

Investor Roadshow Presentation



9 September 2024



Introduction to SCEE



Leading national electrical, instrumentation, communications, security and maintenance group...

- Established in 1978 in Perth and listed in 2007 (ASX:SXE)
- Leading and trusted national provider of specialised electrical, instrumentation, communications, security and maintenance services and products
- Diversified operations across three broad market sectors of Infrastructure, Commercial and Resources with half of order book on East Coast
- Diversification supported by successful track record of acquiring value accretive businesses: Datatel in 2016, Heyday in 2017, the Trivantage Group (S.J. Electric, SEME Solutions, and Trivantage Manufacturing) in 2020, and the MDE Group in 2024
- Over last eight years, management have materially grown revenues from \$200m in FY17 to over \$550m in FY24

...built by design through operational excellence and a disciplined M&A strategy



Historically focused on resources and industrial work, but now also diversified into transport, infrastructure, defence, utilities and renewables



Telecoms and communications specialist providing services to the education, health, government, commercial, resources and transport sectors



Heyday Group

NSW and ACT-based electrical contractor servicing the commercial and fit-out sectors, and the retail, education, health, hotel, transport, datacentre, and residential sectors



National provider of electrical and maintenance services to supermarkets, and the retail and commercial sectors



Provides electronic security services to the resources, law enforcement, custodial, industrial, and health sectors



Leading manufacturer of premium quality switchboards and power distribution systems to a range of end users both internally within the Group and to external customers



Communications, data, and electrical services provider to commercial building, data centre, healthcare and transport infrastructure sectors

**DECARBONISATION
ELECTRIFICATION
DATA CENTRES
INFRASTRUCTURE**

**DIVERSIFIED
ACROSS
MARKETS
AND
OPERATIONS**

**LONG-
STANDING
BLUE-CHIP
CLIENT
BASE**

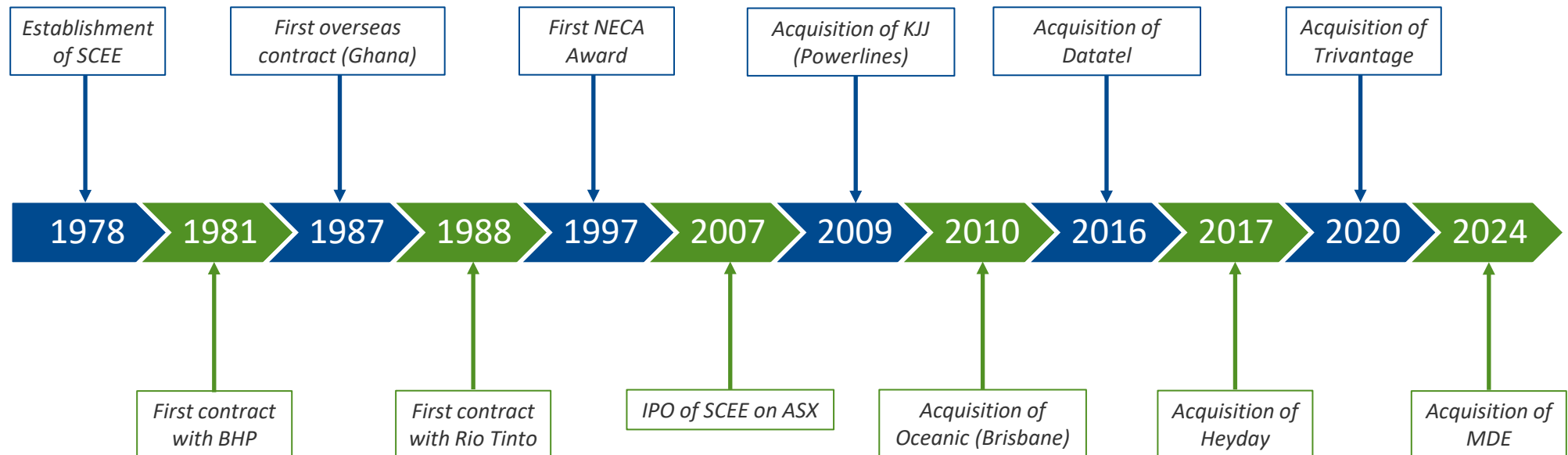
**RECURRING
REVENUE
AND
EARNINGS
GROWTH**

**FINANCIAL
STRENGTH
AND
SHAREHOLDER
RETURNS**

**TRACK
RECORD OF
SUCCESSFUL
ACQUISITIONS**

SCEE Group primarily sees itself as an electrical contractor diversified across the infrastructure, commercial, and resources sectors

- Our growth strategy continues to be to deepen our presence in those sectors and broaden our geographic diversity through expanding our core competencies and adding adjacent and complementary capabilities, either organically or by acquisition
- We are increasing our exposure to services and maintenance style works with recurring revenues now over one-third of our activity
- We are actively exploring range of acquisition targets offering further geographic diversification and new capabilities
- The electrification and decarbonisation of the Australian and global economies present SCEE with opportunities across all its operations





Financial performance

Record profit, cash, order book



Revenue \$551.9m (FY23: \$464.7m) up 18.8% on prior year

Infrastructure comprised 42.3% of total revenue to become largest sector

Record EBITDA \$40.1m (FY23: \$38.2m) up 5.0% on record prior year *

Record EBIT \$32.7m (FY23: \$26.7m) up 10.4% on record prior year *

Record NPAT \$21.9m (FY23: \$20.1m) up 9.1% on record prior year

Result included \$3.3m (FY23: \$2.1m) for acquisition amortisation and LTI remeasurement

Record profits again for all three Trivantage businesses building on record prior year

Record cash \$84.1m (30 June 2023: \$77.7m) up 8.3% on record prior year

Record Order Book \$720m (30 June 2023: \$610m) up 18.0% on record prior year

Final Dividend 5.0 cps declared and fully franked, up 25.0% on prior year Final Dividend

