



20 November 2024

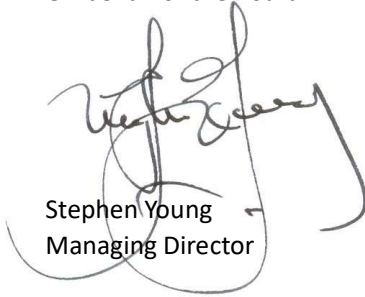
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 5000

Dear Sir / Madam

**Chairman's Address and Managing Director's Address to Tasmea Limited Annual General Meeting
Wednesday 20 November 2024, 11:30am AWST (Perth time)**

In accordance with Listing Rule 3.13.3, attached is a copy of the Chairman's Address and Managing Director's Address to be delivered today at the 2024 Annual General Meeting at the ANZAC Club in Perth, Western Australia.

On behalf of the Board



Stephen Young
Managing Director

This announcement was authorised for release by the Tasmea Limited Board.

Tasmea Limited

2024 Annual General Meeting

Wednesday 20 November 2024, 11:30am AWST (Perth time)

Chairman's Address

Slide 1 – 2024 Annual General Meeting

Good morning, Ladies and Gentlemen

I am Joe Totaro and it is my pleasure to welcome you to the Tasmea Limited 2024 Annual General Meeting.

Slide 2 – Acknowledgement of Country

I would like to begin by acknowledging the traditional owners of the land on which we meet today. I pay my respects to Elders past, present and emerging.

Slide 3 – Agenda

This meeting has been convened in accordance with the provisions of the Corporations Act, and as a quorum of shareholders is present, I declare the meeting open.

Slide 4 – Board of Directors

Today I am joined by Tasmea's Managing Director, Stephen Young, who will address you shortly, along with fellow Directors Kristie Young, Mark Vartuli and Jason Pryde. Unfortunately, fellow Director Michael Terlet is unable to join us today due to illness.

Also present at today's meeting is our Chief Financial Officer and Company Secretary, Simone Thompson, and Joanne Rubelli from Grant Thornton, the Company's auditors for the 2024 Financial Year. Joanne is available for questions in relation to the financial statements and conduct of the audit for the 2024 financial year.

Slide 5 – 2024 Highlights

I would like to start with some highlights for the year.

Financial Year 2024 was a transformative and highly successful year for Tasmea, one that saw the Group achieve significant milestones and financial growth.

ASX Listing

A defining moment for Tasmea this year was our successful listing on the Australian Securities Exchange on 29th April 2024. This was a significant achievement, and Shareholders now have direct visibility of the market value of their investment in Tasmea.

Pleasingly, the share price has risen from \$1.56 per share to a high of \$3.19 per share after 28 weeks on the market, as a consequence of both organic and programmatic acquisition growth and investors starting to better understand our structure, strong market fundamentals and capacity to deliver earnings through both organic and acquisitive growth strategies.

Financial Highlights

Accompanying this milestone was our financial performance for the financial year ended 30 June 2024, where Tasma outperformed prospectus Net Profit After Tax guidance by 10.3%.

Tasma's pro forma revenue for the year was \$407 million, a 10.8% increase compared to financial year 2023. This growth was primarily driven by continued expansion in the mining, resources, and energy sectors, alongside the seamless integration of recent acquisitions. These acquisitions have enabled us to enhance our market presence and offer highly specialised services to an ever-expanding client base.

Tasma's Pro-forma Earnings Before Interest and Tax reached \$54.8 million, a 27% increase, and Net Profit after Tax was \$36.9 million, a 30% increase. These figures underscore the strength of our business model, which remains focused on delivering critical services to our valued blue-chip clients, particularly in the fixed plant segment.

A key highlight for the year was maintaining a high operating cash flow conversion rate, which exceeded 100% of EBIT, further demonstrating the strong operational and financial discipline within the company.

Based on this robust performance, the Tasma Board declared a fully franked final dividend of 4.0 cents per share, which was paid on the 17th of October, bringing the total fully franked dividend for FY24 to 6.5 cents per share—a testament to our commitment to delivering value to our shareholders.

