



SAUNDERS | *AquaMetro*

Acquisition Transaction Overview

15 July 2025

An Australian multidisciplinary company providing
Engineering, Construction and Industrial Asset Services

Important Notice and Disclaimer

This presentation (**Presentation**) has been prepared by Saunders International Limited (ACN 050 287 431(**Saunders**) in relation to its proposed acquisition of Aqua Metro (**Target**) as set out in further detail in this Presentation (the **Acquisition**).

Summary information: This Presentation contains summary information about Saunders and its activities which is current only as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which an investor may require in evaluating an investment in Saunders or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (Corporations Act).

This Presentation should be read in conjunction with Saunders' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at <https://www.asx.com.au/>. Reliance should not be placed on information or opinions contained in this Presentation, noting that this Presentation does not take into consideration the investment objectives, financial situation or needs of any particular investor. Subject only to any legal obligation to do so, Saunders does not have any obligation to correct or update the content of this Presentation. Certain information in this Presentation relating to the Target has been sourced from the vendors of the various Target entities and businesses being acquired and their representatives. Although steps have been taken to review that information, no representation or warranty, express or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. If any information provided to, and relied on, by Saunders in its due diligence of the Target and its preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of the Target (and the financial position of Saunders post-completion of the Acquisition) may be materially different to the expectations reflected in this Presentation. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Saunders nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications. This Presentation may also contain trademarks and trade names of third parties, which are the property of their respective owners. Third party trademarks and trade names used in this Presentation belong to the relevant owners and use is not intended to represent ownership, approval or association by or with Saunders.

Not an offer: This Presentation is not a prospectus, product disclosure statement, disclosure document or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction and neither this Presentation nor any of its contents will form the basis of any such contract or commitment.

Not investment advice: This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation by Saunders or its advisers to subscribe for or acquire Saunders shares and does not and will not form any part of any contract for the acquisition of such shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Saunders and the impact that different future outcomes may have on Saunders.

Important Notice and Disclaimer (cont.)

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or their specific needs. Before making an investment decision, investors should consider the appropriateness of the information in this Presentation having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Saunders is not licensed to provide financial product advice in respect of Saunders shares. Cooling off rights do not apply to any acquisition of Saunders shares.

Future performance: This Presentation contains certain 'forward-looking statements'. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions. Forward-looking statements in this Presentation include statements about the timing and outcome of the Acquisition, the anticipated synergies, investment highlights, financial impacts and benefits of the Acquisition, the future performance and opportunities for growth Saunders following the completion of the Acquisition, as well as the plans, strategies and objectives of Saunders management. Indications of, and guidance on, future earnings and financial position and performance, projections, expected margin improvements and Saunders's outlook for the future are also forward-looking statements. Such statements represent Saunders's current views with respect to future events and are necessarily based on various assumptions and estimates that, while considered reasonable by Saunders, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties.

The forward-looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Saunders, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Actual results, performance or achievements may vary materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of Saunders's business strategies and the proposed Acquisition, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

Various important factors could cause actual results or performance to differ materially from the forward-looking statements. No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to Saunders as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Saunders undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Risks of the Acquisition: The Acquisition presents various risks for Saunders. The key risks associated with the Acquisition are summarised in **Appendix A**.

Investment risk – general: An investment in Saunders shares is subject to investment and other known and unknown risks, many of which are beyond the control of Saunders and its directors. Saunders does not guarantee any particular rate of return or the performance of Saunders, nor does it guarantee the repayment of capital from Saunders or any particular tax treatment. Before making an investment decision, investors should consider the appropriateness of the information in this Presentation having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Saunders is not licensed to provide financial product advice in respect of Saunders shares. Cooling off rights do not apply to any acquisition of Saunders shares.

Transaction Summary

Overview

- Date Announced: 15 July 2025.
- Acquirer: Saunders International Limited (ASX: SND).
- Target: Aqua Metro Pty Ltd and associated entities.
- Transaction Structure: Share Sale Agreement to acquire 100% of issued shares.

Strategic Rationale

- Specialists in water sector services.
- Strong capabilities across design, engineering and project delivery.
- Generates stable, annuity-style revenue through long-term agreements with utilities and government agencies.
- Enhances Saunders' offering in the water sector and strengthens its end-to-end infrastructure services offering.
- Established relationship built on project success and cultural alignment.
- Supports geographic expansion into key growth markets.



