



Announcement to Shareholders and the ASX

SAUNDERS ANNOUNCES REVISED GUIDANCE FOR FY18 FULL YEAR FINANCIAL RESULT

Sydney – 3 August 2018

Saunders International Ltd (ASX:SND) (**Saunders or the Company**) provides revised guidance for the FY18 full year financial result.

Subject to finalisation of the year end audit (which is in progress), revenue for FY18 is expected to be approximately \$75 million. Earnings Before Interest Taxes, Depreciation and Amortisation (**EBITDA**) is expected to be a loss of approximately \$2.8 to \$3.3 million.

The deterioration of the EBITDA result is principally caused by further delays experienced on the construction project in Victoria, highlighted in previous guidance. Practical completion has now been achieved for this project. The result has additionally been impacted by a maintenance project in NSW. This project has been affected by client delays extending the project duration.

The EBITDA result is reflective of provisions for costs post 30 June 2018 including finishing the loss-making jobs.

Saunders management has initiated and communicated a business improvement project, including organisational restructure, to be aligned to its strategic initiatives. The provision for the improvement project has been accounted for in the revised EBITDA guidance.

The business has been awarded several projects over the past few months, predominantly in the Infrastructure group, totaling approximately \$10m which will see backlog for Saunders to be reported at approximately \$42m.

The Saunders balance sheet remains strong with no interest-bearing debts and cash at bank to be reported in FY18 at \$12.4m.

The Company expects to release its FY18 Full Year Financial Report in the last week of August.

For further information, please contact:

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About Saunders International Limited

Saunders International is a multi-disciplined and integrated engineering and construction business. It is one of Australia's most experienced companies specialising in the design, construction and maintenance of bulk liquid storage facilities. The Saunders Civilbuild business specialises in the design and construction of bridges for road and rail infrastructure and manufactures a range of precast concrete products. It has constructed more than 200 bridges over its 40+ year history. The Saunders Group also provides a range of specialised design, construction and maintenance services for bulk liquid, industrial, marine and road and rail infrastructure.