

22 August 2023

MONADELPHOUS REPORTS 2023 FULL YEAR RESULTS

Revenue \$1.83 billion¹

- Record Maintenance and Industrial Services revenue - \$1.3 billion; up 11.4% on pcp
- High levels of tendering activity within Engineering Construction, with a number of significant construction contracts successfully secured post 30 June 2023

EBITDA margin 5.96%; up from 5.76% pcp

EPS 55.8c; full year dividend 49c; dividend payout ratio 88 per cent

Secured approximately \$2 billion of new contracts and extensions

Awarded long-term maintenance contracts in lithium sector

Acquired BMC to establish presence in east-coast energy market

Zenviron well placed to capitalise on significant market growth in renewable energy sector

Formalised Emissions and Energy Reduction Roadmap

Significant pipeline of future prospects across resources and energy sector

Engineering company Monadelphous Group Ltd (ASX: MND) (“the Company”) today announced sales revenue of \$1.83 billion¹ for the year ended 30 June 2023, on the back of high levels of demand for maintenance services across all sectors, most notably in oil and gas.

The Company supported customer efforts to maintain high levels of production and capitalise on favourable commodity prices, resulting in its Maintenance and Industrial Services division achieving a record full year revenue of \$1.3 billion, up 11.4 per cent on the prior period. The Company’s Engineering Construction division reported revenue of \$541.9 million¹ with its focus shifting to the strong pipeline of new resource development projects coming to market.

In total, the Company was awarded approximately \$2 billion in new contracts and contract extensions since the beginning of the financial year, primarily in resources and energy, including the award of a number of significant construction contracts in the iron ore and lithium sectors post year end.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period was \$109.1 million², delivering an EBITDA margin percentage of 5.96 per cent, up from 5.76 per cent in the previous financial year. The Company’s continued focus on driving improved productivity, maintaining operational discipline, and increasing efficiency across the business was a significant factor in this margin improvement, and was key to mitigating the effects of the current period of heightened inflation and escalating cost.

Net profit after tax for the year increased on the prior corresponding period to \$53.5 million, generating earnings per share of 55.8 cents. The Board of Directors declared a final dividend of 25 cents per share, taking the full year dividend to 49 cents fully franked, yielding a dividend payout ratio of 88 per cent.

In the lithium sector, the Company was awarded two five-year contracts for the provision of maintenance services and sustaining capital projects at Albemarle’s operations in Kemerton, Western Australia. Post year end, the Company has also secured a major construction contract for the expansion of the Kemerton lithium hydroxide plant.

Late in the year, the Company acquired Victorian-based specialist high voltage and instrumentation installation, calibration and maintenance service provider BMC. The strategic acquisition enables Monadelphous to develop a presence in the east coast-based energy generation, transmission and storage market and expand its geographical footprint in the growing offshore oil and gas decommissioning sector.

¹ Includes Monadelphous’ share of joint venture revenue – refer to page 11 for reconciliation

² Refer to page 11 for reconciliation of EBITDA

Accelerating decarbonisation efforts in Australia's power sector are driving an expanding pipeline of renewable energy opportunities, including a large number of new wind farms and battery storage projects. Zenviron, the Company's renewable energy joint venture, is well placed to capitalise on the significant market growth expected in this sector over coming years, having developed an enviable track record since its inception.

As part of its goal of achieving net-zero emissions by 2050, the Company formalised its Emissions and Energy Reduction Roadmap, as well as establishing working groups focused on its transition to renewable power, 'greening' its fleet and optimising operational activities.

Monadelphous Managing Director, Zoran Bebic, said the resources and energy sectors were expected to provide a significant pipeline of prospects across a broad range of commodities, with expenditure related to energy transition representing an increasingly larger proportion of investment activity over coming years.

"We expect longer-term demand to remain strong across most commodity markets, with high levels of mining and mineral processing development activity anticipated, several new gas construction projects in the development pipeline and maintenance activity levels in the resources and energy sectors forecast to grow. With heightened demand, capacity will remain constrained and we will continue to take a strategic and targeted approach to new work."

