



SHRIRO HOLDINGS LIMITED (ASX: SHM)

TRADING AND STRATEGY UPDATE

17 July 2024

Shriro Holdings Limited (ASX: **SHM** or “**Shriro**”) details its seasonal products strategy and provides guidance on its FY24 forecast results.

SEASONAL PRODUCTS STRATEGY

Without the contributions towards expenses from the exited Australian Appliances business, Shriro has had to right size the costs of its seasonal products which includes BBQs, Robinhood, pizza ovens, cooling products and heaters. To do this, Shriro has developed a new strategy focusing on global sales; new product development and intellectual property; marketing to end consumers in each market; and opportunities through distribution partners.

In Australia, Shriro will exit its direct sales and in-house distribution effective from 30 June 2024 by appointing an Australian distributor, Worldwide Appliances Pty Ltd (known as Eurolinx). Eurolinx specialises in importing quality kitchen, laundry and outdoor appliances for the domestic market of Australia. The Eurolinx brands have a rich heritage aimed at the high-end consumer market.

Shriro’s US focus will be to distribute in the key south-east market, primarily Florida and to provide both an online and in-store offering. Shriro has entered a cooperative arrangement with Blaze Grills, owned by BBQ Guys, the number one on-line seller of premium grills in the US, to represent the Everdure brand in that market.

TRADING UPDATE

Shriro previously forecast FY24 EBITDA in the range of \$15M to \$17M.

For FY24, Shriro anticipates achieving approximately \$15.7M EBITDA , before any transition costs from the strategy outlined above are deducted. The Covid period brought forward consumer purchases in outdoor homeware products, as a result retailers were overstocked throughout FY24. The subdued global demand for BBQs and other outdoor homeware products negatively impacted revenue of the seasonal products. In response, Shriro focused on retailer sales, or sell-through of these products, which required some discounting and extra promotional activity. Management expects the retail/distribution channel stock levels to normalise in FY25.

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Releases of new product are expected in FY25 and FY26. Shriro forecasts growth in seasonal products over this period. As a result of the new seasonal product strategy and subsequent restructuring, there is approximately \$1.2M of one-off costs associated which will be recognised in FY24. The cost relates to redundancies, asset impairments, warranties and other costs associated with the transition to the new distributor in Australia. Consequently, Shriro's FY24 EBITDA is anticipated to be \$14.5M after accounting for these costs. There will be ongoing cost savings post implementation of the new strategy and restructuring which will be quantified in our FY24 results announcement.

The above forecast numbers are subject to audit.

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ABOUT SHRIRO

The Group is a leading consumer products marketing and distribution group operating in Australia, New Zealand, USA, China and exporting globally.

The Group markets and distributes an extensive range of Company-owned brands (including Everdure, Omega Altise & Robinhood) and third party owned brands (such as Casio, Pioneer, Grohe & American Standard). Products include calculators, watches, musical instruments, audio products, kitchen appliances, laundry, bathroom and sanitaryware products, consumer electronics, car audio, amplifiers, professional DJ, Hi-Fi/speakers, gas heaters, gas barbeques, pizza ovens, charcoal barbeques, electric heaters, and cooling products.

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