

21 February 2023

MONADELPHOUS REPORTS 2023 HALF YEAR RESULTS

Revenue \$953 million¹

- **Record half year Maintenance and Industrial Services revenue**
- **High levels of Engineering Construction tendering activity**

Net profit after tax of \$29.1 million; EPS 30.5c

Improved EBITDA margin

Interim dividend of 24c

Secured approximately \$945 million of new contracts and extensions

Industry labour shortages remain a significant challenge

Outlook for Monadelphous' core markets remains strong

Engineering company Monadelphous Group Ltd (ASX: MND) ("the Company") today announced revenue of \$953 million¹ for the six months ended 31 December 2022.

The Company's Maintenance and Industrial Services division achieved a record half year revenue of \$676.8 million, up 13.5 per cent on the prior corresponding period. The result was driven by a strong demand for maintenance services across the resources and energy sectors on the back of favourable commodity prices, high levels of production and aging site infrastructure.

As previously forecast, the Engineering Construction division experienced lower levels of activity due to a number of significant construction projects completing in the previous financial year and the timing of the award and commencement of new projects. The division reported revenue of \$277.7 million¹ for the six months, and experienced high levels of tendering activity associated with the strong pipeline of new resource development projects.

Since the beginning of the financial year, the Company secured approximately \$945 million in new contracts and contract extensions across the resources, energy and infrastructure sectors, with around \$540 million of work in the iron ore sector, as well as a number of contracts in the expanding battery metals sector, including in the lithium and copper markets.

Monadelphous delivered an improved EBITDA (earnings before interest, tax, depreciation and amortisation) margin for the half year of 6.11 per cent, up from 5.76 per cent for the previous financial year. The improvement was especially pleasing given the current escalating cost environment, and with skilled labour shortages continuing, the Company will remain focused on the strategic selection of new work opportunities, maintaining an appropriate approach to the allocation of risk and improving earnings quality.

Net profit after tax for the period was \$29.1 million, generating earnings per share of 30.5 cents, with the Board of Directors declaring an interim dividend of 24 cents per share fully franked.

The Company continued to bolster its employee retention and attraction initiatives in light of the current and predicted future shortfall of available talent across the industry. This included undertaking a company-wide employee survey to help shape its 2023 retention and attraction strategy, ramping up its international sourcing strategy in target locations and launching its Respect@Monadelphous program to further embed respectful behaviours in the workplace. The Company also significantly progressed its Emissions and Energy Reduction Roadmap, which outlines interim targets towards achieving its goal of net-zero emissions by 2050.

Monadelphous Managing Director Zoran Bebic said that although global economic growth is forecast to remain steady, commodity prices are strong and the outlook for Monadelphous' core markets continues to be positive.

"The resources and energy sectors, both in Australia and overseas, continue to provide a significant number of prospects for Monadelphous across a broad range of commodities, including iron ore, battery metals and oil and gas. The shortage of skilled labour, however, remains our biggest challenge, especially in Australia."

¹ Includes Monadelphous' share of joint venture revenue – refer to page 9 for reconciliation

2023 HALF YEAR RESULTS

Revenue

Monadelphous recorded revenue for the six months of \$953 million¹, down 10.5 per cent on the previous corresponding period.

The Maintenance and Industrial Services division achieved a record half year revenue result of \$676.8 million, up 13.5 per cent on the prior corresponding period. The strong demand for maintenance services across the resources and energy sectors was driven by favourable commodity prices, high levels of production and aging site infrastructure.

As forecast previously, the Engineering Construction division experienced lower levels of activity during the period due to a number of significant construction projects completing in the previous financial year, and the timing of the award and commencement of new projects. The division reported revenue of \$277.7 million¹ for the six months, down 42.1 per cent on the prior corresponding period. High levels of tendering activity were experienced, associated with the strong pipeline of new resource development projects.

