

2012 Half Year Results

21 February 2012

Safety and Wellbeing | Integrity | Achievement | Teamwork | Loyalty

Company Profile

Monadelphous Group Limited (ASX:MND) is an S&P/ASX 100 company that provides construction, maintenance and industrial services to the resources, energy and infrastructure sectors throughout Australasia

<p>Market capitalisation ~\$2b</p> <p>(current)</p>	<p>People 6,237</p>	<p>Revenue \$879.5m</p>	<p>Earnings per share 65.4c</p>	<p>Dividends per share 50c</p>
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(as at 31 December 2011)

Engineering Construction Division



Maintenance and Industrial Services Division



Infrastructure Division



Group Highlights

Financial

- Sales revenue up 26% to \$879m
- EBITDA[^] up 23% to \$90.7m
- NPAT up 26% to \$57.5m, EPS up 25% to 65.4c, DPS up 25% to 50c
- Included in the S&P/ASX 100 index
- Divested Norfolk stake (February 2012)

Operating

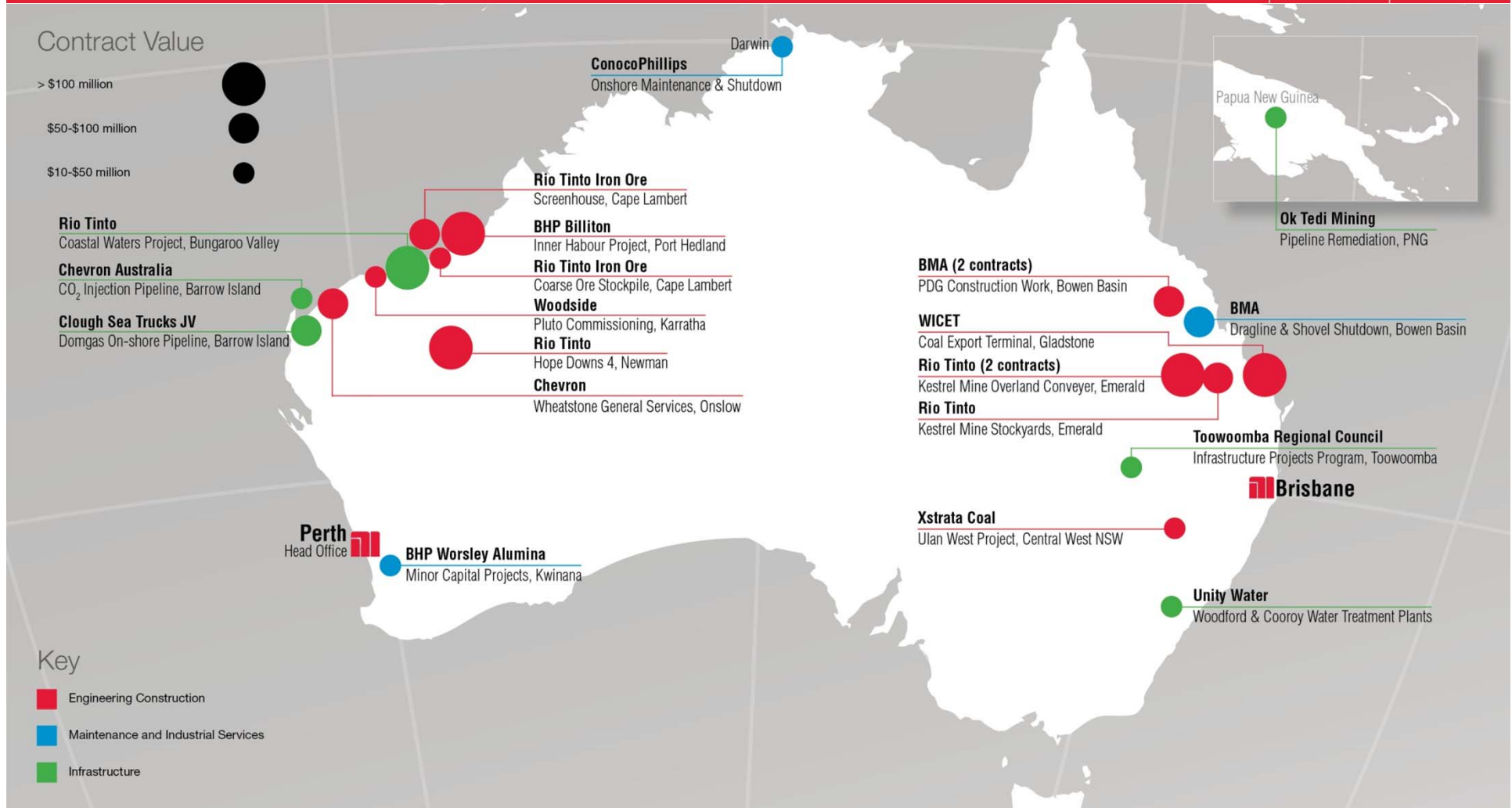
- Strong demand across all key markets
- Significant growth from the Maintenance and Industrial Services and Infrastructure divisions
- Awarded \$1.4b of new contracts and contract extensions (H1)

