



**Goldman Sachs
Emerging Companies Conference**

15 May 2013

Powering Australia's resources industry



Emerging Tier One provider of specialised electrical and instrumentation services

Deliver life-of-project services to large-scale resource projects across Australia

Strong reputation for safety and excellence

Established in 1978 and listed on the Australian Securities Exchange under the code SXE



Three operating divisions provide clients project life cycle support



 **scee infrastructure**



 **scee construction**



 **scee services**



Exposure to five sectors



Iron ore



LNG



CSG



Minerals & metals



Coal



Contract awards – FY13



Rio Tinto Cape Lambert Phase A

- Largest contract in Company's history at over \$100m
- Awarded under existing framework agreement

AngloGold Ashanti/Independence Tropicana Gold Project

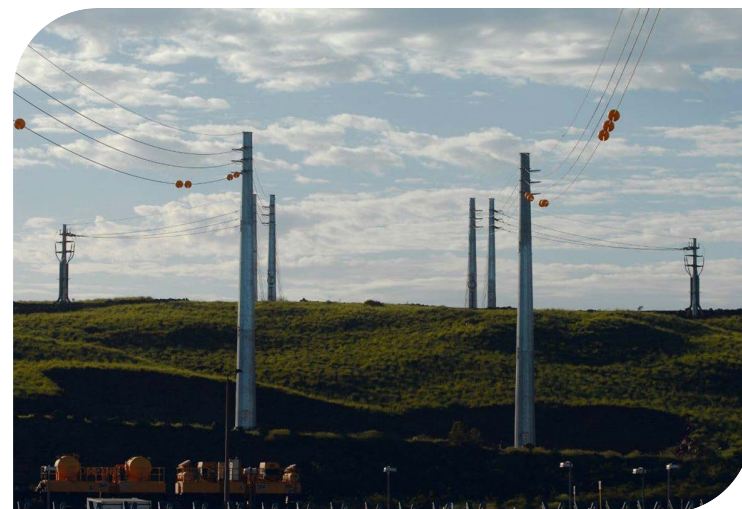
- Contract value over \$40m

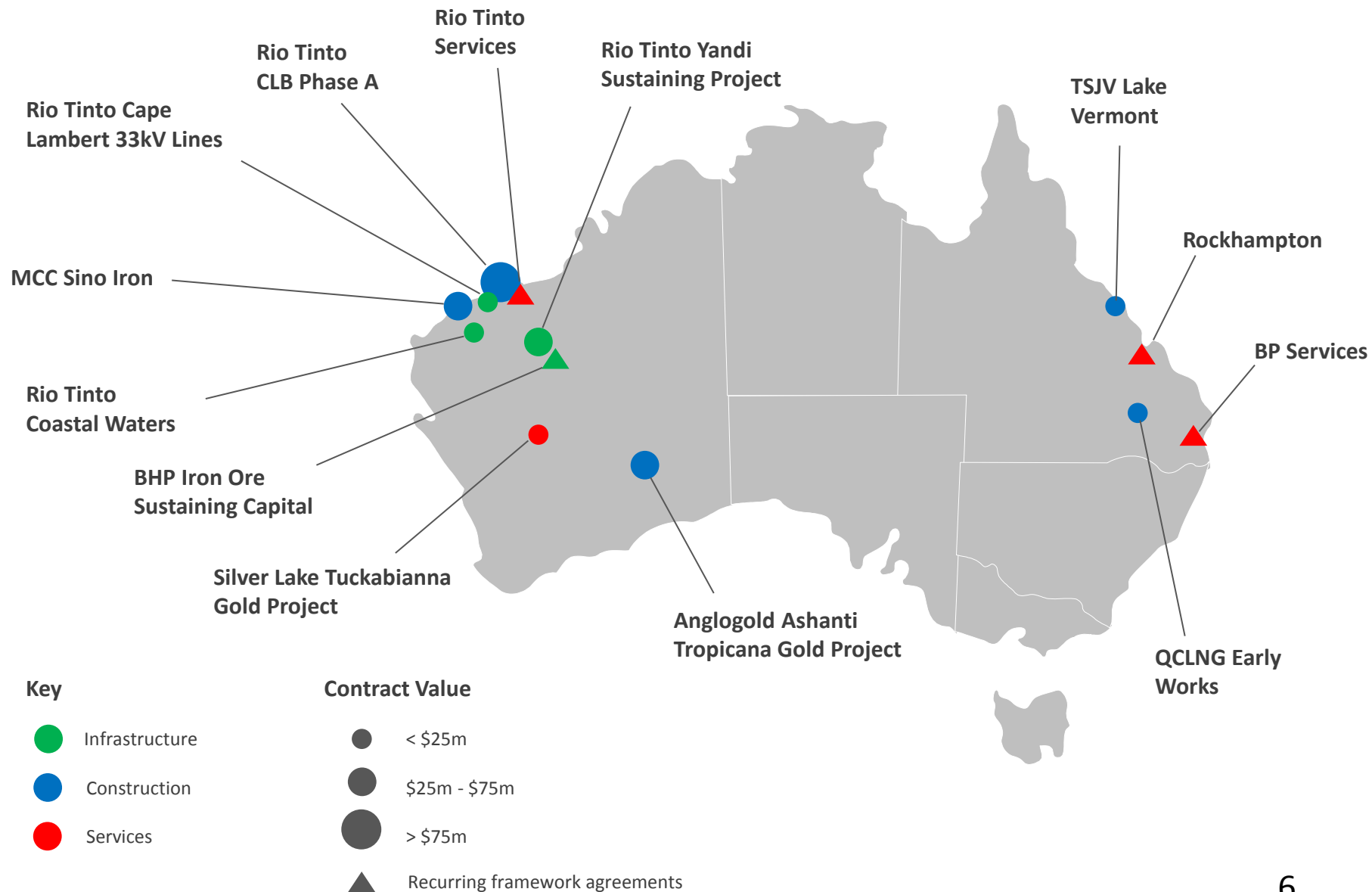
Rio Tinto Yandi Expansion Project

- Contract value over \$29m

New framework agreements

- Rio Tinto Services
- BHP Sustaining Capital





HY financial results



	HY13	HY12	Change
	\$m	\$m	%
Revenue	120.6	84.2	43%
Gross profit	24.0	17.8	35%
<i>Gross margin (%)</i>	<i>19.9</i>	<i>21.1</i>	
EBITDA	9.5	8.3	14%
EBIT	7.2	7.3	(1%)
NPAT	4.3	5.1	(17%)
<i>Net Margin (%)</i>	<i>3.5</i>	<i>6.1</i>	

Significant increase in revenue from corresponding prior period

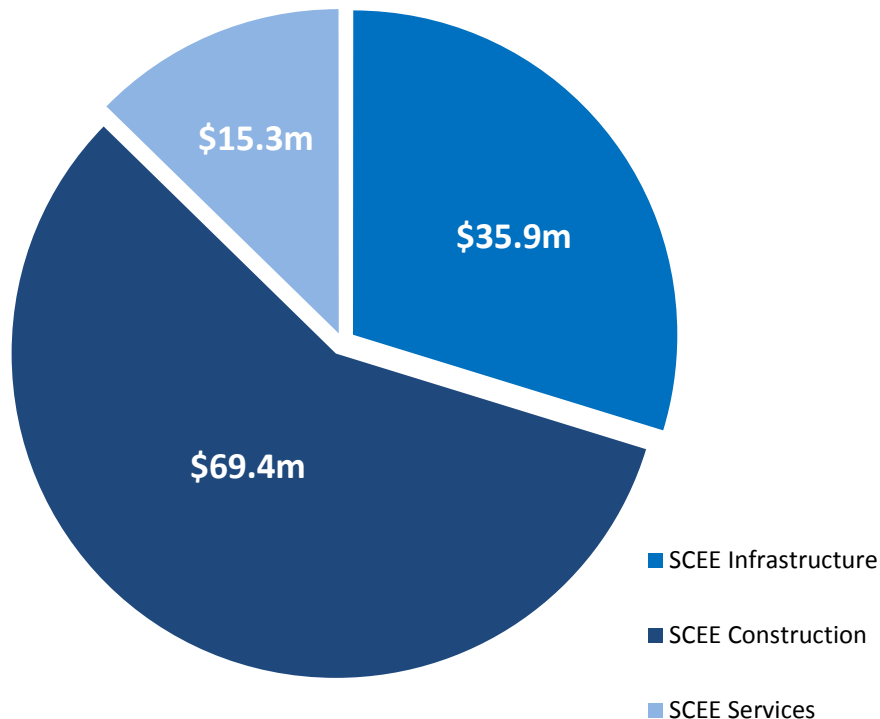
Overhead base grown to support expected higher activity levels

