Investor Presentation Q1 FY2019

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November

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: 821

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: 392

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: 14

AusGroup at a glance

Founded

1989

Our businesses

AGC An AusGroup Company

MAS AN AUSGROUP COMPANY

NT PORTandMARINE

Our operations

Perfect Day

perfect day

LTIFR 0.53

TRIFR 2.67

Our markets

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

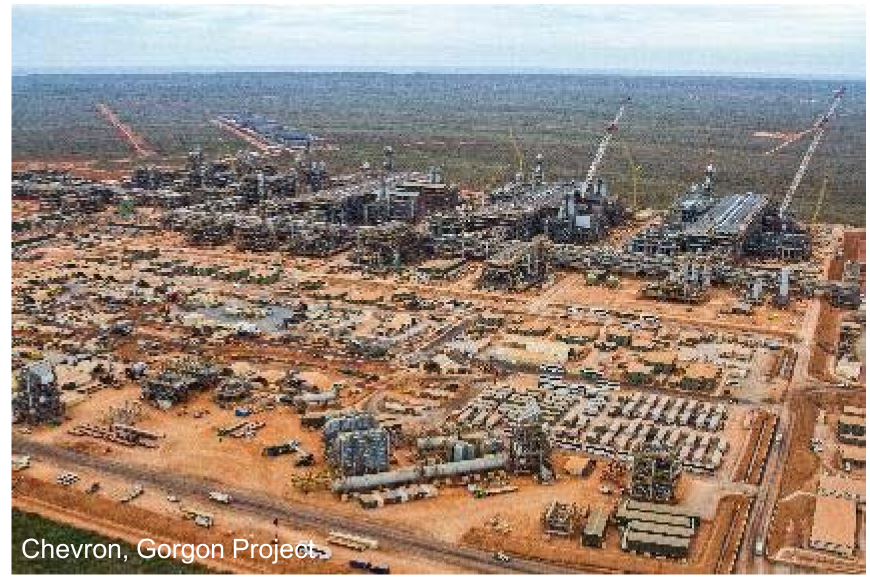
- Blue chip long term contracts
- Positioned to capture future works through strong client relationships

Clear strategic vision for the future

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

Chevron Australia Master Contract

- 5 Year Maintenance Agreement with a 2 + 2 + 1 years extension
- Performing works over 3 major facilities – Gorgon (Barrow Island)/Wheatstone and Wheatstone offshore Platform
- Key metrics – over 1 million man-hours spent across all sites without and LTI's – Over 60 Ci's generated in 2018
- Currently in shutdown preparation.



Chevron, Gorgon Project

Chevron, Barrow Island

Talison Lithium CGP2 Expansion (MSP)

- AUD$40M Structural, mechanical and piping installation package
- Located in Greenbushes, Western Australia
- 2,000 tonnes of structural steel and associated flooring and cladding
- 70 tonnes of plate work
- 450 pieces of mechanical equipment
- CGP2 will significantly expand production of lithium oxide concentrates from Greenbushes, in response to growing demand.

Talison Lithium CGP2 Expansion

Tianqi Lithium Kwinana LHPP1 (MSP)

- AUD$9.7M contract for piping and insulation works on the Lithium Hydroxide Processing Plant Crystalliser builder in Kwinana
- Expected workforce 90 – 100 people
- Establishment of facilities and laydown area.

Talison Lithium CGP2 Expansion

BATTERY BOOM

Lithium worth 'hundreds of billions' to WA

Australia's chief resource economist says WA could earn "hundreds of billions of dollars" from its mineral wealth but has warned governments must act quickly to capitalise on the opportunity.

Source: The West Australian, 11th Sep, 2- 3 October 2018

Australian Lithium Industry

BATTERY BOOM

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Australia's chief resource economist says WA could earn "hundreds of billions of dollars" from its mineral wealth but has warned governments must act quickly to capitalise on the opportunity.

WORLD'S BIGGEST

Kwinana the global powerhouse in rush to lithium

WA is in the box seat to power the new world as a refinery on the industrial strip becomes the epicentre for global supply of lithium hydroxide.

BIG PLEDGES

Parties vie for WA lithium battery votes

Labor is promising to back WA with research dollars and access to infrastructure and manufacturing funds worth billions.

