

2021 Investor Day

The Warehouse Group

4 May 2021



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- Includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance;
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All information in this presentation is current at the date of this presentation, unless otherwise stated. All currency amounts are in NZ dollars unless stated otherwise.



AGENDA

9:00am	Welcome	Nick Grayston – Chief Executive Officer
9:15am	Turnaround Journey	Jonathan Oram – Chief Financial Officer
9:45am	Ecosystem Vision	Nick Grayston – Chief Executive Officer
10:15am	Customer Experience	Jonathan Waecker – Chief Customer Officer
10:45am	MORNING TEA BREAK	
11:00am	Systems and Digital Initiatives	Edwin Gear – Chief Information Officer Michelle Anderson – Chief Digital Officer
11:30am	Core Brands – The Warehouse, Warehouse Stationery, Noel Leeming	Tim Edwards – Chief Sales Officer Tania Benyon – Chief Product Officer
12:30pm	LUNCH BREAK	
1:00pm	Torpedo7	Simon West – CEO Torpedo7
1:30pm	TheMarket.com	Justus Wilde – CEO TheMarket.com
2:00pm	Investments and Returns	Jonathan Oram – Chief Financial Officer
2:30pm	Governance	Joan Withers – Chair of the Board
2:45pm	Open Q&A	All



2021 Investor Day – 4 May 2021



PURPOSE **of today**



The Warehouse Group's last investor day was November 2017 and since then major steps have been made on transforming the business



Today is an opportunity to update investors on the progress that has been made and provide a deeper understanding of our current strategy



As an NZX listed company TWG is committed to maximising the benefits that a listing can bring. Two objectives to do this are to

- Deepen and strengthen the share register
- Return to being a constituent of the NZX50



There are no trading updates in these materials, but we do highlight areas of potential growth



LEADERSHIP SQUAD



Nick Grayston
Group CEO



Michelle Anderson
Chief Digital Officer



Tania Benyon
Chief Product Officer



Tim Edwards
Chief Sales Officer



Nicholas Falconer
Chief of Staff



Edwin Gear
Chief Information Officer



Jonathan Oram
Chief Financial Officer



Richard Parker
Chief Human Resources Officer



Stewart Smith
General Manager Strategic Projects



Jonathan Waecker
Chief Customer Officer



Simon West
CEO Torpedo7



Justus Wilde
CEO TheMarket

Turnaround Journey

Jonathan Oram

Chief Financial Officer

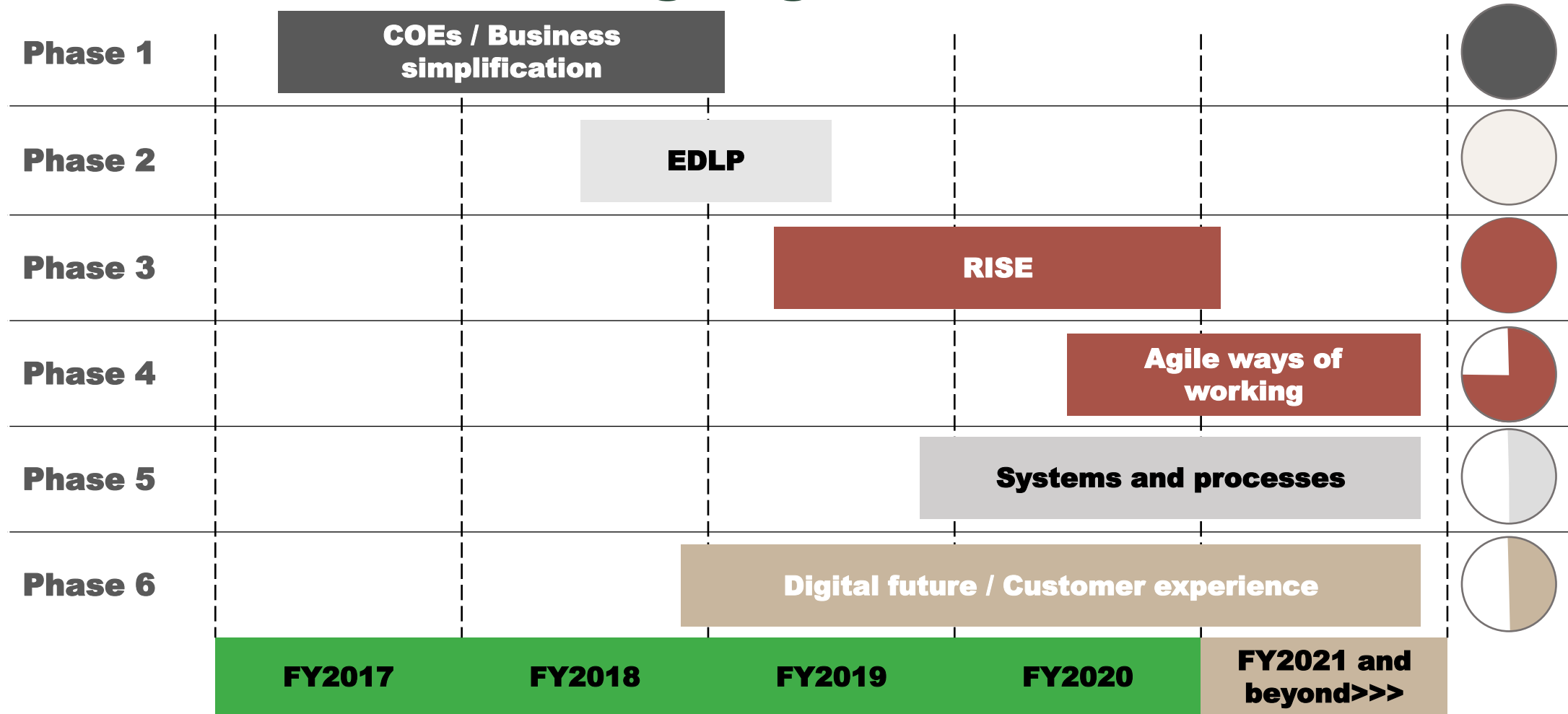


Investment case

Trusted brands	Leading New Zealand retail brands in their market segments and emerging marketplace brand, TheMarket.com
Proximity to New Zealanders	Unrivalled national store network of 254 stores, supported by distribution centres in the North and South Islands giving proximity to deliver goods and services to New Zealanders
Scale for New Zealand	\$3.2b of sales representing over 10% of non-food retail spend, coming from more than 3.7m loyalty members and over 2m+ shopping trips per week
Digital Investment	Significant investment in customer facing digital assets and development of TheMarket.com providing foundation for the group ecosystem
Improving financial performance	Last three years demonstrate improving financial metrics and return on capital, which is beginning to translate into share price performance
Change ready team	Transformation investment in stores and SSO has prepared teams for continuing change



Our multi-phase turnaround journey started in FY17 and remains ongoing



We have made material progress towards becoming a world class retail group

COEs / Business simplification	Creation of Group centres of excellence and business simplification – exit of financial services and non-core brands and commencement of SWAS
EDLP	Adoption of EDLP in The Warehouse providing value to customers and delivering margin, inventory and store productivity improvements
RISE Transformation Programme	Programme of 282 initiatives across revenue, cost, capital allocation, and operating model delivering recurring and one-time benefits and building capability
Agile ways of working	First global multi-brand retailer to fully adopt agile ways of working in support office operations
Systems and processes	Executing programme of core system renewal and associated process changes, extending to in-store operating models
Digital future / Customer experience	Significant investment in the components and customer experience necessary to deliver a Group ecosystem



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Our RISE programme delivered value through 282 initiatives across the business

Our top 10 initiatives delivered significant recurring and one-time benefits to enable further investment

Initiative	Description
Supplier payment terms ¹	Improving working capital through the extension of overseas supplier payment terms
Pricing optimisation process	Using data analytics and disciplines to review and optimise our pricing, especially in an EDLP environment
COGS negotiation	Embedded a new framework and process to negotiate trade supplier terms across all brands
Direct sourcing	Lowering cost of goods through driving direct business via sourcing offices in China and India instead of local suppliers and agents in New Zealand
Fill and recovery optimisation	Improving night fill productivity in TWL stores through new processes, standards, and ways of working
TWL store operating model	Operating model changes in TWL to include a review of management layers and wider updating of rosters to reflect when staff are needed most
High performance culture	Introducing a new performance management process in all Noel Leeming stores, with new reporting and coaching tools
Aged inventory standards	Standardising aging benchmarks to industry standards for all categories in TWL
TWL clothing tables	Introducing apparel tables into TWL stores, allowing for increased stock density available at any time
TWL store performance	Raising the performance of bottom quartile stores in the TWL network through a new performance management methodology

> \$5M
recurring

> \$1M
recurring



1. Significant one-time cash flow benefit and ongoing benefit with growth

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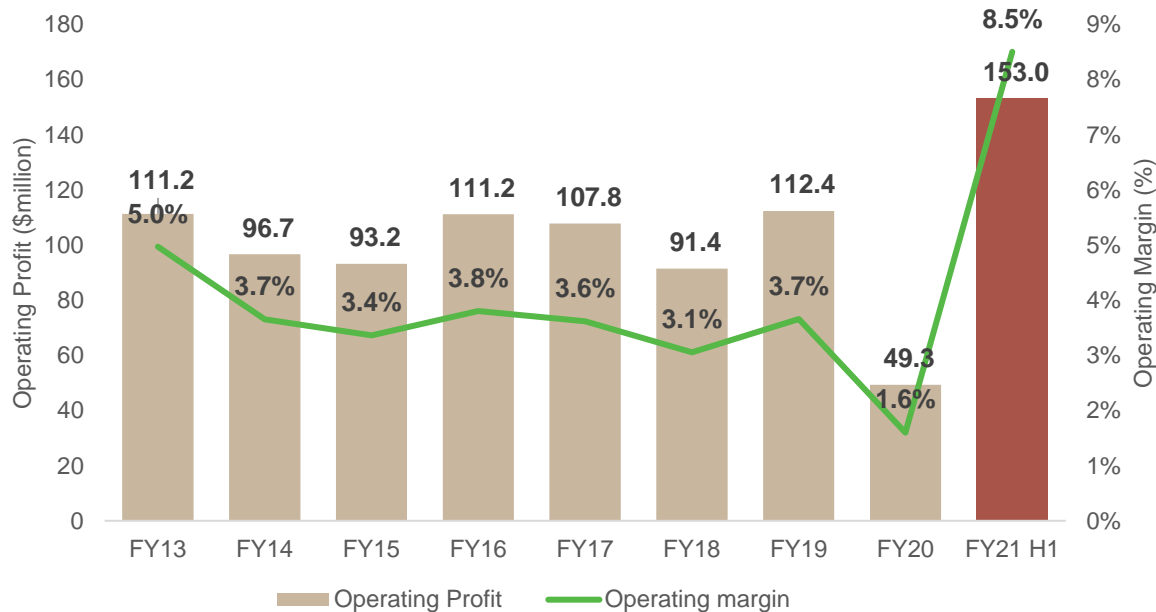


Our transformation is delivering

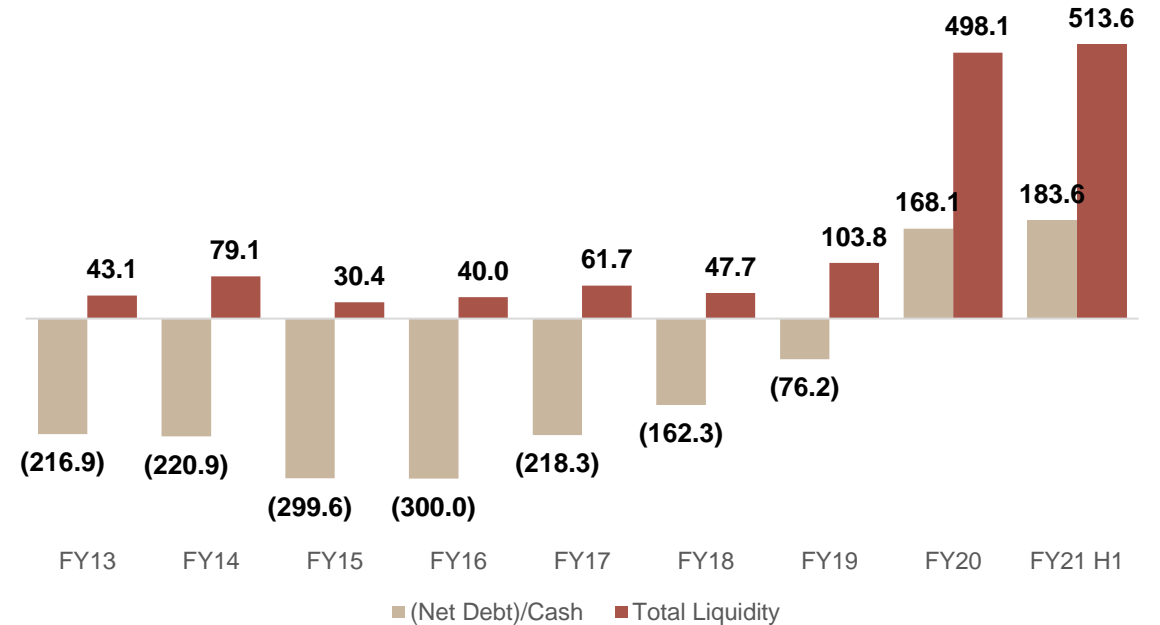
We have arrested the multi-year decline in the decade to 2017 and we are now driving strong returns

- ↑ Increased sales
- ↑ Increased operating margin and profit
- ↑ Increased cash flow conversion
- ↓ Reduced debt – now in positive cash position

Operating profit and margin



(Net Debt)/Cash and Total Liquidity (\$million)

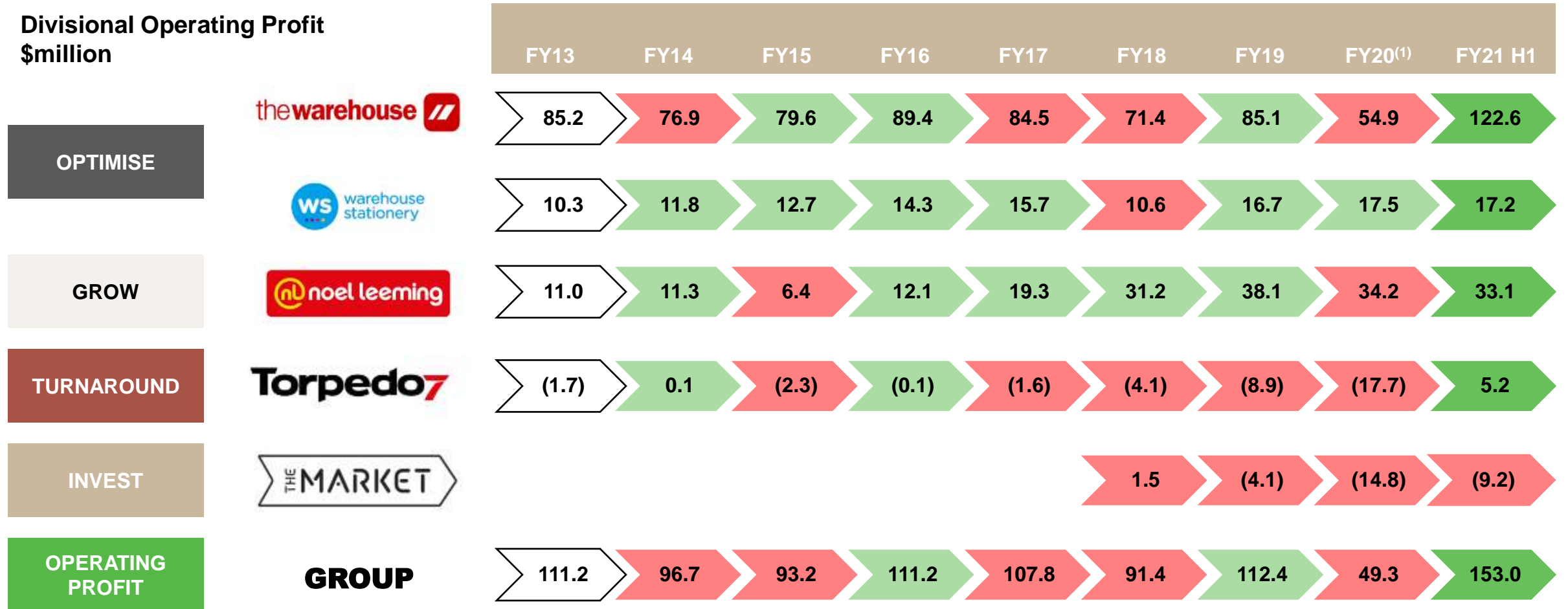


FY20 Operating Profit has been restated from previous reported results to exclude the \$67.5m wage subsidy received in FY20 which has been reclassified as unusual items. Operating Profit is a non-GAAP financial measure defined in the Group's financial statements.



Financial performance breakdown

Divisional Operating Profit \$million



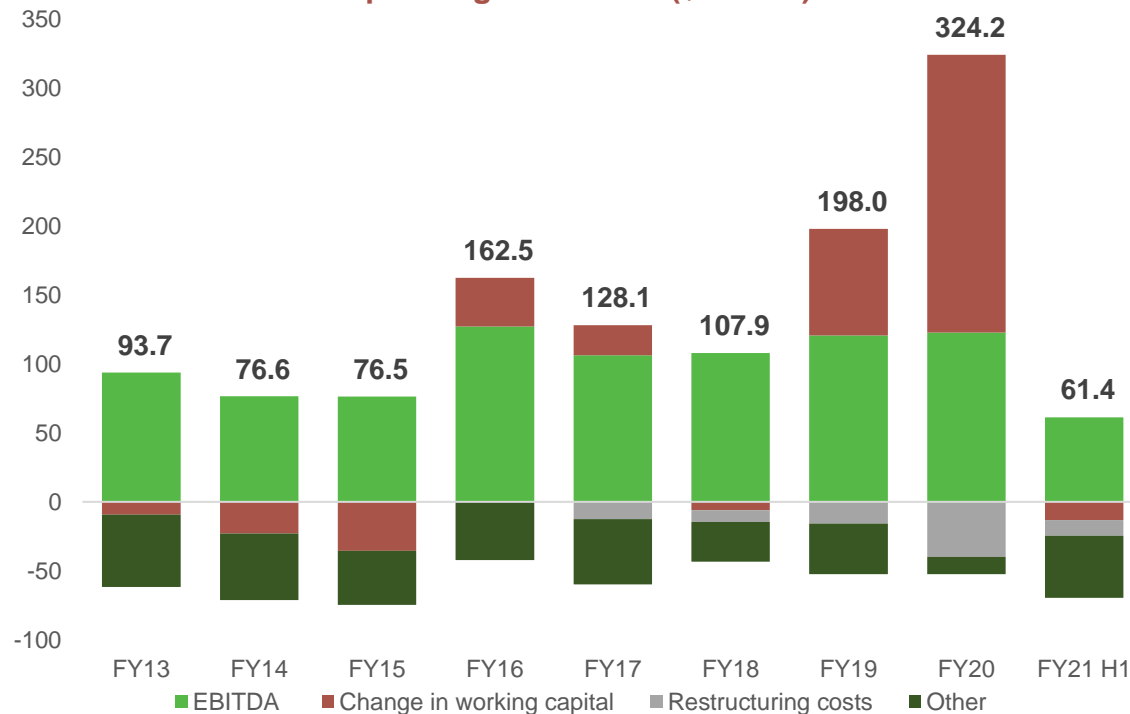
1. FY20 Operating Profit for each brand and Group has been restated from FY20 reported results due to the reclassification of the wage subsidy received in March 2020 to unusual items and this was repaid in December 2020. Including the wage subsidy, Group Operating Profit was previously reported as \$116.8 million in FY20.
2. Noel Leeming was acquired in December 2012, therefore FY13 only includes 7 months results.
3. Torpedo7 was acquired in April 2013, therefore FY13 only includes 4 months results, and has been restated to exclude 1-day.
4. TheMarket Operating Profit includes TheMarket and 1-day results from FY18.



Cash flow generation

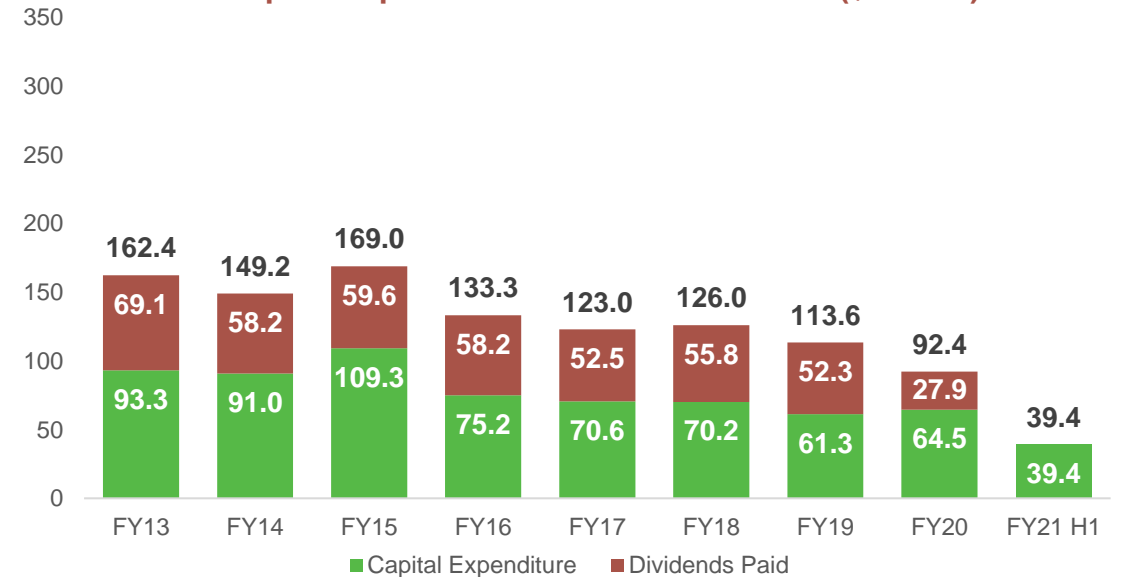
- Improving earnings amplified by working capital benefits
- Capital expenditure profile has been declining but the intention is for this to increase
- Dividends have been very stable over the period despite cashflow volatility

Operating Cash Flow (\$million)



To improve multi-year comparability, Operating Cash Flow in FY20 and FY21 H1 includes NZIFRS16 lease principle repayments.

Capital Expenditure and Dividends Paid (\$million)



\$27.9m dividends paid in FY20 relate to the FY19 Final Dividend paid. FY20 Interim dividend was cancelled and no FY20 Final dividend was declared due to COVID-19.



Ecosystem Vision

Nick Grayston

Chief Executive Officer



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RETAIL DISRUPTION IS HERE, **AND** **CUSTOMER EXPECTATIONS ARE GROWING**

CUSTOMERS ARE ...

MORE CURIOUS

58%

purchases prompted
by something seen
online ¹

+118%

growth in mobile
searches for
“where to shop/buy” ²

MORE DEMANDING

+450%

growth in mobile
searches with
“near me” ⁴

ON DEMAND
EVERYTHING

Uber, Spotify,
Netflix, Prime,
banking, etc.

