

For personal use only

ASX APPENDIX 4D

FY25 Half-Year Results for Announcement to the Market
27 February 2025

For the period ending
31 December 2024

SAUNDERS
INTERNATIONAL

ASX Appendix 4D

HALF-YEAR RESULT FOR ANNOUNCEMENT TO THE MARKET
SAUNDERS INTERNATIONAL LIMITED – ABN 14 050 287 431

1. REPORTING PERIOD

Financial half-year ended ('current period')	Financial half-year ended ('previous corresponding period')
31 December 2024	31 December 2023

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	December 2024 $'000	December 2023 $'000	Change $'000	Change %
Key Information				
Revenue from Ordinary Activities	126,310	104,427	21,883	21.0%
Net Profit after Tax	5,036	4,928	108	2.2%
Net Profit After Tax Attributable to Members	5,036	4,928	108	2.2%

A description of the figures reported above is contained in the attached Saunders International Limited Interim Consolidated Financial Report for the half-year ended 31 December 2024.

Refer to Review of Operations on page 2 of the Saunders International Limited 31 December 2024 Interim Consolidated Financial Report for a detailed explanation and commentary on the results.

3. DIVIDENDS

	Period	Payment Date	Amount per security cents	Franked amount per security at 30% tax
Dividend				
Interim Dividend	31 December 2024	14 April 2025	2.00	100%
Final Dividend	30 June 2024	15 October 2024	2.25	100%
Interim Dividend	31 December 2023	15 April 2024	2.00	100%

4. NET TANGIBLE ASSETS BACKING

	Current Period cents	31 December 2023 cents
Net Tangible Assets per security		
Net Tangible Assets per security	30.99	26.96

5. REVIEW STATUS

The H1 FY25 results are based on financial statements which have been subject to a review by Deloitte Touche Tohmatsu and the Auditors' Review Report contains no qualifications.

6. CONTROL GAINED OR LOST OVER ENTITIES HAVING MATERIAL EFFECT

During H1 FY25, no control was gained or lost over any entities.

For personal use only

SAUNDERS INTERNATIONAL



For personal use only

INTERIM CONSOLIDATED FINANCIAL REPORT

For the half-year ended
31 December 2024

SAUNDERS
INTERNATIONAL

For personal use only



Acknowledgement of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia. We pay our respects to all First Nations peoples and acknowledge Elders past and present.

As a business that works across many locations, we recognise and support their continuing connection to lands, waters, cultures, languages, and traditions.



For personal use only

Contents

Directors' Report 2
Auditor's Independence Declaration 5
Independent Auditor's Review Report 6
Financial Report 9
Directors' Declaration 22
Corporate Directory 23
Board of Directors 23

SAUNDERS
INTERNATIONAL

Directors' Report

The Directors of Saunders International Limited (Saunders', 'the Group', 'the Company') submit herewith the half-year financial report for period ended 31 December 2024. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the half-year are:

- Nicholas Yates - Non-Executive Director
- Gregory Fletcher - Non-Executive Director
- Brendan York - Non-Executive Director
- Mark Benson - Managing Director and Chief Executive Officer

REVIEW OF OPERATIONS

A summary of the revenues and results is as follows:	31 Dec 2024 $'000	31 Dec 2023 $'000
Revenue	126,310	104,427
Profit before income tax	7,270	7,915
Income tax (expense)	(2,234)	(2,987)
Profit attributable to the members of Saunders International Limited	**5,036**	**4,928**

Reconciliation of profit before income tax to EBITDA (unaudited):	31 Dec 2024 $'000	31 Dec 2023 $'000
Profit before income tax	7,270	7,915
Interest income	(55)	(86)
Interest expense on loans and finance charges	369	193
Depreciation of owned, leased and right of use assets	2,341	1,787
EBITDA	**9,925**	**9,809**

Saunders has commenced the new financial year with record half-year result and continuation of strong financial results from the full year result posted in FY24.

Saunders' revenue for H1 FY25 was $126.3 million, an increase of 21.0% on H1 FY24 from the continuation of the core business and a strong contribution from a first full year of contributions from strategic acquisitions in 2023 (H1 FY24: $104.4 million).

