



Investor Presentation Insider Webcast



10 November 2021

Our businesses



Southern Cross Electrical Engineering Limited (“SCEE Group”) is an electrical, instrumentation, communications and maintenance services company established in 1978 and listed in 2007 (ASX:SXE). The acquisitions of Datatel in 2016, Heyday in 2017 and Trivantage in 2020 means SCEE Group operates across three broad sectors of Infrastructure, Commercial and Resources



SCEE Electrical is the original operating business, historically focussed on resources and industrial but more recently diversified into transport, infrastructure, defence, utilities, and renewables

Datatel is a telecoms and communications specialist and provides services to the education, health, government, resources and transport sectors

Heyday is a NSW and ACT-based electrical contractor servicing the commercial and fit-out sector, and the retail, education, health, hotel, defence, datacentres, and residential sectors

S.J. Electric is a national provider of electrical and maintenance services to the supermarkets, retail and commercial sectors

SEME Solutions provides electronic security services to the resources, law enforcement, custodial, industrial, and health sectors

Trivantage Manufacturing is a leading manufacturer of premium quality switchboards to a range of end users

Highlights



FY21

Work mix changed as resources activity increased and transport infrastructure declined

Full year revenue of \$370.2m down 10.8% on prior year

Workforce doubled in year to a record 1,800 employees

Second half a record half of activity up 73.4% on first half

EBITDA* of \$29.6m up 37.0% on prior year

NPAT of \$13.8m up 26.6% on prior year

Result included \$1.6m acquisition costs and \$1.7m intangibles amortisation for Trivantage

Strong balance sheet with cash of \$51.0m and no debt at 30 June 2021

Increased fully franked 4.0 cents per share dividend declared and paid on 9 November 2021

Operations

Rio Tinto Gudai-Darri and Albemarle Kemerton Lithium at high levels of activity

Now complete East Coast return to work following Q1 coronavirus lockdowns

Supermarkets electrical expenditure continuing at high levels

Trivantage acquisition continuing to outperform earn-out targets

Trivantage acquisition offering considerable cross-selling opportunities

Now a focus on realising integration synergies across the group including internal supply of switchboards

Decmil arbitration at discovery phase with hearing expected next calendar year

Co-location of SCEE, Datatel and Trivantage WA businesses into new Perth CBD head office successfully completed last week

Outlook

Targeting FY22 revenues of circa \$500m and EBITDA in range of \$29m-\$33m

Significant growth opportunities presenting in resources sector although labour availability may constrain some growth in near term

In commercial sector many opportunities in developments around transport hubs - recent Pitt Street South Tower win

Infrastructure strong with Sydney Metro, and multiple “soft” infrastructure opportunities – hospitals, government buildings, datacentres, education

Announced over \$150m of project wins already in FY22 including:

- Western Sydney International Airport Terminal – largest win in group’s history
- Rio Tinto Tom Price battery storage – major renewables project