MORE IMPATIENT

+120%

growth in mobile
searches for same-
day shipping ²

79%

consumers look for
info online as they
shop in stores ³

Customers are demanding convenience more than ever before

- (1) Google/Ipsos, Global Retail Study 2019, total sample n=14,206
- (2) Google Internal Data 2021 vs. 2020
- (3) Google APAC Online Consumer Research 2018
- (4) “Brexit Hits the High Street, but Ecommerce Proves Resilient” eMarketer, Jul 7, 2019



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WE HAVE A VISION **ALIGNED TO THIS NEW WORLD**



GOING FORWARD, MODERN RETAIL IS ALL ABOUT CUSTOMER ECOSYSTEMS

- They better leverage assets and investments (footprint, systems, data, inventory)
- They create stronger customer relationships (high engagement, low churn, etc)
- They create new platforms for business growth

	amazon	Walmart	McDonald's	target	SEPHORA
Strong <u>physical</u> footprint	● + Whole Foods, GO	●	●	●	●
Mobile app-based loyalty	● #1 app + Prime	● + Walmart Pay	● + payments	● + payments, rewards	● + points
Highly <u>personalised</u> (offers / range / services)	● 400+ million listings	● + Supplier Advertising	●	● + Supplier Advertising	● + Supplier Advertising
Convenient fulfilment	● Pickup + fast delivery	● Pickup + fast delivery	● Pickup + fast delivery	● Pickup + fast delivery	● Pickup + fast delivery
Partnership extensions	● Payments, Health, Logistics, Shopify, etc.	● Fintech, QSR	● UberEats partnership	● SWAS partnerships (CVS, Ulta Beauty)	● SWAS partnerships (shops in Kohl's)
Category & segment expansion	● Marketplace, Content, Pharmacy, Grocery, Private Label	● Marketplace, Pharmacy, Grocery, Private Label	● Coffee	● Pharmacy, Grocery, Private Label	● Services

1.Target USA



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WALMART, AMAZON AND ALIBABA CUSTOMER-LED ECOSYSTEMS WITH NINE KEY AREAS IN COMMON



Stores

physical retail and pickup points

Advertising

turn traffic into supplier funding and revenue

Financial & Payment Services

payment options, cards and schemes

eCommerce & Marketplace

range via 1st & 3rd party products & services

Fulfilment

shipping and Click&Collect

Health & Wellness

typically pharmacy, vision and health

Customer Loyalty

data-driven programs that hold it all together

Services (Home & Personal)

helping customers in their daily lives

Food, Travel, & Entertainment

value-added benefits to increase time spent



WE'RE BUILDING A CUSTOMER-CENTRIC ECOSYSTEM FOR NEW ZEALAND

Our unique combination of local assets, global partnerships, and a strong financial position means we can grow our business and expand our capabilities to deliver solutions for customers

- We have a vision of what we want our ecosystem to become
- We are on the journey now, with foundational elements being deployed
- Some customer-facing experiences beginning to come online FY21 / FY22



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Customer Experience

Jonathan Waecker

Chief Customer Officer



BUILDING OUR ECOSYSTEM

KIWIS START WITH US

Customers will choose us first, **as long as** shopping with us is **easier** than shopping with anyone else

more **convenient**

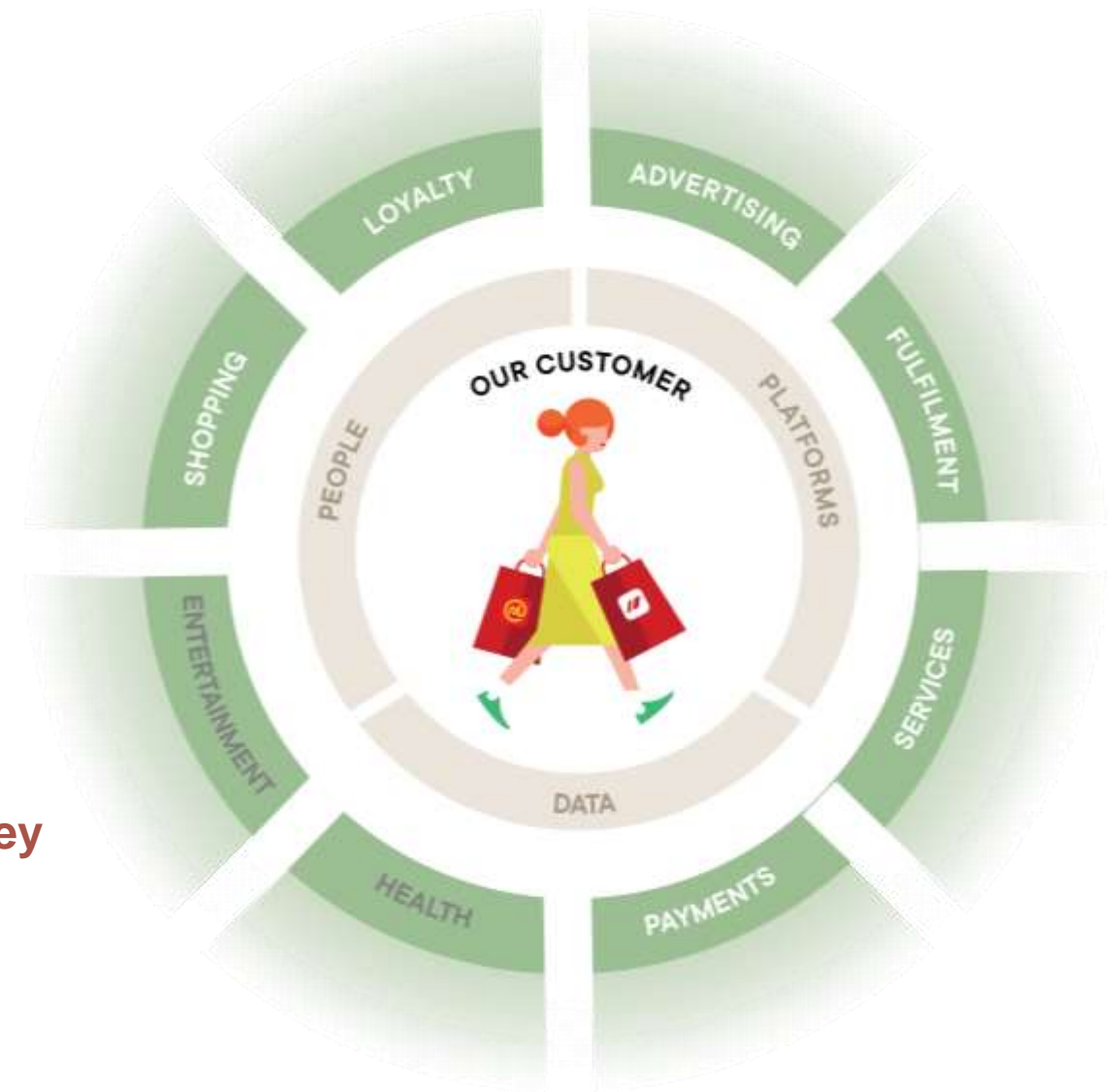
more **predictive**

more **range / options**

more **ways to save money**

more **customised**

more **sustainable**



WE'RE STARTING EVERYTHING BY FOCUSING ON OUR CUSTOMERS

WRAPPING OUR CUSTOMER EXPERIENCES AROUND THREE UNIFIED ENABLERS

Agile, unified (cross-brand), and
change-able people platform



Unified platforms across the Group

- eCommerce
- Data (customer, product, and store)
- Product sourcing and development
- Marketing and customer acquisition infrastructure
- Logistics
- Technologies
- TWG Business



Unified customer view
1st party data



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SHOPPING BEHAVIOURS

ARE WHERE IT ALL STARTS

WE'RE FOCUSED ON MAKING OUR SHOPPING EXPERIENCES EASY AND SEAMLESS.

Physical Stores

- Our stores are convenient and located throughout New Zealand
- Continue prioritising Click&Collect growth (more convenient + more profitable)
- Continue successful SWAS program

eCommerce (1st party retail)

- Our sites and mobile apps are among the top retail sites and apps in New Zealand
- +50.3% growth in online sales in H1 FY21 (+85% for Noel Leeming, +75% for The Warehouse)
- Growing investments in mobile apps

Marketplace (3rd party retail)

- Range is a critical enabler for customers to choose us first
- Helps take our Group range from ~ 120k 1st-party SKUs to 5,000 brands and 3m active SKUs (1st and 3rd party)



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CUSTOMER **LOYALTY** PROGRAMS

BRING IT ALL TOGETHER, IN STORES AND ONLINE

- Nearly **4 million unique customer records** across our existing loyalty programmes ¹
- Launched **TheMarket Club** paid membership (\$5.99/month or \$59.00/year) with free shipping (\$45+)
- **Successfully piloting app-first loyalty programme in The Warehouse**
- **Partnership with FlyBuys** (Noel Leeming, Torpedo7)
- Opportunity to **integrate and simplify**



(1) TWG Internal Data 2021, aggregated and de-duped across 9 data sources. Over 10M total records (not unique)



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SUPPLIER **ADVERTISING** INFRASTRUCTURE

WILL TURN OUR STORE AND DIGITAL TRAFFIC INTO INCREMENTAL REVENUE



Expand dedicated media centres to better service and capture supplier funding



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CUSTOMER **FULFILMENT** AND OUR LOGISTICS

**WE GET OUR GOODS AND SERVICES TO OUR CUSTOMERS,
WHEN AND WHERE THEY WANT**

Click & Collect



New Zealand Post 

Delivery



- Scaled one-hour click & collect at Noel Leeming
- Established same-day click & collect at The Warehouse
- Launched **Fulfilment by Market (FBM)**
- **Nationwide** Click&Collect and MarketPoint locations
- Strategic partnership with **NZ Post**

- Opportunity to leverage our footprint for last-mile pickup
- Opportunity to invest in fulfilment capacity and capability



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OUR **SERVICES** HELP CUSTOMERS AND BUSINESSES IN THEIR DAILY LIVES



- **Installation**
- **Warranties and Protection Plans**
- **Consultation Services**
- **Print & Copy Centres**
- **Expanded use of AI, chat bots, and digital humans** to drive improved personalisation and to better solve customer problems, while increasing team member engagement and effectiveness
- Opportunity to expand services across the Group
- Opportunity to personalise services for customers



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OUR **PAYMENT** OPTIONS HELP CUSTOMERS PAY QUICKLY AND EASILY

WITH MORE WAYS TO MAKE THEIR BUDGETS WORK FOR THEM



- Launched Purple Visa interest-free into The Warehouse and Warehouse Stationery
- Expanding our financing solutions, products, and partnerships



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SUSTAINABILITY IS A GROWING REQUIREMENT FOR OUR CUSTOMERS

OUR ASPIRATION IS TO BECOME NEW ZEALAND'S MOST SUSTAINABLE RETAILER

An Integrated Reporting and evolving Environment & Social Governance (ESG) Model

3 AREAS OF FOCUS	Products	Planet	People	
TARGETS	Reduce Drive cost benefits by using our resources more efficiently	TWG Operational Waste Reduction Active Emissions Reduction Program <ul style="list-style-type: none"> eg Energy efficiency, EV Light Fleet Carbon Neutral since 2018	Embed change in behaviours into the business <ul style="list-style-type: none"> eg. Create owners mindset in regards to sustainability Future of Work, reducing team member risk against future changes in workplace <ul style="list-style-type: none"> eg. upskilling, working w/ automation 	
	Enhance Drive growth benefits through better practices and appealing to customer perception drivers	Efficiency in transportation, packaging and delivery of products <ul style="list-style-type: none"> eg reduction in product packaging, plastic packaging and shipping materials, EV delivery trucks Sustainable Packaging Ethical Sourcing Sustainable Products & Materials <ul style="list-style-type: none"> eg certified materials, sustainable alternatives, Certified palm oil, Better Cotton Initiative, FSC and others 	Circular Economy & End-of-Life Recycling for Customers <ul style="list-style-type: none"> eg Soft Plastic Recycling at TWL, polystyrene, eWaste at NLG, ink & toner cartridges at WS, new programs with partner brands and MfE 	Community Initiatives <ul style="list-style-type: none"> eg Period Poverty Community Fundraising <ul style="list-style-type: none"> eg Salvation Army, Plunket, Women's Refuge
	Comply The current and future regulatory environment	NZ upcoming Mandatory Product Stewardship Schemes Plastic Bag Free	CLC (Climate Leaders Coalition) Voluntary Emissions Market	Leadership <ul style="list-style-type: none"> eg Family Violence not OK, White Ribbon, Free Access to Period products for all employees,...





Systems & Digital Initiatives



Edwin Gear

Chief Information Officer

Michelle Anderson

Chief Digital Officer



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Systems and Digital Initiatives

- *Replacing our core operational systems to migrate from Batch to Realtime (MDM, ERP, WMS, GEP, OMS, HCM)*
- *Rebuilding our Supply Chain to capitalise on changes in customer demand*
- *Continued investment in our digital platforms to enable growth in online*
- *High level roadmaps for business solutions*
- *Brief Q&A*



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Systems and Digital - Foundations

Replacing core operational systems will increase productivity and enable the transition from “batch” to “realtime”

Centralised Financial Reporting across the Group

Reduces admin overhead, reduces time to value, improves accuracy of management reporting

Centralised Master Data Management (MDM)

Reduces admin/rework and enables staff to focus on value-added tasks (“single source of truth”)

Realtime inventory administration

Is essential to reliable online “Available to Sell” (ATS) as well as improved forecasting/replenishment to maximize trading performance in stores

Integrated Human Capital Management (HCM)

Enables organisation structure administration, DFA, time reporting, activity-based costing and employee self service

Common middleware integration architecture

Ensures seamless interoperability, adaptability and reuse across our 300+ business application ecosystem



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Systems and Digital – Supply Chain

Rebuilding our Supply Chain to capitalise on changes in customer demand and transform from “Push” to “Push/Pull” Supply Chain

Consolidating Warehouse Management Systems

WMS will standardise operating procedures and facilitate integration of optimisation tools to further improve productivity

Introducing Fast and Slow distribution channels

Improve stock availability for core range and increase stock turns in stores

Increased automation in fulfillment

Will increase productivity, business continuity, reduce cost-to-serve and improve throughput in peak periods

Optimising storage, truck utilisation and routing

Will reduce freight to stores and increase stock availability for core range and Key Value Items (KVIs)

Additional Online fulfillment facility (in South Island)

Balances demand between NI/SI, ensures redundancy of operations, enables same day delivery and lower cost of fulfilment



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Systems and Digital – Customer Ecosystem

Continued investment in our platforms enabling growth in online and building the foundations of the customer ecosystem

New website & app capability

Delivering a seamless omnichannel customer experience bridging physical and digital and incorporating marketplace

Unified customer view

Increased customer LTV by connecting data across all touchpoints – transactional, behavioural, support, media, surveys and more

Personalisation powered by data & intelligence

AI / machine learning to provide real-time / dynamic personalisation, eg. targeted promotions & product recommendations, throughout the customer journey

Focus on fulfilment

Replacing order management systems optimising cost to serve whilst providing customers with a suite of delivery choices – 1-hour / same day delivery, Click&Collect, dropship and returns

Enhanced customer service

Enabling a choice of channels for customers to engage, leveraging AI to predict needs and increasing self-service options, eg. delivery & installation bookings



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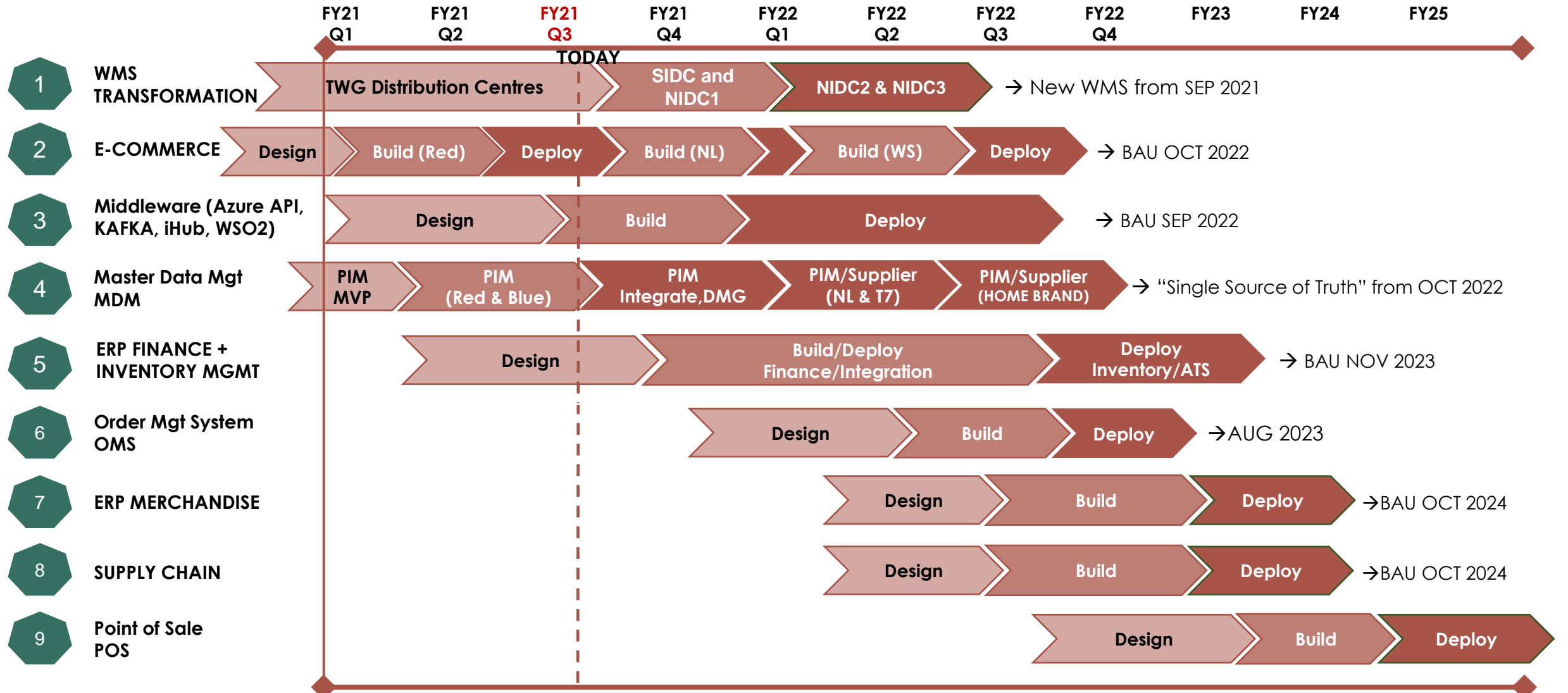
Torpedo



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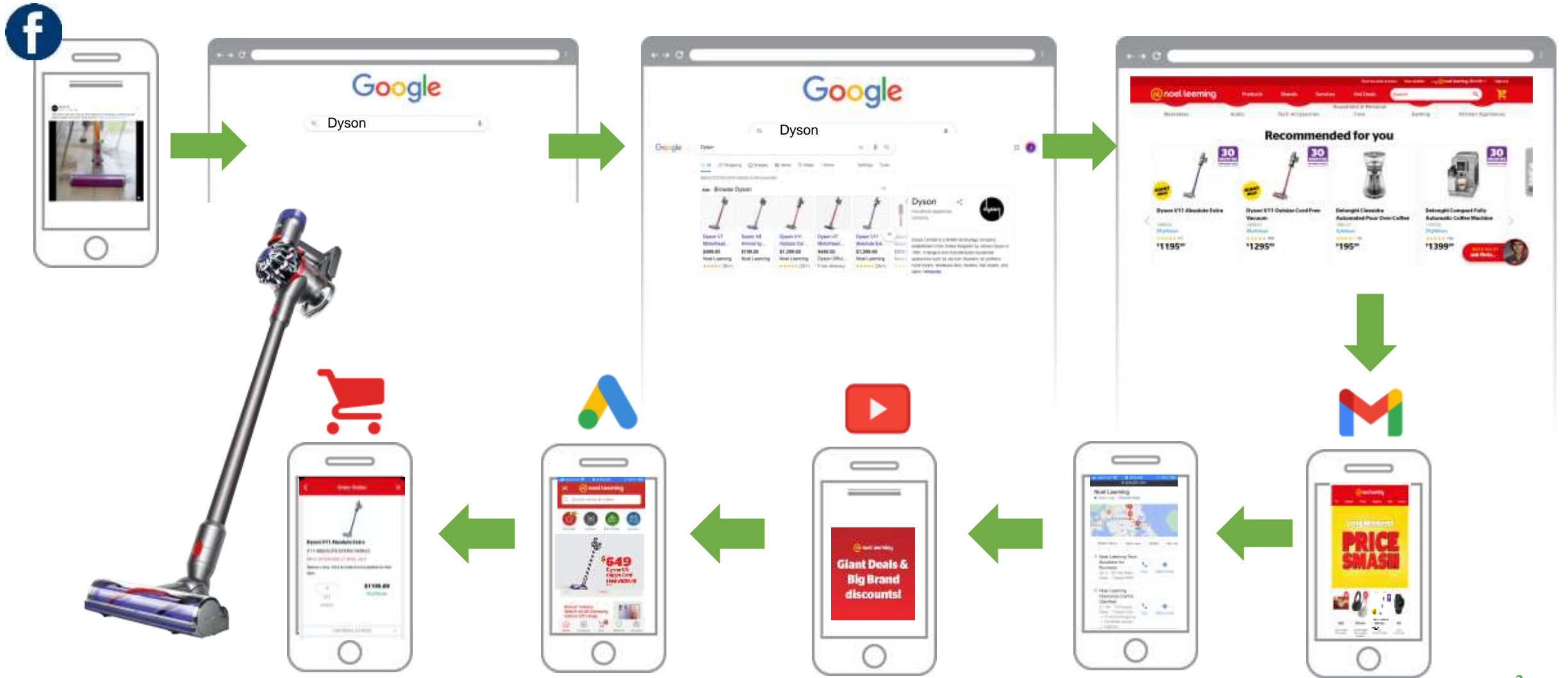
Roadmap – Business Solutions



Personalisation powered by data & intelligence



Personalisation powered by data & intelligence



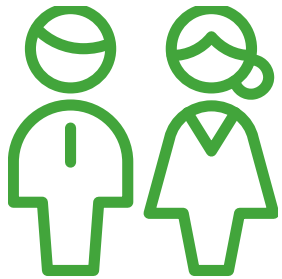
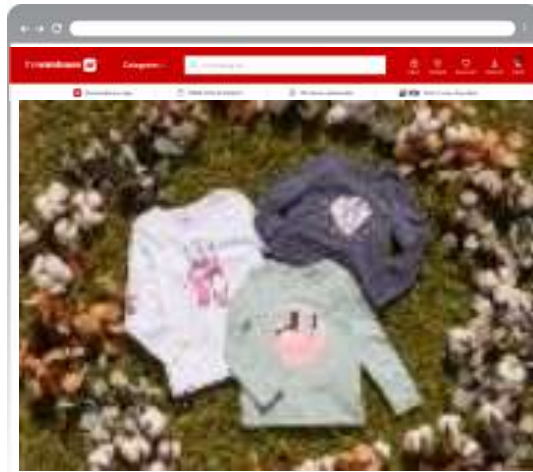
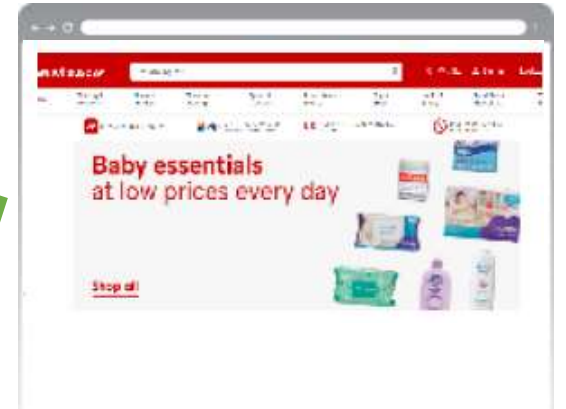
Personalisation powered by data & intelligence

Parent sees an ad and clicks through to site

Split test landing pages eco-friendly vs generic

Personalised wayfinding included throughout user journey

Returning users see relevant content on homepage during subsequent sessions



Targeting parents most likely to churn



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Core Brands

Tim Edwards

Chief Sales Officer

Tania Benyon

Chief Product Officer



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THE WAREHOUSE GROUP'S **ICONIC BRANDS ARE LEADERS IN THEIR SEGMENTS**

A FAMILY OF NEW ZEALAND RETAIL BRANDS WITH DIFFERENTIATED CUSTOMER PROPOSITIONS



Leading value retailer, offering trusted everyday products and brands at the lowest prices

Where Everyone Gets a Bargain



Leading productivity retailer for businesses and consumers

Business Made Easy



Leading full-service appliance and technology retailer

The authority in appliances, technology, and services



Leading cross-category outdoor adventure retailer

See You Out There



Online marketplace offering 5,000 brands and 2.5M+ third-party SKUs

Get It All Done

Supported by full alignment across unified back-of-house Group support

Sourcing & Private Label Development

Sustainability & Corporate Affairs

Property & Network Planning

Technology & Data

Commercial Services (TWG Business)

Commercial, Strategy & Risk

People & Capability



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ACROSS THE GROUP WE ARE ALIGNING OURSELVES WITH HOW CUSTOMERS SHOP



Through Agile, we have moved away from traditional category structures, to become customer mission focused, aligning our teams around how our customers shop and want to experience our offer, with end-to-end accountability to deliver change faster



Powered by a new data analytics and insights capability enabling us to make more informed customer decisions and smarter investment choices



Developing and expanding our offer in key growth areas, solving customer problems under one roof



Playing a bigger role in our communities by better understanding our customers, their needs and their challenges eg. equal access to period products



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WE ARE OPTIMISING PRICE AND RANGE TO GROW OUR GROSS MARGIN WHILE IMPROVING VALUE PERCEPTION



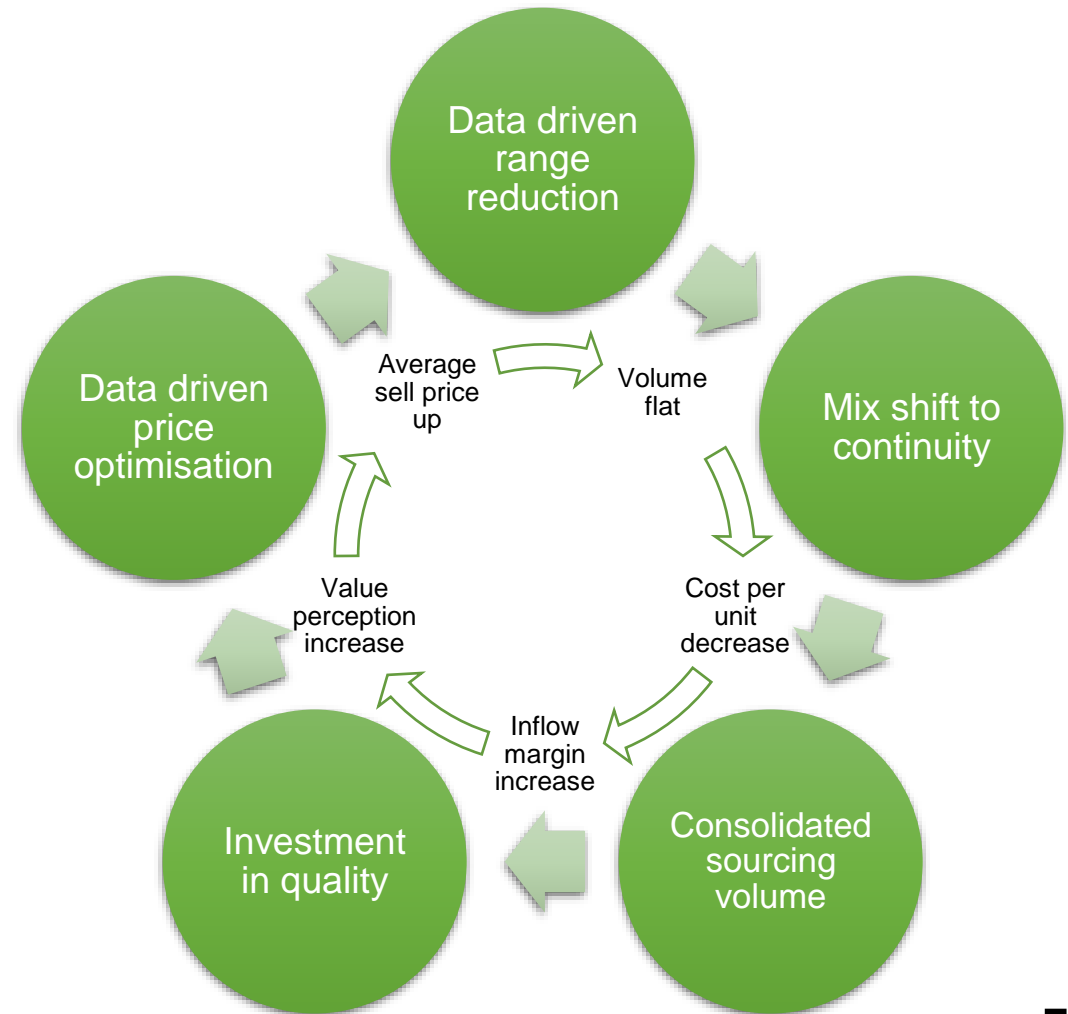
Sales, margin and cash growth from our merchandise programme is strong across all brands



