



GR ENGINEERING SERVICES
ENGINEERING CONSULTANTS AND CONTRACTORS

ASX RELEASE

22 November 2018

For immediate release to the market

Annual General Meeting presentation – outlook statement

GR Engineering Services Limited (ASX:GNG) (**GR Engineering**) will today hold its 2018 Annual General Meeting.

The presentation materials to be delivered at the meeting follow this announcement and include an outlook statement at slide 7 addressing GR Engineering's revenue forecasts for FY19.

GR Engineering confirms details of the outlook statement that revenue for the half year ending 31 December 2018 is likely to be in the range of \$80 million - \$85 million, with forecast total revenue for FY19 in the range of \$220 million - \$240 million.

Please refer to the Annual General Meeting presentation for further details.

Ends

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GR ENGINEERING SERVICES LIMITED



2018 Annual General Meeting Presentation
22 November 2018

FY18 Results Summary



WHERE TO GO
HOW TO GET THERE



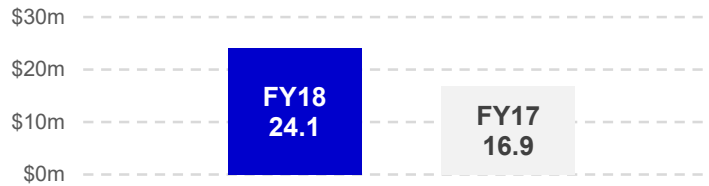
UP CS07/01

Earnings

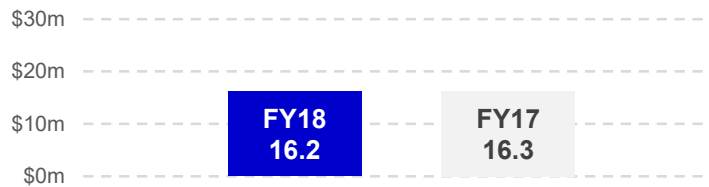
Revenue



EBITDA¹

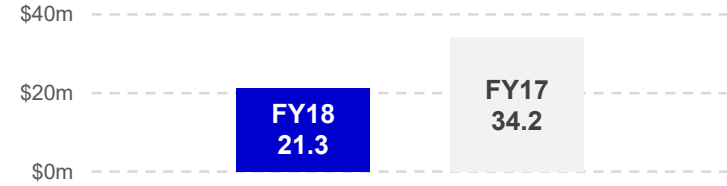


PBT

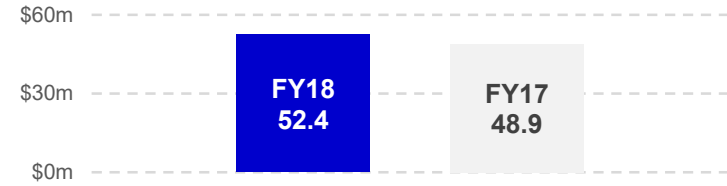


Balance Sheet & Returns

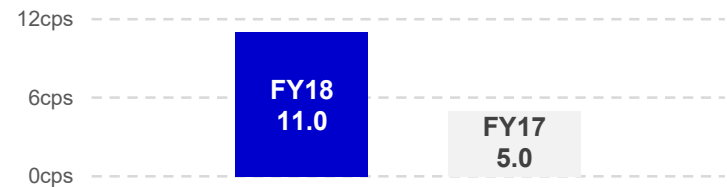
Net Cash (ex. available facilities)



Total Equity



Total Dividend



1. FY18: Underlying EBITDA adopted. Excludes one-off bad debt expenses of \$7.0 million primarily associated with the settlements agreed in relation to EPC contracts for the Hemerdon Tungsten & Tin Project and Davyhurst Refurbishment Project.



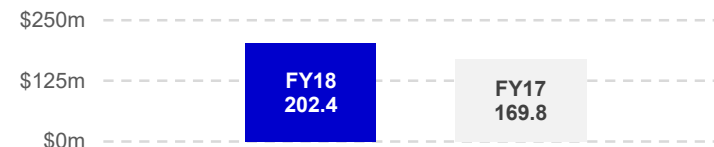
FY18 Results Summary

Key Features

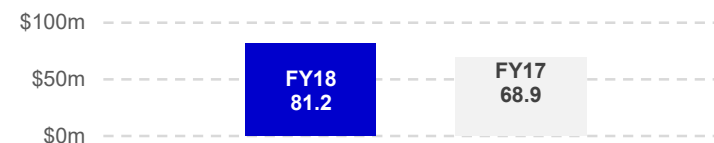
- Mineral processing revenue growth achieved from strong levels of contracting activity, primarily from EPC projects
 - Commissioned two new 2.5Mtpa gold processing plants
 - Positive project delivery outcomes achieved
- Preferred tenderer status for Thunderbird Mineral Sands Project and Karlawinda Gold Project – early works commenced
- Positive contributions from Upstream PS through operations and maintenance service delivery
- Completed Perth office consolidation
- Settlement of Hemerdon Tungsten & Tin project and Davyhurst Refurbishment project matters
- Group FY18 TRIFR: 8.62