* EBITDA and EBIT are non-IFRS financial measures, for a reconciliation to statutory results see Appendix 1

Record profit



Revenue of \$551.9m (FY23: \$464.7m) up 18.8% on prior year and exceeded revenue guidance “targeting FY24 Revenue over \$500m”

Revenue split by sector: Infrastructure \$233.7m (FY23: \$141.0m), Commercial \$171.1m (FY23: \$154.9m), and Resources \$147.0m (FY23: \$168.8m) with record turnover in Infrastructure sector

Ongoing significant revenue contributors for Heyday were the NEXTDC SYD03 and other Data Centres, Pitt Street Sydney Metro station and towers and the Western Sydney International Airport; for SCEE Electrical the Queensland accommodation villages and various BHP and Rio Tinto projects; and Woolworths and Coles for Trivantage

Gross margin percentage was 15.0% compared to the prior corresponding period at 16.4%. Overheads* as a percentage of revenue were 7.8% compared with 8.6% in prior year. Inflationary cost pressures and labour market issues have had no material impact on profitability

Record EBITDA* of \$40.1m up 5.0% on record prior year \$38.2m and exceeded guidance “to match FY23 EBITDA”

Record EBIT up 10.4% and record NPAT up 9.1% respectively on record prior year performances. EBIT* and NPAT include \$2.1m amortisation for Trivantage acquisition (FY23: \$2.1m) and \$1.2m for remeasurement of share-based payments

Summary financials:

	FY24	FY23	%
	\$m	\$m	
Revenue	551.9	464.7	18.8%
Gross Profit	82.7	76.3	8.4%
Gross Margin %	15.0%	16.4%	
Overheads*	(43.3)	(39.8)	8.8%
EBITDA*	40.1	38.2	5.0%
EBITDA %*	7.3%	8.2%	
EBIT*	32.7	29.6	10.4%
EBIT %*	5.9%	6.4%	
NPAT	21.9	20.1	9.1%
NPAT %	4.0%	4.3%	

* Overheads, EBITDA and EBIT are non-IFRS financial measures, for a reconciliation to statutory results see Appendix 1

Strong balance sheet



Cash increased in year to a record \$84.1m (30 June 2023: \$77.7m)

Remain debt free

Bank guarantee and surety bond facilities capacity increased from \$100.0m to a record \$150.0m in May

\$94.1m of bank guarantees and surety bonds were on issue at 30 June 2024 leaving headroom of \$55.9m

Franking account balance of \$42.8m at 30 June 2024

Fully franked final dividend of 5.0 cents per share declared, to be paid 9 October 2024

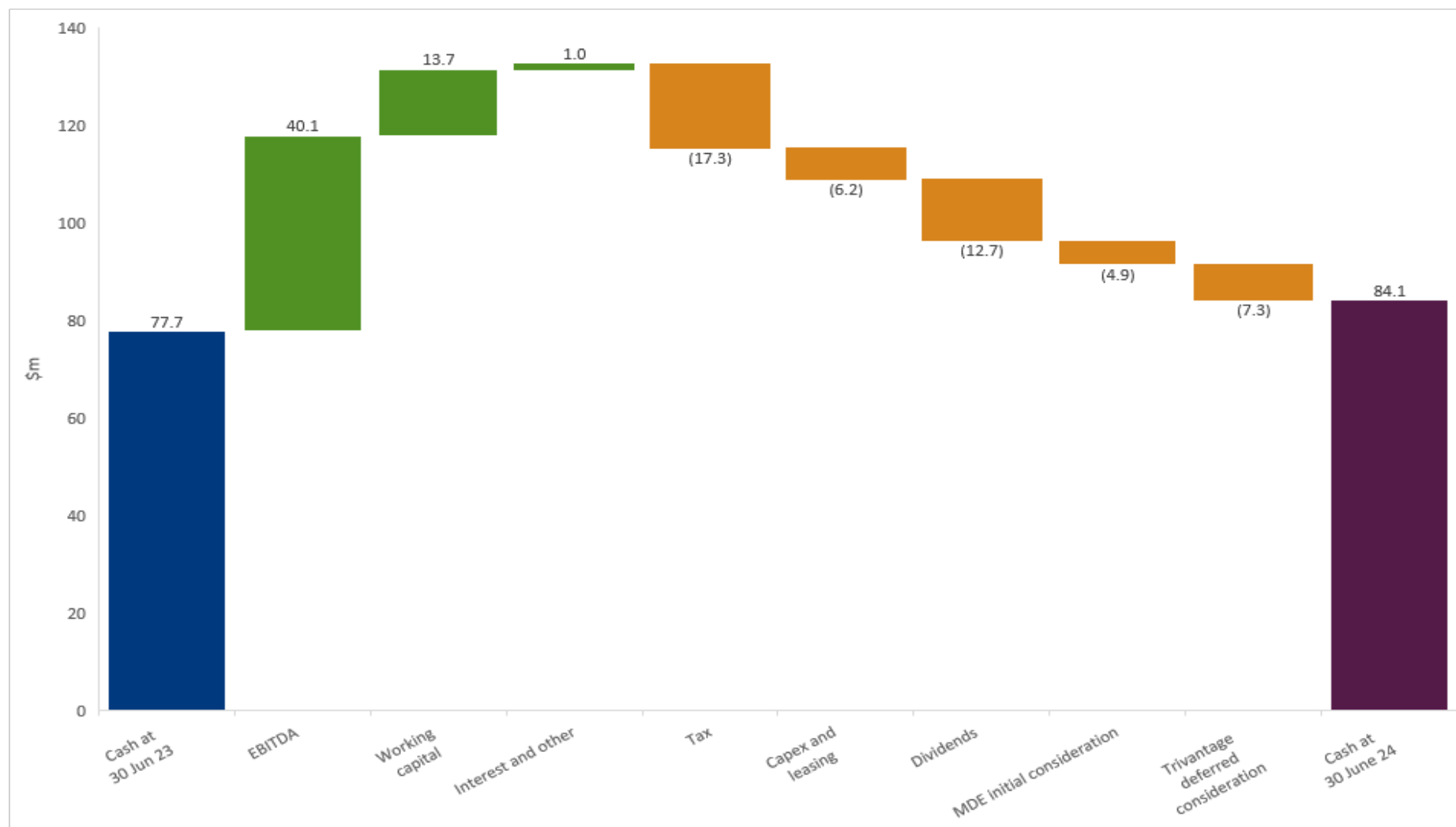
Balance sheet summary:

