

A dark, industrial background featuring a bright, intense burst of sparks from a welding process, creating a dynamic and energetic atmosphere.

# Half-Year Results Presentation

SMW Group Limited

26 February 2021

**smwgroup**

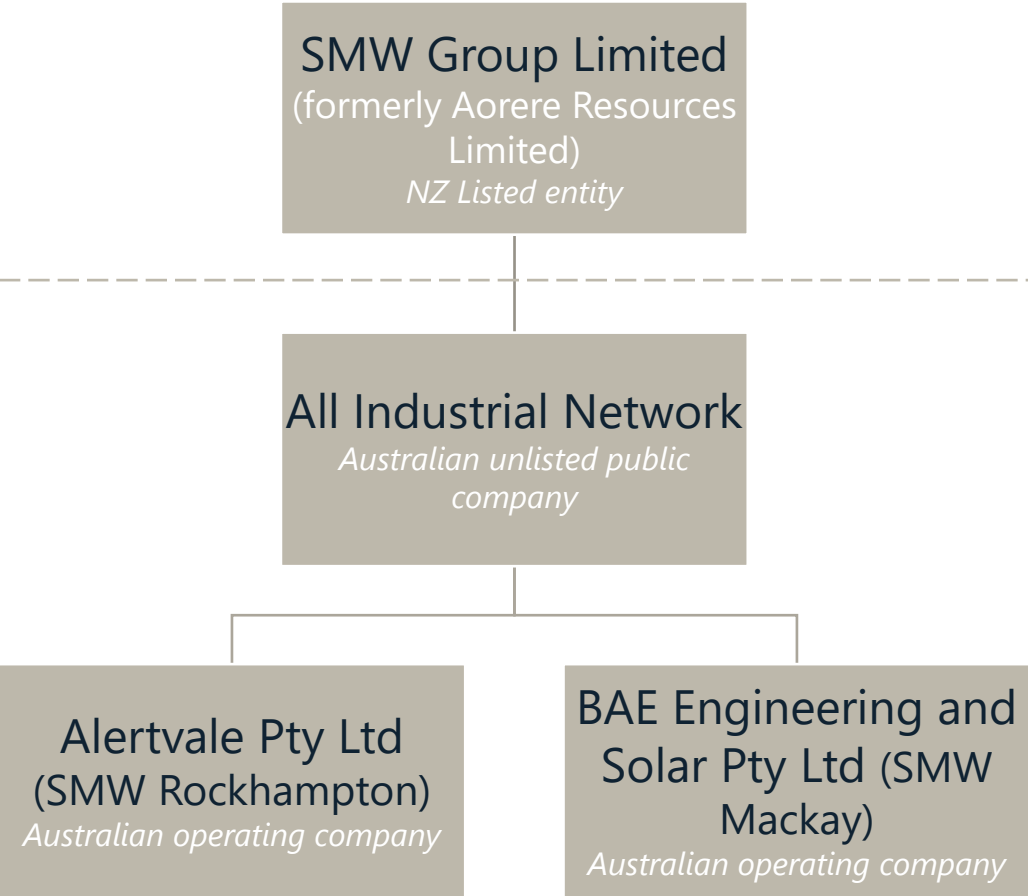
engineering continuous improvement



# Highlights

- Successfully listed on the NZX through a reverse acquisition by Aorere Resources Limited.
- The acquisition resulted in:
  - > the merger of two established Australian services businesses operating across the mining support, construction and engineering service industries, based in Rockhampton and Mackay
  - > SMW Group changing its company name from 'Aorere Resources Limited' to 'SMW Group Limited', and its NZX ticker code from 'AOR' to 'SMW'
  - > A change in Board members. Chris Castle and Jill Hatchwell remain on the Board as New Zealand-based Directors while adding Australia-based Directors
  - > SMW Group changing its balance date from 31 March to 30 June.
- SMW Group seeks to deliver mining support services to the entire Bowen Basin in Central Queensland. Our experienced management team is overseeing the integration and growth of the combined operations.

