



SAUNDERS 2023 FINANCIAL YEAR RESULTS

Wednesday, 30 August 2023

2023 FINANCIAL RESULTS

- **Record Revenue** of \$200.9 million for year ending 30 June 2023
- **EBIT** of \$14.4 million with **EBITDA** of \$17.5 million
- **Strong Balance Sheet** with Net Assets of \$39.3 million
- **Cash on hand** of \$12.8 million at 30 June 2023
- **Operating cash outflow** of \$14.1 million
- **Orderbook** of \$201 million at 31 July 2023
- **Tender and Pipeline** of \$1.6 billion at 31 July 2023
- **Final Dividend** payment 1.00 cents with **Special Dividend** of 1.00 cents
- **Bank Guarantee and Surety Facilities** increased by \$10 million to \$40 million since 30 June 2022

Saunders International Limited (ASX:SND) ("Saunders" or "the Group") today released its financial results for financial year ending 30 June 2023.

OPERATIONS

Saunders' revenue for the year is \$200.9 million, an increase of \$70.9 million or 54.5% (2022: \$130.0 million). The NPAT was \$9.5 million, an improvement of \$2.9 million or 44.9% (2022: \$6.6 million). EBITDA was \$17.5 million, an improvement of \$5.8 million or 49.6% (2022: \$11.7 million). The record revenue performance of the Group over the past 12 months is due to delivery of our key cornerstone projects. It is a reflection of the Group's ability to continue to secure key new opportunities and repeat business with our clients, particularly as they seek to repurpose existing and build new assets in the renewable energy sector. Earnings per share for the period was 8.84 cents (FY22: 6.24 cents).

Saunders cash and cash equivalents of \$12.8 million at 30 June 2023 (2022: \$36.7 million) is anticipated to improve once Project Caymus contract closure is finalised. The Group has no interest-bearing loans, except for finance leases.

KEY HIGHLIGHTS INCLUDE:

- Safety performance remained strong in 2023, even as we grew our employee numbers to record levels through the delivery of the Western Sydney Airport aviation fuel terminal in Sydney, our works on the Larrakeyah Barracks Redevelopment and Project Caymus, both in Darwin. We recorded a TRIFR12¹ metric of 1.68 in 2023, a 13.0% improvement on the prior year (2022: TRIFR12 1.93).
- The Group gained the Federal Safety Commission (FSC) and Defence Industry Security Program (DISP) accreditations during the last 12 months. This will enable us to tender for larger head contract infrastructure and defence projects funded directly or indirectly by the Australian Federal Government.

KEY HIGHLIGHTS INCLUDE (continued):

- Saunders announced the acquisition of Automation IT in May 2023 which will further expand and diversify our operations into technology-based infrastructure (following the August 2021 acquisition of PlantWeave) and further expand Saunders' capabilities across industrial automation and technology solutions.
- Secured three projects with values in excess of \$40m each in the last 12 months, including the Western Sydney Airport Aviation Fuel Terminal for Multiplex in NSW, bp's renewable fuels tank refurbishment project at Kwinana in WA and a project for Quantem to more than double diesel storage capacity at its Pelican Point terminal in Adelaide, SA.
- Leading Australian contractor for the construction and installation of Geodesic Dome Roofs for storage tanks, with 12 roofs installed over FY23.
- Secured a \$10 million increase to the Bank Guarantee facility. The now \$40 million limit across our bank guarantees and surety facility will support our current orderbook and the strong pipeline of opportunities.
- Continued focus on Environmental, Social and Governance matters across the Group.

Chief Executive Officer Mark Benson said *"Saunders has successfully delivered another year of record revenue and increased earnings. It is a tribute to our team of resilient people, who have all contributed to these achievements for the fourth year in a row."*

Over the past four years, the Group's earnings have continued to improve through the combination of a disciplined approach to risk management at the tender stage and exceptional project execution. This includes the work we performed on Project Caymus. While our role on the project finished earlier than expected in April 2023 due to our client's strategic decision, we are very proud of the speed and quality of our work in constructing the 11 jet fuel storage tanks on the project.