	Jun 24	Jun 23
	\$m	\$m
<i>Current assets</i>	227.0	187.7
<i>Non-current assets</i>	137.7	130.8
Total Assets	364.8	318.4
<i>Current liabilities</i>	164.1	124.5
<i>Non-current liabilities</i>	9.5	11.8
Total Liabilities	173.6	136.3
Equity	191.2	182.1

Record cash

Significant cash flows in the period included:

- Acquisitions - \$7.3m final Trivantage payment for achieving their earn-out targets in full, and \$4.9m initial consideration for MDE Group
- Dividends - record pay-out of \$12.7m of fully franked dividends
- Tax - \$17.3m of income tax paid, a significant portion of which related to the successful Kemerton and Gudai-Darri projects closed-out in FY23
- Working capital - \$15.1m advance payment on CBESS project received pre-30 June





Operations and outlook

Operational highlights and outlook



Lost Time Injury (“LTI”) free for second year running (2.3 million manhours LTI-free in FY24)

Workforce grown by 300 in FY24 to over 1,700 employees

Michael McNulty appointed to Board and Derek Parkin OAM to retire, effective 1 September

Western Sydney International Airport at peak levels of activity

Collie Battery Energy Storage System biggest ever award received, now over \$200m of orders

Very strong near-term pipeline of Data Centre and infrastructure projects in NSW

MDE Group acquisition completed 31 May expanding east coast service offerings

Strong balance sheet supports further acquisitions \$84.1m cash at 30 June and no debt

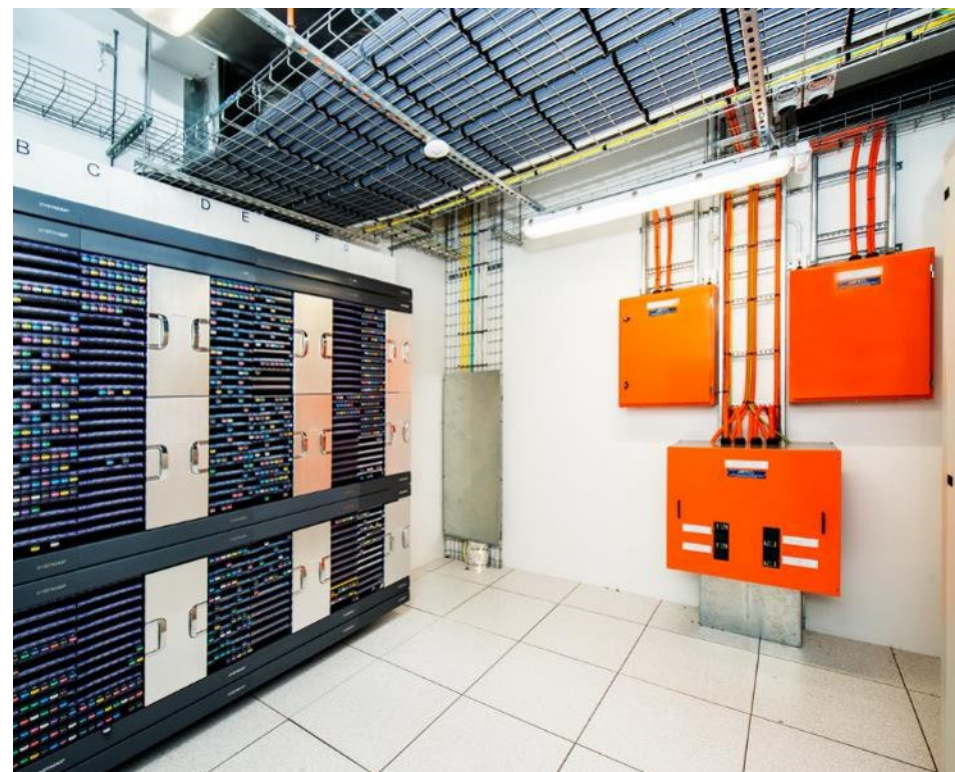
Record Order Book \$720m split by sector Infrastructure 67%, Commercial 16%, Resources 17%

Anticipating FY25 EBITDA of at least \$53m with expectations of further growth in FY26 onwards

MDE Group acquisition

Acquired MDE Group on 31 May, a Sydney-based provider of communications, data, and electrical services across a range of sectors including commercial buildings, Data Centres, healthcare and transport infrastructure

- Strong operational synergies with Heyday, working together at Western Sydney International Airport
- Growing Data Centre project pipeline contains significant communications elements
- Positions Heyday to offer combined electrical, data and communications service and maintenance proposition on completion of its construction projects
- Potential for further growth into other states and to support other SCEE Group businesses
- Vendors incentivised to grow business on long-term employment arrangements
- Acquired for an enterprise value of up to \$10.55m and forecasting EBIT contribution of at least \$5m for FY25 and beyond





Three structural tailwinds

Data Centres

SCEE businesses have worked on Data Centres for over twenty years. Having already been a strong area for SCEE in recent years the sector is now showing exponential growth with cloud computing and AI developments

