Monadelphous

2024 Annual Report

TOGETHER WE DELIVER







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Purpose, Vision and Values

Our Purpose

To build, maintain and improve our customers' operations through the reliable delivery of safe, cost-effective and customer-focused solutions.

Our Vision

Monadelphous will achieve long-term sustainable growth by being recognised as a leader in our chosen markets and a truly great company to work for, work with and invest in.

We are committed to the safety, wellbeing and development of our people, the delivery of outstanding service to our customers and the provision of superior returns to our shareholders.

Our Competitive Advantage

We deliver what we promise.

Our Values

Safety and Wellbeing

We show concern and actively care for others.
We always think and act safely.

Integrity

We are open and honest in what we say and what we do.
We take responsibility for our work and our actions.

Achievement

We are passionate about achieving success for our customers, our partners and each other. We seek solutions, learn and continually improve.

Teamwork

We work as a team in a cooperative, supportive and friendly environment.
We are open-minded and share our knowledge and achievements.

Loyalty

We develop long-term relationships, earning the respect, trust and support of our customers, partners and each other. We are dependable, take ownership and work for the Company as our own.

This page: *A Monadelphous Superintendent at Fortescue's Christmas Creek mine, Pilbara region, Western Australia.*

Cover: *Our largest crane, the Tadano CC88, named 'Rubino' at a Monadelphous ceremony in Port Hedland, Western Australia.*

The Monadelphous 2024 Annual Report has been printed on FSC Recycled certified paper as part of the Company's environmental commitment to reducing waste.

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About this Report

The purpose of this Annual Report is to provide Monadelphous' stakeholders, including shareholders, customers, employees, suppliers and the wider community, with information about the Company's performance during the 2024 financial year.

References in this Report to 'the year', 'the reporting period' and 'the period' relate to the financial year 1 July 2023 to 30 June 2024, unless otherwise stated. All dollar figures are expressed in Australian currency, unless otherwise stated.

Monadelphous Group Limited (ABN 28 008 988 547) is the parent company of the Monadelphous group of companies. In this Report, unless otherwise stated, references to 'Monadelphous', 'the Company', 'we', 'its', 'us' and 'our' refer to Monadelphous Group Limited and its subsidiaries.

Annual General Meeting

Shareholders are advised that the Monadelphous Group Limited 2024 Annual General Meeting will be held at The University Club, University of Western Australia, Crawley, Western Australia, and online, on Tuesday, 19 November 2024 at 10am (AWST). Further details are included in the Notice of Meeting available on the Company's website at www.monadelphous.com.au.

About Monadelphous

Monadelphous is an Australian engineering group headquartered in Perth, Western Australia, providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors.

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The Company builds, maintains and improves its customers' operations through safe, reliable, innovative and cost-effective service solutions. It aims to be recognised as a leader in its chosen markets and a truly great company to work for, work with and invest in.

Our History

Monadelphous emerged from a business which started in 1972 in Kalgoorlie, Western Australia, providing general mechanical contracting services to the growing mining industry.

The name Monadelphous was adopted in 1978 and by the mid-1980s, the Company had expanded into a number of markets, both interstate and overseas. In the late 1980s, a major restructure of the Company took place with the business refocusing on maintenance and construction services in the resources industry.

By the 1990s, under a new management team, the Company had established the foundations for sustained growth and continued to diversify and extend its reputation as a supplier of multidisciplinary construction, maintenance and industrial services to many of the largest resources and energy companies.

Today, Monadelphous' shares are included in the S&P/ASX 200 index.

Our Operations

Monadelphous has two operating divisions working predominantly in Australia, with overseas operations and offices in China, Mongolia, Papua New Guinea and the Philippines.

Engineering Construction

The Engineering Construction division provides large-scale multidisciplinary project management and construction services. These include fabrication, modularisation, procurement and installation of structural steel, tankage, mechanical and process equipment, piping, commissioning, demolition, water asset construction, heavy lift, electrical and instrumentation and engineering, procurement and construction services.

Maintenance and Industrial Services

The Maintenance and Industrial Services division specialises in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, sustaining capital works, fixed plant maintenance services, access solutions, specialist coatings and rail maintenance services.



Replacement of 23.8 kilometres of overland conveyor belt at Rio Tinto's Western Turner Syncline mine, Pilbara region, Western Australia.

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Services and Locations

Monadelphous has two operating divisions working predominantly in Australia, with overseas operations and offices in China, Mongolia, Papua New Guinea and the Philippines.

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Engineering Construction

		Market Sector
1	Albemarle[1] – Kemerton Expansion Project – Construction works for front-end pyromet, and utilities and reagents work scopes associated with new lithium processing trains	Lithium
2	Bechtel – Woodside's Pluto Train 2 Project – Haulage and Lifting Package	Energy
3	BHP – Car Dumper 3 Renewal Project – SMPE&I works	Iron Ore
4	BHP – WAIO Asset Projects Framework Agreement – Various SMPE&I integrated packages	Iron Ore
5	BHP – West Musgrave Project – Civil and concrete works	Nickel, Copper
6	Chevron Australia – Jansz-Io Project – Installation and modification of electrical power and control facilities	Energy
7	CPB Contractors and John Holland Joint Venture – West Gate Tunnel Project – Movement of structural steel	Infrastructure
8	Fortescue – Christmas Creek Mine – Supply and construction of overland conveyor and transfer station	Iron Ore
9	Fortescue – Crane services	Iron Ore
10	Fortescue – Series of SMPE&I construction upgrades at Anderson Point iron ore stockyard	Iron Ore
11	Liontown Resources – Kathleen Valley Lithium Project – Construction of wet plant and supply and fabrication of structural steel	Lithium
12	Lynas Rare Earths – Mt Weld Expansion Project – Construction of SMP stage 1	Rare Earths
13	Origin – Supply, fabrication and assembly of wellhead separator skids	Energy
14	Oyu Tolgoi – Oyu Tolgoi Underground Project – Construction of surface infrastructure	Copper
15	Rye Park Renewable Energy – Rye Park Wind Farm – BOP civil and electrical works	Renewable Energy
16	Talison Lithium – Chemical Grade Plant 3 Project – Civil and concrete works	Lithium
17	Talison Lithium – Chemical Grade Plant 3 Project – Installation of new crushing and screening facility and chemical processing plant	Lithium
18	Tilt Renewables – Latrobe Valley Battery Energy Storage System Project – BOP works	Renewable Energy
19	Woodside – Crane services	Energy

Maintenance and Industrial Services

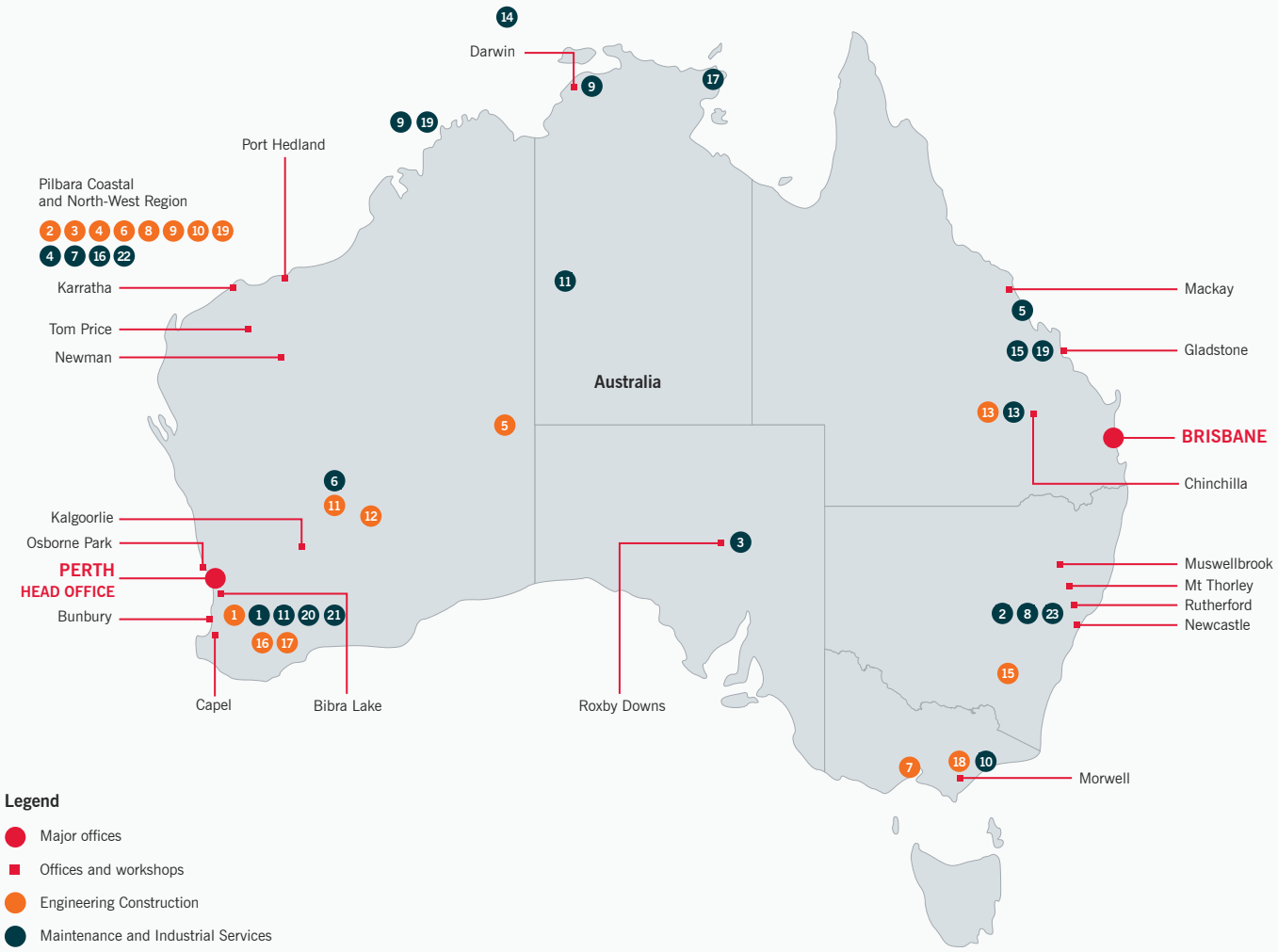
		Market Sector
1	Albemarle[1] – Maintenance services and sustaining capital projects	Lithium
2	BHP – Mt Arthur Coal – Shutdown maintenance and minor projects	Coal
3	BHP – Olympic Dam – Maintenance and shutdowns	Copper, Gold, Uranium
4	BHP Iron Ore – General maintenance, shutdowns and sustaining capital works	Iron Ore
5	BHP Mitsubishi Alliance – Maintenance and shutdown works	Coal
6	BHP Nickel West – Maintenance and shutdowns	Nickel
7	Fortescue – Maintenance, shutdowns and minor projects	Iron Ore
8	Glencore – Supply of labour	Coal
9	INPEX Operations Australia – Offshore and onshore maintenance and turnarounds	Energy
10	LYB Operation & Maintenance – Loy Yang B Power Station – Minor outage	Power
11	Newmont – Boddington and Tanami Gold Mines – General, electrical and mechanical maintenance, shutdown support and tank refurbishment services	Gold
12	Newmont Mining – Maintenance works	Gold
13	Origin – Turnaround and shutdown services	Energy
14	Petrofac – O&M and industrial services for decommissioning of Northern Endeavour FPSO	Energy
15	Queensland Alumina Limited – Maintenance and projects	Alumina
16	Rio Tinto – Fixed plant maintenance services, marine maintenance and sustaining capital works	Iron Ore
17	Rio Tinto – Shutdown services	Bauxite
18	Santos – Engineering, procurement and construction services	Energy
19	Shell – Provision of services	Energy
20	South32 – Worsley Alumina Refinery – Shutdown and mechanical services	Alumina
21	Synergy – Muja Power Station and Collie Power Station – Infrastructure O&M	Power
22	Woodside – Onshore and offshore maintenance and turnarounds	Energy
23	Yancoal – Mount Thorley Warkworth Mine – Major overhaul and heavy shutdown services	Coal

1. Termination for convenience of construction contract and suspension of maintenance and sustaining capital contracts by Albemarle announced after year end, following Albemarle's review of its operating structure.

Abbreviations:
BOP - balance-of-plant; FPSO - floating production, storage and offtake facility; O&M - operation and maintenance; SMP - structural, mechanical and piping; SMPE&I - structural, mechanical, piping, electrical and instrumentation; WAIO - Western Australian Iron Ore.

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2023/24 Highlights

Monadelphous continued to strengthen its position as a leader in the resources and energy sectors, securing more than $3 billion[1] in new contracts and extensions since the beginning of the financial year.



Major long-term maintenance contracts secured in the energy sector

The Company secured several major long-term maintenance contracts, extensions and variations with energy customers INPEX, Shell and Woodside.

Significant investment in assets

Monadelphous invested significantly in assets during the period, expanding the capacity and capability of its heavy lift crane fleet and completing the construction of a major workshop and office facility in Karratha, further cementing its long-term commitment to the region.





Strong margin improvement

An ongoing focus on operational discipline and productivity enhancement contributed to an improved earnings before interest, tax, depreciation and amortisation margin of 6.28 per cent for the year, up from 5.96 per cent in the previous period.

1. Includes contracts awarded from 1 July 2023 to the date the 2024 financial results were released, less a $200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle, following Albemarle's review of its operating structure.

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Record revenue in Maintenance and Industrial Services

The Maintenance and Industrial Services division achieved another record annual revenue result of $1.32 billion, with strong demand for maintenance services across all sectors.

Acquired Melchor Contracting, broadening civil capability

The Company acquired Perth-based civil business Melchor Contracting, expanding Monadelphous' construction offering with civil capability. Melchor is well positioned for a pipeline of future opportunities, including both standalone and vertically integrated multidisciplinary contracts.



Achieved industry recognition

The Company received recognition from a number of leading industry bodies and customers for its commitment to safety and innovation, service delivery, diversity and inclusion, and employee health and wellbeing.





Improved safety performance

The Company's unwavering commitment to safety saw a 12.5 per cent improvement in its total recordable injury frequency rate for the year to 3.02 incidents per million hours worked.

Significant new construction contract awards

Construction activity increased following the award of over $1.1 billion[1] of new major construction contracts.



Performance at a Glance

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Revenue[1]
$2.03 billion

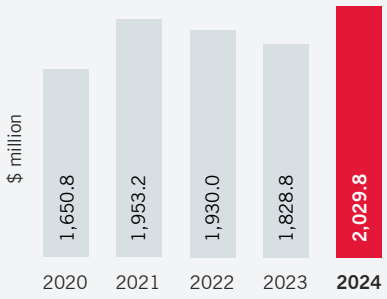
EBITDA margin
6.28%

Net profit after tax
$62.2 million

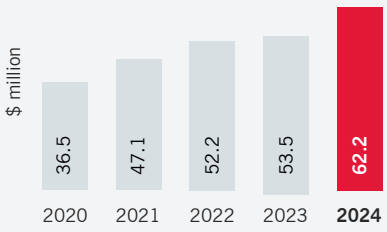
Earnings per share
64.1 cents

Full year dividend
58.0 cents

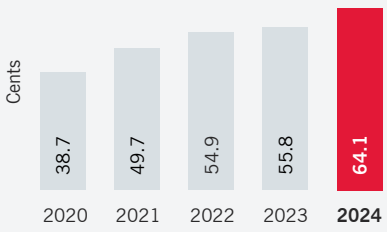
Contracts secured[2]
$3.0 billion



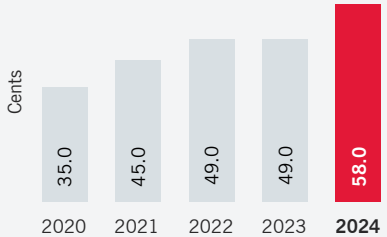
Revenue[1]



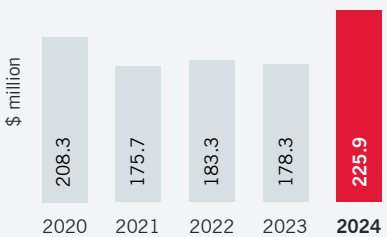
Net profit after tax



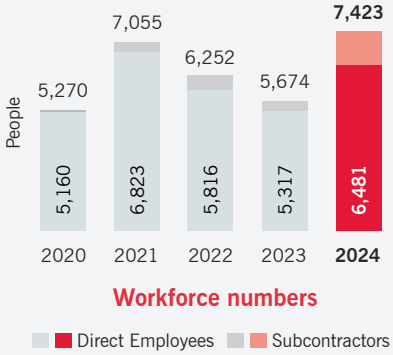
Earnings per share



Dividend per share



Cash



Workforce numbers

1. Includes Monadelphous' share of joint venture revenue. Refer to reconciliation on page 19.
2. Includes contracts awarded from 1 July 2023 to the date the 2024 financial results were released, less a $200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle, following Albemarle's review of its operating structure.
3. EBITDA - refer to reconciliation on page 20.

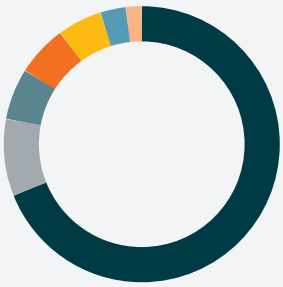
The financial information contained in this section should be read in conjunction with the Financial Statements and accompanying notes. Financial Statements are prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards Board and other relevant standards, as outlined on page 99.

Abbreviations:

EBITDA - earnings before interest, tax, depreciation and amortisation; LTIFR - lost time injury frequency rate; SIFR - serious incident frequency rate; TRIFR - total recordable injury frequency rate.

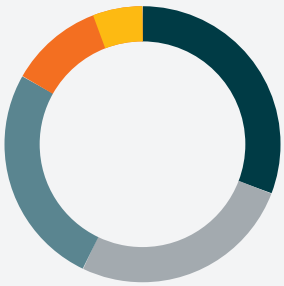
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Revenue by geography



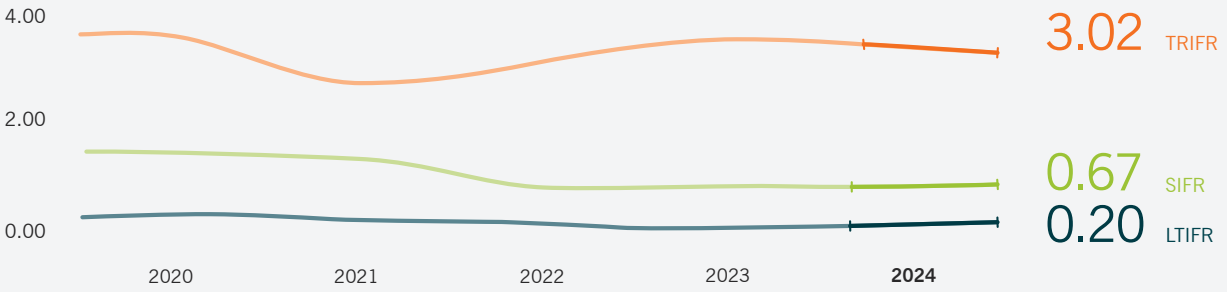
WA	69%
QLD	9%
NT	6%
NSW	6%
International	5%
VIC	3%
SA	2%

Revenue by end customer



Energy	31%
Iron ore	26%
Energy transition metals	26%
Other minerals	11%
Infrastructure	6%

Safety performance



Operations

- Strong demand for maintenance services.
- High levels of construction activity.
- Secured more than $3 billion[2] of new contracts and extensions.
- EBITDA of $127.4 million[3], up 16.8 per cent on prior year.
- Cash flow from operations of $187.7 million; cash flow conversion rate of 169 per cent.
- Material long-term contract extensions and variations secured in energy sector.
- Awarded over $1.1 billion[2] of major new construction contracts.
- Zenviron awarded first contract in energy storage market.
- Acquired Melchor Contracting, broadening civil capability.
- Significant investment in heavy lift crane fleet and new Karratha facility.

People and Safety

- Significant increase in total workforce, up 31 per cent.
- Total recordable injury frequency rate improved 12.5 per cent on prior year.
- Continued investment in early career pathway and leadership programs.
- Over 1,800 courses delivered through Monadelphous' Registered Training Organisation.
- Implemented Long-Term Senior Leadership Performance Reward Plan.
- Industry recognition for commitment to innovation and safety.
- Continuation of fatal risk control campaign.
- Independent review of psycho-social risk management systems.

Diversity, Community and Environment

- Exceeded Indigenous workforce participation and Indigenous business spend targets.
- Won CMEWA Women in Resources Outstanding Company Initiative Award.
- Launched Karratha Community Grants Program.
- Progressed commitments under Stretch Reconciliation Action Plan and Gender Diversity and Inclusion Plan.
- Data capture processes enhanced to support Net Zero by 2050 goal.
- Increased composition of hybrid fleet and trialled fully electric vehicles.

Markets and Growth Strategy

Monadelphous will maximise growth and returns from its core markets, while adopting a targeted approach to new work opportunities, service expansion and market diversification to drive long-term sustainable growth.

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Maximise growth and returns from core markets

Progress

- Major new construction contracts secured across a number of resource sectors.
- Awarded material long-term maintenance contracts and extensions in the energy sector.
- Secured Ichthys LNG onshore maintenance services contract.
- Significant investment in heavy lift crane fleet and new Karratha facility.

Priorities

- Maintain leading performance in contract delivery.
- Retain maintenance contracts.
- Position for further construction opportunities.

Service expansion

Progress

- Acquired Melchor Contracting to introduce civil and structural concrete capability.
- Delivered decommissioning services to Petrofac on Northern Endeavour FPSO.

Priorities

- Grow civil capability via Melchor.
- Strengthen capability in non-process infrastructure construction.
- Further progress offshore decommissioning.

Market development and expansion

Progress

- Integration of Victorian-based specialist electrical and maintenance services business, BMC.
- Zenviron secured first EPC balance-of-plant contract in energy storage market.

Priorities

- Secure further wind farm and energy storage projects.
- Assess further market opportunities related to the energy transition and electrification.

Abbreviations:
EPC - engineering, procurement and construction; FPSO - floating production, storage and offtake facility; LNG - liquefied natural gas.



Bin installation at Fortescue's Christmas Creek mine in the Pilbara region, Western Australia.

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Chair's Report



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Monadelphous experienced significant demand for its services during the year, further strengthening its position with the award of $3 billion[1] of new contracts and extensions.

Since the beginning of the 2024 financial year, the Company secured major contracts in the energy, lithium, iron ore and renewable energy sectors. This included long-term maintenance work with INPEX, Shell and Woodside, and major construction contracts with Talison Lithium, Liontown Resources and Albemarle (which was subsequently terminated for convenience by Albemarle following a review of its operating structure).

Monadelphous continued to experience strong demand for its services from the Western Australian iron ore sector, securing new contracts and extensions with long-term customers Rio Tinto, BHP and Fortescue and delivering a high volume of maintenance and construction work during the year.

As a testament to the Company's excellent reputation with customers for service delivery, it was named Rio Tinto's 2024 Western Australian Supplier of the Year.

Monadelphous acquired Perth-based civil business Melchor Contracting, complementing its existing construction offering with a proven civil capability and positioning the Company for a range of new work across multiple market sectors.

The Company invested significantly in its heavy lift crane fleet, expanding the capacity and capability of the fleet to support operational delivery. In April 2024, the Company completed the construction of a major workshop and office facility in Karratha in the north-west of Western Australia, where it has operated for more than 35 years. The significant investment provides a central hub for operations in the Pilbara, supports the delivery of high-quality services to customers and further cements Monadelphous' long-term commitment to this strategically important region.

Monadelphous continued to focus on attracting, developing and retaining employees who live the Company's values and contribute to its success, and pleasingly achieved improved retention rates despite continued skilled labour shortages in Australia.

The Company progressed the commitments outlined in its fourth Reconciliation Action Plan and exceeded its targets for both Indigenous workforce participation and Indigenous business spend during the year.

Gender diversity and inclusion remained a focus area. Pleasingly Monadelphous was recognised as the winner in the Outstanding Company Initiative Award at the Chamber of Minerals and Energy WA 2024 Women in Resources Awards for its Crane Operations Pathway Traineeship Program.

Monadelphous continued to progress towards its Net Zero by 2050 goal, broadening its data capture processes to enable better decision-making and tracking of its targets, while established working groups focused on supporting initiatives that reduce the environmental impact of operational activities and the transition to renewable power.

Outlook

Fundamental indicators of long-term resources and energy demand, such as sustained global economic growth, urbanisation and decarbonisation, remain robust and are expected to support commodity prices. Despite ongoing short-term global uncertainties and cautious sentiment, the resources and energy sectors continue to provide a significant pipeline of opportunities, with projects related to decarbonisation making up an increasing share of capital expenditure forecasts.

Production across most commodities is expected to remain high, supporting ongoing sustaining capital and maintenance activity. Australian iron ore miners are anticipated to continue

1. Includes contracts awarded from 1 July 2023 to the date the 2024 financial results were released, less a $200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle, following Albemarle's review of its operating structure.

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Liontown Resources' Kathleen Valley Lithium Project, Northern Goldfields region, Western Australia.

investing to sustain production levels with a focus on operational discipline and efficiency to maintain their competitive global cost position.

Price volatility in certain commodities over the past year has resulted in reduced production, some cessation of operations, and the deferral of capital spend, particularly in nickel and lithium. Despite this uncertainty, the level of mining and mineral processing development in the energy transition metals sector is projected to remain high over the long-term. This includes the copper sector, which will require significant capital investment to address forecast demand shortfalls.

Prospects in the energy sector remain positive, with several new gas construction projects currently underway or in development and strong ongoing demand for maintenance services. Additionally, the increasing need for decommissioning of oil and gas assets is expected to create opportunities over the coming decade.

Decarbonisation investments across customer operations, including electrification, energy storage and hydrogen, are beginning to proceed to investment.

Continued efforts to decarbonise the Australian power sector have been affected by network constraints, delayed planning approvals and supply chain pressures. Despite these challenges, the pipeline of renewable energy opportunities is expanding, with numerous new wind farms and battery energy storage projects in various stages of development. Zenviron remains well positioned to capitalise on the significant growth anticipated in this sector over coming years. Additionally, ongoing investment in electricity transmission infrastructure and grid stability will be essential to support the increased introduction of renewable energy generation.

While general labour availability has moderated slightly, Australia continues to face a shortage of skilled labour. Monadelphous continues to focus on employee attraction, training, and development initiatives aimed at fostering retention and bolstering workforce capability and capacity.

Market opportunities remain strong with further contract awards expected over coming months, and given the constraints on skilled labour and other key inputs, the Company will adopt a selective and targeted approach to new work. Monadelphous will continue to engage collaboratively with its customers to support high standards of delivery, focusing on quality of earnings and appropriate risk allocation.

With a strong balance sheet, Monadelphous will continue to assess potential acquisition opportunities to facilitate service expansion, market diversification and long-term sustainable growth.

On behalf of the Board, I would like to extend my appreciation to our dedicated team at Monadelphous for their contribution to a fantastic result, and thank our shareholders, customers and the communities where we operate for their continued support.



Rob Velletri
Chair

Managing Director's Report

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Monadelphous recorded sales revenue of $2.03 billion[1] for the financial year ended 30 June 2024, an increase of 11 per cent on the prior year.

The Maintenance and Industrial Services division achieved a record annual revenue, with continued strong demand for maintenance services and sustaining capital works experienced across all sectors, supporting customers to maintain ageing assets and optimise production levels. The result was driven by particularly high levels of maintenance activity in the energy sector, with a number of significant onshore and offshore turnarounds delivered during the year.

The Engineering Construction division secured several significant new construction contracts during the financial year and post year end, particularly within Western Australia's (WA's) lithium, energy and iron ore sectors. The commencement of onsite activities during the period for previously awarded work saw higher levels of construction activity.

The result reflects the continued strong demand for maintenance services and higher levels of construction activity.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was $127.4 million[2], an increase of 16.8 per cent on the prior year. The Company's ongoing focus on operational discipline and productivity enhancement contributed to an improved EBITDA margin of 6.28 per cent for the year, up from 5.96 per cent in the previous period.

Net profit after tax (NPAT) was $62.2 million, up 16.2 per cent on the prior year, delivering earnings per share of 64.1 cents.

The Board of Directors declared a final dividend of 33 cents per share, taking the full year fully franked dividend to 58 cents per share and yielding a payout ratio of 91 per cent. The Monadelphous Group Limited Dividend Reinvestment Plan applied to both the interim and final dividend payments.

Monadelphous ended the year with a very healthy cash balance of $225.9 million, supported by a number of significant advances associated with construction contract awards. Cash flow from operations was $187.7 million, delivering an outstanding cash flow conversion rate of 169 per cent.

Statutory revenue, which excludes Monadelphous' share of revenue from joint ventures, was $2.01 billion, up 16.7 per cent on the 2023 financial year.

The Company ended the year with a total workforce (including subcontractors) of 7,423, up almost 31 per cent on the end of the previous financial year, with the ramp up in construction activity, the acquisition of Melchor and the award of the INPEX onshore maintenance scope, contributing to this growth in employee numbers.

An unwavering commitment to safety saw a 12.5 per cent improvement in the Company's 12-month total recordable injury frequency rate at 30 June 2024 to 3.02 incidents per million hours worked.

During the year, the Company announced that Northern SEQ Distributor – Retailer Authority, trading as UnityWater (UnityWater), had served a claim and an amendment of claim, in the Supreme Court of Queensland against one of Monadelphous' wholly-owned subsidiaries, Monadelphous Engineering Pty Ltd (ME), valued at approximately $200 million. The claims relate to a contract entered into in 2016 between UnityWater and ME for the design and construction of an upgrade to the Kawana Sewerage Treatment Plant on the Sunshine Coast in Queensland.

1. Includes Monadelphous' share of joint venture revenue. Refer to reconciliation on page 19.
2. EBITDA – refer to reconciliation on page 20.
3. Includes contracts awarded from 1 July 2023 to the date the 2024 financial results were released, less a $200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle, following Albemarle's review of its operating structure.

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CUSTOMER RECOGNITION

RIO TINTO WA SUPPLIER OF THE YEAR AWARD 2024

In April 2024, Monadelphous was invited to attend Rio Tinto's Supplier Recognition Awards night in Perth, Western Australia. The gala event is held in recognition of Rio Tinto's almost 2,500 Western Australian suppliers for their performance and the contribution they make to Rio Tinto and the local community.

Roger Cook, the Premier of Western Australia, presented the WA Supplier of the Year award to Monadelphous. The prestigious award is fantastic recognition of the Monadelphous team and a testament to the relationship with Rio Tinto that dates back more than 30 years, across the Pilbara region.

Western Australian Premier Roger Cook and Rio Tinto Iron Ore Chief Executive Simon Trott with the Monadelphous team.

Monadelphous denies the allegations and claimed losses and is vigorously defending the claims, as well as pursuing available counterclaims, and has informed its insurers of the claims.

Following Albemarle's 1 August 2024 announcement regarding a comprehensive review of its operating structure, Monadelphous was notified that its construction contract at the Kemerton Expansion Project had been terminated for convenience by Albemarle. Company forecasts estimated that the aggregate revenue expected to be generated from works at Kemerton for the year ended 30 June 2025 would have been in the range of $75 million to $85 million, with construction work-in-hand reducing by approximately $200 million.

Engineering Construction

The Engineering Construction division reported revenue of $712.7 million[1] for the financial year, up 31.5 per cent on the prior corresponding period. Following high levels of construction tendering activity in recent periods, the division was awarded more than $1.1 billion[3] of new construction contracts since the beginning of the financial year, with significant contracts in the iron ore, energy, lithium, rare earths and renewable energy sectors.

