



2020 HALF YEAR RESULTS

18 FEBRUARY 2020



**TOGETHER
WE DELIVER**

2 OPERATING DIVISIONS



ENGINEERING
CONSTRUCTION



MAINTENANCE &
INDUSTRIAL SERVICES

OUR INDUSTRIES



ENERGY



INFRASTRUCTURE



29 LOCATIONS
IN 8 COUNTRIES



RESOURCES

6,514
EMPLOYEES
(total workforce 7,167)

\$1.5 BILLION MARKET
CAPITALISATION

Market capitalisation as at 13 February 2020

H1 2020 GROUP PERFORMANCE & HIGHLIGHTS



REVENUE¹
\$852.0 MILLION

NET PROFIT AFTER TAX
\$28.5 MILLION

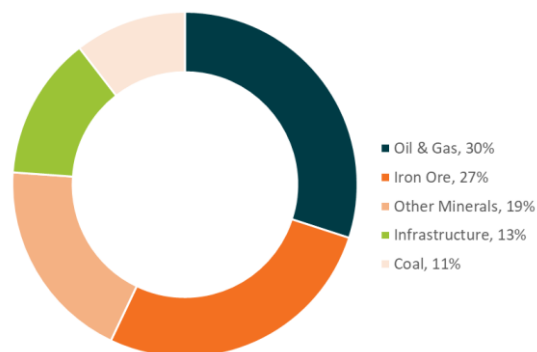
EARNINGS PER SHARE
30.2 CENTS

INTERIM DIVIDEND
22.0 CENTS

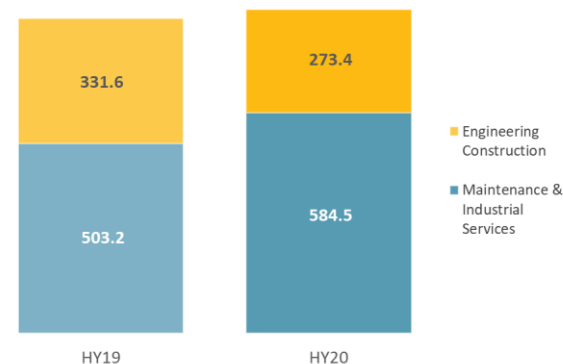
CASH
\$163.3 MILLION

CONTRACTS SECURED
\$850 MILLION

REVENUE BY END CUSTOMER



REVENUE BY DIVISION (\$M)



- Record revenue performance in Maintenance and Industrial Services division
- Secured \$850 million of new contracts and extensions to date
- Strategic acquisitions made in coal seam gas, rail and Chile

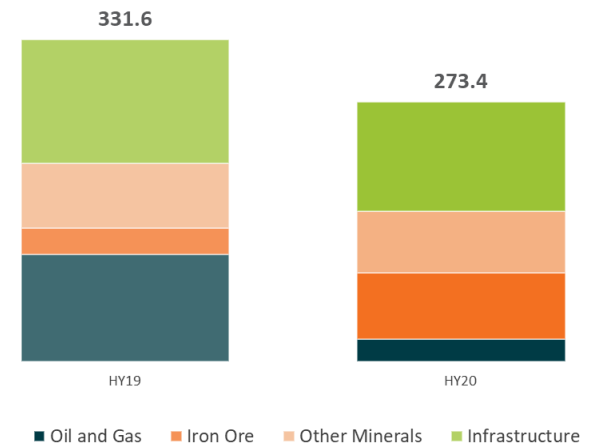
¹ Includes Monadelphous' share of joint venture revenue

H1 2020 DIVISIONAL HIGHLIGHTS

ENGINEERING CONSTRUCTION

- Recorded revenue of \$273.4 million¹
- Revenues impacted by delays to secured construction projects
- Awarded approximately \$500 million worth of new contracts
- Mondium secured major contract with Rio Tinto valued at approximately \$400 million
- Continued work on BHP's South Flank Project
- Work underway on a number of projects under the BHP WAIO Asset Projects Panel Contract
- Initial Oyu Tolgoi packages in Mongolia nearing completion
- Zenviron revenue increased 20 per cent
- First works progressed under Hunter Water Panel program
- SinoStruct continued to support delivery of key construction projects