Strategic

- Maintained leadership position in core markets
- Awarded first marine construction contract through MMMJV
- Expansion into power through PearlStreet acquisition

[^]Refer to slide 19 for EBITDA reconciliation

Contracts Secured

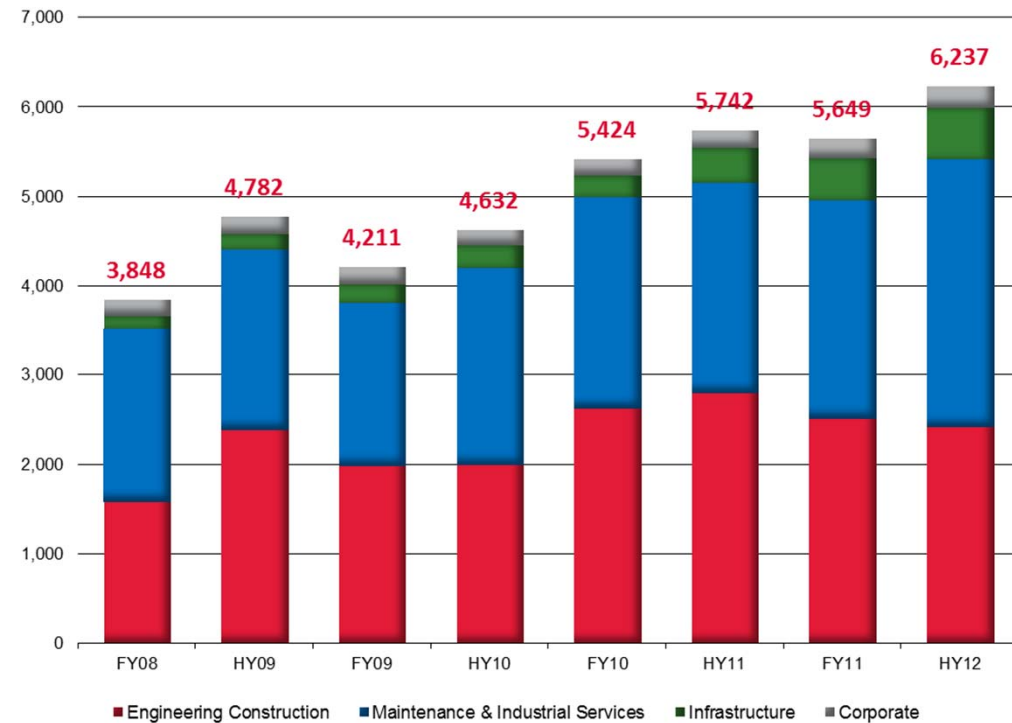


People Performance

Highlights

- Employee numbers at record levels
- Continued implementation of initiatives aimed at attraction, development and retention
- New long-term employee incentive program

