



**GWA**  
Group Limited

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**17 February 2025**

## **ASX Announcement**

### **GWA Group Limited – Financial results for the half year ended 31 December 2024**

GWA Group Limited (**GWA**) attaches the following documents for immediate release to the market:

- 1) Appendix 4D Half Year Report – 31 December 2024;
- 2) Appendix 4D Commentary; and
- 3) Interim Financial Report.

On 17 February 2025 at 10.00 am (AEDT), GWA is hosting a webcast of its FY25 half year results briefing. The webcast is accessible via the corporate website at [www.gwagroup.com.au](http://www.gwagroup.com.au).

The release of this announcement was authorised by the Board.

Yours faithfully

*Ernie Lagis*

Ernie Lagis  
**Company Secretary & General Counsel**

**CAROMA**

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# GWA GROUP LIMITED

ABN: 15 055 964 380

## Appendix 4D Half Year Report - 31 December 2024 Results for announcement to the market

**For the half year ended 31 December** **2024** **2023**

### Reported Results (\$'000)

Total Revenue from ordinary activities	Up	1.9%	to	209,870	205,967
Total EBIT from ordinary activities	Down	-4.3%	to	35,278	36,865
Total NPAT from ordinary activities	Down	-7.2%	to	21,549	23,229

### Continuing Operations (Normalised<sup>1</sup>) (\$'000)

Revenue from continuing operations	Up	1.9%	to	209,870	205,967
EBIT from continuing operations - normalised	Up	3.2%	to	38,479	37,277
NPAT from continuing operations - normalised	Up	1.6%	to	23,829	23,449

<sup>1</sup> Normalised results excludes certain project costs - H1 FY25: \$3.2m (\$2.3m post tax) in relation to UK entity's Enterprise Resource Planning and Group Digital Platforms. Prior half - \$313k (pre-tax) of costs incurred in relation to UK entity's Enterprise Resource Planning / Customer Relationship Management (ERP / CRM) project.

### Dividends (cents per share)

Interim ordinary dividend - 100% franked	7.5	7.0
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The record date for determining entitlements to the interim ordinary FY25 dividend is 24 February 2025 and the dividend is payable on 7 March 2025.

### Net tangible asset and net asset backing (cents per share) **As at** **31 Dec 24** **30 June 24**

Net tangible asset backing	(41.8)	(42.7)
Net asset backing	115.2	114.9

### Brief explanation of the figures reported above

Refer to the attached Appendix 4D commentary for the review of operations.

The attached Interim Financial Report has been reviewed by GWA's independent statutory auditors.

This Interim Financial Report should be read in conjunction with the most recent Annual Financial Report.

17 February 2025

## **GWA delivers volume and normalised earnings growth in a challenging market**

### **Strong cashflow and balance sheet enables 7.1% lift in interim dividend**

GWA Group Limited, a leading provider of water solutions products and systems to households and commercial premises, today announced its financial results for the half year ended 31 December 2024 ("1H FY25").

### **Volume Growth of 3.4% with normalised<sup>1</sup> EBIT margin up 0.2 pts to 18.3%**

- Revenue up 1.9%; with volume growth up 3.4% (Australia and UK growth partially offset by NZ decline)
- Normalised Group Earnings Before Interest and Tax (EBIT) \$38.5 million, up 3.2%
- Normalised Group EBIT margin up 0.2 pts to 18.3% from continued operational and cost discipline
- Normalised Net Profit After Tax of \$23.8 million, up 1.6%
- Reported Net Profit After Tax of \$21.5 million; down 7.2%, includes significant items relating to ERP in UK and digital investment

### **Strong cashflow and balance sheet enables 7.1% lift in interim dividend**

- Continued solid cashflow generation – cash conversion ratio of 116%
- Strong balance sheet maintained – net debt at lowest level in 5+ years
- Fully franked interim dividend of 7.5 cents per share, payable on 7 March 2025 (1H FY24: 7.0 cents)

### **Continued solid progress on key strategic pillars**

- Profitable volume growth initiatives driving volume uplift in challenging markets
- Focus on customer first strategies have resulted in Delivery In Full and On Time (DIFOT) and Net Promoter Score (NPS) being in line with strategic targets

