## FY24 Half Year Results

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## FY24 half year summary

## Written sales orders

- Written sales orders of $\mathbf{\$ 2 1 2 . 7 m}$, up $\mathbf{1 . 1 \%}$ on H1 FY23
- LFL¹ written sales orders flat (-0.4\%) on H1 FY23


## Profitability

- Group gross profit margin 65.6\%, up 2.1\% on FY23 and consistent with 2 H FY23 gross profit margin of $\mathbf{6 5 . 4 \%}$
- Profit after tax of $\mathbf{\$ 3} \mathbf{4} .0 \mathrm{~m}$, slightly above the $\mathbf{\$ 4 0} \mathbf{-} \mathbf{\$ 2} \mathbf{m}$ guidance provided at the October 2023 AGM


## Revenue

- Revenue of $\mathbf{\$ 2 2 6 . 6 m}$, compared to $\mathbf{\$ 2 8 3 . 9 m}$ in H1 FY23
- H1 FY23 benefited from increased deliveries due to the elevated order bank at June 2022


## Cash generation \& capital management

- Cash and deposits $\mathbf{\$ 6 8 . 3}$ m at 31 December 2023
- \$20m repaid on corporate acquisition debt and FY23 dividend paid \$28.4m in 1H FY24
- Interim dividend 35 cents per share fully franked


## Revenue \& written sales orders



## Financial performance

|  | 1H FY23 | 1H FY24 | Gross profit margin |
| :---: | :---: | :---: | :---: |
| Sales revenue | 283.9 | 226.6 | - Group gross profit margin for 1 H FY24 was $\mathbf{6 5 . 6 \%}$ compared to $\mathbf{6 2 . 0 \%}$ for 1 H FY23 and $\mathbf{6 5 . 4 \%}$ for 2 HFY 23 |
| Cost of sales | (107.8) | (78.0) |  |
| Gross profit | 176.1 | 148.6 | Cost of doing business ${ }^{1}$ |
| Other income | 2.0 | 2.8 | - Operating costs were $\mathbf{\$ 4 . 8 m}$ lower than 1 HFY 23 which included additional logistics expenses of $\mathbf{\$ 4} \mathbf{m}$ to support the peak delivered volumes |
| Operating expenses | (64.8) | (60.0) | - 1H FY23 CODB relative to sales was favourably impacted by increased |
| Depreciation | (21.0) | (22.1) | deliveries due to the outstanding order bank at June 2022 |
| Finance costs | (5.9) | (7.3) | - Depreciation and interest expense on leased assets totalled \$24.2m, \$1.7m higher than 1H FY23 |
| Profit before tax | 86.4 | 62.0 | - Other income includes \$1.7m (1H FY23 \$1.2m) of interest income on |
| Income tax | (25.8) | (19.1) | cash and deposits. Excluding interest on lease liabilities net interest expense was $\mathbf{\$ 0 . 5 m}$ ( $1 \mathrm{HFY} 23 \mathbf{\$ 0 . 7 m}$ ) |
| Profit after tax | 60.6 | 43.0 |  |
|  |  |  |  |
| EBITDA ${ }^{2}$ | 112.2 | 89.7 |  |
| EBIT ${ }^{2}$ | 91.2 | 67.6 |  |

[^0]
## Cashflow

## Operating cashflows

- Cash of $\mathbf{\$ 4 3 . 6 m}$ generated from operating activities (including operating lease payments and interest payments) compared to $\mathbf{\$ 3 5 . 1 m} 1 \mathrm{H}$ FY23


## Property \& other capital investments

- Construction in progress for build of new Queensland distribution centre $\mathbf{\$ 8 . 5 m}$, completion expected Q3 FY24 with a total construction cost of $\$ 16.2 \mathrm{~m}$ in addition to the land purchased of $\mathbf{\$ 7 . 8 m}$ in FY23
- Other plant, equipment, intangible assets and leasehold improvements $\boldsymbol{\$} 5.5 \mathrm{~m}$ in total


