



GROUND FLOOR
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FY21 - Full Year Results Mosaic Brands Limited (ASX: MOZ)

Mosaic Brands Returns to Profitability in FY 2021

- EBITDA* of \$48m (excl. EziBuy) compared to -\$45m PCP**
- Gross Margin delivers additional \$37m on PCP
- Group Margin of 59.4% +11.8% on PCP
- Net cash of \$25.1m up from \$3.6m PCP
- Record online sales of \$111m up 19% on PCP and represents 19% of total revenue
- Group reset programme delivered \$43m of reduction in CODB on PCP, with further material savings to be realised in FY22
- Comparable store sales -8% with Margin +7% on PCP, with H2 delivering +5% comparable sales and +37% margin on PCP
- Group to undertake capital raising to strengthen balance sheet given ongoing uncertain environment due to COVID-19

Mosaic Brands (**Mosaic** or the **Group**) today announced its full year results to June 27th 2021.

Returning to its history of delivering year on year profit growth the Group reported an EBITDA of \$48.2 million for FY21 (excl EziBuy). Comparable stores sales grew in H2 by 5% with margin growth for that period up 37%.

Online sales achieving record revenues of \$111m.

As a shareholder of EziBuy the Group has worked with them to return them to profitability after two years of losses and delivered an EBITDA of \$3.7m.

"Notwithstanding significant ongoing disruptions to our business throughout the year, including numerous lockdowns and store closures, we are incredibly pleased with the results we have achieved and the return to profitability due to the actions we took to reset the entire Group for the future," said Mosaic Brands CEO Scott Evans.

"The benefits of those actions became evident in the fourth quarter, which delivered our second most profitable Q4 on record with comparable sales growth of 27.9% and comparable margin growth of +133%, against a backdrop of subdued sentiment amongst our core customer group due to COVID-19."

Mr Evans said consistent with trends for the over 50 consumers in the UK and US, the Group's customers were rapidly moving to online shopping. Mosaic Brands online product



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offerings expanding in the past 12 months from 150,000 SKU's to 1.5 million, sales lifted by 19% and now accounted for 19% of total Group revenue.

"Within the last year approximately 200,000 in-store only customers moved to also shop online and the Group acquired 200,000 new online only customers as a result of its expanded category and product ranges." said Mr Evans.

"We expect this trend to continue and this underpins our focus for FY22, being big stores, big brands, and an even bigger online range to meet our customers' shifting purchasing behaviour."

Capital Raising

The Group is proposing to undertake a capital raising to strengthen its balance sheet given the ongoing uncertain environment due to COVID-19.

The Group will release full details and documentation relating to the proposed capital raising as soon as possible.

Outlook

As is the case across the majority of the retail sector, recent widespread lockdowns during the first two months of FY22 have disrupted Group momentum. Almost all stores across our entire portfolio experiencing restrictions or full lockdowns in some form during this period.

However online sales continue to accelerate by delivering 23% growth in the first eight weeks of FY22 with comparable store sales down 8% despite the impact of COVID.

The Group is confident that as lockdowns become less prevalent in the coming weeks and months, it will see a resumption of the fourth quarter growth trend and a profitable FY22.

Mosaic Brands Chairman Richard Facioni acknowledged the current challenging period across the country but said the Group would welcome a unified approach to Australia safely opening up.

"For the entire retail sector, it's critical that by late October, stores nationally are able to open and be trading again. From supply chain logistics to consumer and national sentiment, ongoing internal borders beyond this timeframe will leave lasting scars.

As one of the largest national retailers in the country employing team members in metropolitan and regional areas, we also want them to get back to work as safely as possible and as quickly as possible - right across Australia," said Mr Facioni.



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Given the ongoing uncertainty arising from Covid -19 the Group is not providing FY22 guidance and no dividend for FY21 will be paid.

Mosaic Brands CEO Scott Evans, CFO Luka Softa and Chairman Richard Facioni will host a call for investors and analysts at 9am AEST Wednesday, 1 September 2021.

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All amounts referenced exclude EziBuy contribution unless otherwise specifically stated.

*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

** PCP refers to previous corresponding period.



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