

**ASX Announcement**  
**13 April 2018**

## **FY18 Trading Update**

LogiCamms Limited (ASX: **LCM**) provides the following trading update for the period to the end of March 2018.

### **New contract wins**

LogiCamms has won a range of new contracts in Q3, across our traditional core market segments and project types as well as in the Defence industry segment, improving its backlog with work in hand increasing to \$27.3M (from \$21.4M as at 31 December 2017). The Company continues to diversify its business, with higher revenue contributions from the infrastructure segment.

The Defence industry has been specifically identified as a highly prospective market for LogiCamms and the Company has been selected as a pre-qualified supplier to the Commonwealth Department of Defence. A number of contracts have been won to date, and the Company is well positioned to capitalise on the pipeline of future Defence opportunities.

The Company is actively involved in the South Australian Government's Virtual Shipyard training program with Dassault Systèmes to develop supply chain capabilities to support defence shipbuilding opportunities that will become available from 2020.

The Company also continues to progress its commercial arrangement with Dassault Systèmes to identify the capabilities, technology and client opportunities that will be jointly pursued by the two companies in the Australian market.

### **Business performance**

LogiCamms' Asset Performance service line has experienced strong growth during FY18 with clients seeking to optimise the performance and efficiency of their existing assets and processes.

The Competency Training business unit is also experiencing a return to solid growth driven by clients reinvesting in staff training and compliance. This growth is being experienced across both public certification courses and bespoke training programs for larger corporate clients.

Whilst the Engineering Services business unit experienced a strong first half, it has been impacted in Q3 by a delay in work for a number of larger clients. This deferral of revenue has resulted from a variety of factors, including the impact of client business restructuring, the recent earthquake in PNG, delays in internal client approval processes, and extended contractual and commercial negotiations.

The Company made the strategic decision to retain key resources in the business to support and service these clients once operating and capital budgets have been approved and contracts commence. Whilst this has resulted in a reduction of revenue and EBITDA against H2 forecast, it is anticipated that the forecast revenue and EBITDA from these projects will be delivered in future periods.

The EPC projects business unit has experienced revenue growth from contract wins in fixed price EPC projects, albeit with a lower average project margin than traditional white-collar engineering projects. Accordingly, whilst revenue has been maintained, there has been a reduction in the expected EBITDA contribution from the Engineering Services business unit compared to the Company's previous forecast. The Engineering Services business unit has identified opportunities that will lift the margin and EBITDA performance of the Group going forward.

## Technology and innovation investments

The Company continues to invest in technology innovations to create higher margin future revenue streams.

Additional AIDE (Automated Infrastructure Design Engine) modules have been rolled out to our Tier 1 CSG client for this suite of products, and work continues on the development of additional modules and enhanced capabilities. A comprehensive commercialisation strategy for AIDE is being finalised after which the product will be introduced to other CSG producers, and potential domestic and foreign partners.

An in-field data capture tool for hazardous area assessments has also progressed to Proof of Concept trials.

## FY18 earnings revision

The Company remains on track to meet previous guidance of delivering a similar level of revenue to FY17 (\$81.1m).

However, as a result of the factors affecting the Engineering Services business unit detailed above, and whilst 2HFY18 is expected to remain profitable, the Company has revised its FY18 EBITDA guidance and now expects to achieve margins in the low single digits for the full financial year.

## Outlook

The Company continues to maintain a disciplined balance between revenue-generating resources, overhead costs and the pipeline of work in hand.

Chief Executive, Flora Furness said, "After returning the Company to a profit in the first half of the year, we are working to improve business performance across the board, with our major focuses on profitably delivering exceptional project outcomes for our clients, whilst diversifying our revenue streams as we seek to win larger projects with strategic clients."

"We will continue to enhance our business development capability and invest in our technology and people to enable us to take advantage of both existing and emerging opportunities."

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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.