

Boom Logistics NPAT \$1.2 million

- EBITDA \$36.3 million
- EBIT \$4.5 million
- NPAT \$1.2 million
- Operating cash flow before tax \$25.9 million
- Final dividend 1.0 cents per share

26 August 2021: Boom Logistics Limited (ASX:BOL), the lifting solutions company, today announced a net profit after tax of \$1.2 million for the year ended 30 June 2021 (FY20: net loss \$17.0 million) a solid improvement on FY20. EBIT improved to \$4.5 million (FY20: loss of \$8.1 million). EBITDA increased 53% to \$36.3 million (FY20: \$23.8 million).

Revenue declined 6.6% to \$173.3 million (FY20: \$185.5 million) reflecting the effects of pandemic-related supply chain constraints and deferred projects and shutdowns. Operational cash flow before tax was \$25.9 million (FY20: \$24.3 million).

The group has secured substantial new projects. Net capital expenditure was \$14.7 million as the company invested in new assets to service major projects, strengthening its fleet of cranes and travel towers. Asset sales during the year were \$4.8 million. Net debt: equity increased to 26%, up from 17% at 30 June 2020.

The board has resolved to pay a final dividend of 1 cent per share, unfranked, taking full year dividends to 1.5 cents, unfranked. This represents the largest dividend return to shareholders in more than a decade. The final dividend will be paid on 5 November 2021 to shareholders on the register at 30 September 2021.

Results summary for year to	30 June 21	30 June 20	Change %
Revenue (\$m)	173.3	185.5	(6.6)
EBITDA (\$m)	36.3	23.8	53
EBIT (\$m)	4.5	(8.1)	-
Net profit after tax (\$m)	1.2	(17.0)	-
Final Dividend (cents)	1.0	0.0	-
Full year dividends (cents)	1.5	0.5	-



Tony Spassopoulos, Boom Logistics Managing Director, said: “This was the company’s first profitable result since 2012, which demonstrates the success of our strategy over recent years to reduce overhead, diversify revenue streams and secure acceptable returns on capital in profitable sectors. The positive result was achieved despite the impacts of pandemic-related constraints which delayed projects and cost headwinds, including labour shortages and supply chain restrictions.

“Our focus on high-quality projects and a strong track record have helped us to secure important new contracts in 2021, including the smelter shutdown maintenance (SCM21) project at BHP Olympic Dam and construction of the Bango wind farm in New South Wales. We are developing our reputation as a leading Australian lifting solutions provider in key markets which, together with our skilled team and effective systems, puts us in a strong position to add to our portfolio of work and positive forward pipeline opportunity.

“On the back of securing major projects we are rejuvenating our fleet. We have successfully implemented a program of capital recycling, investing in new cranes and travel towers for growth, while optimising allocation and driving high levels of utilisation. This enables us to benefit from increased scale and higher productivity. We have also reduced risk through improved contract management and review processes.

“Throughout the pandemic, we have focused on ensuring the health and safety of our team with management actively engaging on-site to integrate safe work practices into processes. We had zero lost time injuries during the financial year, and achieved a TRIFR of 5.1, being our best safety performance in more than a decade.”

Operational Report

Crane Services

The group’s crane services focus on mining maintenance and engineered specialised lifts for shutdown, industrial and programmed maintenance services. Although crane services revenue was slightly lower year-on-year as pandemic-related constraints delayed projects, the group signed maintenance contract renewals with mining and industrial sector customers.

New contracts included the BHP Olympic Dam SCM21 project in South Australia, which is additional to ongoing maintenance work and will generate revenue of circa \$15 million in FY22. An expanded services offering has helped secure new maintenance work, and the group diversified its services through a nickel maintenance contract and projects work with iron ore customers in Western Australia.

Maintenance on metallurgical coal mines in Central Queensland continued to progress. The group consolidated its Mackay and Moranbah depots at Nebo, reducing costs. Trading conditions in the New South Wales Hunter Valley were challenging, with tight margins.

Travel Towers

Boom's travel towers business supports telco 5G and data network installations, renewable energy and high-voltage transmission 'string line' activities, and power grid infrastructure works. Revenue decreased, reflecting the effects of state lockdowns and customer deferrals.

Ongoing demand for electrical transmission, infrastructure, mining maintenance/shutdown activity remained consistent. The program of rejuvenating the company's travel tower fleet continued as capital expenditure was allocated to purchase new assets and ageing, smaller travel towers were divested.

Boom Projects

Demand for projects remained strong during the year, with work at the Bango wind farm, where Boom will install up to 38 wind turbines, which commenced in the second half. This followed completion of the Moorabool South wind farm project earlier in the year. The company's major projects include Snowy 2.0 where it is assisting a major tunnel boring project, Queensland rail work and bridge projects in Western Australia.

Balance Sheet

As Boom continued to invest in capital assets, net debt was \$29.4 million at 30 June 2021, up from \$19.6 million at 30 June 2020. The group utilised franking deficit tax paid in FY20 to offset income tax payable for the year. Return on capital improved to 2.5% and is forecast to further improve in FY22 as investment in new assets made towards the end of the year will begin to generate a return.

Board renewal

The Board is undergoing renewal. Stephen Grove and Kieran Pryke joined the Board during FY21 following the retirement of two long-standing directors. The Chairman, Max Findlay and Terence Hebiton have announced their intention to retire from the Board at the AGM in 2021. A process is underway to recruit their successors.

Outlook

Tony Spassopoulos said: "We are continuing to keep our people safe, prioritising all health and safety requirements during the pandemic.

"This was a solid year and we are forecasting further growth in FY22, despite the ongoing impacts of Covid-19 such as labour shortages, supply chain restrictions and delays on project starts.

"Our focus on high-quality projects and on capital recycling to optimise asset use is supporting growth. Revenue is expected to increase to circa \$105 million in the first half as we have a solid portfolio of work already booked, including the SCM21 project at BHP Olympic Dam, Bango wind farm, and major shutdowns. Ongoing mining maintenance and Pilbara region string line transmission works continue. EBITDA for the first half of FY22 is expected to increase to circa \$21 million. Forecast is based on current expectations of Covid-19 impacts.

"We maintain a strong pipeline of new business across mining maintenance, renewable energy, infrastructure and telecommunications sectors, and anticipate ongoing improvement in earnings."



Authorised for release by the Board

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