REVENUE BY END CUSTOMER (\$M)



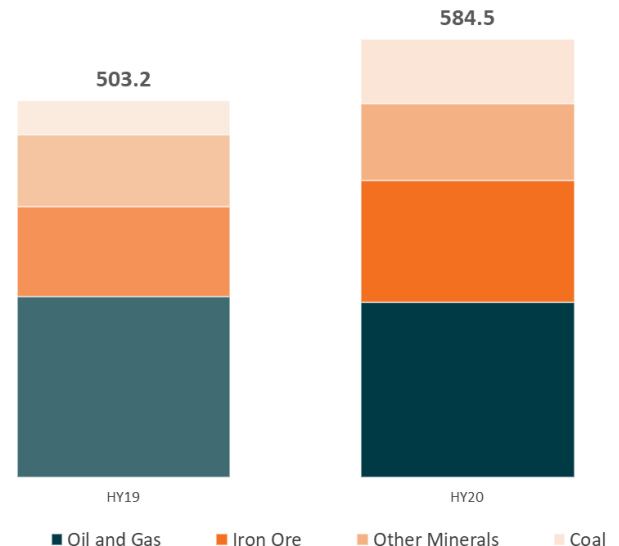
¹ Includes Monadelphous' share of joint venture revenue

H1 2020 DIVISIONAL HIGHLIGHTS

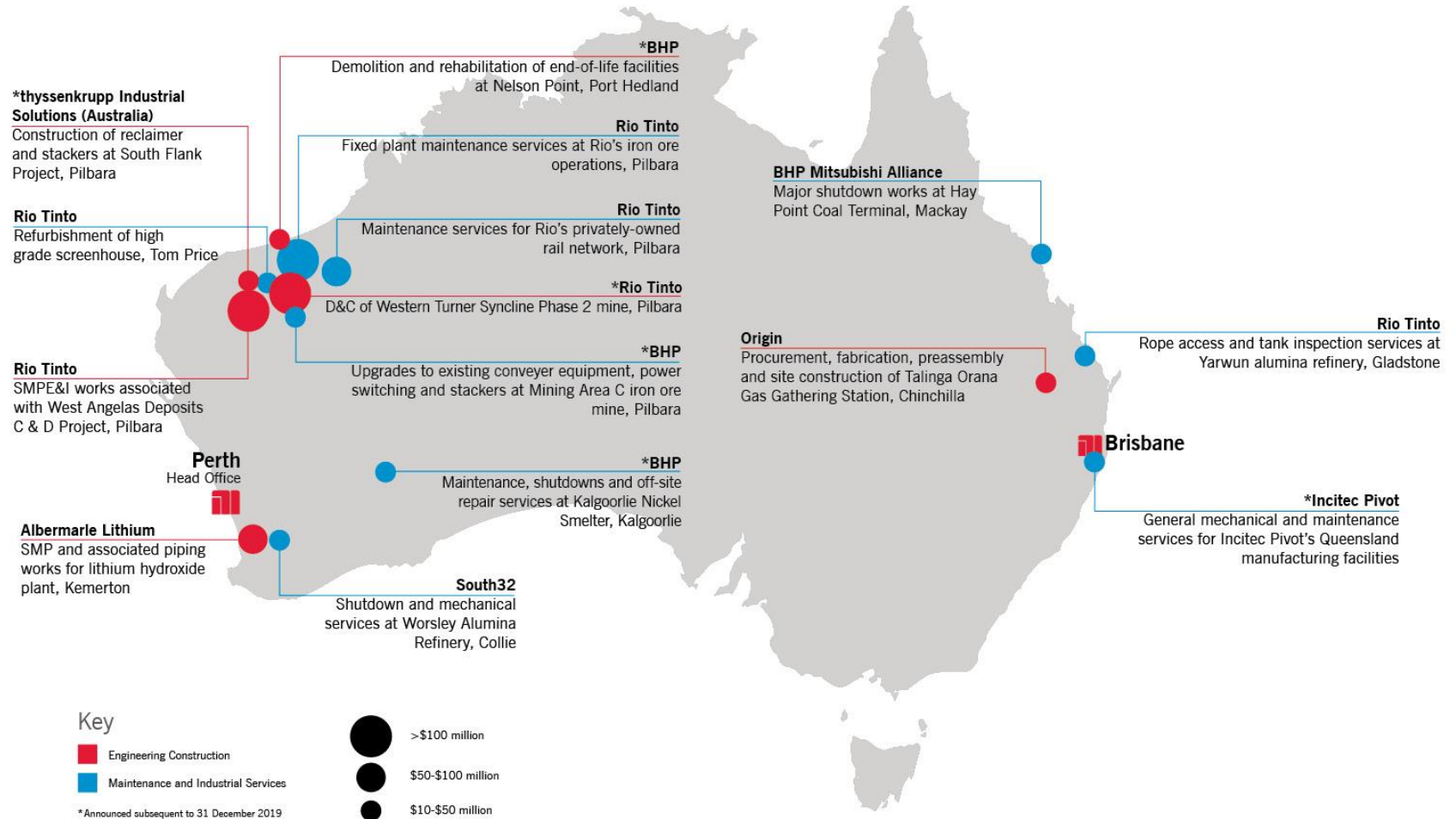
MAINTENANCE & INDUSTRIAL SERVICES

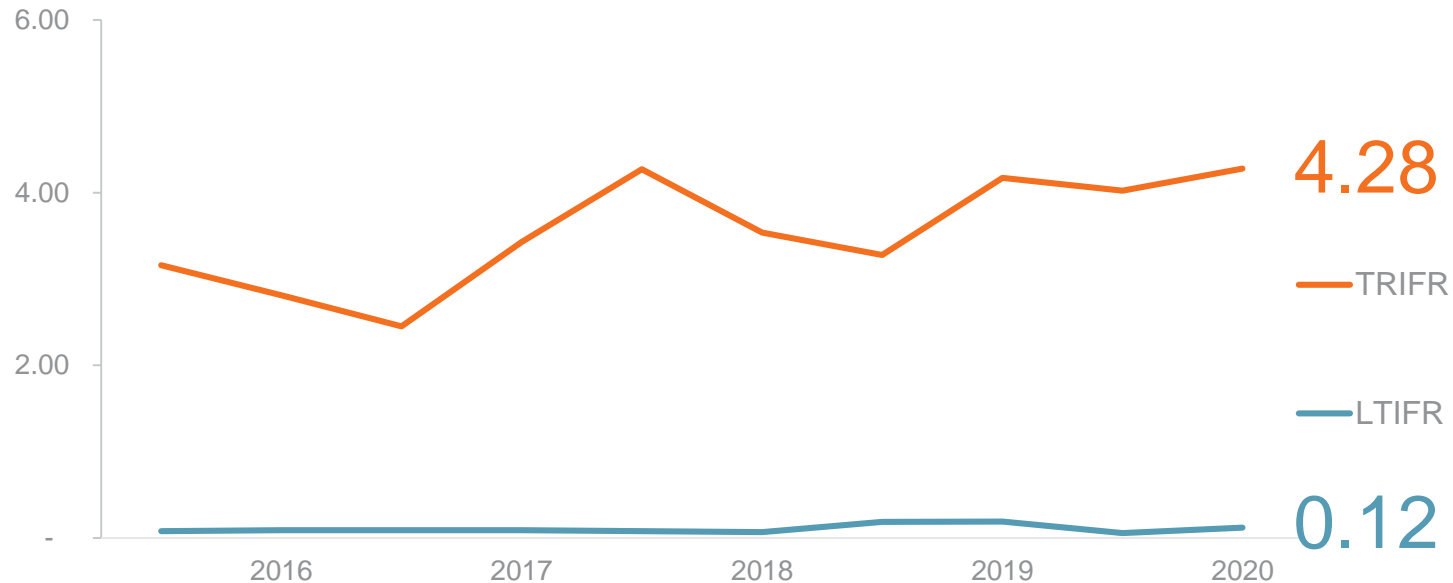
- Revenue up 16 per cent to \$584.5 million; record performance
- Strong demand for maintenance services across resources and energy
- Significant increase in activity across Pilbara
- Secured five-year Rio Tinto fixed plant maintenance and shutdown services contract
- Major shutdown at Hay Point Coal Terminal completed
- Offshore oil and gas maintenance activities increased
- Expanded into Chile through acquisition of maintenance and construction services company Buildtek
- Completed acquisition of iPipe Services in Qld CSG sector
- Strengthened position in rail sector with award of Rio Tinto rail maintenance contract and acquisition of NSW-based maintenance service provider, Harbinger Infrastructure