Statutory revenue, which excludes Monadelphous' share of revenue from joint ventures, was \$894.9 million.

Earnings

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period was \$58.2 million², delivering an EBITDA margin percentage of 6.11 per cent for the six months, which is up from 5.76 per cent for financial year ended 30 June 2022.

The improvement in margin was especially pleasing given the current escalating cost environment. With skilled labour shortages continuing to provide the most significant challenge for the business, the Company continued to focus on the strategic selection of new work opportunities and improving the quality of its earnings.

Net profit after tax was \$29.1 million, down 3.1 per cent on the prior corresponding period, generating earnings per share of 30.5 cents.

Dividend

The Board of Directors declared an interim dividend of 24 cents per share fully franked. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the interim dividend.

Balance Sheet

Monadelphous ended the period with a robust cash balance of \$190 million, representing a strong cash flow conversion rate for the six months of 110 per cent.

The strength of the Company's balance sheet ensures it has sufficient financial capacity in the current economic environment, enables it to invest in the plant and equipment required to facilitate future growth and to take advantage of suitable investment opportunities as they arise.

Strategic Progress

Monadelphous has secured approximately \$945 million in new contracts and contract extensions across the resources, energy and infrastructure sectors since the beginning of the period.

Since 1 July 2022, the Company has been awarded approximately \$540 million of work in the iron ore sector, with both long-term customers, such as BHP and Rio Tinto, as well as with Fortescue Metals Group (Fortescue). The Company was also awarded a number of contracts in the expanding battery metals sector, including in the lithium and copper markets.

¹ Includes Monadelphous' share of joint venture revenue – refer to page 9 for reconciliation

² Refer to page 9 for reconciliation of EBITDA

Monadelphous continued to build on its more recently developed customer relationship with Fortescue, being awarded a number of construction and maintenance contracts. The Company's Engineering Construction division was engaged to provide multidisciplinary construction services at the Iron Bridge Magnetite Project, an unincorporated joint venture between Fortescue's FMG Iron Bridge and Formosa Steel IB. In addition, the Maintenance and Industrial Services division was awarded a five-year services contract at Fortescue's Pilbara operations, as well as being appointed to a panel providing non-process infrastructure services for a three-year period, with a one-year extension option.

In the oil and gas sector, the Company secured an operations, maintenance and industrial services contract supporting Petrofac in the decommissioning of the Northern Endeavour floating production, storage and offtake facility in the Timor Sea. This is Monadelphous' first offshore decommissioning contract, with a growing number of similar opportunities expected to come to market over coming years.

Monadelphous continued to experience strong demand for its services overseas. In Mongolia, the Company was awarded a contract for the construction of surface infrastructure for the Oyu Tolgoi Underground Project. Buildtek, the Company's Chile-based construction and maintenance services business, secured several new contracts with Minera Escondida for the construction of site infrastructure.

During the period, Monadelphous undertook a strategic review of SinoStruct, its China-based fabrication business, to ensure the business remains aligned to customer expectations and is appropriately structured to grow in its core markets, geographically diversify its supply chain and deliver in new and related sectors. The review outcomes included a recommendation to rebrand the business as Inteforge, to better align the business with its revised strategic direction and the expectations of its customers.

On the back of the review, Inteforge secured a number of fabrication contracts during the period, including for Liontown Resources' Kathleen Valley Lithium Project, as well as for the fabrication of structural steel for a project in Ashburton in the Pilbara. Inteforge also secured a contract with HydrogenPro to fabricate and assemble hydrogen gas separator modules, as well as a contract with Worley to fabricate mechanical platework and piping for the Oyu Tolgoi Underground Project.

Monadelphous' heavy lift services business continued to expand its capability and client base, being awarded a contract with the CPB Contractors and John Holland Joint Venture on the West Gate Tunnel Project in Melbourne, Victoria.

