

SHAPE



Presentation

ASA Small Cap Panel Discussion May 2024

SHAPE AUSTRALIA CORPORATION LIMITED
ABN 14 654 729 352



A Market-leading National Fitout And Construction Services Specialist With A Track Record For Quality And Exceptional Customer Service

Specialist Capabilities

- Fitout and Refurbishment
- Facade Remediation
- Aftercare and Facilities Maintenance
- Defence
- Modular
- New Build

Operating Entities



Operations

- Adelaide
- Brisbane
- Canberra
- Darwin
- Gold Coast
- Hobart
- Melbourne
- Newcastle
- Perth
- Sydney

Over 34 years of experience with varied capabilities underpins SHAPE's continued performance

Fitout and Refurbishment

- Significant experience delivering high-end fitouts across offices, boutique hotels etc.
- Specific know-how to manage clients' unique expectations
- Ability to pick-up work at all stages of office life i.e. fit-out, reconfigurations and make good
- A broad range of customers including blue-chip ASX companies

Facade Remediation

- From aesthetic upgrades to compliance-driven cladding replacement requirements
- Delivering high-quality and cost-effective outcomes while minimising disruption to tenants and operations
- Clients include Charter Hall, The Star and ISPT

Modular

- Utilising modern methods of construction, to develop unique modular solutions to solve complex building challenges
- Significant opportunities to grow revenues with strong growth expected across Education and Health sectors
- Bacchus Marsh Grammar, Purple House and Royal Flying Doctor Service are recent clients

Aftercare

- Ongoing maintenance from larger projects and clients completed by SHAPE
- Ongoing facilities maintenance contracts with national clients
- Work can involve preventative maintenance, emergency response, additions, or lead into future upgrades
- Clients include Amazon, BHP, CBA and Officeworks

New Build

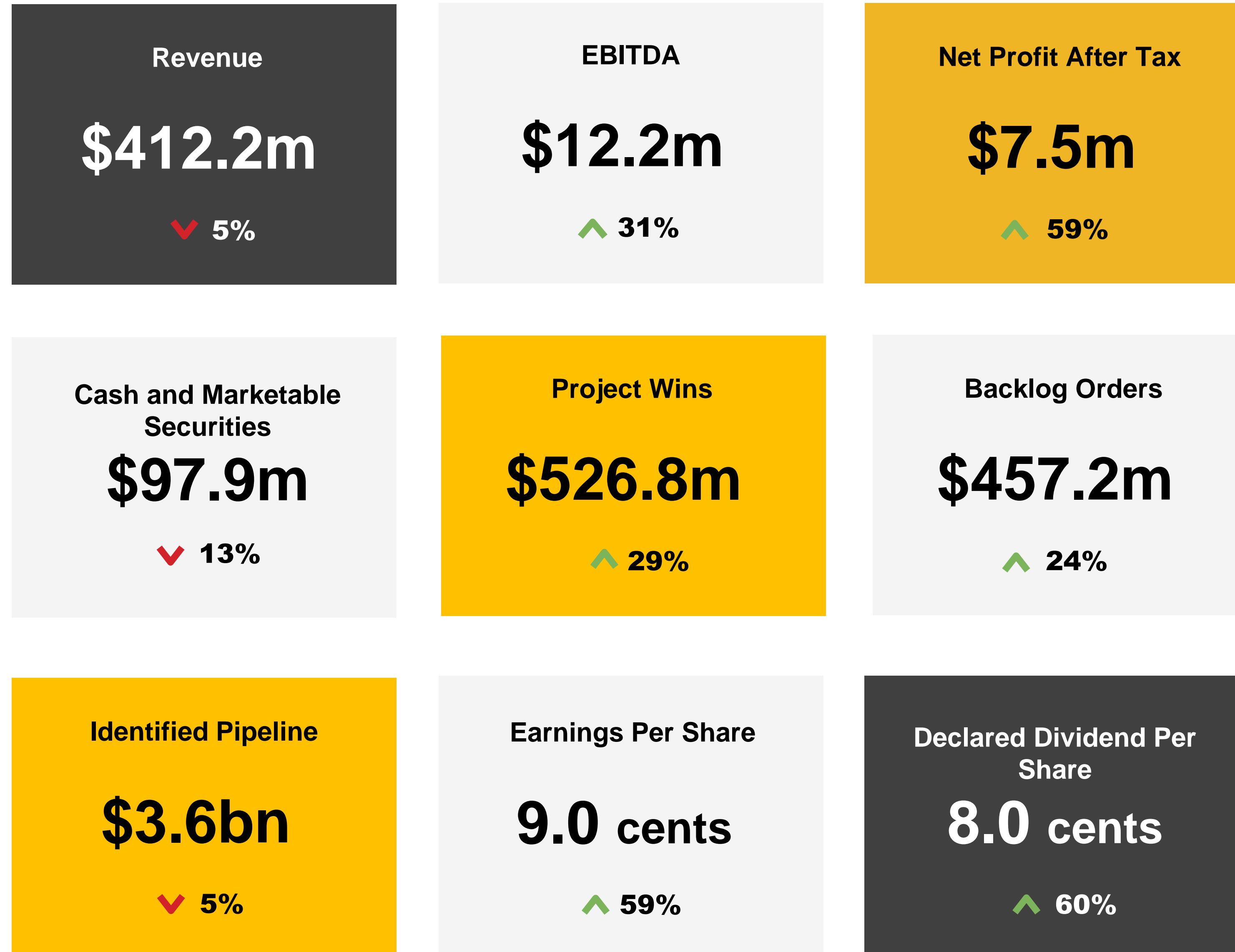
- Meaningful experience and relationships to deliver traditional new construction and extensions to existing buildings
- Solid win rates for projects which require well-planned approaches to high-risk works, permit requirements, staged delivery methodologies, and strict regulatory compliance

Defence

- Strong track record in delivering complex Defence work
- Deep understanding of the unique and strict requirements associated with sensitive and confidential aspects of projects
- Able to tender for government projects with specified Indigenous Procurement Policy (IPP) criteria under DLG SHAPE¹

1. DLG SHAPE is 51% owned by David Liddiard Group (DLG) (a First Nations owned business) with SHAPE Australia holding 49% of the interest.

