

20 November 2024

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

Dear Sir / Madam

**Tasmea Limited 2024 Annual General Meeting Presentation**

Please find attached a copy of the Annual General Meeting Presentation 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.

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Simone Thompson  
Company Secretary, Tasmea Limited

## About Tasmea Limited

Tasmea 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.

Tasmea 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.

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TASMEA  
LIMITED





**TASMEA  
LIMITED**



# Tasmea Limited Annual General Meeting

20 November 2024



# Acknowledgement of Country

***We acknowledge that we are meeting today on the land of the Whadjuk Noongar people, who have lived on and cared for this land for tens of thousands of years.***

*The Whadjuk people are the traditional custodians of the land on which we meet today, and they maintain a deep spiritual and cultural connection to this Country.*

*We acknowledge their continuing culture and the continuing contributions they make to the life of this region. We pay our respects to their Elders past, present and emerging, and we extend that respect to all Aboriginal and Torres Strait Islander people here today.*

# Agenda

**Chairman's Address**

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**Managing Director's Address**

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**Formal Meeting Business**

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**Q&A**

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# Board of Directors



**Joe Totaro**

Non-executive Director & Chairman



**Stephen Young**

Managing Director



**Michael Terlet**

Non-executive Director



**Mark Vartuli**

Executive Director



**Kristie Young**

Non-executive Director



**Jason Pryde**

Executive Director



# 2024 Highlights

Tasmea achieved a number of significant milestones in 2024, significantly increasing shareholder value

- ✓ **Entered the ASX** on 29 April 2024 @ **\$1.56 per share** and a Market Capitalisation of \$343 million; Share price has continued to rise with a **high of \$3.19 per share** on 19 November 2024, as a consequence of both further organic and programmatic growth since listing.
- ✓ **Outperformed prospectus** NPAT guidance by 10%
- ✓ **High ROCE** and **ROE, High Recurring Income** and **strong earnings to cash conversion**
- ✓ **Strong market fundamentals** enabling long term organic growth in industries that are not slowing down – **Electrification, Renewables, Iron Ore, Copper** and **Gold**
- ✓ **Founder led**, highly experienced, committed and motivated Executive Management team who own circa 60% of TEA
- ✓ **Committed to focusing on safety and sustainability**, which is key to maintaining our strong relationships with clients and ensuring the long term success of our business.

(Pro Forma) Revenue

**\$407m**

▲ 10.8% on \$368m in FY23

(Pro Forma) EBIT

**\$54.8m**

▲ 1.5% on Prospectus target

▲ 27.4% on \$43.0, in FY23

(Pro Forma) NPAT

**\$36.9m**

▲ 10.3% on Prospectus target

▲ 29.9% on \$28.4m in FY23

(Statutory) Operating Cashflow

**\$49.8m**

**107%** OCF (ex. interest and tax) / EBIT

FY24 Fully Franked

Final Dividend

**4.0c**

▲ 100% on  
2.0c FY23

Total Dividend

**6.5c**

▲ 85.7% on  
3.5c FY23

Safety Record

**>4,200 days**

without a Lost Time Injury

# Businesses & Acquisitions

Tasmea has increased our service offerings across all four segments since the IPO

FY25 acquisitions projected to add circa \$20.6m maintainable EBIT in FY25

## ELECTRICAL



## MECHANICAL



## CIVIL



## WATER & FLUID



- Businesses acquired in FY24
- Businesses acquired in FY25 YTD
- Yura Yarta is a registered supply nation business in which Tasmea has a 49% shareholding





# Managing Director's Address

## Highlights

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## Financial Performance

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## Strategy and Acquisitions

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## Outlook

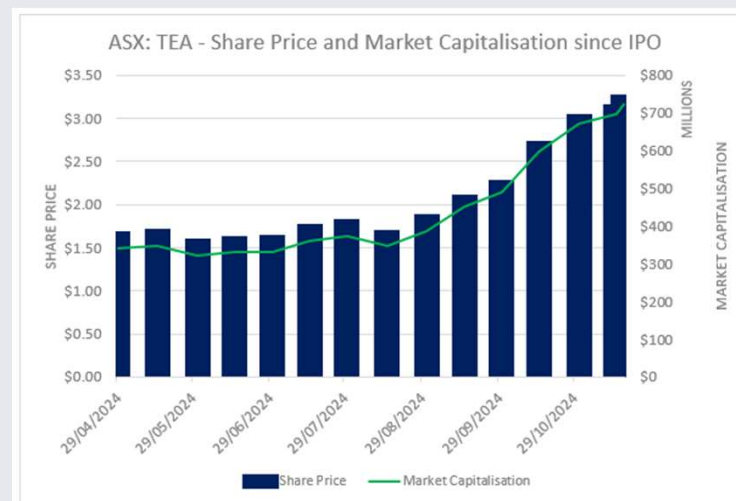
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# ASX: TEA