Health and Safety

Monadelphous' 12-month Total Recordable Injury Frequency Rate (TRIFR) at 31 December 2022 was 2.40 incidents per million hours worked, representing a 22 per cent improvement over the six-month period. The Company's sustained focus on the identification, elimination and mitigation of fatal risk hazards and the application of the Fatal Risk Control Standards contributed to a 45 per cent reduction to the Serious Incident Frequency Rate from this time last year.

During the period, the Company launched its annual Summer of Safety and Finishing Strong, Starting Stronger health and safety campaigns, aimed at refocusing on common safety risks which prevail at that time of the year.

In addition, the Company continued to focus on improving the physical and mental health of its employees through the launch of its 2023 Health and Wellbeing Program, which saw its employees participate in tailored initiatives, including mental health awareness training, in partnership with Happiness Co, and undertaking physical health checks.

Monadelphous continues to be recognised for its efforts in safety innovation. The Company was recently named as award winners at the WA Department of Mines, Industry Regulation and Safety's Work Health and Safety Excellence Awards, as well as at the NSCA Foundation's National Safety Awards of Excellence. The Company also progressed a number of safety technology trials, including the use of telehandler pedestrian monitoring, elevated work platform proximity sensors and driver fatigue and distraction monitoring.

People

Monadelphous ended the period with a total workforce, including subcontractors, of 7,253, slightly down on the prior corresponding period, with a strong demand for maintenance services offset by lower levels of construction activity.

The Company bolstered its employee retention and attraction initiatives in light of the current and predicted future shortfall of available talent across the industry, which remains a significant challenge. To more fully understand the perceptions of employees and identify the key motivations that are most impactful in attracting and retaining talent, Monadelphous undertook a company-wide employee survey during the period. Feedback gained from the survey will be used to further refine the Company's 2023 employee retention and attraction strategies and help mitigate the effects of the labour shortfall.

Monadelphous is committed to ensuring the Company's workplaces remain safe, respectful and inclusive. In this regard, and in alignment with its values, the Company launched the Respect@Monadelphous program to further embed respectful behaviours and ensure the elimination of unacceptable workplace behaviour. The program complements the Company's Acceptable Workplace Behaviour Policy and It's Up to Us awareness campaign implemented last year.

To ensure Monadelphous is best placed to meet its future resourcing requirements, the Company enhanced its understanding of talent availability in key geographical locations across Australia and internationally. During the period, the Company ramped up its international sourcing strategy in target locations, as well as introduced a new talent intelligence platform which complements the Company's talent acquisition and performance management system implemented during the last financial year.

Monadelphous' philosophy of fostering a culture of leadership and talent development continued through the successful Emerging Leaders, Leading at Monadelphous and Leading the Safe Way programs, ably supported by amongst other things, the Group Mentoring Program and the Employee Development Centre, Monadelphous' registered training organisation.

A comprehensive review of the Monadelphous Graduate Program was undertaken to enhance the development of graduates, ensuring Monadelphous maintains its position as an employer of choice for early career pathway employees. The Company's National Graduate Development Forum was also reinstated after being placed on hold due to COVID-19.

2022 marked a particularly special year for Monadelphous as the Company celebrated 50 years in operation. To commemorate this magnificent milestone, the Company hosted events across its key locations to recognise the contributions of its people, as well as publishing a Monadelphous history book to showcase the individuals, teams, projects and events that have made Monadelphous into the company it is today.

Board Changes

On 17 October 2022, in accordance with the Company's long-term succession plan, the Company announced a number of changes to the Board of Directors which came into effect at the conclusion of the Annual General Meeting held on 22 November 2022.

After more than 30 years of service, John Rubino, the Company's long-serving Executive Chair, retired as a Director of the Company.

Following John's retirement, Rob Velletri, Managing Director, assumed the role of Executive Chair of the Board. Zoran Bebic, Executive General Manager of Maintenance and Industrial Services, was appointed to the role of Managing Director.

