




# **EVZ LIMITED**

## Half Year Investor Update

### **1H FY2022**

18 February 2022


# EVZ is a leading provider of innovative engineering solutions




A leading provider of steel bulk storage tanks, pressure pipe networks & maintenance for chemical/water storage.

**Recurring & Project Revenue**

**57% of EVZ 1H FY22 Revenue**







The leader in syfonic roof stormwater drainage systems in Australia, New Zealand & South-East Asia.

**Project Revenue**

**31% of EVZ 1H FY22 Revenue**






Provides technical, operations & maintenance support for the power generation & renewable energy industry.

**Recurring Revenue**

**12% of EVZ FY22 Revenue**





# FY22 First Half Result

	1HFY22	1HFY21
Revenue from ordinary activities	\$28,985,081	\$29,772,774
EBITDA	\$1,454,911	\$3,385,236
Profit before finance costs and income tax	\$623,676	\$2,562,853
Profit from ordinary activities before tax	\$416,427	\$2,281,825
Profit from ordinary activities after tax	\$407,660	\$2,271,965
Earnings per share (cents / share)	0.42	2.36
Net Operating Cashflow	\$1,031,786	\$168,473

## 1HFY22 Earnings Stability

Revenue and underlying earnings were stable in 1HFY22 despite disrupted trading conditions including construction industry shutdowns and community lockdowns. New contracts and projects are commencing in 2HFY22 and FY2023.

## Building the Pipeline

Backlog is predicted to increase by 190% to be in excess of \$100M upon execution of the diesel tank contract with Viva Energy. Tendering and business activity has recently increased with sales revenue forecast to increase during FY2023 and beyond.

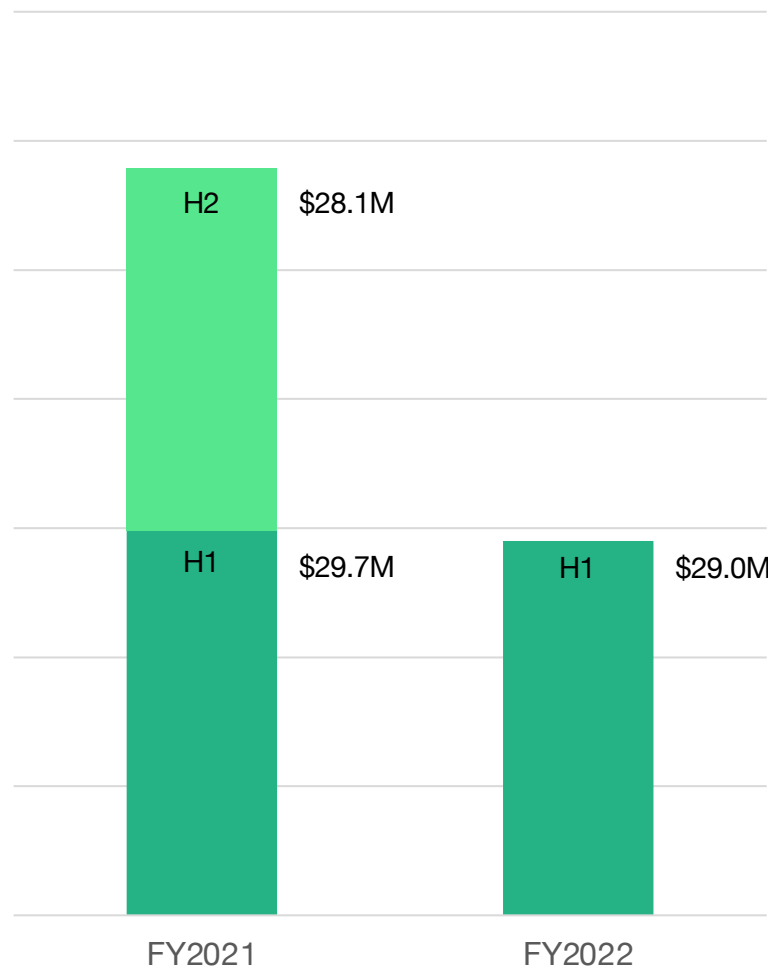
Syfon currently has record levels of revenue backlog and is positioned for growth as the industry and the community return to full activity levels post COVID.

## Balance Sheet

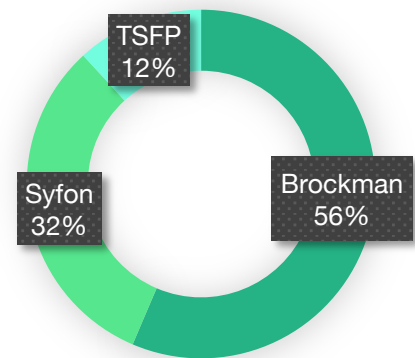
Positive cashflow and further debt reduction were achieved during 1HFY22. Debt now at \$0.9M to be amortised to zero by 30 September 2022. Net cash at half year close of \$3.0M.

