



MARKET UPDATE

MAY 2021

MOSAIC
BRANDS LTD

Millers
WOMAN



rockmans

NONI B



KATIES

AUTOGRAPH

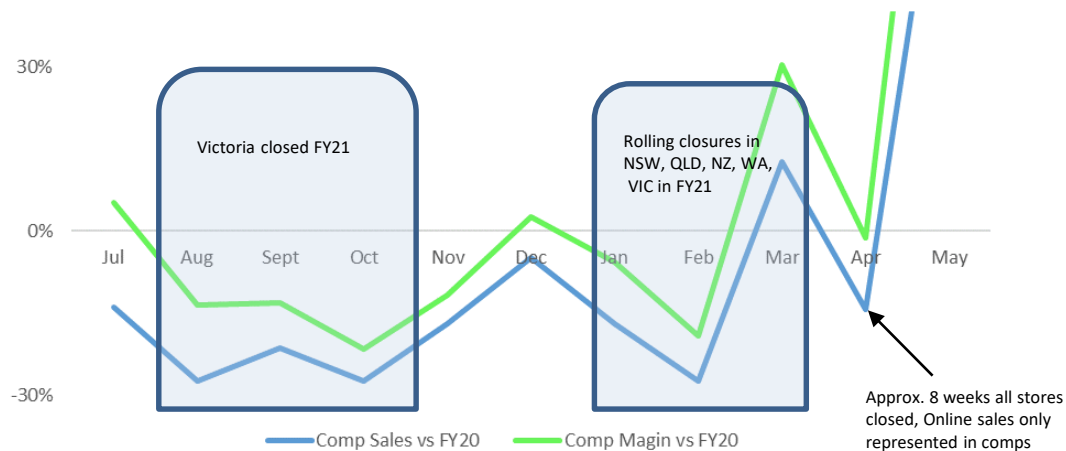
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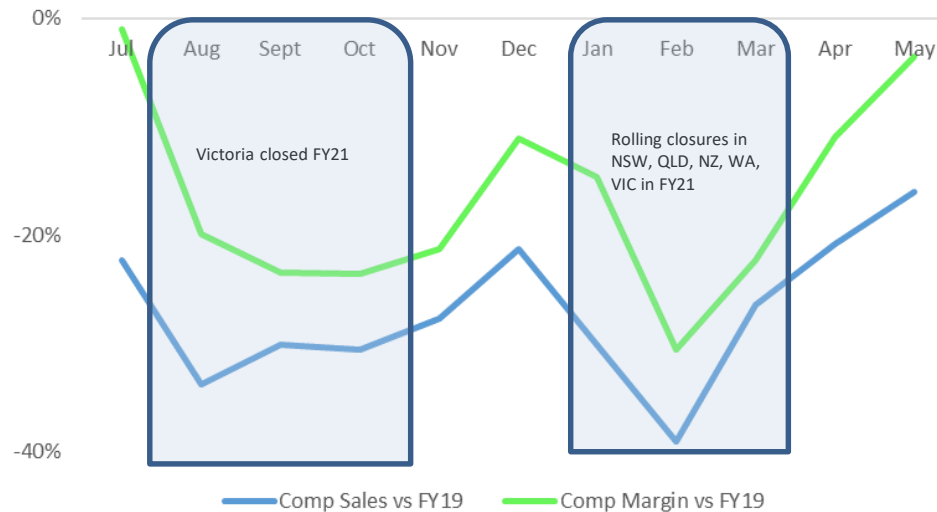
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Financial Highlights

FY21 Monthly Sales & Margin Comps vs FY20



FY21 Monthly Sales & Margin Comps vs FY19



Comparable Stores FY21 vs FY20

	Sales \$	GM \$
July - May (YTD)	-11%	-1%
Post Easter - No Lockdowns April - May	57%	94.0%

Comparable Stores FY21 vs FY19

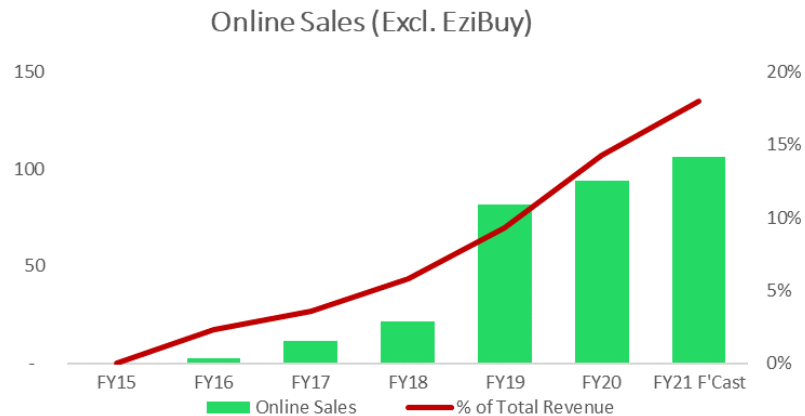
	Sales \$	GM \$
July - May (YTD)	-26%	-16%
Post Easter - No Lockdowns April - May	-18%	-7%