Safety and Sustainability

Financial success means little without a strong safety record.

Safety remains a core value at Tasma, and I am both pleased and proud to report that last year we extended our lost-time injury (LTI) free record to over 4,200 days.

This is a remarkable achievement that reflects the dedication and commitment of Tasma's team to maintaining a safe and sustainable working environment.

Tasma has an unwavering commitment to ensuring the safety of our employees and preserving the strong relationships we have with our clients.

Slide 6 –Businesses and Acquisitions

I would like to talk to you about our Programmatic Acquisition Strategy

From an operational standpoint, FY24 was a year of execution and consolidation.

Early in financial year 2024, we acquired Groundbreaking Mining Solutions and ForeFront Services, both of which performed well. In June 2024, we acquired Dingo Concrete Services.

Tasma's acquisition strategy has continued in Quarter 1 of financial year 2025, with the acquisition of West Coast Lining Systems and the Future Engineering Group.

These additions have strengthened our capabilities, particularly in the electrification space as well as in remote areas where demand for our services remains strong. As we move into FY25, our focus will be on the continued integration of these businesses to realise their full potential.

Looking Ahead

As we look ahead to FY25 and beyond, we are confident that our dual strategic approach of organic growth and targeted programmatic acquisitions will continue to deliver long-term value for our shareholders.

The Board has been actively involved in overseeing the company's strategic direction and ensuring adherence to strong corporate governance principles. I want to extend my sincere gratitude to the executive team and my fellow board members for their unwavering dedication and leadership. In closing, I would like to take this opportunity to thank the Tasma Executive Team, led by Stephen, Mark and Jason, and all Tasma employees for their efforts and contribution during FY24 and FY25 year to date.

Finally, to our shareholders, we appreciate that you have a choice of how and where you invest your money, and we thank you for your continued support and investment in Tasma.

Please now welcome Tasma's Managing Director, Stephen Young, for his Address.

Managing Director's Address

Thank you, Joe. Good morning Ladies and Gentlemen.

The 2024 financial year has been exceptional for Tasma Limited, with a number of key milestones being achieved which have laid a strong foundation for our future.

It is with pride that I reflect on our achievements, including our listing on the Australian Securities Exchange, our financial performance, and recent strategic acquisitions. I will also share Tasma's outlook for financial year 2025.

Slide 8 – Tasma Lists on the ASX

This is our first Annual General Meeting since Tasma commenced trading on the Australian Securities Exchange on 29 April 2024, a significant milestone for the Group.

The initial public offering raised \$59.0 million at \$1.56 per share, \$26 million of which was paid to Shareholders participating in the sell-down of their shares, with the remaining \$33 million proceeds applied to Tasma's programmatic acquisition strategy, working capital requirements and debt reduction and IPO Costs.

Tasma's indicative market capitalisation at the point of entering the ASX was \$340 million. The share price has increased by more than 100% in the six months since trading commenced and Tasma's market capitalisation is currently more than \$710 million.

Shareholders are now able to see the direct link between our efforts in delivering on our financial projections, and programmatic acquisition strategy, and the value of their investment in Tasma.

A key reason for listing on the ASX was to provide our employees the opportunity to participate from an equity perspective in the value they contribute to Tasma. Later in our meeting today we will be voting on a number of Employee Share Schemes which facilitates this aspirational goal.

Slide 9 – FY24 Financial Performance

Our Financial Year 2024 results were released at the end of August, and show growth from both a pro forma and statutory perspective, demonstrating the strength of our underlying business.

- Statutory revenue was \$400 million, a 25% increase compared to the prior year.
- Earnings before Interest and Tax was \$46.4 million, a 53.2% increase compared to the prior year.
- Net profit after tax was \$30.5 million, a 56.5% increase compared to the prior year.

It is useful to also consider our Pro Forma results, as they represent the statutory results adjusted to include pre-acquisition profits for ForeFront, add back one-off costs such as the IPO Costs and business combination costs for Groundbreaking Mining Solutions:

- Pro Forma revenue was \$407 million, a 11% increase compared to the prior year pro forma results.
- Earnings before Interest and Tax was \$54.8 million, a 27.3% increase compared to the prior year pro forma results.
- Net profit after tax was \$36.9 million, a 30% increase compared to the prior year.

