

Appendix 4E

Preliminary final report

1. Name of entity

SCHAFFER CORPORATION LIMITED

ACN

008 675 689

Financial year ended ('current period')

30 JUNE 2025

Previous corresponding period

30 JUNE 2024

2. Results for announcement to the market

2.1	Revenues from continuing operations					\$'000
		up	1.5%	to	229,710	
2.2	Net profit for the period attributable to members					
		down	10.3%	to	24,257	
2.3	Dividends (see note 7)	Amount per security			Franked amount per security	
	Final – Ordinary Dividend	45¢			45¢	
	Interim – Ordinary Dividend	45¢			45¢	
	Total	90¢			90¢	
2.4	Record date for determining entitlements to the dividend	5 September 2025				

3. Consolidated Statement of Comprehensive Income for the year ended 30 June 2025

		Consolidated	
		June 2025 \$'000	June 2024 \$'000
	Note		
Revenue			
Revenue from contracts with customers	3.1	218,847	216,158
Rental income	3.2(a)	7,636	7,045
Dividends and distributions		1,398	1,698
Finance income	3.2(b)	1,829	1,326
Total revenue		229,710	226,227
Cost of sales and services rendered		(169,732)	(170,173)
Rental property expenses	3.2(a)	(3,900)	(3,664)
Gross profit		56,078	52,390
Share of profit in equity accounted investments		848	383
Other income	3.2(c)	2,259	8,752
Marketing expenses		(457)	(541)
Administrative expenses		(15,639)	(14,475)
Profit before tax and finance costs		43,089	46,509
Finance costs	3.2(b)	(3,579)	(3,669)
Profit before income tax		39,510	42,840
Income tax expense		(11,671)	(12,470)
Net profit for the period		27,839	30,370
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain/(loss) attributable to parent		1,476	(133)
Items that may not be reclassified subsequently to profit or loss			
Foreign currency translation gain/(loss) attributable to non-controlling interest		260	(33)
Other comprehensive income/(loss) for the period, net of tax		1,736	(166)
Total comprehensive income for the period		29,575	30,204
Profit for the period is attributable to:			
Non-controlling interest		3,582	3,319
Owners of the parent		24,257	27,051
		27,839	30,370
Total comprehensive income for the period attributable to:			
Non-controlling interest		3,842	3,286
Owners of the parent		25,733	26,918
		29,575	30,204
Earnings per share (EPS)			
Basic EPS	9	178.5¢	199.3¢
Diluted EPS	9	178.5¢	199.1¢
Dividends paid per share	7.2	90.0¢	90.0¢

The above Consolidated Statement of Comprehensive Income should be read with the accompanying notes.

3.1 Consolidated revenue from Contracts with Customers

Segments	For the year ended 30 June 2025			
	Automotive Leather	Group Investments	Building Materials	Total
Type of goods or service	\$000's	\$000's	\$000's	\$000's
Sale of automotive leather components	185,518	-	-	185,518
Sale of land	-	449	-	449
Construction services	-	-	27,903	27,903
Transport income	-	-	3,611	3,611
Sale of goods - hospitality business	-	1,366	-	1,366
Total revenue from contracts with customers	185,518	1,815	31,514	218,847
Geographical Markets				
Europe	161,944	-	-	161,944
Asia	23,574	-	-	23,574
Australia	-	1,815	31,514	33,329
Total revenue from contracts with customers	185,518	1,815	31,514	218,847
Timing of revenue recognition				
Goods transferred at a point in time	185,518	1,815	-	187,333
Services transferred over time	-	-	31,514	31,514
Total revenue from contracts with customers	185,518	1,815	31,514	218,847
Relating to current period performance	185,518	1,815	31,514	218,847
Total revenue from contracts with customers	185,518	1,815	31,514	218,847

