



# 2011 Interim Results Presentation

22 February 2011

Safety & Wellbeing

Integrity

Achievement

Teamwork

Loyalty

# Agenda

**Business Highlights**

Rob Velletri

**Financial Performance**

Zoran Bebic

**Divisional Update**

Rob Velletri

**Strategy and Outlook**

Rob Velletri

# Business Highlights

# Group Highlights

## Financial

- Sales revenue up 13% to \$700m
- EBITDA up 15% to \$74m, enhanced margin of 10.6%
- NPAT up 12% to \$45.5m, EPS up 10.6% to 52.3c, DPS up 14%
- Healthy cash conversion, \$61.5m cash flow from operations

## Operating

- Strong demand and scope growth in EC activity, up 11%
- \$450m of new contracts and contract extensions
- Workforce numbers up 24% to 5,742
- Flat overall safety performance, improved LTIFR

## Strategic

- Successful establishment of Infrastructure business
- Significant Infrastructure sales revenue growth, up 212%
- Continued focus on people and safety

# Divisional Highlights

## Engineering Construction

- Record sales revenue of \$467 million, up 11%
- Strengthening of the energy and resources markets
- Awarded more than \$200 million in new construction contracts

## Maintenance and Industrial Services

- Sales revenue up 6% to \$188 million
- Retained all existing customers and contracts
- Established new workshop facility in Mackay
- \$80 million in new contracts and extensions

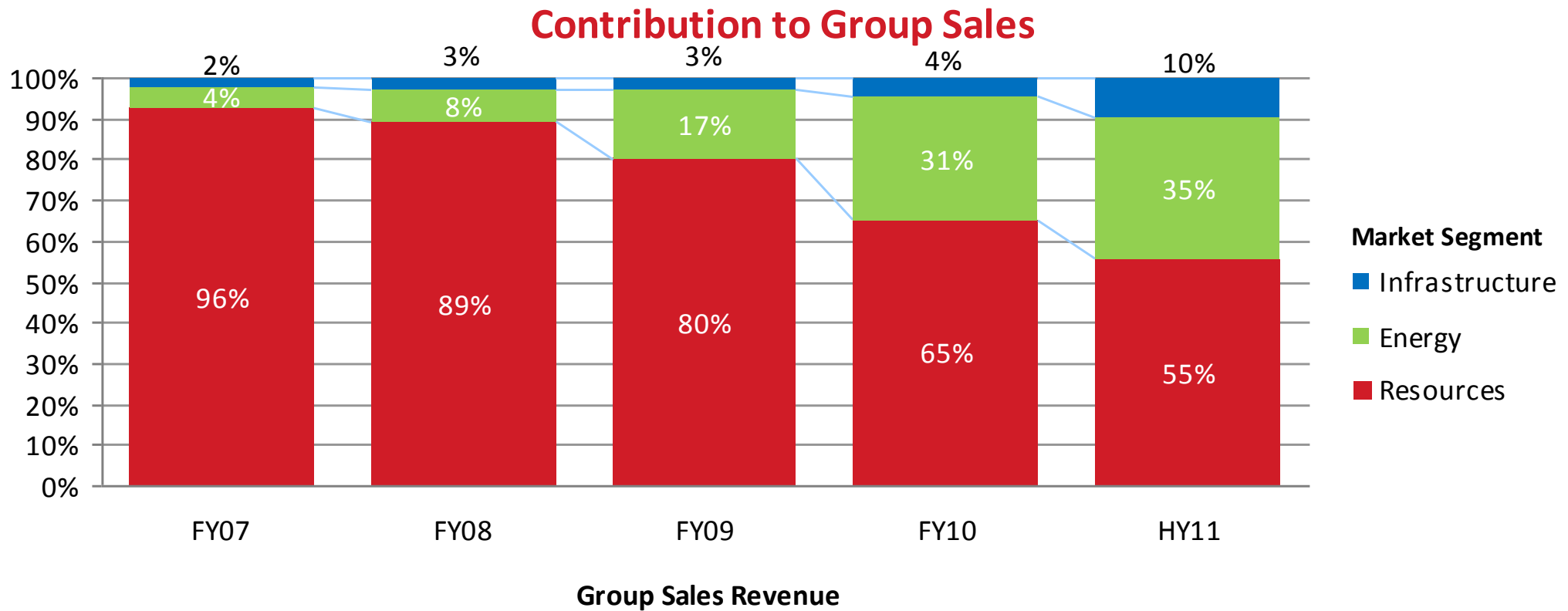
## Infrastructure

- Sales revenue up 212% to \$72m driven by KT Pipeline Services and water projects
- Integration of KT Pipeline Services on track
- Secured \$170 million in new contracts
- JV with AnaeCo secures WMRC Stage II project

