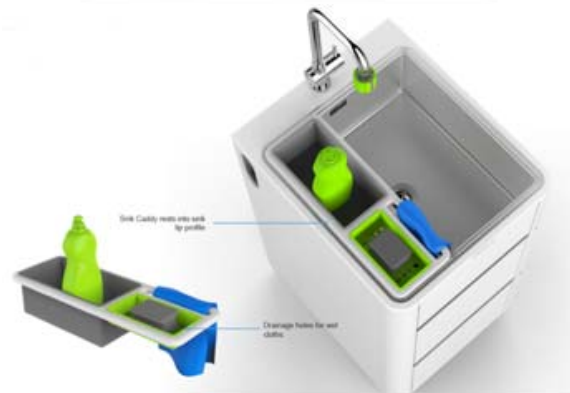


SHRIRO HOLDINGS LIMITED (SHM)

17th August 2017





June 2017 Half Year Highlights

- Revenue increased by 9.0% on 1H16
- NPAT up 6.5% on CY16
- Strong operating cash flows of \$11.1M (1H16: \$4.6M)
- Net debt down to \$2.7M (30Jun16: \$11.8M)
- Global expansion of 'everdure by heston blumenthal' is progressing in line with expectation
- Interim dividend declared of 4 cents per share, fully franked

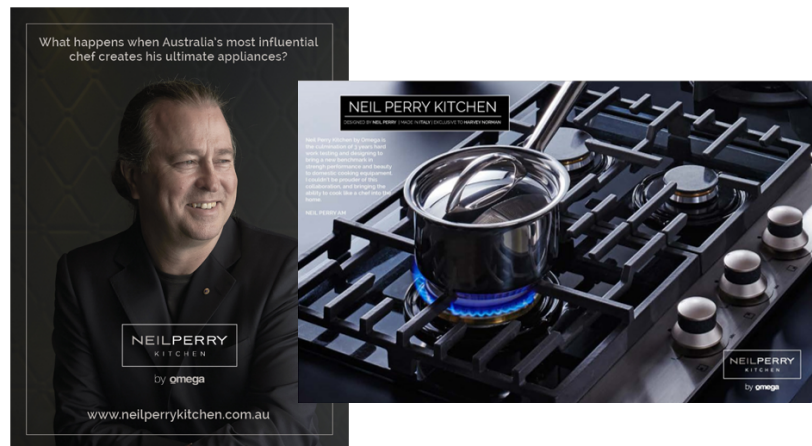


Segment Revenue Split – first half 2017

Kitchen Appliances (~48% of 1H17)



Consumer Products (~52% of 1H17)





Profit & Loss Statement

Half Year Ended 30 June 2017

\$ Million	1H17 Actual	1H16 Actual	Δ
Revenue from ordinary activities	86.3	79.2	9.0%
Gross Margin %	41.2%	43.0%	
Operating expenses	(28.5)	(27.3)	4.4%
EBITDA	7.0	6.8	2.9%
Depreciation	(1.9)	(1.8)	5.6%
Interest	(0.3)	(0.5)	(40.0%)
NPBT	4.8	4.5	6.7%
NPAT	3.3	3.1	6.5%

- Solid revenue growth of 9.0% in a difficult trading environment
- Interest costs continued to decline in line with debt
- Expenses grew at a lower rate than sales
- Exceeded NPAT over the prior year by 6.5%



Consumer Products

Half Year Ended 30 June 2017

\$ Million	1H17 Actual	1H16 Actual	Δ
Revenue from ordinary activities	44.5	41.4	7.5%
EBITDA	3.9	5.1	(23.5%)
EBITDA Margin	8.8%	12.3%	

- Hot January resulted in strong cooling products sales
- BBQ product range is being expanded through product development
- Watches under-performed 1st half, expect to grow in CY18
- Global expansion of BBQs is on plan
- Calculators showed growth





BBQs – continued education strategy

Good Food and Wine Show





Good Food and Wine Show



Educating Australian Consumers



Meatstock



MasterChef



<https://tenplay.com.au/channel-ten/masterchef/season-9/episode-40>



Appliances

Half Year Ended 30 June 2017

\$ Million	1H17 Actual	1H16 Actual	Δ
Revenue from ordinary activities	41.8	37.8	10.6%
EBITDA	3.1	1.7	82.4%
EBITDA Margin	7.4%	4.5%	



- Positive Sales contribution from Blanco after sales channel change
- Sinks and taps grew strongly, backing up strong growth in CY15 & CY16
- Commercial / developer sales grew in a difficult national market
- Neil Perry Kitchen by Omega is growing gradually. More stores to sell the products in the 2nd half
- Strong EBITDA growth - lower costs, higher GP% & multiple sales channels



