

ASX Announcement

25 August 2022



EXPERIENCE
BETTER

SHAPE Australia Corporation Limited (ASX: SHA)

SHAPE Australia Corporation Limited
ABN 14 654 729 352

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Sydney NSW 2000

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ASX Announcement & Media Release

Thursday, 25 August 2022

FY22 Results Investor Presentation

SHAPE Australia Corporation Limited (**SHAPE** or the **Company**) attaches a copy of the FY22 Results Investor Presentation.

-ENDS

This announcement was authorised for release by the Board of Directors.

About SHAPE:

SHAPE is an Australian multi-disciplinary building contractor with over 30 years' experience in fit-out, refurbishment, and construction services. SHAPE's national portfolio expands over multiple sectors in both the private and public spaces, including Health, Hospitality, Commercial, Education and Retail. With over 500 staff nationally, and an impressive Net Promoter Score of +77, SHAPE has become one of the most trusted Australian building partners.

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Joint Company Secretary

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EXPERIENCE
BETTER



Adelaide / Brisbane / Canberra / Darwin / Melbourne / Perth / Sydney

FY2022

Full Year Results Presentation

25 AUGUST 2022

SHAPE

SHAPE AUSTRALIA CORPORATION LIMITED
ABN 14 654 729 352



Important Notice & Disclaimer

SHAPE

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in SHAPE Australia Corporation Limited or any other company. Due care and attention has been used in the preparation of forecast information, however, actual results may vary from forecast and any variation may be materially positive or negative.

Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of SHAPE Australia Corporation Limited. Before making or varying any decision in relation to holding, purchasing or selling shares, securities or other instruments in SHAPE Australia Corporation Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.



Welcome!



Corporate Snapshot



DLG
SHAPE



About SHAPE

Leading Australia-wide fitout and construction services specialist.

OUR VISION

To be the partner of choice and the place where everyone wants to work.

MARKETS AND INDUSTRIES SERVICED

Operating with a truly national footprint across our network of branches, we build the best teams for every project. Our people bring specialist experience, a commitment to quality and industry leading safety practices to deliver on quality, timeliness and with exceptional customer service across every major market and sector.

FITOUT AND REFURBISHMENT

We bring diverse capabilities, transparency, and a partnership approach to deliver inspiring spaces.

FAÇADES

From aesthetic upgrades to compliance-driven cladding replacement requirements, our team are specialists in working in live environments.

MODULAR

We provide bespoke and innovative modular solutions for the education, healthcare, government, and commercial sectors.

DEFENCE

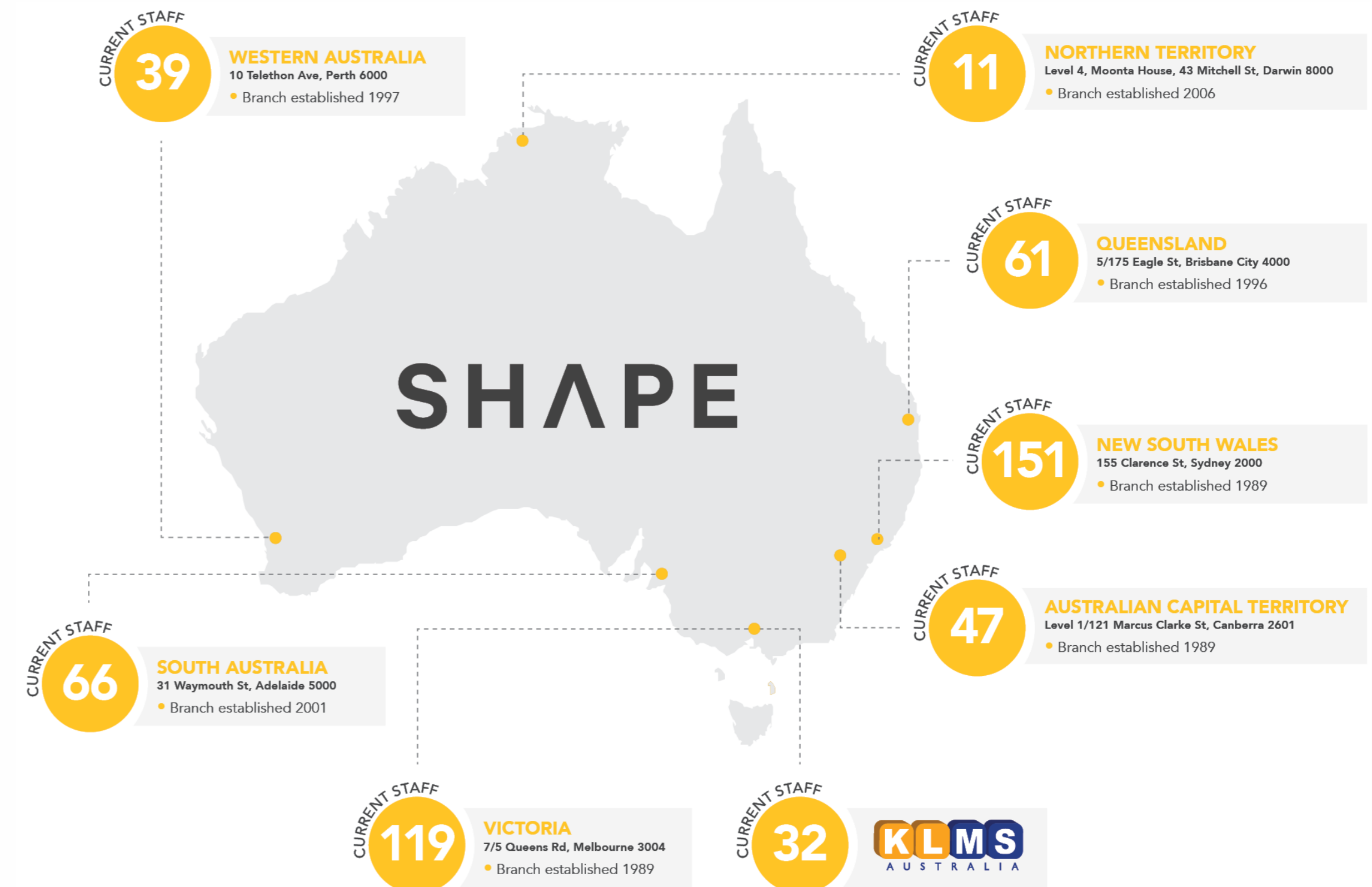
We understand the security requirements and specific needs and protocols of government. Our experience includes the successful delivery of office fitouts, base building upgrades, building services installation, commissioning, and more.

