

19 November 2024

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir / Madam

RE: 2024 ANNUAL GENERAL MEETING ADDRESS TO SHAREHOLDERS

Please find attached a copy of the address to shareholders to be delivered at the Annual General Meeting today at The University Club in Crawley, Western Australia.

Authorised by



Philip Trueman
Company Secretary

ASX RELEASE

19 November 2024

2024 ANNUAL GENERAL MEETING ADDRESS TO SHAREHOLDERS

Chair Rob Velletri

Good morning everyone.

I am pleased to present the Chair's address for Monadelphous, reflecting a year of significant growth, achievement, and opportunity (slide 10). Throughout the last financial year and into the current one, we have experienced sustained strong demand for our services. We have reinforced our market position with the award of approximately \$1.9 billion of new contracts and extensions in the 2024 financial year, and an additional \$1.5 billion secured since year end.

Monadelphous has achieved major contract wins in key industry sectors, including energy, lithium, iron ore, and renewable energy. We are proud to have extended long-term maintenance partnerships with INPEX, Shell, and Woodside, and have won significant construction contracts with Talison Lithium, Liontown Resources, and Albemarle, although the latter was later terminated for convenience by Albemarle following a strategic review.

The Western Australian iron ore sector remained a major driver of our success. Monadelphous maintained its strong relationships with industry giants Rio Tinto, BHP, and Fortescue, securing new contracts and extensions while delivering a high volume of maintenance and construction work. Our reputation for service excellence was highlighted when we were named Rio Tinto's 2024 Western Australian Supplier of the Year in April – a tremendous honour that speaks to the quality of our work and our people. This prestigious award is a fantastic recognition for our teams and a testament to our relationship with Rio Tinto that dates back more than 30 years across the Pilbara region.

Last financial year also marked our strategic acquisition of Perth-based Melchor Contracting, a move that strengthens our civil construction capabilities and positions us for new opportunities across a range of markets. We continued to invest in our future by expanding our heavy lift crane fleet, which I'll talk more about shortly, and completed a state-of-the-art workshop and office facility in Karratha (slide 11). This investment underscores our commitment to the Pilbara region, where we have operated for over 35 years, ensuring we remain well-positioned to deliver high quality services to our customers.

Pleasingly, last year saw significant improvement in the critical area of health and safety performance, along with the recognition of several industry awards. We also made significant strides in employee development, achieving improved retention rates despite the ongoing skilled labour shortages in Australia. Our focus on attracting, developing, and retaining talent that aligns with our values is critical to our continued success. Additionally, we advanced our fourth Reconciliation Action Plan (RAP), our second Stretch RAP, surpassing our targets for Indigenous workforce participation and business engagement. Gender diversity and inclusion remains a focus of our initiatives, and we were honoured to receive the Outstanding Company Initiative Award at the 2024 Women in Resources Awards for our Crane Operations Pathway Traineeship Program.

On the environmental front, Monadelphous remains committed to achieving Net Zero by 2050. This year, we enhanced our data capture processes to improve decision-making and ensure we remain on track to meet our targets. Our teams continue to focus on reducing the environmental impact of our operations and facilitating the transition to renewable power.

Looking ahead, the long-term outlook for resources and energy demand remains strong. While short-term uncertainties persist, the pipeline of opportunities across the energy and resources sectors is significant, particularly as investments related to decarbonisation continue to grow. The demand for maintenance services remains robust, and the energy transition metals sector, especially copper, will require significant capital investment to meet future demand.

Zenviron, our renewable energy-focused joint venture, remains a key player in Australia's clean energy transition, and is poised for growth as it capitalises on the expanding pipeline of wind farms, battery storage, and energy infrastructure projects.

In conclusion, Monadelphous is well-positioned for continued success. We will maintain a selective and targeted approach to new contracts, focusing on quality, risk management, and strong customer relationships.

With a strong balance sheet and a commitment to sustainable growth, we are excited about the opportunities ahead and remain committed to delivering strong returns for our shareholders.

On behalf of the Board, I extend my deepest thanks to our dedicated team for their exceptional contributions, and to our shareholders, customers, and communities for their ongoing support.

Before I hand over to Zoran, you will see on the screen behind me (slide 12) the newest and largest addition to our crane fleet, the 'Rubino', unveiled during the year in Port Hedland, Western Australia.

