SHRIRO HOLDINGS LIMITED ("Shriro" or "the Company") (ASX: SHM)

AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2022

Shriro is pleased to announce the following results:

- Despite economic conditions, Shriro delivered its third best EBITDA of $24.6M (representing 12.8% of revenue but down 27.9% prior comparison period (pcp)).
- Revenue of $191.8M, down 7.3% pcp, primarily due to widespread retail lockdowns during the first half. Shriro's second half revenue grew by 1.7% on prior comparison period (pcp).
- Export revenue continued to grow, increasing to $13.9M (up 27.5% pcp)
- NPAT of $13.5M, down 33.5% pcp
- Increased supply chain, ERP scoping and cyber mitigation costs raised Shriro's operating costs to $52.6M (up 5.6% pcp)
- Cash on hand at 30 June 2022 was $12.9M ($17.3M pcp). Shriro maintains higher levels of stock (particularly BBQs) worth $8.4m to minimise the effects of supply chain issues.
- Dividend declared of $3.8m representing 4 cents per share, bringing total dividends for FY22 to 10 cents per share fully franked.

RESULTS SUMMARY			
	FY22 Reported $M	**FY21[1] Reported $M**	**Change**
Revenue	191.8	207.0	(7.3%)
Gross Margin	40.3%	40.6%	
Operating Expenses	(52.6)	(49.9)	5.6%
EBITDA	**24.6**	**34.1**	**(27.9%)**
Depreciation	(5.3)	(5.0)	6.0%
Interest	(0.7)	(0.6)	16.7%
Profit Before Tax	18.6	28.5	(34.7%)
Profit After Tax	**13.5**	**20.3**	**(33.5%)**

[1] Operating Expenses for the full year to 30 June 2021 were reduced by $4.1M (as compared to FY22) represented by $1.8M (before tax) of Australia Government subsidy and $2.3M (before tax) for head office lease exit. Note FY21 was not a statutory audited period due to Shriro's change of financial year end to 30 June.

GROUP PERFORMANCE

Shriro today announced its results for the year ended 30 June 2022. Shriro's second half revenue grew by 1.7%, EBITDA for the full year was $24.6m (at the top-end of guidance provided to the market) and NPAT was $13.5m (FY21 $20.3m).

Shriro's revenue was $191.8m which was down 7.3% pcp. The COVID-19 tailwinds slowed in Shriro markets as travel restrictions were lifted and consumers spent more on travel and entertainment, resulting in less expenditure on household related goods. A pleasing result, despite Shriro also being impacted by lockdowns in Australia and New Zealand and enduring a cyber incident in the first half of FY22.

Shriro's international expansion of its Everdure by Heston Blumenthal products continued to grow with sales increasing by 27.5% on the prior year. Most of this growth occurred in the second half of FY22 irrespective of supply chain constraints resulting in delivery delays of $1.0m in orders to FY23.

Operating expenses increased to $52.6m up on the prior year by 5.6%. During FY22, Shriro incurred increased supply chain costs and non-reoccurring costs including scoping an ERP system, cyber incident remediation and security costs. These costs were partially offset by a NSW Government JobSaver receipt of $1.1m.

Shriro declared a fully franked final dividend worth $3.8m representing 4 cents per share, with a record date of 9th September 2022 and payable on 30th September 2022.

BALANCE SHEET AND CASH FLOWS

Operating cash flows for the year were $12.2 million (90.5% of NPAT), as the Group increased its BBQ inventory to $8.4m to facilitate the growth in this category and to mitigate supply chain delays. Shriro's balance sheet has no debt and has strengthened further with $67.1 million of net assets and tangible asset backing of 64.6 cents per share.

OUTLOOK

FY23 outlook is uncertain due to operational cost increases, supply chain disruption, the Blanco brand exit and expected subdued consumer spending. The FY23 EBITDA is projected to be down by as much as 25% on FY22.

Notwithstanding, the following factors could have a bearing on the FY23 outlook:

- Shriro is evaluating the potential acquisition of an EBITDA accretive business to further enhance its sales channels and diversify its products.
- The exit of Blanco, although not a highly profitable category for Shriro, its revenue did absorb overheads. Shriro completed an extensive review of its costs to identify rationalisations and control optimisation opportunities to minimise the impact. Resources will be redeployed to

Shriro's owned and distributed brands: Casio, Pioneer, Omega, Everdure, Everdure by Heston, Omega Altise and Robinhood.

- International BBQ revenue is expected to be difficult in Europe as industry wide reports indicate that homewares sales have waned during the European summer. However, growth is still expected in the US market along with anticipated strong demand for the newly developed outdoor pizza oven.
- Shriro is conscious of the pressure on increasing operating costs like freight, logistics and wages, and will continue to rationalise costs where possible; and
- Shriro continues to investigate distribution and sales channel opportunities for additional consumer product brands which don't compete with Shriro's existing suite of products but align with the existing sales channels and operations.

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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 by Heston and Omega Altise) and third party owned brands (such as Casio and Pioneer). Products include calculators, watches, musical instruments, audio products, kitchen Appliances, laundry products, consumer electronics, car audio, amplifiers, professional DJ, Hi-Fi/speakers, gas heaters, gas barbeques, charcoal barbeques, electric heaters and cooling products.