



SAUNDERS REPORTS 2022 FULL YEAR RESULTS

Thursday 25 August 2022

FY22 FINANCIAL RESULTS

- **Record Revenue** of \$129.95 million for year ending 30 June 2022
- **EBIT** of \$9.38 million with **EBITDA** of \$11.73 million
- **Operating cash flow** of \$19.76 million
- **Cash on hand** of \$36.75 million at 30 June 2022
- **Strong Balance Sheet** with Net Assets of \$32.03 million
- **Orderbook** of \$192.89 million at 30 June 2022
- **Tender and Pipeline** of \$1.31 billion at 30 June 2022
- **Final Dividend** payment 1.00 cents with **Special Dividend** of 1.00 cents
- **Bank Guarantee and Surety Facility** increased from \$25 million to \$30 million

Saunders International Limited (ASX:SND) (“Saunders” or “the Group”) today released its financial results for financial year ending 30 June 2022.

OPERATIONS

Saunders’ revenue for the year is \$129.9 million, an increase of \$28.7m or 28.4% (FY21: \$101.2m). The NPAT was \$6.5 million, an improvement of \$1.0 million or 18.2% (FY21: \$5.5million). EBITDA was \$11.7 million, an improvement of \$1.6 million or 15.8% (FY21: \$10.1 million).

Earnings per share for the period was 6.24 cents (FY21: 5.36 cents).

Saunders has strengthened its financial position at year end with cash and cash equivalents of \$36.7 million (FY21: \$23.8 million). The Group has no interest-bearing loans, except for finance leases. Growth in larger project activity is expected to continue into FY23 with cash reserves gradually strengthening due to margin realisation.

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 in the markets within which the Group operates. The positive financial results were delivered in FY22 despite the evolving COVID-19 pandemic, major weather events and flooding across parts of NSW which materially impacted our infrastructure services.

KEY HIGHLIGHTS INCLUDE:

- Safety performance remains strong as we continue to grow our employee numbers, achieving an industry leading performance with TRIFR of 1.57. The Group has commenced both Federal Safety Commission (FSC) and Defence Industry Security Program (DISP) accreditations.
- PlantWeave Technologies fully integrated within Saunders systems. Initial feedback from Saunders existing customers has been positive.
- Secured \$165 million contract with Crowley for the design and construction of jet fuel storage tanks and EPCM services for the construction of a US Defence Fuel Storage facility in Darwin.
- Leading Australian contractor for the construction and installation of Geodesic Dome Roofs for storage tanks, with seven roofs safely installed over the past year and a further 13 roofs to be installed over FY23.
- Strong financial results despite the changing operating landscape due to the COVID-19 pandemic and significant inclement weather in most parts of NSW materially impacting infrastructure services.
- Continued geographical expansion with new offices established in Victoria to support our long-term industrial customers and in the Northern Territory to support Project Caymus, other major projects and new opportunities in the region.
- Secured a \$5 million increase to the surety facility. The new \$30 million limit across our bank guarantees and surety facility will support our current orderbook and the strong pipeline of opportunities.
- Continued focus on Environmental, Social and Governance matters across the Group.

Chief Executive Officer Mark Benson said *“Saunders has successfully delivered another a year of record revenue and increased earnings. I am proud to report that this has been achieved in a global environment of economic uncertainty, pandemic impacts, climate-related challenges, labour shortages and supply issues, further impacted by the Ukraine-Russia conflict. It is a tribute to our team of resilient people, who have individually and collectively contributed to these achievements for the third year in a row.*

Over the past three years, the Group’s earnings have continued to improve through the combination of a disciplined approach to risk management at the tender stage and exceptional project execution. These strong results are complemented by the health of our balance sheet and strong profit to cash conversion.

We were awarded the largest contract in our company’s history this year and I am proud of the way our teams have risen to the challenge. The project is progressing as planned with recruitment of key personnel complete and commitments of all major subcontracts for the tank construction phase now in place. The project is nearing 31% completion with the balance of plant works packages to be issued to the market over the coming months.

We start the new financial year with a strong operational platform and a continued focus on our strategic initiatives. We are well positioned to take advantage of opportunities across the sectors within which we operate. Despite the uncertainties of tightening labour markets, inflationary pressures, supply chain costs, likely ongoing impacts from COVID-19 and severe weather events, the outlook for Saunders remains positive.”

SAFETY & THE ENVIRONMENT

The Group is committed to the safety of our people, our customers and the communities in which we operate. During the year, Saunders Total Recordable Injury Frequency Rate (TRIFR) was 1.57.

The Group has continued to preserve its lost time injury free record of zero after circa 4.3 million hours. The environment has always been a focus for the Group, and we continue the journey of improving our sustainability and climate change initiatives.

The Group recognises the material environmental and social risks that are relevant to its activities and takes action to manage those risks. Discussion across a range of sustainability related topics, including climate change and safety, occur frequently at Board meetings. Climate change risk has been included in the internal management process governing investment decisions.

The Board provides oversight and strategic direction to sustainability and has ultimate responsibility for our Company’s consideration of climate-related risk. It is guided by our Audit and Risk Committee.

OUTLOOK

Saunders work-in-hand as at 30 June 2022 is \$192.89 million (FY21: \$83.34 million).

The value of live tenders as at 30 June 2022 was \$482 million. The pipeline (yet to be tendered) is at \$827 million. This strong pipeline of opportunities reflects the Group's diversification across each of our operating services and represents a mix of new and existing customers. The Group is well positioned on a number of significant near-term opportunities.

The Group has revised its strategic plan to focus on pursuing targeted initiatives intended to drive medium to long-term growth. This includes increasing our support of the Defence, Oil and Gas, and Infrastructure sectors, while positioning the company to redirect and expand its current capabilities into the New Energy sector. As this sector grows, Saunders will be ready to provide the comprehensive, full-asset lifecycle solutions that will be required.

To ensure that we sustain the anticipated growth rate of the company, we have recruited key project delivery personnel and continue to improve our systems and process efficiencies. We have a solid operational platform, and a dedicated, capable management team. At the current record levels of our order book and the pipeline of new opportunities, we are confident that we can deliver another year of continued revenue and earnings growth.

DIVIDEND

The Board declared on 24 August 2022 that there will be a final dividend payable of 1.00 cents per share fully franked and special dividend of 1.00 cents per share fully franked (FY21 0.75 cents per share final dividend : 1.00 cents per share special dividend paid). Both dividends will be payable on 10th October 2022 with the record date for determining dividends on 13th September 2022.

DIVIDEND REINVESTMENT PLAN

The Board has resolved for the Dividend Reinvestment Plan (DRP) to be de-activated for the FY22 final dividend.

The timetable for the FY22 final dividend and DRP is as follows:

	Date
Ex-dividend date	Monday 12 th September 2022
Record date	Tuesday 13 th September 2022 at 5:00pm (AEST)
Payment and mailing date	Monday 10 th October 2022

INVESTOR PRESENTATION

Saunders will be delivering 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 2022

Authorised for release by Mark Benson - Managing Director & Chief Executive Officer

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 more information, please contact:

Mark Benson – Managing Director & Chief Executive Officer

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