

ASX ANNOUNCEMENT



24 August 2021

Advance Notice: Full Year Results Investor Briefing

SRG Global Ltd (ASX: SRG) advises that David Macgeorge (Managing Director) and Roger Lee (Chief Financial Officer) will host an investor briefing in relation to its full year results for the 2021 financial year, the details of which are set out below:

| | |
|-------------|---|
| Date | Today, 24 August 2021 |
| Time | 09.00am WST / 11.00am AEST |
| Duration | Approximately 45 minutes |
| Access link | https://services.choruscall.com.au/webcast/srgglobal-210824.html |

The Company will make the investor briefing available on its website (srgglobal.com.au) shortly after the conclusion of the briefing.

24 August 2021

SRG Global delivers increased profit, cash and dividend, forecasts strong growth in FY22

SRG Global Limited ('SRG Global' or 'the Company') (ASX: SRG), an engineering-led global specialist asset services, mining services and construction group, has delivered its Full Year Financial Results for the twelve months ended 30 June 2021 ('FY21').

Highlights

- **Revenue Up 4%** to \$570m (from FY20)
- **EBITDA Up 61%** to \$47.1m (from FY20)
- **EBIT(A) Up 151%** to \$25.1m (from FY20)
- **Strong operating cashflow** (FY21 **Net Cash of \$12.2M** from FY20 Net Debt of \$8.4m)
- **Well-funded for Growth** - available funds of \$88.2m + undrawn \$27.7m equipment finance facility
- **Final Fully Franked Dividend Doubled** to 1 cent per share (total FY21 dividend of 2 cps)
- **Record \$1b Work in Hand, Up 41%** (from 30 June 2020)
- **Strong opportunity pipeline** of \$6b in diverse sectors and geographies
- **Two Thirds Annuity Earnings Profile** in FY21 and beyond
- **Long term Strategy on track** and well positioned for long term sustainable growth
- **FY22 EBITDA expected to be ~15% higher** than FY21 EBITDA result

The FY21 results demonstrate the continued execution of the SRG Global strategy. The significant level of new contract wins and the record work in hand of \$1b is underpinned by demand for the Company's engineering led, end-to-end solutions, across the asset services, mining and construction sectors.

The Company is well positioned for long term sustainable growth with two thirds annuity-style earnings and positive exposure to a diverse range of sectors and geographies across the asset services, industrial and mining sectors and government stimulus programs in the infrastructure and construction sectors.

SRG Global has significantly strengthened its financial position over the past twelve months, moving from net debt of \$8.4m to a net cash position of \$12.2m. It has also improved its liquidity to \$88.2m of available funds, plus an additional undrawn \$27.7m of equipment finance facility, with the Company well-placed to fund future growth.

SRG Global Managing Director, David Macgeorge said, “SRG Global continues to take significant steps forward in the execution of our strategy. We have delivered a strong result in FY21 underpinned by new contract wins, strong operating cashflows and continued margin improvement through delivering for our blue-chip client base. The Company has experienced minimal financial impact of labour and COVID-19 challenges in FY21 due to the specialist nature of our business and the diversity of our service offering, the sectors in which we operate and our geographic spread.

“I am particularly pleased that we have continued to transition the business towards annuity earnings whilst winning a number of new term contracts in FY21. We have also managed the operational startup and contract execution exceptionally well throughout this period.

“The Company has record Work in Hand of \$1b and is well positioned for long term sustainable growth with two thirds annuity-style earnings and positive exposure to broader macro-economic growth drivers across the asset services, industrial and mining sectors and government stimulus programs in the infrastructure and construction sectors.

“The Company is well funded to continue to drive further growth and expects FY22 EBITDA to be circa 15% higher than the FY21 EBITDA performance.

“The strong result means SRG Global will pay shareholders a final fully franked dividend of 1c per share, bringing the total FY21 dividend to 2 cents per share which is double the previous year.”

Business Overview

During FY21, SRG Global recorded revenue of \$570m and EBITDA of \$47.1m. In the same period the Company significantly improved its cash position from net debt of \$8.4m as at 30 June 2020 to net cash of \$12.2m. This was achieved despite investing in working capital to support the commencement of more than \$750m of contract wins announced during the financial year.

Table 1: FY21 Segment Results (\$m)

| | TOTAL | ASSET SERVICES | MINING SERVICES | CONSTRUCTION | CORPORATE |
|---------|-------|----------------|-----------------|--------------|-----------|
| Revenue | 570.0 | 187.0 | 91.0 | 292.0 | - |
| EBITDA | 47.1 | 22.0 | 20.0 | 19.0 | (13.9) |
| EBIT(A) | 25.1 | 15.0 | 13.4 | 12.6 | (15.9) |

Revenue ▲ 4%
EBITDA ▲ 61%
EBIT(A) ▲ 151%
EBITDA % Margin ▲
to 8.3% (5.6% in FY20)

Asset Services experienced strong growth with the excellent start up and mobilisation of 8 new long-term contracts secured. Solid financial and margin performance with EBITDA margin of 11.8% in line with historical levels.