REVENUE BY END CUSTOMER (\$M)



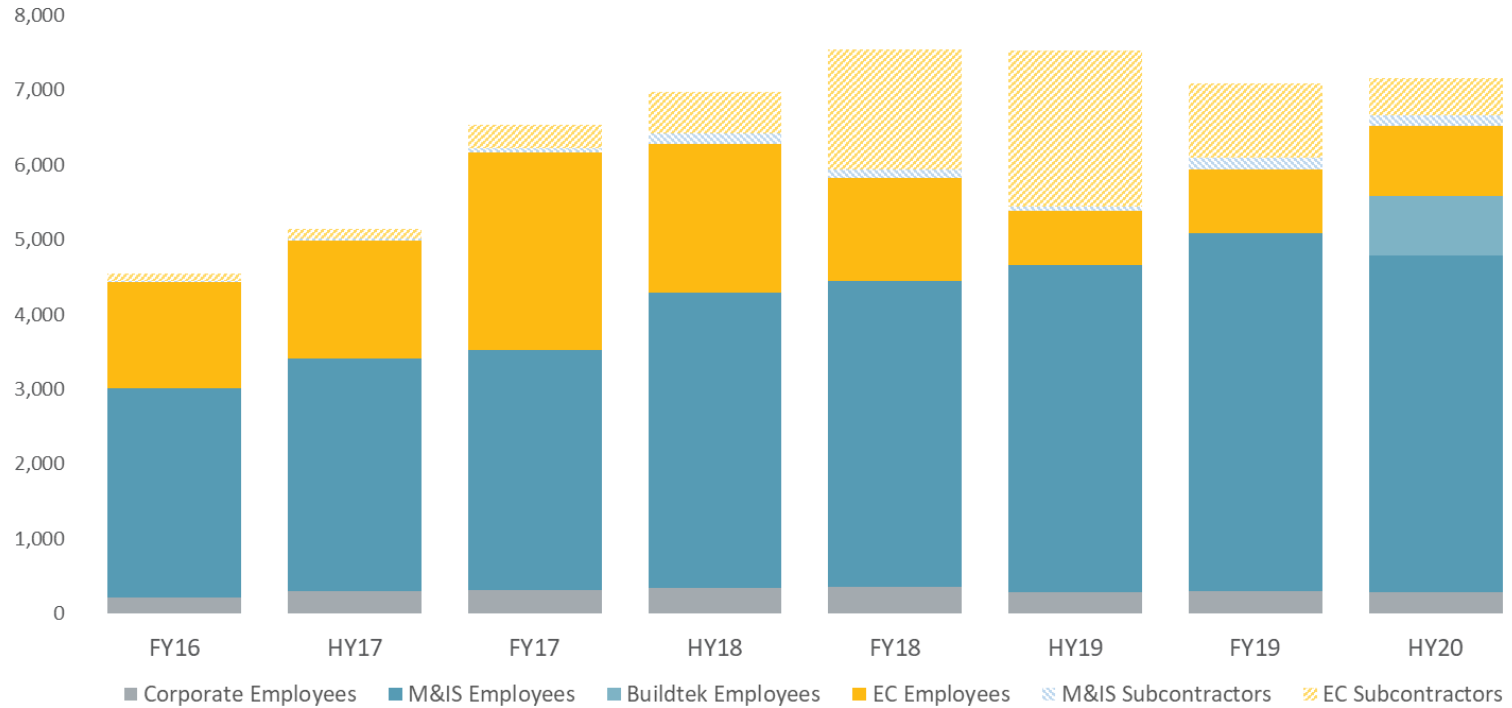
CONTRACTS SECURED





- Undertook comprehensive review of actual and potential safety incidents to identify emerging trends and common contributing factors
- Implementing a range of improvement actions
 - Targeted campaign to prevent hand and finger injuries
 - Improvements in subcontractor management
 - Progressing safety leadership development program
 - Rollout of safety behavioural standard framework

