



**MAKING THE
COMPLEX
SIMPLE**

EUROZ HARTLEYS ROTTNEST CONFERENCE

7 MARCH 2023



THIS IS US

WHO WE ARE

We are a **diversified industrial services** company



WHAT WE DO

We bring an **engineering mindset** to deliver **critical services** for major industry

- Engineer
- Construct
- Sustain

OUR VISION

The most **sought-after** diversified industrial services business

**MAKING THE
COMPLEX**
SIMPLE

OUR PROFILE



OPERATING SEGMENTS



Asset Maintenance



Mining Services



Engineering & Construction

OWNERSHIP STRUCTURE

11% Management / Board

53% Institutional

3,200

People

20+

Industries

100+

Sites

5

Countries

900+

Revenue (\$m)

400

Market Cap (\$m)

1H RESULTS EXECUTIVE SUMMARY



RECORD RESULT

- 1H FY23 EBITDA of \$34m, **up 26%** on 1H FY22
- EBIT(A) of \$20.9m, **up 31%** on 1H FY22



RETURNS FOR SHAREHOLDERS

- EPS(A) of 3.0cps, **up 31%** on 1H FY22
- **Fully franked dividend** of 2.0cps, **up 33%** from 1.5cps in 1H FY22



ROBUST CASH GENERATION

- 1H FY23 EBITDA to **cash conversion** of **139%**
- **Net cash** of \$38.1m, **up 86%** from FY22 net cash of \$20.5m



STRONG OUTLOOK

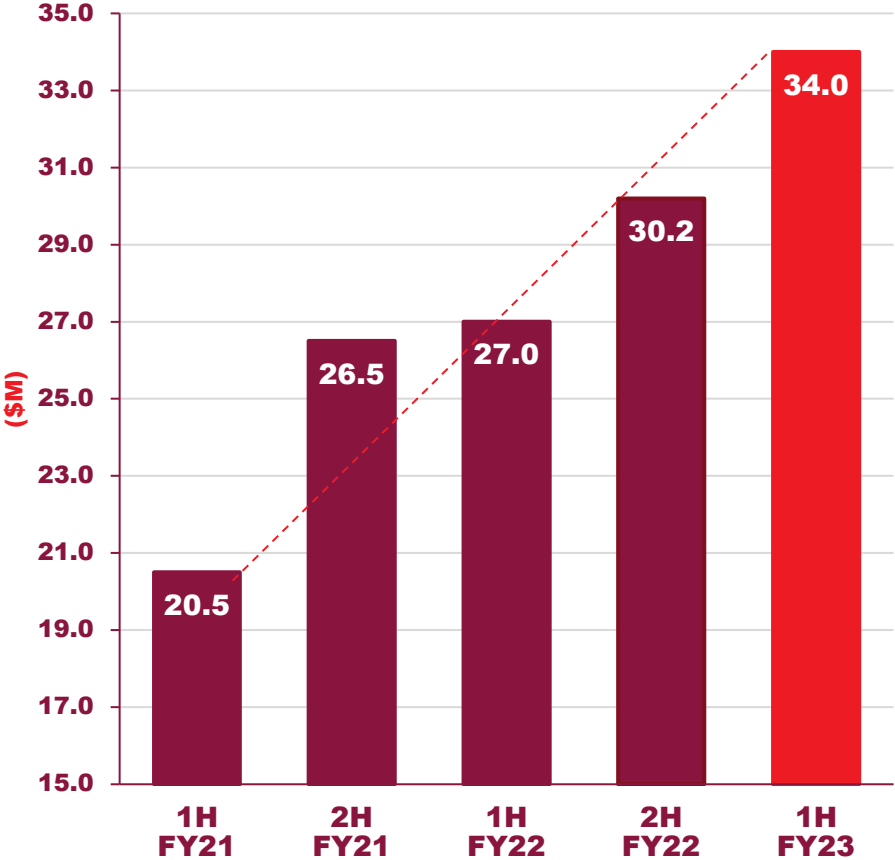
- FY23 EBITDA **guidance increased** to \$72m – \$75m
- **Work in hand** of \$1.5b and **opportunity pipeline** of \$6b across a diverse range of sectors

“SRG continues to deliver on its strategic transformation to a diversified industrial services business”

