

**SFC MAINTAINS DIVIDEND; STATUTORY NPAT DOWN**

Industrial and investment group Schaffer Corporation (ASX: SFC) today announced profit after tax of \$6.5 million. SFC Chairman, Mr John Schaffer, said “the result was impacted by a non-cash, mark-to-market revaluation of SFC’s investment in Harvest Technologies Limited (ASX:HTG). Excluding the revaluation of HTG, profit after tax was \$13.0 million compared to \$15.5 million in the same period last year”. Mr Schaffer continued, “Our other investments performed well, generating \$7.3 million in profits after tax. One of our syndicate property managers, Ascot Capital, sold six of our syndicate property investments, generating \$2.5 million in after tax profits and \$6.9 million in proceeds”.

The Board declared an interim dividend of \$0.45 per share (fully franked). The dividend will be paid on 11 March 2022; the record date is 4 March 2022.

“With respect to our manufacturing operations, the Automotive Leather division performed well considering the challenges caused by the global semiconductor chip shortage. Our customers simply haven’t been able to build the number of motor vehicles they wanted to meet the strong demand they are experiencing. This comes in an environment where our customers are reporting record order books. We are seeing signs that the chip shortage is easing and sales volumes and revenue for Automotive Leather is improving,” Mr Schaffer noted.

Mr Schaffer said, “Automotive Leather has successfully renewed programs with Land Rover and won additional new programs in Europe with Mercedes Benz and Audi. With low new vehicle inventory levels and strong demand, Automotive Leather should see increased revenue and earnings during the second half.”

Mr Schaffer said that Group Investments continued to grow as a key part of SFC’s business. Pre-tax net equity value for Group Investments fell slightly in the half to \$185.9 million from \$191.7 million at 30 June, due to the revaluation of the HTG investment.

“Group Investments is important for us moving forward and it is pleasing to see so many of our direct and indirect investments generating returns and cash proceeds.” Mr Schaffer said.

“For the second half, we expect Automotive Leather to increase revenue and earnings, Delta should be profitable again and Group Investments will continue to be opportunistic and invest for future value,” Mr Schaffer concluded.

The Board has authorised this document to be released to the ASX.

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