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MOSAIC
BRANDS LTD

INVESTOR PRESENTATION
HALF 1 2020

CONTENTS

- Trading Performance
- Balance Sheet
- Store Portfolio
- Online Performance
- Share of Wallet Growth
- Customer Experience
- People & Culture



TRADING PERFORMANCE

'We are pleased with the progress we have made during the half year. The five brands acquired from Specialty Fashion Group in July 2018 achieved comparable store growth for the first time in a number of years to end October. The group's gross margin for the half increased to 59% from 56%. The increase in EBITDA demonstrates the success of our strategies, and particularly our focus on prioritising gross margin over sales.

'It is unfortunate that, as announced in our trading update on 14 January 2020, these achievements have been overshadowed in the short term by the tragic bushfires which directly affected 20% or 276 of the group's stores. This impacted overall group performance from November onwards. However, our loyal and skilled team combined with our strategies provide a solid base for further growth to capitalise on our many opportunities.'

Financial performance metrics excluding EziBuy:

- Group total revenue ended on **\$413.8m**
- Online sales grew to **10.1%** of revenue
- Underlying EBITDA increased 12.4% to **\$32.7m**
- Cash-on-hand of **\$49.1 million**, net cash position after debt **\$4.5m**
- Earnings per share increased by 38.4% to **13.7 cents** (includes EziBuy)
- Like-for-like sales for the period ended at **-8%**, impacted by external events
- Group store network increased to **1386 stores**
- Comprehensive income after tax increased by 47.5% to **\$14.1m**
- Operational expenses reduction of **\$24.4m** vs same period prior year

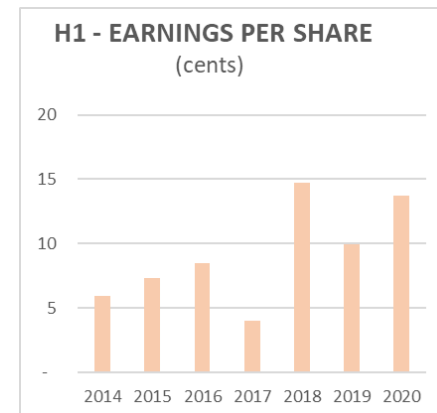
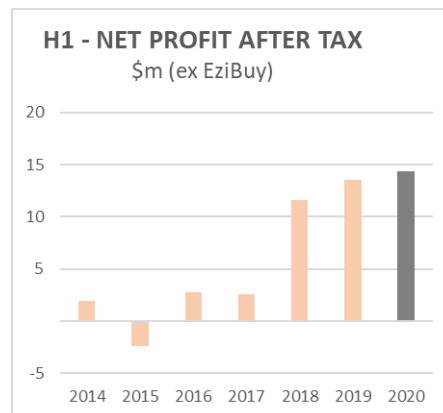
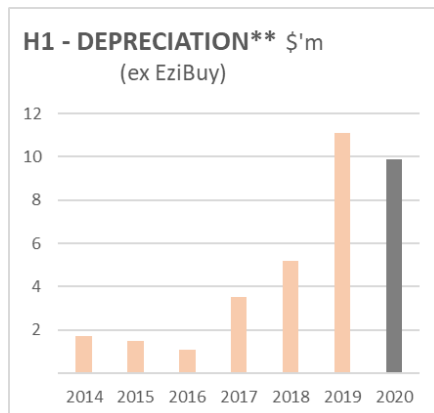
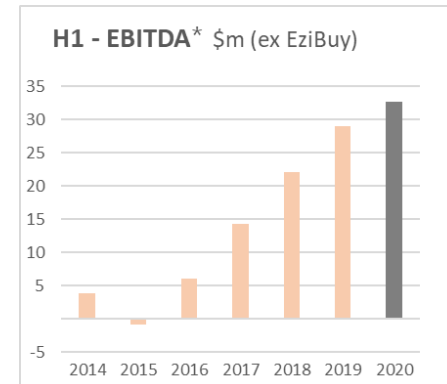
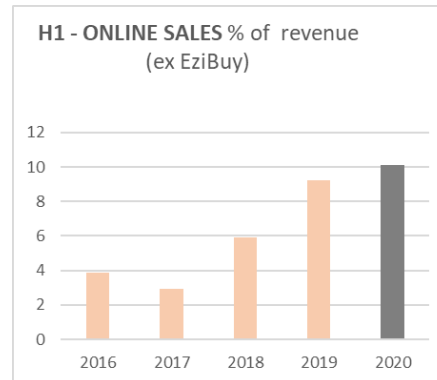
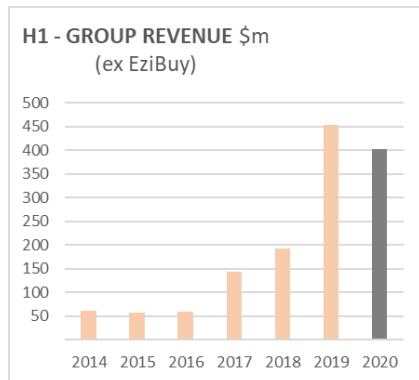
TRADING PERFORMANCE

