Schaffer Corporation Limited

SFC FY26 FULL YEAR RESULTS

19 August 2026

Dear Shareholder,

Schaffer Corporation Limited (ASX: SFC) reported another good year with FY26 full year statutory net profit after tax (NPAT[1]) of $22.2 million (FY25: $24.3 million).

RESULTS SUMMARY

($ million)	1H26	2H26	FY26	FY25	$ Change
Revenue from:					
Automotive Leather	81.2	95.1	**176.3**	185.5	(9.2)
Delta	6.1	7.8	**13.9**	31.6	(17.7)
Group Investments	5.8	5.8	**11.6**	11.7	(0.1)
South Connect Jandakot	0.4	0.5	**0.9**	0.9	-
Total Revenue	93.5	109.2	**202.7**	229.7	(27.0)
NPAT[1] from:					
Automotive Leather	4.6	7.2	**11.8**	16.3	(4.5)
Delta	(0.3)	(1.0)	**(1.3)**	4.9	(6.2)
Manufacturing NPAT[1]	4.3	6.2	**10.5**	21.2	(10.7)
Group Investments	2.4	2.1	**4.5**	3.3	1.2
South Connect Jandakot	0.2	10.4	**10.6**	3.0	7.6
Corporate	(1.9)	(1.5)	**(3.4)**	(3.2)	(0.2)
Statutory NPAT[1]	5.0	17.2	**22.2**	24.3	(2.1)
EPS			**$1.63**	$1.78	
Ordinary Dividends (fully franked)			**$0.90**	$0.90	

1. Net Profit after tax and minority interests.

Following a challenging first half for the manufacturing divisions, Automotive Leather recovered well with a strong performance in the second half. Automotive Leather has won a new program in Europe with Jaguar Land Rover and in China with Chery and Mercedes. This bodes well for FY27.

Delta had a difficult year but ended the financial year with a strong order book. This should lead to a profitable 1H27.

South Connect Jandakot reached an exciting milestone, commencing construction of its first large building in February 2026 of 13,500 square meters (nearly 3.5 acres). South Connect Jandakot is a valuable Group asset which was revalued on 30 June 2026 and recorded an after-tax unrealised revaluation gain of ~$10.2 million. The sites Master Plan continues to be optimised to maximise the long-term opportunity of this asset.

Total Investment Portfolio's pre-tax, net equity value increased to $240.9 million (FY25: $227.3 million) representing $17.76 per share (FY25: $16.73 per share).

The Board has declared a final fully franked dividend of $0.45 per share, matching last year's final dividend.

AUTOMOTIVE LEATHER

($ million)	1H26	2H26	FY26	FY25
Revenue	81.2	95.2	**176.4**	185.5
Segment NPAT[1]	4.6	7.2	**11.8**	16.3

1. Net Profit after tax and minority interests.

Automotive Leather had a much improved second half with sales rebounding 17% to $95.2 million (1H26: $81.2 million). Profit[1] also recovered strongly, increasing 57% to $7.2m (1H26: $4.6m). The first half results were affected by a cyberattack at Jaguar Land Rover which temporarily halted their production for around two months. First half profit[1] was also impacted by new program launches with higher design complexity. These production processes have now stabilised.

Profits during the second half versus the first half of FY26 were negatively impacted by a strong Australian dollar versus Euro, our main currency for sales. These losses were partially offset by a weaker Australian dollar versus the US dollar, our main currency for costs.

During the second half, multiple automation projects commenced, positively driving production efficiencies. Automotive Leather will continue investing in automation to maximize production efficiency.

Automotive Leather has won a new program in Europe with Jaguar Land Rover and new programs in China with Chery and Mercedes. The Europe program is scheduled to launch towards the end of the first half with the two China programs scheduled to launch in early 1H27. These new programs should result in increased revenues and profit[1].

Subject to the risks indicated below, Automotive Leather profitability for 1H27 should be at least similar to 2H26.

Risks for Automotive Leather include:

- Competitive automotive environment.
- Global economic uncertainties including a global economic slowdown.
- Adverse impact from tariffs on sales volumes for our models.
- Adverse currency volatility.
- Geopolitical risks which may cause elongated supply chains.

