

Boom delivers 1H, Updates FY24 Guidance

23 February 2024 Boom Logistics Limited (ASX: BOL, “the Company”), a total lifting solutions company that utilises a highly skilled workforce and specialised equipment, is pleased to announce its results for the six months ended 31 December 2023 (1H FY24).

1H FY24 FINANCIAL SUMMARY

- Revenue of \$129.7m, up \$30.2m or 30% on 1H FY23 ‘pcp’ driven by a combination of project commencements and strong growth in the resources and infrastructure sectors.
- EBITDA of \$24.3m, up \$4.3m or 22% on pcp.
- Operating NPAT of \$3.8m, up \$3.0m on pcp.
- Capex for 1H FY24 was \$14.9m with asset disposals of \$6.4m with total profit on sale of assets for 1H FY24 of \$0.5m.
- The Company’s new debt and lease financing facilities of \$145m are now in place resulting in net interest cost savings of c. \$1.8m over a three-year time frame. Approximately 48% has been drawn down from these facilities as at 31 Dec 2023.
- Net Gearing Ratio was up slightly at 38.9% as at 31 December 2023, which is in line with the company’s target range of 35% - 45%.
- Cash from operations of \$18.6m was used to pay down previous debt facilities and fund new crane purchases in the first half.
- Boom’s on-market buy-back has to date purchased circa 2.1m shares for a total consideration of \$0.2m. The buy-back has been paused pending this results announcement and will remain paused until completion of the Unmarketable Parcel Sale Facility which the Company announced today.
- The Company updates FY24 guidance with Revenue over \$235m (previously \$225m to \$235m) and NPAT over \$5.5m (previously over \$5.0m).

Results summary for the twelve months ended	1H FY24 \$'m	1H FY23 \$'m	% Change
Revenue	129.7	99.5	+30%
EBITDA	24.3	20.0	+22%
NPAT	3.8	0.8	375%
Net Gearing %	38.9%*	38.0%**	+0.9%
Cash from Operating activities	18.6	19.2	-3%

* As at 31st December 2023

** As at 30th June 2023

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OPERATIONAL HIGHLIGHTS

- One Lost Time Injury (LTI) and TRIFR of 2.6 per million hours worked.
- Over \$40m of new and re-signed contracts in 1H FY24, including re-signing of a significant Hunter Valley and Central Queensland customer contract.
- Increased labour efficiency of 86% (81% pcp) and asset utilisation of 88% (81% pcp)
- Execution against strategic initiatives including people capability, sector focus growth, asset regeneration and shareholder value.
- The Company delivered an improved performance across all four end verticals. The Company notes that the first half of the financial year is the seasonally stronger half given the lower level of operational downtime compared to the second half.
- Boom is in a strong position to benefit from significant growth opportunities in the Renewables and Infrastructure markets as Australia continues to transition to new energy sources.

STRATEGIC FOCUS

The Company continued to execute against a range of strategic initiatives that were established at the FY23 results with the aim of:

- Creating sustainable future returns by focusing on key segments and customers;
- Continuing to strengthen the balance sheet through improved asset investments; and
- Improving cash flow and creating value for shareholders.

Strategic Focus	Target	Execution in 1HFY24
1. ESG & People Capability	Focus on safety, talent & environmental impacts	<ul style="list-style-type: none"> • One Lost Time Injury (LTI). • TRIFR of 2.6 per million hours worked, an improvement on pcp.
2. Sector-Focused Profitable Growth	Enhanced Customer relationships and right capability to ensure sustainable financial returns	<ul style="list-style-type: none"> • Resource Revenue up 27% vs pcp • Renewables Revenue up 59% vs pcp • Infrastructure Revenue up 29% vs pcp • Industrials Revenue up 8% vs pcp
3. Asset Regeneration & Efficiency	Investment in right assets for key markets in key locations to maximise efficiency	<ul style="list-style-type: none"> • Labour efficiency increase to 86% (81% pcp) • Asset utilisation increase to 88% (81% pcp) • Weighted average age* of our fleet is 7.4 years (7.3 years pcp), based on current estimated value • Continue to sell redundant and obsolete assets at above book value <p><i>* previous methodology based on Asset Age only</i></p>
4. Shareholder Value	Strengthen balance sheet and shareholder returns through efficient use of capital	<ul style="list-style-type: none"> • Strategy implemented to return 40% - 60% of previous two years' rolling average Operating NPAT, through the execution of an on-market share buy-back • Buyback to date has returned \$0.2m • Unmarketable parcels sale facility launched.

FY24 OUTLOOK

The Company continues to execute against the strategic roadmap set out at our FY23 results delivering an improvement in our operational performance, utilisation rates and cost base. These operational efficiencies across our assets and employees will drive improved returns across our business.

Whilst the Company is generating an improvement in operating performance, Boom notes that recent commodity price weakening, specifically nickel and alumina, has the potential to impact activity levels with some of our end customers. The contracts exposed to these end commodities are generally low margin legacy contracts and thus have a limited impact on the Company's profitability and cash flow.

In addition, Boom is continuing to restructure its operations to further optimise its business, including the sale of redundant assets, and this is likely to result in some higher costs charges in FY24.

The Company updates FY24 guidance with Revenue over \$235m (previously \$225m to \$235m) and NPAT over \$5.5m (previously over \$5.0m) driven by:

- Continued execution of Boom's strategic plan of Sector-Focused Profitable Growth (Resources & Renewables), optimising assets through investment and rigid resource utilisation;
- Strong demand and tender activity across all key segments and \$40m in contract wins and renewals over the last 6 months;
- The execution of recent contract wins and the commencement of delayed large projects; and
- Continued reinvestment in the business to increase competitive advantage, tender for significant projects and grow pipeline of new work through strong tender activity across key sectors.

Capital Management

Boom's capital management strategy aims to deliver consistent investor returns in an efficient manner.

The strategy contemplates the return of 40% - 60% of the previous two years' rolling average Operating NPAT, through the execution of share buy-backs on an annual basis. The Company believes the implementation of an on-market buy-back is the most efficient use of the available capital management options to satisfy the requirements of its capital management framework.

Under the buy-back programme, Boom has so far acquired 2,067,268 shares, representing 0.5% of the total issued share capital. The average purchase price to date is A\$0.115 per share (excluding brokerage costs), for a total consideration of approximately A\$0.2 million. The buy-back was paused on 31 December 2023 pending announcement of the Company's 1HFY24 results, and will remain paused until completion of the Unmarketable Parcel Facility which the Company announced today.

Ben Pieyre, Boom Logistics' CEO said: "Our first half financial performance of \$130m in revenue, a 30% uplift on the previous period, is an exceptionally pleasing result driven by strong end markets, new contract wins and the execution against our strategic initiatives. However, this result it is only the first step in delivering improved and sustainable performance and generating consistent returns.

As we continue to execute against the strategic roadmap we set out at our FY23 results announcement we will continue to deliver an improvement in our operational performance, utilisation rates and cost base. These operational efficiencies across our assets and employees, coupled with a focus on securing new profitable contracts in key verticals, will drive improved and sustainable returns across our business."

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This release has been approved for distribution by the Board of Directors of Boom Logistics Limited.

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