

ASX ANNOUNCEMENT

18 November 2022

2022 AGM – CHAIR ADDRESS & MANAGING DIRECTOR ADDRESS

Australian engineering, construction, and remediation contractor Duratec Limited (**Duratec** or the **Company**) (ASX: DUR) is pleased to provide the Chair address and the Managing Director address for the Company's 2022 Annual General Meeting being held today, Friday 18 November 2022.

Authorised for release to ASX by Dennis Wilkins, Company Secretary.

– ENDS –

<p><u>Investor/Media Relations</u> NWR Communications Simon Hinsley simon@nwrcommunications.com.au +61 401 809 653</p>	<p><u>Company Secretary</u> Duratec Limited Dennis Wilkins +61 417 945 049</p>
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About Duratec Limited

Duratec Limited (ASX: DUR) is a leading Australian contractor providing assessment, protection, remediation, and refurbishment services to a broad range of assets and infrastructure. Duratec's multi-disciplined capabilities combine engineering experience with project delivery expertise and use a range of in-house assessment technologies, including 3D capture and modelling technology with predictive analysis tools. Headquartered in Wangara, Western Australia, Duratec has fifteen branches around the country in capital cities and regional centres, delivering services across multiple sectors including Defence, Commercial Buildings & Facades, Infrastructure (Water, Transport & Marine), Mining & Industrial, Power and Energy.

Please visit www.duratec.com.au for further information.

This release contains certain forward looking statements and forecasts, including in relation to possible or assumed future performance, costs, dividends, rates, prices, revenue, potential growth of Duratec Limited, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Duratec Limited. Actual results and developments may differ materially from those expressed or implied by these forward looking statements, depending on a variety of factors.

Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

HEAD OFFICE

108 Motivation Drive, Wangara WA 6065
 08 6206 6900
info@duratec.com.au
duratec.com.au

Duratec Limited
 ABN 94 141 614 075
 ASX code: DUR

DIRECTORS

Phil Harcourt - Managing Director
 Chris Oates - Executive Director
 Martin Brydon - Non-Executive Chairman
 Gavin Miller - Non-Executive Director
 Dennis Wilkins - Company Secretary

Annual General Meeting 18 November 2022

CHAIR'S ADDRESS

Before I hand over to Phil, I would like to provide a recap of the business performance for FY22, discuss the strategic business model, comment on the recently announced acquisition and then close with an outlook comment.

2022 Performance

Operating performance, while COVID-19 restrictions affected our operations heavily in 1H FY22, our ability to bounce back from this in 2H to post record revenue was incredibly pleasing. This result shows the depth of our experience and capabilities, backed by our hard working, determined and resilient team.

Our FY22 full-year revenue of \$310m with normalised EBITDA of \$19.3m – a result achieved when the first half of FY22 returned \$5.0m – demonstrates our strong recovery in the second half, led by operating in more normal conditions. Encouragingly, our eastern states operations returned to performing strongly and the Company is confident that this will continue into FY23, along with continued momentum in Western Australia.

The health and wellbeing of all our employees, suppliers and all who work in the vicinity of our works has continued to be a constant focus throughout the year and remains the first agenda item on our Board meetings. I am pleased to report the Company's strategy of continuous improvement remains fully supported by open and honest reporting of incidents, demonstrating a mature approach to this important aspect of our operations.

We believe that good safety outcomes are driven by effective leadership at all levels of the organisation, together with empowered employees who are provided with the right systems, processes, and tools to get the job done.

The balance sheet remains well positioned for growth and an interim FY22 dividend of 0.5 cents per share was paid on the 10th of May 2022¹ and a final FY22 dividend of 1.5 cents per share was paid on the 5th of October 2022².

The Board continued with the Dividend Reinvestment Plan introduced on 30th August 2021 to allow shareholders to reinvest their dividends for long-term growth at a 5% discount to the prevailing average volume weighted share price.

This resulted in 984,782 shares being issued at a value of approximately \$375,945 to participating shareholders³. As a Board, we believe this provides shareholders, who choose to participate, with benefits over the longer term. We will review this from time to time as part of our capital management plans.