In WA's iron ore sector, Monadelphous progressed work for BHP's Car Dumper 3 Renewal Project at Nelson Point in Port Hedland and completed the supply and construction of an overland conveyor at Fortescue's Christmas Creek mine. The Company secured a contract with Rio Tinto to support its Western Range Project, as well as a multidisciplinary construction contract with BHP under its Western Australian Iron Ore Asset Panel Framework Agreement for Orebody 32 in Newman, subsequent to year end.

In the lithium sector, major contracts were secured at Talison Lithium's Greenbushes Project, Liontown

Resources' Kathleen Valley Lithium Project and Albemarle's Kemerton Expansion Project. In the energy sector, the Company was awarded a multidisciplinary construction contract to enable gas from the Scarborough Energy Project to be processed at the Pluto Liquified Natural Gas Train 1 facility.

Mondium, Monadelphous' engineering, procurement and construction joint venture with Lycopodium, was awarded a major design and construction contract by Rio Tinto for a new sampling facility at a port operation located in the Pilbara region of WA.

Zenviron entered the energy storage market with the award of its first battery storage contract at Tilt Renewables' Latrobe Valley Battery Energy Storage System Project located near Morwell, Victoria. Pleasingly, subsequent to year end, the Company was awarded a contract with CS Energy, to deliver the Lotus Creek Wind Farm in central Queensland in partnership with Vestas.

In Mongolia, Monadelphous successfully progressed construction of surface infrastructure at the Oyu Tolgoi Underground Project, with Inteforge completing the fabrication of mechanical platework and piping for the project.

Maintenance and Industrial Services

The Maintenance and Industrial Services division reported record revenue of $1.32 billion, with high demand for maintenance services experienced across all sectors. Approximately $1.9 billion in new contracts and extensions were secured since the beginning of the financial year.

In the energy sector, Monadelphous was awarded a significant variation to its offshore maintenance services contract with INPEX Operations Australia, extending its existing contracted works to include the provision of operational campaign and shutdown services at the INPEX-operated Ichthys Liquefied Natural Gas (LNG) onshore processing facilities in Darwin, Northern Territory.

The Company also secured a three-year extension to its long-term services agreement with Woodside-operated onshore and offshore gas production facilities in WA's north-west region.

A major long-term services contract was secured to continue providing onshore support and offshore maintenance services associated with Shell Australia's Prelude Floating Liquefied Natural Gas (FLNG) facility. Monadelphous has provided services to Shell Prelude FLNG since 2015.

Within the Pilbara region of WA, strong demand for maintenance and sustaining capital services from the iron ore sector continued, with the Company securing new contracts and extensions with long-term customers BHP, Rio Tinto and Fortescue.

In conclusion, I would like to thank the talented and committed team at Monadelphous for their loyalty and dedication to the Company's continued growth and another strong year. I also extend my appreciation to our shareholders, customers and our many other stakeholders for their ongoing support.



Zoran Bebic
Managing Director



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Construction of Fortescue's Christmas Creek overland conveyor, Pilbara region, Western Australia.

Company Performance

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A review of the Company's performance over the last five years is as follows:

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue	**2,015,915**	1,725,691	1,810,390	1,754,242	1,488,749
Total revenue from contracts with customers including joint ventures	**2,029,758**	1,828,755	1,930,040	1,953,180	1,650,768
EBITDA	**127,436**	109,083	111,201	108,696	92,077
Profit before income tax expense	**91,945**	73,446	73,511	70,372	55,086
Income tax expense	**29,720**	21,520	21,227	21,906	17,860
Profit after income tax expense attributable to equity holders of the parent	**62,203**	53,543	52,219	47,060	36,483
Basic earnings per share	**64.08c**	55.85c	54.90c	49.70c	38.65c
Interim dividends per share (fully franked)	**25.00c**	24.00c	24.00c	24.00c	22.00c
Final dividends per share (fully franked)	**33.00c**	25.00c	25.00c	21.00c	13.00c
Net tangible asset backing per share	**458.99c**	437.97c	427.54c	413.31c	402.43c
Total equity and reserves attributable to equity holders of the parent	**465,594**	437,978	412,184	395,572	384,433
Depreciation	**37,719**	33,157	33,097	32,476	30,570
Debt to equity ratio	**11.7%**	8.7%	14.3%	10.1%	11.9%
Return on equity	**13.4%**	12.2%	12.7%	11.9%	9.5%
EBITDA margin	**6.3%**	6.0%	5.8%	5.6%	5.6%

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)	**2024 $'000**	2023 $'000
Total revenue from contracts with customers including joint ventures	**2,029,758**	1,828,755
Share of revenue from joint ventures[1]	**(21,196)**	(107,799)
Statutory revenue from contracts with customers	**2,008,562**	1,720,956

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

Abbreviations:

EBITDA - earnings before interest, tax, depreciation and amortisation; IFRS - International Financial Reporting Standards.

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)	**2024 $'000**	2023 $'000
Profit before income tax	**91,945**	73,446
Interest expense on loans and hire purchase finance charges	**2,345**	1,986
Interest expense on other lease liabilities	**1,441**	1,509
Interest revenue	**(7,353)**	(4,300)
Depreciation of owned and hire purchase assets	**29,005**	25,128
Depreciation of right of use assets	**8,714**	8,029
Amortisation of intangibles	**747**	-
Share of interest, depreciation, amortisation and tax of joint ventures[2]	**592**	3,285
EBITDA	**127,436**	109,083

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Monadelphous employees at Northern Star's Kalgoorlie Consolidated Gold Mines Operations, Western Australia.

Board of Directors



Left to right: Sue Murphy AO, Ric Buratto, Helen Gillies, Rob Velletri, Zoran Bebic and Dietmar Voss.



Rob Velletri **Chair**

Rob was appointed to the Board on 26 August 1992 and commenced as Chair on 22 November 2022 after serving 19 years as Managing Director. He joined Monadelphous in 1989 as General Manager after a 10-year career in engineering and management roles at Alcoa. Rob is a mechanical engineer with 45 years of experience in the construction and engineering services industry and is a Member of the Institution of Engineers Australia. Rob is Chair of the Company's Nomination Committee.



Zoran Bebic **Managing Director**

Zoran was appointed to the Board and commenced as Managing Director on 22 November 2022. He has 31 years of experience in the engineering construction and maintenance services industry and has held a broad range of operational, financial and senior management positions at Monadelphous, including Executive General Manager of Maintenance and Industrial Services, Chief Financial Officer and Company Secretary. Zoran is a Fellow of CPA Australia.

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Sue Murphy AO **Deputy Chair and Lead Independent Non-Executive Director**

Sue was appointed to the Board on 11 June 2019 and as Deputy Chair / Lead Independent Non-Executive Director on 11 October 2021. During her 25-year engineering career at Clough, Sue held a wide range of operational and leadership roles before being appointed to the Board as a Director in 1998. Sue joined the Water Corporation of Western Australia in 2004 as General Manager of Planning and Infrastructure, before being appointed as Chief Executive Officer, a role she held for over a decade. Sue also previously served as a Director of ASX listed entities, RemSense Technologies Limited and MMA Offshore Limited. She has 45 years of experience in the resources and infrastructure industries, holds a Bachelor of Civil Engineering and is an Honorary Fellow of the Institution of Engineers Australia. Sue is Chair of the Company's Remuneration Committee and a member of its Audit and Nomination committees. She is also currently Pro-Chancellor of The University of Western Australia.



Helen Gillies **Independent Non-Executive Director**

Helen was appointed to the Board on 5 September 2016. She has previously served as a Director of global engineering company Sinclair Knight Merz, the Australian Civil Aviation Safety Authority, Red Flag Group, and ASX listed entities, Yancoal Australia Limited and Aurelia Metals Limited. She has a strong background in risk, law, governance and finance, as well as extensive experience in mergers and acquisitions, and has 28 years of experience in the construction and engineering services industry. Helen holds a Master of Business Administration and a Master of Construction Law, as well as degrees in commerce and law. She is a Fellow of the Australian Institute of Company Directors. Helen is Chair of the Company's Audit Committee, and a member of its Remuneration and Nomination committees. She is also currently a non-executive director of unlisted entities, BAC Holdings Pty Ltd, the holding company for Bankstown and Camden Airport, and Lexon Insurance Pte Ltd, the captive insurer for lawyers in Queensland.



Dietmar Voss **Independent Non-Executive Director**

Dietmar was appointed to the Board on 10 March 2014. During his career, Dietmar worked for a number of global mining and engineering businesses, including BHP, Bechtel and Hatch throughout Australia, the United States, Europe, the Middle East and Africa. He is a chemical engineer with 50 years of experience in the energy, and mining and minerals industries. Dietmar holds a Master of Business Administration, in addition to chemical engineering and law degrees, and is a member of the Australian Institute of Company Directors. Dietmar is a member of the Company's Audit, Remuneration and Nomination committees.



Ric Buratto **Independent Non-Executive Director**

Ric was appointed to the Board on 11 October 2021. He is a civil engineer with 49 years of contracting experience in the resources and infrastructure sectors. He has held senior executive positions at various ASX listed entities, including Cimic, Decmil and NRW and has extensive leadership and management experience in engineering, mining and construction across a wide range of disciplines, as well as maintenance and shutdown execution. He holds a Bachelor of Engineering (Honours) and is a Fellow of the Institution of Engineers Australia. Ric is a member of the Company's Audit, Remuneration and Nomination committees.

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Engineering Construction

Our Progress

- Annual revenue of $712.7 million, up 31.5 per cent.
- Awarded over $1.1 billion of new construction contracts.
- Major contracts secured in iron ore, lithium, energy, rare earths and renewable energy sectors.
- Mondium secured new design and construction contract at a Rio Tinto port operation.
- Zenviron secured first battery storage contract.
- Acquired Melchor Contracting, broadening civil capability.
- Progressed construction at Oyu Tolgoi Underground Project in Mongolia.





Liontown Resources' Kathleen Valley Lithium Project, Northern Goldfields region, Western Australia.

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The Engineering Construction division provides large-scale multidisciplinary project management and construction services.

The division reported revenue of $712.7 million[1] for the year, 31.5 per cent up on the previous corresponding period. More than $1.1 billion[2] of new construction contracts were secured since the beginning of the financial year, with significant contracts awarded in the iron ore, lithium, energy, rare earths and renewable energy sectors.

In October 2023, Monadelphous expanded its multidisciplinary construction services offering to include civil capability with the acquisition of Perth-based civil business Melchor Contracting. Melchor provides earthworks, formwork, reinforcement fixing and concrete placement, and is well positioned for a pipeline of opportunities across multiple market sectors, including both standalone civil packages and vertically integrated multidisciplinary contracts.

Resources

In the iron ore sector, Monadelphous continued to progress work for BHP's Car Dumper 3 Renewal Project at Nelson Point in Port Hedland, Western Australia (WA), which includes structural, mechanical and piping works. Late in the period, the Company secured a contract with Rio Tinto for shutdown and miscellaneous works at the Western Range Project in the Pilbara region of WA.

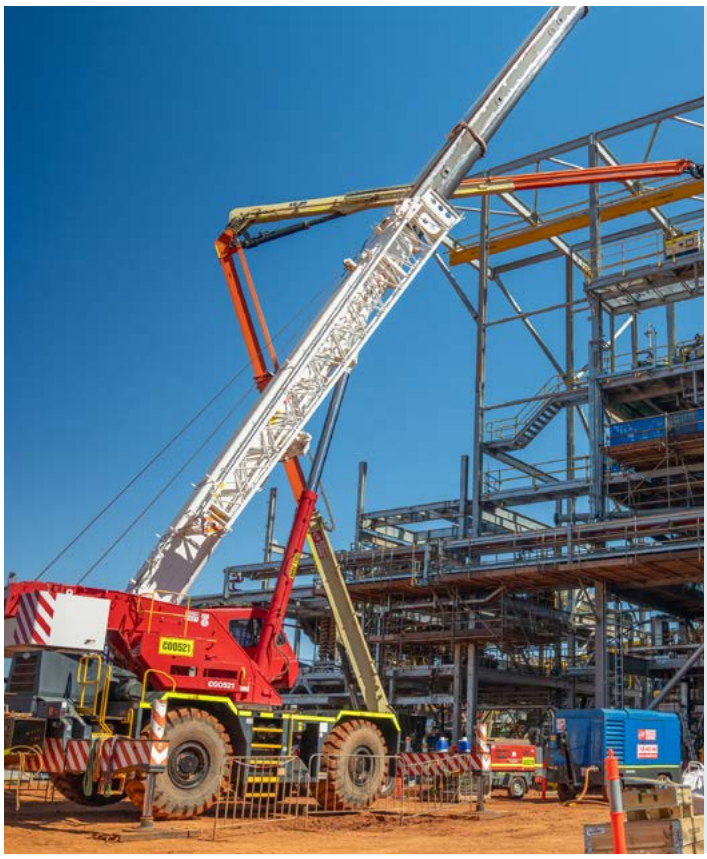
1. Includes Monadelphous' share of joint venture revenue.
2. Includes contracts awarded from 1 July 2023 to the date the 2024 financial results were released, less a $200 million reduction in construction work-in-hand resulting from termination of contracts for convenience by Albemarle, following Albemarle's review of its operating structure.

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Monadelphous employees onsite at Oyu Tolgoi Underground Project, Mongolia.

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CASE STUDY

KATHLEEN VALLEY LITHIUM PROJECT

The Kathleen Valley Lithium Project is a spodumene lithium and tantalum mining and processing operation, located in the Northern Goldfields region of Western Australia, 680 kilometres north-east of Perth. At steady state operations the Kathleen Valley operation will make Liontown Resources one of the largest lithium producers globally.

During the year, Monadelphous secured a multidisciplinary contract with Liontown Resources to deliver a wet plant at the project. The scope of work included all structural, mechanical, piping, electrical and instrumentation works.

Work commenced during the first half of the financial year and neared completion at 30 June 2024.

Liontown Resources' Kathleen Valley Lithium Project, Northern Goldfields region, Western Australia.

The Company also completed the supply and construction of an overland conveyor at Fortescue's Christmas Creek mine in the Pilbara region. The scope of work included civil, structural, mechanical, piping, electrical and instrumentation works, with steelwork supplied by Inteforge. Monadelphous also supported Fortescue to expand the iron ore export capacity of its stockyard facility and managed a number of shutdowns at Anderson Point in Port Hedland, WA.

Monadelphous was awarded a multidisciplinary construction contract under its Western Australian Iron Ore Asset Panel Framework Agreement with BHP associated with the dewatering of surplus water from Orebody 32 in Newman, WA. The work includes the installation of civil, concrete, mechanical, piping, structural and electrical and instrumentation infrastructure, and is expected to be completed in the second half of 2025.

Mondium, Monadelphous' engineering, procurement and construction joint venture with Lycopodium, was awarded a major design and construction contract by Rio Tinto for a new sampling facility at a port operation located in the Pilbara region of WA.

In the lithium sector, Monadelphous secured work with Liontown Resources, Talison Lithium and Albemarle (which was subsequently terminated for convenience by Albemarle following a review of its operating structure).

Monadelphous was awarded a contract valued at approximately $100 million with Liontown Resources for construction of the wet plant at the Kathleen Valley Lithium Project, north of Leinster in the Northern Goldfields region of WA. The Company also secured a multidisciplinary construction contract valued at approximately $160 million for Talison Lithium's Chemical Grade Plant 3 (CGP3) at the Greenbushes site in the south-west of WA.

Following award during the period, the Company completed its scope of work with Lynas Rare Earths for Stage 1 of the Mt Weld Expansion Project in the Goldfields region of WA, which included structural, mechanical and piping works associated with the new concentrate processing facility.

In Mongolia, Monadelphous successfully progressed construction of surface infrastructure at the Oyu Tolgoi Underground Project, with Inteforge completing the fabrication of mechanical platework and piping for the project.

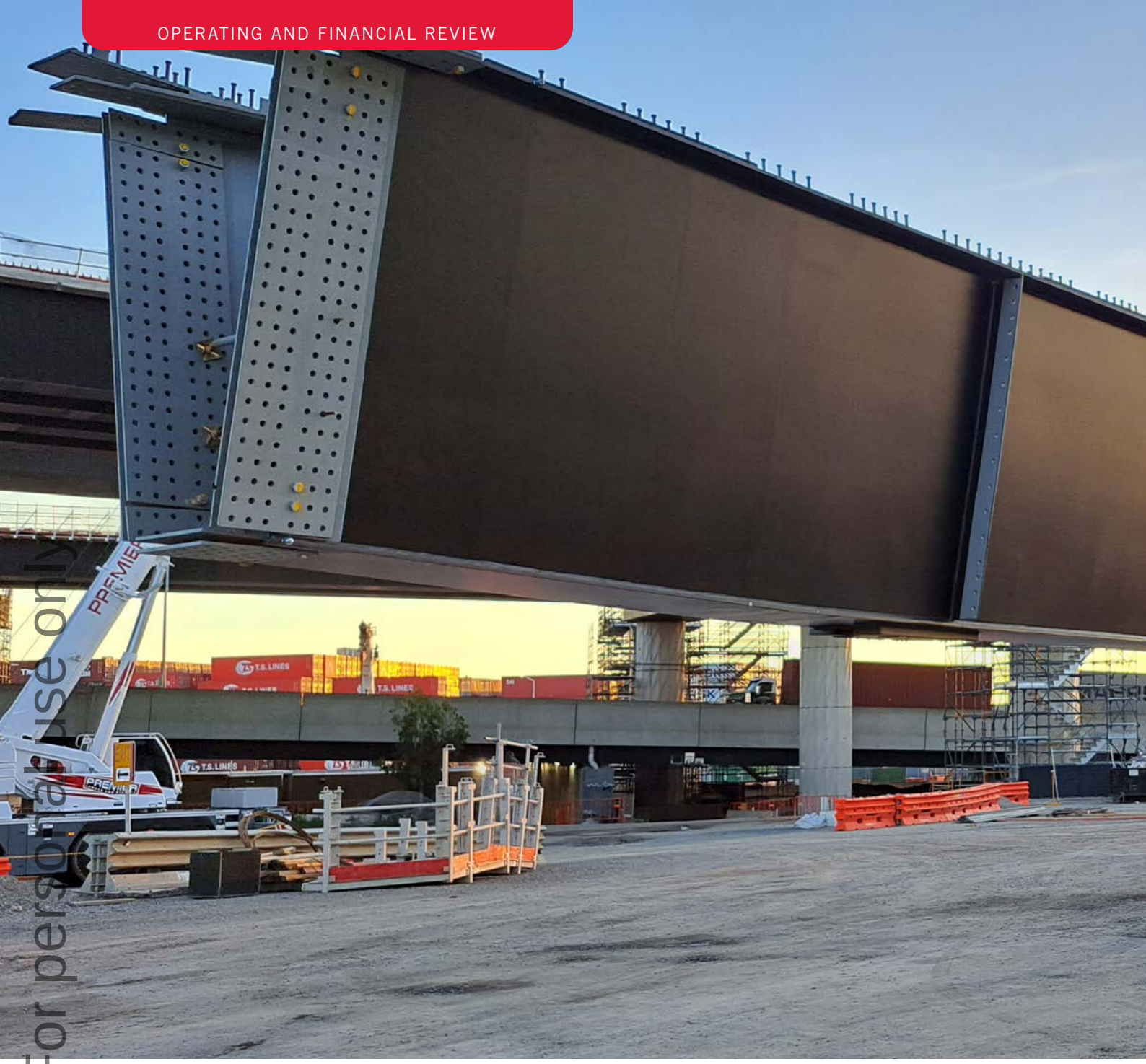
Energy

Monadelphous secured a construction contract with Chevron Australia for its Jansz-Io Compression Project in WA. The Company commenced mobilisation to the project in early 2024, with the work, including the installation and modification of electrical power and control facilities, expected to be complete in late 2025.

The Company was awarded a construction contract with Woodside Burrup Pty Ltd valued at approximately $200 million to provide mechanical, electrical, instrumentation and commissioning works required for modifications to the Pluto Liquefied Natural Gas Train 1 facility and associated infrastructure, near Karratha in WA. This will enable gas from the Scarborough Energy Project to be processed at the Pluto Train 1 facilities.

Fabrication Services

In addition to the provision of fabrication services to a number of the Company's construction contracts, Inteforge completed fabrication and assembly of hydrogen separator modules for HydrogenPro and continued to supply and fabricate wellhead separator skids under its Master Goods Agreement with Origin Energy.



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Heavy Lift

Monadelphous provided heavy lift services and associated engineering support and supply of equipment to several projects across Australia, including to the CPB Contractors and John Holland Joint Venture for the West Gate Tunnel Project in Melbourne, Victoria, and Fortescue's Solomon and Eliwana mine sites in the Pilbara, WA.

Alevro, Monadelphous' heavy lifting services joint venture with Fagioli, delivered specialist haulage services and lifting equipment to Bechtel at Woodside's Pluto Train 2 Project in Karratha, WA.

The Company invested significantly in its heavy lift crane fleet to support operational delivery, expanding the capacity and capability of the fleet and undertaking major maintenance activities to extend the useful life of existing assets. Included in the investment was the addition of a Tadano CC88, which has an impressive load capacity of 1600 tonnes and will provide the Company with a competitive advantage in the delivery of innovative lifting solutions.

Infrastructure

Zenviron, Monadelphous' full service balance-of-plant joint venture in the renewable energy sector, successfully completed work at Tilt Renewables' Rye Park Wind Farm in New South Wales.

During the year, Zenviron also entered the energy storage market with the award of its first battery storage contract at Tilt Renewables' Latrobe Valley Battery Energy Storage System (BESS) Project located south of Morwell, Victoria.

During the year, Zenviron participated in a number of early works engagements relating to wind farm projects progressing toward final approvals and investment decisions. Pleasingly, subsequent to year end, Zenviron was awarded a contract with CS Energy to deliver the Lotus Creek Wind Farm in central Queensland in partnership with Vestas.



Monadelphous transports an 88-metre girder with self-propelled modular trailers at the West Gate Tunnel Project, Melbourne, Victoria.

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Outlook

Australian iron ore miners are anticipated to continue investing to sustain production levels with a focus on operational discipline and efficiency to maintain their competitive global cost position.

Despite recent commodity price volatility, the level of mining and mineral processing development in the energy transition metals sector is projected to remain high over the long-term.

Prospects in the energy sector remain positive, with several new gas construction projects currently underway or in development.

Decarbonisation investments across customer operations, including electrification, energy storage and hydrogen are beginning to proceed to investment.

Zenviron is well positioned to leverage the expanding opportunities in the electricity generation and battery energy storage market to support Australia's transition towards clean energy.

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Maintenance and Industrial Services

Our Progress

- Record full year revenue of $1.32 billion.
- High demand for maintenance services across all sectors.
- Secured approximately $1.9 billion in new contracts and extensions.
- Awarded significant variation adding onshore services to existing INPEX offshore maintenance services contract.
- Long-term maintenance work secured with Shell and Woodside.
- Significant onshore and offshore turnarounds undertaken in the energy sector.
- High volume of services provided in the iron ore sector.
- Named Rio Tinto's 2024 Western Australian Supplier of the Year.





A Monadelphous employee at Rio Tinto's Parker Point, Pilbara region, Western Australia.

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The Maintenance and Industrial Services division specialises in the planning, management and execution of multidisciplinary maintenance services, sustaining capital works and turnarounds.

The division recorded revenue for the period of $1.32 billion, another record result, and continued to experience strong demand for maintenance services and sustaining capital projects across all sectors. Approximately $1.9 billion in new contracts and extensions were secured since the beginning of the 2024 financial year, including several major long-term extensions and variations with energy customers.

Monadelphous delivered a high volume of shutdown, sustaining capital and maintenance work for customers during the financial year, particularly within the energy and iron ore sectors.

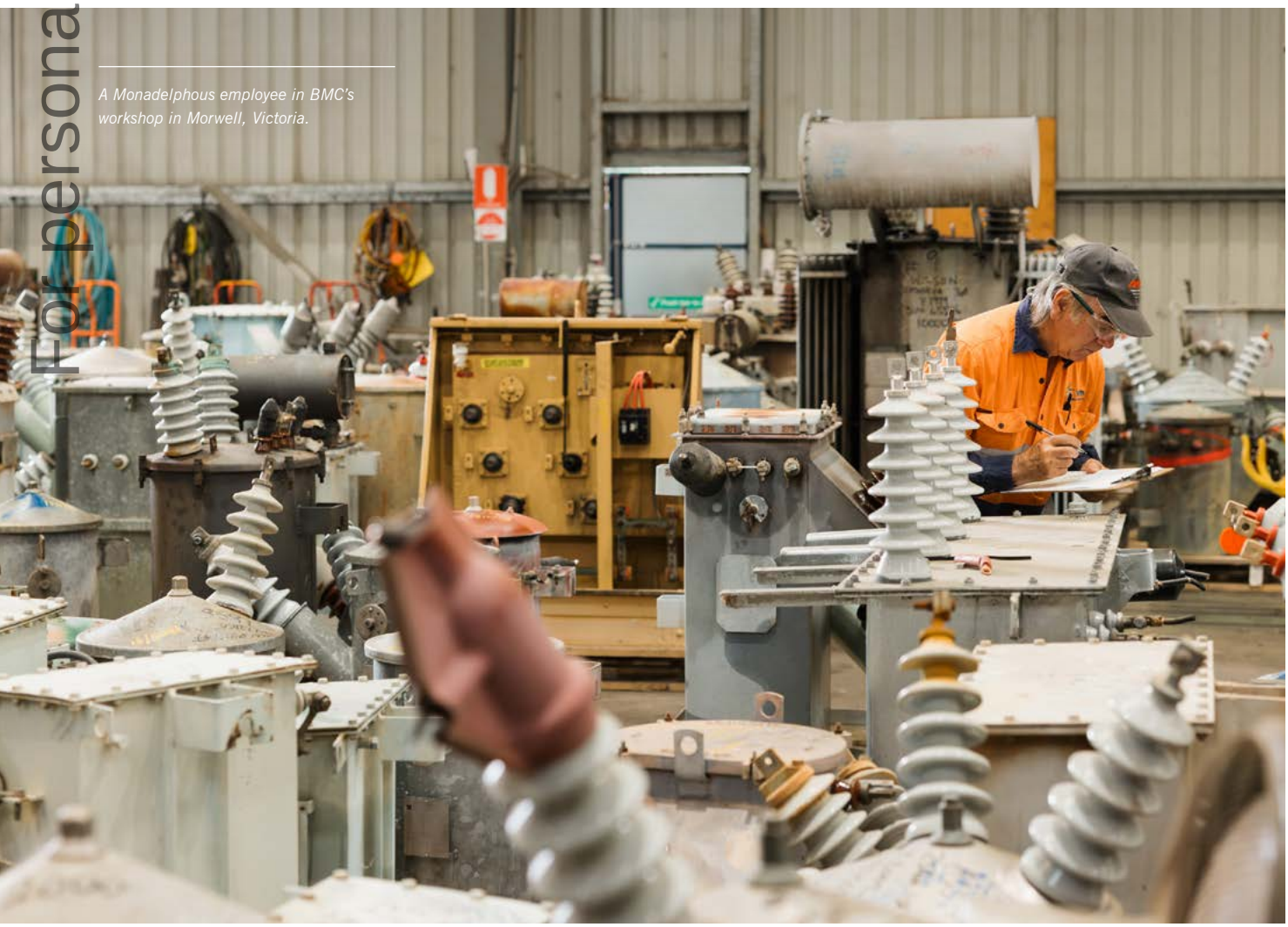
Energy

High levels of maintenance activity were experienced in the energy sector, with Monadelphous undertaking a number of significant onshore and offshore turnarounds for key customers Woodside and Shell.

The Company secured a three-year extension to its long-term maintenance, turnaround and brownfields project services agreement with Woodside-operated onshore and offshore gas production facilities in Western Australia's (WA) north-west region, with an option for a further two years. The contract is valued at approximately $180 million per annum.

Monadelphous was also awarded a significant variation, valued at approximately $75 million per annum, to its existing offshore maintenance services contract with INPEX Operations Australia. The variation extends existing contract works to include the provision of operational campaign and shutdown services at the INPEX-operated Ichthys Liquefied Natural Gas (LNG) onshore processing facilities in Darwin, Northern Territory (NT). During the year, the Company successfully commenced work onshore, employing approximately 250 people onsite, in addition to the Perth-based support team.

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A Monadelphous employee in BMC's workshop in Morwell, Victoria.

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CASE STUDY

INPEX-OPERATED ICHTHYS LNG PROJECT

Monadelphous has delivered operational, campaign and shutdown maintenance services and brownfields projects implementation associated with the Ichthys Central Processing Facility (CPF) 'Ichthys Explorer' and Floating Production, Storage and Offloading (FPSO) facility 'Ichthys Venturer', located off the north-west coast of Australia, since 2017.

Under its contract, Monadelphous is responsible for maintenance, modification projects and shutdowns for the CPF and FPSO (excluding sub-sea), as well as the planning and execution of preservation and maintenance activities for the CPF and FPSO equipment stored at the INPEX Onshore Supply Base in Darwin, Northern Territory.

During the financial year, Monadelphous was awarded a variation to its existing contract to include the provision of operational campaign and shutdown services at the INPEX-operated Ichthys LNG onshore processing facilities in Darwin.

INPEX-operated Ichthys LNG onshore processing facilities, Bladin Point, Darwin, Northern Territory.

Monadelphous was awarded a major long-term maintenance, turnaround and construction services contract to continue providing onshore support and offshore maintenance services associated with Shell Australia's Prelude Floating Liquefied Natural Gas (FLNG) facility. The contract is for a term of seven years and commences at the expiry of the Company's existing contract in November 2024. Monadelphous has been providing services to Shell on Prelude FLNG for the past nine years.

In addition to the long-term work secured with Woodside, INPEX and Shell, Monadelphous was awarded a three-year services contract, with three one-year extension options, to continue providing sustaining capital projects and maintenance support at Santos' production and support facilities in the Southern Highlands region of Papua New Guinea. The Company also secured a two-year extension to its existing contract for the provision of midstream maintenance and turnaround services at Shell QGC's Curtis Island operations in Gladstone, Queensland.

The Company performed a significant turnaround at the Shell Prelude FLNG facility, and multiple onshore and offshore planned maintenance campaigns for the Woodside-operated Goodwyn and North Rankin facilities, Karratha Gas Plant and Pluto LNG facilities. In addition, operational campaign and maintenance services were also provided at INPEX Operations Australia's offshore and onshore facilities associated with Ichthys LNG.

The Company progressed its first oil and gas decommissioning project, with Petrofac on the Northern Endeavour floating production, storage and offtake facility. This work strengthens Monadelphous' position for a future wave of decommissioning activity in Australia's North-West Shelf and Bass Strait regions.



Rope access services performed by Monadelphous' Gladstone operations, Queensland.

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The Company also completed shutdown maintenance work for Origin's gas processing facilities in Queensland.

BMC, Monadelphous' Victorian-based specialist electrical and maintenance services business acquired in the previous financial year, secured an outage contract at the Loy Yang B power station in Traralgon. The successful completion of the shutdown work in early 2024 strengthens the Company's position in the energy generation, transmission and storage market on the east coast.

Resources

Monadelphous continued to deliver a significant volume of services work in iron ore, including under its long-term maintenance and non-process infrastructure panel agreements with Fortescue. The Company was appointed to a further panel providing fixed plant projects across Fortescue's Pilbara operations in WA until mid-2025, with a one-year extension option.

The Company secured a one-year extension to its sustaining capital works master services agreement with Rio Tinto providing multidisciplinary project services across its Pilbara iron ore operations, and progressed work on the construction of a potable water distribution system at Rio Tinto's Hope Downs 4 mine.