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2023 FULL YEAR RESULTS

Revenue

Monadelphous recorded sales revenue for the financial year of \$1.83 billion¹, down 5.2 per cent on the prior period. The Company experienced high levels of demand for maintenance services across all sectors, most notably in oil and gas, while engineering construction activity levels were impacted by the delays in the timing of award and commencement of new major projects.

The Maintenance and Industrial Services division, which specialises in the planning, management and execution of multidisciplinary maintenance services and sustaining capital works, achieved revenue for the year of \$1.3 billion, up 11.4 per cent on the prior period. The record result reflects sustained buoyant conditions across the resources and energy sectors, with Monadelphous supporting customers to maintain high levels of production and capitalise on favourable commodity prices.

The Engineering Construction division, which provides large-scale, multidisciplinary project management and construction services, reported revenue for the year of \$541.9 million¹. Following the completion of a number of significant projects in the previous financial year and a temporary slowing in construction activity as a result of industry delays, focus shifted to the strong pipeline of new resource development projects coming to market, with the division experiencing high levels of tendering activity.

Statutory revenue, which excludes Monadelphous' share of revenue from joint ventures, was \$1.72 billion, down 4.9 per cent on the previous year.

Earnings

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period was \$109.1 million², delivering an EBITDA margin percentage of 5.96 per cent, up from 5.76 per cent in the previous financial year.

The Company's continued focus on driving improved productivity, maintaining operational discipline, and increasing efficiency across the business was a significant factor in this margin improvement, and was key to mitigating the effects of the current period of heightened inflation and escalating cost.

Net profit after tax (NPAT) for the year increased slightly on the prior corresponding period to \$53.5 million, generating earnings per share of 55.8 cents.

Dividend

Monadelphous' Board of Directors declared a final dividend of 25 cents per share, taking the full year dividend to 49 cents per share fully franked, yielding a payout ratio of approximately 88 per cent of reported NPAT. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the final dividend.

Balance sheet

Monadelphous ended the year with a strong cash balance of \$178.3 million, a cash flow from operations of \$93.3 million and a very pleasing cashflow conversion rate of 112 per cent. The Company's continued focus on cash generation and the maintenance of a strong balance sheet is key to supporting its operational performance and growth strategy, enabling the Company to take advantage of suitable investment opportunities which may arise.

¹ Includes Monadelphous' share of joint venture revenue – refer to page 11 for reconciliation

² Refer to page 11 for reconciliation of EBITDA

Notification of Claim and Statement of Claim

On 26 July 2023, the Company announced that Northern SEQ Distributor – Retailer Authority, trading as UnityWater (UnityWater), served a Claim and Statement of Claim (Claim) in the Supreme Court of Queensland against one of Monadelphous' wholly owned subsidiaries, Monadelphous Engineering Pty Ltd (ME).

The Claim, which totals claims made by UnityWater in an amount of approximately \$80 million, relates to a contract entered into between UnityWater and ME in 2016 for the design and construction of an upgrade to the Kawana Sewerage Treatment Plant on the Sunshine Coast in Queensland. The Company has informed its insurers of the claims.

Monadelphous denies the allegations and claimed losses contained in the Claim and will vigorously defend those claims, as well as pursuing available counterclaims.

STRATEGIC PROGRESS

Monadelphous has continued to strategically target new work opportunities whilst ensuring the appropriate allocation of risk. Since the beginning of the financial year, the Company has secured approximately \$2 billion in new contracts and contract extensions, primarily in resources and energy, including the award of a number of significant construction contracts in the iron ore and lithium sectors post year end.

Since 1 July 2022, the Company was awarded more than \$750 million of new work in the Western Australian iron ore sector with long-term customers, including BHP, Rio Tinto and Fortescue Metals Group (Fortescue).

Monadelphous has continued to extend its relationship with Fortescue over recent years, and was also awarded a number of significant new contracts during the current period. Awards included a five-year contract to provide maintenance, general shutdown services and minor projects across Fortescue's Pilbara operations, as well as being appointed to a panel for the provision of non-process infrastructure services for a term of three years. Post year end, the Company was also awarded a multidisciplinary contract for the supply and construction of an overland conveyor and transfer station at Fortescue's Christmas Creek mine site.

