



**BHAGWAN**<sup>BM</sup>  
marine

## ASX Announcement

29 August 2024

# Bhagwan Marine delivers strong FY24 results and outperforms Prospectus forecasts

Australian marine services company, Bhagwan Marine Limited (**Bhagwan** or the **Company**), is pleased to announce its full-year results for the 2024 financial year (FY24). The Company achieved record revenue and strong earnings, driven by increased demand across its diversified business nationally and entry into the high-growth decommissioning sector.

### FY24 Financial and Operational Highlights<sup>i</sup>

- **Gross revenue:** \$303.1 million, up 79% (4% above FY24 Prospectus forecast)<sup>ii</sup>
- **Pro Forma EBITDA:** \$41.3 million, up 14% (6% above FY24 Prospectus forecast)<sup>ii</sup>
- **Statutory EBITDA:** \$39.7 million, up 6% (6% above FY24 Prospectus forecast)<sup>ii</sup>
- **Net cash from operations:** \$29.0 million, up 1%
- **Net debt:** 30 June 2024 \$65.1 million, December 2023 \$67.1 million, June 2023 \$68.1 million (excluding capitalised leases)
- **Enhanced safety performance:** Significant improvement in safety metrics with increased working hours—LTIFR at 0.90 (FY23: 1.89) and TRIFR at 7.65 (FY23: 9.35)<sup>iii</sup>
- **Diversified Growth:** Strong performance across all industries and areas of operation nationally
- **Strong Governance:** Welcomed new Directors, Andrew Wackett as Executive Director Finance and Tracey Horton AO as Independent Non-Executive Director

### Post 30 June 2024 Highlights

- Successfully completed an initial public offering (IPO), raising \$80 million to de-leverage the balance sheet and pursue growth opportunities.
- Commenced trading on the Australian Securities Exchange (ASX) on 30 July 2024 (ASX: BWN).
- Transitioned Bhagwan's first oil and gas decommissioning project, the largest undertaken by an Australian-owned service provider, to the demobilisation phase. No lost time injuries on the project.

### FY24 Key Metrics

\$MILLIONS (unless otherwise stated)	FY24 ACTUAL	FY23 ACTUAL	CHANGE %	FY24 PROSPECTUS <sup>ii</sup>	CHANGE %
<b>Pro Forma</b>					
Gross Revenue	303.1	169.0	79	291.7	4
EBITDA <sup>1</sup>	41.3	36.4	14	38.8	6
EBITDA Margin %	15.4%	21.5%		14.7%	
<b>Statutory</b>					
Net Revenue	268.8	169.0	59	264.8	2
EBITDA	39.7	37.6	6	37.4	6
EBITDA Margin %	14.8%	22.2%		14.1%	
NPAT <sup>2</sup>	5.5	17.3	(68)	3.8	45
Operating Cash Flow	29.0	28.9	1	27.6	5
Net Cash (Debt) at 30 June	(65.1)	(68.1)	4	n/a	
LTIFR	0.90	1.89			
TRIFR	7.65	9.35			

1. **Pro Forma EBITDA** is to provide a like-for-like view of the current reporting period, as they include estimated administration costs of \$1.1m in FY24 and \$1.2m in FY23, which Bhagwan will incur as a result of being a Company listed on the ASX, and \$2.7m in FY24 for non-contingent transaction costs associated with Bhagwan's IPO.
2. **FY23 NPAT** increased by first-time recognition of tax losses totalling \$7.3m.

Commenting on the Company's FY24 performance, Managing Director and Chief Executive Officer and founder, Loui Kannikoski, said:

*"The past year has been an exciting and transformative period for our Company. I am immensely proud of how our team members maintained a strong focus on operational excellence, service delivery, and safety while managing our largest oil and gas decommissioning project and navigating the initial public offering process. My sincere thanks go to our teams and their families for their unwavering dedication and support."*

#### FY24 Operational Overview

Overview of Activity Within Bhagwan's Core Operations	
<b>Offshore &amp; Inshore Services</b>	Buoyant activity levels from both existing and new clients for offshore support services, particularly in Western Australia.
<b>Port Operations</b>	Improved trading conditions in Victoria due to increased port maintenance activity.
<b>Subsea Operations</b>	Record demand for subsea services, driven by offshore oil and gas, civil construction, and decommissioning projects.
<b>Civil Construction</b>	Consistent demand for civil construction support, particularly highlighted by ongoing works at the Port of Brisbane, including the major upgrade of Kingsford Smith Drive along the northern bank of the Brisbane River. Revenue lower due to a major FY23 project completing in the first half of FY24.
Overview of Activity Within Bhagwan's Key Growth Markets	
<b>Offshore decommissioning services</b>	Successfully transitioned Bhagwan's project services to the demobilisation phase with the largest undertaken by an Australian-owned service provider. The project involved the removal of nine platforms, utilising a range of the Company's services, with over 800,000 offshore working hours completed without any lost time injuries.
<b>Offshore wind energy</b>	Commenced survey work for approved offshore wind farms, principally in Victoria.
<b>Defence and security</b>	Continued support to Australian Border services, with a range of vessels. Enquiry levels are rising in anticipation of increased future defence activity and fleet requirements.

