

2024 Annual Meeting

22 November 2024



Helping Kiwis live better every day

the warehouse



warehouse stationery

noel leeming

Chair address

Dame Joan Withers Chair



Introduction – Board of Directors



Dame Joan Withers
Chair
Independent Non-Executive Director
Appointed September 2016
Last re-elected in November 2022
(Retiring from the Board November 2025)



Robbie Tindall
Non-Executive Director
Appointed November 2020
Last re-elected in November 2023



John Journee
Executive Director
Appointed October 2013
Retiring by rotation and standing for re-election in November 2024



Dean Hamilton
Independent Non-Executive Director
Appointed April 2020
Last re-elected in November 2023



Rachel Taulelei
Independent Non-Executive Director
Appointed February 2021
Retiring by rotation and standing for re-election in November 2024



Antony (Tony) Balfour
Independent Non-Executive Director
Appointed October 2012
Retiring in November 2024



Antony (Tony) Carter
Independent Non-Executive Director
Appointed May 2024
Appointed by the Board effective 1 May and standing for re-election in November 2024



Caroline Rainsford
Independent Non-Executive Director
Appointed August 2022
Last re-elected in November 2022

Meeting Agenda

- 02** Chair address – Dame Joan Withers
- 10** CEO update – John Journee
- 13** Strategic Reset – John Journee
- 21** Resolutions – Dame Joan Withers
 1. Re-election of John Journee
 2. Re-election of Rachel Taulelei
 3. Re-election Antony Carter
 4. Setting of Auditor Fees
- 27** General business and Q&A



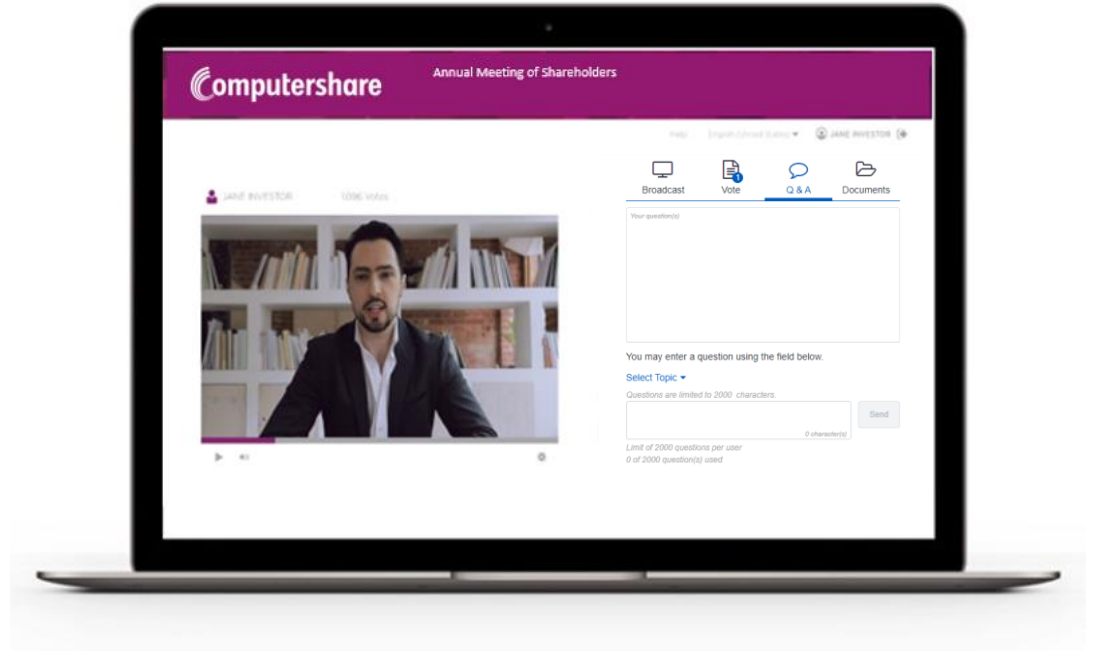
Participation in virtual meeting – Q&A

Written Questions:

Questions may have been submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help:

The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.