H1FY24 Financial Highlights



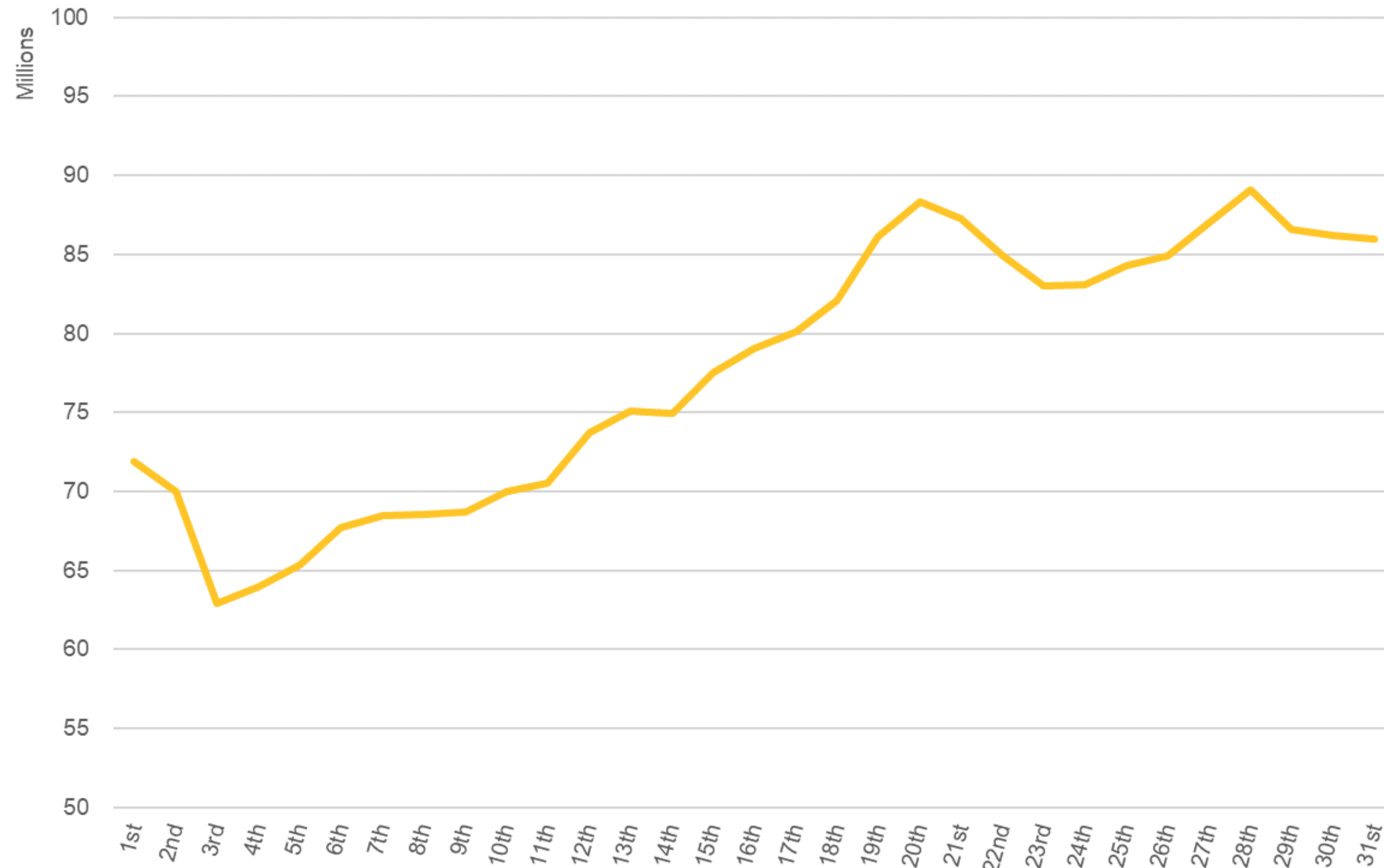
Significant Profitability Uplift For The Half

\$'000	H1FY24	H1FY23	Movement
Revenue	415,201	436,251	↓ 5%
EBITDA	12,239	9,342	↑ 31%
NPAT	7,503	4,709	↑ 59%
Other Metrics			
EBITDA margin	3.0%	2.1%	↑ 38%
Dividend Declared	8 Cents	5 Cents	↑ 60%

- Revenue for H1 strong at \$415.2m, down slightly (5%) on PCP due to minor delays to some projects commencing.
- Gross Margin increased by 22% to 9.1%. H1 numbers include a higher than usual percentage of projects being closed out in the period (higher Gross Margin percentage at the tail end of a project on average).
- EBITDA increased 31% to \$12.2m - (2.9%)
- NPAT increased 59% to \$7.5m - (1.8%)
- Well positioned for growth, maintaining a strong backlog order book of \$457.2m, up 24%.
- Sound cash management with a strong cash and marketable securities position of \$97.9m.
- EPS 9 cents – up 59% from 5.7 cents