Peter Dempsey, who served on the Board for 19 years, retired as Non-Executive Director of the Company.

The Board would like to recognise John and Peter for the outstanding commitment, effort and dedication they have provided to Monadelphous, and the integral roles they have both played in the Company's development, success and history over the past 32 and 19 years respectively.

Diversity, Community and Environment

Monadelphous is committed to positively contributing to the communities in which it operates, focusing its efforts on the key strategic areas of diversity, community and environment.

During the period, Monadelphous launched the latest version of the Company's Stretch Reconciliation Action Plan (RAP) following endorsement by Reconciliation Australia. The Company's fourth RAP, and second Stretch RAP, articulates Monadelphous' pledge to take meaningful action to advance reconciliation, ensuring Aboriginal and Torres Strait Islander peoples have equal access to meaningful employment and development opportunities.

As part of its commitment, the Company welcomed a new trainee cohort to its Indigenous Pathways Program during 2022. The Program, which is run in partnership with Rio Tinto, provides current and future employees with traineeships, apprenticeships and tertiary study support, with recruitment currently underway for the 2023 intake.

Monadelphous continued to contribute financial support and resources as part of its partnership with the Polly Farmer Foundation (PFF), which aims to empower Indigenous students to complete school and progress into early career pathways. During the period, a number of PFF students attended the Company's Employee Development Centre in Bibra Lake, WA, and head office in Perth, WA, to gain an understanding of potential career pathways.

The Company proudly launched the Nintirri Room, a new training facility located at its Employee Development Centre, to support the training of the Company's Aboriginal and Torres Strait Islander employees, as well as provide facilities for the provision of Indigenous cultural awareness training.

As part of its ongoing commitment to gender diversity and inclusion, Monadelphous progressed the actions outlined in its second Gender Diversity and Inclusion Plan (2021 – 2024). The Plan focuses on ensuring a safe, respectful and inclusive workplace for all, increasing female participation through early career pathways, nurturing key female talent, removing gender-based barriers to entering trade roles and connecting women through networking and mentoring.

To support its objective of inspiring young women to take up careers in science, technology, engineering and mathematics, and as part of its partnership with the National Association of Women in Operations (NAWO), the Company hosted an event for school students and their parents, called 'When I grow up'. The event aimed to inform participants about potential career pathways in operations through sharing the experiences of women in trades and professional roles, and breaking down preconceived, gender-based barriers and biases.

The Company's partnership with the University of Western Australia's Girls in Engineering Program saw Monadelphous participate in the Girls in Engineering Discovery Day, which was attended by more than 100 female school students. Monadelphous also hosted in-school engineering workshops in Perth.

During the period, the Company participated in more than 50 initiatives nationally across multiple locations, contributing over \$100,000 in funds and supporting employees in the provision of almost 350 hours of voluntary work. The diverse range of initiatives included providing funding to the Digital Technologies Program in the south-west region of WA, donating school supplies in Lihir Island, Papua New Guinea, making a financial contribution to the Wickham Wolves in Wickham, WA, as well as donating to the Starick Foundation.

Aligned to Monadelphous' strategy of targeting net-zero emissions by 2050, the Company significantly progressed its Emissions and Energy Reduction Roadmap, which outlines a series of interim targets towards achieving this goal. Several working groups were established to support this strategy, including Greening the Fleet, Renewable Power (Fixed Assets) and Welding and Cutting Technology and Gases. In addition, several trials have commenced, including the use of hybrid vehicles and solar powered fuel trailers, with energy audits undertaken on all workshop facilities to identify opportunities to reduce power consumption.

Productivity and Innovation

The Company's key productivity improvement initiatives focus on the refinement, standardisation, and where appropriate, automation of operational and support practises and processes, as well as the implementation of proven technologies that improve safety and competitiveness and deliver value for customers. The Company's innovation teams actively engage with both customers and industry networks, as well as the broader business community, to monitor emerging trends and technology of benefit to Monadelphous, and the industry more broadly.

