



INTEGRITY | DELIVERY CERTAINTY | AGILITY



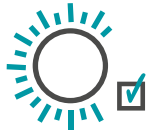
2022

AusGroup AGM Presentation



Shane Kimpton – CEO & MD AusGroup
Christian Johnstone – CFO AusGroup

AUSGROUP OVERVIEW



Safety

- Dynamic and positive approach to safety, focused on delivering excellence one day at a time.

Our Perfect Day



People

- Build collaborative and high performing teams.
- Attract and retain the best people.
- Value, engage, empower.



Delivery Excellence

- Agile, flexible and customer focused approach to delivery excellence.
- Operational discipline to consistently deliver.



Clients

- Trusted partner to the Australian resources, energy and industrial sectors, providing innovative solutions.



Value

- Quality revenue growth
- Stable and predictable gross profit margin
- Strong economic returns for shareholders

Fabrication



Construction



Maintain / Shutdown



Painting & Insulation

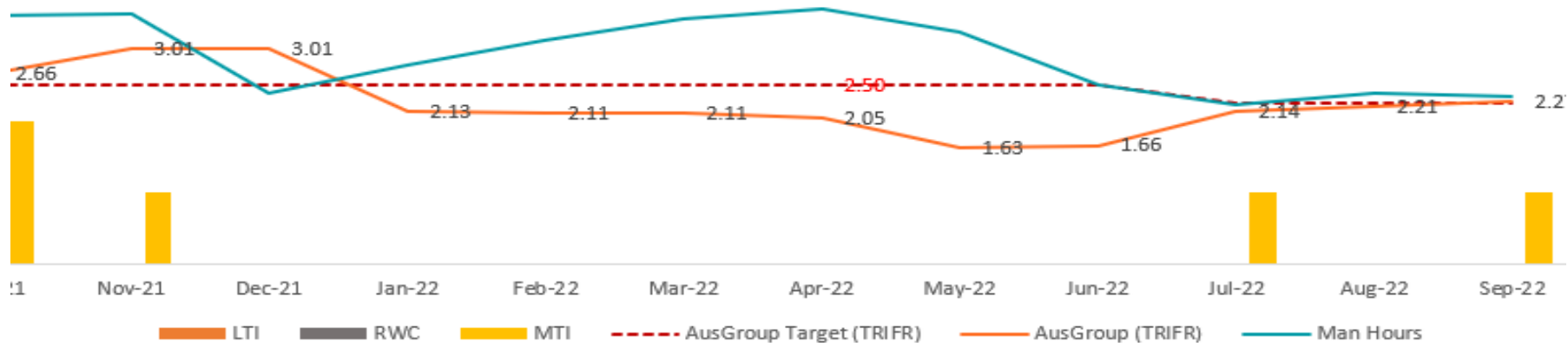


Access Services



HEALTH, SAFETY & ENVIRONMENT

12 Month Rolling TRIFR



TRIFR: Total Recordable Injury Frequency Rate



FY 22 HIGHLIGHTS

HSE

An excellent result for the business

- LTIFR 0
- TRIFR 1.66

Continued to develop and implement our critical controls and proactive reporting processes

Refreshed our “Perfect Day” program

PEOPLE

Attraction and retention of employees remains strong

Overseas recruitment commenced for skilled labour due to buoyant market conditions

Mobilised for (2) significant LNG maintenance turnarounds successfully

TENDERING

Tendering activity strong in the Resources and new Energy sectors

Secured new contracts with Iron Ore, Lithium and Nickel clients

Significant long term fabrication opportunities

Orderbook at AU\$882m

OPERATIONS

Providing ongoing maintenance services for several clients and delivered two safe and successful major Turnarounds for Chevron

Continued to expand our sustaining capital construction services with multiple Tier 1 Iron Ore clients

FINANCIAL

Restructured the NTPM business

Solid performance from our Energy business

East Rockingham project was very challenging an impacted the business

Commenced the renegotiation of our Noteholder debt



Shareholder questions



SHAREHOLDER QUESTIONS

Q 1) 15 Beach Road building was sold for about A\$16m. Where has the money gone to?