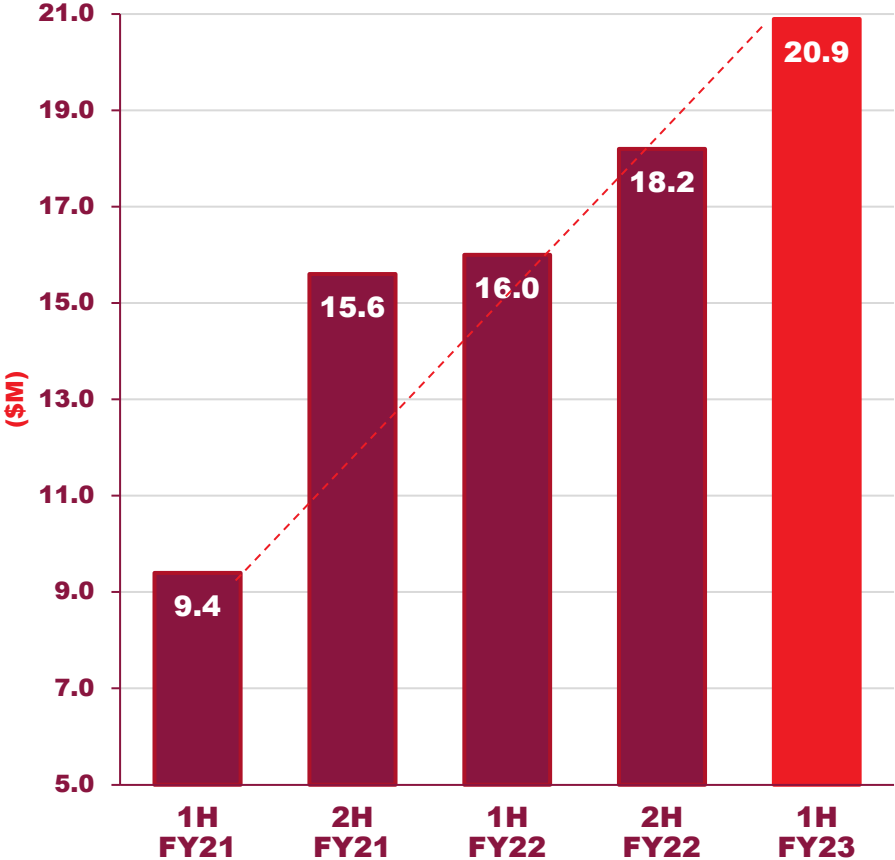
TRACK RECORD OF CONTINUED EARNINGS GROWTH



EBITDA



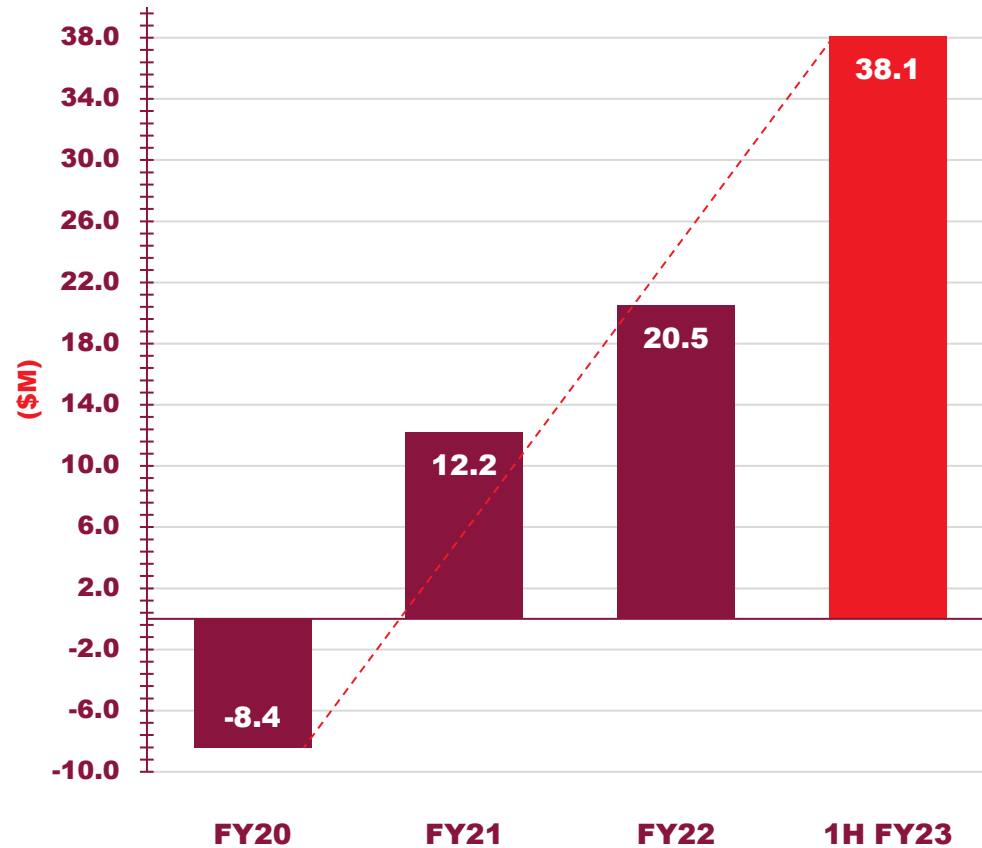
EBIT(A)