- 1. Proven customer rebound and confidence when COVID-19 restrictions are removed**
- 2. Poised for comparable store growth in FY22**
- 3. Margin strategy secures long term profitability**
- 4. Reduced stock holding in excess of \$40m at cost**

Financial Highlights

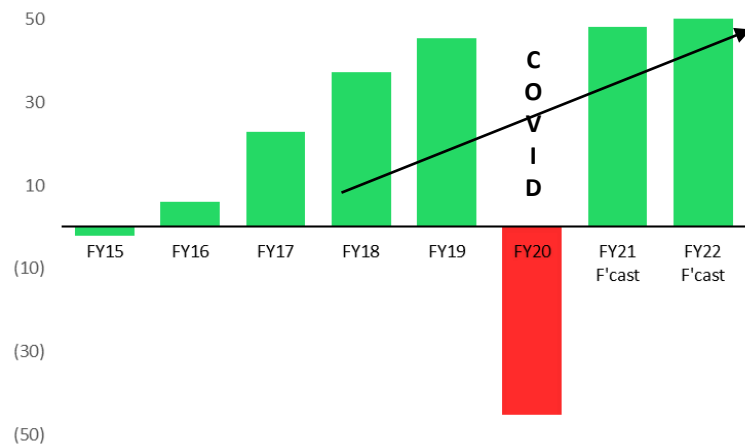
Online (\$'m)

Online growth continues



EBITDA (\$'m)

Return to consistent profit growth



- Digital department store SKU growths doubles from 350,000 end Dec to 700,000 end May**
- Online sales YTD +17% (notwithstanding all stores closed for approx. 8 weeks in H2FY20)**
- Online YTD contributes 18% of total sales**
- Cost of doing business efficiencies offset JobKeeper in FY22**
- EBITDA forecast \$48m FY21 growing to \$50m FY22 (Excl. EziBuy) – in line with consensus**

*EBITDA is a non-AASB financial measure, defined for the purposes of this document as earnings before interest, tax, depreciation, amortisation, non-recurring income/expenditure and certain non-cash items such as share based payments and unrealised foreign exchange gains/losses and excludes restructure and acquisition costs and has been adjusted to normalise the impact of AASB16 accounting treatment.

Mosaic Brands Reset

Cost of Doing Business Transformation

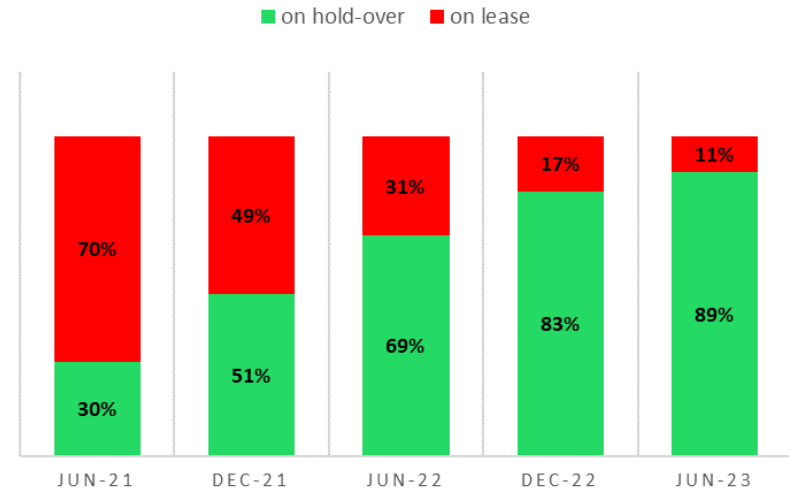
- **Closed 212 stores net - where landlords had pre-pandemic expectations**
- **Strong rental renegotiations achieved**
- **Agile lease expiry position – approx. 90% of leases expire within next 2 years**
- **Store trading hours aligned to each stores customer behaviours**
- **Improved business operational efficiencies**

Working Capital Renewal

- **Successful renewal of ANZ \$25 million working capital facility with a step down to \$15m in January 2022**
- **Credit approved term sheet for an additional \$10 million credit facility with majority shareholder Alceon***

*Subject to documentation, regulatory and other consents and approvals being finalised.

Agile Store Network



Landlord Consolidation



EziBuy Acquisition

Successful renegotiation of terms

- **Renegotiated terms of the Option**
 - **Extend the option exercise to 30 Sept 2021 (From 30 June 2021)**
 - **Purchase payment term extended to 31 Dec 2021 (\$11m)**
- **Underlying EBITDA in FY 21 expected to be circa NZ\$2.5m growing to NZ\$5m in FY22 (pre synergies)**
- **Synergies forecasted in the range of NZD\$3-5m on an annual run rate**

Post Acquisition Combined Digital Presence

- **Total digital revenue to be approx. 30% of Group sales**
- **Over \$200m in Online turnover annually**
- **Combined database of over 8,000,000 members**



Three Key Pillars of Growth



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