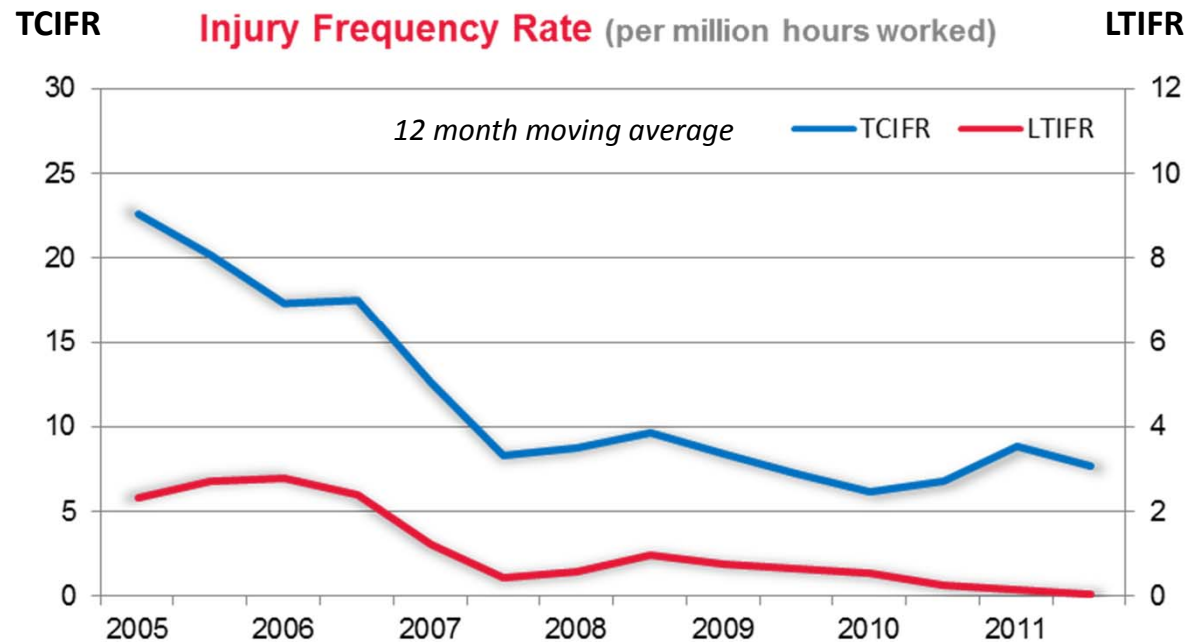
Employee Numbers



Safety Scorecard

The Safe Way is the Only Way

- No LTIs recorded in the period
- TCIFR improved 24% on previous half
- Continued implementation of Safety Leadership Program



Financial Performance

		HY12	HY11	Change
Sales Revenue	\$m	879.5	700.1	+25.6%
EBITDA [^]	\$m	90.7	74.0	+22.5%
EBITDA Margin	%	10.3	10.6	-0.3pp*
NPAT	\$m	57.5	45.5	+26.3%
NPAT Margin	%	6.5	6.5	0pp*
EPS	cps	65.4	52.3	+25.0%
Operating Cash Flow	\$m	68.4	61.5	+11.2%
DPS (Fully Franked)	cps	50.0	40.0	+25.0%