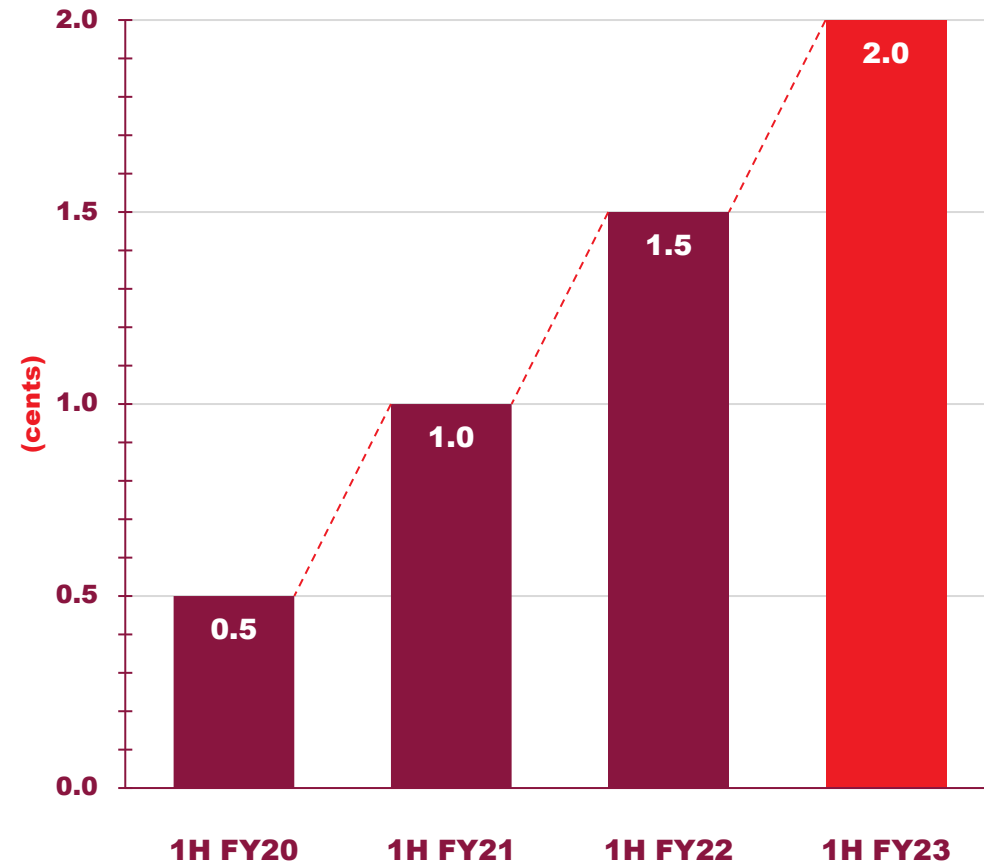
TRACK RECORD OF INCREASED CASH AND DIVIDENDS



NET DEBT TO NET CASH



DIVIDENDS (CPS)





**MAKING THE
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SIMPLE**

ACQUISITION OF ALS ASSET CARE



ASSET CARE AT A GLANCE

MARKET LEADER IN ASSET INTEGRITY & RELIABILITY SERVICES



#1 in asset integrity & reliability services



65+ years of operating history in Australia



600+ highly skilled full-time employees



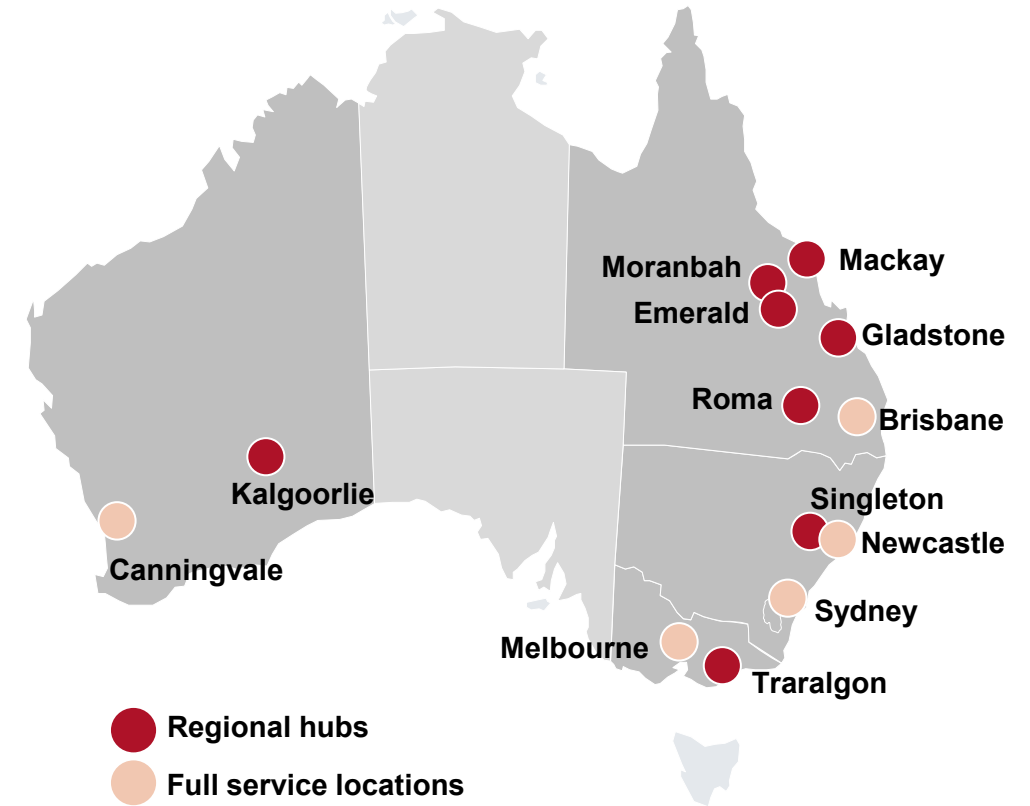
Stable and predictable cashflows with 99% of revenue derived through maintenance work