¹ Duratec ASX release 'Dividend/Distribution - DUR' dated 1 March 2022

² Duratec ASX release 'Dividend/Distribution - DUR' dated 22 August 2022

³ Duratec ASX releases 'Application for quotation of securities – DUR' dated 5 October 2022 & 'Application for quotation of securities – DUR' dated 10 May 2022

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Strategic Plans

Duratec's strategic goals remain unchanged from those stated in the Company's Prospectus, with sustainable growth planned in all the key sectors in which we operate. To that end, we have continued to resource the key support functions required to manage the pipeline of work and ensure that when work is won, it can be safely and successfully undertaken to our clients' satisfaction.

We finished FY22 with a strong balance sheet. We achieved this through our commitment to operating a capital light business with solid reliable cash generation, which allows for the consistent delivery of dividends while providing the option for growth from targeted synergistic, bolt-on and complementary acquisitions.

The recent acquisition of Wilson's Pipe Fabrication is an exciting addition to the Company providing circa \$20m additional revenue and +\$3m EBITDA in FY23 servicing and maintaining onshore and offshore assets in the oil and gas market, which is a new segment for Duratec⁴. We have extended a warm welcome to WPF Managing Director Mick Wilson and his successful team, and we look forward to over time expanding the footprint and opportunities for this business.

We will continue to pursue growth opportunities, both organically and via sound disciplined acquisitions that complement the business and provide opportunities to service new market segments and/or geographical locations.

Current performance

The performance of Duratec during the recent pandemic is proof of our ability to provide leading technology and expertise, which is valued even during challenging operating environments. While heavily affected by numerous and protracted shutdowns in various markets and the consequent supply chain challenges, Duratec has emerged from the pandemic with a strong balance sheet and a very strong order book. This means our business is remarkably well positioned to accelerate its growth aspirations over the coming years.

In the current market conditions, the business is placing a keen focus on profit margin. In bidding for work, we have a core belief that simply winning work to keep busy is not the objective. We are selective in choosing which projects we tender for to improve the Company's overall operating margins, profitability and cash generation. This discipline will remain a key focus throughout 2023 and beyond.

Forecast and closing statement

As outlined above, the outlook for Duratec is very positive with expectation of strong revenue growth and underlying profit contribution in FY23 and beyond, supported by an order book of \$383 million and tenders of \$690 million within an overall \$1.93 billion pipeline of tangible opportunities. These values exclude our continually increasing contribution from service agreements which add between \$40m-60m annually and the contribution from Wilson's Pipe Fabrication.

The business remains well positioned for growth over the medium term and given our recent performance, we are comfortable to provide earnings guidance for the current year at this meeting and this will be disclosed in the MD's address.

⁴ Duratec ASX releases 'Strategic Acquisition of Wilson's Pipe Fabrication' and 'Presentation – Acquisition Wilson's Pipe Fabrication' dated 10 October 2022

I am very positive about the year ahead as we continue to deliver on a strong pipeline in an improved operating environment.

On behalf of the Duratec Limited Board, I sincerely thank our Managing Director, Phil Harcourt, the leadership team and all our employees for their dedication over what has been an unusual and challenging period. The commitment and professionalism with which our people responded to these challenges is a credit to them and a great asset to the Company. I also thank all our shareholders, clients and suppliers for their valuable support over the last 12 months and throughout the pandemic.

I will now hand over to our Managing Director, Phil Harcourt, to provide a more detailed operational update and present his overview on the Company's results for the year. We will take questions following Phil's address.

Annual General Meeting 18 November 2022

MANAGING DIRECTOR'S ADDRESS

Introduction

Thank you for your update, Martin.

Good morning, everyone. I would like to extend a welcome to all of you at this the second Annual General Meeting of Duratec Limited as an ASX Listed company.

As one of the three founding shareholders of Duratec, I am proud to have been intimately involved in the growth and evolution of the Company over the past 12 years. Duratec has grown rapidly from a small business to what it is today with a national footprint of 20 branches around Australia in all states and territories and in several regional areas. From the business's foundation in Western Australia, we have been able to importantly diversify geographically, with the Eastern States now representing just over 50% of the Groups revenue.

Our business model is founded on extending the life of assets we all rely upon in our communities and using early contractor involvement wherever possible to engage with the end user clients. The need for these specialist services continues to increase independent of the building and construction cycle. Accordingly, we have a large work on hand position of \$383m, a tenders position of \$690m and pipeline of tangible opportunities of \$1.93b. These values exclude our continually increasing contribution from service agreements which add between \$40m-60m annually and the contribution from Wilson's Pipe Fabrication. This, coupled with operating in far more normal conditions, is enabling a return to historical strong year-on-year growth rates.