PEOPLE



- Increase in employee numbers due to Buildtek acquisition
- Reduced subcontractor numbers in Mongolia as contracted works approach completion
- EC employee numbers to increase as resource construction projects ramp up
- Employee equity incentive schemes reinstated

FINANCIAL SNAPSHOT

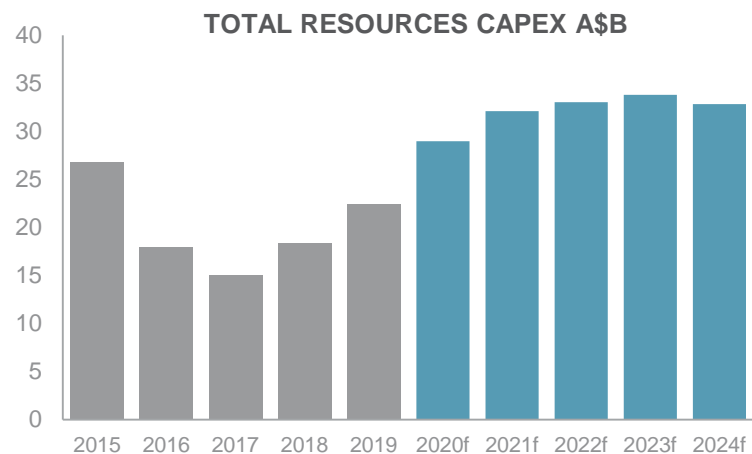


| Period ended 31 December | | HY20 | HY19 | CHANGE |
|---------------------------------------|-----|--------------|-------|---------|
| Revenue ¹ | \$M | 852.0 | 830.5 | 2.6% |
| Engineering Construction ¹ | | 273.4 | 331.6 | (17.6%) |
| Maintenance and Industrial Services | | 584.5 | 503.2 | 16.2% |
| <i>Internal Eliminations</i> | | (5.9) | (4.3) | |
| EBITDA ^{2,3} | \$M | 59.1 | 55.8 | 6.1% |
| EBITDA margin ² | % | 6.9 | 6.7 | 0.2pp |
| NPAT | \$M | 28.5 | 30.7 | (7.4%) |
| EPS | cps | 30.2 | 32.7 | (7.6%) |
| DPS (fully franked) | cps | 22.0 | 25.0 | (12.0%) |
| Cash balance | \$M | 163.3 | 164.0 | (0.5%) |

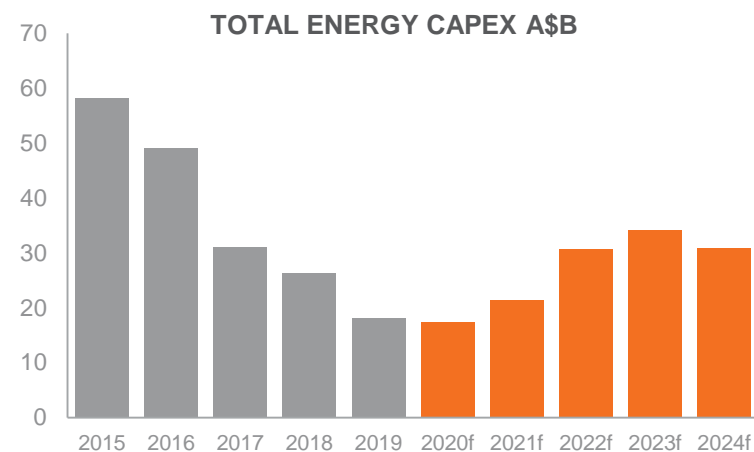
¹ Includes Monadelphous' share of joint venture revenue – refer to reconciliation on slide 15

² The adoption of the new accounting standard AASB 16 Leases from 1 July 2019 resulted in additional depreciation and interest expenses on other lease liabilities of \$4.8 million for the period, with a corresponding \$4.4 million reduction in operating lease expenses.

