

Redox Limited

ABN 92 000 762 345

Interim Report - 31 December 2024

Redox Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Redox Limited
ABN:	92 000 762 345
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

		%	\$'000
Revenues from ordinary activities	up	8.6%	631,847
Profit from ordinary activities after tax attributable to the owners of Redox Limited	up	1.6%	40,208
Profit for the half-year attributable to the owners of Redox Limited	up	1.6%	40,208

Comments

The profit for the Group after providing for income tax amounted to \$40,208,000 (31 December 2023: \$39,568,000).

Refer to the 'Review of operations' section of the Directors' report accompanying this Appendix 4D for the further commentary.

3. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 31 December 2024 per ordinary share paid on 20 September 2024	0.65	0.65

On 20 February 2025, the Board declared a fully franked interim dividend of 6 cents per share to be paid on 25 March 2025.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

4. Net tangible assets

	31 Dec 2024 Cents	30 Jun 2024 Cents
Net tangible assets per ordinary security	<u>99.17</u>	<u>100.28</u>

Net tangible assets exclude the right-of-use assets and corresponding lease liabilities recognised under AASB 16.

5. Control gained over entities

On 2 July 2024, the Group completed the acquisition of Oleum Holdings Pty Ltd (Oleum).

6. Loss of control over entities

Not applicable.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Redox Limited for the half-year ended 31 December 2024 is attached.

12. Signed

Signed 

Date: 20 February 2025

Ian Campbell
Director

Redox Limited
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31 December 2024

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Redox Limited
Directors' report
31 December 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Redox') consisting of Redox Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 ('1H FY25').

Directors

The following persons were Directors of Redox Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ian Campbell
Raimond Coneliano
Renato Coneliano
Mary Verschuer
Garry Wayling
Richard Coneliano (Alternate Director for Raimond Coneliano and Renato Coneliano)

Principal activities

The principal activity of the Group during the financial half-year was wholesaling of chemicals, ingredients, plastics and other raw materials. The significant majority of those products are sourced outside of Australia.

Business model

Redox purchases chemicals, ingredients and raw materials from manufacturers and sells to businesses which utilise the chemicals, ingredients and raw materials as inputs into their manufacturing or production processes. The significant majority of those products are sourced outside of Australia. The activities of the Group consists of:

- o Sourcing, negotiating and regulatory management, which includes:
 - Accessing overseas suppliers;
 - Tracking international market pricing;
 - Obtaining bulk purchase rates;
 - Arranging international shipping and customs clearances; and
 - Negotiating regulatory requirements

- o Warehousing, value-add services, testing and packaging which includes:
 - Warehousing and storage;
 - Mixing, blending and formulating;
 - Filling, packaging and labelling; and
 - Laboratory testing

- o Transport facilitation to customers which includes:
 - Logistics co-ordination; and
 - Bundling and delivery

Operating and financial review

The profit for the Group after providing for income tax amounted to \$40,208,000 (31 December 2023: \$39,568,000).

Group results

This Operating and Financial Review (OFR) includes financial information based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Non-IFRS measures have also been included in this OFR including underlying EBITFX, underlying EBITDAFX and underlying NPATFX. These measures have been defined below and have been included as they are used internally by management to assess the performance of Redox's business, make decisions on the allocation of its resources and assess operational and executive management, including the Executive Directors. Non-IFRS measures are not prescribed by Australian Accounting Standards ('AAS') and represent the profit under AAS adjusted for non-specific non-cash and significant items and have not been subject to audit or review.

All amounts are in Australian dollars.

Summary financial results

	Consolidated		
	1H FY25	1H FY24	Change
	\$'000	\$'000	%
Revenue	631,847	581,904	8.6%
Cost of sales	(495,288)	(447,580)	10.7%
Gross profit	136,559	134,324	1.7%
Underlying operating expenses	(78,964)	(67,062)	17.7%
Underlying EBITFX	57,595	67,262	(14.4%)
Net finance income	2,204	1,803	22.2%
Underlying net profit before tax	59,799	69,065	(13.4%)
Tax at effective tax rate	(18,303)	(21,411)	(14.5%)
Underlying NPATFX	41,496	47,654	(12.9%)
<u>Other information</u>			
Gross profit margin	21.6%	23.1%	(1.5pps)
Underlying EBITDAFX	62,571	71,403	(12.4%)
EBITDA	60,715	59,697	1.7%
Listing costs	-	(4,044)	(100.0%)
Net unrealised loss on forward exchange contracts and foreign currency denominated balances	(1,856)	(7,662)	(75.8%)
Effective tax rate	30.6%	31.0%	(0.4pps)
Statutory NPAT	40,208	39,568	1.6%
Final dividend per share (fully franked) (cents)	6.50	-	100.0%
Underlying earnings per share (cents)	7.90	9.08	(13.0%)
Basic earnings per share (cents)	7.66	7.54	1.6%

