Investor presentation

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Company structure

AusGroup

AusGroup Ltd (Singapore)
- Investor relations
- Bank and noteholders interface

AGC – An AusGroup Company

- Provides services across the **energy, industrial** and **mining** sectors
  - Core maintenance
  - Construction
  - Fabrication
  - Painting, insulation and fireproofing
  - Refractory
- Number of employees: 1,358
- Number of facilities: 2

MAS – 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: 965
- Number of facilities: 9

NT PORTandMARINE

- 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

AusGroup at a glance

1989

Founded

AGC An AusGroup Company

MAS AN AUSGROUP COMPANY

NT PORTandMARINE

Our businesses

perfect day

LTIFR 0.00

TRIFR 1.92

Our operations

Our markets

Energy

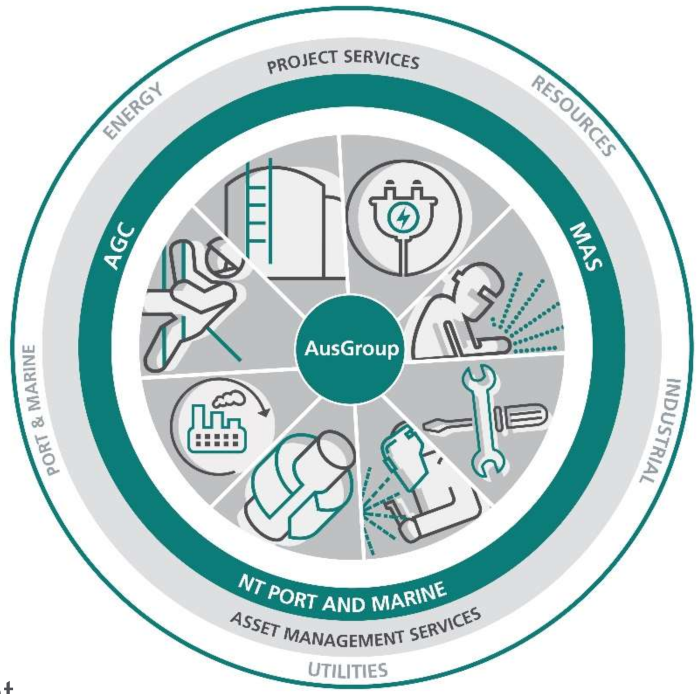
Resources

Industrial

Utilities

Port and marine

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

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

Solid Australian presence with established customers

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

Clear strategic vision for the future

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

Group highlights

Strategic

- Diversifying our portfolio of clients
- Establishing a footprint in Eastern Australia & SE Asia
- Growing pipeline of opportunities
- Broadened service offering across markets

