

2019 FULL YEAR RESULTS

20 AUGUST 2019



**TOGETHER
WE DELIVER**

2 OPERATING DIVISIONS



ENGINEERING
CONSTRUCTION



MAINTENANCE &
INDUSTRIAL SERVICES

OUR INDUSTRIES



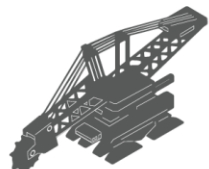
ENERGY



INFRASTRUCTURE



24 LOCATIONS
IN 7 COUNTRIES



RESOURCES

5,942
EMPLOYEES
(total workforce 7,091)

\$1.6 BILLION MARKET
CAPITALISATION

Market capitalisation as at 15 August 2019

2019 GROUP PERFORMANCE & HIGHLIGHTS



REVENUE*
\$1,608 MILLION

UNDERLYING NET PROFIT AFTER TAX#
\$57.4 MILLION

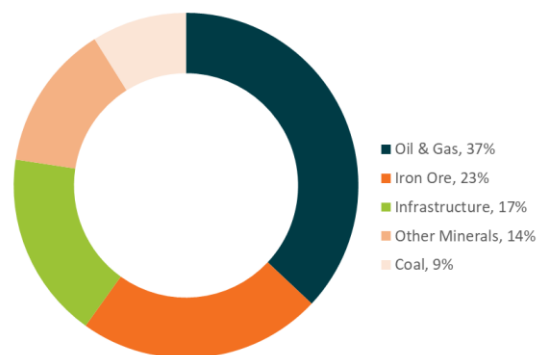
UNDERLYING EARNINGS PER SHARE#
61.0 CENTS

FULL YEAR DIVIDEND
48.0 CENTS

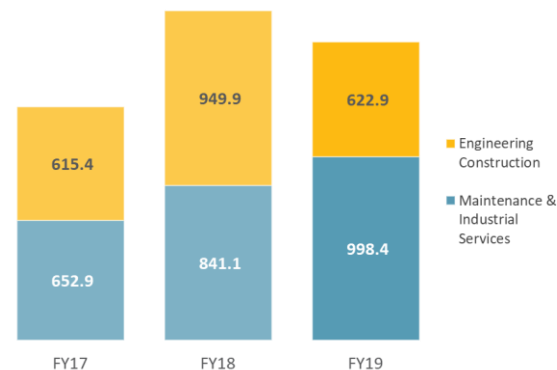
CASH
\$164.0 MILLION

CONTRACTS SECURED
\$1,350 MILLION

REVENUE BY END CUSTOMER



REVENUE BY DIVISION (\$M)



- Record revenue performance in Maintenance and Industrial Services division
- Strengthened position in water and renewables
- Secured \$1.35 billion of new contracts and extensions to date, including \$400 million secured post 30 June 2019

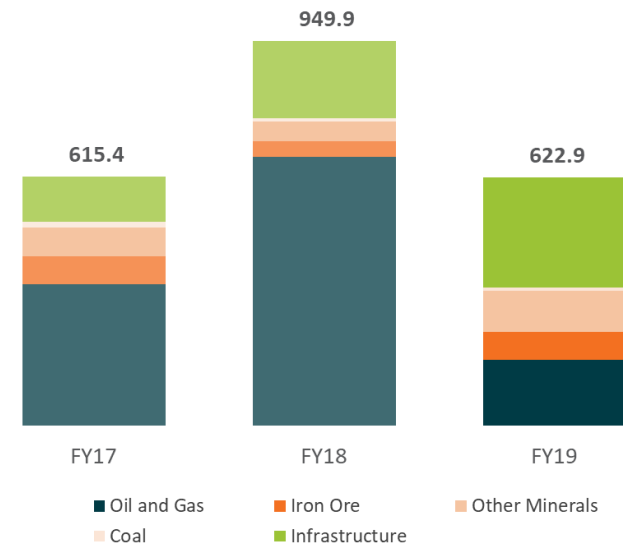
* Includes Monadelphous' share of joint venture revenue

Underlying Net Profit After Tax (NPAT) and Underlying Earnings Per Share (EPS) exclude the impact of the \$6.8 million Research and Development tax repayment. Reported NPAT was \$50.6 million and reported EPS was 53.7 cents

