

HRL Holdings Ltd

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HRL Holdings grows revenues to \$14.1 million, shares flat

HRL Holdings Ltd (ASX:HRL) has posted revenue of \$14.1 million and an underlying loss after tax of \$138,806 for its Australian and New Zealand lab operations.

The company has 10 lab locations and splits its revenue across HAZMAT services, geotechnical services, food and environmental lab services, and software service revenue.



WHAT WE DO



LABORATORY SERVICES



BRANCH NETWORK



HRL is recovering from a speed bump it hit in its methamphetamine screening work in New Zealand due to a government change to the guidelines on testing standards.

Late in November 2018, HRL noted that methamphetamine-related revenues were expected to decline to A\$1.9 million in FY19, from A\$4.6 million in FY18.

	TRADING DIVISIONS					CORPORATE	CONSOLIDATED
	HAZMAT \$000's	GEOTECH \$000's	FOOD/ENVIRO LABORATORY \$000's	SOFTWARE \$000's	TOTAL \$000's	\$000's	\$000's
Revenues	3,741	4,045	6,051	242	14,079	-	14,079
Underlying EBITDA (\$)	(25)	96	1,556	86	1,713	(1,002)	711
Underlying EBITDA (%)	(1%)	2%	26%	35%	72%	-	5%
Operating depreciation and amortisation	(210)	(100)	(675)	(14)	(1,000)	(6)	(1,005)
Net interest expense	(18)	(8)	-	-	(26)	16	10
Underlying profit before tax	(253)	(12)	881	72	688	(993)	(305)
Operating income tax	71	3	(247)	(20)	(193)	358	165
Underlying profit after tax	(182)	(9)	634	52	495	(635)	(140)
Non-operating adjustments							
JV incorporation related expenses	-	-	(22)	-	(22)	-	(22)
Earn-out expenses/adjustments	-	-	(2,722)	188	(2,534)	-	(2,534)
Amortisation of intangible assets arising from acquisitions	(77)	(512)	(892)	(601)	(2,082)	-	(2,082)
Share based payments	-	-	-	-	-	(31)	(31)
Share of loss - equity accounted investment	-	-	(10)	-	(10)	-	(10)
Non-operating income tax	22	141	256	165	584	9	593
Statutory profit after income tax	(237)	(380)	(2,756)	(196)	(3,569)	(657)	(4,226)

H1 FY2019 Segment performance

In a letter to shareholders today, CEO Steve Dabelstein wrote: "The first 6

Price: 0.105

Market Cap: \$51.81 m

1 Year Share Price Graph



Share Information

Code: HRL

Listing: ASX

52 week High Low
 0.18 0.069

Sector: Power & Utilities

Website: www.hrlholdings.com

Company Synopsis:

HRL Holdings Ltd (ASX:HRL) is listed on the Australian Securities Exchange.

action@proactiveinvestors.com.au

months trading of the FY2019 year has been a mixed success.

"While the financial results reported for the period were impacted in some sectors by difficult trading conditions, the Directors and I hold a positive view for the future.

"The underlying EBITDA of \$711,000 was down by \$718,000 on the prior year period.

"The largest notable impact to the results came from the change in methamphetamine contamination testing standards in NZ.

HRL acquired Analytica Laboratories in November 2017

"We are working hard to replace the sales and earnings through growth in other testing with Analytica achieving revenue of \$6.051 million (+21% vs PCP \$4.986 million) and EBITDA of \$1.556 million (vs PCP \$1.577 million) on a pro-forma basis."

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