30 YEARS 1989 - 2019

AusGroup

INVESTOR PRESENTATION Q1 FY2020
NOVEMBER 2019

Presented by
Shane Kimpton & Christian Johnstone

Senior Management

Shane Kimpton
Chief Executive Officer
and Managing Director

Christian Johnstone
Chief Financial Officer

Daniel Kennedy
Chief Operating Officer

Matt Prendergast
Executive General Manager
Business Services

Nathan Pike
Executive General Manager
HSEQ and People

Warren Puvanendran
Group General Manager
Strategy and Development

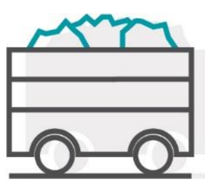
AusGroup Overview

Our vision

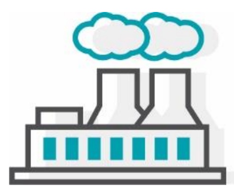
To be the leading integrated service provider in the resources, energy, industrial, utilities, port and marine markets.

Our markets

Energy



Resources



Industrial

Utilities

Port and marine

Founded

1989

30 YEARS 1989 - 2019

Safety

Employees

1687

Our operations

Strategy

Dynamic and positive approach to safety focused on delivering excellence one day at a time – our Perfect Day.

Build collaborative and high performing teams.

Attract and retain the best people.

Agile, flexible and customer focused approach to delivery excellence.

Operational discipline to a standard process.

Trusted partner to the resources, energy and industrial sectors, providing innovative solutions.

Accelerated, quality revenue growth.

Stable and predictable gross profit margin.

Current Contracts / Projects

Rio Tinto
Various Site - West Pilbara

– *Rope Access*

Yara Pilbara Nitrates (YPN)
The TAN Plant Repair & Rectification Project

– *Structural, mechanical, piping, insulation and electrical*

– *removal and reinstatement of free issued speciality equipment*

Woodside-operated
North West Shelf Project

– *Fabrication and procurement services*

Chevron Australia Master Contractor Services Contract

– *Maintenance and support services*

– *Hook-up and commissioning*

Tianqi Australia Lithium
Hydroxide Processing Plant Kwinana

– *Piping and insulation*

Albemarle - Kemerton

– *Scaffolding works contract*

Bluewaters / Collie Power Stations

– *Scaffolding works contract*

BHP WAIO
Mount Wahleback Dust Suppression Upgrade

– *Structural, Mechanical and Piping works for upgrade of all dust suppression systems*

