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Full Year Results Presentation Year Ended 30 June 2019



28 August 2019

About SCEE



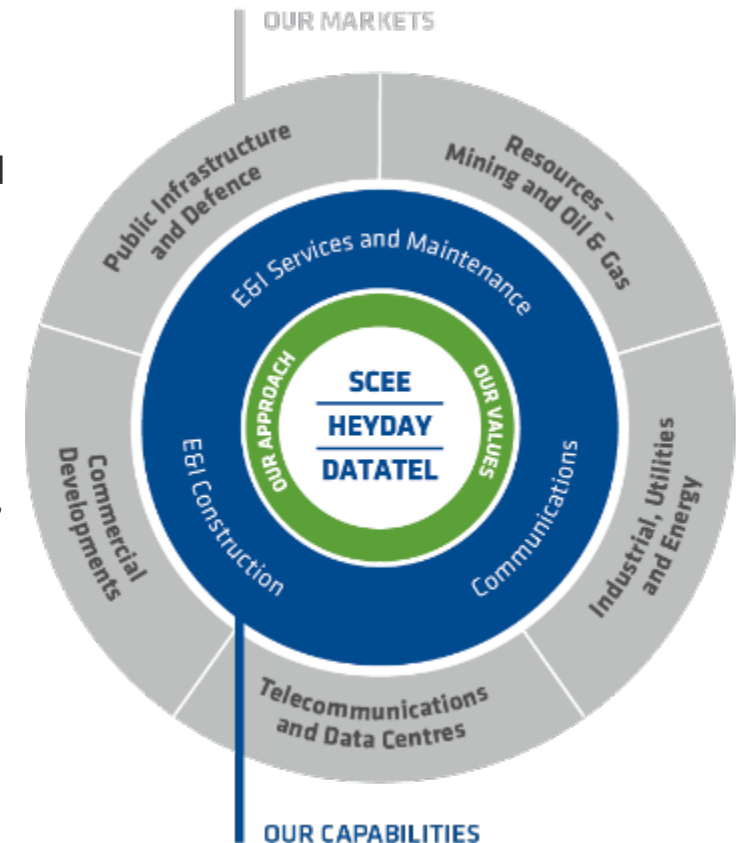
E&I Contractor Southern Cross Electrical Engineering (SCEE) is an ASX listed electrical, instrumentation, communication and maintenance services company recognised for our industry leading capabilities

Combination Established in 1978 in WA, the combination in 2016 with Datatel Communications (established 1998) and in 2017 with East Coast-based Heyday5 (business established 1978) has created a national group

Markets SCEE now operates across five sectors: Resources, Commercial, Public infrastructure and defence, Telecommunications and datacentres, and Industrial, energy and utilities

People 1,350 employees including engagement of 148 electrical apprentices and telecommunications trainees

Safety Original SCEE business 14.6 million man-hours and 15 years Lost Time Injury free in Australia



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Financial

Full year revenue of \$386.0m up 11%, EBITDA of \$23.6m up 13% and NPAT of 12.7m up 51% on prior year primarily due to growth in public infrastructure activity

Strong second half with EBITDA up 62% on first half

Balance sheet remains strong with total cash of \$53.3m and no debt and term deposits restricted at 31 December 2018 released

Fully franked 3 cents per share dividend declared and Dividend Reinvestment Plan established

Operational

Commercial and infrastructure overtook resources as largest revenue contributors

Significant wins included Westconnex M4 and M5 motorway tunnels, multiple commercial building and fit-out awards at Parramatta Square and at Wynyard Place

Commenced first WA Metronet and NBN maintenance projects

Completed at Rio Tinto Amrun, University of Canberra Hospital and Chevron Wheatstone LNG plant

Anticipating commercial resolution of resources projects completed earlier in year in upcoming period

Outlook

Targeting FY20 revenues over \$420m

Order book of \$450m includes over \$360m of work secured for FY20 representing over 80% of FY20 revenue target

Strong business development pipeline exceeding \$2.7bn including over \$600m of submitted tenders

NSW commercial and infrastructure pipeline strong including tendering on Sydney Metro

Resources bidding very active across multiple commodities

Foreseeing significant acquisition opportunities presenting in short to medium term

Strong second half



H2 revenue \$204.2m v H1 revenue \$181.8m and H2 EBITDA \$14.6m v H1 EBITDA \$9.0m