2019 DIVISIONAL HIGHLIGHTS ENGINEERING & CONSTRUCTION

- Recorded revenue of \$622.9* million
- Renewed confidence in resources sector
- Secured major construction contracts on BHP's South Flank, and post year end, Rio Tinto's West Angelas and Albemarle Lithium's Kemerton projects
- \$500 million of resources construction contracts secured since 1 January 2019
- Executed a number of projects under the BHP WAIO Asset Projects Panel Contract
- Good progress on Oyu Tolgoi Underground Project in Mongolia
- Growth in revenue from infrastructure sectors
- Appointed to Hunter Water Corporation Complex Capital Works Design and Construct Panel
- Zenviron secured three new wind farm contracts
- Heavy lift crane services secured new work for Woodside

REVENUE BY END CUSTOMER (\$M)



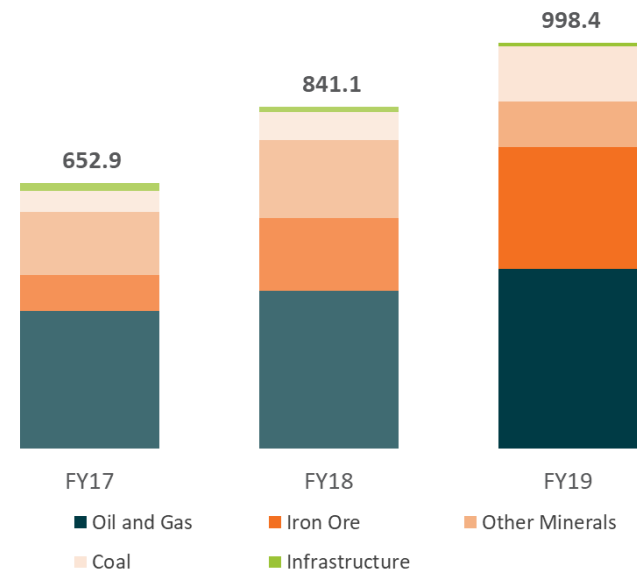
* Includes Monadelphous' share of joint venture revenue