- Data Centre market has changed over time – progressing from company server rooms a typical Data Centre used to be private for banking, telco and IT clients. Now evolved into the hyperscale cloud providers
- Becoming much bigger – for example historically designed for 1-4 data halls now seeing 8-10 data halls
- Global Data Centre market is estimated to grow at a compound annual growth rate of 9.6% during the period 2023-2030 (*IndustryARC*)
- Capital is flowing into sector – NEXTDC raised \$1.3bn in April and Infratil raised NZ\$1.3bn recently



SCEE and Data Centres



Data Centres are electrically dense, electrical work comprising the largest component of construction cost, and typically require triple power supplies to satisfy uptime requirements

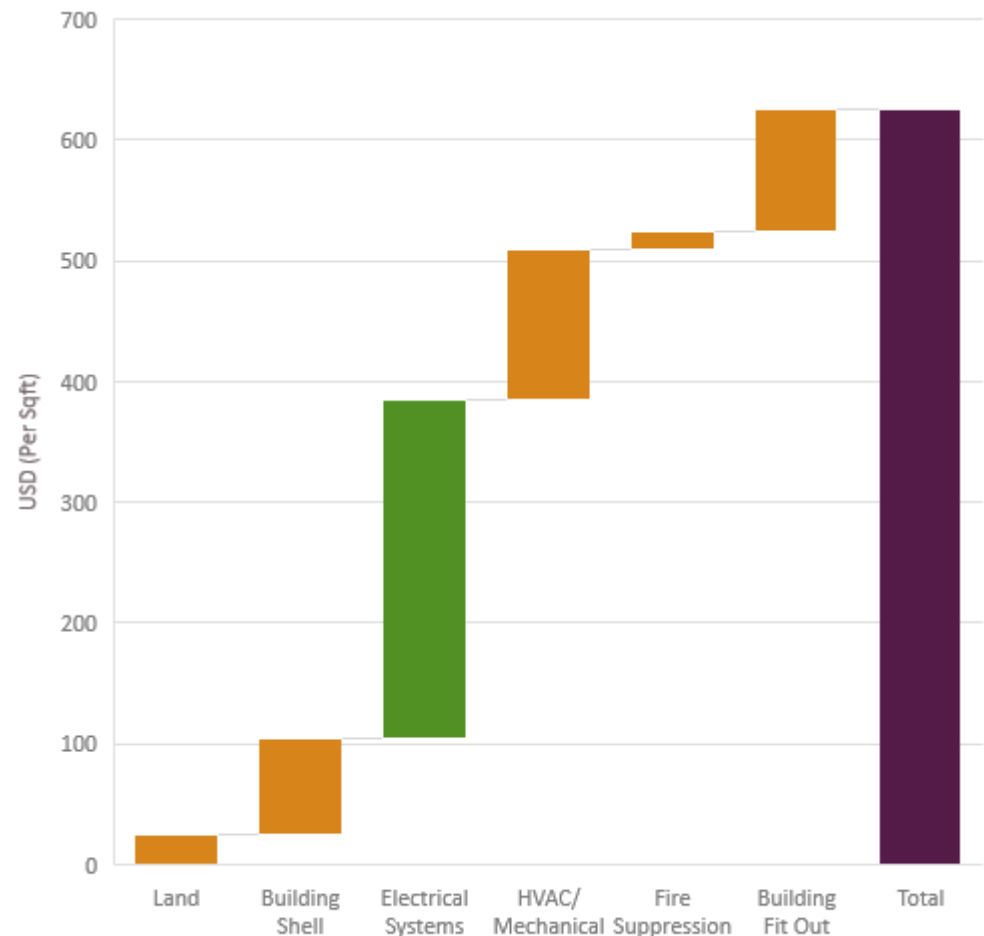
SCEE businesses have multiple touch points in the sector:

- Heyday very strong position in general construction in NSW
- Trivantage Manufacturing builds and supplies sophisticated electrical equipment
- Datatel and MDE offer communications and SEME offers security solutions
- Combining capabilities across the group gives potential to offer post-construction services and maintenance to the sector

Data Centres are a strong area of growth for SCEE:

- Across SCEE Group have announced seventeen Data Centre awards totaling circa \$190m over last five years
- Currently working at three Data Centres and manufacturing electrical equipment for others
- Data Centre revenues averaged circa \$20m pa FY19-FY23, growing to \$50m in FY24, and forecasting \$100m pa this year and beyond
- Over \$150m of our circa \$700m order book is Data Centre related
- Currently tendering on or positioning for over \$500m of work to be awarded in next two years for extensions at existing or new builds of multiple Data Centres

Construction Costs of Data Centres



Source: Dgtl Infra

Infrastructure

Infrastructure very wide sector for SCEE across federal, state, and private investment in transport (road, rail, airports, ports), defence, Data Centres, education, agriculture, water, energy, renewables, utilities, health and aged care

Outside of Data Centres and renewables, particularly strong Infrastructure segments for SCEE include:

- Health care - already working at Shoalhaven Hospital, with multiple major hospital developments presenting in near and medium-term in NSW and ACT
- Western Sydney International Airport and Aerotropolis - SCEE's largest revenue contributor in FY24, a project to provide a full-service international and domestic airport handling 10 million passengers by 2031. Multiple packages already received and tendering on cargo handling, command and maintenance facilities. Expecting long-term pipeline of works with further airport expansion and in surrounding Aerotropolis region
- Sydney Metro - already working at Pitt Street Metro and positioning around airport line and Sydney Metro West station developments