BHP Nickel West

– *Removal and reinstatement of Hot Heat Exchanger and Equipment*

– *Shutdown support*

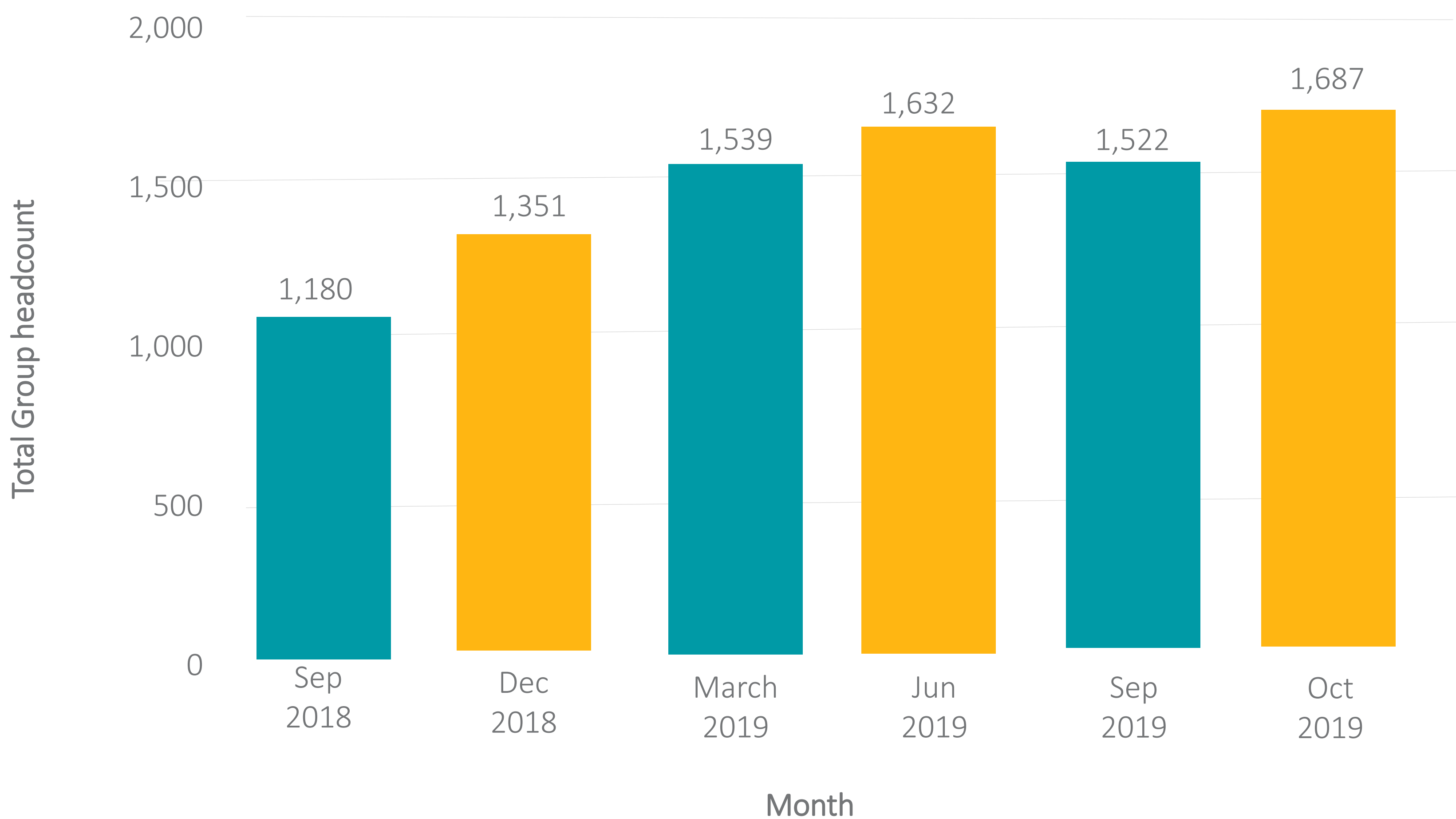
– *Shutdown Mechanical Support*

– *Specialist Rope Access to remove and replace cladding and insulation*

Newmont Boddington Gold Mine

– *Scaffold and rope access*

Growing Workforce = Increasing Revenue



Chevron Australia Master Contractor Services Contract

- Gorgon Train 1 Shutdown – Phase 6 execution works commenced in early Oct 2019 with a significant workforce engaged (Approx. 750)
- Gorgon Train 2 Shutdown – AGC workscope defined and planning commenced - Phase 6 execution works will start in May 2020
- Fabrication framework agreement executed – 5 year agreement with Chevron to provide Fabrication services through the AGC Kwinana Facility
- Additional Wheatstone Brownfields execution works – Mechanical, Painting, Insulation & Fireproofing, Access, and E&I program.

"The Australian" National Newspaper

The small army needed to keep LNG plants running

PAUL GARVEY

The LNG construction boom is over, but a new, decades-long wave of major maintenance work is only just beginning.

More than 1600 w kers are swarming over train one the Chevron-led Gorgon LNG ject, at Barrow Island off nor west Western Australia.

It's an intensely planned, complex and costly exercise that will be repeated year in, year out as the series of LNG plants developed across the country earlier this decade are polished and spruced for maximum performance.

Australia has been producing LNG for 30 years, but an unprecedented wave of new LNG developments earlier this decade saw Australia rival Qatar as the world's biggest LNG producer.

While the economic sugar hit from all that construction is in the past, contractors are now eyeing off decades worth of maintenance work that will generate billions of dollars a year for contractors around the country.

Chevron is now in the middle of executing its first large-scale maintenance program, or turnaround, at Gorgon. It is a massive undertaking in its own right that stacks up against many other higher-profile industrial developments elsewhere in Australia.