In the energy sector, Monadelphous was awarded both available two-year extensions to its long-term offshore maintenance services contract with INPEX Operations Australia P/L (INPEX) supporting the Ichthys LNG Project, valued at approximately \$350 million in total. The scope of work includes operational, campaign and shutdown maintenance services and brownfield projects implementation.

In the lithium sector, the Company was awarded two five-year contracts for the provision of maintenance services and sustaining capital projects at Albemarle's operations in Kemerton, Western Australia (WA), both with two-year extension options. In addition, post year end, Monadelphous secured a major construction contract with Albemarle valued at approximately \$200 million associated with the expansion of the Kemerton lithium hydroxide plant. The contract includes front-end pyromet structural, mechanical, piping, electrical and instrumentation works associated with two new lithium processing trains (trains 3 and 4). These awards follow the successful delivery of construction packages on trains 1 and 2 and builds on the strong relationship Monadelphous has developed with Albemarle.

In June 2023, Monadelphous acquired Victorian-based specialist high voltage and instrumentation installation, calibration and maintenance service provider BMC. BMC provides services to major industry and key utilities throughout Australia, employs around 180 personnel and generates approximately \$60 million of revenue per annum. The strategic acquisition enables Monadelphous to develop a presence in the east coast-based energy generation, transmission and storage market and expand its geographical footprint in the growing offshore oil and gas decommissioning sector.

In March 2023, the Company announced that Chile-based construction and maintenance services business, Buildtek, would be ceasing operations. Monadelphous acquired 75 per cent of Buildtek in 2019 for approximately AUD\$8 million and subsequently purchased an additional 15 per cent of Buildtek's share capital, predominantly from the proceeds of post-acquisition earnings. For the financial year ended 30 June 2023, Buildtek contributed approximately 4 per cent of Monadelphous' total revenue from contracts with customers (including joint ventures).

Over recent years the Chilean resources sector had been significantly impacted by the economic effects resulting from the COVID-19 pandemic, experiencing a major shortfall in available resources, significant labour cost and productivity pressures, a heightened level of supply chain risk and an inflationary cost environment. These pressures impacted Buildtek's financial performance during that period, as well as significantly increasing the

working capital requirements of the business. Buildtek had undertaken a wide variety of operational and commercial activities to protect and sustain its financial position. Disappointingly, despite considerable effort, Buildtek's financial position and working capital continued to be impacted and the business was not able to source the necessary level of funding required to continue.

The cessation of Buildtek's operations did not have a material impact on Monadelphous' net assets, or on its earnings for the year ended 30 June 2023.

SUSTAINABILITY

Monadelphous' vision is to achieve long-term, sustainable growth by being recognised as a leader in its chosen markets and a truly great company to work for, to work with and invest in. The Company prioritises the support of its local workforce and community interests, ensuring it leaves a positive legacy, and that its employees can take pride in working for Monadelphous.

The Company believes the key to achieving sustainable growth is by ensuring the safety, wellbeing and development of its people; the delivery of outstanding service to customers; caring for the environment and communities where it works; and providing superior returns to shareholders. By focusing on these areas, Monadelphous will ensure the business delivers on its strategy and achieves long-term sustainable growth and value for all stakeholders.

Monadelphous continues to learn and evolve its sustainability approach and during the year revised its Sustainability Policy and developed a new Sustainability Framework. These documents highlight the Company's commitment to its five key sustainability pillars of people, safety and wellbeing, responsible business delivery, communities and environment.

People

Monadelphous remains focused on retaining, developing and attracting high calibre employees who actively contribute to the successful achievement of the Company's vision and strategic objectives.

During the year, the Company undertook an employee engagement survey to better understand employee perceptions and identify key motivations for attracting and retaining talent, including targeted questioning in relation to unacceptable workplace behaviour. The feedback obtained has been an input into the design and enhancement of Monadelphous' People and Culture Strategy.