FY24 Annual Results


\$3.0b
Group sales
down 6.2% on prior year


33.6%
GROUP GROSS
PROFIT MARGIN


\$28.9m
Operating profit
down 65.3% on prior year


(\$54.2m)
Reported NPAT
(FY23: NPAT \$29.8m)


5 cps
Annual Dividend
(92% of Adjusted NPAT)

Our 2024 financial year has been one of the most challenging in our 42-year history

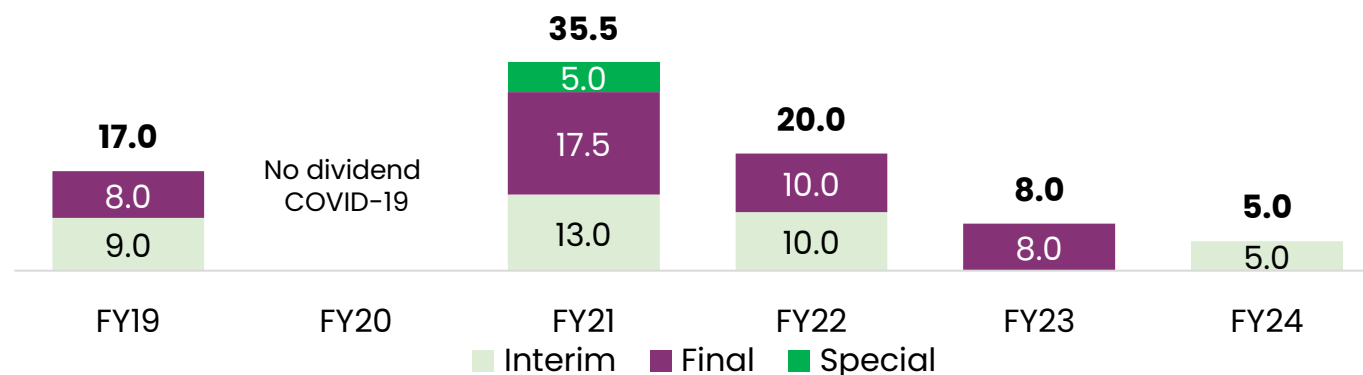
- Challenging economic environment continues to impact consumer spend.
- Our trading performance and operational execution have exacerbated the challenges of a difficult environment.
- We have taken action to turn the business around:
 - Torpedo7 sold - the \$60.5 million loss on sale has resulted in the first loss for The Warehouse Group in our history.
 - Leadership team and business restructured around our three core brands.
 - Focus on reducing costs of doing business and capital expenditure.
- No final dividend declared - FY24 interim dividend of 5.0 cents per share, representing 92% payout of Adjusted NPAT.
- We are absolutely focused on simplifying our business, reducing our cost of doing business, and sharpening the focus on our core brands to turn our performance around.

Dividends

Cents per share	FY24	FY23	Variance
Reported EPS	(15.7)	8.6	-281.8%
Adjusted EPS	5.5	16.6	-67.1%
Dividends per share ¹	5.0	8.0	-37.5%
Payout ratio ²	91.9%	74.1%	

- Adjusted EPS removes the \$60.3m loss from the sale of Torpedo7
- 5cps FY24 interim dividend
- No final dividend declared
- 91.9% payout ratio of FY24 Adjusted NPAT³
- Dividend policy remains the same – **To distribute at least 70% of the Group’s full year adjusted net profit at the discretion of the Board and subject to trading performance, market conditions and liquidity requirements.**

Historical dividends (cps)



1. Dividends reflect those declared for the financial period as opposed to those paid in the period.
2. The payout ratio in FY23 is based on FY23 Adjusted NPAT as reported in FY23.
3. Adjusted NPAT is from continuing operations before unusual items and is a non-GAAP measure. FY23 Adjusted NPAT has been restated for the treatment of Torpedo7 as discontinued operations. For a reconciliation between Adjusted and Statutory NPAT refer to Note 5.0 of the Financial Statements for the year ended 28 July 2024.

