

**ASX ANNOUNCEMENT****11 SEPTEMBER 2019**

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**RECORD ORDER BOOK AND NEW CONTRACT AWARDS UNDERPIN GUIDANCE FOR STRONG GROWTH IN FY20**

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Valmec Limited (**Valmec** or the **Company**) (ASX: VMX) is pleased to announce awards of new contracts and preferred contractor positions totalling approximately \$43 million across its service and construction segments.

The new secured contracts include:

- Gas and infrastructure construction contracts for Arrow Energy, AGIG, Water Corporation & Incitec Pivot on various SMPE&I work fronts around Australia;
- Asset Services contracts with Tier 1 gas and resource producers in Western Australia and Queensland.
- Valmec also expects to finalise contracts on its preferred contractor positions over the coming months.

The Company's strongest orderbook position entering into the FY20 period of \$80m coupled with recent awards and a strong tender pipeline, provides a robust platform to deliver continued revenue and earnings growth in FY20.

Valmec now expects revenues of circa \$130M to \$140M during FY20 which are expected to deliver EBITDA of between \$9.1M to \$10.1M. The mid-point of this range represents forecast year-on-year revenue growth of 22.7% and EBITDA growth of 21% in FY20.

Managing Director Steve Dropulich said *"We are very pleased to have been awarded these recent contracts, which further strengthen our underlying business as we progress through FY20. It is also pleasing to see new contracts secured with a number of our existing customers as well as contracts that introduce new customers to our portfolio. This demonstrates both the strength of our existing relationships and Valmec's ability to diversify and grow its presence within the greater service and construction sectors."*

*"With strengthening market conditions in these sectors, Valmec will continue to develop its works pipeline for 2021 and beyond. Direct client relationships with Tier 1 energy and resource clients, will continue to enhance a pipeline of strong construction and service opportunities currently valued at over \$595 million, comprising gas and water infrastructure works, new renewable energy and power generation developments, as well as servicing its expanding maintenance and integrity services markets."*

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