Order book now over \$500m

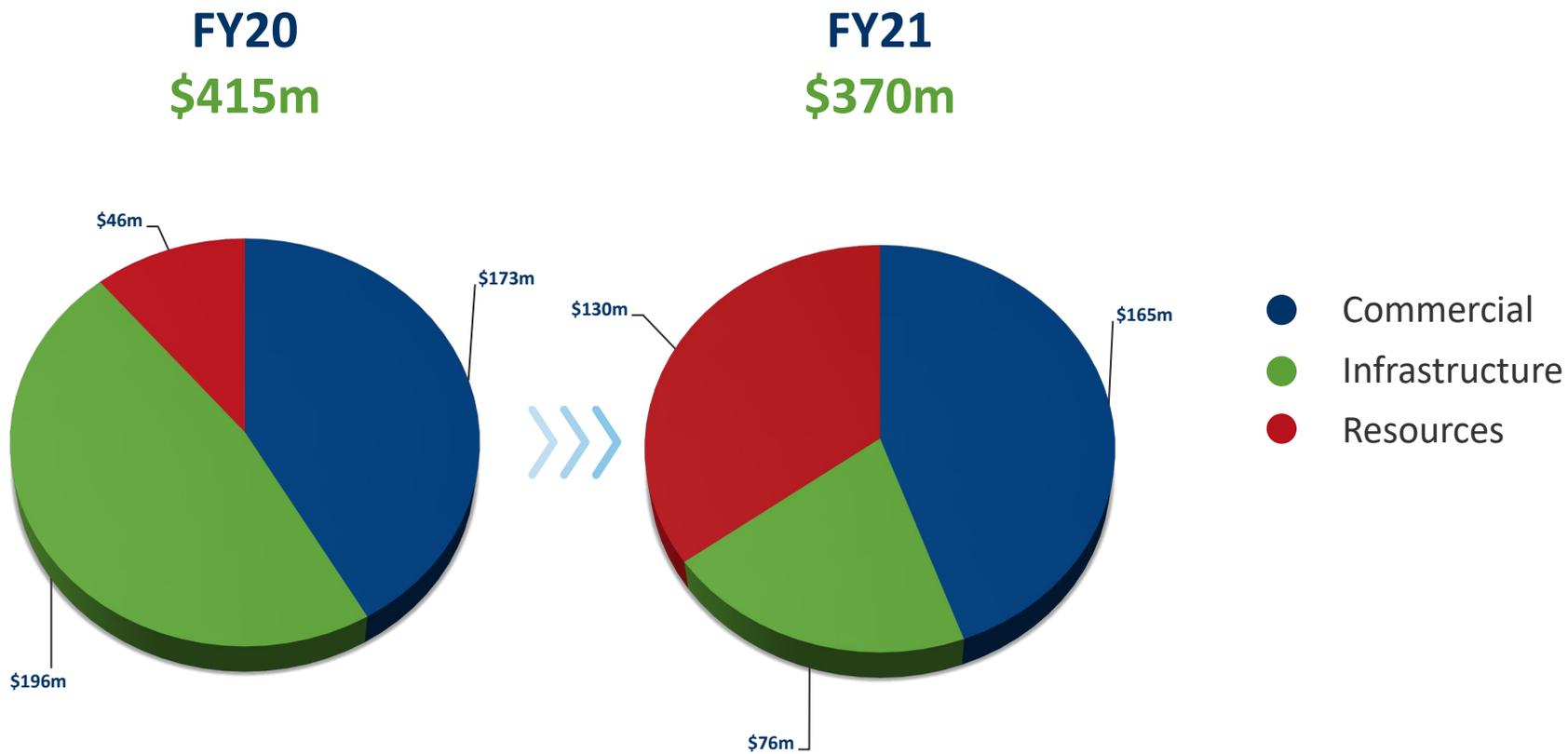
Continuing to pursue acquisitions

* EBITDA is a non-IFRS financial measure

Revenue split

Commercial largest sector by revenue

Resources revenues doubled in FY21



FY21

Construction was designated an essential service in all states throughout FY21

Operations generally continued as planned but coronavirus had impacts throughout year including:

- Inter-state travel restrictions
- Delayed mobilisation on some projects
- Some unproductive time not fully recoverable
- Additional recruitment requirements
- Changes to work methodologies
- Additional cleaning and PPE costs

Post-FY21

Post 30 June lockdowns on East Coast resulted in total Sydney construction shutdown for part of July and later shutdowns in Victoria

Costs minimised as workforce stood down and works are delayed rather than lost

East Coast full return to work only just recently completed

On West Coast, where significant growth opportunities in resources sector are presenting, interstate labour travel restrictions may constrain in near term

Full year forecasts unaltered but will be a split between halves as delayed works not caught up until second half