Segments	For the year ended 30 June 2024			
	Automotive Leather	Group Investments	Building Materials	Total
Type of goods or service	\$000's	\$000's	\$000's	\$000's
Sale of automotive leather components	181,930	-	-	181,930
Sale of land	-	1,958	-	1,958
Construction services	-	-	26,186	26,186
Transport income	-	-	4,834	4,834
Sale of goods - hospitality business	-	1,250	-	1,250
Total revenue from contracts with customers	181,930	3,208	31,020	216,158
Geographical markets				
Europe	157,372	-	-	157,372
Asia	24,558	-	-	24,558
Australia	-	3,208	31,020	34,228
Total revenue from contracts with customers	181,930	3,208	31,020	216,158
Timing of revenue recognition				
Goods transferred at a point in time	181,930	3,208	-	185,138
Services transferred over time	-	-	31,020	31,020
Total revenue from contracts with customers	181,930	3,208	31,020	216,158
Relating to current period performance	181,930	3,208	31,020	216,158
Total revenue from contracts with customers	181,930	3,208	31,020	216,158

3.2 Significant Other Income and Expenses

	Consolidated	
	June 2025 \$'000	June 2024 \$'000
(a) Net rental income		
Rental property income	7,636	7,045
Rental property expenses	(3,900)	(3,664)
Net rental income	3,736	3,381
(b) Finance (costs)/income		
Interest on loans	(3,099)	(3,030)
Interest on leases	(480)	(639)
Total interest costs	(3,579)	(3,669)
Interest on cash and term deposits	1,829	1,326
Total interest income	1,829	1,326
(c) Other income/(losses)		
Net revaluation gain from investment property	7,012	13,426
Net revaluation loss on financial assets at fair value through profit or loss	(2,045)	(3,332)
Net fair value increase on financial liabilities at fair value through profit or loss	(867)	(600)
Net loss on disposal of property, plant and equipment	(82)	(53)
Government subsidies	189	31
Net revaluation loss on derivatives	(1,870)	(319)
Foreign currency losses	(4,713)	(1,372)
Foreign currency gains	4,635	971
Total other income/(losses)	2,259	8,752
(d) Depreciation, amortisation and impairment included in the consolidated statement of comprehensive income		
Depreciation included in:		
Cost of sales	5,056	6,346
Marketing and administrative expenses	75	79
Total depreciation	5,131	6,425
Amortisation included in:		
Cost of sales	4,193	2,010
(e) Employee benefits expense included in the consolidated statement of comprehensive income		
Employee benefits included in:		
Cost of sales	42,738	40,095
Marketing and administrative expenses	5,907	6,377
Total employee benefits expense	48,645	46,472
Employee benefits expense comprises:		
Wages, salaries and bonuses	48,270	45,205
Net decrease in post-employment benefits provision	(1,251)	(377)
Long service leave	84	197
Worker's compensation costs	371	309
Superannuation costs	1,171	1,138
Total employee benefits expense	48,645	46,472

4. Consolidated Statement of Financial Position as at 30 June 2025

		Consolidated	
		June 2025	June 2024
		\$'000	\$'000
ASSETS	Note		
Current assets			
Cash and cash equivalents	6.1	29,423	31,183
Cash and cash equivalents - controlled equity funds	6.1,15	10,625	6,421
Trade and other receivables		45,234	31,981
Current tax assets		103	381
Inventories		46,542	44,861
Contract assets		1,667	6,601
Prepayments and deposits		5,554	4,549
Financial assets at fair value through profit or loss		15,732	18,741
Other financial assets		16,742	1,070
Total current assets		171,622	145,788
Non-current assets			
Inventories		892	878
Contract assets		1,643	2,389
Financial assets at fair value through profit or loss		42,310	44,140
Other financial assets		3,124	1,638
Property, plant and equipment		20,756	19,162
Investment properties		169,014	159,027
Right of use assets		29,174	30,742
Equity accounted investments		8,205	7,849
Deferred income tax asset		5,718	5,155
Goodwill		1,299	1,299
Total non-current assets		282,135	272,279
Total assets		453,757	418,067
LIABILITIES			
Current liabilities			
Trade and other payables		29,602	25,329
Contract liabilities		1,007	1,870
Interest-bearing loans and borrowings		21,792	14,765
Lease liabilities		5,742	6,423
Financial liabilities at fair value through profit or loss		14,266	11,530
Income tax payable		1,255	148
Provisions		10,622	10,025
Total current liabilities		84,286	70,090
Non-current liabilities			
Interest-bearing loans and borrowings		51,096	44,722
Lease liabilities		18,352	19,284
Deferred income tax liabilities		36,672	33,577
Provisions		11,078	12,242
Total non-current liabilities		117,198	109,825
Total liabilities		201,484	179,915
Net assets		252,273	238,152
Equity			
Equity attributable to equity holders of the parent			
Issued capital		9,925	9,781
Reserves		6,269	4,793
Retained earnings		222,061	210,036
Total parent entity interest in equity		238,255	224,610
Non-controlling interests		14,018	13,542
Total equity		252,273	238,152