Key contracts awards received later in H1 than expected

Significant increase in revenue and NPAT forecast for H2

Expect strong full year result

Revenues by operating division



Main contributors:

SCEE Infrastructure

- Rio Tinto Coastal Waters
- Rio Tinto Yandi Expansion
- Rio Tinto Cape Lambert 33kV

SCEE Construction

- MCC Sino Iron
- AngloGold Ashanti Tropicana
- QGC Early Works
- TSJV Lake Vermont
- Rio Tinto Early Works

SCEE Services

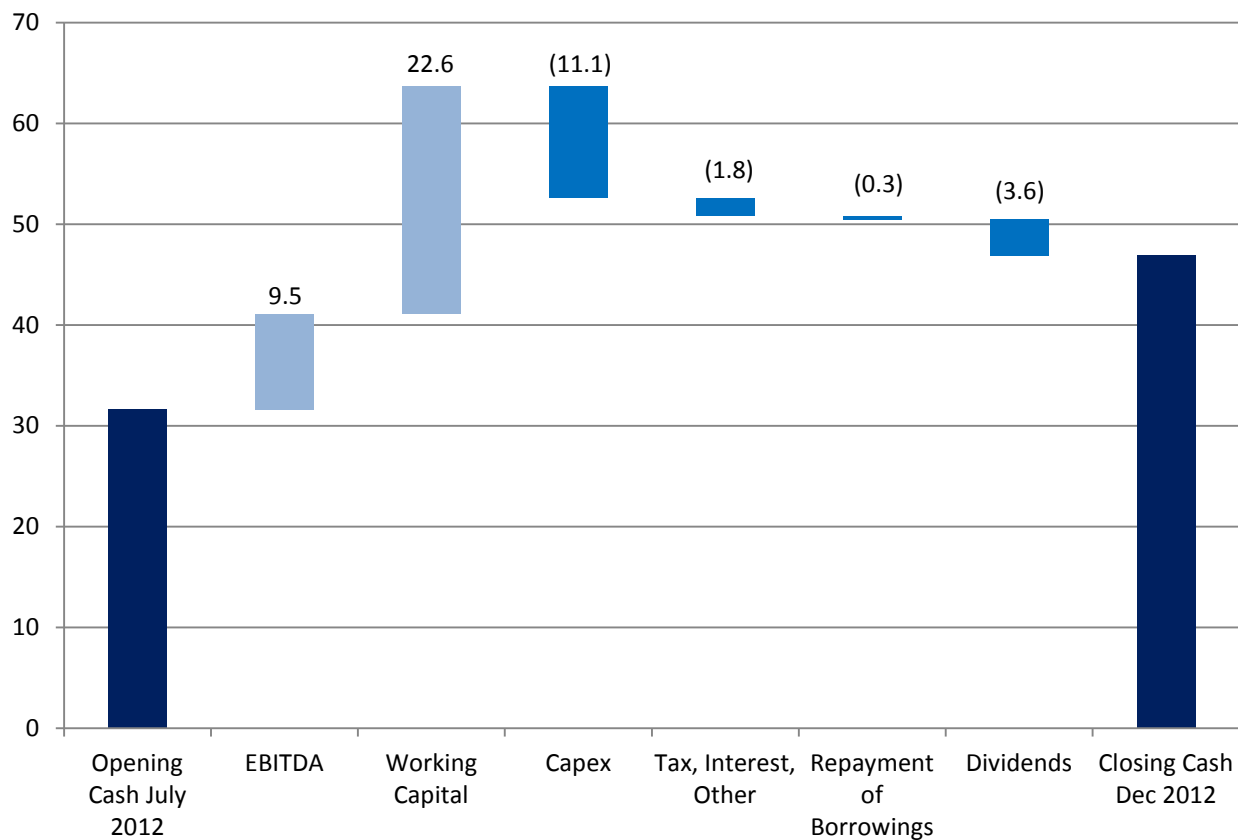
- Rio Tinto Services

Balance sheet



	Dec 12 \$m	Jun 12 \$m	
Current assets	110.2	91.9	\$46.9m cash balance
Non current assets	47.8	34.7	
Total assets	158.0	126.6	\$15.6m investment in plant and equipment
Current liabilities	61.2	33.4	\$5.4m debt
Non current liabilities	8.9	6.4	
