



Matrix Composites & Engineering in Western Australia is home to Australia's largest composite manufacturing plant and the Southern Hemisphere's largest hyperbaric test facility. Pictured above is Quality Inspector & Hydrostatic Testing Operator Norlito Bonsol. Photo credit: Matrix Composites & Engineering

WA manufacturer secures defence export deal

Matrix Composites & Engineering (Matrix) in Henderson, Western Australia is home to Australia's largest composite manufacturing plant and the largest hyperbaric test facility in the Southern Hemisphere.

For more than 20 years, Matrix has been supplying the global oil and gas industry with tailored, engineered polymers to support their subsea architecture.

In 2020, with the COVID-19 pandemic affecting the global oil and gas industry, particularly offshore exploration and drilling markets, Matrix searched for other sectors where their expertise in tailored polymers would be equally valued.

Championing Australian capability, Matrix successfully pivoted into the defence sector, reaching new clients around the world.

New clients, new horizons

Matrix uses its material science expertise to create composites that replace traditional materials, such as steel.

"We have the ability to manufacture products at scale, where they would once have been made in a bespoke manner and very labour intensive," CEO Aaron Begley said.

Matrix has been exporting to a wide range of countries, including South Korea, Singapore, Malaysia, Brazil, USA, Canada, Norway and the United Kingdom.

When COVID-19 hit, two things happened simultaneously that impacted the company – a decrease in the demand for oil and subsequent collapse in oil prices; and the implementation of restrictions associated with operating during the pandemic.

- » Defence West, on behalf of the Western Australian Government, works to grow the state's defence industry.
- » The Centre for Defence Industry Capability (CDIC) is an Australian Government initiative helping small businesses connect, build, innovate and export in the defence industry.
- » Matrix Composites & Engineering actively engaged with the defence industry in Australia and overseas, with assistance available from Defence West, Austrade and the local CDIC team.



Production Supervisor Chris Kanz overseeing roto moulding operations. Photo credit: Matrix Composites & Engineering

"These two things combined meant that the activity in our main market, the oil and gas industry, dropped to a 25 to 30 year low," Mr Begley said.

"Many in the oil and gas industry were under financial strain. The global drilling fleet is operating at about 50 to 60 per cent capacity and is decreasing rapidly in size, the forecast is that next year it will be a third of the size that it was in 2015.

"This dramatic downturn in revenue from our traditional product lines pushed us to accelerate our diversification strategy that we had started last year."

Matrix had searched for other sectors where their expertise in tailored polymers would be equally valued.

In January 2020, Mr Begley and Matrix Product Development Lead James Kingston met with a major overseas client in the defence industry.

"Defence has been on our radar for quite some time now," Mr Kingston said.

"It's one such area where the clients are equally demanding and the environmental conditions equally inhospitable.

"We have actively engaged with the defence industry both at home and abroad, taking advantage of the help and assistance available from the local CDIC team, Austrade and Defence West.

"Working with them helped us understand where we have to operate slightly differently, but also where the overlaps are so that we could deliver to defence clients as we do for our oil and gas clients."

The pivot into the defence industry cushioned the impact of the pandemic and enabled Matrix to reach new clients all over the world.

"We listened to their concerns to make sure we understood their needs and could give them the tailored service and manufacturing package that they needed," Mr Kingston said.

"And in the end, we have sold them an Australian capability which we then subsequently exported to that market.

"We did this by building trust and relationships as we went, and most importantly we have succeeded in the design, manufacture, test, and delivery of our product to the client, delivering major performance improvements for them."



Matrix Composites & Engineering Chief Financial Officer Brendan Cocks and Chief Executive Officer Aaron Begley. Photo credit: Matrix Composites & Engineering

Future focus

Reflecting on 2020, Mr Begley was grateful that the business was in a financial position to pivot and develop new offerings.

“One thing I’ve learned this year is that pivoting takes longer than you think, so make sure you have sufficient resources,” he said.

“If you think it will take 6 months, it will actually take 18. I think you need to be prepared to make some very hard decisions in the short to medium term.

“Defence exports - or any other exports - are not impossible. With care and focus, Australian firms can achieve global competitiveness and can access markets.”

Six months before COVID-19 hit, Matrix invested in the IT infrastructure that, when the time came, enabled the company to move to work from home, while the factory continued to operate at 100 per cent capacity.

“One of the lessons for me is, perhaps not to be afraid to invest in resilience and flexibility before you need it,” Mr Kingston said.

“It may not quite get to the top of the urgent pile at the time, but it is important to do it, because it is likely you won’t have the time to do it when you need it.”

Mr Begley offered words of advice to exporters on the importance of being able to adapt.

“To me, it seems like volatility is just a new reality. You don’t have to tell a wine, or a barley exporter that,” he said.

“Looking at 2021 and beyond, the ability to switch your business on and off quickly due to volatility in market demand is really important.”

Get in touch

If you are looking for opportunities in business, investment or trade, contact our experienced team at Invest and Trade Western Australia.

Contact: investandtrade@jtsi.wa.gov.au

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