Strong Liquidity Position With Flexibility To Maximise Opportunities

Average Daily Cash and Marketable Securities Balance
12 month rolling average



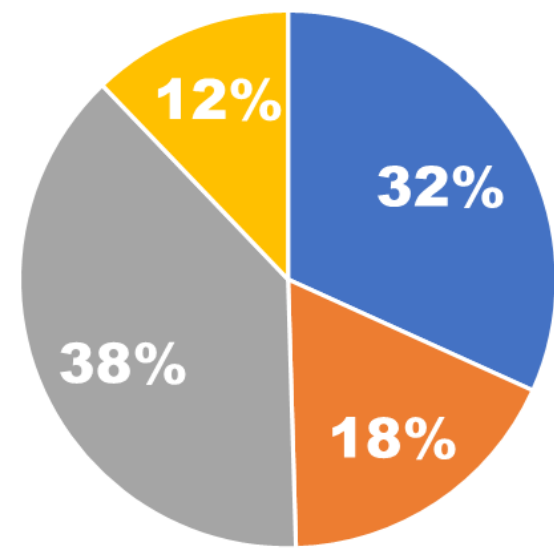
Diligent Liquidity Management

- Consistent application of rigorous cash management processes by project teams.
- Diligent capital management to support prequalifications and external financial assessments.
- Average daily balance of cash and marketable securities¹ throughout H1FY24 of \$78.5m².
- Average monthly minimum balance of cash and marketable securities throughout H1FY24 of \$59.2m².

¹ Marketable securities include highly liquid, investment grade, fixed and floating-rate, ASX-listed and wholesale market, financial and corporate bonds, and hybrids.

² Includes restricted cash of \$5.5m.

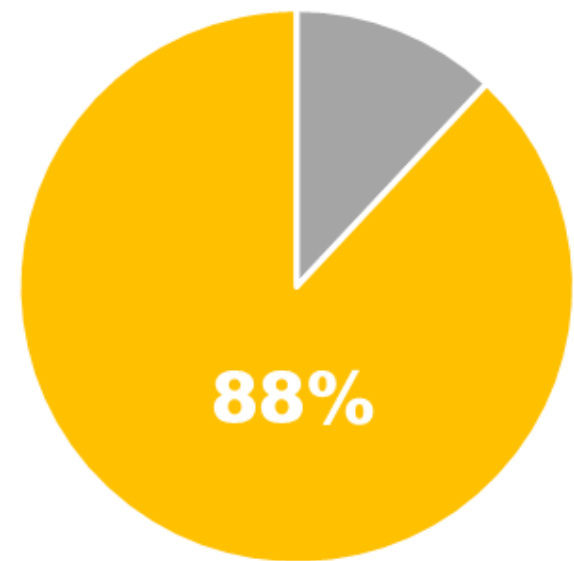
Diversification Of Projects Drives Business Resilience



■ less than 4 months ■ 4-6 months
■ 6-12 months ■ More than 12 months

Project Duration

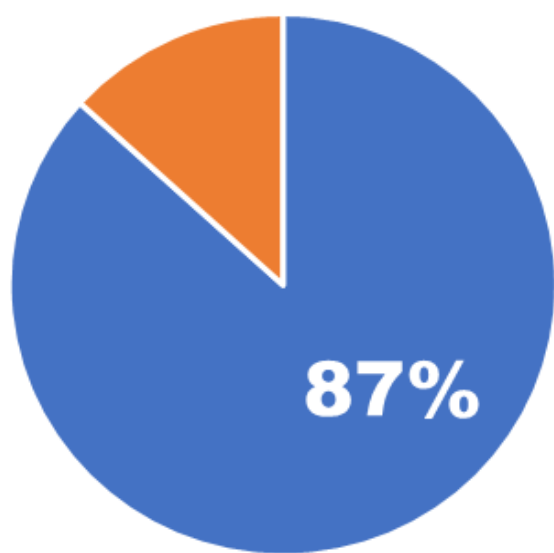
- 32% less than 16 weeks
- 50% less than 6 months
- Only 12% greater than 12 months



