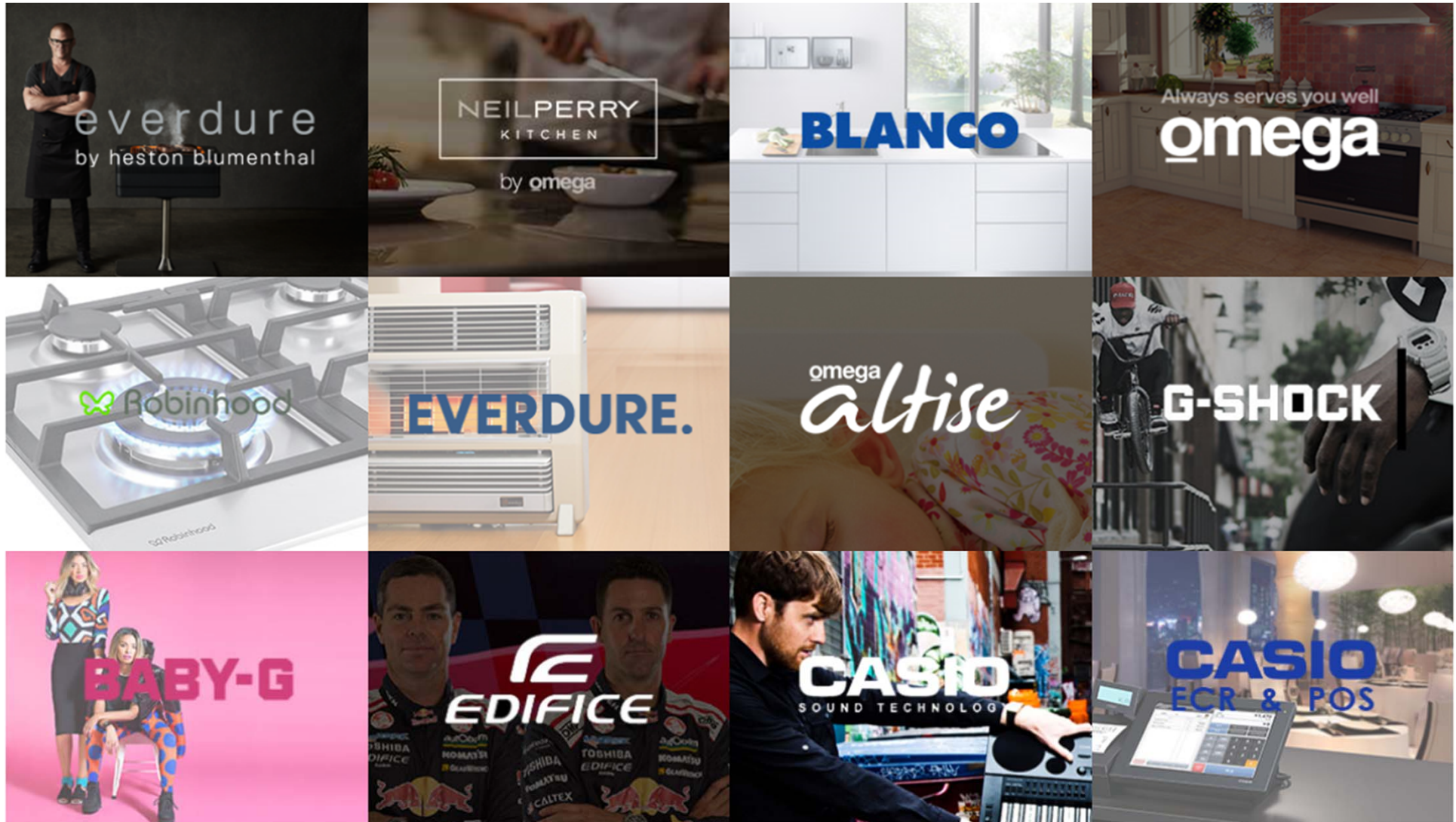


SHRIRO HOLDINGS LIMITED (SHM)