EBITDA was $9.9 million in H1 FY25, up 1.2% (H1 FY24: $9.8 million), Profit after tax was $5.0 million, an improvement of 2.2% (H1 FY24: $4.9 million) and EPS for the period was 4.27 cents (H1 FY24: 4.49 cents), marginally lower due to an increase in the ordinary shares on issue as a result of the consideration paid for acquisitions in FY2024.

The company has produced a record result for H1 FY2025 and also maintained a strong orderbook and pipeline.

Saunders has matured and positioned itself into a multidisciplined offering, as set out in our strategy. The recent acquisitions have integrated well from an operational, systems and cultural perspective, enabling us to provide clients a complete end-to-end service. The business has demonstrated it is more than capable of delivering larger, more complex projects safely, on time and on budget.

For personal use only

For personal use only

Key Highlights

- H1 FY25 Revenue of $126.3 million, up 21.0% on (H1 FY24) from the continuation of the core business and a strong contribution from a first full year of contributions from strategic acquisitions in 2024
- EBITDA of $9.9 million, up 1.2% on prior year and EBITDA margin of 7.9% slightly down from 9.4% prior year due to exceptionally strong margin performance on projects in the prior year period
- Profit After Tax (NPAT) of $5.0 million, up 2.2% on prior year
- Pipeline of $2.3 billion, up 15% on prior reported at 31 July 2024
- Interim dividend declared of 2.00 cents fully franked (FY2024 total dividends of 4.25 cents fully franked)

SAFETY

As the Group continues to grow, we are constantly focused on improving our safety performance to ensure we achieve "Zero Harm" for the people who work for us and with us. The Board, Executive Team and Project teams are focused on proactive reporting and structured reviews of high-potential incidents to ensure we work hard to prevent injuries.

Saunders continues to strengthen its safety culture through investment in 'Together for Safety' training and a new 'Permission to Pause' campaign, empowering teams to prioritise safety and wellbeing and take action to ensure safe, high-quality outcomes.

OUTLOOK

To date we have seen some projects being delayed across H1 FY25 as we remain dependent on our clients' timing for project awards. Tendering activity remains high and we are seeing encouraging signs of continued growth in our pipeline. However, due to short term delays, along with the termination of the bp contract we expect FY25 revenue to be in the range of $210m to $225m and EBITDA to be within the range of $14m to $16m.

We expect FY26 to return to growth, reflective of our increasing project size, addressable market and increased pipeline of opportunities.

Pipeline: Our pipeline of opportunities has grown to $2.3 billion or 15% as of 31 December 2024, up from $2.0 billion last reported on 31 July 2024. This strong pipeline of opportunities reflects the Group's strong and diversified capabilities, positioning us well across our key markets. Saunders maintains an orderbook of $170m as at 31 December 2024, which excludes the terminated bp contract.

Key markets: We will continue to leverage our multi-disciplinary offering in key growth markets. With a broad customer base, we are well placed to secure larger-scale integrated projects

- Defence & Government: investment in the modernisation of fuel infrastructure is set to accelerate
- Water: there is significant ongoing investment in asset renewal programs across Australia
- Energy: significant investment in renewable energy assets provides a platform for our future
- Resources & Industrials: these sectors are central to Saunders' offerings. Critical minerals and fluctuating commodity prices present new opportunities.

DIVIDEND

The Board declared on 25 February 2025 there will be an interim dividend payable of 2.00 cents per share fully franked (H1 FY24 2.00 cents per share interim dividend fully franked) with a record date of 18 March and a payment date of 14 April 2025. The ex-dividend date is 17 March 2025. The full year dividend FY24 was 4.25 cents fully franked.

DIVIDEND REINVESTMENT PLAN

The Board has resolved that the Dividend Reinvestment Plan (DRP) will remain de-activated for the FY25 interim dividend.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 5 of the half-year financial report.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Report Instrument 2016/191*), dated 24 March 2016, and in accordance with the Corporations Instrument amounts in the Directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Mark Benson,
Managing Director
Sydney, 26 February 2025



Nicholas Yates,
Chair
Sydney, 26 February 2025

For personal use only



Saunders has commenced the new financial year with a record half-year result, continuing the strong financial performance achieved in FY24.

Auditor's Independence Declaration

For personal use only

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

26 February 2025

The Board of Directors
Saunders International Limited
Suite 101, Level 1, 3 Rider Boulevard,
Rhodes NSW 2138

Dear Board Members,

Auditor's Independence Declaration to Saunders International Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Saunders International Limited.