5. Consolidated Statement of Changes in Equity for the year ended 30 June 2025

	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Issued capital	Retained earnings	Reserves			Total	
			Asset revaluation reserve	Share-based payments	Foreign currency translation reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2024	9,781	210,036	2,585	(589)	2,797	224,610	238,152
Profit for the year	-	24,257	-	-	-	24,257	27,839
Other comprehensive income	-	-	-	-	1,476	1,476	1,736
Total comprehensive income for the year	-	24,257	-	-	1,476	25,733	29,575
Transactions with owners in their capacity as owners:							
Employee share options exercised	144	-	-	-	-	144	144
Equity dividends	-	(12,232)	-	-	-	(12,232)	(15,598)
At 30 June 2025	9,925	222,061	2,585	(589)	4,273	238,255	252,273
At 1 July 2023	9,921	195,201	2,585	(589)	2,930	210,048	224,932
Profit for the year	-	27,051	-	-	-	27,051	30,370
Other comprehensive income	-	-	-	-	(133)	(133)	(166)
Total comprehensive income for the year	-	27,051	-	-	(133)	26,918	30,204
Transactions with owners in their capacity as owners:							-
Shares acquired under buy-back scheme	(316)	-	-	-	-	(316)	(316)
Employee share options exercised	176	-	-	-	-	176	176
Equity dividends	-	(12,216)	-	-	-	(12,216)	(16,844)
At 30 June 2024	9,781	210,036	2,585	(589)	2,797	224,610	238,152

6. Consolidated Statement of Cash Flows for the year ended 30 June 2025

		Consolidated	
		June 2025	June 2024
		\$'000	\$'000
	Note		
Cash flows from operating activities			
Receipts from customers		210,404	223,909
Payments to suppliers and employees - other		(180,203)	(171,845)
Interest received		1,575	1,158
Dividends and distributions received		1,632	1,554
Other revenue received		7,142	6,667
Government subsidies		247	65
Interest paid		(3,578)	(3,596)
Income taxes paid		(7,439)	(9,690)
Goods and services tax paid		170	(502)
Net cash from operating activities		29,950	47,720
Cash flows from investing activities			
Investments in term deposits		(30,190)	(180)
Proceeds on maturity of term deposits		13,680	175
Acquisition of property, plant and equipment		(5,759)	(3,499)
Proceeds on sale of property, plant and equipment		-	49
Improvements to investment properties		(2,818)	(5,192)
Acquisition of non-current financial assets at fair value through profit or loss		(2,742)	(4,164)
Proceeds on disposal of non-current financial assets at fair value through profit or loss		-	176
Capital returns from financial assets at fair value through profit or loss		2,071	3,038
Acquisition of non-current financial assets at amortised cost		(729)	(89)
Disposal of financial assets at amortised cost – loans receivable		35	-
Purchase of equity accounted investments		(770)	-
Settlement of derivative financial instruments		(747)	345
Acquisition of current financial assets at fair value through profit or loss - controlled equity funds		(31,967)	(19,939)
Proceeds on disposal of current financial assets at fair value - controlled equity funds		35,541	12,648
Net cash used in investing activities		(24,395)	(16,632)
Cash flows from financing activities			
Proceeds from borrowings		13,400	-
Repayment of borrowings		-	(11,911)
Lease principal repayments		(6,155)	(6,767)
Lease principal receipts		2,666	476
Dividends paid		(15,563)	(16,814)
Shares acquired under share buy-back scheme		-	(316)
Proceeds from exercise of employee share options		144	176
Application funds received from investors in controlled equity funds		1,650	1,447
Net cash used in financing activities		(3,858)	(33,709)
Net increase/(decrease) in cash and cash equivalents		1,697	(2,621)
Net foreign exchange differences		747	1,099
Cash and cash equivalents at the beginning of the period		37,604	39,126
Cash and cash equivalents at the end of the period	6.1	40,048	37,604

