



2 September 2014

Civmec Limited
FY2014 Results Briefing

www.civmec.com | SGX Code: P9D

Presentation Flow

- 1 Civmec Overview
- 2 FY2014 Financial Highlights
- 3 Recent Developments
- 4 Group & Market Outlook



Civmec – The Heavy Engineering Specialist



- Established in 2009 and listed on SGX Mainboard since April 2012
- Civmec is an integrated, multi-disciplined construction and engineering services provider to the resources and infrastructure industries in Australia
- Headquartered in Henderson, Western Australia, it also has facilities and operations in the Northern Territory
- With its comprehensive suite of services, Civmec positions itself as a leader of heavy engineering services for mining, infrastructure and oil and gas companies

Corporate Overview

3

Locations



Henderson



Darwin



Broome

3

Markets



Oil and Gas



Mining & Infrastructure



Asset Management and
Integrated Services

8

Disciplines



Heavy
Engineering



Modular
Assembly



SMP
Structural Mechanical &
Piping Installation



Site Civil
Works



Precast
Concrete



Industrial
Insulation



Offshore
Logistics



Maintenance

3 Geographical Nodes

HENDERSON, WA



- Company HQ – Australia's largest integrated heavy engineering facility (120,000 sqm)
- Waterfront access for larger, more integrated modules
- Previously outsourced services now under one roof → reduces costs and increases Civmec's capabilities

DARWIN, NT



- Darwin Offshore Logistics Base (DOLB) acquired in June 2013 as second node to serve resources development in and around NT
- Surrounding region home to major LNG projects
- Current capabilities: pre-cast, offshore logistics and site installation services
- Plans to add capabilities and management in NT to capture business opportunities and achieve economies of scale

BROOME, WA



- Currently establishing yard in Broome to undertake Offshore Logistics services in the area



FY2014 Financial Highlights

FY2014 Results Snapshot

Income Statement

<i>(S\$'000)</i>	Q4FY2014	Q4FY2013	Change (%)	FY2014	FY2013	Change (%)
Revenue	166,686	79,449	109.8	433,677	405,924	6.8
Net Profit After Tax	11,586	9,237	25.4	35,079	36,049	(2.7)
Fully Diluted Earnings Per Share (cents) ¹	2.29	1.84	24.5	6.94	7.20	(3.6)

Balance Sheet

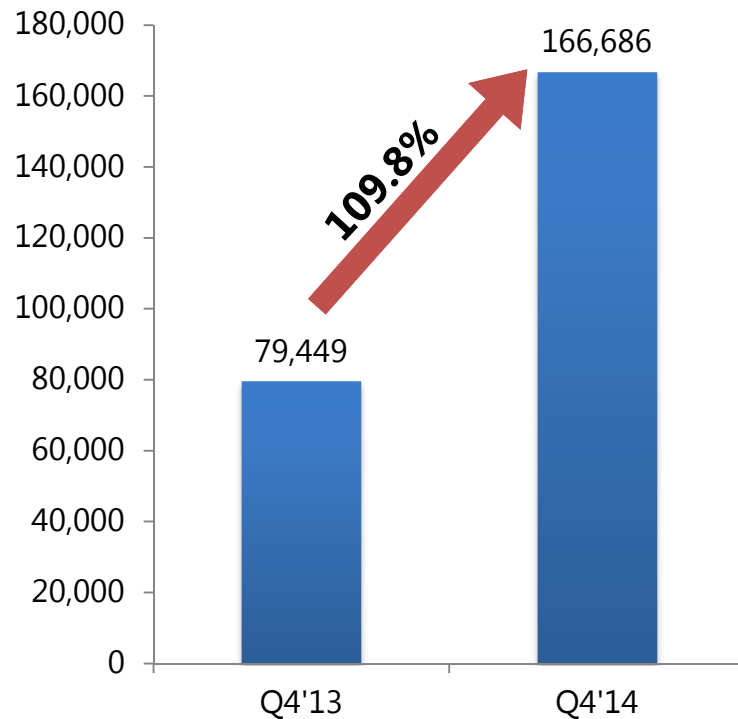
<i>(S\$'000)</i>	30.06.14	30.06.13	Change (%)
Total Assets	289,574	193,256	49.8
Total Liabilities	145,303	83,078	74.9
Total Borrowings	51,043	29,476	73.2
Cash and Cash Equivalents	32,557	23,108	40.9
NAV / Share (cents) ²	28.79	21.99	30.9

