

## Boom forecasts \$5m Operating NPAT & Share buyback in FY24

**25 August 2023:** Boom Logistics Limited (ASX: BOL, “the Company”), a total lifting solutions company that utilises a highly skilled workforce and specialised equipment, announces its results for the twelve months ended 30 June 2023 (FY23).

### FY23 FINANCIAL SUMMARY

- Revenue of \$205.9m, down 4.6% on FY22, due to delays in major project commencement.
- EBITDA of \$39.3m at a margin of 19% driven by tight pricing controls and operational optimisation.
- Reported NPAT loss of \$5.2m in line with guidance. Operating NPAT was a profit of \$0.7m.
- Cash from Operating activities was \$31.1m with funds primarily used to pay down borrowings.
- Boom’s Board has approved a capital management strategy that contemplates the return of 40% - 60% of the previous two years’ rolling average Operating NPAT by way of an on-market share buyback in FY24.
- The combination of strong end markets, recent tender wins and internal strategic initiatives is anticipated to see Boom deliver c.\$5m in Operating NPAT for FY24.

Results summary for the twelve months ended	30 June 2023 (FY23) \$'m	30 June 2022 (FY22) \$'m
Revenue	205.9	215.8
EBITDA	39.3 19%	41.6 19%
Operating NPAT <sup>#</sup>	0.7	3.8
Reported NPAT	(5.2)	3.8
Net Assets	105.5	110.2
Cash from Operating activities	31.1	35.4

<sup>#</sup>Operating NPAT is Net Earnings before Impairments, Restructuring and Profit/ (Loss) from sale of assets.

### OPERATIONAL HIGHLIGHTS

- Zero Lost Time Injuries (LTIs) and an improvement in TRIFR to 3.8 per million hours worked.
- Over \$60m of new contracts won in FY23, including c.\$11m in North-West Western Australia, a major Queensland Wind Farm (c.\$30m), the South Australia to New South Wales interconnector project and the Kidston to Mount Fox transmission line project in Queensland (c.\$12m), and a large Central Queensland Mine (c.\$4m).
- More than \$150m in contract renewals signed in FY23, including a major Queensland customer for a 5-year term (c.\$50m); large Hunter Valley customer for a 7-year term (c.\$53m); and a large Victorian crane hire and maintenance contract for a further 5 years (c.\$25 million).
- Implementation of new strategic initiatives to improve asset efficiency and drive shareholder returns.
- Boom is in a strong position to benefit from significant growth opportunities in the Renewables and Infrastructure markets as Australia continues to transition to new energy sources.

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## STRATEGIC FOCUS

During FY23, the Company implemented a number of key strategic initiatives to:

- Create sustainable future returns by focusing on key segments and customers;
- Continue to strengthen the balance sheet through improved asset investments; and
- Improve cash flow and create value for shareholders.

The specific initiatives to be undertaken include:

1. **ESG and People Expertise** - Continue to improve our safety, social and environmental culture. The Company will also work closely with key suppliers to introduce new electric power optioned cranes into its fleet;
2. **Sector-Focused Profitable Growth** – Constantly reviewing key segments and customers the Company wants to partner with. Continue work on sustainable pricing and cost efficiency strategies. Focus on asset and resource optimisation and improved cash flow management across all businesses;
3. **Asset Regeneration & Labour Proficiency** – Driving asset renewals, labour efficiencies and Balance Sheet health. Ensure the Company has the right assets in the right locations with the right customers to maximise returns on capital; and
4. **Shareholder Value** - By focusing on key customers, assets and geographic profitability through resource optimisation and bottom line NPAT accountability.

### Asset Regeneration

As previously announced, Boom has undertaken a thorough review of all assets including cranes, travel towers and other equipment, taking into account the age and utilisation of each asset. The aim of the review is to deliver on Boom's objectives of:

- Reducing the fleet age and sale of old assets to improve the balance sheet;
- Disposing of underperforming and obsolete assets; and
- Continued investment in new assets to drive growth and improved returns on invested capital.

The program achieved circa \$7.6m in sales proceeds in FY23, with a loss on sales of \$0.5m. Once complete in FY24, this initiative is anticipated to generate over \$17m in free cash. These funds are being used to reinvest into the Company's future fleet requirements and paying down debt.

### Capital Management

The Board has approved a capital management strategy to delivering consistent investor returns in an efficient manner. The strategy contemplates the return of 40% - 60% of the previous two years' rolling average Operating NPAT, through the execution of share buy-backs on an annual basis. The Group expects to confirm the level of buy-backs for FY24 prior to the Annual General Meeting in November 2023.

## FY24 OUTLOOK

Strong demand and tender activity across all key segments and c.\$200m in contract wins over the last 12 months are expected to contribute to an improved performance in FY24 and beyond.

The combination of improving end markets and our internal strategic initiatives is anticipated to deliver an improvement in our financial performance. The Company is guiding FY24 to deliver over \$220m in Revenue with an Operating NPAT of c.\$5m. This will be driven by:

- Continued execution of Boom's strategic plan of Sector-Focused Profitable Growth (Resources & Renewables), optimising assets through investment and rigid resource utilisation;
- The execution of recent contract wins and the commencement of delayed large projects;
- Continued reinvestment in the business to increase competitive advantage, tender for significant projects and grow pipeline of new work through strong tender activity across key sectors; and
- Generate strong free cash flow through operating activities and further asset sales.

**Ben Piere, Boom Logistics' CEO said** "Boom's safety culture, strong customer focus and service delivery by our dedicated and skilled team delivered over \$200m of contract wins over the last 12 months. Ongoing strong demand and tender activity across all our key segments demonstrate the underlying strength of the business which will drive improved profitability and cash flow in FY24.

Whilst the project delays in FY23 were disappointing, the commencement of these major projects will contribute to material revenues and an overall improved performance for the Company in FY24. We have a clear strategy which prioritises profitable growth, cash generation and enhanced returns to shareholders.

Boom is actively disposing of underperforming and obsolete assets which will help improve our operational efficiencies, reduce our average fleet age and enhance our capital structure. Realised capital from these sales will be re-invested into new assets supporting our key growth segments.

The success of recent tender wins, strong activity across our core markets, a healthy balance sheet and optimised assets place the Company in a position to drive enhanced and sustained returns for our shareholders."

## BOARD CHANGES

Mrs Melanie Allibon will step down as Chair and as a Non-Executive Director of the Company on 30 September 2023. Mr Kieran Pryke, who joined the Board as an independent Non-Executive Director on 8 February 2021 will be appointed as Chair of the Board effective 1 October 2023. Mrs Allibon said "I have been honoured to serve on the Boom Logistics Board during a period of considerable change. I am confident that the business is poised for profitable growth and that Kieran will make an excellent Chair". Mr Pryke said "I feel privileged to accept the role of Chair and look forward to continuing to build Boom's future. I would like to thank Melanie for her leadership during her term as Chair. She has ably led the Company through a period of complex changes."

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This release has been approved for distribution by the Board of Directors of Boom Logistics Limited



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