

SHRIRO HOLDINGS LIMITED (“Shriro” or “the Company”) (ASX: SHM)

RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

Shriro is pleased to announce:

- Revenue of \$60.6M, up 8.4% on the previous corresponding period (pcp), driven by BBQ sales growing from a lower base and strong performance from New Zealand appliances.
- EBITDA of \$11.4M, up 5.6% on pcp, reflecting sales growth and cost reductions following the winding down of IT spend after the initial ERP implementation.
- NPAT of \$6.6 million, up 10.0% on pcp, and EPS of 8.5 cents per share (cps), up 37.1% on the pcp, assisted by prior share buy-backs.
- Cash on hand of \$9.7M at 31 December 2025 (1H25: \$24.7M). The reduction reflects two share buy-backs totalling \$20.0M and \$3.9M in dividends paid during the calendar year.
- Interim fully franked dividend declared of 2.0 cents per share (1H25: 2.0 cents per share). Note a fully franked special dividend of 3.0 cents per share was paid 30 October 2025.

	RESULTS SUMMARY		
	1H26 Reported \$M	1H25 Reported \$M	Change
Revenue	60.6	55.9	8.4%
Gross Margin	44.2%	47.5%	
Operating Expenses	(15.4)	(15.8)	(2.5%)
EBITDA	11.4	10.8	5.6%
Depreciation	(2.1)	(2.1)	(0.0%)
Interest	(0.3)	(0.1)	(200.0%)
Profit Before Tax	9.0	8.6	4.7%
Profit After Tax	6.6	6.0	10.0%
EPS	8.5	6.2	37.1%

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GROUP PERFORMANCE

Shiro reported revenue of \$60.6M, up 8.4% pcp, primarily driven by a rebound from a low base in seasonal product sales and strong retailer and consumer reception of newly developed pizza oven products. Growth in Casio Australia and New Zealand was modest, reflecting subdued retail conditions for consumer discretionary products.

Australian watch sales were flat compared to the prior year despite the decision to cease supplying a third-party online sales channel, which had been a significant contributor in FY25. This strategic adjustment has strengthened relationships with bricks-and-mortar retailers and enabled sales to be maintained, notwithstanding excess inventory in this online channel. The overall Casio business remained resilient, delivering modest growth in Australia. Stock levels are low, positioning the business well for growth in the second half.

In New Zealand, consumer market conditions remained subdued; however, early signs of improvement are emerging. Revenue grew 2%, supported by strong performance in the appliances business. Overall, the business has remained resilient through weak economic conditions. In contrast, the plumbing division of Grohe and American Standard continues to be challenging due to the inability to secure a large anchor retailer in a difficult market to support the brands and justify further investment.

Gross margin was negatively impacted by increased sales of lower-margin seasonal products (which carry significantly lower operating costs), clearance of excess inventory in the USA subsidiary as part of the transition to a new distributor, and supplier price increases in watch and calculator products. These impacts were partially offset by currency tailwinds.

The strategic transformation of the Seasonal business has progressed more slowly than initially planned in the USA, as uncertainty arising from changing tariff rates on exports from China to the USA resulted in lower than anticipated orders. The global new product development strategy has also been delayed due to compliance issues requiring design alterations. Completion is still expected by the end of the financial year; however, the delay will impact sales to Europe and the USA during their summer period in the second half of FY26. Shiro remains committed to ensuring products are fully tested and that feedback is incorporated prior to mass production.

Operating expenses decreased 2.5% to \$15.4M, primarily due to reduced ERP expenditure. This reduction was partially offset by foreign exchange losses compared with gains in the prior period, representing a net variance of approximately \$0.4M. Seasonal business efficiencies also improved following the transition to a lower capital-intensive model in FY26, with manufacturing and wholesaling outsourced globally. Shiro's focus in the Seasonal business segment remains on supply chain management, marketing, product design, and tooling investment protected by trademarks and patents.

While significant overhead reductions have been achieved over the past three years, further cost savings are expected, particularly in lease and IT expenses.

