



Matrix Composites & Engineering Ltd

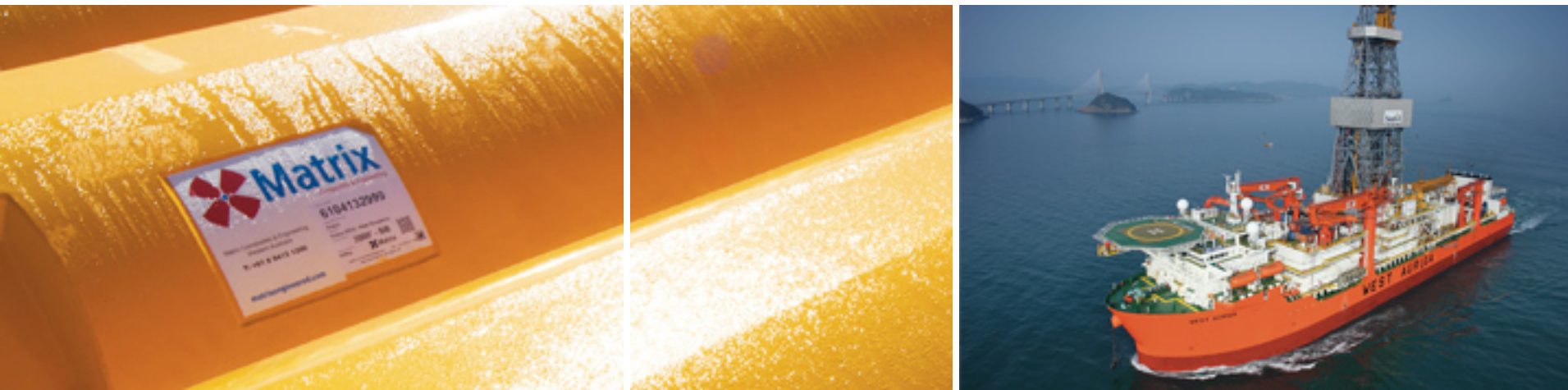
Euroz 2015 Industrials Tour

10 June 2015

Overview

- Introduction to Matrix
- Business Operations and Outlook
- Plant Tour

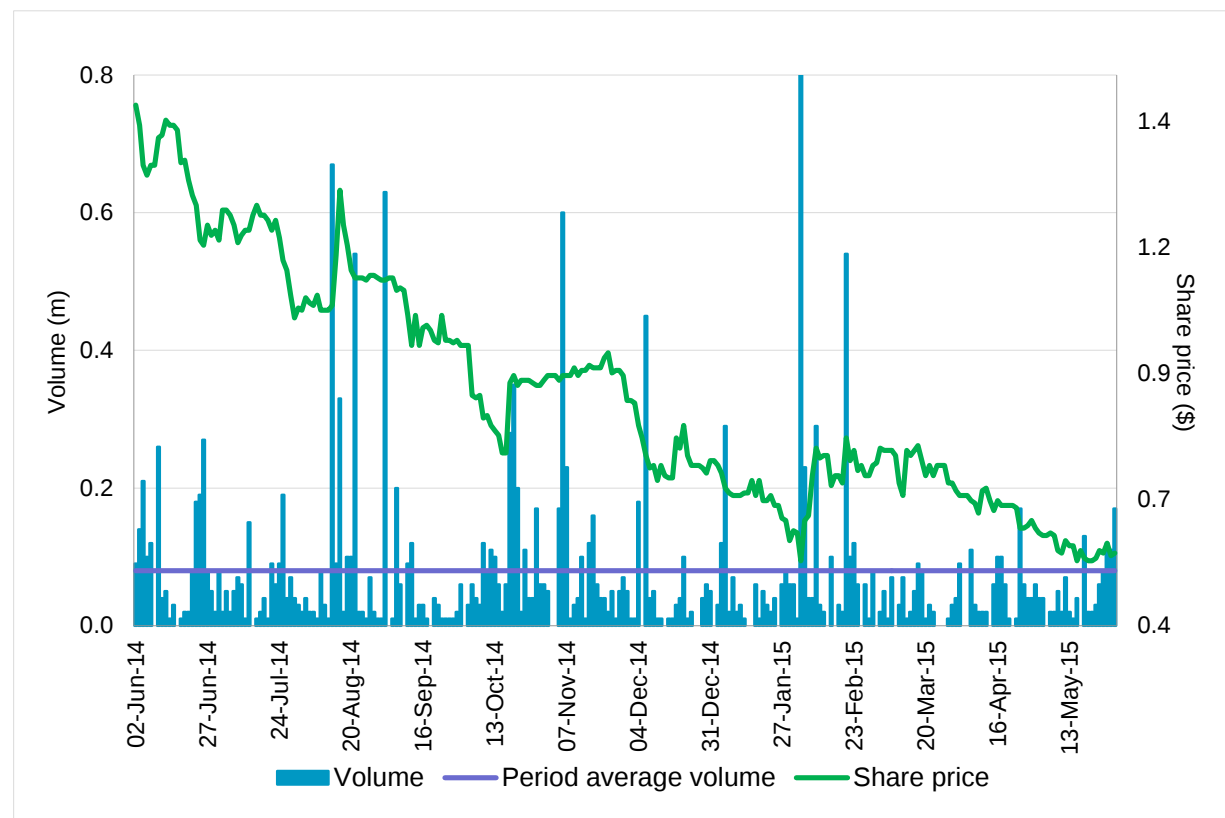




Introduction to Matrix

WHO WE ARE AND WHAT WE DO

Who we are



Major Shareholders

Max Begley Group	26.2%
Allan Gray	18.1%
Perennial Value	11.9%
Northcape Capital	5.2%
Management & Directors	5.3%

Board & Management

Peter Hood	Chairman
Aaron Begley	Managing Director
Duncan Clegg	Non-Executive Director
Steven Cole	Non-Executive Director
Craig Duncan	Non-Executive Director
Peter Tazewell	Chief Financial Officer
Alex Vincan	Chief Operating Officer

Corporate Details

ASX Code	MCE
Issued Shares	94,381,028
Share Price (4 June 2015)	\$0.54
Market Capitalisation	\$51m
Average Daily Volume	80,000

