



GR Engineering Services Limited

Investor Presentation

22 February 2024

HY24 Results

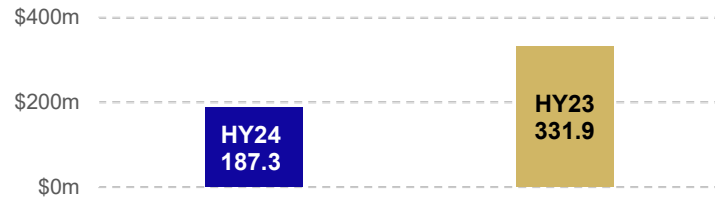
- GR Engineering reported HY24 revenue of \$187.3 million and EBITDA of \$22.6 million.
- During HY24, GR Engineering successfully delivered multiple major projects, including the Thunderbird Mineral Sands Project, Bellevue Gold Project and Cosmos Nickel Concentrator Facility Upgrade.
- The solid operational performance and the completion of multiple major projects resulted in a stronger EBITDA performance compared to the prior corresponding period.
- The Group Total Reportable Injury Frequency Rate for HY24 was 2.62. GR Engineering recorded one LTI during the half year period.
- The Board has resolved to declare an interim fully franked dividend of 9.0 cents per share, (HY23 fully franked dividends: 9.0 cents per share).
- During the last six months, GR Engineering's shareholder base has increased from 3,346 shareholders to 3,773 shareholders.



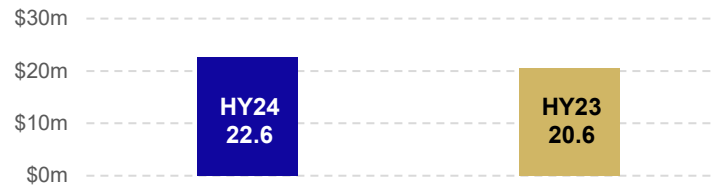
HY24 Results Summary

Earnings

Revenue



EBITDA

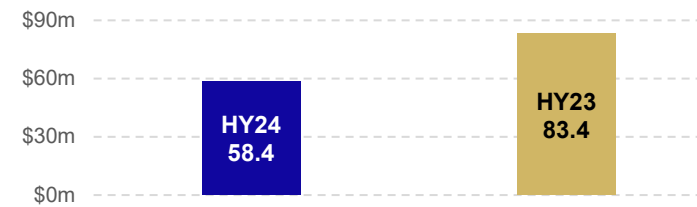


PBT

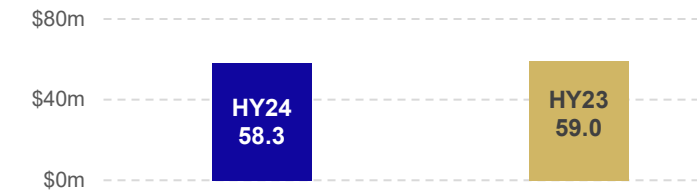


Balance Sheet & Cash Flow

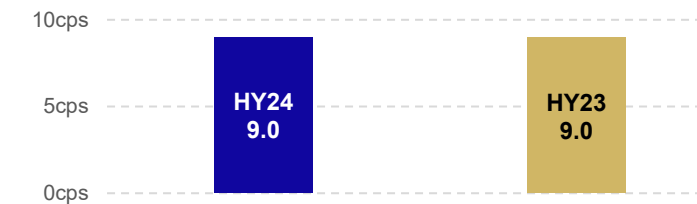
Cash



Net Assets



Dividends (Fully Franked)*



* Represents interim dividend

Balance sheet

- Strong balance sheet maintained at 31 December 2023.
- At 31 December 2023, GR Engineering held a cash balance of \$58.4 million with negligible external bank debt.
- During HY24, the business paid out \$16.5 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
Evolution Mining Limited	Mungari Future Growth Project	EPC	155
K92 Mining Ltd	Kainantu Gold Mine – 1.2 Mtpa Process Plant	EPC	USD81
Hastings Technology Metals Limited	Yangibana Rare Earths Project – Beneficiation Plant*	EPC	210

*Contract executed, pending full notice to proceed. Early works continued up to a capped amount

- In addition to the above ongoing projects, GR Engineering maintains a solid pipeline of near term work opportunities across a broad range of commodities.



Energy – GR Production Services (GRPS)

- GR Engineering’s wholly owned subsidiary, GR Production Services (GRPS), generates longer term operations and maintenance (O&M) services revenue alongside project based design and construction work.
- GRPS’s contracted pipeline includes, but is not limited, to the following key projects:

Company	Project	Start date	Contract term (excluding options)	Estimated \$’m per annum
QPM Energy Pty Ltd	Moranbah Gas Plant – O&M	2023	5 years	30
Santos Ltd	Surat Basin – maintenance	2021	3 years	10
Santos Ltd	Cooper Basin – maintenance	2023	3 years	10
Eni Australia	Blacktip Gas Field – O&M	2022	2 years	10
INPEX Operations Australia	Ichthys LNG Project – O&M	2023	3 years	9




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 HY24, 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 continues to operate at a high utilisation based on its strong contracted and near term pipeline of work.
- On 1 February 2024, Mipac entered into an agreement to acquire Paradigm Engineers (Paradigm), a provider of control systems and electrical engineering automation and technology services based in Western Australia.
- This strategic transaction enhances Mipac’s control system and design capabilities and expands its existing footprint in Western Australia. Paradigm has significant expertise working across a range of commodities, including iron ore, gold and battery minerals.
- The purchase price is \$9.0 million, with 50% payable in cash and 50% payable in GR Engineering scrip, subject to voluntary escrow. It is anticipated that completion will occur on or around 29 February 2024.




Environmental Social Governance


- At GR Engineering we:
 - Support our communities, including:




Ronald McDonald House Charities[™]
Western Australia



Starlight
Children's Foundation



Royal Flying Doctor Service



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.
 - Regularly partner 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 contracted and near term pipeline and ongoing study work, GR Engineering's visibility for project work remains high for FY24 and FY25.
- As previously advised at the Annual General Meeting in November 2023, the consolidated entity expects revenue for FY24 to be in the range of \$500 million to \$530 million.
- GR Engineering's strong balance sheet means that it is well capitalised to deliver its pipeline of work.
- GR Engineering will continue to assess potential strategic growth opportunities that provide scale, diversity and technical expertise to the business.



Corporate Profile

Capital Structure

Shares on issue	<i>m</i>	165.0
Share price (<i>GNG.ASX</i>) (20 Feb 2024)	\$	2.29
Market Capitalisation	\$m	377.9
Cash (31 Dec 2023)	\$m	58.4
Debt (31 Dec 2023) (excluding lease liabilities)	\$m	0
Enterprise Value	\$m	319.5

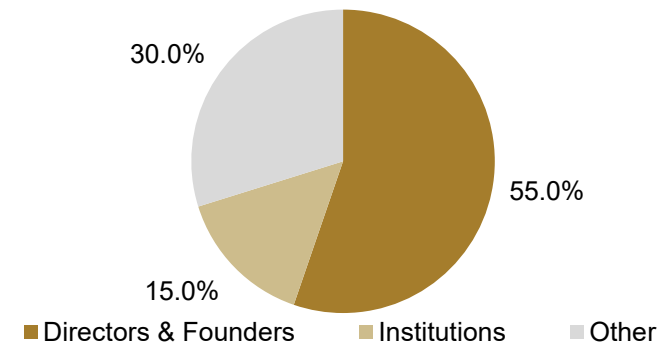
Share Price History



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.