Electrification and decarbonisation

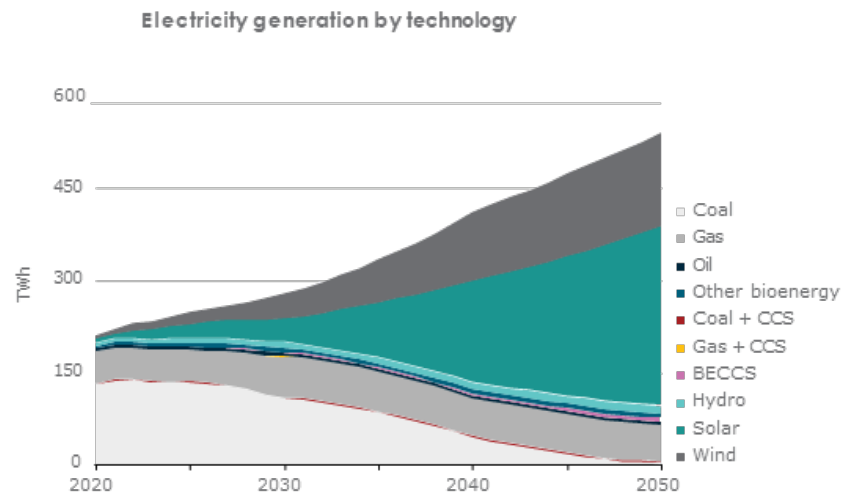
Australia is undergoing an energy transition to achieve net zero emissions by 2050

Targets are enshrined in law and require delivery of climate change and energy transformation priorities, including:

- Transforming Australia's electricity supply to run mainly on renewables
- Supporting the development of new, clean energy industries
- Supporting the decarbonisation of existing industries, transport network and domestic environment

SCEE's exposures to the electrification and decarbonisation of society becoming all-encompassing in our work

- Decarbonising our clients' operations – such as in resources sector renewables projects for mining companies and power efficiencies for supermarkets
- Meeting the demand for commodities and products required for decarbonisation – mineral processing plants and underground mine EV-charging systems
- Movement to sustainable buildings – already significant component of projects, but environmental initiatives expected to become supercharged with new building codes and pending International Sustainability Standards
- Offering services across a diverse and growing range of electrification and decarbonisation initiatives – examples include battery recharging solutions for Brisbane Metro, LED lighting in education facilities, manufacturing solar-powered security gates



Source: Australia's Long-Term Emissions Reduction Plan



Electrification and decarbonisation (cont.)

Transition of Australia's electricity supply to run mainly on renewables requires huge investment in solar and wind developments supported by battery storage and grid reconfiguration

SCEE well-credentialed to participate in this thematic:

- Multiple solar farms in NSW
- EDL Energy Agnew Hybrid Power Station 18.5MW Wind Farm and Battery Energy Storage System (BESS)
- BHP Juwi Northern Goldfields Solar Project
- Rio Tinto Tom Price 45MW/12MWh Battery Energy Storage for Spinning Reserve ("BESSR") Facility

Announced in May our largest ever initial award of \$160m by Synergy for the Collie Battery Energy Storage System ("CBESS"). Involves installation of 640 battery container units and 220kms of cabling to provide a 500MW/2,000MWh battery to feed into the South West Interconnected System ("SWIS") as part of the WA State Government's plan to retire coal-fired power by 2030

More recently announced further \$50m package at CBESS for switchyard

Positioning for other battery developments across Australia





Investment proposition

Diversified across markets and operations



FY24 Order Book by Sector
\$m

- Infrastructure two-thirds of order book



- Infrastructure
- Commercial
- Resources

FY24 Order Book by Geography
\$m

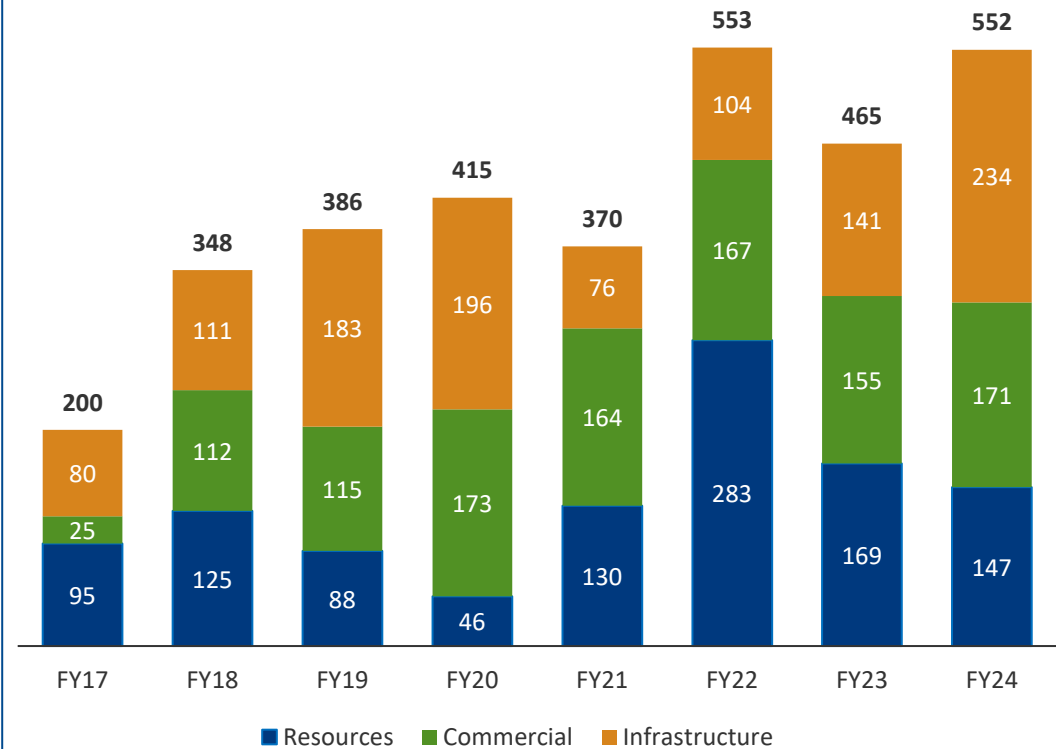
- 50% of order book on East Coast



- VIC, SA & NT
- QLD
- WA
- NSW & ACT

Revenue breakdown by Sector FY17-FY24
\$m

- FY24 near-record year for Revenue
- Significant growth in Infrastructure in FY24