7th February 2018



Strictly Private & Confidential



December 2017 Highlights

- NPAT up 9.8%
- Revenue up 2.6%
- Strong operating cash flows of \$17.2M (CY16: \$15.9M)
- Net debt more than halved to \$2.0M (30Jun16: \$5.5M)
- Global expansion of 'everdure by heston blumenthal' is progressing in line with expectation
- Dividends for CY17 of 11.0 cents per share, fully franked (CY16 10.0 cents per share)



Segment Revenue Split 2017

Kitchen Appliances (~44% of CY17)



Consumer Products (~56% of CY17)





Profit & Loss Statement

Full Year Ended 31 December 2017

\$ Million	1H17 Actual	1H16 Actual	Δ
Revenue from ordinary activities	188.3	183.5	2.6%
Gross Margin %	42.3%	42.6%	
Operating expenses	(55.0)	(55.4)	(0.7%)
EBITDA	24.7	22.8	8.3%
Depreciation	(3.8)	(3.6)	5.6%
Interest	(0.5)	(1.0)	(50.0%)
NPBT	20.4	18.2	12.1%
NPAT	14.5	13.2	9.8%

- Revenue growth of 2.6% in a difficult trading environment
- Interest costs continued to decline in line with debt
- Expenses decline despite higher sales
- Exceeded NPBT over the prior year by 12.1%



Consumer Products

Full Year Ended 31 December 2017

\$ Million	CY17 \$M	CY16 \$M	Δ
Revenue from ordinary activities	105.0	101.9	3.0%
EBITDA	16.2	16.1	0.6%
EBITDA Margin	15.4%	15.8%	

- Hot weather resulted in strong cooling products sales
- BBQ product range international expansion is well underway
- Watches under-performed 1st half, however the Christmas sales were good as a result of the refreshed product range
- Keyboards performed well, growing sales 8%



G-Shock collaboration with Ta-ku



Kitchen Appliances



Full Year Ended 31 December 2017

\$ Million	CY17 \$M	CY16 \$M	Δ
Revenue from ordinary activities	83.4	81.5	2.3%
EBITDA	8.5	6.6	28.8%
EBITDA Margin	10.2%	8.1%	

- Sinks and taps grew 7%, backing up strong growth in CY15 & CY16
- Sales growth from Blanco appliances, however slower than originally anticipated
- Commercial / developer sales fell in a difficult national market
- Neil Perry Kitchen by Omega grew, but slower than expectation
- Strong EBITDA growth - lower costs, higher GP% & multiple sales channels
- The GP% is expected to decrease in CY18, due to competitive pressures

Robinhood product development



Install order at your place.

 Robinhood
Install the future at your place

Key creative thought

To create an uncluttered stress-free environment Robinhood has used futuristic design to maximise functionality in the most minimal space possible.



Balance Sheet

As at 31 December 2017

	CY17 \$M	CY16 \$M
Current assets		
Cash and cash equivalents	3.5	0.0
Trade and other receivables	36.3	34.9
Inventories	42.1	39.7
Other assets	1.6	1.7
Total current assets	83.5	76.3
Non-current assets		
Property, plant and equipment	9.7	10.0
Deferred tax assets	5.0	5.2
Total non-current assets	14.7	15.2
Total assets	98.2	91.5
Current liabilities		
Trade and other payables	23.2	20.7
Borrowings	4.5	3.5
Current tax liabilities	1.7	1.8
Provisions and other liabilities	6.9	7.2
Total current liabilities	36.3	33.2
Non-current liabilities		
Borrowings	1.0	2.0
Provisions	3.7	3.0
Total non-current liabilities	4.7	5.0
Total liabilities	41.0	38.2
Net assets	57.2	53.3

- Net debt reduced from \$5.5M to \$2.0M
- Gearing very low with Net Debt to Net Debt plus Equity of 3%
- Working capital at sustainable levels, consistent with seasonality
- Solid Net Assets of \$57.2M with no intangibles
- Well positioned to take advantage of any logical acquisition opportunities



