

Half Year Financial Report

For the half year ended 31 December 2024

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Section 1.

Appendix 4D

APPENDIX 4D

Company details

Name of entity	IPD GROUP LIMITED
ACN	111 178 351
Current reporting period	Half year ended 31 December 2024
Previous corresponding reporting period	Half year ended 31 December 2023

Additional disclosure requirements and supporting information for Appendix 4D are contained within IPD Group Limited's Half Year Financial Report for the half year ended 31 December 2024. This Appendix should be read in conjunction with the full report.

This announcement was approved by the Board of Directors for release on 24 February 2025.

Results for announcement to the market

	Movement			Half year to 31 December 2024	Half year to 31 December 2023
		%		\$million	\$million
Revenue from ordinary activities	up	46.6%	To	176.9	120.7
EBITDA	up	46.6%	to	23.6	16.1
Depreciation and Amortisation				(3.4)	(2.4)
EBIT	up	47.4%	to	20.2	13.7
Net interest income / (costs)				(1.2)	0.1
Profit before tax	up	37.7%	To	19.0	13.8
Income Tax				(5.7)	(4.3)
NPAT from ordinary activities attributable to owners of IPD Group Limited	up	40.0%	to	13.3	9.5
Earnings per share (cents per share)	up	19.4%	to	12.9	10.8

¹ Weighted average number of ordinary shares used in the calculation of earnings per share of 103,538,533 (31 December 2023: 88,778,919)

IPD Group Ltd recorded a statutory after-tax profit of \$13,345,000 during the half year to 31 December 2024 (31 December 2023: \$9,545,000).

On 24 February 2025, the Directors declared an interim dividend of 6.4 cents per share fully franked with an ex-dividend date of 27 March 2025, record date of 28 March 2025 and payable on 10 April 2025.

On 4 October 2024, the Group paid the 2024 financial year-end dividend of 6.2 cents per share, fully franked, resulting in a total payout of \$6.4 million.

Further information on the 'Review of operations' is detailed in the Directors' report, part of the Interim Report.

Net Tangible Assets

	31 December 2024	31 December 2023
Net tangible assets per share (cents per share)	72.9	115.2
Diluted net tangible assets per share (cents per share)	72.5	114.5

Section 2.

Directors' Report

DIRECTORS' REPORT

The Directors present their report in compliance with the provisions of the Corporations Act 2001 on the consolidated entity (referred to hereafter as the "Group") consisting of IPD Group Ltd ("IPD Group" or the "Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

DIRECTORS

Directors of IPD Group Ltd during and since the end of the financial half year unless otherwise stated below are:

David Rafter – Independent non-executive Chairman

Andrew Moffat – Independent non-executive Director

Michael Sainsbury – Executive Director

Mohamed Yoosuff – Executive Director

COMPANY SECRETARY

Jade Cook

CORPORATE GOVERNANCE

The Board of Directors and management of IPD Group recognise the importance of, and are committed to, achieving high corporate governance standards. Our key Corporate Governance materials including policies, code of conduct and Board and Board Committee Charters, can be found in the Corporate Governance section of our website within the Investor Relation section.

In accordance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations, the Company's Corporate Governance Statement, as approved by the Board, is published and available on the IPD Group website at <https://ipdgroup.com.au/investors/corporate-governance/>

PRINCIPAL ACTIVITIES

The Group is a national distributor and service provider to the Australian electrical market. The Group consists of two core divisions:

- the distribution of products for quality global electrical infrastructure brands such as ABB, Elsteel, Emerson & Red Lion; and
- the provision of services, including installation and commissioning, calibration and testing, maintenance and repairs and refurbishment

Products division:

The Group's core focus in the products division is the sale of electrical infrastructure products to customers including switchboard manufacturers, electrical wholesalers, electrical contractors, power utilities, OEMs and system integrators. Within the division there are six key categories of products:

- Power distribution
- Industrial and motor control
- Automation and industrial communication
- Power monitoring; and
- Hazardous area equipment.
- Electrical cables, manufacture & distribution of cable plugs

In addition to selling products, the Group provides a range of value-added services, including custom assembly, sourcing, engineering design, technical compliance, procurement, transport, storage, regulatory management, technical support, packaging, labelling, inventory management and delivery.

