



Annual General Meeting
30 November 2017

COMPANY PROFILE



Valmec Limited (ASX:VMX) is an Australian energy and infrastructure services group providing equipment, construction, maintenance and commissioning services to the oil and gas, resources, energy and infrastructure sectors.

COMPANY INFORMATION

ASX CODE	VMX.ASX
Market Capitalisation*	\$20.5M
Share Price*	\$0.25
People	235

* As at 28 November 2017



DELIVERY



Gas Compression
and
Processing



Civil Infrastructure
Services



Services
and
Maintenance



SMP and E&I
Construction



Completion
and
Commissioning



Turnkey

EPC

BOOM

BOOT

Rental

Perth

Port Hedland

Brisbane

Adelaide

Sydney

Dalby



OVERVIEW

ORDER BOOK

- Current Order Book & Preferred Status of **\$76m¹** with approximately 75% to be executed in FY18
- Robust tendering pipeline across all delivery streams
- **Significant upside in ongoing service revenue streams and East Coast gas sector**
- New services contracts with Tier 1 Gas explorers

DIVERSIFICATION OF MARKETS

- Ongoing expansion of East Coast gas infrastructure service, operations and upstream development works
- Diversification of markets – targeting growth areas within Government infrastructure, Resource development and Renewable Energy sectors
- Further development of Valmec Indigenous Strategy with signing of (3) MOUs with Traditional Owners in Regional QLD for long term growth

FY17 RESULTS

- Revenue growth of 43% to \$72.8 million
- EBITDA increase of 35% to \$4.1m [H2FY17 EBITDA of \$3m or 7% of revenues]
- Service / recurring revenues 37% of total revenues
- Earnings per share of 1.90c

^{1:} As at 31 October 2017

FINANCIAL SNAPSHOT

	FY 2017 1 st Half \$'000	FY 2017 2 nd Half \$'000	FY 2017 \$'000	FY 2016 \$'000	Change
REVENUES	29,959	42,936	72,895	50,807	43.5%
EBITDA	1,134	2,970	4,104	3,032	35.4%
EBITDA Margin	3.7%	6.9%	5.6%	5.9%	(0.3pp)
NPAT	83	1,468	1,551	186	733.9%
NPAT Margin	0.3%	3.4%	2.1%	0.4%	1.7pp
EPS [cps]	0.10	1.80	1.90	0.23	726.1%
Cash at Bank	742	1,540	2,282	611	273.5%

