

ASX Announcement

Seymour Whyte Limited
ACN 105 493 203

27 August 2014

SWL FY14 FULL YEAR RESULTS ANNOUNCEMENT – STRATEGIC PLAN DELIVERS

Infrastructure engineering and construction group, Seymour Whyte Limited (ASX: SWL) today announced Net Profit After Tax (NPAT) of \$10.7 million for FY14, an increase of 15.3% over the previous financial year.

HIGHLIGHTS

- Revenue increased by 13.4% to \$311.0 million (FY13: \$274.3 million)
- EBITDA increased by 53.4% to \$17.8 million (FY13: \$11.6 million)
- NPAT increased by 15.3% to \$10.7 million (FY13: \$9.3 million)
- EPS increased by 10.4% to 13.2 cents per share (FY13: 11.9 cents per share)
- Completed successful acquisition of Rob Carr Pty Ltd
- Full year dividend of 7.5 cents per share, fully franked
- Strong cash position of \$40.8 million at 30 June 2014
- Order book \$209 million including \$199 million of work in FY15

Managing Director, David McAdam said, “The FY14 results demonstrate that since FY12 we have re-established a sustainable footing for growth.

“The Rob Carr acquisition was a central part of our diversification strategy and the Group now has a national presence in the transport and utilities infrastructure sectors, and a Forward Order Book of \$209 million, despite a challenging market.

“We have a robust balance sheet with limited gearing and a strong cash position. We have delivered a disciplined performance based on stronger internal processes for tendering, project control and risk management which underpin improved profitability now and in the future.”

Revenue increased to \$311.0 million including a positive four-month contribution from Rob Carr Pty Ltd. EBITDA increased to \$17.8 million from \$11.6 million in FY13, representing an increase of 53.4%.

Earnings per share increased by 10.4% to 13.2 cents per share whilst issuing 9.6 million shares during the year for the Rob Carr acquisition. The increase is partly driven by the strong margins presented in the new business during the four-month contribution by Rob Carr Pty Ltd to the result.

The Group’s cash position as of 30 June 2014 remains strong at \$40.8 million, although lower compared to \$47.7 million for the previous financial year. The decrease reflects the consideration paid for the Rob Carr acquisition and payment of the FY13 dividend at a 67% payout ratio.

The Board has declared a final dividend of 5.0 cents per share (fully franked), which brings the full year dividend to 7.5 cents per share (fully franked).

Operating performance

The integration of Rob Carr has progressed successfully and the Group is now structured into two core operating businesses – Transport Infrastructure (Seymour Whyte Constructions Pty Ltd) and Utilities Infrastructure (Rob Carr Pty Ltd) – supported by a shared services platform to drive consistent high standards of disciplined governance and operational efficiency. All key Rob Carr personnel remain in the business and the two operating entities are jointly tendering for several projects.

The business completed a number of landmark projects in FY14 including the Townsville Port Inner Harbour Expansion and eight Queensland flood remediation projects, all of which were delivered on or ahead of time and under budget.

Work has also commenced on the \$65 million Smith Street Motorway – Olsen Avenue Interchange Upgrade on the Gold Coast, and the \$11 million Alphington Sewer Replacement Project in Victoria.

The transport infrastructure business is entering a growth phase in New South Wales with three active projects and a positive outlook for FY15 and beyond.

At 30 June 2014, the Group was collectively delivering on over \$450 million of active projects.

Following the Rob Carr acquisition, Seymour Whyte is now the leading microtunnelling contractor in Australia and has won a number of new projects in Victoria, Western Australia, Northern Territory and Queensland.

Order Book

The Group secured \$243 million in new projects (including expanded scope on existing projects) during FY14, representing a win rate of approximately 20%.

The Order Book stands at \$209 million comprising \$199 million of work in FY15 and \$10 million in FY16. Of this total, transport infrastructure represents \$157 million and utilities \$52 million.

We remain positive about our ability to increase our Order Book in FY15 whilst noting a forecast soft first half earnings due to delayed project awards.

Outlook

The focus of the Commonwealth and various State Governments on infrastructure development, positions Seymour Whyte for growth in the medium to long term.

The Queensland transport infrastructure market is forecast to slow in the first half of FY15, although we anticipate that a number of projects will be released for tender in this period and the sector will begin to recover and return to growth in the second half.

Reflecting the State Government's commitment to new infrastructure development, the New South Wales transport infrastructure sector is expected to continue steady growth in FY15 and beyond. Seymour Whyte has an estimated contestable market in Queensland and New South Wales of at least \$11 billion between FY15 and FY18.

Conditions remain buoyant in the utilities infrastructure market with the contestable market estimated at approximately \$4 billion between FY15 and FY18.

The Board has forecast a soft earnings profile in the first half of the year and moderate improvement into the second half. As these projects require substantial business development commitments, we anticipate increased tendering costs in FY15 with the intended benefits flowing in FY16 and beyond.

Going forward, the focus of the business is to expand our involvement in the essential infrastructure environment covering assets that Australia must develop to continue to prosper. This strategic approach will provide a sustainable platform to our business.

To grow beyond our current operations we continue to look for geographic and sector diversification. This will be achieved through both organic growth and a disciplined approach to value-creating acquisition opportunities.

Mr McAdam said the Group is well positioned to realise its growth agenda and to continue as a leading provider of essential infrastructure.

“With the reputation, capability, systems and leadership skills to match the best we are confident of a strong growth potential in the coming years.”

Ends

Seymour Whyte Limited will host a conference call for analysts and investors at 12:00 noon. Dial in details are as follows:

Phone Number – 1800 672 949

Account Number – 753564377919#

For further information:

Media - Caitlin Horgan, Communication Advisor on 0400 355 448 or Caitlin.Horgan@seymourwhyte.com.au

Investor Relations - David McAdam, Managing Director on 07 33404800

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. More information is available at www.seymourwhyte.com.au