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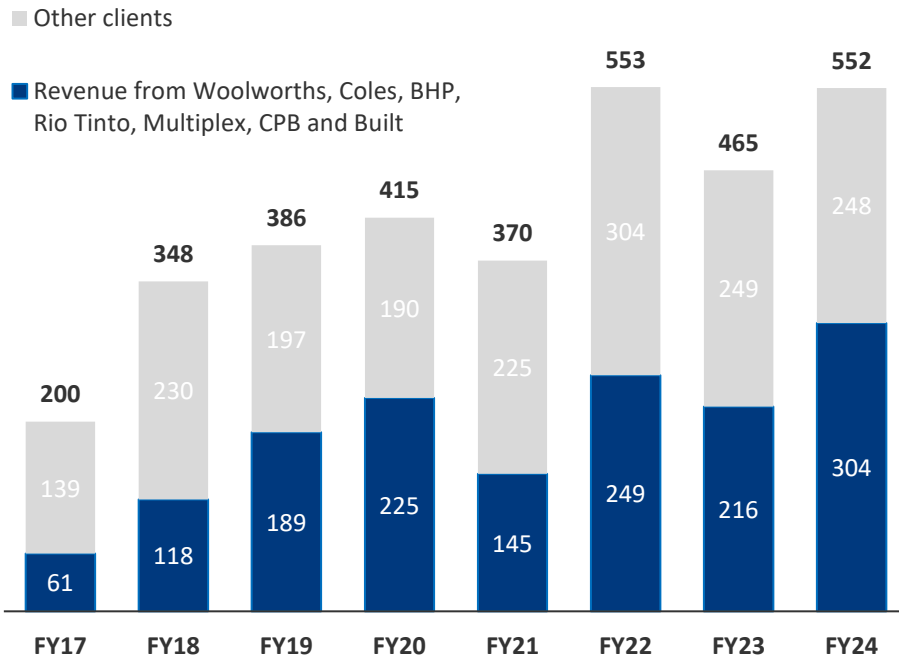
Long-standing blue-chip client base



Seven selected clients – Woolworths, Coles, BHP, Rio Tinto, Multiplex, CPB and Built – have consistently provided over 45% on average of revenues over the last eight years totalling over \$1.5 billion of work

Revenue from above clients as percentage of total revenue

FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
31%	34%	49%	54%	39%	45%	46%	55%



These seven clients have long-standing and deep relationships with SCEE spanning decades and most across multiple group businesses



Woolworths client since **1973**
Multiple services and frameworks agreements



Coles client since **1975**
Multiple services and frameworks agreements



BHP client since **1981**
Projects: Villages Security Projects, Juwi NGSP



Rio Tinto client since **1988**
Projects: Tom Price BESS, Gudai-Darri Iron Ore, Gove Refinery



Multiplex client since **2002**
Projects: Western Sydney Airport, Westmead Hospital



CPB client since **2007**
Projects: Sydney Metro Pitt Street Station, Mount Keith Debottlenecking



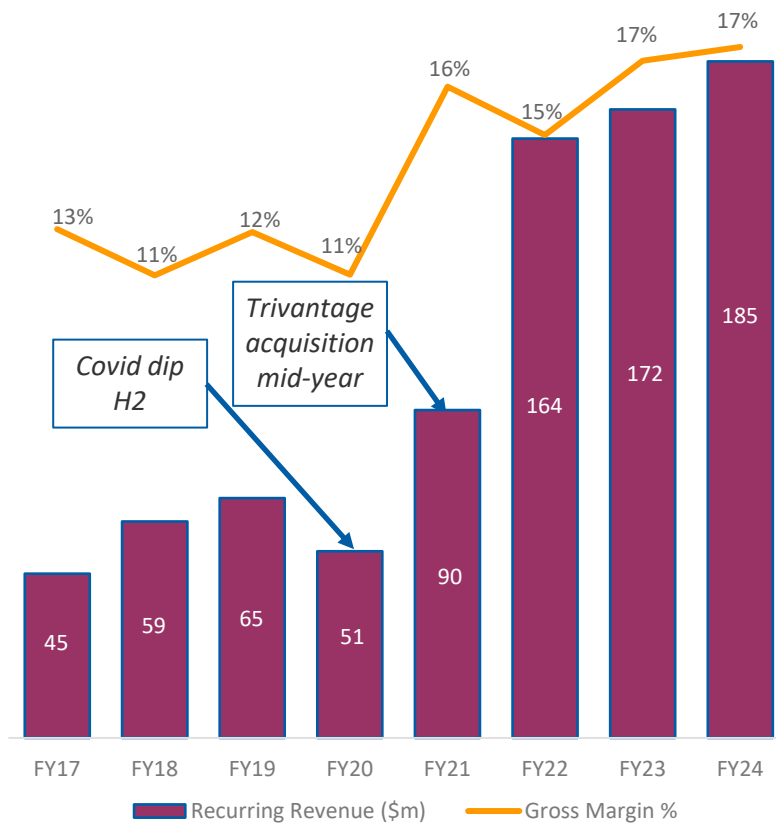
Built client since **2012**
Projects: Atlassian HQ building, Sandstone Education Building, Parramatta Square

Growth of recurring revenues and earnings



Strong track record of recurring revenues and earnings growth - FY24 recurring revenues were over 33% of total annual revenue

Recurring Revenues (\$m)