# 1HFY22 Result Snapshot

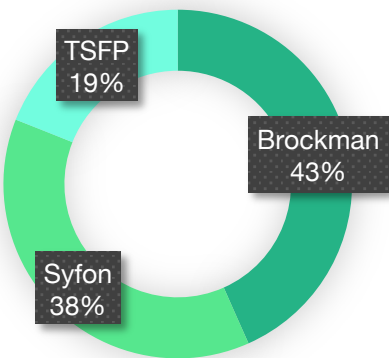
REVENUE



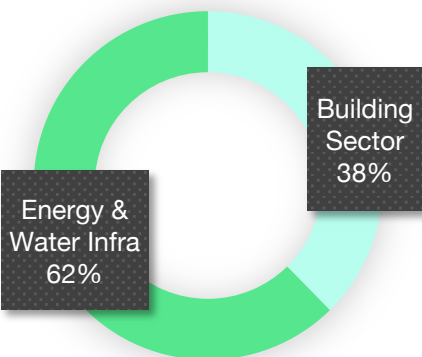
REVENUE DISTRIBUTION



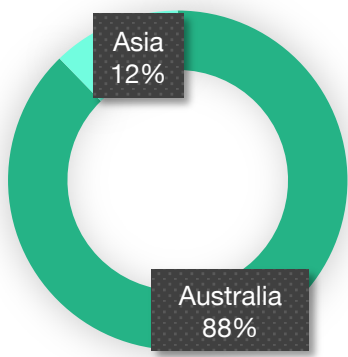
EBITDA DISTRIBUTION



REVENUE SECTOR

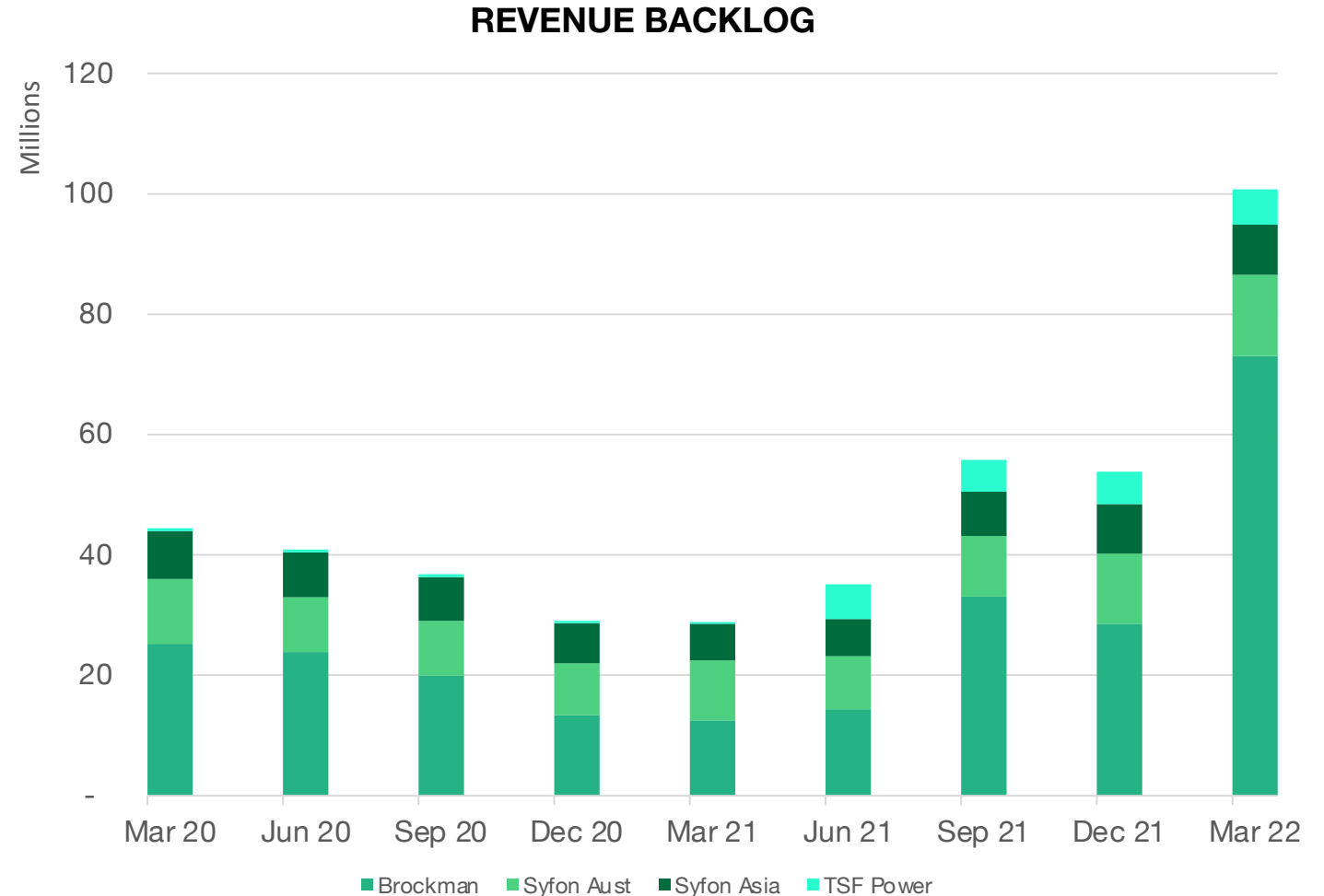


EBITDA REGION



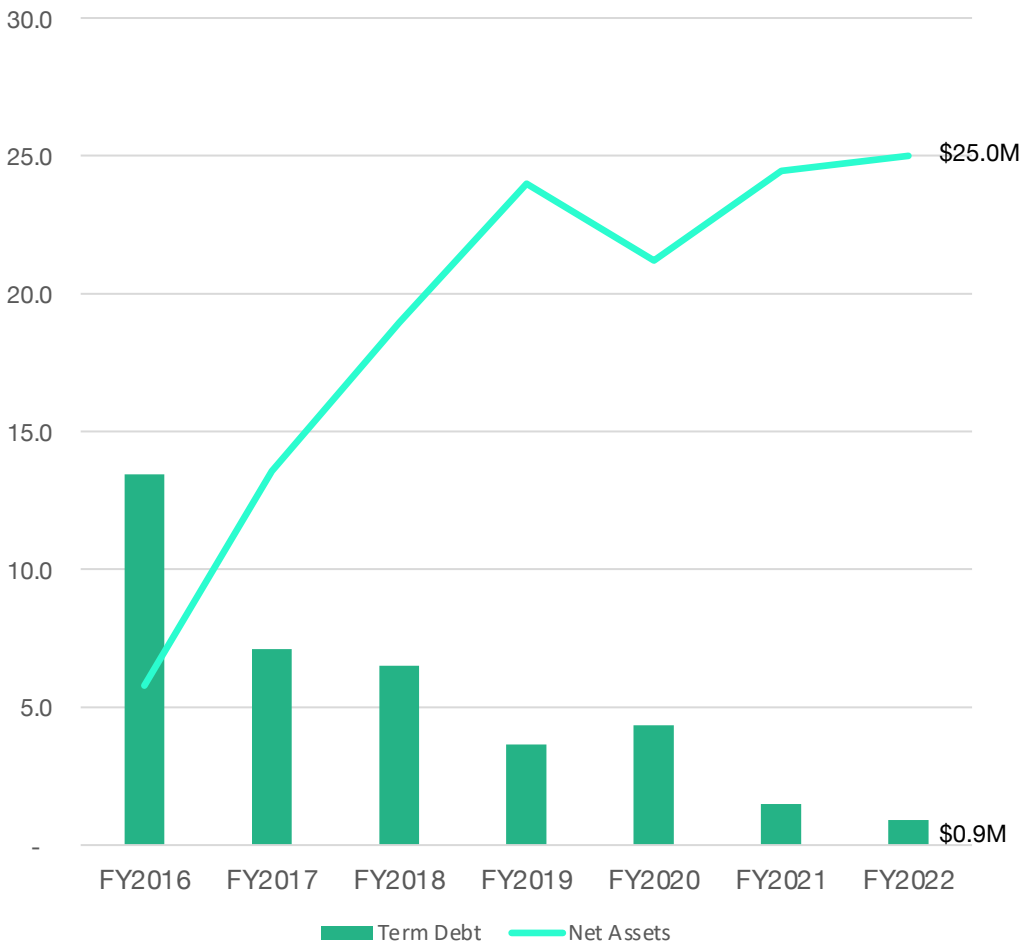
# Record Backlog & Pipeline

- Predicted revenue backlog is forecast to be \$100M up 190% since 30 June 2021, upon execution of the Viva Energy diesel storage tank contract.
- Syfon recently secured three projects in Penang, and a large multistorey office refurbishment in Melbourne Australia. Revenue backlog across the Syfon business is at record levels supporting growth in future periods.
- TSF Power recently secured a renewable gas energy power installation project at Gippsland Water which will be completed in late FY2022.
- Additional BADSP contracts will be awarded in the tank construction industry prior to 31 December 2022. The total new expenditure in this sector to be more than \$450M in the next three years.

