



# Inframax Construction Limited

## Half Annual Report

For the six months ended 31 December 2021





# Inframax Construction Limited

("Inframax" or "the Company")

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**INFRAMAX CONSTRUCTION LIMITED  
CHAIRMAN'S REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

For the second year in a row, Inframax has been affected by the ongoing issues caused by Covid-19. As was the case in the first half of 2020, contracts have been slow to get started and then delays were caused by lockdowns. These lockdowns mean there are less chargeable workdays available and therefore revenue is lost.

It has been challenging for managers to meet budgeted margins on contracts that were tendered in the previous 12–18 months due to inflationary pressures, especially for labour and fuel. Supply chain issues have also caused delays in getting parts to do necessary repairs to some equipment. Due to these delays, there have been additional costs for the hireage of essential plant.

All the Inframax staff have helped achieve the 14.6% increase in revenue for the six-month period compared to the previous year, and it is also pleasing that despite all the challenges presented during the period, the Company had a positive EBITDA of \$424,000. Equity increased by \$318,000 over the same period.

<b>Summary of financial Results (\$,000)</b>		
Six months to 31 December (unaudited)	<b>2021</b>	<b>2020</b>
Revenue	16,199	14,135
EBITDA	424	1,177
Net cash inflow/(outflow) from operating and investing activities	(374)	(320)
Total Assets	20,572	19,480
Total Equity	11,725	11,407
Equity Percentage	57%	59%

To decrease the risks caused by inflationary pressures, Inframax has increased its margin on tendered contracts. The Company is seeing less tenders in the box, consistent with what other industries are witnessing. Companies in all industries don't want to win tenders and then find they can't staff them or get them finished on time.

I want to thank Andrew Johnson, who retired from the Inframax Board in October, for his contributions over the previous five years. The Shareholder is in the process of appointing a new Director who should be in place before 31 March 2022.

Chris Hayward also informed the Inframax Board during the period of his intention to step down as the Company CEO in March 2022. The Inframax Board is pleased to announce the appointment of Vesta Gribben as the new CEO who will start in early March 2022. The Inframax Board acknowledges the effort that Chris has put in since his appointment as CEO in December 2011.

**Craig Rowlandson**  
Chairman  
Inframax Construction Limited



**INFRAMAX CONSTRUCTION LIMITED  
STATEMENT OF PERFORMANCE MEASURES  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

	Statement of Intent 2022		Statement of Intent 2021	
	Achieved – six months to Dec 21	Full Year Target	Achieved - six months to Dec 20	Full Year Target
The Statement of 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 Intent as follows:				
<b>PERFORMANCE MEASURES</b>				
Equity Ratio	57%	62%	59%	55%
Current Ratio	Positive	Positive	Positive	Positive
Revenue	\$16m	\$35m	\$14m	\$29m
Bank Covenants	Unconditionally met	Unconditionally met	Unconditionally met	Unconditionally met
Earnings before Interest, Taxation, Depreciation & Amortisation	\$0.4m	\$2.5m	\$1.2m	\$1.6m
The Equity Ratio is the Shareholders' Funds expressed as a percentage of Total Assets.				
<b>NON-FINANCIAL PERFORMANCE MEASURES</b>				
Lost Time Injury Frequency Rate Calculated as the number of lost time injuries per million hours worked.	23	Zero	Zero	Zero
Accident Compensation Days (from latest data available 30 September 2021)	25	200	174	200
ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved	Standard Achieved
Environmental Consent Compliance Assessed level of environmental consents by Waikato Regional Council:				
Non-compliant	-		-	
Partially compliant	2	All	2	All
Highly compliant	5		5	
Fully compliant	-		-	
Not assessed	2		2	
(Most current consent data awaiting update from WRC)				
Support of local events in operating area: Number of local events within operational areas where the Company provided complimentary goods, services or financial support. Four events were cancelled due to COVID-19, but Traffic Management work had been completed under sponsorship for the event prior to cancellation.	7	15	9	12