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SHAPE Australia Corporation Limited (ASX: SHA)

ASX Announcement & Media Release

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CEO's Address at 2022 Annual General Meeting

A warm welcome to everyone in attendance today.

This has been a year of firsts for SHAPE. We completed our first half year and full year presentations, have almost completed our first year as a publicly listed company and, of course, our first Annual General Meeting.

The backdrop over the last period as a publicly listed company has ensured that we have needed to remain ever agile as a business to adopt to post-pandemic conditions (if I can confidently say post pandemic).

The emergence of new risks, including high inflation, interest rate rises, wars and global macro-economic uncertainty have all been managed well by the business. We have continued to focus on compliance with our risk management systems, developing our people and leadership, and delivering on our client service promise to our loyal and repeat customer base.

FY22 saw the business develop and secure a record pipeline of \$2.66 billion and backlog revenue base of \$395.2 million. As we emerge from the worst of the pandemic, this backlog revenue coupled with reduced impacts from lockdowns and industry restrictions, experienced in the prior corresponding period, will continue to support a gradual recovery in trading conditions as we see green shoots in the industry.

SHAPE has recently been awarded Great Place to Work certification with 94% of our people nominating that SHAPE is a great place to work. This fantastic achievement underlines our commitment to our people and to achieving a constructive culture, which has led to an exceptional customer experience, evidenced by our high net promotor score of +77.

Our people and customer focused approach is driving market share growth in our traditional markets, plus supporting our expansion into regional areas such as Gold Coast and Newcastle. As a result, our focus remains on developing our workforce and our people managers, this in turn encourages and fosters our people to be the best that they can be.

Our growth strategies continue to remain on track. After more than seven months as part of the SHAPE group, KLMSA's integration plan is progressing well, and the modular business has seen strong project wins year to date as we leverage the support of the SHAPE business. Our growth sectors of Defence and Facade remediation works continue on an upward trajectory, with an increase in revenue of 33% and 68%, respectively.

As Greg noted, we remain ever vigilant on our approach to health and safety, which has pleasingly led to a general improvement in performance in this area. I remain committed to our focus on ensuring that all of our operations achieve the highest levels of safety.

As we look to the future, it is pleasing to see that the industry is showing signs of a recovering market. Over September and October, SHAPE has seen record revenues and a number of our large projects, namely CBA and Salesforce in New South Wales, are ramping up in momentum and performing well. Our commitment to quality can be seen by more than 80% of our projects being signed off by our clients as achieving Perfect Delivery – on-time, with zero defects and manuals provided within a week of handover – which maintains our high net promoter score. Our strong balance sheet is positioned well to benefit from increasing interest rates in the near term and deliver even stronger shareholder value.

In closing, SHAPE remains very well positioned to deliver on our business plan and our growth strategy. I am confident that we will continue to perform well as we emerge from the restrictions experienced over the last 12 months. And finally, thank you for your ongoing support.

Regards,

Peter Marix-Evans

ENDS

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

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About SHAPE Australia

SHAPE Australia (ASX:SHA) is a leading Australia-wide fitout and construction services specialist. Headquartered in Sydney, with nine branches across major capital cities and regional centres, SHAPE Australia delivers projects across multiple sectors, including Commercial Buildings, New Build and Modular Construction, Facades, Defence, Education, Health, Hospitality, and Retail.

With more than 526 people, an award-winning company culture and an impressive Net Promoter Score of +77, SHAPE brings transparency, a partnership approach, and three decades of experience to undertake any type of construction project.