

# **SHRIRO HOLDINGS LIMITED**

**ACN 605 279 329**

## **Condensed Half Year Financial Report**

for the half year ended

31 December 2023

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# Appendix 4D

## Results for announcement to the market

	Half year to 31 December 2023 \$million	Half year to 31 December 2022 \$million	Movement %
Revenue from ordinary activities	64.2	84.4	(23.9)
EBITDA	10.4	12.4	(16.1)
Profit from ordinary activities before tax	8.5	9.5	(10.5)
Profit from ordinary activities after tax attributable to members	5.8	6.3	(7.9)
Basic earnings per share (cents per share)	6.0	6.6	(9.1)
Diluted earnings per share (cents per share)	5.9	6.4	(7.8)
	Amount per security	Percentage franked	
Final 2023 dividend paid on 28 September 2023	6.5	100%	
Interim 2024 dividend declared on 22 February 2024	2.0	100%	
Return of capital paid on 4 January 2024	18.5	N/A	
	31 December 2023	31 December 2022	
Net tangible assets per share (cents per share)	48.8	69.5	
Diluted net tangible assets per share (cents per share)	47.9	68.2	

An explanation of the above figures is contained in the 'Results and Review of Operations' included within the attached directors' report.

On 22 February 2024, the Directors declared an interim dividend for the half-year 31 December 2023 of 2.0 cents per share fully franked with an ex-dividend date of 14 March 2024, a record date of 15 March 2024 and payable on 5 April 2024.

### Control gained over entities in the half-year

On 28 December 2023, Shriro Australia Pty Limited (wholly owned subsidiary of Shriro Holdings Limited) acquired 100% of the issued capital of Shriro (Guangzhou) Company Limited. The contribution of the acquisition to Shriro Holding Limited's profit from ordinary activities during the period is not material.

# Corporate Governance Statement

The Board and management of Shriro Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) are committed to effective corporate governance in order to ensure accountability and transparency to shareholders and other stakeholders, including customers, employees and regulatory bodies. The Company has adopted, and has substantially complied with, the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (‘the Recommendations’) to the extent appropriate to the size and nature of the Group’s operations.

The Company prepared a statement which set out the corporate governance practices for lodgement with the Company’s 2023 Annual Report, these practices continued to be in operation through-out the half year (Corporate Governance Statement).

The Corporate Governance Statement approved by the Board was lodged with the ASX on 24 August 2023 and can also be found on the Company’s website at [https://www.shriro.com.au/investor/corporate\\_governance](https://www.shriro.com.au/investor/corporate_governance).

# Directors' Report

The Directors present their report in compliance with the provisions of the *Corporations Act 2001* for Shriro Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the half year ended 31 December 2023.

## DIRECTORS AND OFFICERS

Directors of Shriro Holdings Limited during the half year ended 31 December 2023 were:

Abigail Cheadle – Independent Chair

Brian Bunker – Non-independent Director

John Murphy – Non-independent Director

Tim Hargreaves – Managing Director

The joint Company Secretaries during the half year ended 31 December 2023 were Shane Booth and Kerry Smith.

## PRINCIPAL ACTIVITIES

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

The Group markets and distributes an extensive range of Company-owned brands (including Everdure by Heston, Omega Altise and Robinhood) and third party owned brands (such as Casio, Pioneer, Grohe and 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 barbecues, pizza ovens, charcoal barbecues, electric heaters and cooling products.

