Boom delivers EBITDA of $20m with improved margin

23 February 2022: Boom Logistics Limited (ASX: BOL, "the Company"), a lifting solutions company, announces its results for the six months ended 31 December 2022 (1H FY23).

1H FY23 FINANCIAL HIGHLIGHTS

- Revenue of $99.5 million, down on 1H FY22 ('pcp') as previously guided, due to the completion of three major projects in FY22 (c.$37.5 million) and delays in new project commencements.
- Trading EBITDA# of $20 million, down $2.3 million on the pcp due to timing of major project execution.
- Improved trading EBITDA# margin of 20%, up 2% on the pcp (18%) driven by increased pricing terms and cost saving initiatives.

Results summary for the six months ended	31 December 2022 (1H FY23) $'m	31 December 2021 (1H FY22) $'m
Revenue	**99.5**	**123.5**
Trading EBITDA#	**20.0**	**22.3**
NPAT	**0.8**	**2.9**
Net Cash from Operations	**19.2**	**22.3**
Net Capex	**(18.5)**	**(8.4)**
Net Assets	**111.7**	**111.7**

 # Trading EBITDA is earnings before interest, tax, depreciation & profit / (loss) from sale of assets.

OPERATIONAL HIGHLIGHTS

- Improvement in Total Recordable Injury Frequency Rate (TRIFR) of 6.6 per million hours worked and zero Lost Time Injuries.
- Key contracts won in 1H FY23 include Newcrest Telfer (c.$11 million), Clarke Creek Wind Farm (c.$30 million), the South Australia to New South Wales interconnector project with Downer and the Kidston to Mount Fox transmission line project with UGL in Queensland (c.$12 million).
- Contract renewals include the maintenance contract with Esso for a further 5-year term (c.$25 million).

STRATEGIC FOCUS

The strategic focus of the Company is being executed via:

- A refreshed management team.
- Top line revenue growth opportunities and asset utilisation with a program in place to ensure optimal asset allocation.
- A portfolio review has commenced targeting the disposal of underperforming and obsolete assets with realised capital to be reinvested into new assets supporting our key growth segments.
- Ongoing focus on key sectors of mining, renewable energy and infrastructure which provide large and growing addressable markets.

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- Securing pipeline opportunities in core markets and executing on over $78 million new and renewed contracts.
- Continued focus on profitable growth and enhanced returns to shareholders.

OUTLOOK

- Strong demand across all key segments and recent new contract wins are expected to drive improved performance in the second half of FY23 and into FY24.
- The Company continues to expect NPAT growth in FY23 assuming major project commencements, such as Clarke Creek, are executed as forecast.

Ben Pieyre, Boom Logistics' Interim CEO said "As we flagged in our FY22 results, revenue in the first half of FY23 was impacted by the completion of major non-recurring projects such as BHP SCM21, Bango and Coopers Gap wind farms in FY22.

Setting aside these three major projects, our underlying business grew by 10% over the period. Solid demand from customers including a number of key contract wins, such as the Clarke Creek Wind Farm in Queensland, Newcrest Mining in Western Australia and interconnector projects will lead to increased revenue in the second half of this financial year. Importantly, our EBITDA margins improved to 20%, driven by improved pricing terms and the benefit of cost saving initiatives implemented during the period.

Pleasingly we continued to deliver on our strong safety record during the half, with a Total Recordable Injury Frequency Rate of 6.6 per million hours worked, down from 8.7 at end FY22 and zero Lost Time Injuries.

We continue to see a significant number of opportunities in our core markets over the short to medium term, which are likely to drive an expanded portfolio of work and we remain focussed on cost control and capital allocation initiatives to ensure we deliver enhanced and sustained returns for our shareholders."

Detailed Financial Performance

Profit & Loss

Revenue was $99.5 million, down $24 million versus pcp (1H FY22: $123.5 million), due to the completion of major projects (BHP's SCM21 shutdown, Bango and Coopers Gap wind farms) in 1H FY22.

EBITDA of $20 million was recorded during the period ($22.3 million in 1H FY22). Importantly, the EBITDA margin increased to 20% driven by a combination of improved pricing terms and the benefit of cost saving initiatives that offset the increased cost of doing business (including labour, fuel and maintenance).

Capital and Cash flow

Net Cash Flow from Operations was $19.2 million for 1H FY23 (1H FY22: $23.4 million) which was in line with operating activity.

The supply of new assets remains constrained on a global basis with long lead times. The recent delivery of new assets in late 1H FY23 (Net Capex: $18.5 million) continues the Company's strategy to support customer contracts, refreshing the fleet profile, and increasing profitability.

Net debt[1] was $40.6 million (c. 35.9 % gearing) which is in line with Board guidelines. Net assets increased to $111.7 million. Net tangible assets per share remained at $0.26.

[1] Net Debt includes interest bearing loans and borrowings plus finance lease liabilities less cash, and excludes operating lease liabilities under AASB 16.

Operational Segment Performance

BOOM delivers lifting solutions across four key segments of Mining & Resources, Wind, Energy & Utilities, Infrastructure and Industrial Maintenance & Telecommunications.

Mining and Resources

Revenue in the Mining & Resources segment was down on the pcp. BHP's SCM21 shutdown generated circa $18 million in 1H FY22, which was non-recurring. Aside from this project, the underlying business grew by $8.4 million or 13% compared to pcp with increased activity in Western Australia and the Hunter Valley in NSW. New contracts were also signed signed with Sojitz Gregory Mining (Gregory Coal Mine in QLD) and Newcrest Operations (Telfer Mine in WA) which we begin servicing in 2H FY23.

Wind, Energy & Utilities

Revenue in the Wind, Energy & Utilities segment was down $12.2 million for 1H FY23 compared to pcp as a result of delays to major new Wind Farm projects and the completion of the Bango and Coopers Gap projects. The Clarke Creek Wind Farm contract was recently executed and works will commence in 2H FY23. Other recent wins include the South Australia to New South Wales and the Queensland Interconnector works and the Hazelwood Battery project (Vic).

Infrastructure

Revenue in the Infrastructure segment was down $1.1 million compared to pcp, primarily impacted by delays at Snowy 2.0 project, which is expected to return to full capacity in 2H FY23. Other underlying improvement in revenues consisted of new projects such as: Cross River Rail (QLD) and Mitchell Freeway extension (WA).

Industrial Maintenance, Telecommunications and Other

Revenue in Industrial Maintenance, Telecommunications and Other was down $1.1 million compared to pcp on the back of lighter activity across the general market.

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This release has been approved for distribution by the Board of Directors of Boom Logistics Limited

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