- "Kwinana is at the epicentre of a booming global lithium market opens up new economic opportunities for the State."
- "Demand for the mineral [lithium] is tipped to grow by 18 per cent a year until 2026, and WA is in the box seat as the largest producer in the world."

Source: The West Australian, 11th Sep, 2- 3 October 2018

Kwinana facility

- Five large fabrication bays totalling 10,460m^2, with over 30,000^2 of uncovered area for laydown storage
- In-house capability to fabricate >30,000tpa
- Specialised fabrication work for Woodside, Chevron, Talison and Tianqi
- Workshop capabilities include: piping, structural steel and heavy plate fabrication, hydro testing, radiographic testing, sheetmetal & insulation workshops, welding school.

NT Port and Marine update

NT Port and Marine update

- Woodchip shipment #14, successfully loaded on 26 October 2018
- Supply of fuel to Plantation Management Partners, 200,000 litres has been provided to date.
- Awarded the **Northern Territory Chief Minister's Award** for Excellence in Defence
- ConocoPhillips confirmed formal inspection
- Training Program for local Tiwis – Two graduates selected to become maintenance trainees at the Port

NT Port and Marine Team


MV Alizay 2 Vessel

Market outlook

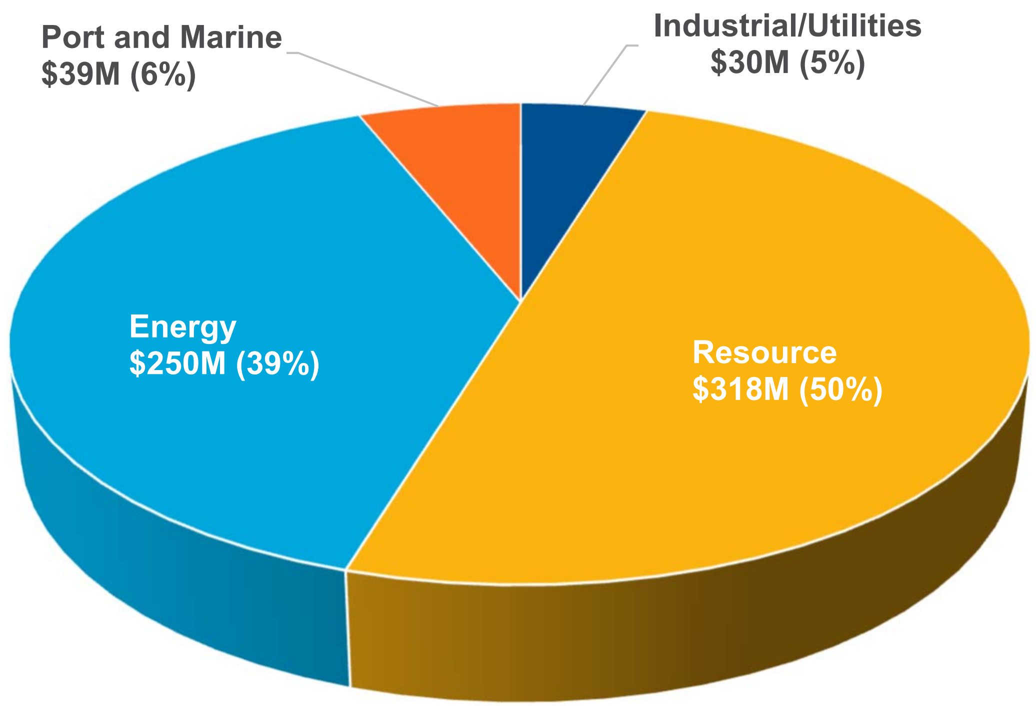
Australian market overview

- 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 (MSP)