The Company's commitment to ensuring its workplaces remain safe, respectful and inclusive saw the launch of its Respect@Monadelphous program which aims to further embed respectful behaviours and ensure the elimination of unacceptable workplace behaviour. The program includes Acceptable Workplace Behaviour and Code of Conduct training and is rolled out to all employees.

Monadelphous continued to strengthen its approach to people data, leveraging its recently launched talent acquisition and performance management system to provide deeper insights into recruitment activity. The system enables the Company to better analyse its labour demand profile and recruitment completion rates, employee training compliance and performance management, and turnover trends.

Aligned to Monadelphous' philosophy of fostering a culture of leadership and talent development, the Company's in-house development programs, Leading @ Monadelphous, Emerging Leaders, Group Mentoring and Leading the Safe Way, continue to shape Monadelphous' current and future leaders and the role they play in delivering services to customers. The Company's registered training organisation delivered more than 4,000 training interactions for trades personnel throughout the year, including high risk work license training accreditation and verification of competency.

Monadelphous' Graduate, Vacation and Apprenticeship and Traineeship programs continue to attract and nurture a diverse group of new talent. During the year, more than 200 people participated in these programs, exploring a range of career pathways through learning and development opportunities. The Company was honoured to have been recognised as Australia's top Construction and Property Services Graduate Employer for 2023 by Prosple (formerly Grad Australia).

The Company ended the year with a total workforce (including subcontractors) of 5,674 people, which was markedly lower than the prior corresponding period, primarily as a result of Buildtek ceasing operations in Chile.

Board Changes

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

Safety and Wellbeing

Monadelphous continued its unrelenting focus on improving the safety and wellbeing of its workforce, through the identification, elimination and mitigation of fatal risks within its operations and the delivery of sustained improvement in health and safety outcomes.

The Company's efforts in the area of fatality prevention centred on the continued improvement of relevant infield risk management tools and a series of fatal risk awareness initiatives. Activities undertaken included a refreshed *The Safe Way is the Only Way* campaign and updated Life Saving Rules communications and fatal risk control modules.

A number of innovative, technology-based safety improvement trials were undertaken relating to the use of mobile fleet, including the implementation of software aimed at aiding pedestrian avoidance, as well as distraction and fatigue monitoring. The Company also conducted franna crane awareness training to help prevent equipment roll overs.

Monadelphous delivered a range of programs throughout the year to support the physical and mental health and wellbeing of its people. Initiatives included facilitating flu vaccinations and general health checks for employees, conducting Healthy Heart Week education sessions, as well as partnering with the Resilience Project and offering Lived Experience talks, which focus on sharing stories related to mental illness.

Pleasingly, the Company was recognised for its efforts and contribution in safety innovation, being named an award winner 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's Serious Incident Frequency Rate pleasingly remained at a historically low level, and the Total Recordable Injury Frequency Rate at year end was 3.45 incidents per million hours worked.

Diversity, Community and Environment

Following the launch of Monadelphous' fourth Reconciliation Action Plan (RAP), and second Stretch RAP, in July 2022, the Company continued to celebrate and acknowledge the Traditional Owners of the lands where its people live and work through a range of learning and engagement initiatives, including providing opportunities for First Nations businesses and career pathways for Indigenous peoples.

Monadelphous sponsored the Yallarm STEM Camp in Gladstone for the fourth time, renewed its long-term partnership with the Polly Farmer Foundation (PFF), facilitated numerous workshops for regional high school students at its registered training facility and delivered pro-bono training offerings for recently graduated high school students. The Indigenous Pathways Program, a partnership between Monadelphous and Rio Tinto, collaborated with Madalah to support Indigenous students from regional communities with their tertiary studies.

To support the commitments made in the Company's Gender Diversity and Inclusion Plan, Monadelphous facilitated regional tours to the south-west region of WA, Port Hedland and Karratha for female engineering students via its partnership with the University of Western Australia's Girls in Engineering program.

The Company continued to foster networking and mentoring opportunities for women through its membership with the National Association for Women in Operations (NAWO), participating in several panel discussions and in-school engagements, as well as celebrating International Women's Day through a range of activities across the business, including a live panel discussion facilitated by NAWO.

