

# CORDE LIMITED

## FY2023 Quarter 1 Report

### Overview

Overall, a good result for the start of the financial year.

### Financial Position

\$m	YTD Actual	YTD Budget	Variance	Annual Budget	Note
Revenue	\$23.3	\$15.2	\$8.1	\$61.0	1
Net Profit (pre-tax & amortisation)	\$2.4	\$0.9	\$1.5	\$3.5	2
Net Cash Flow	(\$1.73)	\$0.0027	(\$1.73)	\$0.011	3

### Notes

- 1 Revenue is higher than budget reflecting an increase in the indexed base rates across several contracts. Also, an increase in projects being completed in the first quarter.
- 2 The original budget was also conservative due to the uncertainties surrounding potential supply issues, labour market shortages and increasing fuel costs.
- 3 Cashflow continues to remain positive but with a large capital expenditure programme for the year, this will continue to impact the company's cash reserves.

### Key Contracts

A new tree maintenance contract was won in Timaru looking after 5500 urban trees.

### Business Risks

Key risks facing the company at the moment are:

- shortage of skilled staff available in the industry and the subsequent impact on wages and attraction/retention of staff
- lack of immigration to New Zealand further impacting the shortage of skilled staff
- disruption to supply chains and escalating costs due to inflationary pressures and freight delays
- reduced investment by the private sector in greenfield developments
- potential flare-up around COVID variants.