

24 May 2021

Chairman's Address

2020 will be remembered as one of the most challenging years in recent history on a number of fronts. The year started with the country recovering from an unprecedented bushfire season in terms of extent and intensity, only then to succumb to the sudden impact of COVID-19 which affected us all in ways that much of the community could never have imagined.

The company responded quickly to the Government enforced lock downs, with the health and safety of our people and our customers our primary concern. After a period of unexpected and tenuous trading conditions, the Company's results were buoyed by customers diverting discretionary spend from travel into enhancing their homes and lifestyle.

Revenue for the full year grew 11.2% over the prior corresponding period to \$191.3M. Trading Margins improved 50 basis points to 39.6%, whilst Operating Expenses decreased by 11.8% to \$43.5M compared to the prior corresponding period of \$49.3M. Operating Expenses were positively impacted by substantial one-off items. Those being Government Subsidies of \$3.7M and the Head Office Lease exit savings of \$2.3M.

In response to the initial business slow-down and the resultant revenue losses, the Board, management and staff participated in a program of salary reductions in an attempt to mitigate those losses. Notwithstanding the need for that initial cost cutting, as a result of the subsequent improved trading conditions and operating performance, all staff, with the exception of the CEO, CFO & Board were fully re-imbursed for the amount of salary reductions taken. The Board wish to recognise the continued support provided by all staff and management during that time of tremendous uncertainty.

Net Profit Before Tax increased to \$25.2M and Statutory Profit After Tax increased to \$18.2M being up 168.1% and 180.0%, respectively on the prior corresponding period.

Operating cash flow for the year was \$22.2M and the Balance Sheet as at December 31 was in a healthy position with \$17.6M of cash on hand and no debt.

A fully franked final dividend of 4.0 cents per share was declared bringing the full year dividend to 7.0 cents per share.

With the JobKeeper subsidies having now concluded, the initial uncertainty of what that may mean for the economy still remains longer term, although consumer and business sentiment seems to be pointing in the right direction for now. That being the case, we remain hopeful that a buoyant housing market and continued deployment of discretionary spend into domestic consumer durables will have a positive impact on the market segments in which we trade.

In addition to the positive sentiment on the domestic front, the Company is focussed on building a compelling BBQ category internationally and is seeing some positive early signs on this front. Whilst the U.S trade tariffs are causing some initial margin pressure in that region, the growth emanating from the European market is encouraging.

SHRIRO HOLDINGS LIMITED

Level 7, 67 Albert Avenue
Chatswood, NSW, 2067



Coming out of a period of cost consolidation, the Company commenced a new phase investing in key management roles and an information technology framework to ensure that it has the necessary expertise, skills, systems and processes in place to form the foundations necessary for sustainable long-term growth.

To further facilitate growth and as previously advised, the Board and Management will explore inorganic growth opportunities where they complement the strategic direction of the Company and can be value accretive. However, in the absence of that occurring, the Board and Management will reconsider the Balance Sheet position later in the year.

A final word of note is to confirm that the Company's end of year balance date will change to June 30 and as a result, future AGM's will be held in November of each year with the first to be held later this year.

On behalf of the Board, I wish to thank our Managing Director and CEO, Tim Hargreaves, the management team and all of our staff for their agility, hard work and ability to navigate swiftly through the change and challenges that the Government's response to COVID-19 generated. I would also like to recognise the service and contribution of our recently retired non-executive Director, Mr Vasco Fung after having served on the Board since 1997 and finally, I'd like to thank my fellow Directors and Company Secretary, along with our customers, suppliers and our shareholders for your ongoing support through what has been a tremendous period of change.

I will now hand over to Tim Hargreaves for his CEO's address. Thank you Tim.



SHRIRO

AGM PRESENTATION

24th May, 2021





SHM BOARD MEMBERS



Stephen Heath



Abigail Cheadle



Cheryl Hayman



Tim Hargreaves



SHRIRO

STEPHEN HEATH

Chair



2020

Full Year Results

	CY20	CHANGE	CY19
REVENUE	\$191.3M	+11%	172.1M
EBITDA	\$32.3M	+79%	\$18.0M
STATUTORY NPAT	\$18.2M	+180%	\$6.5M
CASH POSITION	\$17.6M	+193%	\$6.0M
FINAL DIVIDEND	4 Cents (Fully Franked)		3 Cents (Fully Franked)
TOTAL DIVIDENDS	7 cents (Fully Franked)		7 cents (Fully Franked)

CHAIRMAN'S ADDRESS

FY20 Results

- Revenue up 11.2% PCP (2nd half up 22.4% PCP)
- NPAT increased to \$18.2M up 180.0% PCP
- Business negatively impacted by Covid-19 in March and April 2020 before strong consumer demand for home products drove 22.5% revenue growth from 1 May 2020 to 31 December 2020 vs PCP
- Government subsidies of \$3.7M and head office lease exit gain of \$2.3M were one-off before tax benefits
- No borrowings with cash on hand of \$17.6M as at 31 December 2020
- Operating structure streamlined with increased e-commerce capability
- Fully franked dividends of 7 cents per share declared.



