

ASX RELEASE

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For immediate release to the market

HY23 FINANCIAL RESULTS

Revenue: \$331.9 million
PBT: \$18.1 million
Interim Dividend: 9.0 cps (fully franked)

GR Engineering Services Limited (ASX:GNG) (GR Engineering or Company) today announces its financial results for the half year ended 31 December 2022 (HY23).

Overview

GR Engineering reported HY23 revenue of \$331.9 million (HY22: \$302.3 million) and EBITDA of \$20.6 million (HY22: \$24.3 million). Project execution levels remained high during HY23 with several key project completions occurring in the period including the Thunderbox 6 Mtpa Expansion Project, Abra Base Metals Project and the Norseman Gold Project.

GR Engineering's ongoing pipeline of project work includes the Thunderbird Mineral Sands Project, West Musgrave Project, Bellevue Gold Project, Cosmos Nickel Concentrator Facility Upgrade Project and Mt Ida Gold Project.

Commenting on the Company's HY23 financial performance, GR Engineering's Managing Director, Mr Tony Patrizi, said:

"The HY23 period was characterised by solid operational performance and the successful completion of multiple key projects.

EBITDA margins were impacted by GR Engineering not achieving its forecast profitability targets on its Tasmanian projects due to higher labour costs, higher turnover of site based personnel and the higher inflationary environment. These Tasmanian projects are now substantially complete. In addition, Upstream PS's Northern Endeavour project was completed on 30 September 2022, with Upstream PS recognising one-off restructuring costs in the half year results.

GR Engineering has focused on building its pipeline of ongoing project work and is working on a high volume of studies across a wide range of commodities.

At 31 December 2022, GR Engineering recorded a strong cash balance of \$83.4 million and paid out \$16.5 million in fully franked dividends during the period. Negligible bank debt, minimal ongoing capital requirements and strong project delivery all contributed to the maintenance of a stable balance sheet.

I would like to take this opportunity to thank the team across the GR Engineering, Upstream PS, Mipac and Hanlon businesses for their commitment and contribution during the period."

GR Engineering maintains its forecast revenue guidance of \$500 million to \$530 million. The EBITDA margin % is expected to return to historical levels in the second half of FY23.

Given the strong balance sheet position, orderbook and pipeline of project opportunities, the Board has resolved to declare an interim fully franked dividend of 9.0 cents (HY22: 9.0 cents per share, fully franked).





Key Earnings and Balance Sheet Data - Consolidated Group

Revenue & Earnings		HY23	HY22
Revenue from operations	\$ <i>m</i>	331.9	302.3
EBITDA	\$ <i>m</i>	20.6	24.3
PBT	\$ <i>m</i>	18.1	21.5
NPAT	\$ <i>m</i>	13.0	14.7
Net operating cashflow	\$ <i>m</i>	(8.6)	39.7
Basic EPS	cps	8.0	9.6
Balance Sheet & Cashflow		HY23	FY22
Cash	\$ <i>m</i>	83.4	102.0
Total Equity	\$ <i>m</i>	59.0	62.2

Dividend

The Board has resolved to declare an interim dividend of 9.0 cps (fully franked). The ex-dividend date for the interim dividend will be 2 March 2023 with a Record Date of 3 March 2023. The payment date will be 23 March 2023.

Further Information

Please refer to GR Engineering's HY23 Reviewed Financial Report for further information on the Company's operational and financial performance.

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