

ASX Announcement



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Level 11, 155 Clarence Street
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Wednesday, 21 August 2024

FY24 Results Investor Presentation

SHAPE Australia Corporation Limited (SHAPE) attaches a copy of the FY24 Results Investor Presentation.

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 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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SHAPE

FY24 Results Presentation

August 2024

ALS Headquarters (MBAWA 2024 Award Winner) | Perth

SHAPE Australia Corporation Limited (ASX:SHA)
ABN 14 654 729 352



Important Notice & Disclaimer

Information in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in SHAPE Australia Corporation Limited or any other company.

Before making or varying any decision in relation to holding, purchasing or selling shares, securities or other instruments in SHAPE Australia Corporation Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.



A Market-leading National Fitout & Construction Services Specialist

Track record for quality & exceptional customer service.

7,250+

Completed Projects

34

Years of Experience

49%

Tender Conversion Rate

+88

Net Promoter Score

\$10bn

Total Projects Value

84%

Repeat Clients

Sectors

Commercial	Government
Defence	Education
Retail	Hospitality
Health	Hotels

Capabilities

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



Modular by SHAPE

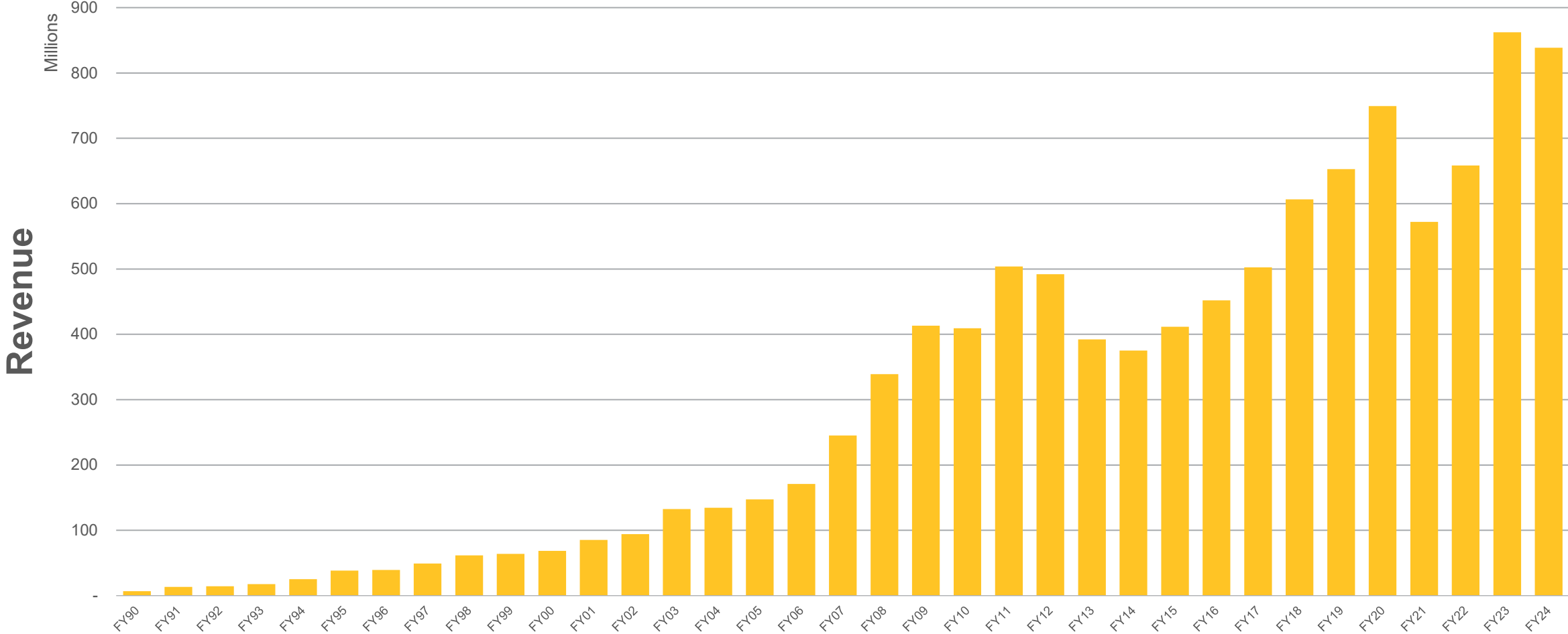
AFM by SHAPE



● Operations

● Modular Manufacturing Facilities

Long-term Growth Underpinned by Over 34 Years of Industry Knowledge and Experience