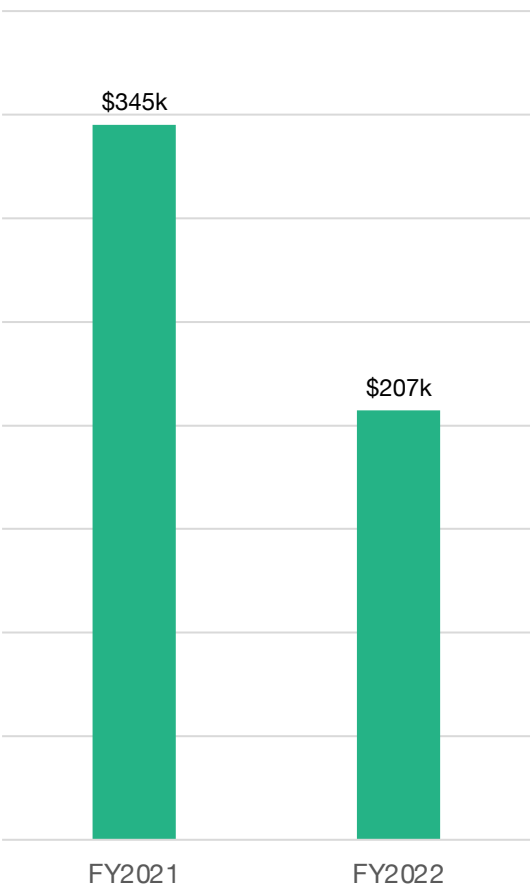


# Balance Sheet Improvement

TERM DEBT v NET ASSETS



DEBT FINANCE COST



Term debt reduced to \$0.9M at 31 December 2021.

Debt finance cost reduced due to reducing term debt balance.

Planned reduction in term debt to zero balance by 30 September 2022

Total Deferred Tax Assets available \$4.1M, provided as \$2.6M on balance sheet and \$1.5M off balance sheet.

NTA increase to 13.4c/share.

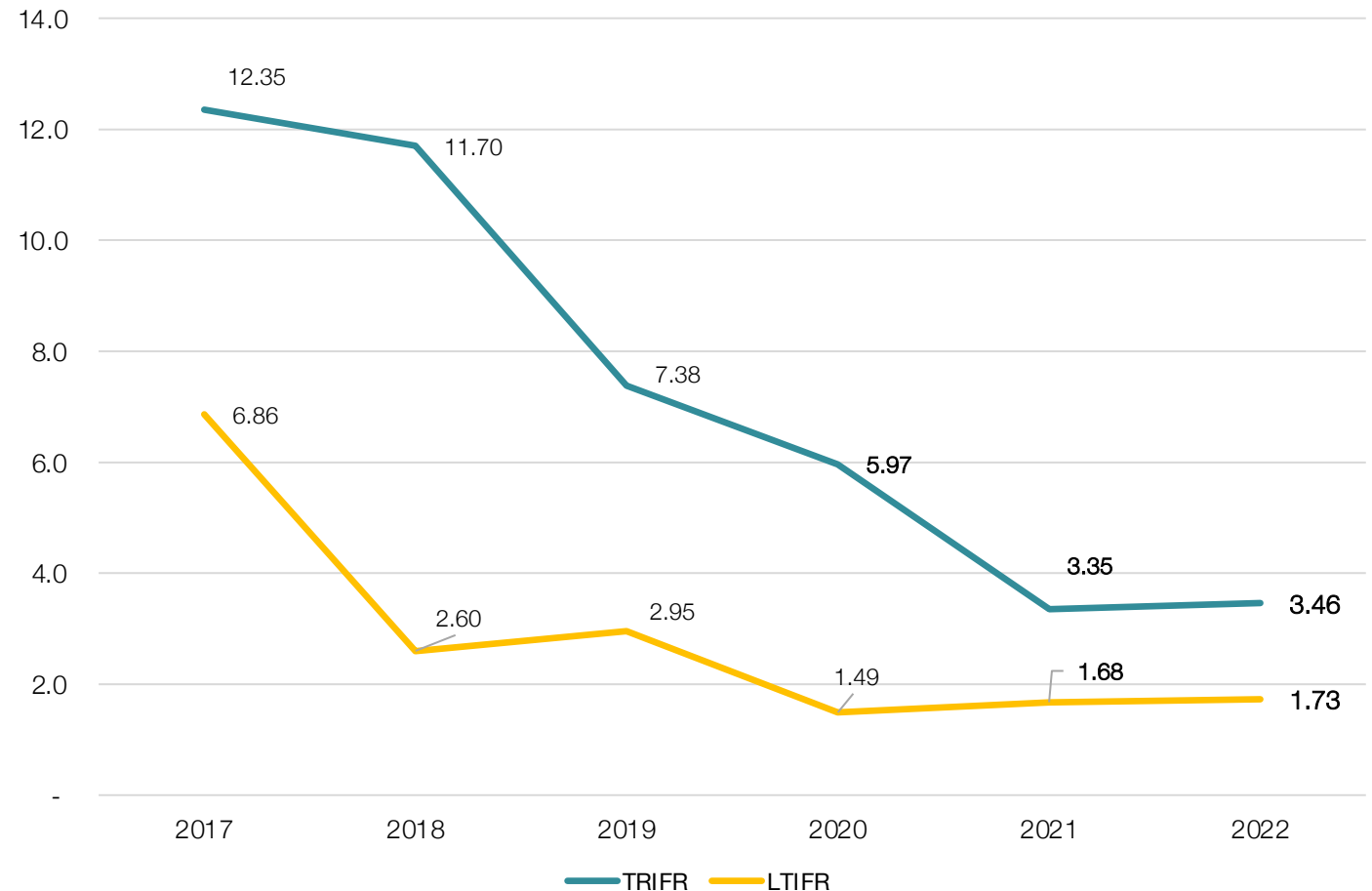
Net operating cashflow of \$1.0M in 1HFY22, up on \$0.2M in 1HFY21.