Term	Definition
Gross profit margin	Gross profit as a percentage of revenue
Underlying operating expenses	Operating expenses (being administration, distribution and storage and other expenses) less unrealised currency movements in foreign currency denominated balances and listing costs
Underlying EBITFX	Earnings before net finance costs, taxation, net unrealised currency movements on forward exchange contracts, unrealised currency movements in foreign currency denominated balances and listing costs
Underlying EBITDAFX	Underlying EBITFX before depreciation and amortisation
Underlying net profit before tax	Earnings before taxation, net unrealised currency movements on forward exchange contracts, unrealised currency movements in foreign currency denominated balances and listing costs
Underlying NPATFX / underlying earnings	Underlying net profit before tax less taxation at effective tax rate (30.6% in 1H FY25)
Effective tax rate	Statutory income tax benefit/(expense) divided by net profit after tax
Underlying earnings per share	Underlying NPATFX divided by number of ordinary shares
Statutory NPAT	Statutory net profit after tax
Net cash/(debt)	Current loans and borrowings, plus non-current loans and borrowings, plus cash and cash equivalents
Net working capital (NWC)	The sum of trade receivables, inventory, prepayments, trade payables (including accruals), and employee benefit provisions
NWC/revenue (%)	Net working capital as a percentage of revenue
Net underlying operating profit after tax (NOPATFX)	Underlying EBITFX less taxation at effective tax rate (30.6% in 1HFY25)
Return on invested capital (ROIC)	NOPATFX divided by average invested capital (total equity plus net debt including lease liabilities) for the half-year
Underlying net operating cash flow	Net cash from operating activities excluding listing costs cash flows

Earnings

The result of an 12.9% reduction in Underlying NPATFX for the 1H FY25 was due to return to normal gross margins and strong volume growth resulting in higher distribution and storage costs.

Revenue

The 1H FY25 revenue increased by 8.6% compared to the previous corresponding period.

The volume of product sold in the 1H FY25 has increased above the historical averages over the previous corresponding period with stronger growth in Crop Production and Water Care.

In the North American market, the volume of product sold in the 1H FY25 continues to grow over the previous corresponding period with strong expansion in the Human Health & Nutrition sector.

Gross Margin

The gross margin for 1HFY25 has normalised to 21.6% which is within our normal historical range. The gross margin for 1HFY24 of 23.1% was above our normal range.

Expenses

The table below summarises the operating expenses incurred during the six months to 31 December 2024 and the previous corresponding period:

	Consolidated	
	1H FY25	1H FY24
	\$'000	\$'000
Administration expenses	(37,611)	(31,533)
Distribution and storage expenses	(30,596)	(25,360)
Other expenses	(10,757)	(10,169)
Underlying operating expenses	(78,964)	(67,062)
Unrealised loss on foreign currency denominated balances	(3,426)	-
Listing costs	-	(4,044)
Total operating expenses	(82,390)	(71,106)
Underlying operating expense %	12.5%	11.5%
Unrealised gain/(loss) on forward exchange contracts	1,570	(7,662)

The increase in administration expenses of \$6.1 million (19.3%) is mainly due to annual salary increases, additional employees hired during the year to support sales growth and return to normal in bonus payments and incentives as sales revenue returns to normal growth.

The increase in distribution and storage expenses of \$5.3 million (20.6%) during the year is reflective of increased volumes from strong sales growth, increases in freight costs and warehouse rates.

The increase in other costs of \$0.6 million (5.8%) was due to the increases in insurance premium rates, property outgoings and higher compliance costs since becoming a listed company.

The increase in unrealised loss on foreign currency denominated balances mainly driven by increase in unrealised foreign currency loss on in-transit creditors due to deterioration of Australian dollar against United States dollar in the month of December.

Unrealised gain/(loss) on forward exchange contracts relate to non-cash mark to market adjustments on Redox's open forward exchange contracts at period end. These amounts arise as Redox secures its foreign currency denominated purchasing prices by entering into forward exchange contracts on or around the date of agreeing the related purchase order. The period end balances are determined by movements in exchange rates between the date the forward exchange contract was executed and the closing year end rate. The computed period end mark to market adjustments are non-cash amounts, subject to exchange rate volatility, and are transient in nature as they are based on exchange rates at an exact point in time. Management does not therefore consider these movements to be part of underlying profitability.