NEW BUILD

With considerable experience in all facets of new build projects, we understand implicitly how all the critical elements of these environments work together.

SHAPE+

SHAPE+ is a division of SHAPE that offers a streamlined, one-stop shop service to help clients with any building requirements, large or small. From concept to handover and beyond, we work with our clients to understand their needs and challenges and then deliver a fast-track bespoke solution.



Corporate Snapshot

SHAPE



Phil Arnall
Chairman and
Non-Executive Director



Gerard McMahon
Non-Executive Director



Craig Van der Laan
Non-Executive Director



Michael Barnes
Non-Executive Director



Kathy Parsons
Non-Executive Director



Peter Marix-Evans
CEO and Managing Director



Jane Lloyd
Non-Executive Director



Jim Sloman OAM
Non-Executive Director



Incoming 1 September 2022

Greg Miles
Chairman and
Non-Executive Director

Corporate Snapshot

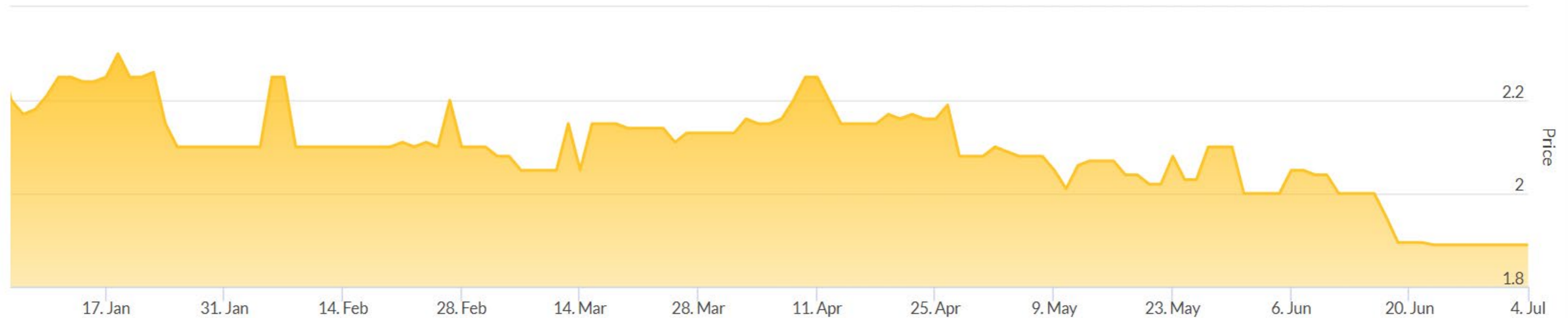
SHAPE

CAPITAL STRUCTURE

ASX Code	SHA
Shares on issue	83,241,085
Share price as at 30 June 2022	1.89
Market capitalisation as at 30 June 2022	\$157,325,651
Enterprise value as at 30 June 2022	\$85,994,622
Dividends Per Share paid in FY22	10 cents

SUBSTANTIAL SHAREHOLDER

SUBSTANTIAL SHAREHOLDER	NO. OF SHARES HELD	% OF ISSUED CAPITAL
Michael van Leeuwen	14,782,938	17.76%
John Darryl Drayton	11,313,938	13.59%
Gerard McMahon	9,737,920	11.70%
Stephen McDonald	5,818,297	6.99%
Tim Campbell	4,875,825	5.86%
Josephine Hynes	4,585,623	5.51%