# Health & Safety is at the core of everything we do

## SAFETY BY CHOICE, NOT BY CHANCE

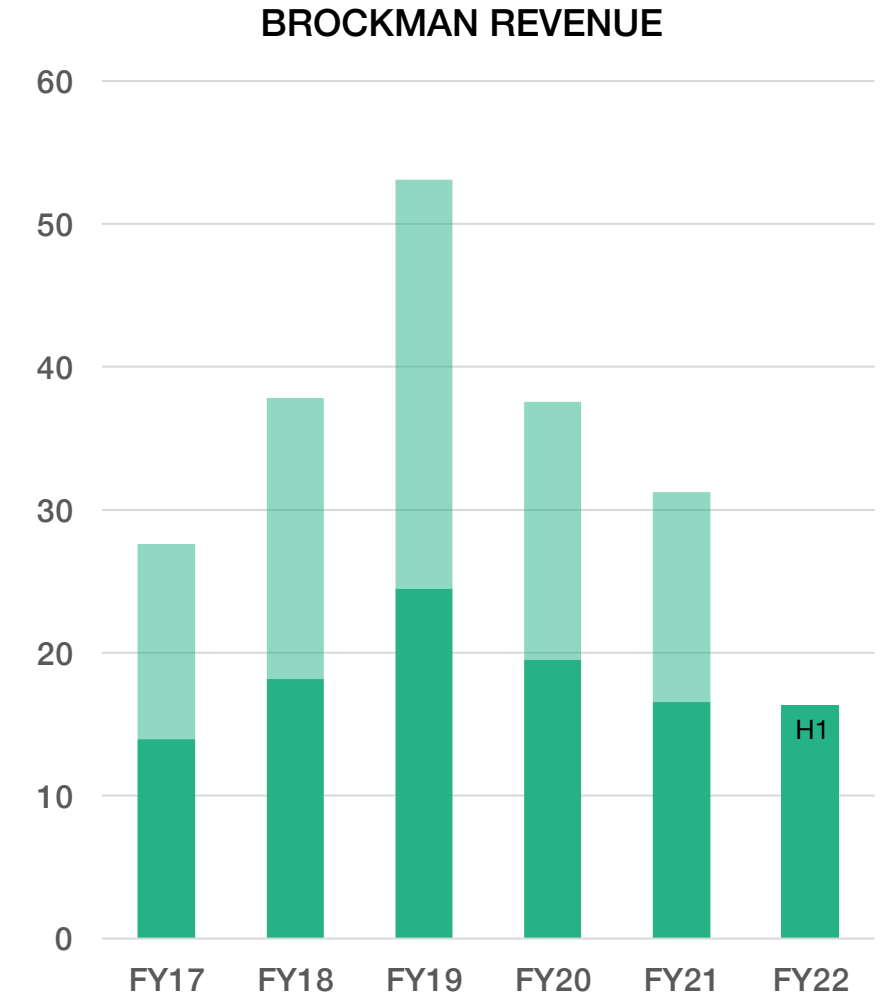
- EVZ has a direct workforce of more than 300, primarily comprised of highly skilled engineers, technicians and tradespersons.
- Our Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) are in line with industry best practice.
- Our culture continuously reinforces our focus on improving safe work procedures, continuous risk assessment, job safety analysis and worker skills improvement through structured training.
- Our continuing target is zero recordable incidents and zero harm to our people.

