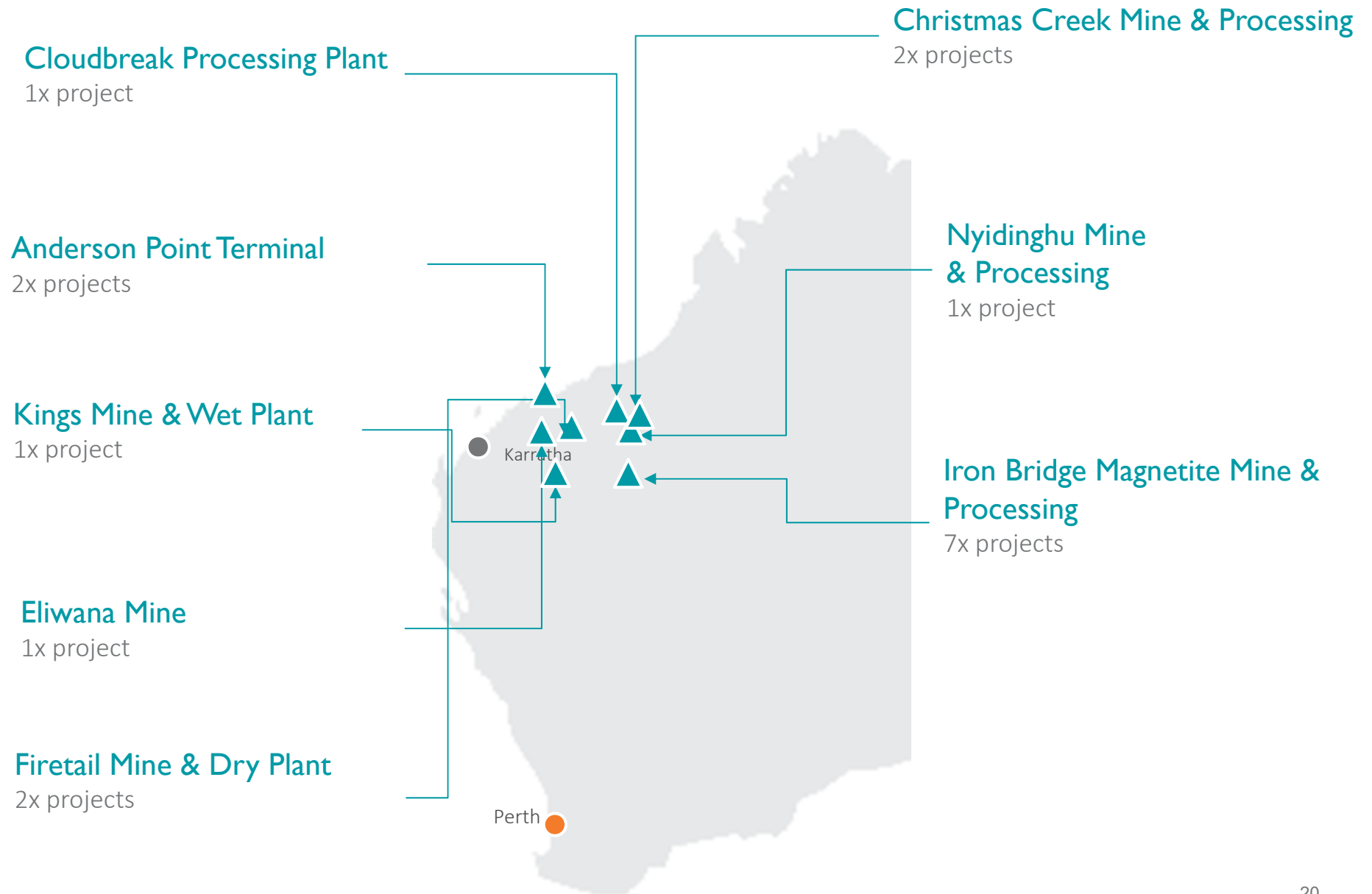
# Rio Tinto Iron Ore Projects FY19-20



# BHP Iron Ore Projects FY19-20

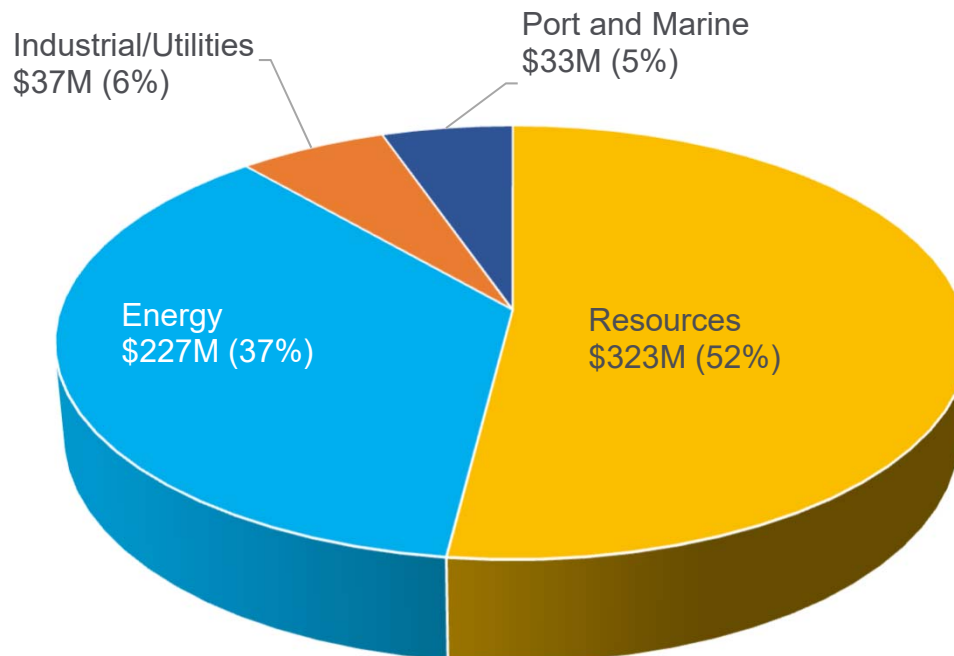


# FMG Iron Ore Projects FY19-20



# Positioned for growth

## Market split of (weighted) value AU\$622M



Source: AusGroup pipeline database, as at 29<sup>th</sup> April

## Resources

- Iron ore plant fabrication packages
- Focus on shutdown maintenance
- Sustaining capital and fabrication packages
- Continued expansion of lithium projects.

## Energy

- Steady release of oil & gas maintenance scopes under framework agreements
- Large and complex fabrication scopes
- Multi-year maintenance contracts being tendered

## Port and Marine

- Port and marine activities ramping up
- Oil and gas drilling activities
- Navy force refuelling
- Expansion of logging

## Industrial / Utilities

- Increasing industrial processing opportunities
- Diversified maintenance offerings.



**Financial  
performance**

# Financial summary – Q3 FY2019

---

	Total Revenue	Total EBITDA	EBITDA margin	Net Debt
Q3 FY2019	A\$66.3m	A\$3.0m	4.6%	A\$67.9m
Q2 FY2019	A\$58.3m	A\$3.9m	6.8%	A\$58.8m

- Revenue of A\$66.3m – revenue has increased since the last quarter by 14% with lithium based contracts providing the major contribution.
- Debt re-financing programme was completed in the quarter with the final redemption payment paid to shareholders. Net debt has increased as a result of delays in receiving final settlements on completed projects.
- Receipts of \$8.9m were received early in Q4 FY2019 which returned cash in hand and net debt levels to those in the prior quarter.
- EBITDA of A\$3.0m – lower than Q2 FY2019 however still maintaining the underlying strength in quality of earnings.