# Key Contract Wins



# Continued Market Diversification

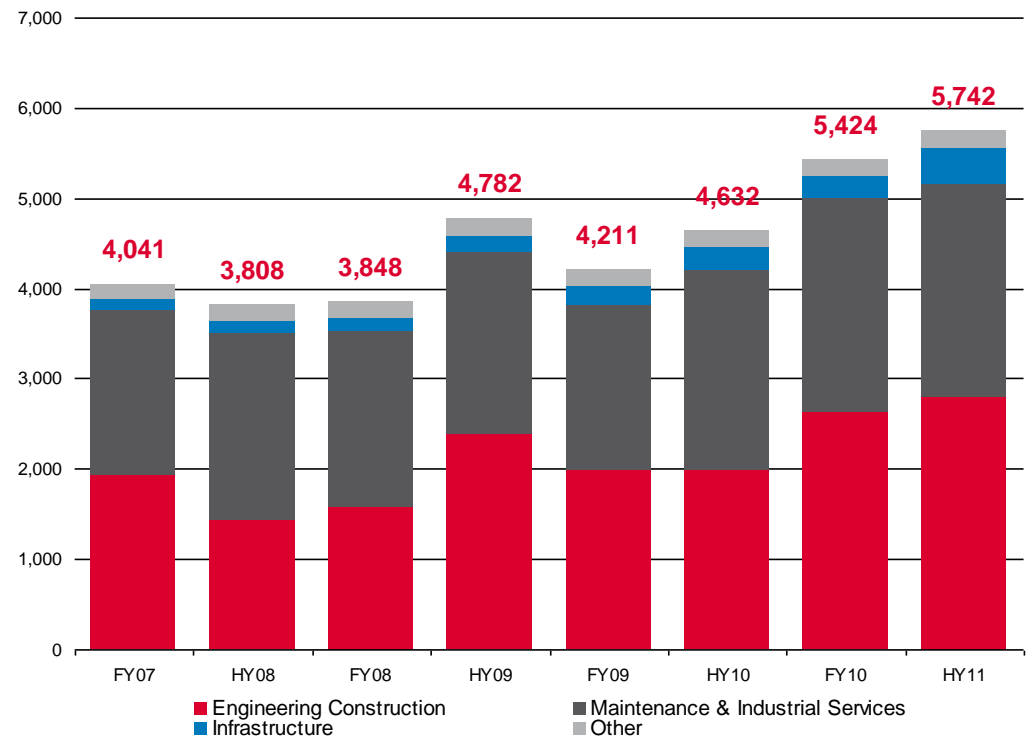


# People Performance

## Highlights:

- Employee numbers increase 24% (pcp) in line with work volumes
- Skilled labour shortages continue to build
- Continued focus on attraction and retention strategies

### Employee Numbers

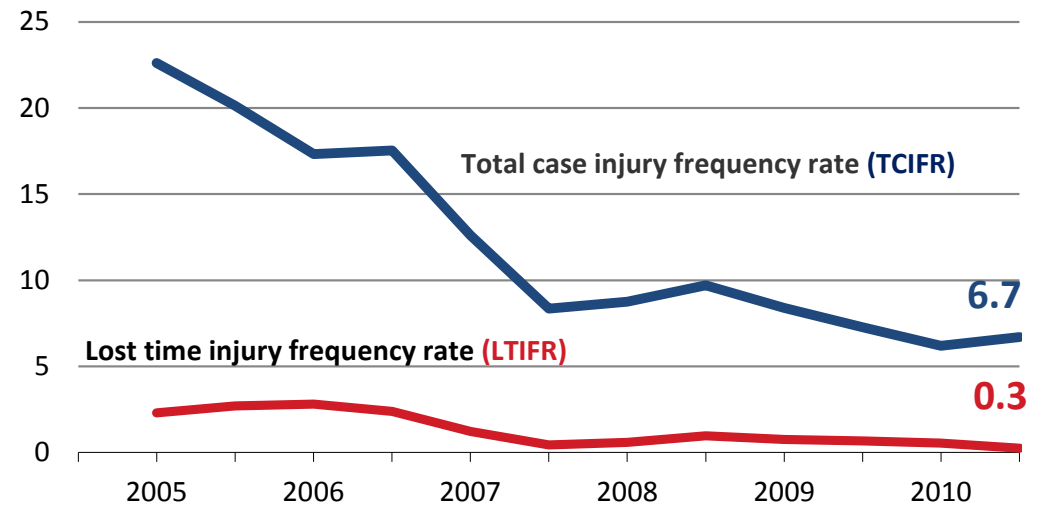


# Safety Scorecard

## Highlights:

- TCIFR up marginally to 6.7 incidents
- Improvement in LTIFR
- Continued investment in safety leadership training, HSE processes and systems

