



Announcement to Shareholders and the ASX

## **SAUNDERS REPORTS 2022 HALF YEAR RESULTS**

Sydney – Thursday 24 February 2022

### **FY22 INTERIM FINANCIAL RESULTS**

- **Revenue** of \$46.40 million for half year ending 31 December 2021
- **EBIT** of \$4.02 million with **EBITDA** of \$5.15 million
- **Operating cash flow** of \$9.15 million
- **Cash on hand** of \$30.54 million at 31 December 2021
- **Strong Balance Sheet** with Net Assets of \$29.26 million
- **Record Orderbook** of \$223 million (31 January 2022)
- **Tender and Pipeline** of \$1.03 billion (31 January 2022)
- **Interim Dividend** payment of 1.00 cents
- **Bank Guarantee and Surety Facility** increased from \$20 million to \$25 million

Saunders International Ltd (ASX:SND) (“Saunders” or “the Group”) today released its Interim Financial Report for the half year to 31 December 2021.

### **COVID-19**

Saunders continues to navigate well through the ever-changing COVID-19 pandemic. There were certain periods in the financial year when the business was impacted due to work stoppages and additional restrictions implemented by State and Federal governments. The financial impacts arising from these events have been included in the interim results for the period ending 31 December 2021.

Saunders remains focussed on the safety of all our staff, our customers and the communities we operate within.

### **OPERATIONS**

Saunders’ revenue for the half year is \$46.40 million, a decrease of (\$6.95 million) or (13%) over (FY21-H1: \$53.35 million) and the NPAT was a profit of \$2.80 million, an improvement of \$0.09 million (FY21-H1: \$2.71 million), EBITDA for the half year is \$5.15 million, an improvement of \$0.13 million (FY21-H1 : \$5.02 million).

Earnings per share for the period is 2.69 cents (FY21-H1 : 2.63 cents).

The operational teams have continued to successfully deliver projects contributing to an improvement in gross margin in the period. The positive operational project delivery coupled with the proactive culture of working capital management embedded into the Group has resulted in the strengthening of Saunders’ financial position at the half year. Additionally, the Group continues to negotiate advanced payments on new contracts which contributed to an increase in our cash and cash equivalents to \$30.54 million (FY2021: \$23.82 million). The Group has no interest-bearing loans, except for finance leases and insurance premium funding.

## KEY HIGHLIGHTS INCLUDE:

- Strong Safety performance with 3.7 million hours LTI free.
- Secured \$165 million contract with Crowley for the design and construction of fuel storage tanks and EPCM services for the construction of a US Defence Fuel Storage facility in Darwin.
- Strong operating cash flow of \$9.15 million and strengthened balance sheet.
- Acquired and successfully integrated Saunders PlantWeave.
- Increased Bank Guarantee and Surety facilities from \$20 million to \$25 million to support future growth.
- Leading Australian contractor for the construction and installation of Geodesic Dome Roofs, with seven roofs safely installed over the past year.

Chief Executive Officer, Mark Benson said “The results for the half year reflects the continuation of a strong and stable operating performance for Saunders over the past three years. Although the COVID-19 variants, Delta and Omicron, have impacted our results and pushed some projects to commence later than planned, I am pleased that the resilience of our people and the diversification and dependability of our business model has produced solid earnings and strong operating cash conversion for the first half of 2022.”

## OUTLOOK

Saunders work in hand as at 31 January 2022 is at record levels at \$223 million and will underpin the Group’s performance for the remainder of FY22 into FY23. There continues to be an increased level of new project opportunities across Saunders’ operating sectors, which are forecast to continue to grow as a result of significant public and private investment in infrastructure. The short-term opportunities for the Group remain consistent from FY21 with a continued focus on:

- Australia’s Diesel Storage Program – there are currently eight projects to be awarded within the grant program.
- Defence – expanding on our services offering in this high growth sector.
- Continued involvement in the NSW Government’s “Fixing Country Bridges” program.

Tendering activity shows the value of live tenders at \$513 million, including \$190 million of preferred contractor status projects. The pipeline (yet to be tendered) is at \$516 million.

Mr. Benson said “having secured the major US Defence contract with Crowley, Saunders has entered the second half of FY22 with a strong platform for growth, which will continue into FY23. Although uncertainty remains due to COVID-19, we are confident that our strong order book and the forecast growth in the sectors we operate in will lead to the Group continuing to report strong earnings.”

Saunders’ revised revenue for FY22 is expected to be between \$115-\$130 million with EBIT expected to be between 6.5% to 7.5%. As always, this revised guidance will be dependent on project delays and any further impacts of COVID-19 on our clients, employees and our supply chains.

## DIVIDEND

The Board declared on 22 February 2022 that there will be an interim dividend payable of 1.00 cents per share fully franked for FY22-H1 (FY21-H1: 0.75 cents per share dividend paid). The dividend will be payable on 11 April 2022 with the record date for determining dividends on 15 March 2022.

## DIVIDEND REINVESTMENT PLAN

The Board has resolved for the Dividend Reinvestment Plan (DRP) to remain active. Further information will be sent to Shareholders by Link Market Services. For this DRP there will be no discount applied.

A copy of the DRP can be found on the Saunders International website (<https://saundersint.com/announcements-to-asx>). The timetable for the FY22 interim dividend and DRP is as follows:

	Date
Ex-dividend date	Monday 14 <sup>th</sup> March 2022
Record date	Tuesday 15 <sup>th</sup> March 2022 at 5:00pm (AEST)
DRP Records/election date	Wednesday 16 <sup>th</sup> March 2022 at 5:00pm (AEST)
DRP Pricing Period (5 Days)	Tuesday 15 <sup>th</sup> March 2022 to Monday 21 <sup>st</sup> March 2022
Payment and mailing date	Monday 11 <sup>th</sup> April 2022

## INVESTOR PRESENTATION

Saunders will be undertaking 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 2022

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, 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 further information, please contact:

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