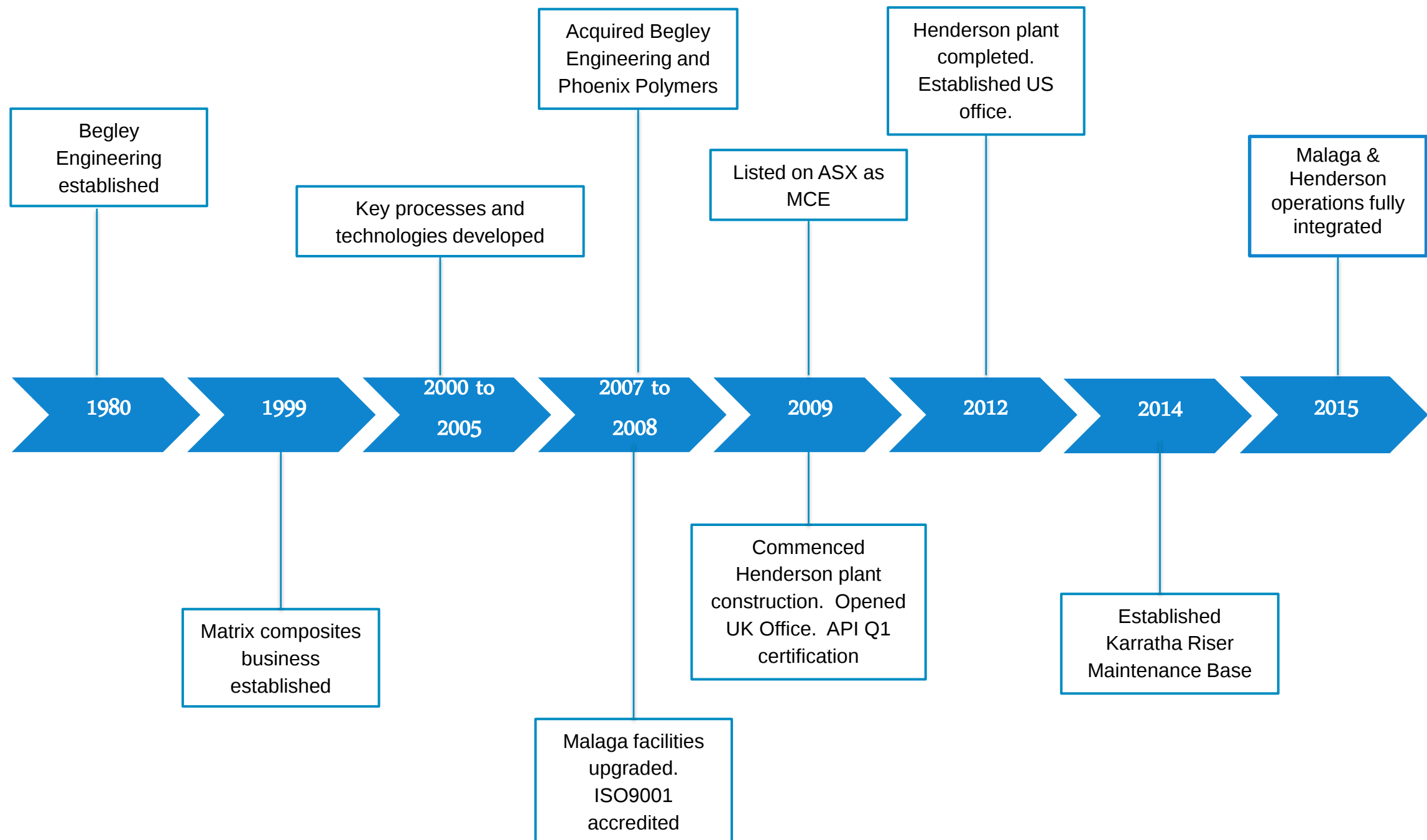
What we do

- Matrix manufactures and supplies engineered products and integrated services to the global oil and gas industry
 - Capital Drilling Equipment, SURF & Subsea Solutions, Well Construction Products & Offshore Services
- Leading manufacturer of subsea buoyancy systems
- Market leader in syntactic foam technology
- World's largest, most technically advanced composites syntactic plant covering 20,000m²
 - Higher quality product, shorter supply turnaround times, cost effective product
- Global service and distribution network spanning five continents
- 250 staff worldwide