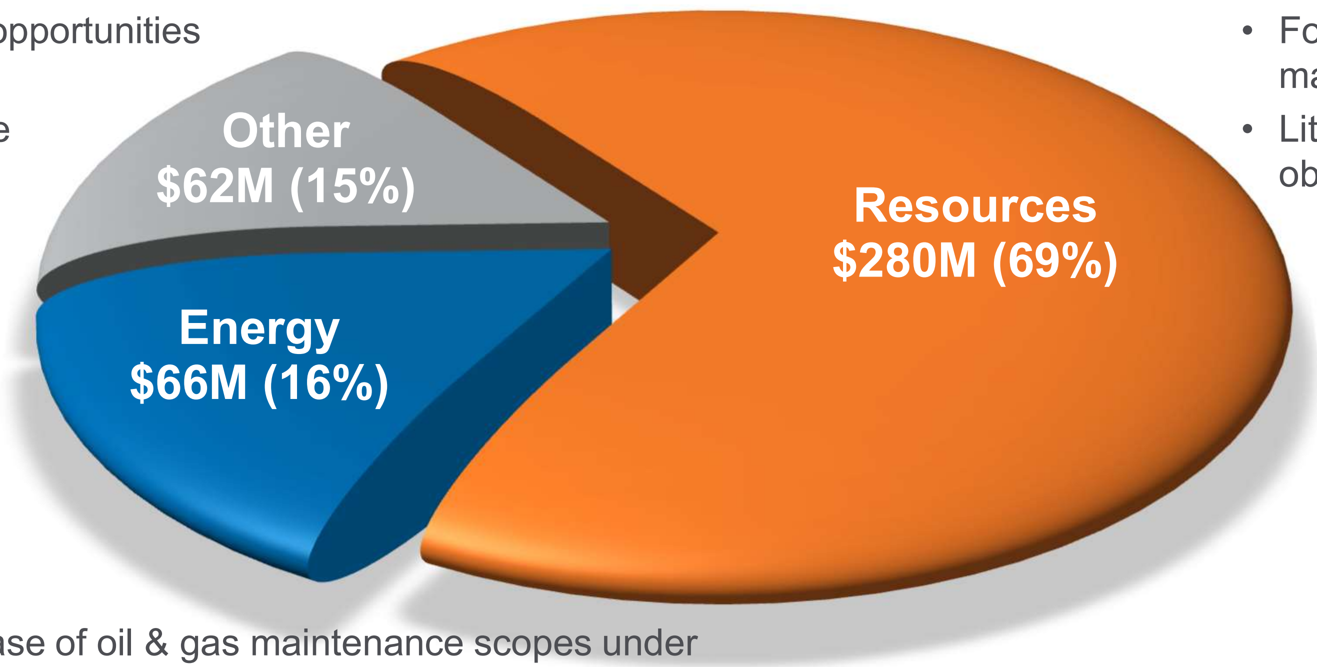
Operating

- Continue to deliver safely
- Awarded MSP Lithium Talison contract
- Port Melville now bunkering vessels

Market outlook

Business development pipeline including; prospects, pursuits and tenders

Pipeline weighted value $408M



Other industry

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

Resources

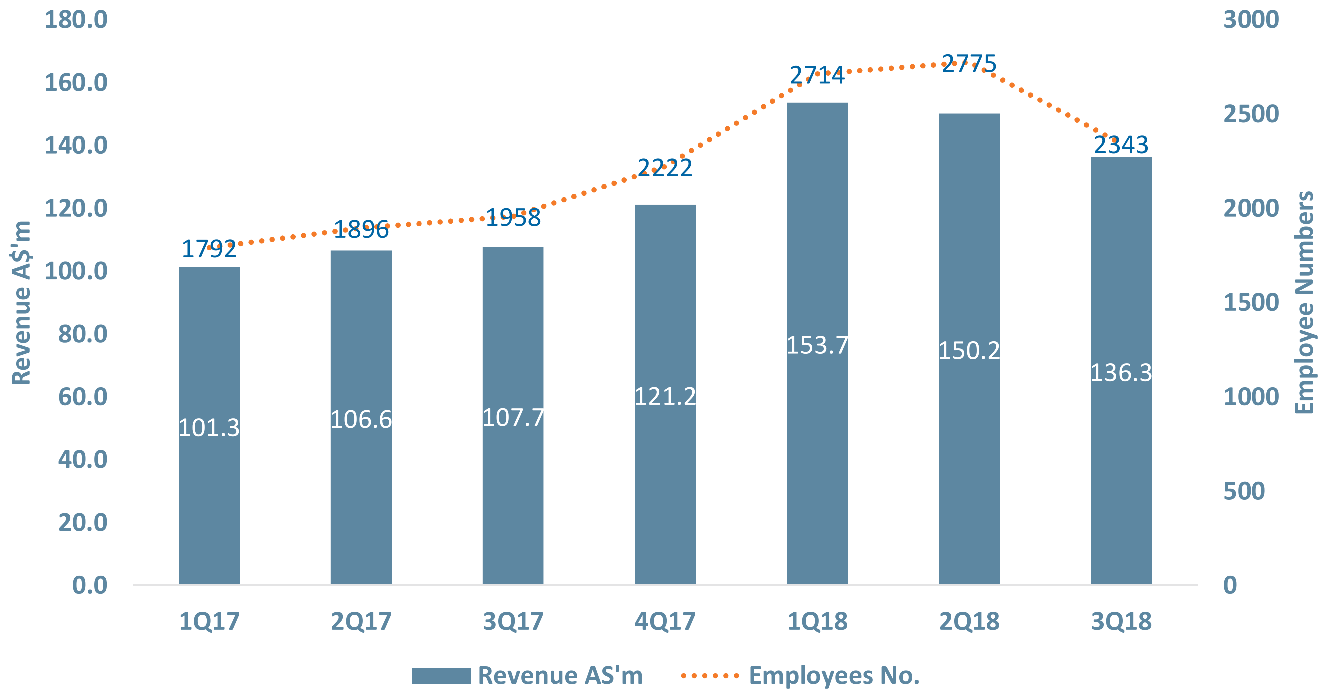
- Iron ore plant fabrication packages being released
- Focus on shutdown maintenance
- Lithium projects obtaining approvals

Energy

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

Source: AGC pipeline database as at 30th April

Major projects completion in FY19



- Tendering activity already showing results – 2 recent awards for ~$40m. Talison Lithium and Yara.
- Large pipeline of work across diversified sector offering – key contract / client management
- Retention of skilled workforce key to successful conversion of new contracts.
- NTPM growth in fuel sales market as commercialisation activities strengthen market perception

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.