Monadelphous was also awarded an extension to its existing contract providing general maintenance services to BHP's iron ore operations in the Pilbara region of WA through to mid-2025, with a one-year extension option, and secured additional maintenance services contract extensions across BHP operations at Nickel West, WA, Mt Arthur Coal in the Hunter Valley, New South Wales (NSW), and Olympic Dam mine site in South Australia (SA).

In Papua New Guinea, the Company secured a contract to continue providing sustaining capital projects and maintenance support activities for a further three years at Newmont's gold operations at Lihir Island.

In Queensland, Monadelphous secured a two-year extension to its existing contract providing mechanical maintenance services at Queensland Alumina Limited's operations located in Gladstone, a three-year contract to continue providing rope access and associated services for Dalrymple Bay Coal Terminal in Hay Point and continued to provide dragline shutdowns for BHP Mitsubishi Alliance in Mackay. In the NT, the Company was awarded a two-year extension to continue providing mechanical, electrical and access maintenance services for fixed plant shutdowns at Rio Tinto's Gove operations.

Monadelphous provided general, electrical and mechanical maintenance, shutdown support and tank refurbishment services at Boddington Gold Mine in WA and Tanami Gold Mine in the NT.

In the south-west of WA, the Company completed major shutdown, mechanical services and minor capital works at South32's Worsley Alumina operations, continued operation and maintenance of the coal handling facility at the Muja Power Station for Synergy in Collie, and delivered maintenance, shutdown and sustaining capital works for Albemarle's lithium hydroxide plant in Kemerton.

The Company continued to provide rail track and infrastructure maintenance services to its customers across Australia, including rail maintenance projects for Pacific National across its operations in WA, NSW and SA.

Outlook

Production across most commodities is expected to remain high, supporting ongoing sustaining capital and maintenance activity, and the increasing need for decommissioning of oil and gas assets is expected to create opportunities over the coming decade.

Monadelphous and INPEX employees supporting NAIDOC Week events in Darwin, Northern Territory.

Sustainability

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SUSTAINABILITY AT MONADELPHOUS





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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, work with and invest in. The Company prioritises the safety and wellbeing of its people, ensuring the delivery of outstanding results for its customers and shareholders, and the enrichment of the communities and environments in which its people live and work.

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SUSTAINABILITY AT MONADELPHOUS



PEOPLE

Our people are the key to our success. We are committed to retaining, attracting and developing people who are highly competent, live the Monadelphous values and actively contribute to the long-term success of the business. We foster a safe, inclusive and respectful workplace where people of all backgrounds, skills and cultures can work together collaboratively, and reach their full potential. Our actions reflect high standards of conduct.

SAFETY & WELLBEING

We are committed to the safety and wellbeing of everyone working in connection with our activities. We believe that all injuries are preventable, and our goal is zero harm. *The Safe Way is the Only Way*.

RESPONSIBLE BUSINESS DELIVERY

We build, maintain and improve our customers' operations through the reliable delivery of safe, innovative, cost-effective and customer-focused solutions. We take a long-term approach to our relationships and maintain high levels of governance and ethics in everything we do. We deliver strong financial performance, generating long-term sustainable value for our shareholders. *We Deliver What We Promise*.

COMMUNITIES

We actively engage with our local communities, providing opportunities for local people and businesses and are committed to leaving a positive legacy within the communities where we work.

ENVIRONMENT

We care for the environment and commit to minimising the environmental impact of our operations and working towards Net Zero emissions by 2050. We pursue opportunities to leave a lasting positive legacy.



Monadelphous Graduates at the Company's Annual Graduate Development Forum, Perth, Western Australia.

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The Company's Sustainability Framework, which guides Monadelphous' approach to long-term sustainable growth, focuses on the key areas of people, safety and wellbeing, diversity and inclusion, communities and environment.

People

The key to Monadelphous' success is its people. The Company is focused on initiatives to attract, develop and retain high performing employees who are aligned with its values and culture.

Despite ongoing challenges presented by skilled labour shortages in Australia, the Company's workforce (including subcontractors) increased almost 31 per cent to 7,423 at the end of the financial year. The growth reflected improved retention rates, a ramp up in construction activity over the period, the acquisition of Melchor and the award of the INPEX onshore work scope.

Attraction of future talent

During the period, the Company saw more than 300 people participate in its diverse range of early career pathways initiatives, which includes Graduate, Vacation, Apprenticeship and Traineeship programs. For the first time, the Company also implemented a winter internship program, attracting strong diversity and establishing relationships early.

Training and talent development

The Company continued to invest in the development of its current and emerging leaders through in-house leadership programs and operational development forums. Monadelphous' Registered Training Organisation delivered more than 1,800 courses to trades people throughout the year, including high risk work license accreditation and verification of competency training.

Employee engagement initiatives

Following an employee engagement survey undertaken in the previous period, the Company implemented a range of actions to support employee retention. Initiatives included enhancing workplace flexibility practices, improving communication around upcoming opportunities and employee benefits, and ensuring the continued maintenance of safe, respectful and inclusive workplaces.

Acceptable workplace behaviour

As part of Monadelphous' commitment to ensuring the prevention and elimination of unacceptable workplace behaviour, the Company continued to progress the actions included in its Respect@ Monadelphous framework. Initiatives undertaken during the year included annual Code of Conduct Refresher training which is mandatory for all employees, a pilot buddy program for new female recruits, and active partnerships with domestic violence support organisations.

Safety and wellbeing

Through its ongoing safety and wellbeing initiatives and campaigns, Monadelphous remains committed to its goal of zero harm and delivering work in line with its safety principle, *The Safe Way is the Only Way*.

The Company's total recordable injury frequency rate for the year ended 30 June 2024 was 3.02 incidents per million hours worked, a 12.5 per cent improvement on the prior corresponding period.

The Company's commitment to safety and innovation led to industry recognition during the year, including a Queensland Work Well Award for 'Best demonstrated healthy and safe work design' and the 2023 Queensland and Northern Territory Welding Excellence Awards: Health and Safety in Welding Award. Melchor's commitment to employee wellbeing was also recognised, with the business named a finalist for a Mentally Healthy Workplace Award in the Western Australia (WA) Mental Health Awards.

Monadelphous continued its extended Fatal Risk Controls campaign focused on further improving the identification, reduction and elimination of fatal risks. During the period, the Company rolled out its annual divisional health and safety campaigns, reinforcing employee awareness of common safety risks, as well as refreshing its Delivering the Safe Way safety behaviour framework, which promotes discussion and reflection on individual behaviours.

As part of its ongoing commitment to employee health and wellbeing, the Company offered a range of complimentary physical health services to employees, including skin checks and heart health checks. A series of online information sessions were also implemented, focusing on topics including women's health, nutrition and mental health.

The Company implemented a range of mental health initiatives supporting employees and their families to develop resilience and improve emotional wellbeing, including partnering with the Resilience Project and participating in national awareness campaigns. In addition, the Company also launched Mental Health Lived Experience Talks for team members to share personal experiences and to encourage meaningful conversations, with training in mental health first aid introduced for Monadelphous' Wellbeing Supporters.

The Company also completed an independent review of psycho-social risk management systems to identify opportunities for continuous improvement in supporting the wellbeing of its people.

The Gladstone Workshop team were recipients of the Monadelphous Managing Director's Safety Innovation Award for developing an innovative, safer solution for removing and refurbishing heat exchangers. This method significantly reduces risk in the refurbishment of heater cassettes, eliminates the requirement for confined space work, and delivers a substantial improvement in productivity.

Diversity and inclusion

Monadelphous remains focused on attracting, retaining and developing its people, fostering a strong workplace culture where diverse people work together collaboratively and contribute to the long-term success of the business.

Indigenous engagement

The Company continued to progress the commitments outlined in its fourth Reconciliation Action Plan (RAP) and second Stretch RAP, providing long-term Indigenous employment opportunities, supporting Indigenous businesses and delivering training and development programs.

Monadelphous exceeded its RAP targets for both Indigenous workforce participation and Indigenous business spend during the year ended 30 June 2024. The Company's Indigenous workforce increased by 42 per cent during the period, ending the year with an Indigenous participation of 4.1 per cent (up from 3.3 per cent last year), with Monadelphous' Indigenous business spend up 67 per cent to approximately $20 million. The Company continued to deliver the Indigenous Pathways Program, offering current and future employees traineeships, apprenticeships and tertiary study support, in partnership with Rio Tinto.

Through its ongoing partnership with the Polly Farmer Foundation, Monadelphous continued support of both the Follow the Dream (school-based) and Living the Dream (Follow the Dream alumni) programs. This included hosting school visits, delivering pro-bono trades-related training for Foundation alumni and awarding scholarships to students participating in the Living the Dream program to pursue educational pathways.

Monadelphous released its enhanced cultural awareness online learning, incorporating cultural safety activities to foster an environment of understanding and respect across the business.

Gender diversity and inclusion

Monadelphous continued to progress initiatives within its Gender Diversity and Inclusion Plan, focusing on ensuring a safe, respectful and inclusive workplace for all, increasing female participation through early career pathways, nurturing



Students from Oodnadatta Aboriginal School designed and painted a Monadelphous shipping container in Roxby Downs, South Australia.

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Monadelphous employees at Lynas Rare Earths' Mt Weld Expansion Project in the Goldfields region, Western Australia.

key female talent, and removing gender-based barriers to entering trade roles.

Pleasingly, Monadelphous was recognised as the winner in the Outstanding Company Initiative Award at the Chamber of Minerals and Energy WA (CME) 2024 Women in Resources Awards for its Crane Operations Pathway Traineeship Program, a three-year program designed to prepare female and Indigenous trainees to qualify as crane operators.

Through its partnership with National Association of Women in Operations (NAWO), Monadelphous provided networking and learning opportunities for employees. As a part of International Women's Day celebrations, the Company provided additional resources to improve awareness of gender equality in the workplace and hosted events for women to share their experiences.

Community

During the year, Monadelphous supported over 80 community initiatives, contributing more than $260,000 in funds and approximately 550 volunteering hours to charities, local groups and grassroots organisations. This included support of the Company's charity partner, Starick, supporting women and children escaping family and domestic violence in WA.

The Company also launched its inaugural Karratha Community Grants Program as part of its long-term commitment to the region, which saw over 20 community grassroots organisations successfully awarded grants, including local sporting clubs, schools and community support programs.

Environment

Monadelphous continued to work towards minimising the impact of its operations on the environment, as well as enhancing its data capture processes to enable improved decision making and the tracking of progress towards its Net Zero by 2050 goal.

During the year, alternative low emission welding pre-heating methods were trialled to reduce reliance on liquid petroleum gas (LPG), along with trials of hybrid power supply using diesel generators and battery storage solutions.

Monadelphous increased the composition of its hybrid vehicle fleet, trialled fully electric vehicles and commenced installation of small-scale solar panels to power battery operated tooling in vehicles and stores. The Company also installed



Monadelphous is a platinum sponsor of the Hedland Reds Football Club, Port Hedland, Western Australia.

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solar panels on its new Karratha facility and is undertaking a program to transition other facilities to renewable power.

With the incoming mandatory Australian climate reporting requirements, the Company undertook a review of the exposure draft reporting standards and completed a gap analysis identifying process improvements required to effectively address future disclosure obligations. The Company is currently working through these actions to improve its external reporting of climate-related risks and opportunities.

Greenhouse gas reporting

The Company's overall carbon footprint is deemed small, however it continues to look for ways to reduce its emissions, which have been relatively stable for the last few years, particularly in light of its Net Zero by 2050 goal.

Greenhouse gas emissions data is monitored for environmental planning, legislative requirements, tracking progress towards Net Zero emissions and sustainability reporting purposes. This involves the collection of data relating to fuel use, energy consumption and indirect emissions. The Company continues to undertake greenhouse gas reporting to monitor its emissions and reduce its overall footprint.

Energy usage is predominantly in the areas of gases utilised in welding processes and fuel used in vehicles and plant and equipment required for execution of services. Monadelphous undertakes greenhouse and energy reporting under the National Greenhouse and Energy Reporting (NGER) Act for Australian operations, and the Greenhouse Gas Protocol for international operations.

The financial year ended 30 June 2024 has been nominated as the Company's base year, the year against which the Company will reference progress of its Net Zero by 2050 and interim targets. The Company's Net Zero by 2050 goal includes Scope 1 and 2 absolute tonnes of carbon dioxide equivalent (tCO_{2-e}) emissions for all Australian and international operationally controlled sites. The Company uses the Operational Control approach to determine the organisational and operational boundaries of Monadelphous' greenhouse gas footprint, adjusting for acquisitions and divestments, in accordance with the NGER Act and Greenhouse Gas Protocol guidelines.

The Company's base year absolute Scope 1 and 2 emissions are 15,216 tCO_{2-e}.

During the year, Australian NGER Act reportable Scope 1 and 2 emissions were 14,862 tCO_{2-e}, significantly below the legislative reporting threshold of 50,000 tCO_{2-e}. The Company triggers the energy consumption threshold of 200 Terajoules (TJ) under the NGER Act and annually reports this information to the Clean Energy Regulator. The total energy consumption for the reporting period ended 30 June 2024 is 212 TJ.

Productivity and innovation

Monadelphous strives for continuous improvement by identifying and implementing innovative solutions and work practices that drive increased productivity, support its commitment to safety, create efficiencies and deliver maximum value to customers.

Fabrication and deployment of the Company's innovative 'plug and play' modular building solutions commenced during the year, transforming prefabricated storage containers into standardised site facilities such as offices, crib rooms and training rooms. Plug and play facilities were installed at Rio Tinto's Western Range and Talison Lithium's Chemical Grade Plant 3 project sites, creating cost and time efficiencies and reducing the effort involved in establishing site facilities.

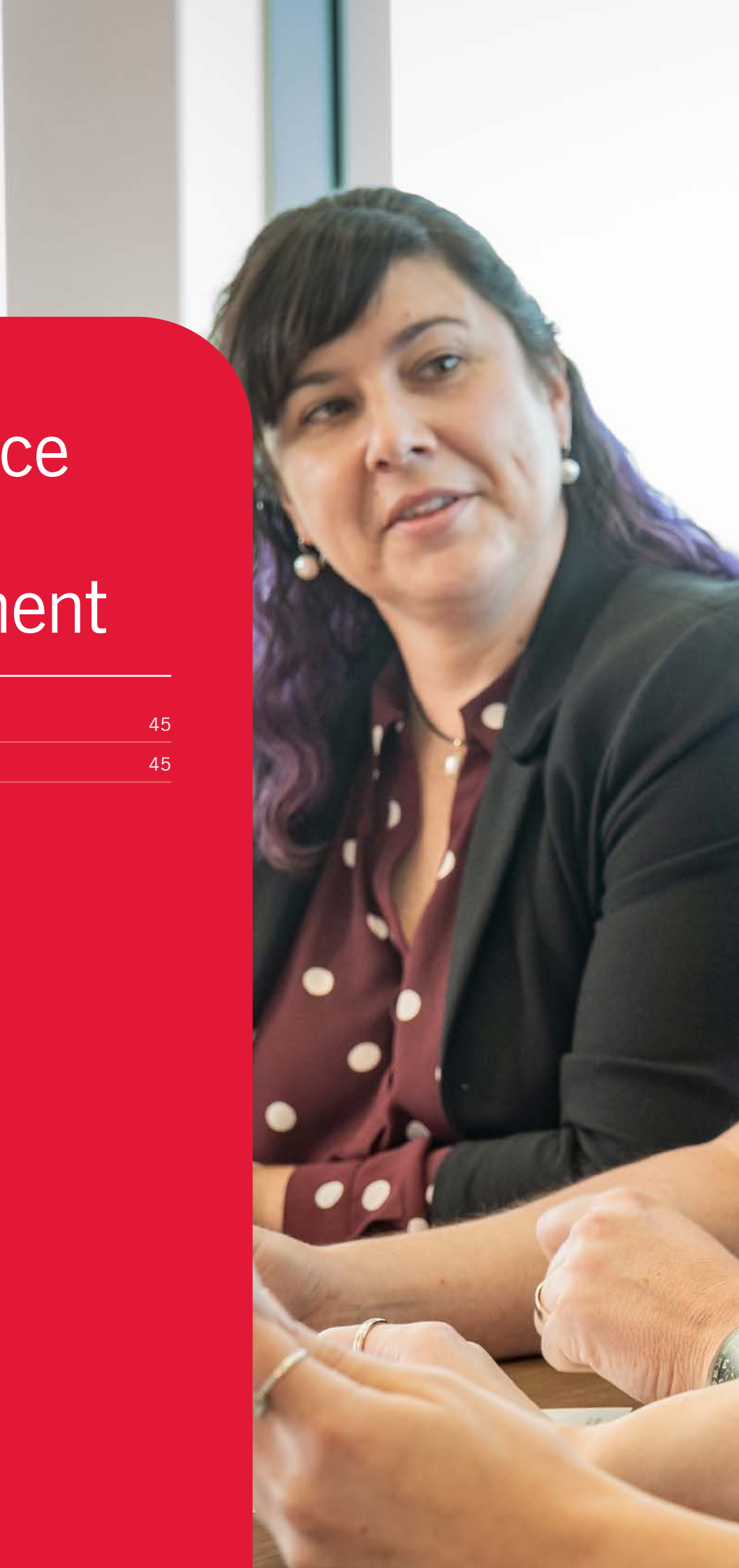
Following trials, the Company undertook installation of driver fatigue and distraction monitoring technology in over 100 light vehicles. The technology improves safety by leveraging computer vision, artificial intelligence and haptic feedback to provide real-time driver alerts.

Over 130 innovations were ideated and implemented across the Company during the year, generating a range of safety, cost and productivity benefits. Implemented initiatives included application of 3D printing for the manufacture of unique supply components to alleviate supply chain delays, introduction of new project management applications which maximise data-backed decision-making, and the ongoing digitalisation and automation of in-field processes.



Monadelphous' Plug and Play facility deployed onsite at Talison Lithium's Chemical Grade Plant 3 in Greenbushes, Western Australia.

Monadelphous employees at the Victoria Park head office, Western Australia.



Governance and Risk Management

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Risk Management 45

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Governance

The Board of Directors of Monadelphous Group Limited is responsible for establishing the Company's corporate governance framework with regard to the ASX Corporate Governance Council's Principles and Recommendations.

The Board guides and monitors the business and affairs of Monadelphous on behalf of its shareholders, by whom they are elected and to whom they are accountable. The Company has in place charters, policies and procedures which support the framework and ensure a high standard of governance is maintained.

Monadelphous' full Corporate Governance Statement, Board and Committee charters, and the Company's governance policies, are published on its website at www.monadelphous.com.au.

Risk Management

Risk management roles and responsibilities

The Board is responsible for setting the strategic direction of the Company and for creating and maintaining the environment and structures within which risk management practices can operate effectively. The Board also sets the Company's appetite for risk taking and risk tolerance.

The Audit Committee, in conjunction with the Board, assesses the effectiveness of risk management policies, procedures and internal controls in identifying business and financial risks and controlling their financial impact by considering any significant matters identified by management.

The Managing Director and Chief Financial Officer have ultimate accountability to the Board for the risk management and internal control system. The Group Risk function is responsible for the risk management framework. The risk management framework describes the processes and tools available to manage the risks which relate to the achievement of the Company's vision and strategic objectives. It involves the identification of material risks relevant to the Company's objectives, nominating risk appetite, assessing the risks in terms of likelihood and magnitude of impact, determining a response strategy and monitoring progress. It also provides a feedback mechanism to enable knowledge sharing. The framework is designed to identify potential events that may impact the Company and manage risks within the risk appetite endorsed by the Board to provide reasonable assurance regarding the achievement of vision and strategic objectives.

The risk management framework is made up of the following elements:

1. Control Environment – The control environment sets the tone for the Company's risk management, influencing the risk consciousness of its people and sets the basis for how risk is viewed and addressed. It is the foundation for all other components of risk management and provides discipline and structure. It includes the Company's risk management philosophy and risk appetite, integrity and ethical values, and the environment in which it operates.

2. Risk Identification and Assessment – The identification and evaluation of internal and external factors that impact the Company's performance and ability to meet its vision and strategic objectives. This includes the structured and disciplined oversight of all operations at both the Board and executive level and periodic environmental scans to understand current conditions in which the Company operates.

3. Risk Management and Control Activities – Risk management processes, including related systems of internal control, are formalised and maintained within the Company's Business Management System (BMS). The BMS contains the policies and procedures designed to ensure that the Company operates within the risk appetite set by the Board. The BMS formalises the actions to be taken to ensure the effective management of operations, protection of shareholder value, compliance management and regulatory reporting. Risk management processes and controls include a range of activities as diverse as approvals, authorisations, performance reviews and the appropriate segregation of duties. The Group Authorities Matrix is a tool used to apply decision making and expenditure authorities as approved by the Board consistently across the Company.

4. Information and Communication – Relevant information is identified, captured and effectively communicated in a timely manner that enables people to carry out their responsibilities effectively and efficiently. Technology plays an important role in the flow of information in the Company, from its core business systems for accounting, through to its incident reporting system which provides an early warning system detailing the effectiveness with which major incidents and hazards are being managed.

5. Monitoring and Reporting – The processes to determine whether performance objectives are being met and internal controls are operating as designed. Both key performance indicators and internal controls need to be monitored regularly to assess performance. Any deficiencies detected through these monitoring activities should be reported and corrective actions taken to ensure the continued reliance on the system. Tools in place include strategic planning and analysis, the annual budget process, key performance indicator reporting, customer surveys, Board reporting, risk appetite and assessment reporting, the Group Assurance function and its associated reporting to the Audit Committee, the ongoing health, safety, environmental and quality certification process, and the Company's productivity and innovation framework.

The Group Assurance function is responsible for providing an appraisal of the adequacy of, and compliance with, the risk management and internal control system. The Group Assurance function reports to the Audit Committee and undertakes the annual audit plan as approved by the Audit Committee. The function formally reports to the Audit Committee twice a year, or more regularly as required.

On an annual basis, the Audit Committee reviews the Company's risk management framework and makes recommendations to the Board. A review of the framework was conducted during the year ended 30 June 2024 with no material governance changes required.

The Board formally reviews the material business risks and risk tolerance levels as part of the Company's annual strategic planning process to ensure risks are effectively identified and addressed. Regular updates are provided by management on the effectiveness of the Company's management of its material business risks. This includes an assessment of whether the Company is operating within, approaching or outside the Board's risk tolerance levels.

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A Monadelphous employee at Fortescue's Christmas Creek mine, Pilbara region, Western Australia.

Economic, social and environmental sustainability risks

In conducting its business, the Company takes commercial and business risks to achieve its objectives and deliver shareholder value. It is exposed to various risks in its day-to-day operation, both general and Company-specific. The ability of the Company to achieve its objectives and long-term sustainable growth is impacted by the effective management of the risks to which it is exposed. The key material risks faced by the Company, and the management thereof, are outlined below, with further detail provided in the Operating and Financial Review section of this report.

Economic sustainability risks	Social sustainability risks	Environmental sustainability risks
External market forces	Employee retention, attraction and development	Harm to the environment
Contract pricing	Harm to people (safety and wellbeing)	Climate risk
Contractual risk	Industrial relations	
Operational execution		
Liquidity		
Acquisitions and joint ventures		
Foreign exchange		
Innovation and technology		
Cyber security and information technology (IT) business continuity		
Compliance with laws and regulations		

Economic sustainability risks

External market forces

The Company operates in the resources, energy and infrastructure sectors. The demand for Monadelphous' services can vary greatly as a result of changes in market conditions, including the timing and award of projects, project deferrals and cancellations, changes in political, economic and environmental conditions, the cyclical nature of commodity prices and the demand for customers' goods and services. These markets are competitive by nature. Increased levels of competition and competitors' particular strategic objectives may result in the Company unsuccessfully tendering for projects.

In response to these risks, Monadelphous has an established markets and growth strategy ensuring a diverse offering of services and exposure across multiple markets. The limits of strategic risk the Company is willing to accept are defined within the strategy which is approved by the Board. The Company regularly reviews its market position and competitive advantage, as well as that of competitors, to ensure that it is well placed to secure opportunities as they arise. It undertakes a comprehensive opportunity identification and selection process when tendering for projects. The Company also has comprehensive crisis management and business continuity plans in place to assist with recovery from potential risk events which may significantly impact critical business processes, reputation and revenue streams.

Contract pricing

The Company undertakes a variety of fixed price lump sum, schedule of unit rates or cost-plus contracts, or a combination thereof. If Monadelphous underestimates the cost to complete a project, or applies an inadequate pricing strategy, there is a risk that the Company's financial performance may be negatively impacted. Inaccurate or inadequate pricing may result in reduced margin and financial liability.

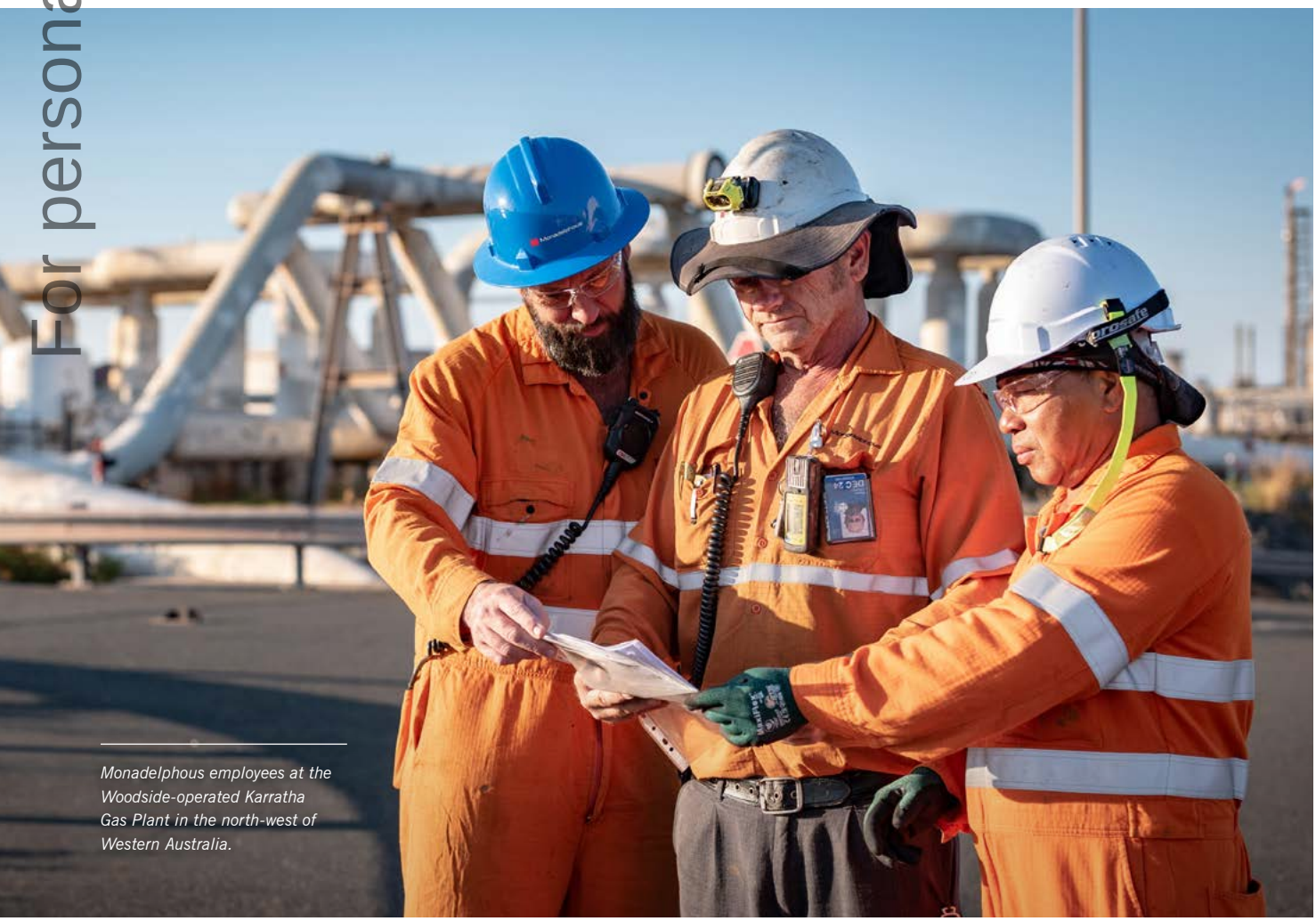
To mitigate this, the Company is selective in the work that it tenders and undertakes a thorough review process for all tenders prior to submission. The Company has an established tender risk management system involving capable, experienced subject matter experts, historical data and productivity metrics and appropriate authority and approval levels, to ensure effective identification and assessment of risk at the tender stage. The Company also includes appropriate clauses in its contracts to address pricing fluctuations.

Contractual risk

The Company is typically contracted under customer proposed terms and conditions, which can vary widely and expose the Company to the risk of financial loss.

The Company identifies and analyses contractual risk at the time of tender and employs suitably qualified and experienced personnel to undertake contractual negotiations in accordance with prescribed tolerance limits. Where contractual risk cannot be avoided through negotiations,

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Monadelphous employees at the Woodside-operated Karratha Gas Plant in the north-west of Western Australia.

appropriate mitigating controls and treatment strategies are employed at an operational level to minimise risk exposure.

Operational execution

Monadelphous is involved in planning, developing, constructing and executing a range of projects and contracts with varying degrees of difficulty. If projects and contracts are not executed effectively, there is a risk of financial and/or reputational damage to the Company. Key risks include poor financial performance, schedule slippage, inadequate contract administration and poor execution quality. Supply chain disruptions may result in protracted lead times, delays and increased costs.

Monadelphous maintains a robust project management system which effectively manages projects from inception to completion. The Company employs suitably qualified, experienced and capable employees for the work that it undertakes and ensures employees are familiar with the Company's execution methodologies and provides them with the necessary resources to effectively and efficiently execute their responsibilities. Relationships are maintained with key suppliers to ensure potential supply impacts are understood and can be planned around during execution. Projects and contracts are reviewed on an ongoing basis by general and executive management, as well as the Board, with independent performance reviews undertaken by divisional and group assurance teams. Monadelphous operates management systems certified to ISO 9001 Quality Management Systems.

Liquidity

In the normal course of business, the Company is exposed to liquidity risks. Customers may extend payment terms beyond those contractually agreed and contractual variations or claims may take extended periods of time to resolve. In addition, certain contracts require the Company to provide bank guarantees or performance bonds.

To ensure the Company maintains an effective and appropriate level of working capital, the Company regularly reviews cash flow forecasts including project cash flows, closely monitors cash collections and payment obligations and undertakes appropriate credit verification procedures on customers. The Company also regularly reviews its facility levels and compliance with banking covenants.

Acquisitions and joint ventures

To support its growth strategy, the Company may enter new markets and gain access to new customers via acquisitions and joint ventures. This may expose the Company to the risk of financial loss due to over valuation, underperformance of the acquired business or joint venture, or inadequate or poorly executed integration.

The Company mitigates these risks by undertaking thorough due diligence and integration planning prior to executing agreements. This due diligence and planning covers, amongst other areas, valuation, financial stability and liabilities, alignment with strategic objectives, and complementary organisational values and culture.

Foreign exchange

The Company operates in, and sources supplies from, a number of foreign jurisdictions and as a result, is exposed to the risk of financial loss from fluctuating foreign exchange rates.

The Company adopts practices in accordance with its Foreign Exchange Risk Management Policy to effectively mitigate and manage exposures to foreign currency fluctuations. This includes avoiding foreign exchange risk in contracts where possible, minimising the amount of excess foreign currency in foreign jurisdictions and hedging exposures using forward contracts.

Innovation and technology

The application of innovative solutions, including the use of technology in the provision of construction and maintenance services and administrative functions, can deliver improvements in productivity, quality, sustainability, safety and environmental performance, and enable growth in new markets. The failure to identify and act decisively on threats or opportunities presented by innovation and new technologies can have a negative impact on the business in terms of reduced competitiveness, attractiveness as an employer and reputation among customers and industry more broadly.