FY22 Financial Summary

SHAPE

REVENUE

\$658.3m

▲ 15.1%

EBITDA

\$15.3m

▼ 28.8%

EBITDA (UNDERLYING)

\$9.5m

▲ 25.1%

NPAT

\$7.2m

▼ 41.8%

GROSS MARGIN

8.0%

▼ from 9.5%

EARNINGS PER SHARE

8.73c

▼ 42%

CASH*

\$82.0m

▼ 28.8% from \$115.1m

BACKLOG ORDERS*

\$395.2m

▲ 50.5% from \$262.7m

PROJECT WINS

\$787.3m

▲ 21% from \$647.1m

*As at 30 June 2022

FY22 Operational Highlights

SHAPE



SAFETY

Our safety commitment and culture is spearheaded by our "Path to Perfect Safety" programme:

- ^ LTIFR improved by 40%. Down to **2.0** from 2.8
- ^ 4 out of 7 states achieved zero lost time injuries during the 12-month period
- ^ **49,959** proactive safety, quality and environmental observations recorded – 19% increase

PEOPLE & CULTURE

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

- ✓ Strong company culture maintained (as measured by Human Synergistics Organisational Culture Inventory (OCI) tool). SHAPE ranks in the top 15% of their global company database
- ✓ **84%** employee engagement score (as measured through Culture Amp)
- ^ **22%** increase in our total workforce (526 total employees)
- ✓ **21%** of employees promoted during the reporting period
- ✓ **5,750** number of training hours

PARTNERSHIPS

- ^ **21.7%** increase in secured orders (totalling \$787.3m)
- ✓ **80%** of projects secured from repeat clients
- ✓ Net Promoter Score (NPS) of **+77**
- ✓ **76%** of projects delivered achieved Perfect Delivery (Zero Defects, On-time, O&M Manuals within a week of handover)

GROWTH & DIVERSIFICATION

- ✓ Acquisition of 100% of modular construction business K. L. Modular Systems (Aust) Pty Limited
- ✓ **SHAPE+** National Group Manager, Troy Willoughby, hired
- ✓ **SHAPE Defence** National Group Manager, Mitch Flynn, appointed to Senior Leadership Team
- ^ **68%** increase in revenue in Façade remediation works
- ^ **33%** increase in revenue in Defence sector works
- ✓ Achieved Defence Industry Security Program (DISP) certification

ENVIRONMENTAL & SOCIAL IMPACT

- ✓ FY22 Diversity and Inclusion Action Plan delivered
- ✓ WGEA compliant and female participation increased to 30%
- ✓ Achieved all objectives defined in our Reconciliation Action Plan (Innovate)
- ✓ More than **\$934,000** in value of goods, services and donations to support charities as part of our positive commitment to social impact through our Community+ programme
- ✓ A **770-tonne** reduction in organisational carbon emissions was achieved against a target of 400 tonnes



Financial Overview

Revenue & Earnings

SHAPE

- Stable business performance in FY22 despite ongoing headwinds.
- Lower net profit result due to ongoing pressures from the pandemic. Construction activity was constrained by delays in the commencement of new projects, site shutdowns and lower productivity due to site restrictions as well as increased downward pressure on margins from cost of goods inflation and wage increases.
- Remained well positioned with a record backlog order book (at 30 June 2022) of \$395.2m and recovering markets expected to present themselves over FY23.
- Traction on growth initiatives has been positive, particularly Facade upgrades and Defence projects.
- Modular acquisition step out on track to deliver on expectations.

\$'000	FY22	FY21	MOVEMENT
Revenue	658,326	571,972	^ 15.2%
Reported EBITDA	15,261	21,418	v 28.8%
Underlying EBITDA	9,536	7,621	^ 25.1%
Statutory NPAT	7,203	12,366	v 41.8%
Key Operating Metrics			
Reported EBITDA	2.3%	3.8%	v 39%
Underlying EBITDA	1.4%	1.3%	^ 8%





