

# Appendix 4E (Preliminary Final Report)

## Full Year Ended 30 June 2016



Seymour Whyte Limited  
ACN 105 493 203

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

- The information contained in this report is for the year ended 30 June 2016 and the previous corresponding period 30 June 2015.

- Results for announcement to the market**

**\$A'000**

Revenue from ordinary activities	Up	33.71%	to	360,690
Net profit attributable to shareholders	Down	87.38%	to	1,250

#### Dividends

	Final	Interim
Dividend amount per security	nil	1.75 cents
Previous corresponding period (FY15)	6.25 cents	1.75 cents
Franked amount per security	100%	100%

The Board has not declared a final dividend for the year ended 30 June 2016.

- Brief explanation of the results reported above**

➤ *Overview*

The Group achieved revenue of \$360.7 million, an increase of 33.7% on the prior corresponding period. With the benefit of an increased order book at the commencement of the financial year, the Group was able to generate the strong increase in revenue however at much lower margins.

The increased competition across the sector for a smaller pool of projects, particularly in Queensland, and the resulting margin compression have continued to put pressure on the industry. Four projects awarded in the prior year experienced cost overruns resulting in losses, which had a significant impact on the current year results with net profit after tax for the year at \$1.25 million.

The Group order book remains strong at over \$450 million, with the ongoing focus on investment in design and construct tenders including a number of short-listed projects in the targeted Victorian market.

➤ *Segment Results*

Revenue in the civil infrastructure segment increased by 44% to \$306.9 million supported by the high order book in place at the beginning of the year. Whilst revenue has been strong, operational margins have been extremely tight, a reflection of the highly competitive tender market seen over the last 1–2 years. Three projects previously won on tight margins in the corresponding financial year have resulted in the civil infrastructure segment experiencing losses, which has had a significant impact on the current year segment result.

The utilities segment had a strong year with revenue increasing by 18.9% to \$71.3 million (prior to the elimination of intercompany revenue of \$18.1 million). The segment contribution of \$8.7 million is a \$2.9 million (49.8%) increase on the prior corresponding period. The increase is driven by 17 new project wins during the year largely on the east coast, along with significant activity being undertaken on the Green Square project. This result has been achieved despite the residual effects of a loss-making project and a subdued and competitive market in Western Australia, where only two projects were won towards the end of the year.

Other pressures have been seen across the Group, including slower than expected progress on some projects from weather events and unforeseen difficulties in ground conditions affecting the timing of project completion.

➤ *Cash*

Seymour Whyte maintains a sound financial position with cash of \$35.3 million (\$30.7 million net cash after debt) as at 30 June 2016. Operating cash flow of \$5.9 million is consistent with earnings before interest, tax, depreciation and amortisation (EBITDA) reflecting the continued focus on project cashflow and debtor collection.

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The Group's policy is to retain appropriate levels of cash to support pre-qualification requirements, funding of upfront tendering costs and the early mobilisation costs on projects until such time as the project is in a net cash positive position.

Looking forward, the Group plans to continue investing in design and construct tendering activity, particularly in the first half of FY17. In addition, there are a few contracts that remain at low margins, which will continue to have a residual impact on the profitability of the Group for the first six months of the financial year.

Further details of the Group's results for the financial year including Consolidated Statement of Profit & Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity are included in the Consolidated Financial Statements as lodged immediately following this announcement.

#### 4. Dividend payment information

Payment date	Type	Paid/ Declared	Total dividend	Amount per security	Franked amount per security
8 April 2016	Interim	Paid	\$1,535,974	1.75 cents	100%
16 October 2015	Final	Paid	\$5,485,617	6.25 cents	100%

There is no foreign sourced income attributed to the dividend.

#### 5. Dividend reinvestment plan

The Company has established a Dividend Reinvestment Plan (DRP) effective from 28 July 2013 for which the shareholders' participation is voluntary. Shares issued under the DRP are fully paid and rank equally with the existing fully paid ordinary shares.

No shares were issued under the DRP in the current year.

#### 6. Net tangible asset backing per ordinary share

Current period	55.48 cents
Previous corresponding period	63.84 cents

#### 7. Details of entities over which control has been gained or lost

There was no gain or loss of control on entities during the financial year.

#### 8. Detail of associates and joint ventures

The Company has interests in a number of joint ventures that are disclosed in Note 30 of the Consolidated Financial Statements.

The Company's interest in associates relates to a 50% investment in SWS Plant Pty Ltd.

#### 9. All operations of Seymour Whyte Limited and its subsidiaries are domiciled in Australia. Australian Accounting Standards are used to compile the financial report.

#### 10. The financial report has been audited and the independent audit report is not subject to a modified opinion, emphasis of matter or other matter paragraph.



Amy Deeb  
Company Secretary

23 August 2016