

# FY25 End of Year Results

30 JUNE 2025



  
**SIMONDS**  
GROUP



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# Continued investment in capacity and capability across all channels.



## **Dennis Family Homes (DFH) acquisition**

– Successful completion of the DFH acquisition and subsequent integration of the operations and infrastructure into the Simonds environment. A financially accretive investment that provided further scale to the Simonds' forward order book and jobs under construction. The addition of DFH's design library and display footprint complements the Simonds portfolio, supporting growth across key markets and customer segments.



## **Channel capability and maturity**

– The Medium Density and Wholesale channels remain key growth areas for Simonds with further investment in FY25 materially enhancing the library of new product designs and capability to facilitate sustained future growth.



## **Continued EBITDA growth**

– Results reflect continued growth in EBITDA which includes \$6.2m in one-off transaction and integration-related costs for the period. These costs represent an investment that will be a strong driver of growth in FY26.



## **Improved liquidity**

– Available liquidity materially improved with the continued reduction in build times and change in mix of jobs under construction. Majority of the complex insurance jobs have been settled, releasing working capital for the Group.

# Stable revenue and margin improvement.

Revenue<sup>1</sup>

**\$665.6m**

Up \$2.1m from \$663.5m

EBITDA<sup>1</sup>

**\$24.0m**

up \$0.7m from \$23.3m

Site Starts<sup>2</sup>

**1,526**

Down 246 from 1,772

Available liquidity

**\$47.7m**

Up \$21.1m from \$26.6m

1. From continuing operations

2. Excludes any display homes

Note: All comparisons are to the prior corresponding period (pcp) unless otherwise stated.

- **Revenue** from continuing operations remained stable year-on-year. Lower site starts were offset by increased average site start values across the channels and a change in the composition of the revenue mix. A component of the FY25 revenue was generated from DFH jobs acquired which were already under construction at the acquisition date.
- **EBITDA** reflects a \$0.7m increase, and a \$9.8m improvement in gross margins offset by \$6.2m of one-off transaction and integration expenditure.
- Lower **site starts** due to the decrease in volumes in the Insurance channel. Insurance represented a material component of starts in FY24 given the number and size of residential builders that were impacted by insolvencies in the preceding period. Simonds stepped in to support homeowners impacted by these unfortunate events.
- **Liquidity** remains healthy with \$47.7 million available at 30 June (\$23.3m cash on hand and unused banking facilities of \$24.4m) providing sufficient headroom for investment into growth initiatives and to support working capital needs.

# Financial performance

	30-Jun-25	30-Jun-24
	\$m	\$m
<b>Continuing operations</b>		
Revenue	665.6	663.5
Cost of sales	(517.4)	(525.1)
<b>Gross margin</b>	<b>148.2</b>	<b>138.4</b>
Operating expenses	(124.2)	(115.1)
<b>EBITDA<sup>1</sup></b>	<b>24.0</b>	<b>23.3</b>
Depreciation & Amortisation	(19.7)	(16.7)
Interest expense <sup>2</sup>	(2.3)	(2.2)
<b>Profit before tax</b>	<b>2.0</b>	<b>4.4</b>
Income tax (expense)	(0.6)	(1.4)
<b>Profit after tax</b>	<b>1.4</b>	<b>3.0</b>
<b>Discontinued operations</b>		
(Loss) / Profit from discontinued operations after tax	(0.4)	1.0
<b>Profit after tax for the year</b>	<b>1.0</b>	<b>4.0</b>
<b>Normalised result – Continued operations</b>		
One-off transaction and integration expenses <sup>3</sup>	4.3	-
<b>Normalised Profit after tax (continued operations)</b>	<b>5.7</b>	<b>3.0</b>

<sup>1</sup> Referring to Earnings before Interest, Income Tax and Depreciation & Amortisation ("EBITDA")

<sup>2</sup> Interest expense mainly comprises non-cash interest on long-term lease liabilities calculated in line with AASB 16 Leases and line fee on multi-option facility

