

Preliminary Final Report and Dividend Announcement

EMBELTON LIMITED ACN 004 401 496
For Year Ended 30 June 2024

Results for Announcement to the Market

				<u>\$A'000</u>
Total Revenues	Down	6.6%	to	69,887
Profit after tax	Up	32.7%	to	1,261
Total Comprehensive income for the period	Up	32.0%	to	1,244
Dividends (distributions)	Amount per security		Franked amount per security	
Interim Dividend	15.0¢		15.0¢	
Final Dividend				
Ordinary Dividend	<u>20.0¢</u>		<u>20.0¢</u>	
Total Dividends for year	35.0¢		35.0¢	
Previous Corresponding Period:				
Interim Dividend	10.0¢		10.0¢	
Final Ordinary Dividend	<u>20.0¢</u>		<u>20.0¢</u>	
Total Dividends for year	30.0¢		30.0¢	
Record date for determining entitlements to the dividend		20 September 2024		

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Condensed consolidated statement of comprehensive income

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Total Revenues	69,887	74,861
Expenses	(67,724)	(72,955)
Finance costs	(353)	(651)
Profit before tax	1,810	1,255
Income tax	(549)	(305)
Profit after tax	1,261	950
Other Comprehensive income	(17)	(8)
Total Comprehensive income	1,244	942
Net profit for the period attributable to members	1,244	942
Total Comprehensive income attributable to members	1,244	942

Consolidated retained profits

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Retained profits at the beginning of the financial period	18,507	18,204
Net profit attributable to members	1,261	950
Dividends and other equity distributions paid	(755)	(647)
Retained profits at end of financial period	19,013	18,507

Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS	58 cents	44 cents
Diluted EPS	58 cents	44 cents

Notes to the condensed consolidated statement of comprehensive income

Revenue and expenses

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Revenue from sales or services	69,824	74,308
Interest revenue	21	9
Other relevant revenue	42	544
Total Revenues	69,887	74,861
Details of relevant expenses	54,487	59,378
Cost of goods sold		
Depreciation and amortisation including amortisation of intangibles	1,008	1,030

Comparison of half year profits

	Current year (\$A'000)	Previous year (\$A'000)
Consolidated profit after tax attributable to members reported for the 1st half year	447	248
Consolidated profit after tax attributable to members for the 2nd half year	814	702

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Condensed consolidated statement of financial position

	At end of current period (\$A'000)	At end of corresponding prior period (\$A'000)
Current assets		
Cash and cash equivalents	1,827	383
Receivables	6,944	9,810
Inventories	9,614	16,155
Other	635	740
Total current assets	19,020	27,088
Non-current assets		
Property, plant and equipment (net)	8,950	8,720
Right of Use Assets	466	531
Intangibles	330	330
Tax assets	539	491
Total non-current assets	10,285	10,072
Total assets	29,305	37,160
Current liabilities		
Payables	6,699	9,903
Borrowings	-	5,500
Lease Liabilities	316	331
Tax liabilities	434	58
Provisions exc. tax liabilities	1,307	1,226
Total current liabilities	8,756	17,018
Non-current liabilities		
Tax liabilities	116	103
Lease liabilities	124	220
Provisions exc. tax liabilities	144	143
Total non-current liabilities	384	466
Total liabilities	9,140	17,484
Net assets	20,165	19,676
Equity		
Contributed equity	1,156	1,156
Reserves	(4)	13
Retained profits	19,013	18,507
Equity attributable to members of the parent entity	20,165	19,676
Total equity	20,165	19,676

Condensed consolidated statement of cash flows

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Cash flows related to operating activities		
Receipts from customers	80,017	80,684
Payments to suppliers and employees	(70,833)	(75,803)
Interest and other items of similar nature received	21	9
Finance costs	(353)	(651)
Income taxes paid	(201)	(174)
Net operating cash flows	8,651	4,065
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(852)	(555)
Proceeds from sale of property, plant and equipment	11	575
Net investing cash flows	(841)	20
Cash flows related to financing activities		
Repayment of Lease Liability	(111)	(111)
Repayment of Borrowings	(5,500)	(3,000)
Dividends paid	(755)	(647)
Net financing cash flows	(6,366)	(3,758)
Net Increase in cash held	1,444	327
Cash and cash equivalents at beginning of period	383	56
Cash and cash equivalents at end of period	1,827	383

Notes to the Condensed Consolidated Statement of Cash Flows

Reconciliation of cash and cash equivalents

Reconciliation of cash at the end of the period (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows.	Current period (\$A'000)	Previous corresponding period (\$A'000)
Cash on hand and at bank	327	383
Commercial Bills	-	-
Deposits at call	1,500	-
Total cash and cash equivalents at end of period	1,827	383