	FY 2020	FY 2019	%
REVENUE Excludes EziBuy	\$413.8m	\$464.4m	-10.9%
GM Excludes Ezibuy	\$247m 59.7%	\$263m 56.7%	-6.0%
UNDERLYING EBITDA Excludes EziBuy and IFRS 16 (AASB16) impact	\$32.7m	\$29.1m	+12.4%
UNDERLYING PBT Excludes EziBuy	\$22.0m	\$13.8m	+59.9%
NPAT Excludes EziBuy	\$14.3m	\$9.5m	+47.5%
TRANSACTION & RESTRUCTURING COSTS Pre-Tax	\$0.7m	\$5.6m	

- Like-for-Like sales for the half -8% (Oct -4%)
- Bushfires in Nov & Dec directly affected 20% of stores
- EziBuy contribution of \$23.6m in revenue is not included in table

1 EBITDA is a non-AAS 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

TRADING PERFORMANCE



* EBITDA is adjusted for one off transaction & restructuring costs. EBITDA is a non-AAS 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. This has been adjusted to normalise for IFRS 16 (AASB16) impact

** Depreciation is adjusted for IFRS16 (AASB16) impact to provide a like for like comparison purposes.

BALANCE SHEET

	Mosaic (inc EziBuy) Consolidated Dec 2019	Mosaic Consolidated Dec 2018	Mosaic Consolidated Jun 2019
CURRENT ASSETS			
Cash and cash equivalents	51,913	64,683	36,612
Trade and other receivables	9,372	10,902	5,556
Inventories	195,118	144,547	166,951
Derivative financial instruments	0	1,609	0
Other current assets	3,184	2,557	347
Income tax receivable	517	0	4,846
TOTAL CURRENT ASSETS	260,105	224,298	214,313
NON-CURRENT ASSETS			
Trade and other receivables	0	550	0
Property, plant and equipment	42,603	50,112	41,101
Right of use asset	191,409	0	0
Intangible assets	130,789	118,292	123,971
Deferred tax assets	91,321	38,969	32,386
Other non-current assets	46	146	91
TOTAL NON-CURRENT ASSETS	456,168	208,069	197,549
TOTAL ASSETS	716,273	432,367	411,862
CURRENT LIABILITIES			
Trade and other payables	207,596	200,583	198,602
Derivative financial instruments	1,871	157	570
Tax liabilities	6,176	4,971	0
Loans and borrowings	19	1,982	0
Lease liabilities	103,308	0	0
Provisions	26,097	39,610	29,089
Other current liabilities	532	8,990	8,908
TOTAL CURRENT LIABILITIES	345,598	256,293	237,170
NON-CURRENT LIABILITIES			
Loans and borrowings	54,665	19,863	29,482
Lease liabilities	141,023	0	0
Provisions	2,653	2,772	4,428
Deferred tax liabilities	69,459	20,483	19,171
Other non-current liabilities	94	17,076	15,488
TOTAL NON-CURRENT LIABILITIES	267,894	60,193	68,569
TOTAL LIABILITIES	613,492	316,486	305,739
NET ASSETS	102,781	115,881	106,123
Equity			
Issued capital	108,035	107,620	107,607
Reserves	17,630	9,635	9,421
Accumulated losses	(21,847)	(1,374)	(10,904)
Equity attributable to the owners of Mosaic Brands Limited	103,818	115,881	106,123
Non-controlling interest	(1,037)	0	0
NET EQUITY	102,781	115,881	106,123

- Net Current Assets (ex. EziBuy) position of \$18.6m (LY -\$32m) after adjusting for impact of IFRS16 (AASB16) adoption
- Cash holdings of \$49.1m with a net cash position after debt of \$4.5m (ex. EziBuy)
- Deferred tax assets and liabilities movement driven by IFRS16 (AASB16) adoption
- EziBuy balances are on a provisional basis
- EziBuy loan balance consists of \$6m working cap facility and \$4m assumed loan. Assumed loan to be paid down from purchase price on execution of call option