Services division:

Within the Group's services division there are five categories of services:

- Installation and commissioning
- Calibration and testing
- Maintenance and repairs
- Electric vehicle solutions; and
- Refurbishment and other.

DIRECTORS' REPORT (CONT'D)

REVIEW OF OPERATIONS

The IPD Group Board of Directors are pleased to advise record half-year revenues and earnings for the half year ended 31 December 2024. Sales revenue of \$176.9 million was up 46.6% on the pcp, and despite macroeconomic challenges impacting the commercial construction sector, group revenue was up 2.3% on the pro-forma pcp.

IPD's diverse product range has enabled the core IPD business to benefit from growth in industries such as Data Centres and Water & Waste Water. As a result, gross revenues for the core IPD business are up 5.2% on the pro-forma pcp, despite challenging market conditions.

The CMI Operations cable business is largely attached to the Commercial Construction/Buildings sector. Amidst wider macroeconomic challenges in the commercial construction sector CMI's gross revenues declined by 3.3% on the pro-forma pcp during 1H FY25. Despite challenging market conditions in Australia, CMI continues to expand through export markets and a focus on product innovation, and management remains focused on achieving revenue and cost synergies across the group.

As previously disclosed, CMI Operations' lower operating gross profit margins have had a dilutive impact on consolidated gross profit margins. Gross profit margins of 35.2% for 1H FY25 have marginally reduced on FY24 pro-forma gross margins of 35.4%, as the order book transitions from daily trade to larger, more complex and competitive orders.

These larger and more complex orders typically have longer lead times and less certainty around delivery timing. This has resulted in a proportion of orders that would previously have already become invoiced revenue now sitting in our Order Backlog.

Pro-forma operating expense as a percentage of revenue increased by 0.5% on the pro-forma pcp. There have been additional investments made in the operating cost base, including additional project teams, additional personnel & IT resources (particularly in CMI Operations), the opening of our new Brisbane office, and additional product support for expanded product ranges. This step-change in the Group's operating cost base, along with inflationary cost pressures, has impacted margins in 1H FY25.

There is an ongoing focus on enhancing operational efficiency by maximising economies of scale across the organisation and leveraging internal and external synergies to boost value creation.

In November 2024 IPD Group opened its new Brisbane office in the Brisbane airport precinct, with this expanded facility to support future growth of the Queensland operations.

Earnings per share of 12.9 cents for 1H FY25 is up 19.4% on the pcp. This growth demonstrates the strength of management's ongoing strategic focus on M&A, and the success of accretive acquisitions made in FY24.

As at 31 December 2024, the Group had \$158.1 million of net assets on its balance sheet. Inventory increased by \$1.2 million on pcp, whilst total net working capital decreased during the half year ended 31 December 2024.

The Group's \$40 million debt facility was reduced to \$31.1 million and Net Debt has reduced to \$2.2 million as at 31 December 2024. Operating free cash flow (before interest and tax outflows) of \$25.3 million for the half-year resulted in Operating free cash flow conversion (operating cash flow before interest and tax outflows) of 107.6% for 1H FY25.

As a result of prudent cash management and strong operating free cash flow, subsequent to 31 December 2024 the Group has repaid \$10.0 million of core debt. As a result, the acquisition debt facility and associated non-current borrowings have reduced to \$21.1 million.

On 4 October 2024, the IPD Group paid the final 2024 financial year-end dividend of \$6.4 million which was equivalent to 6.2 cents per share fully franked.

On 24 February 2025, the Directors declared a fully franked interim dividend of 6.4 cents per share, payable on 10 April 2025. This equates to a payout of \$6.6 million and a payout ratio of 50% for the half-year ended 31 December 2024.

Outlook

Whilst some end markets are challenging, IPD continues to capitalize on emerging opportunities driven by the transition to renewable energy, increasing demand from data centres and associated energy requirements, the growing number of EV chargers and demand for public transport electrification, and a supportive legislative environment.

Management remain focused on executing strategic priorities, long-term value creation, adapting to market conditions, and continuing to deliver sustainable growth.