FY24 Financial Highlights

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%

Diversification Drives Business Resilience



Delivering high-quality and cost-effective solutions while minimising disruption to client's operations



Ability to win projects at all stages of the office life cycle, increasing work opportunities



Extensive and diversified range of customers, including blue-chip ASX companies



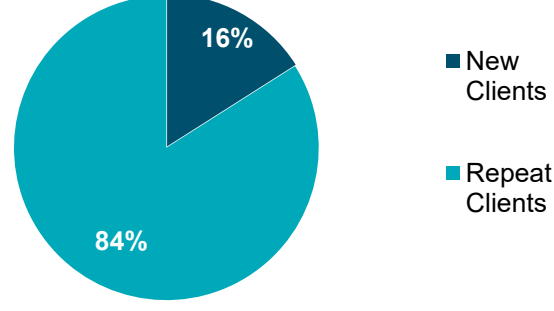
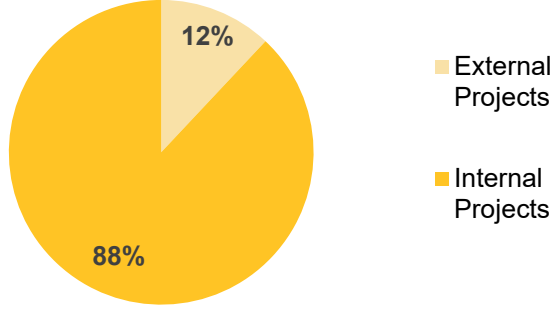
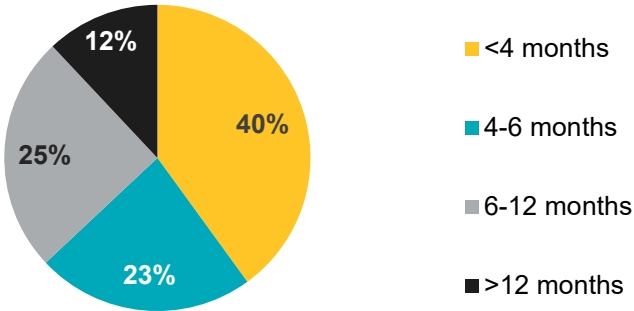
Short duration of projects with 88% completed under a year provides protection against cost escalation risk



Lower risk projects from an industrial relations perspective and weather exposure



High percentage of repeat work reflects trusted relationships with clients and provides security

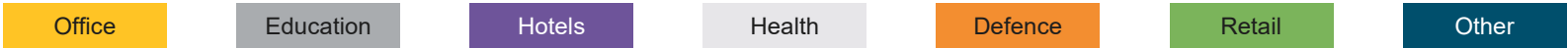
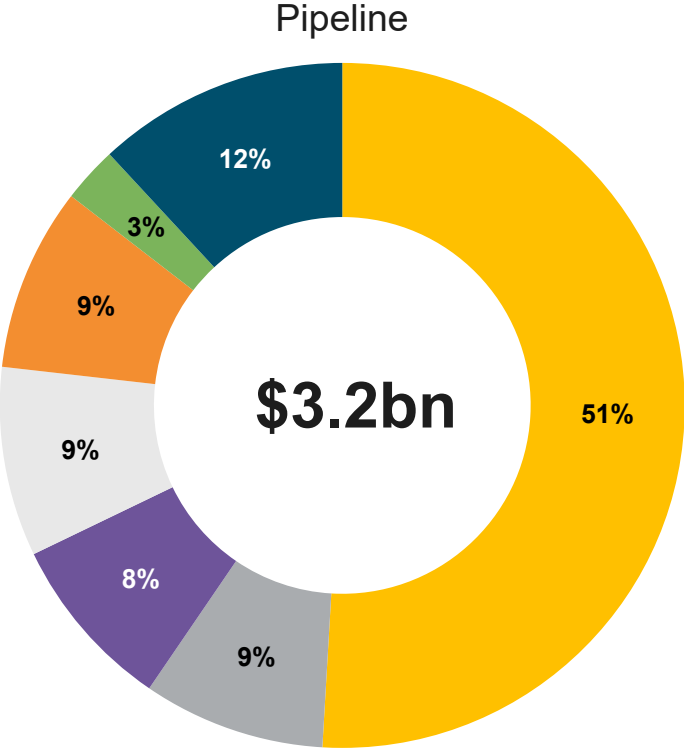
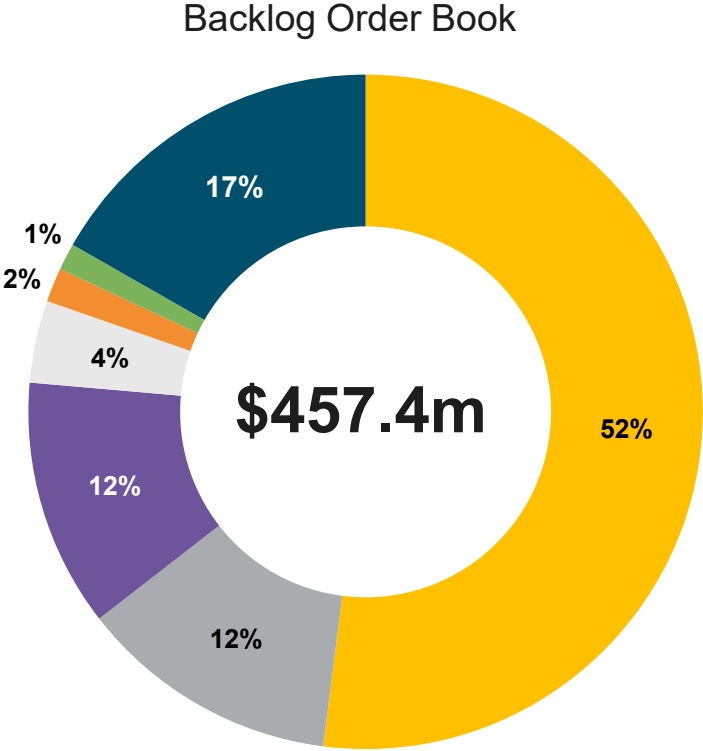


