

ASX Announcement

28 February 2023

H1 delivers 195% growth in EBITDA – Sales continue to accelerate for the first 6 weeks of H2 delivering +33% comparable in-store sales.

- Total Group EBITDA² of \$15.8 million for first half of FY23, delivering a 195% increase on the previous corresponding period (pcp)
- Mosaic total sales for first half increases 23% on pcp¹
- Comparable store growth delivered +12% to FY22¹ and +4% to FY21¹
- Online sales +0.3% to FY22¹ and +17% to FY21¹
- First six weeks of H2 continues to accelerate with +33% comparable in-store growth on pcp¹

Further to its Trading Update on 25 January 2023, Mosaic Brands (**Mosaic** or the **Group**) today announces its audited first half results to 1 January 2023 and outlook for the second half.

“Throughout the half, Mosaic’s trading rebound continued to gain momentum as customers increasingly returned to instore shopping,” said Group CEO Scott Evans. “This, along with a completely reformed business cost structure and online sales revenue from our omnichannel brands that did not decline from COVID highs, allowed the Group to achieve comparable store growth resulting in an EBITDA 195% higher than the prior period.

“We are also delighted that this trend of returning to instore shopping has accelerated throughout the first 6 weeks of the second half with in-store comparable sales up 33% against the prior year. This result highlights the severe impact the Omicron variant had on our loyal customer base last year as well as the changes we have made as a Group to embrace a post COVID world,” said Mr Evans.

“Although the over 50’s largely missed out on JobKeeper and other subsidies from the Government during the pandemic, they have accumulated significant savings on hand of up to \$200 billion.³

“They are amongst the most resilient in the face of interest rate rises with relatively lower exposure to mortgage pain and, in Australia, they are emerging as one of the most powerful consumer segments in retail,” said Mr Evans.

The Group’s pure play online retailer, EziBuy, saw difficult trading conditions and finished the period down 50% compared to the pcp, consistent with other pure-play ecommerce brands.

“While EziBuy’s performance is being addressed, we’re pleased that our digital sales across all our omni-channel brands are performing exceptionally well as customers return in-store.

¹ Figure excludes EziBuy.

² EBITDA is a non-AASB financial measure, defined for the purposes of this document as earnings before interest, tax, depreciation, amortisation, non-recurring income/expenditure and certain non-cash items such as share based payments and unrealised foreign exchange gains/losses and excludes restructure and acquisition costs and has been adjusted to normalise the impact of AASB16 accounting treatment.

³ At least \$200 billion in excess savings accumulated during the pandemic is “not evenly distributed across the economy and about 80 per cent is held by older households aged over 55”. – **Jarden**

"Certainly, our customers are showing they're strongly supportive of a true omnichannel approach to retail.

Mosaic's online brands now have over 7.7 million members with the Group planning to open a further 130 stores over the next 12 months.

The Group expects current trading patterns for its omnichannel brands to continue their current trajectory on the basis of the first six weeks of trading, subject to a pandemic free Winter and Mother's Day.

Ends

For further information, please contact:

Chris Fogarty

FMC

+61 420 928 824

Chris@fmcchange.com