As I mentioned earlier, we took the opportunity to invest further in our crane fleet this year, broadening both the capacity and heavy lift capability.

Our vast fleet of heavy lift cranes provides the Company with a competitive advantage in the market, supporting our self-execution strategy, giving us the flexibility we need to provide the level of services our customers expect.

Built by Tadano, the 'Rubino' has a remarkable load capacity of 1600 tonnes, capable of lifting the equivalent of three Boeing 747 airplanes at a radius of 42 metres. With a total of 1,155 tonnes of counterweight, it can lift more than any other mobile crane currently in Australia, making it a true powerhouse.

We named the crane in honour of our former Chairman, John Rubino, who's early vision for Monadelphous was to invest in our own crane fleet, giving Monadelphous the ability to self-perform and reduce reliance on the external hire market.

I will now hand over to Zoran to provide you with an overview of the operational performance of the business for the 2024 financial year (slide 13).

Managing Director Zoran Bebic

Thanks Rob and good morning everyone.

Turning to Monadelphous' performance in the 2024 financial year (slide 14).

The Company delivered revenue of \$2.03 billion, which is an increase of 11 per cent on the prior year, reflecting continued strong demand for maintenance services and higher levels of activity in engineering construction.

Our ongoing focus on operational discipline and productivity enhancement contributed to earnings before interest, tax, depreciation and amortisation (EBITDA) of \$127.4 million. This is an increase of 16.8 per cent on the previous year, resulting in an improved EBITDA margin of 6.28 per cent, up from 5.96 per cent.

Net profit after tax was \$62.2 million, up more than 16 per cent, delivering earnings per share of 64.1 cents.

The Board declared a final dividend of 33 cents per share, taking the full year fully franked dividend to 58 cents per share. This represents an increase of 18.4 per cent on last year, yielding a dividend payout ratio of 91 per cent.

We ended the year with a very healthy cash balance of just under \$226 million, supported by a number of significant advance payments associated with construction contract awards. Our cash flow from operations was \$187.7 million, delivering an outstanding cash flow conversion rate of 169 per cent.

Our disciplined approach to maintaining a strong balance sheet continued to support our investment in new opportunities, including Melchor Contracting, which Rob mentioned earlier.

We continued to strengthen our position as a leader in the resources and energy sectors, securing approximately \$1.9 billion in new contracts and extensions in the year to 30 June 2024. Since then, we have secured a further \$1.5 billion of contracts.

This slide (slide 15) highlights the size and location of the new contracts we secured.

We secured a number of material long-term contract extensions and variations in the energy sector with our key long-term customers including Shell, Woodside and INPEX. We were awarded approximately \$570 million of major new construction contracts in the 2024 financial year with a further \$740 million since year end, in the iron ore, energy, rare earths and renewable energy sectors, as well as several major contracts in the lithium sector.

Demand from the Western Australian iron ore sector remained strong, as we secured new contracts and extensions with long-term customers Rio Tinto, BHP and Fortescue.

Our renewable energy joint venture, Zenviron, was awarded its first engineering, procurement and construction (EPC) contract in the energy storage market and post year end, secured a significant contract for the Lotus Creek Wind Farm in partnership with Vestas.

Post year end, we secured two contracts for maintenance services and minor project works at South32's Worsley Alumina operations, where we have been providing services for 20 years, and our civil business, Melchor, was awarded a construction contract at Perdaman Industries' Project Ceres near Dampier.

Overall, we are well placed moving forward.

Now to people (slide 16).

We finished the year with a workforce, including subcontractors, of around 7,400 people, up more than 30 per cent from the previous financial year.

This growth reflects our improved retention rates, a ramp up in construction activity during the period, the acquisition of Melchor and the award of the INPEX onshore work scope.

In response to the employee engagement survey undertaken in the prior year, we implemented a range of initiatives to support employee retention including enhanced workplace flexibility, improved communication around opportunities and benefits and a continued focus on maintaining safe, respectful and inclusive workplaces.

We saw more than 300 people participate in our diverse early career pathway initiatives including Graduate, Vacation, Apprenticeship and Traineeship programs, and offered a winter internship program for the first time. Throughout the year, our Registered Training Organisation delivered more than 1,800 courses to trades people, including high risk work license accreditation and verification of competency training.