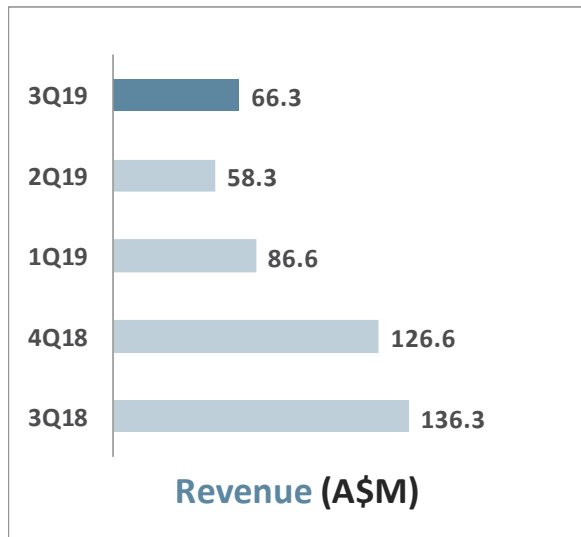
# Trading Performance – Q3 FY2019

	Q3 2019	Q3 2018	+ / (-) %	Q3 2019 Energy & Process	Q3 2019 NT Port & Marine	Q3 2019 Total
	AU\$'000	AU\$'000		AU\$'000	AU\$'000	AU\$'000
Revenue	<b>66,325</b>	136,273	(51.3)	<b>65,628</b>	697	<b>66,325</b>
Gross profit	<b>9,334</b>	10,244	(8.9)	<b>10,720</b>	(1,386)	<b>9,334</b>
Gross margin	<b>14.1%</b>	7.5%		<b>16.3%</b>	<i>n.m.</i>	<b>14.1%</b>
Other operating income / (loss)	<b>936</b>	(1,462)	(164.0)	<b>573</b>	363	<b>936</b>
Impairment of receivables	<b>(4,025)</b>	0		<b>(4,025)</b>	0	<b>(4,025)</b>
Administration, marketing & other costs	<b>(4,312)</b>	(2,140)	101.5	<b>(3,570)</b>	(742)	<b>(4,312)</b>
<b>EBIT</b>	<b>1,933</b>	<b>6,642</b>	<b>(70.9)</b>	<b>3,698</b>	<b>(1,765)</b>	<b>1,933</b>
EBIT Margin	<b>2.9%</b>	<b>4.9%</b>		<b>5.6%</b>	<i>n.m.</i>	<b>2.9%</b>
Finance costs	<b>(1,105)</b>	(2,737)	(59.6)	<b>(317)</b>	(788)	<b>(1,105)</b>
Income and withholding tax	<b>(244)</b>	(301)	(18.9)	<b>(244)</b>	0	<b>(244)</b>
Discontinued operations	-	(66)	<i>n.m.</i>	<b>0</b>	0	-
<b>Net profit/(loss) for the period</b>	<b>584</b>	<b>3,538</b>	<b>(83.5)</b>	<b>3,137</b>	<b>(2,553)</b>	<b>584</b>
Net Profit Margin	<b>0.9%</b>	<b>2.6%</b>		<b>4.8%</b>	<i>n.m.</i>	<b>0.9%</b>
EBITDA	<b>3,022</b>	9,245	(67.3)	<b>3,443</b>	(421)	<b>3,022</b>
EBITDA Margin	<b>4.6%</b>	<b>6.8%</b>		<b>5.2%</b>	<i>n.m.</i>	<b>4.6%</b>

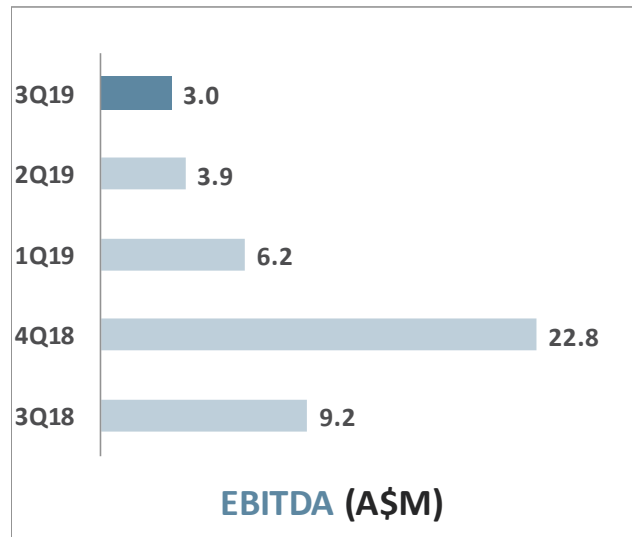
- Revenue for this quarter is lower than prior year due to completion of major projects and the delayed commencement of new projects.
- The GP% for Q3 FY2019 (14.1%) is higher than the comparative quarter Q3 FY 2018 (7.5%) as a result of improved performances on the current projects throughout the year and settlement of claims on completed projects.
- The ratio of EBIT to Finance costs of 1.75 : 1.0, is demonstrating the positive effect of the lower levels of debt after the restructuring was completed in Q2 FY2019.
- Net profit for the period of \$0.5m – another profitable quarter (the tenth in succession) continuing the success of last financial year.



