

## SCHAFFER CONTINUES TO DELIVER GROWTH

Diversified industrial group Schaffer Corporation Limited (ASX: SFC) today reported net profit after tax for the 2018 financial year of \$23.3 million (2017: \$5.9 million).

The Group also declared a final dividend of \$0.30 per share (fully franked), which increases total dividends to \$0.45 per share (fully franked) for the year (2017: \$0.26).

Schaffer Corporation Chairman, Mr John Schaffer, said that underlying profit had increased by 174% to \$22.5 million.

“Last year, I noted that a step change in the Automotive Leather division had increased underlying profit,” Mr Schaffer said.

“The benefits of the investment in Automotive Leather have been even better this year – albeit assisted by quite favourable changes in our key foreign exchange rates.

“Our Slovakian operations are now operating at ‘steady state’ and we continue to examine opportunities to improve operational efficiencies, which enable us to deliver returns and also provide outstanding value to our customers,” Mr Schaffer added.

Mr Schaffer said that Schaffer Corporation continues to focus on creating long-term shareholder value through the efficient operation and growth of its core businesses and investments.

The strong operational cash flows and proceeds of the sale of the Building Products business unit enabled Schaffer Corporation to reduce net debt by 97% to \$1.3 million.

Mr Schaffer said that, subject to exchange rate movements, he anticipated Automotive Leather to continue to deliver value and results in the current half.

Conditions remain challenging for the Building Materials division, comprising Delta Corporation. However, Schaffer Corporation expects an improvement in the division’s result for first half of the 2019 financial year. Schaffer Corporation expects its SFC Property Investments division to achieve a modest increase in profit. It expects Gosh Capital to deliver a similar profit in the first half to the prior period.

Mr Schaffer concluded that strong operational performance and low gearing provided Schaffer Corporation with significant balance sheet capacity to fund development projects or take advantage of value creating opportunities as they arise.

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