FY23E revenue of \$135m¹ and EBITDA margin of ~11%¹



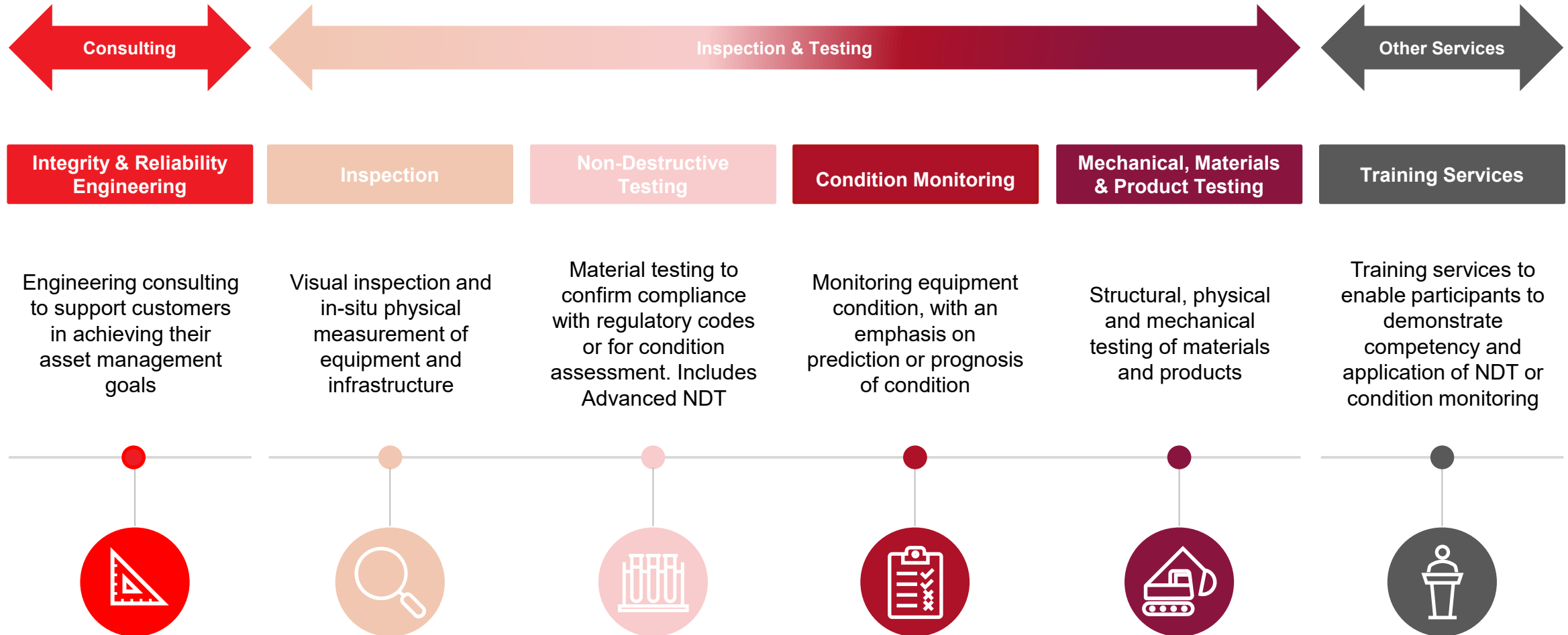
Geographic split of 70% East / 30% West



Note:
(1) Annualised estimate based on Asset Care's actual results for the 9-months ended 31 December 2022 and 3-month forecast to 31 March 2023, given ALS Ltd report on a March FY-end basis.