STORE PORTFOLIO

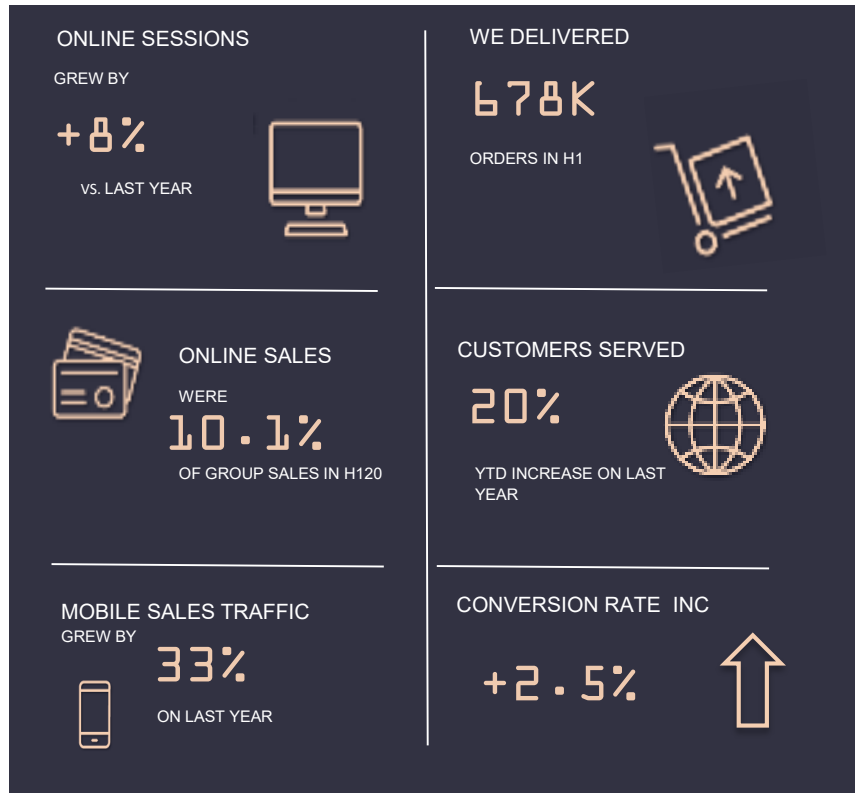


Brand	Start	Opened	Closed	FY2020
Noni B	217	2	0	219
Rockmans	295	4	5	294
W.Lane	107	3	2	108
beme	35	1	0	36
Millers	286	6	5	287
Katies	138	6	4	140
Autograph	88	4	1	91
Crossroads	80	2	10	72
Rivers	133	9	3	139
	1379	37	30	1386

Fire Impacted Stores

State	Store Count
ACT	20
NSW	191
QLD	32
SA	1
VIC	32
Total	276

ONLINE PERFORMANCE



SHARE OF WALLET GROWTH

STORE CHANNEL

Multi-branded stores

Beauty rollout

Discount designer offering

Geographical expansion

Accessory expansion

DIGITAL CHANNEL

EziBuy

Marketplace strategy

Dropship vendors

International expansion

Category expansion



SHARE OF WALLET GROWTH – DIGITAL CHANNEL

MARKETPLACES

DROPSHIP

INTERNATIONAL

Online Categories in FY19 = \$29.36b

- Mosaic Brands has a broad reach in its demographic
- Dropship strategy to drive share of wallet

Marketplaces: All 9 Brands on Domestic + International channels

- eBay; Amazon AU; Catch; OZSale; MyDeal; TradeMe; TheMarket NZ

Partnerships (Dropship Vendors):

- 20 Brands now on Mosaic websites = 30K SKUs



Variety Stores

35.6%



Fashion

27%



Homewares & Appliances

11.5%



Health & Beauty

8.4%



Media

7.3%



Hobbies & Recreational Goods

6.7%



Specialty Food & Liquor

3.5%

CUSTOMER EXPERIENCE

Our stores are our experience zones – we continually invest in and evolve our instore experience.

BEFORE




AFTER



OUR SUPPORT

We partnered with GIVEIT Australia, a charity organisation that supports families directly affected by the bushfires by donating 100,132 styles of clothing to the Australians that needed it most.

**A HEARTFELT
THANK YOU**



to our emergency services & volunteer firefighters, dedicating their time to protect our communities, homes and wildlife.

True heroes



Vinnies
good works

In addition, on behalf of our team, we have donated \$50,000 to the **St Vincent de Paul Society Bushfire Appeal** to assist our fellow Aussies affected.

■■■

THANK YOU

It is our immense pleasure to announce that with **your** support

We will be donating

100,132

Items of clothing to


GIVIT

a charity organisation that supports families directly affected by the bushfires.

PEOPLE & CULTURE

OUR VALUES


Our values guide us in everyday interactions with our customers and our teams. We believe in continuous improvement; we are constantly learning and growing.

Combined, our values form a culture that is unique. We live our purpose with shared values and behaviours. 

“We put the customer at the heart of everything we do. We deliver consistent growth and success through a core focus on service, execution and differentiation.”

CUSTOMERS ARE AT THE HEART OF EVERYTHING WE DO 

INSPIRE AND MOTIVATE EACH OTHER 

OWN WHAT YOU DO 

GO ABOVE AND BEYOND 

KNOW AND SHARE AND TALK MORE 