The above Consolidated Statement of Cash Flows should be read with the accompanying notes.

6.1 Reconciliation of cash

	Consolidated	
	June 2025	June 2024
	\$'000	\$'000
Cash balance comprises:		
Cash at bank and on hand	29,423	31,183
Cash at bank and on hand - controlled funds (i)	10,625	6,421
Closing cash balance per consolidated statement of cash flows	40,048	37,604

- (i) The Group controls and manages equity investment funds. The cash held by the funds is to be applied by the fund manager to purchase assets following the funds' mandates.

6.2 Non-cash financing and investing activities

Details of financing and investing transactions that have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

\$Nil (2024 - \$Nil)

6.3 Financing facilities available

The consolidated entity had financing facilities available at the balance date of \$105,209,000 (2024 - \$98,007,000). The unutilised facility for the consolidated entity at the balance date was \$21,516,000 (2024 \$26,755,000).

7. Dividends

Date the dividend is payable

19 September 2025

Record date to determine entitlement to the dividend (i.e. based on security holding balances established by 5:00pm or such later time permitted by SCH Business Rules – securities are CHESS approved).

5 September 2025

If it is a final dividend, has it been declared?

YES

7.1 Dividends paid

	Consolidated	
	June 2025 \$'000	June 2024 \$'000
Dividends paid		
Final 2024 dividend paid in September	6,117	6,110
Per share (c)	45	45
Interim 2025 dividend paid in March	6,115	6,106
Per share (c)	45	45
Fully franked dividends paid by the parent	12,232	12,216
Fully franked dividend paid by controlled entities to minority shareholders	3,366	4,628
Total fully franked dividends paid	15,598	16,844

7.2 Total dividend per security (interim *plus* final and special)

	Current year	Previous year
Ordinary securities	90¢	90¢
Preference securities	-	-

7.3 Dividend Plans

The company does not have a dividend reinvestment plan.

8. Consolidated retained profits

	Consolidated	
	June 2025 \$'000	June 2024 \$'000
Retained earnings		
Balance at the beginning of the year	210,036	195,201
Net profit attributable to members of the parent entity	24,257	27,051
Dividends provided for or paid	(12,232)	(12,216)
Balance 30 June	222,061	210,036

9. Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with AASB 133: *Earnings Per Share* are as follows.

The following reflects the income and share data used in the calculation of basic and diluted EPS:

	Consolidated	
	June 2025 \$'000	June 2024 \$'000
Basic and diluted earnings	24,257	27,051
Basic EPS	178.5	199.3
Diluted EPS	178.5	199.1
	Number of shares June 2025	Number of shares June 2024
Weighted average number of ordinary shares for basic earnings per share	13,589,123	13,572,100
Weighted average number of ordinary shares adjusted for the effect of dilution	13,589,123	13,585,850

10. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$17.44	\$16.45

11. Foreign entities

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

International Financial Reporting Standards (IFRS).

12. Controlled gained/lost over entities having material effect

N/A

13. Significant events after balance date

The company will pay a fully franked final dividend of 45¢ per share on 19 September 2025.

