



**CIVMEC LIMITED**  
(Company Registration Number 201011837H)

## Corporate and Business Update

### May 2021

**PERTH, 27<sup>th</sup> May 2021 Civmec Limited (“Civmec” or the “Group”)** is pleased to provide an update on recent developments and future plans.

#### Q3 Performance

The Group continues to deliver strong financial results, with Q3 2021 (period ending 31 March 2021) experiencing growth in both top and bottom lines compared to Q2 2021.

Key financial metrics (unaudited)

	Q3 FY2021 A\$'000	Q3 FY2020 A\$'000	+ / (-) %	9M FY2021 A\$'000	9M FY2020 A\$'000	+ / (-) %
Sales revenue	183,900	95,467	92.6	489,600	261,642	87.1
Gross profit	19,237	10,340	86.0	53,755	28,952	85.7
EBITDA	19,415	9,751	99.1	53,719	27,489	95.4
NPAT	8,944	4,030	121.9	23,965	12,010	99.5
Earnings per share attributable to equity holders of the Company (cents per share)	1.81	0.80		4.81	2.41	
Total equity attributable to the Owners of the Company				279,024	179,209	
Net Asset value per share (cents per share)				55.68	35.77	
Order book at 31 March				1,105,000	767,000	

#### Port Hedland Expansion

The Group has made the first significant step towards establishing a permanent Civmec owned and operated facility in the Pilbara region of Western Australia. The Pilbara is where much of the Group's construction and maintenance activities are delivered. The Group believes the time is right to establish a suitably sized facility there to support its clients various projects and the local community by building skills and creating permanent employment opportunities.

To this end, the Group has agreed to purchase five hectares of land in Port Hedland, located in the industrial area known as Wedgefield. Port Hedland is an industrial town in the Pilbara region. The decision to locate in Port Hedland was made as it is the port location for the Group's existing blue-chip clients such as BHP, Fortescue and Roy Hill. Port Hedland is also within close proximity to many other resources and energy clients such as Rio Tinto and Woodside. It is also close to many inland mine sites in the greater Pilbara region.

The Group intends to design and build a suitably sized facility at Wedgefield that will have fabrication and maintenance capabilities and provide a base for clients to access a local labour pool for their short and long-term requirements on an ongoing basis.



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*Initial Concept Design for the Port Hedland Facility*

The Group expects to spend approximately A\$10 million in the Port Hedland investment over an 18-month period. With increased capacity in the Pilbara region, the investment is expected to generate a positive return on capital over the coming years.

### **Maintenance and Capital Works**

The Group has historically concentrated its efforts on undertaking major projects on behalf of clients and more recently has been growing its maintenance revenue year on year. The remaining gap in activities is in the capital works space, which involves capital upgrades in operating plants to achieve incremental efficiency gains or capacity increases.

Two key managers have been appointed to fill this gap. Mylon Manusiu, who is based in Newcastle in New South Wales (NSW), will predominately be responsible for maintenance and capital works in the refineries and smelters plants, while Daniel Kennedy, who joined the Group in February 2021, will oversee maintenance and capital works in the resources and energy areas.

Mylon Manusiu will focus on opportunities around the Newcastle area, including the Hunter Valley region, and seek to increase activities from our Gladstone facility in Queensland. Daniel Kennedy, who is based in Henderson, will be responsible for opportunities in the ports and process plants throughout Western Australia (WA) and, in particular, opportunities that will be available once the Port Hedland facility is constructed.

### **Infrastructure**

With the works successfully underway for the Kids' Bridge in Perth, where the steel structure for the project is now fully installed, the Group is pleased to have been shortlisted to engage further with Main Roads WA as one of two construction consortiums to be considered for the next significant infrastructure project in the Perth metropolitan area – the Causeway Bridge.



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There are many opportunities for projects such as roads and bridges as infrastructure spending across Australia is being fast tracked by both State and Federal governments as an economic stimulus in the midst of the COVID-19 pandemic. The Group is well positioned to seize such opportunities as a Tier-1 contractor working directly with state government bodies across the country. This will enable it to increase manufacturing activities from its locations in Henderson, WA and Newcastle, NSW.

### **Tendering**

Overall tender activities remain strong across all the sectors in which the Group operate. The Group has maintained its order at over A\$1.1 billion throughout this calendar year and is confident it will continue to generate solid returns for investors in FY 21/22. We continue to have early contractor involvement with many existing and new clients across various commodities for future opportunities, and fully expect to continually replenish our Order Book.

### **Defence and Shipbuilding**

As part of the SEA 1180 shipbuilding program for the Commonwealth of Australia, the Group recently achieved the milestone of Keel Laying for the fourth Off-shore Patrol Vessel (OPV4), while continuing to make substantial progress toward the delivery of OPV3.

### **People**

The Group continues to expand the number of pre apprentices, apprentices, trainees and graduates through various programs. Currently we have 105 young and mature students and will continue to upskill existing employees to achieve nationally accredited qualifications in a variety of high-risk and general skills that complement our service offering.

The Group also continues to achieve successful outcomes from our bespoke internally delivered supervisor and leading hand training, known as the LEAD program. We have delivered approximately 1,260 LEAD training courses to employees since the program was introduced.

In May 2021, the Group rolled out a mental health strategy to better prepare employees and stakeholders to deal with concerns should the need arise. This includes proactively identifying anyone who may be experiencing mental health issues and encouraging people to seek support early if necessary.

In June 2021 the Group's CEO Pat Tallon and Group Manager for HR/IR, Stephanie Baptist, will participate in the CEO Sleepout to promote awareness of the growing issue of homelessness in Australia. Through this initiative much needed funds will be raised to allow the St. Vincent de Paul Society to carry out its support activities.

### **COVID-19 Update**

The Group continues to monitor the COVID-19 situation and is pleased to note that the impact on its business so far remains minimal.

This announcement was authorised for release to the SGX and ASX by the Board.



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\*\*\*\*\*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), Gladstone (Queensland, Australia), and Broome (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, 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](http://www.civmec.com.au).