



CIVMEC LIMITED
(Company Registration Number 201011837H)

Half-Year Performance Delivers Solid Net Profit Return

Highlights

- Half-year performance delivers solid net profit return of A\$8.1m
- Continued growth in NPAT margin for the quarter, increasing to 5.0%
- Revenue to further strengthen as major projects ramp up
- Assembly and sustainment facility at Henderson structurally complete
- Strong cash generation from operations supporting debt reduction
- Robust order book of A\$765m

PERTH/SINGAPORE, 11 February 2020 – Civmec Limited (“Civmec” or the “Group”) has continued to deliver solid net profit for FY2020, returning A\$4.3 million in Q2 FY2020, compared to A\$1.3 million in Q2 FY2019, representing an increase of 237.8%, and growing by 9.4% on the previous quarter (Q1 FY2020: A\$3.8 million). Net profit margin was 5.0% for the quarter, up from 1.7% for the same period in FY2019.

For the six months ended 31 December 2019 (“1H FY2020”), the Group generated revenue of A\$166.2 million and net profit of A\$8.1 million, an increase of 38.7% on net profit returned for the six months ended 31 December 2018 (1H FY2019: A\$5.8 million).

It is anticipated revenue will continue to increase during the second half of FY2020, as major projects underway continue to ramp up. This includes the delivery of Australia’s largest lithium hydroxide plant being constructed in the south-west of Western Australia for Albemarle, and full vertical delivery of the Primary Crushing and Ore Processing Facility for Fortescue Metals Group’s new Eliwana Mine being constructed in the Pilbara region of Western Australia.

The Group’s new 53,000m² (usable floor area) assembly and sustainment facility being built in Henderson is now structurally complete, with the internal fitout underway. Delivery of the new facility, able to accommodate large vessels and modules for construction and sustainment, is on schedule for commencement of the next phase of the Royal Australian Navy’s Offshore Patrol Vessel program. Under the program, consolidation of the remaining 10 vessels will move from South Australia to Western Australia later this year, providing a sustained revenue stream for the Group until 2029.

Civmec Chief Executive Officer, Mr Patrick Tallon, said: “We are well positioned to continue to grow revenue to year end FY2020, with significant work-in-hand across a number of major projects. This is further reinforced by our growing capability and client base in the delivery of specialised maintenance and turnaround services for the Metals & Minerals and Oil & Gas sectors, underpinning our strategy to develop consistent, recurring revenue streams for the business.



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“Pleasingly, during the first half of this financial year, strong cash generation from operations has enabled us to further reduce debt.”

With an order book of A\$765 million as at 31 December 2019, the forward tendering outlook is positive, with significant opportunities identified to leverage the Group’s multi-disciplined, self-performance capability, providing clients with a vertically integrated solution which utilises Civmec’s extensive facilities, coupled with its broad on-site delivery capability. In the Marine & Defence sector, the Federal Government’s commitment to undertake its minor naval vessel continuous build program and sustainment of these vessels at Henderson will provide construction and through-life support opportunities going forward.

*******End of Release*******

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About Civmec Limited

Civmec is an integrated, multi-disciplinary construction and engineering services provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors. Headquartered in Henderson, Western Australia, Civmec has regional offices in Newcastle (New South Wales, Australia) and Gladstone (Queensland, Australia). The company is listed on the SGX (Singapore) and the ASX (Australia). Its core capabilities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical and piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

For more information, please visit our website at www.civmec.com.au