We also undertook a review of our long-term leadership reward programs, to support the retention of key talent in a manner aligned to shareholder interests, implementing the Long-Term Senior Leadership Performance Reward Plan.

Turning now to safety and wellbeing (slide 17).

We continued our unrelenting commitment to our goal of zero harm, delivering work in line with our safety principle, The Safe Way is the Only Way.

Our total recordable injury frequency rate for the year was 3.02 incidents per million hours worked, a 12.5 per cent improvement on the previous year. Pleasingly our serious incident frequency rate remains at historically low levels.

We achieved industry recognition for our contribution to safety and innovation, including a Queensland Work Well Award for the '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 Mental Health Awards.

Our continued focus on safety improvements included the extension of our Fatal Risk Controls campaign to identify, reduce and eliminate fatal risks and the rollout of annual divisional health and safety campaigns.

To help us identify opportunities for continuous improvement in supporting the wellbeing of our people, we completed an independent review of psycho-social risk management systems. To promote employee health and wellbeing, we offered a range of complimentary physical health services to our people, as well as online information sessions on a range of relevant topics.

Now looking at diversity, community and environment (slide 18).

We made good progress on our Stretch Reconciliation Action Plan commitments, focusing on providing long-term Indigenous employment opportunities, training and development programs and supporting Indigenous businesses. Pleasingly, we increased Indigenous workforce participation, reaching 4.1 per cent, and spent more than \$20 million with Indigenous businesses, significantly exceeding the targets we set for ourselves.

Together with Rio Tinto, we continued to deliver the Indigenous Pathways Program, offering current and future employees traineeships, apprenticeships and tertiary study support.

We continued to progress initiatives within our Gender Diversity and Inclusion Plan, focusing on increasing female participation through early career pathways, nurturing key female talent, and removing gender-based barriers to entering trade roles.

We achieved recognition as the winner in the Outstanding Company Initiative Award at the Chamber of Minerals and Energy Western Australia 2024 Women in Resources Awards, for our Crane Operations Pathway Traineeship Program, a three-year program designed to prepare female and Indigenous trainees to qualify as crane operators.

In the community, we supported more than 80 initiatives, contributing more than a quarter of a million dollars in funds and nearly 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 domestic violence in Western Australia.

We continued to progress towards our Net Zero by 2050 goal, with initiatives including trialling alternative low emission welding pre-heating methods to reduce reliance on liquid petroleum gas (LPG), along with trials of hybrid power supply using diesel generators and solar panel solutions, as well as increasing our hybrid vehicle fleet.

Moving now to our operational highlights (slide 19).

Our Engineering Construction division reported revenue of \$712.7 million for the year, a 31.5 per cent increase on the prior financial year. Increased construction activity followed the award of several significant new contracts, with more than \$1.3 billion of new work secured since 1 July 2023, including approximately \$740 million so far this financial year.

We secured major construction work in Western Australia's lithium sector, including contracts at Talison Lithium's Greenbushes expansion project, Liontown Resources' Kathleen Valley lithium development and Albemarle's Kemerton expansion project.

In iron ore, we progressed work on BHP's Car Dumper 3 Renewal Project at Nelson Point in Port Hedland and secured a shutdown contract at Rio Tinto's Western Range Project in the Pilbara region. We completed the construction of an overland conveyor for Fortescue and supported the expansion of iron ore export capacity of its stockyard facility, and managed a number of shutdowns at Anderson Point in Port Hedland.

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

In the energy sector, following year end, we were awarded a major construction contract with Woodside valued at approximately \$200 million to provide mechanical, electrical, instrumentation and commissioning works required for modifications to the Pluto LNG Train 1 facility and associated infrastructure near Karratha.

Also post-year end, Mondium, our engineering, procurement and construction joint venture, was awarded a design and construct contract working with Rio Tinto for a new sampling facility at a port operation in the Pilbara region.

As mentioned earlier, Zenviron recently secured a major contract with CS Energy, for the delivery of the Lotus Creek Wind Farm in Central Queensland.

I'll now hand over to Adam Cook, Executive General Manager for our Engineering Construction division, to talk through some more of the divisional project highlights (slide 20 – 24).

Executive General Manager Engineering Construction Adam Cook

Thanks Zoran and good morning everyone.