TIM HARGREAVES

Chief Executive Officer



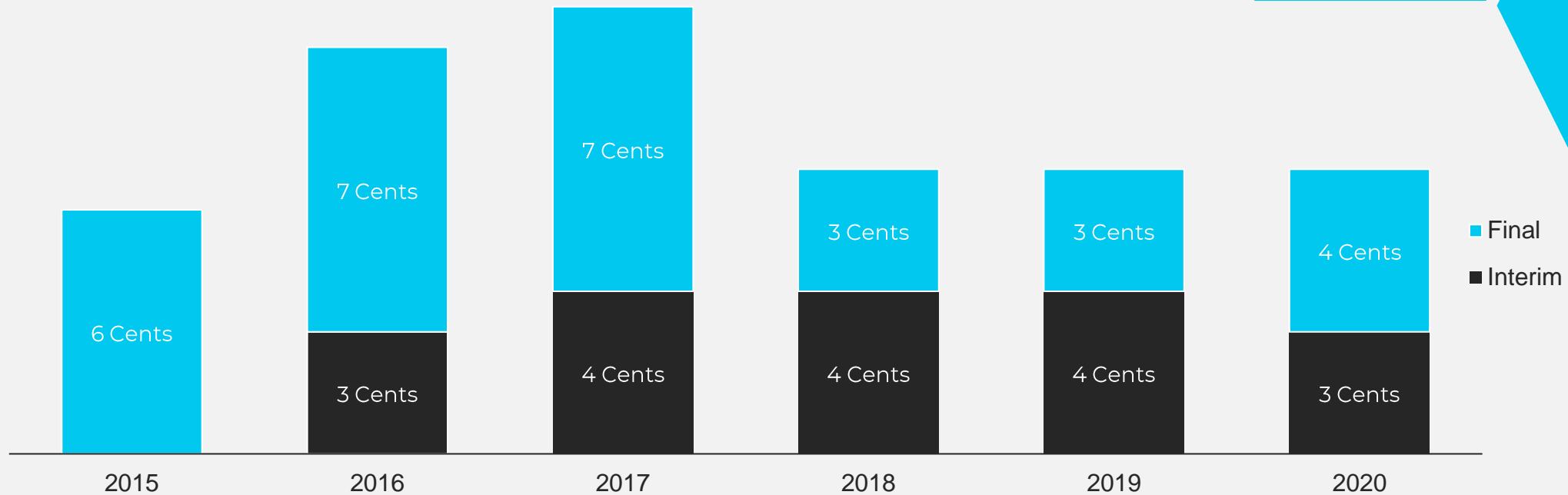
2020

Full Year – Executive Summary

- All 265 employees safe with no direct health impact related to Covid-19 . However, the Employee Assistance Program has been extended to all staff due to the challenges of the Covid- 19 working environment.
- Working from home (WFH) during Covid-19 related lockdowns and office move proved to be effective. WFH hybrid now rolled out to head office staff in the new head office located in Chatswood
- Full year revenue
 - \$191M +11.2% PCP
 - Record NPAT \$18.2M
 - Household related products (BBQ's, appliances, musical Instruments) benefited from consumers spending more time at home and on renovations
 - International revenue +65% PCP, boosted by increased demand for BBQs & commencing international distribution of the award-winning "Aura" air movement range.
- Strong balance sheet, zero debt, cash of \$17.6M
- Final phase of cost rationalisation complete

Dividend History

Fully Franked Dividends



- Total dividends of 48 cents in the 5.5 years since the IPO (share price of \$1.00 at IPO)

2021

Trading Update



38.3%
REVENUE PCP



- Revenue (Jan - Apr) \$57.9M +38.3% 2020 PCP and +15.5% 2019 PCP



INTERNATIONAL
128%
REVENUE PCP



- International revenue for the 6 months to June expected to be +128% vs 2020 PCP and + 271% vs 2019 PCP

- Supply chain and inventory supply pipeline remains stable.
- The market for new property development remains subdued, however, the Commercial Appliance Division has opportunistically invested in extra personnel to take advantage when conditions improve
- International BBQ sales are expected to continue to be the strongest growth category for Shriro
- Demand for Shriro's products remain strong as international borders remain closed and people spend more time at home.
- The Board is currently evaluating strategic options including capital deployment plans.

