

30 August 2024

ASX ANNOUNCEMENT

\$50m+ returned to shareholders as HWB continues to face tough economic headwinds.

Prestal Holdings Limited (“**Prestal**” or the “**Company**”), the owner of Hampers with Bite (“**HWB**”), is pleased to update the market regarding its result for the Full Year ending 30 June 2024 (“**FY24**”). The following results and comparative periods have been prepared on a stand-alone basis (i.e. excluding the Consumer Products business).

FY’24 Financial Highlights:

- \$52.9m total capital returned to shareholders from the sale of the Consumer Products business, delivered across:
 - Two fully franked dividends totaling \$0.13 per ordinary share; and
 - Capital return of \$0.18 per share.
- Total Sales of \$19.6m, down 18.6% on prior comparative period (“**pcp**”);
- Underlying EBIT of \$2.3m, down 1.3% on pcp;
- Underlying NPAT of \$2.8m, up 117.4% on pcp;
- Healthy cash balance of \$21.8m as at 30 June 2024, of which \$11.9m has since been returned to shareholders via a special dividend.

FY’24 Operational Highlights:

- Completion of Consumer Products and Shepparton manufacturing facility sale on 9 November 2023;
- Significant investment in and roll out of new custom build ecommerce website, delivering a 125% improvement in corporate lead conversion;
- Introduction of three new All Year Round (**AYR**) hamper ranges targeting synergies between B2C and B2B markets, including a Car Dealership / Enthusiasts range, Healthcare / Hospital Care packages and a refreshed Real Estate range developed with insights from over 300 Real Estate clients;
- Successful implementation of cost controls with operating expenses reduced by 12% pcp (\$591k);
- Implementation of new CRM helping drive 13.4% database growth via increased sales insights and lead data capturing.

Hampers with Bite

HWB continued to face tough macroeconomic headwinds throughout FY24 as inflation and interest rates stayed persistent, and consumer spending continued to be curtailed by increased living costs. HWB's total sales were primarily impacted by a weakened B2C trading period over Christmas which followed into H2, whilst B2B remained relatively stable across both periods (H2 B2B total sales decreased 5% on pcp).

Pleasingly, the business saw a 12% decrease in operating expenses across FY24 compared to pcp as a result of continual cost control initiatives. The business benefited from these initiatives in H2 as exemplified by freight costs which saw a total FY24 impact of only 3.3% on pcp versus H1 impact of 13.4% on pcp. In addition to measures implemented in FY24, the business expects additional cost-savings and operational efficiencies when the relocation to the new warehouse facility is completed.

Lastly, several key milestones were achieved throughout FY24 including the launch of the new HWB website, the introduction of three new AYR product ranges designed to focus on synergies between our B2B and B2C customer base, and greater data insights via the new CRM platform. These represent important milestones to help reduce overall seasonality, enhance customer engagement and build a stable foundation for sustainable future growth.

Capital Management

On 22 July 2024, the Company paid out its third and final distribution to shareholders in relation to the sale of the Consumer Products business. Over the course FY24 and H125, a total of \$0.31 per share was returned to shareholders in the form of two special dividends and one capital return.

A total of \$52.9m was returned across the three distributions, representing approximately 98.5% of Prestal's market capitalisation (of \$53.7m) as of the time of the Consumer Products divestment announcement.

Outlook

The Board remains cautious on the outlook for the HWB business and will continue to focus on executing 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

