



1 March 2024

Oldfields First Half F24 Financial Results and Strategic Outlook

Oldfields Holdings Limited (ASX: OLH) (“Oldfields” or the “Company”) is pleased to announce its financial results for the 6 months to 31 December 2023, alongside outlining a robust strategic plan aimed at ensuring the Company returns to profitability by the end of the 2024 financial year (FY24).

The Company has faced challenging market conditions in the first half of FY24, which have impacted our financial performance. However, we are putting measures in place to ensure a strong recovery in the second half.

Despite these challenges, we have made significant progress in several key areas that lay the foundation for future growth.

	Dec-23 \$'000	Dec-22 \$'000	Movement Up / (Down) \$'000 %	
Revenues from ordinary activities	14,545	20,098	(5,553)	(27.6%)
Other income	78	1,623	(1,545)	(95.2%)
Total revenue	14,623	21,721	(7,098)	(32.7%)
EBITDA	413	1,824	(1,411)	(77.4%)
Profit (Loss) from ordinary activities after tax attributable to the owners	(1,817)	469	(2,286)	(487.4%)
Profit (Loss) after tax attributable to members of the parent entity	(2,166)	251	(2,417)	(962.9%)
Diluted earnings per share (cents)	(1.205)	0.156	(1.361)	(872.4%)
Operating Cash Flow	647	617	30	4.9%

The Group's revenue for the half-year ended 31 December 2023 was \$14.5 million (2022: \$20.1 million), a decrease of 27.6% compared with the prior period. However, if excluding the scaffold major projects, the Group's revenue increased by 11.5% from \$13.0 million to \$14.5 million.

Revenue from sales of materials (Paint Accessories and Scaffold) increased by \$0.2 million (3.1%) while the revenue for scaffold hire and services (excluding scaffold major projects) increased by \$1.3 million (17.6%).

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The Group's net operating loss (after providing for income tax) amounted to \$1.8 million for the half-year ended 31 December 2023. This was mainly attributable to the completion of the scaffold major projects and a provision for impairment of the scaffold hire equipment. We continue to have a strong focus on increasing shareholders' return by improving the Group's net operating results.

Gross profit margins decreased from 47.5% to 45.7%. However, if excluding scaffold major projects, gross profit margins increased from 39.0% to 46.7%, due to increase in volume of sales of materials, a return of better management of costs and improvement in hire rates and volume.

The Group's profit before interest, tax, depreciation, and amortisation ("EBITDA") for the period was \$0.42 million (2022: \$1.82 million). If excluding scaffold major projects, EBITDA increased from a loss of \$1.02 million same period last year to a profit of \$0.50 million.

Further, the normalised EBITDA (before one-off costs) for the period was \$0.58 million.

Commitment to Returning to Profitability:

The Board of Oldfields remains unequivocally committed to returning the Company to profitability ('Black Ink') by the end of FY24. To achieve this, we are implementing a series of aggressive 'right-sizing' measures aimed at optimizing our operational efficiency and reducing costs without compromising on the quality and innovation that our customers have come to expect from Oldfields.

Expansion and Export Revenue Growth:

A pivotal element of our strategy for a return to profitability is the dramatic increase in our export revenue, spearheaded by our new American distributorship agreement. This partnership has opened significant new markets for Oldfields, allowing us to diversify our revenue streams and reduce dependence on domestic market fluctuations.

Record-Breaking Order:

We are thrilled to announce that the largest order in the last 10 years was received from our American distributorship. We advised the market of this Order on 19 December 2023. This landmark achievement is a testament to the quality of our products and the strength of our brand on the international stage. This order will significantly contribute to our revenue in Q3 and Q4 of FY24, underpinning our confidence in meeting our profitability targets for the financial year.

Looking Forward:

Right-Sizing Measures: We are reviewing all aspects of our operations to identify efficiency improvements and cost-saving opportunities. This includes optimizing our manufacturing processes, reducing overheads, and streamlining our product lineup to focus on high-margin items.

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Growth Through Innovation: Continuous innovation remains at the heart of Oldfields' strategy. We are committed to investing in R&D to develop new products and enhance our existing offerings, ensuring we stay ahead of market trends and customer expectations.

Market Expansion: Alongside our new American distributorship, we are exploring further opportunities to expand our presence in other international markets. Our goal is to make Oldfields a globally recognized brand synonymous with quality and innovation.

In conclusion, while the first half of FY24 has presented its challenges, the Board and management team of Oldfields are fully committed to executing our strategic plan to ensure a strong and profitable second half. We are confident in our ability to navigate the current market dynamics and emerge stronger, thanks to the dedication of our employees, the loyalty of our customers, and the quality of our products.

We look forward to updating our shareholders on our progress in the coming months.

This release has been authorised for release by the Board.

For further information, please contact

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About Oldfields Holdings Limited:

Oldfields Limited (ASX: OLH) is an Australian-based company specializing in the manufacturing and distribution of quality products. With a rich history and a commitment to innovation and excellence, Oldfields is dedicated to providing its customers with solutions that meet and exceed their expectations.

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