Our data driven price and range optimisation provides strong inventory control, operational efficiency and margin delivery



Programme has delivered an enduring annualised gross margin gain while improving stockturn with lower inventory levels and clearance



WE ARE LEADING IN DELIVERING A SUSTAINABLE AND AFFORDABLE RANGE

- Customer focus is moving on from ethical sourcing practices to include sustainable ways of working too
- More and more customers are looking to use their power as consumers to enable change. An important distinction for TWG is that our programme authentically aligns with our history of ethical sourcing and is supported by our wider 'Do Good' value
- Our guiding objective is to **source sustainably, optimise design and support recycling**, achieving 20% of range with an environmental feature by end FY22
- Currently we have **over 9k** barcodes carrying an environmental attribute accounting for over **\$180m** in annual sales



Living & Co Mink Feel Blanket

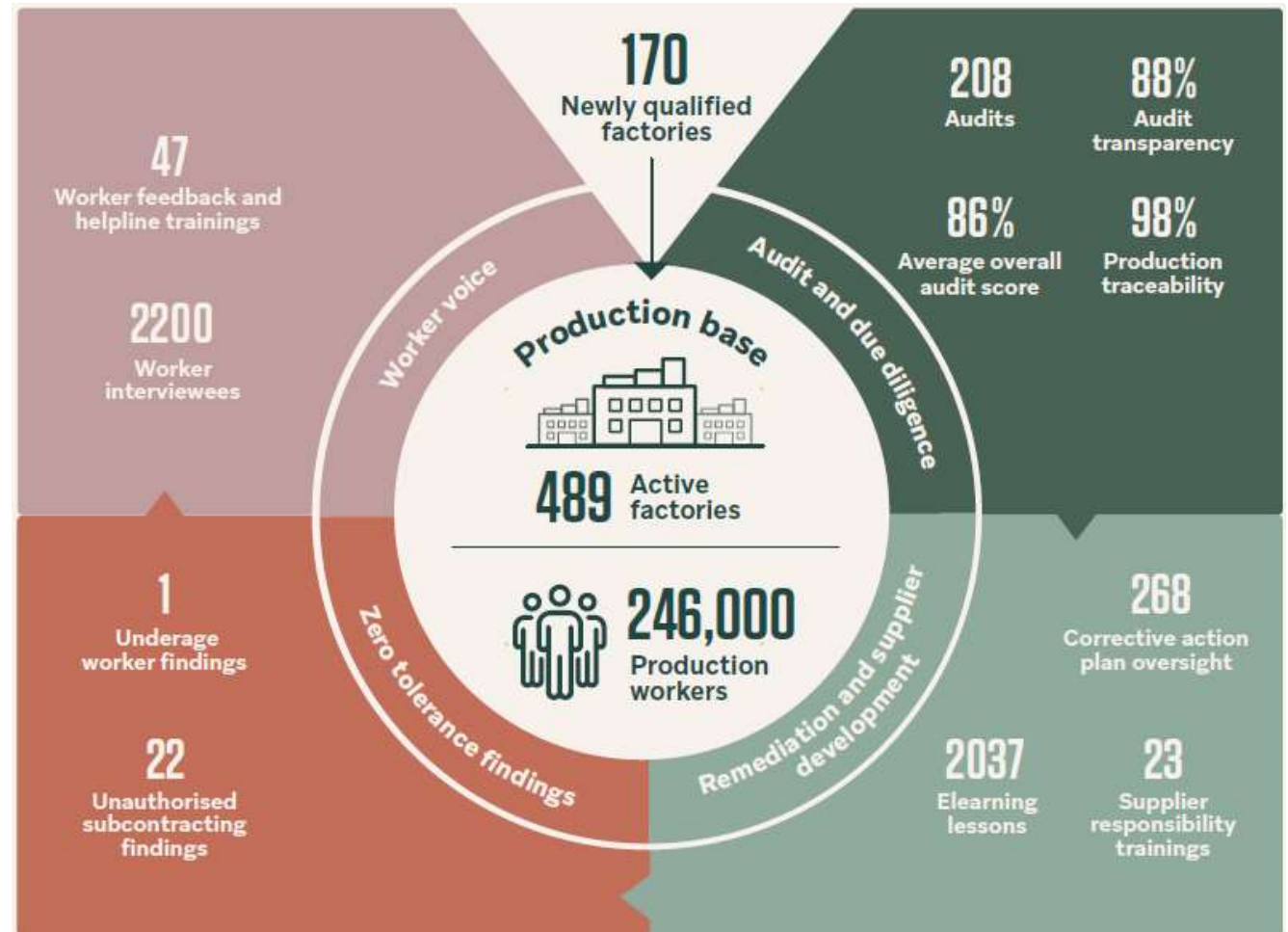
- PVC bag with zip and wire framing updated to card band
- Each bag weighing approx. 225g
- Based off 3,165 units sold this packaging update will save 712kg of waste over the next 12 months

ETHICALLY SOURCED PRODUCTS ARE IMPORTANT TO US AND OUR CUSTOMERS

Our aim is to ensure customers can have confidence our products have been ethically sourced

We do this by:

- Focusing on the qualification of new factories
- Ongoing monitoring and training for factories and vendors
- Identifying and supporting joint industry initiatives such as Her Project and the Better Cotton Initiative
- Producing transparent reporting to our team and customers



WE ARE SET UP TO OPTIMISE SOURCING

Reducing our COGS while improving our value



\$1 Chocolate Bunny

- Direct sourced in 2018 for a cost reduction of -59%
- Selling price has remained \$1
- Units purchased +69%
- GP\$ improved by +83%



Veon TVs

- Average cost reduced by -9.2% since 2018
- Average selling price has decreased -2%
- Units increased +3%
- GP\$ improved by +47%

Our direct sourcing capability creates value by:

- Driving down CODB and improving COGS
- Collaborating with suppliers to deliver latest trends quickly
- Making products better, delivering more quality for less with decision making at source
- Bringing our 'Do Good' Group value to life through ethical and sustainable practices
- Working with our customer mission tribes as an integrated partner driving product development and design as a source of competitive advantage

Proactive and sustainable sourcing that delivers better products at better prices



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WE ARE COMMITTED TO AN **INTEGRATED SUPPLY CHAIN ACROSS TWG**

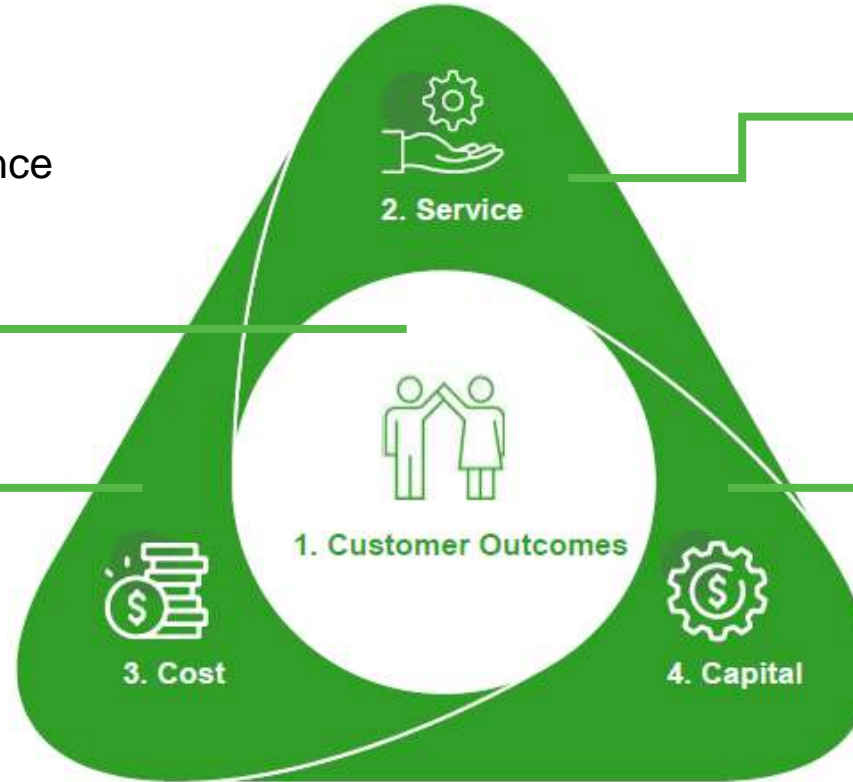
Building market leading convenience for customers at a winning cost to serve

- Greater speed and flexibility
- Less markdowns and obsolescence

- More perfect orders with DIFOT
- Less lost sales

- Lower FTE costs
- Lower warehousing and transport costs
- Lower overhead costs

- Lower inventory levels
- Efficient use of assets



Supply chain is a cross-functional integrator providing information and resource transparency across the business



AS A GROUP, WE LEVERAGE OUR BRANDS TO CREATE NEW OPPORTUNITIES FOR GROWTH: TWG BUSINESS

ONE ACCOUNT ACROSS ALL TWG BRANDS TO PROVIDE A CONSOLIDATED EXPERIENCE ACROSS A WIDE RANGE OF PRODUCTS AND SERVICES



Servicing all commercial industries



2021 Investor Day – 4 May 2021



TWBG BUSINESS PROVIDES OPPORTUNITIES THROUGH A NEW END-TO-END OFFERING

NZ'S ONE STOP SHOP FOR BUSINESS PRODUCT, SERVICE AND SOLUTION REQUIREMENTS

Enabling a consolidated purchasing experience

- Leveraging the power of multiple brands
- Maximising LTV of our customers for TWG

Salesforce underpinning growth

- Salesforce ecosystem provides single view of the customer across all channels and enables group wide integration

The Power of One

- One point of contact
- One invoice
- One delivery

Significant opportunity for growth across key sectors

- Total market size estimated at \$5b

**THE
WAREHOUSE
GROUP
BUSINESS**



2021 Investor Day – 4 May 2021



WE HAVE A CLEAR PLAN TO GROW TWG BUSINESS



Brilliant Basics

Streamline processes and system optimisation to realise automation and efficiencies. Delivering on the Brilliant Basics will be the driver for increased market-share, customer growth and incremental opportunity identification.



Leveraging Existing Customers

Use TWGB outbound field team and relationship owners to engage existing customers in market share growth & new category engagement.



Office Supplies

B2B offering launched to market enabling competitive B2B pricing / range offer.



Building & Trade

Multi-brand engagement across Building & Trade to drive market-share growth & category expansion. Residential & Group home builders consultation strategy and SmartHome category growth development



Education

Elevate TWGB Back to School involvement to enable growth in school lists, packs and engagement. Consolidate TWG education team into one (SchoolTex, NLG & WS) to optimise sales across schools and tertiary.



Government

Sustainability framework development to respond / deliver against Broader Outcome Initiatives. Development of reporting framework (WS initially) that highlights sustainability attributed purchasing behaviour.



Insurance Fulfilment

Salesforce optimisation to deliver efficiencies and enable increased claim processing. Insurance provider system integration to enable Insurance self serve and direct to customer replacement. Opportunity to be first to market.



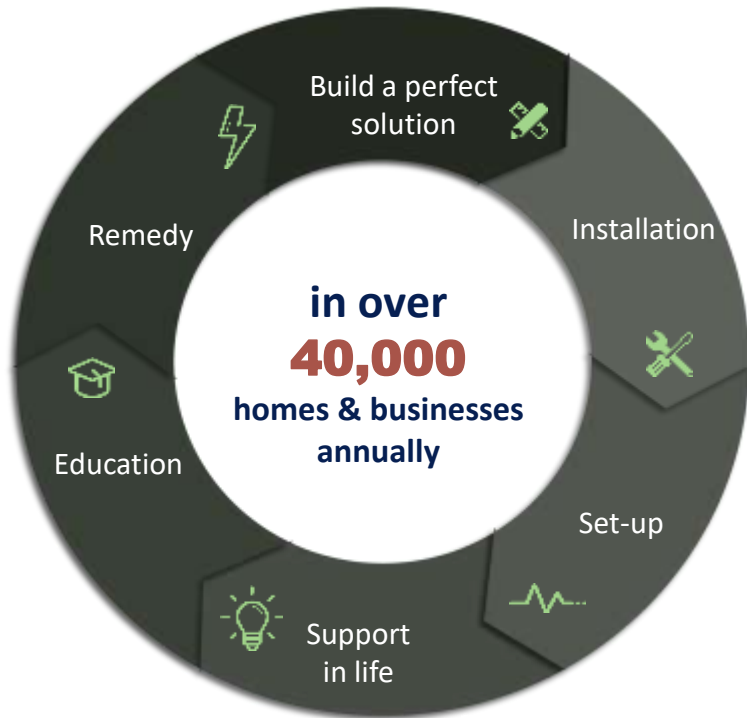
Aged Care

Increase penetration in aged care sector and build services proposition. Develop TWG proposition for SuperGold into TWL



AS A GROUP, WE DELIVER CUSTOMER SOLUTIONS ACROSS OUR BRANDS: TWG SERVICES

Our Noel Leeming Services model has evolved rapidly to support customers across our brands



- Nationwide reach: Over 100 Technicians on the road, in-store and on the phone – installation, set up and support
- In-Home Consultants – in 4 key metros and scaling in FY21

- NL Tech Solutions offering expanded across TWL and WS
- Assembly services launched in TWL and WS



TWIG SERVICES EVOLUTION IS A KEY PART OF BUILDING OUR CUSTOMER ECOSYSTEM

We see further opportunities in this combined services and support model, across the Group

SERVICES & support
ACROSS NEW ZEALAND

Dedicated retail & partnership capabilities

Supporting over 40,000 customers in their homes & businesses every year

20

tech solutions



Delivery (all Brands)



Mobile plans (all Brands)



Repairs



Payment solutions



Print and copy centres



New services (eg. clothing alteration)



Home



Shop anywhere



FREE WIFI
while you shop



the warehouse



Where everyone
gets a bargain

Our store strategy for TWL utilises the talent we have across the Group



Store Development

- A centralised store development team in Group Business Operations
- Aligned store format strategy applied meaningfully to the brands
 - Gold / Silver / Bronze



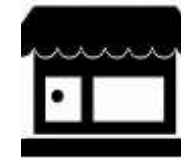
TWL Refit

- "40 stores in 2 years" programme of works mainly focused on TWL and WS but also includes some new stores for TWL, WS and NL
- First 5 stores approved



SWAS

- Best of both worlds
- Expect 40-45 of SWAS stores and ~25 standalone WS stores on completion



the warehouse



warehouse stationery



noel learning



Torpedo



THE MARKET

2021 Investor Day – 4 May 2021

Our new Ormiston SWAS store incorporates key points of difference for our customers across TWL and WS



thewarehouse



warehouse
stationery



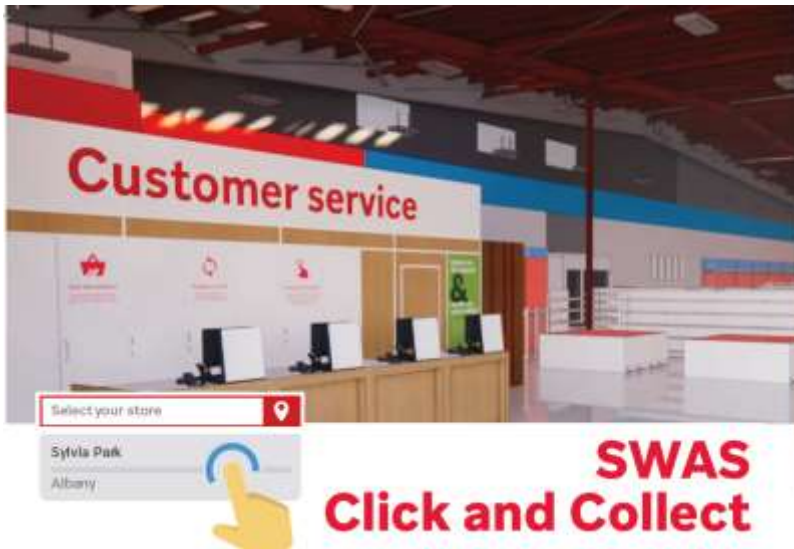
noel learning



2021 Investor Day – 4 May 2021



Our new Ormiston SWAS store incorporates key points of difference for our customers across TWL and WS



Improved checkout configuration



thewarehouse



warehouse stationery



noel learning



Torpedo



THE MARKET

2021 Investor Day – 4 May 2021



Our Warehouse Team are a valued part of our store experience



- A more connected team
 - Rosters built to reflect when our customers need us most
 - Good NPS and eNPS scores show customers and team are embracing the change



- Building on the culture
 - Connecting support office and store teams on a regular basis
 - Creating sponsorship and working groups to drive engagement



thewarehouse



warehouse stationery



noel learning



Torpedo



THE MARKET

2021 Investor Day – 4 May 2021



THE WAREHOUSE GROUP

1 Customer & Product Offering

Mastering 'I need to buy' and 'I want to buy'

- Deliver the right assortment for all customers in every channel
- Deliver availability with the right selection when and where the customer needs it
- Be New Zealand's most sustainable company
- Be the first choice for great value
- Engage our customers with relevant events
- Make services available for customers who need them

2 Customer Experience

Providing frictionless end-to-end personalised experiences

- Insights-driven seamless omnichannel shopping experience
- Deliver a personalised experience at every touchpoint
- Becoming a destination over and above our core offering
- Deliver market-leading fulfilment capability

3 Optimising Our Team & Assets

Creating sustainable growth

- Optimise efficiency and effectiveness of "end to end" stock flow
- Optimise the utilisation of our footprint
- Continue to build team capability and improve our ways of working through improved processes and systems
- Protecting our team and our assets

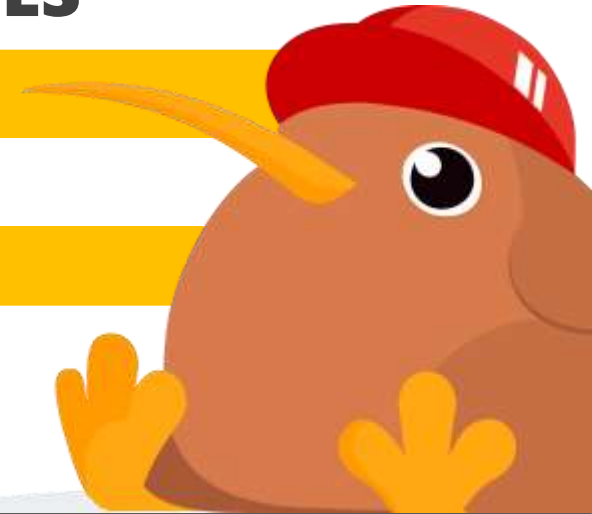
CUSTOMER OUTCOMES

OUR BRAND STANCE

Where everyone gets a bargain

WHO WE ARE

We're a curious, capable, customer-centric team providing tailored, modern retail experiences that welcome value-savvy Kiwis to get more for their money and time every day



OUR VALUES

Own it

We walk the talk and make things happen

Think customer

We put the customer first in everything we do

Do good

We are one team, standing up for our people, our planet and our communities

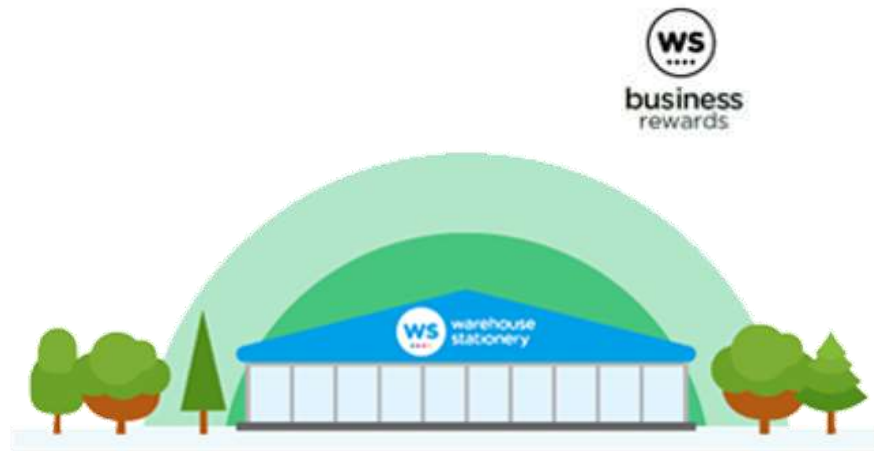


Business made easy

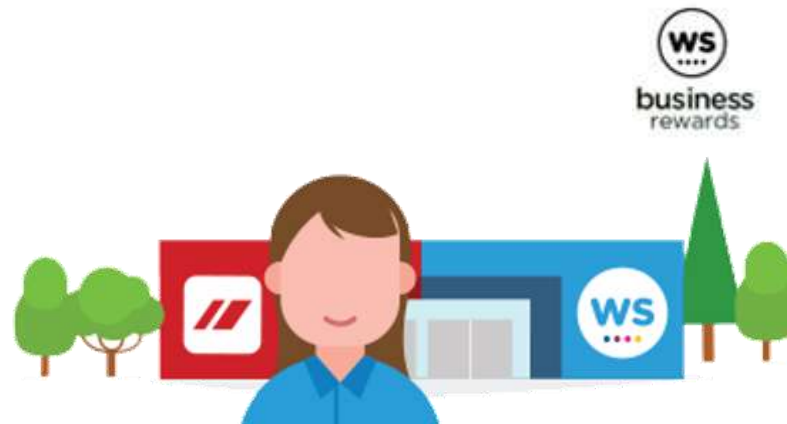
In WS we show up to our customers in different ways to meet their needs



Standalone Stores / Business Hubs



Store within a Store (SWAS)



WS Branded Product



1 Customer & Product Offering

Mastering 'I need to buy' and 'I want to buy'

- Deliver the right assortment for all customers in every channel (B2B and B2C)
- Deliver availability with the right selection when and where the customer needs it
- Deliver a sustainable range for business and education customers
- Further develop Business and Education offers
- Engage our customers with relevant events
- Make services available for customers who need them

2 Customer Experience

Providing frictionless end-to-end personalised experiences

- Insights-driven, seamless omnichannel shopping experience
- Deliver a personalised experience at every touchpoint
- Further develop Standalone WS stores and SWAS proposition
- Deliver market-leading fulfilment capability

3 Optimising Our Team & Assets

Creating sustainable growth

- Optimise efficiency and effectiveness of "End to end" stock flow
- Optimise the utilisation of our Footprint
- Making our team members more engaged and productive through simplification of processes, systems and tools
- Protecting our team and our assets
- Further develop team member customer-first capability

CUSTOMER OUTCOMES

OUR BRAND STANCE

Business made easy. Do your best work.

WHO WE ARE

We are uniquely Kiwi and unquestionably passionate about making sure all Kiwis having the tools to do their best work.