Market share of opportunities

Market share of (weighted) value $637 million



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

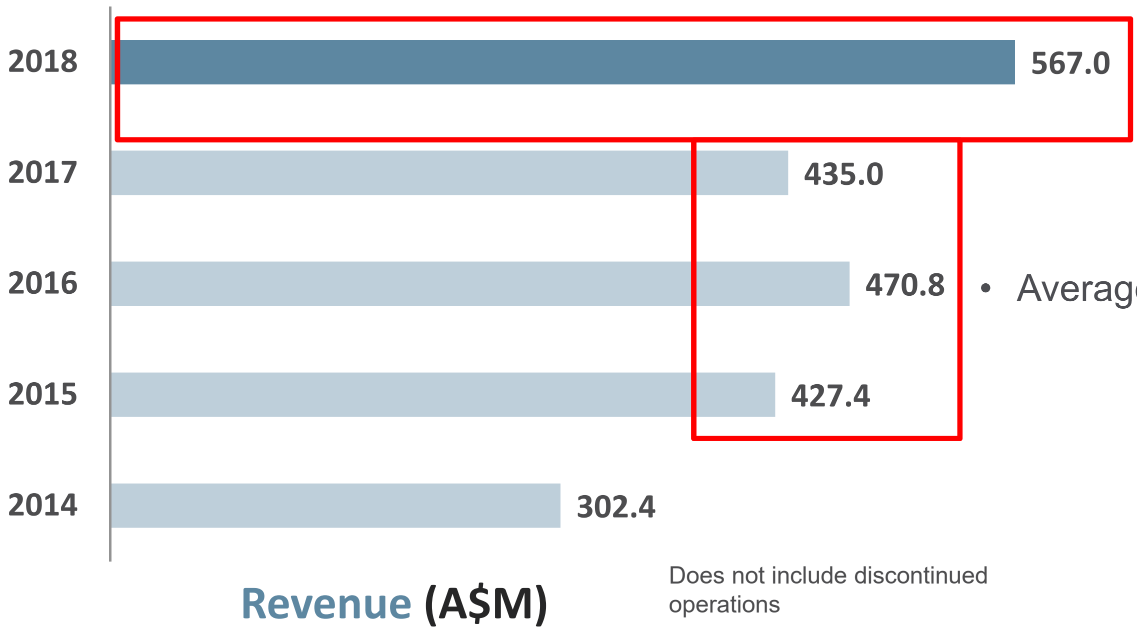
Port and Marine
- Port and marine activities ramping up
- Oil and gas drilling activities
- Navy force refuelling
- Expansion of logging

Industrial/Utilities
- Increasing industrial processing opportunities
- Diversified maintenance offerings

Source: AGC pipeline database, as at 31st October

Financial Performance

Key performance indicators – FY2018 recap



Does not include discontinued operations

- Highest revenue in five years.
- Average FY2015 to FY2017 revenue = A$444m.

Financial summary – Q1 FY2019

Total Revenue	Total EBITDA	EBITDA margin	Net Debt
A$86.6m	A$6.2m	7.1%	A$118.5m

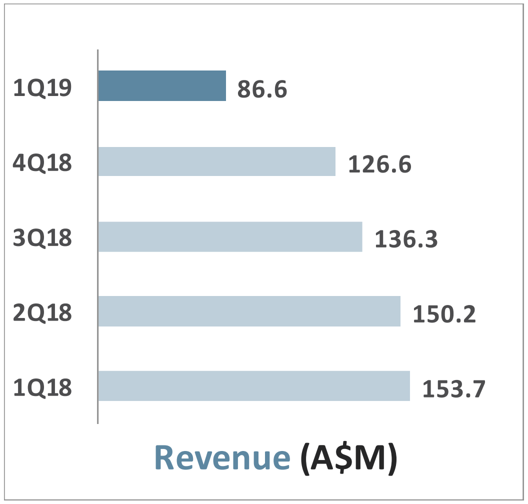
- Revenue of A$86.6m – diversified revenue base providing a solid start to year, with first lithium contracts now underway.
- EBITDA of A$6.2m – underlying strength in quality of earnings continuing on from last financial year.
- EBITDA margins higher than in the comparative quarter of Q1 FY2018 as a result of good performance from maintenance, fabrication and project sectors.

