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1H FY26 Half Year Results

31 DECEMBER 2025




SIMONDS
GROUP



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Continued growth and investment in new markets and capability.



Dennis Family Homes (DFH) acquisition

- Successful completion of the DFH operational integration, supported by a strong pipeline of new starts, while continuing to deliver sales growth in the Victorian residential market.



Simonds Homes WA -

Signed a 50/50 joint venture agreement to enter the WA residential construction market, supporting Simonds growth ambitions as a truly national builder. Simonds is investing in capability to deliver substantial volumes through the WA market which will contribute to growth in future profitability.



Channel maturity -

Ongoing investment in alternative sales channels created capacity that supported increased site starts for the period while improving the pipeline of jobs available to start in the near term.



Victorian residential market

has shown strong sales performance, with affordability improving and the government first home buyer incentives providing support for new entrants to the market.



Financial performance

- Continued growth in EBITDA (\$17.9m) through increased site starts and margin expansion while continuing to invest in new markets.

1H FY26 HALF YEAR RESULTS

Growth in revenue and profit

Revenue¹
\$362.8m
 Up \$44.7m from \$318.1m

EBITDA¹
\$17.9m
 up \$4.3m from \$13.6m

Site Starts²
904
 Up 171 from 733

Available liquidity
\$43.8m
 Down \$3.9m from \$47.7m³

- **Revenue** increased by 14% as a result of higher site starts driven by contributions from alternative channels and the impact of the DFH acquisition.
- **EBITDA** from continuing operations reflects a sustainable improvement whilst the business increased the investment in lead generation and capability that support employee and customer outcomes.
- **Site starts** increased by 23%, through:
 - Growth from the expanded display network and product offering acquired through DFH.
 - Government initiatives to support first home buyers
 - Alternative channels maturing into the reporting period
- **Liquidity** remained strong, supporting capacity to fund working capital requirements of the growth initiatives.

1. From continuing operations
 2. Excludes any display homes
 3. Available liquidity as at 30th June 2025
 Note: All comparisons are to the prior corresponding period (pcp) unless otherwise stated.



Financial performance

	31-Dec-25	31-Dec-24
	\$m	\$m
Continuing operations		
Revenue	362.8	318.1
Cost of sales	-278.4	-249.2
Gross margin	84.4	68.9
Operating expenses	-66.5	-55.3
EBITDA¹	17.9	13.6
Depreciation & Amortisation	-11.7	-9.2
Interest expense ²	-1.1	-1.4
Profit before tax	5.0	3.0
Income tax expense	-1.6	-1.0
Profit after tax	3.4	2.0
Discontinued operations		
Loss from discontinued operations after tax	-0.4	-0.1
Profit after tax for the half-year	3.0	1.9

¹ Referring to Earnings before Interest, Income Tax and Depreciation & Amortisation ("EBITDA")

² Interest expense mainly comprises non-cash interest on long-term lease liabilities calculated in line with AASB16 Leases and line fee on borrowing facilities.

- **Revenue from continuing operations** increased on the back of higher site starts generated through the stronger residential and alternative channel pipelines and increasing site start value of jobs going to site.
- **Gross margin** increases reflect the revenue growth for the period, in conjunction with the cost and productivity initiatives, which provided a superior margin outcome for the jobs under construction.
- **Operating expenses** increased by \$11.2 million, given the investment in resources to deliver the higher volumes on site and implementation of growth initiatives supporting the alternative sales channels and new markets.
- **Depreciation and amortisation** increased due to expanded display footprint following the DFH acquisition, and lease of new head office.

Financial position

	31-Dec-25	30-Jun-25
	\$m	\$m
Cash / Equivalents	20.4	23.3
Receivables	28.6	46.1
Accrued revenue	36.7	38.7
Inventories	30.9	21.2
PP&E	3.8	2.5
Intangible assets	19.6	20.7
Other	4.8	2.8
Right-of-use assets	29.3	15.7
Deferred tax asset	-	0.1
Total Assets	174.1	171.1
Liabilities		
Trade / other payables	71.0	83.3
Deferred revenue	19.6	15.9
Lease liabilities	30.0	16.8
Borrowings	1.4	0.8
Other financial liabilities	4.6	9.5
Provisions	23.3	25.3
Deferred tax liabilities	1.5	-
Total Liabilities	151.4	151.6
Net Assets	22.7	19.5