## **MANAGEMENT COMMENTARY**

Managing Director and CEO, Urs Meyerhans, said:

*"GWA's execution of its strategic priorities supported by our clear focus on operational and cost disciplines (controlling the controllables) enabled the Group to deliver a solid result despite challenging market conditions.*

*"We have maintained our delivery of volume growth in our Australian business, benefitting from the successful implementation of our profitable volume growth and customer first strategic priorities.*

*We have also delivered increased volume in our UK business with the addition of new customers. However, our New Zealand operations continue to be impacted by the ongoing weak market conditions in the NZ housing and construction sector.*

*Meanwhile, the Group continues to generate strong operating cashflow while maintaining a strong balance sheet with net debt at its lowest level in more than five years.*

*This has enabled the Board to declare an interim dividend of 7.5 cents per share, fully franked; up 7.1% on the prior corresponding half.*

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<sup>1</sup> Normalised is before Significant Items

*I am pleased with the sustained momentum in our growth strategy, including further engagement with plumbers, the successful launch of new products and ongoing improvement in our customer service metrics.*

*While that has enabled the Group to deliver a solid first half result, importantly it continues to create a stronger platform for future sustainable growth across the business."*

## **Health & Safety**

GWA's increased focus on leading indicators led to an improvement in incident reporting with worker insights reporting (Worker Insight Frequency Rate) increasing by 26%.

The Group's Total Injury Frequency Rate (TIFR) improved slightly from FY24, while a continued focus on early intervention as part of GWA's injury management strategy resulted in decreasing injury severity rates (average days lost per injury).

## **Group Financial Performance**

### **Group Normalised Results (excludes significant items)**

<b>A\$ million (unless specified)</b>	<b>1H FY25</b>	<b>1H FY24</b>	<b>% Change</b>
Sales Revenue	209.9	206.0	+1.9%
<b>EBIT</b>	<b>38.5</b>	<b>37.3</b>	+3.2%
<i>EBIT Margin (%)</i>	18.3%	18.1%	+0.2ppts
<b>NPAT</b>	<b>23.8</b>	<b>23.4</b>	+1.6%
<i>Return on Funds Employed (%)</i>	18.1%	17.1%	+1ppt

Revenue in 1H FY25 of \$209.9 million increased by 1.9% on the prior corresponding half, reflecting volume growth in Australia and the UK, partially offset by a decline in the challenged NZ market.

Revenue in **Australia** increased by 2.4% in the first half as a result of continued traction with its profitable volume growth strategies.

These include specific strategies to "win the plumber" with GWA's offer targeting maintenance plumbers continuing to gain momentum with plumber bundle and spares sales up 13.3% on the prior corresponding half.

GWA also continues to target core segment opportunities, including Care (health and aged care) with major project drawdowns driving growth, particularly in Victoria.

GWA's commercial forward order bank remains solid despite a decrease of 6% in value on the start of the financial year driven by project drawdowns in the Care sector.

Revenue in **New Zealand** declined by 13.3%, reflecting the continued weak conditions in the housing and construction sector.

As announced in August 24, GWA has simplified its NZ operations to align to the local conditions by streamlining brands and products and adjusting its organisational model.

Revenue in the **UK** increased by 14.5%, reflecting strong execution from the local management team and the benefit of three customer wins towards the end of FY24.

Normalised Group EBIT increased by 3.2% to \$38.5 million compared to the prior corresponding period.

Volume growth was partially offset by expected lower product mix, driven by customers looking for more affordable products and solutions.

Notwithstanding the negative impact of the lower A\$/US\$ exchange rate in the half, continued operational and cost discipline resulted in an improvement in Normalised Group EBIT margin to 18.3% from 18.1% in the prior corresponding period.

### **Group Reported Results – (includes significant items)**

Significant items in 1H FY25 were \$2.3 million (after tax) and in line with guidance provided at the FY24 results.

Significant items included costs associated with the implementation of the Group's Enterprise Resource Planning (ERP) project in the UK, now successfully completed, and costs relating to enhancement of the Group digital platforms. After tax significant items in 1H FY24 were \$0.2 million.