Trading Performance – Q1 FY2019

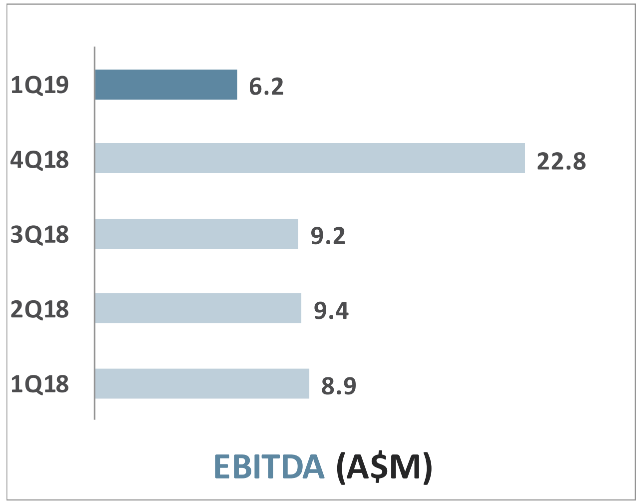
	Q1 2019 AU$'000	Q1 2018 AU$'000	+/(-) %	Q1 2019 Energy & Process AU$'000	Q1 2019 NT Port & Marine AU$'000	Q1 2019 Total AU$'000
Revenue	**86,557**	153,746	*(43.7)*	**85,650**	907	**86,557**
Gross profit	**8,126**	11,393	*(28.7)*	**9,073**	(947)	**8,126**
Gross margin	***9.4%***	*7.4%*		***10.6%***	*n.m.*	***9.4%***
Other operating income / (loss)	**1,479**	546	*170.9*	**1,113**	366	**1,479**
Administration, marketing & other costs	**(5,332)**	(5,534)	*(3.7)*	**(4,431)**	(901)	**(5,332)**
EBIT	**4,273**	6,405	*(33.3)*	**5,755**	(1,482)	**4,273**
EBIT Margin	*4.9%*	*4.2%*		*6.7%*	*n.m.*	***4.9%***
Net gain on debt conversion	-	452	*n.m.*	**0**	0	**0**
Finance costs	**(2,675)**	(3,297)	*(18.9)*	**(187)**	(2,488)	**(2,675)**
Income and withholding tax	**(286)**	(354)	*(19.2)*	**(286)**	0	**(286)**
Discontinued operations	**-**	(82)	*n.m.*	**0**	-	**0**
Net profit/(loss) for the period	**1,312**	3,124	*-58.0*	**5,282**	(3,970)	**1,312**
Net Profit Margin	*1.5%*	*2.0%*		*6.2%*	*n.m.*	*1.5%*
EBITDA and impairments	*6,150*	*8,852*	*(30.5)*	*6,995*	*(845)*	*6,150*
EBITDA Margin	*7.1%*	*5.8%*		*8.2%*	*n.m.*	*7.1%*

- Revenue lower than prior year due to completion of large major projects. Revenue base now diversified and gross margins higher than comparative quarter by 27%.
- EBIT margins are consistent with prior periods demonstrating strength in the underlying operational earnings base.
- The ratio of EBIT to Finance costs was 1.6 : 1.0 (a comfortable servicing ability for FY2019).
- Net profit for the quarter of $1.3m – another profitable quarter following on the success of last financial year.

Key performance indicators



Does not include discontinued operations



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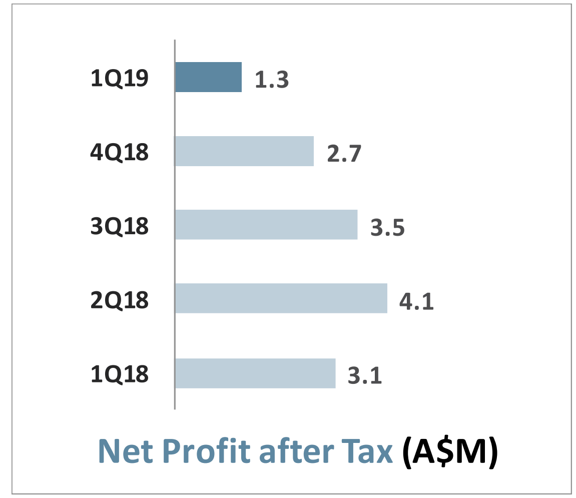