¹ Diluted earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the weighted average number of shares and options (FY2014: 507,000,000; FY2013: 501,000,000)

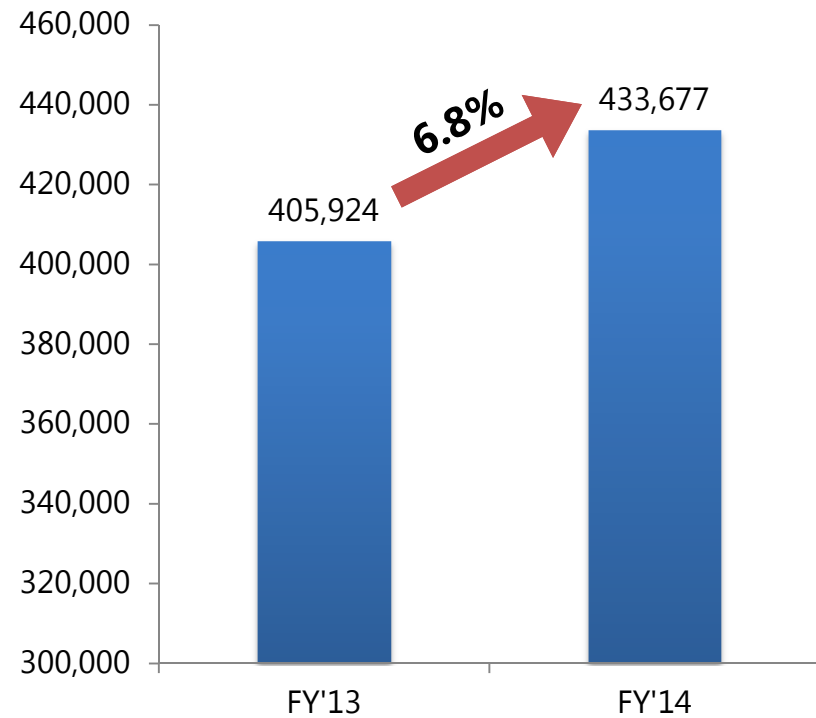
² Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 30 June 2014 of 500,985,000 (30 June 2013: 501,000,000) and excludes treasury shares of 15,000 (30 June 2013: Nil)

Revenue

Q4'13 vs Q4'14 (S\$'000)



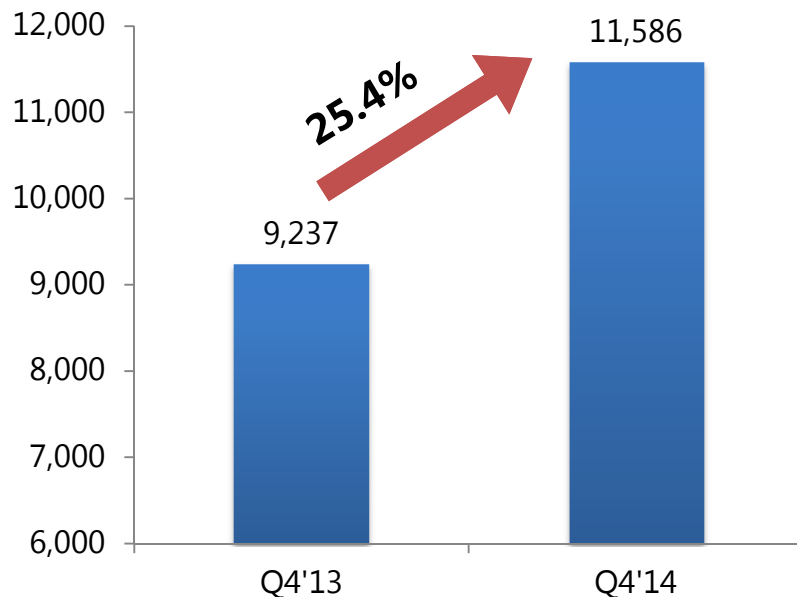
FY'13 vs FY'14 (S\$'000)