<b>A\$ million (unless specified)</b>	<b>1H FY25</b>	<b>1H FY24</b>	<b>% Change</b>
Sales Revenue	209.9	206.0	+1.9%
<b>EBIT</b>	<b>35.3</b>	<b>37.0</b>	(4.3%)
<i>EBIT Margin (%)</i>	16.8%	18.0%	(1.2ppts)
<b>NPAT</b>	<b>21.5</b>	<b>23.2</b>	(7.2%)
<i>Return on Funds Employed (%)</i>	15.0	16.7%	(1.7ppts)

### **Continued strong operating cashflow generation**

GWA continues to generate strong operating cashflow, with cashflow from operations of \$55.4 million for 1H FY25 compared to \$61.0 million for the prior corresponding period.

The Company continues to adopt a disciplined approach to working capital management.

Cash conversion remains strong with a cash conversion ratio of 116% for the half, driven by a combination of improved profitability and a reduction in debtor days as part of the Company's "right first time" initiative to improve service levels.

Capital expenditure for the half was \$1.8 million compared to \$1.7 million for the prior corresponding period and was in line with expectations. Total capital expenditure for FY25 is expected to be \$3-5 million.

### **Strong financial position - 7.5 cents per share interim dividend, up 7.1%**

The Board resolved to pay an interim dividend of 7.5 cents per share, fully franked, compared to 7.0 cents per share for the prior corresponding period.

The record date for entitlement to receive the interim dividend will be 24 February 2025 with the dividend being paid on 7 March 2025.

### **Credit metrics remain strong**

Net debt as at 31 December 2024 was \$92.3 million, which was down 5% from 30 June 2024, and at its lowest level in more than 5 years.

GWA's credit metrics remain strong and towards the lower end of the Group's target range. The Company's leverage ratio (net debt/EBITDA) was steady at 1.2 times (from 30 June 2024) while the gearing ratio (net debt/net debt plus equity) was 19.1% at 31 December 2024 compared to 19.9% at 30 June 2024.

### **FY25 outlook and priorities**

For the Australian market, GWA expects new office build activity to remain depressed, partially offset by a positive outlook in health care and office re-furbishment.

Residential detached activity is expected to decrease in line with the decline in housing completions; however, an improvement is expected in FY26/FY27 flowing from increasing housing approvals.

Multi Residential activity is expected to increase driven by the acute housing shortage, although the timing of this recovery remains uncertain.

Demand activity in repair and renovation expected to see a gradual improvement, constrained by economic uncertainties.

In this environment, GWA continues to target specific market segments. These include commercial, aged and healthcare, increasing market penetration with volume home builders, social and affordable housing/build to rent projects, increasing share of wallet with maintenance plumbers and commercial office refurbishment.

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**GWA Group Limited  
and its controlled entities**

**ABN 15 055 964 380**

**31 December 2024  
Interim Financial Report**

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## GWA Group Limited and its controlled entities Directors' Report

Your directors submit their report on the consolidated entity of GWA Group Limited (the 'Group') and the entities it controlled for the half year ended 31 December 2024.

### Directors

The names of the directors of the Group during the half year and up to the date of this report are listed below. Directors were in office for the entire period unless otherwise stated.

B J M Inglis, Chair and Non-Executive Director (appointed as Chair on 4 November 2024)

D D McDonough, Chair and Non-Executive Director (retired 4 November 2024)

J F Mulcahy, Deputy Chair and Non-Executive Director

U B Meyerhans, Managing Director and Chief Executive Officer

R J Thornton, Non-Executive Director

S P Roche, Non-Executive Director

P M Mann, Non-Executive Director

B Draffen, Non-Executive Director (appointed 4 November 2024)

### Review of Operations

A review of operations for the Group for the half year ended 31 December 2024 and the results of those operations are set out in the Appendix 4D commentary.

### Interim Dividend

The directors have declared a fully franked interim dividend to shareholders of 7.5 cents per share. The record date for the interim dividend is 24 February 2025 and is payable on 7 March 2025. The Dividend Reinvestment Plan will not be offered to shareholders for the interim dividend.

### Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 14 and forms part of the Directors' Report for the half year ended 31 December 2024.

### Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191 dated 24 March 2016. Amounts in the Directors' Report have been rounded in accordance with that Instrument to the nearest thousand dollars, unless otherwise stated.