Full year revenue of \$386m slightly behind “over \$400m” forecast as M4 Westconnex demobilised earlier than expected

However EBITDA ahead of consensus

All financial measures improved on prior year, primarily due to growth in infrastructure activity

Overheads as a percentage of revenue improved further from 6.9% in FY18 to 6.7% in FY19

Significant and diverse revenue contributors (\$20m+) included Rio Tinto Amrun, Westconnex M4 and M5, ATP Building 1, RAAF Tindal, Westmead Hospital and NBN roll-out

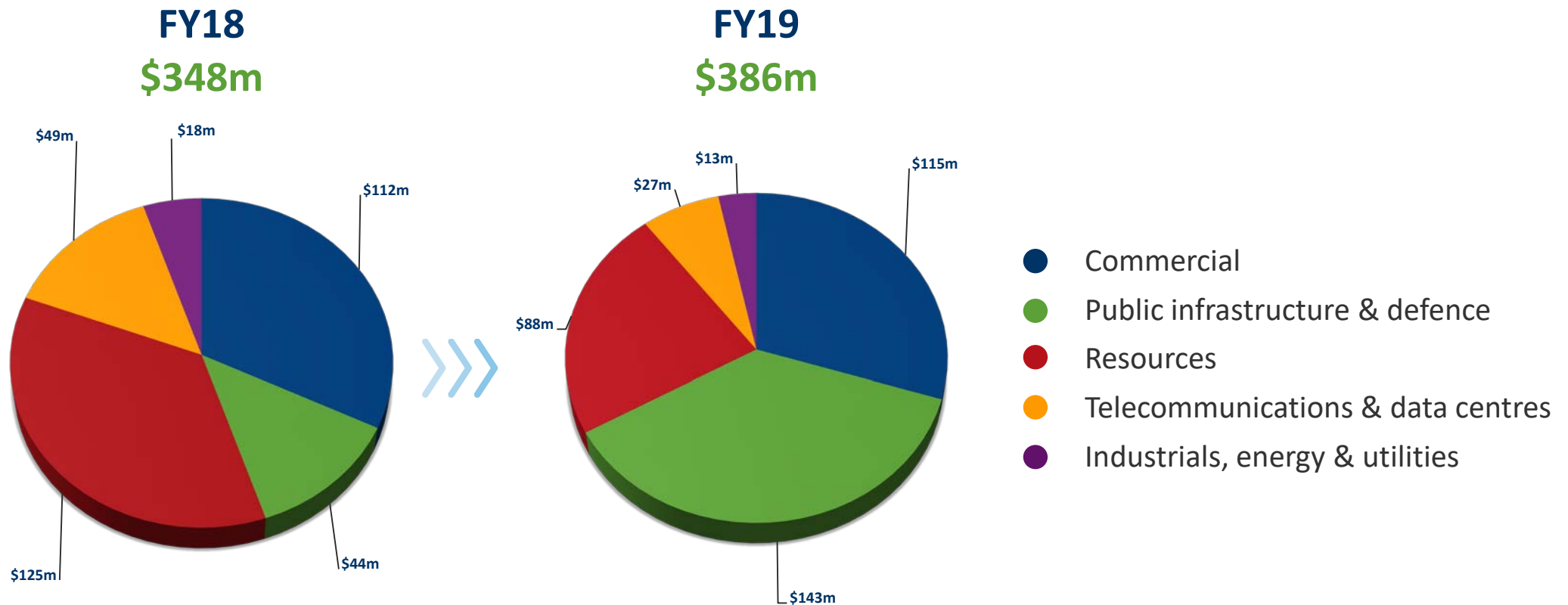
Summary financials:

	FY19	FY18	Chg. %
	\$m	\$m	
Revenue	386.0	347.9	11.0%
Gross Profit	47.6	41.6	14.4%
Gross Margin %	12.3%	11.9%	-
Overheads	25.7	24.1	6.6%
EBITDA	23.6	20.9	12.9%
EBITDA %	6.1%	6.0%	-
EBIT	19.4	14.2	36.6%
EBIT %	5.0%	4.1%	-
NPAT	12.7	8.4	51.1%
NPAT %	3.3%	2.4%	-