## SAFETY PERFORMANCE 2017 - 2022



# Brockman seeing increasing project activity

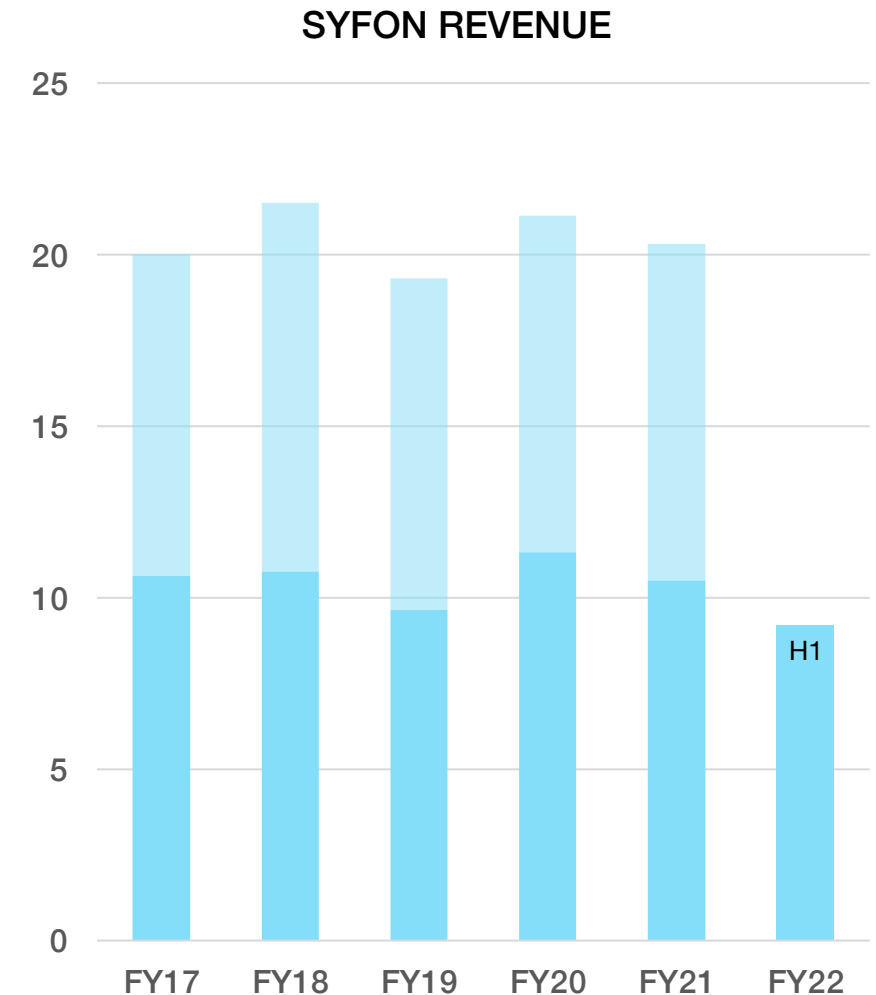
- Tendering activity increased significantly during 2QFY22 as the first group of federal government BADSP grant supported construction contracts were awarded.
- Brockman recently secured a letter of intent from Viva Energy for the first BADSP project being three new 30ML diesel tanks at the Geelong refinery with an expected total contract value of circa \$40M.
- Brockman was also appointed by Ampol for the design phase of two further 30ML diesel tanks at their Newport Terminal which are expected to convert to a design and construction contract in 4QFY22 with an expected contract value of circa \$15M.
- Brockman continues to also grow baseline recurrent revenue from the provision of technical, fabrication and maintenance support to the liquid fuels industry and major industrial companies on the eastern seaboard.
- Brockman remains well positioned to secure further BADSP contracts and other new projects from clients in the liquid fuels, gas water and Defence sectors.





