Schaffer Corporation Limited

Announcement to ASX
ASX Code: SFC

12 January 2021

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PROFIT UPGRADE FOR FIRST HALF OF FY21

- **Statutory net profit after tax[1] (NPAT) for H1 FY21 is expected to be approximately $22 million (H1 FY20: $13.9 million) (subject to finalisation of results and half-year review by the Company's auditors)**
- **Statutory NPAT includes approximately $10 million (H1 FY20: $3.2 million) non-cash, unrealised gains after tax on equity investments, primarily Harvest Technology Group Ltd (ASX:HTG)**
- **FY21 interim fully franked dividend is expected to be 45¢ (to be confirmed on announcement of half-year results)**

H1 FY21 earnings upgrade

Schaffer Corporation Limited (SFC) today announces that the expected statutory net profit attributable to shareholders for the six months to December 2020 is expected to be approximately $22 million (H1 FY20: $13.9 million), subject to finalisation of the Group's results and half-year review by the Company's auditors.

Group Investments

SFC is required by accounting standards to periodically revalue its investments other than directly held property. For the six months to December 2020 the net unrealised, non-cash NPAT recognised for equity investments is approximately $10 million (H1 FY20: $3.2 million). The majority of the unrealised, non-cash NPAT is associated with the Group's listed investment in HTG.

Automotive Leather

The Automotive Leather division of SFC experienced strong sales volumes compared to the low levels experienced during the start of Covid-19, supported by the lauch of new vehicle programs in Europe and China.

Dividend guidance

SFC expects to pay a fully franked FY21 interim dividend of 45¢ (FY20: 45¢) noting a material portion of FY21 first-half profits are unrealised, non-cash investment gains. The FY21 interim dividend will be confirmed with SFC's half-year results on 17th February.

This announcement was authorised by the Board of SFC.

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1. Statutory profit is defined as net profit after tax for the period attributable to members.