



Engineering Success

Appendix 4E

Preliminary final report for year ended 30 June 2023

1. Reporting period & previous corresponding period

Current reporting period is for the year ended 30 June 2023

Previous corresponding period is for the year ended 30 June 2022

2. Results for announcement to the market

A\$'000

2.1. Revenue from ordinary activities	Up	2.7%	To	830,866
2.2. Profit after tax attributable to members	Up	13.6%	To	57,655
2.3. Net Profit for the period attributable to members	Up	13.6%	To	57,655

2.4. Details relating to Dividends

Reporting Period	Amount per security	Franked amount per security
<u>Financial Year Ended 30 June 2023</u>		
Final dividend	A\$0.03	A\$0.03
Interim dividend	A\$0.02	A\$0.02
<u>Financial Year Ended 30 June 2022</u>		
Final dividend	A\$0.02	A\$0.02
Interim dividend	A\$0.01	A\$0.01

2.5. Dividend payments

Date the 2023 final dividend is payable

14 December 2023

Record date to determine entitlements

30 November 2023

Date final dividend was declared

28 August 2023¹

¹ 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 2023 ("FY2023") revenue increased 2.7% to A\$830.9 million from A\$809.3 million due to the timing of revenue recognition on projects.

CIVMEC LIMITED

(Company Registration Number 201011837H)



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Gross profit for FY2023 increased 20.2% to A\$109.2 million from A\$90.8 million in FY2022 reflecting the increase in revenue and improvement in gross profit margins from 11.2 % to 13.1%.

Other income for FY2023 decreased by 9.9% to A\$2.6 million from A\$2.9 million in FY2022 mainly due to the larger fair value gain on an investment property realised in FY2022 partially offset by the increase in interest income in FY2023.

Administration expenses for FY2023 increased by 22.7% compared to FY2022 mainly due to an increase in employee benefits, marketing and tendering costs, and consultant fees.

Other reversal were 87.1% lower at A\$0.1 million in FY2023 compared to A\$1.2 million in FY2022 mainly due to the reversal of an impairment loss on a loan to a former associate and the larger reversal of revaluation loss on freehold land and buildings realised in FY2022.

Finance costs for FY2023 decreased slightly by 1.9% to A\$4.8 million from A\$4.9 million in FY2022 due to lower borrowings in the period offsetting higher interest rates payable on borrowings.

Net profit attributable to shareholders increased 13.6% to A\$57.7 million in FY2023 from A\$50.8 million in FY2022 as a result of increased revenue with improved gross margin.

Total shareholders' equity increased to A\$420.9 million as at 30 June 2023 from A\$371.4 million as at 30 June 2022 as a result of profit earned in the period and asset revaluation gains which is partially offset by dividends paid.

Trade and other receivables increased to A\$108.2 million as at 30 June 2023 from A\$95.0 million as at 30 June 2022 due to timing of invoicing at the end of the period.

Contract assets reduced to A\$100.1 million as at 30 June 2023 from A\$121.7 million as at 30 June 2022 reflecting the timing of payment claims and revenue recognition on current projects.

Trade and other payables increased to A\$117.7 million as at 30 June 2023 from A\$111.7 million as at 30 June 2022 due to the increased project activity. Contract liabilities increased to A\$44.7 million as at 30 June 2023 from A\$43.3 million as at 30 June 2022 reflecting the timing of payment claims and revenue recognition on current projects.

Cash and cash equivalent as at 30 June 2023 were A\$70.4 million increasing from A\$40.8 million as at 30 June 2022 mainly as a result of the increased cash generated from operations in the period.

Property, plant and equipment increased to A\$476.3 million as at 30 June 2023 from A\$448.1 million as at 30 June 2022 mainly attributable to the revaluation increment on freehold land and buildings, new right-of-use assets on leasehold properties, re-measurement of existing right-of-use assets due to price escalation and purchase of new assets including properties in Port Hedland which is partially offset by the depreciation expenses for the period.

Overall lease liabilities increased to A\$57.3 million as at 30 June 2023 from A\$55.9 million as at 30 June 2022 as a result of new lease arrangements entered and re-measurement of existing leases due to increased price escalation during the period, offset by the repayment of principal lease liabilities.

Overall borrowings reduced to A\$56.5 million as at 30 June 2023 from A\$74.0 million as at 30 June 2022 as a result of repayment of borrowings in the period utilising the increased cash generated from operations.



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Overall cashflow before working capital changes was A\$108.0 million for the twelve months ended 30 June 2023 ("FY2023") compared to A\$92.9 million for the twelve months ended 30 June 2022 ("FY2022") reflecting the increased revenue and increased gross profit margin in the period.