During the year, the Company participated in more than 120 community initiatives across 20 locations, contributing over \$300,000 in funds to local communities, as well as supporting its employees in the provision of more than 600 hours of voluntary work. Initiatives included a major sponsorship of the FeNaCING Festival and Youth Week in Karratha, WA, the Hedland Reds Football Club in Port Hedland, WA, as well as the Yallarm STEM Camp. Additionally, a quarterly volunteering opportunity with Perth Homeless Support Group was established for Perth-based employees, and more than 70 Papua New Guinean-based employees participated in the Lihir Island Cleanathon.

As part of Monadelphous' goal of achieving net-zero emissions by 2050, the Company formalised its Emissions and Energy Reduction Roadmap, as well as establishing working groups focused on its transition to renewable power, 'greening' its fleet and optimising operational activities. During the period, the Company explored opportunities to convert diesel vehicles into electric vehicles, progressed a comprehensive greenhouse gas (GHG) data review to assist with the identification of further improvements, and confirmed the Company's Scope 1 and 2 GHG footprint for its base reporting year.

Productivity and Innovation

Monadelphous continues to seek opportunities to innovate and improve the safe and efficient delivery of its service offering. To support this, the Company monitors its core markets, and adjacent industries, for relevant emerging trends, ideas and converging technologies that may offer new solutions.

During the year, Monadelphous achieved efficiency gains through the development of a digital solution for real-time capture and dissemination of operational information in-field. The solution reduces reliance on in-field paperwork, enables instant creation of manufacturer's data reports, provides immediate access to the latest drawings, simplifies the sharing of changes and job progress and supports effective decision-making at all levels.

Leveraging machine learning technology for image and video processing, the Company continues to investigate and trial opportunities to extract further value from drone-captured imagery to streamline site surveys, maintenance assessments and identify potential safety hazards.

The Company's safety culture continues to drive product trials of new technological solutions, which leverage computer vision and artificial intelligence. Monadelphous also continues to identify and assess new opportunities and evolving technologies that support the reduction of greenhouse gas emissions and the electrification of fleet assets, advancing both the Company's and its customers' decarbonisation goals.

OPERATIONAL ACTIVITY

Engineering Construction

Monadelphous' Engineering Construction division reported revenue of \$541.9 million¹ for the year, down 30 per cent on the previous corresponding period.

Since the beginning of the financial year, the division has secured approximately \$640 million in new contracts, including a number of major construction contracts awarded subsequent to year end. High levels of tendering activity continued throughout the year and the Company was engaged on a number of early contractor involvement assignments.

¹ Includes Monadelphous' share of joint venture revenue

During the period, the Company was reappointed to BHP's Western Australian Iron Ore (WAIO) Asset Projects Framework Agreement for a further three years, from which it was awarded the Car Dumper 3 Renewal Project at Nelson Point in Port Hedland, valued at over \$115 million. The first portion of the contract is for early works and planning, including an early works shutdown which was completed in May. The second portion includes structural, mechanical and piping works associated with the Car Dumper 3 replacement, with work expected to be completed in the first half of 2025. Subsequent to year end, the Company has also been awarded the electrical and instrumentation package of works associated with the project. These awards come on the back of the successful completion of numerous car dumper refurbishment projects by Monadelphous in previous years.

Also in the iron ore sector, the Company completed construction services at the Iron Bridge Magnetite Project, an unincorporated joint venture between Fortescue's FMG Iron Bridge and Formosa Steel IB. The scope included structural, mechanical and electrical and instrumentation services for the wet process plant. Monadelphous also provided multidisciplinary construction services for Rio Tinto at the Gudai-Darri iron ore project, as well as completing a series of shutdowns at Rio Tinto's Western Turner Syncline Phase 2 Project.

In Mongolia, the Company was awarded a contract for the construction of surface infrastructure for the Oyu Tolgoi Underground Project. The work, which is progressing, includes the construction of two conveyors and an electrical substation, and associated integration to existing facilities.