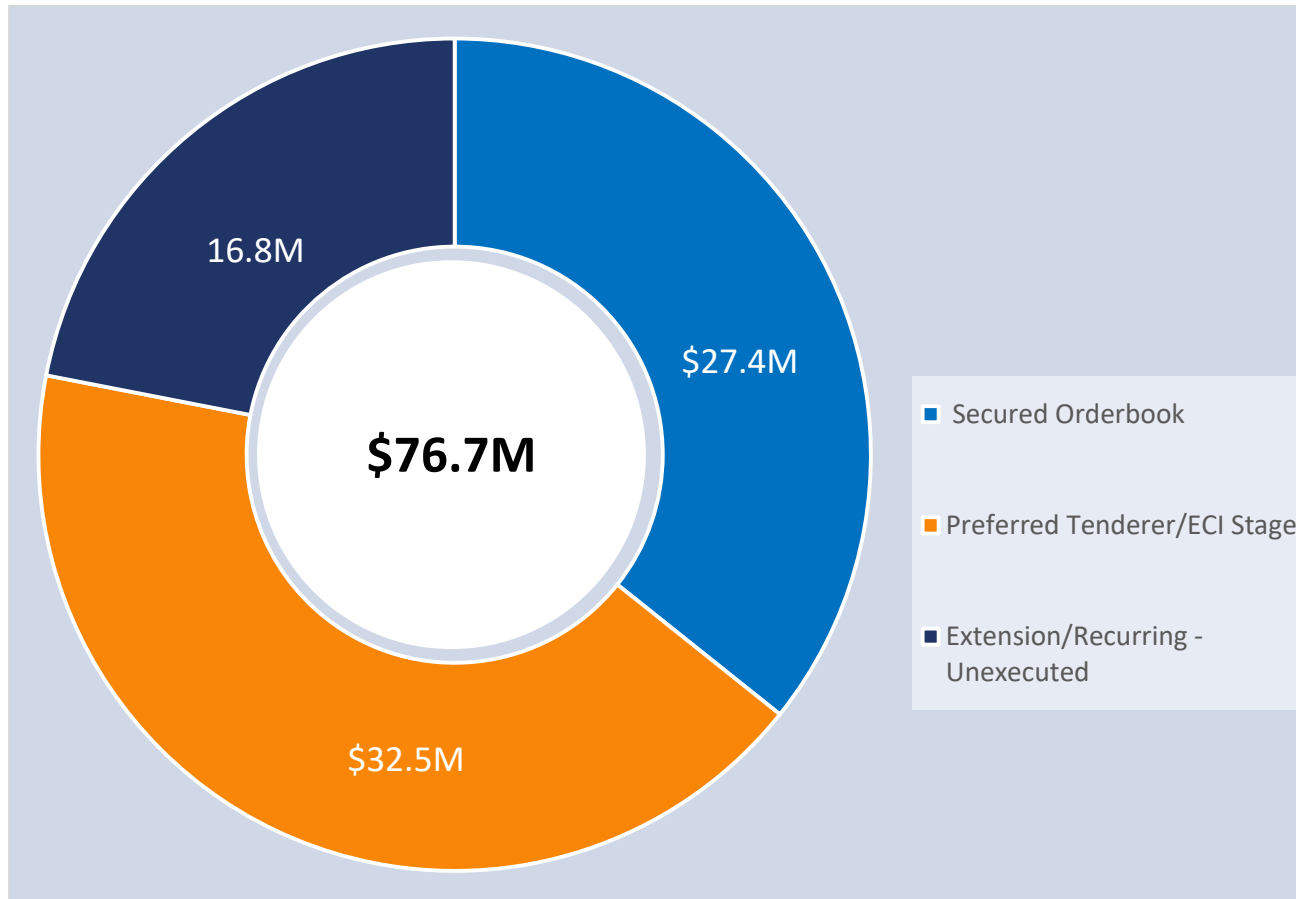




FUNDING FACILITIES

	OCTOBER 2017 \$'000	FY 2017 \$'000
Working Capital	15,539	10,356
Bank Guarantee/Bonding	15,460	11,145
Asset Finance/Other	700	700
TOTAL FACILITIES	31,699	22,201
Less: Working Capital Utilised	9,492	6,124
Less: Bank Guarantee/Bonding Utilised	4,874	4,481
Less: Asset Finance/Other Utilised	88	193
USED FACILITIES	14,454	10,798
Plus Cash	1,592	2,282
TOTAL CASH/FUNDING FACILITIES AVAILABLE	18,837	13,685

ORDER BOOK OUTLOOK



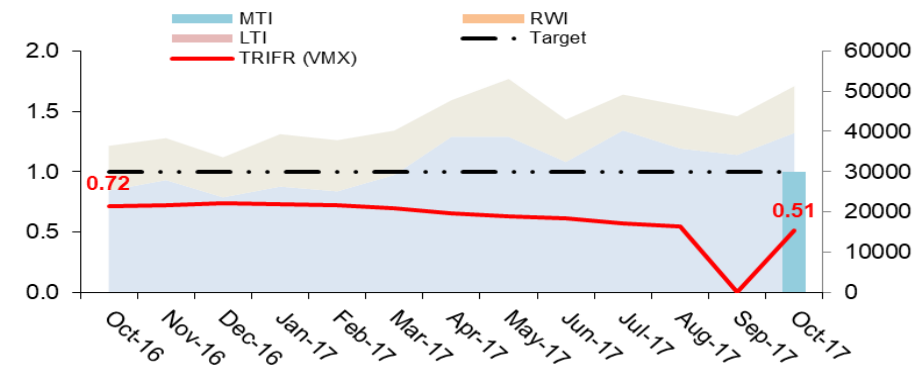
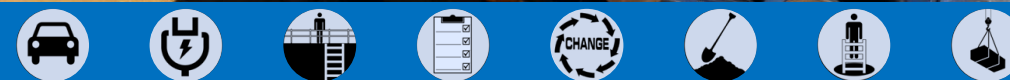
*As at 31 October 2017