Segment Revenue

Mineral Processing



Oil & Gas

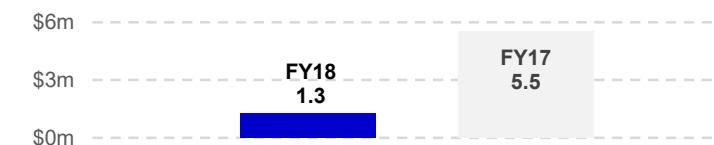


Segment PBT

Mineral Processing



Oil & Gas



FY18 Operational Performance

MILL FEED
CONVEYOR CY22
32-119-02

3302
WEIGHT METER
320-71-01

WHEN IN DUBAI - HAVE
BY MT SEA



UP CS/27/01

Mineral Processing

Design and Construction

- Successful operational outcomes achieved on key projects completed in FY18:
 - Mt Morgans: 2.5Mtpa gold processing plant - \$107 million
 - Dalgaranga: 2.5Mtpa gold processing plant - \$66.5 million
 - Sunrise Dam REP: gold processing plant brownfields upgrade - \$31.3 million
- Several positive demonstrations of GR Engineering's standing as a proven EPC contractor in its market

Studies and Consulting

- Completed 47 studies and engaged on a further 30 studies at completion of FY18
- Commodity and geographic exposure in study activity remains diverse



FY18 Operational Performance



Oil & Gas

- Solid contribution to group revenue and earnings from Upstream Production Solutions
- Matured further into project roles commencing in FY16 / FY17
- Presence in Perth basin reduced with change of control in assets and O&M in-sourcing. Upstream PS remains active at the Waitsia, Xyris and Dongara processing facilities
- Scope growth and term extensions on existing well management contracts in Bowen and Surat basins
- Contracted operations and maintenance services continued in Timor Sea on the Northern Endeavour FPSO and Blacktip / Yelcherr facilities

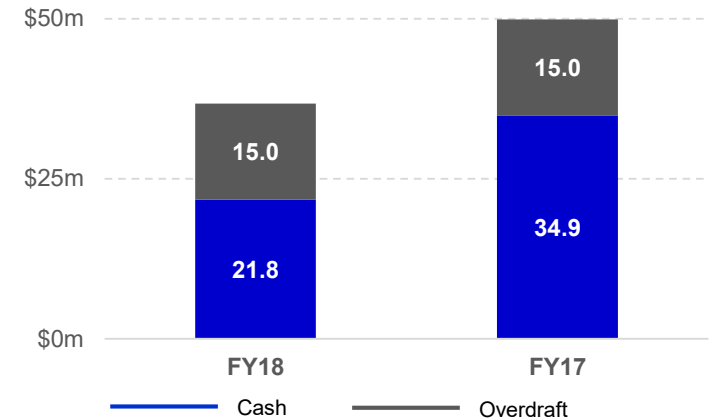


Balance Sheet

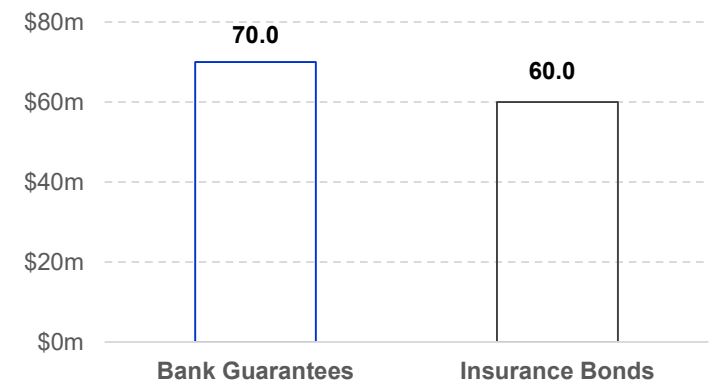
Key Features

- Strong balance sheet maintained
 - Cash: \$21.8 million
 - Interest bearing debt: \$0.5 million
 - Overdraft facilities of \$15 million (undrawn)
- Significant bonding headroom
 - \$130 million total project bonding facilities
 - Bank guarantee facility: \$70 million
 - Insurance bond facility: \$60 million
- GR Engineering well placed to meet future bonding requirements under all growth assumptions, including where order book increases in value and project quantum