2019 DIVISIONAL HIGHLIGHTS

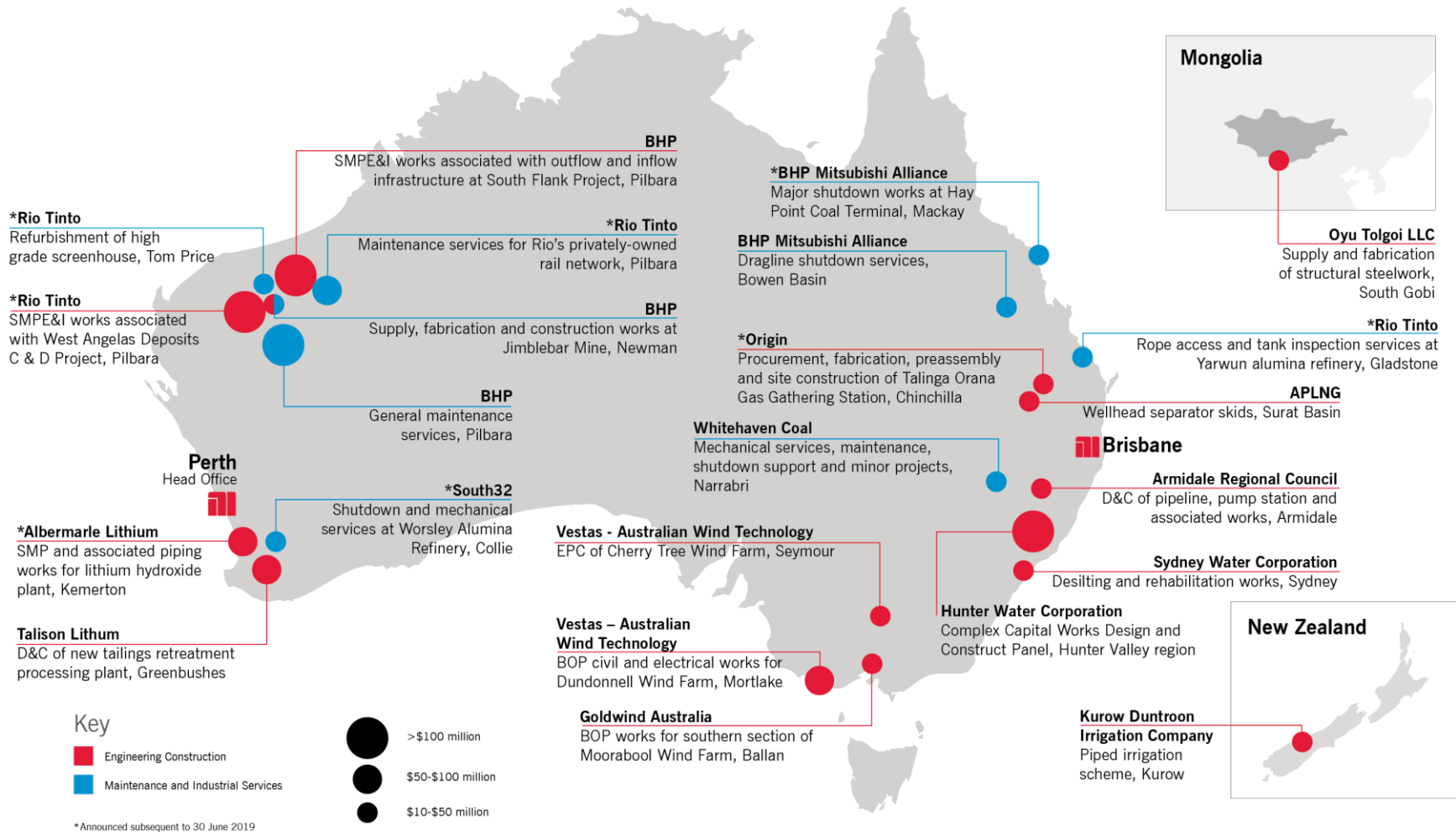
MAINTENANCE & INDUSTRIAL SERVICES

- Revenue up 19 per cent to \$998.4 million
- Increased demand in WA resources sector for sustaining capital works, and additional turnaround activity
- Secured \$240 million three-year general maintenance services contract with BHP for iron ore operations in the Pilbara
- Strong growth in iron ore and oil and gas maintenance
- Continued to offer broadened range of services to new and existing customers
- Ongoing geographical expansion in NSW and Qld
- Purchased assets of iPipe Services
- Awarded \$60 million three-year rail services contract with Rio Tinto
- Divisional restructure completed to support growth

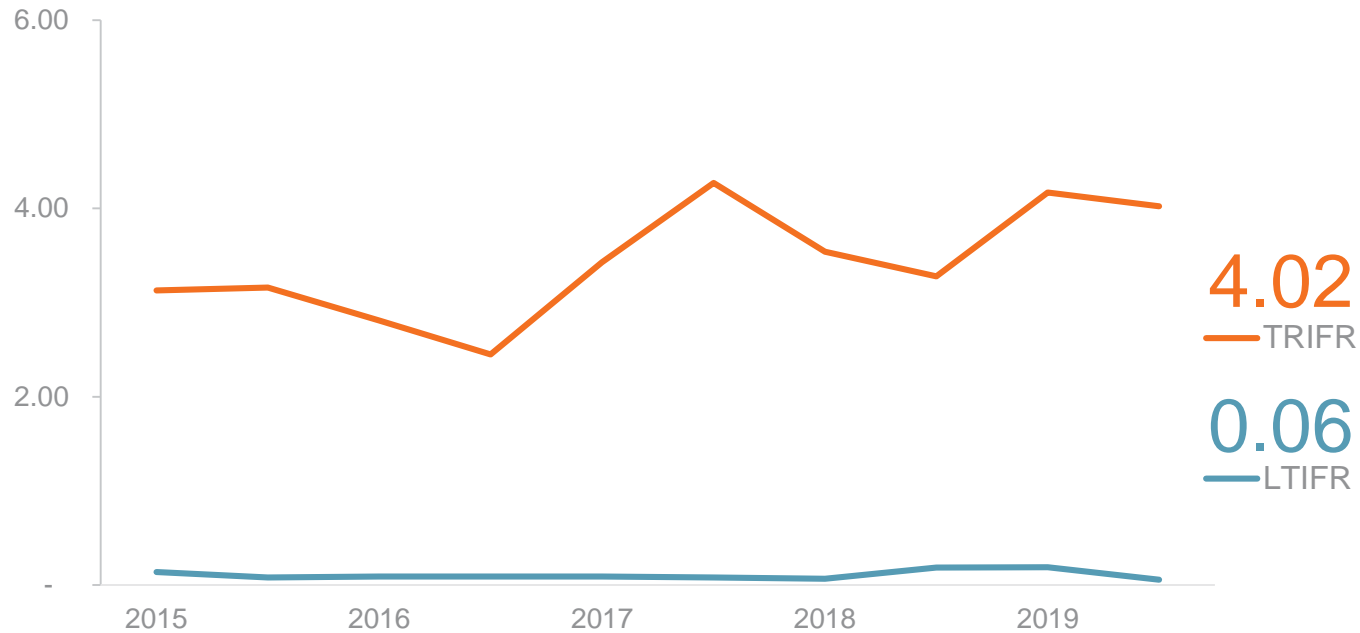
REVENUE BY END CUSTOMER (\$M)