The Company drives innovation across the business by leveraging ideas from employees and industry, systematically implementing improvements and strategically monitoring the external landscape and actions of customers and competitors with respect to innovation, initiatives and technology adoption. Successfully implemented ideas are communicated across the business to drive replication and standardisation where it makes good business sense.

Cyber security and information technology (IT) business continuity

The Company uses information technology in the conduct of its business and recognises the importance of protecting its systems and safeguarding sensitive data. The ever-increasing sophistication and frequency of cyber-attacks, such as phishing and ransomware and other malicious hacking activities, heightens the risk of business disruption, financial loss, legal implications and reputational damage should sensitive data be unlawfully accessed or lost. The Company may also encounter significant business disruption resulting in financial loss or reputational damage should there be a failure of critical IT systems.

Monadelphous invests in systems, equipment, training and resources to mitigate the risks associated with maintaining the confidentiality, integrity and availability of its systems, IT equipment and data. Additionally, the Company ensures its systems are appropriately maintained and supported to meet agreed performance expectations and that contingency plans exist and are tested regularly to minimise downtime and data loss in the event of a system fault or failure.

Compliance with laws and regulations

The Company is subject to a range of legal and regulatory requirements in the jurisdictions in which it operates. Non-compliance with relevant laws and regulations may result in criminal prosecution, significant penalties or reputational damage, and can adversely impact the Company's ability to operate.

The Company manages its compliance with legal and regulatory requirements through the implementation of

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appropriate systems and controls, employing suitably qualified subject matter experts and engaging region specific advisors where required. The Company also monitors changes in laws and regulations and updates its systems and controls as necessary to ensure ongoing compliance. If a non-compliance is identified, it is notified to the appropriate level of management or the Board for remediation.

Social sustainability risks

Employee retention, attraction and development

As a services business, Monadelphous' people are its greatest asset. The failure to retain, attract and develop highly competent people who live the Company's values may impact its ability to achieve its strategic vision and deliver value for stakeholders, resulting in financial loss and reputational damage.

The Company focuses on attracting people who desire to have a long-term career at Monadelphous, whose experience demonstrates proven capability and whose behaviours exhibit cultural alignment. Targeted sourcing strategies and resource planning ensure the Company can recruit and mobilise the right people at the right time. A strong focus is placed on developing employee skills and leadership capability to enable the achievement of the Company's strategic objectives, whilst providing challenging and rewarding opportunities which facilitate career progression and retention. Monadelphous aims to retain all those who are aligned to the Company's culture and contribute to its long-term success.

Harm to people (safety and wellbeing)

Monadelphous is subject to work health and safety regulations and there is a high degree of operational risk inherent in the industries in which it operates, along with psycho-social hazards. Failure to address these risks may result in wellbeing impacts, injury or loss of life to its people and those people it manages and interacts with.

The Company operates under its safety directive *The Safe Way is the Only Way*, with a goal of zero harm and a commitment to ensuring people are treated with dignity and respect. It has a robust, effective and mature safety management system and is committed to monitoring and improving safety performance, ensuring the provision of safe work practices and providing training and initiatives that ensure the safety and wellbeing of its employees. Monadelphous is certified to ISO 45001 Occupational Health and Safety Management Systems.

Industrial relations

A large proportion of Monadelphous' workforce operates under collective industrial agreements. Monadelphous may be exposed to the risk of employee and industrial unrest associated with the management of these arrangements along with associated employee related matters, which have the potential to impact operational continuity and damage the reputation of the Company.

The Company mitigates this risk by fostering a positive organisational culture, ensuring processes are in place to proactively consider the appropriateness of these arrangements, effectively engaging with employees, addressing grievances and complying with workplace laws. The Company also consults regularly with unions to understand and address any concerns in a cooperative manner.

Environmental sustainability risks

Harm to the environment

Environmental risk is the actual or potential threat of harm to living organisms and the environment by effluents, emissions, waste and resource depletion, arising out of the Company's activities. The Company's reputation may be tarnished as a result of environmental damage from its activities, impacting its ability to retain and attract employees, retain and secure future work opportunities, and affecting shareholder value.

Monadelphous conducts work in environmentally sensitive areas, has a responsibility to protect the local ecosystems when delivering projects, and aims to leave a lasting positive legacy at every stage in the lifecycle of its operational activities. It is committed to environmental sustainability through the diligent management of its activities, including the identification of risks to the natural and built environment and the implementation of strategies and actions to mitigate or reduce its impact.

Monadelphous works together with its customers to identify specific environmental risks and determines how these can be managed, including biodiversity, climate change, flora and fauna, dust and emissions, heritage, soils, water and waste. Ensuring compliance with customer requirements and environmental legislation and regulation is also critical to maintaining its strong reputation as a contractor of choice. To support this, the Company applies an environmental management system that is certified to ISO 14001 Environmental Management Systems.

Climate risk

Climate risk is the risk that climate change poses to the Company's strategy and business model. If the Company does not remain agile in adapting to the changing climate and associated market conditions, it may be exposed to financial and reputational loss.

The move towards a low-carbon economy will continue to influence change in a number of industries within which Monadelphous operates. The Company's markets and growth strategy provides the flexibility for the Company to diversify into new markets, creating opportunities and mitigating the risk of market changes. Monadelphous remains committed to the ongoing monitoring of its environmental risk profile, taking into consideration the impacts of climate change on its business and strategy, and adapting to customer and market shifts.



Monadelphous employees volunteering for Keep Australia Beautiful Week at Victoria Park head office, Western Australia.

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Rye Park Wind Farm, located in regional New South Wales.

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In recent years, Monadelphous has been on a journey of aligning its reporting of climate risks and opportunities with the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD). With the incoming mandatory Australian climate reporting requirements, the Company undertook a review of the exposure draft reporting standards and a gap analysis to identify process improvements required to ensure effective compliance with future disclosure obligations. The Company is currently working through these actions to improve its external reporting of climate-related risks and opportunities.

Governance

On an annual basis, Monadelphous undertakes an assessment of its climate risks and opportunities.

The Board reviews the climate risk and opportunity assessment as part of the Company's annual strategic planning process and considers the impact of climate risks and opportunities on the Company's operations and strategy. The Board provides strategic guidance to management to aid in the development of the Company's strategy for future years, including direction around target markets (for example, energy transition markets) or markets to divest from. Applying the Board's guidance, it is the responsibility of management to develop the strategy for approval by the Board, including the identification of key strategic initiatives required to achieve the Company's strategic objectives. Strategic initiatives to address climate risks and opportunities are managed by operational and corporate management depending on the nature of the initiative and their completion forms part of the individual employee's performance assessment. The progress of initiatives is reported to the Board regularly during the year, as well as through periodic strategic and risk management updates.

In accordance with its charter, the Audit Committee reviews the Company's risk management framework and risk appetite (of which climate risk forms a part) annually to ensure the effective integration of risk management in the Company's day-to-day decision making.

The Board and Audit Committee are also kept up to date by management and the Company's external auditors on the incoming Australian climate reporting requirements and the actions underway to address any gaps in existing processes. The Company continues to improve and evolve its processes to ensure the consideration of climate and environmental risk in all applicable areas of the business.

The Board oversees the Company's environmental strategy and the achievement of its goal of Net Zero emissions by 2050. Monadelphous' Emissions and Energy Reduction Roadmap (Roadmap) outlines a series of interim targets towards achieving this goal. The Environmental Strategy Steering Committee, which reports through to the Executive Health, Safety and Environment (HSE) Committee and comprises representatives from HSE, Risk, Marketing and Communications, Investor Relations, Business Services and the operating divisions, is charged with overseeing the delivery of actions in line with the Roadmap. These initiatives are being actioned by Net Zero working groups from across the business focused on transitioning the Company's facilities and operations to renewable energy sources, 'greening' the Company's fleet of plant and equipment and reducing carbon emissions through optimisation of operational activities.

The progress of these initiatives is reported to the Board in quarterly sustainability presentations. An annual HSE management review is also presented to the Board which includes detailed environmental performance and emissions data associated with the Company's Net Zero strategy and as reported to the Clean Energy Regulator.

Strategy

In the climate risk and opportunity assessment, Monadelphous considers each of the climate-related risk and opportunity types, along with the potential impact to the Company. The following time horizons are applied:

- Short – 2030
- Medium – 2040
- Long – 2050

An overview of the Company's climate risk and opportunity assessment is outlined on the following pages.

Risk (Risk Type)	Description	Potential Business Impact	Risk Management	Timing
Changing Customer Behaviour (Transition – Market)	The move towards a low carbon economy may reduce demand for fossil fuels.	Reduced demand for new construction projects and ongoing maintenance services in fossil fuel industries.	Continue to monitor shifting demand and adjust strategy accordingly. Pursue opportunities in energy transition sectors.	Short to medium.
Increased stakeholder concern (Transition – Reputation)	Negative perception of various stakeholder groups to the Company operating in fossil fuel industries.	Ability to retain and secure quality workforce. Potential stakeholder concerns.	Environmental strategy including Net Zero goal and Emissions and Energy Reduction Roadmap. Disclosure of the Company's exposure to climate risk and opportunities. Continue to progress markets and growth strategy in energy transition sectors. Remain cognisant of stakeholder concerns when assessing opportunities.	Short to long.
Government climate policy and regulatory changes (Transition – Policy and Legal)	Implementation of climate / emissions related requirements in the jurisdictions in which the Company operates (for example increased compliance and reporting requirements). Increased cost of carbon offsets.	Increased operating costs associated with reporting to governments, customers and shareholders. Increased operating cost associated with offsetting emissions.	Monitoring legislative and reporting changes and addressing requirements accordingly. Maintaining relationships with stakeholders to understand requirements. Continue to progress actions under environmental strategy including Net Zero goal and Emissions and Energy Reduction Roadmap. Improved data tracking and reporting systems. Factor cost of carbon offsets into budgeting and forecasting, as required.	Uncertain.
Extreme weather events and changes (Physical – Acute and Chronic)	Increased frequency and severity of extreme weather events such as cyclones, flood and bushfires, impacting Company facilities, operations and projects. Longer term shifts in climate pattern (sustained higher temperatures) may cause rising sea levels and chronic heat waves.	Inability to deliver according to contractual requirements. Increased costs, reputational damage and reduced operational activity. Impacts to health and safety of workforce (threat of injury or loss of life, disruption to operations, reduced productivity).	Monitoring weather events. Crisis management, business continuity planning and disaster recovery strategies. Assessing contractual requirements and ensuring implementation of appropriate mitigation strategies. Climate change risk assessment for Company owned facilities and climate risk considered in future location planning and lease/buy decisions.	Short to long.

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Opportunity (Opportunity Type)	Description	Potential Business Impact	Opportunity Management	Timing
Renewable energy market presence (Energy Sources, Products and Services)	Growth in renewable energy market.	Renewable energy opportunities for Zenviron (wind, battery storage).	Monitoring market changes. Continue to enhance Zenviron's position in the renewable energy market. Ensure capacity to effectively capitalise on opportunities.	Short to long.
Capitalise on growth in existing markets (Markets)	The resources and energy sectors are expected to provide a significant pipeline of prospects across a broad range of commodities, with expenditure related to the energy transition representing an increasingly larger proportion of investment in coming years.	Growth in existing markets supporting the energy transition. Opportunities assisting customers with decommissioning existing assets (e.g. coal, oil and gas).	Monitoring customer and market forecasts and adjusting strategy as required. Target opportunities with existing and new customers.	Short to long.
Leverage existing capabilities to access new and emerging markets (Markets)	Development of future energy markets will provide prospects (e.g. hydrogen, emerging markets).	Opportunity to leverage current capabilities to new markets that emerge as a result of the transition to a low carbon economy.	Monitor market movements. Target new opportunities in future energy markets with existing and new customers. Ensure capacity to effectively capitalise on opportunities.	Short to long.

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Zenviron's LaTrobe Valley BESS Project for Tilt Renewables.

To assist in the Company's strategic planning process, a scenario analysis is performed annually and presented to the Board along with the climate risk and opportunity assessment. The impact of two different scenarios (a 1.5°C increase accelerated action scenario and a greater than 4°C increase runaway climate change scenario) on the climate risks to which the Company is exposed is assessed to test the resilience of the Company's strategy and identify any further actions that may be required under certain scenarios.

Risk Type	Accelerated Action Scenario – low carbon economy limited to 1.5°C increase	Implications / Actions
Market (Transition Risk)	Increased demand for energy transition metals increasing investment.	Respond to opportunities in energy transition metals.
	Exit from metallurgical coal activities.	Limited metallurgical coal exposure, resources to be deployed elsewhere taking advantage of other opportunities. Decommissioning opportunities.
	New oil and gas project cancellations.	Resources to be deployed elsewhere taking advantage of other opportunities. Decommissioning opportunities.
	Accelerated expectation from customers on their suppliers and contractors reducing their operational greenhouse gas emissions.	Acceleration of measures to reduce emissions and implement tracking mechanisms.
Policy (Transition Risk)	Imposition of government climate policies and carbon price regimes.	Dependent on nature of policy, may include increased cost of greenhouse gas emissions and reporting requirements.
Reputation (Transition Risk)	Stakeholder expectations to deliver upon climate strategy impacting attraction of investors, retention and attraction of employees, customer expectations.	Timely response to opportunities in energy transition markets.
		Improve disclosures to clearly articulate implementation of climate strategy and associated initiatives.
Acute and Chronic Weather Impacts (Physical Risk)	Increased frequency and severity of bushfires, flood, cyclones and rainfall.	Consideration for climate impacts in operational locations, buy/lease decisions.

Risk Type	Runaway Climate Change Scenario – with >4°C increase	Implications / Actions
Market (Transition Risk)	Ongoing demand for metallurgical coal and oil and gas.	Respond to opportunities in coal and oil and gas markets.
	Delays or deferral of energy transition metals and renewable energy projects.	Reputational implications of continuing to service high emission industries.
Acute and Chronic Weather Impacts (Physical Risk)	Increased frequency and severity of bushfires, flood, cyclones.	Damage to infrastructure, Company owned facilities, disruption to operations and reduced productivity.
Chronic Weather Changes (Physical Risk)	Rising temperatures, sea levels and rainfall.	Increased health and safety incidents, reduced productivity, damage to coastal operations, increased maintenance costs, increased insurance cost (or failure of insurance market resulting in self-insurance cost).
		Opportunities in maintenance of customer assets and operations (beyond existing markets).
Policy (Transition Risk)	Reduced regulatory requirements.	Reduced reporting costs.
Reputation (Transition Risk)	Reduced expectations on meeting climate strategy and targets.	Reputational implications of continuing to service high emission industries.

The Company is continuing to work on improving its scenario analysis process, including quantifying the potential impact of the risks on the Company's future financial performance.

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Risk Management

Monadelphous' risk management framework outlines the Company's approach to risk and the processes and controls in place to aid in the mitigation and management of material and emerging risks. Climate risk is included in the risk management framework.

A climate risk and opportunity assessment is facilitated annually by management from the Company's Group Risk and HSE functions, along with input and review by strategic and operational teams and executive management. Management undertakes research of publicly available climate data to understand the potential impact of climate change on the industries and geographical locations in which the Company operates, and customer and peer analysis is also performed.

The specific actions to manage the identified key climate risks and opportunities are noted above. Strategic actions are recorded in the Company's strategic management tool, alongside other strategic initiatives and the status reported upon monthly.

Metrics and Targets

Monadelphous is committed to minimising the impact of its operations on the environment and to the achievement of Net Zero emissions by 2050. The Company's Emissions and Energy Reduction Roadmap outlines a series of interim targets towards achieving this goal and the Company continues to work through a number of initiatives to address its environmental impact.

The Company has an interim target of 20 to 40 per cent reduction in Scope 1 and 2 absolute emissions across its Australian and international operationally controlled locations by 2030. This is the first phase in a staged approach to reduce emissions.

The key areas of focus to achieving these targets, which are supported by Net Zero working groups, include transitioning the Company's facilities and operations to renewable energy sources, 'greening' the Company's fleet of plant and equipment and reducing carbon emissions through optimisation of operational activities.

Activities undertaken during the year by the Company's Net Zero working groups included a series of trials aimed at reducing the use of liquid petroleum gas (LPG), which is a significant contributor to the Company's Scope 1 emissions profile. A trial of electric forklifts was undertaken to identify opportunities to replace existing LPG forklifts within its fleet with lower emission alternatives. Further, the Company combusts a significant quantity of LPG to heat steelwork in preparation for welding activities. Several alternative heating technologies were trialled, identifying a range of opportunities to lower emissions and improve productivity. The Company is trialling battery and solar units as an alternative power solution, as well as trialling hybrid, and where suitable, fully electric, light vehicles in different operating environments in an effort to reduce fuel consumption.

The Company's overall carbon footprint is deemed small and has been relatively stable for a number of years. Monadelphous continues to look for ways to reduce emissions, and monitors advances in technology which could support its goal of Net Zero emissions by 2050.

Greenhouse gas emissions and energy data is collated and reported as part of the Company's environmental planning and legislative requirements and Net Zero and sustainability reporting purposes. This involves the collection of data relating to liquid fuel use, energy consumption and indirect emissions. Monadelphous reports emissions and energy usage data annually to the Clean Energy Regulator under the National Greenhouse and Energy Reporting (NGER) Act for its Australian operationally controlled locations. The greenhouse gas data is reviewed to identify trends and used as part of innovation and mitigation strategy development for business activities. This in turn supports the Company's efforts to minimise its greenhouse gas footprint and drive performance towards Net Zero. Monadelphous also continues to support its customers' ambitions to pursue their Net Zero emission goals, constantly looking for ways to decarbonise its operations to reduce Scope 1 and 2 emissions produced on customer sites.

The Company has a target of continued certification to ISO 14001 Environmental Management Systems, with the aim of continued improvement in environmental performance. A review is currently underway of the Company's greenhouse gas data collation processes to ensure greater efficiency for reporting required under both the NGER Act and the incoming Australian climate-related reporting requirements with various alternatives being considered.

As Monadelphous continues its climate journey, further measures and targets will be considered to assess the effectiveness of its climate-related strategies.

For further details, including the Company's annual emissions and its Emissions and Energy Reduction Roadmap, refer to the Sustainability section of this report and the Company's website.



Zenviron-constructed substation for Rye Park Wind Farm, New South Wales.

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Monadelphous employees at Lynas Rare Earths' Mt Weld operations.

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DIRECTORS' REPORT

The information on pages 7 to 58 forms part of the Directors' Report for the year ended 30 June 2024 and is to be read in conjunction with the following information.

DIRECTORS

The names and details of the directors of the Company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Robert Velletri Chair	Appointed as Director 26 August 1992 Appointed as Managing Director on 30 May 2003 and ceased as Managing Director following his appointment as Chair on 22 November 2022 Mechanical Engineer, Member of Engineers Australia 45 years of experience in the construction and engineering services industry
Zoran Bebic Managing Director	Appointed as Managing Director 22 November 2022 Certified Practising Accountant, Fellow Member of CPA Australia 31 years of experience in the construction and engineering services industry
Susan Lee Murphy AO Lead Independent Non-Executive Director	Appointed 11 June 2019 Civil Engineer, Honorary Fellow of Engineers Australia 45 years of experience in the resources and infrastructure industries Also a non-executive director of the following other publicly listed entities: MMA Offshore Limited (ASX: MRM) – appointed 30 April 2021, resigned 26 July 2024 RemSense Technologies Limited (ASX: REM) – appointed 17 May 2023, resigned 21 February 2024
Dietmar Robert Voss Independent Non-Executive Director	Appointed 10 March 2014 Chemical Engineer, Member of the Australian Institute of Company Directors 50 years of experience in the oil and gas, and mining and minerals industries
Helen Jane Gillies Independent Non-Executive Director	Appointed 5 September 2016 Solicitor, Master of Business Administration and Construction Law, Fellow of the Australian Institute of Company Directors 28 years of experience in the construction and engineering services industry Also a non-executive director of the following other publicly listed entities: Yancoal Australia Limited (ASX: YAL) – appointed 30 January 2018, resigned 9 February 2024 Aurelia Metals Limited (ASX: AMI) – appointed 21 January 2021, resigned 31 January 2024
Enrico Paul Buratto Independent Non-Executive Director	Appointed 11 October 2021 Civil Engineer, Fellow of Engineers Australia 49 years of experience in the construction and engineering services industry

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DIRECTORS' REPORT

COMPANY SECRETARIES

Philip Trueman Company Secretary and Chief Financial Officer	Appointed 21 December 2007 Chartered Accountant, Member of Chartered Accountants Australia and New Zealand 24 years of experience in the construction and engineering services industry
Kristy Glasgow Company Secretary	Appointed 8 December 2014 Chartered Accountant, Member of Chartered Accountants Australia and New Zealand 19 years of experience in the construction and engineering services industry

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares and options of Monadelphous Group Limited were:

	Ordinary Shares	Performance Rights over Ordinary Shares	Retention Rights over Ordinary Shares	Options over Ordinary Shares
R. Velletri	2,234,961	9,674	14,534	150,000
Z. Bebic	90,348	16,686	10,900	100,000
D. R. Voss	72,630	Nil	Nil	Nil
H. J. Gillies	9,984	Nil	Nil	Nil
S. L. Murphy	13,473	Nil	Nil	Nil
E. P. Buratto	4,250	Nil	Nil	Nil

EARNINGS PER SHARE

	Cents
Basic Earnings Per Share	64.08
Diluted Earnings Per Share	63.13

DIVIDENDS

	Cents	$'000
Final dividends declared		
• on ordinary shares	33.00	32,260
Dividends paid during the year:		
Current year interim		
• on ordinary shares	25.00	24,315
Final for 2023		
• on ordinary shares	25.00	24,200

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CORPORATE INFORMATION

Corporate structure

Monadelphous Group Limited is a company limited by shares that is incorporated and domiciled in Australia. Monadelphous Group Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year (refer note 21 in the financial report).

The registered office of Monadelphous Group Limited is located at:

59 Albany Highway
Victoria Park
Western Australia 6100

Nature of operations and principal activities

Engineering Services

Monadelphous is a diversified services company operating in the resources, energy and infrastructure industry sector.

Services provided include:

- Fabrication, modularisation, offsite pre-assembly, procurement and installation of structural steel, tankage, mechanical and process equipment, piping, demolition and remediation works
- Multi-disciplined construction services
- Plant commissioning
- Electrical and instrumentation services
- Engineering, procurement and construction services
- Process and non-process maintenance services
- Front-end scoping, shutdown planning, management and execution
- Water and waste water asset construction and maintenance
- Construction of transmission pipelines and facilities
- Operation and maintenance of power and water assets
- Heavy lift and specialist transport
- Access solutions
- Dewatering services
- Corrosion management services
- Specialist coatings
- Rail maintenance services
- Structural concrete and associate works

General

Monadelphous operates from major offices in Perth and Brisbane, with regional offices in Newcastle, Beijing (China), Ulaanbaatar (Mongolia) and Manila (Philippines), and a network of workshop facilities in Kalgoorlie, Karratha, Port Hedland, Newman, Tom Price, Darwin, Roxby Downs, Gladstone, Hunter Valley, Mackay, Bibra Lake, Bunbury, Capel, Chinchilla, Osborne Park and Morwell.

The consolidated entity's revenue is earned predominantly from the resources, energy and infrastructure industry sector. There have been no significant changes in the nature of those activities during the year.

Employees

The consolidated entity employed 6,481 employees as of 30 June 2024 (2023: 5,317 employees).

OPERATING AND FINANCIAL REVIEW

Review

A review of operations of the consolidated entity during the financial year, the results of those operations, the changes in the state of affairs and the likely developments in the operations of the consolidated entity are set out in the Operating and Financial Review section of this report.

Operating results for the year

	2024 $'000	2023 $'000
Revenue from contracts with customers	**2,008,562**	1,720,956
Profit after income tax expense attributable to equity holders of the parent	**62,203**	53,543

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DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the parent entity or the consolidated entity during the financial year.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

Dividends declared

On 19 August 2024, the directors of Monadelphous Group Limited declared a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is $32,260,367 which represents a fully franked final dividend of 33 cents per share. This dividend has not been provided for in the 30 June 2024 financial statements. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the dividend.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Refer to the Operating and Financial Review section for information regarding the likely developments and future results.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Monadelphous Group Limited is subject to a range of environmental regulations.

During the financial year, Monadelphous Group Limited met all reporting requirements under any relevant legislation. There were no incidents which required reporting.

The Company strives to continually improve its environmental performance.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 330,050 retention rights, 631,470 performance rights and 1,525,000 options on issue as follows:

- 330,050 retention rights to take up one ordinary share in Monadelphous Group Limited. The retention rights have a vesting date 20 December 2024
- 298,682 performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 1 July 2025
- 141,329 performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 1 July 2026
- 191,459 long-term performance rights to take up one ordinary share in Monadelphous Group Limited. The performance rights have a vesting date 20 December 2026
- 1,525,000 options to take up one ordinary share in Monadelphous Group Limited. The options have a vesting date 1 September 2024

Performance right, retention right and option holders do not have any right, by virtue of the performance right, retention right or option, to participate in any share issue of the Company or any related body corporate or in the interest of any other registered Scheme.

Shares issued as a result of the exercise of performance rights, retention rights and options

On 1 July 2024, 295,443 ordinary shares in Monadelphous Group Limited were issued upon the vest and exercise of performance rights.

On 20 December 2023, 346,938 ordinary shares in Monadelphous Group Limited were issued upon vest and exercise of retention rights.

On 6 September 2023, 296,370 ordinary shares in Monadelphous Group Limited were issued following exercise of 767,500 options.

On 1 July 2023, 163,080 ordinary shares in Monadelphous Group Limited were issued upon the vest and exercise of performance rights.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid premiums in respect of a contract insuring all the directors and officers of Monadelphous Group Limited against a liability incurred in their role as directors of the Company, except where:

(a) the liability arises out of conduct involving a wilful breach of duty; or

(b) there has been a contravention of Sections 182 or 183 of the *Corporations Act 2001*.

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INDEMNIFICATION OF AUDITORS

The Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against certain liabilities to third parties arising from the audit to the extent permitted by law. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the audit.

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During or since the end of the financial year, no director has had any interest in a contract or proposed contract with the Company being an interest the nature of which has been declared by the director in accordance with Section 300(11)(d) of the *Corporations Act 2001*.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are shown in the table below.

		Meetings of Committees		
	Directors' Meetings	Audit	Remuneration	Nomination
Number of meetings held	14	7	4	1
Number of meetings attended:				
R. Velletri	14	-	-	1
Z. Bebic	14	-	-	-
D. R. Voss	14	7	4	1
H. J. Gillies	14	7	4	1
S. L. Murphy	14	7	4	1
E. P. Buratto	13	7	4	1

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an audit committee, a remuneration committee and a nomination committee.

Members acting on the committees of the Board during the year were:

Audit	Remuneration	Nomination
H. J. Gillies (c)	S. L. Murphy (c)	R. Velletri (c)
D. R. Voss	D. R. Voss	H. J. Gillies
S. L. Murphy	H. J. Gillies	D. R. Voss
E. P. Buratto	E. P. Buratto	S. L. Murphy
		E. P. Buratto

Note: (c) Designates the chair of the committee.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars ($'000) (where rounding is applicable) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors have received an independence declaration from the auditor of Monadelphous Group Limited, as shown on page 87.

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	**29,092**
	29,092

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

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REMUNERATION REPORT (AUDITED)

1. Remuneration Report Overview

The Remuneration Report for the year ended 30 June 2024 outlines the remuneration arrangements for Key Management Personnel (KMP) of the Company (consolidated entity comprising the parent entity Monadelphous Group Limited and its subsidiaries) in accordance with the requirements of the *Corporations Act 2001*. The Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

2. Remuneration Philosophy

The performance of the Company depends predominantly and primarily upon the quality of its employees. To prosper, the Company must attract, motivate and retain highly skilled employees, which includes the directors and executives of the Company.

To this end, the Company embodies the principles of providing competitive rewards to attract and retain high calibre executives, and the linking of executive rewards to the creation of shareholder value.

3. Remuneration Governance

3.1 Overview

The Remuneration Committee of the Board of Directors of the Company is responsible for reviewing and recommending to the Board for approval, compensation arrangements for directors and the executive management team. The composition of the Remuneration Committee is set out on page 65 of this report. Further information about the Remuneration Committee's role and responsibilities is available on the Company's website at www.monadelphous.com.au.

The Remuneration Committee utilises remuneration survey data compiled by recognised remuneration research organisations across a range of industries and geographic regions. The remuneration survey data is updated every 6 months and is used to assess the appropriateness of the nature and amount of remuneration of directors and the executive management team. This assessment is made with reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

In recommending the remuneration levels of directors and executives, the Remuneration Committee takes into consideration the performance of the Company, divisions and business units, as well as that of the individual.

3.2 Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

3.3 Employment Contracts

All executives have non-fixed term employment contracts. The Company or the executive may terminate the employment contract by providing the required notice (3 months for the Chief Financial Officer or 6 months for the Managing Director and Executive General Managers). The Company may terminate the contract at any time without notice if serious misconduct has occurred.

3.4 Hedging of Equity Awards

The Company prohibits executives from entering into arrangements to protect the value of unvested equity-based awards. The prohibition includes entering into contracts to hedge their exposure to options awarded as part of their remuneration package.

3.5 Share Trading Policy

Under the Company's Share Trading Policy, Key Management Personnel and other employees may only trade in securities of the Company during specific periods, and then only if they do not possess any unpublished, price-sensitive information in relation to those securities.

The trading periods in which buying and selling of the Company's securities, either directly or indirectly, by a Key Management Personnel or other employee is allowed, spans the periods between 24 hours and 30 working days after each of the following events:

- release of the annual and half-yearly results to the ASX;
- the close of the Annual General Meeting; or
- any other time as the Board permits.

All other periods are 'closed periods' during which Key Management Personnel and other employees are prohibited from dealing in Monadelphous securities, except with the explicit approval of the Executive Chair. From time to time, the Board may also declare that Key Management Personnel and other employees are prohibited from dealing in Monadelphous securities during trading periods even though those trading periods are not closed periods.

Before commencing to trade, a Key Management Personnel or other employees must first notify the Company Secretary of their intention to do so. The notification must state that the proposed purchase or sale is not as a result of access to, or being in possession of, price sensitive information that is not currently in the public domain.

As required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by the directors in the securities of the Company.

For a copy of the Share Trading Policy, please refer to the Company's website.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

4. Key Management Personnel

For the purposes of this report Key Management Personnel of the Company are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the parent entity. For the purposes of this report, the term 'executive' encompasses the Executive Chair, Managing Director (MD), Chief Financial Officer (CFO) and Executive General Managers (EGM) of the Company.

The following persons were classified as Key Management Personnel during the financial year ended 30 June 2024:

Directors	
R. Velletri	Executive Chair
Z. Bebic	Managing Director
S. L. Murphy	Deputy Chair and Lead Independent Non-Executive Director
D. R. Voss	Independent Non-Executive Director
H. J. Gillies	Independent Non-Executive Director
E. P. Buratto	Independent Non-Executive Director

Senior Executives	
P. Trueman	Chief Financial Officer and Company Secretary
A. Reid	Executive General Manager, Maintenance & Industrial Services
A. Cook	Executive General Manager, Engineering Construction

5. Executive Remuneration

5.1 Overview

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company to:

- Reward executives for Company, divisional, business unit and individual performance;
- Align the interests of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee receives external survey data from recognised remuneration research organisations and considers market levels for comparable executive roles when making its recommendations to the Board.

The Executive Chair receives only fixed remuneration and is not eligible to participate in the variable remuneration plans.

Executive remuneration consists of fixed and variable remuneration elements comprising short- and long-term reward plans. The proportion of fixed and variable remuneration is established for each executive by the Remuneration Committee and Board.

