

**ASX ANNOUNCEMENT****25 JULY 2019**

MARKET UPDATE: VALMEC SET TO DELIVER \$8 MILLION EBITDA

VALMEC Limited (“**Valmec**” or the “**Company**”) (ASX: VMX) is pleased to report that full-year FY2019 EBITDA is expected to be circa \$8 million on total revenues of circa \$110 million. Stronger EBITDA margins during the year are directly attributable to the growth in the Valmec Service segment year on year, enabling FY2018 underlying EBITDA to be exceeded by approximately 64% this financial year.

The Company moves into FY2020 with an expanded order book of circa \$80 million on the back of strong H2 FY19 tender activity across its Service & Energy segments, underpinned by a growing pipeline in energy, water and resource infrastructure opportunities throughout Australia. The majority of these secured works are expected to be completed within the next 12 months.

The Company expects to finalise its Annual Report by 27 August 2019.

As previously announced to the market, Valmec commenced proceedings in the Supreme Court of Western Australia against John Holland Pty Ltd (“John Holland”), to recover payments associated with claims in relation to the NorthLink WA – Southern Section [Guildford Road to Reid Highway] Project (“**Project**”).

Valmec has completely written off the value of the John Holland Project within its books, therefore any future commercial settlement of the matter is expected to result in a one-off lift in Company earnings and free cash flow. Valmec’s action against John Holland continues to proceed in the Supreme Court with further case management expected in the current quarter.

For further information, please contact:

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