

**ASX Announcement**  
**03 February 2013**

## **LogiCamms Financial Performance and Operations Update**

Professional engineering and consulting services company, **LogiCamms Limited**, provides a financial performance and operations update for FY14.

- Expected FY14 EBITDA of \$11m to \$13m, compared to previously expected growth on FY13 EBITDA of \$14.1m
- Earnings heavily weighted to second half with first half FY14 EBITDA expected to be around \$3m
- Timing of contract awards, ongoing investment in the business, plus costs associated with restructuring and repositioning the business has impacted first half earnings
- Strong cash position of approximately \$9m at 31 December 2013
- Substantial expansion of hydrocarbons and asset performance business
- Strong performance from recently integrated New Zealand hydrocarbons specialist, ITL Engineering

### **Financial Performance**

The Company expects EBITDA (unaudited) for first half FY14 to be around \$3m, with a full year FY14 forecast of \$11m to \$13m. The financial position of the Company remains strong, with cash at 31 December 2013 of approximately \$9m.

The weighting in expected earnings to the second half of the year was previously stated at the Company's Annual General Meeting (AGM) held on 7 November 2013 and is being evidenced by the momentum in earnings delivered in the three months to 31 December 2013 as well as committed and forecast work through the remaining months of FY14.

LogiCamms believes that while the prospect of achieving growth on FY13 earnings, as previously stated at last year's AGM, remains possible it is now considered unlikely. The Company is however encouraged by the increased earnings momentum achieved as the year progresses and also growth in revenue from Hydrocarbons markets. This supports its strategy of investing in hydrocarbons and asset performance capabilities.

In relation to the Company's current and expected performance, LogiCamms Managing Director Mr Steve Banning said "The softening of the previously expected growth in the Company's earnings for FY14 does not change the Company's strategy of expanding its presence in key markets, including hydrocarbons and asset performance services. The repositioning and refocusing of the Company's allocation of resources as a result of the timing of contract awards will ensure that the business continues to operate efficiently and competitively over the longer term. We remain dedicated to investment in capabilities to continue to position for future growth."

### **Operations**

LogiCamms throughout FY14 has continued to focus on its core business of providing consulting based engineering and asset performance services to unlock higher value in our customers' assets. In particular, the strategy of continued investment in asset performance and key hydrocarbon related capabilities has significantly expanded LogiCamms' position in the hydrocarbons sector, revenue attributable to which has grown from around 30% of total revenue in FY13 to an expected 50% plus in FY14.

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The market for engineering services generally however continues to experience pressure reflected in reduced volumes of work. Downward pressure on engineering rates also continues to be a factor in the sector. LogiCamms has been subjected to the impacts of the fall in volumes and tighter margins particularly in minerals and metals markets. The lower revenue and earnings from minerals and metals have not been fully offset by the gains in the Company's hydrocarbons and asset performance services.

Despite the current environment of extended decision making processes by clients in relation to capital spend and downward pressure on margins, LogiCamms has continued to pursue investment in processes and capabilities in its identified areas of strategic growth. While staff numbers have remained stable, the Company has rapidly repositioned and restructured its team and capabilities with a weighting towards the hydrocarbons and asset performance portfolios. This investment has had a short term impact on earnings in the first half of FY14, but LogiCamms is confident that the ongoing development of a differentiated service offering and skill set in hydrocarbons and asset performance is a key limb of LogiCamms' strategy. The early success of this investment is evident in the continued growth of these businesses and the number and depth of relationships with key operators in the hydrocarbons sector in particular.

LogiCamms also continues to develop its Competency Assurance & Competency Training offering, which has continued to grow sustainably, including through current market conditions. Also, the stability of the Company's small project consulting business has provided and continues to provide a stable and predictable contribution to the Company's earnings.

In addition to the Company's investment in the organic growth of its people and capabilities, LogiCamms in May 2013 acquired ITL Engineering, a New Zealand based oil and gas engineering specialist. LogiCamms has invested significant time and resources in both the acquisition and integration of the business and is pleased to report that ITL's operating and financial performance has been strong. The success of the integration is expected to be reflected in the strong contribution ITL is forecast to make to the Company's earnings over FY14. Importantly, ITL has added significant depth and expertise to LogiCamms' growing hydrocarbons business in Australia and feedback from our clients is that the combined offering has significantly enhanced our position in the market in Australia, New Zealand and other markets.

The Company will provide a further update as part of the release of its Interim Financial Report scheduled to be reported on 28 February 2014.

- Ends -

**Further information**

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**About LogiCamms**

LogiCamms is engineering breakthroughs in asset performance. Working with leading owners and operators of minerals and metals, hydrocarbons and infrastructure assets, the Company works to reduce costs, increase efficiencies, and enhance the value of customers' operations. LogiCamms' core business units include engineering consulting, project delivery, and asset performance services. The Company has offices across Australia and New Zealand and is registered in Brisbane, Queensland. In 2013 LogiCamms acquired ITL Engineering, an established New Plymouth based Company providing a range of design and build solutions primarily to the oil and gas industry. LogiCamms' Vision is to be a market leader delivering outstanding customer solutions.

The reference to EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) is unaudited and unreviewed and is intended to provide a measure of financial performance before the impact of non-cash expense items such as equity settled transactions, depreciation and amortization, as well as interest income and expenses.