Transaction Summary (cont.)

Transaction Value & Consideration

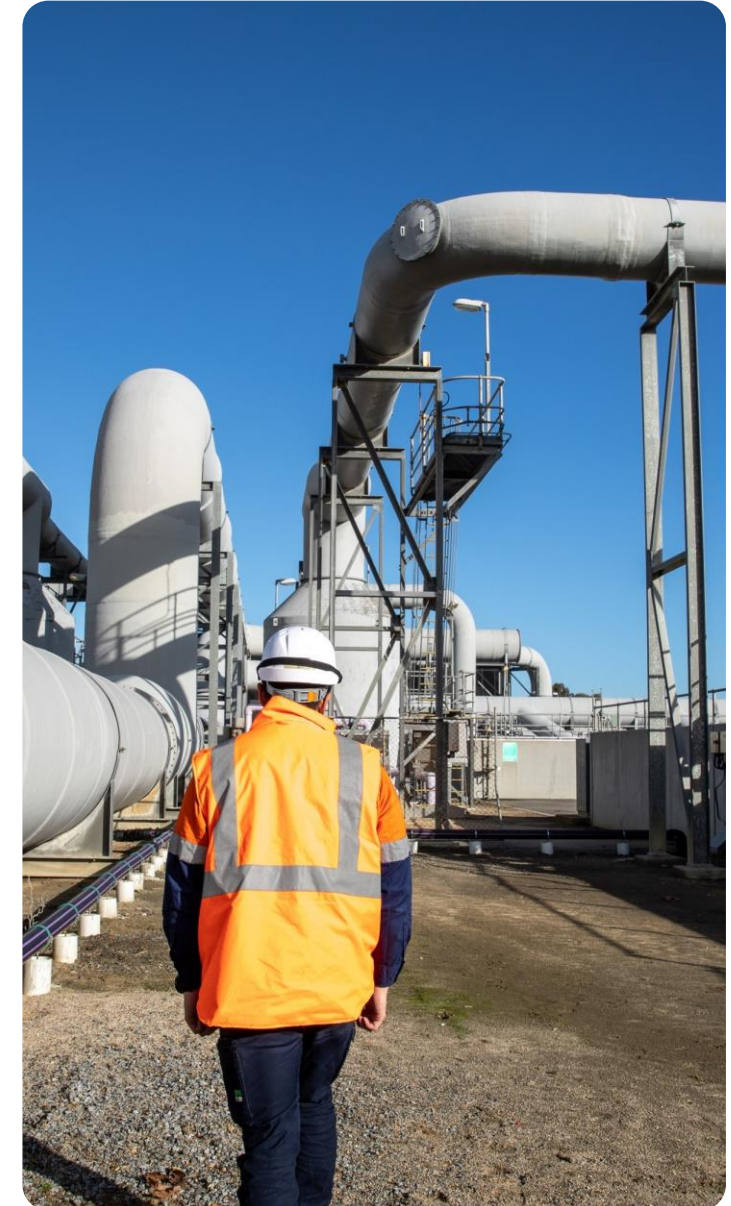
- Saunders will acquire Aqua Metro for up to \$30.0 million.
- Initial payment: A\$11.0 million in cash and A\$7.0 million equity.
- Earn-out: A\$7.0 million cash and A\$5.0 million equity, based on a 4x EBIT performance on the average of FY2025 and FY2026 EBIT, subject to a maximum earn-out cap of \$12.0 million.
- Equity consideration is subject to shareholder approval and a 12-month escrow on each issue.
- Transaction is cash-free, debt-free and includes sufficient working capital and operational assets.

Acquisition Funding

- \$5.0 million raised via an institutional placement; and
- \$10.0 million in acquisition debt financing; (of which \$8.0 million will be drawn) and
- Saunders cash reserves.

Conditions and Timing

- Subject to customary closing conditions including change of control consents from counterparties to Aqua Metro's material contracts, continuing correctness of various warranties Aqua Metro has provided to Saunders under the agreement, no material adverse change in the Aqua Metro business before closing and various procedural conditions.
- In addition, Saunders is consulting with ASX under Listing Rules 11.1.
- Subject to the satisfaction of these conditions, Saunders expects that the acquisition will complete in the first quarter of FY2026.



