ASX ANNOUNCEMENT

SRG GLOBAL

20 February 2024

Advance Notice: Investor Briefing

SRG Global Ltd (ASX: SRG) advises that David Macgeorge (Managing Director) and Roger Lee (CFO and Company Secretary) will host an investor briefing in relation to its 1H FY24 performance and the outlook for FY24, the details of which are set out below:

Date	Today, 20 February 2024
Time	08.00am WST / 11.00am AEDT
Duration	Approximately 40 minutes
Access link	https://ccmediaframe.com/?id=vcOhkODt

The Company will make the investor briefing available on its website (srgglobal.com.au) shortly after the conclusion of the briefing.

ASX ANNOUNCEMENT

SRG GLOBAL

20 February 2024

SRG Global delivers increased revenue, profit and cash, and upgrades FY24 guidance

SRG Global Ltd ('SRG Global' or 'the Company') (ASX: SRG) has delivered its financial results for the six months ended 31 December 2023 ('1H FY24').

- 1H FY24 **Revenue** of $510.7m, **up 34%** from 1H FY23
- 1H FY24 **EBITDA** of $45.1m, **up 33%** and **EBIT(A)** of $28.4m, **up 36%** from 1H FY23
- Excellent cash generation in 1H FY24 with **EBITDA** to **cash conversion** of **133%**
- **Transitioned** to **net cash** of **$6.4m** from net debt of $17.0m in FY23
- 1H FY24 **fully franked dividend** of 2.0 cps
- **Work in Hand** of **$1.9b** and Opportunity Pipeline of **$6.5b** in a diverse range of sectors
- Strategic transformation to a **diversified industrial services** business continues to deliver results
- FY24 EBITDA **guidance increased** to a range of $95m - $100m

	1H FY23	1H FY24	CHANGE
Revenue	$380.0m	**$510.7m**	▲ 34%
EBITDA	$34.0m	**$45.1m**	▲ 33%
EBIT(A)	$20.9m	**$28.4m**	▲ 36%
NPAT(A)	$13.2m	**$17.7m**	▲ 34%
EBITDA % margin	9.0%	**8.8%**	▼ 2%
EBIT(A) % margin	5.5%	**5.6%**	▲ 2%
NPAT(A) % margin	3.5%	**3.5%**	- 0%
Dividends (cents per share)	2.0 cents	**2.0 cents**	- 0%
Earnings Per Share (A)	3.0 cps	**3.4 cps**	▲ 13%

David Macgeorge, Managing Director said, "SRG Global continues to make significant progress in the execution of our strategy. Our 1H FY24 result is underpinned by strong business fundamentals, excellent cash generation and solid operational delivery for our blue-chip client base.

"The transition to a truly diversified industrial services company is continuing to deliver results. Our 1H FY24 financial performance is clear evidence of the strength and diversity of our business and is testament to the hard work of all 3,500 people at SRG Global.

"The Company has Work in Hand of $1.9b and is well positioned for long term sustainable growth with two thirds annuity-style earnings and positive exposure to broader macro-economic growth drivers across the asset services, industrial and mining sectors as well as significant investment in the infrastructure and construction sectors.

"The strong result means SRG Global will pay shareholders an interim fully franked dividend of 2.0c per share, in line with last year's dividend and continues our track record of funding the growth phase of our strategy whilst delivering increased dividends to our shareholders.

"The Company has increased the FY24 EBITDA guidance to a range of $95m to $100m which continues the step-change growth journey of SRG Global."

Business Overview

In 1H FY24, SRG Global recorded revenue of $510.7m and EBITDA of $45.1m. In the same period the Company significantly improved its cash position to a net cash position of $6.4m.

Table 1 1H FY24 Segment Results ($m)

	TOTAL	ASSET MAINTENANCE	MINING SERVICES	ENGINEERING & CONSTRUCTION	CORPORATE
Revenue ($m)	510.7	233.3	73.4	203.9	-
EBITDA ($m)	45.1	26.2	15.4	14.8	(11.3)
EBITDA %	8.8%	11.2%	20.9%	7.2%	(2.2%)
EBIT(A) ($m)	28.4	18.1	12.1	10.2	(12.0)
EBIT(A) %	5.6%	7.7%	16.5%	5.0%	(2.4%)

Revenue up 34%
EBITDA up 33%
EBIT(A) up 36%

Asset Maintenance continued its strong growth with numerous contract wins and extensions. Solid financial performance and margin performance with EBITDA margin of 11.2%, in line with historical levels.

Mining Services continued to deliver solid results combined with excellent operational execution and high levels of asset utilisation. Solid margin performance of 20.9%, in line with historical levels.

Engineering & Construction continued to deliver solid results with EBITDA margin of 7.2%, in line with historical levels.

Strong performance across a diverse range of sectors including transport, water, energy, mine site infrastructure and defence with repeat blue-chip clients.

Corporate overheads of $11.3m equates to 2.2% of revenue, in line with historical levels.

Table 2: Long Term Track Record of Delivery

SRG Global's 1H FY24 results is further evidence of our long term track record of delivery over a number of years.