Total liabilities	70.1	39.8	\$60.0m banking and bonding capacity of which \$35.7m on issue at 31 December 2012
Equity	87.9	86.8	

Cashflow



Strong operating cash inflow

\$11.1m cash outflow on plant and equipment

FY12 dividend of \$3.6m paid

Historical results summary

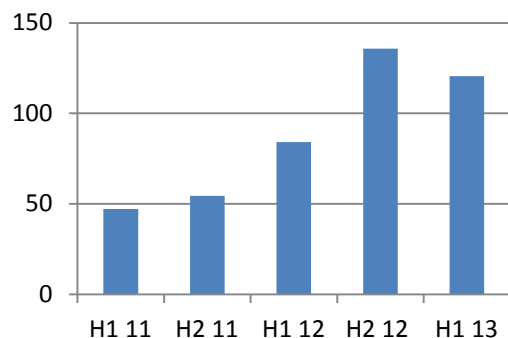


	2011		2012		2013
	H1 \$m	H2 \$m	H1 \$m	H2 \$m	H1 \$m
Revenue	47.3	54.5	84.2	135.8	120.6
Gross profit	2.3	13.9	17.8	25.6	24.0
<i>Gross margin (%)</i>	<i>4.9</i>	<i>25.5</i>	<i>21.1</i>	<i>18.9</i>	19.9
EBITDA	(5.4)	6.1	8.3	13.9	9.5
EBIT	(6.3)	5.2	7.3	12.1	7.2
NPAT	(4.8)	3.1	5.1	8.6	4.3
Net margin (%)	-10.1	5.7	6.1	6.3	3.5
<i>Dividends (cps)</i>	0.0	0.0	0.0	2.25	0.0
Net Cash	(8.1)	22.8	16.8	30.0	41.5
Net Assets	37.1	72.7	78.3	86.9	87.9