Infrastructure & commercial overtake resources



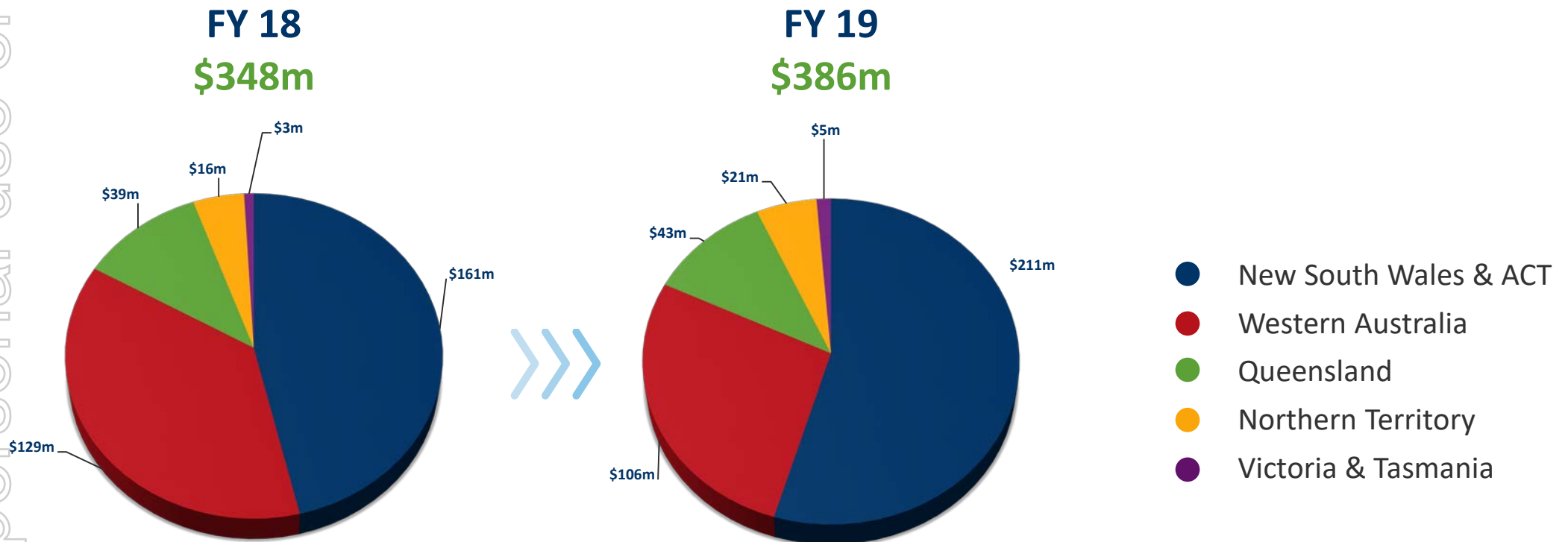
Revenue by sector:



East Coast growth continues

Revenue by geography:

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Strong balance sheet and debt-free



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Cash remains strong at \$53.3m at 30 June 2019 versus \$58.1m at 30 June 2018 and no debt

Restricted term deposits at 31 December 2018 all released in second half

Significant cash inflows anticipated on resolution of resources projects completed earlier in year

Banking and bonding facilities negotiated to increase total bonding capacity from \$60m to \$100m

Franking account balance at \$17.2m

Balance sheet summary:

	Jun 19	Jun 18
	\$m	\$m
Current assets	161.2	139.0
Non current assets	88.6	90.9
TOTAL ASSETS	249.8	229.9
Current liabilities	93.4	77.0
Non current liabilities	8.7	11.8
TOTAL LIABILITIES	102.1	88.8
EQUITY	147.7	141.1

