



GR Engineering Services Limited

Investor Presentation

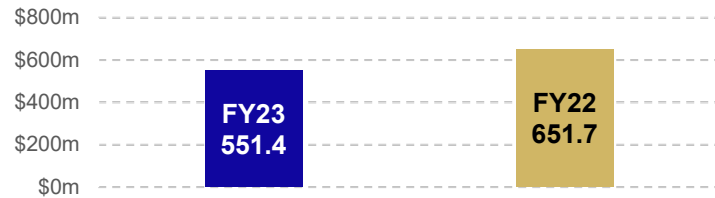
23 August 2023

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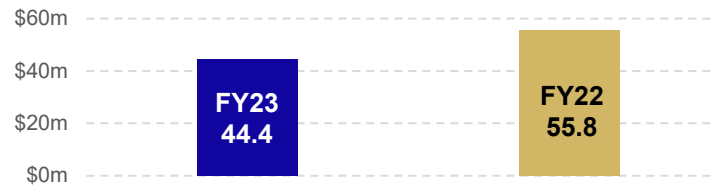
FY23 Results Summary

Earnings

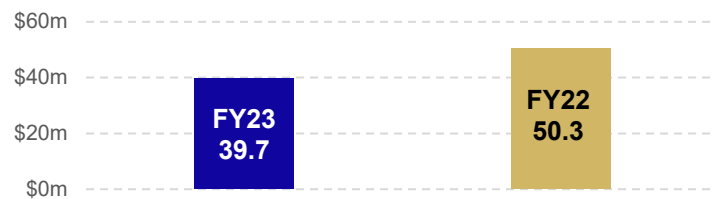
Revenue



EBITDA



PBT

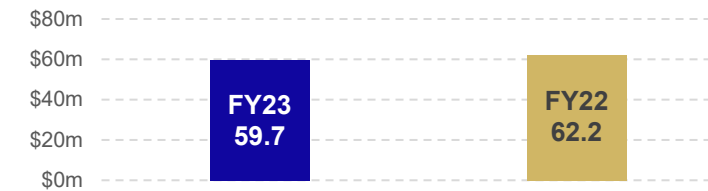


Balance Sheet & Cash Flow

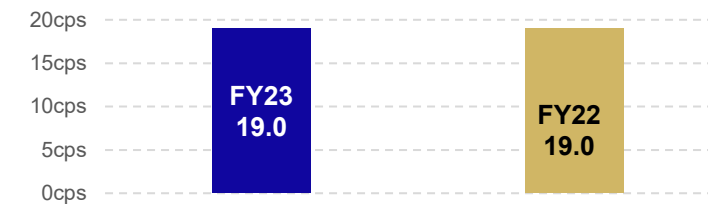
Cash



Net Assets



Total Dividends (Fully Franked)



FY23 Results

- GR Engineering reported FY23 revenue of \$551.4 million and EBITDA of \$44.4 million.
- FY23 revenue was higher than the revenue guidance of \$500 million to \$530 million provided at the Annual General Meeting on 23 November 2022.
- The EBITDA margin percentage improved in the second half of FY23 and the FY23 margin percentage of 8.0% is consistent with historical levels.
- During FY23, GR Engineering successfully delivered multiple major projects, including the Thunderbox 6 Mtpa Expansion Project, the Abra Base Metals Project, the Mt Ida Gold Project and the Norseman Gold Project.
- The Group Total Reportable Injury Frequency Rate for FY23 was 11.42.
- The Board has resolved to declare a final fully franked dividend of 10 cents per share, resulting in total FY23 fully franked dividends of 19 cents per share (FY22 fully franked dividends: 19 cents per share).



Balance sheet

- Strong balance sheet maintained at 30 June 2023.
- At 30 June 2023, GR Engineering held a cash balance of \$86.0 million (30 June 2022: \$102.0 million) with negligible external bank debt.
- During FY23, the business paid out \$30.7 million in fully franked dividends to GR Engineering shareholders.
- GR Engineering has significant headroom on its combined bank guarantee and bonding facilities.



Mineral Processing

- GR Engineering's design and construction order book of current work includes:

Company	Project	Type	(\$'m)
BHP Group Limited	West Musgrave Project	EPCM, EPC	312.0
Kimberley Mineral Sands JV	Thunderbird Mineral Sands Project	EPC	179.5
Golden Spur Resources Pty Ltd	Bellevue Gold Project	EPC	87.8
IGO Ltd	Cosmos Nickel Operations	EPC	76.0

- In addition to the above ongoing projects, GR Engineering maintains a solid pipeline of near term work opportunities including, but not limited to, the Kainantu Gold Mine – 1.2 Mtpa Process Plant and the Yangibana Rare Earths Project – Beneficiation Plant.
- At 30 June 2023, GR Engineering was engaged on 30 studies across a broad range of commodities for projects in Australia, the Americas and abroad.