# Corporate Structure of SMW Group



NEW ZEALAND

AUSTRALIA

SMW Group's fabrication and engineering facilities, employees and customers are largely based in Central Queensland, Australia.

# Board of Directors



**Jill Hatchwell**

Independent Chairperson

Jill brings extensive experience as a professional director with management and governance experience, in both public and private sector entities across a range of industries.

Jill's key management roles have been in aviation, investment companies and management consultancy (in both the private and public sectors).



**Jack Trenaman**

CEO, Executive Director

Jack has 30 years of experience in industrial manufacturing, process and mining equipment maintenance management. 14 years of that period has been committed to maintenance management, project management and research & development positions.

Jack has held management positions in Australia and New Zealand, six years in maintenance contracting and staff positions with BHP, and 10 years as the Managing Director of SMW Group.



**Greg Kern**

Non-executive Director

Greg is the Chief Executive Officer and Managing Director of Kern Group, a corporate advisory firm based in Queensland, specialising in restructures, corporate finance, strategy planning and initial public offerings.

As lead advisor to SMW Group in relation to the listing and Shareholder, Greg's position to the Board is primarily in relation to overseeing SMW Group's corporate operations and investor relations.



**Chris Castle**

Independent Director

Chris is a Chartered Accountant with more than 44 years' experience in investment and corporate finance. He was a founding director of Spectrum Resources and Premier Mining Securities and has held directorships in eight NZX listed companies.

Chris subsequently established the Company (Aore Resources Limited) in 1989 and was CEO since 1999 to the transaction date.



**Oliver Sabu**

Executive Director

Oliver has 20 years of experience working in the industry, both overseas and in Australia, specialising in the design and manufacture of high precision tooling, and high-volume manufacturing. For the past 14 years, Oliver has been working in the mining manufacture and resources sector.

As a Director of SMW Mackay for 9 years, Oliver's background and skills have contributed to the company's growth.



# Financial Summary

## Financial Summary as at 31/12/20

|            | A\$ 000<br>Statutory | A\$ 000<br>Underlying |
|------------|----------------------|-----------------------|
| Revenue    | 27,937               | 27,937                |
| EBITDA     | (200)                | 3,880                 |
| NPATA      | (2,327)              | 1,753                 |
| NPAT       | (2,434)              | 1,646                 |
| Net assets | (1,734)              | (1,734)               |



**smwgroup**

engineering continuous improvement

- Solid H1 FY2021 revenue, although impacted by project deferrals and cancellations due to COVID-19 and reduction in commodity prices.
- Statutory EBITDA loss of \$0.2 million reported due to acquisition-related costs expensed to profit and loss during this 6 month period. Since the transaction, the Group has rebranded, aligned processes and implemented integration plans. Associated costs expensed in H1 FY2021.
- The underlying EBITDA after adjusting for the acquisition related costs and one-off expenses was \$3.9 million.
- Strong focus on organic growth through expanding customer base, sector diversification and additional service offerings.

# Safety

Our goal as a company is Zero Harm. SMW Group are focusing on the way we manage risk throughout our facilities and onsite to ensure our people go home safe everyday.

Proactive safety improvements include:

- Increasing frequency of quality safety interactions
- Streamlining the HSEQ system, improving accessibility and simplicity of the SKYTRUST App and desktop program
- Increasing employee training to improve individual awareness
- Sharing learning within each workgroup for nil repeats



**smwgroup**

engineering continuous improvement

SMW Group decreased the number of incidents across all sites and facilities by **32.5%** during July – December 2020, compared to the previous 6 months, through increased safety focus and alignment of processes and reporting.

