



Announcement to Shareholders and the ASX

SAUNDERS REPORTS 2021 FULL YEAR RESULTS

Sydney – Friday 27 August 2021

FY21 FINANCIAL RESULTS

- **Record Revenue** of \$101.24 million for year ending 30 June 2021
- **EBIT** of \$8.09 million with **EBITDA** of \$10.11 million
- **Operating cash flow** of \$15.56 million
- **Cash on hand** of \$23.81 million at 30 June 2021
- **Strong Balance Sheet** with Net Assets of \$28.11 million
- **Orderbook** of \$83.3 million at 30 June 2021
- **Tender and Pipeline** of \$803 million (30 June 2021)
- **Final Dividend** payment 0.75 cents with **Special Dividend** of 1.00 cents
- **Bank Guarantee and Surety Facility** increased from \$15 million to \$20 million

Saunders International Ltd (ASX:SND) (“Saunders” or “the Group”) today released its financial results for Financial year ending 30 June 2020.

OPERATIONS

Saunders’ revenue for the year is \$101.2 million, an increase of \$34.1m or 52.2% (FY20: \$66.5m) and the NPAT was \$5.5 million, an improvement of \$4.2 million or 323.1% over (FY20: \$1.3 million), EBITDA was \$10.1 million, an improvement of \$6.7 million or 197.1% from prior year (FY20: \$3.4 million).

Earnings per share for the period was 5.36 cents (FY20: 1.23 cents).

Saunders has strengthened its financial position at year end with cash and cash equivalents of \$23.8 million (FY2020: \$11.1 million). The Group’s disciplined approach to working capital has been the principal driver in the strong cash flow reported and the increase in cash and cash equivalents for the financial year. The Group has no interest-bearing loans, except for finance leases.

Saunders continues to comply with all current Government advice and regulations in relation to the COVID-19 pandemic and has a set of robust policies and procedures in place including Business Continuity Plans. The One Team culture within the Group ensures that all teams are continually informed of the evolving situation and are working collaboratively to put in place the appropriate mitigation strategies.

The record revenue performance of the Group over the past 12 months is due to a combination of strong operational execution of projects across the Group and increased opportunities from the markets the Group operates within.

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KEY HIGHLIGHTS INCLUDE:

- Safety performance remains strong with TRIFR reported at industry leading 1.25
- Acquisition of PlantWeave Technologies, a specialist in industrial process automation and electrical solutions
- Record Revenue reported for the Group with positive operating cash flow of \$15.6 million and strong balance sheet
- Continued to successfully navigate the continually changing operating landscape due to the COVID-19 pandemic
- Established an office in Northern Territory to support Defence projects and other opportunities in the region
- Secured a further \$5 million increase to its bonding facility in H2-FY21. Saunders' revised capacity to provide security is now \$25 million.
- Improved focus on employee wellbeing, diversity, and increased contribution to our communities

Chief Executive Officer Mark Benson said "The results in FY21 have been exceptional. Growing revenues to \$100 million has been a great achievement given the challenges faced over the past 12 months. The Group's earnings have increased over three times during the past year and are further complimented by the strong profit to cash conversion. These results demonstrate the disciplined approach built over the past few years. The foundations that are now in place will ensure that the Group is well positioned to take advantage of the upcoming market opportunities across our key sectors.

We continue to improve our systems and processes. To support forecast growth, we have bolstered the Executive Leadership Team with new positions including Executive General Manager and General Manager Business Development and Strategy. Although the Group's outlook is positive, there remains a fair level of uncertainty due to the impacts of COVID-19 on our people, our customers, our projects, and the communities in which we work. I am grateful to the entire Saunders Team for their continued dedication and resilience in safely delivering the financial results throughout the challenging year."

OUTLOOK

Saunders Work in Hand as at 30 June 2021 is \$83.34 million (FY20: \$110.5 million). The Group continues to see good market conditions across a number of its key sectors including:

- **Fuel Storage** – Government has issued grants to select proponents for its \$260 million Boosting Australia's Diesel Storage program. The Group has existing relationships with all proponents and is working on delivery solutions when the opportunities come to market.
- **Infrastructure** – There has been a significant increase in the public infrastructure spend by both State and Federal Government. The Group is focussed on NSW Government's Replacing Country Bridge program which will see \$500 million in new bridges over the next three years.
- **Defence** - Tendering activity continues to increase across the Defence sector, which is forecast to grow over the next five years. The Group has an established office and presence in Northern Territory which will assist in capitalising on the growing Defence opportunities in this region.

Tendering activity shows the value of live tenders at \$490 million. The pipeline (yet to be tendered) is at \$313 million.

Although the outlook is positive, with Saunders set to benefit from increased Government spending across the majority of sectors we operate in (namely the bulk liquid storage, civil Infrastructure and Defence), we are seeing delays in the rollout of these projects, and we expect that these opportunities will only convert to earnings in H2-FY22 and beyond. Our FY22 results are dependent on COVID-19 related border closures by both the Federal and State Governments and the demand on resources and materials caused by the increased infrastructure activity. We remain focused on growing our existing businesses and expanding into new regions and sectors through partnerships and acquisitions as opportunities arise.

DIVIDEND

The Board declared on 26 August 2021 that there will be a final dividend payable of 0.75 cents per share fully franked and special dividend of 1.00 cents per share fully franked (FY20 final dividend : Nil dividend paid). Both dividends will be payable on 11th October 2021 with the record date for determining dividends on 15th September 2021.

DIVIDEND REINVESTMENT PLAN

The Board has resolved for the Dividend Reinvestment Plan (DRP) to remain active. Further information will be sent to Shareholders by Link Market Services. For this DRP there will be no discount applied.

A copy of the DRP can be found on the Saunders International website (<https://saundersint.com/announcements-to-asx>). The timetable for the FY21 final dividend and DRP is as follows:

	Date
Ex-dividend date	Tuesday 14 th September 2021
Record date	Wednesday 15 th September 2021 at 5:00pm (AEST)
DRP Records/election date	Thursday 16 th September 2021 at 5:00pm (AEST)
DRP Pricing Period (5 Days)	Wednesday 15 th September – Tuesday 21 st 2021
Payment and mailing date	Monday 11 th October 2021

INVESTOR PRESENTATION

Saunders will be undertaking investor presentations commencing today. A copy of Saunders' Investor Presentation will be provided on the ASX announcements platform and the Company's website.

ATTACHMENTS

Appendix 4E
Financial Report 2021

Authorised for release by Mark Benson, Chief Executive Officer and Managing Director.

About Saunders International Limited

Saunders International Limited (ASX code: SND) is a multi-disciplined engineering and construction company providing design, fabrication, construction, shutdown, maintenance and industrial automation services to leading organisations across Australia, and the Pacific Region. The Saunders Group provides innovative cost-effective solutions to the oil & gas, infrastructure, defence, water, energy, mining & minerals sectors. The Saunders Group is driven by a commitment to safety, innovation, excellence and growth while delivering high quality engineered solutions across the complete asset lifecycle.

For further information, please contact:

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