Dyna-Mac Holdings Ltd.
(Co Reg No. 200305693E)

<u>Dyna-Mac delivers a strong performance in FY2022</u>

Highlights

- *Group Revenue at $291.5 million was 32.4% higher than FY2021*
- *Net profit at $13.4 million was 138.7% higher than FY2021*
- *EBITDA at $16.7 million was 118.6% higher than FY2021*
- *Net orderbook at $412.3 million as compared with $370.8 million as at 31 December 2021*
- *Proposed final cash dividend of 0.29 cents per share*

	12 months ended 31-Dec-2022	12 months ended 31-Dec-2021	Change
	$'000	$'000	%
Revenue	291,473	220,210	*32.4%*
Cost of sales	(259,850)	(197,904)	*31.3%*
Gross profit	**31,623**	**22,306**	***41.8%***
Gross profit margin	*10.8%*	*10.1%*	
Other income	5,862	7,024	*-16.5%*
Other expenses	(191)	-	*NM*
Administrative expenses	(25,469)	(25,009)	*1.8%*
Finance expenses	(14)	(142)	*-90.1%*
Profit before tax	**11,811**	**4,179**	***182.6%***
Income tax credit	1,594	1,438	*10.8%*
Net profit for the financial year	**13,405**	**5,617**	***138.7%***
EBITDA	16,652	7,618	*118.6%*
Return on equity (%)	30.2	18.5	*63.2%*
Earnings per share (cents)	1.27	0.53	*139.6%*

Singapore, February 21, 2023: Dyna-Mac Holdings Ltd. ("Dyna-Mac" or the "Company" and together with its subsidiaries, the "Group") continues to deliver consistently strong performance in the twelve months ended 31 December 2022 ("12M2022") with net profit up 138.7% to $13.4 million as compared with $5.6 million in the twelve months ended 31 December 2021 ("12M2021").

Revenue increased by $71.3 million from $220.2 million in 12M2021 to $291.5 million for the corresponding period in 2022. The increase was mainly due to higher progressive recognition achieved for the projects carried out in 12M2022.

Gross profit increased by $9.3 million from $22.3 million in 12M2021 to $31.6 million in 12M2022. The increase was mainly due to higher revenue recognised coupled with higher profit margin achieved in 12M2022.

Other income decreased by $1.1 million or 16.5% from $7.0 million in 12M2021 to $5.9 million in 12M2022. This was mainly due to a decrease in government grants, lower income earned from scrap, no write-back of impairment loss on property, plant and equipment and partially offset by higher interest income.

Other expenses of $0.2 million in 12M2022 were attributable mainly to forex loss and loss on disposal of property, plant and equipment.

Administrative expenses increased by $0.5 million or 1.8% from $25.0 million in 12M2021 to $25.5 million in 12M2022. This was mainly due to higher staff costs in 12M2022.

Net profit increased by $7.8 million from $5.6 million in 12M2021 to $13.4 million in 12M2022. This was due to higher gross profit partially offset by lower other income, higher other expenses and administrative expenses as stated above.

The Group's cash position improved to $185.4 million as compared with $106.3 million as of 31 December 2021.

The EBITDA increased by $9.1 million or 118.6% from $7.6 million in 12M2021 to $16.7 million in 12M2022. Return on equity (ROE) increased from 18.5% in 12M2021 to 30.2% in 12M2022. Earnings per share increased from 0.53 cents in 12M2021 to 1.27 cents in 12M2022. The improved financial ratios are on the backdrop of a higher revenue and profits.

The directors are pleased to recommend a final cash dividend of 0.29 cents per share tax exempt one-tier in respect of the financial year ended 31 December 2022 for approval by shareholders at the Annual General Meeting. This marks a significant milestone for the Group as this is the first dividend proposed since the last dividend paid out for FY2014.

The Group continues to be prudent in its spending but remains focus on CAPEX that will improve our productivity as well as replacing older equipment. The free cashflow will also be put aside for potential yard expansion.

Outlook

While the global economic environment remains fragile amidst sustained inflation and rising interest rates, long-term industry fundamentals for the offshore oil and gas remain sound underpinned by sustained crude oil prices and projected increases in offshore exploration and production spending. Many oil and gas companies had achieved good results over the last year and are pushing ahead with their projects.

Mr Lim Ah Cheng, Executive Chairman and CEO of Dyna-Mac said "We are pleased to report that our team continues to deliver an improved set of results for the full year ended 31 December 2022 despite the competitive operating environment.

We would like to thank our employees and subcontractor partners for their hard work and commitment throughout the year.

Looking forward, 2023 will continue to be a busy year for Dyna-Mac as we are gradually ramp up production capacities to meet growing demands. Our team will continue to remain focused on ensuring that all our projects are completed within budget and on schedule and meeting high standards of quality, safety and reliability.

Dyna-Mac will be on the lookout for opportunities to further expand our yard and business operations and to position the Group to pursue new businesses to achieve sustainable growth. We will also explore inorganic growth opportunities."

The Group has a net orderbook of $412.3 million as at 31 December 2022 with completion and deliveries stretching till 2024.

For more information, please contact:

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About Dyna-Mac
Dyna-Mac is a global multi-disciplinary contractor who undertakes the detailed engineering, procurement, fabrication, construction of compressor skids and modules for Carbon Capture, Utilization and Storage (CCUS), onshore pre-commissioning and commissioning of offshore topside modules and facilities for FPSOs (floating production storage and offloading vessels), FSOs (floating storage and offloading vessels), FLNGs (floating liquefied natural gas vessels), FSRUs (floating storage and regasification units) and Fixed Platforms, onshore modules for land-based plants for the energy industry as well as offshore and onshore renewables and green energy sectors, with focus on LNG, green hydrogen and ammonia.

Headquartered in Singapore, Dyna-Mac is listed on the main board of the Singapore Exchange. For more information, visit www.dyna-mac.com.