■ External ■ Internal

Interior Works vs External Works

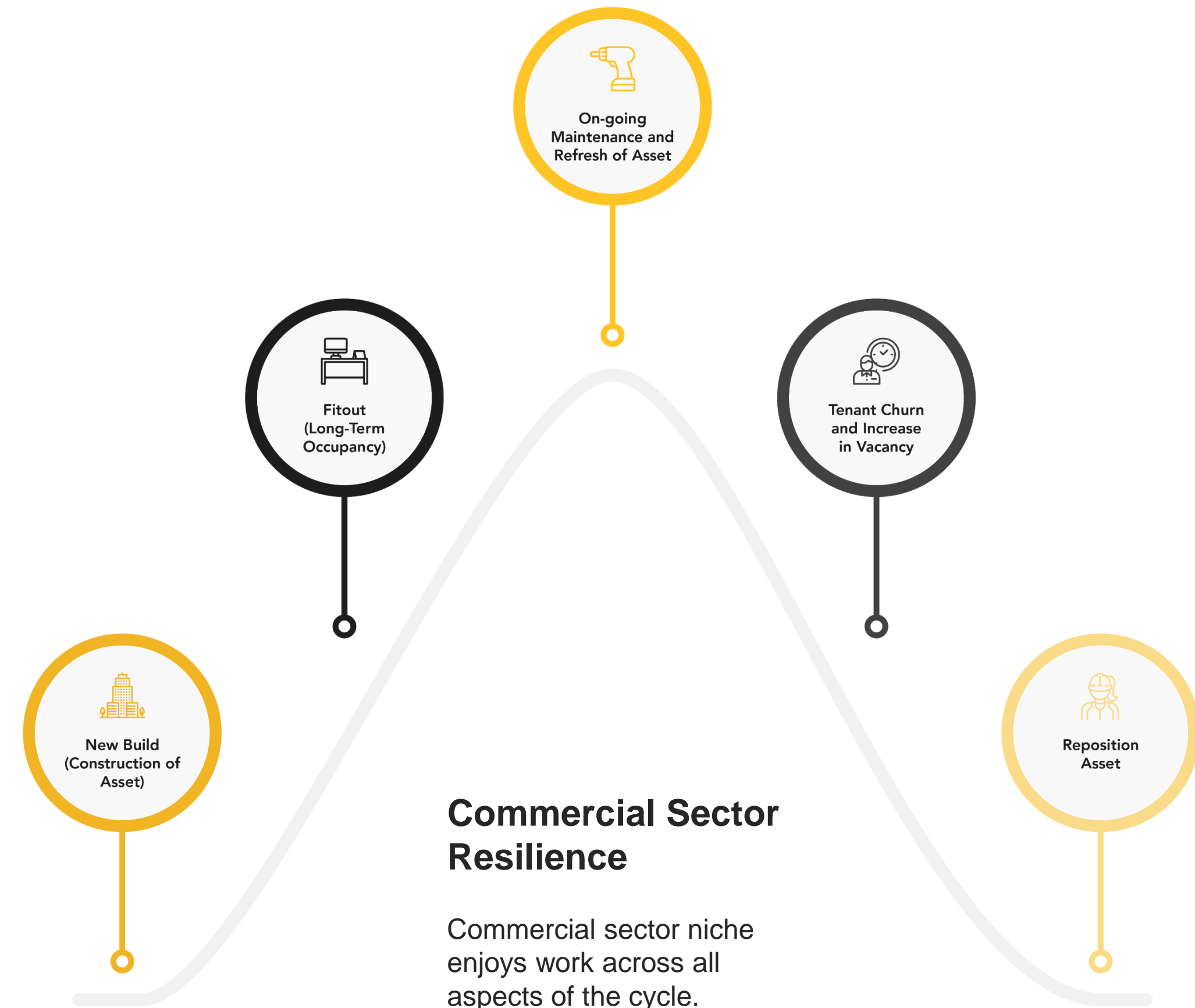
The profile of most SHAPE projects is lower risk from an industrial relations perspective and weather exposure.



■ Repeat Work ■ New Client

Repeat Work

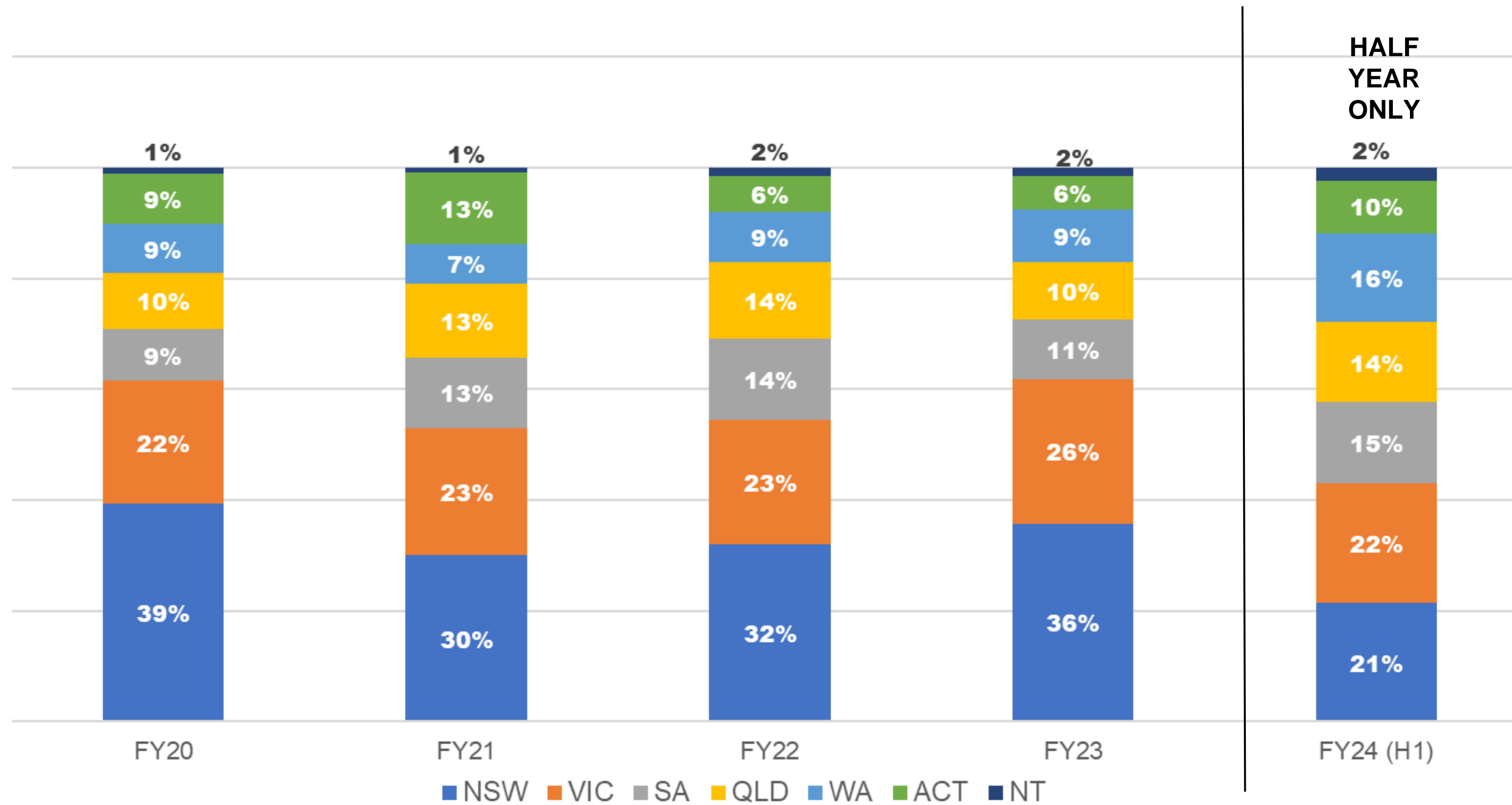
High proportion of repeat work reflects the regard that clients have for SHAPE's project teams and delivery standards.