Matrix History

1980 TO 2015



Matrix today

OUR HENDERSON FACILITIES



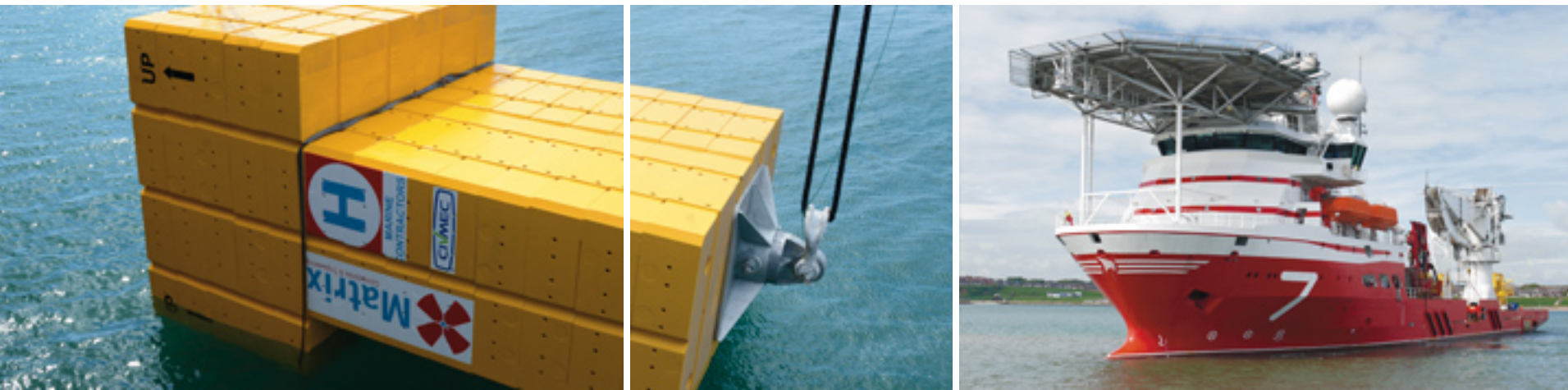
Key Operating Metrics

Annual Buoyancy Capacity 20,000 units

FY15 Utilisation 50 per cent

FTEs 250

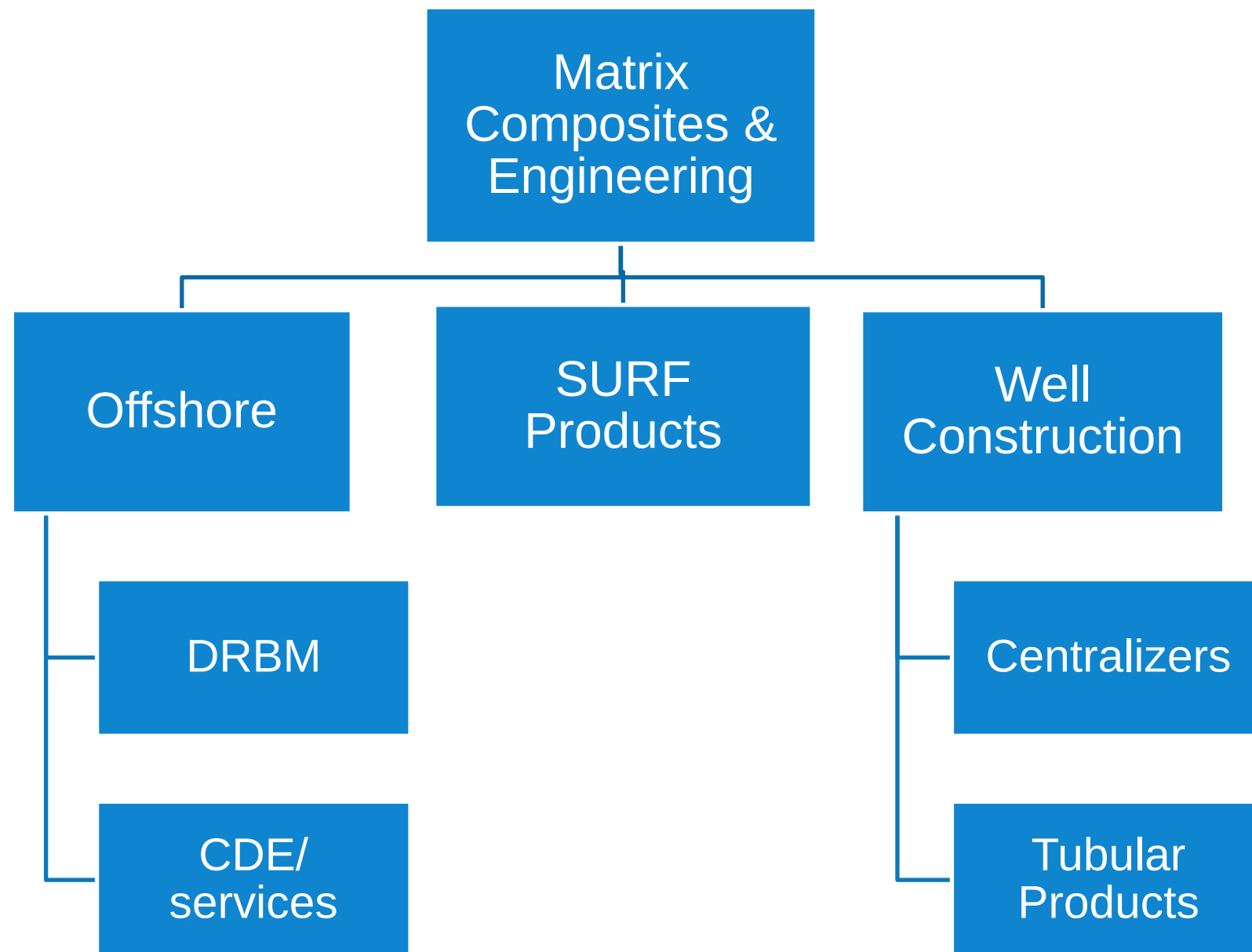
Operating Locations
Perth, Western Australia
Alnwick, United Kingdom
Houston, USA
Agents in Singapore, Korea,
China and India