Redox Limited
Directors' report
31 December 2024

Net finance income

Approximately \$2.2 million of net finance income during 1H FY25 (1H FY24: \$1.8 million) relates to income from short term deposits.

Profitability

Reconciliations of the Group's EBITDA to underlying EBITDAFX, statutory NPAT to underlying NPATFX, and statutory NPAT to EBITDA are shown below:

Reconciliation of statutory NPAT to underlying NPATFX

	Consolidated	
	1H FY25	1H FY24
	\$'000	\$'000
Statutory NPAT	40,208	39,568
Add: Statutory tax	17,735	17,791
Add: Listing costs	-	4,044
Add: Net unrealised loss on forward exchange contracts and foreign currency denominated balances	1,856	7,662
Less: Tax @ 30.6% (1H FY24: 31.0%) (statutory effective tax rate)	(18,303)	(21,411)
Underlying NPATFX	<u>41,496</u>	<u>47,654</u>

Reconciliation of EBITDA to underlying EBITDAFX

	Consolidated	
	1H FY25	1H FY24
	\$'000	\$'000
EBITDA	60,715	59,697
Add: listing costs	-	4,044
Add: Net unrealised loss on forward exchange contracts and foreign currency denominated balances	1,856	7,662
Underlying EBITDAFX	<u>62,571</u>	<u>71,403</u>

Reconciliation of statutory NPAT to EBITDA

	Consolidated	
	1H FY25	1H FY24
	\$'000	\$'000
Statutory NPAT	40,208	39,568
Less: Net finance income	(2,204)	(1,803)
Add: Income tax expense	17,735	17,791
Add: Depreciation and amortisation	4,976	4,141
EBITDA	<u>60,715</u>	<u>59,697</u>

Cash flow

	Consolidated	
	1H FY25	1H FY24
	\$'000	\$'000
Underlying net operating cash flow	11,954	84,297
Less: Listing costs	-	(4,044)
Statutory net operating cash flow	<u>11,954</u>	<u>80,253</u>

Underlying net operating cash flow decreased by \$72.3 million to an inflow of \$12 million for the period ended 31 December 2024 by comparison to an inflow of \$84 million in 31 December 2023.

Balance sheet management

	Consolidated	
	As at 31 Dec	As at 30
	2024	June 2024
Financial metrics	\$'000	\$'000
Net cash	39,403	43,069
Net working capital	387,482	349,832
NWC/revenue (%)	30.7%	30.8%
Return on invested capital	14.8%	19.1%

Net working capital

Net working capital has normalised back to the historical range. The increase in working capital was due to the conflict in the Middle East which caused a reduction in shipping capacity resulting in longer transit time and the increase in the arrival of shipments in December instead of January due the Lunar New Year.

Return on invested capital (ROIC)

The Group achieved an average ROIC of 14.8% for the period ended 31 December 2024. Other things being equal, this metric would be expected to further improve with the deployment of cash in its investing activities throughout FY25.

Dividends

Dividends paid during the half-year were as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Final dividend for the year ended 30 June 2024 of \$0.065 per ordinary share (2023: \$nil) paid on 20 September 2024	<u>34,130</u>	<u>-</u>

On 20 February 2025, the Board declared a fully franked interim dividend of 6 cents per share to be paid on 25 March 2025.

Acquisitions

On 2 July 2024, the Group completed the acquisition of Oleum, a company that specialises in chemical distribution to Australian agriculture, mining, personal care and surface coatings industries. The Group has acquired the net assets including the share capital of Oleum for a consideration of \$11,131,000. The accounting for the acquisition remains provisional as at the date of signing these financial statements.

On 11 November 2024, the Group completed the acquisition of certain assets and liabilities from Auschem (N.S.W) Pty Ltd (Auschem) for a consideration of \$6,016,000. The accounting for the acquisition remains provisional as at the date of signing these financial statements.

Redox Limited
Directors' report
31 December 2024

Outlook

Redox achieved volume growth above historical average during the first six months compared to the corresponding period in the previous year. The Board is optimistic about sustaining this volume growth throughout the remaining months of the 2025 financial year (FY25).