This Directors' Report is made out in accordance with a resolution of the directors.



**Bernadette J Inglis**  
Chair



**Urs B Meyerhans**  
Managing Director

17 February 2025

# GWA Group Limited and its controlled entities

## Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December

2024

2023

In thousands of AUD

	Note	2024	2023
<b>Profit or loss</b>			
<b>Continuing operations</b>			
Sales revenue		209,870	205,967
Cost of sales		(124,772)	(123,012)
<b>Gross profit</b>		85,098	82,955
Other income		255	267
Selling expenses		(22,405)	(24,166)
Administrative expenses		(24,433)	(21,785)
Other expenses <sup>(i)</sup>		(3,237)	(406)
<b>Operating profit</b>		35,278	36,865
Finance income		613	614
Finance expenses		(4,811)	(4,214)
<b>Net financing costs</b>		(4,198)	(3,600)
<b>Profit before tax</b>		31,080	33,265
Income tax expense	8	(9,531)	(10,036)
<b>Profit from continuing operations</b>		21,549	23,229
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Net change in fair value of financial assets		1	5
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign subsidiaries, net of tax		943	102
Cashflow hedges, net of tax		876	(3,795)
<b>Other comprehensive income for the period, net of tax</b>		1,820	(3,688)
<b>Total comprehensive income for the period</b>		23,369	19,541
<b>Earnings per share (cents)</b>			
<b>Total</b>			
- Basic		8.1	8.8
- Diluted		8.0	8.7

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

- (i) Other expenses in the current half year include \$3.2m (pre-tax) of costs incurred in relation to the UK entity's Enterprise Resource Planning and Group Digital Platforms. Refer to Note 5.

**GWA Group Limited and its controlled entities**  
**Consolidated statement of financial position**

<b>As at</b>		<b>31 Dec 2024</b>	<b>30 June 2024</b>
<i>In thousands of AUD</i>	<b>Note</b>		
<b>Current assets</b>			
Cash and cash equivalents		45,782	42,008
Trade and other receivables		31,057	47,362
Inventories		93,833	95,782
Derivative financial instruments	10	2,191	-
Other		4,968	4,134
<b>Total current assets</b>		<b>177,831</b>	<b>189,286</b>
<b>Non-current assets</b>			
Deferred tax assets		4,013	4,698
Property, plant and equipment		12,834	10,951
Intangible assets		416,438	417,901
Right-of-use assets		28,790	34,113
Derivative financial instruments	10	1,624	2,936
<b>Total non-current assets</b>		<b>463,699</b>	<b>470,599</b>
<b>Total assets</b>		<b>641,530</b>	<b>659,885</b>
<b>Current liabilities</b>			
Trade and other payables		47,913	56,444
Loans and borrowings	9	35,000	35,000
Employee benefits		5,796	5,606
Income tax payable		1,412	4,501
Lease liabilities		11,482	11,932
Derivative financial instruments	10	-	475
Provisions		2,021	2,276
<b>Total current liabilities</b>		<b>103,624</b>	<b>116,234</b>
<b>Non-current liabilities</b>			
Deferred tax liability		90,849	91,720
Trade and other payables		144	144
Loans and borrowings	9	101,860	102,721
Lease liabilities		28,012	33,160
Employee benefits		4,727	4,566
Provisions		6,742	6,749
<b>Total non-current liabilities</b>		<b>232,334</b>	<b>239,060</b>
<b>Total liabilities</b>		<b>335,958</b>	<b>355,294</b>
<b>Net assets</b>		<b>305,572</b>	<b>304,591</b>
<b>Equity</b>			
Issued capital		311,294	311,294
Reserves		(628)	(1,276)
Retained earnings		(5,094)	(5,427)
<b>Total equity</b>		<b>305,572</b>	<b>304,591</b>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

## GWA Group Limited and its controlled entities

### Consolidated statement of cash flows

For the half year ended 31 December

2024

2023

In thousands of AUD

#### Cash flows from operating activities

Receipts from customers	251,465	250,316
Payments to suppliers and employees	(200,411)	(189,277)
Cash generated from operations	51,054	61,039
Interest and facility fees paid	(3,986)	(3,254)
Lease interest paid	(828)	(959)
Interest received	613	614
Income taxes paid	(12,794)	(10,844)
<b>Net cash from operating activities</b>	<b>34,059</b>	<b>46,596</b>