### Injury Frequency Rate (per million hours worked)



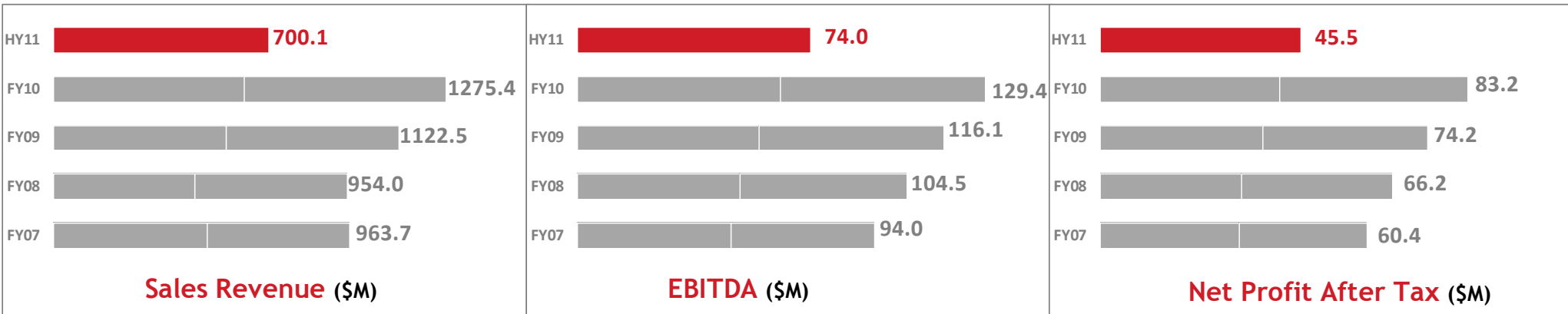
# Financial Performance

# Financial Highlights

		Dec 10	Dec 09	Change
Sales Revenue	\$m	700.1	619.5	+ 13.0%
EBITDA	\$m	74.0	64.2	+ 15.4%
Operating Cash Flow	\$m	61.5	56.6	+ 8.7%
NPAT	\$m	45.5	40.5	+ 12.3%
NPAT Margin*	%	6.5	6.5	0 pp
EPS	Cps	52.3	47.3	+ 10.6%
DPS (Fully Franked)	Cps	40.0	35.0	+ 14.3%
Return on Equity (Average)*	%	56.5	63.4	+ 6.9 pp
Capital Expenditure (Cash + HP)	\$m	17.6	13.4	+ 31.3%
Net Cash Position	\$m	129.1	132.1	- 2.2%