Tasmea Limited commenced trading on the Australian Securities Exchange (ASX) on 29 April 2024

## KEY HIGHLIGHTS

- The **oversubscribed initial public offering** raised \$59.0 million at **\$1.56 per share**, and an indicative **market capitalisation of \$340 million**.
- Proceeds from the raise were used to support Tasmea's programmatic acquisition strategy, working capital requirements and net leverage reduction.
- 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 Tasmea.
- The share price has increased by > 100% in the six months since trading commenced, with the high being yesterday, 19<sup>th</sup> November, where the market closed at **\$3.19 per share** and a **market capitalisation of \$721 million**, which is a consequence of outperformance, further strategic acquisitions and a market re-rating.



# FY24 Financial Performance

Tasmea delivered strong financial growth in FY24 on both a statutory and pro forma basis

Statutory	FY24	FY23	Change	Change
Results Summary	\$m	\$m	\$m	%
Revenue	400.0	320.0	80.0	25.0%
<b>Gross Margin</b>	<b>114.0</b>	<b>82.4</b>	<b>31.6</b>	<b>38.4%</b>
<b>EBIT</b>	<b>46.4</b>	<b>30.3</b>	<b>16.1</b>	<b>53.2%</b>
Interest expense (net)	(5.2)	(3.5)	(1.7)	49.3%
<b>NPBT</b>	<b>41.2</b>	<b>26.8</b>	<b>14.4</b>	<b>53.8%</b>
Income tax expense	(10.7)	(7.3)	(3.4)	46.4%
<b>NPAT</b>	<b>30.5</b>	<b>19.5</b>	<b>11.0</b>	<b>56.5%</b>

## COMMENTARY

- **Revenue** increased by \$80.0m, a **25.0% increase** compared to FY23
- **EBIT** increased by \$16.1m, a **53.2% increase** compared to FY23
- **Operating Cash Flow / EBIT** was **107.3%** with high repeat recurring income generating strong, frequent and predictable cash flows

Pro Forma	FY24	FY23	Change	Change
Results Summary	\$m	\$m	\$m	%
Revenue	407.4	367.5	39.8	10.8%
<b>Gross Margin</b>	<b>116.8</b>	<b>104.9</b>	<b>11.8</b>	<b>11.3%</b>
<b>EBIT</b>	<b>54.8</b>	<b>43.0</b>	<b>11.7</b>	<b>27.3%</b>
Interest expense (net)	(5.2)	(3.9)	(1.3)	34.7%
<b>NPBT</b>	<b>49.6</b>	<b>39.2</b>	<b>10.4</b>	<b>26.6%</b>
Income tax expense	(12.6)	(10.7)	(1.9)	17.7%
<b>NPAT</b>	<b>36.9</b>	<b>28.4</b>	<b>8.5</b>	<b>29.9%</b>

## COMMENTARY

- **Revenue** increased by \$39.8m, a **10.8% increase** compared to FY23
- **EBIT** increased by \$11.7m, a **27.3% increase** compared to FY23
- The Group's improved trading results reflect the ongoing **strategic focus on recurring revenue** generated from providing **specialist trade** maintenance, shutdown and **skilled labour** services to "Essential Industry" asset owners often in **remote locations**

# Cashflow

Tasmea has a disciplined approach to cash management demonstrated by our high OCF to EBIT conversion rate

STATUTORY CASH FLOW (\$m)	FY21	FY22	FY23	FY24
Operating cash flow (before interest & tax)	20.4	26.7	22.8	49.8
Investing cash flow	(1.3)	(7.4)	(15.6)	(55.4)
Financing cash flow	(9.3)	(3.4)	(8.5)	19.9
<b>Increase in cash</b>	<b>9.8</b>	<b>15.9</b>	<b>(1.3)</b>	<b>14.3</b>
OCF (before interest & tax) / EBIT	112.5%	122.1%	75.2%	107.3%

## OPERATING CASH FLOW

- Tasmea has a strong statutory **OCF (before interest and tax) to EBIT conversion**. For FY24 Tasmea achieved a conversion rate of 107.3%; the **average** last four years being **104.3%** driven by specialist trade skill maintenance services business with high repeat recurring income generating strong, frequent and predictable cash flows

## INVESTING CASH FLOW

- \$34.1m in relation to acquisitions completed in the FY24 period and deferred consideration payments
- Tasmea is a capital light business. This year **growth and replacement capex of \$22.2m** included the once off acquisition of three drill rig platforms for the mechanical segment, expected to deliver rental income in FY25 and beyond