The work, involving about 30 different contractors and subcontractors who will carry out a comprehensive overhaul of the first of the project's three LNG trains, is the first since the huge plant started production in March 2016. It's a process that will be repeated at the plant every year for the next 40-50 years, as well as at the two LNG

"Decades-long wave of major maintenance work is just beginning… ~$9bn … year in, year out…"

MATTHEW POON

AGC's Shane Kimpton with Chevron Gorgon operations manager Kate Yates in AGC's manufacturing hub

underpin them for decades. Consultants McKinsey have estimated it will cost between $8bn and $9bn a year to keep the country's LNG plants properly maintained into the future.

Chevron and its contractors have been working for the best part of 18 months to plan the turn-

Australian operations, Al Williams, says could deliver improvements in output and efficiency over the life of the project.

Delivering the turnaround is a complex process. Gorgon features its own bus fleet, with 23 buses making 800 trips each day.

Among the numerous tasks

They include Read's Electric Co — literally a "ma and pa" operation, founded by husband and wife team Brian and Coral Read 60 years ago.

Read's is responsible for carrying out overhauls on 10 or so motors from Gorgon that have been shipped to Fremantle.

Karratha-based Joyce Kranes

AusGroup, or AGC, is one of the bigger names involved.

AGC secured work during Gorgon's construction, but it now has a contract for the fabrication and pre-assembly of about 150 tonnes of structural steelwork and more than 800m of stainless steel and carbon steel pipework.

AGC managing director Shane

growing part of our business," Kimpton says.

"There are 21 LNG trains around Australia now and for us, delivering it safely and successfully really sets us up for multiple turnarounds around the country as it goes forward."

For contractors used to living through the feast-or-famine cycles of construction, large-scale maintenance work can provide much-needed stability.

The turnaround work is also where Chevron's new boss in Australia, Williams, hopes to make his mark.

Williams, who moved into the Perth-based role earlier this year, is working to ensure there is better collaboration — not just between Chevron and its contractors, which are increasingly exchanging ideas and working in the design and planning of the overhauls — but also with other LNG operators around the country.

The Australian Consumer & Competition Commission last year gave its blessing for rival LNG operators to co-ordinate their maintenance, so as to better schedule the niche skills needed between the various projects.

Williams believes that better collaboration on maintenance will improve the efficiency of the whole process, making Australia's LNG industry more globally competitive in the process.

He also believes the work under way now could position Australia as a potential exporter of LNG maintenance skills.

Countries such as Mozambique and Angola are in the early stages of developing their LNG industry, and the growing pool of LNG expertise in Australia could also be put to work there.

