



Civmec Announces Strong H1 FY2022 Performance

PERTH, SINGAPORE 14th February 2022 – Civmec Limited (“Civmec” or the “Group”) is pleased to announce its first half results for the period ending 31 December 2021 (“H1 FY2022”) and to provide an operational update.

H1 FY2022 Financial Performance

The Group performed well in H1 FY2022 across all operating sectors, with growth in both top and bottom lines compared to both H1 and H2 of FY2021.

Reflecting the financial performance for the half year, **the Board has declared an interim dividend of A\$0.01 for the period.**

Key financial metrics (unaudited)

	H1	H1		H2	
	FY2022	FY2021	+ / (-)	FY2021	+ / (-)
	A\$'000	A\$'000	%	A\$'000	%
Sales revenue	389,353	305,699	27.4%	368,487	5.7%
Gross profit	42,209	34,518	22.3%	40,520	4.2%
EBITDA	43,256	34,305	26.1%	39,464	9.6%
EBITDA Margin	11.1%	11.2%	- 0.1 pp*	10.7%	0.4 pp*
NPAT	22,594	15,022	50.4%	19,606	15.2%
NPAT Margin	5.8%	4.9%	0.9 pp*	5.3%	0.5 pp*
Earnings per share attributable to equity holders of the Company (cents per share)	4.50	3.00		3.91	
Order Book	1,188	1,150		1,006	

*pp = percentage points

With +27% growth in revenues and stable EBITDA margins, net profit after tax increased by 50.4% for 1H FY2022 compared to H1 FY2021. The outlook for 2H FY2022 remains strong, underpinned by an order book of more than A\$1.15 billion as at the end of January, which combined with a continued focus on cost control and reduced interest expenses following the paydown of a secured note, sees Civmec’s financial performance for the financial year ending 30 June 2022 (“FY2022”) set to exceed that in FY2021, barring unforeseen circumstances.

Maintenance and Capital Works

As previously communicated, the Group sees significant avenues for growth within its Maintenance and Capital Works division in the short to medium term. Civmec has invested substantial resources in this division over the past 2 years in order to capitalise on growth opportunities both geographically within Australia and across a wider range of industries. Revenues from provision of services, which are predominantly realised through maintenance work, grew substantially in H1 FY2022, rising four-fold to A\$105.4 million from A\$26.2 million in H1 FY2021. The provision of services accounted for about 27% of total Group revenue in H1 FY2022.

Shipbuilding

As part of the SEA 1180 shipbuilding program for the Commonwealth of Australia, construction of the fifth offshore patrol vessel (“OPV5”) has commenced on schedule in the Group’s Henderson facility in Western Australia. With OPV5 underway, there are now three OPVs under construction in Henderson – OPV 3 and 4 are in the consolidation stage in Civmec’s newly built Assembly Hall.



Tendering

Tendering activity remains strong across all sectors and the Group is focused on securing projects that will allow it to grow the workforce at a sustainable pace given the current labour constraints. Notwithstanding the manpower challenges, opportunities to replenish the order book remain plentiful and the overall business outlook is positive.

COVID-19 Update

The impact of the pandemic on the Group's operations has so far been controlled. There continues to be tightening of labour availability to service projects due to ongoing domestic and international border restrictions in Western Australia. The Omicron outbreak on the east coast of Australia resulted in a brief spike in absentee rates for Civmec's east coast operations, averaging 10% in January. This has since reverted closer to normal levels with only minor disruptions to operations.

The Group is keeping employees, contractors and clients regularly updated on the constantly evolving landscape. With the recent increase in COVID-19 infections, and in anticipation of more caseloads in Western Australia, Civmec has rolled out an application to allow employees and on-site contractors to effectively monitor and report any close contacts they may have at work. This will help minimize any impact on daily operations.

People and Sustainability

Amid growing investor interest in environmental, social and governance issues, the Group has started making the relevant changes outlined in its sustainability report released late last year. For example, the Henderson manufacturing facility is presently transitioning the fleet of fossil-fueled forklifts to electric-powered forklifts where there is a suitable alternative available.

Staff development across the Group is also ongoing. There are currently about 120 people seeking professional qualifications via apprenticeship, traineeship and undergraduate programs. Another 16 recently qualified engineers, health and safety workers as well as commercial staff have also gained valuable experience through Civmec's internal graduate program. As at 31 December 2021, the proportion of females in the Group's corporate office totalled 48% and over 9% across its entire workforce, setting a new high in the history of Civmec for diversity growth.

This announcement is authorised for release to the SGX and ASX by Civmec's Board of Directors.

*******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, 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.