As lead audit partner for the review of the half year financial report of Saunders International Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

David Sartorio
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Independent Auditor's Review Report

For personal use only

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

8 Parramatta Square
Level 37, 10 Darcy Street
Parramatta NSW, 2150
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Review Report to the Members of Saunders International Limited

Conclusion

We have reviewed the half-year financial report of Saunders International Limited (the "Company") and its subsidiaries (the "Group"), 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, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 9 to 22.

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

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

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

Auditor's Responsibilities 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. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Deloitte.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Sartorio
Partner
Chartered Accountants
Parramatta, 26 February 2025

For personal use only



This success underscores our commitment to excellence in project execution and acknowledges the positive contributions from our strategic acquisitions.

For personal use only

Financial Report

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024 $'000	31 Dec 2023 $'000
Revenue	3	126,310	104,427
Other Income	4	508	106
Materials and third-party costs charged to projects		(77,148)	(59,472)
Employee benefits expense		(34,428)	(25,724)
Depreciation expense	4	(2,341)	(1,787)
Finance costs	4	(314)	(107)
Motor vehicle expenses		(227)	(244)
Occupancy and operating lease expense		(398)	(375)
Other expenses		(4,692)	(8,909)
Profit before tax		**7,270**	**7,915**
Income tax expense	5	(2,234)	(2,987)
Profit after tax		**5,036**	**4,928**
Other comprehensive income / (loss) after tax		-	-
- Movements in foreign currency translation reserve		(4)	(14)
Total comprehensive income for the period		**5,032**	**4,914**
Attributable to:			
Equity holders of the parent		5,032	4,914
Earnings per share			
Basic (cents per share)	13	4.27 cents	4.49 cents
Diluted (cents per share)	13	4.22 cents	4.43 cents

Notes to the financial statements are included on pages 15 to 21.

For personal use only

SAUNDERS INTERNATIONAL

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	31 Dec 2024 $'000	30 Jun 2024 $'000
Current Assets			
Cash and cash equivalents		19,327	19,807
Trade and other receivables		22,206	25,623
Contract assets		22,019	20,566
Inventories		419	359
Other current assets		2,236	538
Total Current Assets		**66,207**	**66,893**
Non-Current Assets			
Property, plant and equipment		14,814	14,809
Right-of-use assets		11,274	12,434
Intangible assets	17	17,392	17,392
Deferred tax assets		1,663	1,671
Total Non-Current Assets		**45,143**	**46,306**
Total Assets		**111,350**	**113,199**
Current Liabilities			
Trade and other payables		26,026	28,194
Contract liabilities		4,355	5,600
Provisions		5,428	5,231
Other financial liabilities		7,000	8,100
Current tax liability		1,112	1,478
Lease liabilities		2,268	2,251
Borrowings		1,124	-
Total Current Liabilities		**47,313**	**50,854**
Non-Current Liabilities			
Provisions		1,286	1,358
Lease liabilities		8,801	9,692
Total Non-Current Liabilities		**10,087**	**11,050**
Total Liabilities		**57,400**	**61,904**
Net Assets		**53,950**	**51,295**
Equity			
Issued capital	11	31,564	30,918
Treasury share reserve	12	(1,230)	(1,230)
Share based payments reserve	12	456	799
Foreign Currency Translation Reserve		(37)	(33)
Retained earnings		23,197	20,841
Total Equity		**53,950**	**51,295**

Notes to the financial statements are included on pages 15 to 21.

For personal use only

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Issued Capital $'000	Treasury Shares $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2023	24,104	(1,475)	572	-	16,074	39,275
Profit for the year	-	-	-	-	4,928	4,928
Transactions with owners in their capacity as owners						
Dividend paid	-	-	-	-	(2,230)	(2,230)
Shares issued (net of forfeiture/lapsing) during the period	6,399	101	-	-	-	6,500
Shares vested during the period	396	-	(396)	-	-	-
Share based payments expense	-	-	442	-	-	442
Foreign currency translation reserve movement	-	-	-	(14)	-	(14)
Balance at 31 December 2023	**30,899**	**(1,374)**	**618**	**(14)**	**18,772**	**48,901**
Balance at 1 July 2024	30,918	(1,230)	799	(33)	20,841	51,295
Profit for the period	-	-	-	-	5,036	5,036
Transactions with owners in their capacity as owners						
Dividend paid	-	-	-	-	(2,680)	(2,680)
Shares issued (net of forfeiture/lapsing) during the period	275	-	-	-	-	275
Shares vested during the period	371	-	(371)	-	-	-
Share based payments expense	-	-	28	-	-	28
Foreign currency translation reserve movement	-	-	-	(4)	-	(4)
Balance at 31 December 2024	**31,564**	**(1,230)**	**456**	**(37)**	**23,197**	**53,950**

Notes to the financial statements are included on pages 15 to 21.