"With all the units Chevron has

The Lithium Market

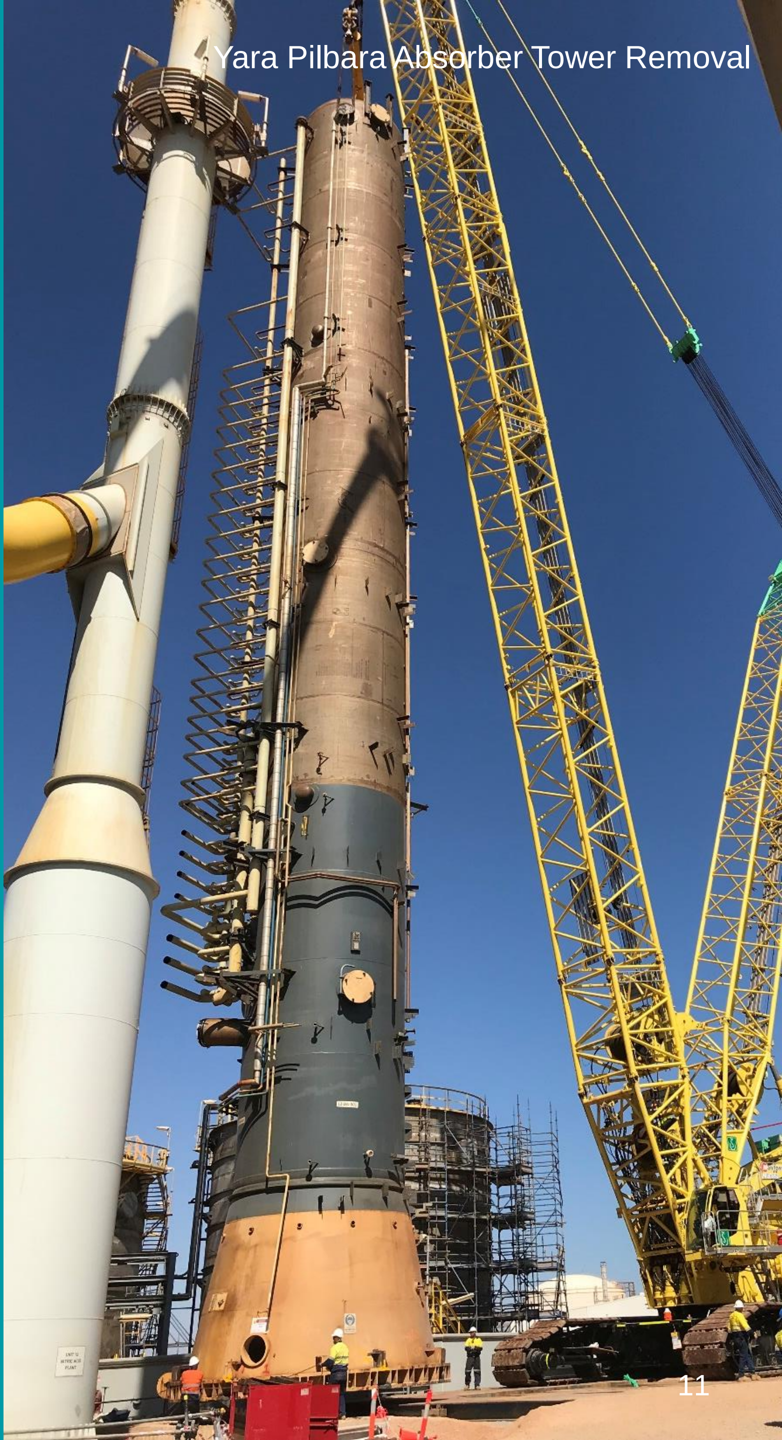
- All scopes have now been completed on Stage 2 Talison Lithium
- AU$36M contract for piping and insulation works on the Lithium Hydroxide Processing Plant Crystalliser building in Kwinana
- Peak workforce ~ 260 people
- Significant variation works continue
- Potential for punch listing works to continue after forecast completion.

Tianqi Lithium Kwinana LHPP1

Talison CGP2 Lithium plant

Yara Pilbara Nitrates TAN Plant Construction

- AU$30M contract with Yara Pilbara Nitrates (JV between Yara and Orica)
- Located near Karratha, Western Australia
- Deconstruction and construction work of dryers, heat exchangers and absorption tower on Technical Ammonium Nitrate (TAN) Plant
- AGC is the primary contractor providing mechanical, electrical & instrumentation, welding, boilermaking, scaffolding, rigging, cranage, insulation and fabrication.


Yara Pilbara Absorber Tower Removal

- **BHP Nickel West**
  Secured a 3 year maintenance and shutdown contract with BHP across 4 sites. Major shutdown commencing in November
- **BHP Iron Ore**
  Performing Rope Access shutdowns
- CBH Grain silo repairs at Geraldton

AGC Kwinana Facility

- Fabrication, surface treatment, trial assembly and delivery of RC03 reclaimer substructure for BHP Iron Ore's South Flank Project
- Fabrication support for Tianqi LHPP1 contract
- Fabrication of temporary steel work for Yara Pilbara Nitrates TAN Project
- Fabrication for Chevron Maintenance Contract

MAS Australasia

- **Newmont Goldcorp Services**
  Secured a 5 year maintenance and shutdown contract with Newmont Goldcorp Services (1 site currently)
- **Rio Tinto**
  Performing Rope Access shutdowns - Pilbara sites
- **BHP Petroleum**
  Successful campaigns continue on Pyrenees FPSO and Macedon LNG Plant (3 sites)
- **Chevron-operated Gorgon Project**
  Barrow Island
  Turnaround works (Turnaround, Waste Heat Recovery Stacks)