Operating cash inflows

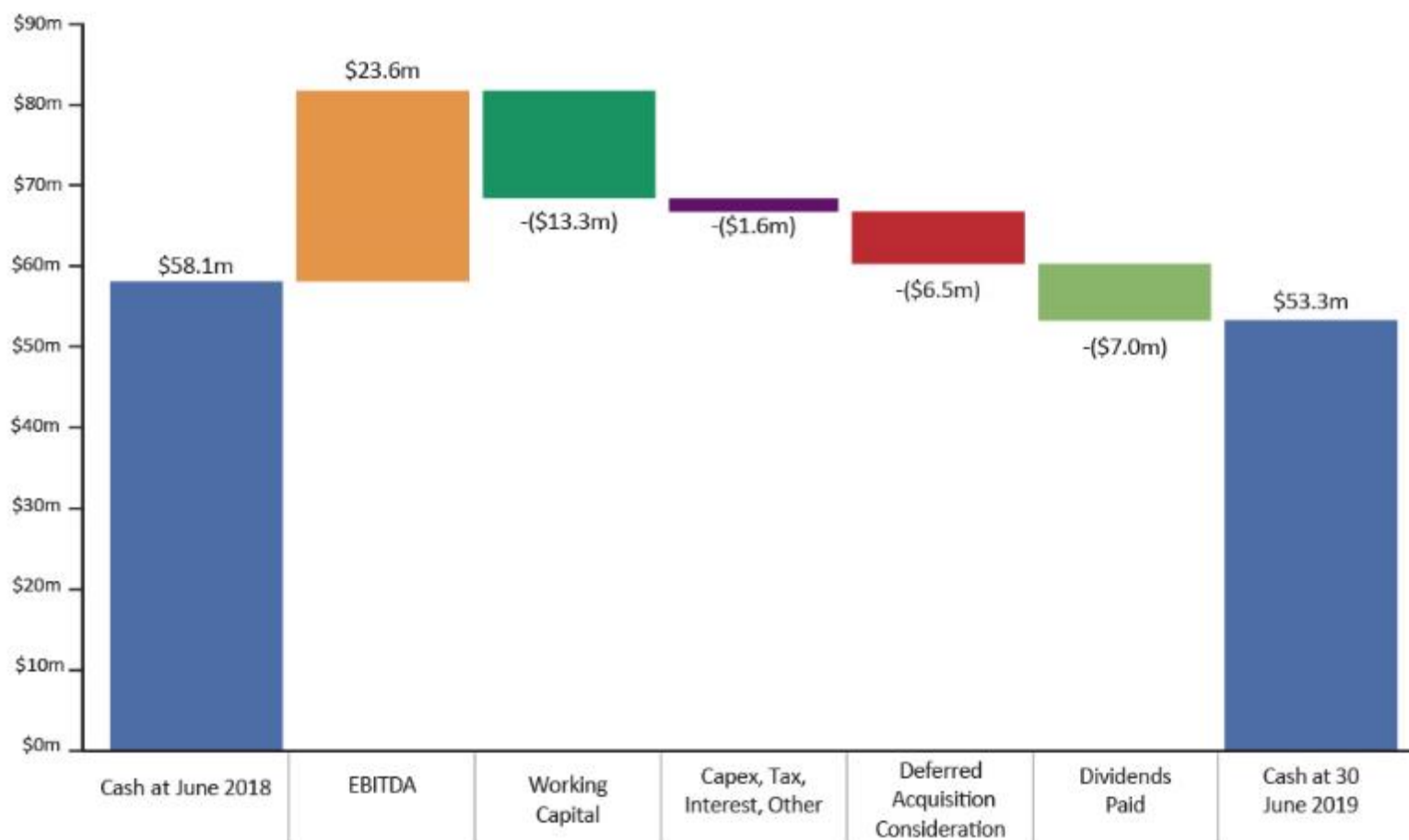


Operating cash inflow of 10.7m

Cash outflows of \$6.5m paid to Heyday vendors and \$7.0m dividends in first half

Capex of \$2.1m for the year and forecast to remain similar

Fully franked 3 cents per share dividend declared and Dividend Reinvestment Plan established



Bulk of FY20 work already secured



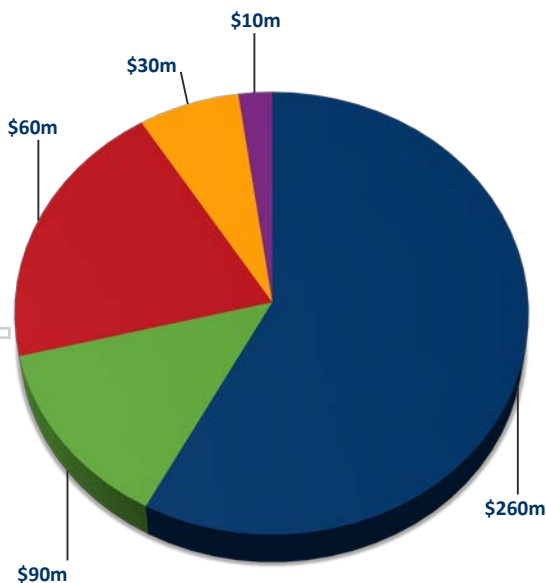
Order book of \$450m remains strong at similar levels to last year

