SHRIRO HOLDINGS (SHM)

6 MONTHS TO 31 DECEMBER 2024
Half Year Results Presentation

Tim Hargreaves, Chief Executive Officer | 27 February 2025

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

6 months to 31 December 2024

Executive Summary

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- Revenue was $55.9M, down 12.9% previous corresponding period ("pcp") due to moving from a wholesaler to an importer for seasonal products in Australia, subdued European BBQ products demand, and costs of living pressures impacting consumer discretionary products, such as watches.
- USA sales were down 28% pcp as Shriro winds down stock levels by reducing purchases to prepare for a smooth transition to a new USA distribution partner.
- EBITDA was $10.8M, increasing 3.8% with the new lower operating cost base following the restructure of the Australian Seasonal business last year.
- The ERP system went live on-time and within budget with $1.0M of costs recognised in 1H FY25. Management anticipates the majority of the remaining implementation and associated costs of the ERP system will be finalised in 2H FY25.
- Shriro has zero debt and cash of $28.3M at 31 January 2025. The successful $15M buy-back of 19.2% of Shriro shares was completed on 21 February 2025, which is expected to increase Shriro's earnings per share into the future.

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6 months to 31 December 2024

Results

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	July - December 2024	July – December 2023	Change
Revenue	$55.9M	$64.2M	(12.9%)
EBITDA	$10.8M	$10.4M	3.8%
NPAT	$6.0M	$5.8M	3.4%
Cash Position	$24.7M	$28.3M	(12.7%)
Dividend Declared February	2.0 Cents (Fully Franked)	2.0 Cents (Fully Franked)	
Dividend Declared August	3.0 Cents (Fully Franked)	6.5 Cents (Fully Franked)	

	Amount	Payment Date
Share buy-back	$15.0M	21 February 2025
Capital return	$17.8M	4 January 2024

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Australasian Markets

- Revenue was down 11.2% pcp due to the seasonal business structural changes whereby Shriro moved from a wholesaler to an importer model. This resulted in lower revenue for a similar quantity of units sold but also lower operational costs such as freight and warranty. EBITDA for the Australasian market was up 0.9% as the restructured model increases profitability.
- The Casio calculator business remains steady, and the full-year results are expected to be in-line with the prior year. G-Shock watches were down due to restricted stock supply and lower consumer demand. Casio keyboards offset this decline to some extent.
- NZ revenue was in-line with the prior year, this was a good result considering the lower consumer demand resulting from the current macroeconomic conditions.
- Finalising the ERP project and its associated integrations is the focus for management in Australasia in 2H FY25.

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International Markets

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- Revenue was down 15.2% pcp, however the first half is the winter season which is traditionally considered the low season and the least relevant for global BBQ sales. Management's focus is on the second half results.
- Shriro has consolidated distributors in Europe, with the most successful being appointed to a greater geographical region. These changes created a short-term excess stock holding for that distributor. However, management believes this change will be beneficial to the BBQ's growth strategy in the longer-term.
- USA revenue reduced 32% pcp as Shriro winds down its stock ready for the transition to the soon to be appointed distributor.
- New products will be released in FY25, including the upgraded pizza oven with an electronic temperature display and a new portable cube product called Proflame Gas.

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Growth Strategies

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- New product releases
- USA employee and partner to assist sales growth and distribution of Shriro BBQs in the USA
- Consolidation of European distributors and focus on untapped regions
- Share buy-back reduced shares on which to calculate EPS

IN-ORGANIC

- Dedicated executive tasked with finding new brands for Shriro to represent in Australasia
- Greater management focus on adding new brands to the Shriro portfolio

CORE FOUNDATIONS

- Investment in advanced “e-commerce” capability
- ERP upgrade and leverage further operational efficiency
- Staff development

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FY25 Outlook

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- Reaffirming guidance of greater than $14.5M EBITDA.
- Macro-economic uncertainty resulting from changing global tariffs and regulations. This may negatively impact customer orders for Shriro's export business.
- Finalising the appointment of a USA BBQ partner with the scale to distribute Shriro's BBQs across the region.
- Evaluating new brands to represent in the Australasian market, which is expected to result in products being added to the Shriro portfolio by 30 June 2025.
- The ERP project implementation to continue. The new system will provide the Company with a cloud-based IT platform to develop and grow its business. Management anticipates the project will be concluded by the end of the financial year.
- Shriro completed its $15M buy-back in February 2025. The shareholders have also approved a further $5M buy-back, which the Board will consider once the FY25 full year results are more certain.

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