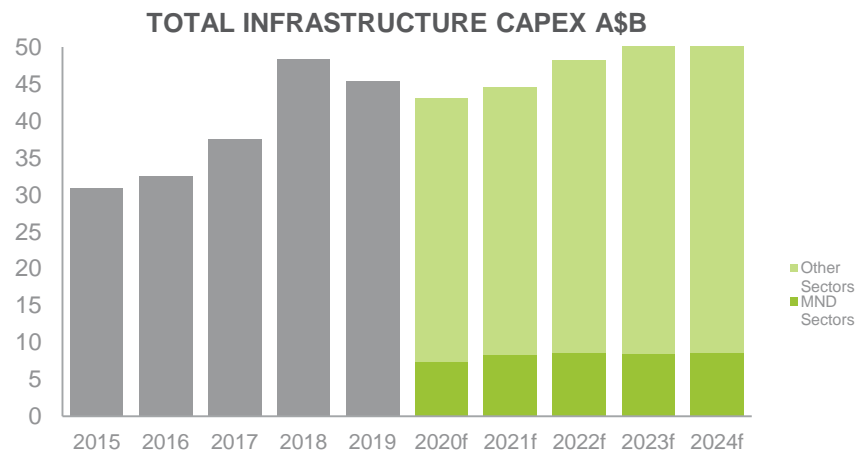
³ Refer to reconciliation of EBITDA on slide 15



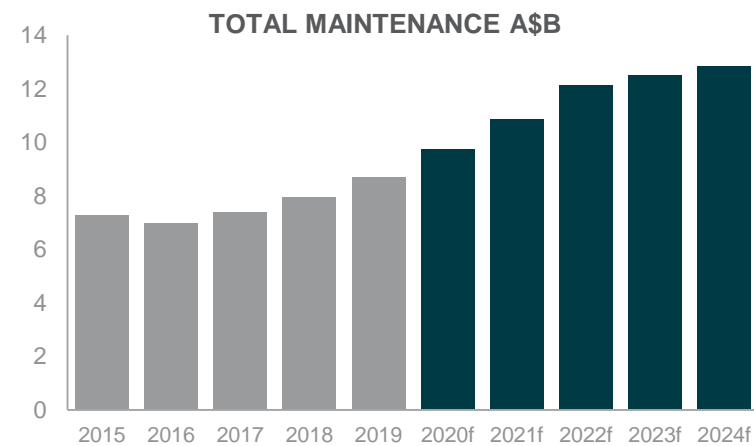
Source: BIS Oxford Economics, ABS (December 2019)



Source: BIS Oxford Economics, ABS (December 2019)



Source: BIS Oxford Economics, ABS (January 2020)



Source: BIS Oxford Economics, ABS (December 2019)

- Favourable market conditions in resources and energy to provide solid pipeline of opportunities
- Ongoing project development activity in iron ore will support future construction prospects
- Renewed development in LNG expected in coming years
- Strong demand for maintenance services forecast to continue
- Renewable energy projects expected to slow in the short term due to grid constraints
- Construction activity levels on secured projects to ramp up in H2
- Forecast of around 10 per cent revenue growth for FY20
- Margins continue to be challenged by high levels of competition and customers focus on cost containment
- FY20 financial performance dependent on operational impact of coronavirus (COVID-19)
- Increasing demand in skilled labour - retention and attraction of talent a key priority