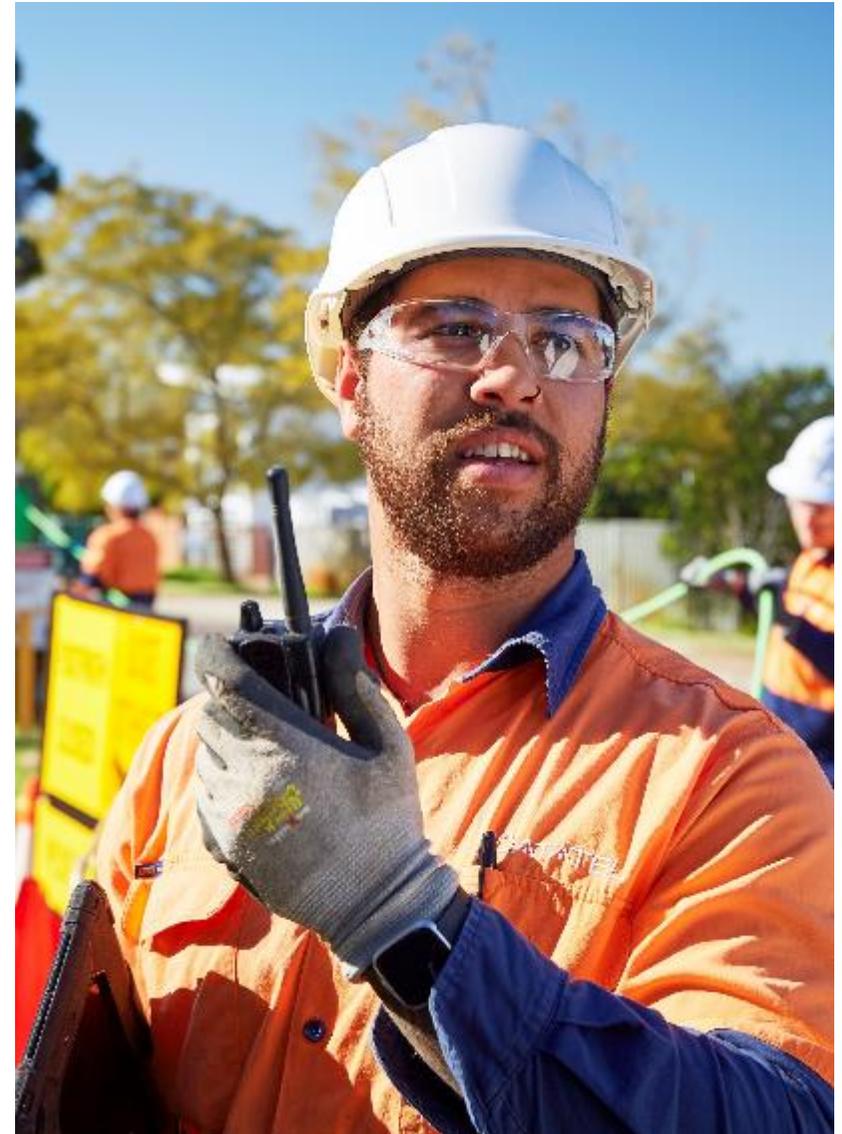
Strategy

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

Our growth strategy continues to be to deepen our presence in those sectors and broaden our geographic diversity

This includes particularly targeting maintenance and recurring earnings. The acquisition of Trivantage substantially increases SCEE's exposure to service and maintenance style work

We continue to pursue further acquisition opportunities



Resources sector

Resources activity more than doubled on prior year as major mining projects ramped up – added net 400 workers in second half FY21

Significant revenue contributors included Albemarle Kemerton Lithium Plant, Rio Tinto Gudai-Darri and Rio Tinto Gove – some of these projects have significant potential to expand with extra trains sanctioned

Pipeline continues to increase where new growth opportunities are presenting in resources sector across multiple commodities – iron ore, lithium, LNG, fertilizers, nickel and bauxite

Interstate labour travel restrictions may constrain ability to maximise growth in near term but expected to ease with vaccination rollout and workarounds

Near term tendering on safety and lighting upgrade projects at BHP mine sites – requires a cross-group response with inputs from SCEE, Datatel and Trivantage SEME businesses

Geoff Baudains has commenced in the newly created position of “Chief Executive Officer - SCEE Electrical”

SCEE Electrical business 16.8 million man-hours and over 18 years Lost Time Injury free in Australia



AFR, 1 September 2021: “...investment required to decarbonise the planet is estimated to be more than...\$41 trillion”

Decarbonisation impacts resources sector two-fold:

- Decarbonisation of operations – initiatives under way by multiple mining companies including Rio, BHP and FMG for battery, solar and wind projects
- Demand for commodities for global decarbonisation - energy and raw materials availability driving Australian developments – lithium, copper, nickel, hydrogen, fertilisers, urea

SCEE positioned to offer electrical, instrumentation, powerline, network and communications services - at 2021 NECA WA Awards Agnew Hybrid Renewable team won Medium Industrial Award

Last week announced a major renewables project with Rio Tinto for battery storage at Tom Price

SCEE leveraged across many aspects of decarbonisation chain :

- solar farms in NSW – Parkes, Griffiths, Dubbo and Narromine
- lithium and copper projects
- metal recycling plants
- supermarket refrigeration power efficiencies
- green buildings design optimisation
- manufacture underground mine electric vehicle fast charging systems and remote mine site solar boom gates



Infrastructure sector

Wide sector for SCEE, primarily driven by governmental expenditure although some areas have varying levels of private investment

Includes transport, road, rail, utilities, defence, and telco, but also “softer” sectors such as health and aged care, education, prisons, datacentres and agriculture facilities

Record levels of transport investment sanctioned with peak activity still to come representing a medium-term opportunity