## RESULTS AND REVIEW OF OPERATIONS

Results summary	Total results summary			Continuing operations only <sup>1</sup>		
	Half year to 31 December 2023 \$million	Half year to 31 December 2022 \$million	Movement %	Half year to 31 December 2023 \$million	Half year to 31 December 2022 \$million	Movement %
<b>Revenue from ordinary activities</b>	64.2	84.4	(23.9)	64.1	65.9	(2.7)
<b>Gross margin</b>	47.0%	43.1%	3.9pp	46.8%	45.0%	1.8pp
<b>Operating expenses</b>	19.8	24.0	(17.5)	19.6	17.7	10.7
<b>EBITDA</b>	<b>10.4</b>	<b>12.4</b>	<b>(16.1)</b>	<b>10.4</b>	<b>12.0</b>	<b>(13.3)</b>
<b>Depreciation and amortisation</b>	2.2	2.6	(15.4)	1.8	1.8	-
<b>Interest</b>	(0.3)	0.3	(200.0)	(0.3)	0.2	(250.0)
<b>Profit before tax</b>	8.5	9.5	(10.5)	8.9	10.0	(11.0)
<b>Profit after tax</b>	<b>5.8</b>	<b>6.3</b>	<b>(7.9)</b>	<b>6.1</b>	<b>6.6</b>	<b>(7.6)</b>

Shriro's revenue for 1H FY24 was \$64.2M down 23.9% pcp, due mainly to the exit of the Australian Appliances business and sale of the Australian Omega brand. Revenue from continuing operations was 2.7% down on pcp, as consumer demand in New Zealand was subdued and there was excess BBQ inventory globally, which slowed Shriro's export product sales to retailers. However, sell through of products out of retailers to end consumers remained strong for Shriro's products, despite the cost-of-living pressure created from rising interest rates and supply constraints.

Shriro exited its Australian Appliances operations in FY23, although there remained excess warehouse capacity in 1H FY24, 1 January 2024 this capacity has been utilised via a third-party under a service agreement, not yet executed, which will offset Shriro's costs in FY25 by \$1.1M per year.

Earnings before interest, tax, depreciation and amortisation ('EBITDA') was \$10.4M, down 16.1% pcp. Net profit after tax was \$5.8M (1H23: \$6.3M). Shriro's ERP implementation commenced September 2023 and is progressing as expected, with \$0.5M of costs being directly incurred in the first half.

<sup>1</sup> Continuing operations excludes the Australian Appliances business which was discontinued during the second half of FY23.

Casio Australia's sales grew by 9%, with calculators and watches continuing to be the best performing products. Shriro strategically discounted its BBQ products and as a result, continued to sell well in an overstocked retailer environment, with Australian BBQ sales increasing 10% pcp.

New Zealand sales were down 10% overall, due primarily to subdued consumer spending as interest rate increases have occurred at a faster rate than Australia.

Shriro's Everdure BBQ revenue was down 4% due to decreased global consumer demand for outdoor products. Shriro's international BBQ sales usually improve in the second half, as a portion of expected first half orders have moved into the second half. Shriro has sold out of its newly developed Everdure Kiln pizza oven in Australia and has presold the majority of its remaining Q3 FY24 shipments. Shriro is confident the new Everdure Kiln will continue to be well received by consumers globally. Shriro has now reduced its excess BBQ inventory for the Australian market. Sales for the USA market grew by 42% pcp.

Operating expenses were reduced to \$19.8M, down on the prior period by 17.5%. Shriro reduced expenses following the Australian Appliances exit and the Australian Omega brand sale, with the targeted cost reduction project finalised.

#### **Statement of financial position and statement of cashflows**

Net operating cash inflows for the period were \$3.5 million. The Group had built up excess BBQ working capital in response to supply chain constraints which normalised in 1H FY24.

The Group's statement of financial position includes a payable of \$17.8M for the capital return which was paid on 4 January 2024. Shriro is comfortable with its cash position to fund continuing operations and dividends post the capital return payment. Shriro's balance sheet at period end reflects the business without any net assets relating to Australian appliances. There is a small amount of inventory to be sold or disposed of, however this is valued at zero on the balance sheet. Shriro has received all monies owing from the Australian appliances exit. Shriro's balance sheet has no borrowings, \$50.1M of net assets and tangible asset backing of 48.8 cents per share.

### **BUSINESS STRATEGY AND RISK**

#### **Strategies**

Shriro will continue to place a high priority on organic and inorganic growth opportunities and identifying any potential opportunities for cost rationalisation and savings to maximise shareholder returns.

The Group aims to continue to grow through:

- continual product development and range extensions;
- geographic expansion;
- channel diversification;
- mergers and acquisitions; and
- adding new third-party brands to the portfolio.