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 into South East Asia 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 this review, Inteforge secured fabrication contracts for Liontown Resources' Kathleen Valley Lithium Project, for the Oyu Tolgoi Underground Project located in the South Gobi region of Mongolia and with HydrogenPro for a renewable energy project in the United States of America.

The Company's renewable energy joint venture, Zenviron, achieved substantial completion on its scope of work at the Rye Park Wind Farm, the largest wind farm to ever be constructed in New South Wales (NSW). Additionally, it was engaged on early works packages for a number of other wind farm and battery storage projects on the east coast of Australia.

The heavy lift services business continued to expand its capability and customer-base, being awarded a contract with the CPB Contractors and John Holland Joint Venture on the West Gate Tunnel Project in Melbourne, Victoria, as well as continuing to service its long-term contract with Fortescue at the Solomon and Eliwana mine sites in WA. In partnership with Fagioli, Monadelphous continued to deliver heavy haul services at Fortescue's Iron Bridge Magnetite Project under a contract with NMT Logistics. Finally, Alevro, Monadelphous' heavy lifting services joint venture with Fagioli, secured a contract with Bechtel to provide haulage and lifting services at Woodside's Pluto Train 2 project in Karratha, WA.

Maintenance and Industrial Services

Monadelphous' Maintenance and Industrial Services division reported full year revenue of \$1.3 billion, up 11.4 per cent on the prior corresponding period. The division secured approximately \$1.34 billion in new work since the beginning of the 2023 financial year.

The Company continued to perform a significant volume of maintenance, shutdown and project works in the iron ore sector. Throughout the year, several contracts were executed under its Sustaining Capital Projects Panel Agreement with Rio Tinto, including upgrades to the conveyor gravity take up systems at the Brockman 2 mine, Tom Price mine and Cape Lambert Port A; an upgrade to the wet plant dilution water system at the Nammuldi mine; and the supply, installation and commissioning of a potable water distribution system at the Hope Downs 1 mine.

Monadelphous also secured contracts for the replacement of an overland conveyor belt at Rio Tinto's Western Turner Syncline mine and a two-year extension to an existing contract with Rio Tinto for the provision of marine infrastructure maintenance services and minor projects at the Cape Lambert and Dampier ports.

The Company was reappointed for a further three years to BHP's WAIO Site Engineering Panel and secured a number of packages under the agreement. It also secured a 12-month extension to its general maintenance and

shutdown services contract for BHP's iron ore operations in the Pilbara, and completed work under its two long-term maintenance and non-process infrastructure contracts with Fortescue.

In the resources sector, Monadelphous was awarded a 12-month contract extension for the supply of major shutdown and mechanical services at South32's Worsley Alumina operations in WA and a 12-month extension to its existing maintenance, shutdown and project services contract across BHP's Nickel West operations in WA. The Company also secured a two-year extension to its contract for fixed plant maintenance services at Rio Tinto's Gove operations in the Northern Territory, as well as a two-year contract to provide construction services and a two-year extension to continue providing maintenance services at BHP's Olympic Dam in South Australia.

In the energy sector, in addition to the contract extension with INPEX, the Company was awarded a 12-month extension for the provision of engineering, procurement and construction services, in joint venture with Worley, with Santos in Papua New Guinea, and a five-year contract for the provision of pipeline maintenance services in the Queensland coal seam gas market.

Monadelphous also commenced work on its first oil and gas decommissioning project, being awarded work by Petrofac on the Northern Endeavour FPSO, positioning itself for the growing number of similar opportunities expected to come to market over coming years. The Company continued to plan for and perform a number of major turnarounds for long-term energy customers.

On the east coast of Australia, Monadelphous was appointed to a panel for the provision of construction services across Rio Tinto's Queensland aluminium operations for a term of three years, with extension options. The Company also secured a three-year contract with BHP Mitsubishi Alliance (BMA), with two one-year extension options, to continue providing shutdown and maintenance services and minor capital projects on BMA's draglines and coal preparation plant operations in Mackay and the Bowen Basin. Furthermore, it was also awarded a contract with Yancoal for the provision of major overhaul and heavy shutdown services at the Mount Thorley Warkworth Mine.

