



## Announcement to Shareholders and the

ASX Sydney – 26<sup>th</sup> February 2020

### FY20 INTERIM FINANCIAL RESULTS

- Revenue of \$29.64 million for the six month ended 31 December 2019
- EBITDA of \$1.45 million
- Operating cash flow of \$1.58 million
- Cash on hand of \$9.42 million at 31 December 2019
- Strong Balance Sheet with Net Assets of \$21.81 million
- Record Orderbook of \$97 million (Feb 2020)

Saunders International Ltd (ASX:SND) (“Saunders” or “the Company”) today released its Interim Financial results for the half year to 31 December 2019.

### OPERATIONS

The net profit after tax (NPAT) was \$0.52 million which was 461.11% higher than the previous corresponding period (FY2019 H1: loss \$0.14 million). Earnings per share for the period were 0.51 cents (FY2019 H1: 0.00 cents).

The half-year revenue was \$29.64 million which was 5.54% higher than the previous corresponding period (FY2019 H1: \$28.09 million).

The financial position as at 31 December 2019 remains strong with a cash balance of \$9.42 million or 9.16 cents per share and net assets of \$21.81 million (\$21.20 million FY2019). The cash inflow from operating activities was \$1.58 million.

### KEY HIGHLIGHTS INCLUDE:

- Awarded a contract with Rio Tinto, to be delivered over the next two years valued at over \$30 million
- Awarded a major contract for Sydney Water valued at circa \$15 million
- Completion and commissioning of Saunders’ first project in the Defence sector
- Awarded two further contacts in the Defence sector valued at over \$12 million with a healthy pipeline of opportunities in this sector
- Expansion into the Industrial sector through completion of two shut down maintenance contracts
- Awarded over \$15 million in Civil Infrastructure works in the half
- Record orderbook of \$97 million (Feb 2020), with a further \$107 million of preferred contractor status projects. \$33 million of preferred contractor status expected to be converted in FY20-H2
- Secured new \$5 million bonding facility, which has doubled Saunders’ capacity to provide security up to a new \$10 million limit
- Realised overhead savings with revised Operating model and Organisational structure, including cost avoidance of fixed workshop overheads



Chief Executive Officer Mark Benson said “Operations for the six months to 31 December 2019 reflects the resilience of our team during a challenging two years. Saunders has been focused on strengthening and resetting the business and we are confident that the recent momentum within the business will continue into FY21 and beyond. Our strong cash generation from operations, improved working capital and a new \$5m bond facility will assist with further growth opportunities for Saunders.

## **OUTLOOK**

Over the past several months Saunders has secured contract awards of over \$70 million. The value of live tenders is approximately \$344 million (Saunders is preferred contractor for \$107m) and the pipeline (yet to be tendered) is approximately \$265 million. The outlook across Saunders is positive with a strong pipeline of opportunities emerging across many of the markets the Group operates within.

Mr Benson further said “We anticipate revenue will continue to increase during FY20-H2 and into FY21, through the increased order book across Saunders. This is further reinforced by the Saunders’ growing capability and client base in both our core and emerging sectors. The delivery of Saunders’ first Defence project, completion of an Industrial shutdown project and long-term maintenance contract award with Rio Tinto underpins our strategy to develop a balanced revenue stream. Saunders’ tendering outlook remains positive and we will continue to leverage our well-established client relationships to capitalise on the growing opportunity across our operating sectors.”

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 and maintenance services to leading organisations across Australia, and the Pacific Region. The Saunders Group provides solutions to the bulk liquid storage, industrial, energy and resources sectors through the Saunders International business. Intelligent engineering and construction solutions to the road and rail infrastructure sectors are delivered by the Saunders Civilbuild business. 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.

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