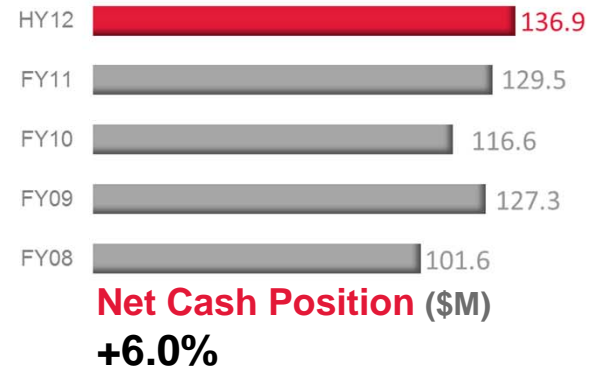
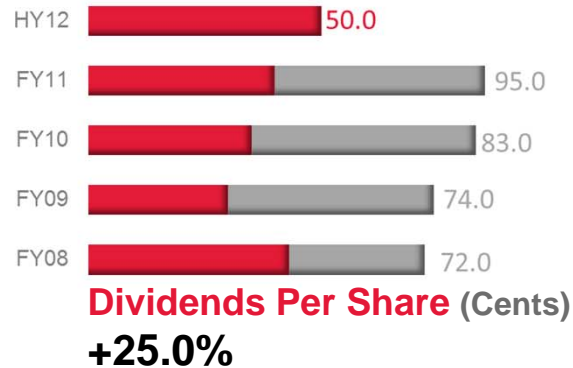
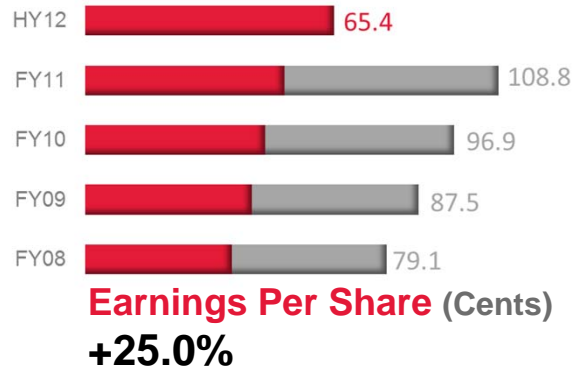
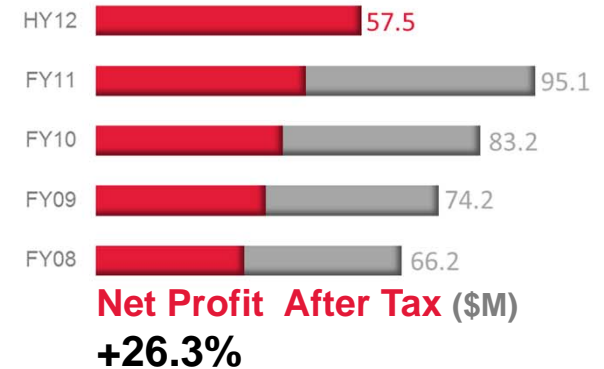
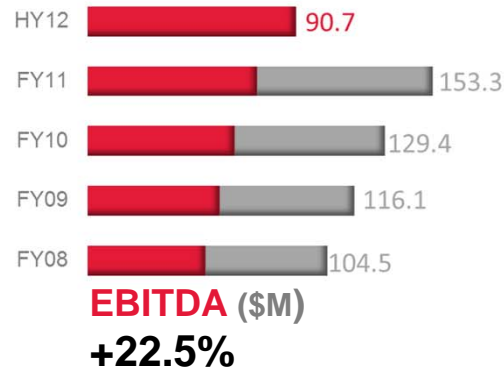
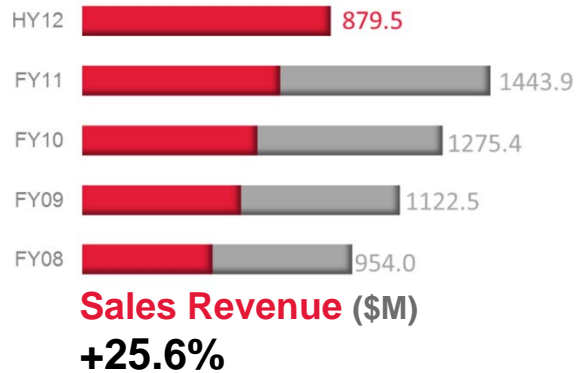
*pp = percentage points