Wide range of recurring works under services, maintenance, sustaining capital, and framework agreements, including:

- Supermarket works for Woolworths and Coles
- SEME security systems maintenance at correctional facilities and hospitals
- Maintenance teams at Citic Pacific Sino Iron and Newmont Boddington Gold mines and across Rio Tinto and BHP Pilbara and Arrow Energy's Queensland operations
- Energy Queensland asset inspection agreement
- Datatel education, healthcare and local government works
- Considerable longevity in many of these arrangements

Strong shareholder returns and financial position



Shareholder returns over last eight years

(5.0 cps franked final dividend to be paid 9 October 2024)

Dividends paid (cps)							
FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
3.0	0.0	3.0	3.0	3.0	5.0	5.0	5.0
Implied yield (%)							
FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
5.2%	0.0%	5.6%	6.8%	5.6%	8.5%	7.5%	2.9%

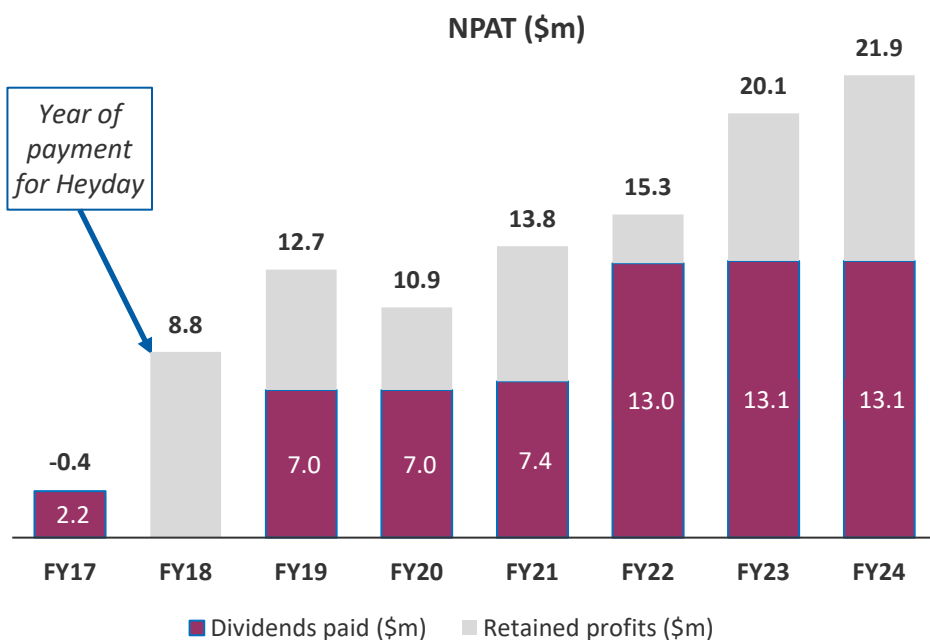
Strong cash position to support continued growth

at 30 June 2024:

	\$m
Cash	84.1
Debt	0.0
Net cash	84.1

Bank Guarantees and Surety Bonds on issue	94.1
Group Finance Facilities capacity	150.0
Bonding headroom	55.9

Franking Account balance	42.8
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Track record of successful acquisitions



Completed value-accretive acquisitions of Datatel in 2016, Heyday in 2017, Trivantage Group in 2020 and MDE Group in 2024

Actively exploring range of further acquisition targets offering increased geographic diversification and new capabilities



Offers access to communications and telco sectors

Total consideration paid \$6.2m

Implied acquisition multiple in final year of earn-out:

4.3x EBIT



Heyday Group

Entry to commercial and infrastructure sectors in

NSW and ACT

Total consideration paid \$54.1m

Implied acquisition multiple in final year of earn-out:

2.9x EBIT



TRIVANTAGE

National provider of services to supermarkets

security sector and switchboard manufacturer

Total consideration paid \$53.5m

Implied acquisition multiple in final year of earn-out:

