

**ASX Announcement**  
**28 August 2020**

## LogiCamms FY20 earnings

LogiCamms Limited (ASX: **LCM**) today reported normalised EBITDAI of \$11.4m<sup>1</sup> (FY19: \$6.9m<sup>2</sup>) from revenue of \$117.0m (FY19: \$119.4m – unaudited pro-forma) for the year to end June 2020. The realisation of merger benefits and tight control of overheads have underpinned an improved underlying financial performance for the business despite the impacts of COVID-19.

	<b>12 months to June 2020</b>	<b>12 months to June 2020 (adjusted)<sup>3</sup></b>	<b>12 months to June 2019</b>
<b>Revenue</b>	\$117.0m	\$117.0	\$119.4m <sup>2</sup>
<b>EBITDAI – Normalised<sup>1</sup></b>	\$11.4m <sup>1</sup>	\$9.5m <sup>1</sup>	\$6.9m <sup>2</sup>
<b>EBITDAI margin – Normalised<sup>1</sup></b>	9.7% <sup>1</sup>	8.1% <sup>1</sup>	5.8% <sup>2</sup>
<b>NPAT – Normalised<sup>1</sup></b>	\$5.7m <sup>1</sup>	\$6.0m <sup>1</sup>	\$3.2m <sup>2</sup>
<b>NPAT – Reported<sup>4</sup></b>	\$2.8m	\$3.1m	\$0.2m
<b>EPS – basic (cents)</b>	1.4	1.6	0.0
<b>Operating cash flow – Reported</b>	\$11.6m	\$11.6m	\$5.4m
<b>Net cash position (at 30 June)<sup>5</sup></b>	\$7.2m	\$7.2m	\$4.6m
<b>Closing cash position (at 30 June)</b>	\$15.9m	\$15.9m	\$8.3m

<sup>1</sup> Excluding post-merger transition costs (\$3m) and other one-offs (including impairment expense \$0.3m and net direct COVID-19 impact of +\$0.4m).

<sup>2</sup> Unaudited Pro-forma: Disclosed as a result of the terms under AASB 3 Business Combinations, whereby OSD Pty Ltd was deemed to be the accounting acquirer of LogiCamms Limited in June 2019. Accordingly, the pro-forma disclosure has been prepared on the basis that the merged group existed as at 1 July 2018 and includes full year results for the combined group.

<sup>3</sup> Adjusted by removal of AASB16 (re leases) to allow like-for-like comparison with 12 months to June 2019

<sup>4</sup> No tax payable in Australia since LogiCamms Limited had accumulated tax losses of \$24.5m

<sup>5</sup> Cash on hand less borrowings and lease liabilities

### Operational highlights

- Rapid response to COVID-19 to protect our people and continue to deliver quality outcomes for clients.
- Merger integration virtually complete – synergies captured, merged organisation structure bedded in, Executive Leadership Team bolstered, IT systems integrated, teams co-located and a new ERP in progress.
- Merger benefits have enhanced competitive position. Strengthened balance sheet supported larger contract wins.
- Reduced overheads have led to healthy margin improvement.
- Strong cash conversion performance and net cash position.

Revenue remained in line with FY19 despite contraction resulting from the impacts of COVID-19 as oil and gas clients reduced expenditure and deferred projects. Other sectors have not been significantly impacted but general softness in demand from the oil and gas sector in the last quarter of FY20 is expected to continue in

the near term. Demand from the mining industry, particularly in Western Australia, has remained solid in terms of both sustaining capital spend and investment in work for significant new projects. The company also anticipates an increase in infrastructure investment, in part due to government stimulus measures, although competition is expected to intensify and create some margin pressures.

LogiCamms reported net statutory operating cash inflows for the reporting period of \$11.6m (FY19: \$5.4m). This \$11.6m comprised \$14.4m of FY20 operating cash flow less outflow of \$2.8m of merger costs, predominantly transaction consulting costs, that were booked as an expense in the FY19 accounts. The closing cash position as at 30 June 2020 was \$15.9m (FY19: \$8.3m), resulting from tight management of debtors and a proposals process that has improved project invoicing milestones (and also assisted by government support).

The Company has total debt of \$8.7m (comprising borrowings of \$3.6m plus lease liabilities of \$5.1m) of which \$3.9m (\$1.5m borrowings plus \$2.4m lease liabilities) is due for repayment within the next 12 months. Taking this into account, together with the uncertainty resulting from COVID-19, the Board has chosen to preserve cash and has therefore elected not to declare a final dividend.

The business has delivered on the three strategic focus areas that were outlined in the FY19 Annual Report:

- *Harnessing merger benefits including synergy cost savings, cross-selling to the expanded client base and using expanded capabilities, scale, stronger balance sheet and lower overheads to win larger contracts.* All achieved.
- *Focusing approach to market on six specialty Service Lines - Asset Management, Competency Training, Digital Industry, Pipelines, Power and Process Plant - to drive customer engagement and capability building within the business.* Achieved - and a key plank of our strategy: LogiCamms creates and transforms assets (plants, processes and people) to build a smarter future, delivering fit for purpose solutions across all phases of the lifecycle of assets, and our company is known for being highly responsive and flexible. We will more actively promote these characteristics, and our specialist expertise in our six Service Lines, in growth markets.
- *Internal innovations will be driven by Service Lines, and innovation products rationalised with each having a clear near-term commercialisation plan.* All achieved.

Chief Executive Officer, Chris O'Neill said, "FY20 has been a successful year for LogiCamms with the implementation and bedding in of the merger and rapid realisation of its benefits, and a solid financial performance in the face of the impacts of COVID-19.

"The merger has been an outstanding success, the response of our clients and staff to the merger has been overwhelmingly positive and throughout the integration process we have improved our financial and operational disciplines and continued to deliver for our clients.

"We have significantly improved our margins and built in strong cashflow performance. We have been disciplined in implementation of our strategy and of our strengthened proposals process, and the benefits of those disciplines are flowing.

"We reacted quickly to COVID-19 to protect our people and transition to working from home. We also reduced overheads and put steps in place to preserve our strong cash balance. Although the oil and gas markets have been impacted, we also have strong positions in other sectors and are well positioned to further expand in those markets."

## Outlook

Given the impact and uncertainties associated with COVID-19, the Group expects work opportunities in the first half of FY21 to be somewhat subdued but the second half to be stronger. LogiCamms has successfully bedded in the merger and is in a sound financial position with a clear strategy, bolstered leadership, disciplined operational performance and demonstrated adaptability, and is thus well positioned to accelerate out of the downturn as opportunities arise.

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## Further information

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## About LogiCamms

LogiCamms is an engineering services company with the experience to deliver Outstanding Service Delivery through innovative engineering, project delivery and operations solutions to our clients, including leading owners and operators of minerals and metals, hydrocarbons, water and infrastructure assets. The Company works to reduce costs, increase efficiencies, and enhance the value of our customers' operations. LogiCamms is an Australian Securities Exchange listed Company (ASX: **LCM**) with offices across Australia and New Zealand. LogiCamms' Vision is to be the mid-tier engineering and operations partner of choice.