Cash Flows

Full Year Ended 31 December 2017

	CY17 \$M	CY16 \$M
Cash flows from operating activities	17.2	15.9
Net property, plant & equipment	(3.4)	(3.5)
Dividend	(10.5)	(8.6)
Net debt decrease / (increase)	3.3	3.8

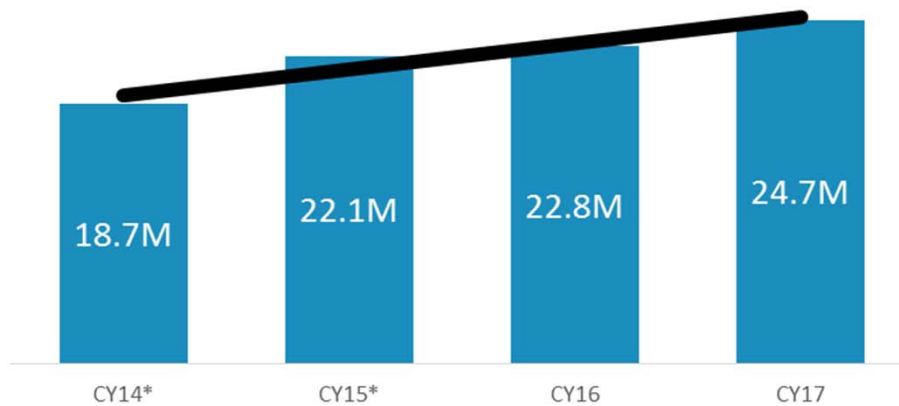
- Cash flow from operating activities improved:
 - Improved debtor collection
 - Greater profits
- Continued investment in fixed assets
- Greater cash return to shareholders via increased dividends (11 cents per share paid in the year to 31 December 2017)



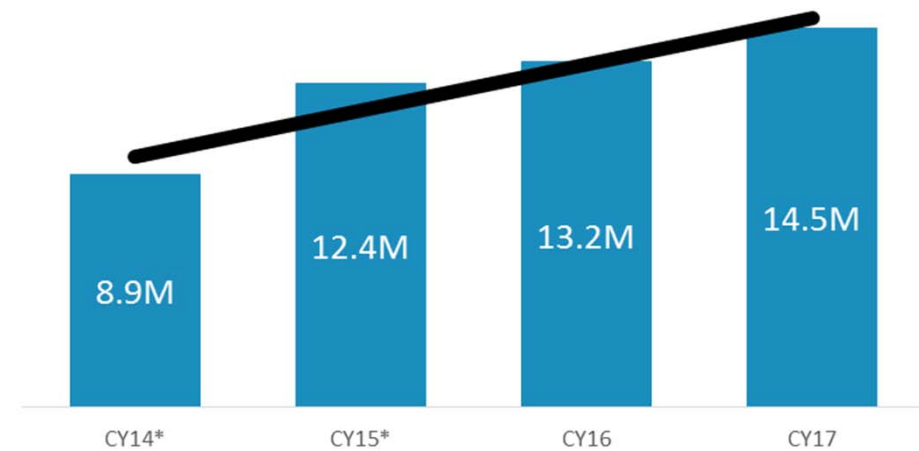
Track Record

Achieved or exceeded numbers communicated to the market

FULL YEAR EBITDA GROWTH 32.1% OVER 3 YEARS



FULL YEAR NPAT GROWTH 62.9% OVER 3 YEARS



* Pro-forma numbers



Opportunities

- Product development is continuous in a number of Shriro's brands. A global customer is forefront of mind
- Shriro is developing a global distribution network – maximise product development return
- US and Germany market for BBQs
- Global market for Robinhood rangehoods and laundry products



Outlook

- Uncertainty in many macro market metrics continues and Shriro 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 – entering the US market via Williams-Sonoma
- Significant expenditure on northern hemisphere marketing programs for longer-term gain will impact CY18
- CY18 NPAT currently expected to be below CY17 with a highly competitive market environment and investments for global expansion, in particular in the US and German markets are planned to be made
- Shriro's focus on product development will also underwrite the longer-term

Thank you