Statement of Changes in Equity

	Contributed Equity (\$A'000)	Foreign Currency Translation Reserve (\$A'000)	Retained Profits (\$A'000)	Total (\$A'000)
At 30 June 2022	1,156	21	18,204	19,381
Profit for the period	-	-	950	950
Other Comprehensive income	-	(8)	-	(8)
Total Comprehensive income	-	(8)	950	942
Dividends paid	-	-	(647)	(647)
At 30 June 2023	1,156	13	18,507	19,676
Profit for the period	-	-	1,261	1,261
Other Comprehensive income	-	(17)	-	(17)
Total Comprehensive income	-	(17)	1,261	1,244
Dividends paid	-	-	(755)	(755)
At 30 June 2024	1,156	(4)	19,013	20,165

Other notes to the condensed financial statements

Ratios

	Current period	Previous corresponding Period
Profit before tax / revenue Consolidated profit before tax as a percentage of revenue	2.6%	1.7%
Profit after tax / equity interests Consolidated net profit after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	6.2%	4.8%

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (Includes ROU Assets and Lease Liabilities)	\$9.19	\$8.97

Dividends

Date the dividend (distribution) is payable

11 October 2024

Record date to determine entitlements to the dividend

20 September 2024

If it is a final dividend, has it been declared?

This is a declared Final Dividend

Amount per security

	Amount per security	Franked amount per security (at 30% tax)	Amount per security of foreign source dividend
Final Dividend:			
Current Year			
Ordinary Final Dividend	20.0¢	20.0¢	Nil
Previous Year			
Ordinary Dividend	20.0¢	20.0¢	Nil
Interim dividend: Current year	15.0¢	15.0¢	Nil
Previous year	10.0¢	10.0¢	Nil

Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	35.0¢	30.0¢
Preference securities	-	-

Preliminary final report – total dividend for the year on all securities

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Ordinary securities	755	647
Preference securities	-	-
Other equity instruments	-	-
Total	755	647

Segmental Information

12 months to June 2024

Revenue

	Merchandising (\$A'000)	Commercial (\$A'000)	Manufacturing (\$A'000)	Consolidated (\$A'000)
Total Operating Revenue	21,844	47,726	7,355	76,925
Less Elimination on Consolidation	-	-	(7,101)	(7,101)
Total External Operating Revenue	21,844	47,726	254	69,824

Results

Segment results	556	1,599	39	2,194
			Unallocated expenses	(384)
Total Operating Profit before Income Tax				1,810

Assets

	11,712	16,446	1,067	29,225
			Unallocated assets	80
Total Assets				29,305

12 months to June 2023

Revenue

Total Operating Revenue	23,356	50,666	5,094	79,116
Less Elimination on Consolidation	-	-	(4,808)	(4,808)
Total External Operating Revenue	23,356	50,666	286	74,308

Results

Segment results	990	800	15	1,805
			Unallocated expenses	(550)
Total Operating Profit before income tax				1,255

Assets

	11,548	23,599	1,950	37,097
			Unallocated assets	63
Total Assets				37,160

DIRECTORS COMMENTS

Lower revenue in the last six months reflected a slowdown in building activity as Covid delayed contracts that are now complete were not replaced by project work of similar scale.

The outlook for new construction remains subdued, especially in our home state of Victoria, with developers wary of cost escalations and uncertain demand for the very large commercial and residential projects which have comprised much of our activity in recent years. This has restricted new opportunities to smaller projects, these typically being more competitive given the larger number of participants in this space.

Against this background of reduced activity, careful downsizing of operations and better management of working capital have contributed to a useful growth in earnings for the current period and equip the company with improved flexibility to meet short term market weakness in the period ahead.

Basis of financial report preparation

Material factors affecting the revenues and expenses of the economic entity for the current period.

NIL

A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

NIL

Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

NIL

Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

NIL

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Annual meeting

The annual meeting will be held as follows:

Place	147 Bakers Road, Coburg VIC 3058
Date	6 November 2024
Time	11.00am
Approximate date the annual report will be available	30 September 2024

Compliance statement

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX .
2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed (see note 2).
4. This report is based on accounts to which one of the following applies.
(Mark one)

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☒	The accounts are in the process of being audited or subject to review.	☐	The accounts have <i>not</i> yet been audited or reviewed.
5. If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available.
6. The entity does not have a formally constituted audit committee.



James Embelton
Managing Director

27 August 2024