



Tuesday, 26 August 2024

Chairman's Address at 2024 Annual General Meeting

As the Chairman of the Board, I'm very pleased to be here today to speak directly to our Shareholder group. As we reflect on the 2024 financial year, I am pleased to report that SHAPE continued to demonstrate a commendable track record of profitability. Our business, which is weighted toward shorter duration projects (less than three months) and internal projects, has again insulated us well against any challenges that the construction industry faced. Our resilience and strength have enabled us to deliver a strong performance across our key financial metrics, resulting in our most successful financial year in SHAPE's 35-year history.

Our commitment to safety, quality, and customer service excellence remains at the core of our operations. These values have enabled us to navigate various hurdles effectively, ensuring strong business performance and contributing to our impressive Client Net Promoter Score of +88 in FY24. We continue to execute our growth strategy, and now operate across every capital city, with the establishment of our Tasmanian office in September, as well as numerous large regional centres.

Despite persistent project commencement delays, which caused a slight decrease in revenue, cost escalations and labour shortages during FY24, the business performed strongly. Our diligent risk management systems, combined with our ongoing growth and diversification strategy, have supported us to achieve a strong 33% increase in EBITDA to \$26 million, with NPAT increasing 53% to \$16 million, evidencing the resilience and agility of the SHAPE business.

Our diversification efforts yielded positive results across all three pillars of our growth strategy, namely growth into non-office sectors, such as hotels, healthcare and aged care, education, and defence; diversification of capabilities in modular construction, new build, facade remediation, design & build, and aftercare and facilities maintenance; and geographic expansion in the Gold Coast, Tasmania and Newcastle. All of which have contributed to our robust project wins, which Peter will go into further detail on shortly.

Of specific note was SHAPE's geographic growth pillar, where our expansion into regional areas such as the Gold Coast, Tasmania, and Newcastle resulted in a remarkable 211% increase in sales and a 60% rise in revenue. This reflects our successful investment in customer relationships and new markets, solidifying SHAPE as a national fitout and construction specialist.

Pleasingly, and further reinforcing SHAPE's ability to grow and enhance shareholder value, a final dividend of 9 cents per share was paid, bringing the full year dividend for FY24 to 17 cents per share, a 48% increase from the previous year.

As we step into FY25, we begin with a strong financial foundation with a cash and marketable securities position of \$98.5 million as at 30 June 2024, providing flexibility to execute on opportunities as they arise. We began the current financial year with our highest backlog of orders to date, positioning us well for continued success.

As a Board, we continue to work with management to review opportunities for acquiring new and adjacent businesses that align with our growth strategy and aspirations. These opportunities aim to create Shareholder value and further diversify our business. In addition, we continue to assess the alignment of the skills and experience that our directors bring to the table with the needs of the business. We will where appropriate make relevant changes to the Board.

I would like to extend my gratitude to the dedicated and hardworking SHAPE team, my fellow directors, our partners, customers, and you, our shareholders, for your support. Together, we will continue to navigate the evolving landscape of the construction industry and build a strong future for SHAPE.

Thank you. I'll now handover to our CEO and Managing Director Peter Marix-Evans.

ENDS

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

Supporting presentation slides to this announcement are appended below.

About SHAPE:

SHAPE Australia (ASX: SHA) is a leading national fitout and construction services specialist. Headquartered in Sydney, with operations across all capital cities and a number of large 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 630 people, an award-winning company culture, and an impressive Net Promoter Score of +88, SHAPE brings transparency, a partnership approach, and three decades of experience to undertake any type of construction project.

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Chairman's Address

Greg Miles
Chairman and Non-Executive Director



A Market-leading National Fitout & Construction Services Specialist

SHAPE

Track record for quality & exceptional customer service.

35
Years of Experience

49%
Tender Conversion Rate¹

+88
Net Promoter Score¹

84%
Repeat Clients¹

Sectors

- Commercial
- Defence
- Retail
- Health
- Government
- Education
- Hospitality
- Hotels

Capabilities

- Fitout & Refurbishment
- Modular Construction
- New Build
- Facade Remediation
- Aftercare & Facilities Maintenance
- Design & Build



Modular by SHAPE

AFM by SHAPE



- Operations
- Modular Manufacturing Facilities

¹ As at 30 June 2024. Includes SHAPE and its associate DLG SHAPE Pty Limited.

FY24 Financial Highlights

SHAPE

Revenue

\$838.7m

▼ 2.7%

EBITDA

\$25.9m

▲ 33%

Net Profit After Tax (NPAT)

\$16.0m

▲ 53%

Project Wins

\$947.3m (\$1.0bn¹)

▲ 18%

Backlog Orders²

\$457.4m

▲ 33%

Identified Pipeline

\$3.2bn

▼ 15.8%

Cash and Marketable Securities

\$98.6m

▲ 8.9%

Earnings Per Share

19.2c

▲ 53%

Declared Dividends Per Share

17c

▲ 48%

¹ Includes SHAPE and its associate DLG SHAPE Pty Limited.

² As at 30 June 2024, noting backlog orders do not include Construction Management (CM) or Managing Contractor (MC) engagements where trade orders have not been let.