

ASX ANNOUNCEMENT

20 February 2020

WestStar Positioned for Strong FY20 Following Alltype Acquisition

Highlights

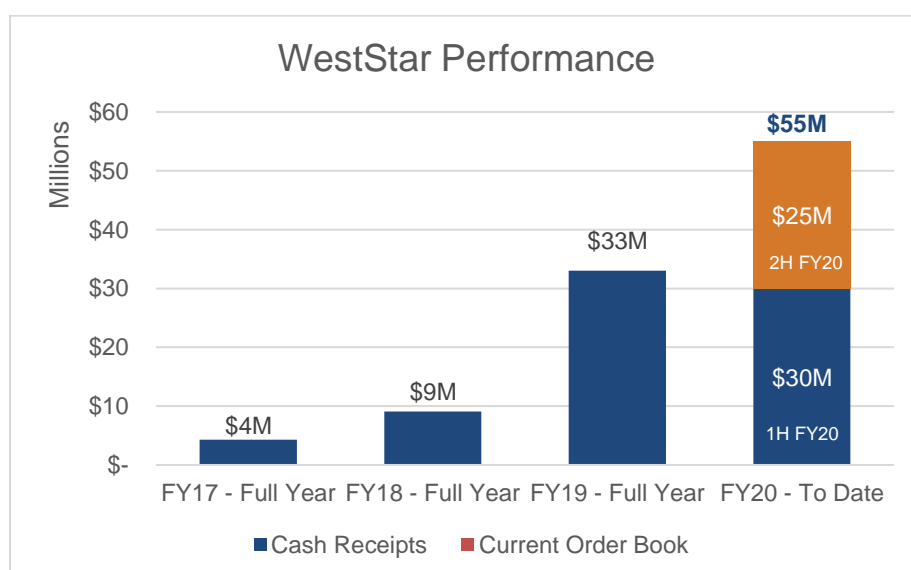
- **WestStar has delivered strong performance during the first half of FY20 with a positive outlook for the second half of FY20 following the acquisition of Alltype, including:**
 - Strengthening of forward contracts with current order book of ~\$25M
 - 1H FY20 cash receipts of ~\$30M up by ~212% compared to the prior comparative period (pcp)
 - Strong balance sheet and cash at bank of ~\$8M at 31/12/2019
- **Following the completion of the Alltype acquisition, synergies and cost savings have been identified to date that are expected to exceed \$1.2M per annum**
- **Over \$400M of qualified tender book opportunities with favourable market conditions in WestStar's key markets, expected to provide a continuing pipeline of new opportunities during 2H FY20**

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company providing engineering, construction and mining services to the resources, oil & gas, water and infrastructure sectors, is pleased to provide an update on its operations and future outlook for FY20.

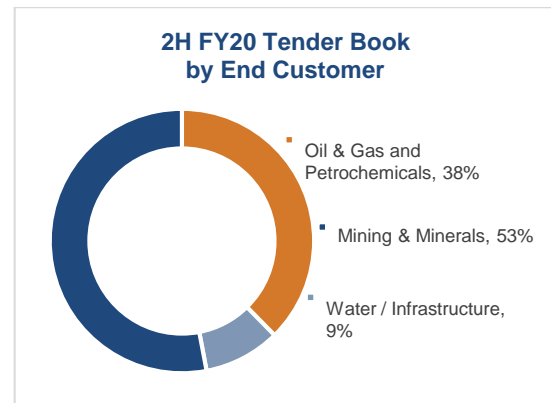
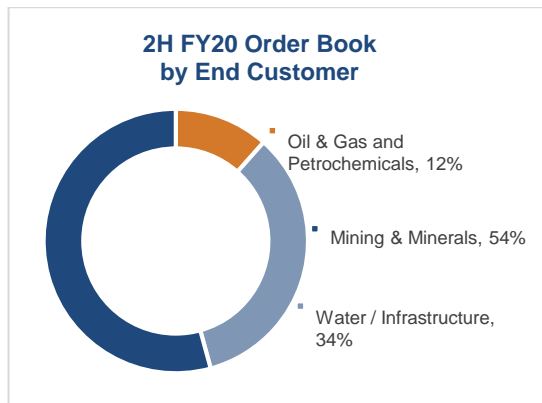
Performance Update

WestStar has continued its strong performance from the first half of FY20 during which it was awarded ~\$30M of new contracts and recorded ~\$30M of cash receipts with cash at bank of ~\$8M at 31 December 2019.

Following completion of the Alltype Engineering (**Alltype**) acquisition on 28 January 2020, Alltype will be included in WestStar's results for the last 5 months of FY20, which will reflect Alltype's current activity across the water infrastructure and oil and gas market segments.



WestStar has now increased its current order book to ~\$25M, incorporating recent wins and Alltype's current order book.



Alltype Integration Update

Significant work has been undertaken during February 2020 to integrate Alltype within WestStar's existing operations enabling management to effectively pursue horizontal and vertical integration opportunities and to identify various opportunities for significant overhead cost savings.

The Company has commenced the relocation of its existing precast division personnel and equipment to Alltype's state-of-the-art facilities, representing an immediate cost saving that is expected to save the Company more than \$1.2M over the next 12 months.

Further strategic initiatives have been implemented that are also expected to provide operational efficiencies and cost savings, including various shared services and resources to remove duplication and access synergies across purchasing, tendering and reporting.

WestStar CEO Robert Spadanuda commented:

"Last month's acquisition of Alltype Engineering represents a strong acceleration in WestStar's growth strategy across diversified market segments in the Australian market. Alltype Engineering provides WestStar with a state-of-the-art production facility together with a broadened market focus across the oil and gas and water and infrastructure market segments.

The WestStar and Alltype Engineering teams have worked constructively together over the past few months to ensure the successful integration of assets, people and systems. I warmly welcome all Alltype employees to the WestStar team, and also the Alltype shareholders who have joined our register."

-Ends-

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About WestStar

WestStar Industrial Limited (ASX: WSI) is an industrial, steel fabrication, installation and maintenance services company focussed on the resources, oil and gas, water and infrastructure sectors.

About SIMPEC

SIMPEC delivers high quality construction and engineering services with specialisation in structural mechanical and piping (SMP), electrical and instrumentation (E&I), concrete products and civil Services.

For more information: www.simpec.com.au

About Alltype Engineering

Alltype Engineering leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia. Alltype's products and services have been delivered and installed state-wide, nationally and internationally through our workshops and sites and can be found on land, offshore on islands, FPSO's and platforms, below ground and even subsea. Supported by its team of experienced multi-disciplinary project personnel, Alltype delivers consistent quality products and services that underpin its commitment to its vision "to be recognised as the preferred partner in delivering integrated fabrication, site and maintenance services with reliable, innovative and cost-effective solutions".

For more information: www.alltypeengineering.com.au

ASX release authorised by the Board of Directors of WestStar Industrial Limited.