WS

OUR VALUES

Own it

We walk the talk and make things happen

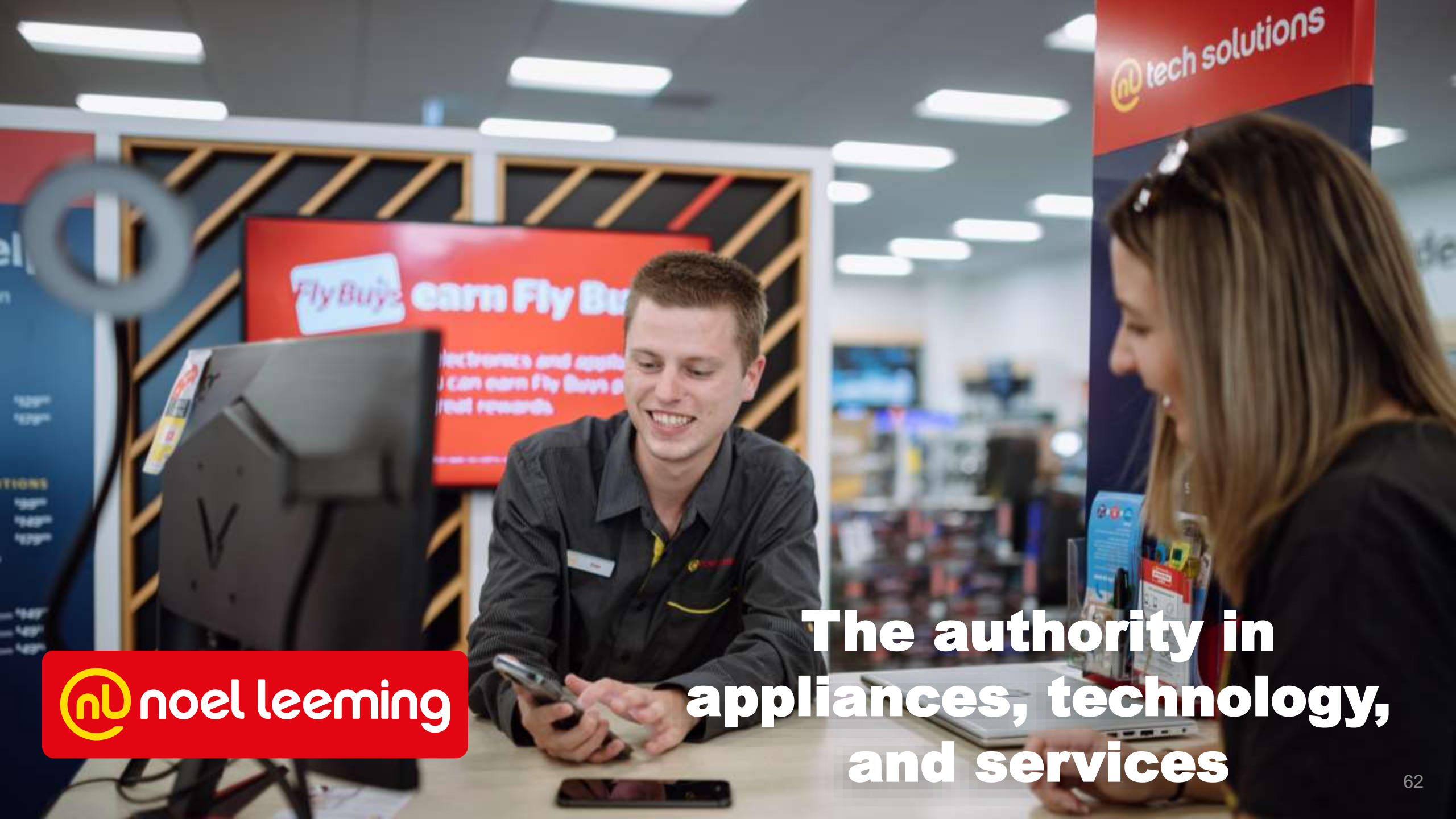
Think customer

We put the customer first in everything we do

Do good

We are one team, standing up for our people, our planet and our communities





 tech solutions

 **earn Fly Buys**
electronics and appliances
you can earn Fly Buys on
great rewards.

 noel leeming

**The authority in
appliances, technology,
and services**

Innovating for our customers is a key reason why Noel Leeming is number one



First consumer electronics app in NZ



First interactive smart home experience for customers to see the future of homes



First digital human in retail – also now a bot on web platforms



Newmarket store of the future – as good as anything internationally



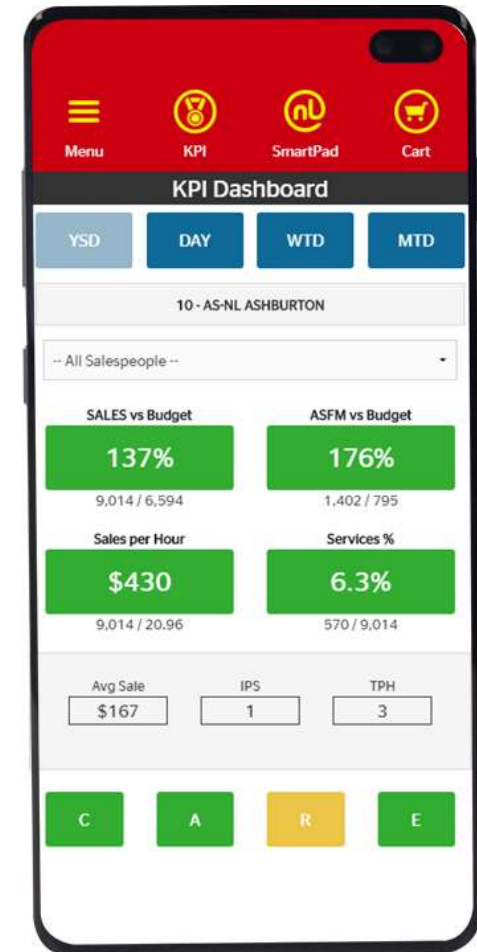
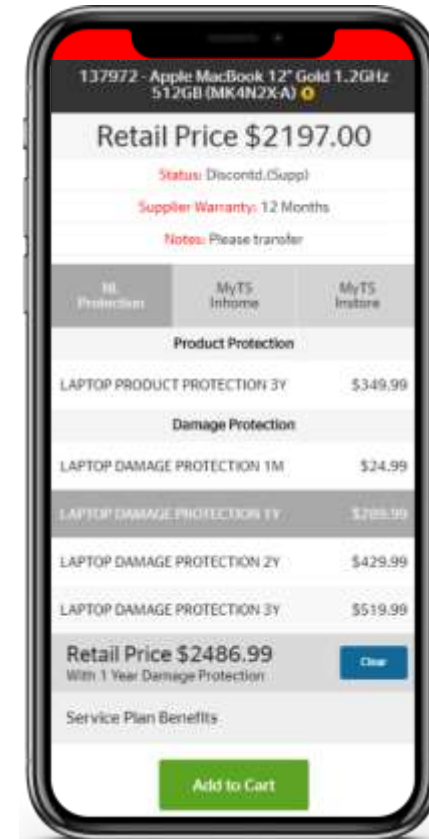
2021 Investor Day – 4 May 2021



Noel Leeming sales app provides us with a point of difference in the retail environment in NZ



- Helping customers on the shop floor, where the product is
- Improve overall customer experience
- Authority in demonstrating technology
- Increasing our conversion



Nola helps us deliver world class customer service through technology



- Introducing Noel Leeming's digital human Nola
- Developed to assist shoppers with in-store navigation and general queries, Nola is one of the first human-like interfaces backed by artificial intelligence in a New Zealand retail store
- Nola works from Noel Leeming's flagship store in Newmarket and online
- In just the first two months Nola was in-store, she demonstrated a wealth of value to the Noel Leeming Newmarket team through:
 - 35,546 interactions
 - 2,761 directions provided to customers
 - 999 handovers to Noel Leeming team



2021 Investor Day – 4 May 2021

Our new Ormiston store demonstrates how we optimise our experience for our customers



- Full digital fit-out includes: digital screen, digital ticketing and digital counter locks
- Higher spec NL / supplier floor and wall fixtures
- Designed lighting (LED) and ceiling plan
- Latest counter concept
- Heavy focus on Tech Solutions





who we are

the authority in appliances,
technology & services for retail &
commercial customers

passionate experts

- confident
- enthusiastic
- likeable

end to end service

everyone, everywhere, everyday

our purpose

helping kiwis live
better everyday



FY21 objectives

Deliver a full end-to-end services offer

Services is a key market differentiator that will aid growth & loyalty

- Grow revenue delivered by Protection, Subscription and Tech Solutions
- Expand through key channels like education, trade and small to medium sized enterprise
- Launch and embed new categories like repairs
- Promote Tech Solutions direct to customer as a stand alone offering

Deliver world-class customer experiences

Through all touchpoints & customer journeys

- Deliver continuous learning opportunities like product knowledge, academies, CARE training and leadership programmes
- Expand in emerging categories like Smart Tech, Aged Care and Health
- Maintain myNoelleeming as the best consumer electronics membership programme in New Zealand
- Continue innovation for our customers through successful implementation of e-ticketing, 1 hour click & collect and the expansion of Nola

Drive an increase in profitability

Across all areas of the business

- Optimise promotional activities
- Implement labour optimisation initiatives
- Optimise relationships and discounting from our Commercial sector



our values

own it

We walk the talk &
make things happen

think customer

We put the customer first
in everything we do

do good

We are one team,
standing up for our people,
our planet, & our communities

TO RECAP : Core Brands and Product

Our Strategic Priorities

Build a customer ecosystem

- True brand relevant end-to-end experiences across channels
- Growing TWGB to provide business customers with a wide product and service range across our Brands
- Responding to customer needs through the evolution of TWG Services

Define the future experience

- Commitment to our store development program and continued innovation
- Using technology to enhance the customer journey and empower our teams
- Responding to our customer changing needs through our commitment to continued innovation and optimisation including our integrated supply chain

Excel in retail fundamentals

- Data driven price and range optimisation
- Combine the power of our support offices and stores for better customer and business outcomes
- Providing products that are sustainable and ethically sourced at an affordable price



the warehouse



warehouse stationery



noel learning



Torpedo



THE MARKET

2021 Investor Day – 4 May 2021



THE WAREHOUSE GROUP



Torpedo7

SIMON WEST

CEO - Torpedo7

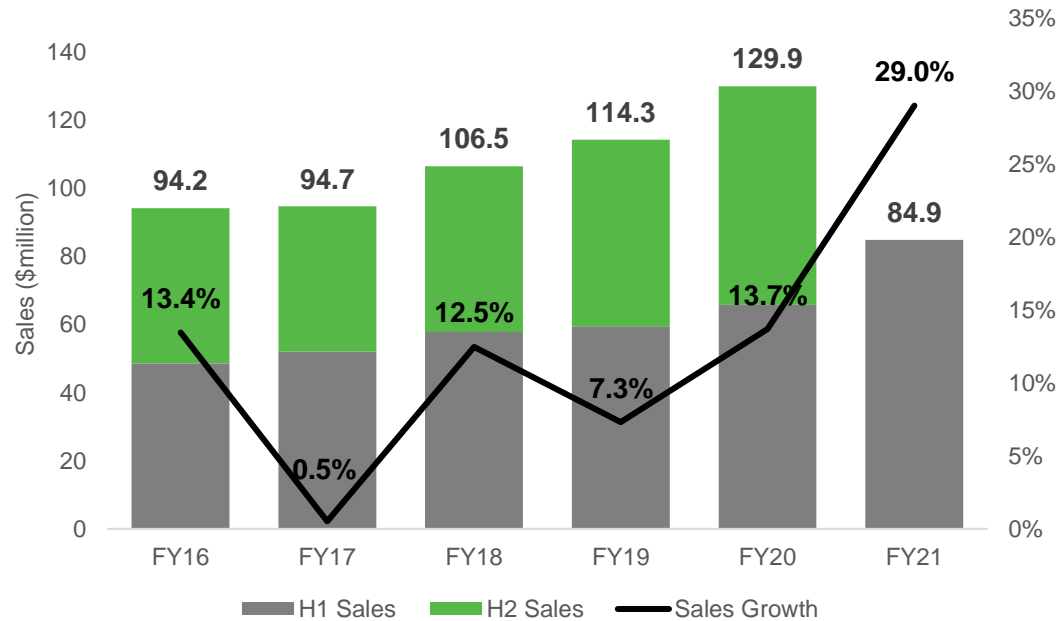
Our FY18 Strategic Focus Areas:

**12 months to
March 2021**

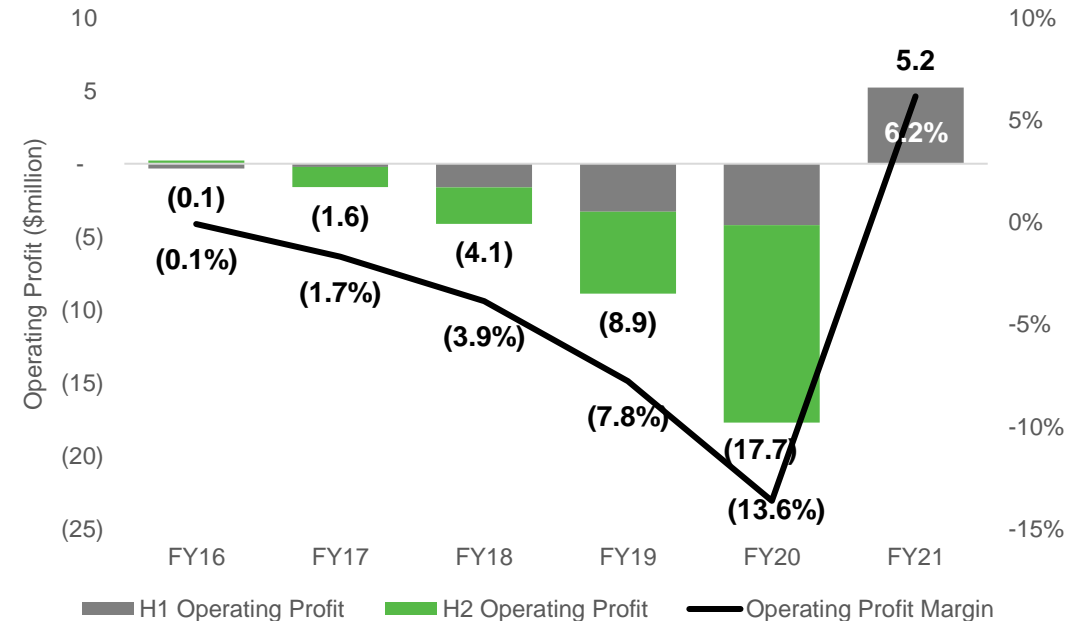
01	Brand Clarity Relaunch T7 as the authority for outdoor adventure	Awareness +3 bps
02	Refine and Curate Product Offering Define range proposition with external partnerships and house brand. Drive increased margin	HB Growth +19.9% Margin% +482 bps
03	Customer Experience Drive engagement through store and online experience Deliver Albany as hub for innovation	Store Conversion +6.5% Online Conversion +11.9%
04	Build our Services Business Develop add-on services to increase the lifetime value of customers and increase our value proposition	Sales -12%
05	Maximise Customer Data & Loyalty Review and redefine our loyalty programme	+23% acquisition + 1 bps revenue penetration
06	Streamline Systems and Processes Evaluate business processes and drive continuous improvement	CODB reduction of 9% as % of sales

Torpedo7 Sales and profit

Business plan is showing results



Pleasant move to profitability



- Continued growth in sales with the addition of new stores, improved product offering and brand awareness. FY21 H1 growth was aided by significant online growth of +66% on FY20 H1 and same store growth of +24%. FY21 H1 performance was strong driven by growth in Cycle, Outdoor and Water categories.
- Operating profit in FY21 has shown significant improvement in part from sales growth but primarily from margin growth and operating cost efficiencies.

1. Torpedo7 Sales and Operating Profit is adjusted from previously reported results to include Torpedo7 only. Previous reported results included 1-day which is now included in TheMarket.
 2. FY20 Sales and Operating Profit have been restated to recognise the wage subsidy for each brand as an unusual item as this was subsequently repaid in December 2020, therefore now excluded from Sales and Operating Profit. This was included in Operating Profit in the 2020 Annual Report.

Torpedo7

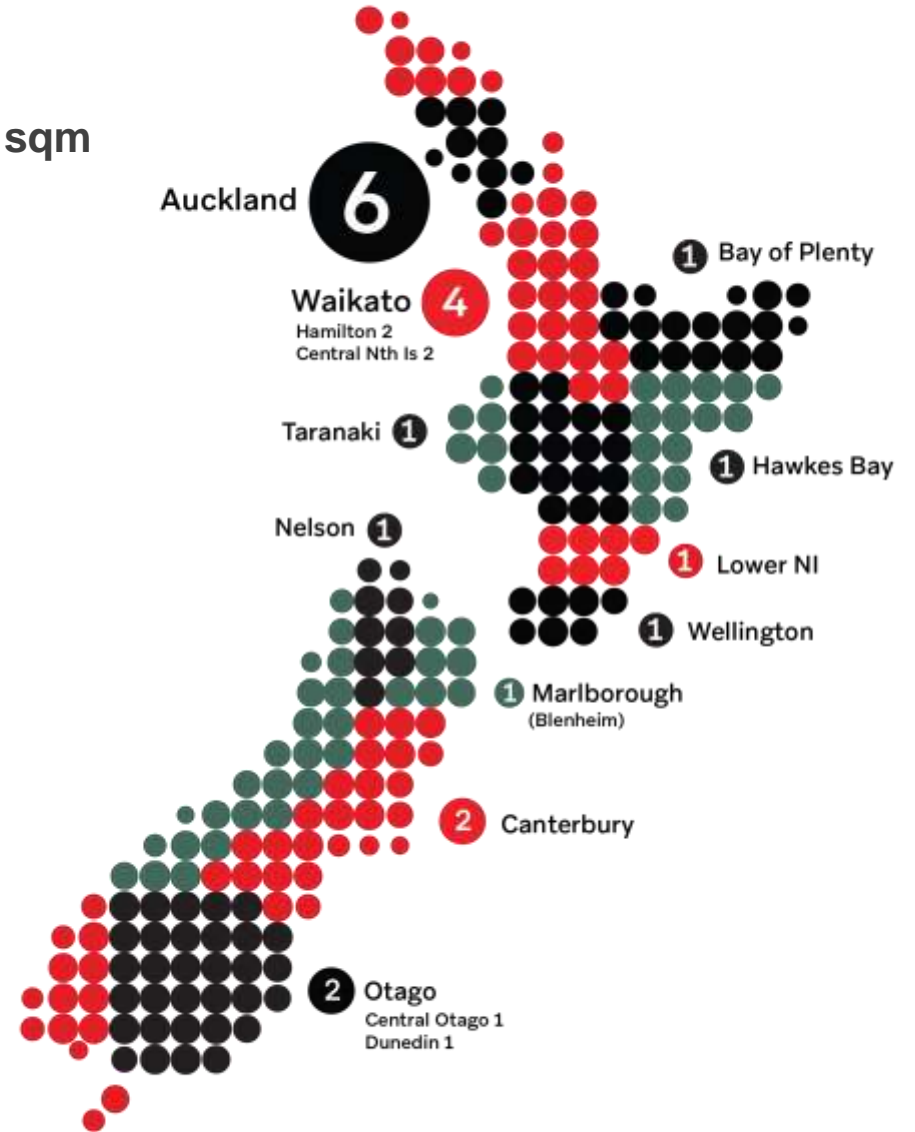
Omni-channel network

Number of Stores 21
Store Footprint 28,230 sqm

31%
Online sales (as % of total sales)

41%
Click & Collect (as % of online sales)

1.1m
Average website visits per month



Torpedo7 Napier store – new format



**MEMBER
PROFILE**

**UNIQUE
MEMBERS**



**804K+
MEMBERS**

**453+
OPT IN**

**MEMBERSHIP
GENDER**



**55%
MALE**

**45%
FEMALE**

**MEMBERSHIP
HOUSEHOLD
INCOME**



**23%
70K-100K**

**47%
100K+**

**MEMBERSHIP
AGE**



**47%
18-39 YO**

**45%
40-59 YO**

**MEMBERSHIP
REGION**



3% Northland
31% Auckland
17% Central North Island
6% Wellington
7% Upper South Island
19% Christchurch
17% Lower South Island

Highly engaged base with 9 out of 10 transactions coming from club members
Steady acquisition growth trending at +24% YOY

REBALANCING OUR AUDIENCE SPLIT

ACTIVE EGOIST

Our Value Audience

34% of category spend. 21% of total pop, 54% male spend more money in the category but smaller in terms of size



ACTIVE EGOIST

9% OF KIWIS

In the past year they have either gone cycling/ mountain biking, snowboarding/skiing, SUP, Surfing, Water skiing/boarding, windsurfing, camping or tramping and say that their life is full on. They like to set themselves goals and go after them.



SOCIAL ACTIVE

Our Volume Audience

29% of category spend. 24% total pop, 54% female spend relative less but are bigger in terms of size.



SOCIAL ACTIVE

49% OF KIWIS

Classifies as Kiwis who have played a sport, exercised, went to a fitness class or went for a walk in the past month & spend most of their spare time with family or friends.



Leveraging on customer missions to strengthen audience targeting

Bike

- Lifting private label volume to drive "good" range
- Building on low volume "best" range

Outdoor

- Expanding the accessories range and increasing private label mix
- Improving private label quality and specifications

Water

- Enhancing design aesthetics and lifting innovation

Apparel

- Increasing depth of key private label lines
- Launching new lifestyle (eg. ilabb) and technical brands (eg. Columbia) into the range

Snow

- Building range width in stores on value hard lines
- Lifting our services profile and capability

Fitness

- Introducing more "best" equipment
- Expanding supplements segment



Torpedo7 Customer Experience and Product Highlights



Established CNZ partnership for top customer event



Best Performing Live Workshop
 Hiking Packs: Fit and Packing Tips –
 4,200 tuned in LIVE (3secs+), 22,000 have watched the replays.
 811 Comments/questions, 270 reactions, 12 shares
 (Average LIVE views are: 887 and replays: 7645)



**Air Series 500 Tent
 Black Out Series**



Best Facebook post is an Air Series Tent Black Out Series organic post
 Received 927 likes, 2,700 comments
 Reached 122,127 people
 Drove 13,592 people to website



FY22: To help everyone get out there

Torpedo

Torpedo7

OUR PURPOSE

To help everyone get out there

OUR VISION

To be the most trusted adventure brand out there

FY22 OBJECTIVES

- 1. Increase Sale Scale**
Grow store network and widen category and digital offering
- 2. Increase Gross Margin**
Enhance inventory management tools and build private label offer
- 3. Decrease CODB**
Continue to build sales efficiency through training, drive value through talent investment and improve distribution efficiency
- 4. Leverage Channel Migration**
Enhance digital offering through investment and continue to leverage on data insights for personalisation
- 5. Grow Brand Trust**
Build on sustainability of offer from product to execution and grow local community engagement

WHO WE ARE

NZ's authority on outdoor and adventure gear

OUR VALUES

Own It

We walk the talk and make things happen

Think Customer

We put the customer first in everything we do

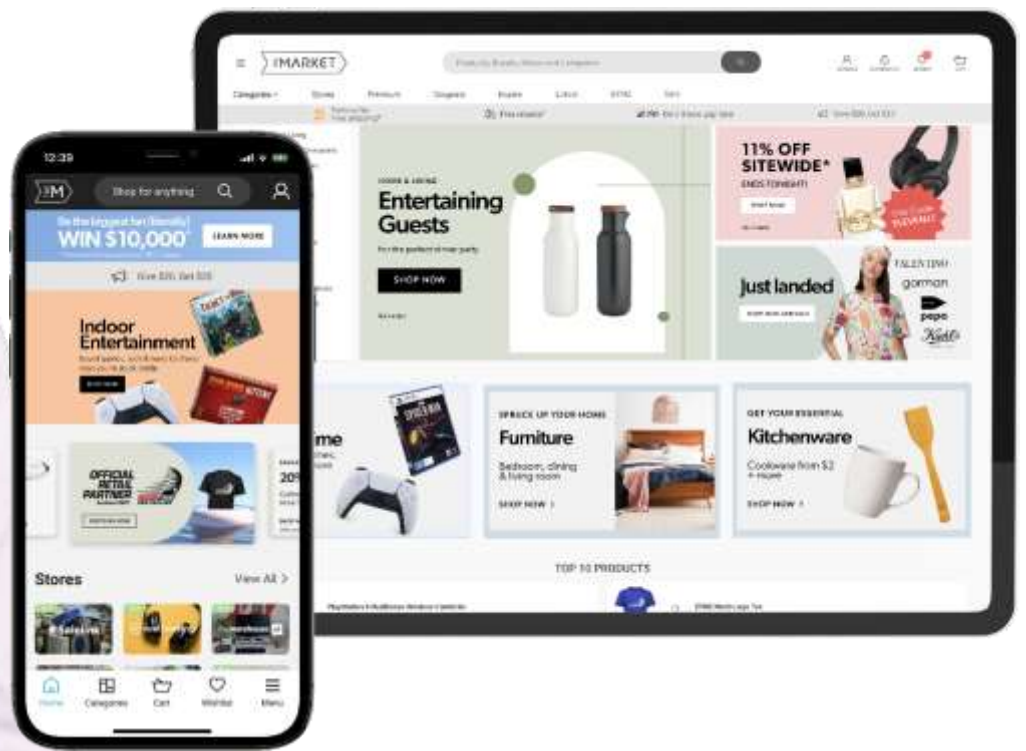
Do Good

We are one team, standing up for our people, our planet and our communities

See you out there



Justus Wilde
CEO TheMarket.com



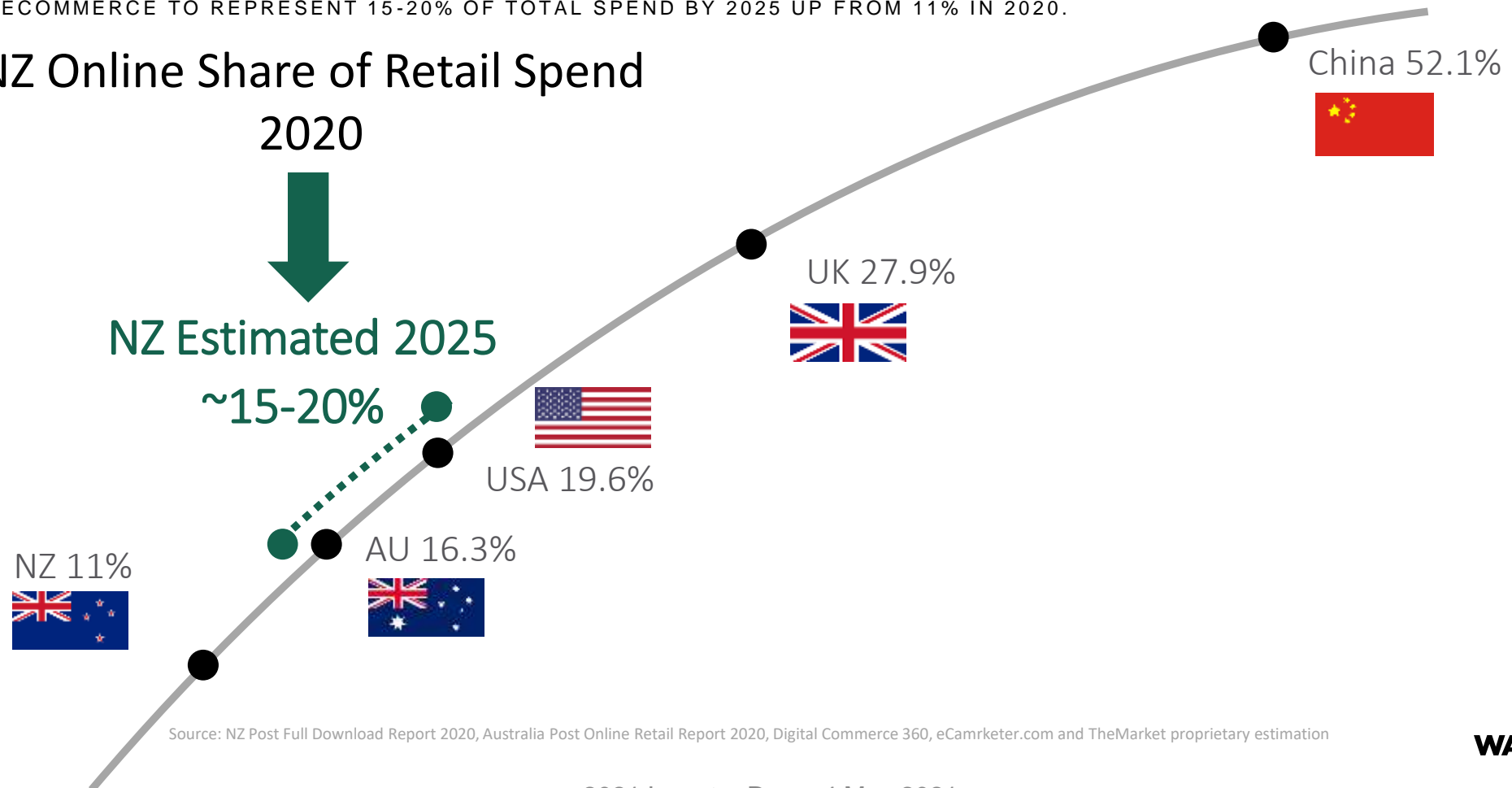
MARKET OVERVIEW & OUR OPPORTUNITY

GLOBAL RETAIL SHIFT TO ONLINE

WE ARE SEEING A CONTINUED CHANNEL SHIFT IN CONSUMER SPEND FROM RETAIL STORES TO ECOMMERCE.