Further to this is the recent acquisition of Wilson's Pipe Fabrication to diversify our services and enable new market penetration and growth¹. I will elaborate on this comment later in my address under the headings Growth Opportunities & Addressable Market and FY23 Outlook and Guidance.

Now, when discussing the FY22 year, I will refer to information highlighted in the Annual Report².

People

Duratec's employees are integral to our success. We aim to provide interesting and varied project opportunities whilst working in a supportive environment and culture which acknowledges and appreciates its employees, providing training and career paths. In FY22 we grew our workforce from 725 to 857 personnel.

Attracting and retaining a diverse workforce is important to our productivity and providing opportunities for women in construction has been a focus in FY22, and we backed the theme of 2022 International Women's Day, "break the bias". We are working to change the perception of women in construction and look to improve how we attract and retain more women in the business. We have incredible women working at Duratec across a variety of roles and

¹ Duratec ASX releases 'Strategic Acquisition of Wilsons Pipe Fabrication' and 'Presentation – Acquisition Wilson's Pipe Fabrication dated 10 October 2022

² Duratec ASX release 'June 2022 Appendix 4E and Annual Report' dated 22 August 2022

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skill levels, from project managers and engineers to graduates, providing role models and mentors to others looking to enter the industry, and we hope to grow this number each year. We recognize and appreciate women in construction positively affect performance, profitability, productivity, innovation, mental health and inclusivity.

We are excited and proud to announce the introduction of paid parental and partner leave to all Duratec employees, commencing May 2022. Duratec recognizes the importance of parental and family responsibilities and the need to encourage work-life balance that this leave offers parents. This is a major step forward in improving conditions for working parents and we hope to see our employees embrace this opportunity.

Mental health training has continued throughout the past 12 months, as we recognize the need to prioritize this major issue in the community at large, particularly with the significant changes that have occurred over the past two years with the pandemic. The wellbeing of our employees is paramount. We also participated in the Blue Tree Project as part of National Mental Health Month in October, spreading the message to check in with our friends and colleagues about our mental health.

Safety remains a key focus throughout all our operations. We continuously seek to ensure the provision of safe workplaces, use of sound practices and procedures, and employ experienced front-line supervision and experienced resources on our sites to ensure all who work for Duratec and all who operate in the vicinity of our works return home in the same condition as when they arrived. Our continuous improvement practices are supported by very open and honest reporting practices in relation to incidents and potential incidents. We maintain focus on lead indicator safety observations and task inspections to promote safety awareness and support our project delivery teams.

[Environmental Social Governance](#)

Duratec's stated purpose as a market leader in protecting, refurbishing and extending the life of client's infrastructure helps reduce greenhouse gas emissions by avoidance of complete demolition and rebuild of structures.

Further, as part of our commitment towards environmental sustainability, in WA we have partnered with Remondis, one of the world's largest recycling, service and water companies, to recycle non-compliant cladding that we have removed during our increasing number of façade refurbishment projects in the state. Remondis aims to operate within a circular economy and promote sustainable materials management and has recently commissioned custom-built machinery to recycle this material which no longer complies with Australian Building Codes. This means it is diverted from landfill and recycled by Remondis, via a process of separating panels into their components and repurposing them into sustainable products that can be used in building and industry. While recycling non-compliant cladding is a new venture for Duratec, we also ensure recycling of all demolition materials in projects involving demolition of large reinforced concrete structures.

Our first project partnering with Remondis was on a façade refurbishment project at the iconic Central Park tower in Perth, where we are removing 26,000sqm of panels as well as additional structural and aesthetic improvements, a project on a scale never seen before in Australia. Delivering this project is a significant achievement for Duratec and a partnership we hope will continue.

[FY22 Operational Overview](#)

As discussed in the Annual Report, the FY22 operating and financial results reflect a year of two distinctly contrasting halves. The first half was impacted heavily by east coast COVID-19 outbreaks with state and territory

governments shutting down key projects in New South Wales, the ACT and Victoria for up to four months, while we still had to maintain our project operational overheads. Consequently, revenue achieved was only \$130m and EBITDA \$5.0m.

