



SHRIRO HOLDINGS (SHM)

AGM PRESENTATION | 2023

Tim Hargreaves, Chief Executive Officer | 26th October 2023

CASIO

EVERDURE

everdure
by heston blumenthal

Pioneer

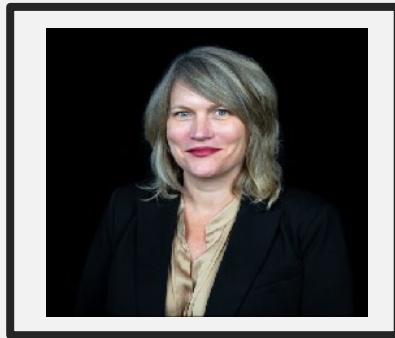
 Robinhood

omega

GROHE


*American
Standard*

SHM Board Members & CFO



Abigail Cheadle

CHAIR



Tim Hargreaves

**CHIEF EXECUTIVE
OFFICER**



John Murphy

**NON-EXECUTIVE
DIRECTOR**



Brian Bunker

**NON-EXECUTIVE
DIRECTOR**



Shane Booth

**CHIEF FINANCIAL
OFFICER**

Agenda

Chair's Address

CEO's Address

Business of the AGM

Questions

Voting Closes

Final Votes

Close of Meeting



CHAIR'S ADDRESS



Abigail Cheadle

Good afternoon, everyone,

As Chair of Shriro Holdings Limited (ASX: SHM) (Shriro) I'd like to recount our achievements since listing and consider our prospects.

Shriro raised \$6.2m upon listing. In the nine years since listing, Shriro has repaid debt and accumulated cash totalling \$70.1m plus paid fully franked dividends of \$65.2m. Our FY24 dividend and proposed capital return increases that amount by a further \$24.1m. Shriro has delivered these results whilst maintaining a strong financial foundation with retained earnings growing year on year.

Shriro's EBITDA was \$17.6 million for FY23, which required a cost base restructuring because of the Australian kitchen appliances exit. Whilst difficult, a necessary step to allow Shriro to operate more efficiently with similar profitability in FY24.

Shriro is conscious of the current impact of a higher interest rate environment on consumer spending, however in these times of market uncertainty, it is reassuring that Shriro owns and distributes world class, value driven products, like Casio calculators, able to withstand challenging market conditions.

We will continue delivering strong financial performance through seeking strategic opportunities to scale for inorganic growth through initially debt-funded acquisitions; and for organic growth, with the addition of the Lixil brands, American Standard and Grohe in the New Zealand market and with other distribution agencies being considered.

Lastly, I must acknowledge our CEO, Tim Hargreaves, our CFO, Shane Booth, the Shriro staff and my fellow board members, Brian Bunker, and John Murphy for successfully navigating this year of change and challenge.

Shriro is well-positioned for the future. We are grateful for your support, and we remain committed to delivering value to our shareholders.

Thank you.

Abigail Cheadle Chair, Shriro Holdings Limited (ASX: SHM)

CEO'S ADDRESS



Tim Hargreaves

Executive Summary

- Despite challenging economic conditions and the exit of the Australian Appliances business – EBITDA achieved was \$17.6M.
- Revenue of \$152.4M, down 20.5% pcp. Predominately as a result of the exit of the Australian Appliances business.
- Prudent cash management & exit of the Omega Australian Appliances business contributed to a record year end cash balance of \$32.8M.
- Strong balance sheet, \$68M net assets & zero debt.
- New distribution brands – Grohe and American Standard commenced in the New Zealand market from July 23.
- International revenue continued to track upwards, despite the global outdoor cooking market having declined in FY23.
- CASIO business remained steady with new product releases maintaining its strong market position.



Historical Financial Results

	FY23 Reported \$M	FY22* Reported \$M	FY21** Reported \$M
Revenue	152.4	191.8	207.0
Gross Margin	41.8%	40.3%	40.6%
Operating Expenses	(46.1)	(52.7)	(49.9)
EBITDA	17.6	24.6	34.1
Depreciation	(5.2)	(5.3)	(5.0)
Interest	(0.4)	(0.7)	(0.6)
Profit Before Tax	12.0	18.6	28.5
Profit After Tax	8.0	13.5	20.3

Returns Since IPO (Fully franked)

FY	Dividends	EPS
FY16	9.0 cps	17.2 cps
FY17	11.0 cps	14.1 cps
FY18	11.0 cps	15.4 cps
FY19	7.0 cps	7.4 cps
FY20	6.0 cps	8.9 cps
FY21	10.0 cps	21.2 cps
FY22	10.0 cps	14.2 cps
FY23	10.0 cps	8.4 cps
Average	9.3 cps	13.3 cps
Total	74.0 cps	106.8 cps

**Payout ratio
70%**

**\$65.2M paid out
in dividends**

**+
***CAPITAL RETURN
18.5 cps**

- *2022 before tax included \$1.1M Government Subsidy – offset by cyber incident - \$0.5M costs
- **2021 before tax included \$1.8M Government Subsidy + \$2.3M office exit benefit
- *** subject to shareholder approval and favourable ATO ruling, payable in Dec 23