DELTA

Full-Year ($ million)	FY26	FY25
Revenue	**13.8**	31.6
Segment NPAT	**(1.3)**	4.9

Delta incurred a loss of ($1.3 million) after last year's excellent profit of $4.9 million. Compared to the past few years, the West Australian government spending on large civil infrastructure projects decreased significantly, coinciding with continued subdued private sector projects. This combination resulted in fewer projects, more competition and lower margins.

Delta finished the financial year with a strong order book, and we expect Delta's performance to be positive for the first half of FY27.

TOTAL INVESTMENTS

SFC's total investment portfolio comprises Group Investments and South Connect Jandakot and represents a growing proportion of the Group's underlying assets and valuation.

The pre-tax, net equity value of the total investment portfolio increased to $240.9 million, $17.76 per share. This compares to the June 2025 value of $227.3 million or $16.73 per share. The growth relates primarily to the increasing value of South Connect Jandakot. Our equity investment valuations also increased, partially offset by lower valuations in our multi-family property investments in the US.

Approximately 75% of Total Investment assets ($180.4 million[2]) are property, the largest portion being South Connect Jandakot ($103.1 million[2]) with other property of $77.3 million[2]. Most of the property assets are value-add, focusing on potential medium-to-long-term capital gains. A further 19% of SFC's Total Investment assets ($39.8 million[2]) are invested in cash deposits and highly liquid equities with a bias towards quality and value, through internally managed SFC Global equity funds and other externally managed equity funds.

We continue to grow Group Investments opportunistically with the objective of maximising shareholder value over the medium and long-term.

Pre-Tax Net Equity Value[2]	Jun 2026 $m	Jun 2025 $m	Jun 2026 $/Share	Jun 2025 $/Share
South Connect Jandakot	**103.1**	88.0	**7.60**	6.48
Other Property Investments[2]	**77.3**	75.8	**5.70**	5.58
Equity investments at market value[2,3]	**40.2**	36.1	**2.96**	2.66
Cash, term deposits and fixed income	**20.3**	27.4	**1.50**	2.01
Overall investment portfolio	**240.9**	227.3	**17.76**	16.73

2. Group share of fair value less Group share of debt.
3. SFC's investment in Harvest Technology Group (ASX: HTG) is included using a value per share of $0.0045, which is below the $0.0115 closing share price of HTG at 30 June 2026. The discount to the closing price takes into consideration the significant volume of HTG shares held by the Group.

The Group's total property investments of $180.4 million[2], comprises the following main investments:

- ***South Connect Jandakot: ($103.1 million[2])***

  South Connect Jandakot's valuation is $121.4 million (June 2025: $100.2m) an increase of $21.2 million. The $21.2 million increase reflects $14.6 million from the revaluation of land and $6.6 million of capital expenditure. Debt utilised so far is currently $18.3 million. The pre-tax net equity value is $103.1 million.

  Construction of the first building commenced during February 2026. It will be 13,500 square metres of warehouse/offices, on 27,000 square metres of land, across three tenancies. Each tenancy will have its own office, a 38m wide private service yard, and 10m awning suitable for B-double trucks. The total building cost is expected to be around $22 million, including costs of fire tanks and roadways which will be shared with adjoining warehouse development. Work on the new warehouse is expected to be completed towards the end of the first quarter of calendar 2027. We are currently marketing this space.

South Connect Jandakot is an institutional grade master-planned estate, well located to benefit from the increased demand for logistic and "last-mile" warehousing. The estate features ~34 hectares of net developable area which could ultimately equate to buildings of over 150,000 square metres of gross leasable area. Perth is currently experiencing historically low vacancies for industrial tenancies and South Connect is well positioned to compete.

- ***Other Property Investments ($77.3 million[2])***
  - Syndicate properties ($52.2 million[2])
  - Other directly owned property ($25.1 million[2])

OUTLOOK

High levels of global geopolitical and economic uncertainty warrant our continued caution. Subject to the risks identified previously:

Automotive Leather

Profitability for 1H27 should be at least similar to 2H26.

Delta

The large order book for FY27 should enable Delta's profits to be positive in 1H27.

Group Investments

Our investments are revalued each period. This may result in profit volatility, both up and down.

DIVIDENDS

The Board has approved a fully franked final dividend of $0.45 per share. The record date is 4 September 2026. The dividend will be paid on 18 September 2026.

Yours sincerely

John Schaffer AM
Chairman

The Board has authorised this document to be released to the ASX.