#### **Risks**

The key risks for the business are:

- change in consumer spending patterns throughout the year;
- customers delisting products;
- supply chain disruptions;
- deterioration in economic conditions;
- loss of brand distribution rights;
- loss of key personnel;
- changing tax and tariff rates;
- foreign exchange movements; and
- cyber incidents.

### **EARNINGS PER SHARE AND DIVIDENDS**

The basic and diluted earnings per share are calculated using the weighted average number of shares. The Group has basic earnings per share of 6.0 cents (six months to 31 December 2022: 6.6 cents) and diluted earnings per share of 5.9 cents (six months to 31 December 2022: 6.4 cents).

On 22 February 2024, the Directors declared an interim dividend relating to the period ending 31 December 2023 of 2.0 cents per share fully franked with an ex-dividend date of 14 March 2024, a record date of 15 March 2024 and payable on 5 April 2024.

### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration (which forms part of the Directors' report) has been received and is included on page 7 of this report.

### **ROUNDING OFF OF AMOUNTS**

The Company has applied the relief available under *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the Directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

**SHRIRO HOLDINGS LIMITED  
ABN 29 605 279 329  
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF SHRIRO HOLDINGS LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Shriro Holdings Limited. As the lead audit partner for the review of the financial report of Shriro Holdings Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**

Partner

Dated: 22 February 2024

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Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352 [www.hallchadwick.com.au](http://www.hallchadwick.com.au)

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s306(3)(a) of the *Corporations Act 2001*.



Abigail Cheadle  
Chair  
22 February 2024



Tim Hargreaves  
Chief Executive Officer and Managing Director  
22 February 2024

# Condensed Consolidated Statement of Profit or Loss

for the half year ended 31 December 2023

Note	Half year to 31 December 2023 \$'000	Half year to 31 December 2022 \$'000
Revenue from ordinary activities	64,096	65,912
Raw materials and consumables used	(34,075)	(36,167)
Other income	475	449
Employee benefits expense	(9,935)	(9,738)
Advertising and promotion expenses	(1,680)	(1,310)
Freight and delivery expenses	(2,895)	(2,527)
Depreciation and amortisation expenses	(1,855)	(1,901)
Other expenses	(4,635)	(3,874)
Occupancy costs	(697)	(785)
Other gains and losses	(227)	136
Finance costs	323	(212)
<b>Profit before tax from continuing operations</b>	<b>8,895</b>	<b>9,983</b>
Income tax expense	(2,836)	(3,353)
Profit after tax from continuing operations	6,059	6,630
Loss after tax from discontinued operations	(273)	(366)
<b>Profit for the year</b>	<b>5,786</b>	<b>6,264</b>
<b>Earnings per share from continuing and discontinued operations</b>		
Basic (cents per share)	4.2	6.0
Diluted (cents per share)	4.2	5.9
<b>Earnings per share from continuing operations</b>		
Basic (cents per share)	4.2	6.3
Diluted (cents per share)	4.2	6.2
<b>Earnings per share from discontinued operations</b>		
Basic (cents per share)	4.2	(0.3)
Diluted (cents per share)	4.2	(0.3)

The condensed consolidated statement of profit or loss should be read in conjunction with the notes to the financial statements.

# Condensed Consolidated Statement of Other Comprehensive Income

for the half year ended 31 December 2023

Note	Half year to 31 December 2023 \$'000	Half year to 31 December 2022 \$'000
<b>Profit after tax for the period</b>	<b>5,786</b>	<b>6,264</b>
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in the fair value of cash flow hedges taken to equity	(123)	325
Exchange differences on translation of foreign operations	278	630
Other comprehensive income for the year, net of tax	<b>155</b>	<b>955</b>
<b>Total comprehensive income for the period attributable to the owners of Shriro Holdings Limited</b>	<b>5,941</b>	<b>7,219</b>

The condensed consolidated statement of other comprehensive income should be read in conjunction with the notes to the financial statements.

# Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 December 2023 \$'000	30 June 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents	4.1	28,254	32,777
Trade and other receivables		22,863	15,888
Inventories		23,893	27,057
Other assets		962	1,433
Current tax receivable		206	1,516
Derivative receivable		12	164
<b>Total current assets</b>		<b>76,190</b>	<b>78,835</b>
<b>Non-current assets</b>			
Right of use assets		9,996	11,381
Plant and equipment		3,399	3,672
Deferred tax assets		3,031	3,982
<b>Total non-current assets</b>		<b>16,426</b>	<b>19,035</b>
<b>Total assets</b>		<b>92,616</b>	<b>97,870</b>
<b>Current liabilities</b>			
Trade and other payables		8,222	10,421
Capital return payable		17,837	-
Lease liability		2,877	2,761
Current tax liabilities		405	79
Provisions		3,517	5,230
Derivative payable		703	801
<b>Total current liabilities</b>		<b>33,561</b>	<b>19,292</b>
<b>Non-current liabilities</b>			
Lease liability		8,069	9,516
Provisions		875	863
<b>Total non-current liabilities</b>		<b>8,944</b>	<b>10,379</b>
<b>Total liabilities</b>		<b>42,505</b>	<b>29,671</b>
<b>Net assets</b>		<b>50,111</b>	<b>68,199</b>
<b>Equity</b>			
Issued capital	4.1	77,952	95,789
Retained earnings		49,542	50,023
Reserves		(77,383)	(77,613)
<b>Total equity</b>		<b>50,111</b>	<b>68,199</b>

The condensed consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

# Condensed Consolidated Statement of Changes in Equity

for the half year ended 31 December 2023

	Issued capital \$'000	Group Reorganisation Reserve \$'000	Cash Flow Hedging Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Settled Benefits Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance as at 1 July 2022</b>	<b>95,178</b>	<b>(78,585)</b>	<b>(234)</b>	<b>1,007</b>	<b>(962)</b>	<b>50,730</b>	<b>67,134</b>
Profit for the period	-	-	-	-	-	6,264	6,264
Other comprehensive income for the period	-	-	325	630	-	-	955
Total comprehensive income	-	-	<b>325</b>	<b>630</b>	-	<b>6,264</b>	<b>7,219</b>
Dividends paid	-	-	-	-	-	(3,825)	(3,825)
Transfer from reserve to retained earnings	-	-	-	-	1,311	(1,311)	-
Share-based payments reserve (net of tax)	-	-	-	-	117	-	117
<b>Balance as at 31 December 2022</b>	<b>95,178</b>	<b>(78,585)</b>	<b>91</b>	<b>1,637</b>	<b>466</b>	<b>51,858</b>	<b>70,645</b>
<b>Balance as at 1 July 2023</b>	<b>95,789</b>	<b>(78,585)</b>	<b>(429)</b>	<b>1,248</b>	<b>153</b>	<b>50,023</b>	<b>68,199</b>
Profit for the period	-	-	-	-	-	5,786	5,786
Other comprehensive income for the period	-	-	(123)	278	-	-	155
Total comprehensive income	-	-	<b>(123)</b>	<b>278</b>	-	<b>5,786</b>	<b>5,941</b>
Dividends paid	-	-	-	-	-	(6,267)	(6,267)
Capital return	(17,837)	-	-	-	-	-	(17,837)
Transfer from reserve to retained earnings	-	-	-	-	-	-	-
Share-based payments reserve (net of tax)	-	-	-	-	75	-	75
<b>Balance as at 31 December 2023</b>	<b>77,952</b>	<b>(78,585)</b>	<b>(552)</b>	<b>1,526</b>	<b>228</b>	<b>49,542</b>	<b>50,111</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