14. Segment information

	Automotive Leather		Building Materials		Group Investments		South Connect Development		Consolidated	
Business segment information	June 2025 \$'000	June 2024 \$'000	June 2025 \$'000	June 2024 \$'000	June 2025 \$'000	June 2024 \$'000	June 2025 \$'000	June 2024 \$'000	June 2025 \$'000	June 2024 \$'000
Revenue										
Revenue from contracts with customers	185,518	181,930	31,514	31,020	1,815	3,208	-	-	218,847	216,158
Other revenue	20	6	71	89	9,893	9,138	880	836	10,863	10,069
Total revenue	185,538	181,936	31,585	31,109	11,708	12,346	880	836	229,710	226,227
Results										
Net profit after tax	19,642	18,409	4,874	4,467	3,533	2,081	2,968	8,632	31,017	33,589
Less: profit attributable to non-controlling interests	(3,306)	(3,099)	-	-	(276)	(220)	-	-	(3,582)	(3,319)
Profit attributable to owners of the parent	16,336	15,310	4,874	4,467	3,257	1,861	2,968	8,632	27,435	30,270
Unallocated items										
Corporate overheads									(4,540)	(4,597)
Income tax benefit									1,362	1,378
Profit after tax									24,257	27,051
Assets										
Total segment assets	155,380	136,752	18,083	19,752	177,961	165,466	100,250	94,300	451,674	416,270
Unallocated items									2,083	1,797
Total assets									453,757	418,067

15. Net assets attributable to external investors in controlled funds

The Group has acted as Trustee and Fund Manager for managed equity funds under the control of the Group. At 30 June 2025, the controlled funds and the Group's holding of units therein were as follows:

- SFC Global Equities Fund – 48% (2024: 49%)
- SFC Fallen Angels Fund (established 1 January 2024) – 67% (2024: 67%)

External investors hold the remaining units in the funds and have the right to withdraw on notice.

The Group has irrevocably designated the net assets attributable to external investors in the funds as a financial liability at fair value through profit or loss. The Group determined that designation of the financial liability at fair value through profit or loss significantly reduces an accounting mismatch that would otherwise arise if the liability and corresponding financial assets in the funds were measured on different bases. As such, movements in net assets attributable to external investors in the funds are included as fair value adjustments in the Consolidated Statement of Comprehensive Income.

The financial position of the controlled funds is shown below.

	June 2025 \$'000	June 2024 \$'000
Net assets in controlled funds attributable to shareholders of the Group	12,619	11,272
Net assets in controlled funds attributable to external investors	13,073	11,058
Net assets held in controlled funds	25,692	22,330
Comprising:		
Current assets		
Cash and cash equivalents - controlled funds (i)	10,625	6,421
Financial assets at fair value through profit or loss	15,697	16,496
Other financial assets	52	88
Total current assets	26,374	23,005
Current liabilities		
Trade and other payables	318	204
Financial liabilities at fair value through profit or loss	364	471
Total current liabilities	682	675
Net assets held in controlled funds	25,692	22,330

(i) Cash held by the controlled equity funds is to be applied by the fund manager to purchase assets following each fund's mandate.

16. Other significant information

All other significant information other than in this Appendix 4E, is disclosed in the letter to shareholders released on the same date as this Appendix 4E.

17. Commentary on results

For a commentary on the results see the letter to shareholders released on the same date as this 4E.

18. Status of audit or review

This report is based on accounts to which one of the following applies.

- | | |
|--|---|
| <input type="checkbox"/> The accounts have been audited. | <input type="checkbox"/> The accounts have been subject to review. |
| <input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The accounts have <i>not</i> yet been audited or reviewed. |

19. Dispute or qualification – accounts not yet audited or subject to review

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

20. Dispute or qualification – accounts audited or subject to review

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A



Sign here: Date: 20 AUGUST 2025
Company Secretary

Print Name: JASON MARK CANTWELL