

Matrix masters its world

■ Carolyn Herbert

AFTER listing just 18 months ago, Matrix Composites and Engineering has become a local success story, with its shares jumping from the \$1 issue price to more than \$9 this month.

Matrix has become one of the Australian Securities Exchange's top 300 companies, delivered \$19.3 million in profit for the first half of this financial year and has started operations at its \$64 million manufacturing plant in Henderson.

The Western Australian company specialises in the manufacture and design of advanced composite materials, engineering plastics and buoyancy systems for the subsea oil and gas sector.

CEO Aaron Begley has been with the company for more than 15 years and played a central role in the development of Matrix's products and markets.

The company's origins can be traced to Begley Engineering, Mr Begley's father's company, which was established in 1982 to service the offshore oil and gas industries.

"In the 1990s we decided to diversify and look at the application of composite materials to the offshore and subsea sector and Matrix was born out of that process," Mr Begley said.

Mr Begley became managing director of Matrix 1999. which ran

TOP PLAYER

WA's Matrix supplies advanced composite materials, engineering plastics and buoyancy systems to the subsea oil and gas sector.

Shares have soared since founders took company public 18 months ago.

separately to Begley Engineering for almost nine years.

"In late 2007, we installed some testing equipment which enabled us to test and certify our product to an American petroleum institute standard and, once we did that, we started to become globally recognised as a serious player," he said.

Begley Engineering and Matrix merged again in 2008, with the intention of carrying out an initial public offer later that year.

"The IPO was done to develop our new facility in Henderson. We looked at starting the process in 2008, but when the GFC came along we decided to relaunch the IPO in November of 2009," Mr Begley said.

Matrix shares were valued at \$1 each under the IPO to raise \$15 million. Matrix shares, which have traded above \$9 over the past five weeks, closed on Tuesday at \$8.82.

"I think we may have been undervalued, but we were very conservative with our forecasts," Mr Begley said. "However, being a new company to the listed environment I think it's better to under commit and over deliver and that's pretty much our mantra."

Chris Whipple, of Argonaut Securities, which was the broker to the offer, said the current share price was an accurate reflection of the company's profitability.

The company primarily services the international market via a global network of agents, distributors and subsidiaries and exports its products to more than 30 countries.

"Our clients are export clients, so banging the drum domestically doesn't have much of an effect from a client relation perspective. Internationally, we have a profile in the industry which is probably bigger than it is here," Mr Begley said.

Production has begun at the company's Henderson plant, which is the world's largest buoyancy plant capable of delivering large composite foam structures of any size or configuration. Matrix's order book of more than \$180 million reflects a strong demand for the company's products.

"We are going into another boom period and are looking to grow specific areas of our business globally, such as supplying products into the marine riser drilling sector but also into the production sector which is also a big market for us," Mr Begley said.



EXPORT CLIENTS: Aaron Begley says the WA company has an international profile. **Photo: Grant Currall**