Aqua Metro Overview

- Aqua Metro is a leading end-to-end delivery partner for design, engineering and project execution in the water industry
- Broad Victorian reach in both urban and rural areas
- Client focused approach with established long-term relationships with leading utilities and government agencies
- Holds positions on four major water authority panels
- Diversified customer base, including clients complementary to Saunders
- A skilled workforce consisting of 100+ people
- Demonstrable track record of delivering 300+ projects and significant growth in recent years
- Well positioned to continue to drive organic growth, with more than a \$411m* order book (work in hand) underpinned by a pipeline of more than \$1.4 billion**

• **Order book:** Includes secured projects and anticipated work under existing framework agreements (FY2026–FY2028), based on historical weighted win rates.

** **Pipeline:** Includes standalone project opportunities and potential framework agreement extensions (FY2026–FY2031), also based on historical weighted win rates.

300+

Completed
Projects

\$411m

Order book
(Work in Hand)*

\$135m

FY26 Budget Rev

\$11m

FY26 Budget
EBITDA

96%

Govt. agency
clients

\$1.4b+

Pipeline**

Service Offerings

Engineering	<ul style="list-style-type: none"> Hydraulics Mechanical Civil and water 	<ul style="list-style-type: none"> Surveying and modelling Major pipeline infrastructure Innovative solutions
Construction	<ul style="list-style-type: none"> Project and program management Planning and approvals Project controls Generative safety culture 	<ul style="list-style-type: none"> Early engagement Construction planning and advice Stakeholder and community engagement
Contract Management	<ul style="list-style-type: none"> Procurement Head contract and sub-contract management Budget and cost control 	<ul style="list-style-type: none"> Project and program risk management Quality systems Key Result Area (KRA) management
Governance	<ul style="list-style-type: none"> Pre-qualifications Corporate governance Sustainable procurement 	<ul style="list-style-type: none"> Social procurement Workforce culture and wellbeing Community consultation



Civil and earthworks



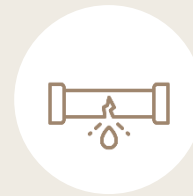
Water and wastewater treatment plants



State-of-the-art pipeline rehabilitation



Water storage



Relining works



Plumbing services

Key Customers



Capital Works Framework
• Government utility provider
• D&C Program delivery



Bellarine Recycled Water Plant Upgrade



Capital Works
• D&C project delivery



Capital Minor Works
• Government utility provider
• D&C Program delivery



Pipes and Facilities Program
• Government utility provider
• D&C Program delivery



Asset Connections
• Government utility provider
• Program asset management



ersonal use only

Strategic Rationale

Enhanced offering in water infrastructure

- Leading professional program management and assets services delivery provider
- Long-term client relationships
- Strong relationships with utility / government agencies for Water and Wastewater Infrastructure and rehabilitation

Synergies with existing capabilities and value creation

- Complementary to Saunders, adding design and construction, and enhancing Saunders capabilities by optimising service offering
- Unlocks a range of synergies across Saunderson's diversified Infrastructure Services business model to expand client relationships and accelerate expansion in key geographic regions

High-quality management team with a proven track record

- Strong, reputable management team with extensive industry experience
- 100+ highly skilled professional services, engineering, program management and project delivery personnel
- All staff including key management personnel will transition across to Saunders post-completion

Secure and recurring revenue and earnings profile

- High annuity style revenue / earnings profile in line with Saunderson's growth strategy
- Earnings underpinned by quality long-term program and framework agreements, providing consistent, predictable earnings

Significant work in hand and strong pipeline underpinning future growth

- Excellent revenue visibility with more than \$411m of order book (work in hand), underpinned by long-term framework and delivery agreements
- Pipeline of more than \$1.4bn
- Provides Saunders with significant cross selling opportunities given complementary service offerings

Financially attractive acquisition

- Growth expected through synergies and cross-selling opportunities.
- Capital light investment profile (capex < 1% of revenue)
- Complements Saunders current growth strategy in highly attractive growth sectors of Water Security and Energy Transition

Core Capabilities

Aqua Metro's core capabilities are highly complementary with Saunders service offering in delivering critical infrastructure services to the water industry.