OCF (before interest & tax) / EBIT

# 107.3%

FY24

GROUND BREAKING MINING SOLUTIONS

**TASMEA LIMITED**



# FY24 Financial Position

Tasmea has a strong financial position with an efficient working capital profile

Balance Sheet	FY24
	<b>\$m</b>
Trade and other receivables	59.5
Inventory & Contract Assets	37.7
Other assets	15.9
Trade and other payables	(57.9)
Other Liabilities	(37.8)
<b>Working Capital</b>	<b>17.3</b>
Property, plant and equipment	57.6
Intangible assets	89.4
<b>Total Capital Employed</b>	<b>164.3</b>
Working Capital / Sales	4.3%
Return on Capital Employed (ROCE)	28.2%

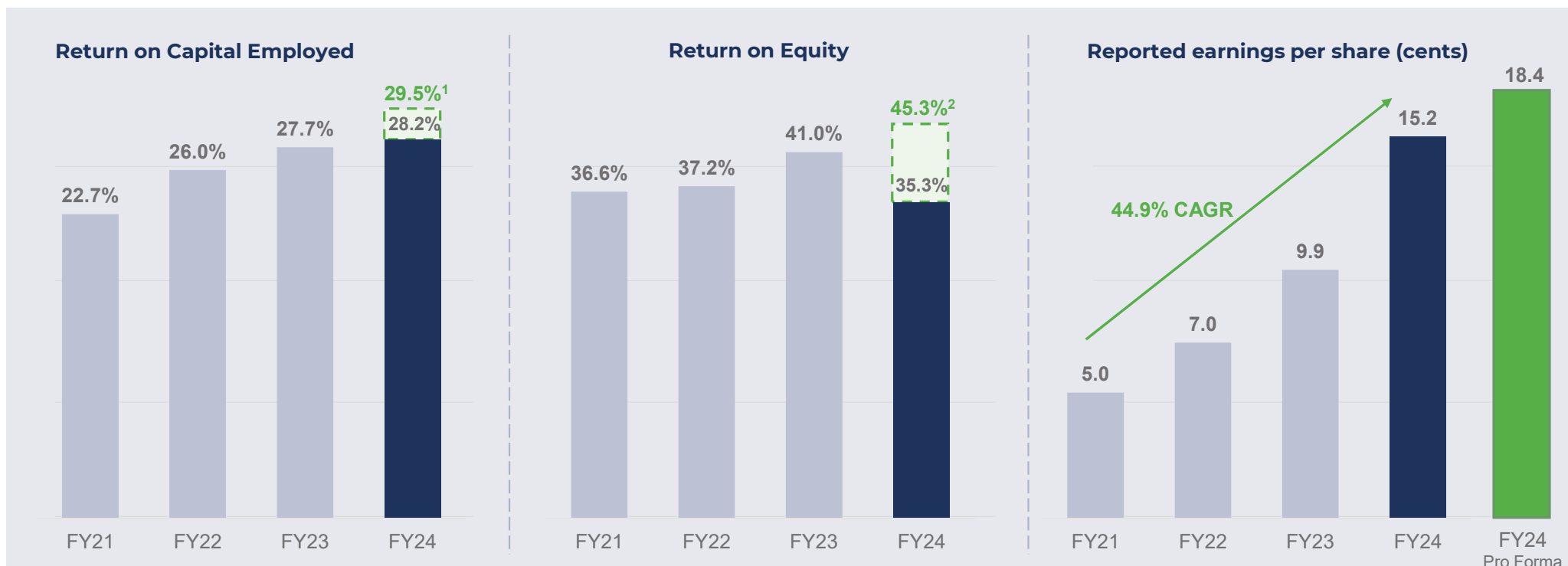
Net Debt	FY24
	<b>\$m</b>
Term Loans	37.4
Finance Lease Liabilities	17.5
Other short term loans	3.4
<b>Net indebtedness</b>	<b>58.3</b>
Cash and cash equivalents	25.1
<b>Net debt</b>	<b>(33.2)</b>
Net debt to pro forma EBIT	0.6x

## HIGHLIGHTS

- Low working capital requirement as a percentage of sales driven by well-managed EBIT to operating cash flow conversion
- As an owner of specialist service businesses, Tasmea's business model is capital light
- Attractive return on capital employed demonstrates disciplined and effective capital utilisation to generate earnings
- Tasmea's positive operating cash flow has enabled the repayment of interest-bearing debt whilst pursuing organic growth and programmatic acquisition growth
- Conservative Net Debt to EBIT of 0.6x considering consistent predictable cashflows and strong debt amortisation profile