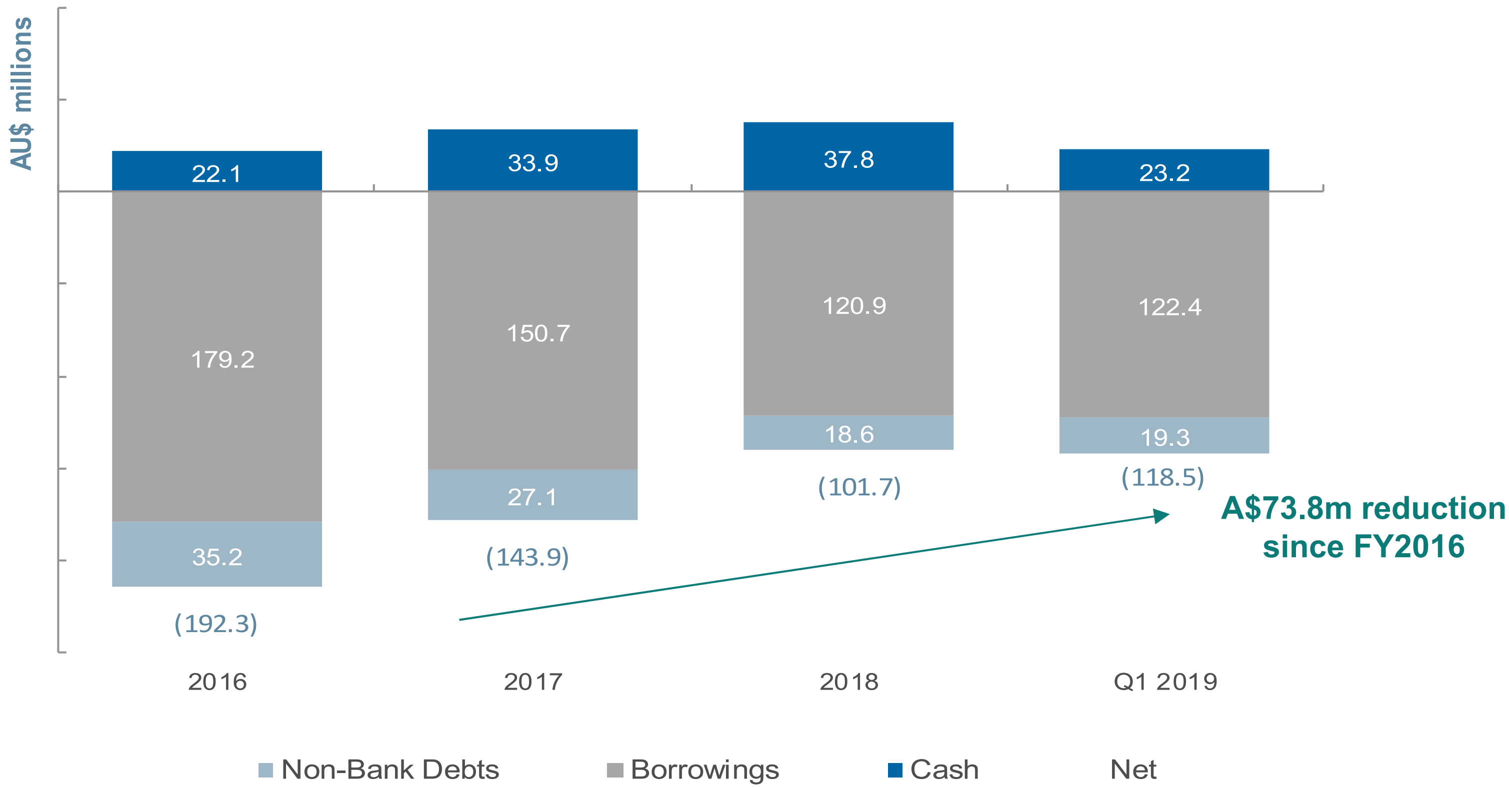
- Revenue has reduced due to the completion of the large major projects completed in the last year. Underlying performance from all sectors generating positive growth.
- A good start to the year with another quarter of positive EBITDA. Performance for maintenance contracts particularly strong and supported 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.
- Two years of quarterly profits.

