ASX Announcement
ASX: TEA

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26 August 2024

Tasmea Limited announces full year result for FY24

HIGHLIGHTS

- **Pro-forma[1] Revenue A$407m, increase of 10.8% on A$368m in FY23**
- **Pro-forma EBIT A$54.8m, 1.5% up on Prospectus target, and 27.4% on A$43.0m in FY23**
- **Pro-forma NPAT A$36.9m, 10.3% up on Prospectus target, and 29.9% on A$28.4m in FY23**
- **Pro-forma Earnings Per Share 18.4 cents**

- **Statutory Revenue A$400m, increase of 25.0% on A$320m in FY23**
- **Statutory EBIT A$46.4m, increase of 53.2% on A$30.3m in FY23**
- **Statutory NPAT A$30.5m, increase of 56.5% on A$19.5m in FY23**
- **Statutory Operating Cash Flow A$49.8m, 107% OCF before interest and tax to EBIT**
- **Statutory Earnings Per Share 15.2 cents, up 53.5% on 9.9 cents in FY23**

- **Final fully franked dividend of 4.0 cents per share, up 100% on 2.0 cents in FY23; Full year fully franked dividend of 6.5 cents per share, up 85.7% on 3.5 cents in FY23**

- **Pro-forma FY24 EBIT with recent acquisitions A$75.4m; Pro-forma FY24 NPAT with recent acquisitions A$50.2m**

Tasmea Limited (ASX: TEA) today announces a pro-forma[1] net profit after tax of A$36.9m for the year ended 30 June 2024, an increase of 29.9% on the prior corresponding period, outperforming the Prospectus forecast pro-forma net profit after tax by 10.3%.

Statutory profit after tax for the year ended 30 June 2024 was A$30.5m, 56.5% higher than the prior corresponding period. This was driven by revenue growth, efficient cost management, and the positive impact of our acquisitions.

Included in the Group's statutory result for FY24 was A$4.7m expenditure attributed to the Initial Public Offer and A$2.0 million expenditure related to business acquisitions.

Statutory revenue increased by 25.0% to A$400.0m in FY24. This growth was primarily driven by strong performance in our core sectors—mining, resources, energy, and infrastructure—alongside the integration of recent acquisitions.

Operating cash flow before interest and tax for FY24 was A$49.8m, representing 107% of Earnings Before Income and Tax. This strong conversion rate is attributed to our business model, where the majority of work is conducted on a schedule of rates with a maintenance focus, allowing us to invoice regularly for work completed each month.

Balance Sheet and Funding

Tasmea has maintained a very strong balance sheet in FY24, underpinned by its strong financial performance and programmatic acquisition strategy.

Net tangible assets per share increased to 19.27 cents per share (FY23 5.68 cents per share).

Net debt was A$33.2m, representing 0.6x Pro Forma Earnings Before Interest and Tax achieved via consistent and predictable cash flows, and a focus on debt amortisation.

Business acquisitions

This year, we made significant progress in executing our strategic initiatives. The recent acquisitions of Dingo Concrete Services, and post balance date acquisitions West Coast Lining Systems and Future Engineering Group have further strengthened our capabilities and market position, particularly in remote areas where demand for our specialised services remains strong. As we move into FY25, our focus will be on integrating these businesses to unlock their full potential.

Additionally, our earlier acquisitions in FY24 of Groundbreaking Mining Solutions and ForeFront Services have delivered on their forecast earnings, with integration progressing in line with expectations. These strategic moves have bolstered our service offerings and positioned us to capitalise on growth opportunities in our key markets.

Safety

Safety remains a cornerstone of Tasmea's operations. The Group has achieved another year of lost-time injury (LTI) free performance, extending our LTI-free record to over 4,200 days. This achievement reflects our unwavering commitment to maintaining a safe and healthy work environment for all our employees.

In addition to our safety achievements, we have continued to invest in our workforce. Our headcount has grown by 18%, bringing our total number of employees to over 1,500 which does not include our recent acquisitions of WCLS and Future Engineering Group. This growth has met the increased demand for our services and our strategic focus on developing a skilled and capable workforce to meet our customers' needs.

Dividend

Reflecting our strong financial performance, the Directors have declared a fully franked final dividend of 4.0 cents per share (2023: 2.0 cents per share). This follows the fully franked interim dividend of 2.5 cents per share paid in June 2024, making the total fully franked dividend of 6.5 cents per share in respect of the year ended 30 June 2024 (2023: 3.5 cents per share).

The final dividend will be paid on 17 October 2024, with the record date for entitlements being 30 September 2024.

Outlook

As we look forward, Tasmea Limited is well-positioned for both organic growth and programmatic acquisition growth in line with the Long-Term Incentive Scheme outline in the Company's Prospectus.

Whilst last year included a larger number of significant developments, we intend to continue our organic growth strategy and will continue to focus on expanding our service offerings, particularly in the areas of fixed plant maintenance, remote area services, and recurring revenue streams. This will be supported by our strong portfolio of Master Services Agreements and our commitment to delivering exceptional value to our customers.

Our blue-chip customer base and high repeat revenue from these customers will continue to be a key pillar of our growth strategy. We remain dedicated to ensuring that our customers achieve maximum plant uptime, which is critical for their operational efficiency and success. This focus and capability particularly during emergency breakdowns will help us maintain and grow our strong relationships with leading companies across our core sectors.

Our robust business model, underpinned by a flexible cost structure that includes a mix of permanent and casual workforce, has been critical in maintaining our financial performance.

On the acquisition front, we remain committed to a programmatic acquisition approach that targets businesses that complement our existing operations and align with our strategic objectives. A key focus in FY25 will be on fully integrating our recent acquisitions of Dingo Concrete Services, West Coast Lining Systems and the Future Engineering Group to realise their full potential within Tasmea. We will continue to pursue acquisitions that fit within our programmatic acquisition metrics and contribute to our long-term growth.

Further details on Tasmea's FY24 Results can be found in our Results Presentation.

This announcement was authorised for release by Stephen Young on behalf of the Board of Tasmea Limited.

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About Tasmea Limited

Tasmea owns and operates 22 inter-dependent leading Australian diversified specialist trade skill services businesses focused on Essential Shutdown, Programmed Maintenance, Emergency Breakdown, and Brownfield Upgrade Services of fixed plant for a blue-chip essential asset owner customer base.

Tasmea primarily provides these specialist trade skills services to fixed plant for essential industry asset owners in six growing industry sectors: mining and resources, defence, infrastructure and facilities, power and renewable energy, telecommunications and retail, and waste and water.

(1) Pro forma profits are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS financial information issued in December 2011. Pro-forma adjustments have been considered due to their size and nature and have been adjusted from the statutory information for disclosure purposes to assist readers to better understand the performance of the business in each reporting period. These adjustments primarily include the pre-acquisition results and expenditure incurred in respect of business combinations. The inclusion and exclusion of which provides a result which, in the Directors view, is more closely aligned with the ongoing operations of the Consolidated Group. The non-IFRS financial information has not been subject to audit or review by the auditor.