## Shriro Holdings Limited

# Condensed Consolidated Statement of Cash Flows

for the half year ended 31 December 2023

Note	Half year to 31 December 2023 \$'000	Half year to 31 December 2022 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	63,835	93,103
Receipts from other income	321	302
Payments to suppliers and employees	(60,773)	(92,297)
Interest income	567	55
Finance costs paid	(304)	(386)
Income taxes paid	(131)	(2,118)
Net cash provided by/(used in) operating activities	<b>3,515</b>	<b>(1,341)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of plant and equipment	54	8
Payment for plant and equipment	(543)	(1,254)
Net proceeds from termination of Blanco distribution	-	1,841
Net cash by/(used in) investing activities	<b>(489)</b>	<b>595</b>
<b>Cash flows from financing activities</b>		
Payments for the principal portion of lease liabilities	(1,352)	(1,899)
Dividends paid	(6,267)	(3,825)
Net cash used in financing activities	<b>(7,619)</b>	<b>(5,724)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,593)</b>	<b>(6,470)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>32,777</b>	<b>12,869</b>
Effects of exchange rate changes on cash	70	(3)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>28,254</b>	<b>6,396</b>

The consolidated statement of cash flows should be read in conjunction with the Notes to the financial statements.

# Basis of Preparation

## **Corporate information**

The Condensed Half Year Financial Report was authorised for issue by the Directors on 22 February 2024 in accordance with a resolution of the Directors. Shriro is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The nature of operations and principal activities of the Group is to market and distribute kitchen appliances, laundry, bathroom and sanitaryware products, and consumer goods in Australia and New Zealand and to international customers.

## **Basis of preparation**

The Condensed Half Year Financial Report comprises the Directors' Report and the half year consolidated financial statements. The half year consolidated financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half year consolidated financial statements comprise the financial statements of Shriro Holdings Limited and its subsidiaries as at 31 December 2023.

The Condensed Half Year Financial Report does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's Annual Report as at 30 June 2023.

The accounting policies adopted in the preparation of the half year consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 30 June 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in the financial year ended 30 June 2024, but do not have an impact on the condensed half year consolidated financial statements of the Group.

The half year consolidated financial statements have been prepared on the basis of historical cost, except for the measurement of derivative financial instruments and share based payment transactions, which have been measured at fair value. The financial statements are presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated in accordance with *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*.

# 1. Trading Operations

## 1.1 Segment information

### 1.1.1 Primary operating segments

Operating segments are reported in a manner which is consistent with the internal reporting provided to the chief operating decision makers ('CODM'). The CODM has been identified as the Board of Directors of the Company. The internal reports reviewed by the CODM, which are used to evaluate the financial performance of the Group and make strategic decisions on at least a monthly basis, are separated into the Group's primary operating segments. Segment results are evaluated on a profit after tax and earnings before interest, tax and depreciation and amortisation basis. Geographical operating segments are based on the location of the customer.

- **Australia**  
Home appliances, watches, calculators, electronic musical instruments, pizza ovens, and barbeques
- **New Zealand**  
Home appliances, watches, calculators, electronic musical instruments, barbeques, pizza ovens and audio equipment
- **Rest of the world**  
Cooling products, barbeques, pizza ovens and accessories

### 1.1.2 Segment result

The information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Half year ended 31 December 2023	Australia \$'000	New Zealand \$'000	Rest of the world \$'000	Total \$'000	Less: discontinued operations \$'000	Continuing operations \$'000
Revenue from ordinary activities	39,324	21,570	3,339	64,233	137	64,096
Earnings before interest, tax, depreciation and amortisation	7,764	3,570	(937)	10,397	(30)	10,427
Depreciation and amortisation expense	(1,473)	(627)	(45)	(2,145)	(290)	(1,855)
<b>Profit before interest and income tax</b>	<b>6,291</b>	<b>2,943</b>	<b>(982)</b>	<b>8,252</b>	<b>(320)</b>	<b>8,572</b>
Interest expense				253	(70)	323
<b>Profit before income tax</b>				<b>8,505</b>	<b>(390)</b>	<b>8,895</b>
Income tax expense				(2,719)	117	(2,836)
<b>Net profit after income tax</b>				<b>5,786</b>	<b>(273)</b>	<b>6,059</b>
Segment assets 31 December 2023	64,345	23,902	4,369	<b>92,616</b>		
Segment liabilities 31 December 2023	34,879	7,374	252	<b>42,505</b>		

