



Inframax Construction Limited

Half Yearly Report

For the six months ended 31 December 2019



Inframax Construction Limited

("Inframax" or "the Company")

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**INFRAMAX CONSTRUCTION LIMITED
CHAIRMAN'S REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

Tragically Inframax lost one of its valued staff members in a workplace accident in October 2019. This accident happened in the Te Kuiti yard during normal work hours, and I want to thank those staff that were on hand who tried to help Sean immediately after the accident occurred.

Sean was an integral member of the Inframax transport group and is greatly missed by all those that worked with him and his family.

The Board and Management recognise the close community of staff in the Te Kuiti and Otorohanga based operations, and that this tragedy is personal to most of our staff and their families. Where possible and appropriate, the Company has provided counselling support and additional leave to staff to assist in the recovery process.

The first half of the year has seen an increased number of contractors putting in tenders for work outside our maintenance contracts. As a result the market has become more competitive.

Total staff numbers at the end of December were 154 compared to 152 in 2018.

As further summarized in the table below operating Revenue decreased by \$2.09m and EBITDA decreased by \$0.85m compared to the same period in 2018. The business has responded to the change in market and operating conditions including constraining investment. The company is predicting a return to positive cashflow in the second half of the year.

Summary of financial results (\$,000)	Six months to 31 December	
	2019	2018
Revenue	15,298	17,393
EBITDA	443	1,377
Net Cash inflow/(outflow) from Operating and Investing activities	(1,005)	(157)
Total Assets	19,940	19,567
Total Equity	10,088	10,266
Equity Percentage	51%	52%

With plenty of forward work committed for the second six months of the financial year, and a predicted dry summer/autumn, it is anticipated that the Company will achieve the revised revenue forecast of \$36.5m.

The main focus for the second half of the financial year will be finding additional work outside of the maintenance contracts and completing all work at an enhanced margin.

Craig Rowlandson

Chairman
Inframax Construction Limited



INFRAMAX CONSTRUCTION LIMITED
STATEMENT OF PERFORMANCE MEASURES
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

6 Months to 31 Dec 18		Year Ended 30 Jun 19		6 Months to 31 Dec 19	Year Ended 30 Jun 20
Statement of Intent Achieved		Target		Statement of Intent Achieved	Target
			The Statement of Corporate Intent states the Company will endeavour to exceed the targets of the Projected Business Plan. The results achieved compare with performance criteria in the Statement of Corporate Intent as follows:		
51%		51%	Equity Ratio	51%	55%
Positive		Positive	Current Ratio	Negative	Positive
17.0m		43.0m	Revenue	15.3m	36.8m
5.5m		1.8m	Closing bank and shareholder loans	6.6m	3.8m
Unconditionally met		Unconditionally met	Bank Covenants	Met as agreed with ASB	Unconditionally met
1.4m		5.0m	Earnings before Interest, Taxation, Depreciation and Amortisation	0.5m	2.1m
			The Equity Ratio is the average Shareholders Funds expressed as a percentage of average Total Assets. Average Total Assets and average Shareholders Funds are based on 30 June 2018 and 30 June 2019 figures.		
NON-FINANCIAL PERFORMANCE MEASURES					
24		Zero	Lost Time Injury Frequency Rate	7.82	Zero
			The Lost Time Injury Frequency Rate is calculated as the number of lost time injuries per million hours worked. There were 3 lost time injuries in the 12 months to 30 June 2019.		
25		30	Accident Compensation Days	49	195
Standard achieved		Standard achieved	ISO 9001 Accreditation	Standard achieved	Standard achieved
			Environmental Consent Compliance Assessed level of environmental consents by Waikato Regional Council:		
3		All	Non-compliant Partially compliant Highly compliant Fully compliant Not assessed	7	All
			Support of local events in operating area		
			Number of local events within operational areas where the Company provided complimentary goods, services or financial support.		
6		10		6	12