Across its operations, the Company leverages the collective knowledge and experience of its employees, particularly those at the work front, and utilise its ideas platform, MProve, to unlock additional value and incremental improvements through the rapid assessment and progression of ideas and innovations.

Monadelphous has increased its utilisation of drones on site to conduct detailed inspections and condition monitoring. This continues to improve safety and generate high quality data used to enhance maintenance planning.

The Company also progressed its digital transformation journey, maximising value from data-backed decision-making through the ongoing digitalisation of in-field data-capture processes. The adoption of in-field electronic forms and workflows increased during the period.

OPERATIONAL ACTIVITY

Engineering Construction

Monadelphous' Engineering Construction division, which provides large-scale, multidisciplinary project management and construction services, reported revenue of \$277.7 million¹ for the six months, down 42.1 per cent. The division secured approximately \$280 million of new work since the beginning of the period, including a number of early contractor involvement assignments. High levels of tendering activity continued.

During the period, Monadelphous completed a number of packages of work for Rio Tinto, including providing multidisciplinary construction services at the Gudai-Darri iron ore project, as well as a series of shutdowns at Rio Tinto's Western Turner Syncline Phase 2 Project.

On the back of the successful completion of a number of packages of work associated with BHP's South Flank Project's inflow and outflow infrastructure last financial year, the Company was also engaged by BHP to assist with the commissioning process of the project.

Monadelphous was also awarded a key contract with BHP under its WAIO Asset Panel Framework Agreement for the Car Dumper 3 Replacement Project at Nelson Point in Port Hedland, WA. The contract, which includes structural, mechanical and piping works, is valued at over \$115 million, with work expected to be completed in the first half of 2025.

After having successfully completed the structural, mechanical and piping work associated with the pyromet plant at MARBL Lithium Joint Venture's Kemerton lithium hydroxide plant in the south-west of WA last year, Monadelphous also completed its electrical and instrumentation scope, demobilising from site in September 2022 with an enviable safety record. Also in the lithium sector, Monadelphous was awarded a contract with Talison Lithium Australia for the construction of site infrastructure associated with the mine services area at the Greenbushes Mine in the south-west region of WA.

In New South Wales (NSW), Monadelphous completed multidisciplinary construction services for Tronox Mining Australia in Broken Hill.

As part of its long-term services contract with Fortescue at the Solomon and Eliwana mine sites in WA, Monadelphous provided heavy lift services to support a campaign of shutdowns at Fortescue's Kings Valley, Eliwana and Firetail operations during the period. The Company also provided specialist heavy lift services to Woodside, BHP and Rio Tinto under existing construction and maintenance contracts. In partnership with Fagioli, Monadelphous continued to deliver heavy haul services at Fortescue's Iron Bridge Project under a contract with NMT Logistics.

The Company's renewable energy joint venture, Zenviron, continued to enhance its reputation as a market leader in the delivery of balance-of-plant works for wind farms. During the period, Zenviron made good progress on its scope of work at the Rye Park Wind Farm, the largest wind farm to ever be constructed in NSW.

¹ Includes Monadelphous' share of joint venture revenue

Maintenance and Industrial Services

The Company's Maintenance and Industrial Services division, which specialises in the planning, management and execution of multidisciplinary maintenance services, sustaining capital works and turnarounds, achieved a record half year revenue of \$676.8 million, up 13.5 per cent on the prior corresponding period. The result reflects sustained buoyant conditions across the resources and energy sectors, with the division being awarded approximately \$665 million of new contracts and extensions since the beginning of the financial year.

Monadelphous performed a significant volume of maintenance, shutdown and project works in the iron ore sector, including the remediation of balance machines for BHP at Finucane Island and Nelson Point, an upgrade to Rio Tinto's conveyor facilities at the Marandoo mine, a multidisciplinary construction contract for Rio Tinto at the Tom Price mine, as well as a contract for the construction of a pipeline, access road and transfer pond infrastructure at the Roy Hill mine. In addition, the Company was awarded a 12-month extension to its general maintenance and shutdown services contract for BHP's iron ore operations in the Pilbara.