SHAPE Has Secured Robust Project Wins & Diversified Backlog Orders

Project Wins
\$947.3m (\$1.0bn¹)

Decision Pending
\$395.8m

Tendering
\$303.6m



Commercial Office Sector Resilience

Commercial office sector enjoys work across all aspects of the property cycle.



New Build
(Construction of Asset)



Fitout
(Long-Term Occupancy)



**On-going
Maintenance and
Refresh of Asset**



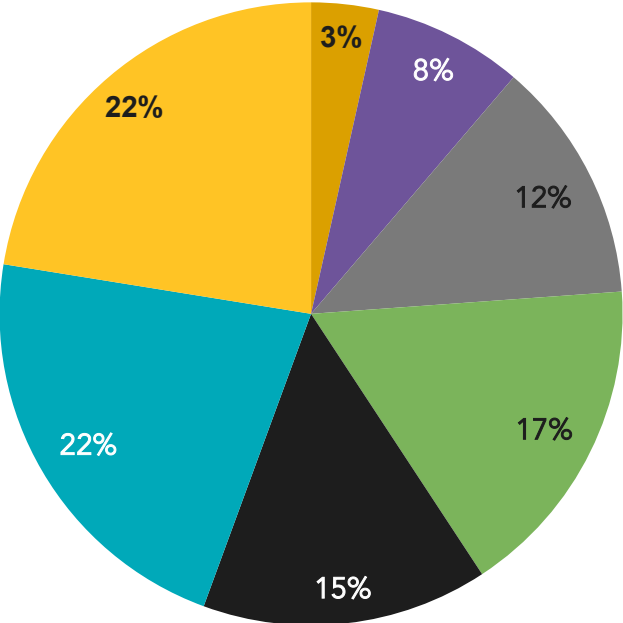
**Tenant Churn and
Increase in
Vacancy**



**Reposition
Asset**

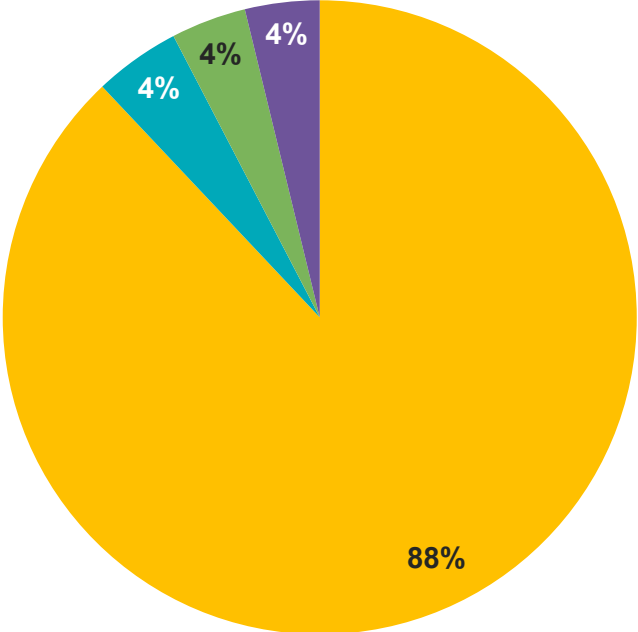
Demonstrated Ability To Win & Execute Work Across Regions & Capabilities