Includes over \$360m of work secured for FY20 representing over 80% of FY20 revenue target

Largest component in New South Wales reflecting strong commercial and infrastructure markets

Order book by sector:

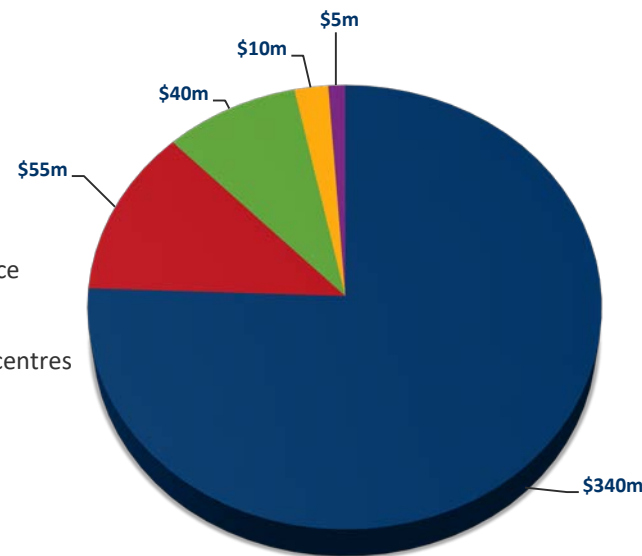
Jun 19
\$450m



- Commercial
- Public infrastructure & defence
- Resources
- Telecommunications & data centres
- Industrials, energy & utilities

Order book by geography:

Jun 19
\$450m



- NSW & ACT
- WA
- QLD
- NT
- VIC

Strategy and sector outlooks

Leading national diversified electrical contractor



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WA

Rio Tinto - Cape Lambert, Dampier
 EIR, Tom Price, Paraburdoo,
 Brockman 2, Yandi
 BHP – Newman, Port Hedland, Mt
 Whaleback, South Flank
 Sino Iron
 Wheatstone LNG
 Boddington Gold
 Mineral Resources Wodgina
 NorthLink Central Section
 UWA, City of Belmont, Casuarina
 Prison maintenance
 NBN construction
 Wireless networks construction
 Carrier networks construction
 Minor commercial works and
 services
 Woodman Point Waste Water
 Treatment

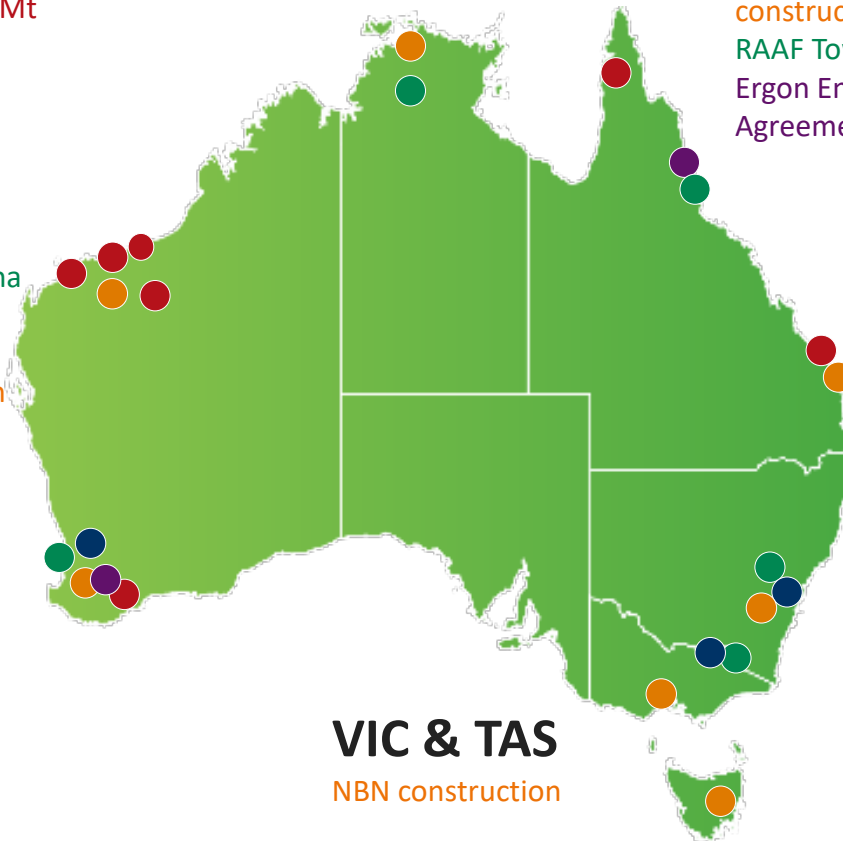
NT

Wireless networks
 construction
 RAAF Tindal

QLD

Rio Tinto Amrun
 Arrow MSA
 NBN construction
 Carrier networks
 construction
 RAAF Townsville
 Ergon Energy
 Agreement

