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**FY21 Results Presentation
5 August 2021**

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FY21 Highlights

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Sales Revenue
\$373.0m

Total Growth: +42%
LFL Growth: +34%

Gross Profit Margin
63.5%

(FY20: 62.7%)

**Underlying Net
Profit After Tax**
\$84.2m

+100% vs FY20

Operating Cashflow¹
\$137.9m

(FY20: \$76.5m)

Total Dividend
65.0 cents per share

Interim: 40.0 cps
Final: 25.0 cps

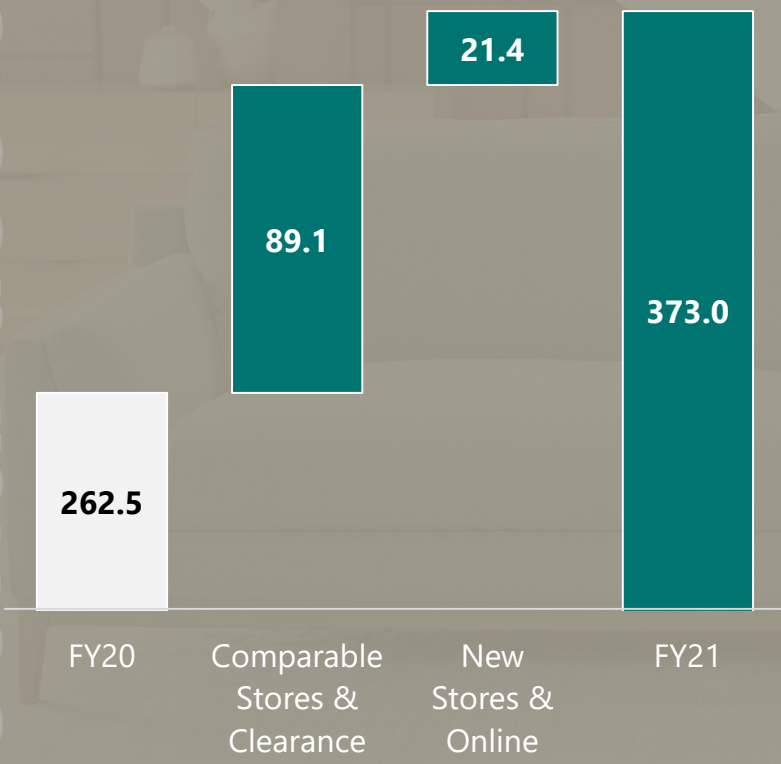
Store Network
61 Showrooms

Australia: 57
New Zealand: 4

¹ Excludes the impact of (i) accounting for leases under AASB16; and (ii) one-off transactions in FY20. See Appendices 1 & 2

Revenue

Sales revenue (\$'m)



Revenue growth (%)	vs FY20
Total	+42%
Comparable Stores ¹	+34%

Revenue growth (\$'m)	Growth
Comparable Stores ¹	+87.7
New Stores Opened FY19/20 ²	+1.9
New Stores Opened FY21 ³	+5.1
Nick Scali Online	+14.4
Clearance Stores	+1.4
Total	+110.5

¹Based on typical delivery leadtimes, stores are not considered as Comparable Stores for the first fifteen months after opening

²Incremental revenue from stores opened in FY19 and FY20 which were not considered as Comparable Stores for the whole of FY21

³Average FY21 revenue contribution period for three new stores is 2.5 months

Sales Orders & Trading

- Total full year written sales orders of \$401.6m, representing growth of 37% on FY20
- Total written sales orders for Nick Scali New Zealand up 95% on FY20
- Total written sales orders for Nick Scali Online totalled \$18.3m, up \$15.3m on FY20
- Three new showrooms opened throughout the year have performed strongly, contributing \$10.7m to total sales orders. *(Average FY21 trading period for new showrooms - 5.5 months)*
- Closing order bank up 35% on June 2020, reflecting continued strength of trading throughout FY21