DIRECTORS' REPORT (CONT'D)

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial period, the Group paid a premium in respect of a contract insuring Directors of the Group, the Group secretary, and all executive officers of the Group and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 9 of the half year financial report.

ROUNDING OFF OF AMOUNTS

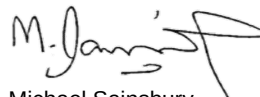
The Company is a company of the kind referred to in the Class order 2016/191 - *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Class Order amounts in the Directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s306 (3) (a) of the Corporations Act 2001.

On behalf of the Directors



David Rafter
Director
Sydney, 24 February 2025



Michael Sainsbury
Director
Sydney, 24 February 2025

Section 3.

Independent Reports



PKF(NS) Audit & Assurance Limited Partnership

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of IPD Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of IPD Group Ltd and the entities it controlled during the period.

PKF

PKF

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SCOTT TOBUTT
PARTNER

24 FEBRUARY 2025
SYDNEY, NSW



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IPD GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of IPD Group Ltd (the consolidated entity), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of IPD Group Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of IPD Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

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SCOTT TOBUTT
PARTNER

24 FEBRUARY 2025
SYDNEY, NSW

Section 4.

Directors' Declaration

DIRECTORS' DECLARATION

In the directors' opinion:

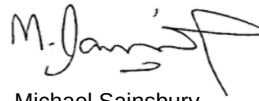
- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements also comply with International Financial Reporting Standards; and
- c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



David Rafter
Director
Sydney, 24 February 2025



Michael Sainsbury
Director
Sydney, 24 February 2025

Section 5.

Consolidated Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the half year ended 31 December 2024

	Note	Half year to 31 December 2024 \$'000	Half year to 31 December 2023 \$'000
Revenue from ordinary activities		176,936	120,736
Materials and consumables used		(114,618)	(72,474)
Other Income		416	467
Employee benefits expense		(28,574)	(24,534)
Freight and delivery expenses		(3,215)	(2,496)
Depreciation and amortisation expenses		(3,404)	(2,465)
Occupancy costs		(1,433)	(668)
Finance costs		(1,489)	(291)
Other expenses		(5,660)	(4,097)
Acquisition costs		-	(362)
Profit before income tax		18,959	13,816
Income tax expense		(5,614)	(4,271)
Profit after income tax expense for the period		13,345	9,545
Earnings per share			
Basic earnings per share (cents per share)	4	12.9	10.8
Diluted earnings per share (cents per share)	4	12.8	10.7

The consolidated statement of profit or loss should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2024

	Note	Half year to 31 December 2024 \$'000	Half year to 31 December 2023 \$'000
Profit after income tax for the period		13,345	9,545
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		145	(124)
Other comprehensive income for the period, net of tax		19	115
Total comprehensive income for the period attributable to the owners of IPD Group Ltd		13,509	9,536

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the half year ended 31 December 2024

	Note	31 December 2024 \$'000	30 June 2024 \$'000
Current assets			
Cash and cash equivalents		28,932	22,284
Trade and other receivables		60,238	70,712
Inventories		80,133	78,918
Other assets		2,357	1,422
Total current assets		171,660	173,336
Non-current assets			
Right of use assets	6	18,451	12,078
Property, plant and equipment		4,685	4,445
Intangible assets	7	78,432	78,404
Deferred tax assets		4,052	4,510
Total non-current assets		105,620	99,437
Total assets		277,280	272,773
Current liabilities			
Trade and other payables		60,994	67,840
Current tax liabilities		1,059	2,176
Lease liability	6	4,661	3,992
Provisions		5,150	6,359
Total current liabilities		71,864	80,367
Non-current liabilities			
Lease liability	6	15,369	9,612
Provisions		619	614
Borrowings		31,100	31,100
Deferred tax liabilities		203	339
Total non-current liabilities		47,291	41,665
Total liabilities		119,155	122,032
Net assets		158,125	150,741
Equity			
Issued capital	5	96,188	95,639
Reserves		456	575
Retained earnings		61,481	54,527
Total equity		158,125	150,741

The consolidated statement of financial position should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2024

