

SIMONDS GROUP LIMITED ASX ANNOUNCEMENT

31 January 2025

ACQUISITION OF DENNIS FAMILY HOMES

Simonds Group Limited ACN 143 841 801 (ASX: SIO) (Simonds) announces it has entered into a binding agreement to acquire 100% of the issued capital of Dennis Family Homes Pty Ltd ACN 056 354 249 (DFH) from DFC Services Pty Ltd (Vendor) for an estimated consideration of \$10m, which is a combination of payments at completion and deferred compensation occurring on completion of jobs, and is subject to working capital adjustments (Acquisition).

Highlights

- DFH carries on the business of designing, building and selling residential homes in Victoria and New South Wales.
- The Acquisition is strongly aligned with Simonds' strategic criteria and is highly complementary to Simonds' existing operations.
- Completion of the Acquisition is expected to occur by early March 2025.

Commenting on the Acquisition, David McKeown, Simonds' Chief Executive Officer, said "The acquisition strongly aligns with Simonds' strategy of continuing to be an industry leader in delivering affordable, high-quality homes for Australian families.

"The acquisition more than doubles our current product portfolio and significantly expands our market reach which places us in a strong position to help meet the growing housing demand in the Victorian market and across Australia.

"In a time of increasing demand for accessible housing options, this acquisition enables us to scale up with a robust product line that meets the needs of first-time buyers, growing families, and downsizers alike."

Overview of DFH

Established in 1982, DFH is a wholly owned member of the Dennis Family Group. The Dennis Family Group's business activities include residential, retail and commercial property development, having built 30,000 homes in over 40 years, exclusively constructing homes under the Dennis Family Homes brand since 2004. The Dennis Family Group is headquartered in Armadale (inner eastern Melbourne), Victoria. DFH generated FY24 revenue of \$221.2m.

Strategic rationale

The Acquisition is highly complementary and will add significant scale to Simonds' existing operations with ~500 jobs in the forward order book and ~300 additional jobs under construction. This excludes expected future sales from the retained DFH display network. DFH and Simonds have similar operating structures and models and operate in similar geographies. The business of DFH is complementary to the current operations of Simonds and the Acquisition is consistent with Simonds' strategic goal of strengthening its position as a leading Australian homebuilding provider.



This acquisition is expected to deliver attractive financial returns for Simonds, with a projected \$200m additional revenue in FY26 and is projected to be earnings accretive by Q1 FY26.

Funding

The Acquisition is being funded via cash. The purchase price will be paid in stages, with the first payment occurring on the date of completion of the Acquisition (and subsequent true up for working capital adjustments), and subsequent payments being made on future dates which will align with the construction of specified jobs.

The Vendor will not receive Simonds shares in connection with the Acquisition and it is not contemplated that any other equity will be issued in connection with the Acquisition.

Conditions and timing

Completion of the Acquisition is subject to certain conditions usual for an acquisition of this type.

No shareholder or regulatory approvals are required and there will be no change to Simonds' board and senior management as a result of the Acquisition. The nature of Simonds' activities and its main undertaking is not changing and will continue following the Acquisition. Completion is currently anticipated to occur in early March 2025.

About Simonds

Simonds was established in 1949 and listed on the ASX in 2014 as a leading homebuilder, operating across Victoria, Queensland, New South Wales, and South Australia. Our diverse product range includes single and double-storey detached homes, dual occupancy projects, medium-density developments, and ready-built homes. This comprehensive offering allows us to cater to all customer types—from First Home Buyers to Knockdown Rebuilders—while maintaining a strong focus on families in metropolitan areas of state capitals and large regional cities.

About Dennis family

From humble beginnings to becoming one of Australia's most respected property development companies. The Dennis family's development operations and portfolio are extensive.

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For further information, please contact:

Rhett Simonds
Executive Chair
Ph. + 61 3 9926 3196

Authorised for release by the Company's Board of Directors.