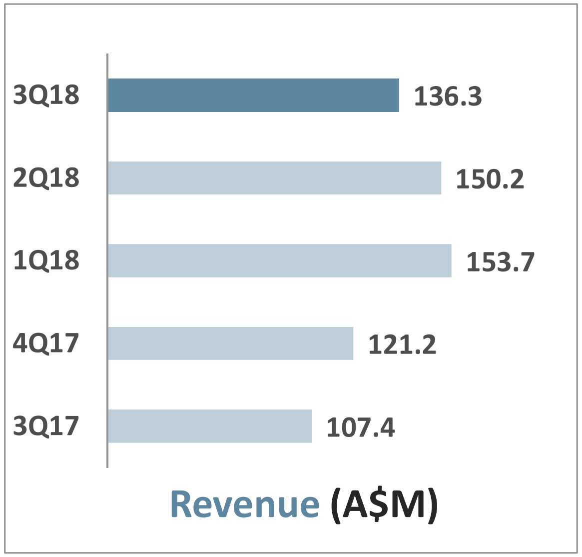
Financial performance

Income statement

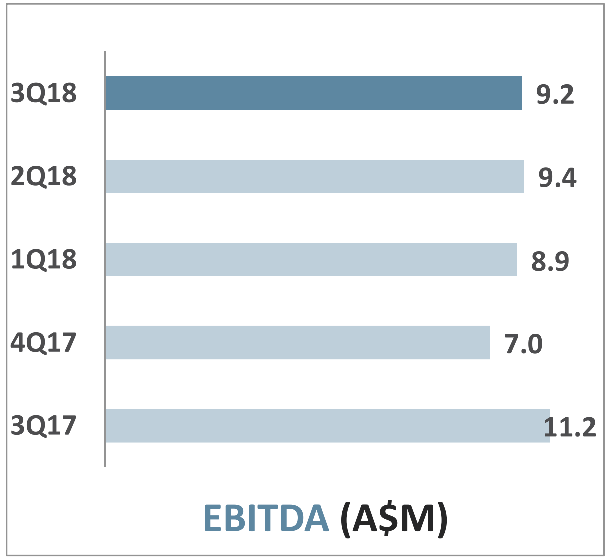
Income statement	Q3 2018 AU$'000	Q3 2017 AU$'000	+/(-) %	Q3 FY 18 Energy & Process AU$'000	Q3 FY 18 NT Port & Marine AU$'000	Q3 FY 18 Total AU$'000
Revenue	**136,273**	107,441	*26.8*	**135,638**	635	**136,273**
Gross profit	**10,244**	15,764	*(35.0)*	**11,207**	(963)	**10,244**
Gross margin	*7.5%*	*14.7%*		*8.3%*	*n.m.*	*7.5%*
Other operating income / (loss)	**(1,462)**	(3,976)	*(63.2)*	**(1,407)**	(55)	**(1,462)**
Administration, marketing & other costs	**(2,140)**	(3,684)	*(41.9)*	**(1,150)**	(990)	**(2,140)**
EBIT	**6,642**	8,104	*(18.0)*	**8,650**	(2,008)	**6,642**
EBIT Margin	*4.9%*	*7.5%*		*6.4%*	*n.m.*	*4.9%*
Net gain on debt conversion	-	-	*n.m.*	-	-	-
Finance costs	**(2,737)**	(4,701)	*(41.8)*	**(560)**	(2,177)	**(2,737)**
Income and withholding tax	**(301)**	(359)	*(16.2)*	**(111)**	(190)	**(301)**
Discontinued operations	**(66)**	233	*(128.3)*	**(66)**	-	**(66)**
Net profit/(loss) for the period	**3,538**	3,277	*8.0*	**7,913**	(4,375)	**3,538**
Net Profit Margin	*2.6%*	*3.1%*		*5.8%*	*n.m.*	*2.6%*
EBITDA	*9,245*	*11,265*	*(17.9)*	*10,709*	*(1,464)*	*9,245*
EBITDA Margin	*6.8%*	*10.5%*		*7.9%*	*n.m.*	*6.8%*