Sectors

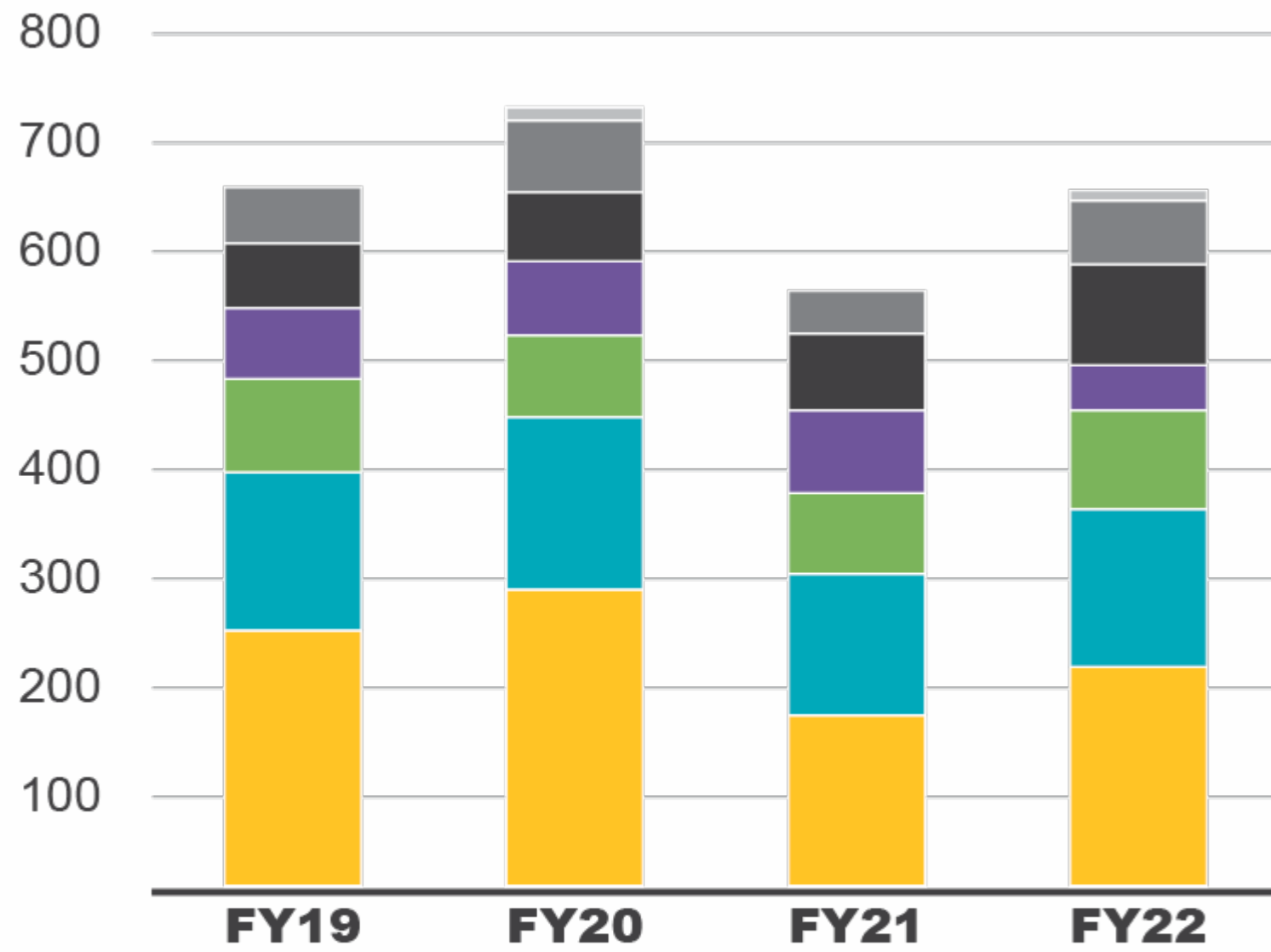


Key Sector & Project Overview

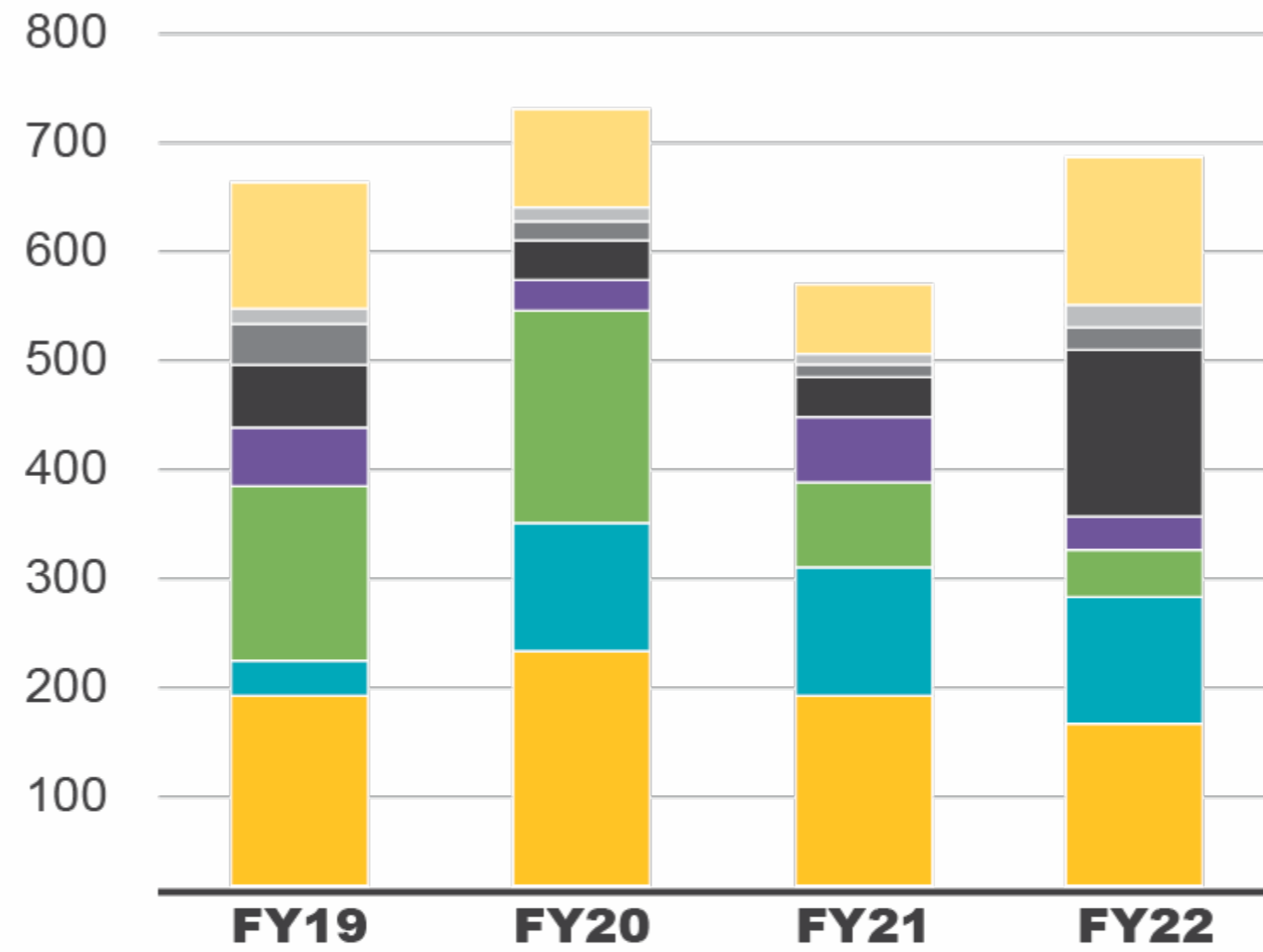


FIGURES AS AT 30 JUNE 2022