[^]Refer to slide 19 for EBITDA reconciliation

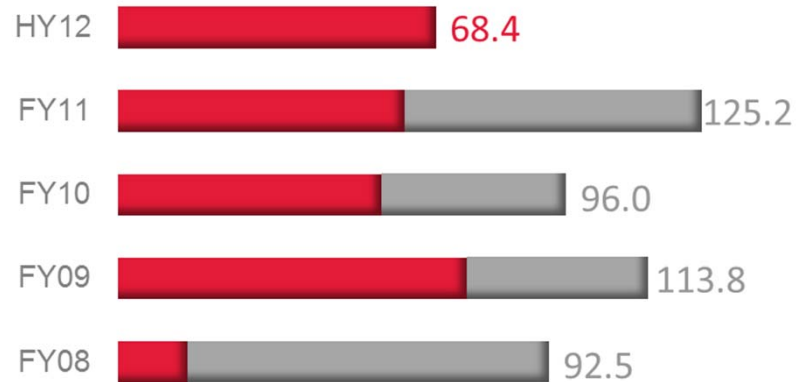
Financial Position and Funding

		Dec 11	Dec 10	Change
Cash at Bank	\$m	181.6	161.9	+12.2%
Net Cash Position <i>(Cash less interest bearing loans and borrowings)</i>	\$m	136.9	129.1	+6.0%
Capital Expenditure <i>(Cash and Hire Purchase)</i>	\$m	27.3	17.6	+55.1%
Capital Expenditure Commitments	\$m	56.0	19.1	+193.2%
Bank Guarantee & Insurance Bond Facilities				
Utilised	\$m	256.2	142.5	+79.8%
Available	\$m	103.8	67.5	+53.8%
Total Facility	\$m	360.0	210.0	+71.4%

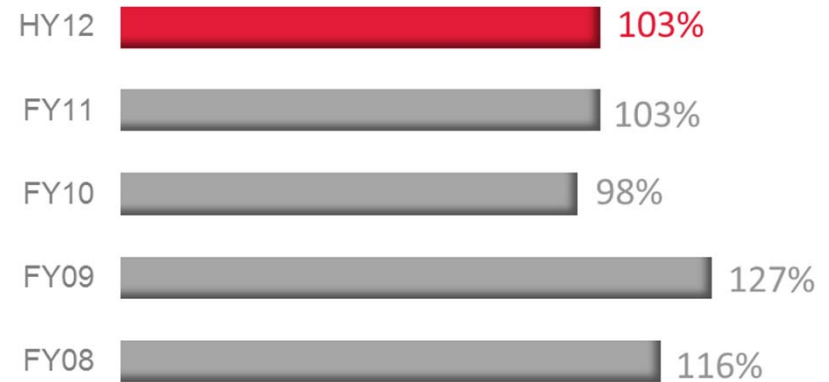
Historical Performance



Cash Flow Performance



Operating Cash Flow (\$M)



Cash Flow Conversion (%)

Cash flow conversion (%) = cash flow (ungeared, pre-tax)/EBITDA

NPAT Contribution Analysis

NPAT Contribution (\$M)



Divisional Sales Revenue Summary

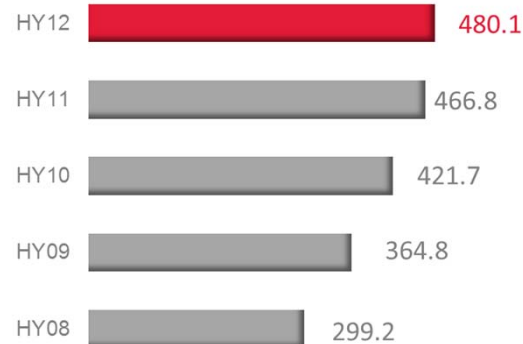
		HY12	HY11	Change
Engineering Construction	\$m	480.1	466.8	+2.8%
Maintenance Industrial Services	\$m	311.3	188.1	+65.5%
Infrastructure	\$m	96.3	72.0	+33.8%
Internal Eliminations	\$m	-8.2	-26.8	
Total	\$m	879.5	700.1	+25.6%

Engineering Construction

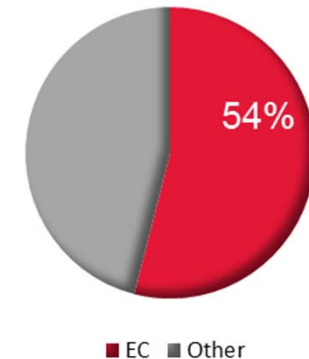
Highlights

- Awarded \$1,075m in new contracts
- MMMJV awarded first marine construction contract for WICET
- Two Rio Tinto Iron Ore Framework Agreements (subsequent to reporting period)
- Commitment for 11 cranes to strengthen heavy-lift capability

Sales Revenue (\$m)



Sales Contribution (%)