\* pp = Percentage Points

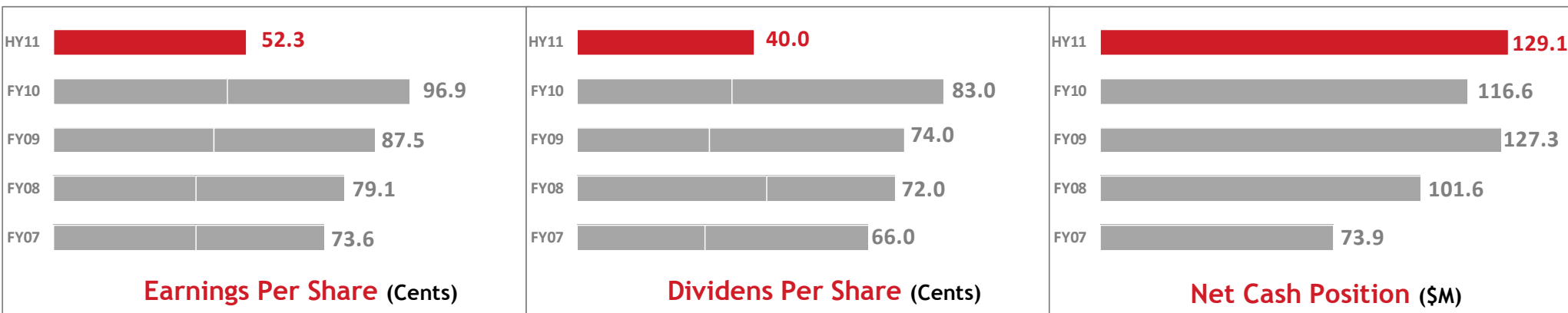
# Historical Performance



**+13.0%**

**+15.4%**

**+12.3%**



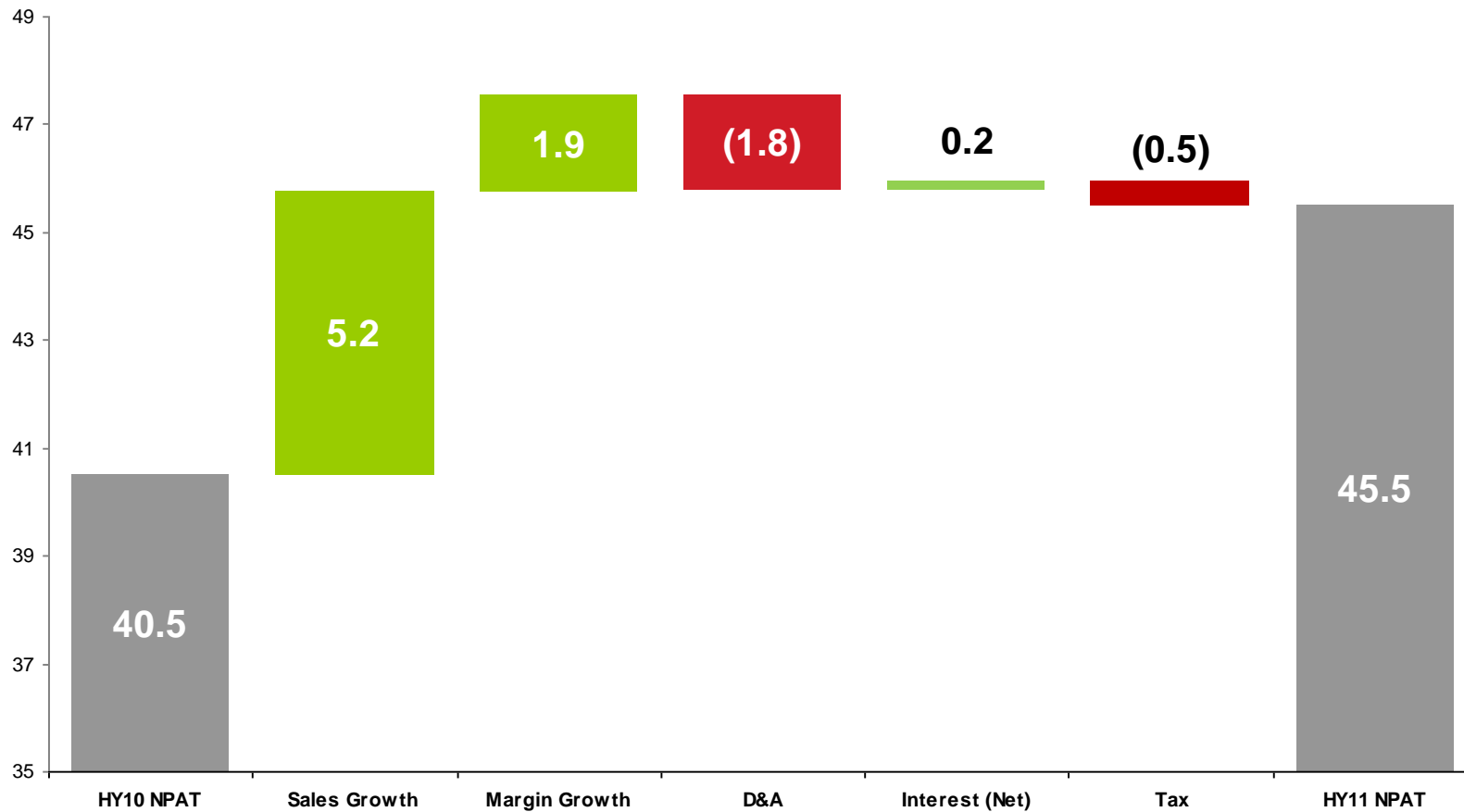
**+10.6%**

**+14.3%**

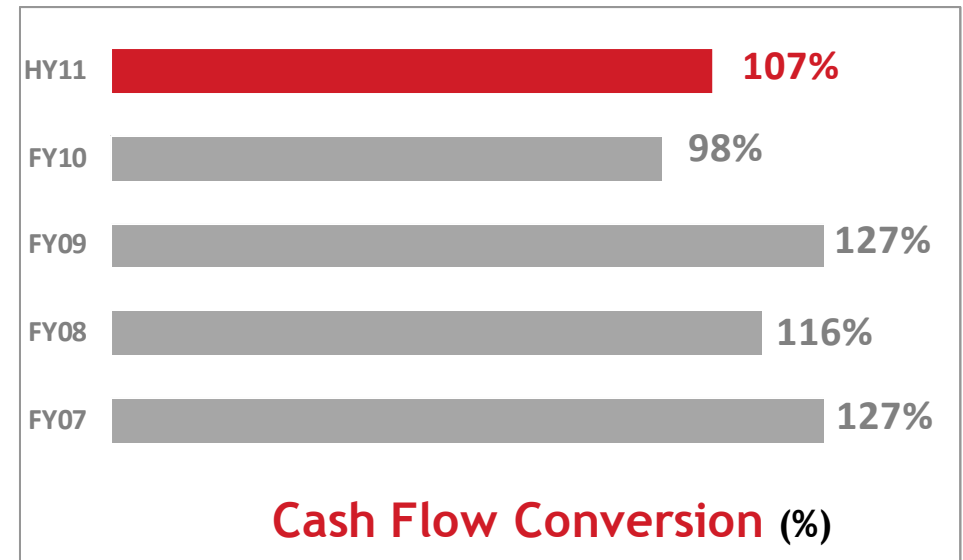
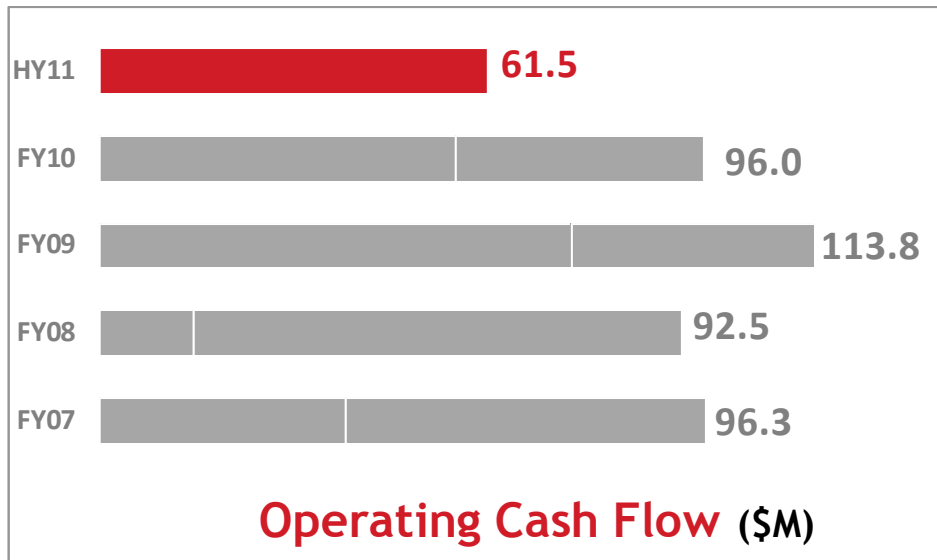
**+10.7%**

# NPAT Contribution Analysis

NPAT Contribution (\$m)



# Cash Flow Performance



*Cash flow conversion (%) = cash flow (un-gearred pre-tax) / EBITDA*