Company Strategy



2021

Company – Key Initiatives



International Expansion

- Boosted marketing investment & wider product range



Technology

- New ERP system evaluation underway, to support evolving requirements of the business
- Update search engine to optimise brand websites – Further improve brand/ product consumer engagement
- Upgrade E-commerce capabilities – Offer a wider product range to complement retail partner network
- Integrate CRM (salesforce) into the broader business – Reinforce brand experience with exceptional aftercare support



Infrastructure

- Evaluating infrastructure options to support international expansion
- Speed to market for international distributors
- Security over supply chain lead times



Product

- New product development schedule to be supported by additional resources to be allocated to accelerate



Human Resources

- Hybrid working environment for head office staff (3 days office / 2 days home)
- Learning & Development program expanded to further upskill staff and provide professional development
- Additional key resources added – CMO and CPO
- Specialised WHS consultant developing best practice to ensure staff are safe and healthy, including EAP programme

Australia

FY 2020/21 (Business Overview)

Appliances / Sinks & Taps

- New Omega Appliance range, combined with the buoyant home renovation market assisted in increasing 2020 revenue over 2019
- DIY channel revenues boosted, with the wide range offering of brands (Appliances, Sinks & Taps)
- Refreshed 2021 Omega Appliance range to be rolled out to the commercial and the broader retail distribution network Q2 2021
- While headwinds remain in the new multi – story residential market, the Commercial Division will be investing in additional resources, including a new CRM system



Australia

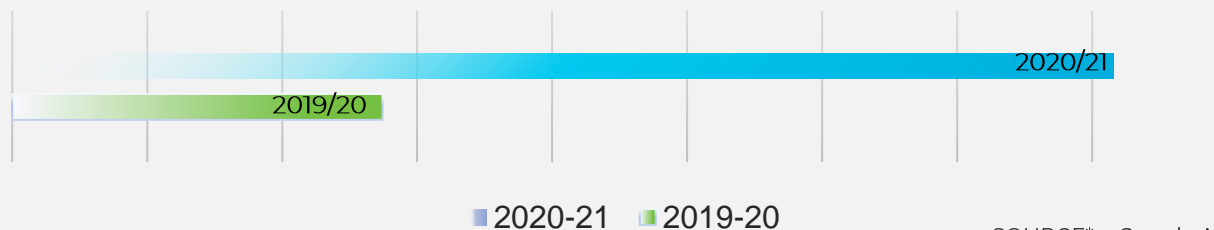
FY 2020/21 (Business Overview)

BBQ, Heating & Cooling

- EHB** brand established as Australia's premium BBQ brand
- BBQ E-commerce site launched to complement retail partners. Enhanced digital marketing strategy increased EHB website traffic in 2020
- Product "excellence" focus – key product components upgraded on heating and BBQ range to reinforce the premium offering
- Improved operational procedures to capitalise on the forecasted increase in BBQ demand
- Omega Altise – “Aura” air movement product, awarded the prestigious 2020 “Good Design” award

EHB WEBSITE VISITORS

+198%*



SOURCE* = Google Analytics
EHB** = Everdure by Heston Blumenthal



Australia

FY 2020/21 (Business Overview)

CASIO – GSHOCK, EMI, EDUCATION

- G-Shock Timepiece revenue improved significantly post COVID-19 retail lockdown in April 2020, supported by expanded digital marketing and successful new product releases
- EMI* new range of Digital Pianos with a higher ASP** and home “staycation” demand contributed to revenue increase well above 2019
- Education business continues to show growth with the number 1 selling school calculator model FX82AUCClassWiz
- Cash registers and Data Projectors discontinued beyond CY20 (no material EBITDA impact)

* EMI (Electronic Musical Instruments)

** ASP (Average Sell Prices)



New Zealand

FY 2020/21 (Business Overview)

ROBINHOOD, PIONEER & CASIO

- Revenue bounced back positively post COVID-19 related retail “lock down” in March – April 2020
- Updated Robinhood Appliance range continues to perform strongly, with a buoyant home renovation market
- Dedicated Commercial Division launched to supply appliances B2B to new multi-story / home builders
- Upgraded office facility in Auckland to complement the new showroom for Appliances
- Music related brands (Casio Keyboards and Pioneer DJ) continue to show positive growth with consumers spending more time at home
- New Casio school graphing calculator launched – FX9860GII
- Blanco sink & tap distribution to commence from CY21, targeting retail channels