A 1) As announced to SGX on 17 June 2022, of the consideration of A\$16.2m, transaction costs were A\$0.2m, bank guarantees were A\$2.6m leaving A\$13.4m for working capital purposes which has been used to fund the business due to the funding pressures stemming from non-payment under the East Rockingham Waste to Energy project.



SHAREHOLDER QUESTIONS

Q 2) Full Year loss after tax was A\$31.7m. AusGroup attributed to a few key reasons:

Q 2 a) East Rockingham project. Qn: What is the amount of receivables from this project. What is the status now?

A 2a) Subject to confidential settlement discussion with the client.

Q 2 b) AusGroup made an additional allowance for impairment of receivables about \$1.2m vs 2021 A\$217,000. Please explain the huge increase. Is there an issue with collecting debts?

A 2 b) Additional impairment made on a legacy receivable in Malaysia due to non-recovery from client. No issue with collecting debts.



SHAREHOLDER QUESTIONS

Q 2 c) AusGroup has been making more impairments on the Port Melville. Please explain why AusGroup is unable to generate earnings from the Port. Is it lack of expertise or?

A 2 c) The Port is a challenging business and since acquisition has not generated earnings due to a lack of economic development and demand for Port services from the Tiwi Islands. We have successfully commercialised the Port and have the required expertise to operate it safely. We have expanded the customer base through the provision of diesel fuel to multiple customers – with some on a take or pay basis.



SHAREHOLDER QUESTIONS

Q 3) When Ausgroup bought the rights to the Port, what was the plan to use the port for and how is it that nothing comes to fruition?

A 3) The plan was for the port to be used to supply fuel to the US Navy and to continue to support the export of wood. No contract with the US Navy came to fruition so the Port has been trying to secure alternative customers. The Port continues to support the export of wood from the Tiwi Islands.



SHAREHOLDER QUESTIONS

Q 4) There is a Multicurrency notes due in 2022 about A\$41m. How is Ausgroup going to redeem these notes. Any concrete plans?

A 4) The Company has had various meetings with noteholders to negotiate an extension to the note programme. A Consent Solicitation Statement has been drafted and is currently being reviewed by various legal counsels and it is expected to be voted on in mid November and, if required, in early December.



SHAREHOLDER QUESTIONS

Q 5) Is there a chance that Ausgroup will be wound up if the Multicurrency notes goes into default and action is brought against Ausgroup by noteholders.

A 5) The Company has had various meetings with the noteholders to negotiate an extension to the note programme so we are working with the noteholders to extend the notes beyond the current expiry date.



SHAREHOLDER QUESTIONS

Q 6) Ausgroup said it has A\$882m contract works in hand. What does it translate to in profits for 2022 and 2023?

A 6) We do not provide forecast profit guidance.



SHAREHOLDER QUESTIONS

Q 7) From Annual Report 2022, Ausgroup's gross profit margin shrank to only about 3% of revenue. The gross margin is hardly enough to cover fixed costs like admin costs, resulting in loss.

The admin costs increased by A\$2.7m compared to FY2021 despite squeezed profit margin. Please explain how Ausgroup bid for contracts and how it manages its costs and what it plans to do to make a profit.

A 7) As detailed in the Annual Report 2022 we have a very challenging project, the East Rockingham Waste to Energy project that has put pressure on margins due to outstanding claims with the client which are subject to ongoing confidential negotiations. We have a disciplined process to bid for contracts to consider the timeframe, specialist skills, long lead time requirements and personal requirements. Whilst we go through a disciplined process there are individual contracts that present unique issues.





Current clients and Market outlook



CLIENT GROWTH AND DIVERSIFICATION

Resources

RioTinto

Long term contracts – Delivering Shutdown and construction services



New term contract – Delivering Construction services

BHP

Multi-year contract delivering Fabrication and shutdown services



AusGroup October 2022 AGM

Energy



Fabricating 60 Tanks for the new Lithium plant



Long term contract - Ongoing Maintenance and Turnaround work



Term contract - Maintenance services contract on the Shell FLNG facility.