CONTRACTS SECURED

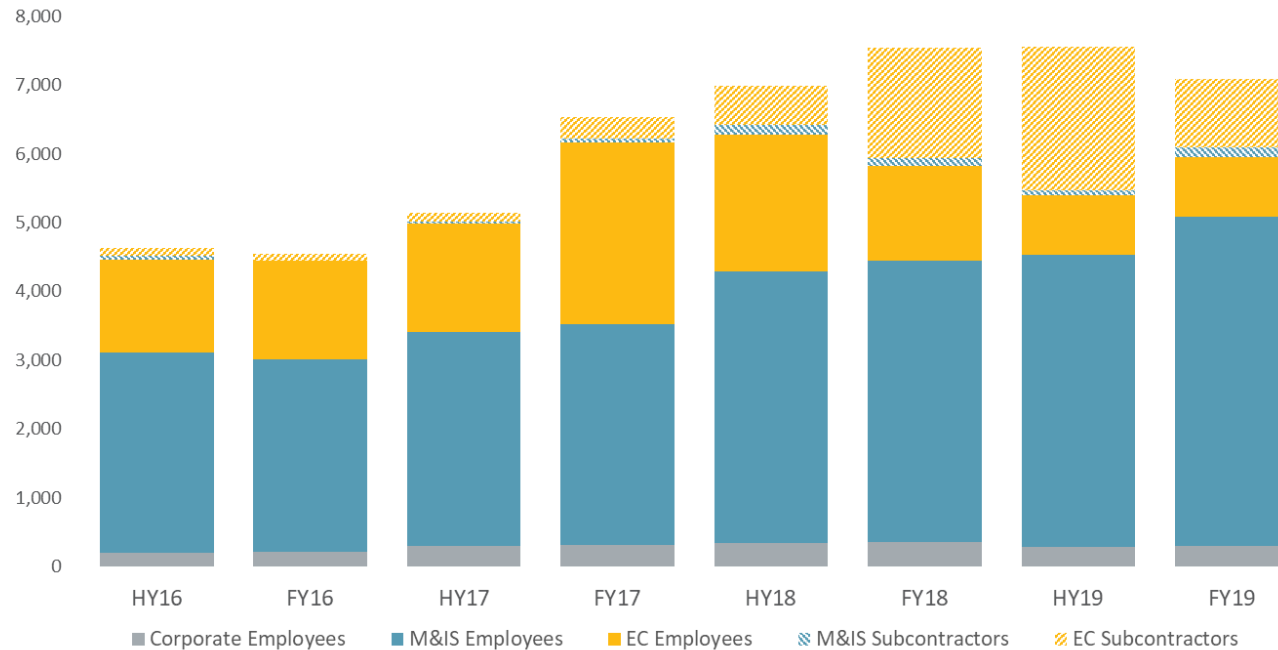


SAFETY PERFORMANCE



- TRIFR impacted by rapid mobilisation of resources to support growth in maintenance activity and increased subcontractor numbers across business
- Implemented improved subcontractor management, revised safety leadership development program, and launched safety behavioural framework
- Major M&IS divisional restructure to focus management resources on safety performance and initiatives