Design and Construct



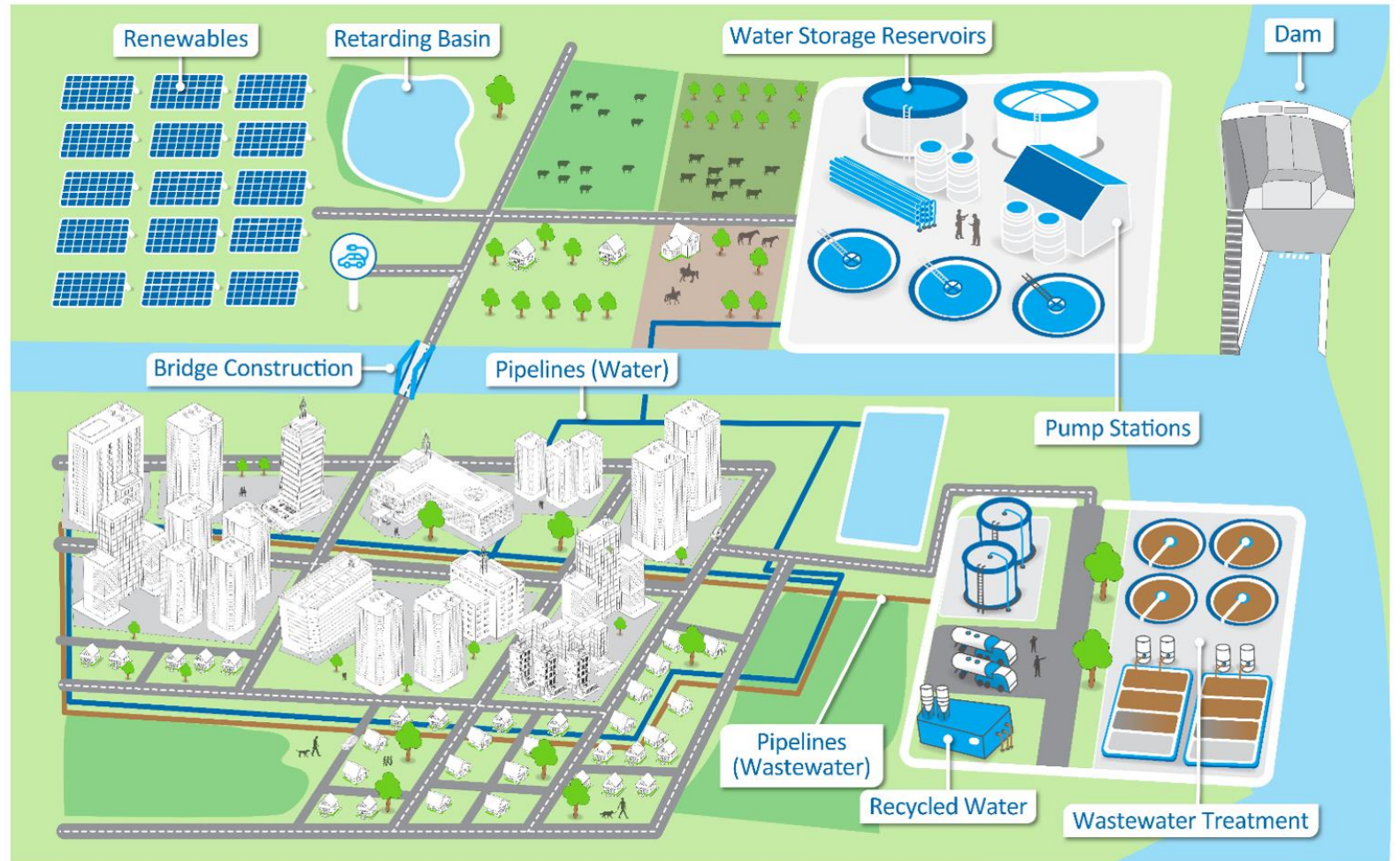
Program Management



Technology



Maintenance



Growth in Water and Wastewater

Australia’s water and wastewater infrastructure sector is experiencing strong, long-term growth driven by population demand, ageing assets and increased government investment

Long-term, Stable Industry Revenue

- ~\$8.9bn national market (FY24), projected to grow steadily through 2030, driven by:
- Population growth (Vic +13% by 2030)
- Ageing infrastructure requiring upgrades
- Climate change impacting water availability
- Regulatory focus on water and sewer efficiency