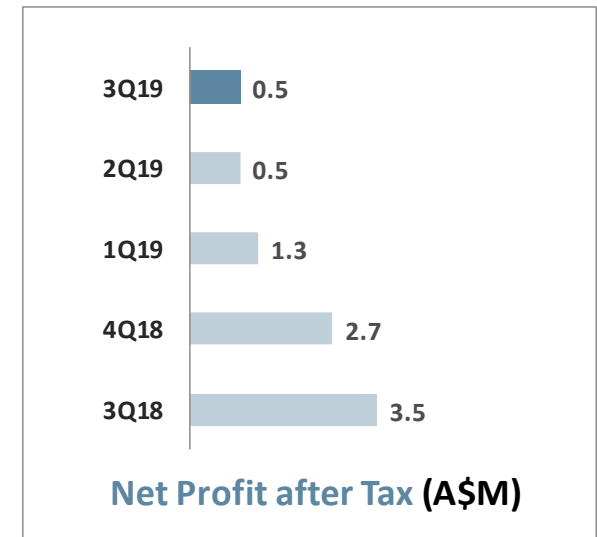
# Key Performance indicators



Does not include discontinued operations



Does not include discontinued operations



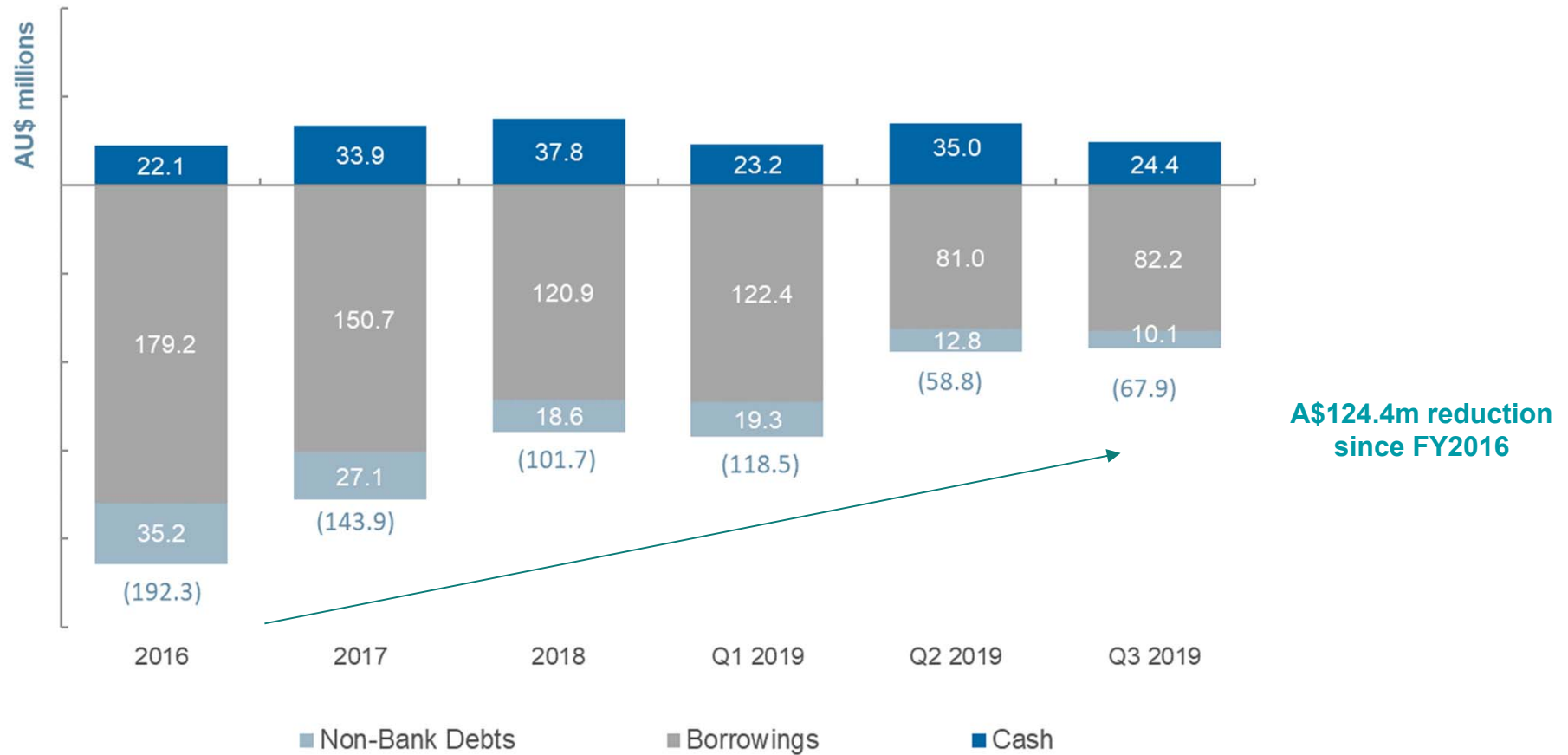
- As in the previous quarters in FY2019, the revenue is lower than comparative quarters in FY2018 due partly to the completion of major projects last year and delayed start of new contracts.
- EBITDA was \$3.0m, earnings to cash still strong on the back of good performances from our project work for scaffolding and maintenance contracts.
- Net profit after tax of \$0.5m is consistent with the previous quarter and lower than in previous comparative quarters for the reasons mentioned above.
- Ten successive quarters of quarterly profits.

