

Chairman's address to the AGM

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announcement

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Good morning ladies and gentlemen. I would like to welcome you to Southern Cross Electrical Engineering Limited's 2020 Annual General Meeting. My name is Derek Parkin and I am a Director and the Chairman of the Company and will be chairing today's meeting.

It gives me great pleasure to have the opportunity to address the Company's shareholders so soon after the announcement of two significant pieces of good news.

On Wednesday of last week we announced that SCEE had executed a Share Purchase Agreement to acquire 100% of Trivantage Holdings Pty Ltd, a leading provider of specialised electrical services across a range of markets including supermarkets, health and aged care, custodial and resources.

The acquisition is another significant milestone in the delivery of SCEE's strategy, further expanding the group's geographic and market sector footprint and significantly increasing our recurring, services and maintenance revenues. We expect the acquisition to be immediately and significantly EPS accretive to shareholders.

I look forward to the transaction completing in mid-December and welcoming Trivantage into the SCEE group.

Yesterday we announced that we have been awarded a contract valued at over \$65 million by Rio Tinto for electrical and instrumentation work at their new Gudai-Darri iron ore mine in the Pilbara region of Western Australia. The award continues SCEE's longstanding relationship with Rio Tinto and provides good visibility of work in the resources sector into 2022 financial year.

Graeme Dunn, our CEO and Managing Director, will address both of these successes in more detail in his presentation following the formal business of the meeting.

As is appropriate at our Annual General Meeting, I would also like to take a moment to reflect on the 2020 financial year. In a challenging year that saw the coronavirus crisis impact on much of the economy we were able to deliver:

- revenue of \$415.1m, our third successive year of record revenues;
- earnings before interest and tax of \$16.4m and net profit after tax of \$10.9m;
- a fully franked dividend of 3 cents per share which was paid in October;
- a strong balance sheet throughout the year, ending with over \$55m in cash and no debt; and
- an order book at 30 June 2020 of \$440m which has been further augmented by the acquisition of Trivantage and the Rio Tinto Gudai-Darri award.

We continue to see a strong pipeline of opportunities across our core sectors of infrastructure, commercial and resources. With the addition of Trivantage we will be targeting these opportunities as a group of enhanced scale, capability and geographic presence.

On behalf of the Board I would like to take this opportunity to thank you, our shareholders, for your ongoing support and also to acknowledge the hard work and dedication of management and staff across the group.

We will now proceed to the formal business of the meeting.

Authorised for release by Derek Parkin - Chairman

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