Changes to the Board of Directors



Dame Joan Withers
Chair
Independent Non-Executive Director
Appointed September 2016
Last re-elected in November 2022
(Retiring from the Board November 2025)



Robbie Tindall
Non-Executive Director
Appointed November 2020
Last re-elected in November 2023



John Journee
Executive Director
Appointed October 2013
Retiring by rotation and standing for re-election in November 2024



Dean Hamilton
Independent Non-Executive Director
Appointed April 2020
Last re-elected in November 2023



Rachel Taulelei
Independent Non-Executive Director
Appointed February 2021
Retiring by rotation and standing for re-election in November 2024



Antony (Tony) Balfour
Independent Non-Executive Director
Appointed October 2012
Retiring in November 2024



Antony (Tony) Carter
Independent Non-Executive Director
Appointed May 2024
Appointed by the Board effective 1 May and standing for re-election in November 2024



Caroline Rainsford
Independent Non-Executive Director
Appointed August 2022
Last re-elected in November 2022

Takeover approach from Adamantem Capital

- 22 July – Initial approach made from Sir Stephen Tindall and private equity firm, Adamantem Capital Partners.
 - Company immediately issued “Don’t sell” notice via the NZX.
 - Independent Board committee formed with appropriate delegations to respond to proposal. Advisers appointed.
- 23 July – Non-Binding Indicative Offer received with share price offer range of \$1.50 to \$1.70 and scheme of arrangement proposed.
- 2 August – Company announced it would not progress discussions with Adamantem Capital given the lack of critical shareholder support the proposed scheme of arrangement required to enable it to proceed.



