



MEDIA RELEASE - THURSDAY 26th OCTOBER

\$56 million turnaround for ABN Group

ABN Group has delivered a \$7.5 million profit after tax for FY23, citing a proactive and highly disciplined approach as key to a \$56 million year-on-year turnaround which has defied the trends of the financially challenged construction industry.

FY22 marked the only loss in ABN Group's four-decade history, and the significant recovery demonstrates the Group's strength and capability to work through the unprecedented industry challenges of the past three years.

With its robust foundations in stable operations, processes & leadership, the leading integrated building company achieved the turnaround by focusing on its customers, on-site productivity and proactively controlling costs, while maintaining important investments in its residential construction businesses.

"We're very proud of the results we have achieved this financial year, particularly in the context of the continuing widespread hardship facing the construction industry," said ABN Group CEO Andrew Roberts.

"We have not been immune to the challenges faced by our industry over the past three years, posting our first loss in four decades of operations in FY22. However, our highly disciplined approach to managing these unprecedented challenges has allowed us to deliver a strong financial turnaround.

"Central in our vision for recovery was maintaining a strong and stable business for the benefit of our customers, our employees, subcontractors, suppliers and partners."

In FY23, ABN Group recorded a consolidated group revenue of \$1.42 billion, up from \$1.21 billion in FY22 – underpinned by solid volumes of home starts (over 3,500) and home completions (over 3,400).

ABN Group's after-tax profit of \$7.5 million compared with a \$49.1 million loss in FY22.

The Group is now operating debt-free.

The Group's Victorian operations, ABN Victoria, recorded a \$9.6 million profit after tax, up \$6 million from FY22.

ABN Group Managing Director, Dale Alcock, said delivery for customers was of particular focus for the Group throughout the challenging period.

“From the outset, we knew our customers’ experience needed to be our priority,” said Mr Alcock.

“Between climbing costs, severe shortages of skilled labour and supply chain disruption, the entire Australian building industry has experienced major impact on operations, margins and timeframes, and ABN Group was no exception.

“From the outset, we have grown our workforce, together with a proactive and disciplined approach to regulating our sales pipelines, ensuring controlled delivery of homes for our customers.

“We are now seeing this strategy come to fruition, with an increase in housing starts and completions year-on-year.

“We thank our customers for their trust, patience and confidence during this challenging period.”

Mr Roberts said he was particularly pleased that the Group was not only able to maintain a robust and financially sound business over this period, but was also able to invest in a range of future-focused initiatives, such as new retail centres in Geelong and Bunbury.

“Throughout this challenging period, we have not only continued to invest in our capacity for delivery today, but also in our capacity to deliver in the future. ABN is committed to a strong growth mandate.

“We have made a number of significant appointments over the past two years including our highly experienced Chief Information Officer, Ayten Ozenc, as well as two advisory board members, Andy Weir and John Meacock.

“This investment seeks to generate real and lasting positive impacts for our customers, employees and ABN Group alike.”

Mr Alcock thanked his employees for their commitment and trust over the challenging period.

“I’ve always believed that a business is the product of its people, and we’re incredibly fortunate to have the best people in the industry on our team. We wouldn’t be able to realise this level of turnaround without the passion, commitment and unwavering support of our employees, subcontractors, suppliers, and partners,” he said.

While the past 12 months had not been without challenges in the form of enduring industry cost pressures and labour shortages, Mr Alcock said the Group had returned to its consistent performance of strong and stable financials.

“We are pleased with our FY23 results and we have confidence in the sustained growth we are projecting into the future,” he said.

“We have backed the FY23 results up with a strong first quarter of FY24. With our positive sales momentum, solid pipeline of work and investment in technologies and processes, we have a particularly bright outlook ahead.”

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ABOUT ABN GROUP:

Established in Perth in 1978, the ABN Group is Australia’s leading construction, property and finance company.

The ABN Group operates 20 businesses covering new home design and construction, commercial property, residential property development, property financial planning and mortgage broking, conveyancing, plumbing, concreting, roofing, ceiling and wall fixing, kitchen design and installation.

FURTHER INFORMATION:

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