	Issued capital \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 30 June 2023	31,580	40,961	374	72,915
Profit for the period	-	9,545	-	9,545
Other comprehensive income for the period (net of tax)	-	115	(124)	(9)
Total comprehensive income	-	9,660	(124)	9,536
Dividends paid (note 3)	-	(4,070)	-	(4,070)
Share-based payments expense	-	-	202	202
Share issue	64,352	-	(252)	64,100
Balance at 31 December 2023	95,932	46,551	200	142,683
Balance at 30 June 2024	95,639	54,527	575	150,741
Profit for the period	-	13,345	-	13,345
Other comprehensive income for the period (net of tax)	-	19	145	164
Total comprehensive income	-	13,364	145	13,509
Dividends paid (note 3)	-	(6,410)	-	(6,410)
Share-based payments expense	-	-	285	285
Share issue	549	-	(549)	-
Balance at 31 December 2024	96,188	61,481	456	158,125

The consolidated statement of changes in equity should be read in conjunction with the Notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2024

	Note	Half year to 31 December 2024 \$'000	Half year to 31 December 2023 \$'000
Cash flows from operating activities			
Receipts from customers		205,520	134,827
Payments to suppliers and employees		(180,180)	(126,775)
Interest received		237	394
Finance costs		(1,413)	(291)
Income taxes paid		(6,408)	(5,920)
Net cash generated by operating activities		17,756	2,235
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		83	147
Payment for property, plant and equipment		(767)	(972)
R&D expenditure		(108)	-
Acquisition of Subsidiary, net of cash acquired		(1,221)	(8,269)
Net cash used in investing activities		(2,013)	(9,094)
Cash flows from financing activities			
Repayment of lease liabilities		(2,795)	(1,611)
Dividends paid		(6,410)	(4,070)
Proceeds from the issue of shares		-	65,008
Capital raising cost		-	(2,682)
Net cash (used in)/ generated by financing activities		(9,205)	56,645
Net increase in cash and cash equivalents		6,538	49,786
Cash and cash equivalents at the beginning of the financial period		22,284	20,757
Effects of exchange rate changes on cash		110	(50)
Cash and cash equivalents at the end of the financial period		28,932	70,493

The consolidated statement of cash flows should be read in conjunction with the Notes to the financial statements

Section 6.

Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

General Information

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2024 annual financial report for the financial year ended 30 June 2024

2. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Board of Directors for the Group.

The internal reports reviewed by the Board, which are used to make strategic decisions, are separated into the Group's key market segments Products division and Services Division:

Secondary operating segments have been defined as:

- Products division – The core focus in the products division is the sale of electrical infrastructure products to customers including switchboard manufacturers, electrical wholesalers, electrical contractors, power utilities, OEMs and system integrators
- Services Division – provision of services, including installation and commissioning, calibration and testing, maintenance and repairs and refurbishment

The accounting policies of the reportable secondary segments are the same as the Group's accounting policies.

Half year ended 31 December 2024	Products division \$'000	Services division \$'000	Total \$'000
Revenue from external customers	164,500	12,436	176,936
Other revenue / income	89	30	119
Total revenue from ordinary activities	164,589	12,466	177,055
Earnings before Interest, Tax, Depreciation and Amortisation	23,131	424	23,555
Depreciation and amortisation expense			(3,404)
Net Interest expense			(1,192)
Profit before income tax			18,959
Income Tax			(5,614)
Net profit after income tax			13,345

2. SEGMENT INFORMATION (CONT'D)

Half year ended 31 December 2023	Products division \$'000	Services division \$'000	Total \$'000
Revenue from external customers	109,863	10,873	120,736
Other revenue/income	48	28	76
Total revenue from ordinary activities	109,911	10,901	120,812
Earnings before Interest, Tax, Depreciation and Amortisation	15,466	683	16,149
Depreciation and amortisation expense			(2,465)
Net Interest income			132
Profit before income tax			13,816
Income Tax			(4,271)
Net profit after income tax			9,545

The Group's assets were not split by a reportable secondary operating segment as the chief operating decision-makers do not utilize this information for the purposes of resource allocation and assessment of segment performance.

