

ASX Announcement
27 February 2018

LogiCamms H1 FY18 earnings: return to profitability

LogiCamms Limited (ASX: **LCM**) today reported a return to profitability with EBITDA of \$1.909 million and revenue of \$42.5 million for the six months to December 2017.

	Six months to Dec 2017	Six months to Dec 2016
Revenue	\$42.5m	\$41.5m
EBITDA	\$1.9m	-\$2.5m
NPAT	\$0.895m	-\$4.8m

Highlights

- FY17 organisation restructure to re-balance client-facing resources and corporate overheads has been completed and the stabilisation of the Group has underpinned return to profitability.
- Board reaffirms previous FY18 guidance of delivering a similar revenue level to FY17 (\$81.1 million) and mid-single digits EBITDA margins.
- Prospects in the Group's target markets continue to improve and the Group is confident of its position to focus on consolidation and strategic growth over the next two years.
- The Group's work in hand at 31 January 2017 remains robust at \$23.2 million.
- The Company remains committed to improving future revenue through investments in its proprietary technology innovations. During the half-year, the Group delivered new modules of the Automated Infrastructure Design Engine (AIDE) products to a major CSG producer, and is in discussions about the potential of AIDE with other major CSG producers.

Chief Executive Officer, Flora Furness said, "The first half results are a significant turnaround for the business and demonstrate that we have a solid platform in place with our client-facing resources and corporate overheads closely aligned to our project pipeline.

"Our focus for FY18 is on continuing to consolidate our financial position and strengthening our business development activities and order pipeline. We will continue to closely monitor and manage reimbursability and overheads to improve the profitability of the business."

The Board has elected not to declare a dividend for the six months ended 31 December 2017.

Revenue increased by \$1.0 million compared with the six months to 31 December 2016. Excluding the Petromod and Hunter Valley businesses which were closed in July 2017 as part of the organisation restructure, revenue increased by \$5.5 million or 15%.

The Group recorded net operating cash outflows of \$1.2 million during the reporting period (31 December 2016: outflow of \$3.2m), after the payment of \$1.1 million of restructuring costs recognised as a provision in the Accounts at 30 June 2017. The Group drew down an additional \$1.25 million under its working capital facility to fund these restructuring costs.

Outlook

LogiCamms continues to benefit from a strong delivery focus across a diversified portfolio of clients and project types within its core markets and emerging opportunities in the defence segment. However, price competition remains a factor in winning new work and the Company remains vigilant in matching the levels of client-facing resources and corporate overheads to the pipeline of future work.

LogiCamms has identified the defence industry as a highly prospective market. The Company is participating in the South Australian Government's Virtual Shipyard Training Program to develop digital capabilities to compete for major defence shipbuilding project work. It is also pursuing engineering, project management and technology opportunities in the defence sector through a partnership with 3D design and engineering software corporation, Dassault Systèmes.

Based on work in hand and recent project wins, the Board has reaffirmed the previous guidance that LogiCamms expects a similar level of revenue in FY18 as reported for FY17 (\$81.1 million) with EBITDA margins in mid-single digits.

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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.