

**Singapore and Australia**  
13 November 2019

## AusGroup delivers its 13<sup>th</sup> consecutive profitable quarter

**AusGroup Limited** ('AusGroup' or the 'Group') today announced its results for the three months ended 30 September 2019 ('Q1 FY20'), with profit in the quarter of AU\$0.2m and revenue of AU\$69.6m.

### Q1 2020 highlights

- Revenue for Q1 2020 steady at AU\$69.6m from a more diversified customer base.
- Balance sheet strength now stabilised with net worth at AU\$96.9m.
- Finance costs reduced 49% since Q1 FY19.

Income statement (abstract of key metrics)	Q1 FY20 AU\$m	Q1 FY19 AU\$m	+ / (-) %
Revenue	69.6	86.6	(19.6)
Gross profit	6.0	8.1	(26.8)
<i>Gross Margin</i>	8.6%	9.4%	
Net Overheads	(4.1)	(3.8)	(7.9)
<b>Profit from operations</b>	<b>1.9</b>	4.3	(55.8)
Finance Costs	(1.3)	(2.7)	(49.3)
<b>Net profit for the period</b>	<b>0.2</b>	1.3	(81.9)
<i>Margin</i>	0.3%	1.5%	

AusGroup has reported a net profit after tax of AU\$0.2m in the quarter to 30 September 2019, whilst it is lower than the comparative quarter from last year, mainly due to the completion of major projects in FY19, the underlying margins from the current work is consistent with the comparative quarter.

Revenue for Q1 FY20 of AU\$69.6m (Q1 FY19: AU\$86.6m) and gross profit of AU\$6.0m (Q1 FY19: AU\$8.1m) are lower than the comparative period however the underlying strength in the operational project base results in margins within the Group's target range of 7.0% to 10.0%.

Finance costs have reduced QoQ since Q1 FY19 by 49.3% which is a direct effect of the debt to equity, share placement and rights issue completed in FY2019.

### Financial position

	30 Sep 2019 AU\$m	30 Jun 2019 AU\$m	+ / (-) %
Cash and cash equivalents	6.5	17.2	(62.2)
Total borrowings	79.0	74.9	5.5
Net borrowings	72.5	57.7	25.6
Equity	96.9	101.8	(4.8)

**Cash and cash equivalents:** Cash and bank balances decreased 62.2% by AU\$10.7m to AU\$6.5m at 30 September 2019 (30 June 2019: AU\$17.2m), due to delayed settlement of project claims and delays in converting accrued revenue to invoicing – largely timing and corrected in early Q2 FY20.

**SGX/MEDIA RELEASE  
For Immediate Release**

Company Registration Number 200413014R  
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**Net borrowings** have increased by AU\$14.8m since 30 June 2019 mainly due to delays in receipts from customers which has been largely corrected in Q2 FY20 and partly due to increased insurance premium funding costs in the quarter. The underlying major debt for the Noteholders and with our principal bankers remains at consistent levels since the completion of the debt re-structuring programme last financial year.

**Total shareholders' equity** as at 30 September 2019 was AU\$96.9m which is at a consistent level following the completing of the debt raising last financial year.

**Work-in-Hand** as at the end of the quarter (30 September 2019) is AU\$209m following the award of new contracts in the resources and maintenance sectors of the business in Q1 FY20. There are also other significant opportunities that we expect to convert to award in the next quarter (Q2 FY20) which will boost work-in-hand levels for the remainder of the year and into FY21.

**Summary**

Chief Executive Officer and Managing Director Shane Kimpton said, "The first quarter of the year has been a positive one as we have embarked on a number of new projects that has diversified our offering across resources and maintenance sectors. Whilst these start up projects have produced solid results in the first quarter and have established good working relationships with a number of key name plate clients, our results for the remainder of the year will be built on the growth of those relationships leading to improved quality of earnings.

The work in hand levels have been boosted by these new projects and with new prospects in hand, will increase to levels required to sustain the business for the foreseeable future."

*This release should be read in conjunction with our SGX Announcement.*

**Ends**

**Issued by AusGroup Limited.**

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**ABOUT AUSGROUP LIMITED**

With 30 years of experience, AusGroup is an established project and asset services provider. We create ongoing value for our clients across construction and maintenance environments. Through our subsidiaries AGC, MAS and NT Port and Marine, we provide specialty services to the energy, resources, industrial, utilities and port & marine sectors. For more information, visit [www.ausgrouppltd.com](http://www.ausgrouppltd.com)