EBITDA increased 5.6% to \$11.4M, driven by sales growth and disciplined cost management.

Operating cash flows for the period were \$5.7M (1H25: \$4.6M). Shriro ended the period with net cash of \$9.7M (\$24.7M pcp), net assets of \$35.1M (\$52.7M pcp), and tangible assets backing of 43.7 cents per share (51.6 cents pcp).

BALANCE SHEET

The balance sheet remains strong. In the calendar year to 31 December 2025, Shriro returned \$23.9M to shareholders through dividends and completed two share buy-backs totalling \$20.0M (compared with \$22.6M returned in calendar year 2024). Over the two years to 31 December 2025, Shriro has returned \$46.5M to shareholders via buy-backs, capital returns, and dividends.

Shriro repurchased 7.9% of its shares in the first half of FY26 at a slight premium, with the buy-back fully subscribed and 6,172,839 shares cancelled. The \$5.0M buy-back was paid on 29 December 2025. The current issued share count is 71,724,313.

OUTLOOK

Shriro reaffirms its guidance that EBITDA in FY26 is expected to increase compared with FY25 EBITDA of \$15.3M.

Earnings per share have increased following the buy-backs; however, the share price has not reflected this improvement. Management believes value exists at the current share price of \$0.81 and intends to continue buy-backs. Shriro holds excess capital following its strategic exit from holding seasonal inventory, as previously announced.

A \$5M buy-back was completed in the first half of FY26, and a further \$15M buy-back is planned for the second half. Management has also recommenced its acquisition search, supported by the Board. Following completion of the \$15M buy-back, the Board will assess the optimal use of capital, including further on-market buy-backs or acquisitions, based on which option maximises returns to shareholders.

Shriro's USA distributor for seasonal products is expected to deliver growth following completion of the new built-in BBQ range in FY27. Short-term FY26 revenue remains difficult to forecast due to tariff uncertainty on Chinese-manufactured goods. However, the new product range is expected to drive growth in Europe. The revised operating model has reduced costs and improved profitability, with a focus on maximising global revenue opportunities.

Shriro's major shareholder supports growth through acquisitions. While Shriro remains focused on organic brand expansion, acquisitions are now expected to play a greater role. During the first half, Shriro became the exclusive distributor of Manhattan Portage and MyAir.0; however, growth has not yet matched the investment of time and resources, reinforcing the need for acquisitions to accelerate revenue growth.

FUTURE DIVIDEND POLICY

Shriro has returned significant capital to shareholders in recent years. The Board has determined that this phase of elevated distributions has concluded and will now prioritise capital growth, consistent with the strategy outlined in the Outlook section above. This will include a focus on acquisitions, organic growth initiatives and, where appropriate, share buy-backs.

Following payment of the dividend declared today, the Company will deprioritise the payment of dividends in the foreseeable future as it intends to retain capital to support its growth strategy.

Shriro has declared a fully franked dividend of 2.0 cents per share and announced its intention to proceed with an off-market share buy-back of \$15M at \$0.81 per share, offering shareholders an opportunity to realise liquidity should they wish to adjust their investment.

For more information, contact:

Tim Hargreaves

(02) 9415 5000

timh@shriro.com.au

Shane Booth

(02) 9415 5000

shaneb@shriro.com.au

ABOUT SHRIRO

It is a leading consumer products marketing and distribution group operating in Australia, New Zealand, the United States and China. The Group also exports its barbeques, pizza ovens and cooling products to 27 countries globally.

The Group markets and distributes an extensive range of Company-owned brands (including Everdure, Robinhood, Omega and Omega Altise) and third-party brands (such as Casio, American Standard, Grohe and Pioneer). Products include calculators, watches, musical instruments, bathtubs, sanitary ware, taps, shower fittings, audio products, kitchen appliances, laundry products, consumer electronics, car audio, professional DJ equipment, gas heaters, gas barbeques, charcoal barbeques, pizza ovens, electric heaters and cooling products.

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