<sup>3</sup> After tax impact

- **Gross margin** increased year-on-year and reflects the improved residential margins achieved as all historical low-margin jobs have been fully settled. Gross margins across other channels continue to improve as the business focuses on driving efficiency and higher productivity.
- **Operating expenses** include \$6.2m in one-off transaction and integration related expenditure, supporting future growth through the DFH jobs acquired, improved display home footprint and home designs complementary to the Simonds portfolio.
- The Group also continued to invest in designs and delivery capability for the Medium Density and Wholesale channels that will drive increased starts in FY26.
- **Depreciation and amortisation** increased with additional Display leases acquired through the DFH transaction and the amortisation of the DFH forward order book.
- **Discontinued operations** represents the Madisson business which closed in 2015. The prior period profit included an insurance recovery of historical cost incurred which was indemnified by the Group's insurer.
- **Normalised NPAT** from continued operations increased 90% year on year on the back of improved gross margins.

# Balance Sheet

	30-Jun-25	30-Jun-24
	\$m	\$m
Cash / Equivalents	23.3	1.6
Receivables	46.1	54.2
Accrued revenue	38.7	55.8
Inventories	21.2	22.2
PP&E	2.5	2.6
Intangible assets	20.7	3.0
Other	2.8	2.4
Right-of-use assets	15.7	14.5
Deferred tax asset	0.1	2.0
<b>Total Assets</b>	<b>171.1</b>	<b>158.3</b>
<b>Liabilities</b>		
Trade / other payables	83.3	92.9
Deferred revenue	15.9	11.3
Lease liabilities	16.8	15.5
Borrowings	0.8	0.9
Contingent consideration	9.5	-
Provisions	25.3	19.2
<b>Total Liabilities</b>	<b>151.6</b>	<b>139.8</b>
<b>Net Assets</b>	<b>19.5</b>	<b>18.5</b>

- **Net cash** on hand improved given the change in the channel mix of jobs under construction and the increase in productivity on site. In conjunction with improved phasing of invoicing, collections improved while reducing the receivables.
- **Accrued revenue** reduced materially with the change in mix of jobs under construction. The Insurance channel had longer build timeframes compared to other channels, increasing the working capital investment at the time.
- **Intangible assets** increased due to DFH acquisition and include \$12.3m of goodwill incurred, and \$4.3m valuation for the forward order book acquired, which is being amortised over the life of the contracts.
- **Deferred revenue** represents customer deposits on hand which increased predominantly due to DFH acquisition accounting.
- **Contingent consideration** reflect the deferred compensation payable for the DFH acquisition. This balance will be settled over the next 12-24 months aligned with the purchase agreement.
- **Provisions** reflect the increased employee, maintenance and warranty provisions taken on as part of the DFH acquisition.

# Cash flow

	30-Jun-25	30-Jun-24
	\$m	\$m
<b>Cash flows from operating activities</b>		
Receipt from customers	786.7	711.0
Payments to suppliers / employees	(745.1)	(706.2)
Interest paid	(2.3)	(2.2)
Income taxes refund	-	0.1
<b>Net cash generated from operating activities</b>	<b>39.4</b>	<b>2.7</b>
<b>Net cash (used in) investing activities</b>	<b>(1.4)</b>	<b>(3.3)</b>
<b>Net cash (used in) financing activities</b>	<b>(16.3)</b>	<b>(12.8)</b>
<b>Net increase / (decrease) in cash</b>	<b>21.7</b>	<b>(13.5)</b>
Cash and cash equivalents at beginning of the period	1.6	15.1
<b>Cash and cash equivalents at end of the period</b>	<b>23.3</b>	<b>1.6</b>

- **Cash flow from operating activities** was positive given the improved productivity and the release of working capital through the changes in the Simonds channel mix.
- **Net cash (used in) investing activities** reflects the payments towards the creation of new home designs and the impact of the DFH acquisition including settlement of contingent consideration.
- **Net cash (used in) financing activities** is mostly payments towards the Group's lease liabilities including the increased payments towards the larger display footprint acquired.

# FY26 Key initiatives

Continued product development aligned to consumer demand for affordability.

## Product & Channel Expansion

- Strategic expansion in the Knockdown Rebuild (KDRB) segment, supported by new designs tailored to infill markets and higher-margin projects.
- Continued integration of Dennis Family Homes, adding over 300 designs and enhancing market share, product diversity and channel mix.