PEOPLE



- Appointed new Non-Executive Director, Sue Murphy AO
- Large proportion of subcontractor labour, both internationally and in infrastructure
- Increase in direct employee numbers due to increase in maintenance services activity
- Maintain focus on attracting and retaining key talent as conditions improve and employment market tightens
- Launched Gender Diversity and Inclusion Plan

FINANCIAL SNAPSHOT

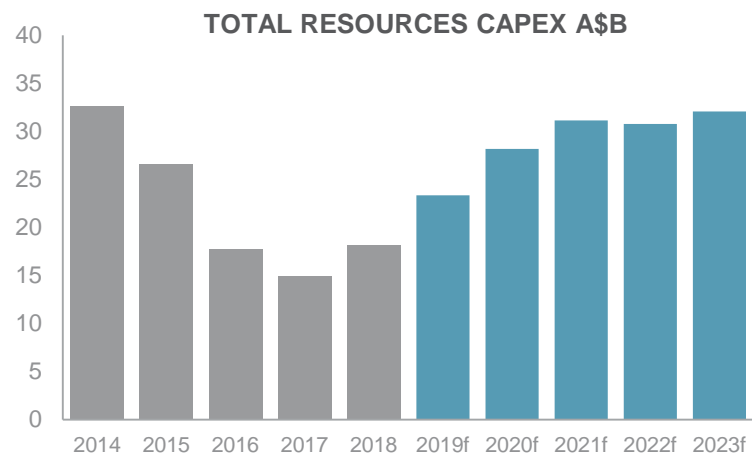


Year ended 30 June		FY19	FY18	CHANGE
Revenue	\$M	1,608.3*	1,784.0*	(9.85%)
Engineering Construction		622.9*	949.9*	(34.4%)
Maintenance and Industrial Services		998.4	841.1	18.7%
<i>Internal Eliminations</i>		(13.0)	(7.0)	
EBITDA	\$M	106.8^	119.0^	(10.3%)
EBITDA margin	%	6.6	6.7	(0.1pp)
Underlying NPAT	\$M	57.4#	71.5	(19.6%)
Reported NPAT	\$M	50.6	71.5	(29.3%)
Underlying EPS	cps	61.0	76.1	(19.8%)
Reported EPS	cps	53.7	76.1	(29.4%)
DPS (fully franked)	cps	48.0	62.0	(22.6%)
Cash balance	\$M	164.0	208.8	(21.4%)

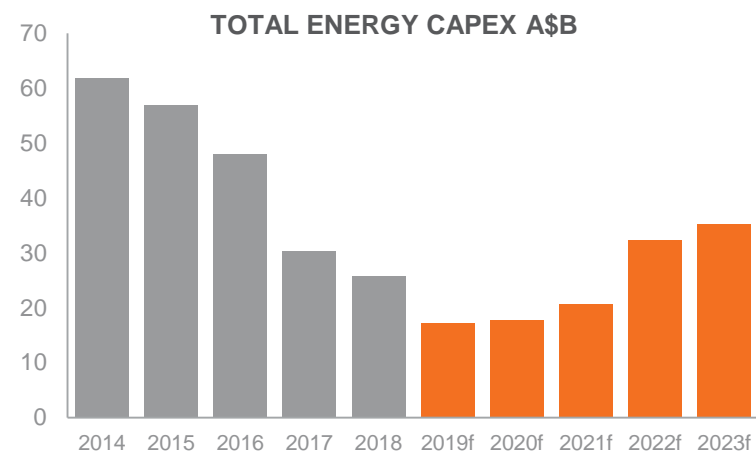
* Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 15

