



**SGX/MEDIA RELEASE  
For Immediate Release**

Company Registration Number 200413014R  
15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316

**Singapore and Australia**  
7 November 2017

## AusGroup delivers net profit of AU\$3.1 million for Q1 FY2018

### Q1 FY2018 highlights

- Revenue for the quarter was AU\$153.7m, an increase of 53.6% on the corresponding period.
- Gross profit in the quarter was AU\$11.4m, an increase of 26.3% on the corresponding period.
- EBIT in the quarter was AU\$6.4m, continuing the good results and performance reported in FY2017.
- Completed minor debt to equity conversion resulting in a reduction of AU\$2.7m in debt.
- Work in hand of AU\$359m as at 30 September 2017, following extensions received on our core projects in the Energy & Process sector.

**AusGroup Limited** ('AGL' or 'AusGroup' or the 'Group') today announced its results for the three months ended 30 September 2017 ('Q1 2018'). This release should be read in conjunction with our SGX Announcement.

Income statement (abstract)	Q1 2018 AU\$'000	Q1 2017 AU\$'000	+ / (-) %
Revenue	153,746	100,082	53.6
Gross profit	11,393	9,024	26.3
<i>Gross margin</i>	7.4%	9.0%	
Other operating income	546	370	47.6
Administration, marketing & other costs	(5,534)	(8,275)	(33.1)
<b>EBIT</b>	<b>6,405</b>	<b>1,119</b>	<b>472.4</b>
Net gain on debt conversion	452	-	n.m.
Finance costs	(3,297)	(4,224)	(21.9)
Income and withholding tax	(354)	(232)	52.6
Discontinued operations	(82)	1,176	n.m.
<b>Net profit/(loss) for the period</b>	<b>3,124</b>	<b>(2,161)</b>	<b>n.m.</b>
<i>Margin</i>	2.0%	(2.1%)	

*n.m. – not meaningful*

AusGroup has reported net profit after tax of AU\$3.1m which is a significant improvement on the corresponding period of Q1 FY2017. The results are largely due to the continuing good performance from our core projects in the energy and process sector, which have produced consistent profitability for the last four quarters. EBIT for the quarter of AU\$6.4m is a significant improvement on the prior year comparative quarter due to the strong performances from our core projects and as a result of the reduction in the administration and marketing costs following the business restructure in prior years.

As a result of the reduction in the debt profile of the Group following the successful debt to equity conversion completed in Q4 FY2017, the debt servicing costs have been reduced substantially by 21.9% since the corresponding period of Q1 FY2017, reducing to AU\$3.3m.

**SGX/MEDIA RELEASE  
For Immediate Release**

Company Registration Number 200413014R  
15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316

**Operational Performance**

**Revenue** for the quarter of AU\$153.7m increased by 53.6% compared to the corresponding period of Q1 FY2017 and as previously reported, the results are due to the strong performance from the energy and process sector core project work currently being undertaken.

**Gross profit** for the quarter was AU\$11.4m, an increase of 26.3% from a gross profit of AU\$9.0m in the corresponding period of Q1 FY2017 with the improvement mainly due to the operational efficiencies that have been delivered on our core project work.

**Administration, marketing and other costs** in the quarter were AU\$5.5m, representing a 33.1% decrease from the corresponding period of Q1 FY2017 due to the effect of the restructuring costs in the corresponding period.

**Finance costs** in the quarter were AU\$3.3m, representing a 21.9% decrease from the corresponding period of Q1 FY2017 following the successful debt to equity conversion completed in Q4 FY2017.

**Financial position**

	30 Sep 2017 AU\$'000	30 Jun 2017 AU\$'000	+ / (-) %
Cash & cash equivalents	50,801	33,851	50.1
Total borrowings	133,525	150,694	(11.4)
Equity	29,877	23,298	28.2

**Cash and cash equivalents** for the Group as at 30 September 2017 have increased by 50.1% to AU\$50.8m due to higher revenue from the Group's core project work and improvement in the recovery of trade receivables.

**Net Borrowings**<sup>1</sup> have reduced by AU\$34.1m since Q4 FY2017 to AU\$82.7m, predominantly due to the reduction in short term borrowings repaid in the quarter and as a result of the increase in the cash balance from collections of receivables in the quarter.

**Total shareholders' equity** as at 30 September 2017 has improved by 28.2% to AU\$29.9m, continuing the benefits of the consistent profitability now achieved for the last four quarters, together with the share capital issued from the minor debt to equity conversion in the quarter. The Group continues to assess the options available to ensure that sufficient cash flow is available for the Group to meet its obligations as they fall due.

**NT Port and Marine (NTPM):** The commercialisation of the fuel services business is well underway with the first volume of fuel to the Port Melville fuel farm ordered for delivery at the end of November 2017. This represents a significant milestone which will underpin the success of the NTPM business.

**Summary**

Managing Director Eng Chiaw Koon said: "It is pleasing to report another profitable quarter, building on the back of the successful year we had in FY2017. The net profit after tax for Q1 FY2018 of AU\$3.1m is a good turnaround from the corresponding period last year and indicates that the Group has stabilised and is capable of producing consistent bottom line returns.

<sup>1</sup> Includes cash at bank and bank debt.



**SGX/MEDIA RELEASE  
For Immediate Release**

Company Registration Number 200413014R  
15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316

During the quarter, a continuing debt reduction of AU\$2.7m has been achieved following another debt to equity conversion, which has strengthened the balance sheet. As a result, our balance sheet position has improved to AU\$29.9m. The Group has also been active in pursuing another tranche of the initial debt to equity conversion that will be reported in Q2 FY2018. This has been successfully completed, resulting in further reductions in our debt profile, and will be reflected in the Q2 FY2018 results. It is appreciated by the Board that the success of the debt to equity conversion programme is due to the support that has been provided by noteholders and shareholders.

The solid Q1 FY2018 results are a good start to the current financial year.”

**Background Information**

AusGroup offers a range of integrated service solutions to the energy, industrial and mining sectors across Australia and South East Asia. Our diversified service offering supports clients at all stages of their asset development and operational schedule.

Through subsidiaries AGC, MAS & NT Port and Marine, we provide maintenance, construction, access services, fabrication and marine services. With over 29 years of experience, we are committed to helping our clients build, maintain and upgrade some of the region’s most challenging projects.

The Group wishes to inform that an investor briefing pack will also be available on its website on 8 November 2017 - [www.agc-ausgroup.com](http://www.agc-ausgroup.com).

**Ends**

---

Issued by AusGroup Limited.

For more information, please contact Romil Singh  
T +65 6438 2990 | F +65 6438 0064 | E [romil@financialpr.com.sg](mailto:romil@financialpr.com.sg)

For further information in Australia, please contact Christian Johnstone  
T +61 8 6210 4500 | E [christian.johnstone@agc-ausgroup.com](mailto:christian.johnstone@agc-ausgroup.com)

ABOUT AUSGROUP LIMITED (Bloomberg Ticker: AUSG.SP)  
Main board-listed, AusGroup Limited is an energy and resources specialist providing fabrication, precision machining, construction and integrated services to natural resource development companies. The Company also provides access services for construction and maintenance contracts through MAS Australasia Pty Ltd (MAS). AusGroup has an established operations network strategically positioned throughout Australasia. For more information visit [www.agc-ausgroup.com](http://www.agc-ausgroup.com)