# Divisional Update

# Divisional Sales Revenue Summary

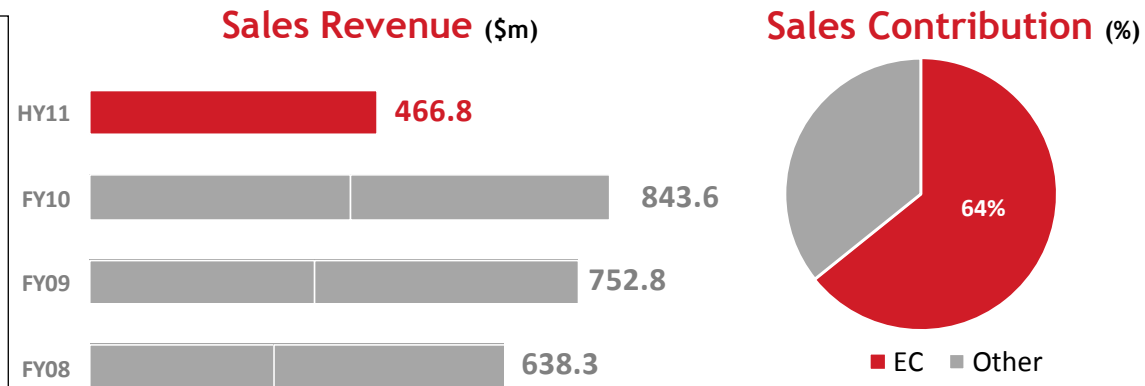
		Dec 10	Dec 09	Change
Engineering Construction	\$m	466.8	421.7	+ 10.7%
Maintenance and Industrial Services	\$m	188.1	176.9	+ 6.3%
Infrastructure	\$m	72.0	23.1*	+ 211.7%
<i>Internal Eliminations</i>	\$m	-26.8	-2.2	
<b>TOTAL</b>	<b>\$m</b>	<b>700.1</b>	<b>619.5</b>	<b>+ 13.0%</b>