Revenue By Region



■ NT ■ ACT ■ WA ■ QLD ■ SA ■ VIC ■ NSW

Revenue By Capability



■ Fitout & Refurb ■ New Build ■ Facades ■ Modular

Strong tender conversion rate of 50% (by number)

Origination

- Bespoke CRM with sophisticated algorithms supporting average win rates of +50% (by number).
- Transparent lease expiry register provides accurate forward forecast.

Execution

Long history of strong investment in systems and processes focused on mitigating risk. Robust financial management, project delivery, EHSQ, and HRIS.

Aftercare and Facilities Maintenance

Dedicated team focused on maintaining client relationships throughout all stages of the lifecycle.

Operational Highlights



Safety



People & Culture



Partnerships



Environmental & Social Impact



Safety

In FY24, our commitment to WHS performance remained a top priority, with a sustained focus on cultivating and maintaining a proactive safety culture:

- *TRIFR increased from 3.8 to 6.0 (the most recent industry average is 10.0¹).
- *LTIFR increased from 0.9 to 1.5 (the most recent industry average is 1.98²).
- Recordable injuries increased from 17 to 28.
- 52,121 proactive Safety, Quality, and Environmental observations logged – a decrease of 3% due to corresponding 3% reduction in labour hours.

People & Culture

We aim to recruit, train, and retain the best people in the industry:

- Achieved a Cultural Achievement Award from Human Synergistics³.
- 11.5% increase in our total workforce (636 employees).
- Over 5,700 hours were allocated to training, resulting in 19% of employees being promoted.
- Maintained 29% Female Gender Diversity.

Partnerships

We value our long-standing partnerships with our trusted clients, consultants, and subcontractor and supply chain network:

- Client Net Promoter Score +88.
- *90% of projects delivered achieved Perfect Delivery™.
- Extensive network of trusted subcontractors (2,030).

Environmental & Social Impact

We are committed to positively contributing to the environment and society while creating value for our stakeholders:

- Maintained Climate Active certification.
- Three projects completed for Green Star certification.
- Two SHAPE offices achieved 6 Star Green Star (Brisbane and Melbourne).
- 1,555 items were donated or reused on projects nationally (Circular Economy).
- 1,725 tonnes of waste recycled on projects through SHAPE's landfill diversion initiative.
- More than \$1.2m in value of goods, labour, services, and donations to support charities through our Community+ programme.

* These statistics are derived from a rolling 12-month average and reflect the outcome as of 30 June 2024.

¹ Federal Safety Commissioner Annual Data Report 2022. The OFSC do not report the average TRIFR for OFSC WHS Scheme accredited Commercial Construction Companies separately. Instead, they provide a combined TRIFR for both Civil and Commercial Construction companies, however the OFSC report provides enough data to approximate a rounded Commercial Construction Scheme accredited company TRIFR of 10.0 in FY22.

² Federal Safety Commissioner Annual Data Report 2022. Reported average LTIFR for OFSC WHS Scheme accredited 'Commercial Construction Companies'.

³ This award is for companies who achieve the constructive culture benchmark in their OCI surveys for five consecutive measures. The Human Synergistics Constructive Benchmark is achieving above the 60th percentile for constructive styles and below the 50th percentile for the defensive styles. This puts SHAPE in the top 10% of companies in Human Synergistics' database.

Continued Investment In Safety Leadership, Systems, & Technology

- Safety performance metrics, while positive, have increased as a result of the current labour and resource conditions.
- SHAPE's TRIFR and LTIFR performance for the full year continues to better the average of OFSC-WHS Scheme accredited companies.
- SHAPE continues to focus on safety leadership and investment in systems improvement in the pursuit of efficiencies in safety administration and processes through technology. This involves development of predictive project performance reporting and AI generative tools.
- More than 52,100 proactive Safety, Quality, and Environmental observations logged.

