



CIVMEC LIMITED

(Company Registration Number 201011837H)

PERTH/SINGAPORE, 26 August 2021

Civmec Delivers Strong Results for FY2021

Highlights

- EBITDA of A\$73.8 million, representing a 91.6% increase from FY20
- NPAT of A\$34.6 million representing a 97.3% increase from FY20
- Net Profit margin of 5.1%, up from 4.5% in FY20
- Cash from operations of A\$72.9 million, 99% of EBITDA
- Earnings per share of 6.94 cents, up from 3.51 cents in FY20
- Net asset value per share of 58.3 cents, an increase of 11% from 30 June 2020
- Total dividend of 2.0 Australian cents for FY21, increased by 100%

Civmec Limited (“Civmec” or the “Group”) has today released audited financial results for FY21 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>FY21</i>	<i>FY20</i>	<i>Change %</i>
<i>Revenue</i>	\$674.2	\$391.9	72.0
<i>EBITDA</i>	\$73.8	\$38.5	91.6
<i>NPAT</i>	\$34.6	\$17.5	97.3
<i>Net Profit Margin</i>	5.1%	4.5%	
<i>Net Assets</i>	\$292.4	\$263.1	11.1
<i>Borrowings</i>	\$60.0	\$62.4	(3.8)
<i>Cash Generated from Operations</i>	\$72.9	\$94.7	(23.0)
<i>Cash from Operations V EBITDA</i>	98.6%	246.0%	
<i>Net Asset Value per Share</i>	58.30 cents	52.53 cents	11.1
<i>Earnings per Share</i>	6.94 cents	3.51 cents	97.7
<i>Total Dividend Payment</i>	2.0 Australian cents	1.0 Australian cents	100.0
<i>Order Book (30 June)</i>	\$1,006	\$900	11.8

Commenting on the results, Chairman Mr James Fitzgerald said “Civmec’s order book continued to strengthen in FY21, enabling the Group to grow revenue and profits throughout the year. This places the Group in a strong financial position as we enter FY22, with a A\$1 billion order book and good performance across all operating sectors. The Group continued to demonstrate good cashflow management with cash generated from operations representing 98.8% of EBITDA. In view of the good financial performance, the Board is recommending a final dividend of 1.0 Australian cent, which when combined with the 1.0



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Australian cent interim dividend already paid takes the total dividend payout for FY21 to 2.0 Australian Cents.”

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.

Ongoing border restrictions have resulted in tightening labour availability with reduced migration and restricted interstate travel both contributing to localised 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.

Strengthened Executive Team

The Board is pleased to announce that the Executive team has been strengthened with the addition of Daniel Kennedy. This reinforces the growth potential we see in maintenance and capital works contracts for the Group. The division of responsibilities between Daniel Kennedy (EGM Maintenance and Capital Works - Resources and Energy) as predominantly west coast based and Mylon Manusiu (EGM Maintenance and Capital works - Refineries and Smelters) as predominantly east coast based is also timely in dealing with interstate travel restrictions due to COVID-19, giving an executive presence on both coasts of Australia.

Recent Activities

In the first full financial 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 remains high.

Civmec recently completed its first contract directly with Main Roads Western Australia with the opening of the Koolangka Bridge (Kids' Bridge) in Perth. The Group is conscious of the extensive opportunities for projects in the roads and bridges area that are being fast tracked by Federal and State Governments as a stimulus to positively drive the economy in the midst of the Covid pandemic. Successful completion of this high profile project has positioned us well to capitalise on the opportunities as a tier one contractor working directly to state government bodies across the country, thereby having the potential to increase manufacturing activities from our Henderson, WA and Newcastle, NSW facilities.

New contract wins and contract extensions in the period continue to replenish the order book, increasing the forward 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 FY2022, with a portion of the secured order book extending as far as 2029.



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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. 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.

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 securing contracts that suit our capabilities best with timing that matches our capacity to deliver for our clients."

"Tendering activity remains strong across all sectors that we operate in and we are focused 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 focused on growing the proportion of revenue earned on long term contracts" Mr Patrick Tallon stated.

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 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 Port Hedland 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 and piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

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