



SAUNDERS REPORTS FY23 INTERIM FINANCIAL RESULTS

Friday 24th February 2023

FY23 INTERIM RESULTS

- **Revenue** of \$93.0 million for half year ending 31 December 2022
- **Net Profit Before Tax** of \$6.9 million with **EBITDA** of \$8.4 million
- **Improvement in Cash on Hand** balance to \$38.6 million at 31 December 2022
- **Strong Balance Sheet** with Net Assets of \$34.9 million
- **Orderbook** of \$200 million at 31 December 2022
- **Tender and Pipeline** of \$1.7 billion at 31 December 2022
- **Earnings Per Share (EPS)** of 4.44 cents, up 65% on pcp
- **Interim Dividend** payment 2.00 cents

Saunders International Limited (ASX:SND) (“Saunders” or “the Group”) today released its financial results for the half year to 31 December 2022.

OPERATIONS

Saunders’ revenue for the half year was \$93.0 million, an increase of \$46.6m or 100.4% (FY22 H1: \$46.4m). Profit after tax was \$4.8 million, an improvement of \$1.95 million or 69.5% (FY22 H1: \$2.80 million). EBITDA was \$8.41 million, an improvement of \$3.26 million or 63.3% (FY22 H1: \$5.15 million).

Earnings per share for the period was 4.44 cents, an increase of 1.75 cents or 65.1% (FY22 H1: 2.69 cents).

Saunders financial foundations continue to strengthen with cash and cash equivalents of \$38.57 million (FY22: \$36.75 million). The Group has no interest-bearing loans, except for finance leases and insurance premium funding. With revenue and earnings forecast to continue to grow in FY23-H2 the Group forecasts its’ cash reserves to continue to strengthen.

The strong result for the half year is attributed to Saunders’ project teams continuing to successfully execute projects in a safe manner and in line with schedule and budget.

KEY HIGHLIGHTS INCLUDE:

- Strong financial results despite macro market challenges continuing; inflation of goods and services, inclement weather and labour resource availability.
- Secured ~\$100 million in contract wins in the period with both long-term and new customers.
- Orderbook increased to \$200 million (up from \$193m per FY22 Annual Report).
- Strong cash position of \$38.6 million, with positive operating cash flow in the period.
- Continued growth in the defence, infrastructure, and oil & gas sectors.
- Entering final stages of Federal Safety Commission (FSC) accreditation.
- Defence Industry Security Program (DISP) accreditation finalised.
- Re-affirm FY23 guidance of \$190-\$220 million revenue and 6.5%-7.5% EBIT.

Managing Director & Chief Executive Officer Mark Benson said:

“The strong result for the period is reflective of the continued hard work of our staff. The result is even more pleasing as the macro markets within which we operate continue to be challenging due to inflation, inclement weather, and competition for labour resources.

The growth in our orderbook in FY23-H1 was largely driven through a combination of existing long-term relationships and new customers as a result of our growing reputation in the market to deliver multi-discipline, complex projects.

The group started the financial year with a record orderbook, and we have continued the momentum adding an additional circa \$100 million in new project wins in the first six months of FY23, including the Western Sydney Airport project for Multiplex, which further highlights our ability to deliver complex multi service major projects.

Having delivered this pleasing financial result in the period, we re-affirm the Group can deliver our FY23 guidance of revenue between \$190-\$220 million and EBIT of 6.5%-7.5%, whilst we continue to focus on cash and working capital.”

SAFETY

As the Group continues to grow, we are constantly focused on improving our safety performance to ensure we achieve “Zero Harm” for the people who work for us, and with us. The Board, Executive Team and Project teams are focussed on proactive reporting and structured reviews of high potential incidents to ensure we work hard to prevent injuries.

Saunders is in the final stages of obtaining accreditation from the Office of the Federal Safety Commissioner (“FSC”). The FSC fall under the Australian Government Building and Construction Work Health Safety Accreditation Scheme and, once received, will enable Saunders to tender for head contract infrastructure and defence projects funded directly or indirectly by the Australian Government.

OUTLOOK

Saunders work-in-hand as at 31 December 2022 is \$200 million (FY22: \$193 million).

The value of live tenders as at 31 December 2022 was \$535 million. The pipeline (yet to be tendered) is at \$1.2 billion. 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 set a new strategic plan at the beginning of FY23 which is focussed on achieving sustained growth for its shareholders in the medium and longer term. The immediate initiatives are focussed on ensuring the Group remains highly disciplined in executing the current projects it’s delivering.

There continues to be positive tail winds in the majority of sectors the Group operates in, namely, Defence, Infrastructure, Oil & Gas and New Energy. The Group continually evaluates its services to ensure they are aligned with growth sectors that will achieve positive shareholder returns, including a focus on opportunities that allow Saunders to deliver vertically integrated projects in an innovative cost-effective manner.

To ensure we continue to deliver operational excellence to our clients, we have bolstered our project delivery and management teams with experienced personnel.

DIVIDEND

The Board declared on 22 February 2023 there will be an interim dividend payable of 2.00 cents per share fully franked (FY22H1 1.00 cents per share interim dividend).

The timetable for the FY23 interim dividend is as follows:

	Date
Ex-dividend date	Tuesday, 14 th March 2023
Record date	Wednesday 15 th March at 5:00pm 2023 (AEDST)
Payment and mailing date	Tuesday 11 th April 2023

DIVIDEND REINVESTMENT PLAN

The Board has resolved that the Dividend Reinvestment Plan (DRP) will remain de-activated for the FY23 interim dividend.

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 4D.
Interim Financial Report for the for the half-year ended 31 December 2022.

ABOUT SAUNDERS INTERNATIONAL LIMITED

Saunders International Limited (ASX: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 Group provides innovative cost-effective solutions to the oil & gas, infrastructure, water, power, new energy, mining & minerals and defence sectors. Additional information about Saunders, its' services, and the sectors it operates in can be found at www.saundersint.com.

For further information, please contact:

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This announcement was authorised for release by the Board of Saunders International Limited.