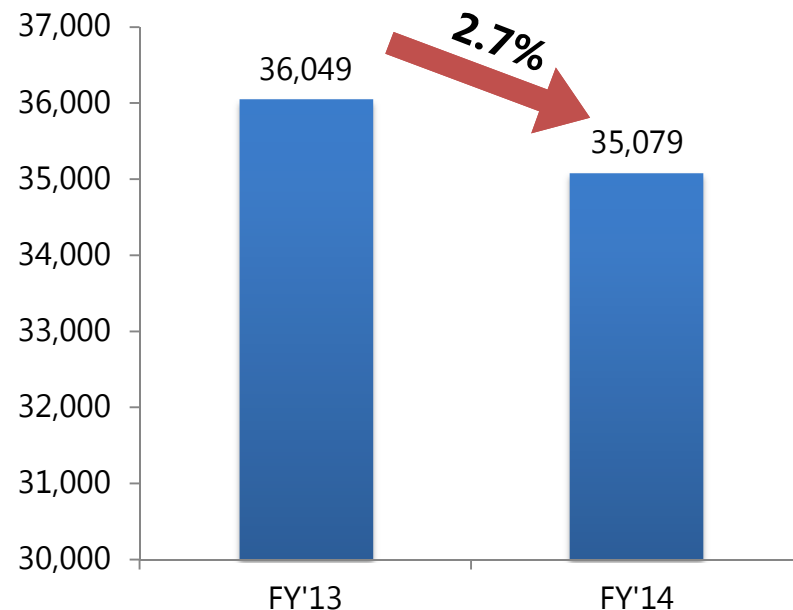
- 4Q'14 revenue more than doubled, lifting FY2014 revenue to S\$433.7M (FY2013: S\$405.9M)
- On sequential basis 4Q'14 revenue increased 42.4% (Q3'14: S\$117.0M) due to increasing momentum in existing projects

Net Profit After Tax ("NPAT")

Q4'13 vs Q4'14 (S\$'000)



FY'13 vs FY'14 (S\$'000)



- Full year NPAT decreased despite improvement in Q4'14 NPAT mostly due to Forex translation: weakening A\$ (functional currency) against S\$ (reporting currency)
- Change in treatment of tax incentives contributed to lower NPAT margin in Q4'14:
 - FY2013: Tax incentives fully recognised in Q4'13
 - FY2014: Tax incentives progressively recognised over the year

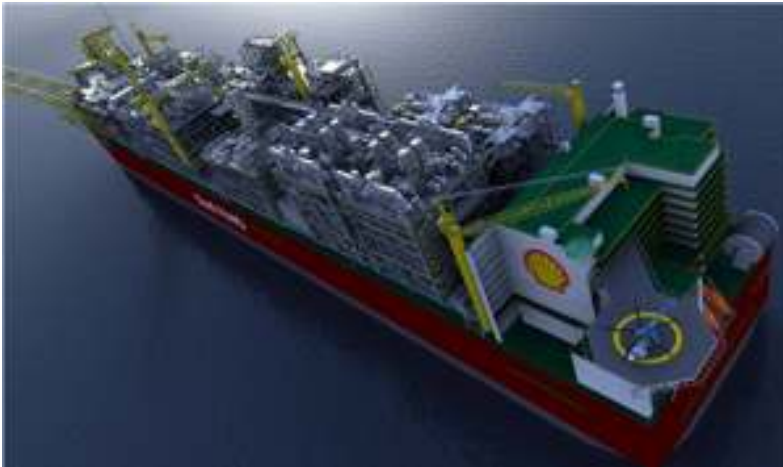
Forex Impact on Top & Bottom Line

\$'000	AUD			SGD		
	FY2014	FY2013	Change (%)	FY2014	FY2013	Change (%)
Revenue	374,927	319,072	17.5	433,677	405,924	6.8
Net Profit After Tax	30,231	28,336	6.9	35,079	36,049	(2.7)