\* Comparative includes Skystar sales revenue and reclassification of revenues previously reported within Engineering Construction

# Engineering Construction

## Highlights:

- Record sales revenue of \$467 million
- Strengthening of the energy and resources market
- Awarded more than \$200 million in new construction contracts
- Enhanced heavy-lift capability



## Major Projects Done/Underway:

- BHPB, RGP5 - Yandi Hub, WA
- BHPB, Worsley Alumina's E&G Expansion Project, WA
- Boyne Smelter, Alumina Delivery System, Gladstone, QLD
- Rio Tinto, Brockman 4, Brockman, WA
- MCC, Ball Mill CITIC Pacific Mining's Sino Iron Project, WA
- Woodside, Pluto LNG Project, Dampier, WA

## Major Contracts Won:

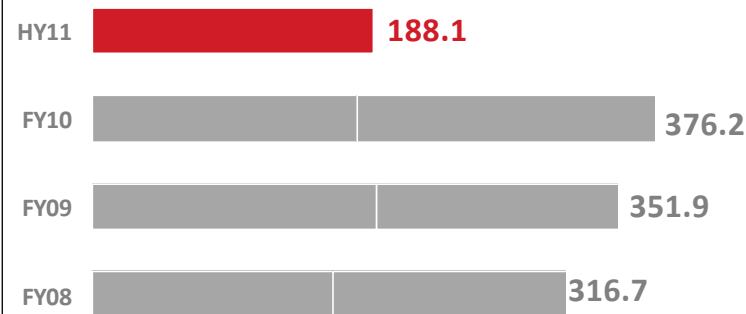
- BHPB, RGP5 – Finucane Island Iron Ore port facilities, WA
- BHPB, RGP5 – Nelson Point, WA
- BHPB, RGP5 – Yandi Train Load Out, WA
- MCC, AG Mill CITIC Pacific Mining's Sino Iron Project, WA
- Newcrest Mining, Cadia East Project, NSW

# Maintenance and Industrial Services

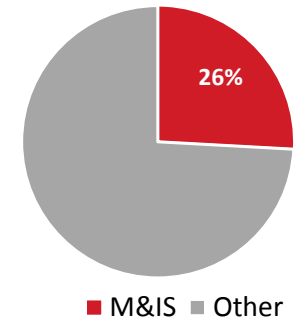
## Highlights:

- Sales revenue up 6% to \$188 million
- Retained all existing customers and contracts
- Secured 3yr Oil Search contract extension and associated gas works for LNG project
- Established new workshop facilities in Mackay
- \$80 million in new contracts and extensions

Sales Revenue (\$m)



Sales Contribution (%)



## Major Contracts Underway:

- BHPB, NiW Maintenance Projects and Shutdowns, WA
- BHPB Worsley Alumina Minor Capital Collie, WA
- BHPB Olympic Dam Services Roxby Downs, SA
- Chevron, Gorgon Facilities Management Barrow Island, WA
- Chevron WA Oil, General Maintenance Services, Barrow Island, WA
- ConocoPhillips, LNG Maintenance Services, Darwin, NT
- Oil Search, Maintenance and construction, PNG\*
- Rio Tinto Alcan, Boyne Trade Services Gladstone, QLD
- Rio Tinto Pilbara Iron Structural Integrity Project, WA
- Rio Tinto Pilbara Iron Coastal Maintenance Dampier, WA
- Rio Tinto Pilbara Iron West Pilbara Maintenance, WA
- Rio Tinton Alcan, Yarwun Operation Gladstone, QLD