Demonstrated Capability In Winning And Executing Work

Note: these results include SHAPE and its associates.

Revenue by Region



Maintained a strong tender conversion rate **52%** (By number)

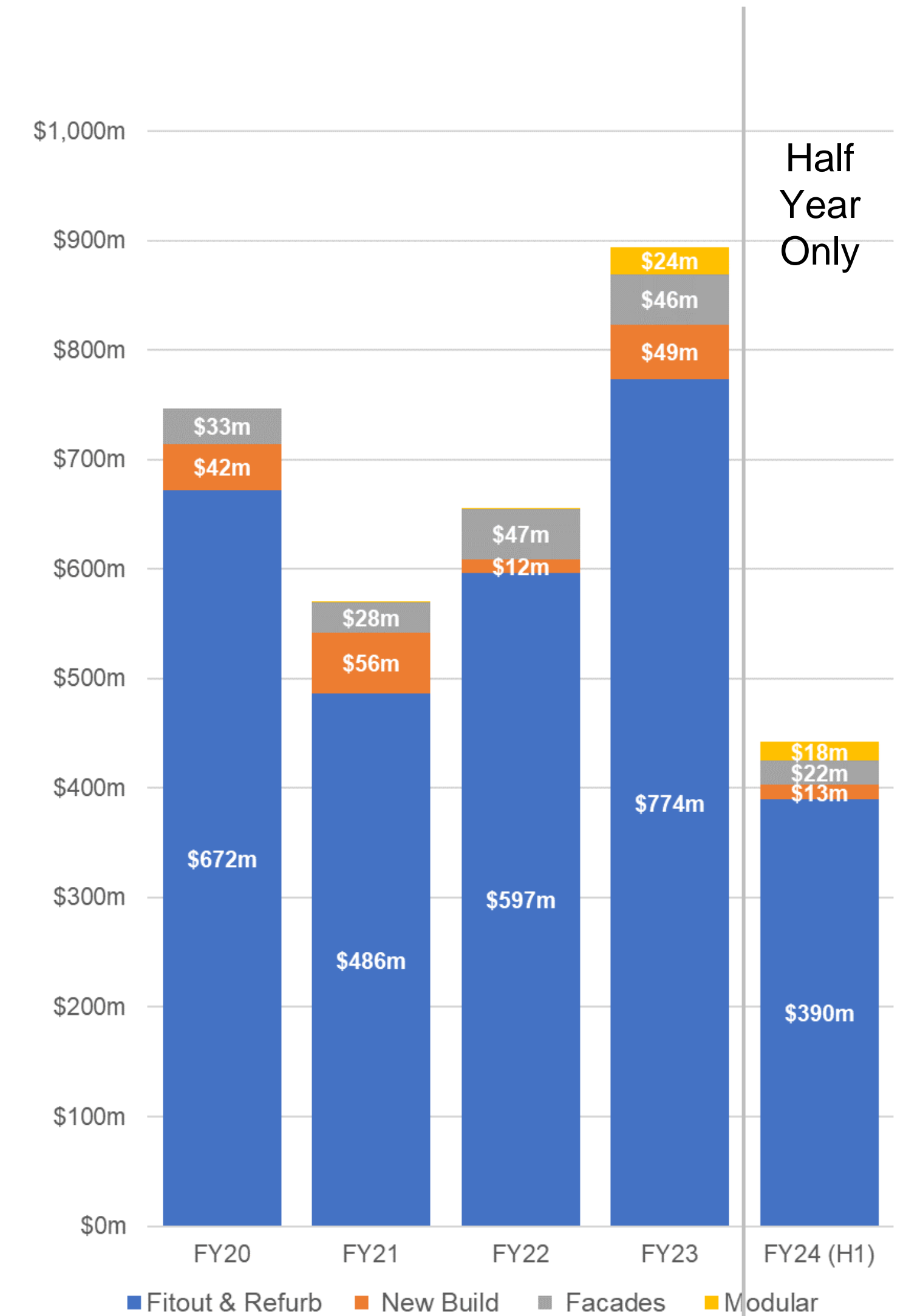
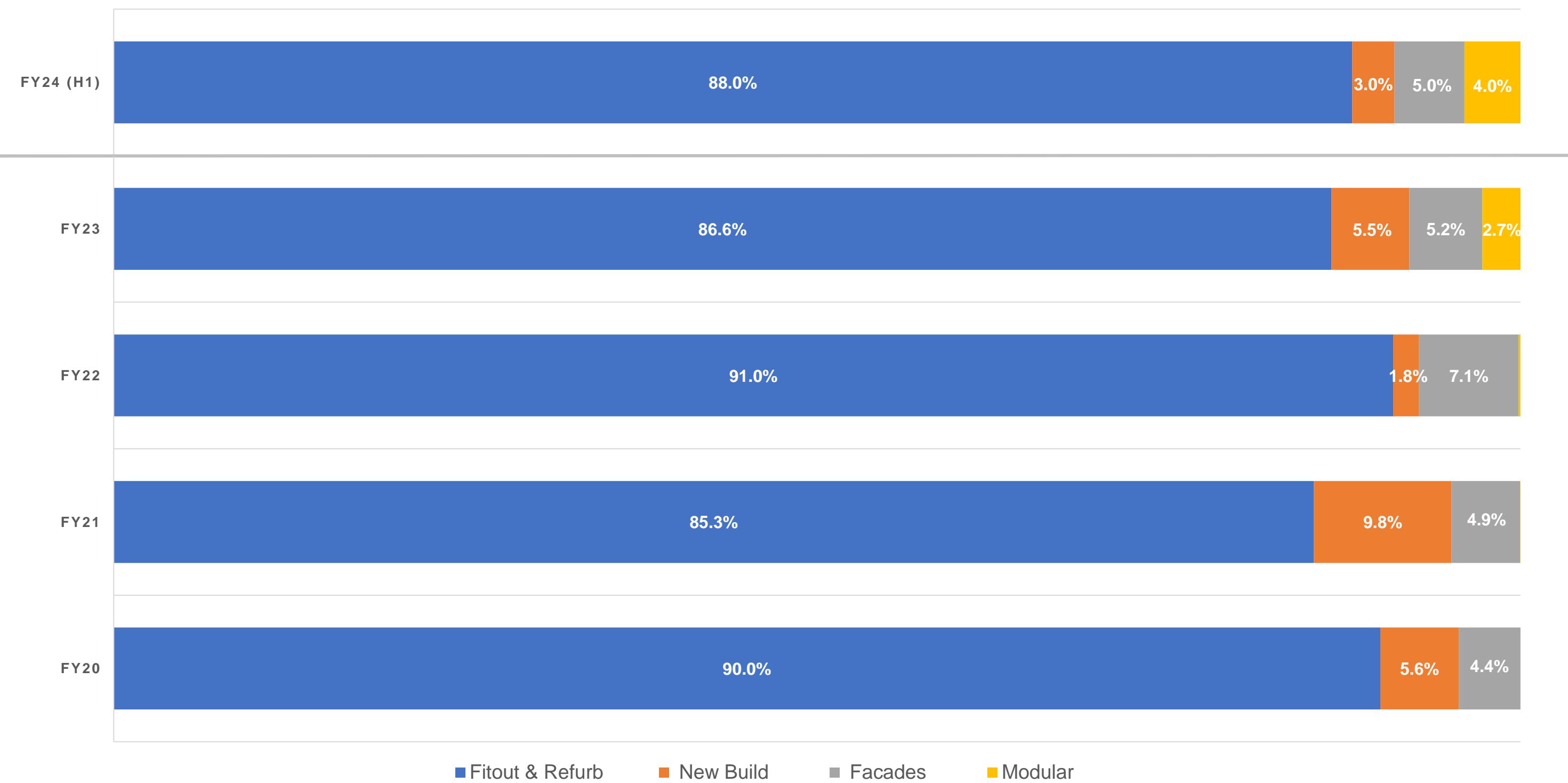
Commentary

