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ASX code: BOL

## BUSINESS UPDATE

Boom Logistics Limited (“Boom” or the “Group”) provides a business update to the market.

### Group earnings and guidance

Weather and bushfires have delayed wind farm projects and Boom is still impacted from the industrial action in NSW. These delays and costs associated with restructure of the Newcastle crane business and rebuilding of the Hunter Valley crane business are expected to impact Group earnings and forecast FY19 full year results.

The Group now expects FY19 revenue to be marginally down on previous guidance at circa \$190 million with full year trading EBITDA now forecast at circa \$22 million.

The revenue pipeline remains strong across the business, supported by mining maintenance activity as well as wind farm, infrastructure and telecommunications opportunities.

### Windfarm projects

As previously reported, Boom has secured contracts in the sector on the GE Coopers Gap and Goldwind Australia Cattle Hill projects. Both projects have experienced delays that will impact our FY19 earnings.

The Coopers Gap wind farm project has suffered numerous weather delays. Boom has been compensated for its direct costs during these delays.

At Cattle Hill, a bush fire delayed road works, site civil works and delivery of wind turbine components to site which then delayed Boom’s commencement and the project ramp up.

The delays to both projects will defer part of their expected revenue and profit from FY19 until FY20. Both projects are expected to be completed by December 2019.

Boom is tendering on a number of other wind farm project opportunities to commence in H2, FY20.

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### **Hunter Valley business**

It was reported on 21 February 2019 that Boom planned to merge the Newcastle and Singleton crane operations to service all customers in the Hunter region. The depot merger was completed in March 2019 and resulted in redundancies and restructure costs. The merged business is operating from the Singleton depot and has now negotiated higher rates with long-standing clients. Customers have opted for multiple crane suppliers to ensure certainty of supply with revenue from one major customer substantially reduced.

As noted previously, the industrial action was restricted to NSW.

### **Travel Tower business**

A strategic review of the travel tower business has been conducted and restructuring of several depots is underway to reduce overhead.

A review of the small travel tower fleet has been completed. Twenty-two (22) small under-utilised travel tower assets have been sold or under negotiation. Boom will continue to review the small travel tower fleet and release further units for sale over the coming months.

### **Buy Back**

Since launching the on-market share buyback on 21 November 2018, the Company has bought back 26 million ordinary shares for a total consideration of \$4.4m. Boom will continue the share buy back with circa 20 million shares available to purchase under the current on-market buy back limit.

### **Further information:**

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