\* Secured 3 yr main contract extension

# Infrastructure

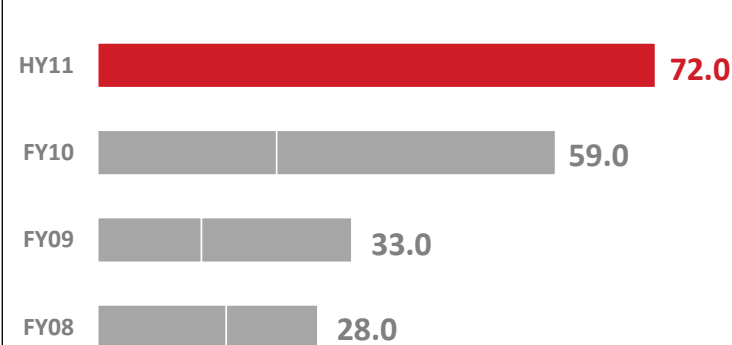
## Highlights:

- Sales revenue up 212%
- Successful acquisition and integration of KT
- Secured \$170 million in new contracts
- JV with AnaeCo secures WMRC Stage II Project
- Significant investment in specialised pipeline equipment

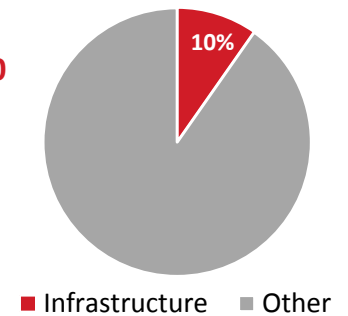
## Major Contracts Underway:

- Chevron Australia, Water Treatment Facility, Barrow Island, WA
- Cowra Shire Council, Sewage Augmentation, Cowra, NSW
- Nambucca Shire Council, Sewage Treatment Plant Works, NSW
- Unity Water, Sewage Treatment Plant, Burpengary, QLD

## Sales Revenue (\$m)



## Sales Contribution (%)



## New Contracts:

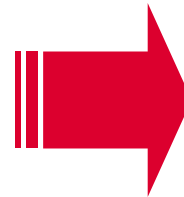
- Chevron Australia, Pipes, Cables and Tubes, Barrow Island, WA
- Sino Iron, Intake and Outfall Pipelines, Cape Preston, WA
- WMRC, Stage II, Perth, WA (JV with AnaeCo)
- Water Corporation, Picton Water Treatment Facility, Bunbury, WA

# Strategy and Outlook

# Strategy Progress

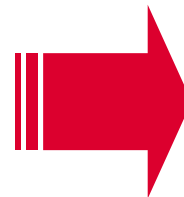
## Markets & Growth

- To maximise growth and returns from our core markets of resources and energy
- To build a new business in infrastructure markets



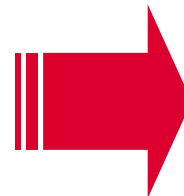
## People

- To attract, develop and retain the right people who are highly competent, live our values and actively contribute to the long-term, overall success of Monadelphous



