



The Warehouse Group – FY24 Q3 trading update

Auckland, 10 May 2024

The Warehouse Group (“the Group”) has today provided a trading update for the 13 weeks ending 28 April 2024 (“FY24 Q3”) and the 39 weeks year to date.

The Group reported total sales of \$695.5 million in FY24 Q3, a decline of 9.2% compared to the same period in FY23 Q3, resulting in total sales of \$2.3 billion in FY24 year to date (“YTD”), down 6.2% compared to FY23 YTD.

- The Warehouse sales were \$408.3 million in FY24 Q3, down 8.1% compared to prior year;
- Warehouse Stationery sales were \$60.8 million in FY24 Q3, down 7.5% compared to prior year; and
- Noel Leeming sales were \$224.7 million in FY24 Q3, down 9.3% compared to prior year.

The comparative period in FY23 saw an unusual upward sales trend following the Auckland floods and Cyclone Gabrielle where there was increased demand for household items, apparel and appliances from The Warehouse.

Group gross profit was \$227.9 million in FY24 Q3, down 12.8% compared to FY23 Q3, with Group gross profit margin decreasing 130 basis points to 32.8% in FY24 Q3. Year to date, Group gross profit margin increased 60 basis points to 33.8% in FY24 YTD.

BRAND UPDATE

The Warehouse sales declined 8.1% to \$408.3 million in FY24 Q3, and a decline of 5.8% to \$1,373.9 million in FY24 YTD. Growth categories in the quarter include grocery, visual products, particularly TVs and seasonal home, offset by reduced sales in apparel and footwear.

Warehouse Stationery sales declined 7.5% to \$60.8 million in FY24 Q3, and a decline of 5.8% to \$178.7 million in FY24 YTD. Warehouse Stationery saw continued growth in our print and copy service offering, while most other categories saw softening demand including print and consumables, and office furniture.

Noel Leeming sales declined 9.3% to \$224.7 million in FY24 Q3, and a decline of 4.4% to \$769.1 million in FY24 YTD. While Noel Leeming saw growth in audio, tech wearables, and commercial sales, we saw a reduction in demand for computers, televisions, and whiteware.

UPDATE ON THEMARKET.COM

In March 2024, the Group shared our intention to sell or close TheMarket.com. Subsequently we have engaged with a number of interested parties, however we now confirm TheMarket.com will close by late June 2024.

The Warehouse Group Chief Executive Officer Nick Grayston says, “When we launched TheMarket.com in 2019 we were responding to a customer need for access to goods through an omnichannel approach. The initiative also gave us the opportunity to provide our customers access to a broader range of products supplied by third party vendors.

“We are disappointed TheMarket.com did not meet our aspirations and we will close the front-end of the platform. However, we will use the engine we have built and harness the learnings and innovation we have acquired to continue to power the extended third party offering for The Warehouse website and app.”

OUTLOOK

“This has been another challenging quarter for the Group. Trading conditions remain highly uncertain. We are focused on gross margin improvements and continued tight control of costs for the final quarter of our financial year. We will continue to invest in our value proposition, offering Kiwi families affordable essentials across all categories,” says Mr Grayston.

ENDS

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