Balance sheet

(A$ million)	30-Sep-18	30-Jun-18	Variance
Cash	23.2	37.8	(14.6)
Receivables	102.8	93.4	9.4
PPE	74.3	75.6	(1.3)
Intangible Assets	44.2	43.7	0.5
Other Assets	10.8	12.5	(1.7)
Total Assets	**255.3**	**263.0**	**(7.7)**
Payables	82.0	84.8	(2.8)
Debt	122.4	120.9	1.5
Other Liabilities	10.4	15.6	(5.2)
Total Liabilities	**214.8**	**221.3**	**(6.5)**
Net Assets	**40.5**	**41.7**	**(1.2)**
Net Tangible Assets	(3.7)	(2.0)	(1.7)

- Borrowings have stabilised in the quarter with loan repayments offsetting –ve Forex movements.
- Cash decreased by $14.6m due to timing delays in project related receipts (received in October 2018) .
- Continuing to strengthen Balance Sheet.
- Improved Net Assets by $17.2m since FY17 reflecting continuing profitability in business.

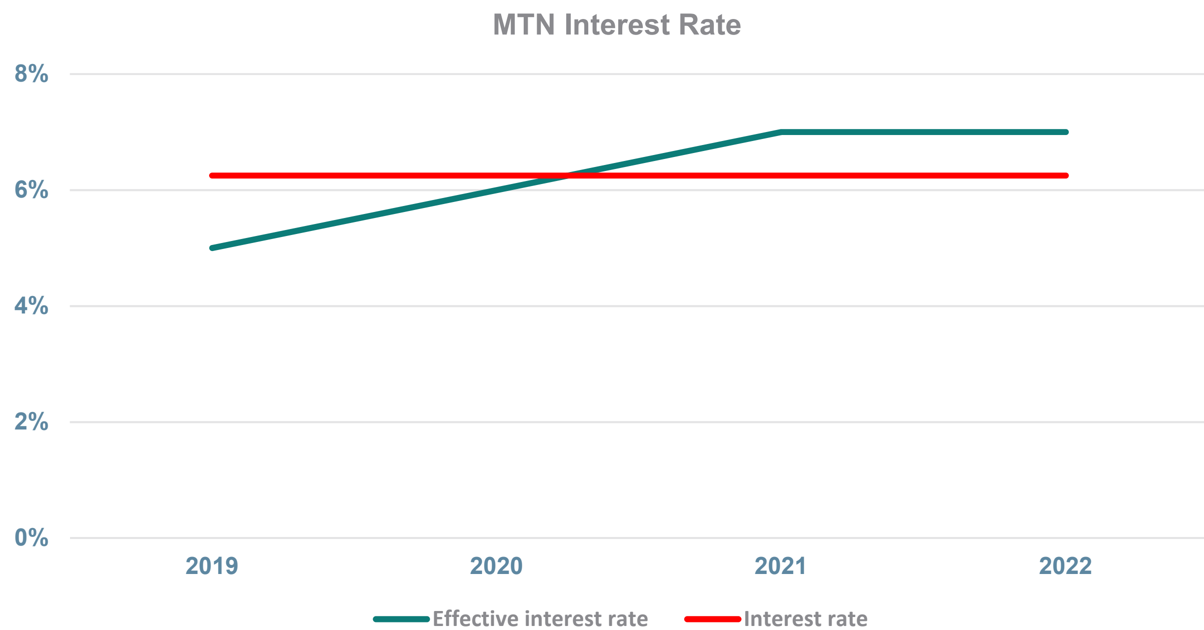
Group net debt - deleveraging



- **Net debt reduces by $73.8m from FY16.**
- Cash at bank balance decreased by $14.6m in quarter – timing delays on project receipts.
- Short term borrowings repaid and other repayments made since FY16 - $72.7m.

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.



