

ASX ANNOUNCEMENT

20 MARCH 2020

COVID-19 IMPACT ON FY20 GUIDANCE

Valmec Limited (ASX: VMX) continues to monitor the rapidly evolving impact of the coronavirus (COVID-19) on its people, its business operations and its clients.

Due to the uncertainty around the spread of COVID-19 globally and the subsequent measures taken by governments globally to mitigate, customer delays in both execution of current order book and commencement of new contracts, are being experienced by Valmec.

As a direct consequence, Valmec announces that it is now withdrawing its full year FY20 guidance originally issued on 11 September 2019. At that time, the Company expected full year FY20 revenues of circa \$130M to \$140M and EBITDA of \$9.1M to \$10.1M.

Steve Dropulich, Valmec Managing Director said

"The increasing uncertainty surrounding both the duration and scale of the COVID-19 outbreak has led Valmec to withdraw its previous guidance to the market, predominantly due to both client and supply chain delays.

Valmec has established a dedicated steering team to monitor and assess the effects of the latest developments of COVID-19 on Valmec, its people and its customers.

These are unprecedented times that we now operate in and our focus is to ensure that we keep our Valmec family safe at all times and ensuring that the Company remains resilient to deal with any day to day challenges it is now faced with.

With Valmec's current markets including onshore gas and water utilities services as well as gold sector infrastructure, demand for the Company's suite of services is expected to remain robust, whilst also ensuring that Valmec remains ready to capitalise on its growing pipeline of opportunities once conditions stabilise."

There have been no confirmed cases of COVID-19 at Valmec to date.

For further information, please contact:

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