Clear evidence of continuing to execute the SRG Global Strategy

Business successfully transitioned to annuity / recurring earnings

Track record of winning and executing work

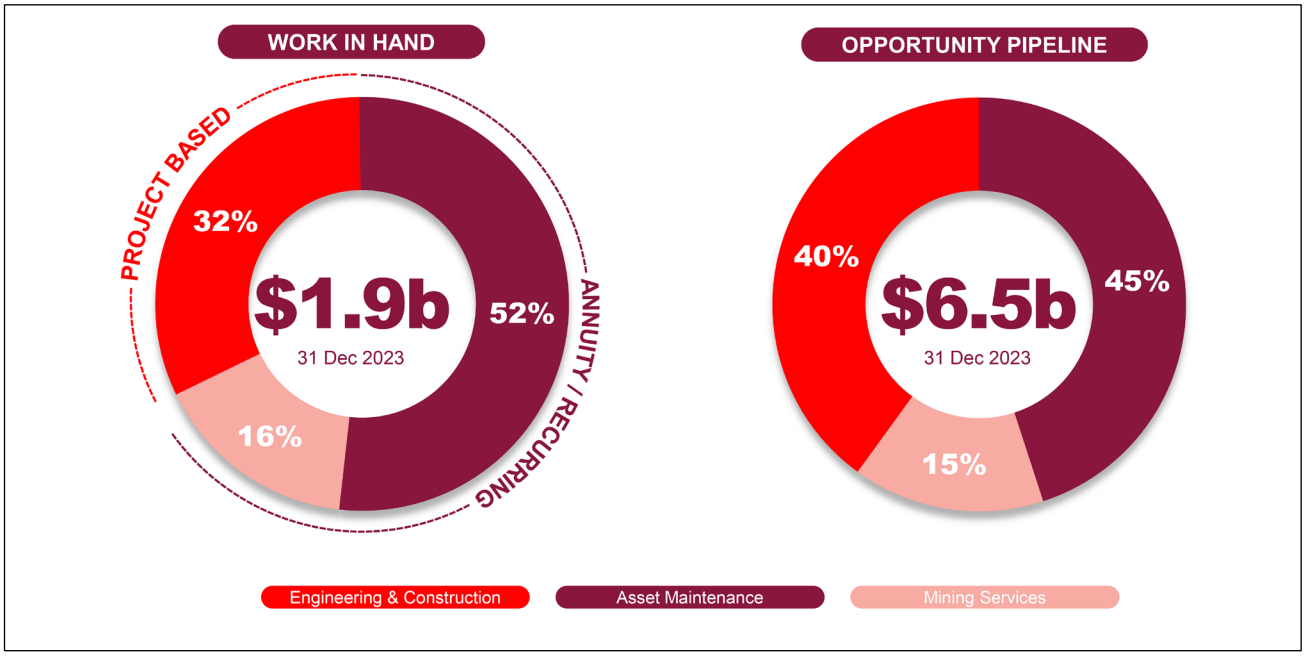
Track record of cash generation to fund growth and dividends

FY24 EBITDA guidance upgraded to $95m - $100m

	1H FY21	1H FY22	1H FY23	1H FY24
Revenue	$283.0m	$297.0m	$380.0m	**$510.7m**
EBITDA	$20.5m	$27.0m	$34.0m	**$45.1m**
EBIT(A)	$9.5m	$15.9m	$20.9m	**$28.4m**
NPAT(A)	$5.0m	$10.1m	$13.2m	**$17.7m**
EBITDA % margin	7.2%	9.1%	9.0%	**8.8%**
EBIT(A) % margin	3.4%	5.4%	5.5%	**5.6%**
NPAT(A) % margin	1.8%	3.4%	3.5%	**3.5%**
Dividends (cents per share)	1.0 cents	1.5 cents	2.0 cents	**2.0 cents**
Earnings Per Share (A)	1.1 cps	2.3 cps	3.0 cps	**3.4 cps**

Work in Hand

As at 31 December 2023, the Company has Work in Hand of $1.9b and has a further $6.5b pipeline of opportunities with positive exposure to government-backed infrastructure investment, high quality commodities, diverse industries and a blue-chip client base.



Operating Segment Outlook

- Asset Maintenance delivering **step change growth** in diverse sectors with blue-chip clients
- Mining Services operating in **high demand, high quality** growth commodities
- Engineering & Construction positively linked to **significant infrastructure** investment
- SRG Engineered Products gaining momentum both **domestically** and **internationally**

Business Outlook

- FY24 EBITDA **guidance increased** to a range of $95m - $100m
- **Strength / diversity** of business provides ongoing protection against labour / cost pressures
- **Robust balance sheet** position to support growth working capital requirements
- Earnings profile of **two thirds annuity earnings** continuing in FY24 and beyond
- Strategic transition to a **diversified industrial services** business will continue to deliver results

Interim Fully Franked Dividend

The Board of Directors has declared an interim fully franked dividend of 2.0 cents per share. The record date of the dividend is 15 March 2024 with a payment date of 12 April 2024.

– ENDS –

CONTACT

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ABOUT SRG GLOBAL

SRG Global is a diversified industrial services company bringing an engineering mindset to deliver critical services for major industry across the entire asset lifecycle of engineer, construct and sustain. The Company has over 3,500 employees across three operating segments of Asset Maintenance, Mining Services and Engineering & Construction. Our vision is to be the most sought-after in what we do through “Making the Complex Simple”. For more information about SRG Global, please click here.

This announcement was authorised for release to ASX by the Managing Director.