3.4x EBIT



MDE

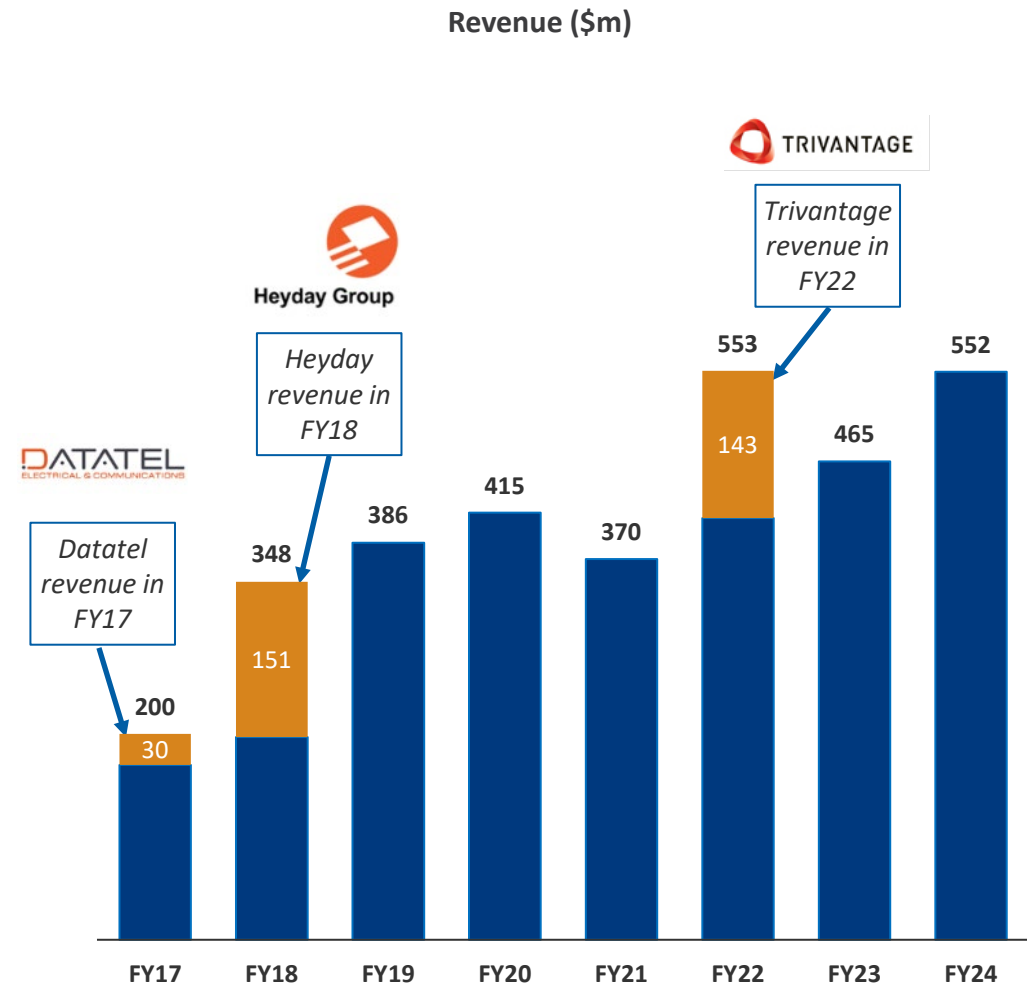
NSW provider of communications services

across multiple sectors

Total consideration to be paid by end of FY26:

\$10.55m

Revenue contribution of acquisition in first full year of consolidation





Conclusion

Conclusion



Revenue \$551.9m (FY23: \$464.7m) up 18.8% on prior year

Record EBITDA \$40.1m, EBIT \$32.7m and NPAT \$21.9m all up on record prior year *

Record profits again for all three Trivantage businesses building on record prior year

Record cash \$84.1m (30 June 2023: \$77.7m) up 8.3% on record prior year

Record Order Book \$720m (30 June 2023: \$610m) up 18.0% on record prior year

Final Dividend 5.0 cps declared and fully franked, up 25.0% on prior year Final Dividend

Collie Battery Energy Storage System biggest ever award received, now over \$200m of orders

Very strong near-term pipeline of Data Centre and infrastructure projects in NSW

Electrification and decarbonisation exposures offer huge opportunities across group

MDE acquisition completed 31 May and strong balance sheet supports further acquisitions

Anticipating FY25 EBITDA of at least \$53m with expectations of further growth in FY26 onwards

* EBITDA and EBIT are non-IFRS financial measures, for a reconciliation to statutory results see Appendix 1



Q&A

Capital Structure

ASX Code	SXE
Share Price (19 August 2024)	\$1.80
No. of ordinary shares (19 August 2024)	263.2m
Market Capitalisation (19 August 2024)	\$473.8m
No. of performance rights (19 August 2024)	4.5m
Cash (30 June 2024)	\$84.1m
Debt (30 June 2024)	Nil
Enterprise Value (19 August 2024)	\$389.7m

Shareholders at 8 August 2024

Thorney Investments	14.6%
Other Institutions in Top 30 Shareholders	21.8%
Frank Tomasi	18.0%
Directors and Executives	4.5%
Others – Retail, Private, smaller Institutional	41.1%
Total	100.0%

Appendix 1 – IFRS reconciliation



SCEE's results are reported under International Financial Reporting Standards (IFRS). SCEE discloses certain non-IFRS measures that are not prepared in accordance with IFRS. The non-IFRS measures should only be considered in addition to, and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBITDA and EBIT are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be always be comparable to EBITDA and EBIT presented by other companies.

EBITDA represents earnings before interest, income tax, depreciation and amortisation. EBIT represents earnings before interest and income tax. A reconciliation of profit before tax to EBITDA and EBIT is presented in the table on this slide.

	FY24	FY23
	\$m	\$m
Contract revenue	551.9	464.7
Contract expenses	(469.2)	(388.4)
Gross Profit	82.7	76.3
Other income	0.8	1.7
Overheads ⁽¹⁾	(43.3)	(39.8)
EBITDA	40.1	38.2
Depreciation and amortisation ⁽²⁾	(7.4)	(8.7)
EBIT	32.7	29.6
Net finance income/(expense) ⁽³⁾	(1.0)	(0.5)
Profit before tax	31.7	29.0
Income tax expense	(9.8)	(8.9)
Profit from continuing operations	21.9	20.1

(1) Employee benefits expenses, Occupancy expenses, Administration expenses and Other expenses from ordinary activities

(2) Depreciation expense, Amortisation expense and Amortisation of customer contracts and relationships

(3) Finance income and Finance expenses

Appendix 2 – selection of current projects



Synergy Collie Battery Energy Storage System – SCEE Electrical
Over \$200m



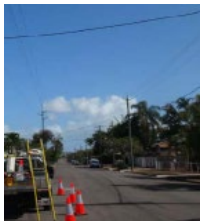
Multiplex Western Sydney International Airport - Heyday
Over \$100m



Rio Tinto Iron Ore Master Services Agreement – SCEE Electrical
Variable \$5-10m per annum



John Holland Shoalhaven Hospital Redevelopment - Heyday
Over \$30m



Ergon Energy Asset Inspection and Maintenance Services – SCEE Electrical
Over \$10m per annum



CPB Sydney Metro Pitt Street Station and Towers - Heyday
Over \$70m



Multiplex NEXTDC Artarmon Data Centre - Heyday
Over \$90m



Coles and Woolworths Supermarkets – S.J. Electric
Over \$50m per annum



BOJV Atlassian Australia HQ Building – Heyday
Over \$35m



Westgate Tunnel Switchboards – Trivantage Manufacturing
Over \$10m

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