Mining Services disciplined growth and improved financial performance in FY21 with EBITDA margin of 22.0%. Excellent operational delivery across all sites and high levels of asset utilisation. A very successful start up of the Northern Star and Red5 drill and blast contracts.

Construction delivered an improved financial performance in FY21 with increased EBITDA margins of 6.5% which are expected to further improve

Civil & Engineering strong performance across all Australian projects and scaled back operations Internationally.

Specialist Building solid performance across Facades and Structures West and successfully completed the exit of Structures Victoria in FY21.

Corporate overheads of \$13.9m equates to 2.4% of revenue, with scope for further leverage as business grows.

Table 2: FY21 Cashflow

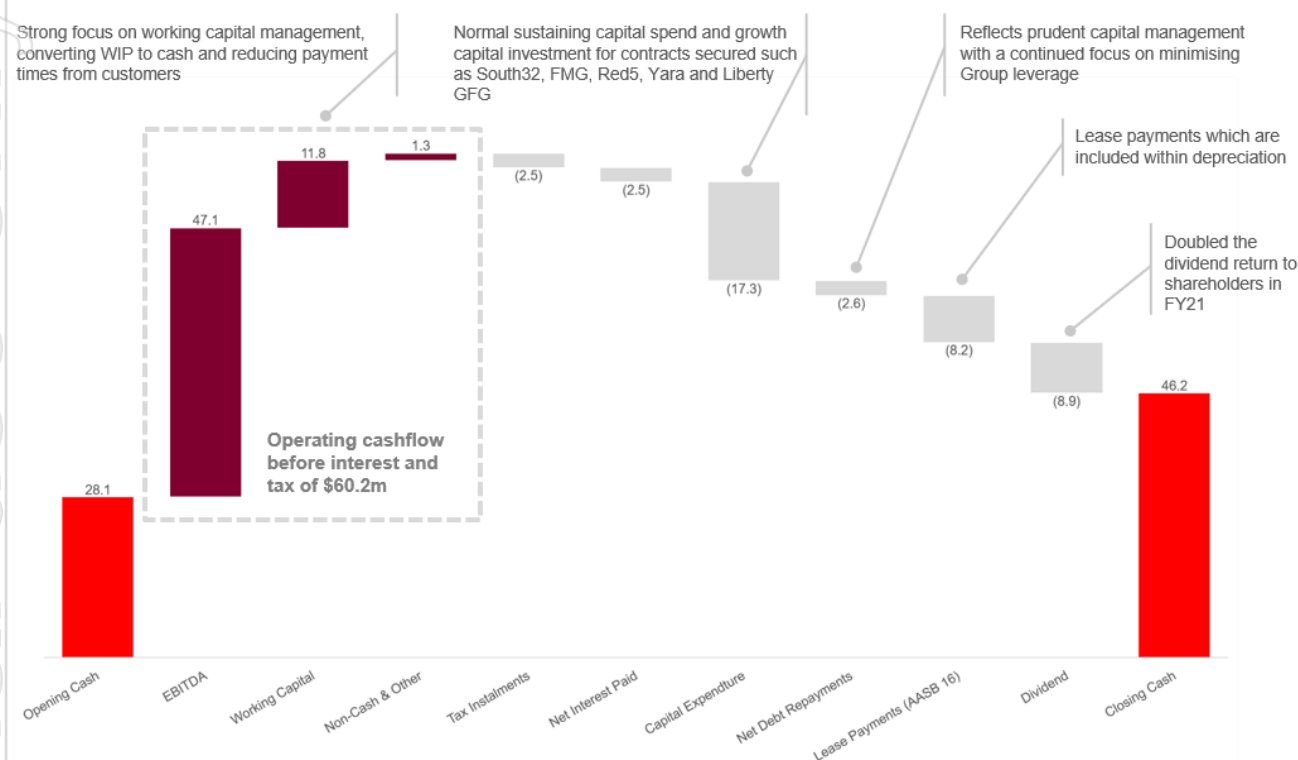


Table 3: Strong Financial Position For Growth

BALANCE SHEET (\$m)

| | FY21 |
|--|--------------|
| Cash and cash equivalents | 46.2 |
| Trade, other receivables & contract assets | 144.1 |
| Inventories | 14.9 |
| Property, plant and equipment | 81.5 |
| Right of use assets | 20.3 |
| Intangibles | 104.6 |
| Tax assets | 28.0 |
| Other | 3.1 |
| Total Assets | 442.9 |
| Trade, other payables & contract liabilities | 127.1 |
| Borrowings | 34.0 |
| Right of use liabilities | 21.3 |
| Current tax liabilities | 0.5 |
| Provisions and other | 33.2 |
| Total Liabilities | 216.1 |
| Net Assets | 226.8 |