International Markets

FY 2020/21 (Business Overview)

- Total 2020 International revenue was +65% PCP, with the European market sell through gaining momentum. Company revenue in Europe grew by 49% PCP with retailers reporting strong sell through of EBH range.
- USA market gaining traction, 2020 revenue +64% PCP, accelerated by the roll out of the Amazon E-commerce strategy
- International distribution network now established in 33 countries to more quickly scale BBQ revenue and leverage expansion into new product categories such as “Aura” air movement product (now distributed in UK and Germany).
- Local and Chinese supply chain resources to be added to assist in prompt delivery of stock to international markets.



International Revenue Growth

FY 2019 → FY 2020

+65%

1H 2020 → 1H 2021

***+128%**

*Internal revenue forecast

International Distribution Network of 33 Countries Established in 4 years

- Australia
- New Zealand
- USA
- Canada
- Taiwan
- South Africa/Namibia/Botswana/Zimbabwe/Mozambique/Mauritius
- Israel
- Russia
- Germany/Austria/Switzerland
- Denmark/Norway/Sweden/Finland/Iceland
- UK/Ireland
- Netherlands/Luxembourg/Belgium
- Spain/Portugal
- Slovenia, Dominican Republic
- Philippines/Vietnam
- Italy

International Markets

FY 2020/21 (Business Overview)

- With travel restrictions expected to continue into the northern hemisphere summer, BBQ marketing investment will be boosted to take advantage of increased cooking at home anticipated demand
- Strategy to be refined from the learnings from the prior season in Australia and to suit the various local geographic markets
- The successful 2020 strategy with Amazon (USA) to be expanded into 2021.



New Product Development

“Creating higher value propositions with award winning design & innovation”



ESTABLISH PRODUCT DNA



- Electric ignition charcoal
- Power pole rotisserie
- Clip-lock rotisserie forks
- Integrated/Bluetooth temperature probes
- Portable gas rotisserie with glass view window



LIFESTYLE



Updated Omega/Blanco Range



Everdure by Heston
Blumenthal Matte
Black Range

NEW DEVELOPMENTS



- G-Shock surf fitness watch
- Pioneer updated flagship model



GBX-100

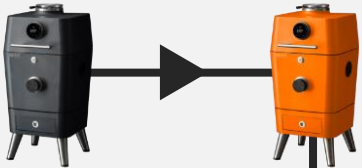


Pioneer CDJ3000

MAXIMISE PRODUCT LIFECYCLE

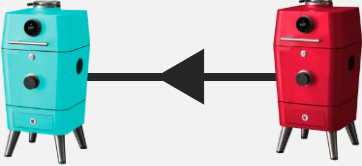


2018



Upgraded features with the same DNA

2025



Finally

I thank the Shriro team in Australia, New Zealand and China for their professionalism, spirit and sheer hard work during these challenging times





SHRIRO - 2021

QUESTIONS





SHRIRO - 2021

AGENDA ITEMS

1. Financial Statements and Reports
2. Remuneration Report
3. Election of Director – Abigail Cheadle



2021

Item 1. Financial Statements and Reports

To receive and consider the financial statements and reports of the directors and of the auditors for the year ended December 2020.

Note: No resolution is required for this item of business

2021

Item 2. Remuneration Report

The Remuneration Report for the year ended 31 December 2020 is adopted

RESOLUTION

Item 2. Remuneration Report

The Remuneration Report for the year ended 31 December 2020 is adopted

In Favour	Open	Against	Abstain
34,674,352	4,751,498	274,288	34,000

2021

Item 3. Election of Director – Abigail Cheadle

That Abigail Cheadle, being a Director of the Company who was appointed by the Directors on 9 June 2020, who retires under rule 8.1(c) of the Company's Constitution, and being eligible, is elected as a Director of the Company.

RESOLUTION

Item 3. Election of Director – Abigail Cheadle

That Abigail Cheadle, being a Director of the Company who was appointed by the Directors on 9 June 2020, who retires under rule 8.1(c) of the Company's Constitution, and being eligible, is elected as a Director of the Company.

In Favour	Open	Against	Abstain
34,854,585	4,747,798	120,220	11,535



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MEETING CLOSED





SHRIRO - 2021

QUESTIONS



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Shriro Holdings (SHM)

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