The Company was also reappointed to BHP's WAIO Site Engineering Panel for a further three-year period providing multidisciplinary services at BHP's mine sites and port operations across the Pilbara in WA.

Monadelphous secured a number of contracts with Rio Tinto in the Pilbara region under its Sustaining Capital Projects Panel Agreement, including:

- the supply, installation and commissioning of a potable water distribution system at the Hope Downs 1 mine;
- an upgrade to the wet plant dilution water system at the Nammuldi mine; and
- an upgrade to the conveyor gravity take up system at the Brockman 2 mine.

Monadelphous was awarded a three-year contract extension providing maintenance and shutdown services at Boddington Gold Mine in WA, and Tanami Gold Mine in the Northern Territory, as well as a 12-month extension to its existing maintenance, shutdown and project services contract across BHP's Nickel West operations in WA.

The Company was also awarded a two-year contract with BHP to provide construction services at the Olympic Dam mine site in South Australia under the Olympic Dam Construction Panel Framework Agreement. In Queensland, Monadelphous was appointed to a panel providing construction services across Rio Tinto's aluminium operations in Gladstone and Weipa for a term of three years.

The Company further diversified its customer-base, being appointed to a panel to provide coating and concrete repair services at various Water Corporation sites and locations across WA for a term of five years.

Monadelphous secured a 12-month extension to an existing contract with BHP Mitsubishi Alliance for the provision of dragline shutdown and maintenance services in the Bowen Basin in Queensland, and a master agreement with Yancoal Australia for the provision of major overhaul and heavy shutdown services at the Mount Thorley Warkworth mine in NSW.

The Company performed a number of major turnarounds for oil and gas customers Woodside, INPEX, Origin and Santos. During the period, Monadelphous was awarded a 12-month extension to its existing contract for the provision of engineering, procurement and construction services, in joint venture with Worley, to Santos' oil and gas production facilities in the Highlands region of Papua New Guinea, as well as a five-year contract for the provision of pipeline maintenance services in the Queensland coal seam gas market.

Other significant contract activity undertaken during the period included:

- maintenance, shutdown and sustaining capital works services for BHP's Pilbara-based iron ore operations, WA;
- fixed plant maintenance and sustaining capital works services for Rio Tinto's Pilbara-based iron ore operations, WA;
- maintenance and shutdown services for BHP's Olympic Dam copper-uranium operation at Roxby Downs, South Australia;
- minor capital project services at Newcrest Mining Limited's Lihir Gold Mine in Papua New Guinea;
- maintenance and projects for Queensland Alumina Limited in Gladstone, Queensland;
- shutdown and mechanical services for South32's Worsley Alumina Refinery, WA;
- operation and maintenance of the coal handling facility at the Muja Power Station for Synergy in Collie, WA;
- general mechanical and maintenance services for Incitec Pivot Limited in Queensland; and
- dragline shutdowns in the Hunter Valley, NSW, for Glencore.

Markets and Outlook

Although global economic growth is forecast to remain steady, commodity prices are strong and the outlook for Monadelphous' core markets continues to be positive.

The resources sector in Australia, and in the Company's overseas locations, continues to provide a significant number of prospects for its services across a broad range of commodity markets.

The Australian iron ore industry is expected to remain buoyant with capital and operating expenditures required to sustain and maximise production levels driving demand for the Company's services.

High global demand for battery metals is driving significant investment in lithium, copper, nickel and rare earths, and these markets, along with the gold sector, will present ongoing opportunities, not only in Australia, but also in South America, Mongolia and Papua New Guinea.