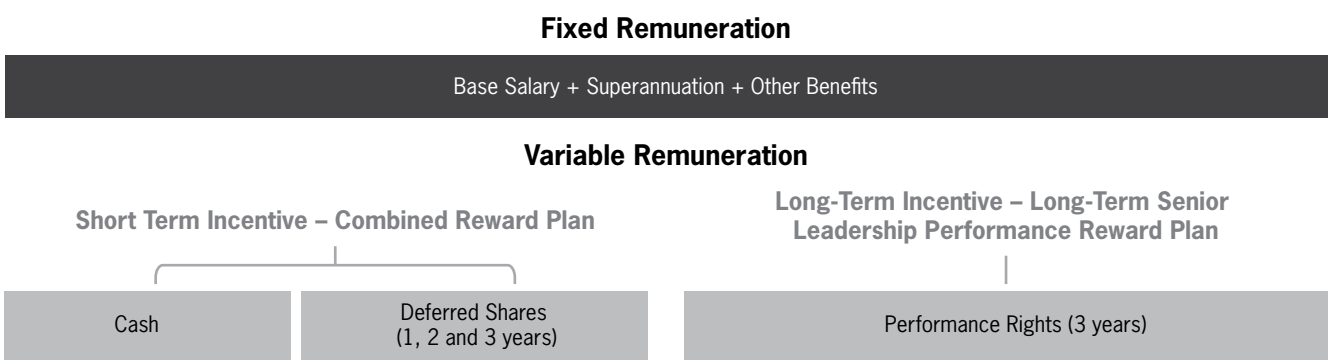
From time to time, the Company reviews the structure and composition of variable remuneration to ensure it remains relevant and market competitive.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

Below is a diagram of the composition of Executive Remuneration provided during the financial year ended 30 June 2024:



The following table provides an overview of the various elements of Executive Remuneration for the financial year ended 30 June 2024. Further details of each element are provided in subsequent sections of this report.

Remuneration Element	Individual Components	Purpose	Link to Performance
Fixed Remuneration	Comprises base salary, superannuation and other benefits.	To provide market competitive fixed remuneration appropriate to the position and competitive in the market, taking into account the individual's skills, experience and qualifications.	Assessed at an individual level based on performance of responsibilities and cultural alignment with the Company's values.
Variable Remuneration – Short Term Incentive (STI) – Combined Reward Plan	Comprises cash and/or performance rights under the Monadelphous Group Limited Performance Rights Plan Rules.	To recognise and reward senior leaders of the business who contribute to the Company's performance and ensure employee retention and the creation of shareholder wealth through deferred equity ownership.	Awards are made following an annual performance assessment against financial, safety, people, customer satisfaction and strategic progress targets set by the Board. Vesting of performance rights is dependent on continuity of employment.
Variable Remuneration – Long Term Incentive (LTI) – Long-Term-Senior Leadership Performance Reward Plan	Comprises performance rights issued under the Monadelphous Group Limited Performance Rights Plan Rules.	To retain and reward key employees in a manner aligned to the creation of shareholder wealth.	Vesting of awards is dependent on exceeding Earnings Per Share (EPS) growth targets and continuity of employment.

Certain awards made in prior years under the Employee Option Plan and the one-off Employee Retention Plan, remain unvested at 30 June 2024. The following table provides an overview of these plans.

Remuneration Element	Individual Components	Purpose	Link to Performance
Variable Remuneration – LTI – Employee Option Plan	Comprises options issued under the Monadelphous Group Limited Employee Option Plan.	To retain and reward key employees in a manner aligned to the creation of shareholder wealth.	Vesting of awards is dependent on exceeding EPS growth targets and continuity of employment.
Variable Remuneration – One-off Retention Incentive – Employee Retention Plan	Comprises a one-off issue of Retention Rights granted in the form of performance rights subject to the Monadelphous Group Limited Performance Rights Plan Rules.	Specifically developed to mitigate the effects of the extremely tight labour market. To retain and recognise key employees whose contribution is of critical strategic and operational importance to Monadelphous, enabling them to share in the long-term performance of the Company in a manner which is aligned to the creation of shareholder wealth.	Vesting of awards is dependent on continuity of employment.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

5.2 Fixed Remuneration

Objective

Monadelphous has a structured approach aimed at delivering fixed remuneration which is market competitive and rewards performance. The Company participates in a number of respected remuneration surveys, receiving six-monthly market and forecast data, and its remuneration system is designed to analyse detailed market and sector information at various levels.

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and competitive in the market, taking into account the individual's skills, experience and qualifications.

Fixed remuneration levels are considered annually by the Remuneration Committee having reviewed an individual's performance, alignment with the Company's values and comparative remuneration levels in the market.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including base salary, superannuation and other benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

5.3 Variable Remuneration – STI – Combined Reward Plan

Objective

The objective of the Combined Reward Plan (CR Plan) is to recognise and reward the senior leaders of the business who contribute, and are key to, the Company's success. The CR Plan is a short-term incentive plan, rewarding the annual performance of both the Company and the employee. A deferred equity component in the award, which is subject to continued employment and disposal restrictions, encourages employee retention and the creation of shareholder value through long-term share ownership, with employee and shareholder alike benefitting from the long-term growth in the share price.

Structure

Under the CR Plan, the Board has the discretion to make awards on an annual basis subject to Company and individual performance. Awards may be delivered in the form of a combination of cash and/or performance rights.

The number of performance rights offered is calculated using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the final dividend. This calculation is the same as that used to determine the undiscounted share price for the Dividend Reinvestment Plan.

The performance rights vest into Monadelphous ordinary shares in equal instalments, one, two and three years after award, subject to the employee remaining continuously employed by the Company between grant and vest date. No exercise price is payable at the time of grant or vesting of performance rights. Any shares acquired upon vest of performance rights are restricted from disposal until the opening of the Monadelphous share trading window following release of the Company's financial results, three years following award.

Unvested performance rights remain subject to Monadelphous' clawback policy. The Board has the discretion as to the circumstances that would result in a clawback of unvested performance rights and may give consideration to factors resulting in material financial misstatement, significant Company financial underperformance, negligence, lack of compliance, significant personal underperformance or behaviour that is likely to damage the Company's reputation.

Performance Requirements

At the beginning of each financial year, the Board sets quantified, challenging, short-term performance targets for the key performance areas of the business, taking into account the prevailing economic conditions for the year ahead, the Company's strategic objectives and the key risk factors facing the business at that time. The targets are designed to focus the activities of the business on the key areas of performance that deliver long-term sustainable growth for shareholders.

For the year ended 30 June 2024, the Managing Director had a target opportunity of 40% of fixed remuneration, and a maximum opportunity of 60%. Executives had a target opportunity of 30% of fixed remuneration, and a maximum opportunity of 45%. The target opportunity is awarded for achieving the objectives set by the Board at the beginning of each financial year. In order for the maximum opportunity to be awarded, performance must be a clear margin above the planned targets that were set.

At the end of each financial year, the Board assesses the Company's net profit before tax performance against the budgeted target prior to any awards being considered under the CR Plan.

Once the Board has approved that an award can be made under the CR Plan, executive performance is assessed against the relevant targets set at the beginning of the financial year at a Company, division, business unit and individual level. This assessment is taken into account when determining the amount, if any, of the award to be made to each individual under the CR Plan, with annual awards being subject to approval by the Remuneration Committee and Board. The following key performance areas are considered in the assessment process, covering a number of financial and non-financial, Company and divisional measures of performance.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

The table below provides an overview of these key performance areas and the weighting applied when assessing performance.

	Earnings Performance		Other Key Performance Areas	
	Company Earnings Per Share	Divisional Earnings Contribution	Company	Divisional
MD	60%	-	40%	-
CFO	60%	-	-	40%
EGM	30%	30%	-	40%

Other key performance areas include:

- Working capital management
- Safety performance
- People performance
- Customer satisfaction
- Strategic progress

The Company regards the performance targets and the actual result as confidential and commercially sensitive in nature and if disclosed, would provide an unfair advantage to competitors.

Awards made under the CR Plan for the year ended 30 June 2024 are outlined in section 7.2.1.

5.4 Variable Remuneration – LTI – Long-Term Senior Leadership Performance Reward Plan

Objective

During the year ended 30 June 2024, Monadelphous reviewed the structure of the Company's long-term leadership reward programs and implemented the Long-Term Senior Leadership Performance Reward (LTPR) Plan. The objective of the LTPR Plan is to retain and reward members of the senior leadership team in a manner aligned to the creation of long-term shareholder wealth. The LTPR Plan replaced the Employee Option Plan as the Company's primary long-term employee equity plan, with the Employee Option Plan maintained for future use as appropriate.

Structure

Awards under the LTPR Plan are in the form of performance rights and will be considered on an annual basis, with the timing of the awards and the vesting criteria, determined by the Remuneration Committee and Board. Participation in the LTPR Plan is limited to the senior leadership of the business, being those responsible for the development and management of the strategic direction of the Company. The quantum of the awards under the LTPR Plan are 50% of fixed annual remuneration for the Managing Director and 40% of fixed annual remuneration for senior executives.

Performance rights vest three years after grant, subject to the satisfaction of an Earnings Per Share growth performance hurdle and a continued employment vesting condition for the period from grant to vest. No exercise price is payable at the time of grant or vesting of performance rights. One share will be issued for each vested performance right. Performance is not re-tested and any rights which do not vest will lapse.

Unless otherwise determined by the Board, unvested performance rights will be forfeited if an employee ceases employment with the Company or if the Board determines (acting reasonably and in good faith) that any applicable performance hurdles or vesting conditions have not been met or cannot be met by the relevant date.

Unvested performance rights remain subject to Monadelphous' clawback policy. The Board has the discretion as to the circumstances that would result in a clawback of unvested performance rights and may give consideration to factors including where the employee acts fraudulently or dishonestly or otherwise acts in a manner that causes damage to the Company's reputation, material financial misstatement, significant Company financial underperformance, or there is negligence, lack of compliance or significant personal underperformance on the employee's part.

Performance Requirements

Earnings Per Share growth is used to measure the performance of the Company over the measurement period, as in the opinion of the Board this metric provides the best representation of Company performance on an annual basis and is influenced by executive performance.

As noted above, performance rights vest three years after grant, subject to the satisfaction of the EPS growth performance hurdle and a continued employment vesting condition for the period from grant to vest.

Awards made under the LTPR Plan during the year ended 30 June 2024 and the specific performance requirements for the award are outlined in section 7.3.1.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

5. Executive Remuneration (continued)

5.5 Prior Year Plans – Variable Remuneration – LTI – Employee Option Plan

Objective

The objective of the Employee Option Plan is to retain and reward key employees in a manner aligned with the creation of shareholder wealth. As noted above, the LTPR Plan has replaced the Employee Option Plan as the Company's primary long-term employee equity plan.

Structure

Awards under the Employee Option Plan to executives are at the discretion of the Remuneration Committee and Board and are delivered in the form of options.

Should any issue of options be considered, the performance rating of each executive and the annual cost to the Company, on an individual basis, is taken into account when determining the amount, if any, of options granted.

In accordance with the terms of the offer and the rules of the Monadelphous Group Limited Employee Option Plan, options can only be exercised in specified window periods (or at the discretion of the Board in particular circumstances) and are subject to the financial performance of the Company during the option vesting period (measurement period).

Earnings Per Share growth is used to measure the performance of the Company over the measurement period, as in the opinion of the Board this metric provides the best representation of Company performance on an annual basis and is influenced by executive performance.

In subsequent window periods, performance will be re-tested and any options that were incapable of exercise in earlier window periods will become available for exercise to the extent that EPS performance has 'caught up' and the EPS growth hurdle is met over the longer measurement period. At the end of the final window period, any options remaining that are not capable of exercise, as a result of the performance hurdle not being achieved, will lapse.

No awards were granted under the Employee Option Plan during the year ended 30 June 2024. The final tranche of the award made under the 2020 Employee Option Plan remains unvested at 30 June 2024.

5.6 Prior Year Plans – Variable Remuneration – One-off Retention Incentive – Employee Retention Plan

Objective

In response to significantly high industry activity levels which have extensively impacted the Company's ability to source and retain talent over recent years, the Company implemented the Monadelphous Employee Retention Plan (ER Plan) in December 2021.

The objective of the ER Plan is to act as a retention incentive and to recognise key employees whose sustained contribution is of critical strategic and operational importance to the success of the business, in a manner aligned to the creation of shareholder wealth through equity ownership.

Structure

The ER Plan provided a one-off issue of retention rights to key employees, with vesting subject to continued employment between grant and vest, as well as disposal restrictions attached to resulting shares. It enabled employees critical to the achievement of the Company's strategic objectives to share in the long-term performance of the Company.

Retention rights were allocated under the terms of the Monadelphous Group Limited Employee Retention Plan and were granted in the form of performance rights subject the Monadelphous Group Limited Performance Rights Plan Rules.

The retention rights vest into Monadelphous ordinary shares in equal instalments, one, two and three years after grant (i.e. 20 December 2022, 20 December 2023 and 20 December 2024), subject to the vesting condition of the employee remaining continuously employed by the Company between grant and vest dates, with one share issued for each vested retention right. If the vesting condition is not satisfied, the retention right will lapse. Any shares acquired upon vest of retention rights are restricted from disposal until the earlier of: three years from grant (i.e. 20 December 2024), subject to that date being within a Monadelphous share trading window, and if not, when the next share trading window opens (expected to be in February 2025); and the date on which the employee ceases to be employed by the Company.

Unvested retention rights remain subject to Monadelphous' clawback policy. The Board has the discretion as to the circumstances that would result in a clawback of unvested retention rights and may give consideration to factors resulting in material financial misstatement, significant Company financial underperformance, negligence, lack of compliance, significant personal underperformance or behaviour that is likely to damage the Company's reputation.

No awards were granted under the ER Plan during the year ended 30 June 2024. The final tranche of the award made in 2021 under the ER Plan remains unvested at 30 June 2024.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

6. Company Performance

The table below sets out the earnings and movements in shareholder wealth for the Company for the last five years. Further information has also been provided on page 19 of this report.

	Change 2023 to 2024	2024	2023	2022	2021	2020
Profit after income tax expense attributable to equity holders of the parent ($'000)	**+16.1%**	**62,203**	53,543	52,219	47,060	36,483
Basic earnings per share (cents)	**+14.7%**	**64.08**	55.85	54.90	49.70	38.65
Share price as at 30 June ($)	**+9.6%**	**12.84**	11.72	9.95	10.45	10.82
Total dividends (cents per share)	**+18.4%**	**58.00**	49.00	49.00	45.00	35.00

7. 2024 Executive Remuneration Outcomes

7.1 Fixed Remuneration

Refer to Tables at 7.6.1 and 7.6.2 for the fixed remuneration for Executive Key Management Personnel for the financial years ended 30 June 2024 and 30 June 2023. The fixed remuneration component comprises salary and fees, leave (annual and long service leave accrual less annual and long service leave taken), superannuation and non-monetary benefits (life and salary continuance insurance premiums).

7.2 Combined Reward Plan

7.2.1 Performance rights awarded under the Combined Reward Plan for the year ended 30 June 2024

Based on the financial performance of the Company for the year ended 30 June 2024, the Board determined that an award would be made under the 2024 CR Plan with approximately 180 employees eligible for an award, comprising cash and performance rights.

Key elements of the award made under the 2024 CR Plan are outlined in the table below:

	2024 CR Plan Award
Performance Period	1 July 2023 to 30 June 2024
Performance Requirements	Refer to section 5.3.
Performance Outcomes	Refer to table on page 74.
Award Components	• 25% cash payment to be paid in August 2024 • 75% to be offered as performance rights in or around October 2024 • The number of performance rights to be offered will be calculated using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the FY24 final dividend. This calculation is the same as that used to determine the undiscounted share price for the Dividend Reinvestment Plan.
Vesting Condition	The employee must remain in the employ of the Company between the grant and vesting date (unless the Board determines otherwise).
Vesting Date	It is intended that the performance rights component will vest into shares in equal instalments, on 1 July 2025, 1 July 2026 and 1 July 2027, with one share issued for each vested performance right.
Disposal Restriction	Resulting shares will be restricted from disposal until the opening of the Monadelphous share trading window following the release of the 30 June 2027 financial results, in or around August 2027.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

The following table provides an overview of the Company and divisional performance for the year ended 30 June 2024 against the key performance areas:

	FY24 Performance			
Key Performance Area	**Threshold**	**Target**	**Maximum**	**Commentary**
Earnings Performance				
Company			▲	• Earnings Per Share for the year was 64.1c, an improvement of 14.7% on the prior corresponding period. • The Company's EBITDA percentage increased to 6.28%; a 5.3% improvement on the prior period. • Net Profit After Tax was $62.2 million, an increase of 16.2% compared to the prior year.
Engineering Construction		▲		
Maintenance & Industrial Services			▲	
Working Capital Management				
Company			▲	• The cash balance at year end was a very healthy $225.9 million. • Monadelphous generated a healthy cash flow from operations for the period of $187.7 million. • The Company delivered an outstanding cashflow conversion rate of 169% for the period.
Engineering Construction			▲	
Maintenance & Industrial Services			▲	
Safety				
Company		▲		The Company's Total Recordable Injury Frequency Rate for the year ended 30 June 2024 was 3.02 incidents per million hours worked, a 12.5 percent improvement on the prior corresponding period.
Engineering Construction		▲		
Maintenance & Industrial Services			▲	
People				
Company		▲		Despite ongoing challenges presented by skilled labour shortages in Australia, the Company's workforce (including subcontractors) increased almost 31 per cent to 7,423 at the end of the financial year. The growth reflected improved retention rates, a ramp up in construction activity, the acquisition of Melchor and the award of the INPEX onshore work scope.
Engineering Construction		▲		
Maintenance & Industrial Services			▲	
Customer Satisfaction				
Company			▲	Customer satisfaction levels are measured through customer surveys. Customer expectations and performance against competitors were above target. For the year, the survey data consistently showed a high level of customer satisfaction with the quality of services delivered by Monadelphous.
Engineering Construction			▲	
Maintenance & Industrial Services			▲	
Strategy				
Company			▲	Monadelphous secured approximately $3.0 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 post year end. In October 2023, Monadelphous acquired Perth-based civil business Melchor Contracting, complementing its existing construction offering with a proven civil capability. Melchor provides earthworks, formwork, reinforcement fixing and concrete placement, and is well positioned for a pipeline of opportunities across multiple market sectors, including both standalone civil packages and vertically integrated multidisciplinary contracts.
Engineering Construction			▲	
Maintenance & Industrial Services			▲	

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

The following table sets out the awards under the CR Plan for each executive for the financial years ended 30 June 2024 and 30 June 2023:

Executive	**2024 Total Award $**	2023 Total Award $	**2024 % of Maximum Opportunity Earned**	2023 % of Maximum Opportunity Earned
Z. Bebic	**472,300**	340,300	**81%**	73%
P. Trueman	**231,000**	200,700	**80%**	74%
A. Cook	**200,600**	178,500	**64%**	71%
A. Reid	**256,700**	166,000	**82%**	65%

Note: The total award under the 2023 CR Plan for the Managing Director and the Executive General Managers recognises that the incumbents had only been in these roles for approximately 6 months. The total award under the 2023 CR Plan for the Managing Director and the Executive General Managers is an aggregation of a CR Plan outcome from their previous role (at the previous remuneration for the first half of the 2023 financial year) and the value determined by the CR Plan KMP model (for the second half of the 2023 financial year).

The performance right component of the award relating to the year ended 30 June 2024, which is to be offered in or around October 2024, will be amortised over four years. It is estimated, based on the share price at 30 June 2024, that approximately 67,792 performance rights will be offered to Key Management Personnel under the terms of the 2024 CR Plan (2023: 46,538 performance rights – refer to 7.2.2).

7.2.2 Performance rights granted during the year under the 2023 Combined Reward Plan

Key elements of the award made under the 2023 CR Plan and granted during the year ended 30 June 2024 are outlined in the table below:

	2023 CR Plan Award
Performance Period	1 July 2022 to 30 June 2023
Performance Requirements and Outcomes	Performance requirements for the year ended 30 June 2023 were satisfied, resulting in an award during the year ended 30 June 2024.
Award Components	• 25% cash payment paid August 2023 • 75% performance rights granted in October 2023 (November 2023 for Managing Director following shareholder approval at Company's AGM) • The number of performance rights issued were calculated using the arithmetic average of the ten-day daily volume weighted average market price of the Company's ordinary shares commencing on the second trading day after the record date in respect of the FY23 final dividend, in other words the Dividend Reinvestment Plan price which was $14.27.
Vesting Condition	The employee must remain in the employ of the Company between the grant and vesting date (unless the Board determines otherwise).
Vesting Date	The performance rights component for the 2023 award vests into shares in equal instalments, on 1 July 2024, 1 July 2025 and 1 July 2026, with one share issued for each vested performance right.
Disposal Restriction	Resulting shares will be restricted from disposal until the opening of the Monadelphous share trading window following the release of the 30 June 2026 financial results, in or around August 2026.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

Performance rights granted to Key Management Personnel under the 2023 CR Plan during the year ended 30 June 2024 are outlined in the following table.

	Terms and Conditions for Each Grant						
	Granted Number	Grant Date	Fair Value per Right at Grant Date $	Exercise Price per Right $	Expiry Date	First Exercise Date	Last Exercise Date
Executive Directors							
R. Velletri	-	-	-	-	-	-	-
Z. Bebic	17,885	21/11/2023	13.55	Nil	1/7/2026	1/7/2024	1/7/2026
Other Key Management Personnel							
P. Trueman	10,548	10/8/2023	11.18	Nil	1/7/2026	1/7/2024	1/7/2026
A. Cook	9,381	10/8/2023	11.18	Nil	1/7/2026	1/7/2024	1/7/2026
A. Reid	8,724	10/8/2023	11.18	Nil	1/7/2026	1/7/2024	1/7/2026
Total	**46,538**						

Subsequent to year end on 1 July 2024, 15,512 shares were issued to Key Management Personnel on vesting and exercise of performance rights representing the first tranche of the award under the terms of the 2023 CR Plan.

7.2.3 Performance rights exercised during the year under the Combined Reward Plan

Shares issued during the year ended 30 June 2024 to Key Management Personnel on vesting and exercise of performance rights representing the first tranche of the award under the terms of the 2022 CR Plan are outlined in the following table.

	Performance Rights Vested	Performance Rights Exercised	Shares Issued	Paid per Share $
Directors				
R. Velletri[1]	9,673	9,673	9,673	Nil
Z. Bebic[1]	4,760	4,760	4,760	Nil
Executives				
P. Trueman[1]	3,942	3,942	3,942	Nil
A. Cook[1]	-	-	-	-
A. Reid[1]	2,657	2,657	2,657	Nil
Total	**21,032**	**21,032**	**21,032**	

1. On 3 July 2023, the date of exercise of the above performance rights, the closing share price was $11.58.

Subsequent to year end on 1 July 2024, 21,032 shares were issued to Key Management Personnel on vesting and exercise of performance rights representing the second tranche of the award under the terms of the 2022 CR Plan.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

7.3 Long-Term Senior Leadership Performance Reward Plan

7.3.1 Performance rights granted during the year under the Long-Term Senior Leadership Performance Reward Plan

On 20 December 2023, 198,521 performance rights were issued under the LTPR Plan to approximately 30 employees, including 57,155 performance rights to Key Management Personnel.

Key elements of the award made under the LTPR Plan in December 2023 are outlined in the table below:

	2023 LTPR Plan Award
Award Components	100% granted as performance rights on 20 December 2023
Performance Period	Performance is assessed over a three year period between the financial years ending 30 June 2024 and 30 June 2026 (measurement period).
Performance Requirement	• EPS growth is used to measure the financial performance of the Company over the measurement period. • For 100 per cent of the performance rights to vest, EPS growth of at least 8 per cent per annum (compounded over the measurement period) is required. • If EPS growth is 4 per cent per annum (compounded over the measurement period), 50 per cent of the performance rights will vest. • If EPS growth is between 4 and 8 per cent per annum (compounded over the measurement period), a pro-rata number of performance rights will vest. • No performance rights will vest if EPS growth is less than 4 per cent per annum (compounded over the measurement period). • Unless the Board determines otherwise, any performance rights that do not vest as a result of the performance hurdle not being satisfied will be forfeited.
Vesting Condition	The employee must remain in the employ of the Company between the grant and vesting date (unless the Board determines otherwise).
Vesting Date	Performance rights will vest three years after grant on 20 December 2026, subject to the financial performance of the Company over the measurement period and continued employment vesting condition.

Performance rights granted to Key Management Personnel under the Long-Term Senior Leadership Performance Reward Plan during the year ended 30 June 2024 are outlined in the following table.

	Terms and Conditions for Each Grant						
	Granted Number	**Grant Date**	**Fair Value per Right at Grant Date $**	**Exercise Price per Right $**	**Expiry Date**	**First Exercise Date**	**Last Exercise Date**
Executive Directors							
R. Velletri	-	-	-	-	-	-	-
Z. Bebic[1]	-	-	-	Nil	20/12/2026	20/12/2026	20/12/2026
Other Key Management Personnel							
P. Trueman	18,043	5/12/2023	12.52	Nil	20/12/2026	20/12/2026	20/12/2026
A. Cook	19,556	5/12/2023	12.52	Nil	20/12/2026	20/12/2026	20/12/2026
A. Reid	19,556	5/12/2023	12.52	Nil	20/12/2026	20/12/2026	20/12/2026
Total	**57,155**						

1. A further 34,440 performance rights were offered to the Company's Managing Director, Zoran Bebic, subject to shareholder approval. The timing of the offer did not allow for a resolution to be tabled at the 2023 Annual General Meeting, as a result, shareholder approval will be sought at the Company's 2024 Annual General Meeting.

The performance rights are being amortised over three years.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

7.4 Employee Option Plan

7.4.1 Options granted during the year under the Employee Option Plan

There were no options granted under the Employee Option Plan during the year ended 30 June 2024.

7.4.2 Options exercised during the year under the Employee Option Plan

The EPS growth performance hurdle was achieved for the measurement period between the financial years ended 30 June 2020 and 30 June 2023, resulting in the second tranche (25 per cent) of options issued under the 2020 Employee Option Plan vesting and being exercised during the window period commencing 1 September 2023.

Key elements of the awards made under the Employee Option Plan in 2020 are outlined in the table below:

	2020 Employee Option Plan
Award Components	100% granted as options on 5 November 2020 (23 November 2021 for Managing Director following shareholder approval)
Performance Period	Performance is assessed over a four-year period between the financial years ending 30 June 2020 and 30 June 2024 (measurement period).
Performance Requirement	• EPS growth is used to measure the financial performance of the Company over the measurement period. • For 100 per cent of the options to be exercisable, EPS growth of at least 8 per cent per annum (compounded over the measurement period) is required. • If EPS growth is 4 per cent per annum (compounded over the measurement period), 50 per cent of the options will be exercisable and if EPS growth is between 4 and 8 per cent per annum (compounded over the measurement period), a pro-rata number of options will be exercisable. • No options will be exercisable if EPS growth is less than 4 per cent per annum (compounded over the measurement period). • In subsequent window periods, performance will be re-tested and any options that were incapable of exercise in earlier window periods will become available for exercise to the extent that EPS performance has 'caught up' and the EPS growth hurdle is met over the longer measurement period. At the end of the final window period, any options remaining that are not capable of exercise, as a result of the performance hurdle not being achieved, will lapse.
Vesting Date	Subject to the satisfaction of the EPS performance hurdle, options may be exercised in the following window periods: • Up to a maximum of 25% during the window period commencing 1 September 2022; • Up to a maximum of 25%, plus any options rolled over from the previous window period, during the window period commencing 1 September 2023; and • Up to a maximum of 50%, plus any options rolled over from the previous window period, during the window commencing 1 September 2024.
Exercise Price	$9.30

The EPS growth performance hurdle was not met for any options issued under the 2019 Employee Option Plan. In accordance with the terms of the offer, these options lapsed at the end of the window period commencing 1 September 2023.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

Shares issued to Key Management Personnel on vesting and exercise of options under the Employee Option Plan during the year ended 30 June 2024 are outlined in the following table.

	Options Vested	Options Exercised	Shares Issued[2]	Exercise Price $
Directors				
R. Velletri[1]	75,000	75,000	26,763	9.30
Z. Bebic[1]	50,000	50,000	17,842	9.30
Executives				
P. Trueman[1]	40,000	40,000	14,273	9.30
A. Cook[1]	-	-	-	-
A. Reid[1]	25,000	25,000	8,921	9.30
Total	**190,000**	**190,000**	**67,799**	

1. On 6 September 2023, the date of exercise of the above options, the closing share price was $14.40.
2. All participants elected to exercise the above options using the cashless method (190,000 options exercised at $nil (pursuant to cashless exercise) resulting in 67,799 shares).

7.5 Employee Retention Plan

7.5.1 Retention rights exercised during the year under the Employee Retention Plan

Shares issued to Key Management Personnel on vesting and exercise of retention rights under the Employee Retention Plan during the year ended 30 June 2024 are outlined in the following table.

