

17 February 2025

ASX ANNOUNCEMENT SIMONDS GROUP LTD FIRST HALF 2025 FINANCIAL YEAR RESULTS

Simonds Group Limited (Simonds, Group or Company) (ASX: SIO), has today released its Appendix 4D Financial Report for the six months ended 31 December 2024 (1HFY25).

Simonds reported an Earnings Before Tax Depreciation and Amortisation (EBITDA) of \$13.6 million and a net profit after tax (NPAT) at a group level of \$1.9 million.

Results for the six months ended 31 December 2024:

	1HFY25 \$ million	1HFY24 \$ million
Revenue	\$318.1	\$337.0
Earnings before interest, tax, depreciation and amortisation	\$13.6	\$12.1
Net profit after tax from continuing operations	\$2.0	\$1.7
Net profit after tax reported	\$1.9	\$2.5

1HFY25 HIGHLIGHTS

- Improvement in NPAT from continued operations despite a challenging trading environment.
- Revenue was impacted by softer demand and reduced site starts given the delay in the return of residential sales growth in Victoria. Starts within the Insurance channel have reduced because of lower demand, with the business pivoting to alternative strategic initiatives that sustains long-term growth and profitability.
- The impact of the lower volumes was offset by higher site start values and improved margins on jobs going to site.
- The Group remains focussed on the effective management of overheads while investing in growth initiatives.
- The Group announced on 31 January 2025 the signing of a binding agreement to acquire 100% of the issued share capital of Dennis Family Homes Pty Ltd.
- Liquidity remains strong, with available liquidity of \$32.4 million as at 31 December, comprising of \$7.8 million cash on hand and unused banking facilities of \$24.6m.

1HFY25 OVERVIEW

Commenting on SIO's results for 1HFY25, the Group CEO David McKeown said:

"We are pleased to report a strong performance in the first half of FY25, achieving a \$1.5 million EBITDA growth from continuing operations despite a challenging macroeconomic environment. This result underscores the resilience and dedication of our team, alongside our disciplined approach to cost management and focus on driving margin growth.

The recent signing of a binding agreement to acquire 100% of the issued share capital of Dennis Family Homes Pty Ltd marks an exciting step forward for Simonds. With completion expected in early March, this acquisition is set to deliver significant long-term value and further solidifies our competitive position in the market.

We remain committed to investing in capabilities that diversify our revenue streams, particularly our alternative sales channels. This will help drive sustainable growth and aligns with our ongoing focus on cost efficiency and adaptability in an evolving market. Although the residential market in Victoria continues to face affordability challenges and subdued consumer confidence, we are confident that our strategic approach will position us well for long-term success.

As we celebrate 75 years of Simonds, we reflect on the enduring strength of our brand and the trusted partnerships we have built across the residential construction industry. This milestone reinforces our commitment to delivering value and growth for our stakeholders."

OUTLOOK AND FUTURE DEVELOPMENTS

- The acquisition of Dennis Family Homes, announced on 31 January 2025, is expected to contribute to future returns and synergies, supporting long-term profitability.
- The residential construction sector is navigating challenging conditions, and the Group is aligning the operational structures and cost base to be optimal once the market returns.
- The Group is continuing to invest in alternative sales channels and expanding its designs and capability to deliver medium density, affordable housing and small lot products.

Simonds remains optimistic about the longer-term outlook of the residential construction sector. Demand is expected to return, and the continued investment in capability should support the delivery of new homes across the expanded customer base of the Group.

DIVIDENDS

The Directors have determined that no dividend will be declared in relation to the six months ended 31 December 2024.

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Authorised for lodgment by the Simonds Group Limited Board of Directors.