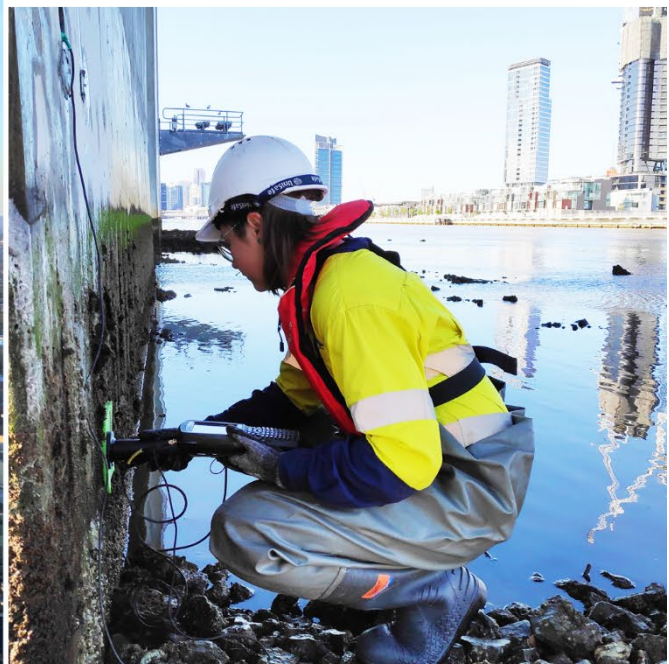


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DURATEC



FY21
ASX ANNOUNCEMENT

27 August 2021

Solid FY21 results with positive outlook

Leading national remediation specialist Duratec Limited (Duratec or the Company) (ASX: DUR) is pleased to provide its results for the financial year ended 30 June 2021. Duratec has delivered a solid performance while navigating the challenges associated with COVID-19. This update should be read in conjunction with the financial statements.

FY21 Financial Highlights

- Revenue¹ of \$235.7m, down 4.7% on PCP
- Normalised EBITDA² of \$18.8m, down from \$22.0m in PCP
- Normalised EBITDA margin of 8.0%, down from 8.9% in PCP, including DDR contribution
- Good cash generation from operations and strong balance sheet with closing cash balance of \$41.2m and low debt levels (net cash of \$27.8m)
- Received \$1.5m dividend from associate business DDR
- EPS 3.10 Cents Per Share
- First post IPO dividend 1.50 Cents Per Share declared, fully franked

FY21 Operational Highlights

- Zero lost time injuries and improved TRIFR over PCP with continued investment in people and resources to foster a culture of ZERO HARM
- Employee numbers of 725 including DDR
- Engaged in over 1,621 projects with high quality delivery despite COVID-19 challenges and delays in the award of several tenders, particularly in Defence and Buildings & Facades sectors
- Established and commissioned state of the art fully recyclable abrasive blast and industrial paint facility in Karratha, WA
- Strategic asset acquisitions capitalise on growing marine structure remediation and mining works
- Work on Hand of \$236.2m, excluding annuity style Master Service Agreement (MSA) contracts of circa \$30m-\$40m pa
- DDR continued to grow strongly and has a significant pipeline of work

¹ Revenue represents income from projects performed by Duratec excluding associates.

² Normalised EBITDA means earnings before interest, tax, depreciation, amortization, IPO transaction costs and contribution from former Associate business Fortec Australia Pty Ltd.

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ASX code: DUR

DIRECTORS

Martin Brydon
Non-Executive Chairman
Phil Harcourt
Managing Director
Chris Oates
Executive Director

Gavin Miller
Non-Executive Director
Dennis Wilkins
Company Secretary

Capital structure:
237,444,801 ordinary shares

Operational Overview and COVID-19 Update

Key industry themes and demand drivers continue to underpin the Company's operations during the year. In order to support Duratec's strategy of increased penetration of the Eastern States, Deane Diprose, a highly respected and experienced Executive Manager relocated to NSW. Deane has particular experience in all aspects of Defence works, Buildings & Facades, refurbishment, other core business development and strategic planning.

The Company has performed satisfactorily during the ongoing and challenging COVID-19 period. Duratec has not received any JobKeeper payments, demonstrating its resilience and responsiveness to changed circumstances. Plans were implemented to minimise the impact on operations and the effects have been specific to each geographic region. WA has been the least impacted, while the Eastern States have seen slower contract awards and operational efficiency impacted.

The overheads and business capabilities maintained during FY21 to support growth, whilst impacting costs in the short term, provide operational leverage to capitalise on anticipated strong growth in FY22 and beyond.

Outlook

Defence

Sustainment spending forecast to more than double to over the next decade. Government infrastructure stimulus and increasing Defence sustainment spending provide key growth platforms. On 13 August 2021, the Duratec – Ertech Joint Venture (DEJV) was awarded a \$53.0m design and construct wharf extension project.