Annual return since IPO

EPS since IPO: \$1.068
Franking credits: \$0.317
Total Return: \$1.385
IPO share price: \$1.000

Annual Return over 8 years*

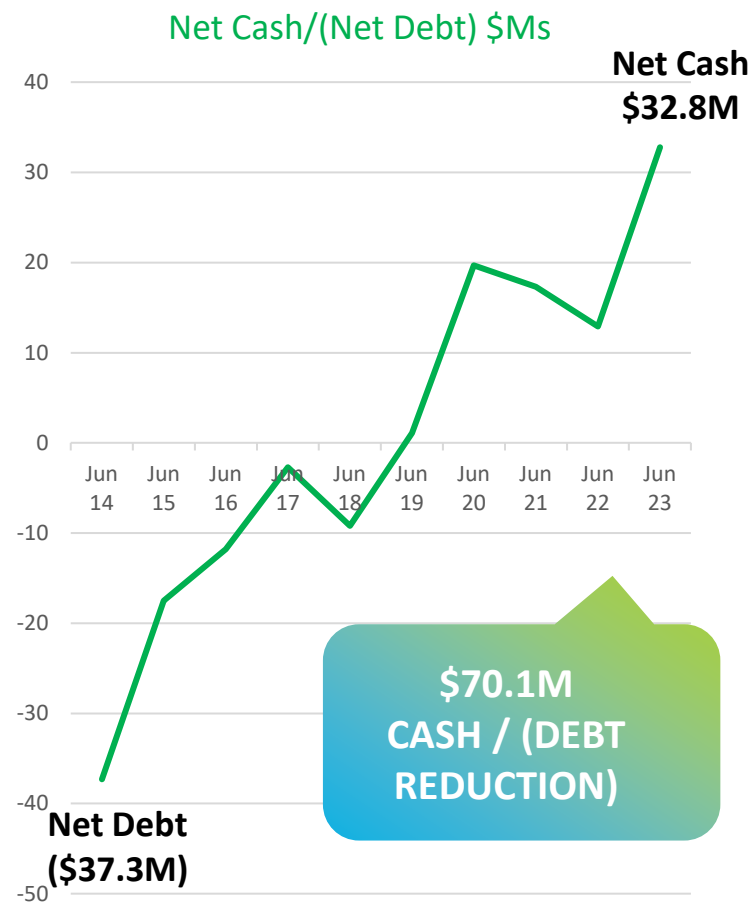
17.3%

Return p.a. since IPO



* FY16 – FY23

Cash Generation



Cash Generation 1 July 2014 to 30 June 2023

Cash Accumulation/(Debt Reduction)*	\$70.1M
Fully Franked Dividends Paid	\$65.2M
Total Cash Generation	\$135.3M

*\$6.2M of new money raised was offset by IPO costs, thus ignored in this calculation.

Cash payments post 1st July 2023

Future Cash Payments Announced Post 1 July 2023		
Fully Franked Dividend Paid 28 September 2023	\$6.3M	
Capital Return*	\$17.8M	Subject to ATO ruling and shareholder approval
Total Payments Announced FY24	\$24.1M	



Australasian Market

- G-SHOCK watch revenue increased with new Shop-in-Shop store displays and roll out of new product releases for the 40th Anniversary.
- B2C revenue continued to grow with a select product range of watches and BBQs, as a result of the prior investment in upgrading Shriro's e-commerce capability.
- Launched CASIO school calculator – FX8200AU (designed exclusively for the Australasian market). Higher product specifications has received positive feedback from schools.
- Revenues for the seasonal products (Everdure BBQs & Omega Altise Heating) were lower, due to unfavorable weather conditions and slowing consumer demand for home related goods (post COVID). However FY24 pre sales of the new Pizza oven (Kiln), have been strong and exceeded management expectations.
- Distribution of Grohe and American Standard products commenced in New Zealand from 1 July 2023. These products complement the Company owned brands such as Robinhood with similar customer bases and distribution channels.



International Market

- Uncertain macroeconomic conditions / subdued consumer demand 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 outdoor pizza oven category continues to grow strongly.
- New distribution partnerships entered into for pizza ovens in key Nth American and Canadian regions. Further growth opportunities are being pursued for this product.
- Continued investment in new products will ensure the Everdure range remains competitive and continues to capitalise on global growth opportunities.



Expanded product range
being developed to drive
revenue growth

International Distribution
Network of 33 Countries

New Product Developments

- 40th Anniversary – G SHOCK.
- Scientific calculator with features aligned with the Australian and New Zealand curriculum.
- Everdure by Heston Gas Cube BBQ.
- Pizza oven & accessories.
- Grohe and American Standard new ranges.



