

**ASX Announcement  
28 November 2018****Chairperson's address**

To the Annual General Meeting of LogiCamms Limited (ASX: **LCM**), held at 10.00am (AEST) on Wednesday 28 November 2018 at 200 Mary Street, Brisbane.

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2017-18 was a year of change for LogiCamms. The performance of the business benefited from the restructuring that took place in the fourth quarter of the previous year, and we reduced our annual cost base by \$10.5 million.

This allowed us to stabilise the performance of the business in 2017-18, and refocus our technical engineering strengths to take advantage of improving conditions in our core markets. The cost savings have also strengthened our competitive position, ensuring the business can deliver cost-effective solutions for our clients, and achieve profitable growth.

**Trading performance**

For the 2017-18 financial year, LogiCamms reported revenue of \$81.75 million, which was slightly above the prior year's figure of \$81.1 million. This was achieved in spite of our revenue performance being affected by external factors that impacted two of our major clients: Oil Search and Origin Energy.

On a continuing business basis, revenue increased by 10%, from \$74.4 million in FY17 to \$81.8 million in FY18. This comparison excludes revenue from the Hunter Valley and Petromod businesses which were closed at the end of FY17.

Earnings before Interest, Taxation, Depreciation, Amortisation and Impairment for FY17-18 was positive at \$1.84 million, compared to a loss of \$8.1 million for FY16-17.

The Company reported a statutory net loss of \$800,000 for FY18, which was reduced from a loss of \$23.6 million in the previous year.

Throughout the year, our key markets remained competitive, though the level of demand for engineering services increased, particularly in Hydrocarbons and Minerals & Metals. Many of our clients are looking to achieve productivity improvements in their existing brownfield operations, or to complete deferred capital works, which is driving an increased level of activity.

LogiCamms is leading the delivery of disruptive solutions which is increasingly expected by our clients, and I will shortly talk about this in relation to what we are doing with our AIDE and PFAS products.

Infrastructure has grown as a proportion of our total revenue year-on-year over the past three financial years. In the current year, we are expecting continued growth in our work for water utilities and agribusiness in particular. We are also targeting opportunities in transport and defence, mainly with Tier 1 construction companies.

Our core service lines of Controls and Automation, Electrical and Instrumentation, and Facilities Engineering are winning and executing work across all our target industries.

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Our Asset Management team continues to make inroads with new and existing clients, providing advice on productivity improvements and reliability.

The Competency Assurance and Training business remains strong, particularly in Queensland, Western Australia, and increasingly in South Australia.

Our Technology and Innovation group continued to make advances in developing and commercialising inventive solutions to our clients' challenges.

LogiCamms' proprietary Automated Infrastructure Design Engine (or AIDE) has now been in development for two years. Initially, it was a tool to use within the business to streamline engineering design work. We have continued to develop AIDE and the latest enhancement enables it to be integrated with data analytics tools for the cost-effective maintenance and upgrades of linear infrastructure such as street lights and power poles.

While it was originally intended to be an internal tool, AIDE is now being used by clients, and we have recently signed a new oil and gas client to a pilot program during the first half of this financial year. The Company has also had discussions with multinational suppliers of field development technologies with a view to AIDE being incorporated into their service offerings in international markets. LogiCamms will continue to pursue opportunities to sell AIDE in Australia.

The Company is working on a number of significant other innovations including developing a cost-effective process for the treatment of contaminated water to remove PFAS, a fire-fighting chemical compound that accumulates in the environment with the potential to impact human health. Our PFAS treatment technology is in the final stages of testing before we negotiate for a field trial with a client to commercialise the process.

### **Funding options**

After the end of the financial year, LogiCamms' banking arrangements were extended to September 2019, providing the Company with a \$10.5 million facility for working capital and bank guarantees.

The Board has engaged an independent expert, 333 Capital, to assess a range of funding options for the business. The options have been discussed with our bankers, and currently it is not our intention or expectation that the Company will undertake a share placement or issue new capital.

### **Appointment of new CEO**

The Board was pleased to announce last week, the appointment of Chris O'Neill as the Company's new CEO. Chris started at LogiCamms on Monday, and I will ask him to say a few words shortly about his plans for his first 100 days in the role.

Chris has more than 25 years' experience across the resources, energy and infrastructure industries in Australia and internationally. Most recently he was Executive General Manager for Development (Resources and Industrial) for Broadspectrum from 2014 to 2018. Prior to that he held a number of senior roles over a 14-year period with WorleyParsons, including as Regional Managing Director for Australia East and the Pacific, and Director of Oil & Gas for Western Australia and the Northern Territory. He has also worked for BHP, ExxonMobil and Santos.