In the oil and gas sector, there are a number of new LNG construction projects currently in the pipeline, with heightened demand for maintenance services expected to remain.

Australia's transition towards clean energy is strengthening and an increasing pipeline of new wind farms will provide opportunities for Zenviron, both in the electricity market, as well as in the private sector as industrial operators move to meet their decarbonisation objectives. The development of the hydrogen sector will also provide prospects in coming years.

More broadly, favourable conditions and aging assets across all resources and energy sectors are driving strong demand for maintenance services.

The shortage of skilled labour continues to be the most significant challenge for the Company's operations. Heightening supply chain risks and an escalating cost environment are also posing challenges.

With capacity constrained, the Company is taking a strategic and targeted approach to new work - engaging and collaborating earlier with customers, maintaining an appropriate approach to the allocation of risk and increasing its focus on earnings quality.

The Company remains focused on employee attraction, training and development and making Monadelphous a great place to work. With travel restrictions lifted in the prior year, the Company's international labour sourcing strategy continues to gain traction.

Following a ramp down of construction activity last financial year, a new wave of major construction projects is in the pipeline. Due to delays in the timing of awards and commencement of new major projects, engineering construction revenue is expected to decrease this year compared to the prior year before ramping up in the 2024 financial year. As a result, full year Group revenue for the 2023 financial year is expected to be approximately five to ten per cent lower than the previous year.

Supported by a strong balance sheet, the Company will continue to assess acquisition opportunities to achieve ongoing service and customer market diversification and support long-term sustainable growth.

In conclusion, I take this opportunity to thank our loyal and talented team for their continued commitment and dedication. I also extend my appreciation to our shareholders, customers and other stakeholders for their ongoing support during these interesting times.

Revenue including joint ventures is a non-IFRS measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to revenue presented by other companies. This measure, which is unaudited, is important to management when used as an additional means to evaluate the Company's performance.

Reconciliation of Total Revenue from Contracts with Customers including joint ventures to Statutory Revenue from Contracts with Customers (unaudited)

	31 December 2022 \$'000	31 December 2021 \$'000
Total revenue from contracts with customers including joint ventures	952,967	1,064,636
Share of revenue from joint ventures ¹	(58,074)	(69,901)
Statutory revenue from contracts with customers	894,893	994,735

¹ Represents Monadelphous' proportionate share of the revenue from joint ventures accounted for using the equity method.

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the Company's performance.

Reconciliation of profit before income tax to EBITDA (unaudited)

	31 December 2022 \$'000	31 December 2021 \$'000
Profit before income tax	39,745	44,753
Interest expense on loans and hire purchase finance charges	1,024	734
Interest expense on other lease liabilities	728	772
Interest revenue	(1,643)	(304)
Depreciation of owned and hire purchase assets	12,532	11,087
Depreciation of right of use assets	4,043	4,328
Share of interest, depreciation, amortisation and tax of joint ventures ²	1,797	(421)
EBITDA	58,226	60,949

² Represents Monadelphous' proportionate share of the interest, depreciation, amortisation and tax of joint ventures accounted for using the equity method.

DIVIDEND ENTITLEMENTS

The fully franked interim dividend of 24 cents per share will be paid to shareholders on 31 March 2023 with the record date for entitlements being 10 March 2023.

Updating Direct Credit Details

Monadelphous strongly encourages all shareholders in Australia and New Zealand to update their Australian or New Zealand banking details online through Computershare's Investor Centre website at www.computershare.com.au/easyupdate/MND. Alternatively, you may contact Computershare on 1300 364 961 (within Australia) or + 61 3 9946 4415 (outside Australia). Payments will be made in the currency of the bank account which is recorded on the register as at 10 March 2023.

Further Information

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About Monadelphous

With over 50 years of experience, Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.

Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and offices, projects, facilities and workshops across Australia and in China, Mongolia, Papua New Guinea, Chile and the Philippines. Please visit www.monadelphous.com.au for further information.