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SHRIRO HOLDINGS (SHM)

6 MONTHS TO 31 DECEMBER 2023 - Half Year Results Presentation

Tim Hargreaves, Chief Executive Officer | 22 February 2024

CASIO EVERDURE everdure by heston blumenthal Pioneer Robinhood omega GROHE American Standard

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

6 months to 31 December 2023

Executive Summary

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- Revenue from continuing operations was $64.1M, down 2.7% pcp due to subdued NZ consumer and European BBQ products demand.
- USA sales grew 42% vs pcp, with sales of gas BBQs and the new Pizza oven range the main contributors.
- Higher gross profit margin, due to the new product mix post the exit of the Australian appliances business.
- EBITDA was $10.4M, down 16.1% vs pcp, it was as per managements expectations with the exit of Australian appliances and the commencement of the new ERP project and associated implementation costs.
- ERP project progressing on schedule and within budget. $0.5M of cost incurred in 1H24.
- Capital return of $0.185 declared in 1H24 and paid $17.8M on 4 January 2024.
- Shriro has zero debt and cash of $19.0M as at 16 February 2024.

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6 months to 31 December 2023

Results for continuing operations

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	July - December 2023	Change	July – December 2022
Revenue	$64.1M	-2.7%	$65.9M
EBITDA	$10.4M	-13.3%	$12.0M
NPAT	$6.1M	-7.6%	$6.6M
Cash Position	$28.3M*	+342.2%	$6.4M
Capital Return Paid January	18.5 Cents*		
Dividend Declared February	2.0 Cents (Fully Franked)		3.5 Cents (Fully Franked)
Dividend Paid September	6.5 Cents (Fully Franked)		4.0 Cents (Fully Franked)

* $17.8M capital return paid 4 January 2024

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6 months to 31 December 2023

Australasian Market

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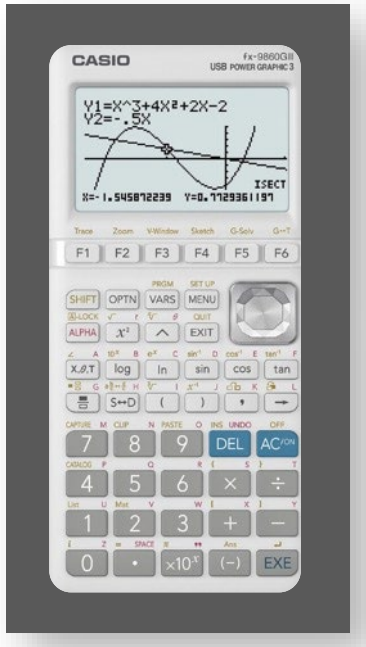
- Revenue was down 24.2% pcp with the exit of the Australian Appliances business occurring in Q3 FY23 however gross margin as a percentage of sales was 48.6% (41.2% 1H23).
- Everdure by Heston BBQs grew in Australia by 9%, which normalised the previously excess BBQ inventory.
- The new Everdure Kiln Pizza oven product continues to sell very well with the majority of Q3 FY24 shipments presold in the Australian market.
- The Casio business continues to grow, led by school calculators growth and G-Shock watches.
- The Appliance business was discontinued in FY23 with the majority of the cost rationalisation also occurring in FY23. The remaining warehouse over capacity (costing $0.5M in 1H24) was addressed 1 January 2024 and will offset costs by $1.0M+ from FY25 onwards.
- NZ revenue was down 10.4% with lower consumer demand resulting from higher interest rates, however the gross profit margins were stronger, assisted by the lower container prices.



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6 months to 31 December 2023

International Market

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- Revenue was down 18.2% pcp, however the first half is the winter season for the Northern hemisphere, traditionally considered the low season and the least relevant for global BBQ sales. The reduced global demand for outdoor products has resulted in retailers being overstocked in BBQs. Despite this, Shriro has received positive feedback on the new Everdure Kiln product and anticipates growth to continue in FY25.
- The global supply chain now has spare capacity and shipping costs were lower than 1H23.
- USA revenue grew 42% pcp. from a small base. Shriro continues to focus on this market for growth.
- The new product pipeline is on on-track to deliver the new products planned for release in FY25. Consumer research has been positive from key international markets.

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Growth Strategies

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ORGANIC

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

IN-ORGANIC

- Executive tasked with finding acquisition opportunities
- EBITDA accretive acquisitions – with a focus on consumer related goods
- Proven track history - 4 acquisitions before the ASX float
- Experienced Board

CORE FOUNDATIONS

- Investment in advanced “e-commerce” capability
- ERP upgrade FY24/25
- Staff development

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FY24 Outlook

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- Shriro continues to have no debt and reaffirms its guidance for FY24 EBITDA anticipated to be in the range of $15M to $17M.
- Included in the above EBITDA guidance is the implementation cost of the new ERP system of $1.6M in FY24, which is progressing as expected. The ERP system will be implemented over FY24 and FY25, with the remaining cost in FY25.
- Shriro is currently evaluating further brands to potentially distribute in Australia and New Zealand, while continuing its considered approach to acquisitions.
- Shriro anticipates calculators and watches will continue to be resilient to any downturn in consumer discretionary spending.
- Shriro's sales of the American Standard and Grohe brands in the New Zealand market are progressing well, and although sales have been slower than forecast, new retail opportunities exist that will contribute to establishing a strong footprint in future years.