Pleasingly, the second half saw a return to more stable operating conditions for the delivery of projects with minimal COVID-19 impacts other than the short-term absenteeism of some employees. These improved conditions resulted in strong revenue growth, an improvement in overall gross margin achieved and underlying profit contributions relative to H1 FY22. Revenue was \$180m and EBITDA \$14.3m.

We commenced four major projects in FY22, namely, Central Park cladding replacement (\$63 million)³, RAAF Base Tindal aviation fuel farm (\$110 million)⁴, Western Sydney International Airport fuel hydrant main (\$50 million)⁵ and HMAS Stirling Oxley Wharf extension (\$27 million)⁶. Apart from Tindal, which finishes in early FY25, the other three are set for completion in FY24. All four projects are performing well and in line with expectations in terms of safety, program and financial contributions.

Duratec closed the year with a total revenue of \$310 million (excluding \$73 million from DDR), up 31% from the FY21 revenue of \$235.7 million.

Earnings before interest, tax depreciation and amortisation (EBITDA) in FY22 was \$19.3 million (i.e. 6.2% of revenue), up 2.7% from FY21's EBITDA of \$18.8 million.

Earnings before interest and tax (EBIT) was \$10.2 million, up from \$10 million.

Consolidated net profit after tax (NPAT) (inclusive of contribution from associates) was \$7.8 million compared to \$7.1 million in FY21.

Considering the H1 FY22 operating conditions, the financial performance in FY22 overall was remarkable, and demonstrates the core operational capabilities of the Company.

The Duratec balance sheet remains well positioned for growth with low debt levels and effective working capital management.

FY22 Reporting Segments

Defence

In FY22, the Defence services sector delivered revenue of \$135 million, up from \$98.8 million in FY21; and a gross profit of \$18.1 million, up from \$16.9 million in FY21.

The Defence sector revenue growth was much stronger in 2H than 1H, which was adversely affected by four months of COVID-19 shutdowns in New South Wales, the ACT and Victoria. Encouragingly, by early November 2021, all projects were functioning normally. This continued for the remainder of the financial year, resulting in an overall improved financial performance.

³ Duratec ASX releases 'Duratec executes LOI for \$63m major façade refurbishment' dated 9 March 2021 and 'Market update – record orderbook and tendered works' dated 2 June 2021

⁴ Duratec ASX release 'Duratec Secures \$110m Defence Subcontract' dated 13 December 2021

⁵ Duratec ASX release 'Duratec Secures \$50m Energy Contract' dated 12 November 2021

⁶ Duratec ASX releases 'Duratec secures \$53m contract' & 'Clarification – Duratec secures \$53m contract' dated 13 August 2021

Defence estate is responsible for more than 330 properties and 25,000 existing built assets. Refurbishment, repair and building of important assets, such as accommodation building upgrades, fuel infrastructure supply and installation, electrical asset upgrades and wharf extensions, in all Australian states and territories, continued to be Duratec's focus, with 100-plus multi-discipline projects delivered via an established presence on 70-plus bases.

Duratec's Defence team has grown to more than 175 employees and become a market leader thanks to its national coverage, base experience, strong relationships, and thorough understanding of client requirements. Accordingly, Duratec has achieved a solid Defence work-on-hand position thanks to multiple contract awards, including the \$110 million aviation refuelling facility at RAAF Base Tindal and the \$53 million design-and-construct wharf project at HMAS Stirling on Garden Island in WA being delivered by the Duratec/Ertech 50/50 Joint Venture. The projects are due for completion in FY 25 and FY24 respectively.

Mining & Industrial

In FY22, the Mining & Industrial sector performed strongly, generating revenue of \$75 million, up from \$52.9 million in FY21, and a gross profit of \$18.1 million, up from \$10.4 million in FY21, associated with performing structural integrity upgrades of infrastructure.

Notwithstanding the challenges of COVID-19, this sector has performed strongly assisted by clients increasing maintenance spend on aging assets and increases in production volumes. Clients are focused on maintaining the integrity of their key infrastructure to ensure production is not disrupted. This demand has created opportunities at both inland mine sites and at marine port ship loading facilities.

During the year, we increased our geographical presence by establishing offices in Gladstone, Queensland, and Hobart, Tasmania, to meet the service needs of key clients. Prospects in the Mining & Industrial sector remain strong and we are well positioned with local resources to deliver up-and-coming projects.