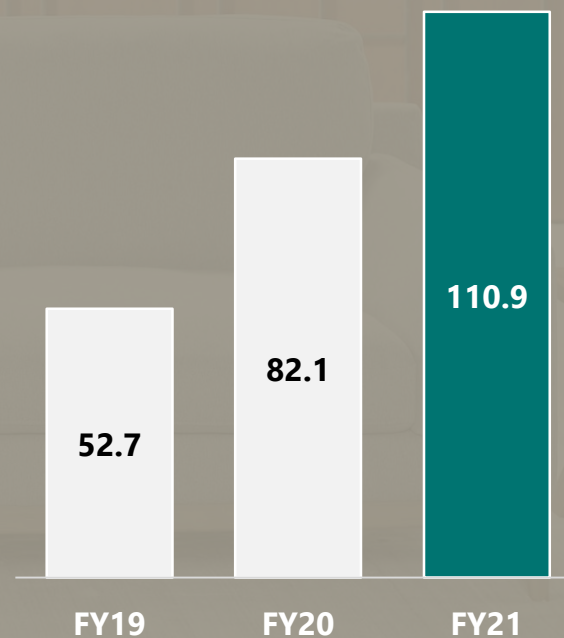
Order bank (\$'m)

Days
Outstanding

63

56

97



Financial Performance

	FY20	FY21
Sales revenue	262.5	373.0
Cost of sales	(97.8)	(136.3)
Gross profit	164.7	236.8
Other income	1.9	1.6
Operating expenses	(100.9)	(111.8)
EBITDA	65.7	126.6
Depreciation	(4.9)	(4.7)
EBIT	60.8	121.9
Net interest expense	(0.9)	(0.8)
Profit before tax	59.9	121.1
Taxation	(17.8)	(36.9)
Underlying net profit after tax¹	42.1	84.2

	FY20	FY21
<i>Gross profit margin</i>	62.7%	63.5%
<i>Operating expenses/Sales</i>	38.4%	30.0%
<i>EBITDA margin</i>	25.0%	33.9%
<i>NPAT margin</i>	16.0%	22.6%

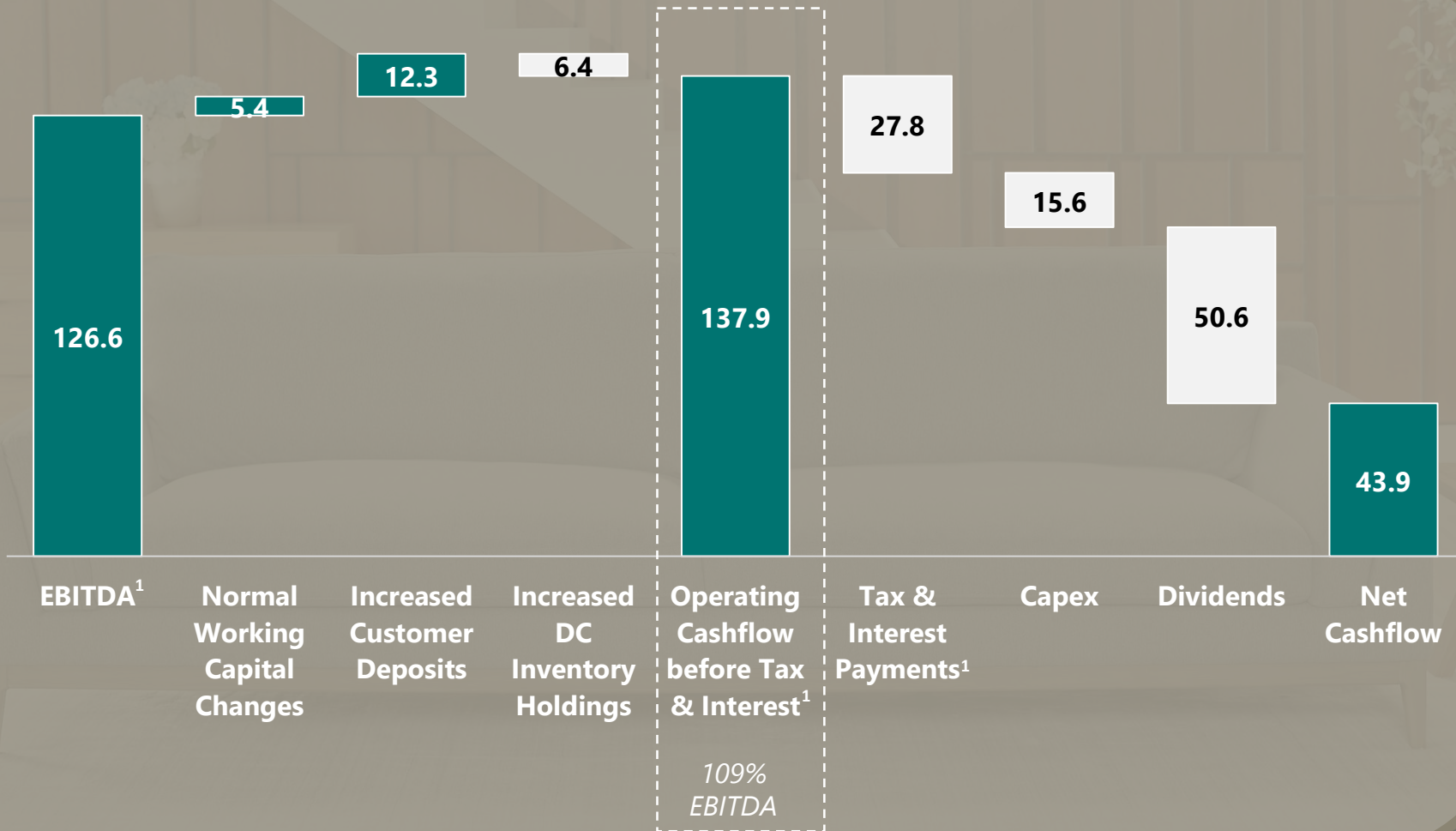
Operating Expenses (\$'m)