ASSET CARE'S SERVICE OFFERING

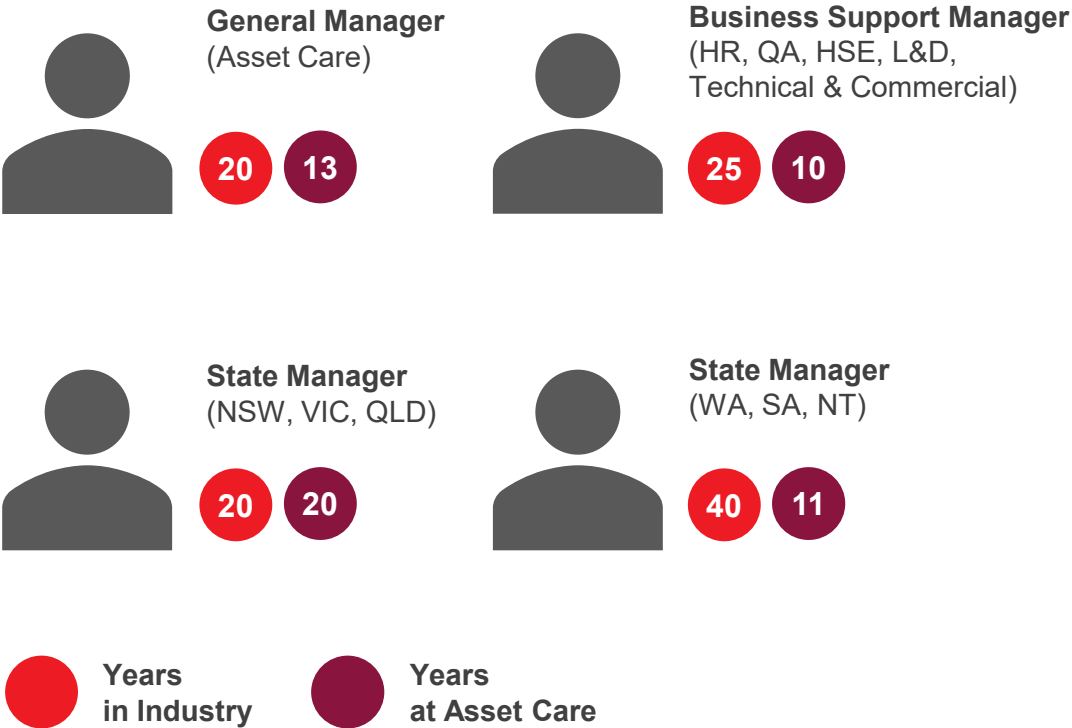
INDUSTRY LEADING TECHNICAL EXPERTISE



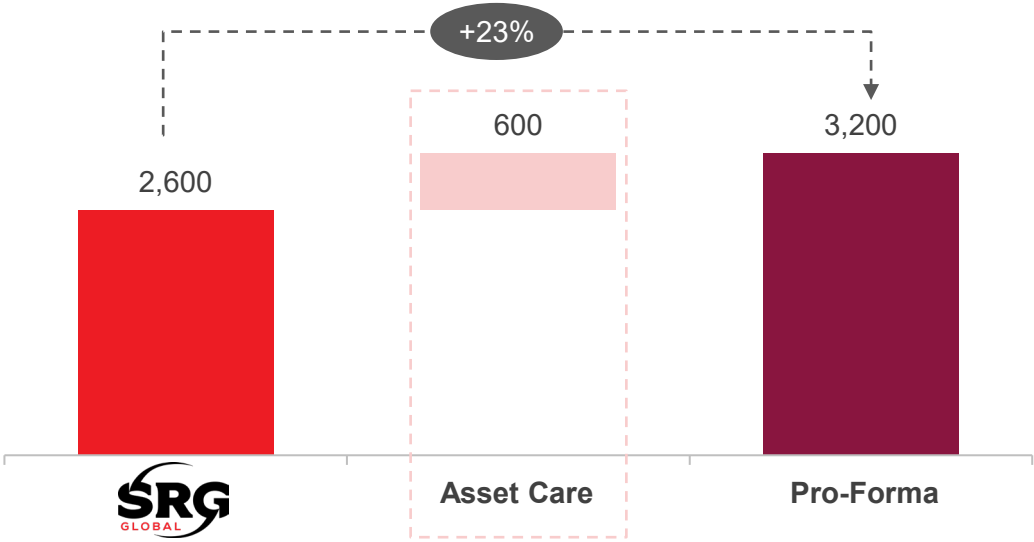
EXPERIENCED MANAGEMENT HIGHLY SKILLED TEAM OF TECHNICIANS



Experienced and Tenured Management



Employees Post Acquisition



- ✓ Large, complementary team of highly-skilled engineers and technicians
- ✓ In-house Training Academy drives reliable supply of skilled workforce
- ✓ Key management have over 50 years of combined experience at Asset Care and over 100 years combined experience in the industry

STRATEGIC RATIONALE



 Market leader in asset integrity and reliability	- Asset Care is the clear market leader in asset integrity and reliability services nationally with over 65 years of operating history and select customer relationships spanning 25+ years - Leading position in key end markets of mining, oil & gas, energy, infrastructure and utilities
 Highly complementary service offering	- Adds complementary technical expertise in asset integrity & reliability engineering and inspection & testing services - Enables SRG to leverage existing platforms to cross-sell and offer customers a one-stop-shop for identifying risks through inspection & testing as well as carrying out repair and maintenance services
 Experienced management team and highly-skilled workforce	- Strong management team with decades of experience at Asset Care and in industry coupled with a large team of highly-skilled technicians and engineers (600+ full-time employees) - All key management personnel will transition across to SRG post completion
 Accelerates SRG's transition to recurring earnings	~99% of Asset Care's earnings is maintenance related. A high proportion of revenue is contracted with typical duration of 2-5 years providing consistent, predictable earnings - The combined group's pro forma business mix will be heavily skewed to recurring earnings (~74% pro forma)³
 Accretive on a range of key financial metrics	- Transaction expected to be EPS^{1,2} and margin accretive on a pro forma FY23E basis (pre revenue and cost synergies) - Strong EBITDA margins of ~11%² and capital-light business model, consistent with SRG's Asset Maintenance business
 Multiple avenues for growth	- Enhanced customer value proposition through offering combined SRG and Asset Care capabilities and cross-selling across customer bases will drive accelerated growth in Asset Maintenance market share - Asset Care will benefit from further investment and attention under the SRG umbrella

Notes:

(1) FY23E pro forma EPS calculated on NPAT(A) basis.

(2) Asset Care reflects an annualised estimate based on Asset Care's actual results for the 9-months ended 31 December 2022 and 3-month forecast to 31 March 2023, given ALS Ltd report on a March FY-end basis.

