



MEDIA RELEASE – Thursday 26th October 2023

ABN Victoria delivers tenth straight year of profit to defy industry disruption

ABN Victoria has delivered a profit for its tenth consecutive year, citing a proactive and highly disciplined approach as key to a \$9.6 million net result in the face of a financially challenged construction industry.

Part of ABN Group, which also has operations in Western Australia, ABN Victoria achieved the strong result by focusing on its customers, on-site productivity and proactively controlling costs while maintaining important investments in its residential construction businesses.

The Group's Victorian business results reflected an increase of \$6 million in profit from the FY22 result of \$3.6 million, underpinned by a 17 per cent jump in revenue to \$625 million, with site activity remaining strong.

“Our teams achieved over 1,700 site starts and more than 1,400 completions across the course of FY23, while continuing to deliver a consistent industry-leading customer experience,” said ABN Victoria Managing Director Aidan Hooper.

“We've continued to be disciplined about costs while enabling important investments in our residential construction business, which have included new medium-density opportunities and the delivery of a new retail centre in Geelong – and this balanced approach has set us up well for continued stability and strength in what remains a challenging environment for the industry as a whole.”

ABN Victoria's successful year was the result of a focus on balancing fiscal discipline with strategic investments and mirrored that of its parent company, ABN Group, which returned to profitability in FY23. ABN Victoria's results are consolidated into ABN Group's full-year numbers.

ABN Group's \$7.5 million profit after tax marked a \$56 million turnaround on the FY22 loss reported in FY22, the Group's first in four decades in operation. This significant bottom-line recovery by ABN Group was achieved by drawing on its robust foundations of stable operations, processes and leadership.

"We're very proud of the results we have achieved this financial year across both the broader ABN Group and our business here in Victoria. We haven't been immune to the challenges faced by our industry over the past three years, posting our first loss in our four decades of operations in FY22 – however, what set us apart is the highly disciplined approach we've taken as a business to manage these unprecedented challenges," said ABN Group CEO Andrew Roberts.

"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 (3,400).

The Group is now operating debt-free.

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 that it was able to invest in a range of future-focused initiatives – investing in its capacity to delivery today and in the future.

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

"ABN Group is committed to a strong growth mandate. This investment seeks to generate real and lasting positive impacts for our customers, employees and the ABN Group alike."

Mr Hooper added that meeting customer expectations had remained a priority for the Victorian business, and this focus had seen it grow its workforce while regulating sales pipelines to ensure controlled delivery of homes.

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

“We thank our customers for their continued trust, patience and confidence during this period, and our thanks go too to our employees for their commitment, hard work and unwavering support.”

Looking ahead, Mr Hooper said while key challenges including industry cost pressures and labour shortages endured, the outlook for the business was strong.

“We are pleased to have built on our FY22 result, which saw us deliver a profit in the toughest industry environment in recent memory, with an even stronger outcome this year,” he said.

“We have also backed this up with a strong first quarter of FY24, which gives us great confidence around projections of sustained growth into the future – both for ABN Victoria, and for the overall ABN Group.”

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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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