As Zoran previously mentioned, we secured a multidisciplinary construction contract with Liontown Resources to deliver a wet plant at the Kathleen Valley Lithium Project, which is one of the most significant long-life spodumene lithium and tantalum mining and processing operations in the world, located in the Northern Goldfields region of Western Australia.

On the screen (slide 21) is a video of the project completed in July this year, during which you will hear more from the highly capable team that supported the delivery of the project.

As you have just heard, this was a significant project which we delivered over a nine-month period, safely and very successfully.

During the year, we completed the construction of an overland conveyor and transfer station at Fortescue's Christmas Creek iron ore mine in the Pilbara region of Western Australia (slide 22). The scope included civil, structural, mechanical, piping, electrical and instrumentation works, with steelwork supplied by Inteforge.

The 13.6-kilometre overland conveyor enables the transport of primary crushed ore from the new primary crushing plant to the existing processing plant, eliminating the need for extended truck haul.

Onto our Heavy Lift business (slide 23).

Alevro, our 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, Western Australia.

We achieved a major milestone with the successful arrival of the first module shipment in February this year, which consisted of three modules, including the Cryogenic Rack module, weighing around 2800 tonnes.

Overcoming challenges such as navigating one of Australia's steepest port roads, the Alevro team ensured the safe transportation of this module using specialised Self-Propelled Modular Trailer (SPMT) equipment, which was the culmination of 12 months of detailed planning.

You can see some highlights now in a video on the screen.

In October 2023, we expanded our 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 construction contracts.

On the screen (slide 24) you will see the Melchor team on-site at BHP's West Musgrave project, located approximately 1,000 kilometres north-east of Kalgoorlie, Western Australia, near the South Australian and Northern Territory borders.

I will now hand back to Zoran to introduce some highlights from our Maintenance division (slide 25).

Managing Director Zoran Bebic

Thanks Adam.

As mentioned earlier, our Maintenance and Industrial Services division had another fantastic year, achieving a record annual revenue of \$1.32 billion.

This result reflects the continued high demand for maintenance and shutdown services, and sustaining capital projects across all sectors. The division secured a significant volume of work during the 2024 financial year valued at more than \$1.3 billion, with greater than \$800 million of new contracts and extensions awarded since 1 July 2024.

In the energy sector, we secured a number of significant contract extensions and variations with our key customers, and undertook several major turnarounds. Pleasingly, we were awarded a three-year extension to our long-term maintenance, shutdown and brownfields project services agreement with Woodside for onshore and offshore gas production facilities in Western Australia's north-west region, with an option for a further two years. The contract is valued at approximately \$180 million per annum.

We also progressed work on our first oil and gas decommissioning project with Petrofac on the Northern Endeavour floating production, storage and offtake facility (FPSO), strengthening our position for a future pipeline of decommissioning activity in Australia's North-West Shelf and Bass Strait regions.

In iron ore, we provided a high volume of maintenance and sustaining capital services to our key customers, including Rio Tinto, BHP and Fortescue, and secured a number of contract extensions and panel appointments. Al will talk more on these shortly.

Also with BHP, we secured several maintenance services contract extensions across its operations at Nickel West, Western Australia, Mt Arthur Coal in the Hunter Valley, New South Wales, and Olympic Dam mine site in South Australia.

I'll now invite Alastair Reid, Executive General Manager of the Maintenance and Industrial Services division to take you through some further contract highlights from the year (slide 26 – 30). Thanks Al.

Executive General Manager Maintenance and Industrial Services Alastair Reid

Thanks Zoran and good morning everyone.

We were awarded a significant variation to our existing offshore maintenance services contract with INPEX Operations Australia, valued at approximately \$75 million per annum (slide 27). The variation adds to our existing contract works to include maintenance services for INPEX's onshore processing facilities at Bladin Point in Darwin, Northern Territory.

Our existing maintenance contract with INPEX, first awarded in 2017, includes operational, campaign and shutdown services and brownfield projects implementation associated with the INPEX-operated Ichthys LNG offshore facilities in the Browse Basin, approximately 450 kilometres from Broome, Western Australia.

Securing this new work is a testament to our team's commitment to delivering quality outcomes at Ichthys LNG over the past ten years, dating back to when Monadelphous played a major role in the construction phase of the Project.

Also in the energy sector, we performed a significant turnaround at Shell Australia's Prelude Floating Liquefied Natural Gas (FLNG) facility, where we have been providing services for the past nine years (slide 28).

