

ASX Announcement

Seymour Whyte Limited
ACN 105 493 203

24 February 2015

DIVERSIFICATION STRATEGY DELIVERS BALANCE AND RESILIENCE FY15 HALF YEAR RESULTS

Highlights

- Improved outlook through geographic and sector diversification, reducing reliance on individual regions and markets
- Strong financial performance given the current challenging market conditions
- Successful integration of utilities business, 12 months following strategic acquisition
- High number of projects awarded in FY15 with \$355 million in new contracts and a strengthened forward order book of \$450M (\$163M scheduled for completion FY15)

Financial Performance

	H1 FY2015 (\$m)
Revenue	123.3
EBITDA	6.9
NPAT	3.2
Operating cash flow	8.8
Cash	35.5
Earnings per share (cents per share)	3.65
Interim dividend (cents per share)	1.75

Leading infrastructure engineering and construction group, **Seymour Whyte Limited (ASX: SWL)** today announced net profit after tax of \$3.2 million for the six months to 31 December 2014, which is at the upper end of the Group's November Annual General Meeting earnings guidance.

Managing Director, David McAdam said, "The Group has performed well and is in a solid position given the current market conditions. Our underlying operating performance is good and the results demonstrate the benefit of our strategic focus on actively diversifying."

The Queensland transport infrastructure market slowed as forecast in the first half with a number of projects taking longer than anticipated to come to market. However, the Group's expansion into New South Wales, which now represents approximately 40% of the transport infrastructure order book, has supported overall performance.

"Seymour Whyte has been undertaking a transformation over the past two years to build a stronger, more competitive, more balanced business," Mr McAdam said.

The contribution of the Group's utilities infrastructure division significantly offset the impact of soft market conditions in transport infrastructure. Utilities infrastructure contributed 22% of Group revenue and 31% of segment operating profit before tax. The division now represents 40% of Seymour Whyte's workforce and approximately 20% of the total order book.

"The integration of Rob Carr Pty Ltd over the past twelve months has been a success. All senior personnel remain in the business and the Group is delivering on the strategic plan through bigger projects and better opportunities for the utilities division," Mr McAdam said.

"Expanded operations enable us to better withstand changing conditions in individual markets and lessen our historic dependence on Queensland transport infrastructure."

Seymour Whyte maintained a strong financial position with operating cash flow of \$8.8 million, reinvesting \$5 million back into long term business assets such as property and equipment, and returning \$4.4 million back to shareholders through dividends.

The Group has reaffirmed its guidance of achieving a forecast cash position of approximately \$43 million at the end of FY15.

The Board has declared a fully franked interim dividend of 1.75 cents per share with a record date of 13 March 2015.

The underlying health and strength of the business is represented through the award of more than \$355 million in new contracts during the first half, taking the Group's forward order book to approximately \$450 million with \$163 million scheduled for completion in the current financial year. This represents a tender win rate (by value) for the first half of 40%.

Significant new contract wins in the reporting period include:

- \$116 million Townsville Ring Road Stage 4 – Queensland
- \$86 million Hartley Valley to Forty Bends Safety Upgrade – New South Wales
- \$43 million Warrego Highway Upgrade – Queensland
- \$26 million Green Square Trunk Stormwater Project – New South Wales
- \$21 million Maitland Railway Roundabout Upgrade – New South Wales
- \$16 million Northern Airport Precinct Landside Project – New South Wales
- \$13 million Jindalee Watermain Replacement and Rising Main Solution – Queensland
- \$11 million Kabra Holding Yards Wiggins Island Rail Project – Queensland

Outlook

Seymour Whyte continues to make good progress on its strategy to put strong growth foundations in place through a combination of diversification to provide greater financial strength and stability, disciplined operating performance, and targeted acquisitions.

The Group remains committed to pursuing targeted acquisition opportunities that would expand the Group's sector and geographic presence and extend its core professional competencies.

Seymour Whyte's contestable market in transport infrastructure is now estimated at approximately \$9.6 billion between FY15 and FY19 in Queensland and New South Wales.

The contestable market for utilities infrastructure over the same period remains strong at \$4 billion.

While the Group is pleased to report a solid first half performance and continues to forecast substantial contestable market opportunities, some uncertainty remains particularly in relation to the timing of new projects in the transport infrastructure division.

On that basis, the Board and management of Seymour Whyte have reaffirmed the forecast FY15 NPAT range of \$8 million to \$11 million with a target of \$10 million.

Ends

Seymour Whyte Limited will host a conference call for analysts and investors at 11:30am (AEDT) Wednesday 25th February 2015.

Dial in details are as follows:

Phone number: 1800 672 949

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For further information: Caitlin Horgan: Communications and Engagement Advisor, 0400 355 448, Caitlin.Horgan@seymourwhyte.com.au **Note to editors:** Seymour Whyte Limited is an ASX listed company providing infrastructure services to the transport, utilities and resources sectors across Australia. Seymour Whyte Limited is the holding company of Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd - known collectively as the Seymour Whyte Group. The Group employs more than 350 staff with operations in five Australian mainland states and territories.