WE EXPECT NZ ECOMMERCE TO REPRESENT 15-20% OF TOTAL SPEND BY 2025 UP FROM 11% IN 2020.

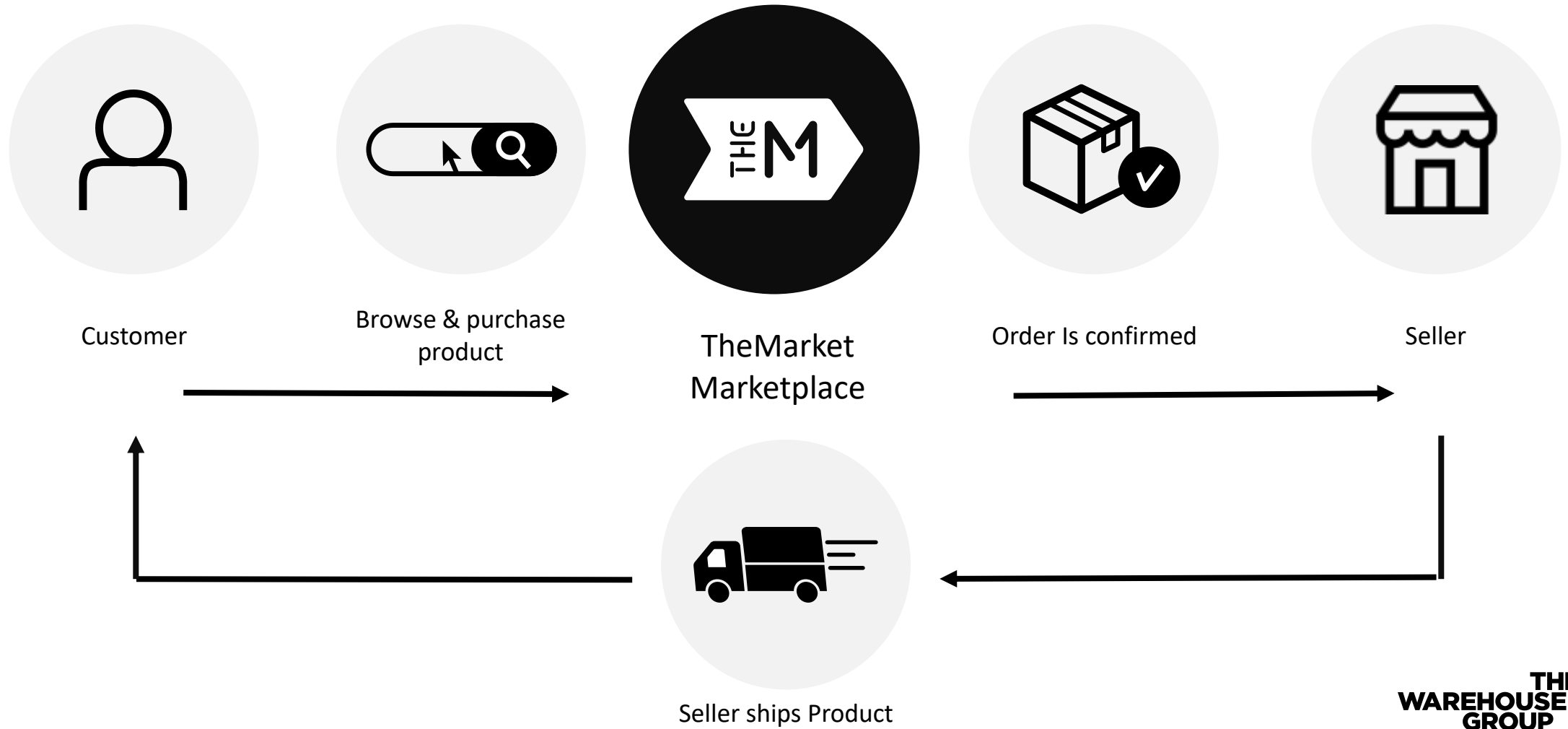
NZ Online Share of Retail Spend



Source: NZ Post Full Download Report 2020, Australia Post Online Retail Report 2020, Digital Commerce 360, eCamrketter.com and TheMarket proprietary estimation

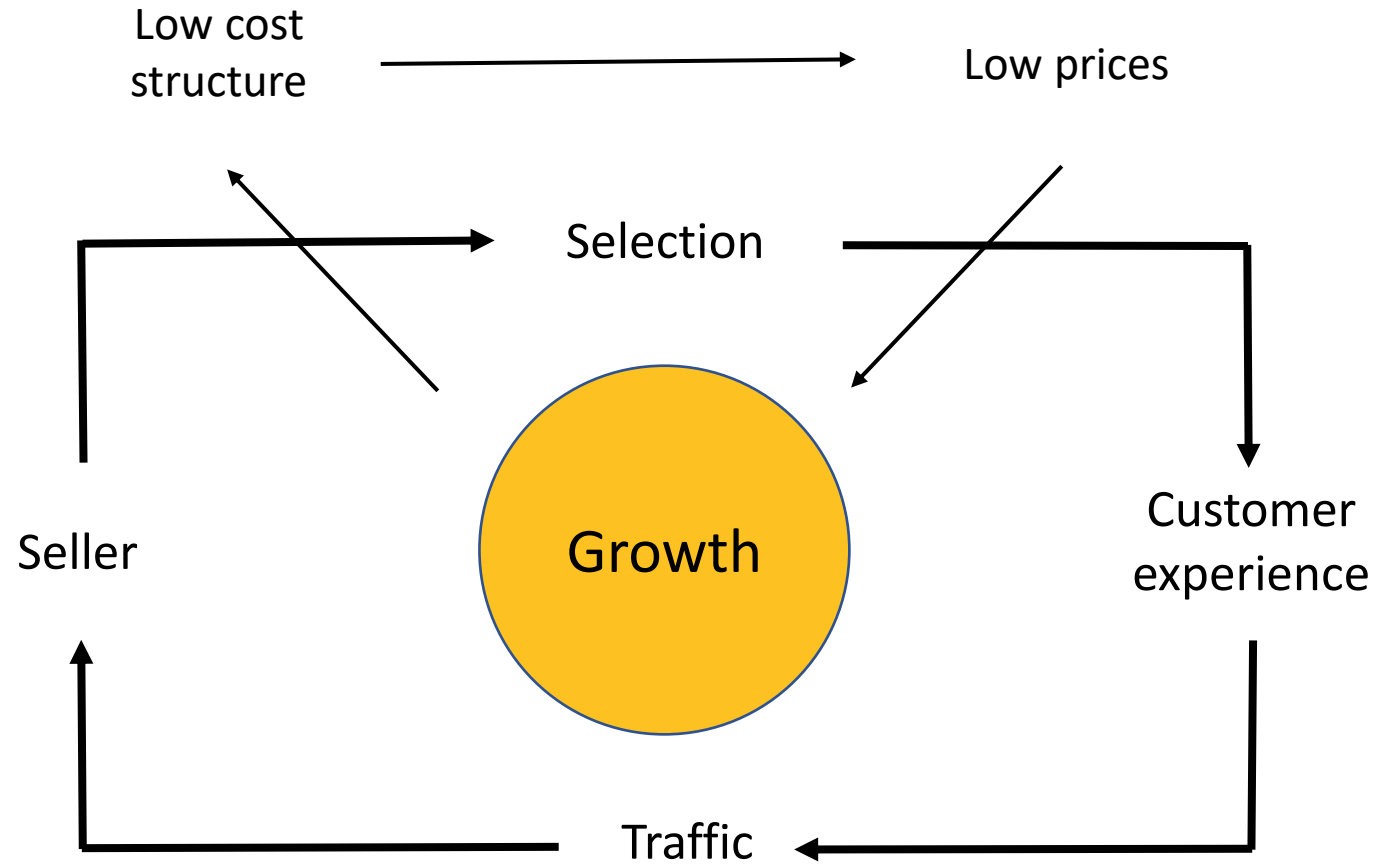
MARKETPLACE BUSINESS MODEL

ONLINE MARKETPLACES ARE A TWO-SIDED PLATFORM BUSINESS THAT INTERMEDIATE PURCHASES BETWEEN SELLERS AND BUYERS.



MARKETPLACE FLYWHEEL

ONLINE MARKETPLACES GENERATE NETWORK EFFECTS WITH SCALE CREATING A VIRTUOUS CYCLE OF VALUE CREATION FOR SELLER AND BUYERS.

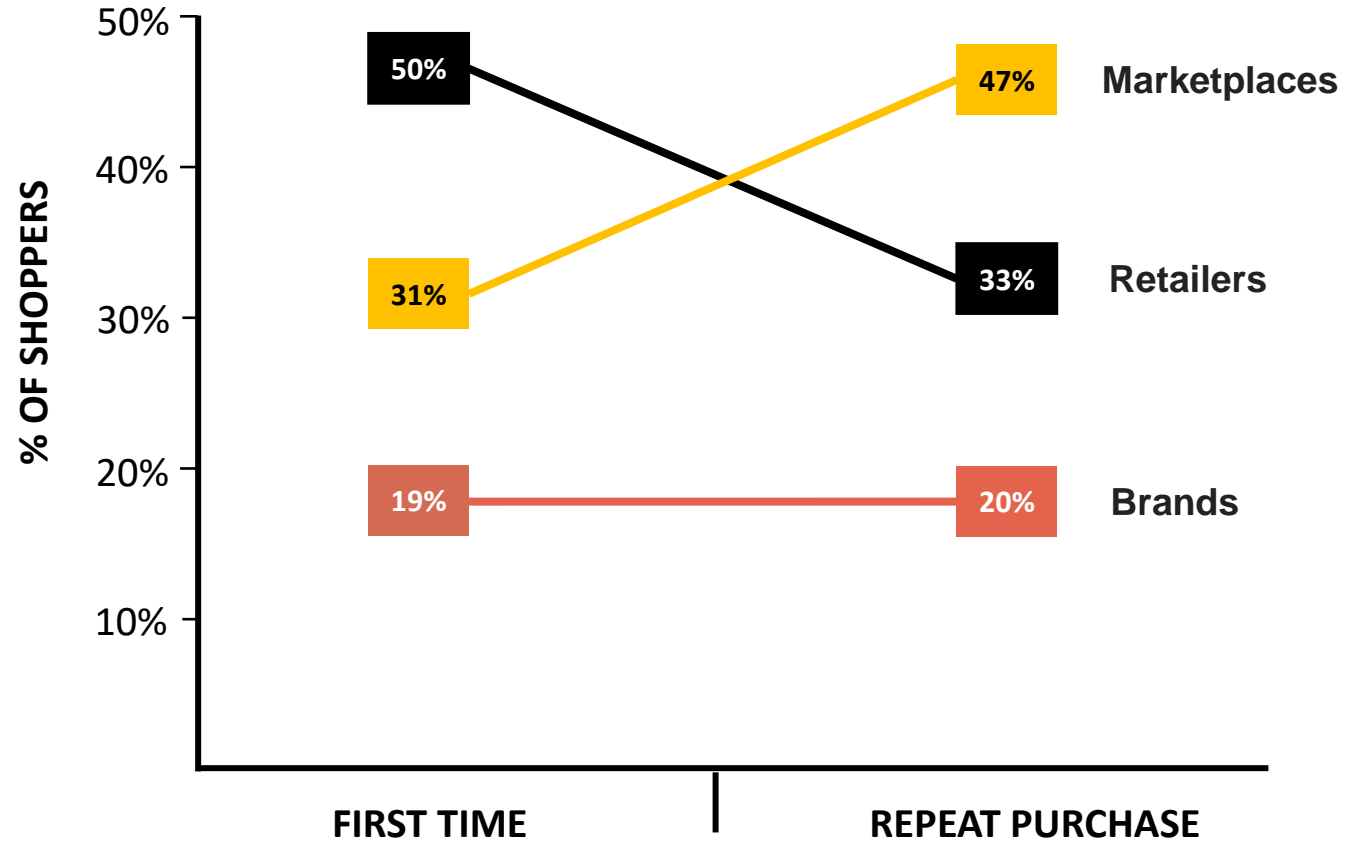


MARKETPLACE PREFERENCE

RECENT RESEARCH HAS SHOWN A STRONG CONSUMER PREFERENCE TOWARDS MARKETPLACES.

Why? Convenience

- ✓ Selection
- ✓ Availability
- ✓ Inspiration
- ✓ Value / offer

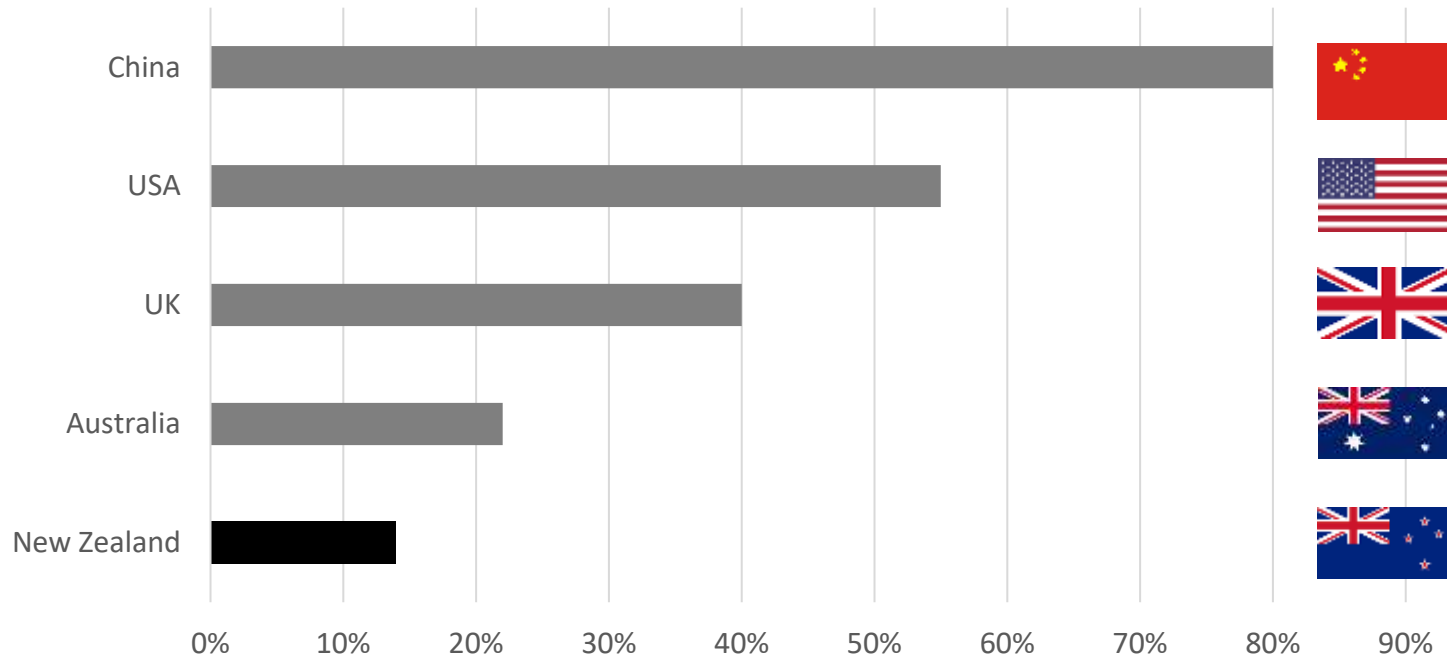


Source: <http://www2.publicisgroupe.net/shopper-first>

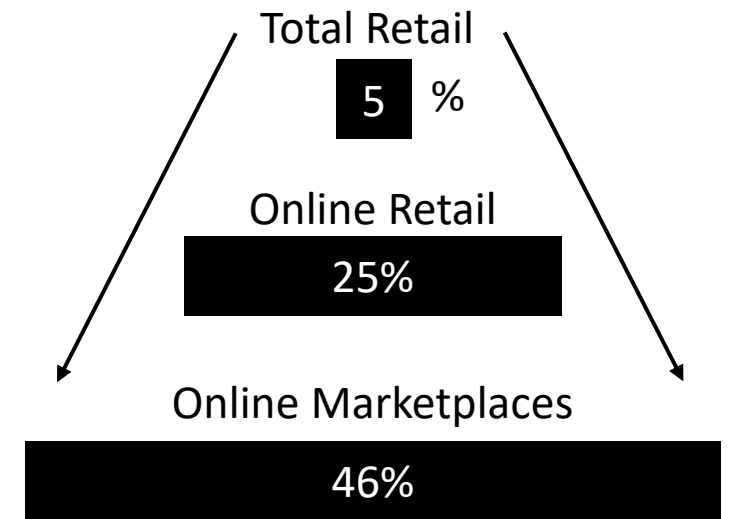
MARKETPLACE FORMAT ACCELERATION

Globally 62% of online sales occur on marketplaces. NZ lags behind at 14% and we expect this to grow to 25% by 2025. Growth figures for 2020 demonstrate that online is growing 5x faster than stores and marketplaces are growing nearly 2x online.

2020 Marketplace Format Share of Online Sales



2020 NZ YOY Growth

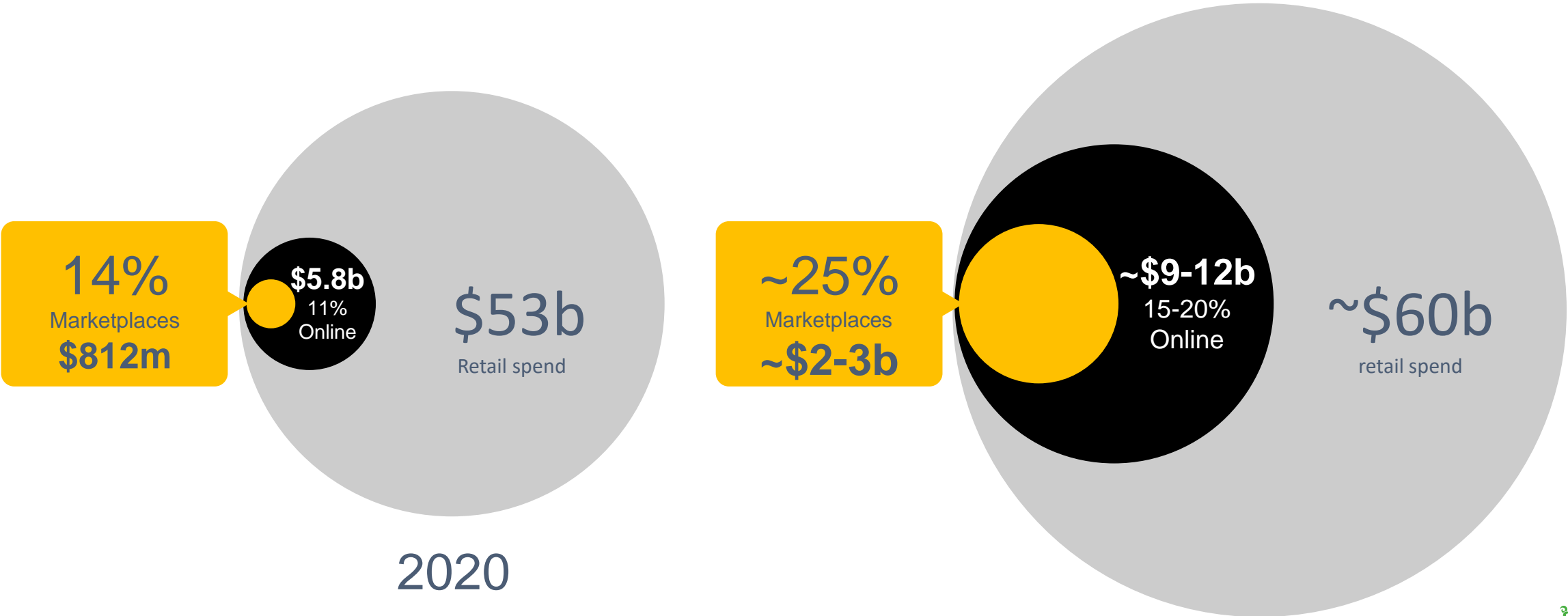


Source: NZ Post Full Download Report 2020 data and TheMarket proprietary estimation. Assumes 2.5% total NZ retail CAGR

NZ MARKET OPPORTUNITY

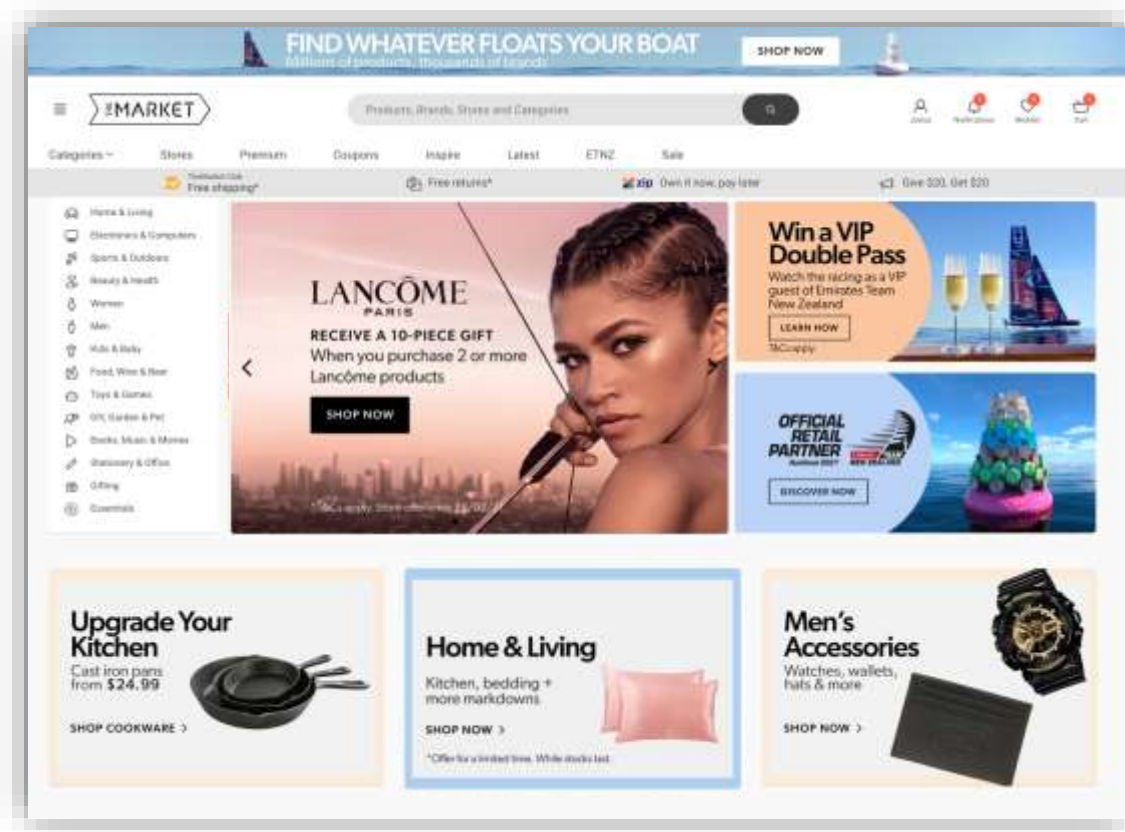
MARKETPLACE REPRESENT 25-80% SHARE OF ECOMMERCE SPEND IN MANY MAJOR MARKETS.