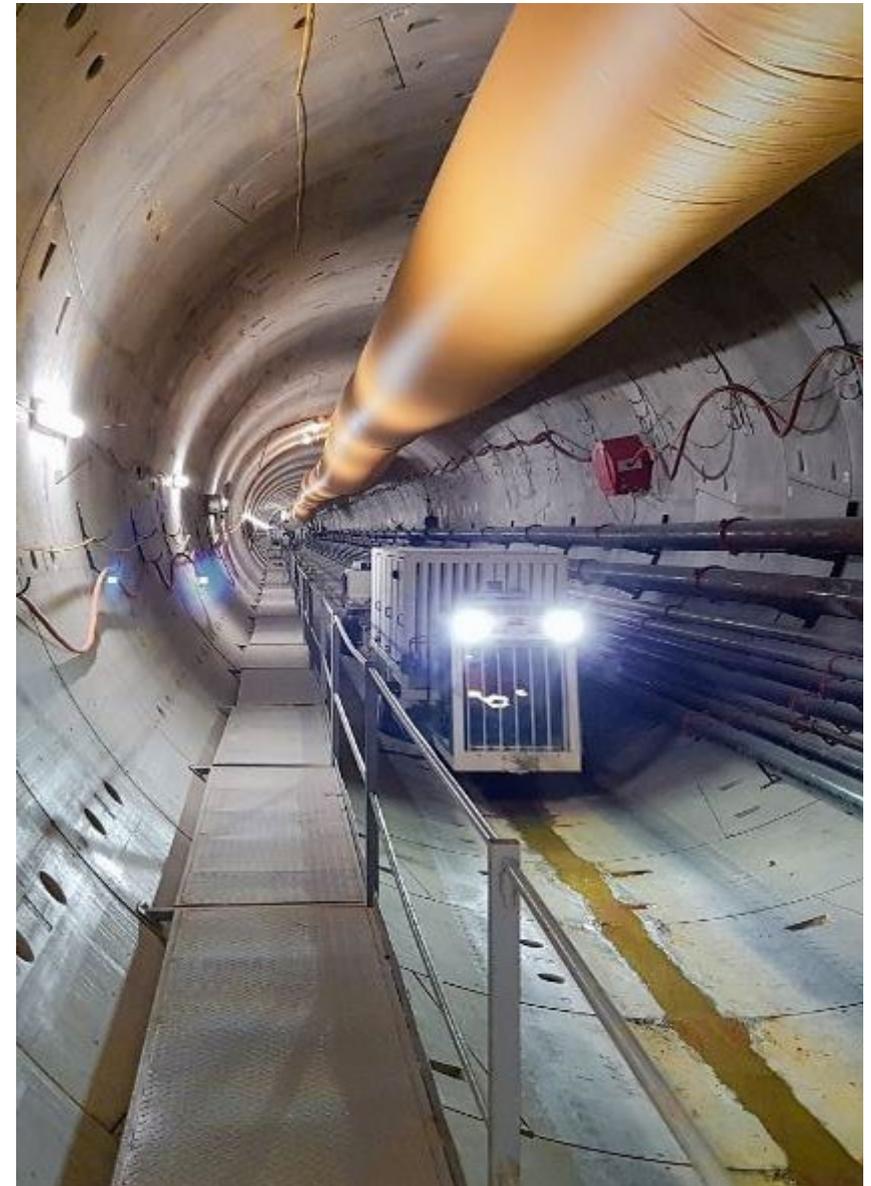
In short-term Pitt Street Metro Station project will start to ramp up in second half and Trivantage Manufacturing is supplying a package of medium and low voltage switchboards for the Westgate Tunnel Project in Melbourne’s western suburbs

Sydney Metro presenting multiple further packages and flowing on into commercial opportunities going forward

Other East Coast infrastructure opportunities are strong – NSW hospitals, government buildings and datacentres all being bid

In the water and sewage sector a range of electrical works and switchboard supplies secured in Queensland and Tasmania at water treatment plants

Ergon Energy Service Agreement in northern QLD ongoing



Western Sydney International Airport

Recently announced Multiplex awarded Heyday contract for electrical and communications services for the Western Sydney International Airport terminal

Value of award over \$100m and largest win in SCEE Group's history

Construction due to commence later this year with passenger services and cargo operations to begin in late 2026.