# Balance sheet

(A\$ million)	31-Mar-19	30-Jun-18	Variance
Cash	24.4	37.8	(13.4)
Receivables	83.6	93.4	(9.8)
PPE	73.8	75.6	(1.8)
Intangible Assets	44.7	43.7	1.0
Other Assets	10.9	12.5	(1.6)
<b>Total Assets</b>	<b>237.4</b>	<b>263.0</b>	<b>(25.6)</b>
Payables	47.7	84.8	(37.1)
Debt	83.3	120.9	(37.6)
Other Liabilities	10.1	15.6	(5.5)
<b>Total Liabilities</b>	<b>141.1</b>	<b>221.3</b>	<b>(80.2)</b>
<b>Net Assets</b>	<b>96.3</b>	<b>41.7</b>	<b>54.6</b>
Net Tangible Assets	51.6	(2.0)	53.6
Current Liquidity	60.3	(40.8)	101.1

- Debt re-financing completed – improved net worth by \$54.6m to \$96.3m.
- Cash levels stabilised since end of FY18. Delayed settlement of project claims of \$8.9m received early in April 2019.
- Borrowings reduced by \$37.6m after funds raised and partial repayment from proceeds.
- Current liquidity improved by \$101.1m to \$60.3m as debt now reclassified as long term (MTN – Dec'22, Shareholders – Oct'23).

# Group net debt - deleveraging



Debt Profile	Q1	Q2	Q3
DBS	11.8	10.2	9.7
MTN	75.4	39.9	40.9
Ezion	35.2	30.9	31.6
<b>Total</b>	<b>122.4</b>	<b>81.0</b>	<b>82.2</b>

# 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

## Delivery

Continue to deliver safely

Awarded additional work as part of the MSC with Chevron Australia – RIAG modules

Port Melville continues to build commercialisation

Growth in Lithium scope of works

# Disclaimer

---

AusGroup Limited (“AusGroup”) makes every effort to ensure that information contained in these pages is accurate. However, the information on this website (including any links to other websites) has been compiled for reference purposes only and may contain inaccurate, incomplete and outdated information. You should seek and rely upon your own independent enquiries, assessment and advice in relation to any information contained in this website.

To the fullest extent permissible pursuant to applicable law, AusGroup disclaim all warranties pertaining to the information, express or implied, including, but not limited to, warranties of title and implied warranties of merchantability and fitness for a particular purpose. AusGroup do not warrant that the functions contained at this site will be uninterrupted or error free, that defects will be corrected, or that this site or the server that makes it available are free of viruses or other harmful components.

To the maximum permitted by law, AusGroup will not be liable for any damages, losses or compensation, (including but not limited to indirect, incidental, special or consequential damages or loss of profits) howsoever arising out of any reliance on the information, use or access of, or any inability to use or access, this website or any part of it, or any other site linked to this website. In no event shall our total liability to you for all damages, losses, and causes of action exceed the amount paid by you, if any, for accessing this site or any linked site.

AusGroup Limited is not responsible for, nor does it endorse, the content or reliability of the linked websites. AusGroup cannot guarantee that these links will work all of the time and we have no control over availability of the linked pages.