WE EXPECT THE SHARE OF MARKETPLACES IN NZ TO REACH 25% OF ONLINE SPEND BY 2025 REPRESENTING A GREAT OPPORTUNITY.



Source: NZ Post Full Download Report 2020 data and TheMarket proprietary estimation. Assumes 2.5% total NZ retail CAGR

OUR JOURNEY



Shop 5,000+ of the best
LOCAL, GLOBAL & NICHE BRANDS



Content to
INSPIRE, GUIDE & ENTERTAIN



No matter where you shop
PAY NZ\$ & GET KIWI SERVICE



Don't wait
BUY NOW, PAY LATER



No regrets
HASSLE FREE RETURNS

TWG FIRST FOR ANY NEED OR WANT

THE MARKET INTEGRATES OUR ECOSYSTEM OF BRANDS WITH VAST EXTERNAL RANGE TO SUPPORT A TWG FIRST STRATEGY.



Value



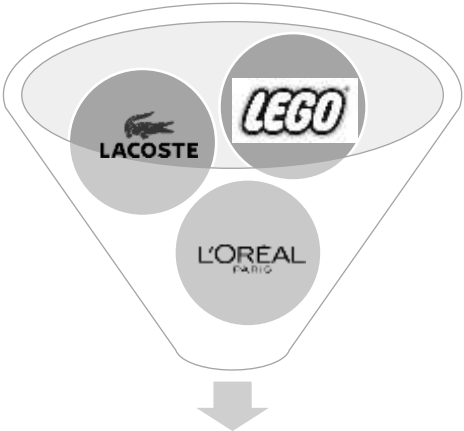
Productivity



Technology



Adventure



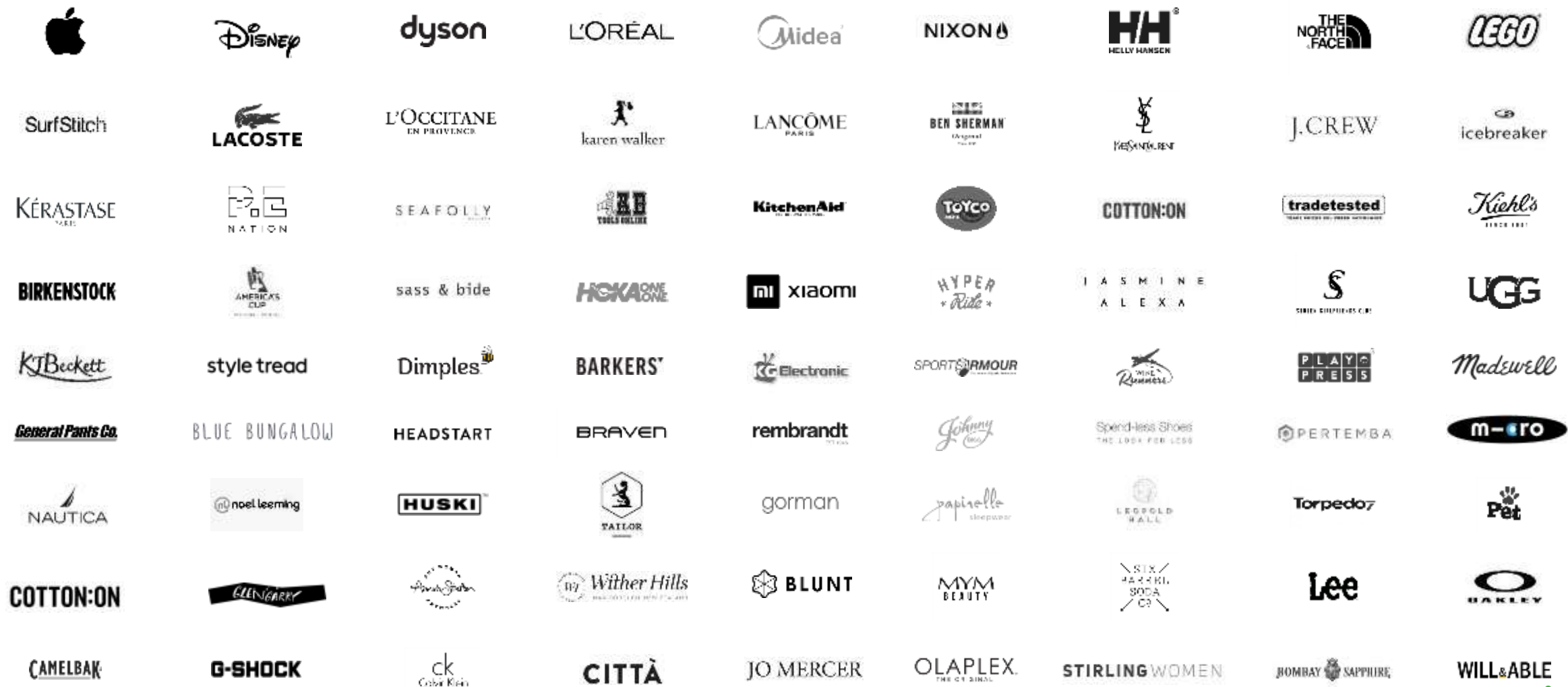
5k External Brands



Find Anything

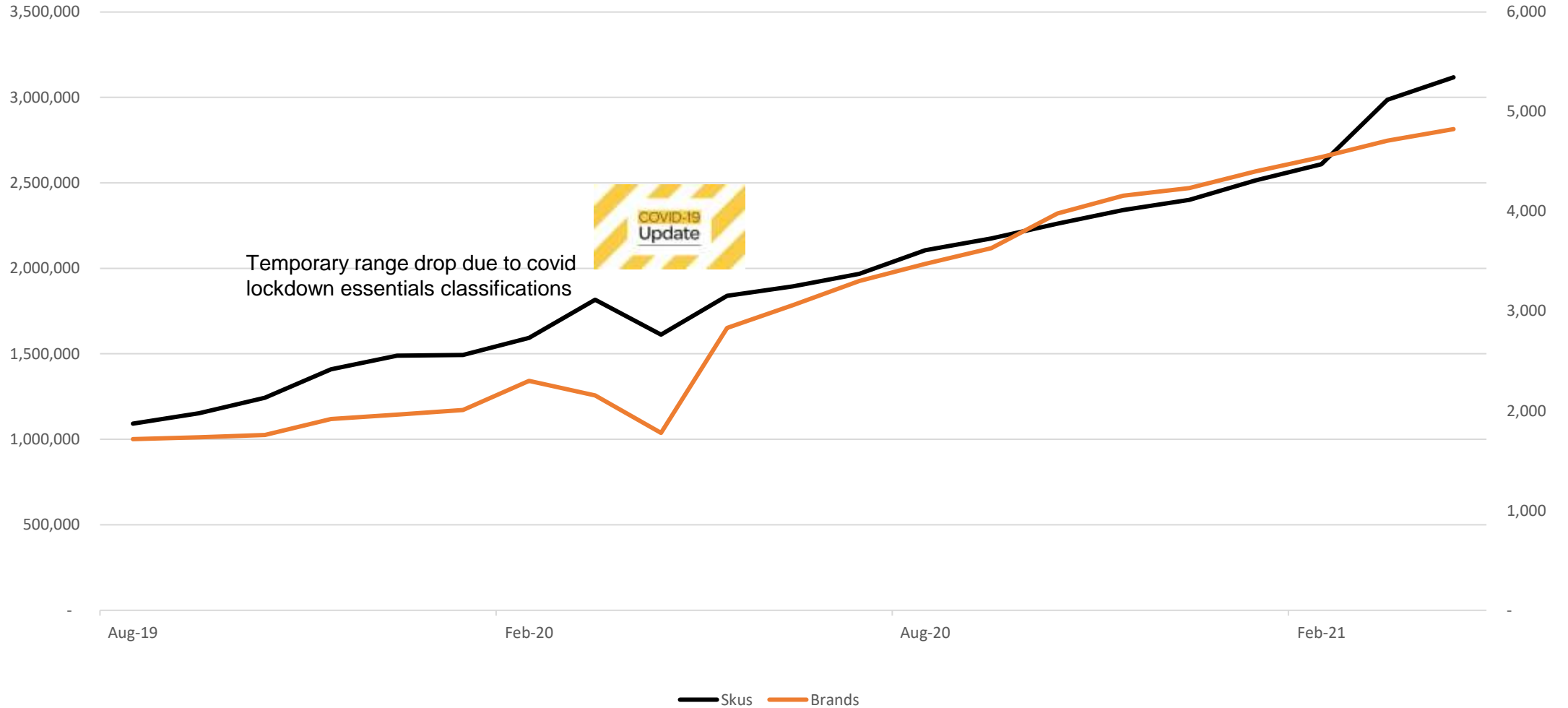
ASSORTMENT GROWTH

700+ MERCHANTS REPRESENTING 5,000+ BRANDS AND 3m+ PRODUCTS.



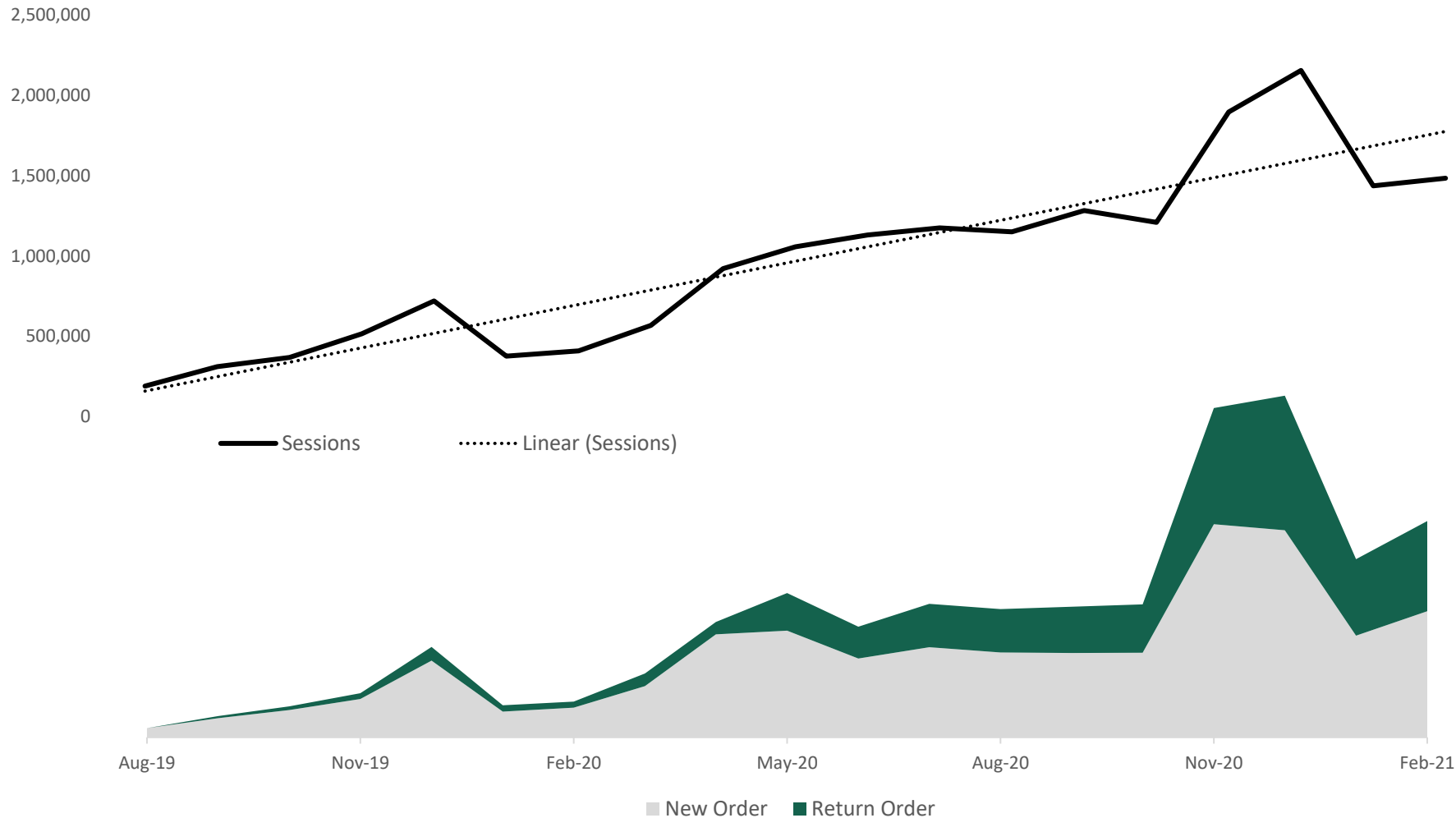
ASSORTMENT GROWTH

700+ MERCHANTS REPRESENTING 5,000+ BRANDS AND 3m+ PRODUCTS.



AUDIENCE GROWTH

WE NOW HAVE 2M MONTHLY VISITS AND 200K CUSTOMERS.



March 2021 vs 2020

+245%
Traffic

+228%
New Customers

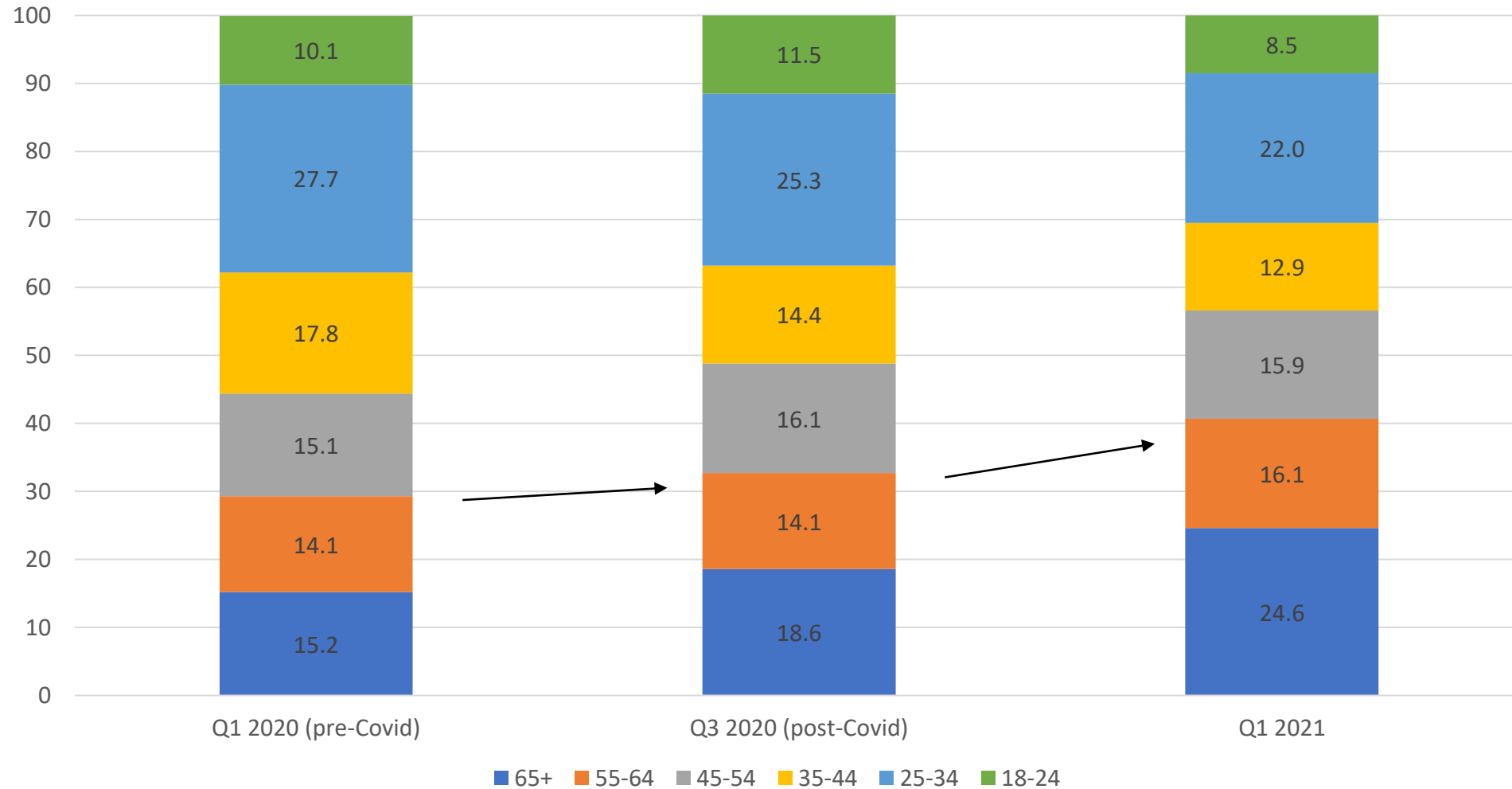
+40%
Retention Rate
Customers Acquired
Pre Mar 2020

+345%
Active Customers



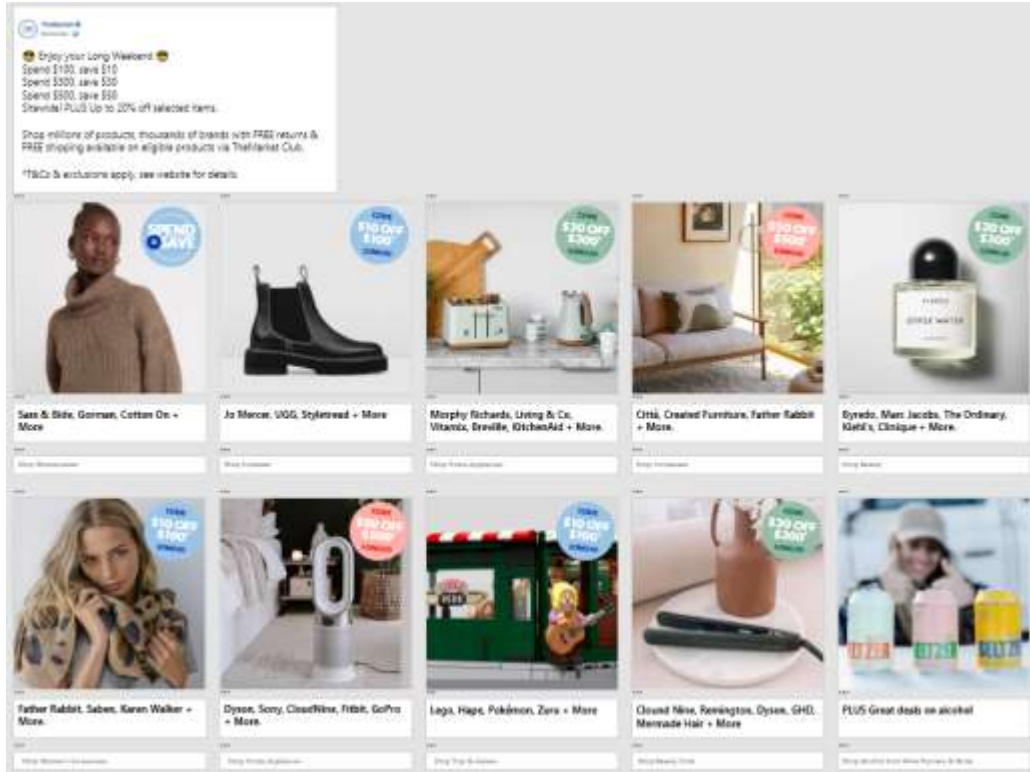
AUDIENCE DEMOGRAPHICS

OUR AUDIENCE DEMOGRAPHICS HAVE EVOLVED TO BROADLY REFLECT THE POPULATION – WE HAVE A TRUE BROAD OFFERING.

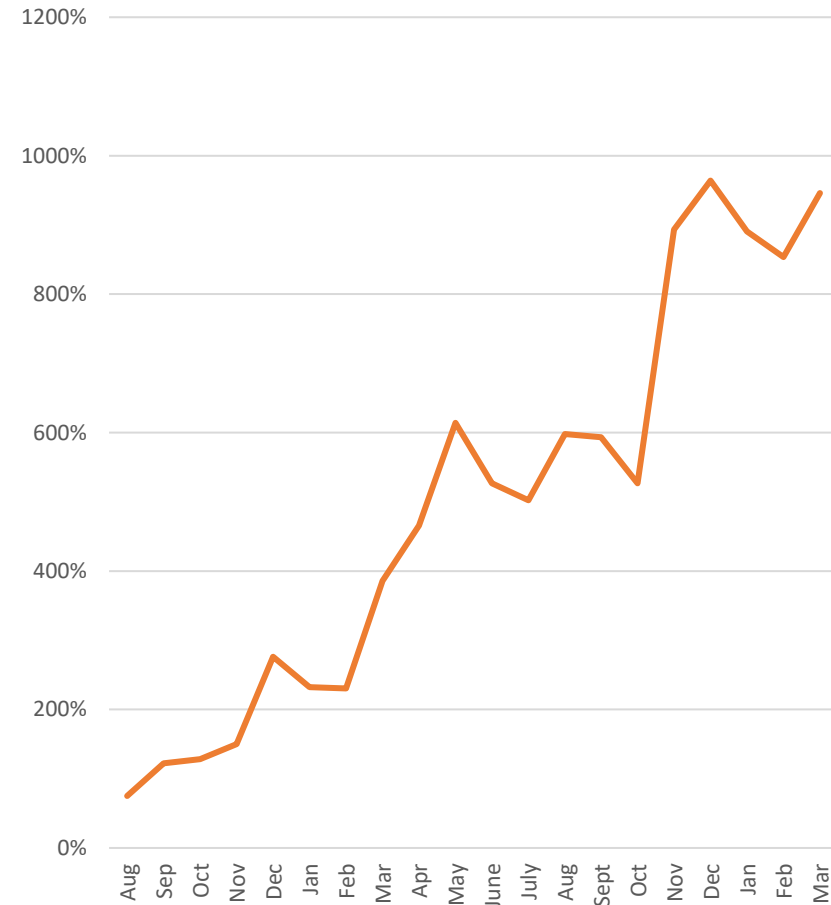


ACQUISITION ENGINE

WE HAVE BUILT AND SCALED AN EFFICIENT ADVERTISING AND CUSTOMER ACQUISITION ENGINE.



Return on Advertising Spend



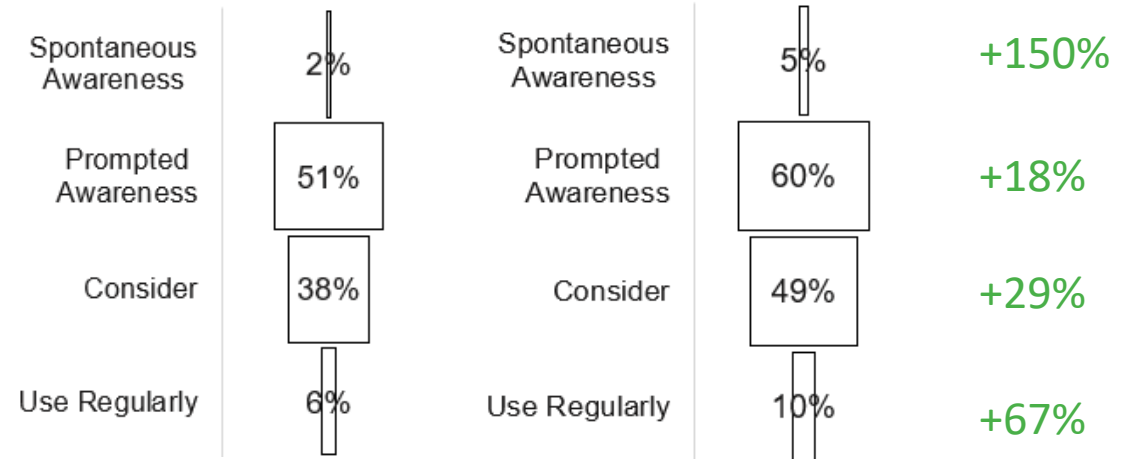
BUILT A BRAND

WE HAVE BUILT A BRAND THAT NOW ENJOYS 60% PROMPTED AWARENESS 20 MONTHS INTO OUR JOURNEY.
RECENT INVESTMENTS SUCH AS THE AMERICA'S CUP SPONSORSHIP ARE PAYING DIVIDENDS.



Apr '20 - Sept '20 Brand performance

Oct '20 - Mar '21 Brand performance



MARKET CLUB & VODAFONE PARTNERSHIP

WE LAUNCHED A MEMBER SUBSCRIPTION PROGRAMME IN LATE 2019 OFFERING FREE SHIPPING.
IN AUG 2020 WE PARTNERED WITH VODAFONE TO EXTEND OUR REACH WITH THE PROGRAMME TO VODAFONE REWARDS CUSTOMERS.

Growing programme

CONTRIBUTION TO SALES 27%

Growing active club member base with Vodafone

46k MEMBERS / 210k CUSTOMERS

Members spend more

AVERAGE ORDER \$146 +43%

Members save

AVERAGE SAVING \$2.7 PER \$1 SPENT

THE MARKET CLUB ✓
Exclusive Offer:
Membership to TheMarket Club on us
Enjoy free shipping on millions of eligible items, when you spend \$45 or more.
Terms apply.