Business Operations & Outlook

Matrix Group

BUSINESS STRUCTURE



Matrix Group

SOLUTIONS FOR THE GLOBAL ENERGY INDUSTRY

Offshore

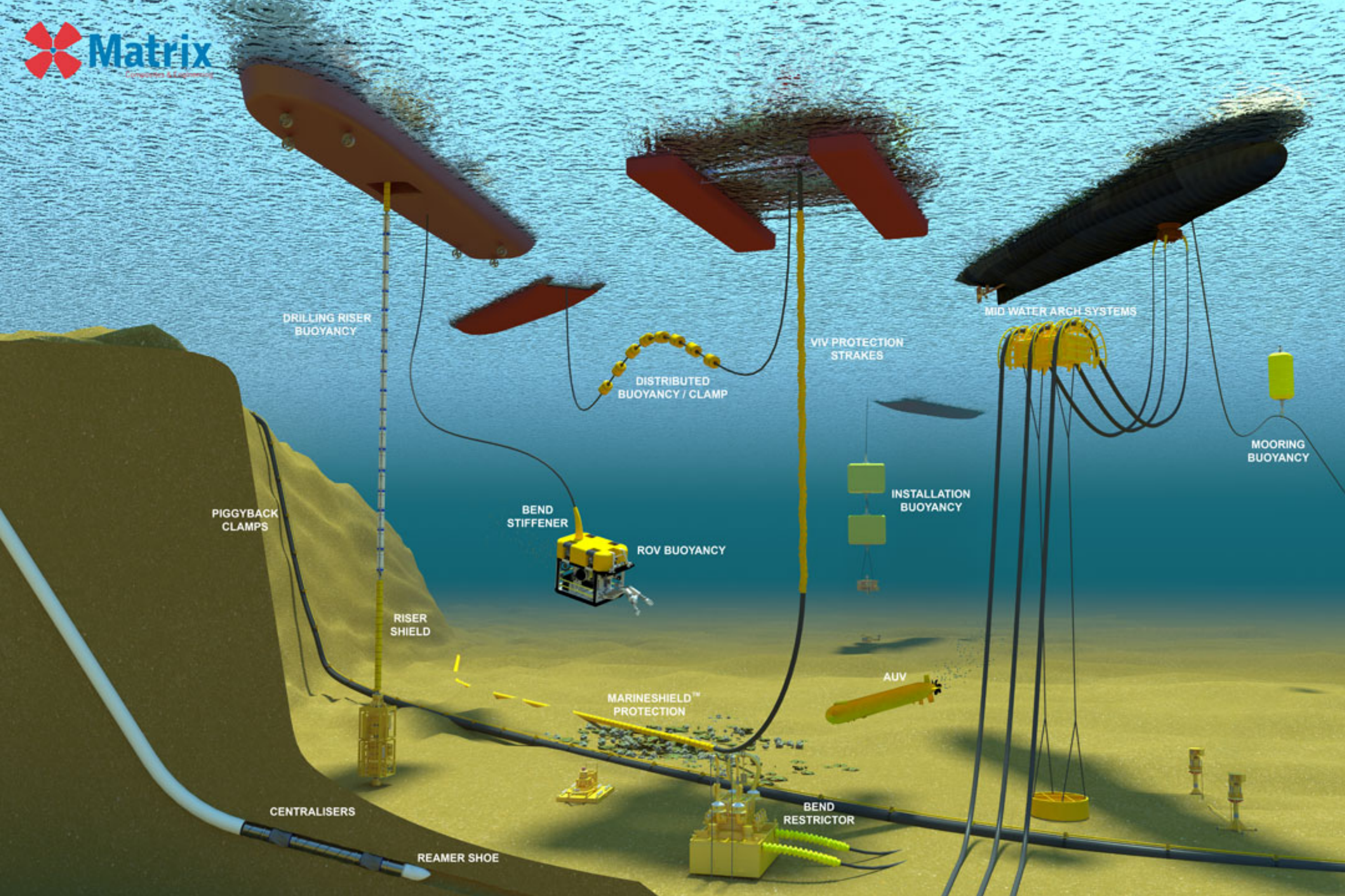
- Drilling Riser Buoyancy
 - Riser buoyancy provides partial flotation for marine riser systems. Allows the rig to deploy, operate and recover the riser to the depth capability of the drilling vessel
- Offshore Services (Riser Service and Rig maintenance)
 - Riser inspection and maintenance (Karratha base)
 - CDE equipment maintenance

SURF products

- permanent buoyancy systems, polymer pipeline and riser ancillaries, subsea installation buoyancy, Deepwater ROV and AUV buoyancy used for conventional and deep water applications

Well Construction

- Centralizers convey well screens, completion tools strings and casing and tubing screens into deviated/ challenging horizontal wellbores