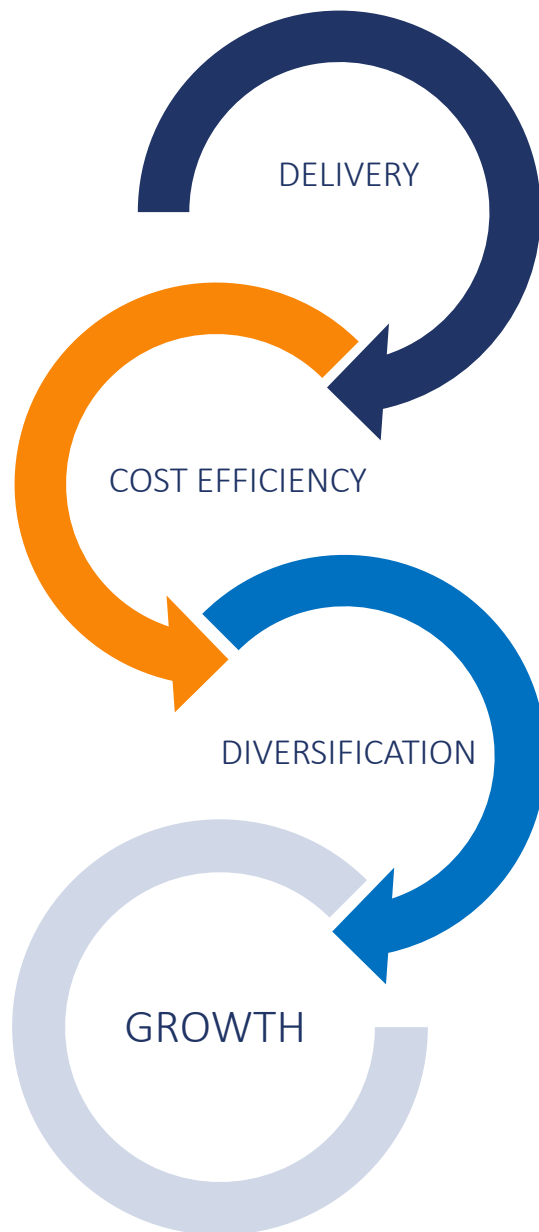




SAFETY

- Significant safety performance milestones achieved
- 6 Years / > 1.5 million hours LTI Free
- TRIFR of 0.51
- Focus on safety culture through effective communication and enhanced reporting at all work fronts.





MARKET GROWTH STRATEGY

- Client operations, reliability and availability support models implemented
 - Early Contractor Involvement (ECI)
 - Market leading HSE performance
 - Project and Indigenous alliances in place [Pindari (WA) & Kalkadoon, Myuma and Jangga (QLD)]
-
- Our People : Lean, efficient, highly experienced teams
 - Self execution capability
 - Removal of interface risk
 - Cost effective solutions
-
- Energy EPC projects
 - Service and Maintenance
 - Product Delivery / Global technology & support
 - Multi-Discipline Resource and Infrastructure Services
-
- Recurring Service revenue streams
 - Larger integrated gas processing and infrastructure project capability
 - Established delivery model for current growth in East Coast CSG upstream development
 - Acquisition and Investment - services led strategy



OUTLOOK

- Upside on ongoing service revenue streams, larger infrastructure and processing projects and in particular, East Coast gas thematic.
- Increased tendering on more robust pipelines of works.
- Increasing levels of sustaining capital works across all delivery sectors
- Target acquisitions to deliver increased capabilities and strategic growth
- FY2018 Revenues expected to increase from FY2017

SUMMARY



COMPANY ENTERING GROWTH CYCLE

43% growth in revenues during FY2017 / increased visibility for FY2018



DIVERSIFIED AND RECURRING REVENUE STREAMS

Increased service and maintenance contracts / diversified sectors / client



INCREASED PROJECT CAPACITY

Flexibility to pursue larger EPC / Turnkey projects in conjunction with existing services offering



BUILDING STRATEGIC RELATIONSHIPS WITH GLOBAL PLAYERS

Project partnering, BOOM financing and investment focus to address the gas sector opportunity





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