# Managing COVID-19 Risks

| Our People   | Our Customers   | Our Communities   |
|--|---|---|
| <p>SMW Group's top priority is the safety and well-being of our employees.</p> <ul style="list-style-type: none"><li>• Hygiene &amp; Site Controls</li><li>• Staggered Breaks</li><li>• Vehicle Occupancy Restrictions</li><li>• Leave Access Policy</li></ul> <p>A multi-disciplinary team has guided our response from the outset, following advice from key health authorities.</p> | <p>Partnering with our customers remains of primary importance during COVID times.</p> <ul style="list-style-type: none"><li>• Formal Declaration completed before entering site</li><li>• Preparation for and adherence to site requirements</li></ul> <p>SMW Group's HSEQ and Supervisory teams work closely with site management to ensure compliance with expectations.</p> | <p>Taking accountability for Our People and Our Customers contributes to Our Community.</p> <ul style="list-style-type: none"><li>• Providing Our People with access to support networks</li><li>• Providing Our Customers with continued high quality service</li></ul> <p>SMW Group has always valued the communities where we work and live, and keeping them safe from COVID-19 remains a top priority.</p> |

# Key focus areas to deliver growth

| 01  | 02   | 03  |
|---|--|---|
| Expand customer base  | Strategic acquisitions   | Unlock returns from merged group  |
| <ul style="list-style-type: none"><li>• Provide additional services to existing customer base from merged operations</li><li>• Diversify into additional sectors, eg. infrastructure, defence, ports</li><li>• Gain new customers through ability to service entire Bowen Basin</li></ul> | <ul style="list-style-type: none"><li>• Assess complementary businesses to supplement organic growth</li><li>• Exploit opportunities to expand service offerings and customer base</li><li>• Extract synergies from strategic acquisitions / mergers</li></ul> | <ul style="list-style-type: none"><li>• Continually assess synergistic opportunities from merged group</li><li>• Continue integration and alignment of manufacturing processes</li><li>• Upskilling our employees to provide ongoing career development</li><li>• Invest in innovation to advance technologies and automation</li></ul> |



A dark, blue-tinted photograph of an industrial welding workshop. In the foreground, a large metal grid structure is visible, with an ESAB welding power source and various cables on it. Two welders in protective gear are working in the background. A safety board is mounted on the wall.

**smwgroup**

engineering continuous improvement

# Appendices

## What sets us apart

- Long term experience in the Bowen Basin
- Proximity to the Galilee Basin
- Extensive workshop facilities and field capabilities
- Flexibility to work in rail, defence, construction and mining
- Strong trade availability – workforce of over 500

# Operations

## SMW Rockhampton

- Located 200km from the lower end of the Bowen Basin, with the ability to efficiently service the Galilee Basin.
- Three key divisions: Heavy Fabrication and Engineering, Field Services, and Abrasive Blast and Paint.
- Strategically placed in Rockhampton's Parkhurst Industrial Estate, with limited local competition.
- Strong relationships with well-established market leading mining and infrastructure companies, including BHP, Anglo American, Coronado Curragh, Glencore and the Rockhampton Regional Council.

## SMW Mackay

- Established in 2011, BAE provides specialised mining support services and mineral processing equipment power to the mining and construction industries.
- Two major divisions: maintenance field services and fabrication, design and drafting.
- Servicing mines in the Northern Bowen Basin with the ability to efficiently service the Galilee Basin.
- Strong relationships with major mining companies in the Northern Bowen Basin, including BMA, Glencore, Leighton, Thiess, Anglo American and Energex.



# Services

| SMW Group  |                             |                            |                        |                                  |  |            |            |                     |
|--|-----------------------------|----------------------------|------------------------|----------------------------------|--|------------|------------|---------------------|
| Workshops  |                             |                            |                        |                                  | Field Services   |            |            |                     |
| Engineering Design & Drafting  | Fabrication & Manufacturing | Trade Services Contracting | Abrasive Blast & Paint | Mechanical & Compliance Services | Boilermaking   | Electrical | Mechanical | Industrial Cleaning |
| <ul style="list-style-type: none"> <li>Over 4 hectares of workshop facilities, licensed to operate 24/7/365</li> <li>5,500m<sup>2</sup> under-roof fabrication facilities</li> <li>3,000m<sup>2</sup> mechanical rebuild and service facilities</li> <li>1,100m<sup>2</sup> abrasive blasting and painting workshop</li> <li>6 overhead cranes, plus Ultralift mobile crane</li> <li>Industry-leading equipment and processes e.g.                             <ul style="list-style-type: none"> <li>PCAW robot</li> <li>3D scanning, modelling and design</li> <li>Realtime quality assurance</li> </ul> </li> </ul> |                             |                            |                        |                                  | <ul style="list-style-type: none"> <li>Skilled tradespeople and labourers</li> <li>Accredited to ISO 9001, OHSAS 18001 and AS/NZS 4801</li> <li>All staff hold site tickets, licenses and qualifications</li> <li>Full fleet of plant maintenance hire equipment</li> <li>Container-based equipment for easy transport</li> <li>Fabrication or repair of necessary components to OEM and recommissioning standards</li> <li>Fully mobile maintenance capability</li> <li>24/7 support</li> </ul> |            |            |                     |