Servicing the Global Energy Industry

OUR CLIENTS



OCEAN RIG

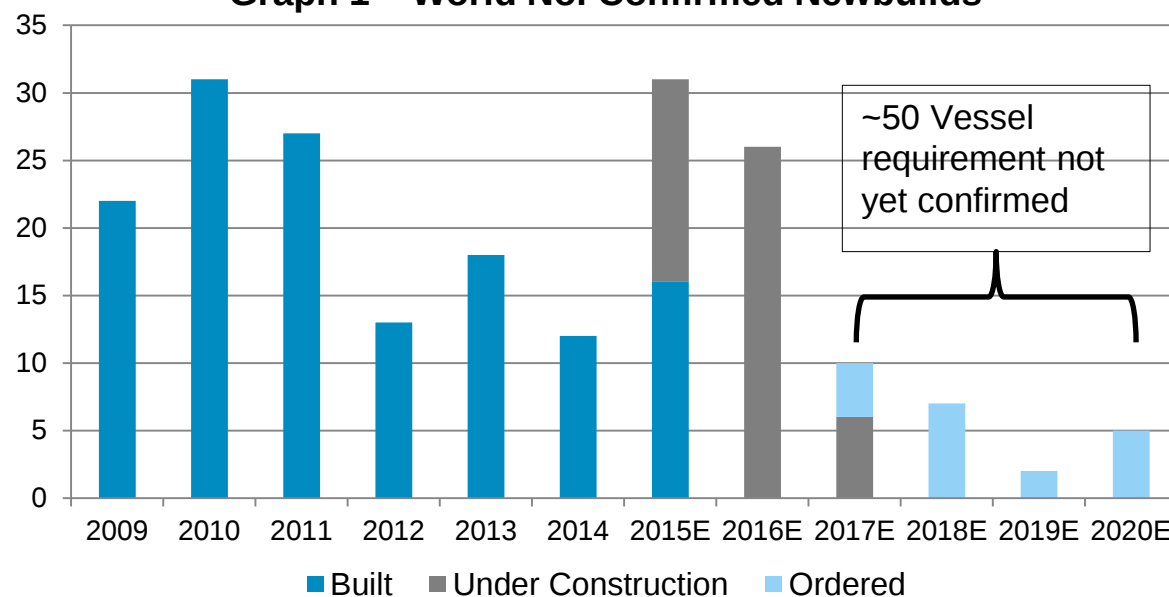


Outlook

OFFSHORE

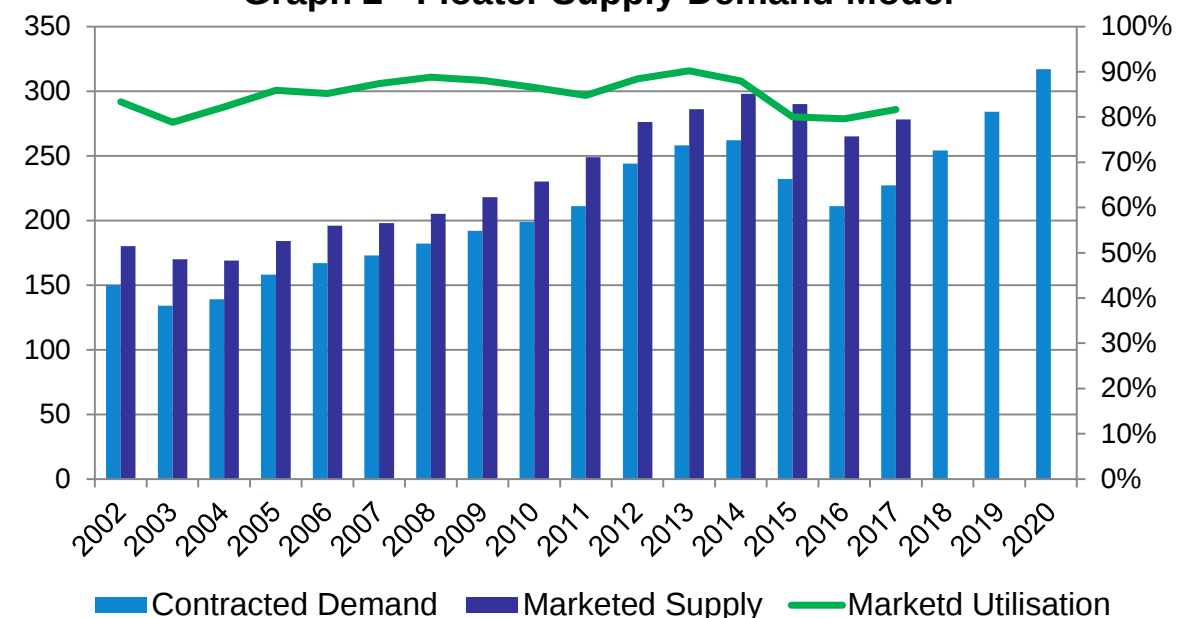
- Backlog in excess of US\$90m
- Falling oil price has resulted in rig cancellations, delayed order conversions and accelerated fleet retirements
- Near term outlook (Graph 1) supports current production rate
- Longer term outlook (Graph 2) supports an acceleration of newbuilds beyond CY16
- Sanction price for deepwater developments falling as exploration development costs are compressed