Mining & Industrial

Strong commodity prices underpin increased resource sector spending as clients continue to focus on asset life extension. Duratec's well positioned nationally to meet the increasing demand for remediation and life extension of ageing infrastructure. Clients increasingly focused on infrastructure integrity which is critical to their processes and production output

Buildings & Facades

Good momentum with increasing demand for Duratec's Technical Team and ECI in projects. Flammable cladding replacement programs continue to gain momentum nationally. Previously announced \$63m Central Park Buildings & Facades contract secured in H2FY21 with work now in progress.

Other Infrastructure

Increased activity in energy, water & wastewater, transport, ports and infrastructure.

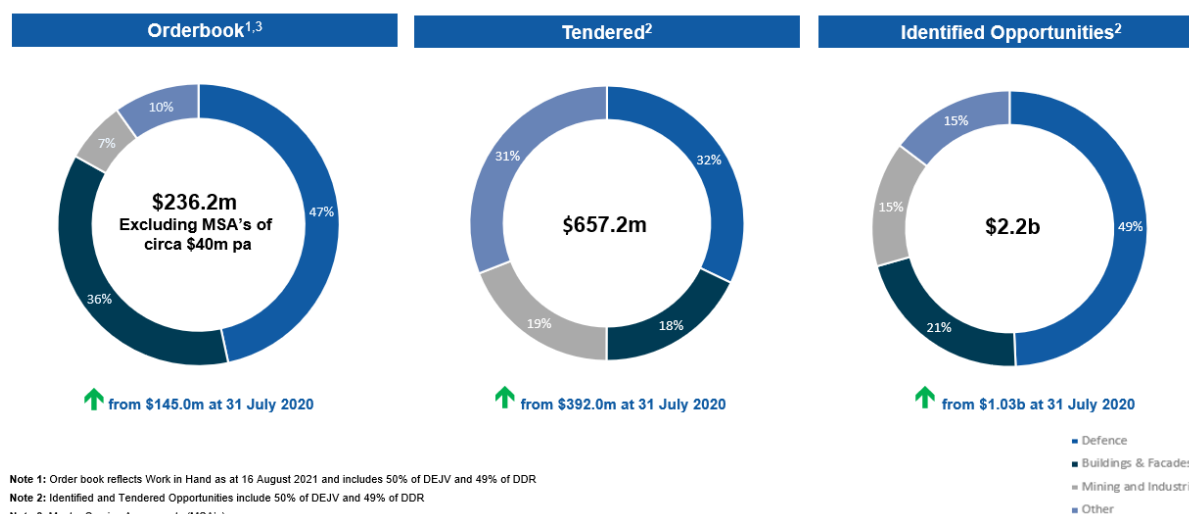
DDR

Outlook supported by government and corporate IPP initiatives.

There are positive indicators nationally across all the market sectors underpinning the growth outlook for Duratec's services.

Duratec's national presence with well supported and located teams, positions the Company very well to leverage these opportunities.

Diversified across industry sector and geographies and growing



Orderbook and Pipeline

Duratec's orderbook and pipeline continues to grow and is well diversified across industry sectors and geographies (53% Eastern Region³ and 47% Western Region). Tendering volume is high with \$657.2m submitted to date. Duratec is very encouraged by the \$2.2b of high quality identified opportunities which are expected to translate into increased tendering across all key sectors. This, together with Duratec's strong balance sheet, provides an excellent platform for the Company to secure additional contracts that support sustainable long-term growth.

The ongoing impacts of COVID-19, with Eastern States currently being particularly affected by the Delta variant, is creating a level of uncertainty.

The Company will remain vigilant and nimble to respond to the challenges presented by COVID-19. Duratec will continue to focus on safety, systems, cost control, disciplined tendering (based on ECI) and quality of delivery, to grow the business sustainably and drive shareholder returns.

Authorised for release to the ASX by the Board of Directors of Duratec Limited.

³Eastern region means South Australia, New South Wales, Victoria, Queensland, Australian Capital Territory and Tasmania. Western region means Western Australia and Northern Territory.

– ends –

Investor Contact

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About Duratec Limited

Duratec Limited (ASX: DUR) is a leading Australian contractor providing assessment, protection, remediation, and refurbishment services to a broad range of assets and infrastructure. The Company's multi-disciplined capabilities combine engineering experience with project delivery expertise and use a range of in-house assessment technologies, including 3D capture and modelling technology with predictive analysis tools. Headquartered in Wangara, Western Australia, Duratec has fifteen branches around the country in capital cities and regional centres, delivering services across multiple sectors including Defence, Commercial Buildings & Facades, Infrastructure (Water, Transport & Marine), Mining & Industrial, Power and Energy.

Please visit www.duratec.com.au for further information.