Recent disruption in the shipping route in the Red Sea and Suez Canal has resulted in longer transit times as well as the timing of shipments which resulted in an increase in our net working capital.

Significant changes in the state of affairs

Apart from the acquisitions noted above, there were no other significant changes in the state of affairs of the Group during the financial half-year.

Events after the reporting period

Apart from the dividend declared as disclosed in note 17, no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Ian Campbell
Director



Raimond Coneliano
Director

20 February 2025
Sydney

The Board of Directors
Redox Limited
2 Swettenham Road
Minto NSW 2566

20 February 2025

Dear Board Members,

Auditor's Independence Declaration to Redox Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Redox Limited.

As lead audit partner for the review of the half year financial report of Redox Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



Andrew Heather
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Redox Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$'000	\$'000
Revenue	4	631,847	581,904
Cost of sales		(495,288)	(447,580)
Gross profit		136,559	134,324
Net unrealised gain/(loss) on forward foreign exchange contracts		1,570	(7,662)
Distribution and storage expenses		(30,596)	(25,360)
Administration expenses		(37,611)	(31,533)
Other expenses		(14,183)	(14,213)
Total expenses		(82,390)	(71,106)
Operating profit		55,739	55,556
Finance income	6	3,731	3,074
Finance costs	6	(1,527)	(1,271)
Profit before income tax expense		57,943	57,359
Income tax expense		(17,735)	(17,791)
Profit after income tax expense for the half-year attributable to the owners of Redox Limited		40,208	39,568
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		737	(205)
Other comprehensive income for the half-year, net of tax		737	(205)
Total comprehensive income for the half-year attributable to the owners of Redox Limited		40,945	39,363
		Cents	Cents
Basic earnings per share	7	7.66	7.54
Diluted earnings per share	7	7.66	7.54

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Redox Limited
Consolidated statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		57,993	56,664
Trade and other receivables	8	204,757	186,287
Inventories	9	315,163	279,971
Derivative financial instruments	13	2,127	559
Other current assets	10	89,564	130,269
Total current assets		<u>669,604</u>	<u>653,750</u>
Non-current assets			
Property, plant and equipment		13,254	11,036
Right-of-use assets		35,538	30,945
Intangibles	11	11,032	558
Deferred tax		7,043	6,093
Total non-current assets		<u>66,867</u>	<u>48,632</u>
Total assets		<u>736,471</u>	<u>702,382</u>
Liabilities			
Current liabilities			
Trade and other payables		125,797	103,642
Borrowings	12	18,590	13,595
Lease liabilities		8,031	6,331
Income tax		3,533	10,101
Employee benefits	14	9,956	9,413
Contingent consideration		1,185	-
Total current liabilities		<u>167,092</u>	<u>143,082</u>
Non-current liabilities			
Lease liabilities		30,073	27,116
Employee benefits	14	959	914
Total non-current liabilities		<u>31,032</u>	<u>28,030</u>
Total liabilities		<u>198,124</u>	<u>171,112</u>
Net assets		<u>538,347</u>	<u>531,270</u>
Equity			
Issued capital	15	239,565	239,565
Reserves	16	6,044	5,045
Retained profits		292,738	286,660
Total equity		<u>538,347</u>	<u>531,270</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Redox Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	2,326	4,707	227,929	234,962
Profit after income tax expense for the half-year	-	-	39,568	39,568
Other comprehensive income for the half-year, net of tax	-	(205)	-	(205)
Total comprehensive income for the half-year	-	(205)	39,568	39,363
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	237,240	-	-	237,240
Share-based payments	-	267	-	267
Balance at 31 December 2023	239,566	4,769	267,497	511,832
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2024	239,565	5,045	286,660	531,270
Profit after income tax expense for the half-year	-	-	40,208	40,208
Other comprehensive income for the half-year, net of tax	-	737	-	737
Total comprehensive income for the half-year	-	737	40,208	40,945
Transactions with owners in their capacity as owners:				
Share-based payments	-	262	-	262
Dividends paid (note 17)	-	-	(34,130)	(34,130)
Balance at 31 December 2024	239,565	6,044	292,738	538,347