FY20	100.9
Covid-19	6.5
FY20 Comparable Expenses	107.4
New Store Expenses	2.6
Commissions & Bonuses	4.1
Marketing Savings	(2.3)
FY21	111.8

¹ Excludes the impact of (i) accounting for leases under AASB16; and (ii) one-off transactions in FY20. See Appendix 1

Cashflow

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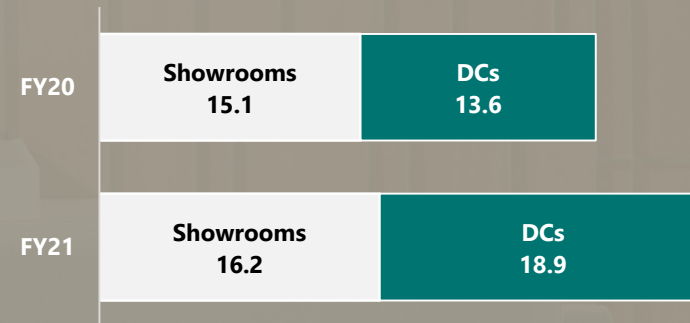


¹ Excludes the impact of accounting for leases under AASB16. See Appendix 2

Balance Sheet

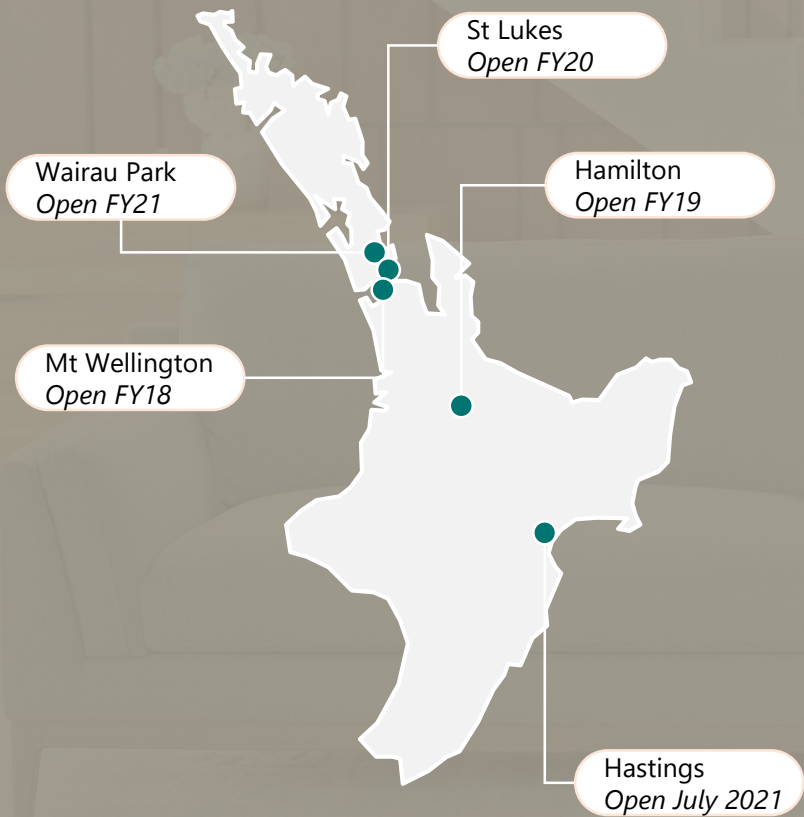
	FY20	FY21
Cash	63.0	106.9
Inventory – In transit	7.6	11.7
Inventory – On hand	28.7	35.1
Property	74.5	83.4
Plant & equipment	15.2	15.2
Other assets	14.1	13.6