Year	TRIFR	LTIFR	No. Of MTI	No. Of LTI	No. Of RWI
FY24	6	1.5	20	7	1
FY23	3.8	0.9	7	4	6
FY22	6.7	2.0	16	8	3
FY21	6.1	2.8	6	10	6
FY20	6.5	2.0	10	8	8



New Capabilities in FY24

Aftercare and Facilities Maintenance (AFM by SHAPE)

- Launched in November 2023
- AFM by SHAPE focuses on SHAPE's commercial office clients in Sydney and Melbourne
- Ensuring the safe and efficient operation of buildings, equipment, and systems through scheduled maintenance and immediate response works
- Drives customer loyalty via ongoing contact
- Opportunities to expand existing clients and projects and attract new clients through contracted maintenance agreements
- Provides an annuity stream to revenue



SHAPE

Design & Build

- Launched in February 2024
- Delivering an end-to-end service from bespoke workplace strategy and design to defect-free delivery
- Currently operating nationally, targeting smaller scale projects
- New client stream of those that are looking to procure design and strategy services
- Working with the client earlier to understand their needs, minimise risks, and enhance buildability to ensure cost certainty
- Average project value \$1.0m, adding to higher gross margin percentages



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Delivering a Diverse Range of Projects

Wallan Secondary College

- Modular Construction
- Located in outer northern suburbs of Melbourne
- Project duration of 26 weeks
- External and internal project
- Repeat client – Mitchell Shire Council, and New Client – Wallan Secondary College
- Modular sports pavilion for Wallan Secondary College and Mitchell Shire Council
 - Fit-for-purpose with two unisex changerooms, two umpires' rooms, a kiosk, separate accessible amenities with a baby-changing station, and storage area.
 - Caters to local AFL and cricket clubs and Wallan Secondary College.



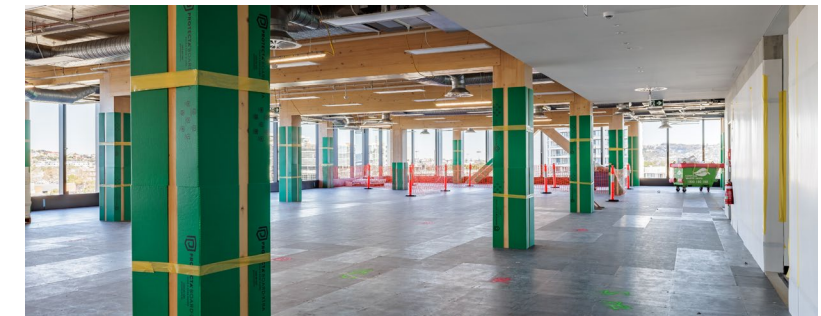
Albert Hall Renewal Launceston

- New Build
- Located in Tasmania
- 2025 expected completion (Project duration ~15 months)
- External and internal project
- New client – Launceston City Council
- Redevelopment of the historic Albert Hall
 - Transitioned from the demolition stage to the construction of the new building
 - Transforming a historic landmark into a modern meeting and exhibition space while preserving its rich heritage



Ausgrid Newcastle Office

- Fitout
- Located in Newcastle
- Project duration of ~14 weeks
- Internal project
- Repeat client – Ausgrid
- Newcastle's largest commercial office (3,300m²)
 - Four floors of smart architecturally designed office space, targeting 6 Star Green Star certification
 - In a premium newly completed Cross Laminated Timber (CLT) building at 42 Honeysuckle Drive in central Newcastle



Sustainability



2,500t Co2-e

Total emissions* offset continues to reduce (down from 2,912t Co2-e in pcp)

** Estimated emissions subject to FY24 Climate Active submission, finalisation, and certification.*



Carbon Neutral

Climate Active certification maintained for Corporate Operations



Projects Delivered

Three projects completed for Green Star certification



GreenPower

59.5% of all corporate electricity is provided via Green Energy providers (compared to 58% in pcp)



Carbon Accounting Software Embedded for Corporate

Co2-e accounting reduction strategies in place for each office, including Modular by SHAPE and AFM by SHAPE



SHAPE Offices

Green Star certified (Brisbane and Melbourne achieved 6 Star Green Star certification during FY24)

