



CIVMEC LIMITED
(Company Registration Number 201011837H)

PERTH/SINGAPORE, 27 August 2020

Civmec Returns Solid Results for FY2020

Highlights

- EBITDA of A\$38.5 million, representing a 60% increase from FY19
- NPAT of A\$17.5 million representing a 150% increase from FY19
- Net Profit margin of 4.5%, up from 1.4% in FY19
- Cash from operating activities increased by 20.6% to A\$95.2 million
- Earnings per share of 3.51 cents, up from 1.41 cents in FY19
- Extensive balance sheet improvement of A\$89 million
- Borrowings reduced by 36% to A\$62.4 million
- Net asset value per share of 52.5 cents, an increase of 51% from 30 June 2019
- Recommends a full year dividend of 1.0 Australian cents, increased by 43%

Civmec Limited (“Civmec” or the “Group”) has today released unaudited financial results for FY20 which continue the trend of improved earnings and profit margins together with a further strengthening of the Group’s balance sheet.

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

<i>A\$ million</i>	<i>FY20</i>	<i>FY19</i>	<i>Change %</i>
<i>Revenue</i>	\$391.0	\$488.5	(20.0)
<i>EBITDA</i>	\$38.3	\$24.0	60.0
<i>NPAT</i>	\$17.5	\$7.0	149.6
<i>Net Profit Margin</i>	4.5%	1.4%	
<i>Net Assets</i>	\$263.2	\$174.1	51.1
<i>Borrowings</i>	\$62.4	\$98.1	(36.4)
<i>Cash Generated from Operating Activities</i>	\$95.2	\$78.9	20.6
<i>Net Asset Value per Share</i>	52.53 cents	34.77 cents	51.1
<i>Earnings per Share</i>	3.51 cents	1.41 cents	148.9
<i>Final Dividend Payment</i>	1.0 Australian cents	0.7 Singapore cents	42.9

Commenting on the results Chairman Mr James Fitzgerald, said “Following a year of consolidation in FY19, Civmec’s order book continued to strengthen in FY20, enabling the Group to grow revenue and profits throughout the year. Strong cashflow from operations allowed the Group to fund the completion of the new Assembly and Sustainment Hall in Henderson Western Australia while also reducing borrowings by \$35.7 million during the year. This places the Group in a strong financial position as we enter FY21, with a A\$900 million



CIVMEC LIMITED

(Company Registration Number 201011837H)

strong order book, an extensively improved balance sheet and a significantly reduced capital investment requirement in FY21. This disciplined approach has allowed us to recommend an increased final dividend payout to 1.0 Australian cents.”

Recent Activities

With the completion of the new Assembly and Sustainment Hall (Western Australia), Civmec has now had valuation reports completed for all land and buildings by an independent accredited valuer in accordance with Singapore Financial Reporting Standard (International) (SFRS) (I) 13) and the International Financial Reporting Standard (IFRS 13). This has significantly strengthened the Group’s balance sheet, resulting in total comprehensive income for FY20 of A\$96 million after accounting for the A\$78.5 million gain from the property valuations.

Completion of the Assembly and Sustainment Hall coincides with commencement of the third Offshore Patrol Vessel (OPV3) for the Royal Australia Navy, the first of ten to be constructed in Western Australia. Activity on the OPV program is expected to ramp up over the next 12 months to reach a steady state of continuous shipbuilding for the next 10 years. In addition to this, we are preferred tenderer on a number of additional projects commencing in the next 12 months that will utilise the facility.

New contract wins and contract extensions have totaled A\$260 million in the June quarter, increasing the order book to A\$900 million at 30 June 2020. Commenting on the order book, Chief Executive Officer, Mr Patrick Tallon, said “starting the new year with a strong order book across all disciplines we operate in will allow us to maintain our focus on sustainable growth in both revenue and earnings in the year ahead, with our secured workload for FY21 already greater than our FY20 revenue of A\$391 million.”

The forward tendering outlook remains positive, particularly given Civmec’s established local supply chains which enable it to continue to fully support the delivery of the Group’s projects. Tendering activities are focused on building on the successful contract awards during FY20 to maintain the positive momentum achieved throughout the year.

COVID-19 Update

The Group has been very proactive with the implementation of measures at both its manufacturing and onsite facilities to prevent the spread of COVID-19. These actions have ensured that work can continue safely, in accordance with state and federal government guidelines. Every practicable step is being taken to maintain the health and wellbeing of employees, their families and all company stakeholders, whilst maintaining continuous operations, thereby keeping people employed.

This announcement was authorized for release to the ASX and SGX by the board

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



CIVMEC LIMITED

(Company Registration Number 201011837H)

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 contact katrina.mackey@civmec.com.au or visit our website at www.civmec.com.au.