#### Cash flows from investing activities

Acquisition of property, plant and equipment	(1,641)	(1,672)
Acquisition of intangible assets	(188)	-
<b>Net cash used in investing activities</b>	<b>(1,829)</b>	<b>(1,672)</b>

#### Cash flows from financing activities

Proceeds from borrowings	23,000	15,000
Repayment of borrowings	(24,000)	(36,000)
Dividends paid	(21,216)	(18,564)
Repayment of lease liability	(5,959)	(6,070)
<b>Net cash used in financing activities</b>	<b>(28,175)</b>	<b>(45,634)</b>

#### Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year	42,008	43,443
Effect of exchange rate fluctuations on cash held	(281)	428
<b>Cash and cash equivalents as at 31 December</b>	<b>45,782</b>	<b>43,161</b>

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The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

# GWA Group Limited and its controlled entities

## Consolidated statement of changes in equity

For the half year ended 31 December 2024

In thousands of AUD

	Share Capital	Translation Reserve	Hedging Reserve	Asset Revaluation Reserve	Equity Compensation Reserve	Retained Earnings	Total
Balance as at 1 July 2024	311,294	(2,789)	1,551	(1,980)	1,942	(5,427)	304,591
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	21,549	21,549
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign subsidiaries, net of tax	-	943	-	-	-	-	943
Cash flow hedges, net of tax	-	-	876	-	-	-	876
Net change in fair value of financial assets	-	-	-	1	-	-	1
Total other comprehensive income	-	943	876	1	-	-	1,820
Total comprehensive income	-	943	876	1	-	21,549	23,369
<b>Transaction with owners, recorded directly in equity</b>							
Share-based payments, net of tax (includes transfer of \$1.2m from reserve to liability due to FY22 LTI grant vesting being 50% cash and 50% equity settled)	-	-	-	-	(1,172)	-	(1,172)
Dividends paid	-	-	-	-	-	(21,216)	(21,216)
Total transactions with owners	-	-	-	-	(1,172)	(21,216)	(22,388)
<b>Balance as at 31 December 2024</b>	<b>311,294</b>	<b>(1,846)</b>	<b>2,427</b>	<b>(1,979)</b>	<b>770</b>	<b>(5,094)</b>	<b>305,572</b>

For the half year ended 31 December 2023

In thousands of AUD

	Share Capital	Translation Reserve	Hedging Reserve	Asset Revaluation Reserve	Equity Compensation Reserve	Retained Earnings	Total
Balance as at 1 July 2023	311,294	(2,765)	4,164	(1,620)	1,397	(6,930)	305,540
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	23,229	23,229
<i>Other comprehensive income</i>							
Exchange differences on translation of foreign subsidiaries, net of tax	-	102	-	-	-	-	102
Cash flow hedges, net of tax	-	-	(3,795)	-	-	-	(3,795)
Net change in fair value of financial assets	-	-	-	5	-	-	5
Total other comprehensive income	-	102	(3,795)	5	-	-	(3,688)
Total comprehensive income	-	102	(3,795)	5	-	23,229	19,541
<b>Transaction with owners, recorded directly in equity</b>							
Share-based payments, net of tax	-	-	-	-	352	-	352
Dividends paid	-	-	-	-	-	(18,564)	(18,564)
Total transactions with owners	-	-	-	-	352	(18,564)	(18,212)
<b>Balance as at 31 December 2023</b>	<b>311,294</b>	<b>(2,663)</b>	<b>369</b>	<b>(1,615)</b>	<b>1,749</b>	<b>(2,265)</b>	<b>306,869</b>

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

# GWA Group Limited and its controlled entities

## Notes to the interim financial statements

### 1. Reporting entity

GWA Group Limited (the 'Company') is a for-profit company domiciled in Australia, limited by shares, which are publicly traded on the Australian Securities Exchange ("ASX") under ASX code "GWA". The consolidated interim financial report of the Company as at and for the half year period ended 31 December 2024 comprises the Company and its controlled entities (together referred to as the 'consolidated entity').