- Commercial
- Resources
- Public Infrastructure & defence
- Telecommunications & data centres
- Industrials, energy & utilities



VIC & TAS

NBN construction

NSW & ACT

Parramatta Square 3 & 4 and fit-outs
 Australian Technology Park Building 1
 Duo Central Park
 Insurance Australia Group
 151 Clarence Street
 ISKIA
 Sovereign Resort Expansion
 Edmonson Park
 Wynyard Place
 100 Mount Street
 32 Smith Street
 Bank of China
 Westmead Hospital
 Westconnex M4 and M5
 Metronode Unanderra
 RU Data Centre

Strategy



SCEE primarily sees itself as an electrical contractor

Historically focussed in resources, over the last four years we implemented a strategy to diversify organically and acquisitively into commercial, infrastructure, defence, telecommunications, industrial, energy and utilities work

This successful diversification has meant the resources sector is now our third largest revenue generator after infrastructure and commercial and over 70% of revenues originate from the East Coast

Our growth strategy continues so as to realise further sector and geographic diversity through a combination of organic and acquisition activities

Organic growth will be achieved through our strong commercial and infrastructure pipelines and resources activity is increasing across multiple commodities

We foresee significant acquisition opportunities presenting in the short to medium term which offer both sector and geographic diversity

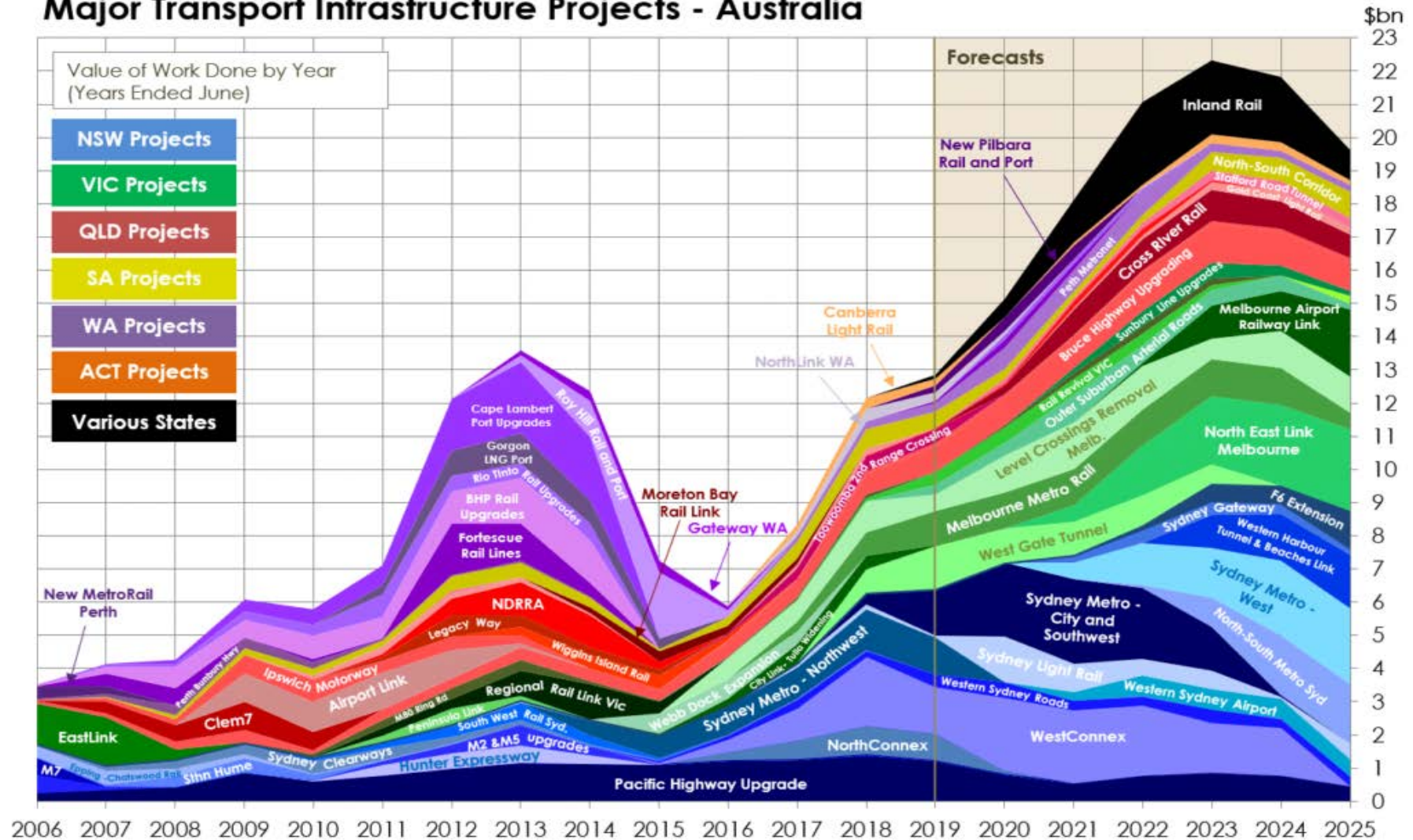


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Australia infrastructure gap

Australia forecasting 3rd highest population growth in OECD but ranked 28th for global infrastructure quality
 Significant investment sanctioned, with peak activity to come and electrical work generally later in cycle

Major Transport Infrastructure Projects - Australia