The growth was driven by each of our core sectors—mining, resources, energy, and infrastructure—alongside the integration of recent acquisitions.

On the back of these outstanding results, the Board declared a final fully franked dividend of 4.0 cents per share, bringing the total fully franked dividend for the year to 6.5 cents per share. Mark, Jason and I all have reinvested a significant portion of the last two dividends, a commitment of \$8.2 million. We intend to declare and reinvest significant dividends in financial year 2025.

Slide 10 – FY24 Cash Flow

Tasmaea also achieved a high operating cash flow before interest and tax conversion rate, exceeding 100% of statutory EBIT. Our 4 year cash flow conversion rate is 104%.

This performance is a testament to our disciplined business model, which focuses on scheduled work, particularly in maintenance, allowing us to generate predictable consistent cash flows and strong financial results.

Slide 11 – FY24 Financial Position

As at 30 June 2024, Tasmaea reported a strong financial position with an efficient working capital profile.

Working Capital as a percentage of sales was 4.3% driven by disciplined cash flow management.

Return on Capital Employed was 28.2% due to High Recurring Income and effective utilisation of capital to generate earnings.

Tasmaea's Net Debt Position was \$33.2 million, and Net Leverage Ratio represents 0.6 times Pro Forma Earnings Before Interest and Tax.

Slide 12 – Investor Key Performance Metrics

Tasmea has strong financial metrics as a result of our consistent growth, and we expect these to continue to increase with the FY25 acquisitions.

At 30 June 2024, Return on Capital Employed was 30% after taking into account the pre-acquisition earnings of the Dingo acquisition.

Return on Equity was 45% after taking into account the IPO Capital which was not deployed until after June 2024.

Earnings per share was 15.2 cents per share on a statutory basis, or 18.4 cents per share on a pro forma basis after adding back IPO costs, GMS acquisition costs, and including ForeFront Pre Acquisition earnings. Overall a 45% Compound Annual Growth Rate of Statutory Earnings Per Share since Financial Year 2021.

Slide 13 – Tasmea’s Growth Strategy

Before I speak about the latest acquisitions, I wanted to share Tasmea’s growth strategies with you.

Tasmea is primarily focussed on delivering specialist maintenance services, to fixed plant, in remote locations.

- Tasmea expects our businesses to deliver exceptional service, keep their existing customers and master service agreements, and grow with our customers as they expand.
- Tasmea builds market share by outperforming our competitors on existing and new locations.
- Tasmea looks to introduce new services to existing customers by introducing other Tasmea specialist trade skills subsidiaries to them.
- Tasmea looks to provide existing services to new customers, including geographic expansion.
- Tasmea adapts our specialist trade skills businesses to emerging technologies, industries and commodities.
- Finally, Tasmea looks to acquire new business to meet unfulfilled demand to existing customers, and where the new business has a service that meets our growth strategies.

These are the areas we have focussed on for the past five years, and delivering on this strategy is the primary reason Tasmea’s business has grown from an earnings and market capitalisation perspective.

Slide 14 – Tasmea’s Recent Acquisitions

As part of our programmatic acquisition strategy we acquired a number of specialist businesses to meet unfulfilled demand, diversify and access new markets. These acquisitions have significantly enhanced our service capabilities and market presence.

Groundbreaking Mining Solutions (or GMS) was acquired on 1 July 2023. GMS has strengthened our ability to offer engineering, maintenance, and asset management services for platform rigs.

ForeFront Services was acquired in October 2023. ForeFront has diversified our presence in the mining maintenance services sector, and specifically increased our exposure to gold, rather than Iron Ore, whilst still providing essential maintenance services remotely to fixed mining plant and equipment.

Dingo Concrete Services was acquired in June 2024. This business has strengthened our operations in the Pilbara region. For the first half of FY25 our focus is on integrating Dingo Concrete Services and setting the business on a growth trajectory.

Subsequent to 30 June 2024, Tasmae acquired West Coast Lining Systems in order to gain geomembrane lining market share in Western Australia. This acquisition enhances our capabilities in the water and fluid services segment and is expected to contribute significantly to our earnings in the coming years.