The turnaround was not only the largest we have delivered to date in terms of hours worked and duration, but was also the first of its kind in the world, involving almost 600 people working for around 90 days to ensure successful execution.

Subsequent to year end, we were awarded a major long-term contract to continue providing onshore and offshore maintenance services associated with Shell's Prelude FLNG facility for a further seven years.

In Western Australia's iron ore sector, we continued to deliver a significant volume of work for our key customers, including Rio Tinto, BHP and Fortescue (slide 29).

Adding to our existing long-term maintenance and non-process infrastructure panels, our scope was broadened to include the provision of fixed plant projects across Fortescue's Pilbara operations until mid-2025. We secured a one-year extension to our sustaining capital works master services agreement with Rio Tinto and progressed work on the construction of a potable water distribution system at Rio Tinto's Hope Downs 4 mine. We were also awarded an extension to our existing contract with BHP providing general maintenance services through to mid-2025.

Overseas (slide 30), we were awarded a three-year contract to continue providing sustaining capital projects and maintenance support activities at Newmont's gold operations at Lihir Island in Papua New Guinea, where we have been providing services since 2017. We also secured 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, where our involvement dates back to 2007.

Our long-term success in the region is testament to our focus on delivering for our customers, engagement with the local community, and our commitment to training and developing opportunities for the national workforce.

I will now pass you back to Zoran to present the outlook.

Managing Director Zoran Bebic

Thanks AI.

This slide (slide 31) shows relevant current and forecast Australian market conditions for our business. As you can see, the sectors in which we operate have a positive outlook for capital investment and operating expenditure over the next few years.

Now to the outlook statement (slide 32).

The underlying drivers for long-term resources and energy demand, such as sustained global economic growth, urbanisation and decarbonisation, remain robust. Despite ongoing global uncertainties and cautious sentiment, the resources and energy sectors continue to provide a significant pipeline of opportunities. Investment related to decarbonisation is making up an increasing share of capital expenditure forecasts.

Production across most commodities is expected to remain high, supporting demand for ongoing sustaining capital and maintenance activity. Australian iron ore miners are anticipated to continue investing to sustain production levels while maintaining focus on operational discipline and efficiency to preserve their globally competitive cost position.

Price volatility in some commodities over the past year led to reduced production, cessation of some operations, and the deferral of capital spend, particularly in nickel and lithium. Despite this, 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.

Activity in the energy sector has increased with several new gas construction projects underway or in development and strong ongoing demand for maintenance services. Additionally, decommissioning of oil and gas assets is expected to create significant opportunities over the coming decade.

Decarbonisation investments for customer operations, including electrification, energy storage and hydrogen, are proceeding to investment and provide opportunities.

Investments in the power sector to support Australia's Net-Zero Emissions objective have been affected by network constraints, delayed planning approvals and supply chain pressures. Despite these challenges, the pipeline of renewable energy opportunities is expanding, particularly in the battery energy storage sector with Zenviron well positioned to capitalise on the significant growth anticipated in the market over coming years. Additionally, substantial and ongoing investment in electricity transmission infrastructure and grid stability will be essential to support the increased introduction of renewable energy generation.

While forecast labour demand has moderated and general labour availability has improved slightly, the resources and energy sectors continue to face a shortage of skilled labour. We remain focused on employee attraction, training, and development initiatives aimed at fostering retention and bolstering workforce capability and capacity.

With a robust level of major construction activity underway, we have secured around \$740 million of new projects, bringing the total of contract awards post year end to more than \$1.5 billion.

Monadelphous is currently forecasting revenue¹ for the first half of FY25 to be slightly up on the prior corresponding period. With activity levels increasing, the Company is anticipating to see high single digit revenue¹ growth for the full financial year.

Monadelphous' selective approach to new work, collaborative customer engagement, high standards of delivery and focus on the appropriate allocation of risk is expected to result in continued margin improvement for the financial year.

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

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.

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¹ Including Monadelphous' share of revenue from joint ventures.

Further Information

Analysts/Investors

Kristy Glasgow

Investor Relations

T +61 8 9316 6386

M +61 403 781 909

Investor_relations@monadel.com.au

Media

Ella McCarthy

Group Manager - Marketing and Communications

T +61 8 6311 1018

M +61 401 404 874

EMcCarthy@monadel.com.au

About Monadelphous

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

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