Recent Developments

Repeat Contracts from Technip



Shell Prelude Floating Liquefied Natural Gas (FLNG)

- World's first FLNG facility
- Awarded a master service order contract by Technip in Australia
- Supply, fabrication and testing of subsea components
- Includes 8 buckle triggers & 4 suction piles associated with Technip's installation activities



Wheatstone Liquefied Natural Gas (LNG) Project

- Awarded a contract by Technip for the Chevron-operated Wheatstone Project
- Fabrication and testing of 68 subsea jumper spools
- Pipe spools (CRA Inconel clad pipe)
- Super Duplex and carbon steel (6" to 44" diameter)
- Work on weld procedures to commence immediately; fabrication expected to start later this year

Enhance Subsea Capabilities



- Commenced construction of 1,200sqm specialist subsea facility for welding of exotic materials & assembly of subsea manifolds at Cvmec's Henderson waterfront facility
- In line with Cvmec's strategy to:
 - Increase business activities in the oil and gas sector where it sees high growth potential
 - Enhance its position as a preferred heavy engineering specialist providing end-to-end solutions

3-Pronged Strategy

Recap – Corporate & Business Update (29 July 2014)

Increase Cross-Discipline Capabilities To Sharpen Competitive Edge

- Enhance suite of cross-discipline capabilities in both Henderson & Darwin to meet increasing customer expectations for end-to-end solutions
- Strengthen Civmec's market leadership in heavy engineering
- Established an Asset Management & Integrated Services division to offer dedicated maintenance services for resource companies shifting to Opex based operations

Driving Internal Efficiency By Enhancing Systems & Processes

- Internally-developed enterprise resource planning platform, *Civtrac*, to improve planning and resource through real time tracking of work progress
- Differentiator – uncommon for heavy engineering players to allow customers to monitor work progress and quality in real time → improves service levels and strengthens client relationships

Geographical Expansion Within and Beyond Australia

- Establish strategic alliances, mergers or acquisitions to expand footprint in new markets in Australia and other geographic regions
- Plans to open an office in Singapore to serve as a base to establish a global footprint and enhance interaction with shareholders and investment community



Group & Market Outlook

Group Outlook

1

Increase emphasis on higher-value projects for more consistent revenue flow

2

Build up business momentum – increase tendering activities in the construction, maintenance and oil and gas sectors

3

Healthy prospects: Emerging opportunities in oil and gas sector driven by steady rise in LNG prices; increase in govt. infrastructure budget

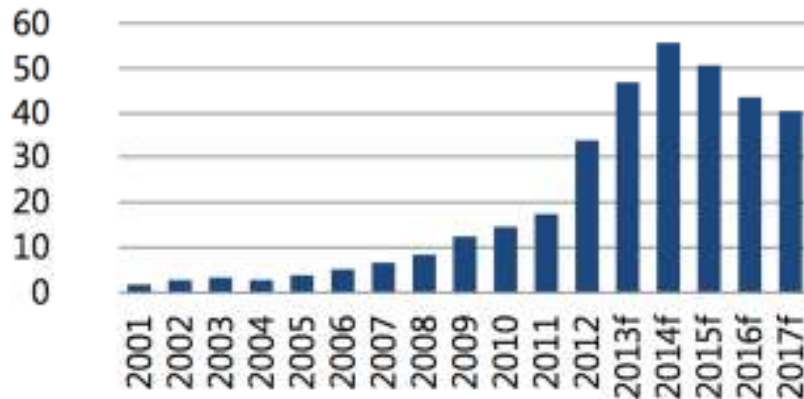
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Expects business momentum for the next six months (1HFY2015) to be similar to that in second half of FY2014