Available liquidity of \$88.2m, comprised of cash on hand of \$46.2m and available undrawn working capital facilities of \$42.0m

Net cash of \$12.2m, from a net debt position of \$8.4m at 30 June 2020 representing a \$20.6m improvement in FY21 through prudent management of working capital

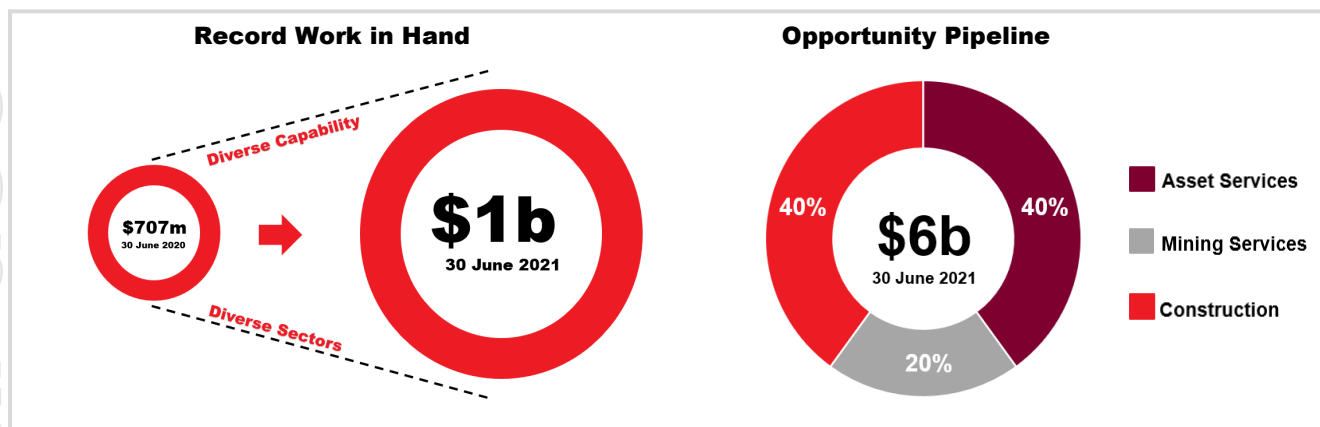
Significant **undrawn facilities** available for growth

| | DRAWN | UNDRAWN | TOTAL |
|-----------------------------|-------------|-------------|--------------|
| Borrowing Facilities | | | |
| Equipment Finance | 22.3 | 27.7 | 50.0 |
| Term Loan | 8.25 | - | 8.25 |
| Working Capital | - | 42.0 | 42.0 |
| Other | 3.4 | - | 3.4 |
| Total | 34.0 | 69.7 | 103.7 |
| Security Facilities | | | |
| Bank Guarantees | 10.7 | 9.3 | 20.0 |
| Performance Bonds | 71.1 | 54.5 | 125.6 |
| Total | 81.8 | 63.8 | 145.6 |

Record Work in Hand

As at 30 June 2021, the Company had Work in Hand in excess of \$1b, an increase of 41.5% since 30 June 2020 and a record for SRG Global. Of that work in hand figure, approximately two thirds falls into the annuity / recurring earnings category, which is in line with the Company's strategy.

SRG Global has a \$6b pipeline of opportunities with positive exposure to Government-backed infrastructure investment, high quality commodities, diverse industries and a blue chip client base.



Operating Segment Outlook

- Asset Services delivering **step change growth** in diverse sectors with blue chip clients
- Mining Services operating in **high demand, high quality** growth commodities
- Construction positively linked to **Government Infrastructure stimulus** programs
- International focus on Specialist Civil Engineering opportunities – **Dams / Bridges / Tanks**

Business Outlook

- **FY22 EBITDA expected to be ~15% higher** than FY21 EBITDA result
- **Record Work in Hand of \$1b** with an **Opportunity Pipeline of \$6b**
- **Strong liquidity / balance sheet position** to support growth working capital requirements
- Earnings profile of **two thirds annuity earnings** in FY22 and beyond
- Continued execution of a **clear strategy** and well positioned for long term **sustainable growth**

Final Dividend

The Board of Directors has declared a final dividend of 1 cent per share, fully franked which brings the total FY21 dividend to 2 cents per share. The record date of the dividend is 9 September 2021 with a payment date of 21 October 2021.

– ends –

Investor Contact

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About SRG Global

SRG Global is an engineering-led global specialist asset services, mining services and construction group operating across the entire asset lifecycle of engineer, construct and sustain. The Company operates three segments of Asset Services, Mining Services and Construction. For more information about the variety of services offered by SRG Global, click [here](#).

This announcement was authorised for release to ASX by the Managing Director.