- Gross Margin of 7.5% consistent with previous three quarters. Lower margin QoQ due to release of project provisions on completed projects in comparative quarter (Q3 2017).
- Underlying EBITDA of AU$9.2m and EBIT of AU$6.6m – reflects the consistent operational performance during the quarter. Compared to Q3 2017, there has been a decrease of 18% respectively due to the provision releases on completed projects in the comparative quarter.
- Finance costs are at 41% of Q3 FY18 EBIT. Reductions due to debt to equity conversions - lowers debt servicing costs.
- NT Port and Marine Services commenced fuel sales during the quarter. EBIT returns expected to improve in Q4 FY18.

Key performance indicators



Does not include discontinued operations



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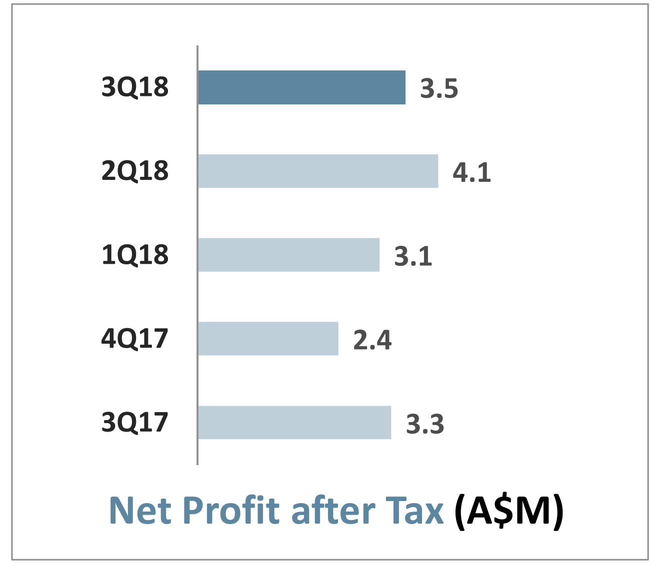


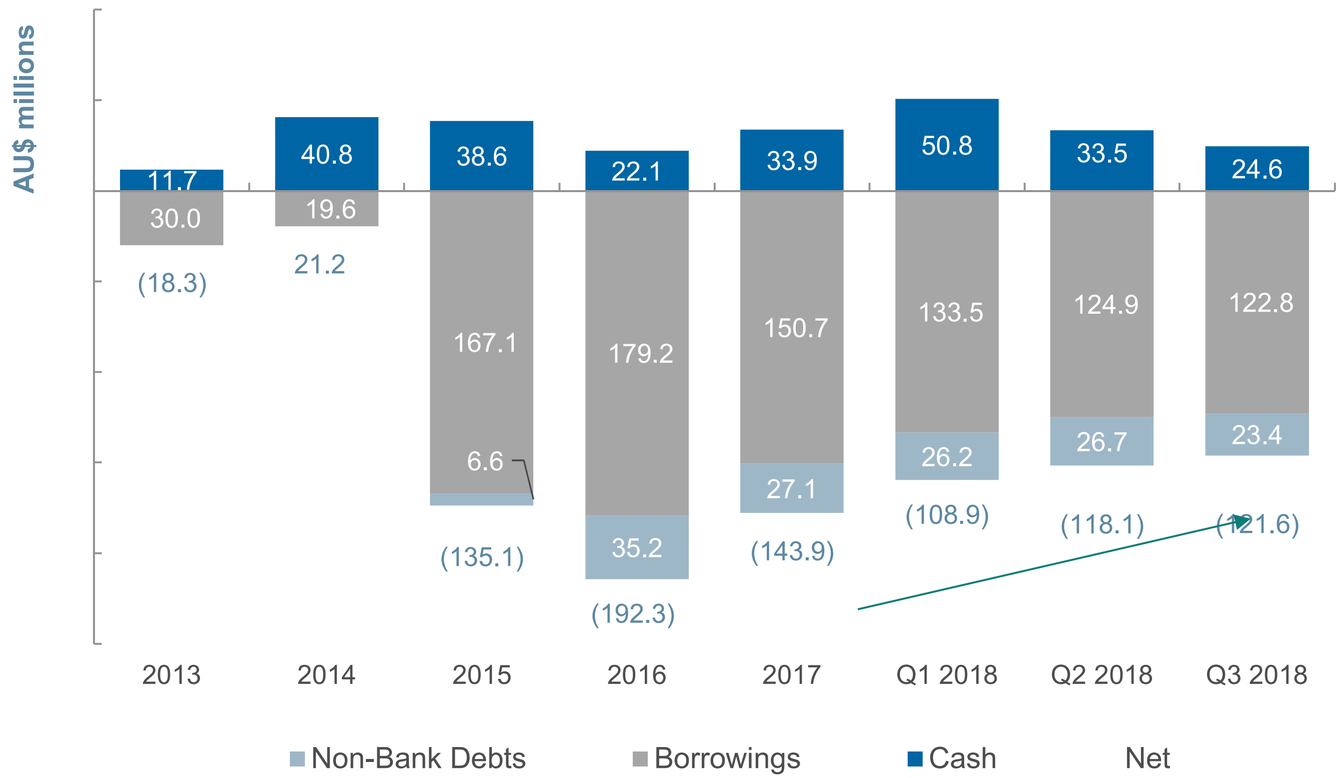
- Revenue growth slowed from reduction in work from the Energy & Process based projects at INPEX and Gorgon/Wheatstone.
- EBITDA consistent with previous quarters reflecting decreased operating costs and sustained reduction in administration, marketing and distribution expenses.
- Net Profit after tax shows the consistent results achieved QoQ building on the turnaround and growth overall from last year.