REVENUE BY REGION



REVENUE BY MARKET



MAINTAINED A STRONG TENDER CONVERSION RATE

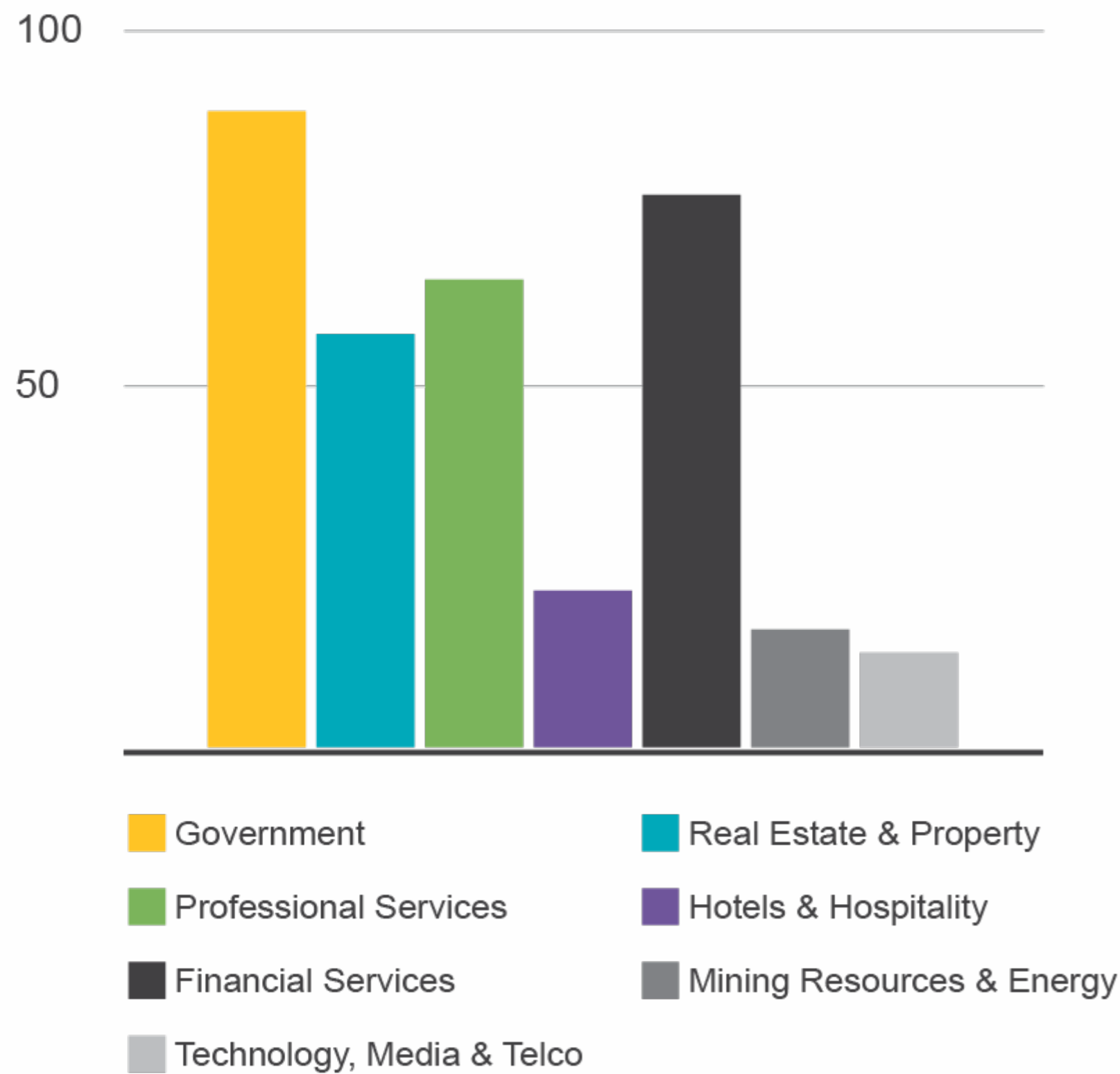
52%
(By number)

