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GWA
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ASX / MEDIA RELEASE

Solid result in challenging market conditions

- 3.4% increase in normalised¹ net profit after tax to \$45.6 million
- Strong cashflow and financial position enables 15% increase in full year dividend to 15.0 cents per share, fully franked

GWA Group Limited, a leading provider of water solutions products and systems to households and commercial premises, today announced its financial results for the year ended 30 June 2024 ("FY24").

Despite challenging markets, particularly in New Zealand, GWA delivered volume growth from disciplined execution of its strategy resulting in improved earnings and returns to shareholders.

Group Financial Performance

- Group Revenue up 0.4% to \$413.5m
- Group Normalised EBIT up 5.4% to \$74.2m with normalised EBIT margin up 0.8 pts to 17.9%
- Normalised Net Profit After Tax \$45.6 million, up 3.4%
- Statutory Net Profit After Tax \$38.6 million, down 10.4%
- Strong cashflow generation – cash conversion ratio 110%
- Financial position remains strong, net debt down 17%
- Fully franked final dividend of 8.0 cents per share, resulting in full year fully franked dividend of 15.0 cents, up 15%

Commentary

Commenting on the result, Managing Director and CEO, Urs Meyerhans, said:

"GWA continued its disciplined execution of its strategy to deliver a solid financial result in FY24.

While markets remained challenging, the continued execution of our customer-first and profitable volume growth strategic priorities, including an absolute focus on "win the plumber", enabled the group to deliver volume growth of 2.1% for the year.

¹ Normalised results exclude Significant Items. FY24 Significant Items were \$9.7 million (pre tax) including costs associated with restructuring of the New Zealand business, implementation of the ERP programme in the UK, and enhancement of the Group's digital platforms. FY23 Significant Items were \$1.4 million (pre tax).

Meanwhile, our ongoing operational and cost discipline resulted in a 5.4% increase in Normalised Group EBIT with a corresponding lift in Normalised Group EBIT margin to 17.9%.

We carefully managed our working capital supporting product availability for our customers, resulting in ongoing strong cash generation with a cash conversion ratio of 110% for the year.

The Group remains in a strong financial position with net debt at its lowest level in five years being down 17 % from the prior year.

The Board declared a final dividend of 8.0 cents per share, fully-franked, bringing the full-year dividend to 15.0 cents per share, fully-franked, up 15% on the prior year.

I am pleased with the Group's progress over the year. In addition to reporting an improved financial result, we continue to evolve our strategic priorities to deliver a platform for future and sustainable growth."

FY25 Outlook and Priorities

GWA's evolving strategy with a continued focus on 'Customer First' and 'Profitable Volume Growth' centring around 'Win the Plumber' provides a strong platform into FY25 and beyond.

While most of our market segments are facing headwinds, GWA targets specific market segments. These include commercial aged and healthcare, volume home builders, social and affordable housing/build to rent projects and maintenance plumbers and commercial office refurbishment.

The release of this announcement was authorised by the Board.

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