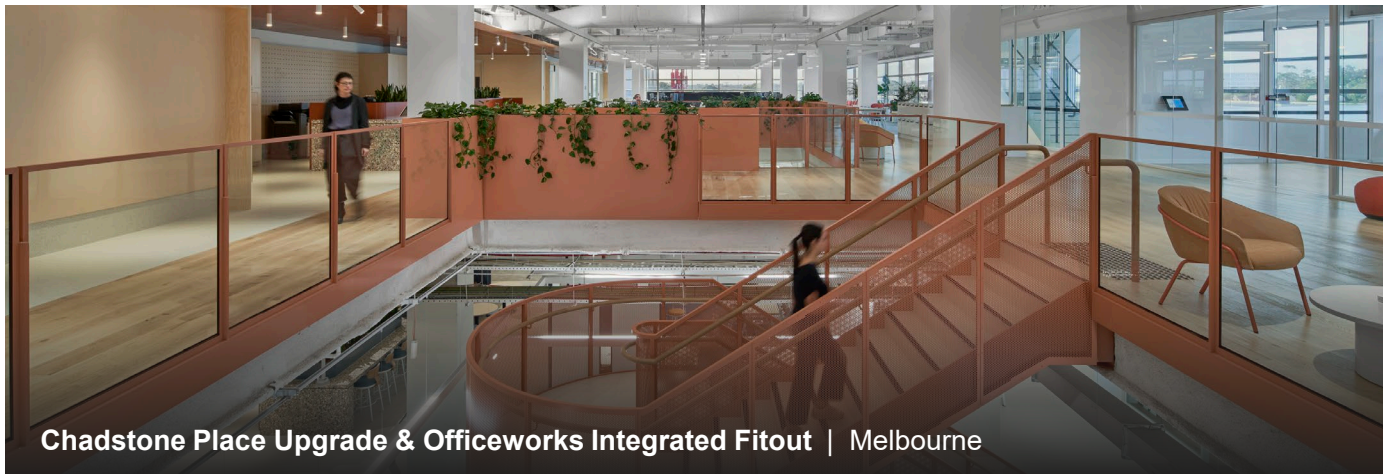


Financial Overview

Significant Profitability Uplift For The Half

\$'000	FY24	FY23	Movement
Revenue	838,732	862,367	↓ 2.7%
EBITDA	25,929	19,444	↑ 33%
NPAT	16,014	10,496	↑ 53%
Other Metrics			
EBITDA margin	3.09%	2.25%	↑ 37%
Dividend Declared	17 Cents	11.5 Cents	↑ 48%

- Revenue remains strong at \$838.7m, although down slightly (2.7%) on pcp due primarily to project commencement delays.
- Gross Margin increased by 19% to 9.1%. FY24 numbers include a higher than usual percentage of projects being closed out in the period (higher Gross Margin percentage at the tail end of a project on average).
- EBITDA increased 33% to \$25.9m.
- NPAT increased 53% to \$16m.
- Well-positioned for growth, maintaining a strong backlog order book of \$457.4m, up 33%.
- Enhanced returns from sound cash management, with a strong cash and marketable securities position of \$98.6m at 30 June 2024.



