



## ASX ANNOUNCEMENT

30 AUGUST 2018

### 2018 Half Year Financial Results, Commentary and Contract Wins

#### Summary:

- Revenues for 6 months to 30 June 2018 of \$15.1 million up from \$4.7 million
- Underlying profit after tax of \$0.1 million (before one off costs) up from breakeven
- One off, non-recurring - restructuring costs of approximately \$1 million
- Net asset value of \$29.5 million steady
- Closing cash balance of \$7.2 million down after acquisition costs

Tempo Australia Limited (ASX: TPP) today announced its half year financial results for 2018, reporting increased revenue over the corresponding half year. The Company reported revenues of \$15.1 million for the half year, and an underlying profit after tax of \$0.1 million before one off restructuring costs (non-recurring) of approximately \$1 million. Net assets remained steady at \$29.5 million.

Tempo is also pleased to announce that the company has secured work or is finalising contracts with a number of new and existing clients in the resources, industrial, commercial and telecommunications sectors, including:

- As recently announced, formalisation of the CBH Group contract with a value of approximately \$8 million, this includes additional work awarded recently
- As also previously announced, Tempo has completed the acquisition of the Comsite telecommunications business servicing a major international telecommunications provider
- Port of Melbourne 5 year contract notably being Tempo's first new Asset Management Contract
- Sydney Olympic Park renewal of existing relationship however with a New Asset Management type contract for a further 5 year term
- Maintenance Contract with a major energy provider
- Property NSW (formerly Sydney Harbour Foreshore) Electrical Services and projects renewal for a further 1 year term
- New sites and scope from Flight Centre, an additional 300 sites
- Secured Master Agreement with a major industrial customer for shutdown and maintenance works on the Kwinana strip south of Perth, with our first shutdown in October
- Electrical servicing of a major Australian airline's sites around Australia
- Secured 50 person electrical team at Beon Energy's Karadoc Solar Farm for 12 weeks

Collectively the above represents a number of significant wins with an estimate of new Annuity revenues of \$15 million and new non-recurring revenue of approximately \$8-9 million underpinning the ongoing success of Tempo.

Tempo Chief Executive Officer and Managing Director Ian Lynass said "the recent wins and contract renewals were indicative of the renewed focus of the business and establishes our strategic commitment to grow our Asset Services Group through long term Service contracts. Critically the focus over the first few months has been to restructure our Leadership and Talent pool nationally, re-connect with our core markets and reinvigorating our relationships with customers in the resources sector and the industrial services sectors, with encouraging early success.

Asset Management targeting long term contract relationships in the industrial, resources and telecommunications industries will continue to provide the sustainable platform for the company in coming years - it is expected that this growth will provide the stability required for the company to build upon in future years establishing a distinct service offering that will deliver substantial value to our customers Operations and to their Assets. We have established a pipeline within the Asset Management business in excess of \$700 million of qualified opportunities over the next few years that positions Tempo well to continue our growth trajectory in this market.

We have within the first half solidly established our relevance and credibility back in the resources sector predominately in Western Australia, securing new contractual relationships with several key customers that will continue to deliver E&C activities as well as large scale shutdown works over the coming year. We have



established a healthy new pipeline in excess of \$500 million of qualified opportunities that have refuelled our confidence to grow through a very targeted approach to this market - we will tender only the works we believe we can deliver value to and create value from.

As announced previously we have grown our Telecommunications business through the acquisition of Comsite, we are progressing with the integration of the teams in line with our plans and expectations, we believe this area of our business will provide an exciting growth platform over the coming years as we focus on the Maintenance of Networks Assets for our customer across Australia.

Tempo Chair, Charlie Bontempo stated that "whilst we still have work to do we are very pleased with our progress to date, as we continue to implement our strategy. We have incurred 'One Off' non-recurring restructuring costs related to changing our talent and leadership pool which has been a timely investment in our future. The underlying earnings are substantially in line with our expectations. We have done the majority of work that was needed to restructure and realign the company back to its 'Core Competencies' and we have we believe established a Leadership Team around the country that is highly skilled and capable of delivering the results that will underpin a sustainable future for us all. We are confident now that our strategy to develop and build a scalable platform of long term annuity based earnings, will deliver ongoing success to the company."

"Profitability Through Leadership in Productivity".

ENDS

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#### ABOUT TEMPO

Tempo Australia Limited (ASX: TPP) is a construction and maintenance services company to the resources, energy, commercial, industrial and telecommunications sectors. The company was established in 2011 and has specific expertise in structural, mechanical, piping, electrical, telecom and data communications.