Graph 1 – World No. Confirmed Newbuilds



Company Data, February 2015

Graph 2 - Floater Supply-Demand Model



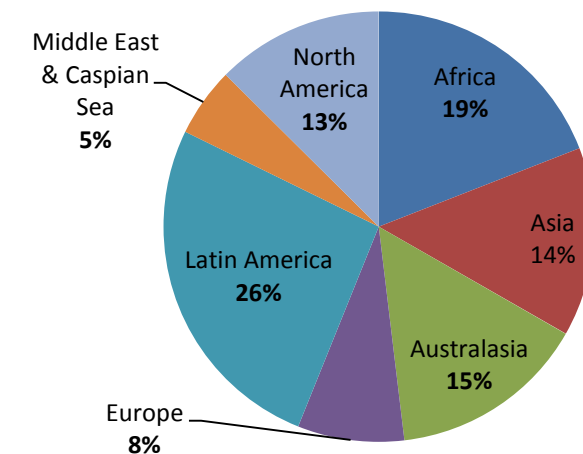
Company Data, February 2015

Outlook

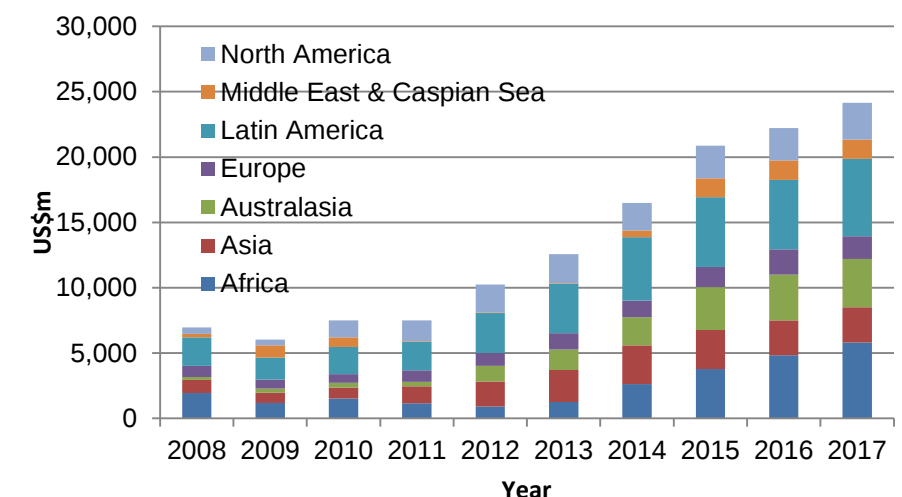
SURF PRODUCTS

- Delays expected in short term FPS and deepwater developments. Australasia gaining market share for FPS
 - projected 15% of spend to 2017 (Graph 4)
- Forecast Australasian spend on FPS developments - US\$3.7b in 2017 (Graph 5)
- expected slow market in 2015/2016 with recovery in 2017 onwards
- Milestone deliveries:
 - Installation Buoyancy – Gorgon and Wheatstone projects (WA)
 - Distributed Flexible Flowline Buoyancy – major project in West Africa
 - Installation Buoyancy (150MT) and Mid Water Arch syntactic foam elements (3 x 225MT) for a major project off the WA coast

Graph 4: FPS Expenditure (%) by REGION 2013-17



Graph 5: FPS Expenditure (US\$m) by Region 2008-17



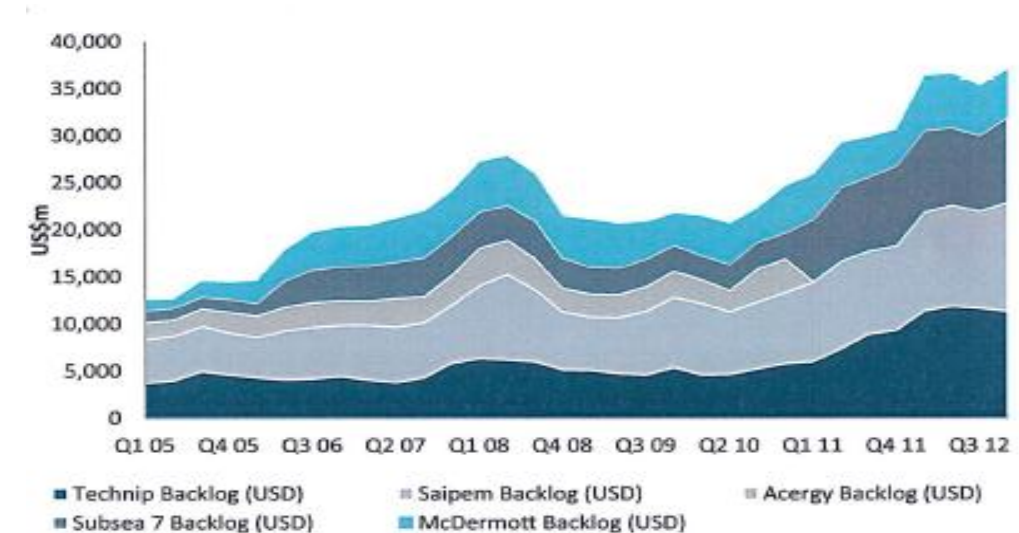
Source: Infield, Floating Production Systems: Market Report to 2017.

