



31st August 2023

Oldfields Announces Strong FY2023 Financial Results

Key Highlights

- **FY23 Total Revenue up 59.3% to \$39.9M**
- **Gross margin up from 35.4% to 44.0%**
- **EBITDA was \$2.4M, up from \$1.0M loss (352% increase YoY)**
- **NPAT up 74% on prior year**
- **Operating cash flow up 166% on prior year**

Oldfields Holdings Limited (ASX: OLH) (“Oldfields” or the “Company”) released its financial results for the 12 months to 30 June 2023, reporting 350% growth in EBITDA, showing a substantial improvement from the prior corresponding period.

Group Chief Executive Officer and Managing Director, Michael Micallef, said: “Emphasis on pioneering transformative programs and growth initiatives underscore the significant turnaround in results we see today. The Oldfields name has long been synonymous with premium quality products that have stood the test of time. Reigniting and evolving the brand to enhance its relevance in an ever-changing marketplace is an exhilarating prospect and we stand poised to strengthen our market share across all categories.”

	Jun-23 \$'000	Jun-22 \$'000	Movement Up / (Down) \$'000	%
Revenues from ordinary activities	37,641	24,474	13,167	53.8%
Other income	2,284	586	1,698	289.8%
Total revenue	39,925	25,060	14,865	59.3%
EBITDA	2,402	(954)	3,356	351.8%
Net Profit After Tax	(1,030)	(4,034)	3,004	74.5%
Diluted earnings per share (cents)	(0.810)	(2.562)	1.752	68.4%
Operating Cash Flow	1,377	(2,071)	3,448	166.5%



The Group's revenue for the year ended 30 June 2023 was \$37.6 million (2022: \$24.5 million), an increase of 53.8% compared with the prior period. Revenue from sales of materials (Paint Accessories and Scaffold) increased by \$5.3 million (56.4%) while the revenue for scaffold hire and services increased by \$7.9 million (52.2%).

The Group's net operating loss (after providing for income tax) amounted to \$1.03 million for the year ended 30 June 2023, significantly better than \$4.03 million loss for the same period last year.

Gross profit margins increased from 35.4% to 44.0% due to a return of better management of costs and supply chain efficiency as well as improvement in volume.

The Group's profit before interest, tax, depreciation, and amortisation ("EBITDA") for the year was \$2.40 million (2022: \$0.95 million loss)

Sales of Materials

The revenue generated from the sales of materials saw a remarkable increase of 56.4%, amounting to \$5.3 million, resulting in a total of \$14.7 million in revenue. The sales of scaffold exhibited an even more impressive growth of 141.8%, escalating from \$3.1 million to \$7.5 million. This growth was observed in both domestic and international sales. We have implemented a reinvigorated strategic sales plan that has been put into action, delivering on our primary objective of enhancing OLH's market share in the mobile scaffold tower and paint accessories categories.

The sales of paint accessories underwent a notable increase of 14.4%, transitioning from \$6.3 million to \$7.2 million. This year marked a significant milestone as we achieved positive earnings from paint accessories sales in Australia and NZ, setting the foundation for sustainable growth across this category.

Within the division, our primary focus is directed towards the implementation of a robust customer engagement strategy, encompassing both acquisition and retention initiatives. Simultaneously, substantial efforts are being dedicated to the continuous advancement of our product line and service delivery all underpinned through the re-launch of our brand in the Australian and NZ markets, a move that is expected to further stimulate demand and foster growth.

Scaffold Hire and Services

Revenue generated by the Scaffold Hire & Services division displayed an exceptional increase of 52.2%, surging from \$15.1 in FY22 million to \$23.0 million. A significant portion of this growth can be attributed to our Major Projects segment, which played a crucial role in the division's performance. This has solidified Oldfields' position as a dependable specialist in the realm of remedial, maintenance, and insurance undertakings on a large scale, particularly in areas affected by disasters.

A primary area of focus has been directed towards refining our go-to-market strategy within the Scaffold Hire & Services division. This effort centres on achieving elevated utilisation rates across projects of various scales.



Additionally, we are consistently evaluating the suitability of our business model and its pertinence within an ever-evolving business landscape.

Our manufacturing operation in Henan City, China, is currently operating at a robust capacity. This facility will play a pivotal role in contributing significant enhancements in both quality and volume, a necessity as our business continues its accelerated growth trajectory.

FY2024 Priorities and Outlook

FY2023 was a significant year in our turnaround strategy, and in FY2024, we're committed to further repositioning the business for profitable growth.

FY2024 will see a continued focus on improving operational efficiencies while also keeping our newly launched strategic priorities as the focal point of all we do – delivering profitable, sustainable, and scalable growth, transforming for investment and importantly, investing in our people.

Our strategic approach will encompass the following key areas:

- **Prioritising Safety:** Ensuring a strong emphasis on safety measures to safeguard both our workforce and stakeholders.
- **Elevating Customer Experience:** Enabling a substantial improvement in customer satisfaction throughout all facets of our operations.
- **Amplifying Oldfields Brand:** Expanding the reach of the Oldfields brand to stimulate demand, both domestically and on a global scale.
- **Enhancing Operational Capacity:** Broadening our operational capabilities to enhance the efficient use of assets and accelerate the cash conversion cycle.
- **Executing Strategic Initiatives:** Continuously implementing pivotal strategic initiatives aimed at bolstering revenue streams and optimising profit margins.
- **Cultivating Commercial Acumen:** Instilling commercial discipline and rigor across the organisation to drive growth and efficiency.
- **Investing in People, Systems, and Product Innovation:** Sustaining investments in personnel, improved systems, and innovative product development.
- **Revolutionising Digital Competence:** Designing and executing a substantial advancement in our digital capabilities, ushering in a transformative era.

We extend our thanks to our valued shareholders, board members and Oldfields employees for their unwavering support and dedication. As we set our sights on continued success in 2024, we do so with a sense of optimism and excitement.

This release has been authorised for release by the Board.

Michael Micallef
CEO

Alan Lee
CFO & Company Secretary