(3) SRG reflects the last 12-months to 31 December 2022. Asset Care reflects an annualised estimate based on Asset Care's actual results for the 9-months ended 31 December 2022 and 3-month forecast to 31 March 2023, given ALS Ltd report on a March FY-end basis.

HOW ASSET CARE FITS WITH WHAT WE DO



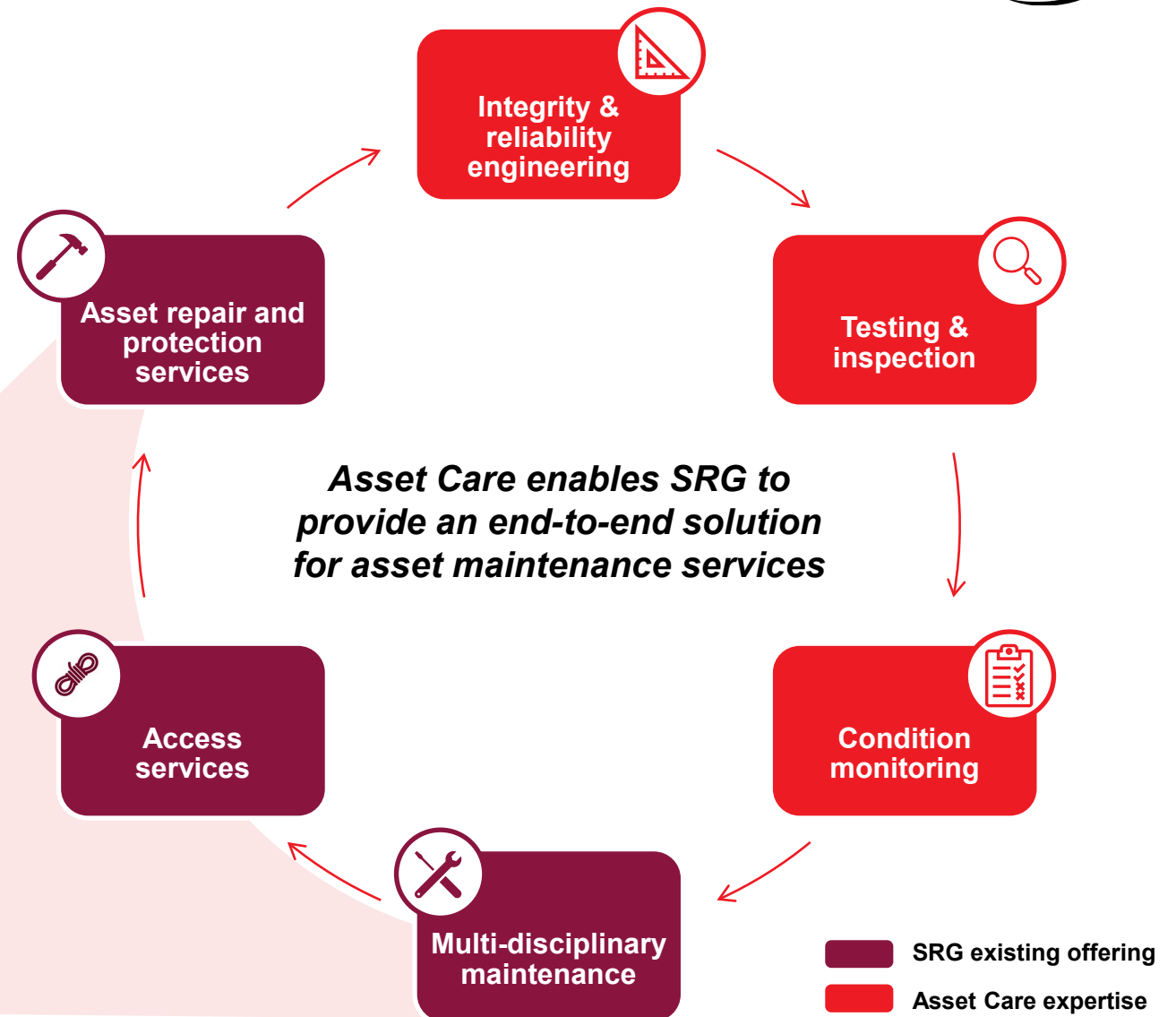
WHAT WE DO

We bring an **engineering mindset** to deliver **critical services** for major industry

○ Engineer

○ Construct

○ **Sustain**



BUILDING THE MOST SOUGHT-AFTER DIVERSIFIED INDUSTRIAL SERVICES BUSINESS



GROWTH HORIZON

- ✓ Step change growth in recurring Asset Maintenance Services
- ✓ Innovation and selective growth in Mining Services
- ✓ Targeted growth in Civil Infrastructure Construction / Remediation
- Specialist services and products in Building Construction with key repeat clients
- ✓ 67% annuity / recurring and 33% project-based earnings

LEADERSHIP HORIZON

- ✓ Zero Harm / ESG industry leader and recognised employer / partner of choice
- Domestic / International growth in Engineered Products across all SRG operating segments
- ✓ Selective strategic acquisitions to complement capability / footprint
- ✓ Consistent, above market shareholder returns (EPS and TSR)
- ✓ 80% annuity / recurring and 20% project-based earnings

