



## Chairman's address to the AGM

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### Southern Cross Electrical Engineering Limited Chairman's address to the Annual General Meeting 31 October 2017

Good morning ladies and gentlemen. I would like to welcome you to Southern Cross Electrical Engineering Limited's 2017 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.

The 2017 financial year was a transformational year for SCEE. At last year's AGM I outlined the Board's commitment to its strategy of transitioning to a sustainable resources business and delivering growth through expansion into new geographies and adjacent and complementary sectors, both organically and through further acquisitions.

I am extremely pleased to be able to stand here today and report that we have significantly progressed this strategy during the course of the past year with a number of key milestones achieved including:

- The acquisition in March of Heyday, a leading east coast electrical contractor with a strong presence in the commercial and infrastructure markets;
- The expansion of Datatel, our telecommunications focussed business acquired in June 2016, into the eastern states;
- The organic diversification of the original SCEE business into the defence, transport, renewables and utilities sectors; and
- In SCEE's historic core resources market we continued to secure capital works on LNG and mining projects and have maintained strong relationships with key iron ore clients where we are starting to see an increase in activity levels following a prolonged period of low spend in the sector.

The successful delivery against our strategic objectives has seen SCEE transform, in a short period of time, from a predominantly WA resource focussed Company to a truly diversified national electrical contractor.

Financially, after a disappointing first half result in a transitional period for the business, SCEE reported an underlying second half NPAT of \$4.1m which was in line with the guidance provided at last year's AGM. Graeme Dunn, our Managing Director and CEO, will cover the financial results in more detail during his presentation.

We entered the 2018 financial year as a business of enhanced scale and with a record order book of \$480m at 30 June 2017, up from \$55m at the same point in the prior year. Our work in hand extends across a broad range of sectors and geographies and underpins our expected FY18 revenue of over \$350m compared to \$200m in FY17.

As our exposure to sectors and geographies increases, so too does our pipeline of targetable work. We currently have in excess of \$1bn of tenders either submitted or in progress.

In the year ahead we see opportunities to increasingly leverage the expanded capabilities of the group to drive further growth through our ability to pursue larger scale projects and expand existing customer relationships into new states.

The Board continues to work closely with management to ensure SCEE is well positioned to capitalise on these opportunities as they arise.

The achievements of the past year would not have been possible without the hard work of our staff. On behalf of the Board I would like to take this opportunity to thank them for their efforts. And in closing I would like to thank you, our shareholders, for your continued support.

#### Contact

SCEE Perth Office  
41 Macedonia Street  
Naval Base WA 6165  
T: +61 8 9236 8300

Graeme Dunn  
CEO & Managing Director  
E: [graeme.dunn@scee.com.au](mailto:graeme.dunn@scee.com.au)

Colin Harper  
Company Secretary  
E: [colin.harper@scee.com.au](mailto:colin.harper@scee.com.au)