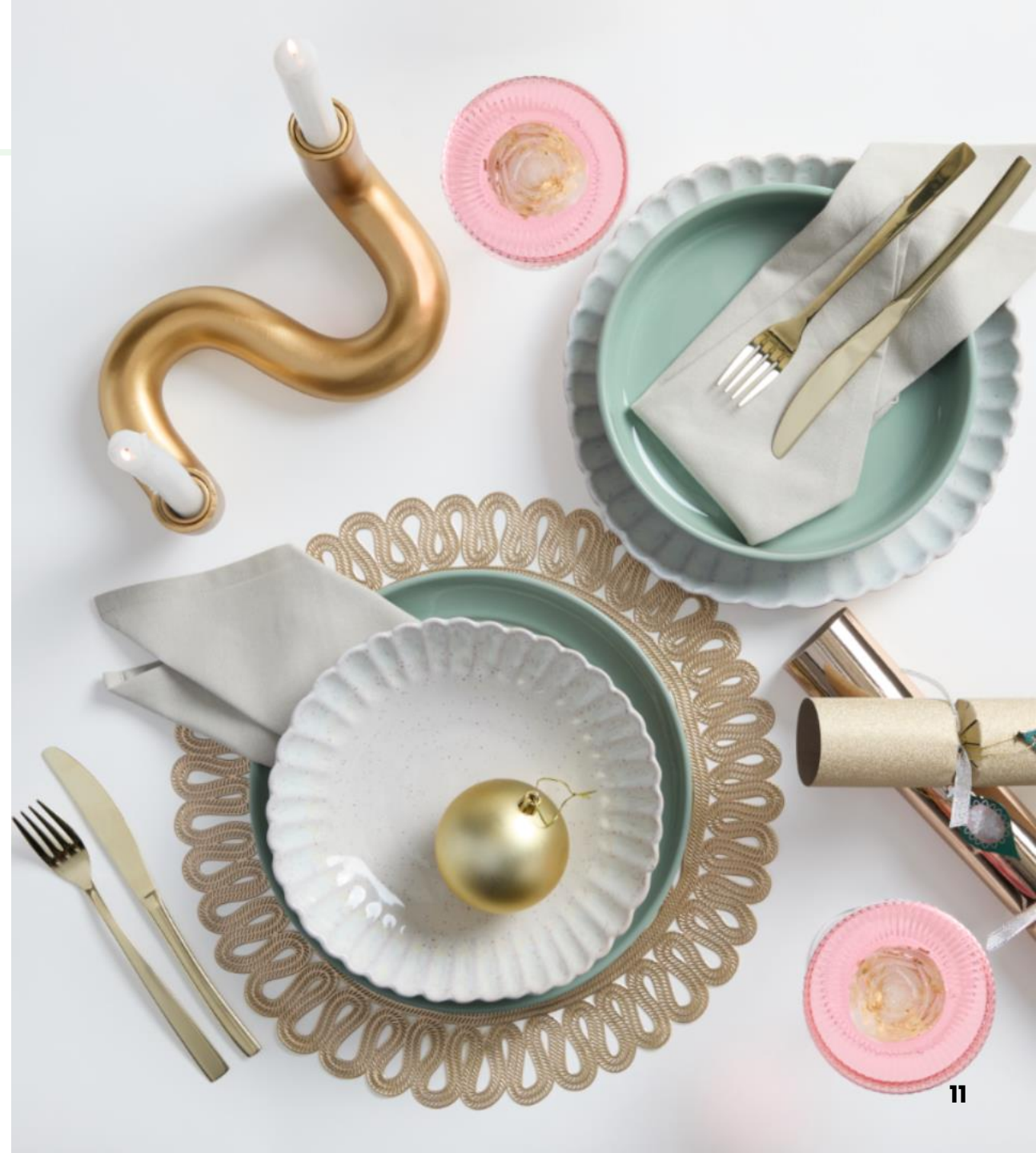
Succession planning

- The Board is thrilled to have the calibre and experience of John Journee to take the role of Interim Group CEO.
- The search process for a new Group CEO is underway, and we are anticipating being at the candidate short list stage early in the New Year.
- As announced in November 2022, this will be Joan Withers' last term as Director and Chair and Joan will retire from the Board in November 2025.
- Tony Balfour has announced that he will retire from the Board, and not seek re-election, at this year's Annual Meeting. We do not intend to seek a replacement for Tony's position on the Board at this stage.
- The Group has a strong Board with a high calibre of Directors with a variety and depth of skills and experience. The Board's Corporate Governance and Nominations Committee actively reviews board succession and will continue to evaluate the optimal mix of skills and experience needed to drive the Group's strategic objectives forward, including to consider the Chair's successor.
- Jeremy O'Brien has made a valuable contribution as Future Director over the past 18 months, and his role will cease in December 2024. The Board has been one of the strongest supporters of the Future Director programme but the replacement of the CEO and succession planning for the new Chair will be the priorities for the near term.



CEO update

John Journee
Interim CEO



FY24 Group financial performance

\$ million (continuing) ¹	FY24	FY23	Variance	H1 Var	H2 Var
Sales revenue	3,037.6	3,236.9	-6.2%	-4.9%	-7.6%
Gross Profit	1,020.9	1,088.2	-6.2%	-0.4%	-12.3%
Gross Profit Margin %	33.6%	33.6%	-	+160 bps	(180) bps
Cost of doing business (CODB) ²	992.0	1,004.8	-1.3%	-1.5%	-1.0%
CODB %	32.6%	31.0%	+ 160 bps	+120 bps	+ 220 bps
Operating Profit³	28.9	83.4	-65.3%	14.9%	-130.7%
Operating Profit Margin %	1.0%	2.6%	(160) bps	+40 bps	(400) bps
Net Profit After Tax (Adjusted)⁴	18.9	57.4	-67.1%	18.9%	-137.3%
Reported NPAT	(54.2)	29.8	-281.8%	-236.3%	-346.0%

- FY24 H2 was significantly more challenged than H1.
- Margin degradation in H2 was primarily driven by promotions and mark downs due to under performance in key categories.
- CODB was well controlled below last year.