Macromonitor Australian Construction Outlook Overview, August 2019

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Public infrastructure and defence

Infrastructure SCEE's largest revenue sector

Sector primarily driven by government expenditure. Federal budget March 2019 committed over \$100 billion to land transport projects over next 10 years

Significant other federal, state and private infrastructure investment in defence, airports, ports, education, health and aged care

Work continuing at RAAF Tindal in Northern Territory and RAAF Townsville in Queensland. Minor works completed at Campbell Barracks and HMAS Stirling in WA. Significant pipeline of defence base work

Ongoing road projects at Westconnex M5 in NSW and in WA at Northlink. Completed at Westconnex M4. Won first award on Metronet rail program in WA at Forrestfield Airport Link. Multiple opportunities presenting at Sydney Metro both station infrastructure and associated commercial development

Completed at University of Canberra Hospital in ACT and ongoing at Westmead Hospital in Sydney. Positioning for other NSW hospital projects

Works at Woodman Point Waste Water Treatment plant in WA almost complete

Ongoing maintenance programs at Curtin University and UWA

Infrastructure revenue:

	FY19	FY18
	\$m	\$m
Revenue	143.4	44.1



Commercial largest component of SCEE order book

Multiple base-build and fit-out projects in Sydney and Canberra. Significant ongoing works include:

- Parramatta Square 3 & 4 base-builds and fit-outs
- Australian Technology Park Building 1
- Duo Central Park
- Insurance Australia Group
- 151 Clarence Street
- Sovereign Resort Expansion
- Edmonson Park
- Wynyard Place
- 100 Mount Street
- 32 Smith Street
- Bank of China

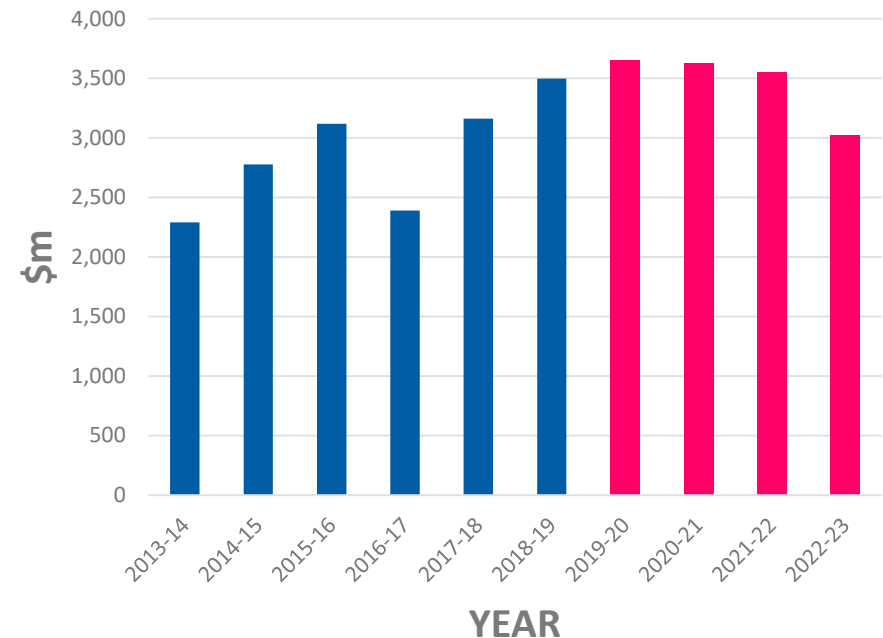
NSW commercial activity at high level and continuing for some years to come