The recent acquisition of Future Engineering Group, our largest acquisition to date, positions Tasmae's subsidiaries to collectively capitalise on the growing demand for electrification infrastructure across Australia, by offering an end to end electrical network service. Australian Industry is committed to decarbonisation and the growth opportunities for our subsidiaries are exceptional. Without considering the impact of revenue synergies the acquisition alone is expected to deliver strong earnings per share accretion of 21.5%.

Each of these acquisitions has been selected consistent with our strategic objectives, and we are confident that they will deliver long-term growth and value.

Slide 15 – Outlook for FY25

As we look ahead, Tasmae is well-positioned for continued growth.

Our strategy of combining organic growth with targeted programmatic acquisitions should ensure that we continue to deliver strong financial performance. We expect to see further growth in recurring revenue streams from our focus on fixed plant maintenance and remote area services, underpinned by our robust portfolio of Master Service Agreements.

On the acquisition front, we will maintain a disciplined programmatic approach, targeting businesses that complement our existing operations. During the first half of financial year 2025, our primary focus will be on fully integrating our recent acquisitions, particularly Dingo Concrete Services, West Coast Lining Systems, and the Future Engineering Group, to unlock their full potential and enhance shareholder value.

We are currently undertaking due diligence on a number of potential acquisitions and would anticipate completing an earnings accretive acquisition in the second half of financial year 2025.

Trent Northover will join the Tasmae Executive Team from January 2025, providing additional support for Mark, Jason and myself to facilitate organic growth of existing businesses, and identify future acquisitions to deliver our strategy.

Tasmae is strategically diversified operating across Australia, providing a number of independent specialist services to different industries operating from multiple locations. Our order books remain strong, and the majority of our businesses are enjoying increased demand for their services..

Management have recently updated their forecasts for financial year 2025, and accordingly the Board is confident in achieving the broker consensus and are forecasting Net Profit After Tax of \$48 million, noting that Tasmae will only receive 10 months of earnings from Future Engineering Group and 11 months earnings from West Coast Lining Systems. This is in the upper consensus range of \$43 - \$50 million. This NPAT forecast will be updated following the release of our half year results.

Slide 16 – Conclusion

In concluding,

- Tasmaea operates in segments that have strong market fundamentals enabling organic growth.
- Tasmaea operates across a diversified client and industry base mitigating risk.
- Tasmaea’s organic growth is complemented by its successful programmatic acquisition strategy, with a demonstrated track record of acquiring, integrating and scaling up businesses
- Tasmaea partners with its customers providing specialist services remotely to geographically diverse, blue-chip, owners of fixed plant, and these characteristics provide our subsidiaries with a recurring income and consistent cash flows.
- Tasmaea is structurally flat, and is organised to maintain the owner operator structure and reputation for excellence, created by the founders of the exceptional businesses acquired. This unique structure is supported by Mark, Jason and I who collectively are experienced, committed, holding more than 60% of Tasmaea’s equity.
- For investors, Tasmaea represents attractive valuation metrics given our demonstrated track record and growth outlook

I would like to take this opportunity to thank my fellow board members who have collectively made an outstanding contribution to Tasmaea’s performance and achievements this past year.

The Board’s gratitude and appreciation is also extended to our executive team and all of our employees for their continued support and tireless work.

-ENDS-

For enquiries, please contact:

Stephen Young
Managing Director, Tasmaea Limited

Simone Thompson
Company Secretary, Tasmaea Limited

+61 (08) 8212 2929
Admin@tasmea.com.au

About Tasmaea Limited

Tasmaea owns and operates 22 inter-dependent leading Australian diversified specialist trade skill services businesses focused on Essential Shutdown, Programmed Maintenance, Emergency Breakdown, and Brownfield Upgrade Services of fixed plant for a blue-chip essential asset owner customer base.

Tasmaea primarily provides these specialist trade skills services to fixed plant for essential industry asset owners in six growing industry sectors: mining and resources, defence, infrastructure and facilities, power and renewable energy, telecommunications and retail, and waste and water.