

**CIVMEC LIMITED**  
**ABN 50 604 316 690**

**Appendix 4E - Preliminary final report for the year ended 30 June 2020**  
**Under ASX Listing Rule 4.3A**

**1. Reporting period & previous corresponding period**

Current reporting period is for the year ended 30 June 2020

Previous corresponding period is for the year ended 30 June 2019

**2. Results for announcement to the market**

**A\$'000**

<b>2.1. Revenue from ordinary activities</b>	Down	19.8%	To	391,868
<b>2.2. Profit after tax attributable to members</b>	Up	149.6%	To	17,549
<b>2.3. Net Profit for the period attributable to members</b>	Up	149.6%	To	17,549

**2.4. Details relating to Dividends**

Reporting Period	Amount per security	Franked amount per security
<u>Financial Year Ended 30 June 2020</u>		
Final dividend	A\$0.01	A\$0.01
Interim dividend	-	-
<u>Financial Year Ended 30 June 2019</u>		
Final dividend	S\$0.007	S\$0.007
Interim dividend	-	-

**2.5. Dividend payments**

Date the 2020 final dividend is payable	11 December 2020
Record date to determine entitlements	30 November 2020
Date final dividend was declared	27 August 2020 <sup>1</sup>

<sup>1</sup> 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 2020 ("FY2020") revenue decreased 19.8% to A\$391.9 million from A\$488.5 million due to the timing of projects.

Gross profit for FY2020 however has increased by 74.9% to A\$44.7 million from A\$25.5 million in FY2019 with improved gross profit margin from 5.23% ("FY2019") to 11.39% ("FY2020").

Administration and Other expenses for FY2020 increased by 26.6% compared to FY2019 is mainly due to impairment losses provided for expected credit losses on loan to a related party A\$1.77 million and trade receivables A\$0.91 million, per IFRS 9 Financial Instruments. The Group has also recognised a loss of A\$1.6 million on asset valuation less than book value of the freehold land and buildings. Excluding these one-off expenses totalling A\$4.28 million, administration and other expenses were 2.8% higher at A\$17.2 million, from A\$17.0 million in FY2019.

Other income for the twelve months ended 30 June 2020 ("FY2020") decreased by 60.4% to A\$2.2 million from A\$5.4 million ("FY2019") due to proceeds from an insurance claim received and gain from deconsolidation of a subsidiary in the comparative period.

Finance costs for the FY2020 decreased by 49.0% to A\$2.6 million from A\$5.0 million due to the reduction in the use of borrowings.

Net profit attributable to shareholders increased 189.5% to A\$17.6 million in FY2020 from A\$6.1 million in FY2019 mainly due to improved gross margin and lower finance costs in FY2020

## Other Disclosure Requirements

The Appendix 4E shall be read in conjunction with the *Report of The Directors and Financial Statements* ended 30 June 2020 as follows:

Requirement	Title	Reference
<b>3. Statement of Comprehensive Income</b>	- Consolidated Statement of Comprehensive Income - Notes to the Financial Statements	Page 57 Pages 64-154
<b>4. Statement of financial position</b>	- Statements of Financial Position	Pages 58-59
<b>5. Statement of Cash Flows</b>	- Consolidated Statement of Cash Flows	Pages 62-63
<b>6. Statement of Changes in Equity</b>	- 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

2020	2019
A\$0.01	S\$0.007

**Total dividends paid on all securities**  
Ordinary Securities  
**Total**

A\$'000	A\$'000
2020	2019
3,729	3,631
3,729	3,631

### 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 2020 Cents per share	30 June 2019 Cents per share
52.53	34.77

### 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 2020 respectively.

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

Not applicable.

### 13. Accounting standards for foreign entities

International Financial Reporting Standards

## 14. Commentary on the results

The Group has continued to fortify its financial position for FY2020, with consistent net profit returned over the year and sustained revenue growth.

The Covid-19 pandemic has had no significant impact on the majority of the Group's operations, with some minor impact on the timing of certain maintenance contracts being undertaken.

The Group has been very proactive with the implementation of measures at both its manufacturing and on-site 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, and keeping people employed.

The Group has adjusted its operations to reflect the restrictions imposed by COVID-19, working to support the continued delivery of projects for clients. This is critical, as many sectors of the economy are now experiencing significant pressure, and therefore Civmec remains committed to providing a service to the Australian resource and defence sectors to enable them to continue to operate and contribute to the broader economy. The company's lack of any significant reliance on the overseas supply chain has reaped benefits at this time. While many of the measures do come with a cost impact, they are minor compared to the impact that restricted operations could have on the business.

Completion of the Assembly and Sustainment Hall at Henderson coincides with commencement of Offshore Patrol Vessel 3 (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 other projects commencing in the next 12 months that will utilise the facility.

New contract wins and contract extensions have totalled A\$260 million in the June quarter, increasing the order book to A\$900 million at 30 June 2020, with over half of this expected to be realised in FY2021.

The forward tendering outlook remains positive, particularly given the Group's established local supply chains enabling it to continue to fully support the delivery of the company's projects. Tendering activities are focused on building on the successful contract awards during FY2020 to maintain the positive momentum achieved throughout the year.

## 15. Accounts Status

*Report of The Directors and Financial Statements ended 30 June 2020 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:** 31 August 2020

**Name of Director or Secretary authorising lodgement:** Kevin James Deery