Cash generated from operations remained positive at A\$122.8 million for FY2023 compared to A\$36.2 million in FY2022 reflecting changes in working capital requirements in the period. Net cash generated from operating activities increased to A\$95.2 million for FY2023 compared to A\$1.8 million in FY2022 mainly due to the timing of revenue recognition, timing of tax payments and improved gross margin.

The Group spent A\$19.9 million on capital expenditure, predominantly to purchase properties in Port Hedland and development of the Port Hedland facility and for replacement of ageing plant and equipment with new equipment.

The Group made net repayments of A\$17.5 million on borrowings and made repayments against leases of A\$8.6 million. The Group also paid a final dividend of A\$10.1 million relating to the financial year ended 30 June 2022 and an interim dividend of A\$10.1 million relating to the financial year ended 30 June 2023.

As at 30 June 2023, the Group's cash and cash equivalents were A\$70.4 million an increase from A\$40.8 million as at 30 June 2022.

Other Disclosure Requirements

The Appendix 4E shall be read in conjunction with the *Report of The Directors and Financial Statements* ended 30 June 2023 as follows:

Requirement	Title	Reference
3. Statement of Comprehensive Income	- Consolidated Statement of Comprehensive Income	Page 44
	- Notes to the Financial Statements	Page 47-110
4. Statement of financial position	- Statements of Financial Position	Page 45
5. Statement of Cash Flows	- Consolidated Statement of Cash Flows	Page 47
6. Statement of Changes in Equity	- Consolidated Statement of Changes in Equity	Page 46

7. Details of individual and total dividends or distributions

Total dividends per security (interim plus final)
Ordinary Securities

2023	2022
A\$0.05	A\$0.03

8. Details of any dividend or distribution reinvestment plans

Not Applicable.



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9. Net tangible assets per security

Net tangible asset backing per ordinary security

30 June 2023 Cents per share	30 June 2022 Cents per share
83.32	73.92

10. Details of entities over which control has been gained or lost having a material effect

Not applicable

11. Details of associates and joint venture entities

The principal activities of the Company and its subsidiaries, joint venture, associate, and joint operations are set out in Notes 17,18, 19 and 20 respectively in the *Report of the Directors and Financial Statements* for the year ended 30 June 2023.

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

Not applicable.

13. Accounting standards for foreign entities

Singapore Financial Reporting Standards (International) comprises Standards and Interpretations that are equivalent to International Financial Reporting Standards issued by the International Accounting Standards Board.

14. Commentary on the results

Cashflow from operations for the year was A\$122.8 million, a conversion rate of 113% compared to EBITDA of A\$109.1 million. This allowed the Group to reduce debt and finish the year in a net cash position of A\$13.9 million.

During the year, several projects were completed while newly awarded projects ramped up activity levels. Major projects currently underway include:

- Covalent Lithium refinery, with most manufacturing works completed, sitework is nearing the peak of activity;
- SMPE&I and fabrication work is ongoing at the Iron Bridge Magnetite Project;
- The Causeway Bridge project, with siteworks underway including onshore piling and services diversions;
- Supply of subsea structures for the Scarborough and SCMS projects;
- Civil works and manufacture of eight kilns and 25 carbon steel tanks for trains 3 and 4 at Albemarle's Kemerton Lithium project; and
- Commencement of work on the Western Ranges project for Rio Tinto.

Construction of the Group's new maintenance facility in Port Hedland progressed well in FY23, with foundations completed and structural steel erection underway.

Maintenance and capital works also saw continued growth, with work ongoing for the following projects:

- Alcoa calciner maintenance, major overhaul and repair services;
- Fortescue Metals Group maintenance works;
- Maintenance and capital works at Newmont's Boddington gold mine;
- Mechanical and maintenance works to support shutdowns for Queensland Alumina;
- Maintenance and refractory works at Rio Tinto's Boyne Island Smelter, Yarwun Refinery and Weipa;



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- Maintenance support services for Roy Hill's port and mine fixed plant assets; and
- Maintenance services at the Greenbushes lithium mine site.

Tendering activity continues to be strong across all sectors, with the Group focused on securing projects that will allow it to grow its workforce at a sustainable pace. Opportunities remain plentiful for Civmec to keep replenishing its order book, which amounted to \$1.149 billion as at 30 June 2023, an increase of 10.6% from FY22.

15. Accounts Status

Report of The Directors and Financial Statements for the year ended 30 June 2023 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: 28 August 2023

Name of Director or Secretary authorising lodgement: Kevin James Deery