



GWA
Group Limited

ABN 15 055 964 380
t 61 7 3109 6000
www.gwagroup.com.au

Building 3B
188 Holt Street
Pinkenba QLD 4008

GPO Box 1411
Brisbane QLD 4001

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ASX Market Announcements

Trading Update

GWA Group Limited (ASX:GWA) today provides a trading update on its expected results for the year ended 30 June 2024 (FY24), noting that all figures are unaudited and in Australian Dollars.

In Australia GWA continues to gain traction with its unwavering commitment to its strategic initiatives, which has resulted in the continuation of volume growth in the second half of the financial year to the end of May 2024. The business continues to benefit from the disciplined execution of its strategy, including the progressive launch of entry-level products throughout the financial year in core segments and products specifically targeting maintenance plumbers.

GWA's UK business has also reported volume growth to the end of May 2024, despite a contraction in that market more generally.

Revenue from GWA's New Zealand business has been impacted by the continued deterioration in housing and construction markets as that economy was in recession. In response to that GWA is considering a simplification of its New Zealand operations.

Notwithstanding the current challenging market conditions across all our markets and the expected further market uncertainties, particularly in New Zealand, GWA has made solid progress in its other markets and expects to deliver Group earnings growth for FY24, when normalised for significant items.

Based on current trading, GWA expects FY24 Group Revenue to be approximately \$411.0 - 413.0 million (FY23: \$411.9 million) with normalised Group EBIT expected to be \$73.0 - 74.0 million (FY23: \$70.4 million), both excluding significant items. These results are subject to finalisation and audit.

With the deteriorating market in New Zealand, GWA is considering right-sizing the local business to align to the current market conditions. GWA will continue to maintain its Auckland based Innovation and R&D centre. Management will now commence a consultation process with New Zealand employees.

FY24 Group pre-tax significant items are expected to be in the range of \$9.6 - 10.6 million. The right sizing of the New Zealand business will incur a mostly non-cash cost of \$6.0 - 7.0 million. Separately, the Group expects to incur \$1.4 million costs related to the implementation of its ERP programme in the UK, with a further \$2.2 million costs associated with the enhancement of the Group's digital platforms to support its growth strategy.

Further details will be provided with the Group's FY24 results to be released on 19 August 2024.

This announcement was authorised for release by the GWA Board.

For further information call:

Martin Cole
Capital Markets Communications
+61 (0)403 332 977