- **Cash** remained strong, reflecting the Group's continued focus on disciplined liquidity management.
- **Receivables and Trade payables** reduced through improved productivity and changes in the mix of jobs on hand by channel and movements per the annual working capital cycle.
- **Inventories** increased with the continuous renewal of the display network and investment in future sales capability.
- **Intangible assets** comprise goodwill recognised on acquisition of DFH, including the acquired forward-order book.
- **Deferred revenue** represents customer deposits on hand, which increased in line with the growth in sales volumes.
- **ROU assets and Lease liabilities** increased with the acquisition of the new leases for the corporate office and customer experience centre.
- **Other financial liabilities** reduced as the Group continued to settle deferred consideration payable for the DFH acquisition.
- **Provisions** represent estimated liabilities for employee, maintenance, and warranty obligations.

Cash flow

	31-Dec-25	31-Dec-24
	\$m	\$m
Cash flows from operating activities		
Receipt from customers	424.6	389.0
Payments to suppliers / employees	-409.8	-371.5
Interest paid	-1.1	-1.4
Net cash generated from operating activities	13.7	16.1
Net cash used in investing activities	-7.9	-2.7
Net cash used in financing activities	-8.7	-7.2
Net (decrease) / increase in cash	-2.9	6.2
Cash and cash equivalents at beginning of the period	23.3	1.6
Cash and cash equivalents at end of the period	20.4	7.8

- **Cash flow from operating activities** remained strong, supported by higher revenue. The reduction compared to the prior period reflects the investment in the display footprint, offset by the working capital phasing of jobs on site.
- **Net cash generated used in investing activities** primarily represents the settlement of deferred consideration for the DFH acquisition.
- **Net cash used in financing activities** largely comprises of payments towards the Group's lease liabilities, including higher payments associated with the expanded display footprint.

FY26 Key initiatives

Targeted growth initiatives aligned to affordability, margin and scale

Geographical & channel expansion

- Building on strong momentum, Simonds is entering the WA market to unlock growth and geographic diversification.
- Continuing to scale our investor channels, leveraging turnkey offerings and strong demand for quality, trusted housing solutions.

Operational transformation

- Investment earmarked to enhance operational capability through upgraded applications and simplification of the delivery platforms and integration.
- Resources allocated to strengthen the Simonds data environment supporting growth and embedding AI capability.

Product innovation

- Continued investment in new designs and facades in the Medium Density channel to support customer demand and drive creative solutions for the development of smaller lots.
- Closely collaborating with Investor channels to develop new product that support the delivery of affordable and higher density products.

Customer experience

- New interactive Gallery experiences nearing completion, which will support improved customer engagement and design-led conversion.
- Investment in AI-driven front-end capabilities to improve customer experience, accelerate conversion, and reduce manual effort across our customer service teams.

Current trading conditions & outlook

Simonds' maturing strategy has positioned the business for sustained growth, with confidence in the years ahead. Key trends shaping our outlook include:

1. Build Volume & Demand Outlook

- National detached housing activity has increased across most markets, despite ongoing land supply constraints in QLD and SA. Regional Victoria has recorded positive growth, with momentum expected to continue.
- Demand for affordable, turnkey product has driven strong growth in the investor channel.

2. Land Supply & Affordability

- Land prices in SA and QLD¹ recorded consistent growth across both states. SA and QLD are expected to continue facing land shortages in 2026, placing ongoing upward pressure on land prices.
- Demand has increased in Victoria given improved affordability and supply of land. The macro economic environment will continue to play an important role impacting sentiment and customer confidence in making critical investment decisions.

3. Government & Policy Environment

Recently announced Government housing initiatives, including the third round of funding released by the Housing Australia Future Fund, will support strong demand for the delivery of affordable housing.

Simonds is well positioned to participate at scale, leveraging its national footprint, diversified product portfolio and proven delivery capability across affordable housing.

¹ Source: R4 National Land Survey, Colin Keane



FY26 Market opportunities include:

- **Expansion into WA:** Western Australia presents a strong and growing residential construction market. This strategic investment broadens Simonds' geographical footprint, supports market share growth, and enhances our ability to deliver quality affordable housing through a value-accretive joint venture.
- **Investor Channel Growth:** Ongoing capability expansion, supported by turnkey product offerings and solid underlying demand, is expected to continue driving momentum across the investor channel.

Thank you.

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