Balance sheet

(A$ million)	31-Mar-18	30-Jun-17
Cash	24.6	33.9
Receivables	123.8	133.1
PPE	83.2	87.4
Intangible Assets	45.7	47.6
Other Assets	13.9	10.2
Total Assets	**291.3**	**312.2**
Payables	101.9	114.7
Debt	122.8	150.7
Other Liabilities	31.8	23.5
Total Liabilities	**256.4**	**288.9**
Net Assets	**34.9**	**23.3**
Net Tangible Assets	(10.8)	(24.3)

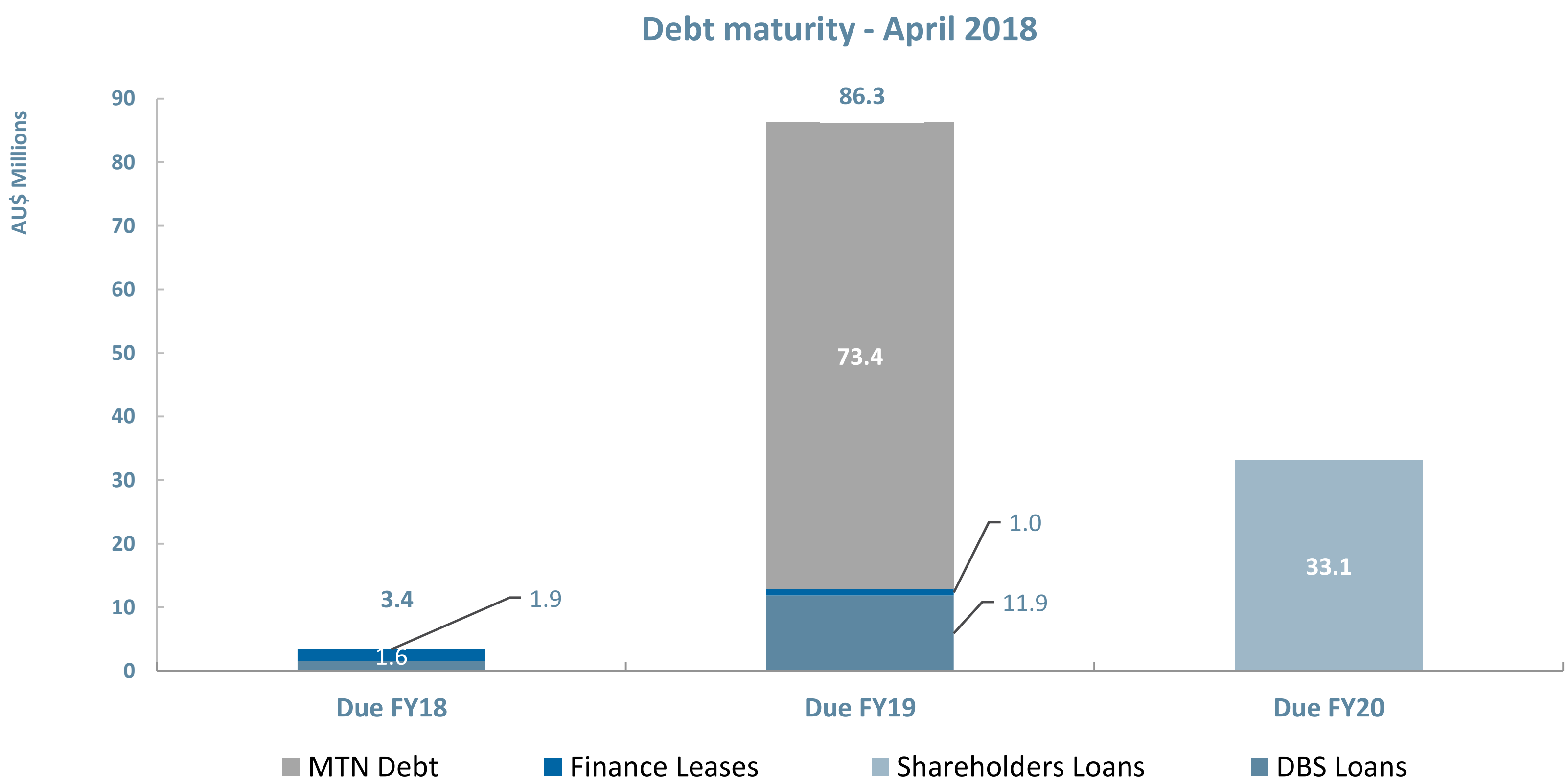
- Improvement in Net Assets since FY17 year end reflecting continuing profitability in business
- Debt repayments have been made in line with obligations resulting in reduction of $27.9m which includes the reduction in debt due to the Debt to Equity conversion in Q2 FY2018
- Outstanding receivables have reduced by $9.3m since FY17 improving cash flow
- Cash balances have decreased by $9.3m due to timing delays in receipt of project receivables. Debt repayments in the quarter also accounts for the decrease.
- Ongoing strengthening Balance Sheet:
  - Additional debt/equity conversion of $7.7m
  - Improved Net Assets by $11.6m since FY17.

Group net debt



- **Net debt reduces by $22.3m from FY17.**
- Cash at bank balance decreased by $9.3m.
- Short term borrowings repaid and other repayments made - $37.0m.
- Insurance premium funding, finance leases and foreign exchange movement on loans ($5.4m).

Group debt maturity



- MTN notes due for payment in October 2018 (FY19) with the repayment dates to be extended.
- The long term bank debt, after recent re-negotiation, is extended to September 2018 (FY19).