Commenting on the Company's performance and its transformation to an ASX-listed company, Chairman, Anthony Wooles said:

*"This has been a milestone year for Bhagwan Marine, marked by two major accomplishments. First, the Company demonstrated exceptional resilience in managing significant top-line growth in FY24 while maintaining our steadfast commitment to service delivery and safety. Second, we successfully completed our initial public offering, culminating in our listing on the ASX in July 2024 and our status as Australia's largest listed marine services provider."*

*"By de-leveraging our balance sheet, Bhagwan is in a stronger position to capitalise on growth opportunities, including expansion into new industry segments. Our fleet capacity, established national presence, and deep operational experience, combined with a passion for service delivery, will serve as the foundation for continued success."*

## Strategy and FY25 Focus Areas

Bhagwan's strategy has been centred on delivering exceptional service and pursuing targeted acquisitions to diversify revenue streams and strengthen the Company's presence in key growth areas across Australia.

For the remainder of FY25, while maintaining an unwavering commitment to safety, Bhagwan will focus on the following five strategic priorities:

1. **Strengthening Core Business:** Continuing to deliver high-quality services and project outcomes for clients.
2. **Expanding in Growth Sectors:** Capitalising on opportunities in growth industries, including offshore decommissioning, offshore wind, and defence.
3. **Disciplined and Targeted Acquisitions:** Seeking value-accretive acquisitions that enhance capabilities, particularly in growth sectors.
4. **Fleet Upgrades:** Modernising the fleet with more efficient and sustainable vessels.
5. **Securing Long-term Contracts:** Prioritising longer-term contracts that ensure higher vessel utilisation and stable revenue streams.

## Outlook

The outlook for Bhagwan's core business remains strong. Australia has cultivated a world-class offshore oil and gas industry. Demand for subsea services continues to grow in parallel with the offshore oil and gas market and the emerging offshore wind energy sector. As an island nation, Australia's reliance on maritime freight and infrastructure construction is critical for efficient import and export activities.

In Bhagwan's key growth markets of oil and gas decommissioning, offshore wind, and defence, we anticipate activity will be driven by:

- The substantial decommissioning portfolio of the offshore oil and gas industry over the coming decades.
- The Australian Government's commitment to a 43% reduction in national emissions by 2030 and achieving net zero by 2050, including the identification of six priority offshore wind areas.
- The Australian Government's increased defence budget, alongside initiatives for port facilities and infrastructure upgrades.

With its extensive fleet, national presence, and operational experience, Bhagwan is in a strong position to leverage opportunities. Additionally, the strength of the Company's balance sheet and its status as Australia's largest listed marine services provider further enhances its capacity to drive growth and deliver value to shareholders.

## FY24 Results Teleconference and Webcast Details:

Managing Director and Chief Executive Officer and founder, Loui Kannikoski will present Bhagwan's FY24 results via a live teleconference and webcast. Participants are encouraged to pre-register for the teleconference and connect 15 minutes before the commencement of the presentation. Links for both the teleconference and webcast are provided below.

**Date:** 29 August 2024

**Start Time:** 9:30am AWST (11:30am AEST)

[Teleconference Registration and Dial-In Details](#)

[Webcast Registration Details](#)

This ASX announcement has been authorised for release by the Board of Bhagwan Marine Limited.

**For further information, please contact:**

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**About Bhagwan Marine Limited**

Bhagwan Marine is a national Australian marine services company that provides a diverse range of marine solutions in ports, nearshore, offshore, and subsea locations to industries including oil and gas, subsea, port, civil construction, renewables, and defence. Bhagwan's operations are strategically located across Australia and close to the assets and operations of its clients.

Bhagwan Marine prides itself on its adaptability and proactive approach, which have earned us a reputation as a trusted partner in Marine Operations in Australia. Bhagwan Marine provides the best possible level of service, ensuring its clients' success and contributing to a sustainable future.

For more information, please visit [www.bhagwanmarine.com](http://www.bhagwanmarine.com)

**Notes**

i Percentages compared to FY23.

ii The Company's Prospectus, dated 28 June 2024, is available on the ASX announcements platform and the Company's website. Prospectus Forecasts for Pro Forma and Statutory FY24 Revenue and EBITDA are in tables 4.1 and 4.3 in sections 4.3.1 and 4.3.3 of the Prospectus.

iii Total lost time injury frequency rate (LTIFR) and Total recordable injury frequency rate (TRIFR) both per million hours worked.