## Productivity

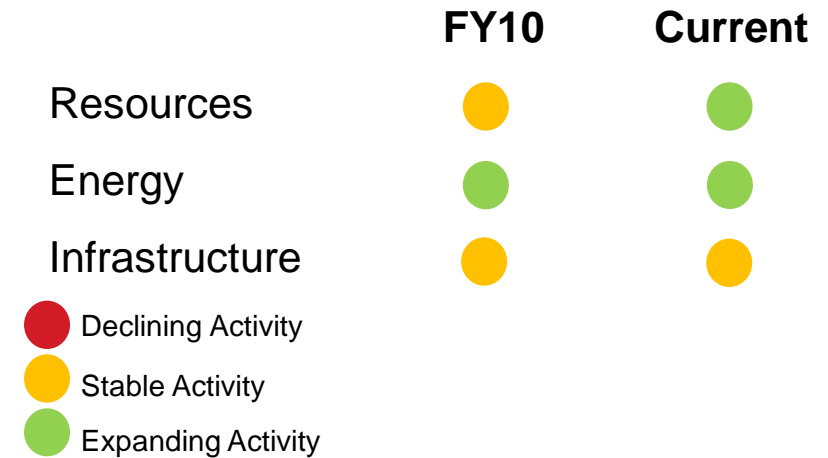
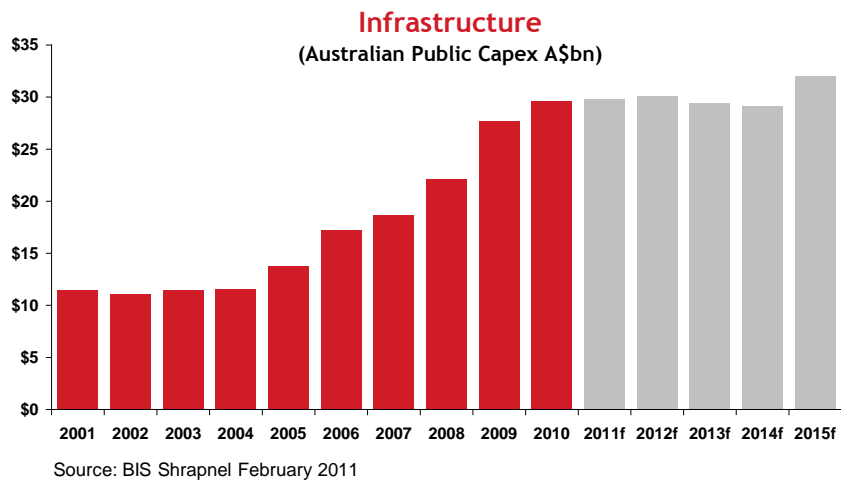
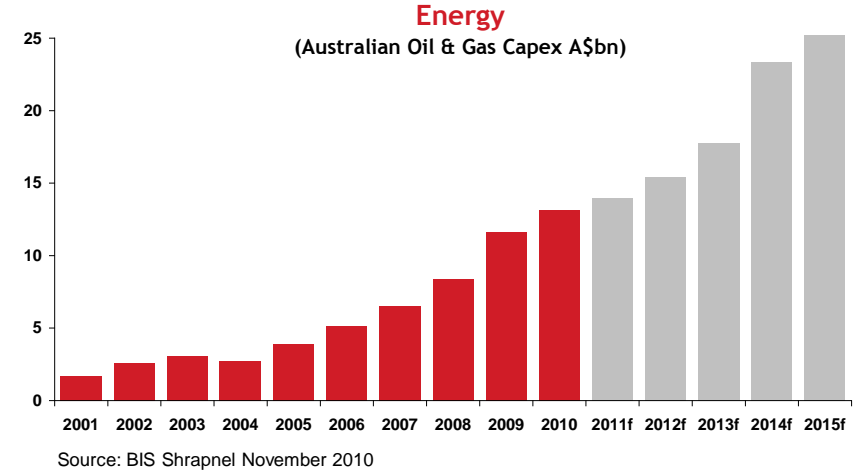
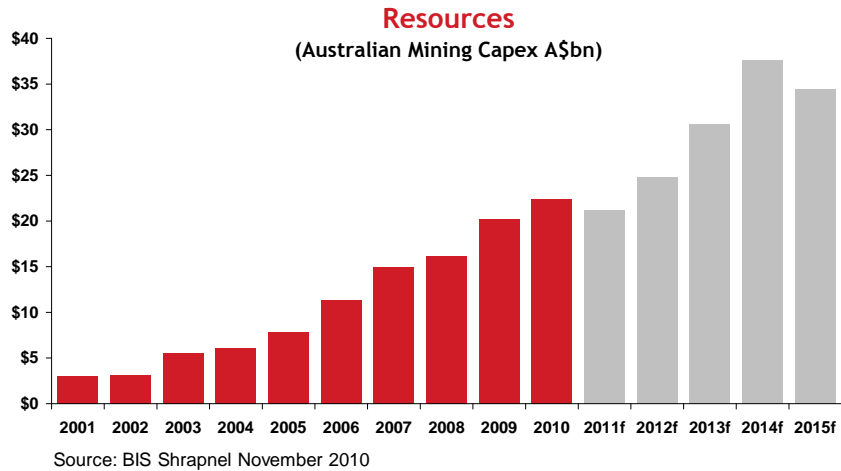
- To continuously improve our service delivery and support processes to realise cost efficiency and margin improvement



## 2011 Progress

- Maintained strong position in core markets
- Continued market expansion initiatives in energy and infrastructure
- LNG construction capability development
- Enhanced heavy-lift capability
- New Mackay workshop facility established
- Established Infrastructure division 1 July 2010
- KT integration on track
- JV with AnaeCo secures WMRC Stage II
- Organisational review under way
- Safety leadership training commenced
- Continuous improvement to people processes, systems and architecture
- Initiated programs to enhance attraction and retention strategy:
  - Launched new recruitment website
  - Employee benefits program
  - Overseas recruitment campaign

# Market Conditions



# Outlook

- Forward workload remains robust entering H2 of FY 2011
- Burgeoning pipeline of opportunities across all markets
- Continued expansion of Infrastructure division
- Skilled labour shortages continue to build – focus on attraction and retention
- No significant impact to H2 earnings from Queensland natural disasters
- H2 revenue and earnings expected to be similar to those of H1



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