APPENDICES



ENGINEERING CONSTRUCTION MAJOR PROJECTS HY 2020

- Oyu Tolgoi LLC; SMPE&I works, Oyu Tolgoi Underground Project, South Gobi region, Mongolia
- BHP; SMPE&I works associated with inflow and outflow infrastructure at South Flank Project, Pilbara, WA
- Origin; procurment, fabrication, preassembly and site construction of Talinga Orana Gas Gathering Station, near Chinchilla, Qld
- Rio Tinto; SMPE&I works associated with West Angelas Deposits C & D Project, Pilbara, WA
- BHP; Various SMPE&I integrated packages, Pilbara, WA
- Albemarle Lithium; SMP and associated piping works for lithium hydroxide plant, Kemerton, WA
- Kurow Duntroon Irrigation Company; design and construction of piped irrigation scheme, Kurow, New Zealand
- Hunter Water Corporation; complex capital works design and construct panel, Hunter Valley, NSW
- Sydney Water Corporation; network delivery management, delivery contractor panel for facilities and networks, Sydney, NSW
- Unitywater; major upgrade to Kawana Sewage Treatment Plant, Sunshine Coast, Qld
- Fortescue Metals Group; crane services, Pilbara, WA
- Australia Pacific LNG; supply, fabrication and assembly of wellhead separator skids, Qld
- Talison Lithium; design and construction of new tailing retreatment processing plant, Greenbushes, WA
- Vestas – Australian Wind Technology; engineering, procurement and construction of Dundonnell Wind Farm, Mortlake, Vic
- Goldwind Australia; balance of plant works on the Moorabool Wind Farm, Ballan, Vic
- Vestas – Australian Wind Technology; engineering, procurement and construction of Cherry Tree Wind Farm, Seymour, Vic
- CWP Asset Management; design and construction of civil and electrical balance of plant, transport and erection of Crudine Ridge Wind Farm, Mudgee, NSW

MAINTENANCE & INDUSTRIAL SERVICES MAJOR PROJECTS HY 2020

- Woodside; offshore maintenance and brownfields services for Woodside-operated gas production facilities in north west of WA, maintenance and turnarounds at Karratha Gas Plant
- BHP Iron Ore; general maintenance and shutdown services at various sites, East Pilbara, WA
- BHP Iron Ore; sustaining capital works and shutdowns, Pilbara, WA
- BHP Mitsubishi Alliance; Hay Point SL2 shutdown works; maintenance and dragline shutdown works, Bowen Basin, Qld
- Oil Search; engineering, procurement and construction services at oil and gas production and support facilities, Papua New Guinea
- INPEX Operations Australia; offshore maintenance services, Browse Basin, WA
- Shell Australia; maintenance and turnaround services on Prelude FLNG Facility, Browse Basin, WA
- Rio Tinto; fixed plant maintenance services and sustaining capital at coastal and inland operations (part of), Pilbara, WA
- BHP Olympic Dam; maintenance and shutdowns, Roxby Downs, SA
- BHP Nickel West; maintenance and shutdowns, Goldfields, WA
- Glencore; maintenance and turnarounds, Hunter Valley, NSW
- BHP Coal; shutdown maintenance at Mount Arthur Coal, Hunter Valley, NSW
- QAL; maintenance and projects, Gladstone, Qld
- South32 Worsley Alumina; major shutdown and mechanical services; Worsley, WA
- Newmont; mechanical shutdown and tank maintenance and refurbishments, Boddington, WA

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

| | HY20 \$'000 | HY19 \$'000 |
|--|-----------------|----------------|
| Total revenue from contracts with customers including joint ventures | 851,980 | 830,533 |
| Share of revenue from joint ventures ¹ | (75,175) | (53,338) |
| STATUTORY REVENUE FROM CONTRACTS WITH CUSTOMERS | 776,805 | 777,195 |
| Profit before income tax | 42,205 | 45,554 |
| Interest expense on loans and hire purchase finance charges | 738 | 456 |
| Interest expense on other lease liabilities ² | 977 | - |
| Interest revenue | (645) | (1,203) |
| Depreciation of owned and hire purchase assets | 10,771 | 9,466 |
| Depreciation of other lease assets ² | 3,777 | - |
| Amortisation expense | 323 | 614 |
| Share of interest, tax, depreciation and amortisation from joint ventures ³ | 986 | 871 |
| EBITDA | 59,132 | 55,758 |

¹ Represents Monadelphous' proportionate share of the revenue of joint ventures accounted for using the equity method

² The new accounting standard AASB 16 Leases was adopted from 1 July 2019. Comparatives have not been restated.

³ Represents Monadelphous' proportionate share of interest, tax, depreciation and amortisation of joint ventures accounted for using the equity method

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.

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