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The Manager
Market Announcements Office
Level 4, North Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

**EVZ's DELIVERS SOLID UNDERLYING RESULTS
FIRST HALF - FINANCIAL YEAR 2022**

Key Highlights

- **Stable revenue in first half:** Revenue in 1HFY22 of \$29.0M.
- **Solid underlying earnings:** EBITDA in 1HFY22 of \$1.45M.
- **Stronger balance sheet:** Total debt of \$900k at 31 December 2021 and cash balance of \$3.9M.
- **Building the pipeline:** Increasing contracted backlog which includes recent wins at Brockman Engineering and Syfon Systems.
- **Significant upcoming industry contracts:** EVZ has seen an increase in tendering activity across the business with a further increase in activity expected in coming months.

EVZ Limited (ASX:EVZ), a leading provider of innovative engineering solutions, is pleased to report the first half results for the FY22 financial year (1H FY22).

EVZ reported revenue of \$29.0M in 1HFY22, down 3% from \$29.8M in 1HFY21, which was a pleasing result in difficult operating conditions. There were ongoing limitations in construction activity during the first half due to COVID 19 pandemic lockdowns and the deferred start-up of several new projects (which have now commenced).

In 1HFY22, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was \$1.45M, down from \$3.4M reported in 1HFY21. This decrease was partly due to the \$2.3M contribution in 1H FY21 from Jobkeeper. The underlying performance was an improvement year on year, excluding the impact of Jobkeeper.

EVZ term debt reduced to \$900k at 31 December 2021, down from \$1.5M at 30 June 2021. EVZ is committed to ongoing debt reduction and is planning to pay down all term debt by 30 September 2022. The current cash balance of \$3.9M is stable year on year.

The outlook for EVZ remains positive and we remain confident in the industry outlook in the liquid fuels, building construction and gas energy sectors in 2HFY22 and into FY23. EVZ will benefit from an increasing workload from recently successful tenders and negotiated contracts. In 1HFY22 the Company commenced an investment phase in additional talent and management resources to prepare for upcoming revenue growth.

In January 2022, Brockman Engineering announced that it had received a Letter of Intent (LOI) from Viva Energy for the design and construction of three thirty megalitre diesel storage tanks and associated infrastructure, with the total value of the project anticipated to be circa A\$40M. Work has recently commenced on this project whilst the formal agreement with Viva Energy is

being finalised. The three tanks are to be located within the greenfield construction area of the Viva Energy Geelong Refinery and will form part of the Federal Government's Boosting Australia's Diesel Storage Program (BADSP).

Brockman were also appointed by Ampol for the design phase of two further 30ML diesel tanks at their Newport Terminal which are expected to convert to a design and construction contract in 4QFY22 with an expected contract value of circa \$15M. Brockman have also been selected for two further projects of circa \$5M each in the water and Defence sectors that are expected to be contracted by the end of February 2022.

Consolidated contracted backlog is expected to be in excess of \$100M, up 190% since 30 June 2021 with the inclusion of the finalisation of the contract with Viva Energy.

The BADSP grant funding injection by the Federal Government will support more than \$520M of new capital investment in bulk diesel storage in Australia. The capital investment will comprise new large diesel storage tanks and associated infrastructure in the ten selected locations.

The Australian bulk fuel tank construction industry comprises three players who will competitively bid for these works for delivery in FY23 and FY24. It is forecast that the BADSP will boost industry revenues by more than 60% during these years. It is also expected that \$450M of BADSP contracts will be awarded in the tank construction industry before 31 December 2022.

Brockman is well positioned to secure a share of these contracts and remain available for further contract wins from our current client base in the liquid fuels, gas and water sectors.

For further information please contact:

Scott Farthing
Chief Executive Officer
EVZ Limited
Tel: +61 3 9545 5288
Mob: +61 411 11 7403
Email: scott.farthing@evz.com.au

About EVZ Limited

EVZ Limited is an industrial group with a portfolio of specialist businesses in the engineering services sector. EVZ operates in the areas of fuel industry mechanical services including bulk tank design and construction, syfonic storm water and roof drainage and distributed power generation plant maintenance through subsidiaries, Brockman Engineering, Syfon Systems and TSF Power. www.evz.com.au