## Borrowings

- $\mathbf{\$ 2 0 m}$ repaid on corporate acquisition debt in August 2023, reducing the outstanding balance to $\mathbf{\$ 2 8 m}$
- $\$ 43.7 \mathrm{~m}$ of borrowings are property debt secured at less than 50\% LVR


## Capital management \& dividends

- \$28.4m returned to shareholders in final FY23 dividend
- Closing cash on hand 31 December of Cash \& Cash Equivalents $\mathbf{\$ 6 8 . 3 m}$


## Balance sheet



## Nick Scali brand online

## Written sales order growth Nick Scali brand online

- 1 H FY24 online written sales orders were $\mathbf{\$ 1 4 . 7 m}$, up $\mathbf{2 2 . 5} \%$ with enhancements in the eCommerce user experience driving growth $+$

Written sales orders (\$m)


## Store network

June 2023 Net change December 2023 Long Term Target ${ }^{1}$

|  | June 2023 | Net change | December 2023 | Long Term Target $^{1}$ |
| :--- | :---: | :---: | :---: | :---: |
| Nick Scali |  |  |  |  |
| Australia | 59 | - | 59 | 73 |
| New Zealand | 5 | - | 5 | 13 |
|  | 64 |  | 64 | 86 |
| Plush |  |  |  |  |
| Australia | 43 | 1 | 44 | $85-90$ |
| New Zealand | - | - | - | $5-10$ |
| Total ${ }^{2}$ | 43 | - | 44 | $90-100$ |

## 1H FY24

- Nick Scali showroom opened in a new and larger location in Payneham, South Australia, with the existing store converted
to an additional clearance store
- Two new Plush stores opened in Helensvale, Queensland and

Payneham, South Australia. One Plush showroom was closed in the on-going optimisation of the acquired Plush store network.

- Further $\mathbf{1 1}$ Plush showrooms were updated to the new concept for Plush launched December 2022. 20 Plush showrooms now reflect the new concept.


[^1]Nick Scali

## Recent trading

- January 2024 written sales orders of $\$ 58.9 \mathrm{~m}$ were up 3.6\% over January 2023, with LFL up 2.6\%, continuing the positive momentum of Q2 FY24




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This document should be read in conjunction with the H1 FY24 Results Announcement and H1 FY24 Appendix 4D.


## Appendix 1 -EBIT reconciliation

|  | 1H FY23 | 1H FY24 |
| :--- | :---: | :---: |
| Gross margin | 176.1 | 148.6 |
| Other income not interest | 0.9 | 1.1 |
| Operating expenses | $(64.8)$ | $(60.0)$ |
| EBiTDA $^{1}$ | 112.2 | 89.7 |
| Depreciation \& amortisation $^{\text {EBIT }^{1}}$ | $(21.0)$ | $(22.1)$ |

[^2]
## Thankyou


[^0]:    1. Cost of Doing Business includes operating expenses, depreciation and finance costs net of $\$ 1.7 \mathrm{~m}$ ( $1 \mathrm{H} \mathrm{FY} 23 \$ 1.2 \mathrm{~m}$ ) interest income included in Other income
    2. EBITDA and EBIT are based on finance costs net of $\$ 1.7 \mathrm{~m}(1 \mathrm{H} F 23 \$ 1.1 \mathrm{~m})$ interest income. Included in Other income.

    Nick Scali

[^1]:    1. Target is based on demographic data and proximity to existing showrooms. Timing of store rollout is dependent on site availability and commercial terms.
    2. Total excludes clearance stores.
[^2]:    1. EBITDA and EBIT are based on finance costs net of $\$ 1.7 \mathrm{~m}$ ( 1 H FY $23 \$ 1.1 \mathrm{~m}$ ) interest income included in other income on slide 4.

    Nick Scali