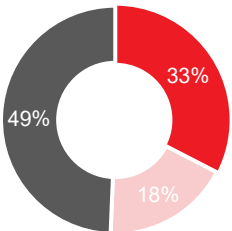
SRG PRO FORMA BUSINESS MIX ACCELERATES SHIFT TOWARDS ANNUITY REVENUE AND EARNINGS



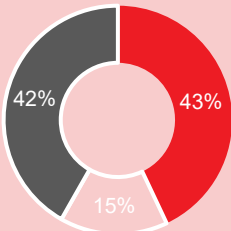
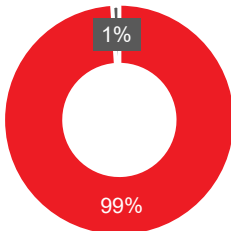
Asset Care

Pro-Forma

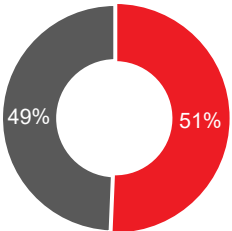
Revenue by
Business Mix¹



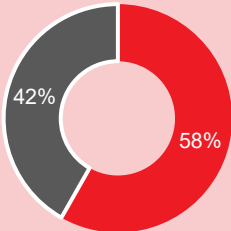
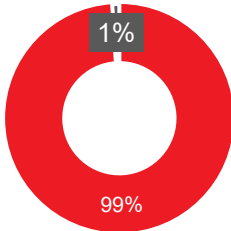
Asset Maintenance Mining Services Engineering & Construction



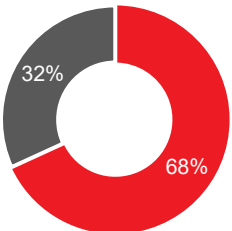
Revenue by Recurring
vs. Project Based¹



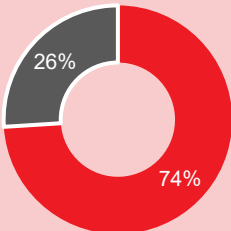
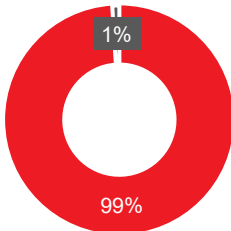
Recurring Project Based



EBITDA by Recurring
vs. Project Based¹



Recurring Project Based



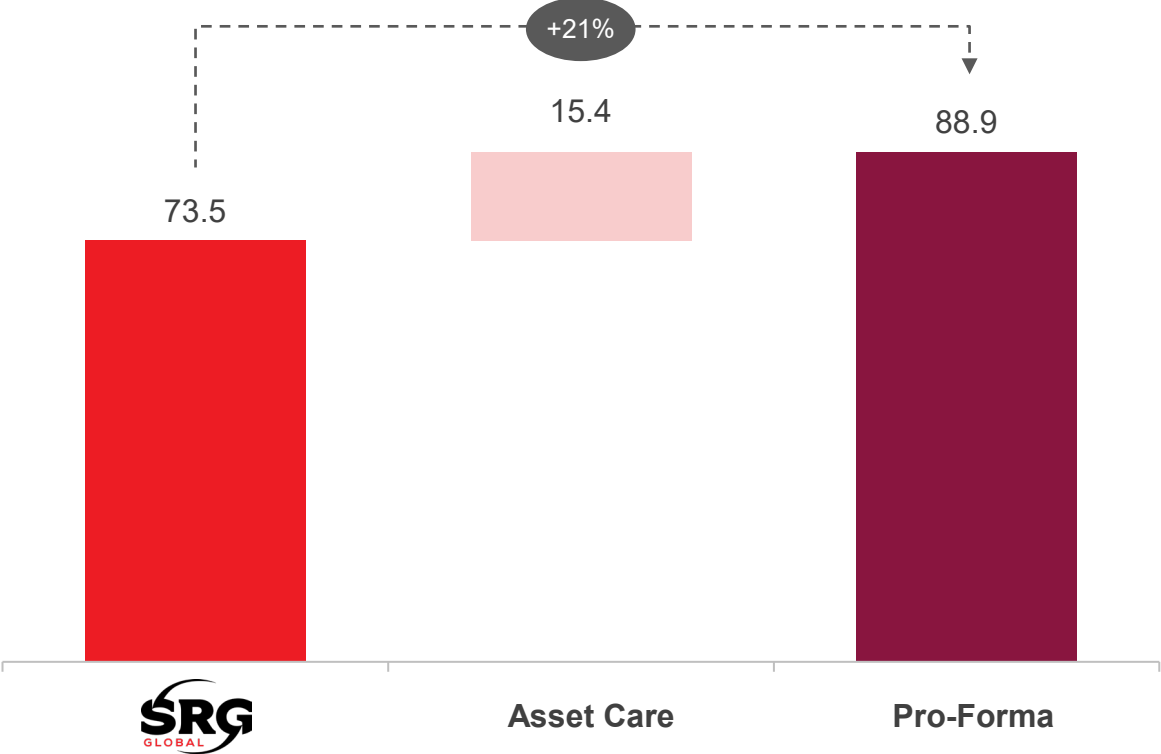
Note:
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FINANCIAL IMPACT

