

## **ASX ANNOUNCEMENT**

### **SIMONDS GROUP FULL-YEAR RESULTS - PROSPECTUS FORECAST EXCEEDED**

**Melbourne, 20 August 2015:** Simonds Group Limited (ASX: SIO) is pleased to announce its inaugural full-year results as a listed company. The results for the financial year ended 30 June 2015 (FY15) outline that the company outperformed prospectus forecasts and achieved a pro-forma Net Profit after Tax of \$21.1m.

Commenting on the FY15 results, Simonds Group's Managing Director & CEO Paul McMahon said "The results for the 2015 financial year were a great achievement, with the company recording a record profit result and both of our core businesses achieving substantial revenue growth. The Group has responded well to the transition to a public company and we are firmly committed to executing on our strategic plan focused on consistent year-on-year growth".

#### **FY15 financial highlights**

- Dividend of 5.3 cents per share (fully franked) announced
- Announcement of on-market share buy-back program of a maximum of 7.5m shares

#### **Pro-forma results:**

- Revenue of \$634.4m – up 16.7% from FY14
- EBITDA of \$34.8m – up 61.1% from FY14
- NPAT of \$21.1m – up 80.3% from FY14

#### **Statutory results:**

- Revenue of \$628.8m
- EBITDA of \$2.4m
- NPAT of \$8.9m loss

#### **FY15 operational highlights**

- Simonds Homes Australia's growth strategy into Queensland and New South Wales continues to mature
- Continued strong revenue and margins in Victoria and South Australia
- Significant course expansion underway in Builders Academy Australia (BAA)
- Expansion of BAA Queensland and BAA New South Wales through the acquisition of CWBTS sets up the business for future growth and diversification of revenue and funding
- Increased CBA three year debt facility to \$39m to support future growth strategies

### **Dividend announced**

The Board of Simonds Group is pleased to announce the inaugural dividend payment of 5.3 cents per share (fully franked). Based on the seven months of trading since listing on the ASX, this dividend payment represents a distribution of 65% of NPAT generated through that period.

The Simonds Group continues to operate on a capital light model and therefore solid dividend payments will continue to remain a key focus for the Board and the Executive.

### **On-market share buy-back**

The Board of Simonds Group is pleased to announce that the group has commenced an on-market share buy-back program. Subject to market conditions, Simonds Group intends to buy-back a maximum of 7.5m shares or ~5.0% of the total number of shares on issue. The purchase of shares will only be implemented where opportunity exists to buy-back shares which are accretive to Simonds Group's earnings and distributions.

### **Simonds Homes Australia**

- **Revenue of \$600.2m up 12.0% from FY14**
- **Pro forma EBITDA result of \$24.7m**
- **Record site starts of 2,471**

Simonds Homes Australia achieved strong growth in site starts across Victoria, Queensland, South Australia and New South Wales over FY15, with a total of 2,471 sites commenced. Simonds Homes achieved 12.0% revenue growth in FY15 and recorded a company record EBITDA result of \$24.7m.

All states for Simonds Homes Australia were profitable as the business continued with its strategic growth plans in New South Wales, Queensland and South Australia. The businesses display program continues to mature across all states with the business expected to have ~140 display homes open by the end of FY16.

Gross Margins continued to improve in line with the company's focus on supplier relationships, strong buying power and robust cost movement programs. In addition to this Simonds Homes Australia continues to grow its sensitivity programs to ensure the business is structured for scalability in the event of market growth or contraction.

### **Builders Academy Australia (BAA)**

- **Revenue of \$23.2m up from \$3.8m in FY14**
- **Pro forma EBITDA result of \$10.4m**
- **5,578 course enrolments in FY15**

Builders Academy Australia (BAA) is pleased to report an EBITDA result of \$10.4m which has been the result of years of strategic planning and capitalising on dormant pockets of the market. BAA's revenue in FY15 was \$23.2m which was a considerable increase on the \$3.8m revenue reported in FY14.

BAA had 5,578 course enrolments during FY15 with the bulk of those being enrolled across two main courses. During the second half of FY15 the foundations were set for FY16 and beyond with a number of new courses added to the scope and many more still to come. BAA prides itself on quality training outcomes and this focus will see more students, more courses and more revenue added in this coming year.

With the finalising of the CWBTS acquisition, BAA Queensland and BAA New South Wales are now well positioned to emulate the systems and course offering that have made BAA Victoria so successful over the past few years.

### **Strong balance sheet**

Simonds Group continues to maintain very low levels of debt ~\$2.8m and holds a 3-year \$39m corporate debt facility. This provides significant confidence in the Group's forward planning and delivers capacity to support both the share buy-back and the on-going expansion opportunities.

### **Positive outlook underpinned by strong sales pipelines and market demand**

The Simonds Homes sales pipeline remains very strong with 2,189 jobs pre-site as at 30 June 2015 and with the expanding display programs that are in place, this number should only continue to grow. BAA continues to see increasing demand for its courses and at 30 June 2015 had 4,155 course enrolments.

In addition, the Group continues to explore new opportunities and new markets and with the underlying demand in both sectors remaining very strong FY16 is anticipated as being another record year for the Simonds Group.

Commenting on the performance and outlook of the company, Mr McMahon said: "I am very proud of what our team has been able to achieve over the past year in such a dynamic period for our business. Our results have truly been a culmination of the efforts of all team members, executive and our Board. Our business is in a very strong position coming into FY16 and we look forward to another year of sustainable growth".

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***About Simonds Group (ASX code SIO)***

Simonds Group Limited is an ASX listed integrated homebuilder (Simonds Homes) and Registered Training Organisation (Builders Academy Australia).

Simonds Homes is the number one homebuilder in Victoria and currently operates display homes in locations across Victoria, Queensland and South Australia with plans to expand display homes in New South Wales.

Builders Academy Australia is a Registered Training Organisation with a focus on offering nationally accredited qualifications in building and construction. The origins of Builders Academy Australia date back more than ten years, when the Simonds Group established its training division. Builders Academy Australia offers training programs across Victoria, New South Wales and Queensland with over 5,500 course enrolments in FY15. Embedded within one of Australia's leading home builders, Builders Academy Australia is 'builders training builders', offering a clear career employment pathway for course participants as well as a well-trained network of employees, suppliers and contractors of Simonds Homes.

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