

## SFC ANNOUNCES ANOTHER STRONG FULL YEAR RESULT

20 August 2025

Dear Shareholder,

Schaffer Corporation Limited (ASX: SFC) reported statutory net profit after tax (NPAT<sup>1</sup>) for the 2025 financial year of \$24.3 million (FY24: \$27.1 million). SFC's strong results reflects another good year from both the Automotive Leather and Delta divisions.

In addition to rental income for South Connect Jandakot, the current year's NPAT also includes a \$2.3 million unrealised gain for South Connect Jandakot compared to \$8.1 million in the prior year. Excluding the Jandakot revaluation, NPAT<sup>1</sup> increased 16% to \$22.0 million (FY24: \$19.0 million).

The Board has declared a final fully franked dividend of \$0.45 per share, matching last year's final dividend.

Full-Year (\$ million)	FY25	FY24	% Change <sup>2</sup>
Revenue	<b>229.7</b>	226.2	2%
NPAT <sup>1</sup> from:			
Automotive Leather	<b>16.3</b>	15.3	7%
Delta	<b>4.9</b>	4.5	9%
<b>Manufacturing NPAT<sup>1</sup></b>	<b>21.2</b>	19.8	7%
Group Investments	<b>3.3</b>	1.9	75%
South Connect Jandakot	<b>3.0</b>	8.6	(66%)
Corporate	<b>(3.2)</b>	(3.2)	1%
<b>Statutory NPAT<sup>1</sup></b>	<b>24.3</b>	27.1	(10%)
EPS	<b>\$1.78</b>	\$1.99	
Ordinary Dividends (fully franked)	<b>\$0.90</b>	\$0.90	

1. Net Profit after tax and minority interests.

2. Reflects percentage change up or down of the current period compared to the previous corresponding period using non-rounded NPAT.

Automotive Leather profits<sup>1</sup> increased to \$16.3 million (FY24: \$15.3 million), up 7% year-on-year driven by higher sales volumes. This growth was achieved despite delays in program launches and a two-month production interruption by a major customer following flooding at a key aluminium supplier.

Delta's profitability was strong at \$4.9 million (FY24: \$4.5 million) driven by a high volume of work during the first half of the financial year.

Group Investments (excluding South Connect Jandakot) contributed NPAT<sup>1</sup> of \$3.3 million (FY24: \$1.9 million), up 75% compared to the prior year. Our property investments delivered strong returns overall, though performance varied across the portfolio.

South Connect Jandakot increased its pre-tax, net equity value to \$88.0 million from \$82.1 million.

The pre-tax, net equity value of the total investment portfolio increased 7.8% to \$227.3 million or \$16.73 per share. This compares to the 2024 value of \$210.9 million or \$15.53 per share.

## AUTOMOTIVE LEATHER

Full-Year (\$ million)	FY25	FY24
Revenue	<b>185.5</b>	181.9
Segment NPAT <sup>1</sup>	<b>16.3</b>	15.3

1. Net Profit after tax and minority interests.

Automotive Leather had a good year as sales volumes improved. Revenues increased 2% to \$186 million (FY24: \$182 million) with profits increasing 7% to \$16.3 million (FY24: \$15.3 million). Volumes and profitability benefitted from the launch of new Audi and Porsche programs, partially offset by a two-month reduction in Land Rover sales due to flooding of their key aluminium supplier.

Profit margins improved compared to the prior year notwithstanding additional normal costs associated with the launch of multiple new programs. Profits also benefitted overall from currency as the Australian dollar weakened against the Euro, our main currency for sales. These gains were partially offset by a weaker Australian dollar versus the US dollar, our main currency for costs.

Our main luxury automotive customers in Europe have recently reported their quarterly results with all of them commenting on a challenging economic environment.

Risks for Automotive Leather include:

- Global economic uncertainties, including a global economic slowdown.
- Adverse impact from tariffs on sales volumes for our models.
- Adverse currency volatility.
- Geopolitical risks may cause elongated supply chains.

Subject to the above risks, our profits for 1H26 should be similar to 1H25.

### Appointment of Chief Executive Officer – Automotive Leather Division

The Board is pleased to announce the appointment of Mr. Ralph Leib as Chief Executive Officer of the Automotive Leather division.

Mr. Leib is a valued member of the leadership team, having served as the division's Chief Financial Officer for the past eight years. He will work alongside Mr. Dan Birks, who continues in his role as General Manager.

This appointment strengthens the division's leadership as it pursues key strategic objectives of driving transformation in production processes through automation and new technologies. This move enhances the leadership team's capacity to execute these strategic initiatives and position the division for the future.