## Sustainable profitability

- Focused capital allocation toward initiatives that support revenue growth, gross margin uplift and long-term supply chain efficiency.
- Continued investment in operational efficiency to unlock synergies, reduce delivery friction and improve customer outcomes.

## Product innovation

- National rollout of new designs across KDRB, Dual Occupancy, small lot housing, and Medium Density to drive volume and broaden customer appeal.
- Enhanced offering through the DFH acquisition, increasing flexibility across entry-level, mid-tier and aspirational price points.

## Operational transformation

- Launch of a new customer portal in FY26, delivering greater transparency, self-service functionality and build progress visibility.
- Investing in a new interactive Gallery experience, improving customer engagement and supporting design-led sales conversion.
- Deployment of AI-driven capability across lead generation, qualification and nurturing to improve marketing efficiency and cost per acquisition.

# Current trading conditions & outlook

## Stabilising Conditions with Targeted Growth Opportunities

Simonds Homes remains optimistic as the volume homebuilding sector begins to stabilise after a prolonged period of macroeconomic headwinds. Key trends shaping our outlook include:

### 1. Build Volume & Demand Outlook

- National detached housing starts are expected to recover modestly in late CY25.
- Customer demand continues to shift towards affordable, turnkey homes and smaller lot solutions - Simonds is supporting ongoing investment in operational and design capability to leverage this growth.

### 2. Land Supply & Affordability

- Land affordability is improving, with median lot prices softening across VIC and increased project releases helping ease land shortages in QLD and SA.
- Improved affordability and supply are expected to drive site starts in FY26, particularly in emerging corridors and infill locations.

### 3. Government & Policy Environment

- Government initiatives such as Housing Australia Future Fund (HAFF) continue to drive demand for affordable housing, with new programs expected to unlock development opportunities and job creation.
- Simonds is well positioned to participate in affordable and diverse housing delivery at scale.

### 4. Operational efficiencies

- With DFH integration nearing completion, several strategic initiatives will focus on unlocking further efficiencies and re-alignment of operational processes, utilising our scale to improve productivity across all jobs.



## FY26 Market opportunities include:

- **KDRB Expansion:** A renewed focus on the Knockdown Rebuild (KDRB) market, with new designs tailored to maximise infill opportunities and meet demand in established suburbs.
- **Portfolio Growth through DFH Acquisition:** Over 300 additional designs added to our library through the acquisition of Dennis Family Homes, expanding our reach across budget segments, states and buyer profiles.
- **Medium Density Uplift:** Leveraging our increased design and delivery capacity to grow share in the medium density sector as councils and developers push for greater yield per site.

# Sustainability

For more than 75 years, Simonds has helped shape the Australian landscape, building homes for over 60,000 families from all walks of life. We are proud of the role we play in improving lives, and we are equally mindful of the environmental footprint of our industry. That is why sustainability is becoming part of everything we do, from the products we create and the homes we build to the communities we support and the people we care for each day.

## Environmental

- Focus on reducing our environmental impact across design, construction and operations
- All homes built to meet or exceed 7-star energy standards, lowering costs for customers and supporting a greener future
- Support customers with advice on sustainable living in their new homes

## Social responsibility

- Support grassroots sports clubs across metro and regional Vic, Qld and SA
- Sponsor inclusive cultural events, including Diwali
- Uphold ethical labour practices across the supply chain
- Diversify our product offering to increase access to affordable housing

## Governance

- One of the few volume builders certified in:
  - ISO45001 (Workplace Health & Safety)
  - ISO9001 (Quality)
  - ISO14001 (Environmental)
- Active contributor to Volume Building Safety Alliance (VBSA) and strong relationship with regulators

## Safety leadership

- Collaborate with RMIT in the SHINE program, undertaking research to prevent death, injury and chronic ill-health in the construction sector
- Proposed and implemented an industry first, Residential Induction Card, allowing trades to complete a single induction process recognised across the residential sector, increasing compliance and safety awareness

# Thank you.

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Authorised for lodgement by the Simonds Group Limited Board



  
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