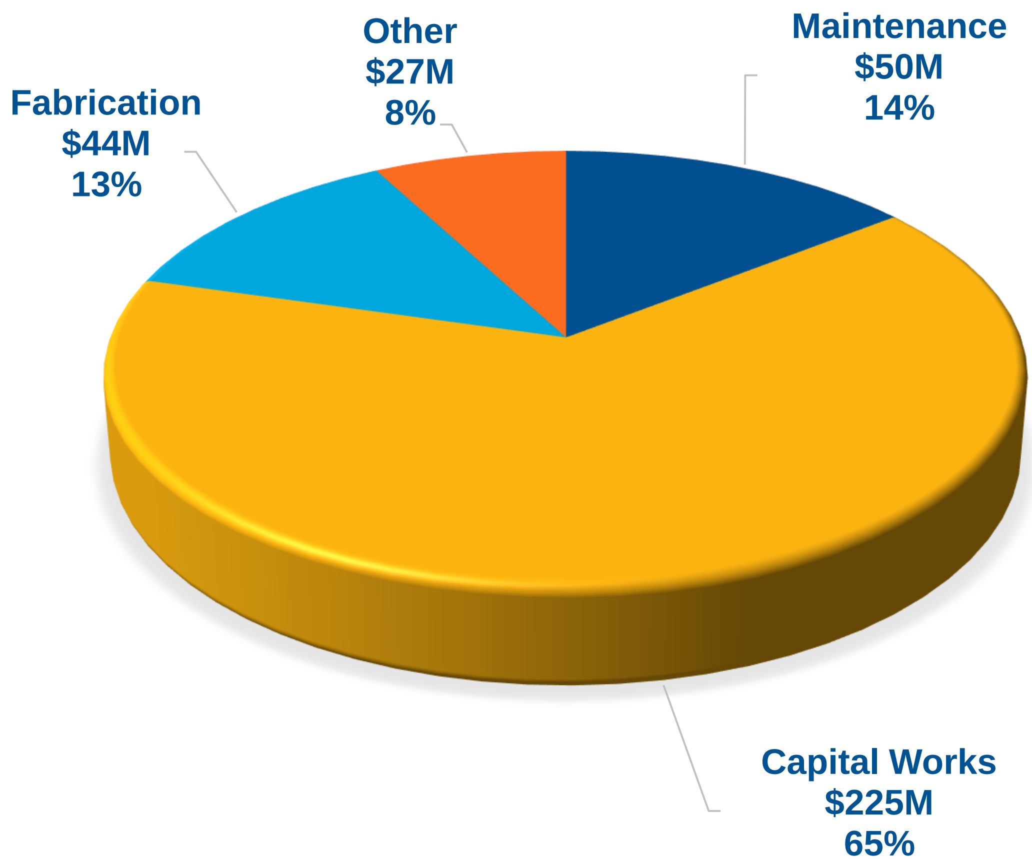
NT Port and Marine

- 1.09ML of fuel supplied to land and marine customers in Q4, 2.56ML supplied for FY19
- Secured agreement to supply 3+1ML to Midway September 2019-August 2020
- Tug capability established in Q4 resulting in reduced costs to Port users and increased capability for the Port
- Supply of fuel to marine users – Commonwealth Government vessels and fishing fleet continues to grow
- Continued engagement with Bonaparte Basin oil and gas operators for Port as marine supply base to the industry

Market outlook

FY20 & FY21 Pipeline Summary:

- Weighted Value $357Million
- Total Pipeline Value $2.61Billion



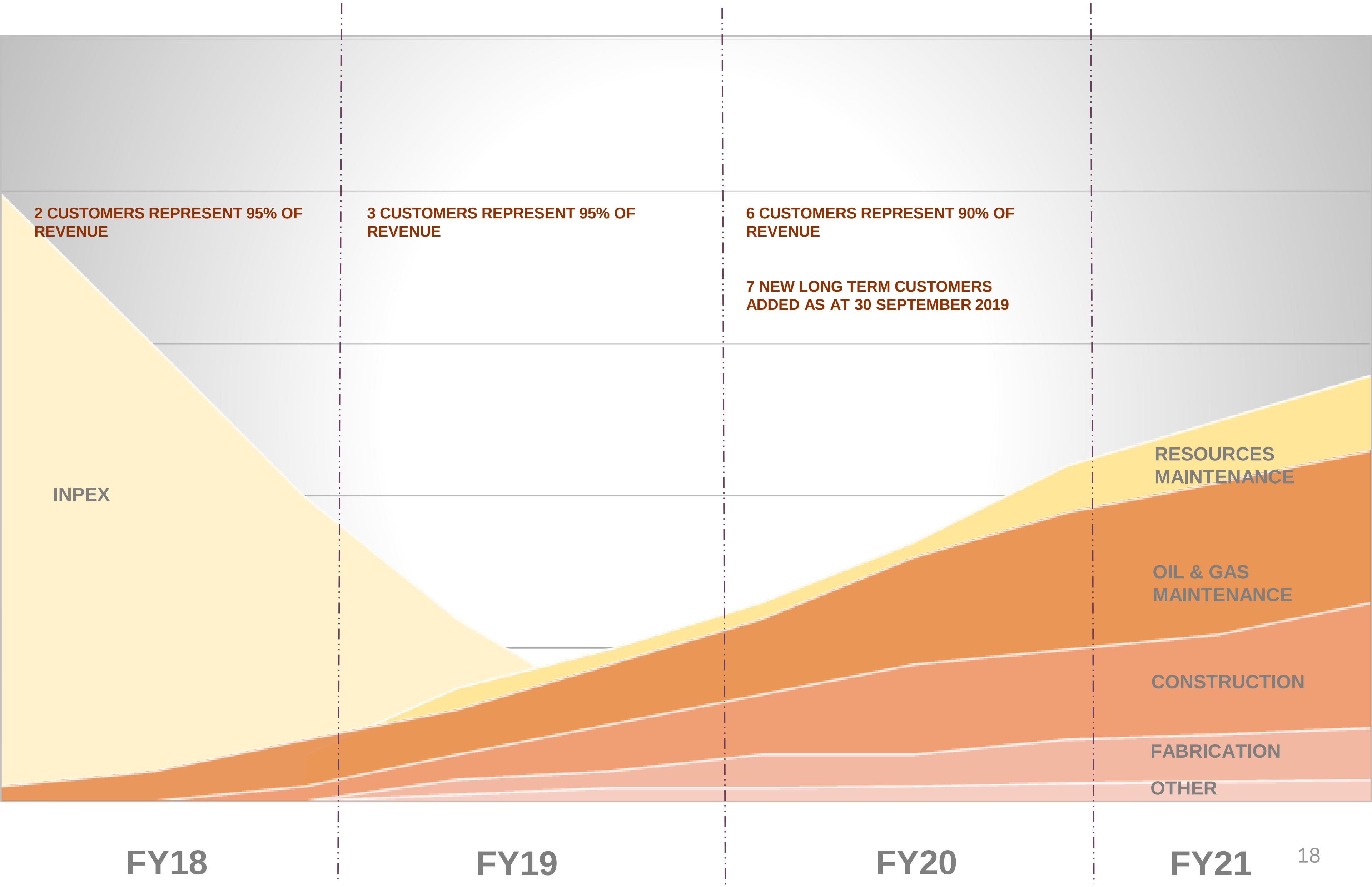
Source: AusGroup pipeline database, as at October 2019

Positioned for growth

Recent Contract / Project Wins

- RTIO shutdown projects
- Newmont Scaffold and Rope Access
- Wood Albemarle Scaffold Hire
- Chevron 5yr Fabrication Framework
- BHP Nickel West 3yr Maintenance and Shutdown
- Yara TAN Plant Repair
- ThyssenKrupp Substructure and Vertical Fabrication package
- Chevron fabrication packages

AGC & MAS Business Makeup



Financial performance

Financial summary – Q1 FY2020

	Total Revenue	Total NPAT	NPAT margin	Net Debt
Q1 FY2020	A$69.6m	A$0.2m	0.3%	A$72.5m
Q4 FY2019	A$76.6m	A$0.5m	0.7%	A$57.7m

- Revenue of A$69.6m – revenue has decreased since the last quarter following the completion of lithium based contracts and a slower start to introduction of new work on maintenance contracts.
- Net Debt levels increased – timing delays in payment of claims settlements on the completed contracts referred to above.
- NPAT of A$0.2m largely consistent with last quarter and continues the run of profitable quarters.