For personal use only

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 Dec 2024 $'000	31 Dec 2023 $'000
Cash flows from operating activities		
Receipts from customers	127,538	129,833
Payments to suppliers and employees	(120,691)	(101,958)
Interest received	43	70
Finance costs paid	(369)	(193)
Income tax paid	(2,560)	(2,334)
Net cash inflows from operating activities	**3,961**	**25,418**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,197)	(1,260)
Payments for business acquisition	(825)	(4,500)
Net cash used in investing activities	**(2,022)**	**(5,760)**
Cash flows from financing activities		
Dividends paid to shareholders	(2,680)	(2,230)
Proceeds from Borrowings	2,299	1,974
Repayment of Borrowings	(1,149)	(1,011)
Repayment of lease liabilities	(889)	(968)
Net cash used in financing activities	**(2,419)**	**(2,235)**
Net (decrease) / increase in cash and cash equivalents	**(480)**	**17,423**
Cash and cash equivalents at the beginning of the period	**19,807**	**12,833**
Effects of exchange rate fluctuations on cash held	-	-
Cash and cash equivalents at the end of the financial period	**19,327**	**30,256**

Notes to the financial statements are included on pages 15 to 21.

For personal use only

For personal use only



Saunders continues to deliver strong project outcomes, leveraging our multidisciplinary expertise and commitment to safety, quality and innovation.

SAUNDERS INTERNATIONAL

For personal use only



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The condensed consolidated interim financial report for the half-year reporting period ended 31 December 2024 is a general purpose financial report, prepared in accordance with AASB 134 Interim Financial Reporting (AASB 134) and the *Corporations Act 2001*. The interim financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual consolidated financial report and any public announcements made by the Group during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of Preparation

The interim financial statements have been prepared on the basis of historical cost. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The preparation of an interim financial report that complies with AASB 134 requires management to make judgements, estimates and assumptions. This can affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The accounting policies have been consistently applied by the Group and are consistent with those applied in the most recent annual consolidated financial report.

All amounts are presented in Australian dollars.

Rounding off of amounts

The Group is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Report) Instrument 2016/191, dated 24 March 2016, and in accordance with the Corporations Instrument amounts in the Directors' report and the half-year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Accounting Standard in issue but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half-year ended 31 December 2024. There will be no material impact of these new standards or amendments to the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of the Group.

3. REVENUE

Revenue stream	Revenue recognition	Half-year Ended 31 Dec 2024 $'000	Half-year Ended 31 Dec 2023 $'000
Engineering & Construction	Over time	53,260	51,911
Services	Over time	41,848	32,301
Fabrication & Construction	Over time	31,202	20,215
Total revenue		**126,310**	**104,427**

For personal use only

For personal use only

4. PROFIT/(LOSS) FOR THE PERIOD

The operating profit before income tax includes the following items of revenue and expense:

	Note	Half-year Ended 31 Dec 2024 $'000	Half-year Ended 31 Dec 2023 $'000
Revenue			
Engineering, Construction, Fabrication and Services revenue		126,310	104,427
Interest income		55	86
Other Income			
Other income		508	106
Expenses			
Cost of sales		104,090	85,959
Depreciation of:			
- Buildings		19	36
- Plant and equipment		1,034	1,021
- Computer, furniture and fixtures		139	84
- Right of use assets		1,149	646
Total depreciation expense		**2,341**	**1,787**
Finance costs on lease liabilities		335	141
Other finance costs		34	52
Total finance costs		**369**	**193**

5. INCOME TAX EXPENSE

	Half-year Ended 31 Dec 2024 $'000	Half-year Ended 31 Dec 2023 $'000
Current tax relating to current period	2,274	3,550
Deferred tax	(40)	(563)
Total Income Tax Expense	**2,234**	**2,987**