Outlook

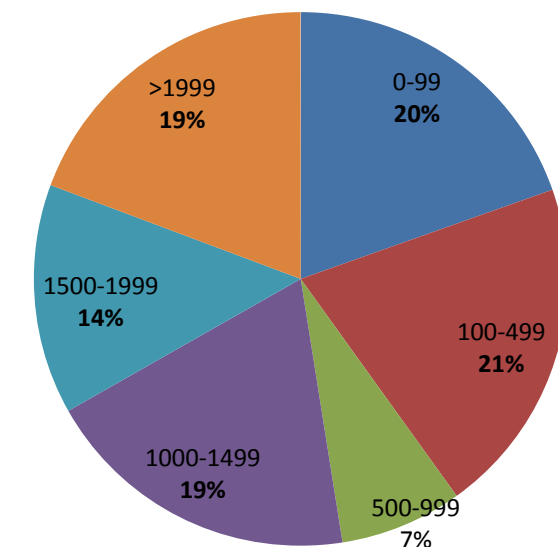
SURF PRODUCTS

- Backlog and forecast data supports increased subsea Capex spend to 2020 (Graph 6)
- Deepwater FPS developments > 1500msw exhibit strongest expected growth of 33% total spend to 2017 (Graph 7)
- API 17L approval for distributed buoyancy expected in Q1 FY2016, finally opens new market after three years of R&D
- Ongoing development/ qualification of Distributed Buoyancy Systems with major EPIC contractors and OEMs

Graph 6: Offshore Backlogs: OFS Majors



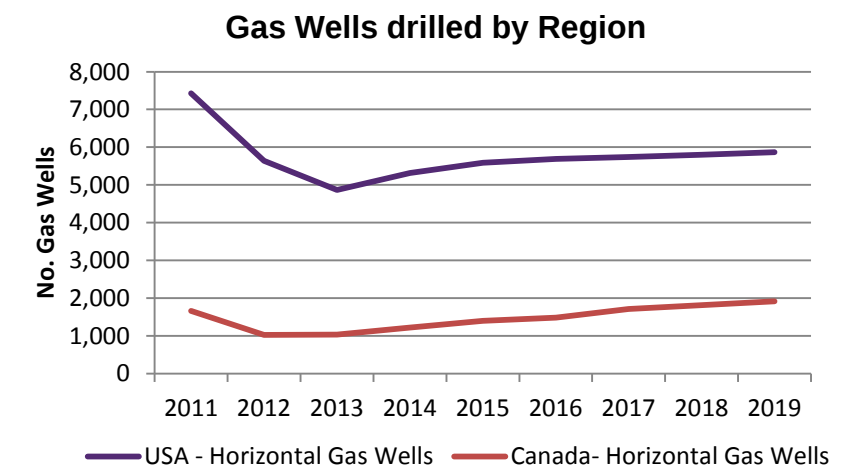
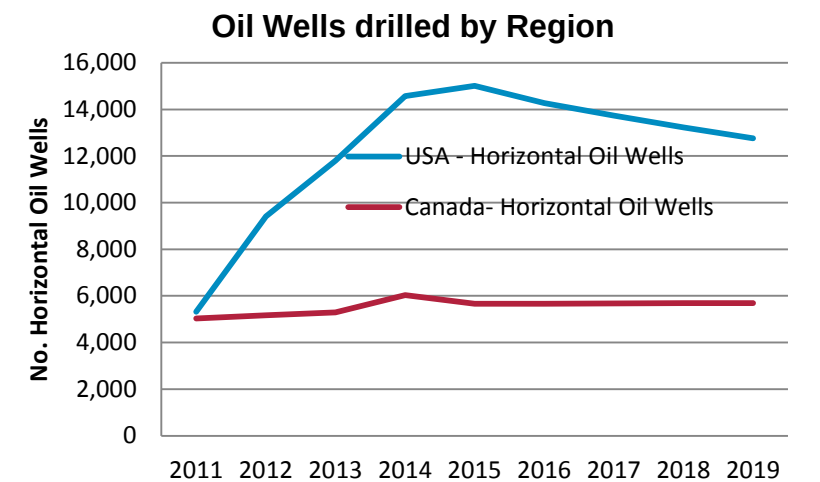
Graph 7: FPS Expenditure (US\$m) by WATER DEPTH(m) 2013-2017



Outlook

WELL CONSTRUCTION

- Centralizers convey well screens, completion tools strings and casing and tubing screens into deviated/challenging horizontal wellbores
- Centralizer sales below expectations although still growing
 - Sales expected to continue growing in FY15
 - Significant new markets developed in Asia and Middle East
- Total market for centralizers continues to grow although NA sales have declined with fall in oil price



Baker Hughes, Spears & Associates, January 2015

Strategy

Strategy	Activities
Volume Growth	• Pursue product diversification • Application of new products in new industries • Technical innovation to drive volume
Operational Improvement	• Cost down initiative • Ongoing plant optimisation • Development of new supply sources
Technical Leadership	• Ongoing materials R&D • Development of superior technical solutions to customer problems
Step Out Strategies	• Consider M&A opportunities that leverage core skills

Contact details

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