3. DIVIDENDS

On 30 August 2024, the Directors declared a final dividend of 6.2 cents per share fully franked with an ex-dividend date of 19 September 2024, record date of 20 September 2024, and paid on 04 October 2024 amounting to \$6,410,000.

On 24 February 2025, the Directors declared an interim dividend of 6.4 cents per share fully franked with an ex-dividend date of 27 March 2025, record date of 28 March 2025 and payable on 10 April 2025.

4. EARNINGS PER SHARE

	Half year to 31 December 2024 Cents per share	Half year to 31 December 2023 Cents per share
Basic earnings per share	12.9	10.8
Diluted earnings per share	12.8	10.7

Reconciliation of earnings used in calculating earnings per share

	Half year to 31 December 2024 \$'000	Half year to 31 December 2023 \$'000
Net profit	13,345	9,545

Reconciliation of shares used in calculating earnings per share

	Half year to 31 December 2024 No.	Half year to 31 December 2023 No.
Opening and closing balance of shares for the period	103,380,078	86,365,798
Shares issued	313,504	17,014,280
Closing balance of shares for the period	103,693,582	103,380,078
Weighted average number of ordinary shares used in the calculation of basic earnings per share	103,538,533	88,778,919
Shares deemed to be issued for no consideration in respect of:		
Employee performance Rights	566,464	643,700
Closing number of shares deemed to be issued for the period	104,260,046	104,023,778
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	104,030,259	89,359,367

5. ISSUED CAPITAL

	31 December 2024 \$	30 June 2024 \$
103,693,582 fully paid ordinary shares (2023: 103,380,078)	96,187,921	95,638,743

Date	Details	\$	Number of Shares
1 July 2024	Opening balance	95,638,743	103,380,078
	Movement:		
30 September 2024	Performance Rights - Shares issued	549,178	313,504
31 December 2024	Closing Balance	96,187,921	103,693,582

6. LEASES

Right-of-use assets

	Buildings \$'000	Motor Vehicles \$'000	Total \$'000
Half year ended 31 December 2024			
Balance at the beginning of the year	12,078	-	12,078
Additions to right-of-use assets	8,135	680	8,815
Depreciation charge	(2,391)	(51)	(2,442)
Balance at 31 December 2024	17,822	629	18,451
Half year ended 31 December 2023			
Balance at the beginning of the year	12,297	2	12,299
Additions to right-of-use assets	1,100	-	1,100
Depreciation charge	(1,611)	(2)	(1,613)
Balance at 31 December 2023	11,786	-	11,786

Lease liabilities

	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total undiscounted lease liabilities \$'000	Lease liabilities included in this Statement of Financial Position \$'000
December 2024					
Lease liabilities	5,892	13,836	2,435	22,163	20,030
December 2023					
Lease liabilities	3,398	10,842	294	14,535	13,301

7. INTANGIBLE ASSETS

	31 December 2024 \$'000	30 June 2024 \$'000
Goodwill	76,704	76,704
Development costs	1,728	1,700
Closing Balance	78,432	78,404

Reconciliation of the written down value at the beginning and end of the current and previous financial year is set out below:

	Goodwill \$'000	Development costs \$'000	Total \$'000
Half year ended 31 December 2024			
Balance at the beginning of the year	76,704	1,700	78,404
Additions	-	109	109
Amortisation charge	-	(81)	(81)
Balance at the end of year	76,704	1,728	78,432

Goodwill impairment was assessed on the basis that IPD, EX Engineering and CMI Operations are identifiable cash generating business units.

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period using a steady rate, together with a terminal value.

Forecast transaction volumes are the key drivers in determining the cashflow projection for each CGU. In the even that transaction volumes do not reach the levels forecast there is a risk that the forecast cashflows are not sufficient to support the carrying value of goodwill and an impairment charge may be reported in a future accounting period.

Sensitivity to change assumptions:

Increases in discount rates or changes in other key assumptions may cause the recoverable amount to fall below carrying values. Based on current economic conditions and CGU performances, there are no reasonably possible changes to key assumptions used in the determination of CGU recoverable amounts that would result in material impairment to the consolidated entity.

8. EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