TIANQI LITHIUM

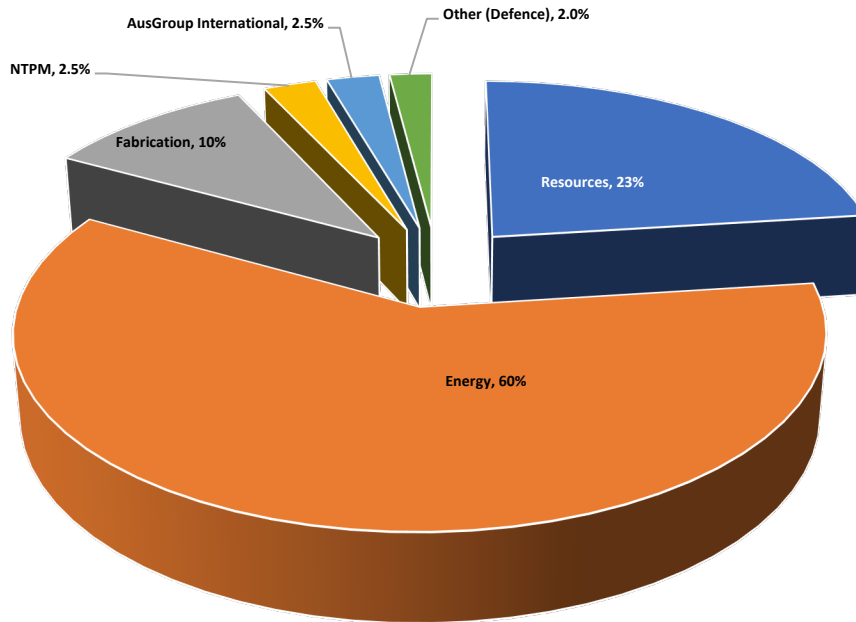
Term contract - Maintenance services contract on the Lithium facility



Term contract - Maintenance and shutdown services

SECTOR SPLIT AND MARKET OUTLOOK

AusGroup Revenue by Sector



Resources

- Nickel and Lithium demand expected to drive investment and project development in this sector
- Iron Ore continues to be the major export commodity from Western Australia and is drawing increasing expansion capital for projects and sustaining capital

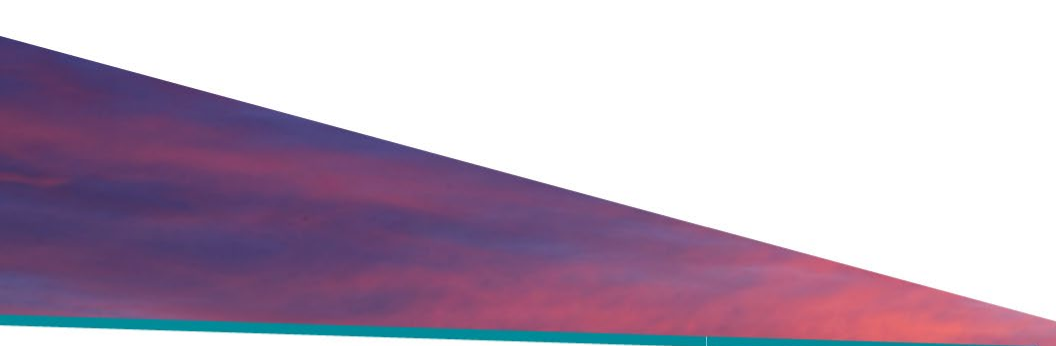
Energy

- LNG demand continues to be strong with many subsea infill projects now being awarded
- Many multi-year maintenance contracts expected to come to market
- Significant rectification and sustaining capital expenditure expected in the short to medium term
- Lithium and Ammonia expansions continue across Western Australia

Fabrication

- Local fabrication growth remains strong due to offshore covid and shipping logistics





Thank You