Buildings & Facades

Our Building & Facade services sector delivered revenue of \$64.7 million in FY22, up from \$39.9 million in FY21, and a gross profit of \$10.2 million, up from \$9.8 million in FY21.

The revenue from Building & Facade works in New South Wales and Victoria was adversely affected by the previously mentioned four months of COVID-19- related shutdowns, during which Duratec carried the cost of project overheads. In November 2021, however, all projects returned to normal operating conditions.

During the year, we worked on six mid-sized projects in the Eastern States, while in WA, there were four larger projects, including the \$63 million Central Park tower. Our Central Park team had completed all temporary site establishment works by January 2022 and cladding replacement, using mast climber access systems, is currently underway. This project is due for completion in FY24.

Our dedicated team is well positioned to secure and deliver more works in this market sector and as part of Duratec's commitment to environmental sustainability, all recladding projects include the recycling of non-compliant cladding materials, using custom manufactured machinery.

Other (including Energy, Ports, Transport, and Water/Wastewater infrastructure)

For FY22, Other projects contributed revenue of \$35.5 million, down from \$44.1 million in FY21, and a gross profit of \$2 million, down from \$8.7 million in FY21. This segment includes a diverse range of infrastructure, from fuel

infrastructure facilities, power station infrastructure and reinforced concrete-and-steel wharf and jetty structures to road and rail bridges, potable water reservoirs and wastewater facilities.

Since 2018, Duratec has been strategically focusing on Australian fuel infrastructure upgrade opportunities and our dedicated team has successfully delivered 18 projects. Leveraging off this proven capability, it was exciting to be awarded the previously mentioned \$50 million Western Sydney International Airport (WSIA) fuel hydrant main project in November 2021. Works are progressing in line with expectations and will continue throughout FY23 with completion expected in FY24. Despite being a new-construction and long-duration project, the WSIA works were rigorously considered during the tender phase and have been designed to mitigate risk. The well-resourced project will contribute strongly to FY23 revenue and margin.

Technical

Demand for Duratec's technical services has continued to grow throughout FY22, and the team of engineers now has a diverse range of clients from all market sectors. Increasingly, clients wish to understand the condition of their infrastructure and obtain an appreciation of future operational expenditure. To meet this demand, Duratec has invested in technology to capture and report data in an efficient and reliable manner.

Data capture techniques include the use of drones to take high-resolution images of concrete-and-steel structures. This can then be combined with precise survey data, laser scanning and thermal imaging to accurately reconstruct the asset into a 3D model. These techniques, along with in-house sampling and destructive laboratory testing, allow for the reliable analysis of a structure and an accurate condition assessment. This information is then presented to the client in a detailed report, complete with commercial options, enabling asset owners to make well informed decisions.

This ECI model has enabled Duratec to secure many opportunities in FY22, including our first \$13 million managing contractor project to manage the rehabilitation of former Defence and other Commonwealth infrastructure on six Sydney Harbour Federation Trust properties⁷.

DDR – 49% owned Associate investment

Duratec's Aboriginal and Torres Strait Islander associate business, DDR Australia, continued to perform strongly throughout FY22, with revenue of \$73 million, up from \$45.9 million in FY21. This is primarily a result of delivering Supply Nation-certified works for Defence in regions which have largely not been impacted by COVID-19. The DDR business provides genuine long-term opportunities for Aboriginal and Torres Strait Islander peoples in an environment which is welcoming, respectful and embracing of their culture. Since its incorporation in 2017, the business has grown to be one of the most respected in its segment of operation, with solid prospects associated with increased Government spend expected from Indigenous procurement policies.

Capital expenditure

During FY22, the business invested \$7.4m in key assets to enable the delivery of a broader range of services to clients, compared with \$10.5m in FY21. The main items were vehicles, compressors, mobile blast units and trucks, all of which are purchased to support project delivery.

⁷ Duratec ASX release 'Duratec Secures \$13m Sydney Harbour Federation Trust Contract' dated 1 March 2022

Outlook Growth Opportunities and Addressable Markets

Given the increasing demand for upgrading, repurposing, refurbishing and remediation of an increasing stock of aged assets nationally in all of our addressable markets, we are optimistic about Duratec's future as we complement our diverse specialist services and pursue new growth opportunities. We will continue our organic growth strategy along with a disciplined targeted complimentary acquisition strategy.