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2024 is available from the Company's website [www.gwagroup.com.au](http://www.gwagroup.com.au).

### 2. Statement of compliance

The consolidated interim financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2024.

This consolidated interim financial report was approved for issue by the Board of Directors on 17 February 2025.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

### 3. Material accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2024, except as noted below:

#### **Standards and Interpretations affecting amounts reported in the current period**

The following new and revised Standards and Interpretations have been adopted by the consolidated entity for the first time in the half year period ended 31 December 2024:

- Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to AASB 101)

The initial adoption of the above Standards and Interpretations have not had a material impact on the amounts reported, or disclosures made, in the consolidated interim financial report.

### 4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2024.

## GWA Group Limited and its controlled entities

### Notes to the interim financial statements (continued)

#### 5. Operating segments

The consolidated entity has one continuing reportable segment, Water Solutions. This segment includes the sale of vitreous China toilet suites, basins, plastic cisterns, taps and showers, baths, kitchen sinks, laundry tubs, domestic water control valves, smart products and bathroom accessories. The CEO reviews internal management reports on a monthly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before interest and income tax ('EBIT') and excludes certain project costs (e.g. costs in relation to the UK entity's ERP implementation and enhancement of Group digital platforms), in line with management reports that are reviewed by the CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segment relative to other entities that operate in these industries.

<i>In thousands of AUD</i>		<b>Water Solutions</b>	
		<b>2024</b>	<b>2023</b>
<b>For the half year ended 31 December</b>			
Sales revenue		209,870	205,967
Segment EBIT		38,479	37,178
Depreciation (property, plant and equipment)		1,812	2,485
Depreciation (right of use assets)		5,699	6,192
Amortisation		344	942
Capital expenditure		1,829	1,636
<b>Reconciliation of profit</b>			
Total EBIT for reportable segment		38,479	37,178
Project costs <sup>(i)</sup>		(3,201)	(313)
Operating profit from continuing operations		35,278	36,865
<b>(i) Project costs</b>			
UK ERP implementation in other costs		1,895	313
Group digital platform in other costs		1,306	-
Total project costs, pre-tax		3,201	313
Income tax benefit		(921)	(93)
Total project costs, net of tax		2,280	220
		<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
Reportable segment assets		641,530	659,885
Reportable segment liabilities		335,958	355,294

#### Sales revenue by geographical location of customer

<i>In thousands of AUD</i>	<b>Australia</b>		<b>New Zealand</b>		<b>Other</b>		<b>Consolidated</b>	
	<b>For the half year ended 31 December</b>							
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
External sales revenue	175,787	171,645	16,216	18,736	17,867	15,586	209,870	205,967

## GWA Group Limited and its controlled entities

### Notes to the interim financial statements (continued)

#### 6. Dividends

<b>Dividends recognised and paid:</b>	<b>Cost per share</b> <i>In cents</i>	<b>Total amount</b> <i>In thousands of AUD</i>
For the half year period ended 31 December 2024:		
Final 2024 ordinary dividend paid 4 September 2024	8.0	21,216
For the half year period ended 31 December 2023:		
Final 2023 ordinary dividend paid 5 September 2023	7.0	18,564

#### **Dividends declared after the balance date:**

On 17 February 2025, the Board declared a fully franked interim ordinary dividend of 7.5 cents per share payable on 7 March 2025. Based on 265,205,113 shares outstanding at 31 December 2024, the aggregate dividend payable will be \$19,890,383.

#### 7. Expenses

##### (a) Lease costs

The amounts recognised in the profit or loss statement are as follows:

*In thousands of AUD*

<b>For the half year ended 31 December</b>	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	828	959
Depreciation of right of use assets	5,699	6,192
Payments made for low value leases	273	272
	<u>6,800</u>	<u>7,423</u>

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**GWA Group Limited and its controlled entities**  
**Notes to the interim financial statements (continued)**

**8. Income tax expense**

**Recognised in profit or loss**

**For the half year ended 31 December**

**2024**

**2023**

*In thousands of AUD*

**Current tax expense**

Current year	10,208	11,246
Adjustments for prior years	(94)	(27)
	10,114	11,219

**Deferred Tax Benefit**

Origination and reversal of temporary differences	(583)	(1,183)
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**Tax expense for the consolidated entity**