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Redox Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	681,561	665,993
Payments to suppliers and employees	(647,427)	(562,504)
Interest received	4,601	3,074
Interest and other finance costs paid	(1,527)	(1,271)
Income taxes paid	(25,254)	(25,039)
Net cash from operating activities	11,954	80,253
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(15,046)	(1,815)
Payments for property, plant and equipment	(2,950)	(2,178)
Payments for deposits	-	(80,000)
Proceeds from deposits	40,000	-
Proceeds from disposal of property, plant and equipment	230	189
Net cash from/(used in) investing activities	22,234	(83,804)
Cash flows from financing activities		
Proceeds from issue of shares	-	241,004
Share issue transaction costs	-	(5,378)
Proceeds/(repayment) of borrowings	4,995	(35,517)
Repayment of related party loans	-	(133,646)
Repayment of lease liabilities	(3,792)	(3,030)
Dividends paid	(34,130)	-
Net cash (used in)/from financing activities	(32,927)	63,433
Net increase in cash and cash equivalents	1,261	59,882
Cash and cash equivalents at the beginning of the financial half-year	56,664	35,028
Effects of exchange rate changes on cash and cash equivalents	68	11
Cash and cash equivalents at the end of the financial half-year	57,993	94,921

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 1. General information

The financial statements comprise of Redox Limited (the 'Company' or 'parent') and the entities it controlled (together the 'Group' or 'Redox') at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Redox Limited's functional and presentation currency.

Redox Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

2 Swettenham Road
Minto NSW 2566
Australia

A description of the nature of the Group's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 20 February 2025.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements are condensed financial statements that do not include all the information and disclosures required in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2024 and are not expected to have a significant impact for the full financial year ending 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates in one segment, based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

Redox manages its operations as a single business operation and there are no parts of the business or geographical locations that qualify as separate operating segments under AASB 8 Operating Segments. The Directors assess the financial performance of Redox on an integrated basis only and accordingly, Redox is managed on the basis of a single segment.

Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 4. Revenue

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Sale of goods	631,847	581,904

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Major product lines		
Chemicals, ingredients, plastics and raw materials	631,231	580,906
Other	616	998
	<u>631,847</u>	<u>581,904</u>

Geographical regions*

Australia	536,586	493,189
New Zealand	55,088	44,467
United States of America	35,818	38,936
Others	4,355	5,312
	<u>631,847</u>	<u>581,904</u>

Timing of revenue recognition

Goods transferred at a point in time	631,847	581,904
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* Aggregate revenue from customers located outside Australia, based on the country where the sale was made, was \$95,261,000 (31 December 2023: \$88,715,000).

Note 5. Expenses

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000

Profit before income tax includes the following specific expenses:

Depreciation

Property, plant and equipment	1,121	1,005
Right-of-use assets	3,855	3,135
Total depreciation	<u>4,976</u>	<u>4,140</u>

Impairment

Net allowance/(reversal) for expected credit losses	76	(212)
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Net gain on disposal

Net gain on disposal of property, plant and equipment	(68)	(92)
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Employee benefits expense

Total employee benefits expense	<u>33,390</u>	<u>28,131</u>
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Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 6. Finance income (net)

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Finance income		
Interest income	(3,731)	(3,074)
Finance costs		
Interest and finance charges on loans	850	616
Interest and finance charges on lease liabilities	677	655
Total finance costs	1,527	1,271
Finance income (net)	(2,204)	(1,803)

Note 7. Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Profit after income tax attributable to the owners of Redox Limited	40,208	39,568
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	525,081,428	525,081,428
Adjustments for calculation of diluted earnings per share:		
Performance rights	385,965	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	525,467,393	525,081,428
	Cents	Cents
Basic earnings per share	7.66	7.54
Diluted earnings per share	7.66	7.54

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current assets		
Trade receivables	205,063	186,517
Less: Allowance for expected credit losses	(306)	(230)
	204,757	186,287

Allowance for expected credit losses

The Group has recognised a provision of \$76,000 (31 December 2023: reversal of \$212,000) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2024.

Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 9. Inventories

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current assets		
Inventory on hand - at cost	194,315	167,734
Inventory in transit - at cost	120,848	112,237
	<u>315,163</u>	<u>279,971</u>

Note 10. Other current assets

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current assets		
Prepayments	7,810	7,645
Term deposits (maturity over 3 months)	81,754	122,624
	<u>89,564</u>	<u>130,269</u>

Note 11. Intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Non-current assets		
Goodwill - at cost	11,032	558

Reconciliation

Reconciliation of the written down values at the beginning and end of the current financial half-year is set out below:

Consolidated	Goodwill
	\$'000
Balance at 1 July 2024	558
Additions through business combinations (note 20)	<u>10,474</u>
Balance at 31 December 2024	<u>11,032</u>

Note 12. Borrowings

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current liability		
Trade finance	18,590	13,595

Trade finance

The trade finance facilities are renewed on an annual basis.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit facility:

Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 12. Borrowings (continued)

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Total facilities		
Trade finance/multi-option facilities	184,327	183,249
Used at the reporting date		
Trade finance	18,590	13,595
Unused at the reporting date		
Trade finance	165,737	169,654

Note 13. Derivative financial instruments

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current asset		
Forward foreign exchange contracts	2,127	559

Refer to note 18 for further information on fair value measurement.

