



## SAUNDERS REPORTS FY24 INTERIM FINANCIAL RESULTS

Wednesday 28 February 2024

### FY24 INTERIM RESULTS

- **Revenue** of \$104.4 million for half year ending 31 December 2023
- **Net Profit After Tax** of \$4.9 million with **EBITDA** of \$9.8 million
- **Improvement in Cash on hand** balance to \$30.3 million at 31 December 2023
- **Strong Balance Sheet** with Net Assets of \$48.9 million
- **Orderbook** revenue increase to \$220.8 million
- **Tender and Pipeline** revenue increase to \$1.9 billion
- **Earning per share (EPS)** of 4.49 cents, up from 4.44 cents on FY23H1
- **Interim Dividend** payment 2.00 cents, representing a payout ratio of 48.0%

Saunders International Limited (ASX:SND) (“Saunders” or “the Group”) today released its financial results for the half year to 31 December 2023.

### OPERATIONS

Saunders has commenced the new financial year with another strong half-year result. Our long-standing operational areas of Engineering Construction, Asset Services, and Civil continue to provide innovation and expertise to some of the world’s largest oil and gas companies, tier-one construction contractors, and across all levels of government.

Our focus is on the strategic evolution of our business and operations, including leveraging our new Piping and Automation offerings. We are investing in securing our immediate pipeline and positioning for longer-term opportunities in our key sectors of Power & Water, Mining & Minerals, Oil & Gas, and Infrastructure, while expanding our presence in Defence and New Energy.

Saunders’ revenue for the half year was \$104.4 million, an increase of \$11.4m or 12.3% (FY23 H1: \$93.0 million). Profit after tax was \$4.9 million, an improvement of \$0.2 million or 4.3% (FY23 H1: \$4.7 million). EBITDA was \$9.8 million, an improvement of \$1.4 million or 16.7% (FY23 H1: \$8.4 million).

Earnings per share for the period was 4.49 cents, an increase of 0.05 cents or 1.1% (FY23 H1: 4.44 cents).

Saunders financial foundations improved since the 30 June 2023 year-end, with cash and cash equivalents totalling \$30.3 million at 31 December 2023 (FY23: \$12.8 million). This improvement was driven by finalisation of the Project Caymus contract with Crowley in October 2023 and is net of the initial \$4.5 million cash consideration paid for Piping Solutions in December 2023.

The strong result for the half year is attributed to Saunders' project teams continuing to successfully execute projects, together with contributions from acquisitions in 2023 of Piping Solutions and Automation IT that are consistent with our expectations.

## KEY HIGHLIGHTS INCLUDE

- Financial results delivered in an environment with continuing macro market challenges, including the effect of inflation on the cost of goods and services and labour resource availability.
- Continued to secure larger projects, such as Pelican Point in South Australia for Quantem at a value of \$44.2m.
- Orderbook increased to \$220.8 million (up from \$201.0m per FY23 Annual Report).
- Strong cash position of \$30.3m (up from \$12.8m at 30 June 2023), with positive operating cash flow in the period.
- Continued growth in the Defence, Infrastructure, and Oil & Gas sectors and increasing opportunities in the Industrial Automation and New Energy sectors. Aided by the acquisition of Piping Solutions in December 2023.
- Federal Safety Commissioner ('FSC') accreditation obtained in July 2023.

Chief Executive Officer and Managing Director, Mark Benson, said:

"We are proud to announce another strong performance in the first half of the year, reflective of the continued hard work of our dedicated team. This success underscores our commitment to excellence in project execution and acknowledges the positive contributions from our strategic acquisitions of Automation IT and Piping Solutions. These acquisitions not only bolster our operating model but also position us to actively pursue and secure an increasing scale of multi-disciplinary projects, ensuring sustained growth and expansion."

## 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 focused on proactive reporting and structured reviews of high-potential incidents to ensure we work hard to prevent injuries.

In October 2023, we launched "*Together for Safety*", a safety program to build our safety leadership skills and culture over the next five years. We have achieved a 60.2% reduction in our TRFIR12 (1 million hours worked) safety metric at 31 December 2023, down to 4.11 from 10.32 at 31 December 2022.

Saunders obtained accreditation from the Office of the Federal Safety Commissioner ('FSC') in July 2023. The FSC falls under the Australian Government Building and Construction Work Health Safety Accreditation Scheme and the accreditation enables Saunders to tender for head contract Infrastructure and Defence projects funded directly or indirectly by the Australian Government.

## OUTLOOK

At \$220.8 million (July 2023: \$201.0 million), our strong order book revenue demonstrates our ability to sustain the step-change in the business's growth since Project Caymus was secured in 2021. The acquisition of Piping Solutions in December 2023 accelerates our strategic expansion into the Defence sector, delivering complementary steel piping capabilities to Saunders core business.

Together with the acquisitions of Automation IT in June 2023 and PlantWeave Technologies in August 2021, now forming the Saunders Automation business, with strong capability across industrial automation and technology solutions, the Group is well-positioned to increasingly deliver multi-disciplined projects of increased scale.

We are exploring options to divest our Precast Concrete operations in Newcastle, as they do not align with our core business strategy. We are retaining the broader Civil Construction business, fostering its growth in bridge construction and providing general civil support for our wider operations. Should the divestment occur, there will be no significant impact on revenue, EBIT, or pipeline for the group in FY24. We have reclassified the assets and liabilities that would be divested in our Statement of Financial Position at 31 December 2023.

The value of live tenders at 31 December 2023 was \$512 million, while the pipeline (yet to be tendered) totals \$1.93 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.

There continue to be positive tail winds in most of the sectors the Group operates in, namely Defence, Infrastructure, Oil & Gas and New Energy. The signing of a Memorandum of Understanding (MOU) with Optimal Renewable Gas (ORG) in February 2024 to facilitate the establishment of biomethane facilities throughout Australia is an example of our deepening involvement into the new energy sector.

Finally, Saunders continue to review project opportunities in other regions and evaluate potential acquisitions that would deliver accretive earnings to the Group.

## **DIVIDEND**

The Board declared on 27 February 2024 there will be an interim dividend payable of 2.00 cents per share fully franked (FY23H1: 2.00 cents per share interim dividend).

The timetable for the FY24 interim dividend is as follows:

	<b>Date</b>
Ex-dividend date	Monday, 18 March 2024
Record date	Tuesday 19 March 2024 at 5:00pm (AEDST)
Payment and mailing date	Monday 15 April 2024

## **DIVIDEND REINVESTMENT PLAN**

The Board has resolved that the Dividend Reinvestment Plan (DRP) will remain de-activated for the FY24 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 2023

## **About Saunders International Limited**

Saunders International Limited (ASX:SND) is a multi-disciplined engineering and construction company providing design, fabrication, construction, shutdown, maintenance, piping 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](http://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.*