STEP CHANGE, ACCRETIVE ACQUISITION



Pro-Forma 12-Months EBITDA



Key Financial Highlights

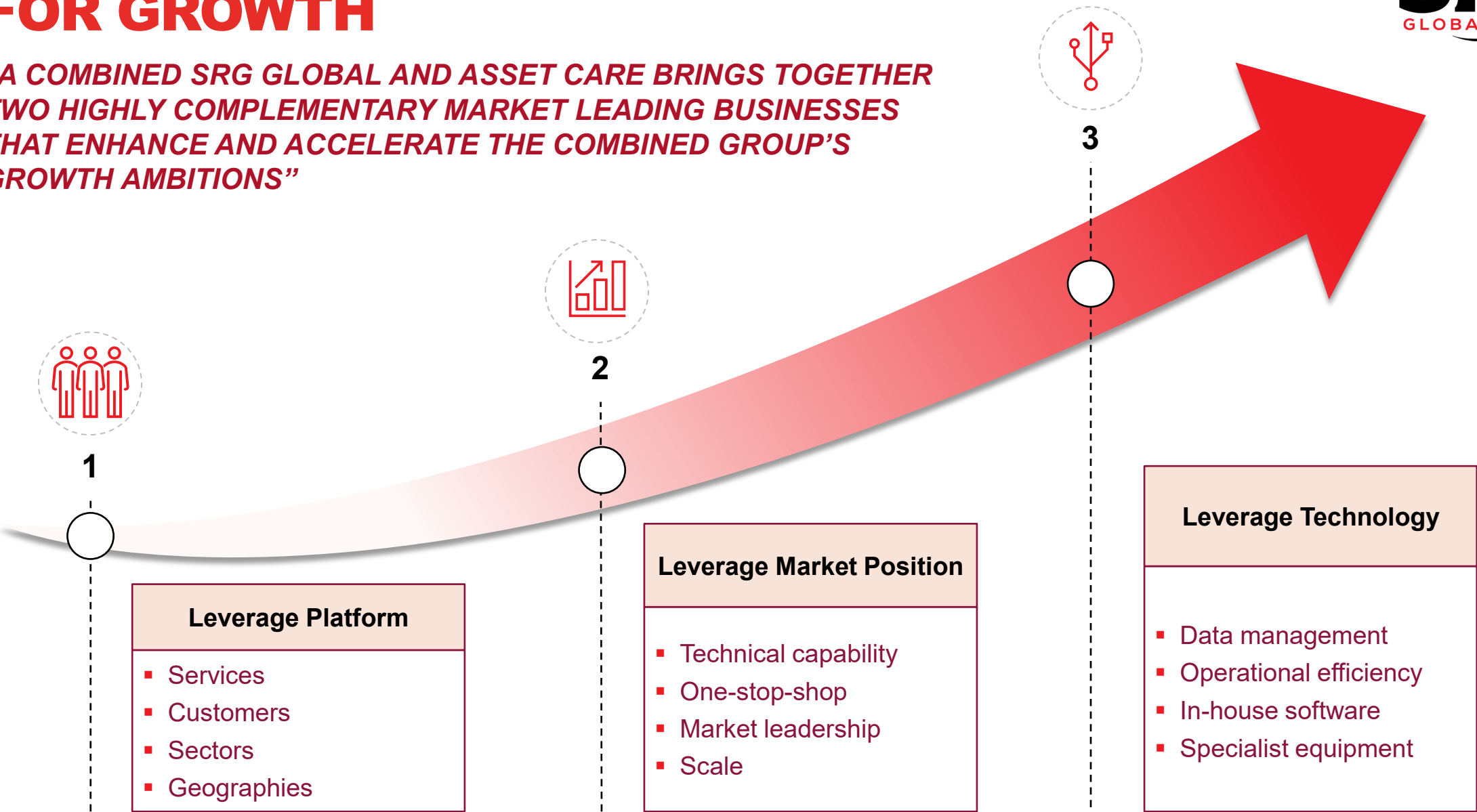
- ✓ EPS(A) accretive, pre cost and revenue synergies, on a pro-forma FY23E basis¹
- ✓ EBITDA and EBIT(A) margin accretive¹
- ✓ Asset Care has a capital-light business model (circa 2-3% of revenue)
- ✓ Asset Care has historically delivered strong FCF conversion of >100%

Note:
(1) SRG based on the mid-point of SRG's FY23 guidance range. Asset Care reflects an annualised estimate based on Asset Care's actual results for the 9-months ended 31 December 2022 and 3-month forecast to 31 March 2023, given ALS Ltd report on a March FY-end basis.

MULTIPLE AVENUES FOR GROWTH



“A COMBINED SRG GLOBAL AND ASSET CARE BRINGS TOGETHER TWO HIGHLY COMPLEMENTARY MARKET LEADING BUSINESSES THAT ENHANCE AND ACCELERATE THE COMBINED GROUP’S GROWTH AMBITIONS”



INVESTMENT PROPOSITION



**End-to-end
asset lifecycle
capability**

**Highly scalable
business
model**

**Diverse
market sectors /
geographies**

**Capital light
investment
profile**

**Annuity
earnings
profile**

**High yield
dividend
stock**



“WHEN IT HAS
TO BE DONE RIGHT”

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