The recent acquisition of Wilson's Pipe Fabrication provides direct access into a new addressable market, namely oil and gas, with a proven track record of successful delivery of bespoke mechanical services, including servicing and upgrading exploration drill rigs, and decommissioning of ageing offshore infrastructure and maintenance associated with the National Offshore Petroleum Safety and Environmental Management Authority. We also see potential to expand this business to service oil and gas assets in the Northern Territory and eastern states via our geographical footprint. This acquisition also supports our fuel infrastructure growth strategy.

The Defence segment, which represents circa +45% of our revenue, is expected to continue to grow based upon our proven capability and continuation of the Federal Government spend on Defence of 2% of GDP.

Buildings and Facades, particularly the replacement of combustible cladding, has visible tangible opportunities comprising significant private sector and state government buildings providing a pipeline for many years to come.

Mining and Industrial, with significant aged infrastructure essential for maintaining output to its markets, is expected to continue to require structural integrity audits and upgrades for many years to come. As increased investment continues in new mines and refineries, particularly for the production of Lithium, Nickel, Cobalt, Copper and rare earth materials, Duratec has a secure future in construction and maintenance of these assets.

Energy is a clear growth area for the business, as evidenced by our announcement of the \$50m Western Sydney International (Nancy-Bird Walton) Airport passenger terminal Aviation Fuel reticulation network construction contract. The construction of the fuel infrastructure at Western Sydney International Airport is an example of how Duratec can expand its service offering, grow its revenue base and build deeper relationships with its clients.

The outlook for refurbishment of existing port marine structures, bridges, water, and wastewater infrastructure, continues to be strong.

Current Market Challenges and Mitigation

Current inflation is a challenge common to all businesses and this impacts labour, material, and consumable costs. To mitigate risks of impact upon gross margins we are remaining nimble in relation to making appropriate allowances/clarifications at tender stage for material and labour price increases throughout the delivery period of project opportunities we bid. We also ensure any Master Services Agreements include provision for negotiation of rate increases.

In relation to staff retention and labour shortages, our mitigation measures include utilising local resources, implementing recruitment incentives, long-term and short-term financial incentives, placing more focus on training and career development, improved workplace flexibility and in some cases greater utilising of sub-contractors. We are also pursuing sourcing labour from other jurisdictions to assist on projects where possible.

FY23 Outlook and Guidance

The key drivers of the business which include aged infrastructure, original construction defects, asset capacity expansion, stricter building codes and growing number of assets requiring attention, are operating strongly in all addressable market segments. The acquisition of Wilson's Pipe Fabrication – who provide specialist integrated on-site and off-site fabrication to Tier 1 oil and gas producers – provides a significant entry into the energy sector. With Duratec's national geographical footprint and reputation, in time we expect to expand WPF's services to include eastern states-based oil and gas clients.

Our current orderbook remains strong at \$383m, tenders of \$690m and our pipeline, comprising tenders and identified opportunities, is \$1.93bn. These values exclude our continually increasing contribution from service agreements which add between \$40m-60m annually and the contribution from Wilson's Pipe Fabrication. These values exclude our on-going service agreements which contribute between \$40m-60m annually to the business.

Duratec is now operating in a landscape free from limitations previously imposed by COVID-19 and we are pleased to provide guidance for FY23. The Group's revenue (including Wilsons Pipe Fabrication from acquisition Transaction Date) is expected to be in the range of \$420m to \$460m (FY22 \$310m), delivering a forecast EBITDA of \$32m to \$35m (FY22 \$19.3m).

Notes:

1. Guidance provided has been Duratec Board reviewed.
2. FY23 guidance is based upon the earnings from year-to-date work delivered plus our forward forecast assumptions of the earnings from current works and new works yet to be won and expect to be delivered by 30 June 2023.
3. Any material variance from the guidance range provided will be notified to the market.
4. The Transaction Date on the Wilsons Pipe Fabrication acquisition was 20 October 2022.

Closing comments

As evidenced by our strong work-on-hand position, with secure conversion this financial year we are well positioned to deliver a strong result in FY23 and beyond.

I would like to thank the Board, the Leadership team, all employees, our valued clients, and suppliers for their ongoing support.

Finally, I would like to thank you, our valued shareholders, for your ongoing support of Duratec.

This completes my address and before proceeding to the formal matters of this meeting, I will open the meeting to questions relating to my address.