Chadstone Place Upgrade & Officeworks Integrated Fitout | Melbourne

Strong Liquidity Position With Flexibility To Maximise Opportunities

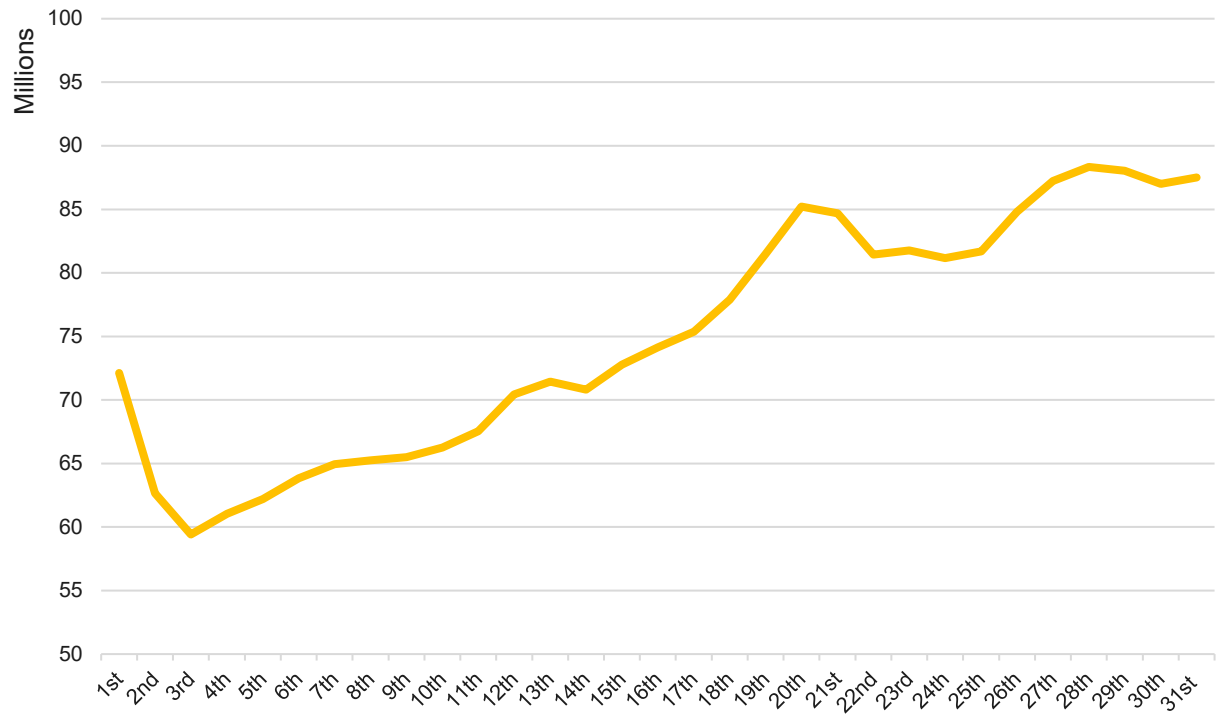
Diligent Liquidity Management

- Consistent application of rigorous cash management processes by project teams.
- Diligent capital management to support pre-qualifications and external financial assessments.

	30 Jun 2024 \$m
Cash	69.9
Marketable Securities	28.7
Total Cash and Marketable Securities	98.6
FY24 High	104.3
FY24 Low	42.6
FY24 Average	74.8

Average Daily Cash and Marketable Securities Balance

12 Month Rolling Average



¹ Marketable securities include highly liquid, investment grade, fixed and floating-rate, ASX-listed and wholesale market, financial and corporate bonds, and hybrids.
² Includes restricted cash of \$6.8m as of 30 June 2024.



Growth Strategy

SHAPE's Growth Strategy Is Focused On Three Pillars

Outlook & Growth

01

Growth into non-office market sectors



- Significant opportunities to continue growing revenues into non-office markets (Hotels, Health, Education, Retail, Defence, etc.)
- Macro trends like population growth, an aging population, and geopolitical tensions are expected to drive ongoing government investment in many of these sectors
- Well-positioned for Defence and Defence Prime projects
- While investing in growth strategies, we remain focused on maintaining our significant market share in the commercial office sector

02

Continued diversification of capabilities



- We remain focused on the implementation of our modular growth plan. In FY24 we expanded our modular capability, with the addition of a new 5,000m² facility in South Australia
- SHAPE has also invested in several key modular professionals to strengthen revenue growth in FY25
- Build on early success we have already seen with the Design & Build service offering
- Expand Aftercare and Facilities Maintenance service capability to a national offering across multiple market segments
- Seek additional merger and acquisition opportunities

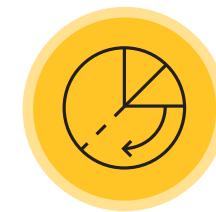
03

Geographic Expansion



- Continue to focus on expansion in three key areas: the Gold Coast, Newcastle, and Tasmania
- Establish a permanent office in Hobart for our Tasmania team
- Secure a new office location for our Gold Coast team to cater for growing headcount and expanding operations
- Continue to explore additional regional locations

Outlook & Growth | Growth into non-office market sectors



	Project Wins		Revenue	
	FY24	FY23	FY24	FY23
Hotels	\$72.3m	\$50.0m	\$42.1m	\$49.2m
Health	\$77.4m	\$43.1m	\$59.7m	\$47.8m
Retail	\$73.7m	\$41.0m	\$59.2m	\$21.2m
Education	\$110.1m	\$81.3m	\$63.9m	\$80.7m
Defence	\$63.6m	\$66.5m	\$66.3m	\$54.8m
TOTAL	\$397.0m	\$281.8m	\$291.2m	\$253.6m

- Project wins grew by 41% and revenue by 15% across non-office market sectors.
- Revenue in Defence Primes surged by 135%, reflecting our ongoing investment in our Defence team, the development of internal capabilities, and our ability to pivot from Government to Private following the 2023 Defence Strategic Review.
- Revenue for Health and Retail grew 25% and 179%, respectively.
- While maintaining our office market position, project wins in non-office markets now account for approximately half of our order book, compared to 25-30% a few years ago.