- 30% principal redemption – expected to be paid by January 2019

MTN debt – Current Maturity November 2022

Extension	**Conversion to equity at 4.2 cents**
288 notes	14 notes redeemed
30% principal repaid	80.2 million shares to be issued

Outstanding principal after restructure = S$48.6m (at a maximum)

Share Placement and Rights Issue

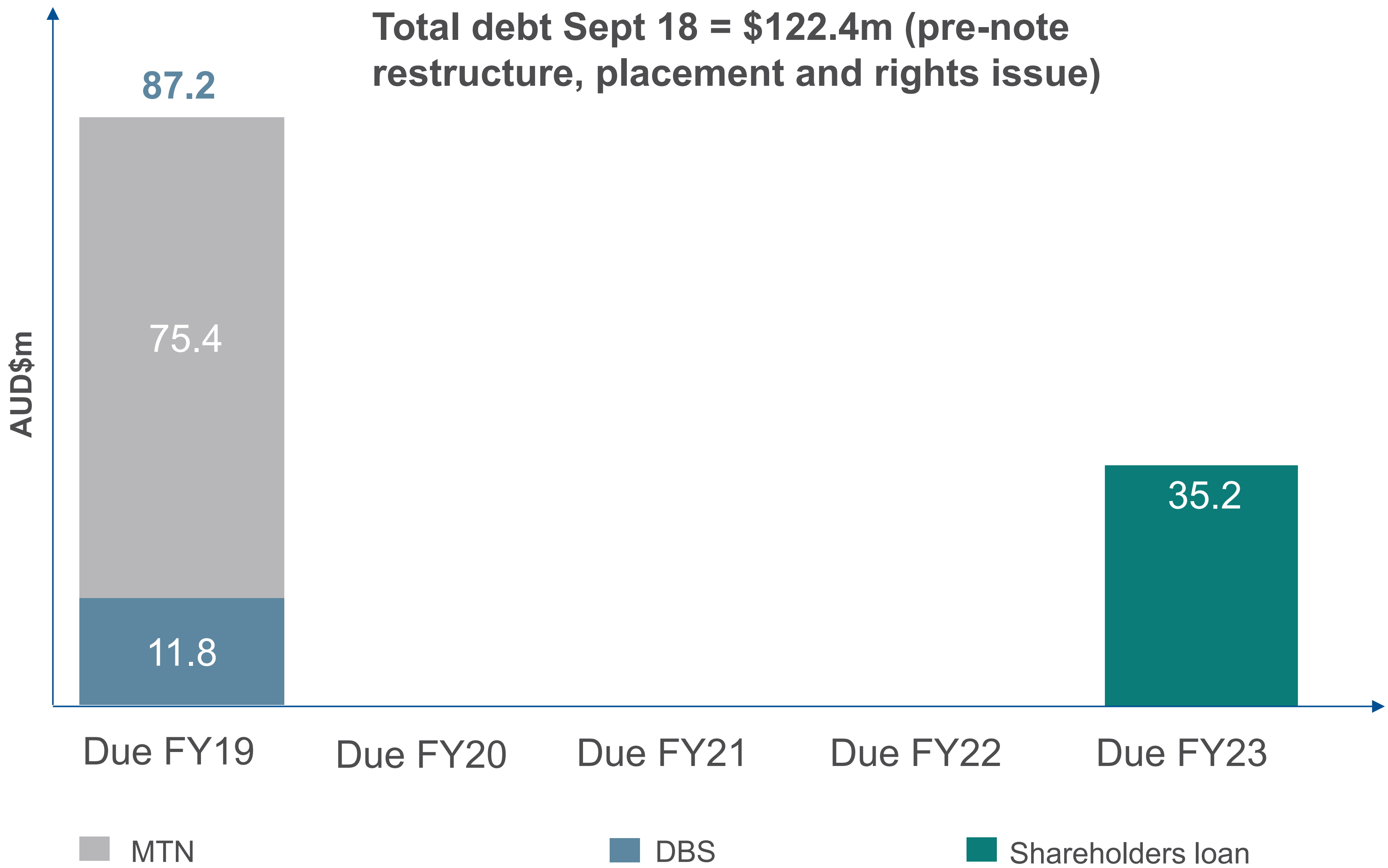
- Share Placement is contingent on:
  1) Restructuring of the MTN Notes
  2) The Share Placement providers subscribing for all of their rights
  3) Ezion Holdings extending the term of its existing loan by five years
  4) Ezion Holdings approving the Rights Issue and the Share Placement

- 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.