Pizza Oven **EVERDURE**



Cube Gas BBQ



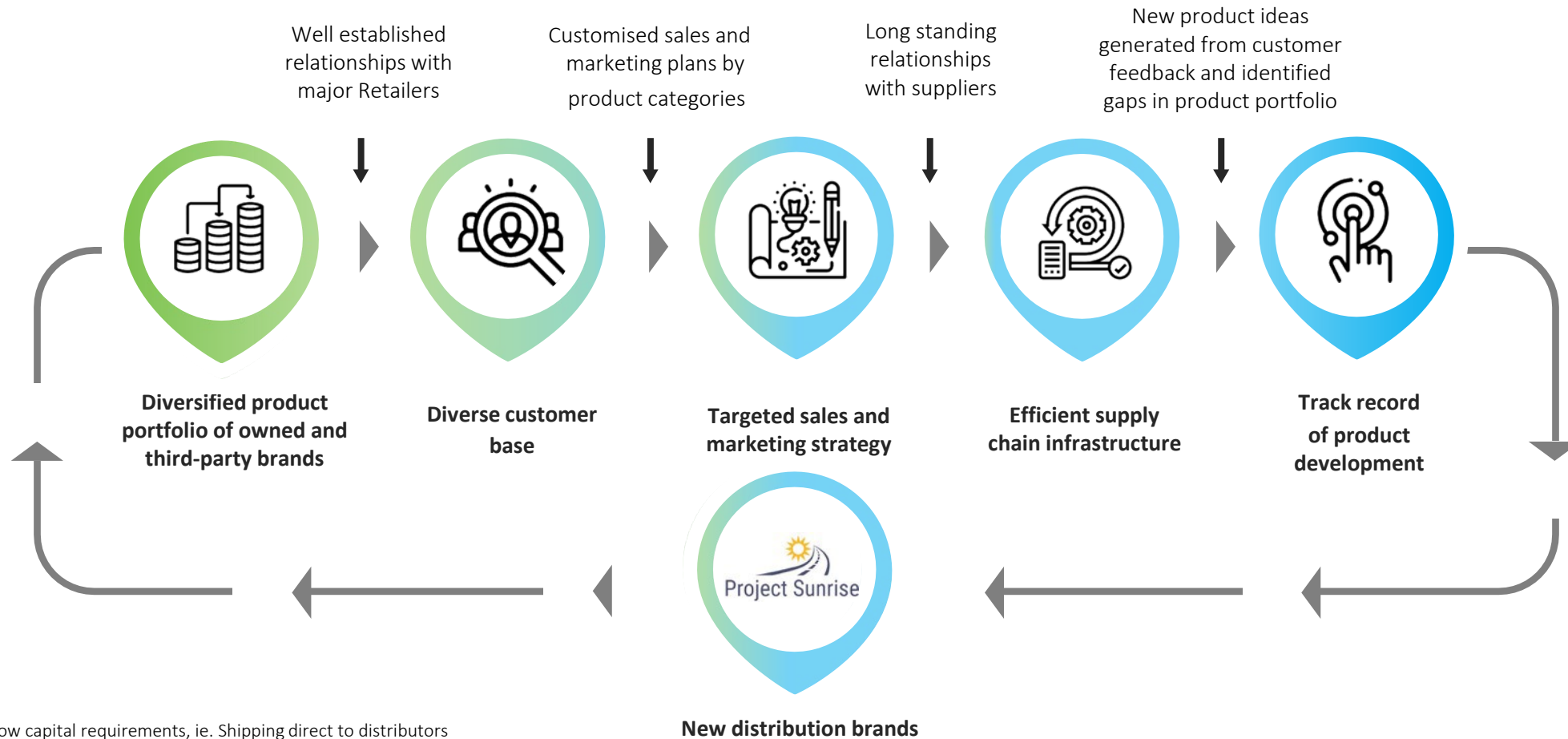
CASIO



FX8200 AU



Key Features of Shriro Business Model



• Note – Low capital requirements, ie. Shipping direct to distributors

Growth Strategies

ORGANIC



- New product releases.
- New distribution brand opportunities (Project Sunrise).

IN-ORGANIC

- Strong balance sheet.
- Dedicated executive on management team tasked with finding acquisition opportunities.
- EBITDA accretive acquisitions – with a focus on consumer related goods.
- Experienced Board.

CORE FOUNDATIONS

- Long term approach to manage growth.
- New product innovation – Company owned & distribution brands.
- Investment in advanced “ecommerce” capability.
- ERP upgrade 2024/25.
- 3PL – USA.
- Regular reviews of each product’s contribution.
- Staff development.

FY24 Outlook

- Previously reported guidance FY24 remains unchanged at \$15-\$17M EBITDA range.
- Uncertainty related to consumer spending and the broader macro economic conditions remains. Shriro – well placed with world class brands and market leadership in key categories such as school education.
- American Standard / Grohe - New Zealand business progressing well and meeting management’s expectations. A strong foundation is being established to meet the growth anticipated in FY25/26.
- New ERP implementation project has kicked off, with the completion date expected to be 1H FY25 (FY24 costs of \$1.6M included in the FY24 EBITDA guidance).
- Organic and inorganic growth opportunities are being pursued with board support.



I would like to thank the board for their counsel
and continued support.

I would also like to acknowledge & thank our staff for
their continued resilience, hard work and dedication,
particularly during these challenging times.

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