# Syfon Systems work in hand at historically high levels

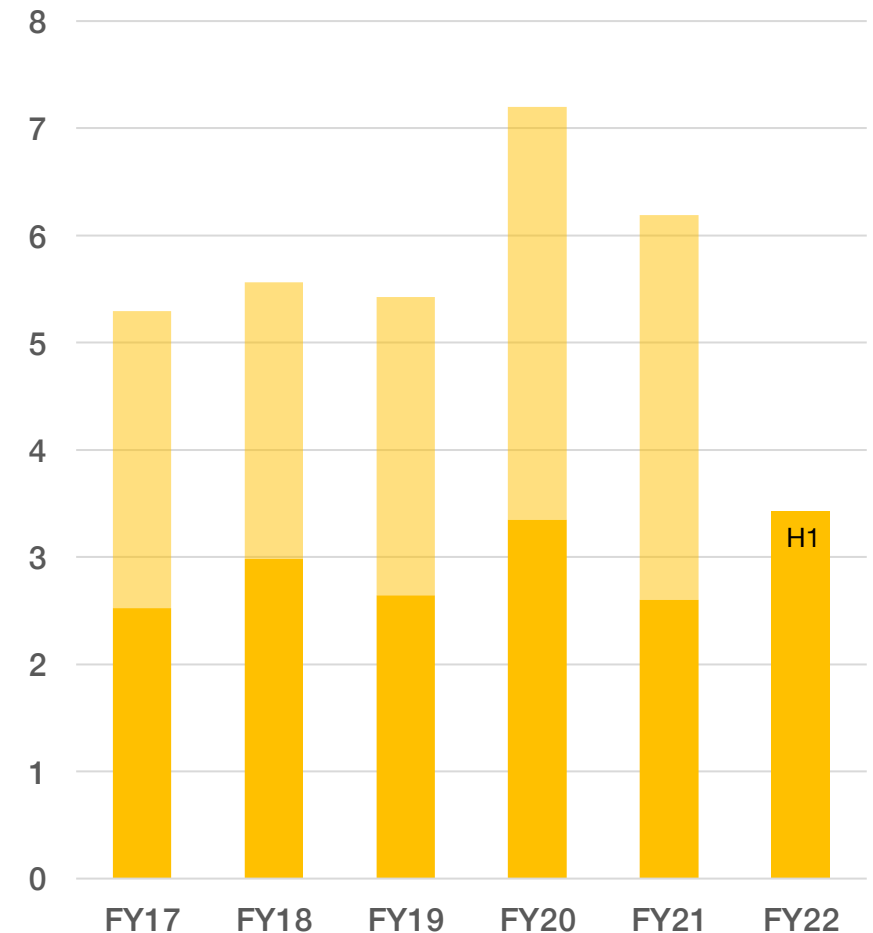
- Syfon continues to build market share and geographic reach as the first choice for roof drainage systems in Australia and SE Asia.
- Syfon is benefiting from an increased need for new warehousing and distribution centres across Australia and SE Asia.
- Syfon in Asia has returned to full capacity as the major Asian markets respond to increased demand for our services in conjunction with new large infrastructure and building developments in Kuala Lumpur, Penang and Vietnam.
- Additional investment in construction automation techniques is improving margins and worker safety.
- The outlook remains positive for the remainder of FY22, FY23 and beyond as the worldwide economy returns to business as usual.



# TSF Power activity levels improving

- TSF Power continues to grow baseline revenue from the provision of technical, operations and maintenance support to the renewable and distributed power generation industry and the emergency standby power industry.
- Service workload and parts sales have grown consistently in recent periods with the demand for renewable gas energy continuing to rise as the economy demands more options to manage the impact of climate change.
- Revenue is increasing from the installation of new renewable waste gas generator facilities and end of life engine renewals as our capability and market share increases.
- NBN power infrastructure maintenance multi-year contract renewal is a template for expanding the provision of services to support the national data centre needs driven by the “working from home” phenomenon.

TSF POWER REVENUE



# Appendix



# EVZ: Company Snapshot

## Locations

**EVZ Head Office**  
Melbourne, VIC

**Brockman**  
Norlane, VIC  
Belrose, NSW

**Syfon Systems**  
Huntingdale, VIC  
Glendenning, NSW  
Meadowbrook, QLD  
Kuala Lumpur, Malaysia  
Ho Chi Minh City, Vietnam

**TSF Power**  
Glendenning, NSW  
Tingalpa, QLD  
Norlane, VIC  
Forrestdale, WA



## EVZ Limited (ASX:EVZ)

Market Cap A\$15M (17 February 2022)

Established in 2004

Locations across Australia and SE Asia

Direct workforce of ~300, professional, technicians & trades

### Major Shareholders:

- Thorney Investment Group (19.8%)
- Salter Brothers (10.2%)
- Board & Management (16.1%)

# Australia's Fuel Security Package – a key positive

- In the 2020-21 Budget the Federal Government introduced a comprehensive Fuel Security Package that aims to increase Australia's domestic fuel storage and to maintain a sovereign on-shore refining capability that meets Australia's needs during an emergency, as well as into the future.
- Included in the package are two programs that are key positives for Brockman: 1) the Boosting Australia's Diesel Storage Program (BADSP) and 2) The Fuel Security Services Payment (FSSP).

