

SHRIRO HOLDINGS (SHM)

12 MONTHS TO 30 JUNE 2023

Full Year Results Presentation

Tim Hargreaves, Chief Executive Officer | 24 August 2023



CASIO

EVERDURE.

everdure
by heston blumenthal

Pioneer

 Robinhood

omega

GROHE


*American
Standard*

12 months to 30 June 2023

Executive Summary

- EBITDA was \$17.6M with EBITDA margins at 11.5% (FY22 12.8%).
- Revenue was \$152.4M, down 20.5%, predominantly as a result of the exit of the Australian Appliances division.
- Prudent cash management and a successful exit of Australian Appliances and sale of Omega contributed to a record cash balance of \$32.8M.
- Balance sheet \$68.2M net assets, Zero debt.
- Fully franked final dividend of 6.5 cents per share declared, combined with the interim dividend of 3.5 cents per share, delivered a fully franked dividend of 10 cents per share for FY23. Additionally, a capital return of 18.5 cents per share*. A combination of dividends and capital return of 25 cents per share to be returned to shareholders.
- New distribution brands – Grohe & American Standard commenced in the New Zealand market from July 23.
- BBQs – Everdure - Export division's revenue continued to grow, despite the global outdoor cooking market having declined in FY23.
- CASIO Keyboards and Pioneer DJ sales diminished with excess stock remaining in the channel, post COVID demand.



12 months to 30 June 2023

Results

	30 June 2023	Change	30 June 2022
Revenue	\$152.4M	(20.5%)	\$191.8M
Gross Margin	41.8%	+3.7%	40.3%
EBITDA	\$17.6M	(28.4%)	\$24.6M
EBITDA Margin	11.5%	(10.2%)	12.8%
NPAT	\$8.0M	(40.7%)	\$13.5M
Cash Position	\$32.8M	154.3%	\$12.9M
Dividend Declared August	6.5 Cents (Fully Franked)		4.0 Cents (Fully Franked)
Dividend Declared February	3.5 Cents (Fully Franked)		6.0 Cents (Fully Franked)
Capital Return*	18.5 Cents per share		N/A

12 months to 30 June 2023

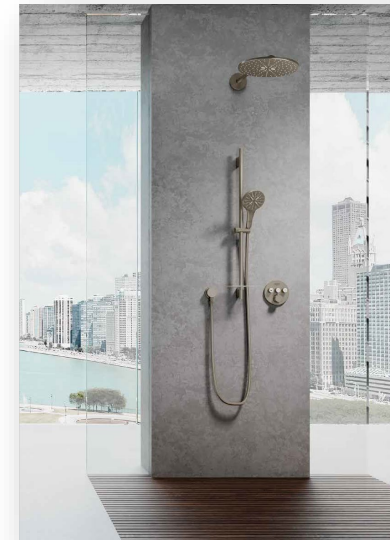
Australasian Market

- G-Shock watches sales increased in Australia and New Zealand, with the improved foot traffic in the Auckland, Melbourne and Perth Airport stores and roll-out of new product releases for the 40th Anniversary.
- Investment in upgrading Shriro's e-commerce capability assisted in the continued growth of direct sales of watches and BBQs products to consumers.
- Next generation school scientific calculator – FX8200AU (designed exclusively for the Australasian market) was launched. This new product has a higher price compared with the market leading FX82AU and has received positive feedback from schools. Initial sales volumes have exceeded management's expectations.
- Revenues for the seasonal products (Everdure BBQs & Omega Altise Heating) were lower, with unfavourable weather conditions and slowing consumer demand for home related goods (post COVID).
- Distribution of Grohe and American Standard products commenced in New Zealand from 1 July 2023. Management anticipate these new ranges will complement the company owned brands such as Robinhood with similar customer bases and distribution channels.

CASIO



GROHE



American Standard



12 months to 30 June 2023

International Market

- Uncertain macroeconomic conditions and subdued consumer demand for outdoor related goods post COVID resulted in distribution channels holding excess stock of BBQ's from the prior season. Despite this, Shriro's international revenues continued to grow. Some excess stock remains with retailers which may impact FY24 BBQ sales.
- The new outdoor pizza oven range has been well received by retailers, with strong initial sales and positive feedback on the contemporary design and product innovation.
- Continued investment in the development of new products will ensure the Everdure range remains competitive and continues to capitalise on global growth opportunities.

Witt ETNA Rotante pizza oven review: the best domestic outdoor gas-fired pizza oven money can buy

★★★★★

With its revolving 16-inch pizza stone, twin gas burners and ravishingly good looks, the Witt ETNA Rotante is in a league of its own



(Image credit: Witt)

T3 VERDICT ★★★★★

In the crowded arena of outdoor pizza ovens, the new Witt ETNA Rotante is a game changer that may alter your pizza-making life forever. Aside from various innovations like a revolving pizza stone and a second gas burner beneath said stone, this model is easy to use and produces amazing results time after time. It is, quite justifiably, fully deserving of a monumental high five.

REASONS TO BUY

- + Revolving pizza stone
- + A second gas burner under the stone
- + Produces exquisite results
- + Great looker
- + Keenly priced for a pizza oven



Growth Strategies

ORGANIC

- New product releases
- New distribution brand opportunities with dedicated executive tasked with bringing new distribution brands.

IN-ORGANIC

- Strong balance sheet to leverage
- Dedicated executive tasked with finding acquisition opportunities, with a focus on ensuring the strong cash flows returns continues to shareholders
- Shriro has a proven track history - 4 acquisitions before the ASX float
- Experienced Board

CORE FOUNDATIONS

- New product development plan
- Investment in advanced “e-commerce” capability
- ERP upgrade FY24/25
- Infrastructure strategy using more third-party logistics, excluding NSW and Auckland
- Staff development and training
- Regular reviews of each product’s contribution



FY24

Outlook

- Following the restructuring and capital return, Shriro has no debt and anticipates its FY24 EBITDA to be in the range of \$15M to \$17M.
- Core distribution brands / product categories such as Casio calculators and G-Shock watches are expected to continue to perform well, despite the uncertain consumer spending outlook.
- Shriro's distribution of American Standard and Grohe commenced 1 July 2023 in New Zealand. The FY24 strategy has been aligned with the brand principal (LIXIL), with the view to laying the foundation for a long-term partnership in the New Zealand market.
- Included in the above EBITDA guidance is the implementation cost of the new ERP system of \$1.6M in FY24. The ERP system will be implemented over FY24 and FY25, with the remaining cost in FY25.
- Focus on executing our BBQ sell through strategies, locally and internationally. This will assist in ensuring excess stock is sold through and the channel is cleared for new range models to be launched post FY24. Majority of expected cost of the stock sell strategy is included in Shriro's FY23 results.
- Considered approach to acquisition continues, with a focus on increasing the range of brands to distribute, to foster growth and an ability to continue paying handsome dividends.



End

This announcement was authorised for release by the Board of Directors of Shriro Holdings Ltd.

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