Chris was selected as the outstanding candidate after an extensive search process. He has a track record of driving growth and shareholder value in contracting companies with similar services to LogiCamms, providing engineering services, project delivery, asset management, maintenance, consulting and technology implementation.

The Board is delighted to have secured the services of a leader of Chris' calibre and track record. We are confident that his experience, energy, leadership skills, and strategic abilities will drive LogiCamms' performance and growth. His background, together with his enthusiasm and leadership style make him an ideal fit for LogiCamms, and the directors and senior management team look forward to working closely with him.

I would also like to take this opportunity to thank our Chief Financial Officer, Dan Drewe who has been interim CEO for the last 5 months, and my fellow director, Charles Rottier who stepped in to provide advisory services as required during that period. Their stewardship of the Company is greatly appreciated.

### **Outlook and guidance**

The outlook for the business is improving in the current financial year, and we are experiencing increasing demand in our core markets. Strong commodity prices and growing infrastructure investment are creating significant new opportunities for our engineering and asset performance services, to enable our clients to extract more value from their existing assets.

Having said that, market conditions remain competitive. To capture the market opportunities, LogiCamms is playing to its strengths, focusing our engineering operations and marketing efforts on our core competencies in Controls and Automation, Electrical and Instrumentation, Facilities Engineering, and Asset Performance, in our core markets.

The Company's work in hand has grown from \$30.8m as at 30 June 2018 to \$34.2m at 31 October 2018 and LogiCamms remains on track to achieve its earnings guidance for 2018-19, on a revenue of more than \$90 million.

### **Conclusion**

In closing, I would like to thank all of the people who work at LogiCamms for their commitment and hard work throughout the year. I would also like to express my personal appreciation to the Board for their endeavours on behalf of shareholders during the year.

Most importantly, thank you to our shareholders for your continued support for LogiCamms as we strive to restore the business to profitable growth. The Board is confident that we have the right strategy, people and leadership to deliver an improvement in value on your behalf.

I would now like to invite Chris O'Neill to talk about his plans as the Company's new CEO.

**Peter Watson**  
Chairman  
LogiCamms Limited

## CEO's address

To the Annual General Meeting of LogiCamms Limited (ASX: **LCM**), held at 10.00am (AEST) on Wednesday 28 November 2018 at 200 Mary Street, Brisbane.

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I am excited to be given the opportunity to lead LogiCamms through the next stage of its development and growth.

First, allow me to give you a little background on myself. I am an Electrical and Control Systems engineer by profession, and I have been privileged to work in technical, project management and then business leadership roles in the resources, energy and infrastructure industries for more than 25 years. My past roles have given me broad exposure to the Australian, New Zealand and Pacific markets as well as extensive experience across the world, including a number of long term ex-pat assignments. I have worked for operating companies including BHP, ExxonMobil and Santos and for contracting and service companies including WorleyParsons and Broadspectrum.

I am particularly pleased to be joining LogiCamms as it has a proud history and strong brand reputation. It is well known for its key services in its core markets. As Peter explained in his speech, this is part of the reason why LogiCamms is in a strong position to capitalise on the improving market conditions.

The business has a clear growth strategy focussing on leveraging the Company's very strong core capabilities, the outstanding talent and commitment of our people, and our unique technology and innovations – to differentiate ourselves in our current and target growth markets. It is a privilege to take responsibility for leading this team to execute the strategy.

During my interviews with the Board, I presented my vision of what I believe LogiCamms can achieve over the next couple of years.

Market conditions are a key starting point for that vision, and our current and target markets are improving. In addition, a common characteristic across hydrocarbons, minerals and metals, and infrastructure markets is the increased focus that clients have on seeking innovative and disruptive ways to extract productivity improvements from their existing assets. This is an area where LogiCamms' core capabilities, and in particular our Technology and Innovation division, are ideally suited to create step-change.

Although client spending is now increasing, these markets currently remain highly competitive, largely as a result of the increased commercial discipline these clients all put in place during the recent difficult downturn period. As such, differentiation and intense customer focus will be key to our success in these market conditions. We will focus on those services where we have the strongest competitive position. We will differentiate LogiCamms to achieve growth and higher margins through technology and smart solutions that provide extra value to our customers, and through our resourceful people and a culture of agility, responsiveness and innovation.

My vision is that over a horizon of about a year, LogiCamms will be clearly known for five characteristics that are important for our clients, our people, and our shareholders.

### 1. Safety leadership

Keeping people safe is a crucial priority for our business – not just because we care for our people and it is the right thing to do, but also because for most of our clients, having an excellent safety performance is a fundamental requirement that allows us to work for them. It is a 'ticket to the game'. My vision is that by building on our existing HSE systems and having a deeply embedded, leader-led safety culture, not only will we continue to keep our people safe, but we will also become a contractor that our clients showcase as a partner and driver of improved HSE initiatives and performance.

