



CIVMEC LIMITED
(Company Registration Number 201011837H)

Civmec Delivers Positive Start to FY2020

Highlights

- **Revenue of A\$82.1m and net profit of A\$3.8m for the September Quarter**
- **Strong performance delivers NPAT margin of 4.6%**
- **Robust order book of A\$816 million**
- **Strong opportunities to provide vertically integrated delivery solutions utilising facilities and on-site capability**
- **Revenue from maintenance service offering continuing to grow**
- **Delivery of Offshore Patrol Vessel program providing sustained revenue stream over the next decade**
- **New appointments bolstering Executive team capacity and supporting strategic plan**

PERTH/SINGAPORE, 12 November 2019 – Civmec Limited (“Civmec” or the “Group”) has commenced FY2020 with a substantial increase in financial performance, delivering A\$3.8 million net profit for the September quarter and a positive future growth outlook.

The result represents a substantial increase in NPAT margin, up to 4.6% from revenue of A\$82.1 million for the period. Revenue increased by 11.9% on the previous quarter (Q4 FY2019: A\$73.4 million).

With a current order book of A\$816 million and the ramping up of recently secured projects – including playing a significant role in the delivery of Australia’s largest lithium hydroxide plant being constructed in the south-west of Western Australia for Albemarle – the Group is well positioned for FY2020.

The Group remains committed to delivering its strategy of capitalising on major expansion project opportunities with key clients and further establishing consistent, recurring revenue streams.

Civmec Chief Executive Officer, Mr Patrick Tallon, said: “It is pleasing to deliver such a strong financial result for the quarter. Our focus is on securing projects that utilise a combination of our facilities and on-site multi-disciplined, self-performance capability, enabling us to provide clients with a single, vertically integrated solution.

Our role in the delivery of Albemarle’s Kemerton project is a good example of this. In particular, we see significant Metals & Minerals sector opportunities in Western Australia.

The further development of consistent, recurring revenue streams will see the Group continue to broaden its client base and capability in the provision of specialised maintenance and turnaround services for the Metals & Minerals and Oil & Gas sectors. We grew revenue from our maintenance service offering by 75% during FY2019 compared to the previous year and expect continued growth in this area.”



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While the processing of steel for the first two vessels being constructed in South Australia under the Royal Australian Navy's Offshore Patrol Vessel program is well underway at Henderson, revenue generated from these works will increase once the consolidation of the remaining 10 vessels moves to Civmec's new state-of-the-art facility in 2020, providing a sustained revenue stream until 2029. Furthermore, the Federal Government's commitment to undertake its minor naval vessel continuous build program and significant sustainment activities at Henderson will provide further construction and through-life support opportunities in the Marine & Defence sector going forward.

The Group has recently expanded its Executive team to support future growth, with the appointment of two new Executive General Manager roles for Manufacturing and Maintenance, sitting alongside the existing Executive General Manager Construction role. This will facilitate the focused management of the Group's three functional areas of operation, providing multi-disciplined capability across its four operating sectors.

"The intent of these structural changes is to support our strategic growth plan, enabling the focused delivery of major projects to drive profitability; streamlining East and West coast operations to deliver efficiency and maximise synergies in production; and leveraging our national footprint and multidisciplinary capability to capitalise on the growing maintenance and turnaround services market," said Mr Tallon.

*******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, 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