Note 14. Employee benefits

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Current liability		
Annual leave	4,590	4,186
Long service leave	5,366	5,227
	9,956	9,413
Non-current liability		
Long service leave	959	914
	10,915	10,327

Note 15. Issued capital

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	525,081,428	525,081,428	239,565	239,565

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 15. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

Note 16. Reserves

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Foreign currency translation reserve	5,527	4,790
Share-based payments reserve	517	255
	6,044	5,045

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to senior executives as part of their remuneration.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency translation \$'000	Share- based payments \$'000
Balance at 1 July 2024	4,790	255
Foreign currency translation	737	-
Share-based payments	-	262
Balance at 31 December 2024	5,527	517

Note 17. Dividends

Dividends paid during the half-year were as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Final dividend for the year ended 30 June 2024 of \$0.065 per ordinary share (2023: \$nil) paid on 20 September 2024	34,130	-

On 20 February 2025, the Board declared a fully franked interim dividend of 6 cents per share to be paid on 25 March 2025.

Note 18. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Asset				
Forward foreign exchange contracts	-	2,127	-	2,127
Total asset	-	2,127	-	2,127
Liability				
Contingent consideration	-	-	1,185	1,185
Total liability	-	-	1,185	1,185
Consolidated - 30 Jun 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Asset				
Forward foreign exchange contracts	-	559	-	559
Total asset	-	559	-	559

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 19. Contingent liabilities

Contingent liabilities for current and previous period are set out below:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Bank guarantees	3,349	3,368
Surrendered bills of lading	2,059	2,144
Documentary letters of credit	1,522	1,341
	6,930	6,853

The bank guarantees are provided to relevant government authorities for access to the deferred GST scheme. No contingent liability has been recognised for litigation as it is unlikely to have any material impact on the financial result of the Group. Litigation risk is mitigated via the Group's terms and condition of sales and various insurance policies.

Redox Limited
Notes to the consolidated financial statements
31 December 2024

Note 20. Business combinations

Acquisition of Oleum Holdings

On 2 July 2024, the Group completed the acquisition of Oleum, a company that specialises in chemical distribution to Australian agriculture, mining, personal care and surface coatings industries. The Group has acquired the net assets including the share capital of Oleum for a consideration of \$11,131,000. The accounting for the acquisition remains provisional as at the date of signing these financial statements.

Acquisition of certain assets and liabilities from Auschem

On 11 November 2024, the Group completed the acquisition of certain assets and liabilities from Auschem for a consideration of \$6,016,000. The accounting for the acquisition remains provisional as at the date of signing these financial statements.

Details of the acquisitions are as follows:

	Provisional Fair value \$'000
Current assets	13,074
Non-current assets	556
Liabilities	<u>(6,957)</u>
Net assets acquired	6,673
Intangible asset including goodwill	<u>10,474</u>
Acquisition-date fair value of the total consideration transferred	<u>17,147</u>
Representing:	
Cash paid or payable to vendor	15,962
Contingent consideration	<u>1,185</u>
	<u>17,147</u>

Note 21. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Other expenses:		
Lease expense to related party	4,247,244	3,570,354

The Group leases a number of its commercial properties from Ceneda Investments Pty Ltd (Ceneda investments) under commercial terms at market rates. During the year, Ceneda Investments performed an independent third-party valuation on the lease properties at the end of the fifth year in accordance with the lease agreement. Ceneda Investments is a related entity of the Company, and all of the Company's Executive Directors during the half-year are indirect shareholders of Ceneda Investments.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 22. Events after the reporting period

Apart from the dividend declared as disclosed in note 17, no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Redox Limited
Directors' declaration
31 December 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Ian Campbell
Director



Raimond Coneliano
Director

20 February 2025
Sydney

Independent Auditor's Review Report to the Members of Redox Limited

Conclusion

We have reviewed the half-year financial report of Redox Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 11 to 24.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Andrew Heather

Andrew Heather

Partner

Chartered Accountants

Parramatta, 20 February 2025