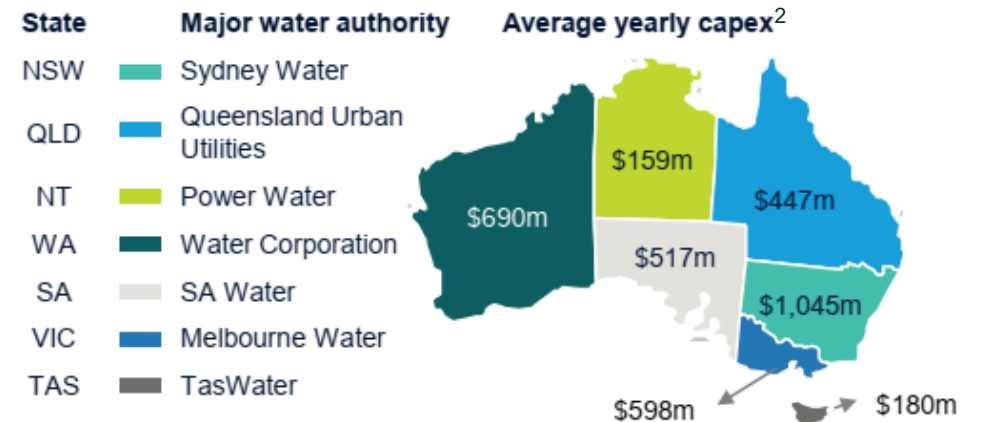
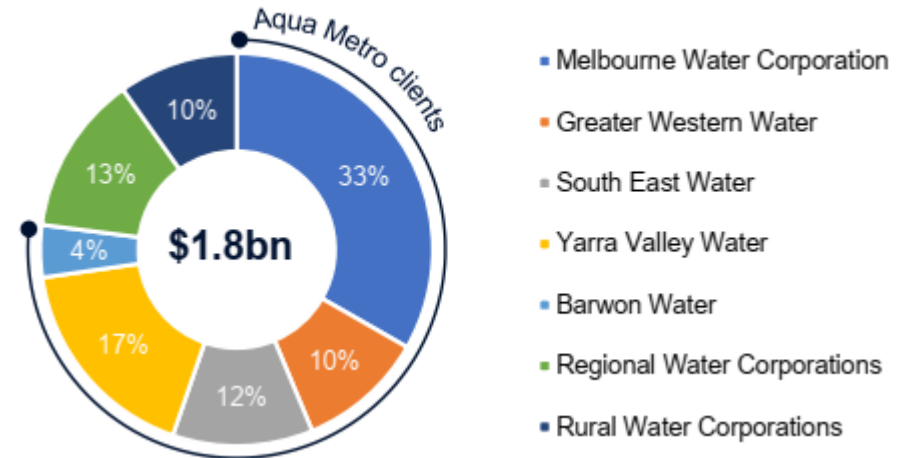
Victoria at the Forefront

- Aqua Metro’s clients account for ~77% of Victoria’s water infrastructure capex
- \$1.8bn/year average spend by major Victorian water authorities
- Melbourne Water Corporation (MWC) alone investing \$6.8bn (FY24–FY28) to improve reliability

National Expansion Opportunities

- QLD: \$1.7bn committed to water infrastructure planning (FY24)
- NSW: Sydney Water 10-year, Capital & Operational Plan forecasts **\$34 billion** in expenditure—averaging **\$3.4 billion per year**
- Regional Victoria: ~\$491m/year in capex, with Aqua Metro targeting key authorities including Coliban and Barwon Water

Victorian water authorities’ yearly capital expenditure¹



¹ Five-year average extracted from Annual Reports for each Water authority (FY19 to FY23)

² Annual Reports for each Water authority (FY19 to FY23)

Investment Highlights

Strategic acquisition aligned with Saunders' growth objectives

- **Accelerates Water Sector Expansion**
Strengthens Saunders' position as a multidisciplinary services provider in a priority market.
- **Established, Profitable Business**
Aqua Metro forecasts A\$102 million revenue and A\$8.2 million EBITDA in FY2025, growing to A\$135 million and A\$11 million EBITDA in FY2026.
- **Annuity-Style Revenue Model**
Long-term program and project agreements with utilities and government agencies provide earnings visibility and stability.
- **Strong Cultural and Operational Alignment**
Deep existing relationship and shared values ensure a smooth integration and cultural fit.
- **Retention of Proven Leadership Team**
Victoria-based management remains in place to drive continued performance.
- **EPS Accretive from FY2026 Budget**
Expected to enhance shareholder value through earnings per share growth.
- **Robust Pipeline and Work in Hand**
A\$411 million order book (work in hand) supported by a pipeline exceeding A\$1.4 billion.