Available liquidity



Bonding Facilities



Outlook

- Active EPC contracts at Carosue Dam in Western Australia (\$17.9 million) and Fosterville in Victoria (\$23.9 million) that commenced in 1H19
- 1H19 revenue is likely to be in the range of \$80 million - \$85 million (1H18 \$177 million)
- Thunderbird Mineral Sands Project EPC contract signed in November 2018. The scale of revenue contributions from Thunderbird will be dependent on the timing of GR Engineering receiving a notice to proceed
- Based on management forecasts of Thunderbird EPC activity levels in 2H19, GR Engineering has forecast total FY19 revenue of \$220 million - \$240 million



Appendix: Corporate Summary

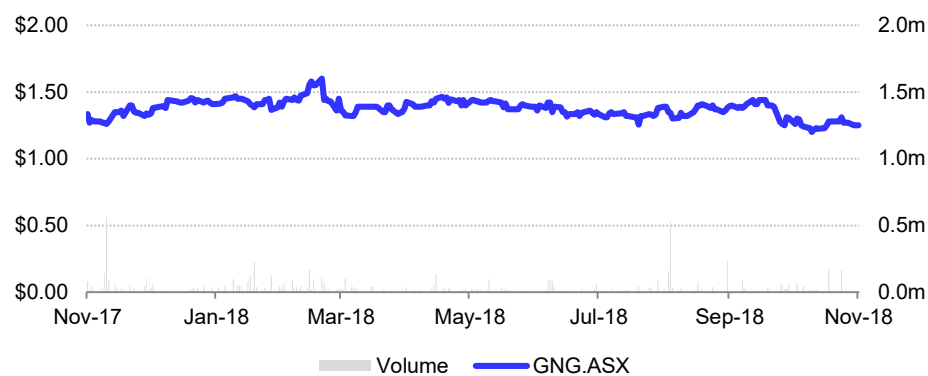
Capital Structure

Shares on issue	<i>m</i>	153.5
Share price (<i>GNG.ASX</i>) (21 Nov 18)	\$	1.25
Market capitalisation	\$m	191.9
Cash (30 June 2018)	\$m	21.8
Debt (30 June 2018)	\$m	0.5
Enterprise Value	\$m	170.6

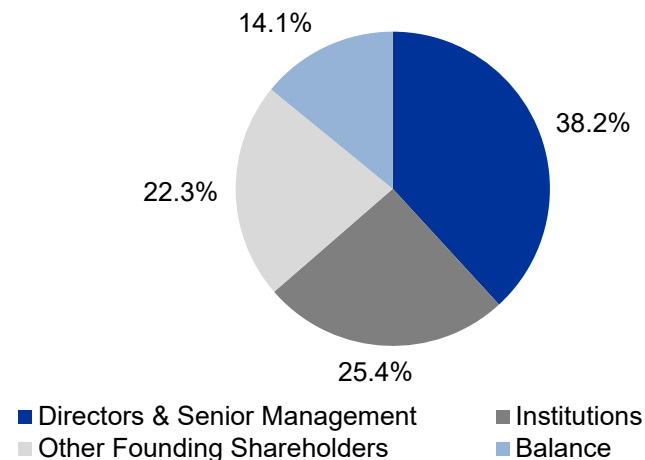
Directors & Management

Phillip Lockyer	<i>Non-Executive Chairman</i>
Geoff Jones	<i>Managing Director</i>
Tony Patrizi	<i>Executive Director</i>
Barry Patterson	<i>Non-Executive Director</i>
Peter Hood	<i>Non-Executive Director</i>
Joe Totaro	<i>CFO & Company Secretary</i>

Share Price Performance



Register Analysis



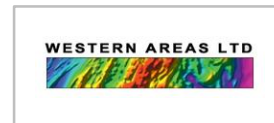
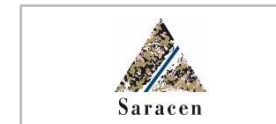
Appendix: About GR Engineering

GR Engineering



- Process engineering design and construction contractor servicing the mining and minerals processing industry
- Specialising in EPC / EPCM contracting to provide project delivery with secure cost, time, plant performance and contract completion warranties and guarantees
- Australian offices in Perth and Brisbane. Offshore presence in Africa, United Kingdom, PNG, Indonesia and the Americas
- Expertise in gold, base metals, uranium and industrial mineral commodities

Selected Clients



Upstream Production Solutions



- Oil and gas services business providing operations, maintenance, well management and engineering services to Australian oil and gas industry
- Strong presence on and offshore Perth Basin, Timor Sea and Queensland

Selected Clients



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