Major Projects Underway

- Woodside, Pluto LNG Project, Dampier, WA
- BHPB, Worsley Alumina E&G Project, WA
- Newcrest, Cadia East Project, Orange, NSW

Major Projects Won

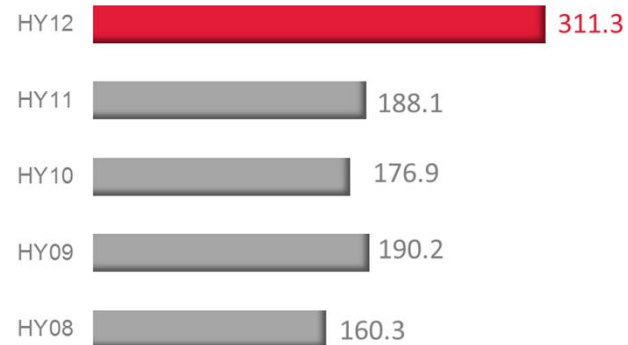
- Rio Tinto Coal Australia-managed Kestrel Mine, Qld – three contracts
- Rio Tinto and Hancock Hope Downs 4, WA
- Rio Tinto Iron Ore, Cape Lambert, WA
- Bechtel, Wheatstone Project, WA
- WICET, MMMJV, Qld
- BHP Billiton Iron Ore PHIHP, WA

Maintenance and Industrial Services

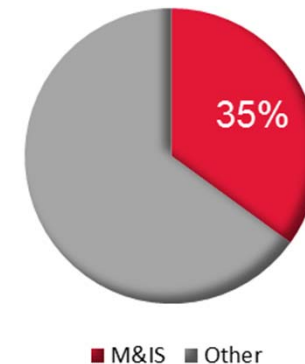
Highlights

- Exceptional sales revenue growth of 66% to \$311.3m
- Significant increase in service volumes on existing contracts
- Strengthened presence across Bowen Basin coal operations
- \$220 million in new contracts and extensions

Sales Revenue (\$m)



Sales Contribution (%)



Contract Extensions

- BHPB, Worsley Alumina Minor Capital Works (3-year extension), WA
- ConocoPhillips Australia, Darwin LNG (2-year extension), NT

New Contracts

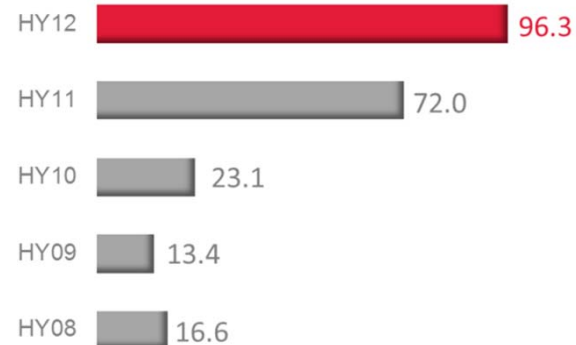
- BMA, Dragline and Shovel Shutdowns, (3-year contract), Qld

Infrastructure

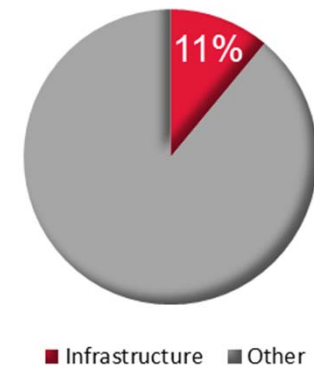
Highlights

- Sales revenue up 34% to \$96.3m
- Strong growth in pipeline services
- Awarded \$100m in new contracts
- Expansion into power through acquisition of PearlStreet

Sales Revenue (\$m)



Sales Contribution (%)