Management Team



Saunders is committed to leadership continuity, cultural alignment and operational excellence to uphold the standards and values that drive Aqua Metro's success.

Aqua Metro's management team and staff will remain in place, ensuring business continuity and client relationships.

The existing Victoria-based leadership will continue to drive performance and growth under the Saunders Group.

Aqua Metro CEO, Manish Pancholi, will assume the role of Executive Vice President Saunders Aqua Metro as a part of the Senior Leadership Team.

Sources of Funds

Transaction Funding Structure

Sources	Details
Debt Facilities	<ul style="list-style-type: none"> \$8m drawdown of new debt facilities in the form of new \$10m committed debt facilities with CBA. SND has entered into a new Term Loan with CBA which, subject to satisfying customary conditions precedent, is available for the purpose of funding the debt component of the acquisition. The loan facility is secured against Saunders' real property and assets, and is structured with a seven-year amortisation period along with a three-year term. The interest is calculated at 2.7% above the BBSY. The loan facility is subject to quarterly covenant reporting requirements, including key covenants such as the Debt Service Cover Ratio and Adjusted Leverage Ratio targets.
Placement	<ul style="list-style-type: none"> Fully subscribed institutional placement of \$5.0m, within Saunders' existing placement capacity under Listing Rule 7.1. Total of approximately 7.69 million new shares to be issued under the Placement. Placement taken up by two existing substantial shareholders, Ahrens Group Pty Ltd at \$3.5m and Anacacia Pty Ltd at \$1.5m.

Sources and Uses of Funds

Uses	Amount (A\$ million)
Cash Consideration	18.0
Equity Consideration	12.0
Transaction Costs	1.2
Total Uses	31.2

Sources	Amount (A\$ million)
Debt	8.0
Placement	5.0
Cash Reserves	6.2
Vendor Equity	12.0
Total Sources	31.2

