

CIVMEC LIMITED
ABN 50 604 316 690

Appendix 4E - Preliminary final report for the year ended 30 June 2021
Under ASX Listing Rule 4.3A

1. Reporting period & previous corresponding period

Current reporting period is for the year ended 30 June 2021

Previous corresponding period is for the year ended 30 June 2020

2. Results for announcement to the market

A\$'000

2.1. Revenue from ordinary activities	Up	72.0%	To	674,186
2.2. Profit after tax attributable to members	Up	97.3%	To	34,628
2.3. Net Profit for the period attributable to members	Up	97.3%	To	34,628

2.4. Details relating to Dividends

Reporting Period	Amount per security	Franked amount per security
<u>Financial Year Ended 30 June 2021</u>		
Final dividend	A\$0.01	A\$0.01
Interim dividend	A\$0.01	A\$0.01
<u>Financial Year Ended 30 June 2020</u>		
Final dividend	A\$0.01	A\$0.01
Interim dividend	-	-

2.5. Dividend payments

Date the 2021 final dividend is payable	19 December 2021
Record date to determine entitlements	7 December 2021
Date final dividend was declared	26 August 2021 ¹

¹ As per Singapore compliance rules the dividend is subject to shareholder approval at the AGM

2.6. Brief explanation to figures in 2.1 to 2.4 (if any)

For the twelve months ended 30 June 2021 ("FY2021") revenue increased 72.0% to A\$674.2 million from A\$391.9 million due to the timing of projects.

Gross profit for FY2021 has increased by 68.1% to A\$75.0 million from A\$44.7 million in FY2020.

Other income for the twelve months ended 30 June 2021 ("FY2021") increased by 15.0% to A\$2.5 million from A\$2.2 million ("FY2020") due to the gain on disposal of property, plant and equipment and insurance recoveries.

Administration and other expenses for FY2021 decreased by 3.0% compared to FY2020 is mainly due to the recognition of impairment losses on receivables and a loss on asset valuation less than book value of the freehold land and buildings in FY2020. Excluding these one-off expenses, administration and other expenses were 10.4% higher at A\$18.9 million, from A\$17.2 million in FY2020.

Finance costs for the FY2021 increased by 154.0% to A\$6.5 million from A\$2.6 million due to the recognition of interest expenses from Senior Secured Notes in FY2021, where it was capitalised in the cost of the new Assembly Hall in Henderson during the construction of this asset until 30 June 2020.

Net profit attributable to shareholders increased 97.7% to A\$34.8 million in FY2021 from A\$17.6 million in FY2020 mainly due to the increased gross profit.

Other Disclosure Requirements

The Appendix 4E shall be read in conjunction with the *Report of The Directors and Financial Statements* ended 30 June 2021 as follows:

Requirement	Title	Reference
3. Statement of Comprehensive Income	- Consolidated Statement of Comprehensive Income - Notes to the Financial Statements	Page 57 Pages 65-151
4. Statement of financial position	- Statements of Financial Position	Pages 58-59
5. Statement of Cash Flows	- Consolidated Statement of Cash Flows	Pages 62-63
6. Statement of Changes in Equity	- Consolidated Statement of Changes in Equity	Pages 60-61

7. Details of individual and total dividends or distributions

Total dividends per security (interim plus final)
Ordinary Securities

2021	2020
A\$0.02	A\$0.01

Total dividends paid on all securities
Ordinary Securities
Total

A\$'000	A\$'000
2021	2020
10,021	3,729
10,021	3,729

8. Details of any dividend or distribution reinvestment plans

Not Applicable.

9. Net tangible assets per security

Net tangible asset backing per ordinary security

30 June 2021 Cents per share	30 June 200 Cents per share
58.30	52.53

10. Details of entities over which control has been gained or lost

The Group did not gain or lose control over any other entities during the period.

11. Details of associates and joint venture entities

The principal activities of the Group and its subsidiaries, joint ventures, associate, and joint operations are set out in Notes 16, 17, 18 and 19 of the *Report of the Directors and Financial Statements* ended 30 June 2021 respectively.

12. Other significant information in relation to financial performance and financial position

Not applicable.

13. Accounting standards for foreign entities

Singapore Financial Reporting Standard (International), it comprises Standards and Interpretations that are equivalent to International Financial Reporting Standards issued by the International Accounting Standards Board.

14. Commentary on the results

Civmec is an integrated multi-disciplinary heavy engineering and construction provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors.

The Group has continued to fortify its financial position for FY2021, with consistent net profit returned over the year and sustained revenue growth.

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.

Ongoing border restrictions have resulted in tightening labour availability with reduced migration and restricted interstate travel both contributing to localized skills shortages. For this reason, the Group is taking a measured approach to tendering activities with a focus on securing projects that we are confident of having resources available to deliver if we are successful in securing those projects.

In the first full year of operation of our new assembly hall in Henderson, activity has increased during the period across all sectors that we operate, and the facility has had a positive impact on our results. The facility recently hosted the keel laying ceremony for the fourth offshore patrol vessel (OPV), the second vessel of its class being constructed in our facility and with work already secured, activity levels at our Henderson facilities will remain high.

As recently announced, the Group has taken steps towards establishing a permanent Civmec owned and operated facility in the Pilbara region of Western Australia. The Pilbara is the location from where much of the Company's construction and maintenance activities are delivered and the Company has agreed to purchase 5 hectares of land in the Port Hedland region, located in the industrial area known as Wedgefield.

The decision to locate in Port Hedland was chosen as it is the port location for existing blue chip clients such as BHP, Fortescue and Roy Hill, is within close proximity to many other resource clients such as Rio Tinto and energy clients such as Woodside, as well as being close to many inland mine sites in the greater Pilbara region.

Over an 18-month period the company expects to invest approximately \$10 million on the Port Hedland business establishment and facility costs and the company expects to get a return on the capital invested over the coming years with increased capacity in the Pilbara region.

Tendering activity remains strong across all sectors that we operate in and we are focussed on securing projects that will allow us to grow our workforce at a sustainable rate given the labour constraints we are experiencing. We continue to have early contractor involvement (ECI) with many of our existing and new clients across our operating sectors for future opportunities, so overall we remain positive about the pipeline and the opportunities to continually replenish our order book. We are also increasingly focussed on growing the proportion of revenue earned on long term contracts.

New contract wins and contract extensions in the period continue to replenish the order book, increasing the order book to A\$1,006 million at 30 June 2021, compared to A\$900 million at 30 June 2020. This order book secures the majority of the revenue planned for the next 12 months, with a portion of the secured order book extending as far as 2029.

15. Accounts Status

Report of The Directors and Financial Statements ended 30 June 2021 has been audited.

16. If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion

Not applicable.

17. If the accounts have been audited and contain an independent audit report that is subject to a modified opinion

Not applicable.

Date: 26 August 2021

Name of Director or Secretary authorising lodgement: Kevin James Deery