Market Outlook

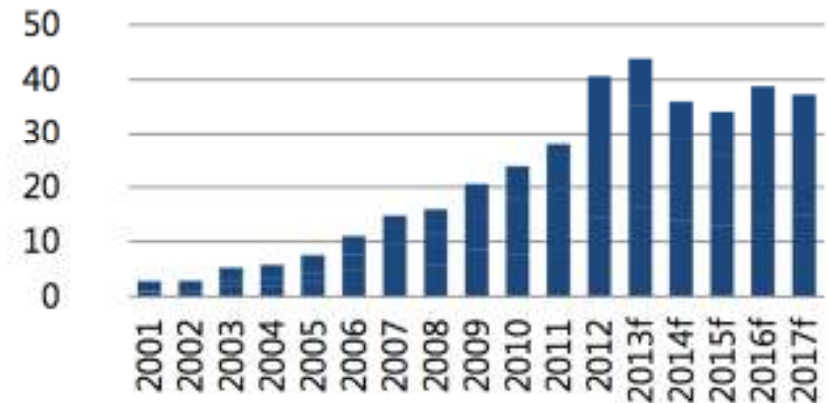
- Large LNG projects provide further opportunities
- Mining investments remains high, increased business activities in maintenance sector
- Civec continues to tender aggressively for construction and maintenance projects

**Oil and Gas (Including LNG)
Capital Expenditure, A\$Billion,
Current Prices**



Source: BIS Shrapnel (Updated August 2013)

**Mining Industry
Capital Expenditure, A\$Billion,
Current Prices**

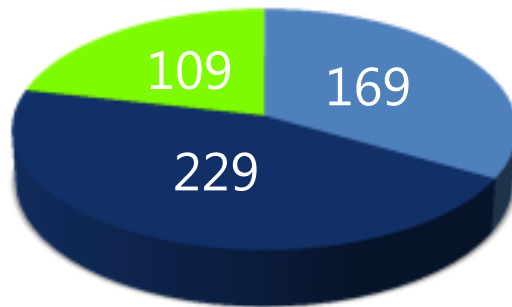


Source: BIS Shrapnel (Updated August 2013)

Market Outlook

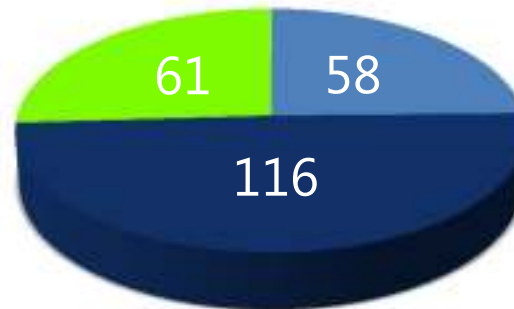
Market Size

Total Australia
A\$ Billion



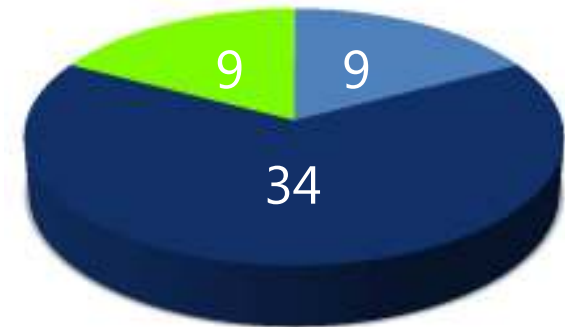
Total: \$507B

Western Australia
A\$ Billion



Total: \$235B

Northern Territory
A\$ Billion



Total: \$52B



Announced



Feasibility



Committed

Source: Bureau of Resources & Energy Economics – Resources & Energy Major Projects (April 2014)

Stock Data

Basic Share Data	As at 1 September 2014
Share Price	S\$0.76
Average Daily Volume (past 4 weeks)	275,857
No. of Issued Shares	501,000,000
Market Capitalisation	~S\$380.7 Million
Free Float	47%

Share Price Chart



1 Year Share Price Chart
Sept 2013 – Sept 2014

Thank You



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