Trading Performance – Q1 FY2020

	Q1 2020 AU$'000	Q1 2019 AU$'000	+/(-) %	Q1 2020 Energy & Process AU$'000	Q1 2020 NT Port & Marine AU$'000	Q1 2020 Total AU$'000
Revenue	**69,607**	86,557	*(19.6)*	**67,609**	1,998	**69,607**
Gross profit	**5,952**	8,126	*(26.8)*	**6,917**	(965)	**5,952**
Gross margin	***8.6%***	*9.4%*		***10.2%***	*n.m.*	***8.6%***
Other operating income / (loss)	**324**	1,479	*(78.1)*	**324**	0	**324**
Administration, marketing & other costs	**(4,387)**	(5,332)	*(17.7)*	**(3,531)**	(856)	**(4,387)**
EBIT	**1,889**	**4,273**	***(55.8)***	**3,710**	**(1,821)**	**1,889**
EBIT Margin	*2.7%*	*4.9%*		*5.5%*	*n.m.*	*2.7%*
Finance costs	**(1,356)**	(2,675)	*(49.3)*	**(657)**	(699)	**(1,356)**
Income and withholding tax	**(296)**	(286)	*3.5*	**(296)**	-	**(296)**
Net profit/(loss) for the period	**237**	**1,312**	***(81.9)***	**2,757**	**(2,520)**	**237**
Net Profit Margin	*0.3%*	*1.5%*		*4.1%*	*n.m.*	*0.3%*
EBITDA	***4,154***	*6,150*	*(32.5)*	***5,275***	*(1,121)*	***4,154***
EBITDA Margin	*6.0%*	*7.1%*		*7.8%*	*n.m.*	*6.0%*