^ Refer to reconciliation on slide 15

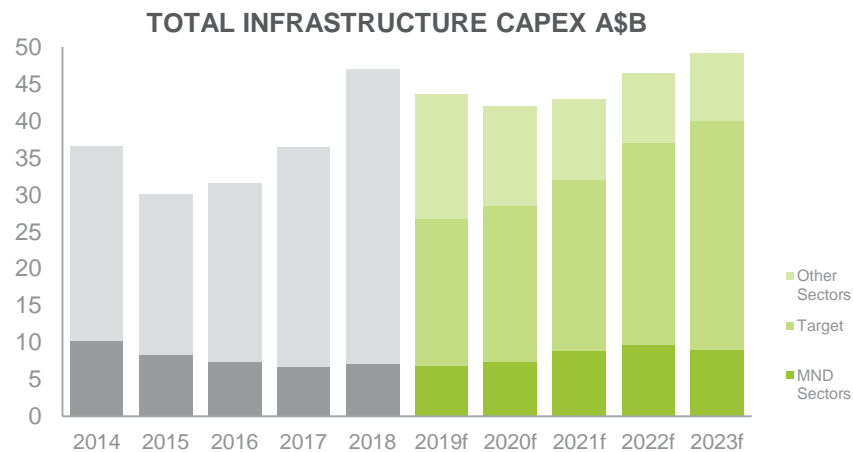
Refer to reconciliation on slide 16



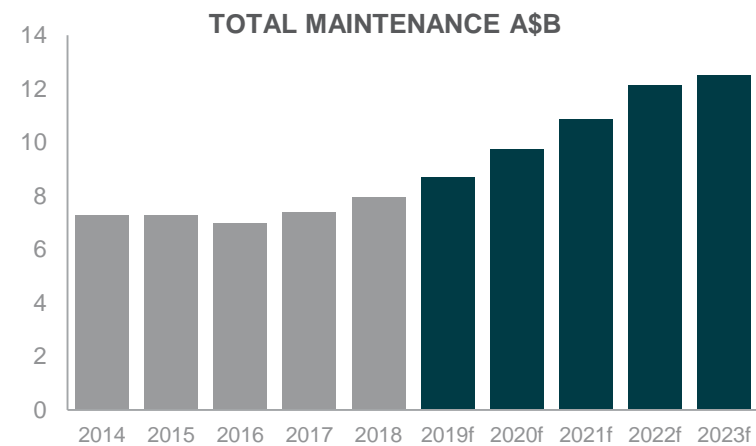
Source: BIS Oxford Economics, ABS (July 2019)



Source: BIS Oxford Economics, ABS (July 2019)



Source: BIS Oxford Economics, ABS (July 2019)



Source: BIS Oxford Economics, ABS (July 2019)

- Return of more favourable core market conditions expected to provide solid pipeline of opportunities
- Project development activity increasing, particularly in iron ore and lithium
- LNG prospects expected to be positive in years to come
- Maintenance activity to remain strong
- Investment in infrastructure healthy, prospects continuing in water and renewables
- FY20 revenue dependent on timing of secured work and volume and timing of future awards
- High levels of competition, customer price sensitivity and expectations for cost competitive delivery will drive demand for productivity improvements and challenge margins
- Pressure in employment market, labour attraction and retention high priority

APPENDICES



ENGINEERING CONSTRUCTION MAJOR PROJECTS FY 2019

- Oyu Tolgoi LLC; SMPE&I works, Oyu Tolgoi Underground Project, South Gobi region, Mongolia
- BHP; Various SMPE&I integrated packages, Pilbara, WA
- Kiewit Corporation; structural steel and miscellaneous steel
- Fortescue Metals Group; fixed plant maintenance and shutdown crane services at Solomon Hub, Pilbara, WA
- Galaxy Lithium Australia; design, engineering, construction and upgrade of four circuits at Mt Cattlin project, Ravensthorpe, WA
- Talison Lithium; design and construction of new tailing retreatment processing plant, Greenbushes, WA
- JKC Australia LNG; SMPE&I works and completion of gas turbine generators and associated steam piping of combined cycle power plant at the Ichthys Project Onshore LNG Facilities, Darwin, NT
- Australia Pacific LNG, Santos; supply, fabrication and assembly of wellhead separator skids, Qld
- Lal Lal Wind Farms; engineering, procurement, construction and commissioning of balance of plant works, Moorabool Shire, south-east of Ballarat, Vic
- Goldwind Australia; balance of plant works on the Moorabool Wind Farm, Ballan, Vic
- Kurow Duntroon Irrigation Company; design and construction of piped irrigation scheme, Kurow, New Zealand
- Townsville City Council; upgrade of the Cleveland Bay Purification Plant, Townsville, Qld
- Unitywater; major upgrade to Kawana Sewage Treatment Plant, Sunshine Coast, Qld
- CWP Asset Management; design and construction of civil and electrical balance of plant, transport and erection of Crudine Ridge Wind Farm, Mudgee, NSW
- Sydney Water Corporation; network delivery management, delivery contractor panel for facilities and networks, Sydney, NSW
- Vestas – Australian Wind Technology; engineering, procurement and construction of Dundonnell Wind Farm, Seymour, Vic
- Armidale Regional Council; design and construction of pipeline, pump station and associated works, Armidale, NSW
- Hunter Water Corporation; complex capital works design and construct panel, Hunter Valley, NSW