6. DIVIDENDS PAID AND PROPOSED

	Half-year Ended 31 Dec 2024 $'000	Half-year Ended 31 Dec 2023 $'000
Dividends Paid		
Declared final dividend in FY24 of 2.25 cents per share fully franked and an interim dividend of 2.00 cents per share fully franked (FY23: 1.0 cent final dividend per share fully franked and 1.00 cent special dividend per share fully franked).	2,680	2,230
Dividends Proposed		
The Directors proposed that there will be an interim dividend paid to shareholders for the half-year ended 31 December 2024 of 2.00 cents per share fully franked (H1 FY24: 2.00 cents per share fully franked). The dividend was approved on 25 February 2025, and will be payable on 14 April 2025.	2,383	-

For personal use only

7. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the ordinary course of business, the Group receives claims against it which may involve litigation. In the event that a claim is successful, it is expected to be adequately covered by the insurance policies held by the Group. Where the outcome is probable and can be reasonably quantified, provision is made in these financial statements.

Bank guarantees and Surety Bonds at 31 December 2024 amounted to $16.8 million (31 December 2023: $19.1 million). The Group has combined Bank guarantees and Surety Bond facilities of $45.0 million (31 December 2023: $40.0 million).

8. EMPLOYEE SHARE PLAN

During the period NIL (H1 FY24: NIL) Treasury Shares were issued to employees under the existing Employee Share Plan.

9. PERFORMANCE RIGHTS PLAN

The Managing Director and Key Management Personnel participate in the Saunders International Performance Rights Plan. This plan is part of the long term incentive component of the Managing Director and members of the senior leadership team's remuneration package. During the period a total number of 1,573,024 (H1 FY24: 1,276,894) Performance Rights were issued under the plan. The total number of Performance Rights issued, yet to vest, under the plan is 3,396,928 as at 31 December 2024.

10. EVENTS SUBSEQUENT TO REPORTING DATE

The Board declared on 25 February 2025 that there will be an interim dividend payable of 2.00 cents per share fully franked for H1 FY25 (H1 FY24: 2.00 cents per share fully franked). The dividend will be payable on 14 April 2025 with the record date for determining dividends on 18 March 2025.

The Directors are not aware of any other matter or circumstance, not already disclosed, occurring subsequent to the end of the financial half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

11. SHARE CAPITAL

	Number of Ordinary Shares	Half-year Ended 31 Dec 2024 $'000	Full-year Ended 30 Jun 2024 $'000
117,666,151 issued ordinary shares (June 2024: 116,821,531)	117,666,151	31,564	30,918
1,466,492 Treasury shares issued under employee share plan (June 2024: 1,466,492)	(1,466,492)	(1,230)	(1,230)

	Number of Ordinary Shares	$'000
June 2024 – Issued Ordinary Shares	116,821,531	30,918
Shares issued to vendors for acquisitions	326,046	275
Shares issued under Employee Share and Performance Rights Plans	518,574	371
Shares forfeited under employee share plan	-	-
Treasury Shares vested during the year	-	-
December 2024 – Issued Ordinary Shares	**117,666,151**	**31,564**

For personal use only

12. TREASURY SHARES AND RESERVES

	Half-year Ended 31 Dec 2024 $'000	Full-year Ended 30 June 2024 $'000
Treasury Shares	(1,230)	(1,230)
Share-based payments reserve	456	799
	(774)	**(431)**
Shared Based Payments Reserve Movement		
Balance at Beginning of period	799	572
Share based payments expense	28	670
Shares vested during the period	(371)	(443)
Balance at end of period	**456**	**799**
Treasury Shares Under Employee Share Plan		
Balance at Beginning of period	(1,230)	(1,475)
Treasury shares forfeited/(issued)	-	245
Treasury shares vested	-	-
Balance at end of period	**(1,230)**	**(1,230)**

Treasury shares are ordinary shares in the company which are offered to employees under the Employee Share Plan and are deducted from equity until the vesting date of the shares.

Share-based Payments reserve

The share-based payments reserve is for the fair value of options and performance rights granted and recognised to date but not yet exercised, and treasury shares purchased and recognised to date which have not yet vested.

