

Alfabs Australia Limited – ASX Announcement 24 February 2025

Half year result and maiden dividend

Net profit after tax \$5.7 million up 39%

Earnings before interest, tax, depreciation & amortisation \$12.5 million up 21%

Maiden fully franked dividend of 1.50 cents per share – payout ratio of 75%

Earnings per share of 2.00 cents

Net debt of \$11.0 million

Alfabs' first half year as a listed ASX company was pleasing and in line with expectations. At the Annual General Meeting in November 2024 we advised shareholders that we expected the second half-year profits to be greater than the first half year. This is due to additional hire income from the new underground equipment contract with Malabar in the second half.

Cash and net debt were well controlled, finishing the half year at \$11.0 million net debt. This allowed directors to declare a maiden dividend of 1.50 cents per share which represents a payout ratio of 75%. This dividend is payable 14 March 2025.

Business conditions have been good and the outlook for the remainder of FY2025 and CY2025 are encouraging. Alfabs' reputation for excellent, reliable, quality work in all of its business units is pleasing and this is reflected in our order books.

UNDERGROUND MINING HIRE

Income rose with greater volumes and slightly higher prices. The delivery and commissioning of some equipment to the Malabar mine was delayed, but this should be reflected in significant increases in CY2025. We anticipate further hire turnover increases across CY2025 through both the introduction of overhauled assets into the fleet and demand driven rate increases.

WORKSHOPS

Existing workshops in Kurri Kurri NSW (Hunter Valley, Newcastle), Mackay QLD and Wollongong NSW have been busy, together with the recently established second diesel workshop at Kurri Kurri. These workshops service customers both on and off site and their range of work covers a planned combination of:

- Alfabs' own equipment maintenance
- Scheduled and statutory maintenance for third parties
- Overhaul of second-hand underground equipment for Alfabs to hire

Importantly, reduced work for third parties should limit group sales but not profitability during periods focussed on internal rather than external works.

HEAVY ENGINEERING

Enquiry rates have been strong and our order books are in a good position heading into the second half of the 2025 financial year. New site-based capabilities and service streams are also improving to support client requirements. Upstream design and drawing delays have seen some projects move in terms of start and finish times across quarters. New off-site contracts in hand and the pipeline of potential contracts have the Engineering division placed in a promising position.

PROTECTIVE COATINGS

Our coatings business has seen some limitations in both current space availability and weather conditions. Coupled with a comparably strong start to the 2024 financial year, while still profitable the results are down on the prior period.

BAT BAGS

The NSW Resources Regulator increased requirements for bat bags during 2024 to mirror the QLD requirements. As Alfabs has the leading market share in both NSW and QLD, profitability should increase across CY2025 as the new requirements are implemented.

PEOPLE

Our Directors would like to acknowledge the efforts and contributions of our some 250 employees and personnel who have contributed across our business to the excellent first half year results as a public company. We thank you all very much.

We also acknowledge the appointment of Aimee Travis to the Board in January 2025 and look forward to her contributions towards the continued success of the Alfabs business.

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For further information, please contact:

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About Alfabs

Alfabs (ASX: AAL) is a market-leading diversified group of companies that primarily operates across two divisions in Australia – Mining and Engineering. Alfabs is a heavy fabricator and site installer of steel structures for infrastructure projects and is also one of Australia's leading heavy underground mining equipment hire companies.

This announcement was authorised for release by the Board of Alfabs.