- **Origination** – Bespoke CRM with sophisticated algorithms supporting average win rates of 50%. Transparent lease expiry register provides accurate forward forecast.
- **Execution** – Long history of strong investment in systems and processes focused on mitigating risk. Robust financial management, project delivery, EHSQ and HRIS.
- **Aftercare/maintenance** – Dedicated team focused on maintaining client relationships throughout all stages of the lifecycle (80% repeat work).

Diversification of Revenue Streams

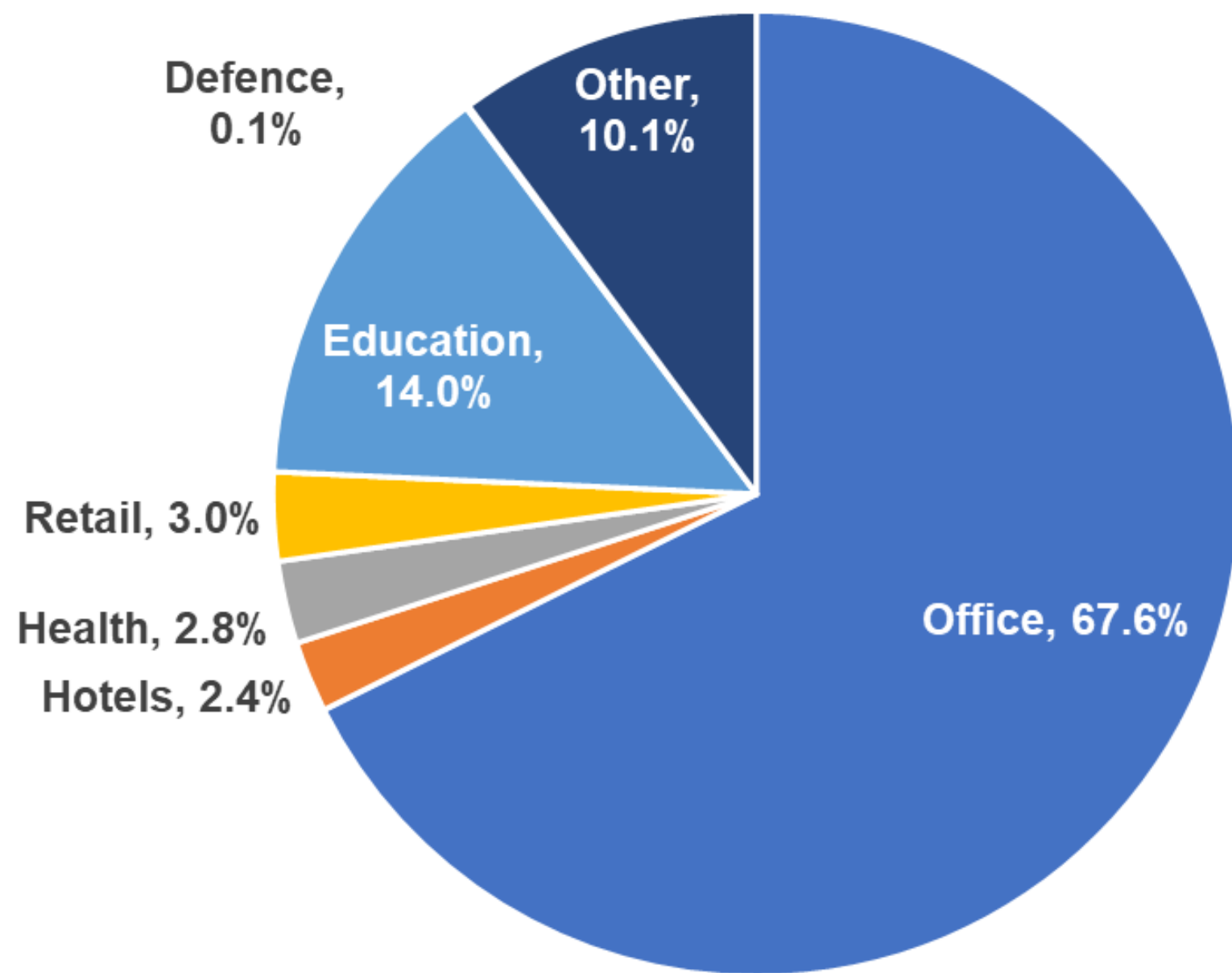
Note: Revenue figures include SHAPE and its associates.