13. EARNINGS PER SHARE

	Half-year Ended 31 Dec 2024 $'000	Half-year Ended 31 Dec 2023 $'000
Basic earnings per share	4.27	4.49
Diluted earnings per share	4.22	4.43

	Half-year Ended 31 Dec 2024 $'000	Half-year Ended 31 Dec 2023 $'000
Net profit for the period	5,036	4,928
Basic earnings per share	**Number**	**Number**
Weighted average number of issued and paid ordinary shares for the purpose of basic earnings per share	117,983,691	109,844,277
Diluted earnings per share		
Weighted average numbers of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic EPS	**117,983,691**	**109,844,277**
Adjustments for the calculation of diluted earnings per share from performance rights and options	1,474,023	1,463,500
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	119,457,714	111,307,777

14. SEGMENT INFORMATION

The Group has one operating and reporting segment based upon the products and services offered by business, the allocation of resources and the internal reports that are reviewed and used by the chief operating decision maker (CODM). The operating segment is the multidisciplinary provision of construction, engineering and industrial asset services with core capabilities in:

- bulk fluid storage
- structural, mechanical and piping
- industrial automation and electrical
- civil infrastructure
- industrial asset services

The Group presents the consolidated information as disclosed in the consolidated statement of profit and loss to the CODM and the Board of Directors on a monthly basis. The CODM has been identified as the Chief Executive Officer, who uses Revenue and EBITDA as segment measures of performance when reviewing the Group's results throughout the period.

During the H1 FY25, two customers accounted for more than 10% of the company's total revenue. Customer A contributed 12% of total revenue, while Customer B contributed 11% of total revenue.

15. CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Ownership Interest Dec 2024	Ownership Interest Jun 2024
Parent Entity			
Saunders International Limited	Australia		
Subsidiaries			
Saunders Asset Services Pty Ltd	Australia	100%	100%
Saunders Civilbuild Pty Ltd	Australia	100%	100%
Saunders Property (NSW) Pty Ltd	Australia	100%	100%
Saunders PlantWeave Pty Ltd	Australia	100%	100%
Saunders Automation Pty Ltd	Australia	100%	100%
Saunders Piping Solutions Pty Ltd	Australia	100%	100%
Saunders (PNG) Limited	PNG	100%	100%
Saunders International (NZ) Ltd	New Zealand	100%	100%

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets, is determined with reference to quoted market prices. The fair value of other financial assets and liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable market transactions. The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models. The Directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised costs in the financial statements approximate their fair value.

For personal use only

17. INTANGIBLE ASSETS

	Half-year Ended 31 Dec 2024 $'000	Full-year Ended 30 Jun 2024 $'000
Goodwill		
Balance at 1 July	17,392	3,978
Additions through business combinations	-	-
- Piping Solutions	-	13,414
Balance at 31 December	**17,392**	**17,392**

Goodwill acquired through business combinations is allocated to the lowest level within the entity at which the goodwill is monitored, being the grouped cash generating unit (CGU) comprising the Engineering, Construction, Piping and Automation operations of Saunders. Refer to Note 18 for details of the acquisition of the Piping Solutions business, effective from 31 October 2023, and detailed calculation of goodwill recognised in relation to the acquisition.

The key assumptions used in the value in use calculations include the financial budget for the 2025 financial year, revenue growth, EBITDA margin growth, depreciation growth, capital expenditure growth and the discount rate. These assumptions are based on past experience and the Company's forecast operating and financial performance of the CGU taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.

The value in use calculations use cash flow projections over a 5 year period, extrapolated into perpetuity using a long-term growth rate. The cash flow projects in Year 1 are based on financial budgets for the 2025 financial year, as approved by the Board. The cash flow projections for years 2-5 assume a growth rate of 10.0% p.a. The terminal growth rate into perpetuity is assumed to be 2.5%, which is consistent with the mid-point of long term inflation forecasts by recognised bodies. A weighted average cost of capital of 11.8% has been used in determining the present value of future cash flows for the CGU.

The Group has conducted sensitivity analysis taking into consideration the current uncertain macro-economic conditions, which indicated that no reasonably possible change in key assumptions, including changes to the weighted average cost of capital and changes to the growth rate, would result in an impairment loss. Accordingly, the Group has concluded that no impairment is required based on current market and economic conditions and expected future performance.

For personal use only

18. ACQUISITION OF SUBSIDIARIES

Saunders did not make any acquisitions during H1 FY25. See the information below regarding acquisitions in the prior corresponding period.