Public infrastructure developments will lead to further wave of commercial development when completed

Commercial revenue:

	FY19	FY18
	\$m	\$m
Revenue	114.5	111.9

NSW Office and Other Commercial – Value of work done



ACIF Australian Construction Market Report, May 2019

Resources revenue reduced in FY19 as Wheatstone LNG completed early H2. No foreseeable LNG construction work in near-term although ongoing upstream CSG works in Queensland. Visibility of LNG developments in medium-term

Over \$20 billion committed capital expenditure on WA resources projects in 2019-2021

Completed two projects at Rio Tinto Amrun in H1. In lithium completed works for Mineral Resources Wodgina and at Tianqi Lithium Kwinana Plant

Actively pursuing opportunities in iron ore, zinc, bauxite and lithium construction

Ongoing sustaining capital and maintenance projects at multiple Rio Tinto and BHP facilities and mine sites

Continuing MSA work at Boddington Gold and Sino Iron

Resources revenue:

	FY19	FY18
	\$m	\$m
Revenue	88.2	125.3



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Telecommunications and data centres



Sector revenue declined as no significant data centre projects in year.

First two stages of RUData SYD53 Data Centre awarded in May 2019 and range of new data centres currently being tendered

NBN construction roll-out at peak and various NBN works continued in WA, QLD and VIC

Awarded first NBN maintenance and upgrading contracts in WA and nationally

5G commercial deployment beginning but delivery model still uncertain

Completed first mobile tower builds in wireless sector in WA and NT

Telco revenue:

	FY19	FY18
	\$m	\$m
Revenue	27.0	49.2



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Industrials, energy & utilities



Sector stable and provides flow of opportunities.

Currently tendering fuel terminal, power station and brickworks projects

Renewable energy project pipeline subdued compared to prior periods

Recently awarded Agnew wind farm electrical works in WA

Still pipeline of opportunities for SCEE for electrical construction portion of renewables projects

Ergon Energy Service Agreement in northern QLD ongoing

Industrials revenue:

	FY19	FY18
	\$m	\$m
Revenue	12.9	17.4



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Conclusion and outlook



- Full year revenue of \$386.0m up 11%, EBITDA of \$23.6m up 13% and NPAT of 12.7m up 51% on prior year
- Strong second half with EBITDA up 62% on first half
- Balance sheet remains strong with total cash of \$53.3m and no debt
- Fully franked 3 cents per share dividend declared and Dividend Reinvestment Plan established
- Targeting FY20 revenues over \$420m
- Order book of \$450m includes over 80% of FY20 revenue target already secured
- Strong business development pipeline exceeding \$2.7bn including over \$600m of submitted tenders
- Commercial and infrastructure pipeline strong
- Resources bidding very active across multiple commodities
- Foreseeing significant acquisition opportunities presenting in short to medium term

Capital Structure

ASX Code	SXE
Share Price (26 August 2019)	50.5c
No. of ordinary shares	234.1m
Market Capitalisation (26 August 2019)	\$118.2m
Number of performance rights	3.6m
Total Cash (30 June 2019)	\$53.3m
Debt (30 June 2019)	Nil
Enterprise Value (26 August 2019)	\$64.9m

Shareholders at 2 August 2019 (%)

Thorney Investments	15.6%
Colonial First State (Mitsubishi UFJ)	8.3%
Westoz Funds Management	5.3%
Other Institutions	23.5%
Frank Tomasi	20.0%
Others (Retail, Private, Employees, Directors)	27.3%
Total	100.0%

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