

## SHRIRO HOLDINGS LIMITED

### MARKET UPDATE

Shriro Holdings Limited (“Shriro”) (ASX: SHM) wishes to update the market on currently expected results for the 2019 financial year, which have been affected by decisions relating to the Omega range of kitchen appliances.

A decision has now been taken to reflect in the Financial Statements for the year ended 31 December 2019 the assessed likely full financial impact of the need to quickly liquidate current inventory of the Omega range of kitchen appliances to provide a clear pathway for the uninterrupted, successful and early launch of the new Omega appliance range in April 2020. Based on arrangements now in place with certain customers and expected levels of discounting required to clear the superseded inventory quickly, the Company has provided for additional inventory obsolescence and advertising support costs relating to this transaction in the amount of \$1.8 million (before tax) in CY19.

As a result Shriro now expects to report FY19 Net Profit After Tax of \$6.5M, a \$1.2M reduction on previous guidance and \$1.2M below the previous year’s Financial Report. This action has been taken to ensure the best possible launch of the new Omega range of appliances early in the 2020 year to maximise the success of the new marketing initiatives that surround this important range of products.

Notwithstanding the lower expected profit, Shriro remains in a very strong position, with no debt and \$6M cash on hand.

Shriro will release its full audited results after close of business on 27th February 2020, which will provide more detailed commentary on the full year result.

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#### ABOUT SHRIRO

The Group is a leading kitchen appliances and consumer products marketing and distribution group operating in Australia and New Zealand.

The Group markets and distributes an extensive range of company-owned brands (including Omega, Robinhood, Everdure and Omega Altise) and third party owned brands (such as Casio, Blanco and Pioneer). Products include calculators, watches, cash registers, musical instruments, audio products, kitchen appliances, sinks & taps, laundry products, consumer electronics, car audio, amplifiers, professional DJ, Hi-Fi/speakers, fashion, lighting, gas heaters, gas barbeques, charcoal barbeques, electric heaters and cooling products.