Pipeline & Order Book

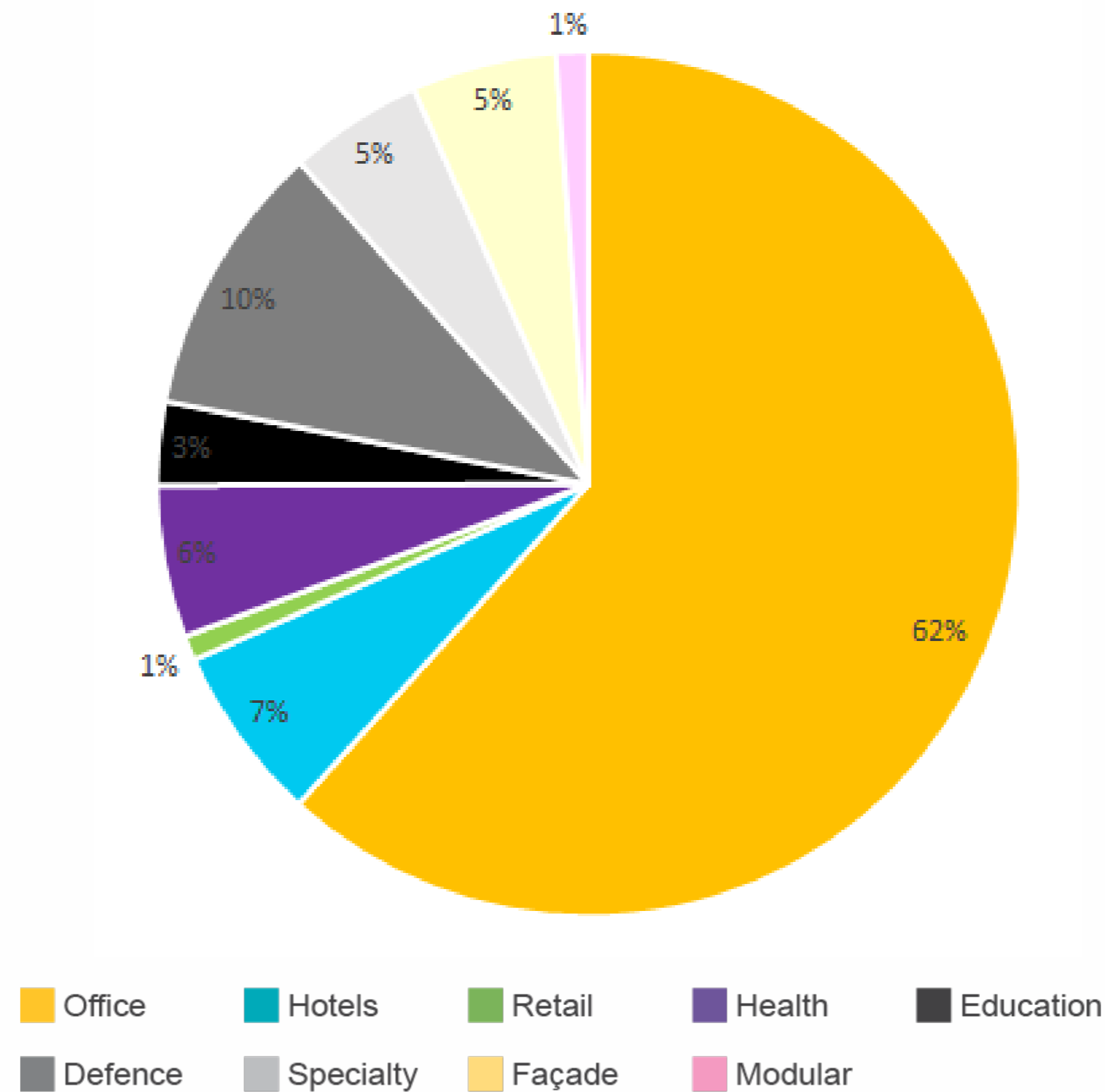


FIGURES AS AT 30 JUNE 2022

BACKLOG ORDER BOOK BY MARKET



BACKLOG ORDER BOOK BY SECTOR



IDENTIFIED PIPELINE
\$2.66B

TENDERING
\$52M

DECISION PENDING
\$210M

PROJECTS WON
\$787.3M



- A rise in the number of medical treatment injuries was offset by a static lost time injury outcome and a best in 5-year restricted work injury result
- 45,939 proactive safety, quality and environmental observations were recorded in FY22 which includes 5,380 positive safety observations.
- SHAPE EHSQ TV (organisational training / coaching media platform) reached 652 SHAPE employees covering 26 safety, quality, and environmental topics.

YEAR	LTIFR	NO. OF MTI	NO. OF LTI	NO. OF RWI
FY22	2.0	16	8	3
FY21	2.8	6	10	6
FY20	2.0	10	8	8
FY19	2.3	12	8	6
FY18	3.1	12	10	4

NOTE: Statistics include all SHAPE & subcontractor hours.

AGENCY	ACCREDITATION / CERTIFICATE
International Organisation for Standardisation (ISO)	<ul style="list-style-type: none"> • ISO 14001 - Environmental Management System • ISO 45001 - Occupational Health & Safety Management System • ISO 9001 - Quality Management System
Federal Safety Commissioner	<ul style="list-style-type: none"> • Australian Government Building and Construction WHS Accreditation Scheme

Sustainability

SHAPE

As a responsible corporate entity, we take our obligations in this area seriously. It forms part of our Balanced Scorecard against which our performance is measured.



**770
Tonnes**

REDUCED CO2E DURING FY22



**Climate Active
Certification**

TARGETED FOR FY23

3 out of 7

SHAPE Offices

ACQUIRED 100% GREENPOWER



**Targeting Net
Zero Carbon**

BY 2030



**ReSHAPE
Programme**

REPURPOSING / RECYCLING FURNITURE
FOR NOT-FOR-PROFIT ORGANISATIONS

5 out of 7

SHAPE Offices

GREEN STAR ACCREDITED OR IN
PROCESS OF ACCREDITATION

DLG SHAPE



- Continued strong performance for DLG SHAPE
