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Media Release

For immediate release

GREENLIT BRANDS PTY LTD & FF HOLDCO PTY LTD (Fantastic Furniture)

RELEASE OF FINANCIAL STATEMENTS

Steinhoff International's Asia Pacific businesses, comprising the Greenlit Brands and Fantastic Furniture Groups (**APAC Group**) have delivered strong growth and performance during the 2021 income year, whilst also making significant progress across several key strategic initiatives.

Speaking on the 2021 results, Michael Ford, CEO of Greenlit Brands and Chairman of Fantastic Furniture, said:

"Our impressive financial results for 2021 are a testament to the quality of our brands, the capability of our people, and the resilience of our business models against the ongoing headwinds of COVID-19, including COVID-related lockdowns across Australia and New Zealand. The progress we made against our strategic priorities, and the strength of our balance sheet gives us much confidence as we continue to invest and grow our businesses."

Key Highlights and Snapshot.¹

- Total Combined revenue of \$1.3bn² for the APAC Group, up 8.6% on 2020, despite COVID-related lockdowns impacting Sales across Australia and New Zealand.
- Total Combined operational EBITDA before extraordinary costs of \$107.3m³ for the APAC Group represented 15% growth on the prior year.
- Total Combined normalised PBT of \$47.4m⁴ for the APAC Group, up 35% on a strong 2020 comparative representing a 2-year PBT CAGR of 171%.⁵
- Total Combined online sales of \$295.8m for the APAC Group, up 17.7%⁶ on 2020, representing the successful execution of a contemporary digital first strategy across all brands.
- Results reflect a significant turnaround in underperforming businesses with all Greenlit Brands businesses profitable and cash flow positive.
- Greenlit Brands and Fantastic Furniture are debt free with significant combined cash reserves of \$198.3m and available facilities.

¹ Key Highlights and Snapshot includes combined results and performance of Plush and Fantastic Furniture businesses for the full financial year ended 3 October 2021.

² From Annual Reports - includes Greenlit Brands' revenue from continuing operations and discontinued operations Plush Sofas and Fantastic Furniture, plus FFHoldco Pty Ltd revenue.

³ From Internal Management Analysis, on a pre AASB116 basis.

⁴ From Annual Reports - includes Greenlit Brands' PBT from continuing operations and discontinued operations Plush Sofas and Fantastic Furniture, plus FFHoldco Pty Ltd revenue, excluding extraordinary expenses.

⁵ 2-year CAGR compares all Household Goods businesses PBT per Annual Reports, excluding extraordinary items.

⁶ From Internal Management Analysis.

- Refinanced Banking Facilities on improved terms.
- Successfully implemented a restructure of the ownership of Fantastic Furniture.
- Divested Plush Sofas to Nick Scali realising total gross proceeds subsequent to year-end of \$110.6m.
- Divested the Group's interests in the Chinese manufacturing joint venture, and the remaining Fantastic Furniture properties realising total proceeds of \$9.6m.
- All businesses prioritised various health and wellbeing initiatives for our people despite ongoing COVID challenges, and especially Delta strain related lockdowns in more recent months. These impressive financial results reflect the effort and resilience of our people during these difficult times.

Greenlit Brands and Fantastic are debt free with significant cash reserves and available facilities.

During the 2021 year, a restructure was completed of the ownership of the Fantastic Furniture business within the Steinhoff International Group. While all businesses remain members of the APAC Group, the Fantastic Furniture business is no longer owned directly by Greenlit Brands.

Following the restructure, Greenlit Brands and Fantastic Furniture have prepared and lodged separate financial accounts. For the 2021 year, Fantastic Furniture's financial accounts include the final seven months' operations of Fantastic Furniture. The first five months of Fantastic Furniture's operations in 2021 are included as discontinued operations in Greenlit Brands' financial accounts.

The restructure allowed the APAC Group to discharge in full its outstanding debt and ensured that both Greenlit Brands and the restructured Fantastic Furniture business had access to ongoing banking facilities on improved terms. The restructure also allowed for an orderly transition of the business in preparation for a future IPO of Fantastic Furniture. Greenlit Brands continues to support and provide services to the Fantastic Furniture business following the restructure.

Significant Turnaround in Underperforming Businesses

During 2021, Greenlit Brands' ongoing investment in digital and e-commerce initiatives combined with refurbishing the store network and prudent cost management has seen the majority of its businesses contribute increased sales and profits. Greenlit Brands continued to preference a digital first strategy across the brands which has powered growth in online sales from \$60m to now nearing \$300m over the past 4 years. Such initiatives continue to deliver strong returns for the retail businesses into 2022 and are expected to continue.

Greenlit Brands has supported the investment in the Freedom turnaround strategy over the past two years under the leadership of Freedom CEO, Blaine Callard and a new management team. The investment has included a store refresh program, IT upgrades, and various growth initiatives.

Divestment of Plush

Greenlit Brands finalised the divestment of Plush Sofas subsequent to year end in an orderly fashion recognising total gross proceeds of \$110.6m. The transaction allows Plush to grow to the next stage of its development under the ownership of Nick Scali, whilst realising significant value for Greenlit Brands' shareholder.



Dividends

Following completion of the above transaction, the APAC Group paid combined dividends of \$170m to their shareholder.

Greenlit Brands' Future

Greenlit Brands remains financially independent from its parent group, Steinhoff International.

Whilst Greenlit Brands remains committed to the shareholders direction and ultimately further divestments, there is no deadline set for transacting the remaining businesses. Greenlit Brands will continue to implement its strategic initiatives, and invest in its brands, and people whilst evaluating strategic options and opportunities.

Speaking on Greenlit Brands' future, Michael Ford, said:

"The financial and operational strength of Greenlit Brands, underpinned by our suite of iconic brands, all of which are profitable and cash flow positive, puts us in a strong position to maximise value for our shareholder. We are not in a rush to transact our businesses. We continue to evaluate opportunities from a position of strength."

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