Major Projects Underway

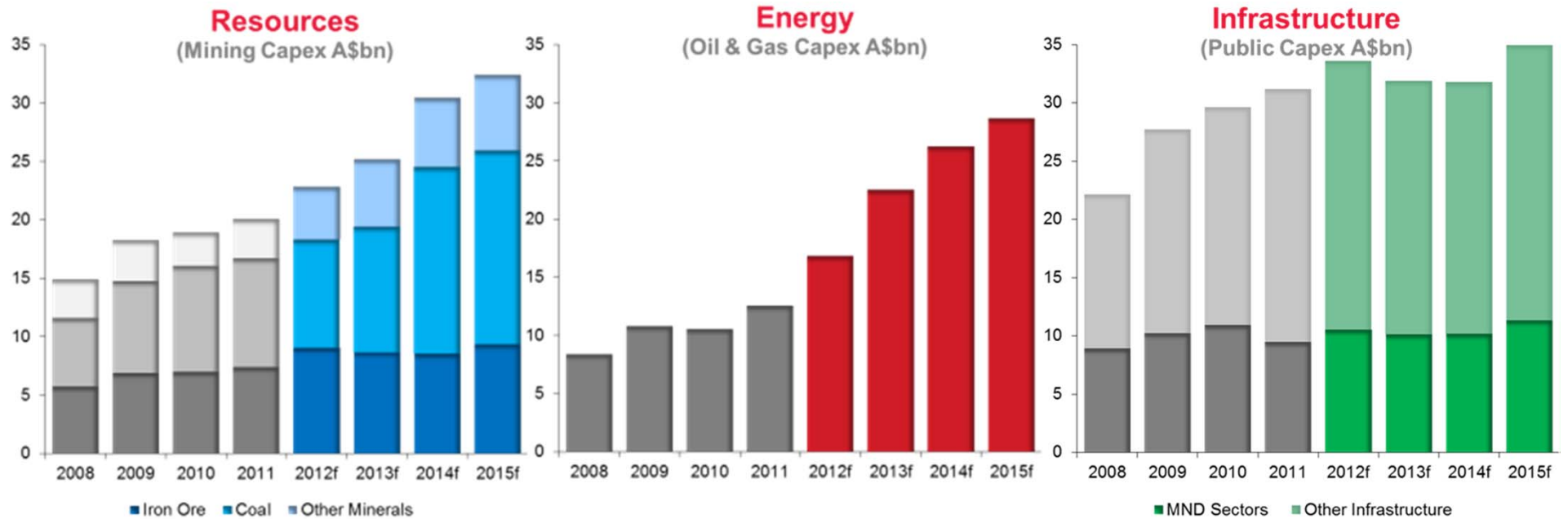
- Chevron Australia, Pipes, Cables and Tubes Project, Barrow Island, WA
- WMRC, Stage 2, Shenton Park, WA (JV with AnaeCo)
- Water Corporation, Picton Water Treatment Facility, Bunbury, WA

Major Projects Won

- Toowoomba Regional Council Wastewater Infrastructure Projects, Transfield Services JV, Qld
- Unitywater, Cooroy and Woodford Sewage Treatment Plant Augmentation Projects, Qld
- Clough Sea Trucks JV, DomGas Pipeline, WA
- Ok Tedi Mining, pipeline remediation, Tabubil, PNG
- **Rio Tinto Coastal Waters Project, WA***
- **Chevron, CO₂ injection pipelines, Gorgon Project, WA***

*Awarded subsequent to year-end

Australian Market Conditions



Source: BIS Shrapnel
August 2011

Outlook

- Historically high level of resources and energy projects currently in execution phase
- At this stage, sales revenue growth for FY 2012 expected to be similar to H1 2012
- \$1.4b in new contracts secured during H1 2012 will provide continuing strong revenue visibility
- Supply constraints to continue to tighten with the increasing demand for resources
- Continued focus on retention and attraction
- Robust capital expenditure levels to continue in support of core business and expansion
- Market leadership position and diversification strategy provide growth opportunities

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.

EBITDA[^] is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. EBITDA represents earnings before interest, income taxes, depreciation and amortisation. This measure is important to management when used as an additional means to evaluate the Company's performance.

EBITDA Reconciliation

	H1 2012	H1 2011
	\$'000	\$'000
Profit before tax	78,627	64,093
Interest expense	1,679	1,234
Interest received	(3,458)	(2,424)
Depreciation expense	12,787	10,599
Amortisation expense	1,097	537
EBITDA	90,732	74,039

Disclaimer and 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.

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