- SHAPE maintained 49% ownership, with 51% David Liddiard Group (DLG).
- DLG SHAPE remained committed to promoting and increasing Indigenous employment.

SPEND WITH INDIGENOUS BUSINESSES

000'S	SPEND TO DATE	SPEND IN FY22
SHAPE	\$21,389	\$5,514
DLG SHAPE	\$3,687	\$534
TOTAL	\$25,076	\$6,048



Management fees generated to SHAPE increased by 53% to \$1.89m during the reporting period.

IDENTIFIED DLG SHAPE PIPELINE
\$250M

TENDERING
\$3M

DECISION PENDING
\$42M

PROJECTS WON
\$34M



Modular Business Acquired in 2022



- Acquisition completed 31 March 2022
- Backlog order book of \$11.6m
- Strong pipeline of work with the business already taking inquiries for projects in FY24
- Good start to FY23 with project wins of circa \$15m in July 2022

INTEGRATION PLAN IS FOCUSED ON:

- Improving efficiencies and risk management by adopting elements of SHAPE's best practice systems and processes where appropriate.
- Growing delivery capability by drawing on SHAPE talent (through transfers, secondments, and project level support).
- Building a more diversified (geographical and sector) pipeline of work by tapping into SHAPE's client and consultant networks.
- Developing a production expansion strategy.



BACCHUS MARSH GRAMMAR

Construction of classrooms and library at Maddingley Campus secured in Q4

Summary

SHAPE

FINANCIAL

- SHAPE is well positioned for organic growth and expansion into new sectors in FY23.
- Record project wins combined with a strong pipeline have SHAPE positioned for a successful FY23.

OPERATIONS

- Highly engaged workforce and strong market relationships with clients, consultants, and subcontractors.
- Experienced and embedded leadership team poised to steer out of the pandemic.
- 76% of projects completed within the period achieved Perfect Delivery.
- SHAPE maintained a high NPS and commitment to excellent customer experience.



