



CIVMEC LIMITED
(Company Registration Number 201011837H)

Civmec Capitalises on Improved Market Opportunities

Highlights

- **Order book grows to A\$820 million (Q2 FY2019: ~A\$540 million)**
- **Award of significant scope in the construction of Australia's largest lithium hydroxide plant for Albemarle**
- **Continued development of Henderson (WA) and Newcastle (NSW) facilities**
- **Growing market confidence and investment across primary operating sectors presenting strong future pipeline**



Construction of new shipbuilding and maintenance facilities at Henderson, WA, is well underway

PERTH/SINGAPORE, 14 May 2019 – Civmec Limited (“Civmec” or the “Group”) is pleased to announce it is continuing to take advantage of significant opportunities in its primary operating sectors, with the Group’s order book growing to A\$820 million as at 31 March 2019 (31 December 2018: A\$540 million).

The Group is profitable for the nine months ending March 31, with NPAT of A\$6.9 million on a revenue of A\$415.1 million. However, in the quarter, the Group has prudently accounted for existing and forecasted cost overruns whilst working towards completion of some of its EPC projects. Hence the Group has realised revenue of A\$80.0 million, with gross profit of A\$5.3 million for the quarter ending 31 March 2019 (NPAT A\$141k).



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Significant Contracts Awarded and Project Pipeline

With the pickup in Western Australia's resource sector, Civmec received a number of significant package awards during the period and is confident of securing further substantial awards in the latter part of the 2019 calendar year.

In February 2019, the Group was awarded a significant contract from Albemarle Lithium Pty Ltd for construction of Australia's largest lithium hydroxide plant, to be built in Western Australia's south-west. Civmec's scope includes Civil and Structural, Mechanical and Piping (SMP) works. The fabrication and pre-assembly of components for on-site plant installation will be undertaken at the Group's Henderson facility.

Civmec's Chief Executive Officer, Mr Patrick Tallon, said: "We are delighted to have been selected by Albemarle as a significant construction partner for this exciting project. This two-year project is ideally suited to our operations, including civil and concrete installation, fabricating, modularisation and site erection of steel and mechanical equipment for this key Western Australian development."

The Group's involvement in the Albemarle project also extends to the supply of equipment on behalf of Metso, including three 56 metre long kilns, weighting approximately 200 tonnes each.

Other noteworthy package awards during the period included the fabrication and modularisation of key components for BHP's South Flank iron ore mine currently under construction in the Pilbara region in Western Australia. Civmec has secured works on this project directly with BHP and via ThyssenKrupp.

"We are extremely pleased to be given this opportunity to further support BHP in the delivery of what will ultimately become its flagship mine," said Mr Tallon.

Development of Group Facilities

The further development of the Group's facilities in Henderson on the west coast and Newcastle on the east coast has continued. In Western Australia, construction of the new 70 metre high mega shipbuilding facility is well underway and on schedule for completion in late 2019. This facility will greatly enhance production and assembly output and will be available for future undercover ship maintenance requirements.

Civmec will undertake fabrication and construction of 10 of the 12 vessels being commissioned under the Royal Australian Navy's SEA 1180 Offshore Patrol Vessel program in this new world-class facility. The preparation and profile cutting of steel plates for the first two vessels currently being built in South Australia is ongoing at Henderson and a high-quality product is being delivered ahead of schedule.



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Outlook

Having remained profitable during a period of challenging market conditions, the Group is very optimistic about the medium to longer term future, with a significant increase in activity in the sectors where the company has historically operated most successfully, together with the emerging opportunities being presented in the marine and defence sector.

“We are working with our clients to close out projects which are currently reaching completion and look forward to continued engagement with our blue-chip clients, particularly in the iron ore sector, who are seeking value propositions for their upcoming expansion programs. We will go into FY2020 with a focus on continuous performance improvement across all aspects of the business,” said Mr Tallon.

Barring unforeseen circumstances, the Group expects to be profitable in the current financial year.

*******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), Gladstone (Queensland, Australia), and Broome (Western Australia). The company is listed on the SGX (Singapore) and the ASX (Australia). 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, offshore logistics, refractory and access solutions.

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