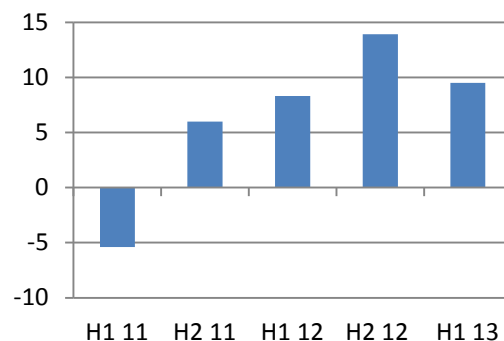
Financial trends



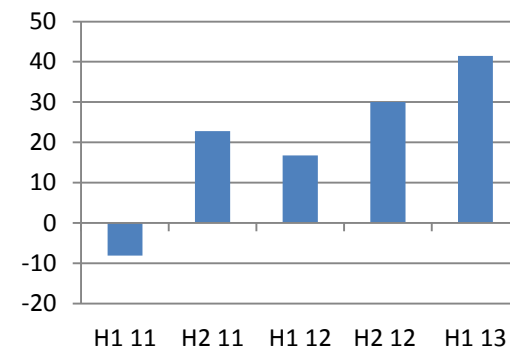
Revenue (\$m)



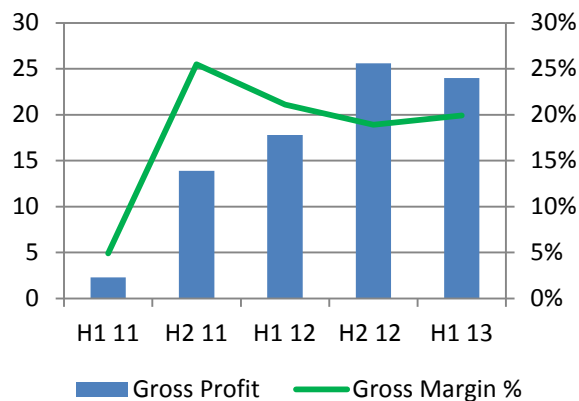
EBITDA (\$m)



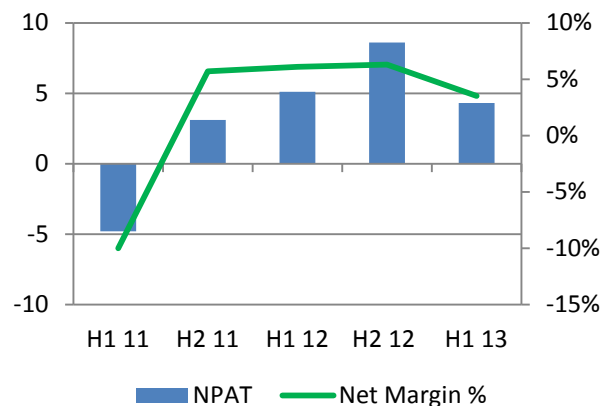
Net Cash (\$m)



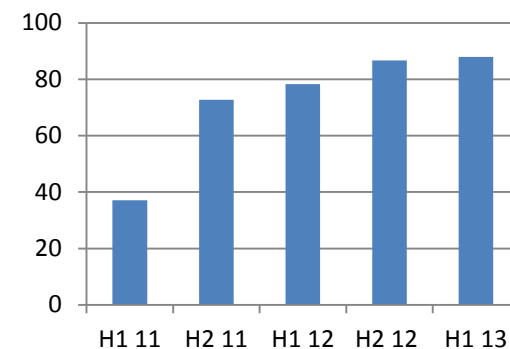
Gross Profit (\$m) and Gross Margin



NPAT(\$m) and Net Margin



Net Assets (\$m)