I am proud of the way our teams are continuing to contribute to the growth of Saunders, with a further three projects secured during the last 12 months with individual values in excess of \$40 million each. Securing projects of this nature will underpin our ability to maintain strong financial performance and help set us up for further growth in future years. Equally, the acquisition of Automation IT in 2023 will further enhance our capabilities across industrial automation and technology solutions and contribute to our increasing ability to provide a fully integrated service offering to our clients.

We start the new financial year with a strong operational platform, a strengthened executive leadership team and a continued focus on our strategic initiatives. We are well positioned to take advantage of opportunities across the sectors within which we operate. While there are still broader economic challenges being encountered across all industries and sectors, the outlook for Saunders remains positive."

SAFETY & THE ENVIRONMENT

One of Saunders core values is 'Zero Harm', whereby the Group is committed to the practice of zero harm behaviour at work and at home. During 2023, Saunders' Total Recordable Injury Frequency Rate (TRIFR¹²) was 1.68 (2022: 1.93).

The Group recorded a lost time injury in 2023, after reporting in 2022 a zero lost time injury free record for in excess of 4.3 million hours. The environment remains a key focus for the Group, and we will be focusing heavily on improving our sustainability and climate change initiatives in the next year.

The Group recognises the material environmental and social risks that are relevant to its activities and takes action to manage those risks. Working with major international organisations including bp, Ampol and Lendlease provides the ability to not only support them to achieve their bold sustainability targets, but to have insight into their plans to do so. We're leveraging these learnings to define our own Environment, Social and Governance sustainability targets across the Group.

¹ TRIFR¹² is the number of occurrences of injury for each 200,000 hours worked.

OUTLOOK

Saunders had work-in-hand as at 30 June 2023 of \$159.1 million (2022: \$193.0 million) and this had increased to \$201.0m as at 31 July 2023.

The value of live tenders as at 30 June 2023 was \$442 million (2022: \$482 million). The pipeline (yet to be tendered) is at \$1.2 billion (2022: \$827 million). This strong pipeline of opportunities reflects the Group's diversification across each of our operating services and represents a mix of new and existing customers. The Group is well positioned on a number of opportunities.

The Group's strategic plan continues to focus on pursuing targeted initiatives intended to drive medium to long-term growth. This includes increasing our support of the Defence, Oil and Gas, and Infrastructure sectors, and expanding its capabilities further into the New Energy sector. As this sector continues to grow, Saunders will be ready to provide the comprehensive, full-asset lifecycle solutions that will be required.

To ensure we sustain the growth achieved to date and position for further growth into the future, we have recruited key executives and project delivery personnel, and are continuously improving our systems and processes. Saunders will start the new financial year well positioned to take advantage of opportunities across our sectors and services.

DIVIDEND

The Board declared on 28 August 2023 that there will be a final dividend payable of 1.00 cents per share fully franked and special dividend of 1.00 cents per share fully franked (2022: 1.00 cents per share final dividend and 1.00 cents per share special dividend paid). The timetable for the 2023 final dividend is as follows:

	Date
Ex-dividend date	Friday, 15 September 2023
Record date	Monday, 18 September 2023 at 5:00pm (AEST)
Payment and mailing date	Monday, 16 October 2023

DIVIDEND REINVESTMENT PLAN

The Board has resolved for the Dividend Reinvestment Plan (DRP) to remain deactivated for the 2023 final dividend.

INVESTOR PRESENTATION

Saunders will be delivering investor presentations commencing today. A copy of Saunders' investor presentation will be provided on the ASX Announcements platform and the Company's website.

ATTACHMENTS

- Appendix 4E
- Financial Report 2023

About Saunders International Limited

Saunders International Limited (ASX:SND) is a multi-disciplined engineering and construction company providing design, fabrication, construction, shutdown, maintenance, and industrial automation services to leading organisations across Australia, and the Pacific Region. The Group provides innovative cost-effective solutions to the oil & gas, infrastructure, water, power, new energy, mining & minerals, and defence sectors. Additional information about Saunders, its services, and the sectors it operates in can be found at www.saundersint.com.

For further information, please contact:

Mark Benson, Managing Director & Chief Executive Officer

(02) 9792 2444

This announcement was authorised for release by the Board of Saunders International Limited.