**smwgroup**

engineering continuous improvement

Strong, long term  
customer  
relationships enable  
repeat business year  
on year.

[WWW.SMWGROUP.COM.AU](http://WWW.SMWGROUP.COM.AU)

## Key Customers

- Close proximity to the Bowen and Galilee Basins provides a geographical advantage
- Upcoming mining projects will provide opportunities to expand customer base
- A considerable number of projects in the Galilee Basin pipeline offer large growth potential

### SMW Rockhampton Key Clients/sites

|                      |                |
|----------------------|----------------|
| BMA                  | Goonyella      |
| BMA                  | Blackwater     |
| Coronado             | Curragh        |
| Anglo American       | CapCoal        |
| Anglo American       | Dawson         |
| BMA                  | Peak Downs     |
| Glencore             | Hail Creek     |
| Downer/EDI           | Multiple sites |
| Goldings Contractors | Multiple sites |

### SMW Mackay Key Clients/sites

|              |              |
|--------------|--------------|
| Glencore     | Collinsville |
| Glencore     | Newlands     |
| Stanmore     | Isaac Plains |
| Glencore     | Rolleston    |
| Simco Mining |              |



**smwgroup**

engineering continuous improvement

We strongly support the communities where our team members and their families live.

[WWW.SMWGROUP.COM.AU](http://WWW.SMWGROUP.COM.AU)

## Communities

**Giving a hand  
up, not a  
hand out**

Active support to volunteer groups and community initiatives that support young people.

**Service –  
making a  
difference**

We encourage our staff to put their hands up to serve in any capacity at local events and clubs.

**Backing  
Central  
Queensland's  
winners**

We champion sportsmanship and skills through financial support of clubs and teams.

# Disclaimer



This presentation has been prepared by SMW Group Holdings Limited (ARBN 646 376 721), a foreign company registered in its original jurisdiction of New Zealand as SMW Group Limited ("SMW Group" or the "Company"). The information contained in this presentation is for information purposes only.

The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Please note that, in providing this presentation, SMW Group has not considered the objectives, financial position or needs of any particular recipient. SMW Group strongly suggests that investors consult a financial advisor prior to making an investment decision.

This presentation is strictly confidential and is intended for the exclusive use of the institution to which it is presented. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express consent of SMW Group.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of SMW Group, their respective related bodies corporates, shareholders, directors, officers, employees, agents or advisors, nor any other person accepts any liability, including, without limitation, any liability for any loss arising from the use of information contained in this presentation.

This presentation may include "forward looking statements". Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of SMW Group and their respective officers, employees, agents or associates that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. SMW Group assumes no obligation to update such information.

All amounts are presented in Australian dollars unless otherwise stated.

This presentation includes certain terms or measures which are not reported under International Financial Reporting Standards (IFRS) including, but not limited to, 'underlying' and 'EBITDA'. These measures are used internally by management to assess the performance of the business and make operational decisions. These non-IFRS measures have not been subject to audit or review. Refer to SMW Group's published financial results to NZX for financial information presented in accordance with IFRS standards.

This presentation and the information contained in it does not constitute a prospectus or product disclosure statement, disclosure document or other offer document relating to SMW Group under New Zealand law or any other law. This presentation is not, and does not, constitute an offer, invitation or recommendation to subscribe for, or purchase, securities in SMW Group.