9,531

10,036

**Numerical reconciliation between tax expense and pre-tax profit**

Profit before tax for the consolidated entity	31,080	33,265
Tax expense using the domestic rate of 30%	9,324	9,980
Tax expense / (benefit) due to:		
Non-deductible expenses	76	85
Effect of tax rate in foreign jurisdictions	(61)	(67)
Rebateable research and development	(98)	(149)
Other items	384	214
	9,625	10,063
Over provided in prior years	(94)	(27)
Income tax expense on pre-tax profit for the consolidated entity	9,531	10,036

**9. Loans and borrowings**

The syndicate facility comprises a single three year multicurrency revolving facility of \$180,000,000 which matures in October 2026.

On 09 October 2024, the consolidated entity extended its one year multicurrency revolving bilateral facility of \$40,000,000 which now matures in October 2025.

The loans bear interest at market rates and interest is typically payable every 30 to 90 days. The consolidated entity partially hedges its exposure to variable interest rates through interest rate swap transactions.

The syndicate loan contains a covenant stating that at the end of each reporting period, the Group's leverage ratio (defined in the loan arrangement as the Group's net debt to EBITDA) cannot exceed 3.0 times.

The Group complied with the covenants and the loan is classified as a non-current liability at 31 December 2024. The Group expects to comply with the covenants for at least 12 months after the reporting date.

The consolidated entity has unsecured bank loans of \$136,860,000 drawn as at 31 December 2024 (30 June 2024: \$137,721,000). The notional amount of the interest-bearing loans is deemed to reflect the fair value. The facilities were drawn in the following currencies.

*In thousands of*

**31 Dec 2024 30 June 2024**

AUD	130,000	132,000
GBP	3,400	3,000

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# GWA Group Limited and its controlled entities

## Notes to the interim financial statements (continued)

### 10. Financial instruments

#### Estimation of fair values

Financial assets and liabilities that are not measured at cost or amortised cost in the half year financial report comprise forward foreign exchange contracts, interest rate swaps and an investment in an unlisted company.

Forward exchange contracts are marked to market by discounting the contractual forward price and deducting the current spot rate. For interest rate swaps broker quotes are obtained. These quotes are back tested using discounted cash flow techniques.

The investment in an unlisted company is accounted for as a financial asset at fair value through other comprehensive income ('FVOCI') following an irrevocable election made at initial recognition. Fair value is based on the equity price established in the most recent round of equity financing and consideration of any other key changes in the investment which requires a level of judgement.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

#### Fair value hierarchy

The consolidated entity recognises the fair value of its financial instruments using the level 2 and level 3 valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between levels during the half year.

*In thousands of AUD*

#### As at 31 December 2024

	Level 1	Level 2	Level 3	Total
Forward contracts used for hedging	-	2,191	-	2,191
Interest rate swaps used for hedging	-	1,624	-	1,624
	-	3,815	-	3,815

#### As at 30 June 2024

Forward contracts used for hedging	-	(475)	-	(475)
Interest rate swaps used for hedging	-	2,936	-	2,936
	-	2,461	-	2,461

### 11. Subsequent events

To the Directors' best knowledge, there are no events that have arisen subsequent to 31 December 2024 that will, or may, significantly affect the operation or results of the consolidated entity.

## GWA Group Limited and its controlled entities Directors' Declaration

In the opinion of the directors of GWA Group Limited (the Company):

1. The consolidated financial statements and notes set out on pages 1 to 12 are in accordance with the *Corporations Act 2001* including:
  - a) giving a true and fair view of the Group's financial position of the consolidated entity as at 31 December 2024 and of its performance for the half year ended on that date; and
  - b) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



**Bernadette J Inglis**  
Chair

17 February 2025



**Urs B Meyerhans**  
Managing Director

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# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of GWA Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of GWA Group Limited for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Trent Duvall

Partner

Sydney

17 February 2025

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# Independent Auditor's Review Report

To the shareholders of GWA Group Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of GWA Group Limited (The Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of GWA Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date
- Notes 1 to 11 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises GWA Group Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2024.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

### Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Trent Duvall

*Partner*

Sydney

17 February 2025