

ASX:VYS

5 May 2022

Operations And Earnings Update

Vertically integrated water service provider Vysarn Limited (ASX:VYS) (Vysarn)(Company) provides the following update for the full year to 30 June 2022 (FY22).

Operational Update

The recent increase in COVID-19 case numbers in Western Australia in March and April 2022 coupled with the hard border lockdown in Western Australia until early March 2022 has had an impact on the availability of our workforce and client site access which in turn has caused interruptions to operations in the hydrogeological drilling division during the period.

This has consequently led to a reduction in actual and forecast average drill rig utilisation for the January to June period.

Pleasingly, the Company is now experiencing stronger workforce availability, and conditional upon client demand, Vysarn expects a return to full rig utilisation by late June with the resumption of steady state earnings in the hydrogeological drilling division immediately thereafter.

The Company's test pumping and consultancy divisions have traded in line with expectations during the period.

Guidance update

The Company provides the following update to guidance:

Description	FY21	FY22	Percentage Change (%)
	Actual (\$,000)	Forecast (\$,000) ⁽¹⁾	
Revenue	25,800	44,000	71%
EBITDA*	5,008	9,000	80%
EBIT	1,572	4,600	193%
EBT	1,137	4,100	261%

Notes:

1. Revenue and Earnings forecasts based on no further significant COVID-19 related interruptions

* Original guidance for FY22 was EBITDA \$10 million to \$11 million

Outlook

The Company maintains a strong pipeline of work across water consultancy, hydrogeological drilling and test pumping, as well as continuing to identify ongoing organic and acquisitive growth opportunities. As such, the Company anticipates continued growth in group earnings in FY23.

The ASX announcement has been authorised for release by the Board of Vysarn.

For more information:

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