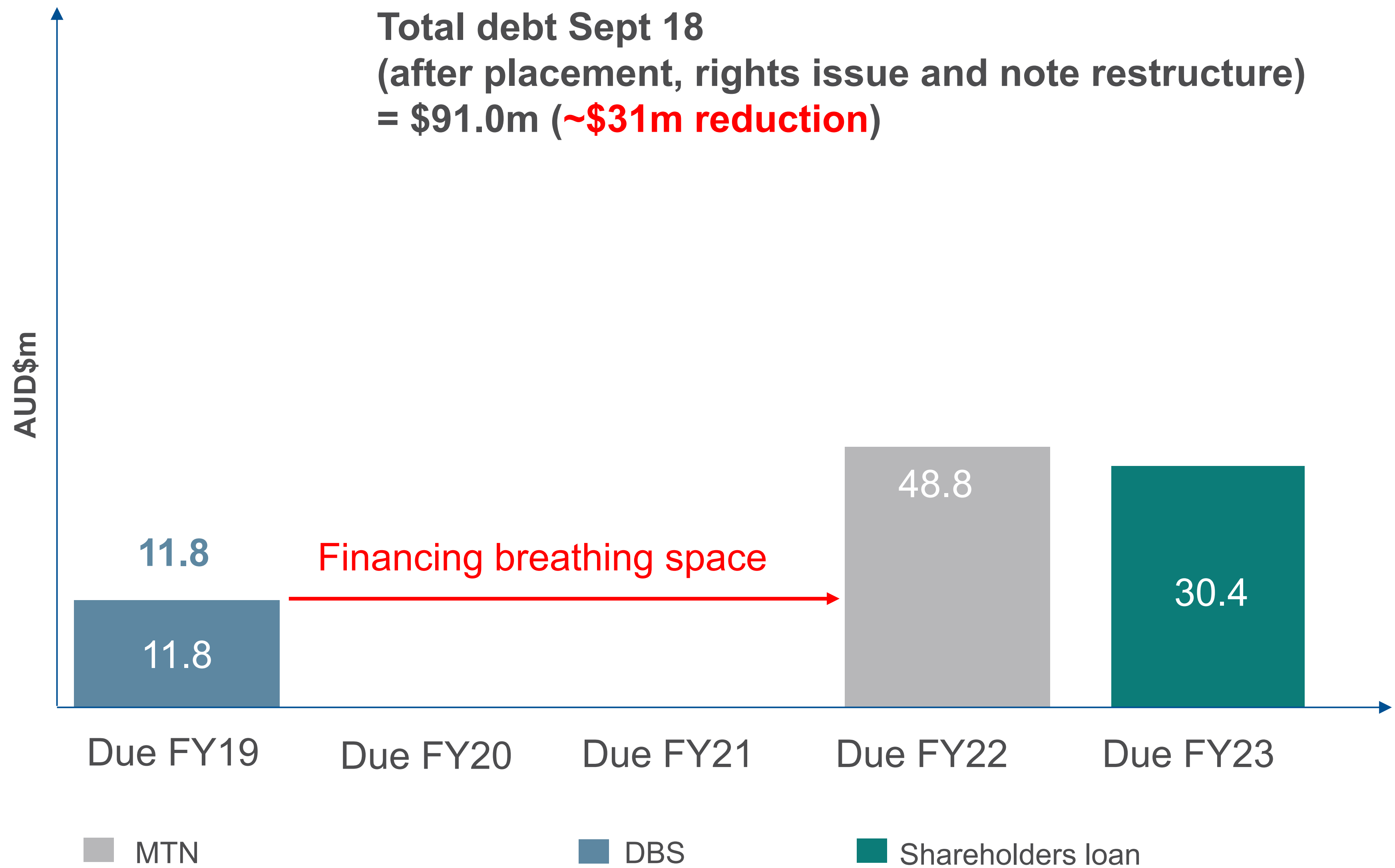
- Total funds raised will be at least S$41.7m.

- Net proceeds will be used for partial redemption of the MTN Notes of S$21m (30% redemption) and working capital ~ S$19m after costs.

Extension of debt maturity provides stability



Extension of debt maturity provides stability



Summary

- Strong safety record
- Highest revenue, EBITDA and NPAT for five years
- Solid pipeline of maintenance work in LNG and Resources
- A$60m of new contracts in the expanding lithium sector

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