Projects spotlight

SHAPE



NT - Monash IVF



NSW – ANZ Workplace Evolution Project

Projects spotlight

SHAPE



QLD - Thiess Centre



SA - Golden Grove High School

Projects spotlight

SHAPE



WA – Department of Finance Department of Communities



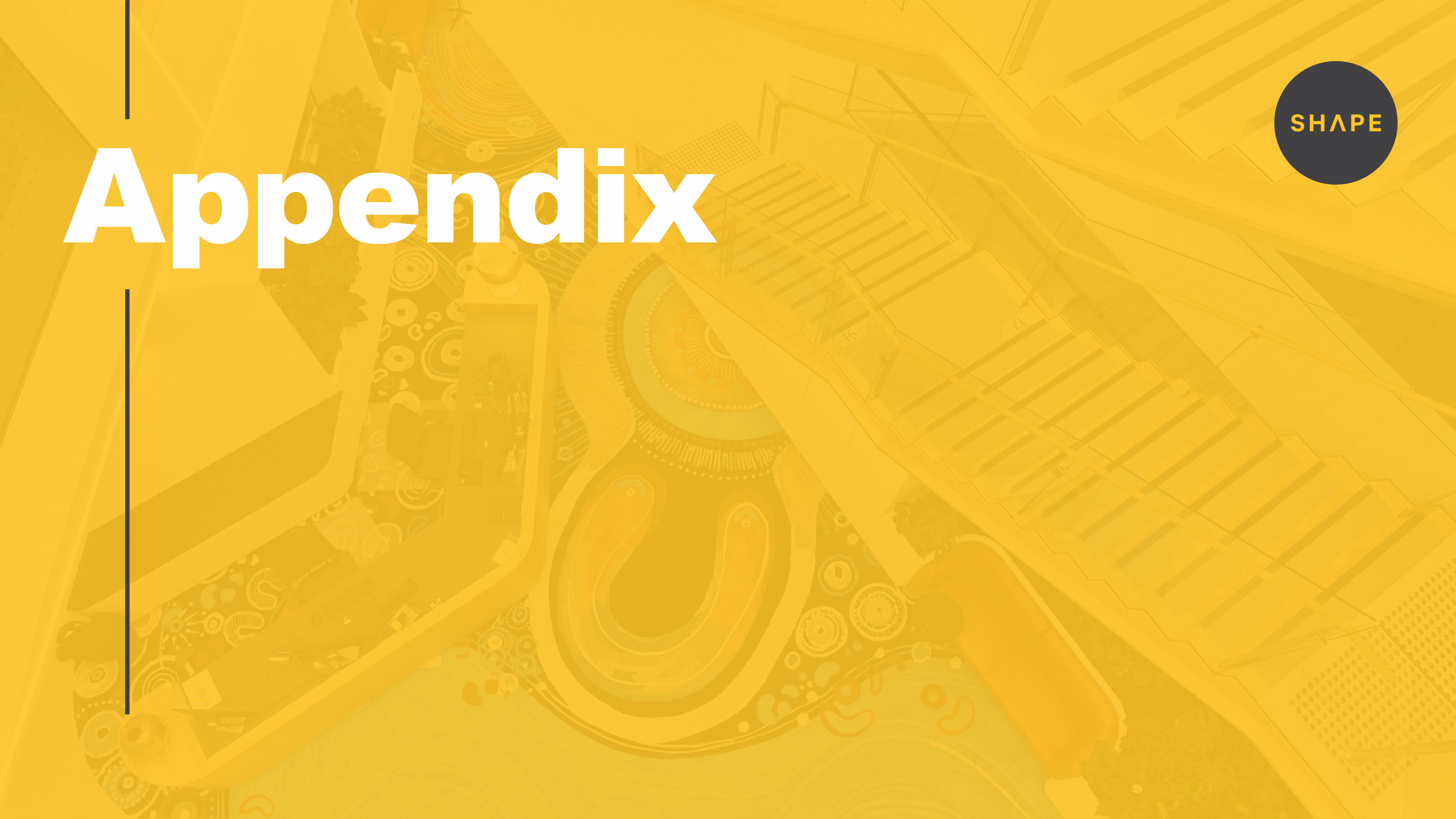
VIC – Dexu Place



Questions?



Appendix



1. Reconciliation of Profit before Income tax to EBITDA and Underlying EBITDA (unaudited)

EBITDA and underlying EBITDA are 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.

	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Profit before income tax	10,377	17,914
Depreciation and amortisation	4,528	3,630
Interest revenue	(207)	(466)
Finance costs	563	340
EBITDA	15,261	21,418
Initial Public Offering costs	2,794	
Customer legal dispute	(3,400)	
Revised revenue recognition accounting estimate ¹	(6,335)	(14,363)
Shares granted to employees in conjunction with IPO	924	
Transaction costs related to previous liquidity events		930
Transaction costs related to KLMSA acquisition	292	
Pandemic related redundancies		166
Worker' compensation provision ²		(530)
Underlying EBITDA	9,536	7,621