



Engineering Success

Civmec delivers continued growth for 1H FY2023

Highlights

- Revenue of A\$418.9 million, an increase of 7.6% from 1H FY22.
- EBITDA of A\$51.3 million, representing a 23.0% increase from 1H FY22.
- NPAT of A\$28.3 million representing a 25.1% increase from 1H FY22.
- Net Profit margin of 6.7%, up from 5.8% in 1H FY22.
- Earnings per share of 5.60 cents, up from 4.50 cents in 1H FY22.
- Net asset value per share of 77.1 cents, an increase of 24.8% from 31 Dec 2021.
- Interim dividend of 2.0 Australian cents for 1H FY23, increased by 100% from 1H FY22.
- Order book growth to A\$1,178m at December 2022, up from A\$1,039m at June 2022.

Civmec Limited (“**Civmec**” or the “**Group**”) has today released financial results for the half year ended 31 December 2022 (“**1H FY23**”), delivering increased revenue and profits together with a stronger balance sheet.

Key financial metrics compared to the same period in the previous financial year are set out in the table below:

A\$ million	1H FY23	1H FY22	Change %
Revenue	\$418.9	\$389.4	7.6
EBITDA	\$51.3	\$42.2	23.0
NPAT	\$28.3	\$22.6	25.1
Net Profit Margin	6.7%	5.8%	0.9pp
Cash and Cash Equivalents	\$62.8	\$39.1	60.6
Borrowings	\$50.0	\$74.0	(32.4)
Net Assets	\$389.5	\$310.4	25.5
Cash Generated from Operations	\$84.0	\$3.3	n.m*
Net Asset Value per Share	77.10c Australian	61.79c Australian	24.8
Earnings per Share	5.60c Australian	4.50c Australian	24.4
Interim Dividend	2.0c Australian	1.0c Australian	100.0
Order Book	\$1,178 (31 Dec)	\$1,039 (30 Jun)	13.4

*n.m : Not meaningful

CIVMEC LIMITED

(Company Registration Number 201011837H)



Engineering Success

Chairman James Fitzgerald said: *“It is pleasing to deliver another excellent result for our shareholders with continued strong profit margins coupled with a growing order book and excellent cashflows. This is the seventh consecutive half that we have reported increased profits. These results have allowed the Board to declare a higher interim dividend of 2 Australian cents per share, compared to the 1 cent interim dividend paid last year”.*

Operational Update

Cashflows from operations for 1H FY23 were A\$84m, resulting in a cash balance of \$62.8m and borrowings (excluding finance leases) of A\$50m. December 2022 marks the first period since June 2016 that the Group has been in a positive net cash position. This is notable as it comes just 3 years after the completion of significant investments in new facilities at the Group’s Henderson site and on top of substantially higher dividend payments.

The Group successfully completed several major contracts in 1H FY23, including:

- the Mesa A project for Rio Tinto.
- Civil and Fabrication contracts for the Iron Bridge Magnetite project.
- supply, assembly and commissioning of the world’s largest shiploader for BMA for Hay Point.
- delivery of subsea structures for the Beach Energy Otway phase 5 project in Victoria.

The Group also ramped up activities on several new contracts including:

- mobilisation to site and commencement of construction at Covalent Lithium’s lithium hydroxide refinery, while making significant progress in the fabrication and offsite assembly phase of the project
- design progression and gaining development approval for the Causeway Bridge project.
- supply of subsea structures for the Scarborough gas project.

In line with its strategy to increase revenue generated through term contracts and maintenance services, the Group renewed, extended or signed new term and maintenance contracts with several clients including:

- acceptance onto BHP’s Western Australian iron ore operations’ site engineering panel of contractors. This is a three-year contract with an option for a two-year extension and allows Civmec to tender for maintenance and capital upgrades across BHP’s Western Australian iron ore operations in the Pilbara region.
- an “umbrella” services agreement to provide construction services for the delivery of sustaining capital projects for Rio Tinto facilities across multiple sites. This is a three-year contract with options for extension.
- providing multidisciplinary services to Talison Lithium’s Greenbushes mine site and lithium processing facility, where Civmec is now undertaking a significant portion of regular shutdown activities.
- a contract extension for the Alcoa Calciner Maintenance Major Overhaul and Repair Services Contract.
- a Master Service Agreement with IGO for project and maintenance work across its lithium facilities in Western Australia.

Amid strong tendering activity across all sectors, the Group is focused on securing projects that will generate good returns, optimise its workforce and enable it to keep replenishing its order book.



Engineering Success

Commenting on Civmec's order book of A\$1,178 million, Chief Executive Officer Patrick Tallon said: "Our continued order book growth and good visibility of upcoming projects from clients, coupled with our increasing client base for maintenance work, puts us in a strong position to continue delivering sustainable growth for our shareholders."

ESG Activities

Highlights for the period regarding ESG include:

- Our latest audit from the (Australian) Federal Safety Commission resulted in findings that the Company has a 'Low risk of non-compliance with the requirements of the Scheme' resulting in our re-accreditation under the Work Health and Safety Accreditation Scheme being extended for the maximum allowable period of 6 years.
- Percentage of female employees at head office remains above 50%.
- Continued focus on employee development and training with 124 apprentices, trainees and graduates employed with the Group.
- Recently we had eight finalists selected for the Skill Hire Apprentice of the year awards resulting in winners in the category of Second year apprentice of the year and Fourth year apprentice of the year.
- Our Modern Slavery statement for FY22 was issued to Australian Border Force.
- We have committed to our first solar power installation at one of our facilities in Henderson, Western Australia before the end of FY23.
- The Australian Taxation Office (ATO) has recently completed their Combined Assurance Review of the Group for the 2018-2021 financial years, which resulted in a finding that the overall level of assurance was 'high', placing Civmec in the top 22% of companies reviewed. The ATO combined assurance program covers Australia's largest taxpayers, which includes large public and multinational companies, with turnover above \$250 million.

This announcement was authorised for release to the ASX and SGX by the Board.

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

About Civmec Limited

Civmec is an integrated, multi-disciplinary construction and engineering services provider to the Energy, Resources, Infrastructure and Marine & Defence sectors. Headquartered in Henderson, Western Australia, Civmec has regional offices in Newcastle (New South Wales, Australia), Gladstone (Queensland, Australia), and Port Hedland (Western Australia). The company is listed on the SGX (Singapore SGX:P9D) and the ASX (Australia ASX:CVL). Its core capabilities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical, 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