Half year ended 31 December 2022	Australia \$'000	New Zealand \$'000	Rest of the world \$'000	Total \$'000	Less: discontinued operations \$'000	Continuing operations \$'000
Revenue from ordinary activities	56,092	24,217	4,083	84,392	18,480	65,912
Earnings before interest, tax, depreciation and amortisation	9,177	4,104	(893)	12,388	352	12,036
Depreciation and amortisation expense	(2,035)	(568)	(10)	(2,613)	(774)	(1,839)
<b>Profit before interest and income tax</b>	<b>7,142</b>	<b>3,536</b>	<b>(903)</b>	<b>9,775</b>	<b>(422)</b>	<b>10,197</b>
Interest expense				(314)	(100)	(214)
<b>Profit before income tax</b>				<b>9,461</b>	<b>(522)</b>	<b>9,983</b>
Income tax expense				(3,197)	156	(3,353)
<b>Net profit after income tax</b>				<b>6,264</b>	<b>(366)</b>	<b>6,630</b>
Segment assets 30 June 2023	68,334	25,966	3,570	<b>97,870</b>		
Segment liabilities 30 June 2023	22,510	6,525	637	<b>29,672</b>		

## 2. Assets and Liabilities

### 2.1 Fair value measurement of financial instruments

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Assets at fair value:</b>		
Forward exchange contracts receivable	12	164
<b>Liabilities at fair value:</b>		
Forward exchange contracts payable	703	801

All assets and liabilities for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Forward foreign exchange contract derivatives are carried on the balance sheet at fair value and are included in level two of the fair value hierarchy. The fair value has been determined by reference to the relevant spot rate at period end, the fair value of forward exchange contracts is determined using forward exchange market rates at the end of the period. There have been no transfers between the levels in the fair value hierarchy (30 June 2023: none).

## 3. Investment and Financing

### 3.1 Borrowings

During the half year ended 31 December 2023, the Group had a non-cash guarantee facility of \$11,000,000. Under the terms of this facility, financial institutions provide guarantees to the Group's suppliers and property owners in the form of Letters of Credit and Bank Guarantees. These Letters of Credit and Bank Guarantees act like insurance and provide assurance to suppliers and property owners that payment up to the amount of the guarantees will be made if certain documentary conditions are met. The Group has no obligation to make any payments under this non-cash facility.

At 31 December 2023 the Group did not have a cash facility in place (30 June 2023: none).

The Group's facilities are denominated in Australian dollars and variable interest rates apply. All assets of the Group have been pledged to secure the borrowings of the Group with ANZ.

The facilities have financial covenants relating to fixed charge cover ratio, borrowing base cover ratio and leverage ratio. The Group is compliant with all financial covenants.

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Banking facility</b>		
<b>Non-cash guarantee facility</b>	11,000	11,000
Total Group facility	<b>11,000</b>	<b>11,000</b>

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Utilisation of non-cash guarantees facility</b>		
Utilised – non-cash	5,651	6,535
Unutilised limit available for use	5,349	4,465
Total non-cash guarantees facility	<b>11,000</b>	<b>11,000</b>

## 4. Shareholder Equity

### 4.1 Issued capital

96,415,670 fully paid ordinary shares (30 June 2023: 96,415,670)

31 December 2023 \$'000	30 June 2023 \$'000
95,789	95,789

Date	Details
1 July 2023	Opening balance
20 December 2023	Effective date of capital return
31 December 2023	Closing balance

Value of Shares \$'000	Number of Shares
95,789	96,415,670
(17,837)	-
77,952	96,415,670

On 22 September 2023, the Company announced it would distribute 18.5 cents per share to its shareholders by way of an equal reduction of share capital. The effective date of the capital return was 20 December 2023 and the record date was 27 December 2023. The capital return was paid on 4 January 2024 therefore reducing the cash balance by \$17.8m shortly after period end (31 December 2023: \$28.3m).