	Retention Rights Vested	Retention Rights Exercised	Shares Issued	Paid per Share $
Directors				
R. Velletri[1]	14,533	14,533	14,533	Nil
Z. Bebic[1]	10,900	10,900	10,900	Nil
Executives				
P. Trueman[1]	9,066	9,066	9,066	Nil
A. Cook[1]	-	-	-	-
A. Reid[1]	5,433	5,433	5,433	Nil
Total	**39,932**	**39,932**	**39,932**	

1. On 20 December 2023, the date of exercise of the above retention rights, the closing share price was $15.03.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

7.6 Executive Statutory Remuneration Disclosures

7.6.1 Remuneration for the year ended 30 June 2024

	Short Term Benefits				Post Employment	Long Term Benefits	Share-Based Payments[3]	Total	Total Performance Related	Total Rights and Options Related
	Salary & Fees $	Leave[1] $	Non-Monetary[2] $	Cash Award $	Superannuation $	Leave[1] $	Rights and Options $	$	%	%
Executive Directors										
R. Velletri	665,000	343	-	-	27,399	(95,237)	289,838	887,343	32.66	32.66
Z. Bebic	930,000	61,008	17,900	118,075	27,399	54,569	434,270	1,643,221	33.61	26.43
Subtotal Executive Directors	**1,595,000**	**61,351**	**17,900**	**118,075**	**54,798**	**(40,668)**	**724,108**	**2,530,564**	**33.28**	**28.61**
Other Key Management Personnel										
P. Trueman	600,000	36,310	11,300	57,750	27,399	(16,580)	264,603	980,782	32.87	26.98
A. Cook	652,500	8,601	12,350	50,150	27,399	14,161	131,744	896,905	20.28	14.69
A. Reid	652,500	(13,964)	12,350	64,175	27,399	21,991	221,034	985,485	28.94	22.43
Subtotal Other Key Management Personnel	**1,905,000**	**30,947**	**36,000**	**172,075**	**82,197**	**19,572**	**617,381**	**2,863,172**	**27.57**	**21.56**
Total Executive Key Management Personnel	**3,500,000**	**92,298**	**53,900**	**290,150**	**136,995**	**(21,096)**	**1,341,489**	**5,393,736**	**30.25**	**24.87**

1. Leave reflects annual and long service leave accrual less annual and long service leave taken.
2. Non-monetary benefits consist of Life and Salary Continuance insurance premiums.
3. Relates to the 2022, 2023 and 2024 awards under the CR Plan, 2020 award under the Option Plan, 2021 award under the ER Plan and 2023 award under the LTPR Plan.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

7. 2024 Executive Remuneration Outcomes (continued)

7.6.2 Remuneration for the year ended 30 June 2023

	Short Term Benefits				Post Employment	Long Term Benefits	Share-Based Payments[3]	Total	Total Performance Related	Total Rights and Options Related
	Salary & Fees $	Leave[1] $	Non-Monetary[2] $	Cash Award $	Superannuation $	Leave[1] $	Rights and Options $	$	%	%
Executive Directors										
C. G. B. Rubino[4]	163,671	18,112	-	-	10,048	4,490	-	196,321	-	-
R. Velletri[5]	823,682	(11,591)	8,360	-	25,292	(70,933)	605,579	1,380,389	43.87	43.87
Z. Bebic[5]	850,967	217,210	16,319	85,075	25,292	132,204	395,191	1,722,258	27.89	22.95
Subtotal Executive Directors	**1,838,320**	**223,731**	**24,679**	**85,075**	**60,632**	**65,761**	**1,000,770**	**3,298,968**	**32.91**	**30.34**
Other Key Management Personnel										
D. Foti[6]	402,390	8,449	7,331	-	12,057	31,405	179,913	641,545	28.04	28.04
A. Cook[7]	335,424	12,342	6,340	23,474	13,304	6,095	24,512	421,491	11.38	5.82
A. Reid[7]	384,340	2,770	7,265	25,014	15,244	7,472	107,289	549,394	24.08	19.53
P. Trueman	569,000	(36,442)	10,680	50,175	25,292	18,878	303,648	941,231	37.59	32.26
Subtotal Other Key Management Personnel	**1,691,154**	**(12,881)**	**31,616**	**98,663**	**65,897**	**63,850**	**615,362**	**2,553,661**	**27.96**	**24.10**
Total Executive Key Management Personnel	**3,529,474**	**210,850**	**56,295**	**183,738**	**126,529**	**129,611**	**1,616,132**	**5,852,629**	**30.75**	**27.61**

1. Leave reflects annual and long service leave accrual less annual and long service leave taken.
2. Non-monetary benefits consist of Life and Salary Continuance insurance premiums.
3. Relates to the 2022 and 2023 awards under the CR Plan, 2019 and 2020 awards under the Options Plan and 2021 award under the ER Plan.
4. C.G.B. Rubino retired as Chair on 22 November 2022.
5. R. Velletri appointed as Chair (previously Managing Director) and Z. Bebic appointed as Managing Director (previously Executive General Manager, Maintenance & Industrial Services) on 22 November 2022.
6. D. Foti ceased to be KMP on 21 December 2022.
7. A. Cook and A. Reid were appointed as Executive General Managers on 21 December 2022 and 23 November 2022 respectively.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

8. Non-Executive Director Remuneration

8.1 Overview

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The most recent determination was at the Annual General Meeting held on 19 November 2019 when shareholders approved an aggregate remuneration of $850,000 in the 'not to exceed sum' paid to non-executive directors.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Remuneration Committee and Board consider the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive director fees consist of base fees and committee chair fees. The Deputy Chair/Lead Independent Non-executive Director also receives an additional fee. The payment of committee chair fees recognises the additional time commitment required by non-executive directors to chair the Board committees. Committee members do not receive a separate fee for sitting on a committee.

8.2 Fees and Other Benefits

The table below summarises Board and Committee fees payable to non-executive directors for the financial year ended 30 June 2024 (inclusive of superannuation):

Board / Committee Chair Fees	$
Non-executive Director fee	134,000
Board Deputy Chair/Lead Independent Non-executive Director & Chair of Remuneration Committee additional fee	20,000
Chair of Audit Committee additional fee	15,000

Note, the Nomination Committee is chaired by the Executive Chair and there is no additional fee.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

8. Non-Executive Director Remuneration (continued)

8.3 Non-Executive Director Statutory Remuneration Disclosures

8.3.1 Remuneration for the year ended 30 June 2024

	Short Term Benefits		
	Salary & Fees $	Superannuation $	Total $
Non-Executive Directors			
S. L. Murphy	138,739	15,261	154,000
D. R. Voss	120,721	13,279	134,000
H. J. Gillies	134,234	14,766	149,000
E. P. Buratto	120,721	13,279	134,000
Total Non-Executive Directors	**514,415**	**56,585**	**571,000**

8.3.2 Remuneration for the year ended 30 June 2023

	Short Term Benefits		
	Salary & Fees $	Superannuation $	Total $
Non-Executive Directors			
S. L. Murphy	133,937	14,063	148,000
P. J. Dempsey	46,017	4,832	50,849
D. R. Voss	115,837	12,163	128,000
H. J. Gillies	129,412	13,588	143,000
E. P. Buratto	115,837	12,163	128,000
Total Non-Executive Directors	**541,040**	**56,809**	**597,849**

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REMUNERATION REPORT (AUDITED) (CONTINUED)

9. Additional Statutory Disclosures

9.1 Additional disclosures relating to rights, options and shares

9.1.1 Combined Reward Plan Performance Rights holdings of Key Management Personnel

CR Plan Performance Rights held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2023	Granted as Remuneration[1]	Rights Exercised and Lapsed[2]	Net Change Other	Balance at End of Period 30 June 2024
Executive Directors					
R. Velletri	29,020	-	(9,673)	-	19,347
Z. Bebic	14,282	17,885	(4,760)	-	27,407
Senior Executives					
P. Trueman	11,828	10,548	(3,942)	-	18,434
A. Cook	-	9,381	-	-	9,381
A. Reid	7,972	8,724	(2,657)	-	14,039
Total	**63,102**	**46,538**	**(21,032)**	**-**	**88,608**

1. Performance rights under the 2023 CR Plan granted during the year ended 30 June 2024.
2. Performance rights vested and exercised under the terms of the 2022 CR Plan.

9.1.2 Long-Term Senior Leadership Performance Reward Plan Performance Rights holdings of Key Management Personnel

LTPR Plan Performance Rights held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2023	Granted as Remuneration	Rights Exercised and Lapsed	Net Change Other	Balance at End of Period 30 June 2024
Executive Directors					
R. Velletri	-	-	-	-	-
Z. Bebic[1]	-	-	-	-	-
Senior Executives					
P. Trueman	-	18,043	-	-	18,043
A. Cook	-	19,556	-	-	19,556
A. Reid	-	19,556	-	-	19,556
Total	**-**	**57,155**	**-**	**-**	**57,155**

1. 34,440 performance rights were offered to the Company's Managing Director, Zoran Bebic, subject to shareholder approval. The timing of the offer did not allow for a resolution to be tabled at the 2023 Annual General Meeting, as a result, shareholder approval will be sought at the Company's 2024 Annual General Meeting.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

9. Additional Statutory Disclosures (continued)

9.1.3 Options holdings of Key Management Personnel

Options held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2023	Granted as Remuneration	Options Exercised	Options Lapsed	Balance at End of Period 30 June 2024
Executive Directors					
R. Velletri	525,000	-	(75,000)	(300,000)	150,000
Z. Bebic	350,000	-	(50,000)	(200,000)	100,000
Senior Executives					
P. Trueman	280,000	-	(40,000)	(160,000)	80,000
A. Cook	-	-	-	-	-
A. Reid	175,000	-	(25,000)	(100,000)	50,000
Total	**1,330,000**	**-**	**(190,000)**	**(760,000)**	**380,000**

The EPS performance hurdle was not met for the 2019 options, and these lapsed at the end of the window period commencing 1 September 2023.

9.1.4 Retention Rights holdings of Key Management Personnel

Retention Rights held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2023	Granted as Remuneration	Rights Exercised and Lapsed	Net Change Other	Balance at End of Period 30 June 2024
Executive Directors					
R. Velletri	29,067	-	(14,533)	-	14,534
Z. Bebic	21,800	-	(10,900)	-	10,900
Senior Executives					
P. Trueman	18,134	-	(9,066)	-	9,068
A. Cook	-	-	-	-	-
A. Reid	10,867	-	(5,433)	-	5,434
Total	**79,868**	**-**	**(39,932)**	**-**	**39,936**

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REMUNERATION REPORT (AUDITED) (CONTINUED)

9. Additional Statutory Disclosures (continued)

9.1.5 Shareholdings of Key Management Personnel

Shares held in Monadelphous Group Limited	Balance at Beginning of Period 1 July 2023	Granted as Remuneration	On Exercise of Performance Rights, Options and Retention Rights	Net Change Other	Balance at End of Period 30 June 2024
Non-Executive Directors					
S. L. Murphy	13,000	-	-	473	13,473
D. R. Voss	72,630	-	-	-	72,630
H. J. Gillies	9,633	-	-	351	9,984
E. P. Buratto	2,400	-	-	1,850	4,250
Executive Directors					
R. Velletri	2,174,319	-	50,969	-	2,225,288
Z. Bebic	46,125	-	33,502	-	79,627
Senior Executives					
P. Trueman	27,683	-	27,281	(25,390)	29,574
A. Cook	-	-	-	-	-
A. Reid	23,037	-	17,011	(14,723)	25,325
Total	**2,368,827**	**-**	**128,763**	**(37,439)**	**2,460,151**

9.2 Other Statutory Disclosures

9.2.1 Loans to Key Management Personnel and their related parties

No directors or senior executives, or their related parties, had any loans during the reporting period.

9.2.2 Other transactions and balances with Key Management Personnel and their related parties

There were no other transactions and balances with Key Management Personnel or their related parties.

END OF REMUNERATION REPORT

Signed in accordance with a resolution of the directors.



R. Velletri
Chair

Perth, 19 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION

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Auditor's independence declaration to the directors Monadelphous Group Limited

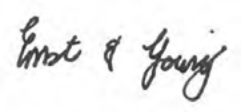
As lead auditor for the audit of the financial report of Monadelphous Group Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Monadelphous Group Limited and the entities it controlled during the financial year.



Ernst & Young



Pierre Dreyer
Partner
19 August 2024

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INDEPENDENT AUDIT REPORT

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Independent auditor's report to the members of Monadelphous Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Monadelphous Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

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Recognition of revenues and profits on long-term contracts

Why significant	How our audit addressed the key audit matter
The Group's business involves entering into contractual relationships with customers to provide a range of services. A significant proportion of the Group's revenues and profits are derived from long-term contracts. Revenue recognition involves a significant degree of judgement, with estimates being made to: ► Determine the transaction price under the customer contract ► Assess the total contract costs ► Measure the Group's progress towards the complete satisfaction of the performance obligations under the customer contract ► Appropriately provide for onerous contracts. The Group's accounting policies and disclosures for revenue are detailed in the financial report as follows: ► *General Information - Key Judgements And Estimates - Revenue* ► *Note 1 - Revenue and Other Income,* and ► *Note 7 - Contract Assets.* Given the significance of revenue and profits from long-term contracts to the Group's financial results as well as the high degree of judgement and estimation involved in determining these amounts, we consider this a key audit matter.	We examined a sample of key contracts and held discussions with Group executives to understand the specific terms and risks of those contracts in order to assess the revenue recognition policies adopted by the Group. We assessed the operating effectiveness of controls over revenue recognised in the financial report, including controls relating to: ► Contract reviews performed by the Group that included estimating total costs, the stage of completion of contracts and contract profitability, including consideration of historical estimation accuracy ► Revenue recording and billing processes ► Contract cost recording processes including the purchases, payments and payroll processes. For a sample of contracts in progress at 30 June 2024, we performed the following additional procedures: ► Understood the performance and status of the contracts through enquiries with the key executives with oversight over the various contract portfolios ► Assessed the contract status through the examination of external evidence, such as approved variations and customer correspondence ► Analysed the Group's estimates of total contract costs and forecast costs to complete work under the contracts ► For projects with known disputes, we sighted claim documentation, met with the Group's internal or external General Counsel and reviewed supporting documentation in relation to the status, entitlement, obligations and disclosure of these matters. We assessed the provisions for onerous contracts and whether these appropriately reflected the expected contractual positions. We assessed the Group's accounting policies and the adequacy of its related disclosures in the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report, chair's report, company performance, governance and risk management and climate related financial disclosures that are to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Monadelphous Group Limited for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Pierre Dreyer
Partner
Perth
19 August 2024

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Monadelphous Group Limited, I state that:

1) In the opinion of the directors:

   (a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

      (ii) complying with Accounting Standards and *Corporations Regulations 2001*;

   (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable;

   (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed on page 99; and

   (d) the consolidated entity disclosure statement required by section 295 (3A) of the Corporations Act is true and correct.

2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2024.

3) In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in note 21 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.



R. Velletri
Chair
Perth, 19 August 2024

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CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
Continuing Operations			
REVENUE	1	**2,015,915**	1,725,691
Cost of services rendered		**(1,872,790)**	(1,602,298)
GROSS PROFIT		**143,125**	123,393
Other income	1	**9,923**	5,306
Business development and tender expenses		**(18,353)**	(20,292)
Occupancy expenses		**(3,649)**	(3,544)
Administrative expenses		**(37,436)**	(35,637)
Finance costs	2	**(3,786)**	(3,495)
Share of profit from joint ventures	11	**2,121**	7,715
PROFIT BEFORE INCOME TAX		**91,945**	73,446
Income tax expense	3	**(29,720)**	(21,520)
PROFIT AFTER INCOME TAX		**62,225**	51,926
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**62,203**	53,543
NON-CONTROLLING INTERESTS		**22**	(1,617)
		62,225	51,926
Basic earnings per share (cents per share)	4	**64.08**	55.85
Diluted earnings per share (cents per share)	4	**63.13**	55.02

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	2024 $'000	2023 $'000
NET PROFIT FOR THE YEAR	**62,225**	51,926
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	**(418)**	(3,275)
Items that will not be reclassified subsequently to profit or loss:		
Net gain on equity instruments designated at fair value through other comprehensive income	**-**	2,274
Income tax effect	**-**	(682)
	-	1,592
Items that have been reclassified to profit or loss:		
Foreign currency translation	**-**	1,940
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX	**(418)**	257
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**61,807**	52,183
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**61,785**	53,800
NON-CONTROLLING INTERESTS	**22**	(1,617)
	61,807	52,183

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	**225,864**	178,323
Trade and other receivables	6	**340,126**	330,709
Contract assets	7	**4,336**	5,770
Inventories	8	**1,930**	1,463
Total current assets		**572,256**	516,265
Non-current assets			
Contract assets	7	**19,491**	23,832
Property, plant and equipment	9	**232,668**	172,133
Intangible assets and goodwill	10	**18,243**	16,026
Investment in joint ventures	11	**12,341**	14,770
Deferred tax assets	3	**32,364**	21,659
Total non-current assets		**315,107**	248,420
TOTAL ASSETS		**887,363**	764,685
LIABILITIES			
Current liabilities			
Trade and other payables	12	**210,831**	157,169
Interest bearing loans and borrowings	13	**4,529**	342
Lease liabilities	14	**23,018**	24,130
Income tax payable	3	**18,613**	9,052
Provisions	15	**89,888**	64,562
Total current liabilities		**346,879**	255,255
Non-current liabilities			
Interest bearing loans and borrowings	13	**6,366**	428
Lease liabilities	14	**60,327**	63,828
Provisions	15	**7,536**	6,361
Other financial liability	16	**661**	835
Total non-current liabilities		**74,890**	71,452
TOTAL LIABILITIES		**421,769**	326,707
NET ASSETS		**465,594**	437,978
EQUITY			
Contributed equity	19	**145,781**	141,115
Reserves	20	**57,947**	48,685
Retained earnings	20	**261,866**	248,178
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**465,594**	437,978
Non-controlling interests		**-**	-
TOTAL EQUITY		**465,594**	437,978

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Attributable to Equity Holders							
	Issued Capital $'000	Share-Based Payment Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Non-Controlling Interests $'000	Fair Value Reserve for Financial Assets $'000	Equity Reserve $'000	Total $'000
At 1 July 2023	141,115	55,011	(4,472)	248,178	-	2,856	(4,710)	437,978
Other comprehensive income	-	-	(418)	-	-	-	-	(418)
Profit for the period	-	-	-	62,203	22	-	-	62,225
Total comprehensive income for the period	-	-	(418)	62,203	22	-	-	61,807
Transactions with owners in their capacity as owners								
Reclassification of non controlling interest to liabilities (Note 16)	-	-	-	-	(22)	-	22	-
Remeasurement of financial liability	-	-	-	-	-	-	39	39
Exercise of employee options	325	-	-	-	-	-	-	325
Share-based payments	-	7,475	-	-	-	-	-	7,475
Adjustment to deferred tax asset recognised on employee share trust	-	2,144	-	-	-	-	-	2,144
Dividend reinvestment plan	4,341	-	-	-	-	-	-	4,341
Dividends paid	-	-	-	(48,515)	-	-	-	(48,515)
At 30 June 2024	145,781	64,630	(4,890)	261,866	-	2,856	(4,649)	465,594

	Attributable to Equity Holders							
	Issued Capital $'000	Share-Based Payment Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Non-Controlling Interests $'000	Fair Value Reserve for Financial Assets $'000	Equity Reserve $'000	Total $'000
At 1 July 2022	136,096	42,766	(3,137)	241,554	-	1,264	(6,359)	412,184
Other comprehensive income	-	-	(1,335)	-	-	1,592	-	257
Profit for the period	-	-	-	53,543	(1,617)	-	-	51,926
Total comprehensive income for the period	-	-	(1,335)	53,543	(1,617)	1,592	-	52,183
Transactions with owners in their capacity as owners								
Reclassification of non controlling interest to liabilities (Note 16)	-	-	-	-	1,617	-	(1,617)	-
Remeasurement of financial liability	-	-	-	-	-	-	3,266	3,266
Exercise of employee options	186	-	-	-	-	-	-	186
Share-based payments	-	10,725	-	-	-	-	-	10,725
Adjustment to deferred tax asset recognised on employee share trust	-	1,520	-	-	-	-	-	1,520
Dividend reinvestment plan	4,833	-	-	-	-	-	-	4,833
Dividends paid	-	-	-	(46,919)	-	-	-	(46,919)
At 30 June 2023	141,115	55,011	(4,472)	248,178	-	2,856	(4,710)	437,978

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**2,234,881**	1,881,560
Payments to suppliers and employees (inclusive of GST)		**(2,030,455)**	(1,773,958)
Interest received		**7,353**	4,300
Finance costs paid		**(3,786)**	(3,495)
Other income		**2,271**	1,992
Income tax paid		**(27,076)**	(21,669)
Dividends received		**4,550**	4,560
NET CASH FLOWS FROM OPERATING ACTIVITIES	5	**187,738**	93,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**9,901**	4,570
Purchase of property, plant and equipment		**(88,882)**	(19,042)
Proceeds from sale of financial assets		**-**	5,714
Acquisition of controlled entities, net of cash acquired	22	**(8,843)**	(23,498)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(87,824)**	(32,256)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(44,174)**	(42,086)
Proceeds from issue of shares on exercise of options		**325**	186
Proceeds of borrowings		**20,096**	3,090
Payment of principal portion of hire purchase liabilities		**(16,860)**	(19,410)
Payment of principal portion of other lease liabilities		**(9,369)**	(8,460)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(49,982)**	(66,680)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**49,932**	(5,646)
Net foreign exchange differences		**(2,391)**	640
Cash and cash equivalents at beginning of period		**178,323**	183,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	**225,864**	178,323

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

The consolidated financial report of Monadelphous Group Limited (the Group) and its subsidiaries for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of directors on 19 August 2024.

Monadelphous Group Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's registered office is 59 Albany Highway, Victoria Park, Western Australia.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of preparation

The financial report is a general purpose financial report, which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity.
- has also been prepared on a historical cost basis except for certain financial assets that have been measured at fair value.
- is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 July 2023 (Refer to note 33).
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

A list of controlled entities (subsidiaries) at year end is contained in note 21. Consolidation of the subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a debit balance.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. Acquisition-related costs are expensed as incurred.

Foreign currency translation

Functional and presentation currency

Each entity in the Group determines its own functional currency. Both the functional and presentation currencies of Monadelphous Group Limited, are Australian dollars (A$).

For each entity, the Group determines the functional currency and items included are measured using the functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

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GENERAL INFORMATION (CONTINUED)

Translation of Group companies' functional currency to presentation currency

As at the reporting date the assets and liabilities of the foreign operations are translated into the presentation currency of Monadelphous Group Limited at the rate of exchange ruling at the reporting date and the income statements are translated at the weighted average exchange rates for the year. Exchange variations arising from the translation are recognised in the foreign currency translation reserve in equity.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements or at note 33.

Key judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Management have identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

Accounting for contracts with customers

The Group accounts for construction contracts in accordance with AASB 15 Revenue from Contracts with Customers.

Accounting for construction contracts involves the continuous use of estimates based on a number of detailed assumptions. Construction contracts can span accounting periods, requiring estimates and assumptions to be updated on a regular basis.

Accounting estimates resulting from judgements in relation to individual projects may be materially different to actual results due to the size, scale and complexity of projects.

Revenue

Where performance obligations are satisfied over time, revenue is recognised in the consolidated income statement by reference to the progress towards complete satisfaction of each performance obligation.

For construction contracts, revenue is recognised using an output method based on work certified to date which the Group believes depicts the transfer of goods and services as it is based on completed work as agreed by our customers.

Fundamental to this calculation is a reliable estimate of the transaction price (total contract revenue). In determining the transaction price, variable consideration including claims and certain contract variations are only included to the extent it is highly probable that a significant reversal in revenue will not occur in the future. Where a variation in scope has been agreed with the customer but the corresponding change in the transaction price has not been agreed the variation is accounted for as variable consideration. The estimate of variable consideration is determined using the expected value approach taking into account the facts and circumstances of each individual contract and the historical experience of the Group and is reassessed throughout the life of the contract.

There are a number of factors considered in assessing variable consideration including status of negotiations with the customer, outcomes of previous negotiations and legal evidence that provides a basis for entitlement.

Forecast Costs

Forecast costs to complete construction contracts are regularly updated and are based on costs expected to be incurred when the related activity is undertaken. Key assumptions regarding costs to complete contracts include estimation of labour costs, technical costs, impact of delays and productivity.

Construction contracts may incur additional costs in excess of original cost estimates. Liability for such costs may rest with the customer if considered to be a change to the original scope of works. Any additional contractual obligations, including liquidated damages, are also assessed to the extent these are due and payable under the contract.

When it is considered probable that total contract costs will exceed total contract revenue, the contract is considered onerous and the present obligation under the contract is recognised immediately as a provision.

Contract claims and disputes

Claims arising out of construction contracts may be made by or against the Group in the ordinary course of business, some of which may involve litigation or arbitration.

Estimates and assumptions regarding the likely outcome of these claims are made and recognised in the carrying value of contract assets and liabilities. In making these estimates and assumptions, legal opinions are obtained as appropriate.

The Directors do not consider the outcome of these claims to have a material adverse effect on the financial position of the Group, however uncertainty remains until the final outcome is determined.

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GENERAL INFORMATION (CONTINUED)

Key judgements and estimates (continued)

Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustments, resulting in a corresponding credit or charge to the income statement.

Impairment

Refer to notes 9 and 10 for details.

Workers Compensation

Refer note 15 for details.

Determination of the lease term of contracts with renewal options

Refer to note 14 for details.

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	2024 $'000	2023 $'000
1. REVENUE AND OTHER INCOME		
Revenue from contracts with customers		
Services revenue	**1,323,530**	1,298,403
Construction revenue	**685,032**	422,553
	2,008,562	1,720,956
Finance revenue	**7,353**	4,300
Dividends received	**-**	435
	2,015,915	1,725,691
Net gains on disposal of property, plant and equipment	**7,652**	2,928
Other income	**2,271**	2,378
	9,923	5,306
Disaggregation of revenue from contracts with customers by end customer industry:		
Iron ore	**534,588**	576,164
Energy transition metals and other minerals	**735,452**	562,842
Energy	**637,038**	545,521
Infrastructure	**122,680**	144,228
	2,029,758	1,828,755
Less share of revenue from joint ventures accounted for using the equity method	**(21,196)**	(107,799)
	2,008,562	1,720,956
The following amounts are included in revenue from contracts with customers:		
Revenue recognised as a contract liability in the prior period	**10,494**	12,280
Revenue from performance obligations satisfied in prior periods	**-**	2,389
Unsatisfied performance obligations		
Transaction price expected to be recognised in future years for unsatisfied performance obligations at 30 June 2024:		
Services revenue	**1,805,228**	1,389,560
Construction revenue	**374,824**	229,254
Total	**2,180,052**	1,618,814

Unsatisfied performance obligations above exclude revenue associated with the Company's contracts at the Albemarle Kemerton project which were terminated for convenience by Albemarle subsequent to 30 June 2024.

In line with the Group's accounting policy described following, the transaction price expected to be recognised in future years excludes variable consideration that is constrained.

The average duration of contracts is given below, however some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes.

Services	1 to 5 years
Construction	1 to 2 years

1. REVENUE AND OTHER INCOME (CONTINUED)

Recognition and measurement

Revenue from contracts with customers

The Group is in the business of providing construction and maintenance services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Construction services

Construction contracts are assessed to identify the performance obligations contained in the contract. The total transaction price is allocated to each individual performance obligation. Typically, the Group's construction contracts contain a single performance obligation.

Work is performed on assets that are controlled by the customer or on assets that have no alternative use to the Group, with the Group having right to payment for performance to date. As performance obligations are satisfied over time, revenue is recognised over time using an output method based on work certified to date.

Customers are typically invoiced on a monthly basis and invoices are paid on normal commercial terms.

Services contracts

Contracts for performance of maintenance activities cover servicing of assets and involve various activities. These activities tend to be substantially the same with the same pattern of consumption by the customer. Where this is the case, which is the majority of the services contracts, these services are taken to be one performance obligation and the total transaction price is allocated to the performance obligation identified.

Performance obligations are fulfilled over time as the Group largely performs maintenance over the assets which the customer controls. Customers are typically invoiced monthly for an amount that is calculated on either a schedule of rates or a cost plus basis. For these contracts, the transaction price is determined as an estimate of this variable consideration.

Variable consideration

If the consideration in the contract includes a variable amount, the Group estimates the amount of the consideration to which it is entitled in exchange for transferring the goods and services to the customer. The Group includes some or all of this variable consideration in the transaction price only to the extent it is highly probable that a significant reversal of the cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Certain contracts are subject to claims which are enforceable under the contract. If the claim does not result in any additional goods or services, the transaction price is updated and the claim accounted for as variable consideration.

Significant financing component

Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer or the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

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	2024 $'000	2023 $'000
2. EXPENSES		
Finance costs		
Finance charges	**2,345**	1,986
Interest on other lease liabilities	**1,441**	1,509
	3,786	3,495
Depreciation and amortisation		
Depreciation expense of owned property, plant and equipment	**18,214**	13,948
Depreciation expense of right of use hire purchase assets	**10,791**	11,180
Depreciation expense of right of use assets	**8,714**	8,029
Amortisation of intangibles	**747**	-
	38,466	33,157
Employee benefits expense		
Employee benefits expense	**986,603**	895,702
Defined contribution superannuation expense	**85,144**	69,552
	1,071,747	965,254
Lease payments and other expenses		
Expense relating to short-term leases and low value leases (included in cost of sales)	**2,879**	2,638
Foreign exchange		
Foreign exchange loss / (gain)	**5,340**	(2,222)

Recognition and measurement

Finance costs

The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with the qualifying assets would be capitalised. All other finance costs are expensed as incurred.

Depreciation and amortisation

Refer to notes 9 and 10 for details on depreciation and amortisation.

Employee benefits expense

Refer to note 15 for employee benefits expense and note 28 for share-based payments expense.

Contributions to defined contribution superannuation plans are recognised as an expense as they become payable.

Lease payments

Refer to note 14 for details on lease payments.

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	2024 $'000	2023 $'000
3. INCOME TAX		
The major components of income tax expense are:		
Income Statement		
Current income tax		
Current income tax charge	**35,810**	18,197
Adjustments in respect of previous years	**519**	(494)
Deferred income tax		
Temporary differences	**(6,609)**	3,858
Adjustments in respect of previous years	**-**	(41)
Income tax expense reported in the income statement	**29,720**	21,520
Statement of Comprehensive Income		
Deferred tax related to items recognised in Statement of Comprehensive Income during the year:		
Unrealised gain on equity instrument designated at fair value through other comprehensive income	**-**	682
	-	682
Amounts credited directly to equity		
Share-based payment	**(2,144)**	(1,520)
Income tax expense reported in equity	**(2,144)**	(1,520)
Tax reconciliation		
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**91,945**	73,446
Income tax rate of 30% (2023: 30%)	**27,584**	22,034
- Share-based payment expense	**37**	(579)
- Withholding tax	**1,092**	-
- Other	**1,007**	65
Aggregate income tax expense	**29,720**	21,520

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	2024 $'000 Current Income Tax	2024 $'000 Deferred Income Tax	2023 $'000 Current Income Tax	2023 $'000 Deferred Income Tax
3. INCOME TAX (CONTINUED)				
Recognised deferred tax assets and liabilities				
Opening balance	(9,052)	21,659	(14,753)	27,625
Charged to income	**(36,329)**	**6,609**	(17,703)	(3,817)
Charged to equity	**-**	**2,144**	-	838
Acquisition / (loss of control) of subsidiary	**-**	**2,184**	(1,420)	(3,933)
Other / payments	**26,768**	**(232)**	24,824	946
Closing balance	**(18,613)**	**32,364**	(9,052)	21,659
Amounts recognised on the consolidated statement of financial position:				
Deferred tax assets		**32,364**		21,659
		32,364		21,659

	2024 $'000	2023 $'000
Deferred income tax at 30 June relates to the following:		
Deferred tax assets		
Employee provisions	**33,789**	26,021
Provisions for doubtful debts	**612**	831
Other provisions	**5,724**	3,802
Lease liabilities	**11,907**	14,091
Tax losses	**470**	1,725
Other	**131**	348
Gross deferred tax assets	**52,633**	46,818
Set-off of deferred tax liabilities	**(20,269)**	(25,159)
Net deferred tax assets	**32,364**	21,659
Deferred tax liabilities		
Accelerated depreciation	**(11,054)**	(13,841)
Right of use assets	**(9,215)**	(11,318)
Gross deferred tax liabilities	**(20,269)**	(25,159)
Set-off against deferred tax assets	**20,269**	25,159
Net deferred tax liabilities	**-**	-

Unrecognised temporary differences

At 30 June 2024, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries (2023: no unrecognised temporary differences).

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3. INCOME TAX (CONTINUED)

Tax consolidation

Monadelphous Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2003. Members of the tax consolidated group have entered into a tax funding agreement. The head entity, Monadelphous Group Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Monadelphous Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Pillar Two legislation

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 July 2024. The Group has performed an assessment of the potential exposure to Pillar Two income taxes based on the most recent tax filings. Based on this assessment the Group does not expect to have a material exposure to Pillar Two income taxes.

Recognition and measurement

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred taxes

Deferred income tax is provided for using the full liability balance sheet approach.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists and they relate to the same taxable entity and the same taxation authority.

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	2024 $'000	2023 $'000
4. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders of the parent	**62,203**	53,543
Earnings used in calculation of basic and diluted earnings per share	**62,203**	53,543

	Number	Number
Number of shares		
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**97,069,220**	95,870,712
Effect of dilutive securities		
Rights and options	**1,467,256**	1,446,468
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**98,536,476**	97,317,180

Conversions, calls, subscriptions or issues after 30 June 2024:

On 1 July 2024, 295,443 performance rights vested and were exercised.

