

SICON LIMITED

FY2020 – Third Quarter Report

Overview

During the third quarter SICON continued to maintain positive results. There has been considerable effort made to respond to the tightening market and focus has been on producing a quality product and reducing rework.

Financial Position

\$m	YTD Actual	YTD Budget	Variance	Annual Budget	Note
Revenue	\$44.6	\$35.0	\$9.6	\$46.7	1
Net Profit (pre-tax & amortisation)	\$3.7	\$2.2	\$1.5	\$2.9	2
Net Cash Flows	\$2.8	\$2.2	\$0.6	\$2.9	3

Notes

- 1 Revenue is higher than budgeted and this has been mainly due to an increase in project work throughout the Canterbury Region. Pressure is continually being placed on margins.
- 2 Net Profit is higher than budgeted and this has been reflected in all areas of the business. Focus has been on meeting key performance indicators and ensuring a quality product is delivered to help reduce unnecessary rework.
- 3 Cashflow continues to remain strong with assets being sold, with a continual focus on keeping debtors low and delayed capital expenditure.

Key Contracts

Multiple construction projects have been tendered and won in the Canterbury Region including small subdivisions, water projects, and commercial and industrial site works.

Business Risks

With a reduction in larger projects in the area, the market will continue to tighten with the reduction in the availability of work. We will need to continue to invest in staff training and their development to ensure we keep staff and attract talented new ones. The impact of the new water regulator is yet to be determined on the industry.