Outlook & Growth | Continued diversification of capabilities



	Project Wins		Revenue	
	FY24	FY23	FY24	FY23
New Build	\$112.5m	\$31.6m	\$36.6m	\$49.2m
Modular Construction	\$29.7m	\$24.7m	\$31.6m	\$24.0m
Facade Remediation	\$15.8m	\$34.9m	\$31.9m	\$45.0m
TOTAL	\$158.0m	\$91.1m	\$100.0m	\$118.2m

- New Build project wins increased by 256% to \$112.5m. However, revenue is down slightly due to many of these projects being completed in FY25.
- Investment in modular capabilities saw project wins and revenue grow in FY24 compared to pcp.
- General delay in facade remediation projects coming to market, due to landlords increasingly prioritising interior improvements, such as end-of-trip facilities, to encourage employees to return to offices. SHAPE also chose to withdraw from a number of projects in FY24 that favoured high-risk build methodologies at lower margin.

Outlook & Growth | Expansion into new geography



	Project Wins		Revenue	
	FY24	FY23	FY24	FY23
Gold Coast	\$82.1m	\$20.0m	\$25.5m	\$15.7m
Newcastle	\$26.5m	\$3.5m	\$10.8m	\$9.1m
Tasmania	\$11.5m	\$15.2m	\$11.6m	\$5.1m
TOTAL	\$120.1m	\$38.7m	\$47.9m	\$30.0m

- Our three regional operations experienced significant project wins and revenue growth, increasing 211% and 60%, respectively.
- Gold Coast's 310% increase in project wins reflects its diversified order book with new build and securing the region's marquee office project in FY24.
- The Gold Coast and Newcastle experienced significant increases in project wins and revenue in FY25. Since establishing offices in both locations in FY23, the local teams have invested in networking and relationship-building, effectively expanding market opportunities. This strategic effort has enabled us to invest in additional personnel, thereby enhancing capabilities and allowing us to capitalise on more work.

Questions?

Appendix

SHAPE

Operational Segments

Fitout and Refurbishment

- Significant experience delivering high-end fitouts across offices, boutique hotels, etc
- Specific know-how to manage clients' unique expectations
- Ability to pick up work at all stages of office lifecycle, i.e., fitouts, reconfigurations, and make goods
- A broad range of customers, including blue-chip ASX companies

Modular Construction (Modular by SHAPE)

- Utilising modern methods of construction to develop unique modular solutions to solve complex building challenges
- Significant opportunities to grow revenues with strong growth expected across Education and Health sectors
- Bacchus Marsh Grammar, Purple House, and Royal Flying Doctor Service are recent clients

New Build

- Meaningful experience and relationships to deliver traditional new construction and extensions to existing buildings
- Solid win rates for projects which require well-planned approaches to high-risk works, permit requirements, staged delivery methodologies, and strict regulatory compliance

Facade Remediation

- Aesthetic upgrades to compliance-driven cladding replacement requirements.
- Delivering high-quality and cost-effective outcomes while minimising disruption to tenants and operations
- Clients include Charter Hall, The Star, and ISPT

Aftercare and Facilities Maintenance (AFM by SHAPE)

- Provide support to clients to meet the evolving needs of their business following projects completed by SHAPE
- Ongoing facilities maintenance contracts for clients with a property portfolio, large or small
- Work can involve preventative maintenance, emergency response, additions, or lead into future upgrades
- Clients include Amazon, BHP, CBA, and Officeworks

Design & Build

- Delivering an end-to-end service from bespoke strategy and design to defect-free delivery
- New client stream of those that are looking to procure design and strategy services
- Working with the client earlier to understand their needs, minimise risks, and enhance buildability to ensure cost certainty

Reconciliation of Profit Before Income Tax To EBITDA

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Profit before income tax	23,020	15,481
Depreciation and amortisation	5,035	4,954
Interest revenue	(3,490)	(2,421)
Finance costs	1,363	1,430
EBITDA	25,928	19,444





DLG SHAPE

Management fees generated to SHAPE of \$3.43m during the reporting period – up 18% on pcp.

Spend with Indigenous Business

\$4.07m

Identified Pipeline

\$297.5m

Projects Won

\$76.5m

Construction Revenue

\$69.4m

- Continued strong performance for DLG SHAPE with project wins of \$76.5m, up from \$41.6m the previous year
- SHAPE maintained 49% ownership, with 51% held by David Liddiard Group (DLG)
- Spend to date through Indigenous supply chain is \$38.7m
- DLG SHAPE remain committed to promoting Indigenous employment and targets local Indigenous engagement
- Strong focus on Defence and currently delivering first CFI project at HMAS Albatross
- Koorie Heritage Trust won multiple awards at the 2024 Victorian Architecture Awards, including the Dimity Reed Melbourne Prize