Borrowings	33.7	33.7
Payables	18.0	22.1
Deferred revenue	40.2	53.2
Provisions	4.7	5.0
Tax and other liabilities	11.6	15.6
Net assets (excl. AASB16)	94.9	136.4
Net lease assets/liabilities	(19.5)	(22.4)
Reported net assets	75.4	114.0

Inventory – On hand (\$'m)



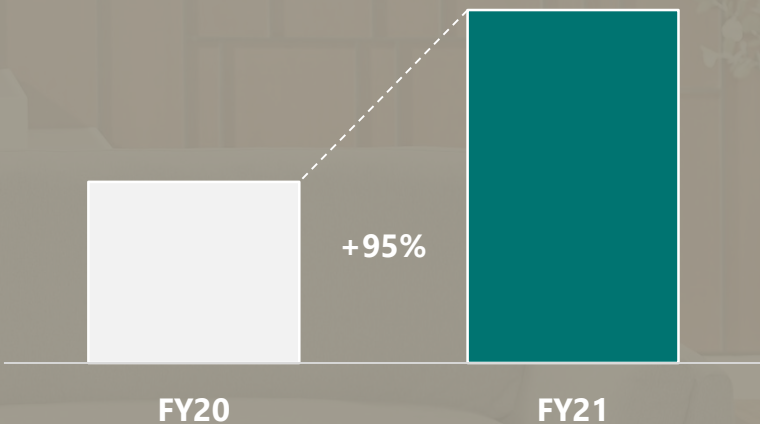
- DC inventory increased by \$5.3m, supporting additional \$110m of revenue
- Further property investment through acquisition of flagship showroom in Keswick, SA
- Borrowings unchanged, with Keswick property showroom paid for in cash

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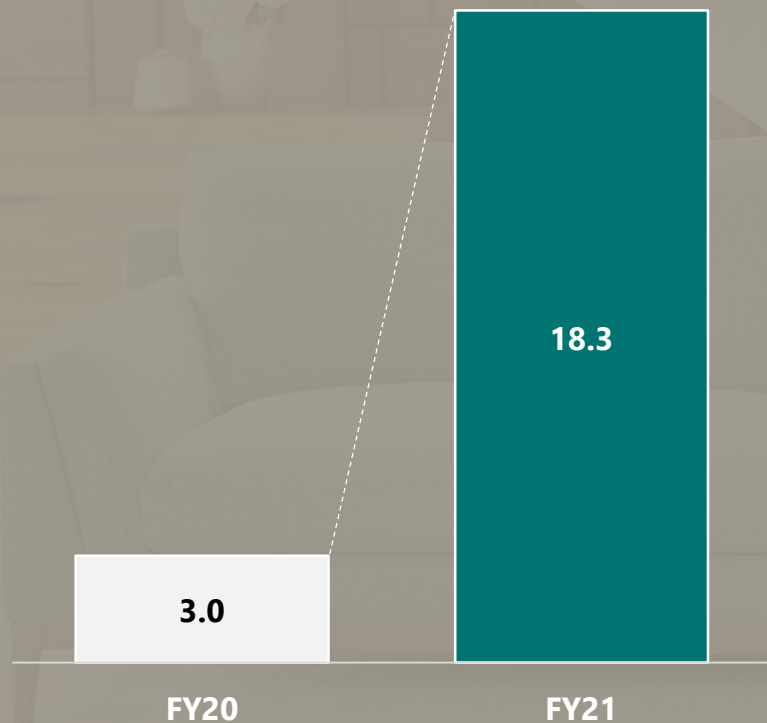
Written sales orders (\$'m)