Will be one of the most advanced passenger terminals in the world

Further packages at airport which is centrepiece of significant infrastructure and commercial developments in the Western Sydney region



Commercial sector

Commercial remained largest sector by revenue in FY21

The Sydney CBD office construction market quieter than in recent times but there are significant targets being tendered there

Recently announced Pitt Street South Tower, Bankstown City Campus, and in the ACT the Queanbeyan Civic and Cultural Precinct

Further commercial developments around Sydney transport infrastructure hubs are anticipated to be a growing revenue stream

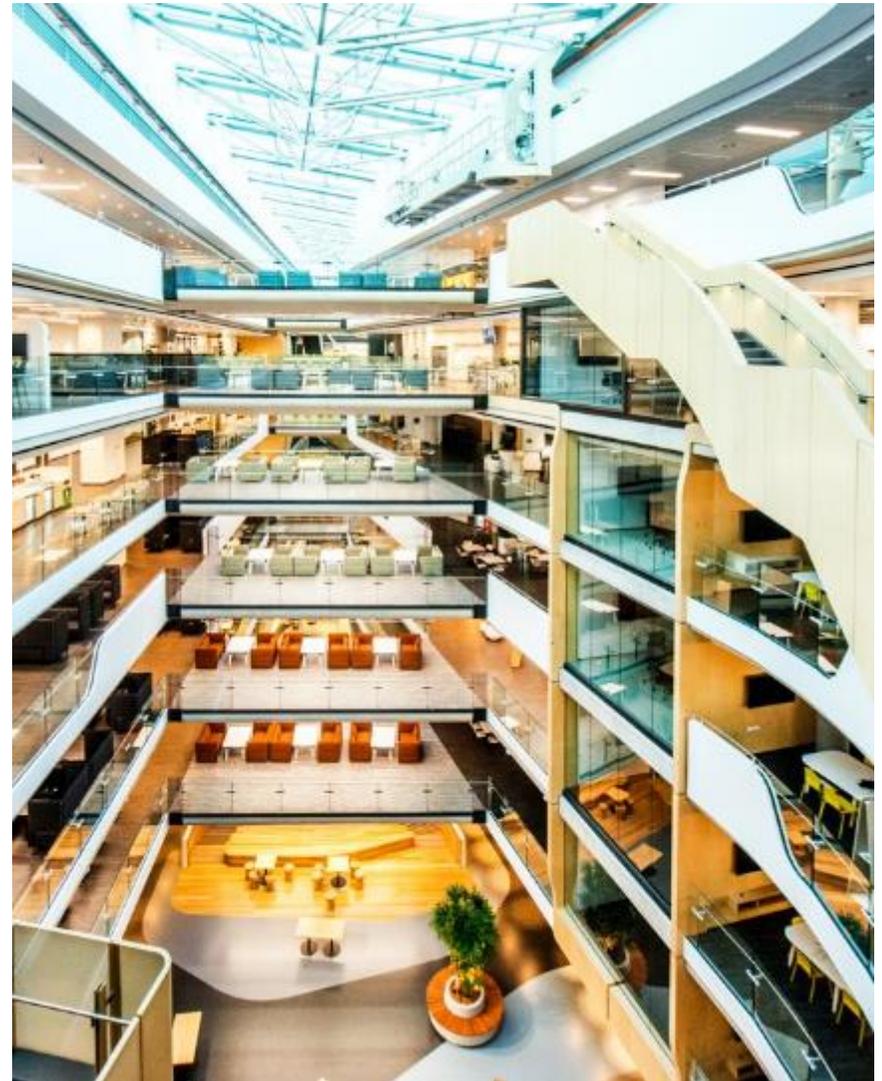
Also bidding on mixed commercial-residential and retail opportunities in Canberra, Adelaide and Perth

First internal supply of Trivantage Manufacturing switchboards to a Heyday commercial project underway

Sector now includes a contribution from Trivantage's resilient supermarket services business with nationwide coverage

The acquisition has substantially increased SCEE's exposure to recurring and services maintenance style work

Supermarkets investing heavily in IT and store renewals and in new store formats/fit out options



Conclusion and outlook



- FY21 profits ahead of target with EBITDA* of \$29.6m up 37.0% and NPAT of \$13.8m up 26.6% on prior year
- Balance sheet remains strong with cash of \$51.0m and no debt at 30 June 2021
- Increased fully franked 4.0 cents per share dividend paid on 9 November
- Trivantage acquisition exceeded expectations with all businesses outperforming forecasts and earn-out targets
- Workforce doubled in FY21 to a record 1,800 employees
- Targeting FY22 revenues of circa \$500m and EBITDA in range of \$29m-\$33m
- Order book now over \$500m
- Significant growth opportunities in resources and infrastructure sectors
- Commercial activity picking up again and supermarkets business very resilient
- Western Sydney International Airport terminal will underpin Heyday revenues for some years
- Leveraged across many aspects of decarbonisation chain

* EBITDA is a non-IFRS financial measure, for a reconciliation to statutory results see Appendix