THE MARKET.COM

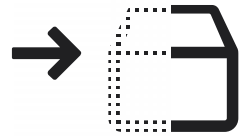
Vodafone REWARDS

FULFILMENT BY MARKET & L'ORÉAL PARTNERSHIP

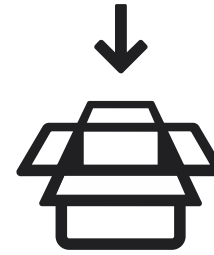
WE LAUNCHED A 3PL SERVICE TO SUPPORT BRAND OWNERS THAT DON'T HAVE THEIR OWN DIRECT TO CONSUMER FULFILMENT CAPABILITIES. THE SERVICE CHARGES HANDLING, SHIPPING AND STORE FEES PER ITEM. L'ORÉAL GROUP IS ONE OF OUR KEY CLIENTS AND LEVERAGES THE MARKET AS ITS EXCLUSIVE DIRECT TO CONSUMER CHANNEL IN NEW ZEALAND.



Range Setup & Storage



Item Put away



Pick & Pack



Delivery



MARKETPOINT NETWORK

WE HAVE INTEGRATED INTO A NETWORK OF 100+ SERVICE LOCATIONS FOR COLLECTIONS AND RETURNS.



Click & collect option



FREE Returns drop-off



100+ today



WHAT'S NEXT? MORE IS MORE

THE MARKET INTEGRATES OUR ECOSYSTEM OF BRANDS WITH VAST EXTERNAL RANGE TO SUPPORT A TWG FIRST STRATEGY.

Grow...

1. Assortment
2. Audience
3. Customer Spend
4. Channels

SYNDICATE SELECTIVE RANGE TO EXISTING AUDIENCE POOLS

THE MARKET INTEGRATES OUR ECOSYSTEM OF BRANDS WITH VAST EXTERNAL RANGE TO SUPPORT A TWG FIRST STRATEGY.



~2m

Monthly Audience

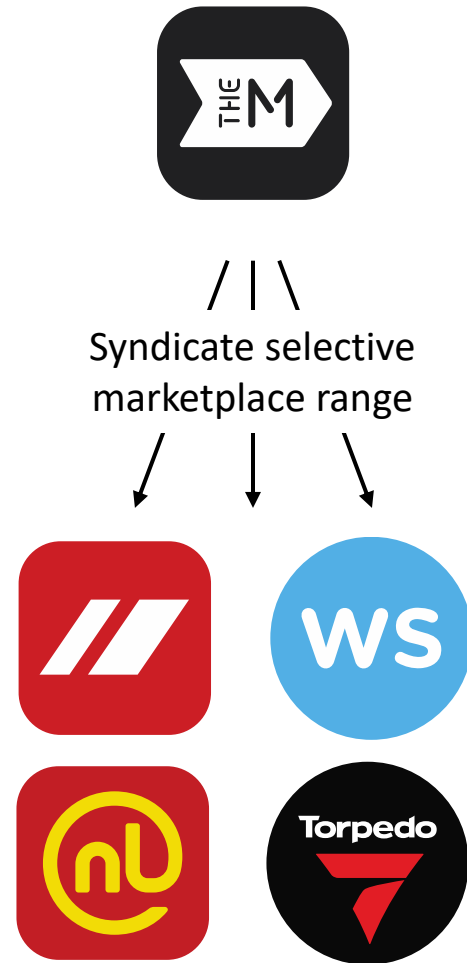


~14m

Monthly Audience

SYNDICATE SELECTIVE RANGE TO EXISTING AUDIENCE POOLS

THE MARKET INTEGRATES OUR ECOSYSTEM OF BRANDS WITH VAST EXTERNAL RANGE TO SUPPORT A TWG FIRST STRATEGY.



thewarehouse Categories I'm looking for...

Download our app FREE Click & Collect* 90 stores nationwide zip Own it now. Pay later.

We collect and use information to improve and personalise the experience of our customers across our brands. For more info, please see our Privacy Policy.

Baby Monitors

Home / Toys & Baby / Baby & Toddler

Reset filters 11 Results Sort by Best match

Category

- ← Toys & Baby
- Baby & Toddler
- Nappies & Wipes
- Car Seats & Strollers
- Nursery & Furniture
- Highchairs
- Baby Toiletries
- Bath & Potty
- Baby Monitors
- Clothing (Size NB-2)
- Breastfeeding
- Bottle Feeding
- Feeding Accessories
- Food & Formula
- Pacifiers & Teethers
- Safety
- Preschool Toys
- Gifts
- Bedtime
- Feeding
- Get Ready for Baby
- Nursery Furniture, Bedding & Decor

Sold by

- The Warehouse (5)
- Marketplace (5)

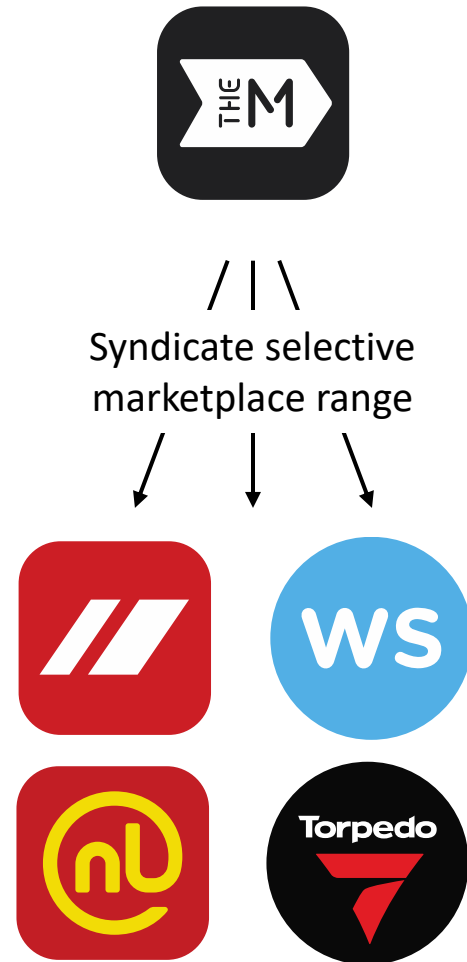
Brand +

Colour +

Product	Price	Rating	Delivery
Vtech Safe & Sound Video & Audio Baby Monitor	\$129.00	3.3/5 (8)	
Vtech Safe & Sound Video & Audio Baby Monitor BM3100	\$185.00	5.0/5 (4)	
Baby Monitor with Monitor	\$70.00	5.0/5 (10)	Sold and Shipped by Grabstore 2-3 Days Delivery
Vtech Digital Audio Baby Monitor BM1000	\$70.00	5.0/5 (10)	Sold and Shipped by The Sleep Store 2-3 Days Delivery
Vtech RM5752 HD Baby Monitor With Remote Access	\$375.00	0.0/0 (0)	
Vtech BM2150 Safe & Sound Audio Baby Monitor	\$89.99	0.0/0 (0)	
Vtech Safe & Sound Storytelling Soother ST5000	\$95.00	5.0/5 (1)	
Vtech RM5752 Additional Camera	\$170.00	0.0/0 (0)	

SYNDICATE SELECTIVE RANGE TO EXISTING AUDIENCE POOLS

THE MARKET INTEGRATES OUR ECOSYSTEM OF BRANDS WITH VAST EXTERNAL RANGE TO SUPPORT A TWG FIRST STRATEGY.



thewarehouse

Categories

I'm looking for...

HELP STORES WISHLIST SIGN IN CART

Download our app FREE Click & Collect* 90 stores nationwide zip Own it now. Pay later.

We collect and use information to improve and personalise the experience of our customers across our brands. For more info, please see our Privacy Policy.

Toys & Baby / Baby & Toddler / Accessories

Grabstore

Baby Monitor with Monitor

★★★★★ 5.0 (10) Write a review

Qty: 1

\$70.00

Dropship. Delivery timeframes may be longer than usual

ADD TO CART

Delivery and returns Details

Standard delivery Delivers in 3-5 business days

Sold and Shipped by Grabstore from New Zealand

Powered by **THE MARKET**

ONLINE ONLY 4 interest free payments of 25% on orders over \$50.00. Learn more

Product details

Wireless Infant Video & Audio Baby Monitor

Description
Do you require a hand with looking after children?
Spare and Free up additional time. Watch your child and get the opportunity to do different things all the while. Win-win circumstance.

Yachts. About the only thing we don't sell.

Shop millions of products

OFFICIAL RETAIL PARTNER THE MARKET.COM

JCDecaux

The billboard features a blue background with a sunset sky. On the left, there is a pink inflatable flamingo with a yellow and black life preserver. In the center, a sailboat with a blue and red sail is on the water. On the right, there is a pink inflatable ring with a blue scooter and a purple inflatable ring with a steering wheel. A search bar with a magnifying glass icon and a mouse cursor is positioned below the headline. The text 'OFFICIAL RETAIL PARTNER' is accompanied by a small logo, and 'THE MARKET.COM' is written in a white arrow-shaped box. The JCDecaux logo is in the bottom right corner.

Investment and Returns

Jonathan Oram

Chief Financial Officer



thewarehouse



warehouse
stationery



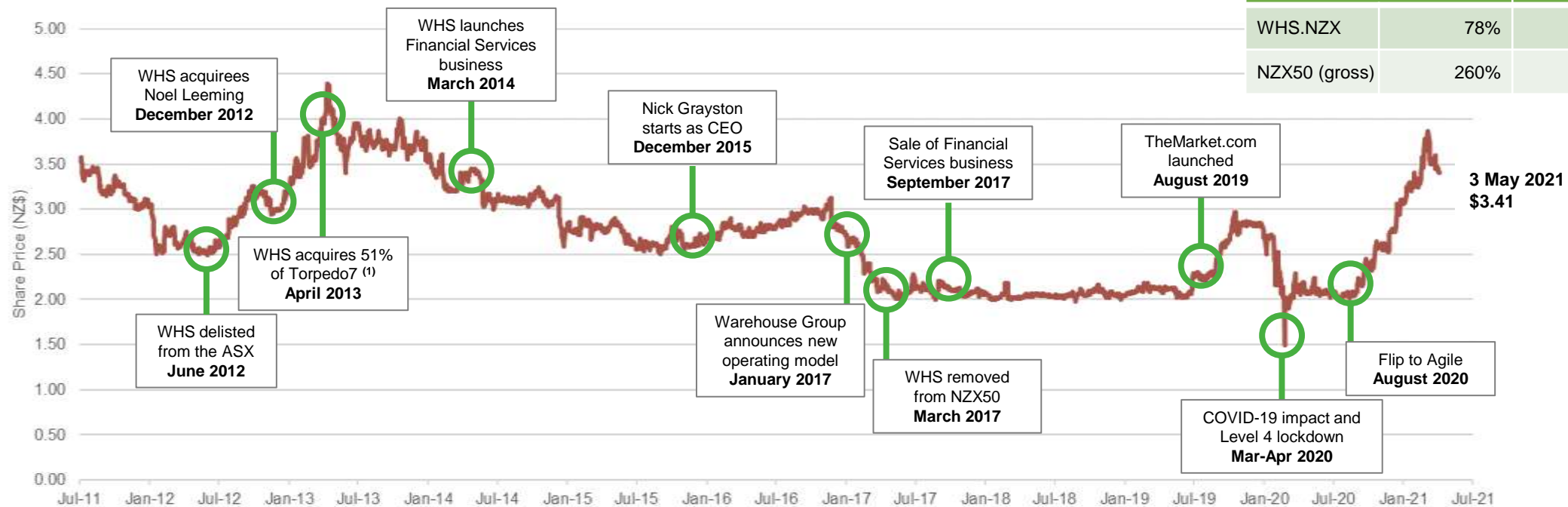
noel learning



Torpedo



10-year share price history



	10 YEAR TSR ⁽⁵⁾	Annualised
WHS.NZX	78%	5.9%
NZX50 (gross)	260%	13.6%

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	3 May 2021
Market Cap (\$m)	1,227.8	894.9	1,363.1	1,068.3	891.4	971.2	735.3	704.1	794.3	718.0	1,182.7
LTM PE ⁽²⁾	16.1	13.7	18.5	17.2	15.1	14.0	10.8	11.9	10.7	22.4	12.2
Net Dividend Yield	8.2%	7.8%	5.6%	6.0%	6.6%	5.7%	7.1%	7.9%	6.6%	3.9%	5.3% ⁽³⁾
Annual TSR	8.5%	(21.5%)	60.9%	(16.9%)	(11.0%)	15.2%	(18.9%)	3.3%	20.2%	(6.1%)	73.4% ⁽⁴⁾

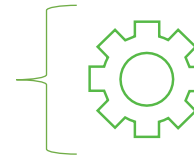
1. Acquisition of Torpedo7 includes No1 Fitness, Shotgun Supplements, Shop HQ and Insight Traders.
2. Last 12 Months Price/Earnings ratio (LTM PE) is based on market capitalisation as at financial year end date and Adjusted Net Profit After Tax (NPAT) for that financial year. The LTM PE for 3 May 2021 is based on market capitalisation as at 3 May 2021 and Adjusted NPAT for the 12 months ending 31 January 2021 (FY20 H2 + FY21 H1).
3. Dividend yield for 3 May 2021 is based on dividends received between 2 August 2020 and 3 May 2021 and share price of \$3.41 as at 3 May 2021.
4. TSR for 3 May 2021 is based on share price movement and dividends received between 2 August 2020 and 3 May 2021.
5. 10 Year TSR is calculated on 10 years to 22 April 2021.

Value creation **focus**

Group performance and investment assessed through ROIC

- Group strategy and financial forecasts are assessed using a ROIC framework, with the objective of increasing ROIC in excess of cost of capital over time towards best-in-class benchmarks
- Three value creation pathways exist: increase margin, drive growth and increase capital efficiency
- All three are being pursued with the objective of increasing cash flow generation, supporting continued investment and dividend returns to shareholders, while maintaining an appropriate level of funding liquidity
- At a project level, TWG's revised capex approval process is now in its third year of operation and continuing to evolve through the Agile operating model
- The target returns for individual projects will depend on specific project risks and benefits
- For the next three years TWG expects capex to be elevated above recent levels, with a mix of maintenance (eg core systems, property refits) and growth (eg TheMarket, Ecosystem, SWAS, Supply Chain) investment

Profitability



1 **Increase margin**, while maintaining growth and capital

Asset efficiency



2 **Drive growth**, while maintaining margin and/or capital

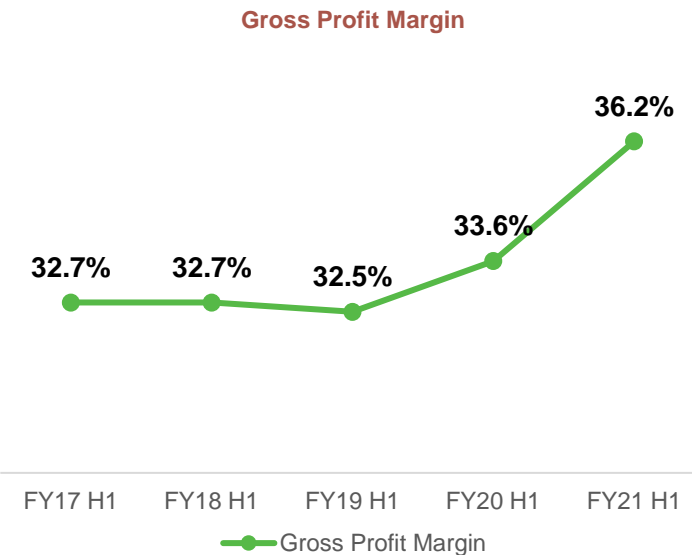


3 **Increase capital efficiency** by reducing capital or driving higher ROI on new capital

Operational focus on value creation

Gross Profit Margin

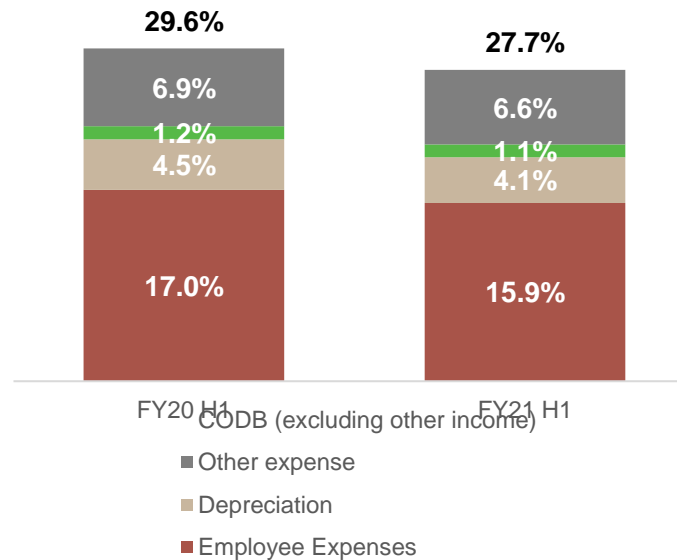
- Management of gross profit margin can have the most immediate impact on performance, but needs to be sustainable
- Areas of focus include continued evolution of EDLP, pricing processes, clearance and promotional activity, COGS and rebates negotiation and space optimisation



CODB Control

- Labour and lease costs have and continue to present major headwinds
- Lease cost focus on combination of lease renewals and sales intensity
- There are a range of initiatives underway to mitigate the impact of these headwinds including SWAS, supply chain investment and continued changes in operating model

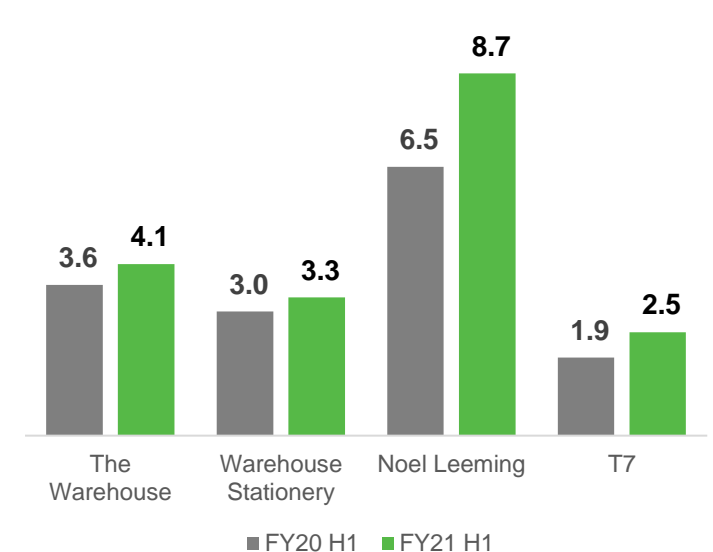
Cost of Doing Business (COBD) as percentage of Sales



Inventory Management

- Working capital benefits in the last three years have initially come from overseas creditor initiative and more recently from a range of inventory initiatives
- Significant progress has been made but further upside exists eg: through supply chain investment

Stock Turn by Brand



Capex – Investment required to enable strategy

Capex profile over the next three years is expected to average \$100-130m per annum

Capex \$100-130m pa	Type	Examples	Impact
\$25-30m	Supply Chain	• DC reinvestment, new central FC, regional FCs, WMS, OMS	<ul style="list-style-type: none"> • Mitigant to headwinds • Supports digital investment • Maintenance of core
~\$35m	Store Renewal	• SWAS, Red refit programme, new stores, closures	<ul style="list-style-type: none"> • Mitigant to headwinds • Maintenance of core
\$10-15m	Systems of Engagement	• GEP, Group Loyalty, Omni-channel Gift Cards	<ul style="list-style-type: none"> • Core ecosystem investment • Growth capex
\$10-20m	Core Systems	• ERP-FI, ERP-Merch, MDM	<ul style="list-style-type: none"> • Maintenance of core • Enables digital investment
\$20-30m	Other	• Store R&M, SSO, hardware	<ul style="list-style-type: none"> • Maintenance capex



Capex – Increasing areas of focus

Store renewals – footprint efficiency

Mitigate headwinds and increase sales density



- Currently 24 SWAS stores – target is 40-45
- Next integrations will be in conjunction with a refit of The Warehouse (TWL) store
- SWAS delivers uplifts in Sales and Profit TWL and WS



- TWL store refit programme has been on hold while we focussed on other transformation initiatives
- TWL refit programme to recommence from FY22
- 5 stores approved, with plans to complete 40 stores over the next few years ~\$35m in capex annually



- Embarked on developing a five year property strategy
- Implemented interim lease renewal principles to provide flexibility
- Total stores down from 257 to 254 since FY19
- Stores WALT 4 years, provides flexibility



- Systematically reviewing all catchments across NZ
- Completed or are well underway on three catchments
- Optimising store footprint based on three KPIs – EBIT psm, property costs as % of sales, and number of leases

Supply chain transformation

Reduction inventory and operating efficiencies



- Redesign and implement central planning process
- Generate visibility across stock flow from purchase order to sale
- Further reductions in inventory levels and op



- Fulfilment Centre – design automation
- New racking with conveyors & cranes. New sorter and small case pick
- Continue to roll out WMS



- Future network investment and partnerships
- Transport diagnostic and implement TMS (reduce volumes transported at LTL and increase FTL and MSTL)



- Explore initiatives to drive E2E supply chain efficiency
- Diagnose and design initiatives to improve fill productivity: lean and technology/automation



Opportunities and Priorities

Development of Ecosystem

- Investment in customer facing systems that are core to a group ecosystem: new website and app capability, single customer view, personalisation and customer service
- Continue to invest in TheMarket to achieve scale, as a core component of a group ecosystem, and a critical part of the group's online offering

Trading performance

- Material opportunities to lift sales density / capture new segments / lift margins, e.g.
 - Sales density – Refits / SWAS / growing existing under penetrated segments
 - New segments with adjacencies to existing offering
 - Margin – pricing processes, space utilisation, services and operating model
- Continue multi-year effort to return T7 to profitability and generate adequate return on investment
- Achieve operating profit contribution from TheMarket and wider group ecosystem benefits

Productivity/ ways of working

- Diverse and ongoing portfolio of initiatives to improve the productivity of our ~12,000 team member workforce in stores and SSO – including agile, operating models, training, etc
- Investment in core systems will come with significant process improvement and change management

Inorganic growth

- Primary focus is on existing portfolio of businesses but there may be opportunities that help us execute our strategy in building a group ecosystem and providing further scale in New Zealand



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THE MARKET

2021 Investor Day – 4 May 2021



Governance

Joan Withers
Chair



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THE MARKET

Governance – A Board Refresh



Joan Withers
Chair & Independent
Non-Executive Director



Anthony Balfour
Independent
Non-Executive Director



Will Easton
Independent
Non-Executive Director



Dean Hamilton
Independent
Non-Executive Director



John Journee
Independent
Non-Executive Director



Julia Raue
Independent
Non-Executive Director



Rachel Taulelei
Independent
Non-Executive Director



Robbie Tindall
Non-Executive Director



Renee Mateparae
Future Director

- On-going assessment of skills required
- Skill matrix published in annual report
- High calibre Board recruits
- Externally facilitated Board performance reviews
- Board timing and cadence of interactions altered to work in Agile environment
- Commitment to ongoing training for Directors



Governance

- The Board has been actively engaged in the Company's evolution over the last 4 years
- Our Committee structure supports Board responsibilities
- Dedicated Health & Safety committee
- Strong commitment to managing capital appropriately – eg. ROIC framework and revised dividend policy
- Value enhancing investment slate – lessons learned
- Working towards best practice in Board / Executive deliberations
- Significant achievements in the last 5 years – but much more to do



Thank You

Q&A



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THE MARKET

2021 Investor Day – 4 May 2021



APPENDICES

GLOSSARY

Term	Definition	Term	Definition
C&C	Click & Collect	NIDC	North Island Distribution Centre
CODB	Cost of Doing Business	NIFC	North Island Fulfilment Centre
COGS	Cost of Goods Sold	NL	Noel Leeming
DC	Distribution Centre	OMS	Order Management System
DIFOT	Delivered In-Full On-Time	OMU	Operating Model Update
E2E	End-to-End	POS	Point-of-Sale
EDLP	Every Day Low Price	SIDC	South Island Distribution Centre
ELS	Extended Leadership Squad	SSO	Store Support Office
eNPS	Employee Net Promotor Score	SSS	Same Store Sales
FC	Fulfilment Centre	SWAS	Store-Within-a-Store
GBO	Group Business Operations	TWL	The Warehouse
GEP	Group eCommerce Platform	WALT	Weighted Average Lease Tenure
GMV	Gross Merchandise Value	WMS	Warehouse Management System
LTV	Lifetime Value	WS	Warehouse Stationery
MDM	Master Data Management		