Comparable store growth: +40%



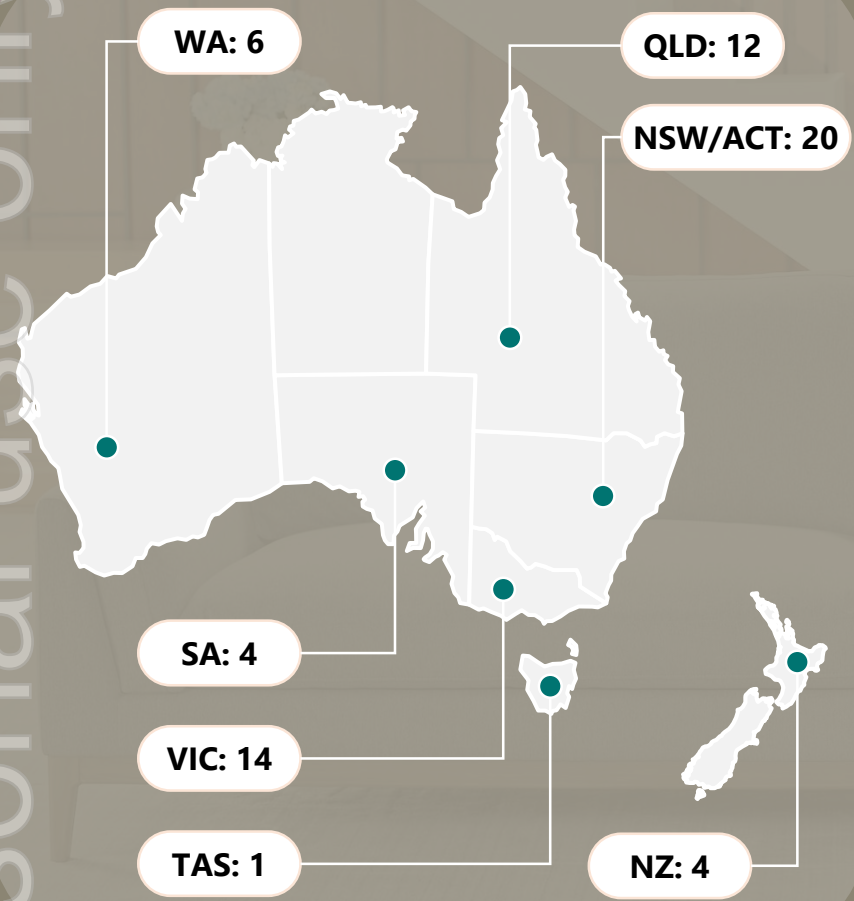
- Full year benefit of Wairau Valley showroom to be realised in FY22
- Hastings showroom opened in July 2021, representing the 5th showroom for Nick Scali New Zealand

Online written sales orders (\$'m)



- Nick Scali Online written sales orders of \$18.3m in FY21, the first full year of operation, and a six-fold increase on FY20.
- Nick Scali Online written sales orders of \$5.5m in Q4 FY21, an increase of 84% on Q4 FY20
- Full year revenue of \$15.3m, with EBIT contribution of \$8.8m
- Lounge visualisation tool launched in July 2021
- E-Commerce to launch in August 2021 across both Australia and New Zealand