Appendix A | Key Risks – Acquisition

Acquisition may not complete or be delayed	Completion of the Acquisition is conditional on certain matters taking place, some of which are beyond Saunders's direct control.
Reliance on information provided by the Vendors	Saunders undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial, technical, operational and other information (including unaudited and other financial information) which was provided to Saunders by the vendors of Aqua Metro. Despite making reasonable efforts, Saunders has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. Similarly, Saunders has prepared, and made assumptions in the preparation of, financial information relating to Aqua Metro from financial and other information (including unaudited and other financial information) provided by the vendors. If any of the information provided to and relied upon by Saunders in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Aqua Metro (and the financial position and performance of Saunders following the Acquisition) may be materially different to the expectations and targets reflected in this Presentation. There is also a risk that the due diligence conducted in connection with the Acquisition has not identified all of the material issues and risks or been avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise which could adversely impact on the reputation, financial performance or operations of Saunders.
Analysis of the Acquisition by Saunders	Saunders has undertaken financial and business analysis of Aqua Metro to determine its attractiveness to Saunders and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by Saunders, draw conclusions and forecasts that are inaccurate, or which will not be realised in due course. There is also a risk that Aqua Metro does not perform as expected due to a variety of factors including, but not limited to, an inability to meet client demands or there being insufficient market demand for Aqua Metro's products and services, or there is a need to adapt pricing and margins in response to the competitive landscape or increased competitive pressure. To the extent that the actual results achieved by Aqua Metro are different than those anticipated, or any unforeseen difficulties emerge in integrating the operations of Aqua Metro, there is a risk that the profitability and future earnings (including the EPS accretion) of the operations of Saunders may materially differ from the performance as described in this Presentation.
Integration	The integration of a business of the size and nature of Aqua Metro carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this Presentation, depend on the effective and timely integration of Aqua Metro' business alongside Saunders's business following completion of the Acquisition. A failure to fully integrate the operations of Aqua Metro, or a delay in the integration process, could impose unexpected costs or prevent the realisation of benefits that may adversely affect the financial performance and position of Saunders.
Historical liabilities	Following completion of the Acquisition, Saunders may become directly or indirectly exposed to liabilities that Aqua Metro may have incurred or be liable for prior to the Acquisition, including any liabilities that were not identified during Saunders's due diligence, or which are greater than expected, for which insurance may not be adequate or available, or for which Saunders may not have post-Acquisition recourse under the agreement for the Acquisition. Such liabilities could include liabilities relating to litigation or other proceedings, failure by Saunders to hold required regulatory approvals, authorisations or licences, regulatory actions (including without limitation in relation to any such failure), health and safety claims, warranty or performance claims, historical tax liabilities and other liabilities. Such liabilities may adversely affect the financial performance and position of Saunders.
The financial capacity of, and recourse to, the vendors may be limited and there is counterparty and contractual risk	The ability of Saunders to achieve its stated objectives will depend on the performance by the parties of their obligations under the agreements for, and related to, the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for Saunders to approach a court to seek a legal remedy, which can be expensive and time consuming. No warranty and indemnity insurance policy has been obtained by Saunders for the Acquisition. If the Acquisition completes and if a warranty or other claim is made under the Share Sale Agreement for the Acquisition (SSA), the warranty and indemnity provisions in the SSA may not respond on all matters and is subject to a maximum liability cap along with time and other limitations. Therefore, the warranty and indemnity provisions in the SSA may provide limited or no coverage on a particular liability or loss for Saunders. Furthermore, if a warranty, indemnity or other claim is made by Saunders against the vendors of Aqua Metro under the SSA, there is a risk that such a claim may be contested by the vendors or that funds may not be available to meet the claim in its entirety. Further, there can be no guarantee as to the ongoing financial capacity of the vendors of Aqua Metro. Any inability to recover amounts claimed under the SSA could have a material adverse effect on Saunders's financial performance and position.
Arrangements with key customers	The Aqua Metro business relies on a number of key customer contracts and arrangements. There can be no assurance that key customer contracts or arrangements will continue, or where formal contracts exist, will be renewed upon their expiration or that the terms of any renewal will be as favourable to Saunders as the terms of the current arrangements. The loss of a significant portion of these customers, a significant reduction in sales to these customers, or a significant change in the commercial terms of the relationships with these customers could have a material adverse impact on Saunders's financial performance and prospects.
Acquisition accounting	Saunders is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of Aqua Metro at the date of the Acquisition. Accounting standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used by Saunders in its evaluation of the Acquisition. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by Saunders. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax.

About Saunders International Limited

Saunders International Limited (ASX: SND) is a multidisciplinary Australian company that provides engineering, construction and industrial asset services across the complete asset lifecycle. Established in 1951 and listed on the Australian Securities Exchange since 2007, Saunders specialises in bulk liquid storage and transfer, structural, mechanical and piping (SMP), industrial automation and electrical, civil infrastructure and industrial asset services.

Serving clients in Defence & Government, Energy, Water, Resources and Industrials sectors, Saunders partners with some of the world's largest energy companies, leading contractors and all levels of government. The company operates as 'One Team' with its clients, focusing on delivering tailored solutions in a fast-evolving environment through collaborative efforts.

With a team of over 500 employees and eight offices across Australia, and operations in Papua New Guinea and New Zealand, Saunders is well-positioned to meet diverse client needs while upholding high standards of quality and safety.

Additional information can be found at www.saundersint.com

Mark Benson

Managing Director & Chief Executive Officer

(02) 9792 2444 | investor.relations@saundersint.com
Suite 101, Level 1, 3 Rider Boulevard, Rhodes NSW 2138



IMPORTANT INFORMATION FOR INVESTORS

This presentation has been prepared by Saunders International Limited ("Saunders", "the Company", "The Group") as a summary of the Company and its operations and for general information purposes only.

This presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in Saunders, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Saunders will be entered into on the basis of this presentation.

Saunders has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Saunders can neither make any representation nor give any assurance, guarantee or warranty, express or implied, nor takes any responsibility and assumes liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this presentation.

You should not act or refrain from acting in reliance on this presentation material. This overview of Saunders does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation when making any investment decision.

The contents of this presentation are confidential. This presentation is being provided to you on the condition that you do not reproduce or communicate it or disclose it to, or discuss it with, any other person without the prior written permission of the Company.

The presentation contains certain forward-looking statements which have not been based solely on historical facts but, rather, on Saunders' current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of Saunders and its directors, officers and advisers.