1. All financial results in this presentation are reported on a continuing operations basis (excluding Torpedo7) unless otherwise stated. Refer to Note 17 of the financial statements for the 52 weeks ending 28 July 2024.
2. Cost of Doing Business (CODB) excludes the impact of NZ IFRS16, unusual items, and is a non-GAAP measure.
3. Operating Profit excludes the impact of NZ IFRS16 and unusual items and is a non-GAAP measure. For a reconciliation between Operating Profit and Reported EBIT refer to Note 2.0 of the Financial Statements for the 52 weeks ended 28 July 2024.
4. Adjusted NPAT is from continuing operations before unusual items and is a non-GAAP measure. FY23 Adjusted NPAT has been restated for the treatment of Torpedo7 as discontinued operations. A reconciliation between Adjusted and Statutory NPAT is located in Note 5.0 of the financial statements for the year ended 28 July 2024.

FY24 Brand performance



The Warehouse

Sales \$1.8b (down 5.3%)

Online sales 5.1% of total sales

Operating profit \$17.7m (FY23: \$71.6m)

- Success in grocery, audio visual, home technology & outdoor leisure categories offset by declines in Home and Apparel
- Modest gross margin gain of 10 bps
- Store foot traffic down 2.3% and same store sales down 2.9%
- New store - Wānaka, reopened Wellington CBD store
- In-store NPS 80.5 (FY23: 77.3)



Warehouse Stationery

Sales \$231.9m (down 6.7%)

Online sales 8.0% of total sales

Operating profit \$12.9m (FY23: \$23.0m)

- Double-digit Print & Copy Centres growth in FY24
- New Store - Wānaka SWAS
- BizRewards – 30,000 strong membership base to leverage
- In-store NPS 86.0 (FY23: 77.0)



Noel Leeming

Sales \$1.0b (down 5.3%)

Online sales 10.2% of total sales

Operating profit \$17.3m (FY23: \$27.3m)

- Difficult trading conditions, impacted by reduced discretionary spend and an increasingly competitive market
- Tech Solutions continues to be differentiator
- New store - Wānaka, relocated Greymouth to a bigger site
- In-store NPS 76.8 (FY23: 75.1)

Strategic reset

We can and will do better and that starts with getting back to being a great retail business that delivers products that Kiwi families want, at great prices.

FROM

Group ecosystem strategy

Investment in **digital platforms**

Significant change with modernisation of core systems

Agile operating model

TO

Brand-led strategies enabled by Group scale

Focus on **core retail functions**

Limit change, leverage platform investment, derive benefit

Retail operating model

Brand focused leadership

Interim Chief Executive Officer
John Journee

Finance, Tech,
Data & Property

Human
Resources

Operations

Merchandising

Supply Chain &
Sourcing

Marketing &
Digital

Noel Leeming



Mark Stirton



Richard Parker



Ian Carter



Tania Benyon



Mark Anderton



Hannah Russell



Jason Bell



Jo Mitchell

The Warehouse is key to our turnaround

Fighting Fit

Strategies to win

**Deliver
Everyday Low
Prices with the
right range of
products**

**Win key family
shopping
missions &
moments**

**Be an Everyday
Low-Cost
retailer**

**Actively
engage with
our Customers
& Communities**

Refreshing our ranges



Refreshing our ranges



Noel Leeming and Warehouse Stationery



FY25 Q1 update

- FY25 Q1 Group sales of \$668.0 million, a decrease of 2.5% compared to the same period last year.
- An improvement from the 5.9% decline we experienced in FY24 Q4, and ahead of the market.
- One of our key areas of focus has been our pricing strategy. Average retail selling prices were down 7.9% resulting in a 6.4% increase in units sold – demonstrating that customers are responding positively to our more competitive pricing.
- Same store foot traffic decreased 0.8%, but customer conversion rates improved by 242 basis points to 58%. Although basket sizes are constrained as customers prioritise essential categories and clearance items, we are optimistic about the engagement we're seeing.
- Noel Leeming is growing market share in a contracting market, which speaks to the strength of the value proposition.
- The Warehouse margin was the most challenged during the quarter, as lower margin product mix changes year on year – and this remains a key focus for us.