## **BADSP will drive a significant increase in near term storage tank construction**

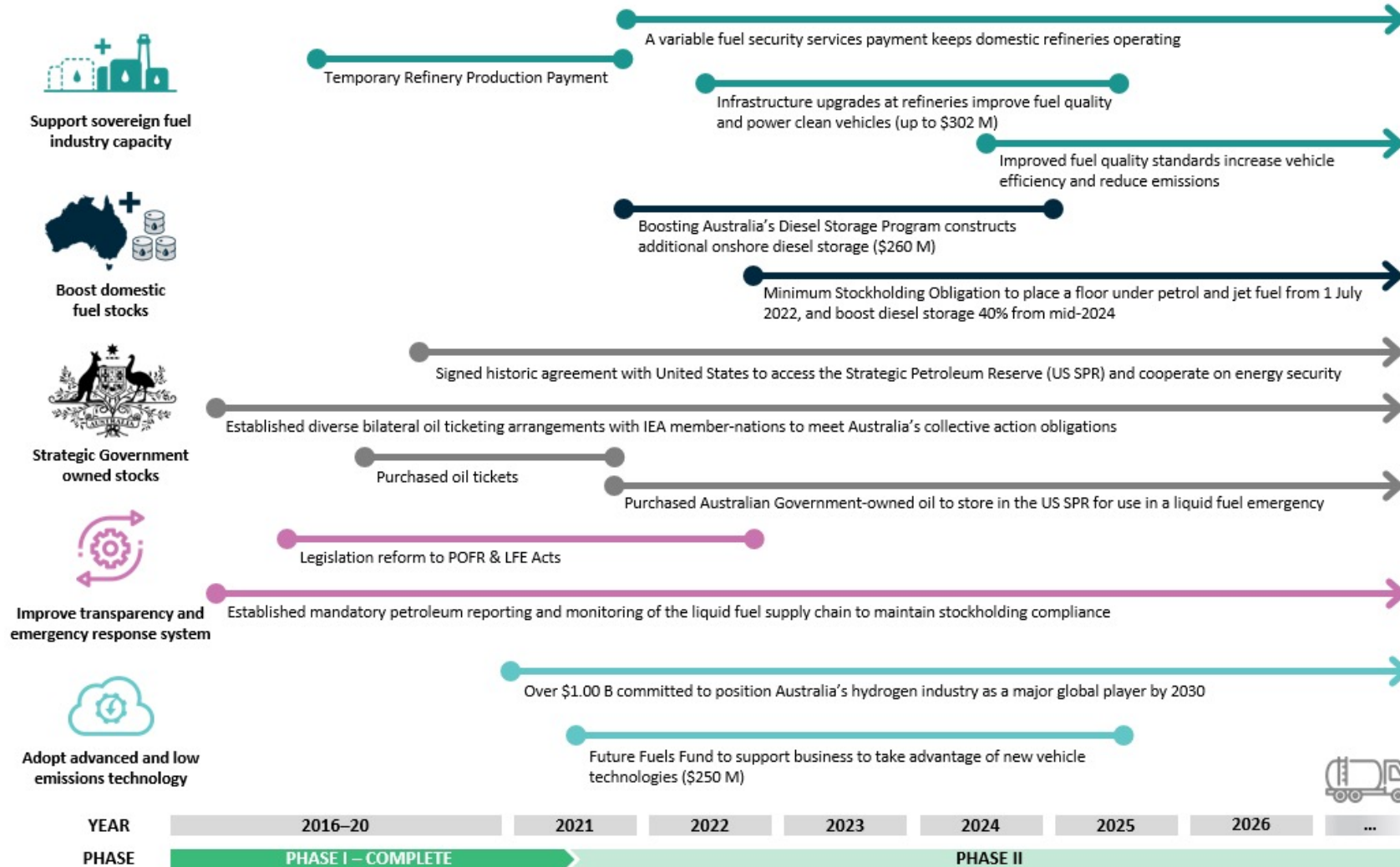
- Up to \$260M in grants over three years to 30 June 2024 to support more than \$520M of new diesel bulk storage construction in Australia (780 megalitres).
- The Australian bulk fuel tank construction industry comprises three players who will competitively bid for these works for delivery in FY23 and FY24. It is forecast that industry revenues will increase by more than 60% during these years as a result of the BADSP.
- It is expected that \$450M of BADSP contracts will be awarded in the tank construction industry before 31 December 2022.

## **FSSP will underpin Australian refinery assets until at least 2027 and drive further investment in the Australian Fuels industry**

- Provides a variable support payment to refiners for production during periods of low refining margins, materially reducing refiners financial risk and earnings volatility.
- To receive the FSSP, Australia's two domestic refiners must commit to keep operating until at least 30 June 2027, with the option to extend this to 30 June 2030. Both Viva Energy and Ampol have committed to ongoing refinery operations in Australia until at least mid 2027.
- Provides the refining sector the level of long term certainty necessary to make ongoing investments in their plants and the industry.



# Australia's Fuel Security Package



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