Calculation of earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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	2024 $'000	2023 $'000
5. CASH AND CASH EQUIVALENTS		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash balances comprise:		
Cash at bank	**220,903**	167,180
Short term deposits	**4,961**	11,143
	225,864	178,323
Reconciliation of net profit after tax to the net cash flows from operating activities		
Net profit	**62,225**	51,926
Adjustments for		
Depreciation of non-current assets	**37,719**	33,157
Amortisation of intangibles	**747**	-
Net profit on sale of property, plant and equipment	**(7,652)**	(2,928)
Share-based payment expense	**7,475**	10,725
Share of profits from joint ventures	**(2,121)**	(7,715)
Dividends from joint ventures	**4,550**	4,125
Other	**3,078**	455
Changes in assets and liabilities		
Decrease in receivables	**8,250**	7,798
(Increase)/decrease in inventories	**(467)**	1,127
Decrease/(increase) in contract assets	**5,775**	(5,829)
(Increase)/decrease in deferred tax assets	**(6,700)**	4,444
Increase in payables	**40,657**	11,128
Increase/(decrease) in provisions	**24,640**	(12,410)
Increase/(decrease) in income tax payable	**9,562**	(2,713)
Net cash flows from operating activities	**187,738**	93,290

Non-cash financing and investing activities

Hire purchase transactions:

During the year, the consolidated entity acquired right of use plant and equipment assets by means of hire purchase agreements with an aggregate fair market value of $12,110,050 (2023: $12,234,905).

Dividend reinvestment plan

During the year, the participation in the dividend reinvestment plan totalled $4,340,847 (2023: $4,833,202).

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5. CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation of liabilities arising from financing activities

	2023 $'000	Cash Flows $'000	Non-Cash Changes New Leases/ Terminations $'000	Other $'000	2024 $'000
Hire purchase liabilities	37,157	**(6,338)**	**12,110**	**570**	**43,499**
Other lease liabilities	50,801	**(9,369)**	**(1,473)**	**(113)**	**39,846**
Loan	770	**9,576**	**527**	**22**	**10,895**
	88,728	**(6,131)**	**11,164**	**479**	**94,240**

	2022 $'000	Cash Flows $'000	Non-Cash Changes New Leases/ Terminations $'000	Other $'000	2023 $'000
Hire purchase liabilities	47,102	(19,410)	12,235	(2,770)	37,157
Other lease liabilities	50,706	(8,460)	8,552	3	50,801
Loan	11,672	3,090	-	(13,992)	770
	109,480	(24,780)	20,787	(16,759)	88,728

Recognition and measurement

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

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	2024 $'000	2023 $'000
6. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	**239,905**	257,161
Less allowance account for expected credit losses	**(2,080)**	(2,884)
	237,825	254,277
Other debtors	**103,066**	76,961
Less allowance account for expected credit losses	**(765)**	(529)
	102,301	76,432
	340,126	330,709

Trade receivables generally have 30 to 60 days terms.

Allowance account for trade receivables impairment losses

Movements in loss allowance based on lifetime ECL:		
Balance at the beginning of the year	2,884	2,226
(Decrease)/increase in loss allowance	**(804)**	658
Balance at the end of the year	**2,080**	2,884

Recognition and measurement

Trade receivables

Refer to accounting policies of financial assets in note 33.

Other debtors

Other debtors include contract assets that are unconditional (see note 7). These assets are reclassified to trade receivables when invoiced.

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	2024 $'000	2023 $'000
7. CONTRACT ASSETS		
CURRENT		
Contract assets	**4,336**	5,770
NON CURRENT		
Contract assets	**19,491**	23,832

Contract assets are net of expected credit losses of $178,699 (2023: $275,803).

Recognition and measurement

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration. If the Group's right to an amount of consideration is unconditional (other than the passage of time), the contract asset is classified as a receivable.

Refer to accounting policies of revenue from contracts with customers in note 1.

	2024 $'000	2023 $'000
8. INVENTORIES		
Raw materials and consumables	**1,930**	1,463

Recognition and measurement

Raw materials and consumables

Raw materials and consumables are stated at the lower of cost and net realisable value.

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9. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the period

				Right of Use Assets			
	Freehold Land and Buildings $'000	Assets Under Construction $'000	Plant and Equipment $'000	Plant and Equipment Under Hire Purchase $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
Year ended 30 June 2024							
Net carrying amount at 1 July 2023	30,553	6,809	44,911	50,233	39,598	29	172,133
Additions	**3,652**	**10,554**	**74,675**	**12,110**	**217**	**-**	**101,208**
Additions from business combination	**-**	**-**	**2,785**	**-**	**341**	**-**	**3,126**
Assets transferred	**14,784**	**(15,673)**	**(3,471)**	**4,360**	**-**	**-**	**-**
Disposals	**-**	**-**	**(2,192)**	**(10)**	**(2,240)**	**-**	**(4,442)**
Depreciation charge	**(970)**	**-**	**(17,244)**	**(10,791)**	**(8,714)**	**-**	**(37,719)**
Other	**(349)**	**-**	**(563)**	**(581)**	**(145)**	**-**	**(1,638)**
Net carrying amount at 30 June 2024	**47,670**	**1,690**	**98,901**	**55,321**	**29,057**	**29**	**232,668**
At 30 June 2024							
Gross carrying amount – at cost	**60,429**	**1,690**	**237,808**	**83,281**	**62,230**	**1,400**	**446,838**
Accumulated depreciation	**(12,759)**	**-**	**(138,907)**	**(27,960)**	**(33,173)**	**(1,371)**	**(214,170)**
Net carrying amount	**47,670**	**1,690**	**98,901**	**55,321**	**29,057**	**29**	**232,668**

				Right of Use Assets			
	Freehold Land and Buildings $'000	Assets Under Construction $'000	Plant and Equipment $'000	Plant and Equipment Under Hire Purchase $'000	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
Year ended 30 June 2023							
Net carrying amount at 1 July 2022	30,917	-	34,553	57,279	39,080	75	161,904
Additions	120	6,809	14,669	12,235	6,192	-	40,025
Additions from business combination	321	-	7,335	-	2,360	-	10,016
Assets transferred	-	-	3,620	(3,620)	-	-	-
Disposals	-	-	(1,381)	(261)	-	-	(1,642)
Assets derecognised from loss of control of subsidiary	-	-	(1,060)	(5,471)	-	-	(6,531)
Depreciation charge	(873)	-	(13,075)	(11,180)	(7,984)	(45)	(33,157)
Other	68	-	250	1,251	(50)	(1)	1,518
Net carrying amount at 30 June 2023	30,553	6,809	44,911	50,233	39,598	29	172,133
At 30 June 2023							
Gross carrying amount – at cost	43,475	6,809	169,769	76,173	67,233	1,400	364,859
Accumulated depreciation	(12,922)	-	(124,858)	(25,940)	(27,635)	(1,371)	(192,726)
Net carrying amount	30,553	6,809	44,911	50,233	39,598	29	172,133

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9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Recognition and measurement

Property, plant and equipment

All classes of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the income statement as incurred.

Assets under construction is stated at cost, net of accumulated impairment losses, if any.

Depreciation is calculated on a straight line basis on all classes of property, plant and equipment other than freehold land. The estimated useful life of buildings is 40 years; plant and equipment is between 3 and 20 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Right of use assets

The Group recognises lease assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Lease assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
The cost of lease assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Impairment of non-financial assets other than goodwill

We have performed an impairment assessment based on the policy below. No impairment was noted.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists or when annual impairment testing for an asset is required, the Group makes a formal estimate of the recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

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10. INTANGIBLE ASSETS AND GOODWILL

	Intangible asset with definite useful life $'000	Goodwill $'000	Total $'000
Year ended 30 June 2024			
At 1 July 2023	3,000	13,026	16,026
On business combination (Note 22)	**1,100**	**1,864**	**2,964**
Amortisation	**(747)**	**-**	**(747)**
At 30 June 2024	**3,353**	**14,890**	**18,243**
Year ended 30 June 2023			
At 1 July 2022	-	4,902	4,902
On business combination (Note 22)	3,000	8,821	11,821
Other	-	(697)	(697)
At 30 June 2023	3,000	13,026	16,026

Impairment testing of the Group's goodwill

Goodwill acquired through business combinations has been allocated to cash generating units ("CGU") for impairment testing purposes. Carrying amount of goodwill allocated to each CGU:

	Notes	2024 $'000	2023 $'000
BMC Group		**8,821**	8,821
Melchor Contracting Pty Ltd (provisional)	22	**1,864**	-
Monadelphous Electrical & Instrumentation Pty Ltd		**2,268**	2,268
Other		**1,937**	1,937
		14,890	13,026

The recoverable amount of each CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period extrapolated using growth rate in the range of 0% to 2.5% and applying a pre-tax discount rate to the cash flow projections in the range of 17% to 21%. Key assumptions in the CGUs cash flow projections take into consideration historic performance and forecast macroeconomic conditions. Discount rates used are based on the weighted average cost of capital determined by prevailing market inputs, risk adjusted where necessary. No reasonably possible changes in key assumptions would result in the carrying amount of the individual CGUs exceeding their recoverable amount.

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the consideration over the fair value of the Group's identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. On 31 October 2023, the Group acquired Melchor Contracting Pty Ltd which resulted in a goodwill of $1,864,000. Refer to note 22. (2023: the Group acquired BMC Holdings (Vic) Pty Ltd which resulted in a goodwill of $8,821,000). The other remaining goodwill is allocated to multiple CGUs and are not significant.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination, is, from the acquisition date, allocated to each of the Group's CGUs or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. If the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

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10. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Intangible assets

Intangible assets relate to the fair value of contracts acquired on acquisition of Melchor during the year and BMC in June 2023. Intangibles assets have been assessed as having a finite life and are amortised using the straight-line method over a period of 5 years. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any impairment losses. Intangible assets are tested for impairment whenever there is an indication that the intangible asset may be impaired.

11. INVESTMENT IN JOINT VENTURES

Mondium Pty Ltd

On 21 October 2016, an Australian joint venture company, Mondium Pty Ltd was formed between Monadelphous and Lycopodium Ltd. The Group has a 60% interest in the joint venture. The principal activity of Mondium is to deliver engineering, procurement and construction services in the minerals processing sector.

The Group considers that it has joint control with its respective joint venture partner over Mondium Pty Ltd as relevant decisions at a Board and Shareholder level require unanimous agreement.

Zenviron Pty Ltd

On 26 July 2016, a joint venture company, Zenviron Pty Ltd was formed between Monadelphous and ZEM Energy Investments Pty Ltd. The Group has a 55% ownership interest in the joint venture and a 50% interest in the voting rights. The principal activity of Zenviron is to deliver multi-disciplinary construction services in the renewable energy market in Australia and New Zealand.

The Group considers that it has joint control with its respective joint venture partner over Zenviron Pty Ltd as relevant decisions at a Board and Shareholder level require unanimous agreement.

The aggregate results, assets and liabilities of Zenviron Pty Ltd and Mondium Pty Ltd are as follows:

	2024 $'000	2023 $'000
Group's share of net assets of joint ventures	**12,341**	14,770
Group's share of profit after tax from continuing operations	**2,121**	7,715
Group's share of profit and total comprehensive income	**2,121**	7,715

Commitments and contingent liabilities relating to Joint Ventures

The Group's share of insurance bond guarantees issued by Joint Ventures at 30 June 2024 was $8,919,158 (2023: $14,840,863).

Joint ventures had no capital commitments at 30 June 2024 (2023: nil).

Recognition and measurement

A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying value of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The income statement reflects the Group's share of the results of the joint venture.

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	2024 $'000	2023 $'000
12. TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	**91,718**	91,089
Contract liabilities	**55,206**	15,919
Sundry creditors and accruals	**63,907**	50,161
	210,831	157,169

Recognition and measurement

Trade and other payables

Trade and other payables are carried at amortised cost and are not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, non-interest bearing and are usually paid within 30 to 45 days of recognition.

Sundry creditors and accruals are non-interest bearing and generally have terms of 7 to 30 days.

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

	2024 $'000	2023 $'000
13. INTEREST BEARING LOANS AND BORROWINGS		
CURRENT		
Loan – secured	**4,529**	342
NON-CURRENT		
Loan – secured	**6,366**	428

Terms and conditions

Interest bearing loans and borrowings predominantly relates to variable rate property loan with a remaining term of 28 months.

Defaults and breaches

During the current and prior year, there were no defaults and breaches on any of the loans.

Recognition and measurement

Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least twelve months after the reporting date.

Gains or losses are recognised in the income statement when the liabilities are derecognised.

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14. LEASE LIABILITIES

	2024 $'000	2023 $'000
CURRENT		
Hire purchase lease liabilities	**14,407**	14,812
Other lease liabilities	**8,611**	9,318
	23,018	24,130
NON-CURRENT		
Hire purchase lease liabilities	**29,092**	22,345
Other lease liabilities	**31,235**	41,483
	60,327	63,828
Carrying amount at the beginning of the financial year	87,958	97,808
Additions	**22,849**	18,427
Accretion of interest	**3,645**	2,941
Payments	**(29,874)**	(30,811)
Other	**(1,233)**	(407)
Carrying amount at the end of the financial year	**83,345**	87,958

Terms and conditions

Hire purchase agreements have an average term of three years. The average discount rate implicit in the hire purchase liability is 4.9% (2023: 4.2%).

Other lease liabilities have an average term of 4.2 years. The average discount rate implicit in the other lease liability is 4.5% (2023: 4.9%).

The Group has total cash outflows for other lease liabilities (including short term leases) during 30 June 2024 of $13,689,000 (2023: $12,607,000). The maturity analysis of lease liabilities is set out in note 24.

Recognition and measurement

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and lease assets representing the right to use the underlying assets.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised lease assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Property 1 to 8 years
- Plant and equipment 1 to 10 years

If ownership of lease assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease assets are subject to impairment.

14. LEASE LIABILITIES (CONTINUED)

Recognition and measurement (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption for those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of plant and equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of one to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew and considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

	2024 **$'000**	2023 $'000
15. PROVISIONS		
CURRENT		
Employee benefits	**70,401**	55,807
Workers' compensation	**15,109**	8,387
Other	**4,378**	368
	89,888	64,562
NON-CURRENT		
Employee benefits – long service leave	**7,536**	6,361
	7,536	6,361
Movements in provisions		
Workers compensation		
Carrying amount at the beginning of the year	8,387	13,036
Additional provision	**19,586**	16,044
Amounts utilised during the year	**(12,864)**	(20,693)
Carrying amount at the end of the financial year	**15,109**	8,387

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15. PROVISIONS (CONTINUED)

Recognition and measurement

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relevant to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Employee benefits includes liabilities for wages and salaries, rostered days off, vesting sick leave, project incentives and project redundancies. It is customary within the engineering and construction industry for incentive payments and redundancies to be paid to employees at the completion of a project. The provision has been created to cover the expected costs associated with these statutory and project employee benefits.

Liabilities for short term benefits expected to be wholly settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liability is settled. Expenses for non-vesting sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long term benefits is recognised and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds, which have terms to maturity approximating the estimated future cash outflows.

Workers' compensation

It is customary for all entities within the engineering and construction industry to be covered by workers' compensation insurance. Payments under these policies are calculated differently depending on which state of Australia the entity is operating in. Premiums are generally calculated based on actual wages paid and claims experience. Wages are estimated at the beginning of each reporting period. Final payments are made when each policy is closed out based on the difference between actual wages and the original estimated amount. The amount of each payment varies depending on the number of incidents recorded during each period and the severity thereof. The policies are closed out within a five year period through negotiation with the relevant insurance company. The provision has been created to cover the expected costs associated with closing out each insurance policy and is adjusted accordingly based on the actual payroll incurred and the severity of incidents that have occurred during each period.

16. OTHER FINANCIAL LIABILITY

The Group has an option (put and call) to acquire 10% of the share capital of MAQ Rent from the Minority Interest owner. Similarly, the existing holders of the remaining 10% have the option to require the Group to purchase the remaining shares on the same terms and conditions as the option held by the Group.

In relation to the option held by the minority shareholders, the Group has made an accounting policy choice to reclassify the non-controlling interest in this controlled entity as a liability at each reporting date until such time as the option is exercised or expires. The financial liability, representing the minority put and call option, has been recognised on the balance sheet with a corresponding adjustment to equity. Subsequent to initial recognition, changes to the carrying amount of the financial liability are also recognised directly in equity.

The financial liability was initially measured at fair value, being the present value of the estimated amount payable at the end of the option period. The amount payable will be determined based on a multiple of the average annual earnings for the three years ending 31 December 2025.

At 30 June 2024, the financial liability associated with the option held by the minority shareholders was $661,464 (2023: $835,179).

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17. CAPITAL MANAGEMENT

Capital is managed by the Group's Chief Financial Officer in conjunction with the Group's Finance and Accounting department. Management continually monitor the Group's net cash/debt position and the gearing levels to ensure efficiency and compliance with the Group's banking facility covenants, including the gearing ratio, operating leverage ratio and fixed charge coverage ratio. At 30 June 2024, the Group is in a net cash position of $171,470,000 (2023: $140,396,000) and has a debt to equity ratio of 11.7% (2023: 8.7%) which is within the Group's net cash and debt to equity target levels.

During the year ended 30 June 2024, management paid dividends of $48,515,000 (2023: $46,919,000). The policy is to payout dividends of 80% to 100% of annual net profit after tax, subject to the working capital requirements of the business, potential investment opportunities and business and economic conditions generally.

The capital of the Company is considered to be contributed equity.

	2024 **$'000**	2023 $'000
18. DIVIDENDS PAID AND PROPOSED		
Declared and paid during the year		
Current year interim		
Interim franked dividend for 2024 (25 cents per share) (2023: 24 cents per share)	**24,315**	23,028
Previous year final		
Final franked dividend for 2023 (25 cents per share) (2022: 25 cents per share)	**24,200**	23,891
Unrecognised amounts		
Current year final		
Final franked dividend for 2024 (33 cents per share) (2023: 25 cents per share)	**32,260**	24,126
Franking credit balance		
Franking credits available for future reporting years at 30% adjusted for franking credits that will arise from the payment of income tax payable as at the end of the financial year	**46,600**	35,933
Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	**(13,826)**	(10,340)
	32,774	25,593

Tax rates

The tax rate at which paid dividends have been franked is 30% (2023: 30%). Dividends payable will be franked at the rate of 30% (2023: 30%).

Recognition and measurement

A provision for dividends is not recognised as a liability unless the dividends are declared on or before the reporting date.

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	2024 $'000	2023 $'000
19. CONTRIBUTED EQUITY		
Ordinary shares – Issued and fully paid	**145,781**	141,115

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	2024		2023	
	Number of Shares	**$'000**	Number of Shares	$'000
Beginning of the financial year	96,341,720	141,115	95,262,705	136,096
Dividend reinvestment plan	**315,136**	**4,341**	408,080	4,833
Exercise of performance rights and retention rights	**510,018**	**-**	445,626	-
Exercise of options	**296,370**	**325**	225,309	186
End of the financial year	**97,463,244**	**145,781**	96,341,720	141,115

Recognition and measurement

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised directly in equity as a deduction, net of tax, from the proceeds.

	2024 $'000	2023 $'000
20. RESERVES AND RETAINED EARNINGS		
Foreign currency translation reserve	**(4,890)**	(4,472)
Share-based payment reserve	**64,630**	55,011
Fair value reserve for financial asset at FVOCI	**2,856**	2,856
Equity reserve	**(4,649)**	(4,710)
	57,947	48,685
Retained earnings	**261,866**	248,178

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from translation of the financial statements of foreign subsidiaries.

Share-based payment reserve

The share-based payment reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 28 for further details of these plans.

Fair value reserve financial assets

The fair value reserve for financial assets is used to record the movement in fair value of financial assets.

Equity reserve

The equity reserve is used to record the changes in the carrying amount of the financial liability representing the minority put and call option over the remaining 10% (2023: 10%) of the shares on issue of MAQ Rent SpA.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: GROUP STRUCTURE
FOR THE YEAR ENDED 30 JUNE 2024

21. SUBSIDIARIES

The consolidated financial statements include the financial statements of Monadelphous Group Limited and subsidiaries:

		Percentage Held by Consolidated Entity	
Name	**Country of Incorporation**	**2024**	2023
Parent:			
Monadelphous Group Limited			
Controlled entities of Monadelphous Group Limited:			
#Monadelphous Engineering Associates Pty Ltd	Australia	**100**	100
#Monadelphous Properties Pty Ltd	Australia	**100**	100
#Monadelphous Engineering Pty Ltd	Australia	**100**	100
#Genco Pty Ltd	Australia	**100**	100
#Monadelphous Workforce Pty Ltd	Australia	**100**	100
#Monadelphous Electrical & Instrumentation Pty Ltd	Australia	**100**	100
#Monadelphous KT Pty Ltd	Australia	**100**	100
#Monadelphous Energy Services Pty Ltd	Australia	**100**	100
#M Workforce Pty Ltd	Australia	**100**	100
#M Maintenance Services Pty Ltd	Australia	**100**	100
M&ISS Pty Ltd	Australia	**100**	100
Inteforge Pty Ltd	Australia	**100**	100
Monadelphous Group Limited Employee Share Trust	Australia	**100**	100
Monadelphous Holdings Pty Ltd	Australia	**100**	100
MGJV Pty Ltd	Australia	**100**	100
Evo Access Pty Ltd	Australia	**100**	100
Monadelphous Investments Pty Ltd	Australia	**100**	100
MWOG Pty Ltd	Australia	**100**	100
MOAG Pty Ltd	Australia	**100**	100
Monadelphous International Holdings Pty Ltd	Australia	**100**	100
Arc West Group Pty Ltd	Australia	**100**	100
R.I.G. Installations (Newcastle) Pty Ltd	Australia	**100**	100
RE&M Services Pty Ltd	Australia	**100**	100
Pilbara Rail Services Pty Ltd	Australia	**100**	100
EC Projects Pty Ltd	Australia	**100**	100
Monadelphous RTW Pty Ltd	Australia	**100**	100
MMW Projects Pty Ltd	Australia	**100**	100
Monadelphous PNG Ltd	Papua New Guinea	**100**	100
Moway International Limited	Hong Kong	**100**	100
Moway AustAsia Steel Structures Trading (Beijing) Company Limited	China	**100**	100
Inteforge Engineering & Fabrication (Tianjin) Co. Ltd	China	**100**	100
Monadelphous Mongolia LLC	Mongolia	**100**	100
Monadelphous Inc.	USA	**100**	100
Monadelphous Engineering NZ Pty Ltd	New Zealand	**100**	100
Monadelphous Chile SpA	Chile	**100**	100
MAQ Rent SpA (Note 16)	Chile	**90**	90
#BMC Holdings (Vic) Pty Ltd	Australia	**100**	100
BMC Welding & Construction Pty Ltd	Australia	**100**	100
BMC HV Electrical & Instrumentation Pty Ltd	Australia	**100**	100
BMC Civil Pty Ltd	Australia	**100**	100
#Melchor Contracting Pty Ltd	Australia	**100**	-

Controlled entities subject to the Class Order (refer to note 32)

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21. SUBSIDIARIES (CONTINUED)

Ultimate parent

Monadelphous Group Limited is the ultimate holding company.

Material partly-owned subsidiaries

There were no subsidiaries that have a material non-controlling interest during the year (2023: none).

22. BUSINESS COMBINATION

Acquisition of Melchor Contracting Pty Ltd

On 31 October 2023, Monadelphous Group Limited acquired 100% of the share capital of a Perth-based structural concrete and associated works business, Melchor Contracting Pty Ltd (Melchor). The acquisition of Melchor is aligned to Monadelphous' markets and growth strategy, broadening the Company's multidisciplinary construction offering to include civil capability.

The provisional fair values of the identifiable assets and liabilities acquired from Melchor as of date of acquisition were:

	Provisional Fair Value at Acquisition Date $'000
Cash	**1,157**
Trade and other receivables	**16,136**
Property, plant and equipment and right of use assets	**3,126**
Intangible assets	**1,100**
Other	**3,076**
Total assets	**24,595**
Trade and other payables	**13,668**
Lease liabilities	**371**
Provisions	**2,420**
Total liabilities	**16,459**
Fair value of identifiable net assets	**8,136**
Goodwill arising on acquisition	**1,864**
Purchase consideration	**10,000**
Acquisition-date fair-value of consideration transferred:	
Cash paid	**10,000**
Total consideration	**10,000**
The cash outflow on acquisition is as follows:	
Net cash acquired with the business	**(1,157)**
Cash paid	**10,000**
Net consolidated cash outflow	**8,843**

The goodwill recognised is primarily attributed to the expected synergies and other benefits from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Sales revenue of $103,259,000 has been recognised from Melchor for the period since acquisition. The net profit before tax for the period was $5,772,000. If the combination had taken place at the beginning of the financial year, Melchor's revenue from continuing operations would have been $149,772,000 and the profit before tax from continuing operations would have been $8,964,000.

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22. BUSINESS COMBINATION (CONTINUED)

Information on prior year acquisition - BMC

On 9 June 2023, Monadelphous Group Limited acquired 100% of the share capital of a Victorian-based mechanical and electrical services business, BMC Holdings (Vic) Pty Ltd (BMC). The acquisition accounting was provisional at 30 June 2023.

The fair values of the identifiable assets and liabilities acquired from BMC were finalised during the year and the 30 June 2023 Consolidated Statement of Financial Position has been restated accordingly, which resulted in the recognition of identifiable intangible assets of $3,000,000 and adjustment to net asset acquired of $657,000. The final goodwill arising on acquisition was $8,821,000. Goodwill recognised is not deductible for income tax purposes.

23. INTEREST IN JOINT OPERATIONS

Joint operations interests

The Group's interests in joint operations are as follows:

			Group Interest	
Joint Arrangement	**Principal Activity**	**Principal Place of Business**	**2024 %**	2023 %
Monadelphous Worley JV PNG	Engineering, Procurement and Construction & Maintenance Support Work in PNG	PNG	**65**	65
Monadelphous Worley JV	Engineering, Procurement and Construction & Maintenance Support Work	Brisbane, QLD	**65**	65

During 2022, Monadelphous established an unincorporated joint venture, Alevro JV, to provide turnkey heavy lift solutions. The Group's interest in the JV is dependent on each party's contribution on a contract by contract basis.

Commitments and contingent liabilities relating to joint operations

There were no capital commitments or contingent liabilities relating to the joint operations at 30 June 2024 (2023: $nil).

Impairment

There were no assets employed in the joint operations during the year ended 30 June 2024 (2023: $nil).

Recognition and measurement

Joint arrangements are arrangements of which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Group's share of the net assets of the venture.

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24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, loans, leases and hire purchase contracts, cash and short-term deposits.

The Group is exposed to financial risks which arise directly from its operations. The Group has policies and measures in place to manage financial risks encountered by the business.

Primary responsibility for the identification of financial risks rests with the Board. The Board determines policies for the management of financial risks. It is the responsibility of the Chief Financial Officer and senior management to implement the policies set by the Board and for the constant day to day management of the Group's financial risks. The Board reviews these policies on a regular basis to ensure that they continue to address the risks faced by the Group.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's policy to minimise risk from fluctuations in interest rates is to utilise fixed interest rates in its loans, leases and hire purchase contracts where appropriate. Cash and short term deposits are exposed to floating interest rate risks. The Group manages its foreign currency risk arising from significant supplier contracts in foreign currencies by holding foreign currency or taking out forward exchange contracts. Analysis is performed on a customer's credit rating prior to signing contracts and analysis is performed regularly of credit exposures and aged debt to manage credit and liquidity risk.

The policies in place for managing the financial risks encountered by the Group are summarised below.

Risk exposures and responses

Interest rate risk

The Group's exposure to variable interest rates is as follows:

	Notes	**2024 $'000**	2023 $'000
Financial assets/liabilities			
Cash and cash equivalents	5	**225,864**	178,323
Loan – secured	13	**(10,895)**	(770)
Net exposure		**214,969**	177,553

The Group utilises a number of financial institutions to obtain the best interest rate possible and to manage its risk. The Group does not enter into interest rate hedges.

At 30 June 2024, reasonably possible movements in variable interest rates, based on a review of historical movements and forward rate curves for forward rates would not have had a material impact on the Group.

Foreign currency risk

As a result of operations in Papua New Guinea, China, Mongolia, New Zealand and Chile the Group's statement of financial position can be affected by movements in the US$/A$, PGK/A$, RMB/A$, MNT/A$, NZ$/A$ and CLP/A$ exchange rates.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Where possible, Monadelphous does not take on foreign exchange risk. At 30 June 2024, the Group has no foreign exchange forward contracts for future capital commitments (2023: Euro 8,900,000).

The Group also mitigates its exposure to foreign currency risk by minimising excess foreign currency balances in overseas jurisdictions not required for working capital.

At 30 June 2024, the Group had the following exposure to foreign currency:

	PGK AUD $'000	**USD AUD $'000**
Year ended 30 June 2024		
Financial assets		
Cash and cash equivalents	**28,506**	**4,993**
Trade and other receivables	**12,915**	**5,795**
Financial liabilities		
Trade and other payables	**(1,513)**	**(634)**
Net exposure	**39,908**	**10,154**

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk exposures and responses (continued)

Foreign currency risk (continued)

	PGK AUD $'000	USD AUD $'000
Year ended 30 June 2023		
Financial assets		
Cash and cash equivalents	38,588	5,594
Trade and other receivables	9,516	8,961
Financial liabilities		
Trade and other payables	(1,346)	(2,711)
Net exposure	46,758	11,844

At 30 June 2024, reasonably possible movements in USD foreign exchange rates, based on a review of historical movements, would not have had a material impact on the Group (2023: no material impact).

At 30 June 2024, if the PGK foreign exchange rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
Judgements of reasonably possible movements relating to financial assets and liabilities denominated in PGK:	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
+5% (2023: +5%)	**(1,396)**	(1,637)	**-**	-
-5% (2023: -5%)	**1,396**	1,637	**-**	-

The reasonably possible movements have been based on review of historical movements.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's maximum exposure to credit risk is its cash, trade and other receivables and contract assets representing $589,817,000 at 30 June 2024 (2023: $538,634,000).

The Group considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

Except for trade receivables, contract assets and other short-term receivables (see below), expected credit losses (ECL's) are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. In making this assessment, the Group considers information that is reasonable and supportable, including historical experience and forward-looking information. Forward-looking information considered includes consideration of external sources of economic information. In particular, the Group takes into account the counterparties external credit rating (as far as available), actual or expected significant changes in the operating results of the counterparty and macroeconomic indicators when assessing significant movements in credit risk.

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24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk exposures and responses (continued)

Credit risk (continued)

Trade receivables and contract assets

The Group trades with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Publicly available credit information from recognised providers is utilised for this purpose where available.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts has not been significant.

The Group minimises concentrations of credit risk in relation to accounts receivable and contract assets by undertaking transactions with a number of customers within the resources, energy and infrastructure industry sector. There are multiple contracts with our significant customers, across a number of their subsidiaries, divisions within those subsidiaries and locations.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Chair, Managing Director or Chief Financial Officer.

Since the Group trades with recognised third parties, there is no requirement for collateral.

The Group applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

A receivable is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence that a receivable is credit-impaired includes observable data about significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets, for which lifetime expected credit losses are recognised, using a provision matrix:

		Trade Receivables					
			Days Past Due				
	Contract Assets $'000	Current $'000	<31 Days $'000	31-60 Days $'000	61-90 Days $'000	>91 Days $'000	Total $'000
30 June 2024							
Expected credit loss rate	**0.8%**	**0.8%**	**0.8%**	**0.8%**	**0.8%**	**7.5%**	
Total estimated gross carrying amount at default	**24,005**	**189,165**	**37,952**	**6,502**	**2,197**	**4,089**	**239,905**
Expected credit loss	**179**	**1,422**	**286**	**49**	**17**	**306**	**2,080**
30 June 2023							
Expected credit loss rate	0.9%	0.7%	0.6%	0.6%	0.6%	30.5%	
Total estimated gross carrying amount at default	29,878	199,673	42,261	8,377	3,142	3,708	257,161
Expected credit loss	276	1,403	276	54	19	1,132	2,884

Other balances within trade and other receivables did not contain impaired assets and were not past due. It was expected that these other balances would be received when due.