- 80 to 90% of revenue is Fitout and Refurbishment
- New Build and Modular growing YoY

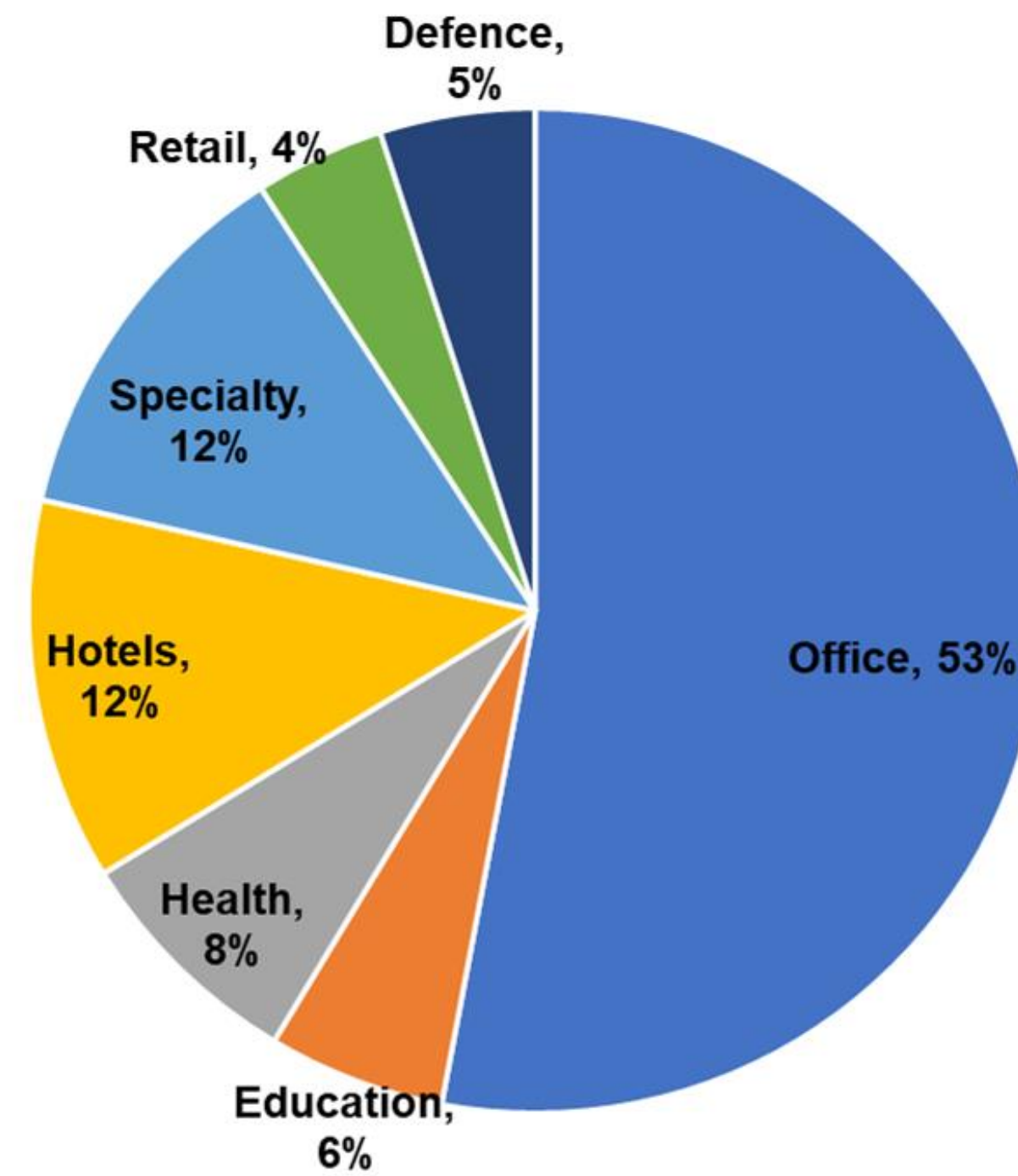


Strong And Diversified Backlog Order Book And Pipeline Underpin Future Performance

FIGURES AS AT DECEMBER 31, 2023



Backlog Order Book by Sector



Pipeline by Sector

Identified Pipeline
\$3.6b

Projects Won
\$526.8m

Operational Highlights



Our safety commitment and culture is led by our 'Path to Perfect Safety' programme:

Operational Excellence

- › A reduction of 6.5% of total incidents reported
- › *TRIFR is at 5.5 - an increase of 17% compared to the pcp.
- › *LTIFR is at 1.6 - an increase of 29% compared to the pcp.
- › 26,560 proactive Safety, Quality, and Environmental observations logged.