### 2. Diverse, talented and highly motivated people

LogiCamms is a business that relies on the talent, experience, diverse perspectives and energy of its people. They are what our customers see of LogiCamms every day, and they are how we deliver on our strategy. I know from previous experience that as LogiCamms grows and is successful, our people will delight in shared success and have ongoing pride in wearing the LogiCamms logo. Winning profitable work, executing it well, creating sustainable growth, providing value that customers recognise will result in increased opportunities for our people, improved motivation and retention, and attract additional talented individuals - and create a 'virtuous-circle' for our brand and our ability to win more work and further build our capabilities and financial strength which brings me to my third point.

### 3 Strong shareholder returns

I will ensure that every person in our business, and every aspect of our operation, is intensely focused on our reason for existence – that is to create maximum value for you, our shareholders. The reason why we do excellent work for our customers and improve their business, is so we can create strong returns for our shareholders. This will follow from implementing our strategy to drive profitable and sustainable growth in the right markets, diversification of income streams, ongoing tight management of costs, management of risk, and strong operational performance. As Peter has mentioned, the strengthening of our balance sheet will create further options for profitable growth.

### 4. A customer-centric and distinctive brand

I will ensure that we build on our already strong brand, so we stand out as being the best at what we do; highly responsive to our customers, adding-value; agile and innovative. We want to be the first contractor our clients think of when they have work to do in our areas of expertise, and we want them to understand and strongly support our strategy.

### 5. Innovation that sets us apart

LogiCamms already has a suite of innovative technology products that helps differentiate us in the market and this is a key area of the business that we will continue to invest in, develop and commercialise. This is for 2 key reasons. Firstly, as I mentioned earlier, practical, value-adding innovation is now a key factor that clients are using in their decisions on which contractors to utilise. We want to surprise our competitors with what and how we win. Secondly, commercialising our existing and developing technology is a key way to create new income streams and further improve our margins to create shareholder value.

To start the journey to this vision, I have key four priorities for my first 100 days.

The first is to meet with the people who have a stake in the success of the business and listen to their perspectives. This will take advantage of being new to LogiCamms and hence the one-off opportunity of having 'fresh ears'.

- I will be spending time with the Board to draw on their experience and insights.
- I will be meeting with our clients and partners to understand their views on our strategy, performance, differentiators and competition. I'm also keen to hear their insights into the applicable trends and growth opportunities.
- I will very shortly be visiting every LogiCamms office and work-site to introduce myself to our people, to get a feel for our safety culture in action and listen to understand the challenges and opportunities in all of our local markets. I want to build relationships with our key leaders and identify our emerging talent and to get a 'ground level' view of how our strategy is understood and being implemented.
- And it is fitting that I am presenting to the AGM today because I am also looking forward to meeting shareholders, analysts and our financiers, to understand your perspectives and to build further support and confidence in the direction of the business.

My second priority is a 'deep dive' to get a detailed and granular understanding of the operational and financial performance of all of our business segments. This will look at every aspect of the business including safety performance, cashflow management, governance and risk management; contract profitability and cost management, capabilities and strategy implementation, innovation development plus our business development processes and future work pipeline.

That last point brings me to my third priority which is deep involvement in current and upcoming key contract pursuits. Winning new profitable work is the lifeblood of companies such as LogiCamms – not only for creating ongoing EBITDA but also for building further capability and track record to lead to expanded opportunities. As such, I will be using my experience in this area to take a 'hands-on' look at our most important tenders and pursuits. I will ensure we have differentiated offerings with compelling value propositions to our clients, and that we have the optimal commercial strategy for these tenders.

These priorities will be conducted largely in parallel and then I will tackle a fourth priority for my first 100 days, to use the insights gained to determine, in conjunction with the Board, what other business improvement measures may be required and to conduct a check on the efficacy of details of our strategy.

I am delighted to be given the opportunity to lead LogiCamms through the next stage of its development. I am excited by the challenges and opportunities ahead of us. I look forward to meeting with many of you in the days ahead, and to reporting back to you on our progress over time.

**Chris O'Neill**

Chief Executive Officer  
LogiCamms Limited

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**Further information**

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### **About LogiCamms**

LogiCamms is an agile, flexible engineering and related services company which draws upon our wealth of experience to deliver innovative tailored solutions to our clients, including leading owners and operators of minerals and metals, hydrocarbons and infrastructure assets. The Company works to reduce costs, increase efficiencies, and enhance the value of our customers' operations. LogiCamms is also an Australian leader in the provision of automation and control systems. LogiCamms is an Australian Securities Exchange listed Company (ASX: **LCM**) with offices across Australia, New Zealand and Papua New Guinea. LogiCamms' vision is to be a market leader delivering outstanding customer solutions.