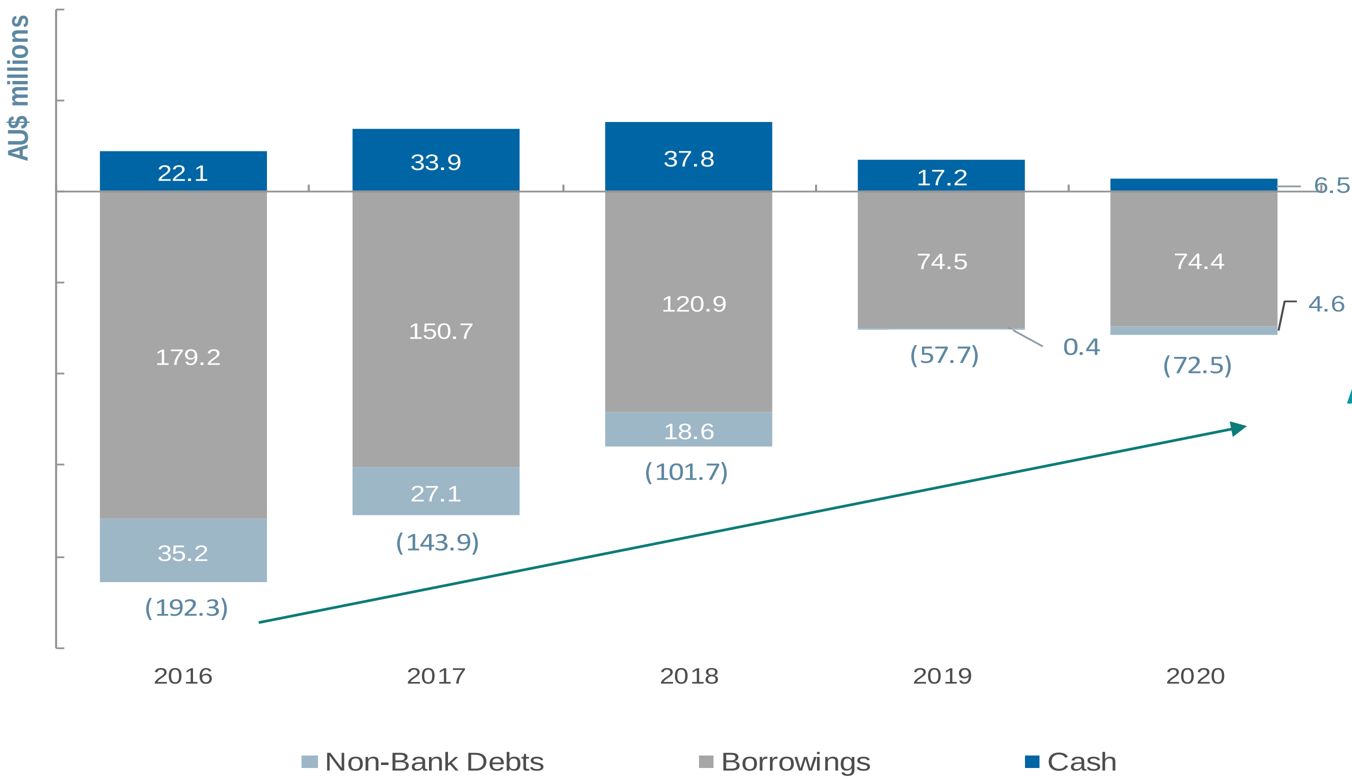
- Revenue for this quarter is lower than prior year due to completion of major projects and the delayed commencement of new projects.
- The GP% margin of $6.0m at a GP% of 8.6% indicates a return to normalised target range of 7% to 10% and is underpinned by good performance from our key construction and maintenance projects.
- Finance costs include the effect of the new leasing standard under SFRS (I) 16 which brings leases on-balance sheet (Finance charge of $251k).
- Net profit for the period of A$0.237m – another profitable quarter (the thirteenth in succession).

Balance sheet

(A$ million)	30-Sep-19	30-Jun-19	Variance
Cash	6.5	17.2	(10.7)
Receivables	87.1	65.4	21.7
PPE	83.9	85.1	(1.2)
Intangible Assets	59.5	45.1	14.4
Other Assets	10.2	5.7	4.5
Total Assets	**247.2**	**218.5**	**28.7**
Payables	48.6	33.8	14.8
Debt	79.0	74.9	4.1
Other Liabilities	22.6	8.0	14.6
Total Liabilities	**150.2**	**116.7**	**33.5**
Net Assets	**96.9**	**101.8**	**(4.9)**
Net Tangible Assets	37.4	56.7	(19.3)
Current Liquidity	36.6	37.0	(0.4)

- Cash levels have reduced by A$10.7m since the end of FY19. Delayed settlement of project claims – timing to be rectified in Q2 FY20.
- Receivables has increased A$21.7m due to delay in converting accrued revenue to invoicing – largely timing and corrected in early Q2 FY20.
- Intangibles increased by A$14.4m due to adoption of leasing standard in respect to Right to Use assets. Offsets lease liability recorded under Other liabilities – nil effect to balance sheet.
- Payables increased by A$14.8m due to higher level of accrued project expenses.
- Other Liabilities includes A$14.6m of Lease liabilities – see Intangibles note above for context.
- Current liquidity stabilised at A$37.0m.

Group net debt - deleveraging



A$119.8m reduction since FY2016

Debt Profile (FY19)	Q1	Q2	Q3	Q4	Q1 FY20
DBS	11.8	10.2	9.7	7.5	5.9
MTN	75.4	39.9	40.9	41.3	42.0
Ezion	35.2	30.9	31.6	25.7	26.5
Total	**122.4**	**81.0**	**82.2**	**74.5**	**74.4**

AusGroup

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 contract with Chevron Australia – Fabrication
- Port Melville continues to build commercialisation
- Growth in long term maintenance contracts

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