We aim to recruit, train, and retain the best people in the industry:

People & Culture

- › SHAPE maintained exceptional levels of employee engagement scores, reflecting our commitment to creating a constructive workplace.
- › 6% increase in our total workforce (600+ employees).
- › 7% of employees were promoted.
- › 6,315 training hours.
- › Unplanned churn below 10%.

Partnerships

- › Maintained strong performance with secured orders of \$526.8m.
- › Client Net Promoter Score +87.
- › *89% of projects delivered achieved Perfect Delivery™ (projects completed on-time with zero defects and O&M Manuals delivered within a week of handover).

Environmental & Social Impact

- › SHAPE corporate operations maintained Climate Active certification.
- › 85% of eligible projects implemented environmental sustainability initiatives.
- › SHAPE Brisbane office achieved 6 Star Green Star certification.
- › Delivered three Green Star projects with a combined value of \$24.2m.
- › Currently delivering 10 Green Star projects with a combined value of \$106m.
- › More than \$595,000 in value of goods, services, and donations to support charities through our Community+ programme.

* These statistics are derived from a rolling 12-month average and reflect the outcome as of December 31, 2023.

Growth Strategy

SHAPE's Growth Strategy Is Focused On Three Pillars

Growth/Diversification Into Non-core Market Sectors



The Star Darling Hotel Penthouse Refurbishment, Sydney

Project Wins

Hotels	FY24 (H1)	\$20.03m
	FY23 Full Year	\$49.99m
Health	FY24 (H1)	\$23.65m
	FY23 Full Year	\$43.08m
Retail	FY24 (H1)	\$30.91m
	FY23 Full Year	\$40.96m
Education	FY24 (H1)	\$73.81m
	FY23 Full Year	\$81.28m
Defence	FY24 (H1)	\$45.06m
	FY23 Full Year	\$66.54m

Notes

- All figures include SHAPE and its associates.
- FY24 results are for H1, while FY23 results are for the full year.

Capability Expansion (Facades, Modular, New Build etc)



Project Wins

New Build	FY24 (H1)	\$71.72m
	FY23 Full year	\$31.57m
Facades	FY24 (H1)	\$13.40m
	FY23 Full Year	\$34.85m
Modular	FY24 (H1)	\$22.85m
	FY23 Full Year	\$24.66m

City of Sailsbury Operations Centre Extension, Adelaide

Notes

- All figures include SHAPE and its associates.
- FY24 results are for H1, while FY23 results are for the full year.

Geographic Expansion



JW Marriott Gold Coast, Level 1 Spa, Gold Coast

		Project Wins
Gold Coast	FY24 (H1)	\$22.35m
	FY23 Full Year	\$20.46m
Newcastle	FY24 (H1)	\$16.59m
	FY23 Full Year	\$3.48m
Tasmania	FY24 (H1)	\$12.95m
	FY23 Full Year	\$15.17m

Notes

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- FY24 results are for H1, while FY23 results are for the full year.



Questions?

Appendix

Appendix A Reconciliation Of Profit Before Income Tax To EBITDA

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Profit before income tax	10,846	7,019
Depreciation and amortisation	2,424	2,654
Interest revenue	(1,778)	(954)
Finance costs	747	623
EBITDA	12,239	9,342



EBITDA is a non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies.

Appendix B Cash and Marketable Securities

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Marketable securities include highly liquid, investment grade, fixed and floating-rate, ASX-listed and wholesale market, financial and corporate bonds, and hybrids.

	31 Dec 2023 \$m
Cash ¹	80.1
Debt	2.7
Lease Liabilities (AASB 16)	24.0
Net Cash	53.4
Marketable Securities	17.8
Net Cash and Marketable Securities	71.2
H1FY24 High	101.4
H1FY24 Low	48.8
H1FY24 Average	78.5

¹ Includes restricted cash of \$5.5m.

Cash Flow

	31 Dec 2023 \$m
EBITDA	12.2
Net Interest	1.0
Tax	(1.5)
Working Capital Change	7.0
Other	(1.1)
Operating Cash Flow	17.6
Capex	(0.7)
Capital invested in Associate	(0.3)
Marketable Securities	(17.5)
Investing Cash Flows	(18.5)
Treasury Shares	0.5
Dividend Paid	(5.4)
Net Borrowings	(3.6)
Financing Cash Flow	(9.5)
Change in Cash	(10.4)
Free Cash Flow	16.0

Analyst Coverage

FY24F (\$m)	Moelis <i>(at 23 Feb 2024)</i>	Petra <i>(at 25 Mar 2024)</i>	Consensus
Revenue	890	883	887
EBITDA	23.8	27.8	25.8
EBITDA Margin %	2.7%	3.1%	2.9%
PBT	20.7	24.4	22.6
NPAT	14.5	14.7	14.6
NPAT Margin %	1.6%	1.7%	1.6%
DPS (cents)	14.6	15.9	15.3
Yield (\$2.00) %	7.3%	8.0%	7.6%
Target Share price	\$2.12	\$2.29	\$2.21