### 4.2 Earnings per share

From continuing and discontinued operations:

Basic earnings per share	6.0	6.6
Diluted earnings per share	5.9	6.4

From continuing operations:

Basic earnings per share	6.3	7.0
Diluted earnings per share	6.2	6.8

From discontinued operations:

Basic earnings per share	(0.3)	(0.4)
Diluted earnings per share	(0.3)	(0.4)

Half year to 31 December 2023 Cents per share	Half year to 31 December 2022 Cents per share
6.0	6.6
5.9	6.4
6.3	7.0
6.2	6.8
(0.3)	(0.4)
(0.3)	(0.4)

### 4.3 Dividends

On 22 February 2024 the Directors declared an interim dividend of 2.0 cents per share fully franked with an ex-dividend date of 14 March 2024, a record date of 15 March 2024 and payable on 5 April 2024.

On 28 September 2023, the Group paid the final dividend for the period 1 January 2023 to 30 June 2023 of 6.5 cents per share fully franked.

## 5. Group Structure and Key Management

### 5.1 Key management personnel compensation

The remuneration of key management personnel is disclosed in the audited remuneration report which is included in the 2023 Annual Report.

During the half year ended 31 December 2023, CEO Tim Hargreaves was issued with 372,965 performance rights (2022: 316,751) and CFO Shane Booth was granted 181,820 performance rights (2022: 154,416). The fair value of these rights is \$332,832.

Each performance right is a right to receive one fully paid ordinary share in the capital of the Company subject to the satisfaction of performance conditions, for nil consideration. The performance conditions are measured over a three-year period from 1 July 2023 to 30 June 2026.

The Board of Directors approves on an annual basis the amounts of compensation for Directors up to the shareholder approved limit and key management personnel with reference to the Group's performance and general compensation levels in equivalent companies and industries.

## 6. Other Notes

### 6.1 Events after the reporting date

On 4 January 2024, the Company paid the return of capital of 18.5 cents per share to its shareholders. The total amount paid was \$17,836,899.

Other than the matters disclosed in Note 4.3 of the Financial Report, there has been no other matter or circumstance, occurring subsequent to the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 6.2 Changes to comparative information

Where management has considered it appropriate to achieve a more relevant and reliable presentation of the Group's financial performance, the presentation of certain items in the Condensed Half Year Financial Report has changed since the prior period. Where this re-presentation of results requires reclassification of comparative amounts, the comparatives have been re-presented to achieve more relevant and reliable presentation of comparability.

### 6.3 Commitments and contingencies

There has been no change in capital commitments, contingent liabilities, or contingent assets since the last annual reporting report.

# Directors' Declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
- (b) in the Directors' opinion, the attached financial statements, and notes thereto, have been prepared in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated Group.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Abigail Cheadle  
Chair  
Sydney, 22 February 2024



Tim Hargreaves  
Chief Executive Officer and Managing Director  
Sydney, 22 February 2024

SHRIRO HOLDINGS LIMITED  
ABN 29 605 279 329  
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF SHRIRO HOLDINGS LIMITED

*Conclusion*

We have reviewed the half-year financial report of Shriro Holdings Limited (the company) and its controlled entities (the group), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit and loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Responsibility of the Directors for the Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility for the Review of the Financial Report*

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

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SHRIRO HOLDINGS LIMITED  
ABN 29 605 279 329  
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF SHRIRO HOLDINGS LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**

Partner

Dated: 22 February 2024

# Company Information

## **Directors**

Abigail Cheadle  
Independent Non-Executive Chair

Tim Hargreaves  
Chief Executive Officer and Managing Director

Brian Bunker  
Non-Independent Non-Executive Director

John Murphy  
Non-Independent Non-Executive Director

## **Joint company secretaries**

Shane Booth

Kerry Smith

## **Registered office and principal place of business**

Level 7, 67 Albert Avenue  
Chatswood NSW 2067  
Tel: +61 2 9415 5000  
Website: [shriro.com.au](http://shriro.com.au)

## **ABN**

Shriro Holdings Limited 29 605 279 329

## **Share registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

## **Auditors**

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

## **Bankers**

Australia and New Zealand Banking Group Limited