Balance Sheet

As at 30 June 2017

	1H17 \$M	1H16 \$M
Current assets		
Cash and cash equivalents	0.8	0.0
Trade and other receivables	25.8	26.1
Inventories	38.7	43.5
Other assets	2.2	2.3
Total current assets	67.5	71.9
Non-current assets		
Property, plant and equipment	9.7	9.6
Deferred tax assets	5.0	5.1
Total non-current assets	14.7	14.7
Total assets	82.2	86.6
Current liabilities		
Trade and other payables	18.1	17.7
Borrowings	3.5	3.4
Current tax liabilities	-	-
Provisions and other liabilities	7.3	6.9
Total current liabilities	28.9	28.0
Non-current liabilities		
Borrowings	-	8.5
Provisions	3.4	3.0
Total non-current liabilities	3.4	11.5
Total liabilities	32.3	39.5
Net assets	49.9	47.1

- Net debt reduced from \$11.8M to \$2.7M
- Gearing low with Net Debt to Net Debt plus Equity of 5%
- Working capital at sustainable levels, consistent with seasonality
- Solid Net Assets of \$49.9M with no intangibles



Cash Flows

Half Year Ended 30 June 2017

	1H17 \$M	1H16 \$M
Cash flows from operating activities	11.1	4.6
Net property, plant & equipment	(1.6)	(1.4)
Dividend	(6.7)	(5.7)
Net debt decrease / (increase)	↓ 2.8	↑ (2.5)

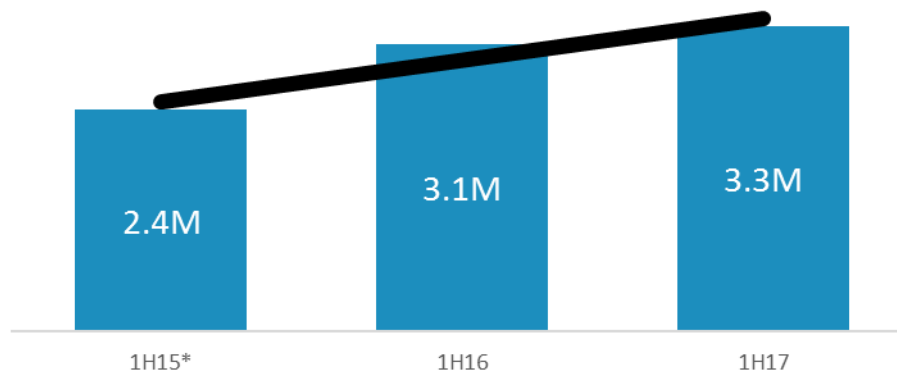
- Cash flow from operating activities improved significantly:
 - Improved debtor collection
 - Lower stock levels
- Continued investment in fixed assets
- Greater cash return to shareholders via increased dividends (10 cents per share paid in the year to 30 June 17)



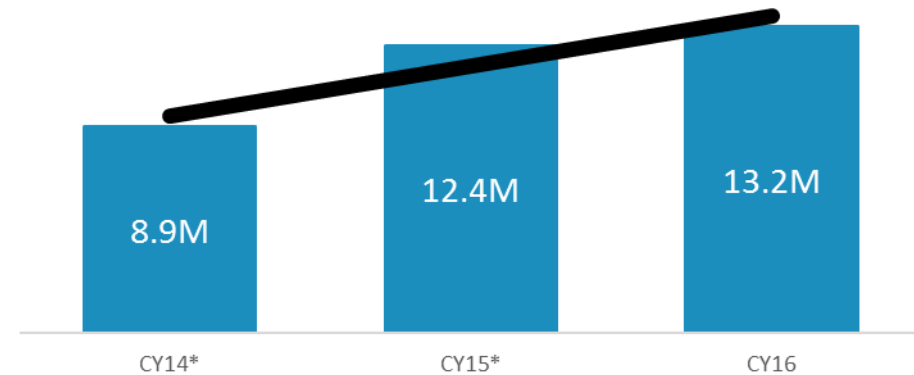
Track Record

Hit or exceeded numbers communicated to the market

HALF YEAR NPAT GROWTH 37.5% OVER TWO 1ST HALF PERIODS



FULL YEAR NPAT GROWTH 48.3% OVER TWO FULL YEARS



* Pro-forma numbers



Opportunities

- Further product development across all brands
- Expansion of brands across new product segments
- New retailers entering the Australian and global markets
- Expansion into more countries



Outlook

- Financial performance is biased to the second half due to seasonal influences
- Watch sales expected to increase in 2018
- Global expansion of 'everdure by heston blumenthal' to continue, with an expanded product range being developed
- CY17 NPAT currently expected to be above CY16

Thank you