Looking ahead

- Our plan to get Fighting Fit is underway, with our focus firmly on trading each of our core brands and refreshing key product ranges at better value.
- However, these changes will take time to fully show results, and we're mindful that a sustained improvement in performance also relies on the broader economy bouncing back. While we're making progress, we expect our near-term results to remain mixed as the benefits of our improved product offer are muted by challenging market conditions.
- We remain cautious as we look ahead to Christmas and expect the trading environment to remain tight and highly competitive.
- With our focus firmly back on trading our retail brands and delivering the bargains our customers expect and deserve from us, the team and I look forward to reporting on our progress in the coming months.



Resolutions

1. Re-election of John Journee
2. Re-election of Rachel Taulelei
3. Re-election Antony Carter
4. Setting of Auditor Fees



Resolution 1

Re-election of John Journee

Resolution 1	Voted	%
For	195,223,642	97.76
Against	915,373	0.46
Discretionary	3,555,335	1.78
Abstain	158,282	n/a



Resolution 2

Re-election of Rachel Taulelei

Resolution 2	Voted	%
For	195,289,787	97.79
Against	858,436	0.43
Discretionary	3,554,197	1.78
Abstain	150,212	n/a



Resolution 3

Re-election of Antony Carter

Resolution 3	Voted	%
For	195,178,611	97.73
Against	981,071	0.49
Discretionary	3,546,635	1.78
Abstain	146,315	n/a



Resolution 4

Fix the fees and expenses of the auditors

Resolution 4	Voted	%
For	195,770,799	98.07
Against	332,899	0.17
Discretionary	3,522,302	1.76
Abstain	226,632	n/a



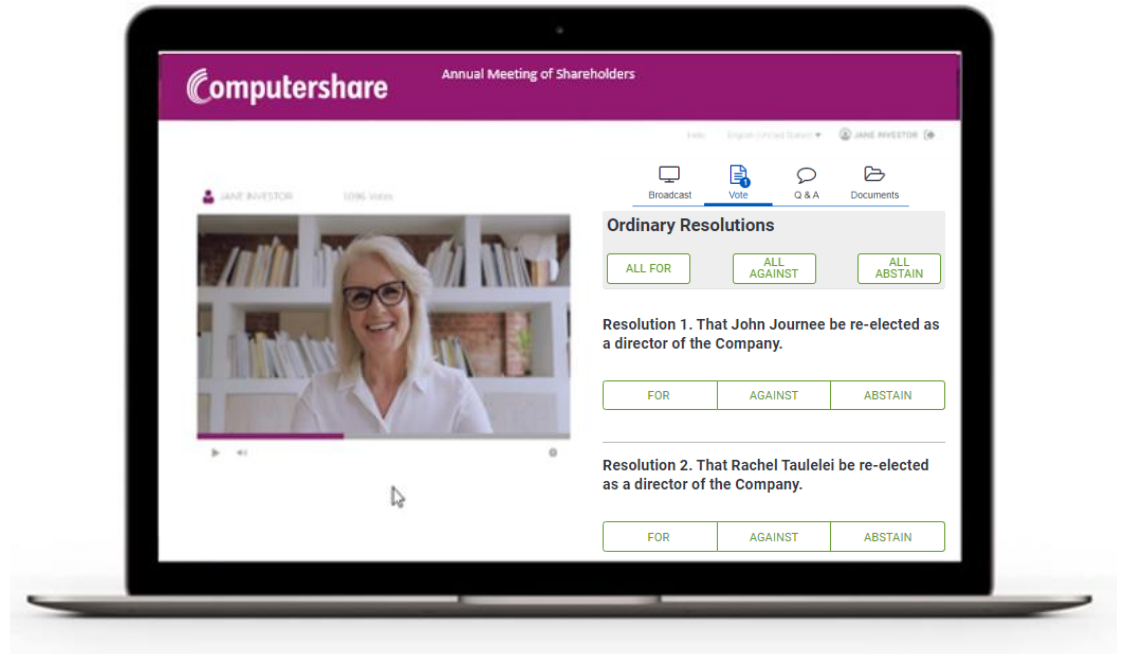
Participation in virtual meeting – Voting