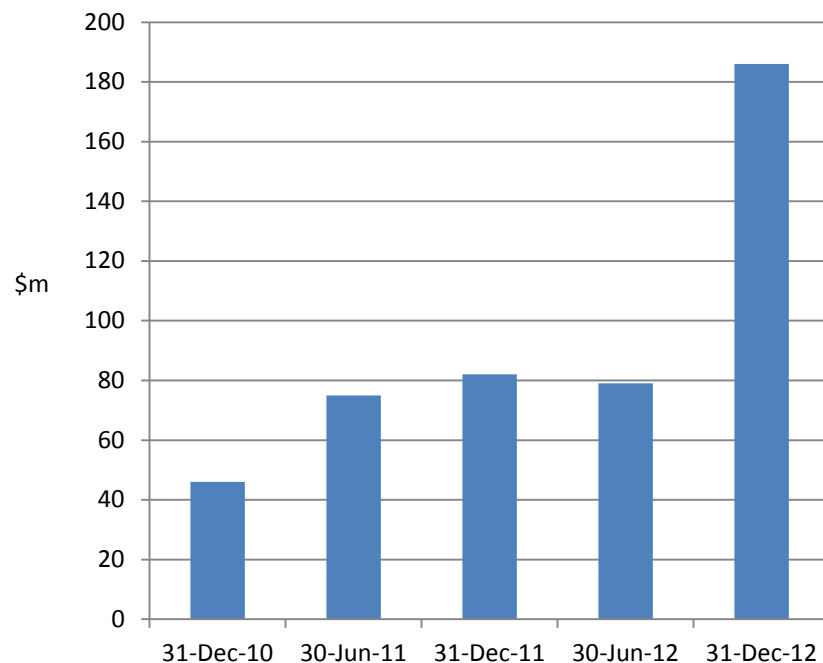


Our vision



An emerging Tier One E&I contractor with first class systems, health and safety performance, a can-do culture and exceptional reputation

Order book at 31 December 2012



Order book at 31 December 2012 included \$46m of orders for FY14

Ongoing works:

- Rio Tinto Cape Lambert Phase A
- AngloGold Ashanti Tropicana Gold Project
- Rio Tinto Coastal Waters
- Rio Tinto Yandi Expansion

Order book excludes work under recurring framework agreements – typically \$2m/month

Work continuing on further significant tenders

Strong full year expectations



Revenue and NPAT to significantly improve in H2 as key projects ramp up

Overheads as a percentage of revenue in H2 to return to levels equal to or lower than FY12

Increased commercial focus from clients

Ability to meet those expectations dependent on:

- Volume of activity on key projects remaining in line with current schedules

- Commercial close out of QCLNG Early Works and Lake Vermont projects

Opportunity pipeline



Iron ore

Rio Tinto Cape Lambert Phase B, BHP Sustaining Capital, BHP Major Projects Framework Agreement, BHP Nickel West Maintenance Framework Agreement, Sino Iron Trains 3 to 6, Hancock Prospecting Roy Hill

LNG

Chevron Wheatstone, Inpex Ichthys, Chevron Gorgon, QCLNG, APLNG, GLNG

CSG

QCLNG, APLNG and GLNG upstream

Minerals & metals

Orica Tan Burrup nitrate plant, Newcrest Cadia expansion, sustaining capital projects

Coal

Anglo American Grosvenor, Adani Mining Queensland Coal

LNG offers unprecedented growth

Up to \$7bn of E&I work to be performed in Australia over the next five years on projects with FID

Additional work expected from projects in FEED

Formed KSJV with highly regarded international E&I contractor Kentech in December 2012

50:50 unincorporated joint venture targeting E&I work on Australian onshore LNG construction projects

E&I packages on LNG construction projects expected to be in the range of \$400m-\$500m

Tendering commenced in H2 FY13



Growing recurring revenues



Growth of services business fundamental to long term growth strategy

SCEE Services brand established from 1 July 2012

Framework agreements in place with Rio Tinto and BHP

Targeting existing and new LNG facilities – Gorgon, Pluto and NWS

Upstream CSG workflow over long-term



Health and safety



Continual focus on performing our work safely

LTI free in the period

Eight years LTI free in Australia

Purpose built training facilities and training programs aimed at maintaining these high standards