- The DBS short term loan facility will be repaid by end May 2018.
- The shareholders loan is fully sub-ordinated to all bank loans and is not be repayable until after Jun'19 (FY20).

FY19 Challenges

Challenges for AusGroup for FY19

- Refinancing of MTN Debt due in October 2018
- Debt financing levels unsustainable
- Completion of major contract work on INPEX contracts – replacement
- Tender pipeline conversion timeline
- NTPM growth trajectory now fuel sales have commenced in Q3 FY18
- Scaffold asset pool – increase utilisation

MTN debt – Current maturity October 2018

- First meeting with noteholders on 16 May
- Rights Issue and Share Placement exercise requires renegotiation of the Note terms – condition precedents
- Includes proposal to extend notes on reduced coupon rate

Share placement and rights issue

- Share Placement is contingent on:
    1. Restructuring of the MTN Notes
    2. The Share Placement providers subscribing for all of their rights
    3. Ezion Holdings extending the term of its existing loan by five years
    4. Ezion Holdings approving the Rights Issue and the Share Placement
- Share Placement - 1,050,000,000 shares to raise S$36.8m (at price of S$0.035 per share).
- At a minimum, the Rights Issue (at price of S$0.035 per share) will result in an additional funds raised of S$4.9m.
- The net proceeds is primarily for working capital however a restricted amount can potentially be used for partial redemption of the MTN Notes (of up to 30% of outstanding principal).

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