Saunders announced the acquisition of the Piping Solutions business on 8 November 2023. Under the terms of the Business Purchase Deed, control of the business was effectively acquired on 31 October 2023. Piping Solutions specialise in the fabrication, installation and maintenance of steel pipelines, structures, pressure vessels, and refuelling systems for the Defence, Aviation, Energy and Infrastructure industries. The acquisition qualifies as a business as defined in AASB3 Business Combinations. It was acquired to facilitate Saunders strategic expansion into the Defence sector and addition of complementary capabilities across complex steel piping fabrication, installation and maintenance. This will provide a more attractive vertically integrated offering and enable better penetration into New Energy markets. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	Full-year Ended 30 June 2024 $'000
Inventory	251
Trade and other receivables	2,256
Property, plant and equipment	4,818
Right of use assets	6,174
Deferred tax asset	207
Trade and other payables	(2,256)
Employee benefits provisions	(690)
Other interest-bearing liabilities	(6,174)
Total identified assets acquired and liabilities assumed	**4,586**
Goodwill	13,414
Total Consideration	**18,000**
Satisfied by:	
Cash	4,500
Equity comprising ordinary shares in Saunders International Limited	6,500
Contingent consideration[1]	
- To be settled in cash	3,500
- To be settled in equity	3,500
Total consideration transferred	**18,000**
Net cash outflow arising on acquisition:	
Cash consideration	4,500
Less: cash and cash equivalent balances acquired	-
Net cash outflow arising on acquisition during the year ended 30 June 2024	**4,500**

The contingent consideration is subject to achievement of earn-out Earnings Before Interest & Tax (EBIT) targets that apply for the period from 1 November 2023 to 31 October 2024. It will be settled in cash (50%) and equity (50%). The acquisition is structured to promote the continued performance of Piping Solutions.

During the half year ended 31 December 2024, the above consideration has been finalised and approved at the stated values.

For personal use only



For personal use only

Directors' Declaration

The Directors of Saunders International Limited declare that:

a) in the Directors' opinion there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable; and

b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors

Mark Benson
Managing Director

Nicholas Yates
Chair

Sydney
26 February 2025

For personal use only

Corporate Directory

SAUNDERS INTERNATIONAL LIMITED
ABN 14 050 287 431

Corporate Head Office
Suite 101, Level 1, 3 Rider Blvd
Rhodes NSW 2138
Phone (02) 9792 2444

Victoria
Unit 2 / 100 Champion Rd
Newport VIC 3015

Western Australia
Level 19, 197 St Georges Terrace
Perth WA 6000

SAUNDERS CIVILBUILD
ABN 86 617 431 562
Level 5, 250 Pacific Hwy
Charlestown NSW 2290
Phone (02) 4946 0266

SAUNDERS PIPING SOLUTIONS
ABN 93 671 976 275
2 Meakin Rd
Meadowbrook QLD 4131
Phone (07) 3390 5624

SAUNDERS AUTOMATION
ABN 92 093 758 564
Unit 7, Springwood Business Centre
Cnr. Murrajong Rd & Pacific Hwy
Springwood QLD 4127
Phone (07) 3299 3844

SAUNDERS (PNG) LIMITED
1-114512
Ground Floor, Century 21 House
Lot 51, Section 35 Kunai St
Hohola National Capital District
Papua New Guinea

SAUNDERS INTERNATIONAL (NZ) LIMITED
NZBN 9429051370466
Level 2, 142 Broadway Newmarket
Auckland 1023 New Zealand

SAUNDERS ASSET SERVICES
ABN 95 610 760 426

SAUNDERS PROPERTY GROUP
ABN 39 617 486 021

Board of Directors

Nicholas Yates
Chair

Mark Benson
Managing Director and Chief Executive Officer

Gregory Fletcher
Non-Executive Director

Brendan York
Non-Executive Director

AUDITORS

Deloitte Touche Tohmatsu
8 Parramatta Square
Level 37, 10 Darcy St
Parramatta NSW 2150

SHARE REGISTER

Link Market Services Limited
Level 12, 680 George St
Sydney NSW 2000
Phone (02) 8280 7111

STOCK EXCHANGE LISTING (ASX:SND)

Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

WEBSITE

www.saundersint.com

SAUNDERS INTERNATIONAL



For personal use only

Saunders International Limited

For the Half Year ended 31 December 2024
ABN 14 050 287 431

Saundersint.com
@saunders-international-limited