Systems development



SCEEtrak project management system development on schedule and on budget

New ERP selected and phase one of implementation scheduled to go live June 2013



Growing our people

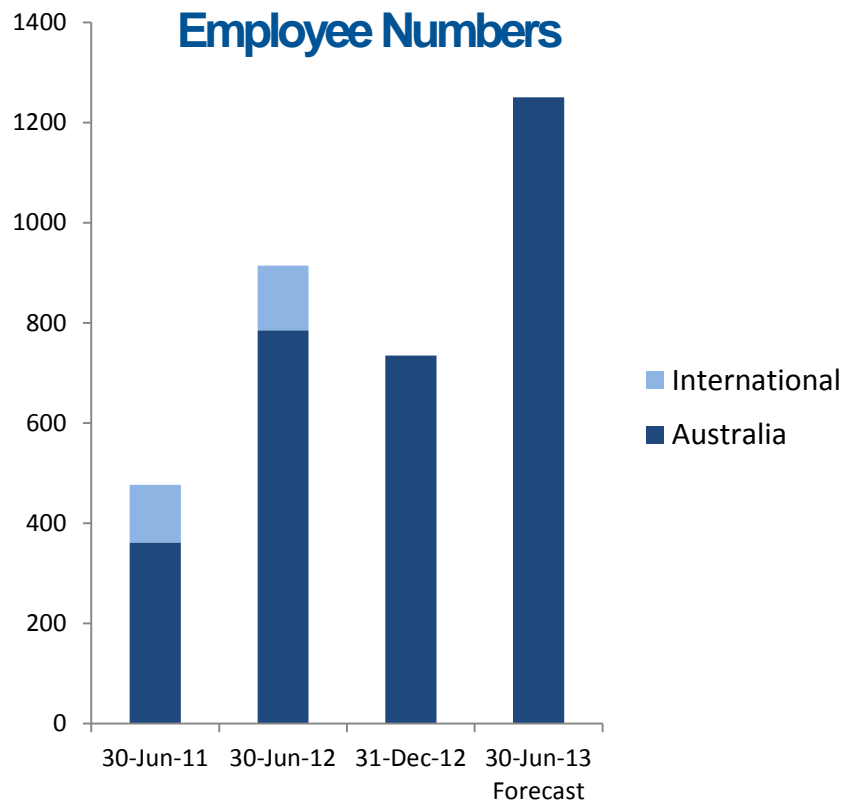


Return to growth in employee numbers as activity increases in H2

Recruitment and training valuable part of company growth and development

Dedicated training managers, facilities and training management systems

Apprenticeship program has high retention rates



Client recognition



Rio Tinto Iron Ore Supplier Recognition Program

Winner of 2012 Construction Category

Recognition of the significant value added by SCEE

Demonstrates SCEE's ongoing commitment to outstanding levels of client service

Second half to be stronger than first half



- Order book of \$186m at 31 December 2012 supports growth in full year revenues
- Increased overhead base supporting growth in the business
- Overheads as a percentage of revenue expected to reduce in H2
- Increased commercial focus from clients
- Strong full year result expected
- Continued investment in our people, systems and equipment
- Framework agreements in place with key clients
- KSJV formed to target unprecedented LNG activity



Non-IFRS financial information



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

EBIT and EBITDA are a non-IFRS earnings measure which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to EBIT and EBITDA presented by other companies. EBIT represents earnings before interest and income tax. EBITDA represents earnings before interest, income tax, depreciation and amortisation.

EBIT and EBITDA Reconciliations:

	2011		2012		2013
	H1	H2	H1	H2	H1
	\$m	\$m	\$m	\$m	\$m
Profit before tax	(6.6)	4.7	7.6	12.1	7.1
Finance expense	0.4	0.6	0.4	0.4	0.4
Finance income	(0.1)	(0.1)	(0.7)	(0.4)	(0.3)
EBIT	(6.3)	5.2	7.3	12.1	7.2
Depreciation	0.8	0.8	0.9	1.7	2.2
Amortisation	0.1	0.1	0.1	0.1	0.1
EBITDA	(5.4)	6.1	8.3	13.9	9.5

Disclaimer



Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect Southern Cross Electrical Engineering Limited’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of Southern Cross Electrical Engineering Limited.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Southern Cross Electrical Engineering Limited’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.