Store Network



	30 June 2020	FY21 New Stores	30 June 2021	Target
Australia	55	2	57	73
New Zealand	3	1	4	13
Total	58	3	61	86

Property

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Location	Date acquired	Area (m ²)	NLA (m ²)
Auburn, NSW	Dec 2017	4,763	5,469
Auburn, NSW	Feb 2020	1,490	788
Alexandria, NSW	Jul 2010	1,680	1,680
Caringbah, NSW	Jul 2014	3,396	2,633
Fyshwick, ACT	Nov 2012	7,070	4,120
Nunawading, VIC	Sep 2014	3,163	2,667
Macgregor, QLD	Oct 2015	9,701	4,839
Keswick, SA	Jul 2020	3,582	2,573
Joondalup, WA	Mar 2015	2,198	2,198
Total		37,043	26,284

Keswick Flagship Showroom
19 Anzac Highway, Keswick SA



- One property acquired in FY21 in Keswick, South Australia and redeveloped to become Nick Scali's flagship Adelaide showroom
- Fyshwick redevelopment has begun and construction is underway. Expecting completion by end of December 2021

FY22 Outlook

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- The Company's future growth will primarily be driven by the continuation of the new store rollout and increasing online penetration, and the Company continues to accelerate initiatives to capture these opportunities
- Trading during July 2021 was impacted by government mandated lockdowns in Greater Sydney, Victoria and South Australia, and written sales orders were down 27% compared to July 2020, but up 24% on July 2019, despite Greater Sydney being locked down for the whole month. Victoria and South Australia have traded exceptionally well since coming out of lockdown towards the end the month.
- New Zealand continues to perform well with written sales orders up 91% in July 2021, whilst online growth continued, with written sales orders up 88% compared to July 2020.
- Despite the buoyant trading conditions, there is a high degree of uncertainty in the current retail environment, due potential future lockdowns, supply chain challenges caused by lockdowns in sourcing countries, and the continuing escalation of global shipping costs
- Given the uncertainty, it is not possible to provide profit guidance for the Company for the first half of FY22.

Q&A

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This presentation should not be relied upon as a recommendation or forecast by the Company.
This document should be read in conjunction with the FY21 Results Announcement and FY21 Appendix 4E

Appendix 1

NPAT Reconciliation FY21

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	<i>Reported</i>	<i>Impact of AASB16</i>	<i>Underlying</i>
Sales revenue	373.0	-	373.0
Cost of sales	(136.3)	-	(136.3)
Gross profit	236.8	-	236.8
Other income	1.6	-	1.6
Operating expenses	(79.3)	(32.5)	(111.8)
EBITDA	159.1	(32.5)	126.6
Depreciation	(30.9)	26.2	(4.7)
EBIT	128.2	(6.3)	121.9
Net interest expense	(7.0)	6.2	(0.8)
Profit before tax	121.2	(0.1)	121.1
Taxation	(37.0)	0.1	(36.9)
Profit after tax	84.2	0.0	84.2

Appendix 1

NPAT Reconciliation FY20

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	<i>Reported</i>	<i>Impact of AASB16</i>	<i>One-offs¹</i>	<i>Underlying</i>
Sales revenue	262.5	-	-	262.5
Cost of sales	(97.8)	-	-	(97.8)
Gross profit	164.7	-	-	164.7
Other income	4.8	(1.1)	(1.8)	1.9
Operating expenses	(71.9)	(29.6)	0.6	(100.9)
EBITDA	97.5	(30.6)	(1.2)	65.7
Depreciation	(30.0)	25.1	-	(4.9)
EBIT	67.5	(5.5)	(1.2)	60.8
Net interest expense	(7.4)	6.5	-	(0.9)
Profit before tax	60.2	1.0	(1.2)	59.9
Taxation	(18.1)	(0.3)	0.5	(17.8)
Profit after tax	42.1	0.7	(0.7)	42.1

¹ One-off transactions in FY20 included property transactions and corporate costs

Appendix 2

Cashflow Reconciliation

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	FY20	FY21
Reported net cash from operating activities	92.2	140.4
Less:		
Repayment of lease liabilities	(22.8)	(23.6)
Interest payments - lease liabilities	(6.5)	(6.2)
Add:		
Income tax payments	13.6	27.3
Operating cashflow before interest and tax	76.5	137.9