



**Inframax Construction Limited**  
**Half Annual Report**  
**For the six months ended 31 December 2023**

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## **Report from the Chairman**

**For the six months ended 31 December 2023**

It is pleasing to see further stabilising of Inframax’s revenue and EBITDA performance in the six months ended 31 December 2023 as the business realises the full annual impact of the Ruapehu District Council road maintenance contract. Revenue for the first half of the reporting year was up \$7.7M (being 50%) on the same period prior year. EBITDA for the same period was up \$983K (being 129%) on prior year.

A key highlight in the first six months of the 2024 reporting year was commencing the second stage of the SH43 Forgotten Highway, Tangarakau Gorge Seal Extension project (stage 2). Awarded off the back of the high-quality work delivered by the Inframax team for stage 1 of the same project, the project works span two years and provides a solid foundation for Inframax’s forward order book in construction. It is pleasing to see NZTA / Waka Kotahi’s confidence in Inframax to deliver construction projects continue to grow.

Formulating a compelling and value-added solution for road maintenance services for one of our key account customers, Waitomo District Council, has been a strategic priority for the business in the six months ended 31 December 2023. The tender for these services was released in November 2023, closing February 2024. With a maximum term of 7 years, resecuring this contract is important to the order book security of the maintenance business of Inframax.

The business’ baseline data for carbon emissions was established in the first six months of the year, which will be the reference point as the business measures carbon emissions and the effectiveness of carbon reduction initiatives going forward.

The economic environment continues to be challenging for New Zealand businesses, with interest rates remaining high despite inflation finally starting to come down, albeit slowly. Funding is one of the biggest challenges that local authorities are facing and this, in turn, is impacting the flow and phasing of work across some of our customers and contracts. The business continues to monitor and work closely with our customers to navigate these challenges. The business has worked hard to implement fair, equitable and market tested wage rates, labour constraints, particularly with our frontline workforce continues to be a challenge, with every one of the regions we operate within proving challenging to attract talent. Succession continues to be a key focus for the business.

### **Summary of Financial Results**

Dollars in Thousands	six months ended 31 December 2023	six months ended 31 December 2022
Revenue	23,111	15,361
EBITDA	1,744	761
Net cash inflow / (outflow) from operating activities	2,798	795
Net cash inflow / (outflow) from investing activities	(1,065)	(2,180)
Net cash inflow / (outflow) from financing activities	(792)	1,050
<b>Net Cash Flow Movement</b>	<b>940</b>	<b>(335)</b>
Total Assets	25,421	21,438
Total Equity	13,000	11,593
Equity Percentage	51%	54%

Earl Rattray  
**Chairman**

**Statement of Performance Measures**

**For the six months ended 31 December 2023**

The Statement of Corporate Intent states the Company will endeavor to exceed the targets of the Projected Business Plan. The results achieved compare with performance criteria in the Statement of Corporate Intent as follows:

	Statement of Intent 31 December 2023		Statement of Intent 31 December 2022	
	Achieved six months	Full Year Target	Achieved six months	Full Year Target
<b>Performance Measures</b>				
Equity Ratio	52%	50%	57%	65%
Current Ratio	Positive	Positive	Positive	Positive
Revenue (millions)	\$23	\$44	\$15	\$35
Bank Covenants	Satisfied	Satisfied	Satisfied	Unconditionally met
EBITDA (millions)	\$1.7	\$3.1	\$0.7	\$2.6

The Equity Ratio is the average Shareholders Funds expressed as a percentage of average Total Asset. Average Total Assets and Average Shareholders Funds are based on 31 December 2022 and 31 December 2023 figures.

	Statement of Intent 31 December 2023		Statement of Intent 31 December 2022	
	Achieved six months	Full Year Target	Achieved six months	Full Year Target
<b>Non-Financial Performance Measures</b>				
Lost Time Injury Frequency Rate	24	Zero	n/a	n/a
Accident Compensation Days	Prior Injuries - 0 New Injuries - 205	Prior Injuries - 100 New Injuries - 0	10 Standard Achieved (note: assessment scheduled Jun23)	850 Standard Achieved
ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved (note: assessment scheduled Jun23)	Standard Achieved
ISO 45001 Accreditation	Standard Achieved	Standard Achieved		Standard Achieved
Environmental Consent Compliance				
Non-compliant	0		0	
Partially compliant	3		3	
Highly compliant	0	All	5	All
Fully compliant	5		0	
Not Assessed	1		1	
Support of local events in operating area				
Number of local events where the company provided complimentary goods, service or financial support	9	15	3	15

**Note**

1. Lost Time Injury Frequency Rate – This is not a measure in the current year as agreed with the Shareholder.
2. Accident compensation days – are measured on a 1 April to 31 March year.