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



General Business and Q&A



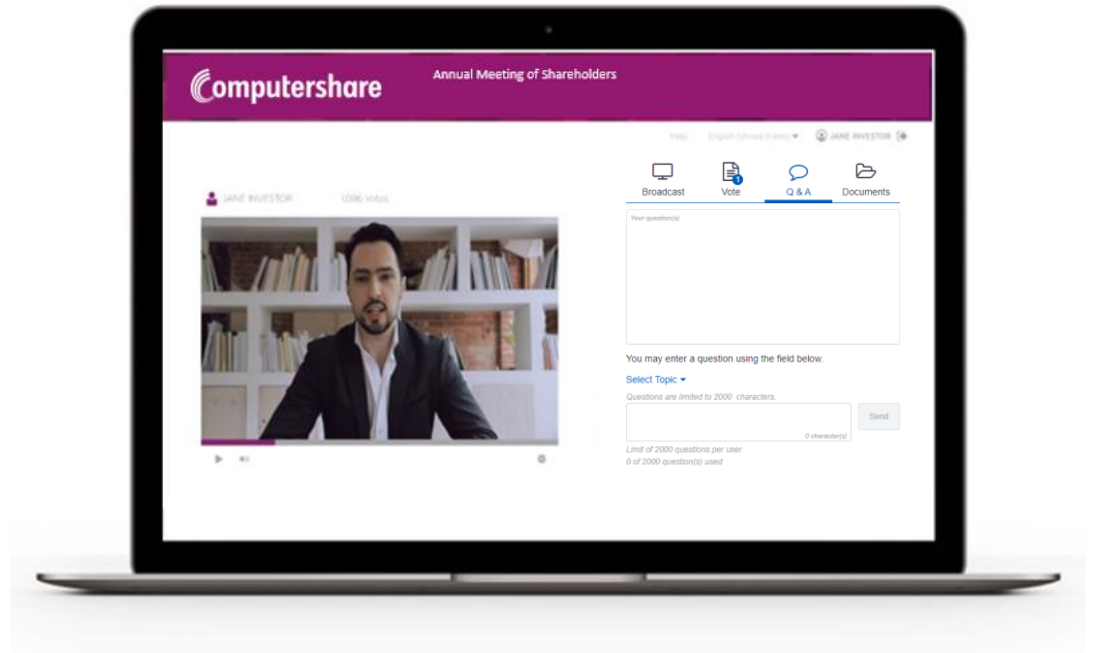
Participation in virtual meeting – Q&A

Written Questions:

Questions may have been submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help:

The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



Thank you



Helping Kiwis live better every day



Disclaimer

This presentation may contain forward looking statements and projections. There can be no certainty of the outcome and projections involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements and projections.

While all reasonable care has been taken in the preparation of this presentation, The Warehouse Group Limited does not make any representation, assurance or guarantees as to the accuracy or completeness of any information in this presentation. The forward-looking statements and projections in this report reflect views held at the date of this presentation.

Except as required by applicable law or any applicable Listing Rules, the Relevant Persons disclaim any obligation or undertaking to update any information in this presentation.

A number of non-GAAP financial measures are used in this presentation. You should not consider any of these in isolation from, or as a substitute for, the information provided in the financial statements for the 52 weeks ending 28 July 2024, which are available at www.thewarehousegroup.co.nz.

This presentation does not constitute investment advice, or an inducement, recommendation or offer to buy or sell any securities in The Warehouse Group Limited.

