

26 February 2024

## ASX ANNOUNCEMENT

### **Prestal begins new era post Consumer Products divestment.**

Prestal Holdings Limited ("**Prestal**" or the "**Company**"), the owner of Hampers with Bite, is pleased to update the market regarding its result for the Half Year ending 31 December 2023 ("**H124**"). During H124 the Company completed the sale of its Consumer Products business and is now an e-commerce focused business. While the sale resulted in a substantial profit, Prestal took the opportunity to write down goodwill associated with Hampers with Bite and brand names, reflecting the challenging business environment for B2C companies further discussed below.

To avoid confusion associated with the accounting treatment of the above, the following results and comparative periods have been prepared on a stand-alone basis (i.e. excluding the Consumer Products business).

#### **H1'24 Financial Highlights:**

- Sales Revenue from continuing operations of \$16.8m, down 15.7% on prior comparative period (pcp)
- Underlying EBITDA from continuing operations of \$3.4m, marginally down 6.4% on pcp
- Underlying NPAT from continuing operations of \$2.1m, marginally down 4.1% on pcp
- Healthy cash balance of \$62.1m as at 31 December 2023, of which \$52.8m to be returned to shareholders via a combination of capital return and fully franked dividends
- Dividend of 6 cents per share to be paid to shareholders on 11 March 2024 with a record date of 4 March 2024.

#### **H1'24 Operational Highlights:**

- Completion of Consumer Products and Shepparton manufacturing facility sale on 9 November 2023
- Introduction of new hamper offerings including Bridesmaid boxes, Pet hampers and Mini Moments hampers
- New warehouse complemented by implementation of new CRM system to assist with improved customer insights and increased sales outreach capacity.

### **Hampers with Bite**

As previously flagged, the business continued to face tough economic headwinds which affected what is traditionally the Company's busiest time of year. The reduction in sales revenue (15.7% decline versus pcp) was predominately driven by reduced spending in the B2C segment impacted by the overall decline in consumer discretionary spending across Australia. B2B sales were relatively stable, with sales declining 5.0% versus pcp.

Pleasingly however, the business implemented a number of cost saving initiatives throughout the first half and was able to improve EBITDA margin to 20.1%, up from 18.1% in H1'23. These cost initiatives will remain a key focus for the business as it continues to navigate the broader macroeconomic uncertainty.

Hampers with Bite officially launched the new 2023 Christmas range in September 2023, which included 76 new hampers ranging from \$30 to \$600, offering great value hampers to the market. Inspired from 2022 best sellers, the 2023 range included the Hampers with Bite bright creative flare to reflect the emerging trend towards personalisation and individuality. Hampers with Bite presented to the market 3 new Pet Hampers, alongside a new range of Bridesmaid Boxes and a Value range called Mini Moments, offered at \$30, in response to the cost-of-living challenges.

It remains a key focus of the businesses to increase focus on other annual events outside of Christmas and will target these occasions with carefully curated premium product offerings, to increase revenues outside of the Christmas period.

### **Capital Management**

As previously mentioned, the Board intends to return \$52.8m of capital to shareholders via:

1. Declared fully franked special dividend of \$0.06 per share payable on 11 March 2024 with a record date of 4 march 2024;
2. Capital return of approximately \$0.18 per share subject to favorable tax ruling from ATO;
3. Additional fully franked special dividend of approximately \$0.07 per share intended to be paid in July 2024

Whilst the Company continues to liaise with the Australian Taxation Office (**ATO**) to reach a private tax ruling on the proposed capital return of \$0.18 per share, the Board has today announced that the first fully franked special dividend from the proceeds of the sale of the Consumer Products business will be paid on 11 March 2024.

### **Outlook**

Despite the previous challenging 18 months, the Company remains positive about the outlook for the HWB business. In the medium term, interest rate relief may be on the horizon as forecasted by various financial institutions and media outlets which in turn could have positive impact on discretionary consumer spending.

The Group will continue to execute its key strategic objectives:

1. Revamp brand image and brand visual identity to allow for all year round gifting
2. Developing new products for both the B2B and B2C channels
3. Update website to improve ease of shopping experience
4. Continue to explore additional strategically suitable acquisition opportunities

For more information, please contact:

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***Authorised for disclosure by the Board of Prestal Holdings Limited***

