



ASX RELEASE

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For immediate release to the market

HY22 FINANCIAL RESULTS

▪ Revenue:	\$302.3 million	▪ EBITDA:	\$24.3 million
▪ PBT:	\$21.5 million	▪ Net Operating Cashflow:	\$39.7 million
▪ Cash:	\$93.6 million	▪ Interim Dividend:	9.0 cps (fully franked)

GR Engineering Services Limited (ASX:GNG) (GR Engineering or Company) today announces its financial results for the half year ended 31 December 2021 (HY22).

Overview

GR Engineering reported record HY22 revenue of \$302.3 million (HY21: 176.3 million) and an EBITDA of \$24.3 million (HY21: 14.2 million), continuing the strong momentum generated from the prior financial year. Both revenue and EBITDA increased by 71% during HY22 compared to the corresponding period.

Project execution levels were higher during HY22, with multiple project completions expected during the 2022 calendar year. GR Engineering's subsidiaries Upstream Production Solutions Pty Ltd and Mipac Pty Ltd provided solid contributions to the consolidated results.

Cash generation remained a focus for the business and cash at bank at 31 December 2021 was \$93.6 million (30 June 2021: \$69.0 million). Given the strong balance sheet position, orderbook and pipeline of project opportunities, the Board has resolved to declare an interim fully franked dividend of 9.0 cents (HY21: 5.0 cents per share, fully franked).

GR Engineering is also pleased to advise that full year revenue guidance for the year ending 30 June 2022 (FY22) is now forecast to be in the range of \$580 million to \$600 million. The revised guidance is based on the year to date results and the contracted work in hand. GR Engineering had previously advised that the FY22 revenue was expected to be in the range of \$540 million to \$560 million.

Commenting on the Company's HY22 financial performance and improved guidance, GR Engineering's Managing Director, Mr Geoff Jones, said:

"The achievement of record revenue and EBITDA results for HY22 was pleasing given the strong FY21 results. The operational performance has been solid as GR Engineering has safely and successfully progressed the work on multiple projects across a broad mix of commodities during HY22.

During the period, GR Engineering has successfully increased its pipeline of ongoing and near term prospective projects which has resulted in increased visibility in revenue and earnings for FY23 and in future years.

GR Engineering continues to increase its workforce to meet demand and execute on its strong pipeline of work. The tightening of the Australian labour market has not impacted GR Engineering's margins during HY22.

The business also continues to navigate through the impact of COVID-19 and has been able to manage equipment deliveries in line with project schedules despite delays with international shipping. Whilst providing challenges, the commitment and response of the team across the business has been excellent."



Key Earnings and Balance Sheet Data – Consolidated Group

Revenue & Earnings		HY22	HY21
Revenue from operations	<i>\$m</i>	302.3	176.3
EBITDA	<i>\$m</i>	24.3	14.2
PBT	<i>\$m</i>	21.5	12.6
NPAT	<i>\$m</i>	14.7	8.5
Net operating cashflow	<i>\$m</i>	39.7	17.8
Basic EPS	<i>cps</i>	9.6	5.5

Balance Sheet & Cashflow		HY22	FY21
Cash	<i>\$m</i>	93.6	69.0
Total equity	<i>\$m</i>	56.5	51.6

Dividend

The Board has resolved to declare an interim dividend of 9.0 cps (fully franked). The ex-dividend date for the interim dividend will be 3 March 2022 with a Record Date of 4 March 2022. The payment date will be 25 March 2022.

Further Information

Please refer to GR Engineering's HY22 Reviewed Financial Report for further information on the Company's operational and financial performance.

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