

22 February 2022

ABN 54 143 841 801 / ASX Code: SIO

simondsgroup.com.au

**ASX ANNOUNCEMENT
 SIMONDS GROUP FIRST HALF YEAR 2022 RESULTS**

Simonds Group Limited (Simonds, Group or Company) (ASX: SIO), one of Australia's leading homebuilders, has today released its Appendix 4D Financial Report for the six months ended 31 December 2021 (1HFY22).

Simonds reported a net loss after tax (NPAT) of (\$2.9) million from continuing operations, and reported a net profit after tax (NPAT) at a group level of \$0.5m.

Results for the six months ended 31 December 2021:

	1HFY22 \$ million	1HFY21 \$ million ¹
Revenue	\$338.1	\$318.1
Earnings before interest, depreciation and amortisation (EBITDA)	\$5.8	\$12.0
Net Profit After Tax (NPAT) from continuing operations	(\$2.9)	\$0.7

¹ Prior year comparatives have been adjusted to reflect BAA as a discontinued operation for consistency with current year results.

1HFY22 HIGHLIGHTS

- 1,177 site starts for the period – 5 starts above the comparative period in 1HFY21.
- Net asset position rose from \$22.2 million as at 30 June 2021 to \$23.7 million as at 31 December 2021.
- Revenue of \$338.1 million - \$20.0 million higher than 1HFY21 predominantly due to higher job numbers on site.
- EBITDA of \$5.8 million – \$6.2 million less than 1HFY21 due to impacts by COVID-19, in particular on supply and trade availability and rates, compounded by worksite lockdown and further restrictions impacting productivity onsite.
- BAA has been removed from EBITDA due to the business until being sold on the 30th November, thereby becoming a discontinued operation and therefore shown below EBITDA.

1HFY22 OVERVIEW

Commenting on SIO's results for 1HFY22, the Group CEO and Managing Director Rhett Simonds said:

"In what has been another challenging period associated with the prolonged effects of the COVID-19 global pandemic, the Group has faced significant challenges with continued increases in trade and supplier costs compounded by industry wide lockdowns, restrictions on workplaces and communities.

The continued support of our customers, staff, suppliers, and sub-contractors to adapt in these conditions has ensured the Group could continue to perform during these times. We remain focused on improving and delivering sustainable operating performance through a clear focus on core activities and profitable sales channels.

Our business, like many others across the housing sector, has benefited from government stimulus and in particular the Federal Government's HomeBuilder program. This has helped to mitigate the impact of the lockdowns initiated in each of the geographic areas the Group operates."

OUTLOOK AND FUTURE DEVELOPMENTS

Uncertainties with the ongoing COVID-19 pandemic make forward-looking statements problematic. COVID-19 impacts on 2HFY22 may include: ongoing supply chain impacts on the industry in general or increased or ongoing infection rates leading to a number of workers and trades isolating and unable to work.

Heightened demand has continued post the HomeBuilder stimulus which has resulted in pressure on trades that have prolonged build periods and impacted trade rates.

Industry groups and analysts are forecasting continued positive housing growth in FY22, with a potential slight decline in FY23 and FY24.

DIVIDENDS

The Directors have determined that no dividend will be declared in relation to the six months ended 31 December 2021.

- ENDS -

For more information, please contact:

Rhett Simonds Group CEO and Managing Director Phone: +61 3 9926 3151
--

Authorised for lodgement by the Simonds Group Limited Board of Directors.