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Shriro & Casio Celebrate 40 Years Of Working Together

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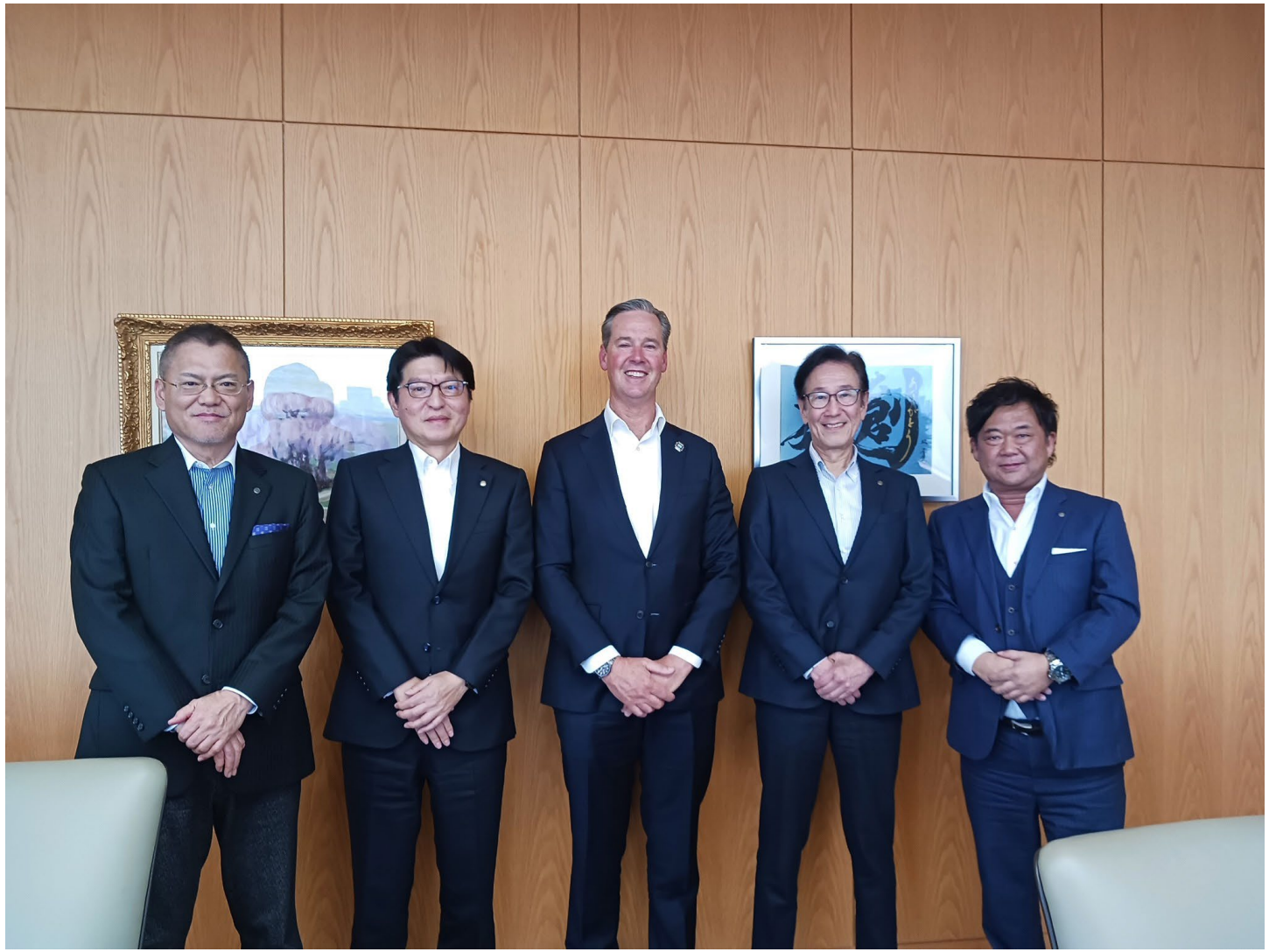

CASIO

感謝

1983 - 2023

Certificate of Appreciation

is presented to

Shriro Holdings Ltd.

In recognition of

40 years of outstanding development of
Casio brand and resulting sales accomplishments

Kazuhiro Kashio
Chairman

Masuda Yuichi
President

CASIO COMPUTER CO.,LTD.
February 2024

Left to right

- Shigenori Itoh (Executive Managing Officer)
- Kazuhiro Kashio (Chairman)
- Tim Hargreaves (Shriro CEO)
- Yuichi Masuda (President & CEO)
- Tetsuro Ono (Executive Officer - Senior General Manager)

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