MAINTENANCE & INDUSTRIAL SERVICES MAJOR PROJECTS FY 2019

- Woodside; offshore maintenance and brownfields services for Woodside-operated gas production facilities in north west of WA, maintenance and turnarounds at Karratha Gas Plant and services under KLE Program through MGJV, Karratha, WA
- Oil Search; engineering, procurement and construction services at oil and gas production and support facilities, Papua New Guinea
- Shell Australia; maintenance and turnaround services on Prelude FLNG Facility, Browse Basin, WA
- INPEX Operations Australia; offshore maintenance services, Browse Basin, WA
- Chevron Australia; facilities maintenance at Barrow Island, WA
- The Shell Operated QGC project; shutdown and maintenance services at the LNG Plant, Curtis Island, Qld
- Rio Tinto; fixed plant maintenance services and sustaining capital at coastal and inland operations (part of), Pilbara, WA
- BHP Iron Ore; sustaining capital works and shutdowns, Pilbara, WA
- The Pilbara Infrastructure (FMG); abrasive, cleaning and relining carbon steel ore wagons
- BHP Olympic Dam; maintenance and shutdowns, Roxby Downs, SA
- BHP Nickel West; maintenance and shutdowns, Goldfields, WA
- BHP Mitsubishi Alliance; maintenance and dragline shutdown works, Bowen Basin, Qld
- Glencore; maintenance and turnarounds, Hunter Valley, NSW
- BHP Coal; shutdown maintenance at Mount Arthur Coal, Hunter Valley, NSW
- QAL; maintenance and projects, Gladstone, Qld
- Newmont; mechanical shutdown and tank maintenance and refurbishments, Boddington, WA
- Incitec Pivot; general mechanical contractor services, Qld

NON-IFRS FINANCIAL INFORMATION

Monadelphous Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS AND EBITDA RECONCILIATIONS

	FY19 \$M	FY18 \$M
Total revenue from contracts with customers including joint ventures	1,608.3	1,784.0
Share of revenue from joint ventures [^]	(131.0)	(49.1)
STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS	1,477.3	1,734.9
Profit before income tax	83.4	102.8
Interest expense	1.9	0.5
Interest revenue	(2.2)	(2.6)
Depreciation expense	19.5	17.2
Amortisation expense	1.3	0.6
Share of interest, tax, depreciation and amortisation from joint ventures [*]	2.9	0.5
EBITDA	106.8	119.0

[^] Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method

^{*} Represents Monadelphous' proportionate share of interest, tax, depreciation and amortisation of joint ventures accounted for using the equity method

NON-IFRS FINANCIAL INFORMATION

Monadelphous Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

UNDERLYING NET PROFIT AFTER TAX RECONCILIATION

	FY19 \$M	FY18 \$M
Reported net profit after income tax attributable to members	50.6	71.5
Research and development tax repayment*	6.8	-
UNDERLYING NET PROFIT AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS	57.4	71.5

* During the period, the Company made a one-off provision of approximately \$7 million (net of tax) which impacted its net profit after tax. The provision resulted from the receipt of Notices of Amended Assessments from the Australian Taxation Office relating to the 2015 and 2016 income years. The amended assessments relate to Research and Development tax incentives claimed by the Company in those years, which were subsequently deemed to be ineligible.

DISCLAIMER & IMPORTANT NOTICE

Information, including forecast financial information, in this presentation, should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Monadelphous Group Limited or any other company. Due care and attention has been used in the preparation of forecast information, however, actual results may vary from forecast and any variation may be materially positive or negative.

Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of Monadelphous Group Limited. Before making or varying any decision in relation to holding, purchasing or selling shares, securities or other instruments in Monadelphous Group Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.