Energy - Upstream PS

- GR Engineering's wholly owned subsidiary, Upstream PS, generates longer term operations and maintenance services revenue alongside project based design and construction work.
- During FY23, revenue contributions were primarily from:
 - Wellsite and plant maintenance work for Santos in eastern Australia. Upstream PS has recently significantly expanded its service offering to Santos in the Cooper Basin;
 - Timor Sea operations and maintenance services, including services provided to Eni's Blacktip gas field production facilities (onshore and offshore);
 - Working with the Australian Government to maintain the Northern Endeavour FPSO in a non-producing state. This project was successfully completed on 30 September 2022.
 - Operations and maintenance services to an industry leading green hydrogen production facility (ENEOS); and
 - Supporting onshore clients with respect to carbon sequestration services.
- On 26 June 2023, Upstream PS was awarded a five year contract with QPM, with an option for a further 5 years, to provide regulated operations and maintenance services for the Moranbah Gas Plant and associated assets (together the 'MGP'). The contract is conditional on transition of ownership of the MGP from Arrow Energy to QPM.







Process Controls Systems - Mipac

- Mipac is a leading global provider of controls systems, operational technology and engineering services primarily in the mineral processing, energy and water industries.
- During FY23, Mipac continued to deliver solutions for key repeat clients such as First Quantum Minerals Limited, BHP Group Limited, Glencore Technology, Anglo American and other large conglomerates.
- Mipac achieved another record revenue and earnings result for FY23 and continues to operate at a high utilisation based on its strong contracted and near term pipeline of work.



Environmental Social Governance

- At GR Engineering we:
 - Support our communities, including:
 -  Ronald McDonald House Charities[™]
Western Australia
 -  Starlight
Children's Foundation
 -  Australian Red Cross
Lifeblood[®]
 -  RUOK?[™]
A conversation could change a life.
 - Promote and encourage diversity in our workforce and operations. We recognise that a diverse workforce is a contributor to the business achieving its strategic objectives.
 - GR Engineering regularly partners with its clients on social ventures, particularly in relation to initiatives involving the regional communities in which our clients operate.
 - Favour local suppliers and supply chain ethics that are supported by our standards. The risk of modern slavery in our supply chain and operations is low.
 - Maintain a proactive assessment towards potential environmental impacts. We work closely with our clients and adhere to their environmental management plans.
 - Support university engineering students with scholarships and maintain an active graduate recruitment program.



Outlook

- GR Engineering's contracted and near term pipeline across the group is strong and is continuing to grow. GR Engineering is also currently working on a high volume of studies across a broad range of commodities and geographies.
- Based on the strong pipeline and the high levels of study work, GR Engineering's medium to long term visibility for project work remains high.
- GR Engineering intends to provide FY24 revenue guidance at its 2023 Annual General Meeting.
- GR Engineering's strong balance sheet means that it is well capitalised to deliver its pipeline of work.



Current Clients

GR Engineering

BHP


BELLEVUE
GOLD


igo


KIMBERLEY
MINERAL SANDS
THUNDERBIRD OPERATIONS PTY LTD

K92
MINING INC.


HASTINGS
Technology Metals Limited


CENTAMIN


BOAB
METALS LIMITED


FREEPORT-
McMoRAN


ASARCO
GRUPO MEXICO

Upstream Production Solutions

Santos


eni


QUEENSLAND
PACIFIC METALS

Chevron



VINTAGE ENERGY

Mipac

GLENCORE
TECHNOLOGY


FIRST QUANTUM
MINERALS

BHP

 AngloAmerican

 OK TEDI
MINING

Corporate Profile

Capital Structure

Shares on issue	<i>m</i>	161.6
Share price (<i>GNG.ASX</i>) (18 Aug 2023)	<i>\$</i>	2.24
Market Capitalisation	<i>\$m</i>	362.0
Cash (30 Jun 2023)	<i>\$m</i>	86.0
Debt (30 Jun 2023) (excluding lease liabilities)	<i>\$m</i>	0
Enterprise Value	<i>\$m</i>	276.0

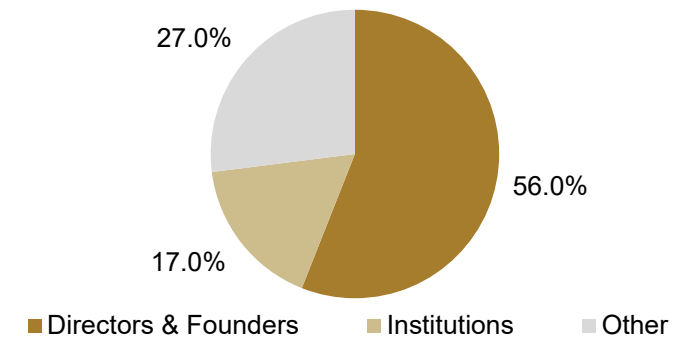
Share Price History



Directors & Management

Phillip Lockyer	<i>Non-Executive Chairman</i>
Tony Patrizi	<i>Managing Director</i>
Peter Hood	<i>Non-Executive Director</i>
Joe Totaro	<i>Non-Executive Director</i>
Omesh Motiwalla	<i>Chief Financial Officer</i>

Register Analysis



Contact Details

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Key locations

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ROUNDING

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.