Other significant contract activity undertaken during the period included:

- offshore and onshore maintenance services for Woodside, WA;
- provision of services for Shell, WA and Queensland;
- minor capital project services at Newcrest Mining Limited's Lihir Gold Mine in Papua New Guinea;
- 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;
- operation and maintenance of the coal handling facility at the Muja Power Station for Synergy in Collie, WA;
- general, electrical and mechanical maintenance, shutdown support and tank refurbishment services at Boddington Gold Mine in WA and Tanami Gold Mine in the Northern Territory;
- general mechanical and maintenance services for Incitec Pivot Limited in Queensland; and
- dragline shutdowns in the Hunter Valley, NSW, for Glencore.

MARKETS AND OUTLOOK

Longer-term demand trends are forecast to remain strong across most commodity markets, despite some short to medium-term uncertainty relating to Chinese domestic consumption and a possible US recession.

The resources and energy sectors are expected to provide a significant pipeline of prospects across a broad range of commodities, with expenditure related to energy transition representing an increasingly larger proportion of investment activity over coming years.

High levels of mining and mineral processing development activity are anticipated in lithium, nickel, copper, mineral sands and rare earths, as well as continued investment to sustain iron ore production levels.

In the energy sector, there are several new gas construction projects currently in the development pipeline and heightened demand for maintenance and decommissioning services is expected over coming years. The development of the hydrogen market will likewise provide prospects in the future.

Maintenance activity levels in the resources sector are forecast to grow on the back of an increasingly larger asset base from recently completed capital projects, as well as from new mining developments and expansions moving into the operating phase.

Accelerating decarbonisation efforts in Australia's power sector are driving an expanding pipeline of renewable energy opportunities, including a large number of new wind farms and battery storage projects. Zenviron is well placed to capitalise on the significant market growth expected in this sector over coming years, having developed an enviable track record since its inception. Following the substantial completion of the Rye Park Wind Farm project this financial year, Zenviron has been engaged by customers on early works packages for several new wind and battery storage projects.

The shortage of skilled labour in Australia, with high levels of activity across multiple industries, continues to be a challenge, and the Company remains focused on improving the effectiveness of its employee attraction, training and development initiatives, as well as ensuring Monadelphous remains a great place to work. An escalating cost environment and the potential for ongoing supply chain risks are also expected to continue.

With capacity constrained, the Company will leverage its strong position and take a strategic and targeted approach to new work; engaging and collaborating early with customers, maintaining an appropriate approach to the allocation of risk and focusing on earnings quality.

With Monadelphous securing a number of new construction contracts post 30 June 2023, and further awards expected over coming months, the Company anticipates construction revenue will progressively ramp up over the 2024 financial year with overall Group revenue weighted to the second half. The Company will also continue to assess potential acquisition opportunities to facilitate ongoing service expansion and market diversification and support long-term sustainable growth.

In conclusion, I would like to thank our fantastic employees for another strong year – we have a very loyal and talented team at Monadelphous who are committed to helping the Company continue to grow and prosper. I would also like to extend my appreciation to our shareholders, customers and other stakeholders for their ongoing support.

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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)

	2023	2022
	\$'000	\$'000
Total revenue from contracts with customers including joint ventures	1,828,755	1,930,040
Share of revenue from joint ventures ¹	(107,799)	(120,589)
Statutory revenue from contracts with customers	1,720,956	1,809,451

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)

	2023	2022
	\$'000	\$'000
Profit before income tax	73,446	73,511
Interest expense on loans and hire purchase finance charges	1,986	1,841
Interest expense on other lease liabilities	1,509	1,511
Interest revenue	(4,300)	(740)
Depreciation of owned and hire purchase assets	25,128	24,523
Depreciation of right of use assets	8,029	8,574
Share of interest, depreciation, amortisation and tax of joint ventures ²	3,285	1,981
EBITDA	109,083	111,201

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 final dividend of 25 cents per share will be paid to shareholders on 29 September 2023 with the record date for entitlements being 8 September 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 8 September 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 and the Philippines. Please visit www.monadelphous.com.au for further information.