# Investor Key Performance Metrics

Strong financial metrics with consistent growth



1) Adjusted to include \$2m of pro forma EBIT relating to Dingo as the goodwill of this acquisition was included on the balance sheet at 30 June 24

2) Adjusted for IPO capital raised in April 2024, not deployed until after June 2024

# Tasmea growth strategies

- 1 Delivering exceptional service, “keeping what we have” and growing with our customers as they expand, and providing our services to new locations;
- 2 Build market share by outperforming our competitors on existing and new locations;
- 3 New services to existing customers by leveraging Tasmea’s existing relationships to introduce other Tasmea specialist trade skills subsidiaries;
- 4 Providing existing services offered by Tasmea subsidiaries to new customers including geographic expansion;
- 5 Adapting our specialist trade skills businesses to emerging technologies, industries and commodities;
- 6 Acquiring new businesses to meet unfulfilled demand



# FY24 and FY25 Acquisitions



**July 2023**

- Offers drill and blast rig solutions to clients in Australia and overseas
- Expands Tasma's service offering to the WA Technical market and builds Tasma's relationship with a number of blue chip customs where we have a limited footprint



**October 2023**

- A multi-disciplined engineering, maintenance and mining services provider for fixed plant, fabrication and projects based in Orange, NSW
- Opportunity to raise horizontal cross selling revenue synergies with Cadia Valley by offering other Tasma specialist services



**June 2024**

- Remote civil construction and concrete supply
- Will benefit from Tasma's organic growth strategy
- Complements the existing service offering of NWMC in the Pilbara and allows for vertical integration of services in the Pilbara



**August 2024**

- Specialises in the supply and installation of geomembrane liners
- Environmental protection in solid waste management, mining, and water containment applications
- Highly attractive and earnings accretive acquisition
- Cross-selling opportunities with customers of WCLS and Tasma's civil businesses in the Pilbara, WA



**September 2024**

- Specialises in the design, manufacture, supply, and installation of communication structures and high voltage powerline infrastructure
- Tasma specifically targeted a gap in our electrical segment specialist service offering able to leverage the rapidly growing electrification demand in Australia
- Significant revenue synergistic benefits with existing Tasma subsidiaries
- Highly skilled and strong management team



# Business outlook

Tasmea is strategically positioned for continued growth in FY25 and beyond

## KEY HIGHLIGHTS

- Tasmea remains well-positioned for **organic** and **programmatic acquisition growth** in line with **LTI incentives**
- Continued focus on expanding **specialist service offerings** in **fixed plant maintenance**, **remote area services**, and **recurring revenue streams** via MSAs for Blue Chip customers.
- Our operating businesses providing specialist services to expected strong tailwinds / thematic industries (**electrification, renewables, iron ore, copper and gold seeing no slowdown in production**)
- **Successful integration of recent acquisitions.** The integration of Future Engineering Group, Dingo Concrete Services and West Coast Lining continues to progress well.
- Senior appointment of **Trent Northover joining the Tasmea Executive Team** to assist with organic growth of existing businesses and future acquisitions.
- We are **confident about our growth outlook** and our order books remain strong for the majority of our businesses, and we are continuing to evaluate a number of potential future acquisition opportunities.
- The Company remains confident in achieving NPAT for FY25 towards the upper range of the broker consensus forecasts of between \$43m-\$50m.



# Conclusion

- ✓ **Strong market fundamentals** (electrification, renewables, iron ore, copper and gold) enabling **long-term organic growth** – seeing **no slow down** in industries we have large exposure to.
- ✓ **Successful programmatic acquisition strategy**, with a demonstrated track record of acquiring, integrating and scaling up businesses
- ✓ **Broad suite** of complementary **specialist services** (not generalist) offered **nationwide**, focused on **production** (not exploration) and **maintenance** (not construction) generating +300bp margins to peers
- ✓ **Partnership approach** with **remote, geographically diverse, blue-chip, essential fixed plant owners** leading to a high level of **repeatable revenue**
- ✓ **22 incentivised CEOs**, culturally committed (owner operators within a corporate management framework) leading a large **flexible 1,600+** strong **accredited workforce** across Australia, enabling a truly **national service offering**
- ✓ Our subsidiaries have **competitive strengths** (**#1** or **#2**) often **remote** with **proven strategies** to scale up, resulting in exceptional **organic growth**
- ✓ **Founder led, highly experienced, committed** and **motivated** board executive management who own c. 60% of TEA
- ✓ **Strong track record** of consistent organic revenue growth, **high margins** and resilient **predictable cashflows**
- ✓ Represents **attractive valuation metrics** given **demonstrated track record** and **growth outlook**



# Q&A





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