

ASX Announcement

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SHAPE Australia Corporation Limited
ABN 14 654 729 352

Phone: 02 9906 6977
Visit: shape.com.au

Level 11, 155 Clarence Street
Sydney NSW 2000

Warrang, Eora Nation

SHAPE delivers 59% increase in NPAT and a 60% dividend increase for H1FY24

SHAPE Australia Corporation Limited (ASX: SHA) ('SHAPE' or the 'Company') is pleased to deliver a strong financial result for first half of FY24. For the six months ending 31 December 2023, the Company achieved Net Profit After Tax (NPAT) of \$7.5 million, representing a 59% increase on prior corresponding period (pcp), as well as previously announced project wins of \$526.8 million and backlog orders of \$457.2 million.

Key Highlights:

- NPAT of \$7.5 million, representing a 59% increase on pcp.
- EBITDA of \$12.2 million and EBITDA margin of 3%, representing a 31% and 38% increase, respectively.
- Secured project wins totalling \$526.8 million, up by more than \$117.4 million or 29% compared to pcp.
- Backlog orders reached \$457.2 million for the half, up approximately 24% compared to \$369.3 million in the pcp.
- Fully franked dividend for the half of 8.0 cents per share, up 60% on pcp.
- Strong forward pipeline, with a projected value exceeding \$3.6 billion.
- Positive momentum across all three growth and diversification pillars, with meaningful project wins across Defence and Modular and continued success via SHAPE's expansion into regional areas.
- Focus on our strong relationships with our Clients and Stakeholders with a NPS of +87.

SHAPE is pleased to report a strong start to FY24 with an increase in profit in the first half. Revenue of \$415.2 million was down (5%) compared with the prior corresponding period. Gross Margin increased to 9%, which was assisted by the close out of a number of projects in the period.

Despite inflationary pressures, SHAPE has weathered the challenges and is witnessing increasing confidence with buoyant activity across the sector, highlighted by an identified pipeline of \$3.6 billion. Additionally, SHAPE secured robust project wins for the half, totalling \$526.8 million, which is expected to support strong performances into the second half and deliver further shareholder returns.

SHAPE continues to deliver on a long history of profitability with a 31% improvement in EBITDA to \$12.2 million. Despite headwinds, SHAPE's ongoing profitability is supported by effective business operating processes, underpinned by embedded risk management systems, which drive sustainable performance. The Company continues to diversify its project book to support further growth in the business, achieving \$457.2 million in backlog orders by the end of H1FY24.

Over the half year, the Company continued to capitalise on its core skill set, expanding these skills across its three growth and diversification pillars. Geographic expansion improved with all three regional offices showing significant improvement in project wins for the half when compared to pcp. The expansion into Modular and the addition of a

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second manufacturing facility in South Australia resulted in approximately \$22.9 million in project wins for SHAPE's modular division during the half, while project wins for Modular in FY23 totalled \$24.7 million for the full year.

Commenting on the result, SHAPE CEO, Peter Marix-Evans, added:

"I am delighted we have delivered a strong start to FY24. Our commitment to building a constructive culture and a focus on both safety and profitability has been paramount to the SHAPE business throughout its history, and we are proud to deliver EBITDA and NPAT growth in FY24. This half has seen a return to more normal trading conditions, and despite persistent concerns around activity in the construction sector, SHAPE has secured robust project wins and backlog orders, highlighting our strong reputation within the market and our commitment to our customers.

"Pleasingly, the Company has achieved significant profitability while maintaining high operating standards. Total incidents reported during the half dropped by 6.5% and the Company continues to invest in safety and leadership systems for all SHAPE staff and stakeholders.

"The strong results mean SHAPE will pay shareholders a fully franked dividend of 8.0 cents per share for the half, a 60% increase to shareholders compared to H1FY23."

ENDS

This announcement was authorised for release by the Board of Directors.

About SHAPE:

SHAPE Australia (ASX: SHA) is a leading national fitout and construction services specialist. Headquartered in Sydney, with nine additional branches across major capital cities and regional centres, SHAPE delivers projects across multiple sectors, including Commercial Buildings, New Build and Modular Construction, Facades, Defence, Education, Health, Hospitality, and Retail. With more than 600 people, an award-winning company culture, and an impressive Net Promoter Score of +87, SHAPE brings transparency, a partnership approach, and three decades of experience to undertake any type of construction project.

For further information, contact:

Media & Investor Relations

Melanie Singh

melanie@nwrcommunications.com.au

+61 439 748 819

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