Financial instruments and cash deposits

With respect to credit risk arising from the other financial assets of the Group, which comprises cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group minimises its exposure to credit risk for cash and cash equivalents, by investing funds with counter parties rated A+ or higher by Standard & Poor's where possible. Term deposits typically have an original maturity of three months or less and other bank deposits are on call. These financial assets are considered to have low credit risk.

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24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk exposures and responses (continued)

Credit risk (continued)

Write off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Liquidity risk

Financing facilities available

	2024 $'000	2023 $'000
At balance date the following financing facilities had been negotiated and were available		
Total facilities:		
Bank guarantee and performance bonds	**390,000**	390,000
Revolving credit	**124,872**	126,303
	514,872	516,303
Facilities used at balance date:		
Bank guarantee and performance bonds	**216,966**	146,557
Revolving credit	**54,394**	37,927
	271,360	184,484
Facilities unused at balance date:		
Bank guarantee and performance bonds	**173,034**	243,443
Revolving credit	**70,478**	88,376
	243,512	331,819

Nature of bank guarantees and performance bonds

The contractual term of the bank guarantees and performance bonds match the underlying obligation to which it relates.

Nature of revolving credit

The revolving credit includes hire purchase/leasing facilities. Refer to note 14 for terms and conditions.

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24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk exposures and responses (continued)

Liquidity risk (continued)

The Group's objective is to manage the liquidity of the business by monitoring project cash flows and through the use of financing facilities. The Group currently has financing facilities in the form of hire purchase liabilities, secured loans and a receivable facility. The liquidity of the Group is managed by the Group's Finance and Accounting department.

The table below reflects all contractually fixed pay-offs, repayments and interest resulting from financial liabilities as of 30 June 2024.

Maturity analysis of financial liabilities:

	6 Months or Less $'000	6 Months to 1 Year $'000	1 Year to 5 Years $'000	5 Years or More $'000	Total Contractual Cash Flows $'000	Total Carrying Amount $'000
Year ended 30 June 2024						
Financial liabilities						
Trade and other payables	**210,831**	**-**	**-**	**-**	**210,831**	**210,831**
Hire purchase liability	**8,975**	**7,371**	**31,447**	**-**	**47,793**	**43,499**
Other lease liabilities	**5,154**	**4,716**	**28,470**	**4,847**	**43,187**	**39,846**
Bank loans	**2,557**	**2,491**	**6,683**	**-**	**11,731**	**10,895**
Other financial liability	**-**	**693**	**-**	**-**	**693**	**661**
Net maturity	**227,517**	**15,271**	**66,600**	**4,847**	**314,235**	**305,732**
Year ended 30 June 2023						
Financial liabilities						
Trade and other payables	157,169	-	-	-	157,169	157,169
Hire purchase liability	7,794	8,400	22,772	-	38,966	37,157
Other lease liabilities	5,438	5,263	33,406	11,410	55,517	50,801
Bank loans	180	178	436	-	794	770
Other financial liability	-	-	903	-	903	835
Net maturity	170,581	13,841	57,517	11,410	253,349	246,732

Net fair values of financial assets and liabilities

The carrying amounts and estimated fair values of financial assets and financial liabilities at balance date are materially the same.

Interest bearing liabilities with fixed interest rates: The fair value includes the value of contracted cash flows, discounted at market rates.

Cash and cash equivalent: The carrying amount approximates fair value because of their short-term maturity.

Receivables and payables: The carrying amount approximates fair value due to short term maturity.

Listed equity investments measured at fair value through other comprehensive income. The carrying amount is equal to the fair value calculated using quoted prices in active markets (level 1 – see below).

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1: The fair value is calculated using quoted prices in active markets.

Level 2: The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no material financial assets or liabilities measured at fair value at 30 June 2024 or 30 June 2023.

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25. COMMITMENTS AND CONTINGENCIES

Capital commitments

The consolidated group has capital commitments of $5,403,363 at 30 June 2024 (2023: $72,826,123).

	2024 $'000	2023 $'000
Guarantees		
Guarantees given to various clients for satisfactory contract performance	**216,966**	146,557

Monadelphous Group Limited and all controlled entities marked # in note 21 have entered into a deed of cross guarantee. Refer to note 32 for details.

Contingent liabilities

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

On 20 October 2023, UnityWater filed an amendment to that Statement of Claim in the Supreme Court Registry, amending the value of the claim to approximately $200 million. The claims made by UnityWater relate to a contract entered into by 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.

Monadelphous denies the allegations and claimed losses and will vigorously defend the claims, as well as pursuing available counterclaims. The Company has informed its insurers of the claims.

The Group is subject to various other actual and pending claims arising in the normal course of business. The Group has regular claims reviews to assess the need for accounting recognition or disclosure. The Directors are of the opinion that based on information currently available there is no material exposure to the Group arising from these other actual and pending claims at balance date.

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26. SUBSEQUENT EVENTS

Dividends declared

On 19 August 2024, the directors of Monadelphous Group Limited declared a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is $32,260,367 which represents a fully franked final dividend of 33 cents per share. This dividend has not been provided for in the 30 June 2024 financial statements. The Monadelphous Group Limited Dividend Reinvestment Plan will apply to the dividend.

	Notes	2024 $'000	2023 $'000
27. PARENT ENTITY INFORMATION			
Information relating to Monadelphous Group Limited parent entity			
Current assets		**156,883**	118,399
Total assets		**295,660**	254,506
Current liabilities		**-**	-
Total liabilities		**(49,990)**	(28,290)
Net assets		**245,670**	226,216
Contributed equity		**145,781**	141,115
Share-based payment reserve		**64,203**	54,585
Fair value reserve for financial asset at FVOCI		**2,856**	2,856
Retained earnings		**32,830**	27,660
Total equity		**245,670**	226,216
Profit after tax		**53,376**	30,063
Total comprehensive income of the parent entity		**53,376**	31,656
Contingent liabilities			
Guarantees	25	**216,966**	146,557

Guarantees entered into by the Group are via the parent entity. Details are contained in note 25.

Capital commitments

The parent entity has capital commitments of $nil at 30 June 2024 (2023: $nil).

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28. SHARE BASED PAYMENT EXPENSE

The share-based payment expense for the year ended 30 June 2024 was $7,474,601 (2023: $10,724,607) for the consolidated entity.

Performance Rights

During the year 636,904 performance rights were granted by Monadelphous Group Limited under the Combined Reward Plan ("CR Plan") in respect of the 2023 award and 2023 Long-Term Senior Leadership Performance Reward Plan ("LTPR Plan").

The performance rights granted under the CR Plan vest into shares in equal instalments, one, two and three years subsequent to award, subject to the employee remaining in the employ of the Company at those particular dates. Any Performance Rights that do not vest as a result of the vesting condition of continual employment not being satisfied will (unless the Board determined otherwise) lapse.

Performance rights granted under the LTPR Plan will vest three years after grant (i.e. 20 December 2026), subject to the financial performance of the Company and continued employment, for the period from grant to vest (measurement period). An EPS growth performance hurdle is used to measure the financial performance of the Company over the measurement period. For 100 per cent of the performance rights to vest, EPS growth of at least 8 per cent per annum (compounded over the measurement period) is required. If EPS growth of 4 per cent per annum (compounded) is achieved, 50 per cent of the performance rights will vest and if EPS growth of between 4 per cent and 8 per cent per annum (compounded) is achieved, a pro-rata number of Performance Rights will vest. No performance rights will vest if an EPS growth rate of less than 4 per cent per annum (compounded) is achieved.

The fair value of each performance right issued during the period was estimated on the date of grant using a discounted cash flow calculation. Specifically, the Monadelphous Group Limited share price has been discounted at the dividend yield in order to account for the dividends that the rights holder forgoes over the life of the rights.

The weighted average fair value of performance rights granted in the period was $11.66.

The following table illustrates the number and weighted average exercise prices of and movements in performance rights granted, exercised and forfeited during the year.

	2024		2023	
	Number of Performance Rights	**Weighted Average Exercise Price $**	Number of Performance Rights	Weighted Average Exercise Price $
Balance at the beginning of the year	489,339	nil	75,224	nil
Issued during the year	**636,904**	**nil**	501,295	nil
Exercised during the year	**(163,080)**	**nil**	(75,224)	nil
Forfeited during the year	**(36,250)**	**nil**	(11,956)	nil
Balance at the end of the year	**926,913**	**nil**	489,339	nil
Exercisable during the next year	**295,443**	**nil**	163,080	nil

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28. SHARE BASED PAYMENT EXPENSE (CONTINUED)

Retention Rights

The retention rights were issued in the form of performance rights and vest into shares in equal instalments, one, two and three years subsequent to award, subject to the employee remaining in the employment of the Company at those particular dates.

The fair value of each retention right issued was estimated on the date of grant using a discounted cash flow calculation.

The following table illustrates the number and weighted average exercise prices of and movements in retention rights granted, exercised and forfeited during the year.

	2024		2023	
	Number of Retention Rights	**Weighted Average Exercise Price $**	Number of Retention Rights	Weighted Average Exercise Price $
Balance at the beginning of the year	720,996	nil	1,086,800	nil
Issued during the year	**-**	**nil**	43,600	nil
Exercised during the year	**(346,938)**	**nil**	(370,402)	nil
Forfeited during the year	**(44,008)**	**nil**	(39,002)	nil
Balance at the end of the year	**330,050**	**nil**	720,996	nil
Exercisable during the next year	**330,050**	**nil**	349,503	nil

Options

The exercise price of the options granted under the Employee Option Plan was calculated as the average closing market price of the shares for the five trading days prior to the invitation date to apply for the options of 5 November 2020. The fair value of each option issued during the year was estimated on the date of grant using a Binomial option-pricing model.

The following weighted average assumptions were used for grants during the year:

Dividend yield	**5.44%**
Volatility	**44.0%**
Risk-free interest rate	**0.21% - 0.95%**
Expected life of option	**25% - 1 years**
	25% - 2 years
	50% - 3 years

The dividend yield reflects an analysis of past dividends and future dividend expectations. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which also may not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

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28. SHARE BASED PAYMENT EXPENSE (CONTINUED)

The resulting weighted average fair values for options outstanding at 30 June 2024 are:

Number	Grant Date	Final Vesting Date	Fair Value Per Option at Grant Date
1,375,000	05/11/2020	14/09/2024	$2.23
150,000	23/11/2021	14/09/2024	$1.96

The following table illustrates the number and weighted average exercise prices of and movements in options granted, exercised and forfeited during the year.

	2024		2023	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance at the beginning of the year	4,852,500	12.21	5,640,000	11.80
Granted during the year	**-**	**-**	-	-
Exercised during the year	**(767,500)**	**9.30**	(772,500)	9.30
Forfeited during the year	**(2,560,000)**	**14.84**	(15,000)	9.30
Balance at the end of the year	**1,525,000**	**9.30**	4,852,500	12.21
Exercisable during the next year	**1,525,000**	**9.30**	3,317,500	13.55

2,550,000 options in respect of the 2019 award lapsed in September 2023 as a consequence of the performance hurdle not having been achieved.

Recognition and measurement

The Group provides benefits to employees (including Key Management Personnel) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value is determined by an external valuer. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Monadelphous Group Limited (market conditions), if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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	2024 $	2023 $
29. AUDITOR'S REMUNERATION		
The auditor of Monadelphous Group Limited is Ernst & Young.		
Amounts received or due and receivable by Ernst & Young Australia for:		
- An audit or review of the financial report of the entity and any other entity in the consolidated entity	**410,026**	336,546
- Other services in relation to the entity and any other entity in the consolidated entity		
- tax compliance	**20,475**	38,095
- other agreed upon procedure services where there is discretion as to whether the service is provided by the auditor of another firm	**-**	5,200
Total fees to Ernst & Young (Australia)	**430,501**	379,841
Amounts received or due and receivable by overseas member firms of Ernst & Young for:		
- An audit or review of the financial report of the entity and any other entity in the consolidated entity	**13,138**	8,382
- Other services in relation to the entity and any other entity in the consolidated entity		
- tax compliance	**8,617**	9,022
Total fees to overseas member firms of Ernst & Young	**21,755**	17,404
Total auditor's remuneration	**452,256**	397,245

Ernst & Young has provided an auditor's independence declaration to the Directors of Monadelphous Group Limited confirming that the provision of the other services has not impaired their independence as auditors.

	2024 $	2023 $
30. RELATED PARTY DISCLOSURES		
Compensation of Key Management Personnel		
Short term benefits	**4,450,763**	4,521,397
Post-employment	**193,580**	183,338
Long term benefits	**(21,096)**	129,611
Share-based payments	**1,341,489**	1,616,132
Total compensation	**5,964,736**	6,450,478

Zenviron

The Group had sales to the joint venture during the year totalling $2,017,134 (2023: $1,768,321).

Mondium

The Group had sales to the joint venture during the year totalling $554,216 (2023: $2,828,390).

31. OPERATING SEGMENTS

Revenue is derived by the consolidated entity from the provision of engineering services to the resources, energy and infrastructure industry sector. For the year ended 30 June 2024, the Engineering Construction division contributed revenue of $712.7 million (2023: $541.9 million) and the Maintenance and Industrial Services division contributed revenue of $1,323.5 million (2023: $1,298.4 million). Included in these amounts is $6.4 million (2023: $11.5 million) of inter-entity revenue and $21.2 million (2023: $107.8 million) of revenue of joint ventures, which is eliminated on consolidation. The operating divisions are exposed to similar risks and rewards from operations and are only segmented to facilitate appropriate management structures.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The CODM believe that the aggregation of the operating divisions is appropriate for segment reporting purposes as they:

- have similar economic characteristics in that they have similar gross margins;
- perform similar services for the same industry sector;
- have similar operational business processes;
- provide a diversified range of similar engineering services to a large number of common clients;
- utilise a centralised pool of engineering assets and shared services in their service delivery models, and the services provided to customers allow for the effective migration of employees between divisions; and
- operate predominantly in one geographical area, namely Australia.

Accordingly, all services divisions have been aggregated to form one segment.

The Group has a number of customers to which it provides services. The largest customer represented 11% (2023: 17%) of the Group's revenue. One other customer individually contributed 10% (2023: 12%) of the Group's revenue. There are multiple contracts with these customers, across a number of their subsidiaries and divisions within those subsidiaries and locations.

	2024	2023
	$'000	$'000
Geographical Information		
Revenue from external customers		
Australia	**1,915,475**	1,548,379
Chile	**3,222**	84,233
Papua New Guinea	**46,646**	57,436
Mongolia	**36,743**	23,651
Other overseas locations	**6,476**	7,257
	2,008,562	1,720,956
Total non-current assets		
Australia	**306,883**	236,167
Chile	**5,055**	6,111
Papua New Guinea	**2,622**	4,979
Mongolia	**282**	443
Other overseas locations	**265**	720
	315,107	248,420

32. DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to these controlled entities of Monadelphous Group Limited from the *Corporations Act 2001* requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, Monadelphous Group Limited and the controlled entities subject to the Class Order, entered into a deed of indemnity on 9 June 2011, 1 June 2012, 9 June 2014, 8 June 2016 and 9 May 2024. The effect of the deed is that Monadelphous Group Limited has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that Monadelphous Group Limited is wound up.

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32. DEED OF CROSS GUARANTEE (CONTINUED)

The consolidated income statement and statement of financial position of the entities that are members of the 'Deed' are as follows:

	2024 $'000	2023 $'000
Consolidated Income Statement and Comprehensive Income		
Profit before income tax	**83,518**	50,460
Income tax expense	**(24,948)**	(15,702)
Net profit after tax for the period	**58,570**	34,758
Reconciliation of Retained Earnings		
Retained earnings at the beginning of the period	195,133	207,294
Dividends paid	**(48,515)**	(46,919)
Net profit after tax for the period	**58,570**	34,758
Retained earnings at the end of the period	**205,188**	195,133
Consolidated Statement of Financial Position		
ASSETS		
Current assets		
Cash and cash equivalents	**166,882**	102,900
Trade and other receivables	**310,768**	295,597
Contract assets	**5,922**	6,533
Total current assets	**483,572**	405,030
Non-current assets		
Contract assets	**19,491**	23,832
Investments in subsidiaries	**8,848**	32,348
Property, plant and equipment	**222,552**	140,174
Deferred tax assets	**20,296**	12,339
Intangible assets and goodwill	**18,243**	4,203
Total non-current assets	**289,430**	212,896
TOTAL ASSETS	**773,002**	617,926
LIABILITIES		
Current liabilities		
Trade and other payables	**191,347**	96,514
Interest bearing loans and borrowings	**4,529**	343
Lease liabilities	**21,439**	21,140
Income tax payable	**18,613**	9,895
Provisions	**47,343**	32,647
Total current liabilities	**283,271**	160,539
Non-current liabilities		
Interest bearing loans and borrowings	**6,366**	428
Lease liabilities	**58,466**	57,617
Provisions	**6,871**	5,654
Total non-current liabilities	**71,703**	63,699
TOTAL LIABILITIES	**354,974**	224,238
NET ASSETS	**418,028**	393,688
EQUITY		
Contributed equity	**145,781**	141,115
Reserves	**67,059**	57,440
Retained earnings	**205,188**	195,133
TOTAL EQUITY	**418,028**	393,688

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33. OTHER ACCOUNTING STANDARDS

Other accounting policies

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

With the exception of trade receivables, that do not have a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under AASB 15.

Financial assets at amortised cost

The Group measures financial assets at amortised cost where the objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value

For financial assets at fair value, gains and losses will either be reported in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through OCI.

Gains and losses on financial assets designated at fair value through OCI are not recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Impairment of financial assets

The Group recognises an allowance for ECLs for trade receivables, contract assets and other debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses and recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Definition of default

The Group considers a financial asset to be in default when contractual payments are 90 days past due or when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Write off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

New and amended Accounting Standards and Interpretations

Monadelphous Group Limited and its subsidiaries has adopted all new and amended Australian Standards and Interpretations mandatory for reporting periods beginning on or before 1 July 2023.

Revised Standards and Interpretations which apply from 1 July 2023 did not have any material effect on the financial position or performance of the Group.

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33. OTHER ACCOUNTING STANDARDS (CONTINUED)

New Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective (including those below) have not been adopted by the Group for the annual reporting period ended 30 June 2024.

Reference	Summary	Application Date of Standard	Application Date for Group
Amendments to AASB 101 – Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants	The amendments clarify: • What is meant by a right to defer settlement • That a right to defer settlement must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification • Disclosures If an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Existence at the end of the reporting period - The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. Management expectations – paragraph has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance. However, in these circumstances an entity may need to disclose information about the timing of settlement to enable users to understand the impact on its financial position.	1 January 2024	1 July 2024
Amendments to AASB 16 - Lease Liability in a Sale and Leaseback	The amendment specifies that the seller-lessee measures the lease liability arising from the leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of use asset retained.	1 January 2024	1 July 2024
Amendments to AASB 107 and AASB 7 - Disclosures of Supplier Finance Arrangements	The amendments clarify the characteristics of supplier finance arrangements and introduces new disclosure requirements to assist users in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. A supplier finance arrangement, as clarified by the amendment, has the following characteristics: • One or more finance providers pay amounts an entity owes to its suppliers. • The entity settles the amounts with the finance providers according to the terms and conditions of the arrangements, either at the same time or at a later date than that on which the finance providers pay the suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.	1 January 2024	1 July 2024

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33. OTHER ACCOUNTING STANDARDS (CONTINUED)

New accounting standards and interpretations issued but not yet effective (continued)

Reference	Summary	Application Date of Standard	Application Date for Group
Amendments to AASB 10 and AASB 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.	1 January 2025	1 July 2025
Amendments to AASB 121 - Lack of Exchangeability	The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments create a new definition of exchangeable, which explains that a currency is exchangeable into another currency when: • An entity can obtain the other currency within a time frame that allows for a normal administrative delay • Through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations	1 January 2025	1 July 2025
AASB 18 Presentation and Disclosure in Financial Statements	The key presentation and disclosure requirements established by AASB 18 are: • the presentation of newly defined subtotals in the statement of profit or loss; • the disclosure of management-defined performance measures; and • enhanced requirements for grouping information (i.e. aggregation and disaggregation). These new requirements will enable investors and other financial statement users to make more informed decisions, including better allocations of capital, that will contribute to long-term financial stability. AASB 18 will replace AASB 101 Presentation of Financial Statements.	1 January 2027	1 July 2027

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Name of Entity	Entity Type	Country of Incorporation	Country of Tax Residence	% of Share Capital
Monadelphous Group Limited	Body corporate	Australia	Australia	
Controlled entities of Monadelphous Group Limited:				
Monadelphous Engineering Associates Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Properties Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Engineering Pty Ltd	Body corporate	Australia	Australia	100
Genco Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Workforce Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Electrical & Instrumentation Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous KT Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Energy Services Pty Ltd	Body corporate	Australia	Australia	100
M Workforce Pty Ltd	Body corporate	Australia	Australia	100
M Maintenance Services Pty Ltd	Body corporate	Australia	Australia	100
M&ISS Pty Ltd	Body corporate	Australia	Australia	100
Inteforge Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Group Limited Employee Share Trust	Trust	Australia	Australia	100
Monadelphous Holdings Pty Ltd	Body corporate	Australia	Australia	100
MGJV Pty Ltd	Body corporate	Australia	Australia	100
Evo Access Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous Investments Pty Ltd	Body corporate	Australia	Australia	100
MWOG Pty Ltd	Body corporate	Australia	Australia	100
MOAG Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous International Holdings Pty Ltd	Body corporate	Australia	Australia	100
Arc West Group Pty Ltd	Body corporate	Australia	Australia	100
R.I.G. Installations (Newcastle) Pty Ltd	Body corporate	Australia	Australia	100
RE&M Services Pty Ltd	Body corporate	Australia	Australia	100
Pilbara Rail Services Pty Ltd	Body corporate	Australia	Australia	100
EC Projects Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous RTW Pty Ltd	Body corporate	Australia	Australia	100
MMW Projects Pty Ltd	Body corporate	Australia	Australia	100
Monadelphous PNG Ltd	Body corporate	Papua New Guinea	Papua New Guinea	100
Moway International Limited	Body corporate	Hong Kong	Australia	100
Moway AustAsia Steel Structures Trading (Beijing) Company Limited	Body corporate	China	China	100
Inteforge Engineering & Fabrication (Tianjin) Co. Ltd	Body corporate	China	China	100
Monadelphous Mongolia LLC	Body corporate	Mongolia	Mongolia	100
Monadelphous Inc.	Body corporate	USA	USA	100
Monadelphous Engineering NZ Pty Ltd	Body corporate	New Zealand	New Zealand	100
Monadelphous Chile SpA	Body corporate	Chile	Chile	100
MAQ Rent SpA	Body corporate	Chile	Chile	90
BMC Holdings (Vic) Pty Ltd	Body corporate	Australia	Australia	100
BMC Welding & Construction Pty Ltd	Body corporate	Australia	Australia	100
BMC HV Electrical & Instrumentation Pty Ltd	Body corporate	Australia	Australia	100
BMC Civil Pty Ltd	Body corporate	Australia	Australia	100
Melchor Contracting Pty Ltd	Body corporate	Australia	Australia	100

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SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current at 9 September 2024.

a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share is:

Range	Total Holders	Number of Ordinary Shares	% of Issued Capital
1 - 1,000	4,844	2,137,337	2.18
1,001 - 5,000	3,167	7,594,795	7.73
5,001 - 10,000	646	4,807,002	4.89
10,001 - 100,000	516	13,098,400	13.34
100,001 Over	37	70,578,269	71.86
Total	9,210	98,215,803	100.00

The number of shareholders holding less than marketable parcels is 426.

b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

Rank	Name	Number of Ordinary Shares	% of Issued Capital
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,426,050	25.89
2.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	16,292,443	16.59
3.	CITICORP NOMINEES PTY LIMITED	12,886,670	13.12
4.	VELHAM NOMINEES PTY LTD <THE VELLETRI FAMILY A/C>	2,100,000	2.14
5.	NATIONAL NOMINEES LIMITED	1,551,496	1.58
6.	WILMAR ENTERPRISES PTY LTD	1,320,000	1.34
7.	BNP PARIBAS NOMS PTY LTD	1,250,258	1.27
8.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	1,136,574	1.16
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,084,220	1.10
10.	RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	1,022,653	1.04
11.	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	792,420	0.81
12.	MUTUAL TRUST PTY LTD	500,000	0.51
13.	WARBONT NOMINEES PTY LTD <ACCUMULATION ENTREPOT A/C>	493,704	0.50
14.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	486,154	0.49
15.	MR ARIF ERDASH	480,000	0.49
16.	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	361,975	0.37
17.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	315,970	0.32
18.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	288,348	0.29
19.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	254,612	0.26
20.	BORROMINI PTY LTD	224,000	0.23
Total		68,267,547	69.50

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SHAREHOLDER INFORMATION

c) Substantial shareholders

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving notice under Part 6C.1 of the Corporations Act 2001.

Shareholder	Notice Date	Ordinary Shares[1]
Blackrock Group (Blackrock Inc. and subsidiaries)	12 September 2024	4,914,089
Vanguard Group (The Vanguard Group, Inc. and its controlled entities)	22 June 2023	4,850,964

1. As disclosed in substantial shareholder notices received by the Company.

d) Voting rights

Each ordinary shareholder present at a general meeting (whether in person, online, by proxy or by representative) is entitled to one vote on a show of hands, or on a poll, one vote for each fully paid ordinary share subject to any voting restrictions that may apply.

e) Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

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INVESTOR INFORMATION

ANNUAL GENERAL MEETING

The Annual General Meeting will be held in person at The University Club, University of Western Australia, Crawley, WA, and online, on Tuesday 19 November 2024 at 10.00am (AWST). Full details of the meeting are contained in the Notice of Annual General Meeting available on the Company's website at www.monadelphous.com.au.

DIVIDENDS

Dividends are paid by direct deposit to a bank, building society or credit union account. Electronic payments are credited on the dividend payment date and confirmed by a payment advice sent to the shareholder. Request forms for this service are available from the Company's Share Registry at the address shown below. In addition, updates can be arranged online at Computershare's Investor Centre at: www.investorcentre.com/au.

For past dividends paid by cheque, lost or stolen cheques should be reported immediately to the Share Registry in writing.

SHAREHOLDER ENQUIRIES

All enquires should be directed to the Company's Share Registry at:

Computershare Investor Services Pty Limited
Level 17, 221 St George's Terrace
Perth
Western Australia 6000

GPO Box 2975
Melbourne
Victoria 3001

Telephone: 1300 364 961 (Australia)
+61 3 9946 4415 (Overseas)

Email: web.queries@computershare.com.au
Website: www.computershare.com.au

All written enquires should include your Security Holder Reference Number or Holder Identification Number as it appears on your Holding Statement along with your current address.

CHANGE OF ADDRESS

It is very important that shareholders notify the Share Registry immediately, in writing, if there is any change to their registered address. If your holding is managed and registered by a Broker, then immediate notification must be made to your Broker.

LOST HOLDING STATEMENTS

Shareholders should inform the Share Registry immediately, in writing, so that a replacement statement can be arranged. If your holding is managed and registered by a Broker, then any replacement request must be made to your Broker.

CHANGE OF NAME

Shareholders who change their name should notify the Share Registry, in writing, and attach a copy of a relevant marriage certificate or deed poll. If your holding is managed and registered by a Broker, then immediate notification must be made to your Broker.

TAX FILE NUMBER (TFN)

Although it is not compulsory for each shareholder to provide a TFN or exemption details, for those shareholders who do not provide the necessary details, the Company will be obliged to deduct tax from any unfranked portion of their dividends at the top marginal rate. TFN application forms can be obtained from the Share Registry, any Australian Post Office or the Australian Taxation Office. Online updates of your TFN can also be arranged at Computershare's Investor Centre at: www.investorcentre.com/au.

MONADELPHOUS PUBLICATIONS

In an effort to reduce its impact on the environment Monadelphous will only post printed copies of this Annual Report to those shareholders who elect to receive one through the Share Registry. Shareholders may alternatively elect to receive an electronic copy of the Annual Report. This can be arranged online at Computershare's Investor Centre at: www.investorcentre.com/au. Monadelphous Group Limited financial reports are also available on its website.

INFORMATION ABOUT MONADELPHOUS

Requests for specific information on the Company can be directed to the Company Secretary at the following address:

Monadelphous Group Limited
PO Box 600
Victoria Park, WA 6979

Telephone: +61 8 9316 1255
Facsimile: +61 8 9316 1950

MONADELPHOUS WEBSITE

Further information about Monadelphous Group Limited is available on the Company's website at www.monadelphous.com.au

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CORPORATE DIRECTORY

DIRECTORS

Robert Velletri
Chair

Zoran Bebic
Managing Director

Susan Lee Murphy AO
Lead Independent Non-Executive Director

Dietmar Robert Voss
Independent Non-Executive Director

Helen Jane Gillies
Independent Non-Executive Director

Enrico Buratto
Independent Non-Executive Director

Company Secretaries
Kristy Glasgow
Philip Trueman

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

59 Albany Highway
Victoria Park
Western Australia 6100
Telephone: +61 8 9316 1255
Facsimile: +61 8 9316 1950
Website: www.monadelphous.com.au

POSTAL ADDRESS

PO Box 600
Victoria Park
Western Australia 6979

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 17, 221 St George's Terrace
Perth
Western Australia 6000
Telephone: 1300 364 961
Facsimile: +61 3 9473 2500

ASX CODE

MND – Fully Paid Ordinary Shares

BANKERS

National Australia Bank Limited
100 St George's Terrace
Perth
Western Australia 6000

HSBC
188-190 St George's Terrace
Perth
Western Australia 6000

Westpac Banking Corporation
109 St George's Terrace
Perth
Western Australia 6000

AUDITORS

Ernst & Young
11 Mounts Bay Road
Perth
Western Australia 6000

SOLICITORS

Johnson, Winter & Slattery
Level 49, 152-158 St George's Terrace
Perth
Western Australia 6000

CONTROLLED ENTITIES

Monadelphous Engineering Associates Pty Ltd
Monadelphous Engineering Pty Ltd
Monadelphous Properties Pty Ltd
Monadelphous Workforce Pty Ltd
Genco Pty Ltd
Monadelphous Electrical & Instrumentation Pty Ltd
Monadelphous PNG Ltd
Monadelphous Holdings Pty Ltd
Moway International Limited
Inteforge Pty Ltd
Moway AustAsia Steel Structures Trading (Beijing) Company Limited
Monadelphous RTW Pty Ltd
Monadelphous Group Limited Employee Share Trust
Monadelphous KT Pty Ltd
Monadelphous Energy Services Pty Ltd
Monadelphous Mongolia LLC
M&ISS Pty Ltd
M Maintenance Services Pty Ltd
Monadelphous Engineering NZ Pty Ltd
Evo Access Pty Ltd
Monadelphous Inc.
MGJV Pty Ltd
M Workforce Pty Ltd
Monadelphous Investments Pty Ltd
MWOG Pty Ltd
Arc West Group Pty Ltd
MOAG Pty Ltd
Monadelphous International Holdings Pty Ltd
R.I.G. Installations (Newcastle) Pty Ltd
R E & M Services Pty Ltd
Pilbara Rail Services Pty Ltd
EC Projects Pty Ltd
Monadelphous Chile SpA
MAQ Rent SpA
Inteforge Engineering & Fabrication (Tianjin) Co. Ltd
MMW Projects Pty Ltd
BMC Holdings (Vic) Pty Ltd
BMC Welding & Construction Pty Ltd
BMC HV Electrical & Instrumentation Pty Ltd
BMC Civil Pty Ltd
Melchor Contracting Pty Ltd

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Monadelphous

Monadelphous.com.au

Monadelphous Group Limited
ABN 28 008 988 547

Perth Head office

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Brisbane office

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