## DELTA

Full-Year (\$ million)	FY25	FY24
Revenue	<b>31.5</b>	31.1
Segment NPAT	<b>4.9</b>	4.5

Delta reported a strong profit of \$4.9 million (FY24: \$4.5 million) on record revenues of \$31.5 million (FY24: \$31.1 million) and improved operational efficiencies.

Delta's strong performance over the past two and a half years was driven by major infrastructure projects in Western Australia. However, the market shifted significantly in the second half of FY25, as these large-scale projects were completed. Increased available industry capacity has created a more competitive and challenging operating environment.

We expect Delta's performance to be close to break even for 1H26.

## TOTAL INVESTMENTS

SFC's total investment portfolio comprises Group Investments and South Connect Jandakot and represents a growing proportion of the Group's underlying assets and valuation.

The pre-tax net equity value<sup>2</sup> of Total Investments increased \$16.4 million (+7.8%) to \$227.3 million (June 2024: \$210.9 million) and represents tangible value of \$16.73 per share (June 2024: \$15.53 per share).

Approximately 72% of total investment assets are property, the largest portion being South Connect Jandakot. Most of the property assets are value-add, focusing on potential medium-to-long-term capital gains. A further 22% of SFC's total investment assets are invested in cash deposits and highly liquid equities with a bias towards quality and value, through internally managed SFC Global equity funds and other externally managed equity funds.

We continue to grow Group Investments opportunistically with the objective of maximising shareholder value over the medium and long-term.

Pre-Tax Net Equity Value <sup>2</sup>	June 2025	June 2024	June 2025	June 2024
	\$m	\$m	\$/Share	\$/Share
South Connect Jandakot	<b>88.0</b>	82.1	<b>6.48</b>	6.06
Other Property Investments	<b>75.8</b>	73.6	<b>5.58</b>	5.41
Equity investments at market value <sup>3</sup>	<b>36.1</b>	36.3	<b>2.66</b>	2.67
Cash, term deposits and fixed income	<b>27.4</b>	18.9	<b>2.01</b>	1.39
<b>Overall investment portfolio</b>	<b>227.3</b>	210.9	<b>16.73</b>	15.53

2. Group share of fair value less Group share of debt.

3. SFC's investment in Harvest Technology Group (ASX: HTG) is included using a value per share of \$0.006, which is below the \$0.016 closing share price of HTG at 30 June 2025. The discount to the closing price takes into consideration the significant volume of HTG shares held by the Group.

The Group's total property investments of \$163.8 million<sup>2</sup>, comprises the following main investments:

- **South Connect Jandakot: (\$88.0 million<sup>2</sup>)**

South Connect Jandakot's current "as is" pre-debt valuation is \$100.2 million (FY24: \$94.3m). A portion of the civil works has been funded by debt, totalling \$12.2 million. The pre-tax net equity value of \$88.0 million reflects an increase of \$5.9 million compared to the prior year, comprising \$2.6 million continued investment in civil works, plus an unrealised pre-tax gain on revaluation of \$3.3 million.

South Connect Jandakot is an institutional grade master-planned estate, well located to benefit from the increased demand for logistic and "last-mile" warehousing.

The estate features ~34 hectares of net developable area which may include:

- ~16 super-prime office/warehouse tenancies totalling 98,400sqm of Gross Leasable Area (GLA) on ~20 hectares;
- ~9 hectares for future development fronting Jandakot Road; and
- ~6 hectares currently leased to Austral Masonry Holdings.

The site is ready for construction. We are currently in the process of completing detailed design for our first warehouse with construction anticipated to commence in the first half of FY26 as a build to lease project.

The building will be 13,500 square metres of warehouse/offices, on 27,000 square metres of land, across three tenancies. Each tenancy will have its own office, a 38m wide private service yard, and 10m awning suitable for B-double trucks.

- **Other Property Investments (\$75.8 million<sup>2</sup>)**
  - **Syndicate properties (\$53.0 million<sup>2</sup>)**
  - **Other directly owned property (\$22.8 million<sup>2</sup>)**

## OUTLOOK

Subject to the risks identified previously:

### **Automotive Leather**

Profitability for the first half should be similar to the first half of last financial year.

### **Delta**

Performance should be near break even in the first half.

### **Group Investments**

Our investments are revalued each period. This may result in profit volatility, both up and down.

## DIVIDENDS

The Board has approved a fully franked final dividend of \$0.45 per share. The record date is 5 September 2025. The dividend will be paid on 19 September 2025.

Yours sincerely



John Schaffer AM  
Chairman

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