



Inframax Construction Limited
Half Annual Report
For the six months ended 31 December 2022

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Report from the Chairman

For the six months ended 31 December 2022

A key highlight in the first six months of the 2023 reporting year has been the return of Inframax, to providing services in the Ruapehu region, after an eight-year absence from the district. The business successfully transitioned and commenced the recently secured road maintenance contract with Ruapehu District Council and it was great see us breath life back into our Manunui Depot as the contract commenced in October 2022. A comprehensive capital investment programme is being undertaken to ensure the Ruapehu team is well equipped to deliver services over the 8-year term of the contract.

Other highlights over the past six months includes:

- Securing a full construction order book for the 2022/2023 construction season;
- Launch of Graduate and Cadet Programme;
- Positive turnaround in performance and customer satisfaction on Taupō District Council contract; and
- Ongoing investment in training and development (particularly in the area of traffic management).

It continues to be a challenging economic environment for New Zealand businesses. Inflation continues to be stubbornly high, and non-tradable inflation (linked to wage growth) is pushing up operating costs. Inframax has had to adjust to accommodate cost inflation and materials, plant and equipment shortages. Labour constraints continues to be a challenge and ensuring our order book does not exceed our capacity to deliver has been a key focus for the business. It is pleasing to see, management's focus on business improvement initiatives paying off with EBITDA tracking ahead of the same period in the prior year.

The second half of the year will see the construction season in full swing. It is pleasing to report that the business is on track to at least meet budgeted NPAT.

Summary of Financial Results

Dollars in Thousands	six months ended 31 December 2022	six months ended 31 December 2021
Revenue	15,361	16,199
EBITDA	761	424
Net cash inflow / (outflow) from operating activities	795	864
Net cash inflow / (outflow) from investing activities	(2,180)	(1,238)
Net cash inflow / (outflow) from financing activities	1,050	250
Net Cash Flow Movement	(335)	(124)
Total Assets	21,438	20,572
Total Equity	11,593	11,725
Equity Percentage	54%	57%


Earl Rattray
Chairman

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Statement of Performance Measures

For the six months ended 31 December 2022

The Statement of Corporate Intent states the Company will endeavor to exceed the targets of the Projected Business Plan. The results achieved compare with performance criteria in the Statement of Corporate Intent as follows:

	Statement of Intent 31 December 2022		Statement of Intent 31 December 2021	
	Achieved six months	Full Year Target	Achieved six months	Full Year Target
Performance Measures				
Equity Ratio	57%	65%	57%	62%
Current Ratio	Positive	Positive	Positive	Positive
Revenue (millions)	\$15	\$35	\$16	\$35
Bank Covenants	Satisfied	Unconditionally met	Unconditionally met	Unconditionally met
EBITDA (millions)	\$0.7	\$2.6	\$0.4	\$2.5

The Equity Ratio is the average Shareholders Funds expressed as a percentage of average Total Asset. Average Total Assets and Average Shareholders Funds are based on 31 December 2021 and 31 December 2022 figures.

Bank covenants were satisfied Sep-22 and Dec-22 due to waiver letters issued.

	Statement of Intent 31 December 2022		Statement of Intent 31 December 2021	
	Achieved six months	Full Year Target	Achieved six months	Full Year Target
Non-Financial Performance Measures				
Notifiable Injuries	zero	zero	n/a	n/a
Lost Time Injury Frequency Rate	n/a	n/a	23	Zero
Accident Compensation Days	10	850	25	200
ISO 9001 Accreditation	Standard Achieved (note: assessment scheduled Jun23)	Standard Achieved	Standard Achieved	Standard Achieved
ISO 45001 Accreditation	Standard Achieved (note: assessment scheduled Jun23)	Standard Achieved	n/a	n/a
Environmental Consent Compliance				
Non-compliant	0		0	
Partially compliant	3		2	
Highly compliant	5	All	5	All
Fully compliant	0		0	
Not Assessed	1		2	
Support of local events in operating area				
Number of local events where the company provided complimentary goods, service or financial support	3	15	7	15

Note

1. Lost Time Injury Frequency Rate – This is not a measure in the current year as agreed with the Shareholder.
2. Accident compensation days – are measured on a 1 April to 31 March year.