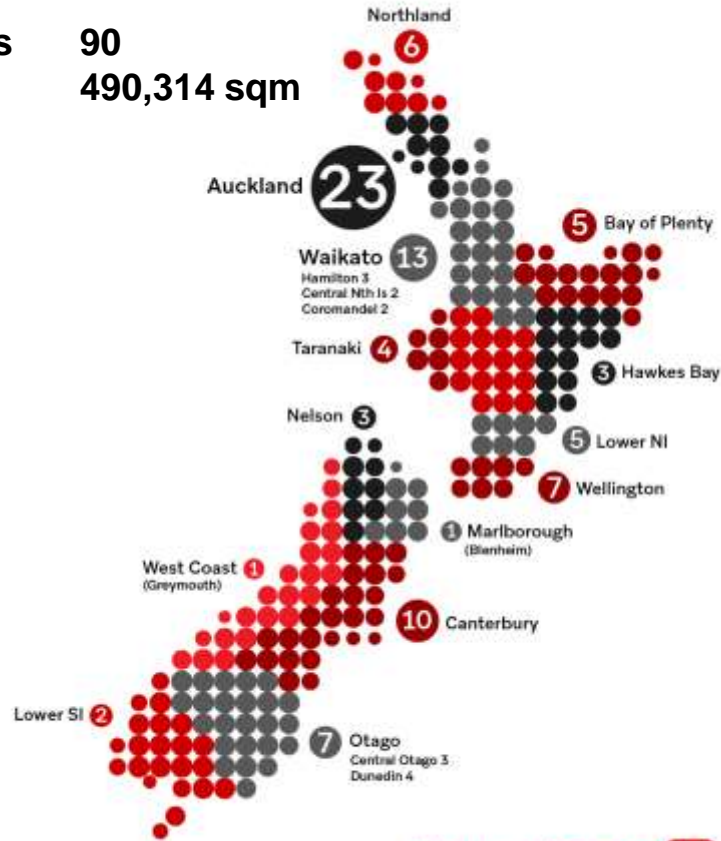


The Warehouse

Omni-channel network



Number of stores **90**
Store footprint **490,314 sqm**



thewarehouse 

1.5m
Registered Users

1.6m
Average customer store visits per week

6.7m
Average website visits per month

6.3%
Online sales (as % of total sales)

41%
Click & Collect sales (as % of total sales)



thewarehouse



warehouse stationery



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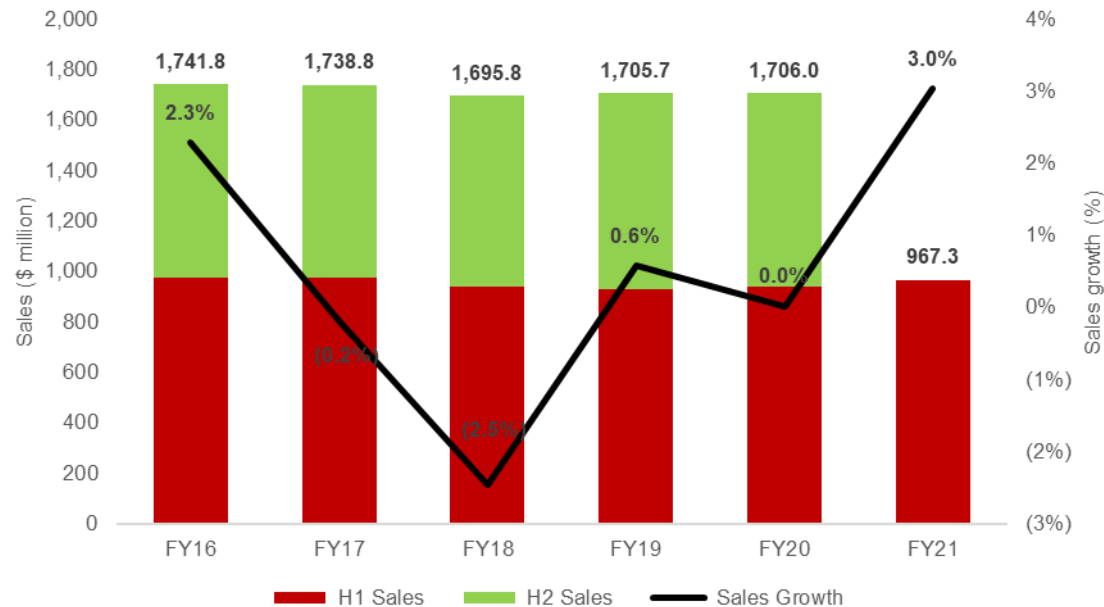
2021 Investor Day – 4 May 2021



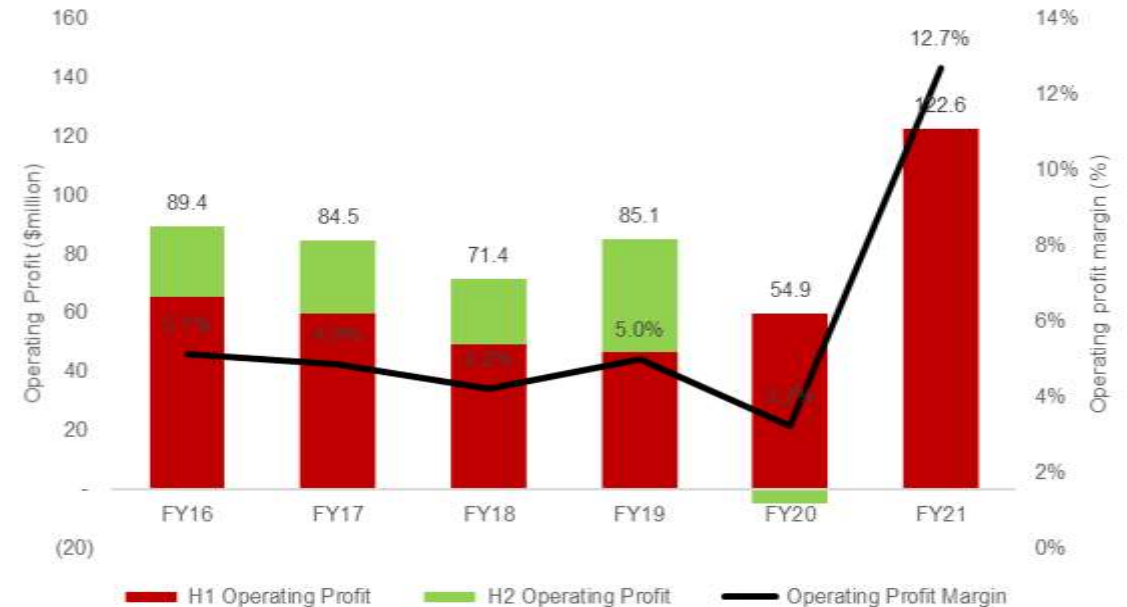
The Warehouse – sales and margin



Focus on EDLP strategy is delivering sales growth back into positive territory



Translating into strong operational leverage

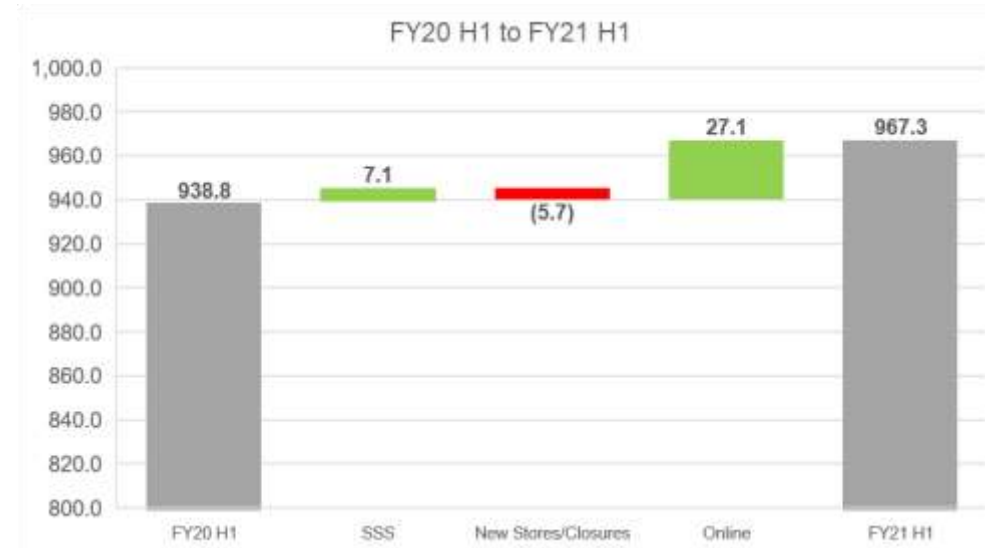
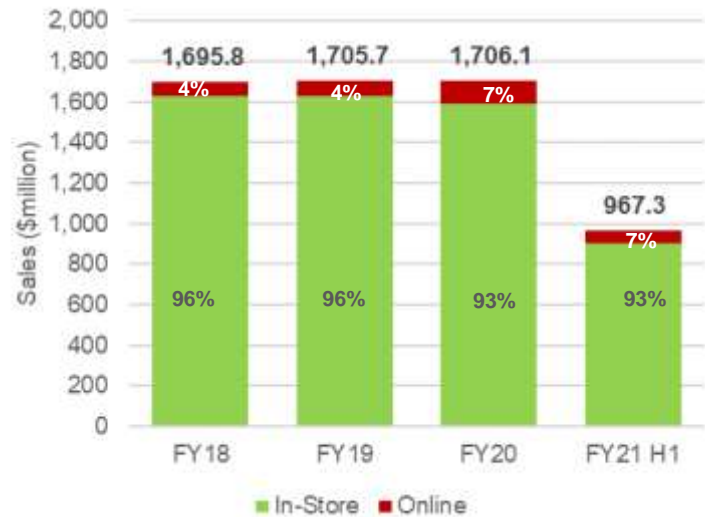


- With the move to EDLP, Sales dipped in FY18, however growth in FY21 has been significant with sales returning to historical levels.
- Improved Gross Profit Margin through reduced clearance and promotional activity, together with tight control of costs (including the Labour Operating Model Update) has led to Operating Profit Margin jump to 12.7% in FY21.



1. FY20 Sales and Operating Profit have been restated to recognise the wage subsidy for each brand as an unusual item as this was subsequently repaid in December 2020, therefore now excluded from Sales and Operating Profit. This was included in Operating Profit in the 2020 Annual Report.

The Warehouse – channel and mix



- FY21 H1 Sales have grown +3.0% YoY largely driven by +75% increase in the Online channel as momentum gained from the COVID-19 Lockdowns continued. Within this Online growth, Click & Collect sales grew +116% with the introduction of same day collection.
- Major categories by sales include Toys, Sporting Goods, Beauty & Grooming, and Large Storage & Laundry.
- Since FY21 H1 we have closed one The Warehouse store in Whangaparoa and opened one new store in Ormiston.

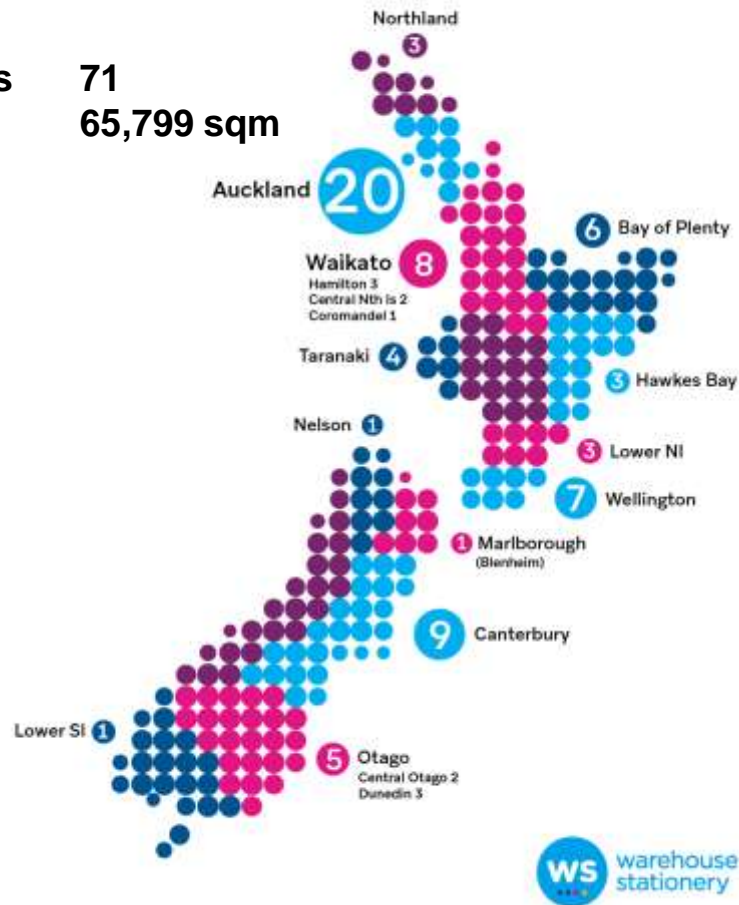


Warehouse Stationery

Omni-channel network



Number of stores 71
Store footprint 65,799 sqm



536k
Registered Users

118k
Average customer store visits per week

736k
Average website visits per month

10.5%
Online sales (as % of total sales)

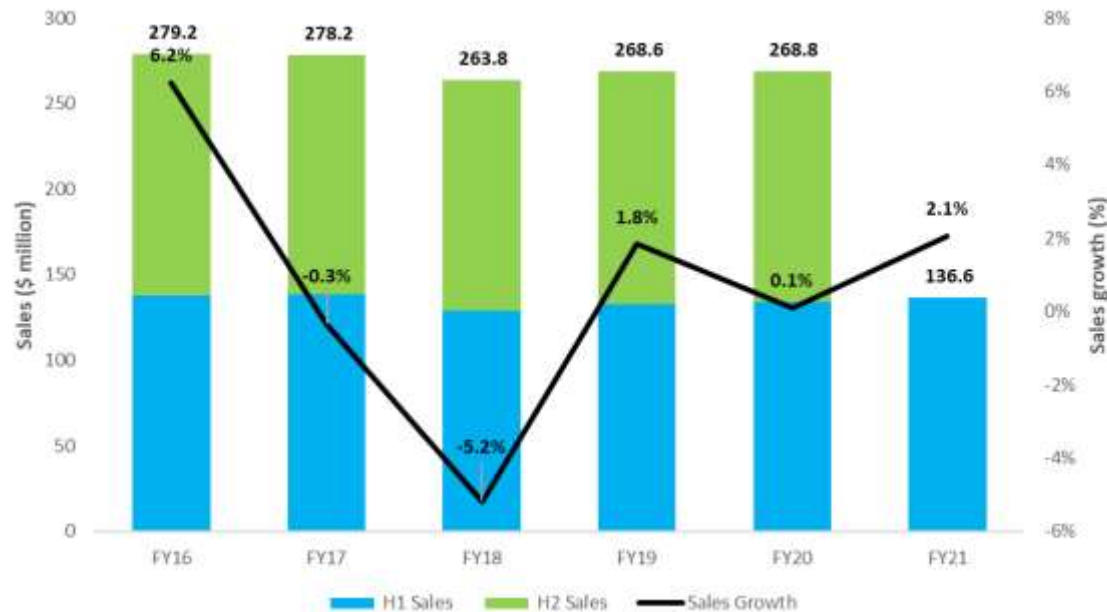
25%
Click & Collect sales (as % of total sales)



Warehouse Stationery – sales and margin



Sales growth boosted from working and learning from home



SWAS operating model resulting in operating profit growth

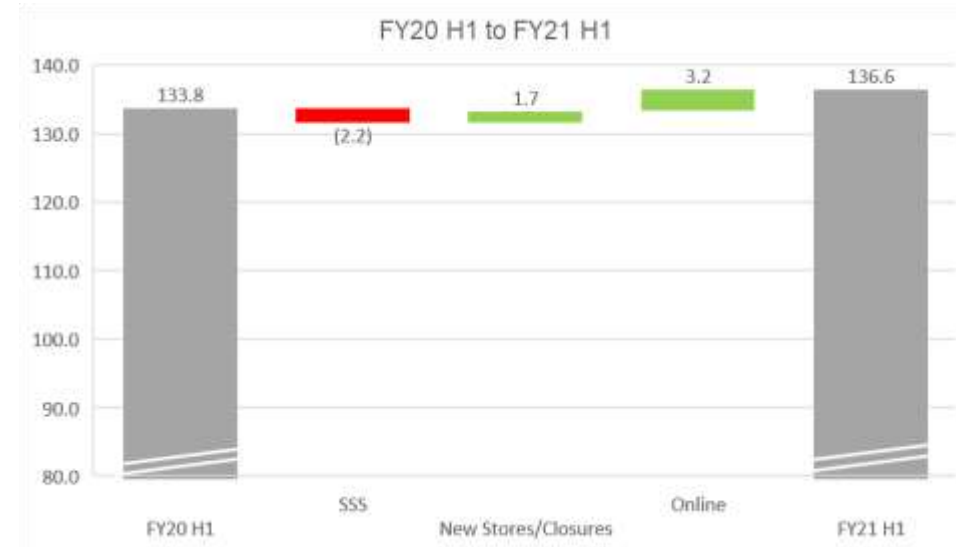


- Sales declined in FY18 with the move to EDLP, however exponential growth has been observed since then. This is due to the conversion of 23 stores (at the end of FY21 H1) to the SWAS (Store within a Store) concept over the last 5 years and more recent sales growth attributed to increased appetite to working from home, reflected in the increased sales growth in Office Consumables and Furniture.
- Operating profit margin has surged in FY21 due to a combination of sales growth, reduced discounting leading to higher margins and well controlled costs.



1. FY20 Sales and Operating Profit have been restated to recognise the wage subsidy for each brand as an unusual item as this was subsequently repaid in December 2020, therefore now excluded from Sales and Operating Profit. This was included in Operating Profit in the 2020 Annual Report.

Warehouse Stationery – channel and mix



- Consumer buying patterns shifting to Online is the primary reason for FY21 H1 growing +2.1% YoY. Online sales have grown +31% whilst Click & Collect sales have increased a significant +230% YoY.
- Major categories by sales include Print & Consumables, Stationery, Office Furniture, Computing & Devices, and services from our in-store Print & Copy Centres.
- Since FY21 H1 we have closed one Warehouse Stationery store in Henderson and opened one new SWAS store in Ormiston.

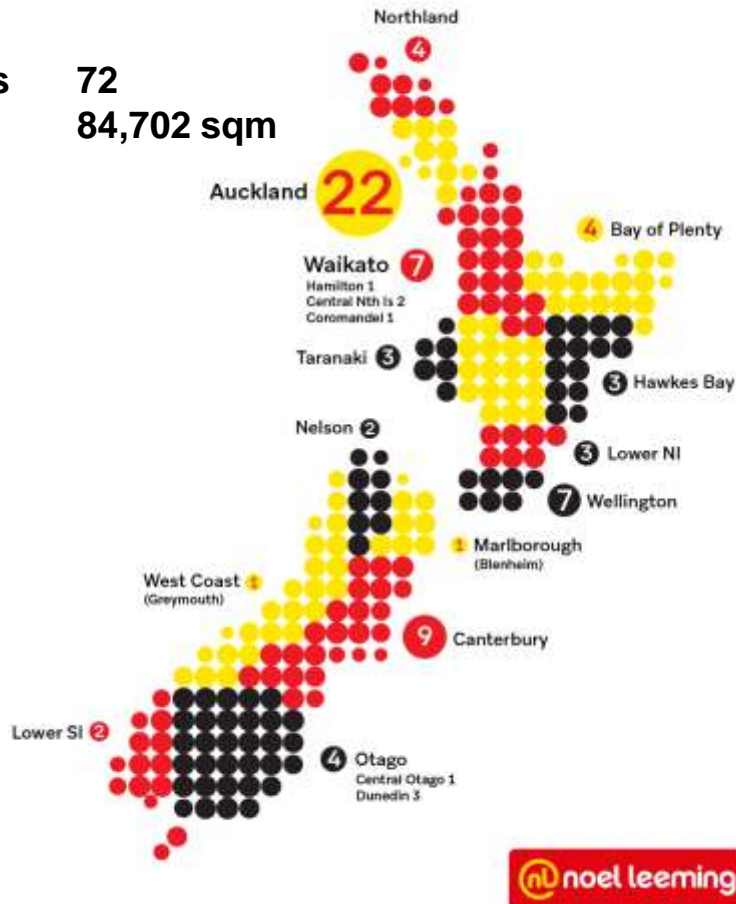


Noel Leeming

Omni-channel network



Number of stores 72
Store footprint 84,702 sqm



488k
Registered Users

257k
Average customer store visits per week

2.6m
Average website visits per month

10.4%
Online sales (as % of total sales)

64%
Click & Collect sales (as % of total sales)



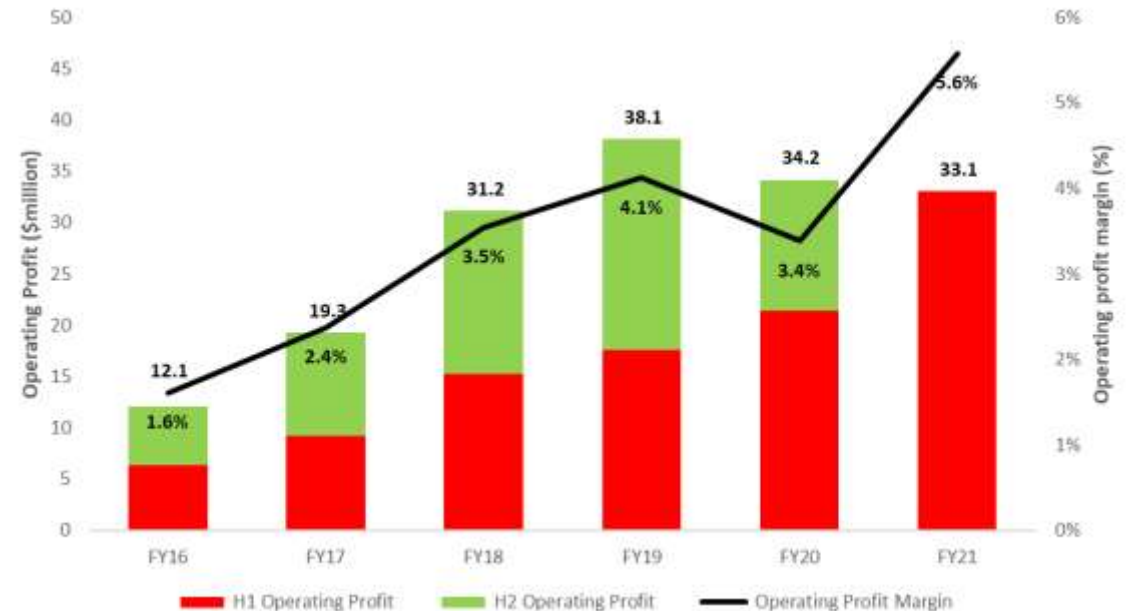
Noel Leeming – sales and margin



Standout sales growth in FY21 H1 – boosted by tech sales and service and click & collect



Increased sales and shift to higher margin products has delivered operating profit growth

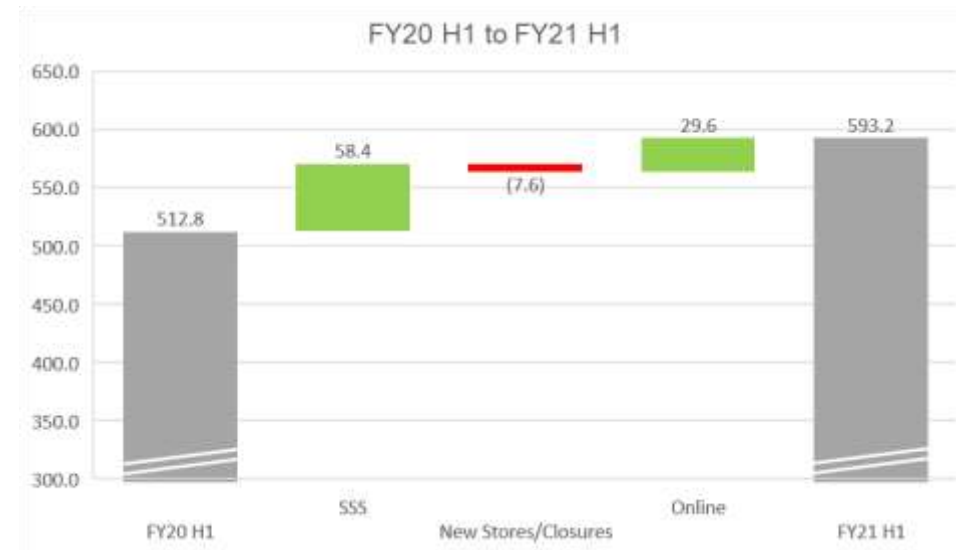
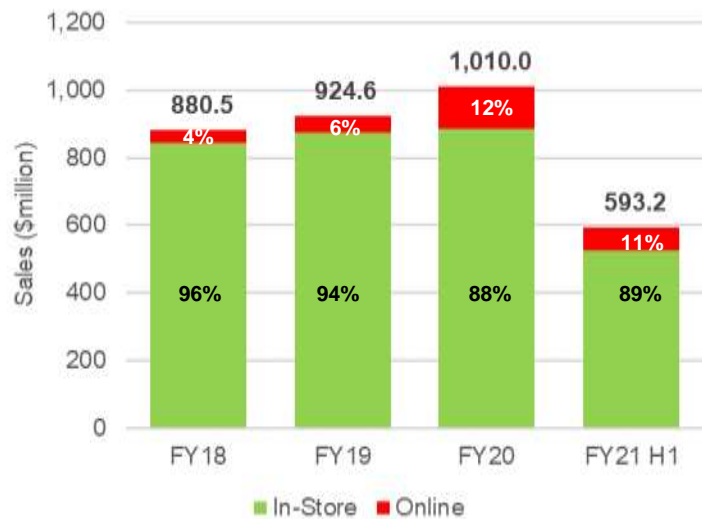


- Continued Sales growth reflects gains in market share over the last 5 years. The Online channel has achieved strong growth each year (30-60%) with an exceptional year in FY20, through lockdown, where demand for home office related technology performed strongly.
- Operating Profit improvement in FY21 due to a combination of increased Sales volumes and improved Gross Margins.



1. FY20 Sales and Operating Profit have been restated to recognise the wage subsidy for each brand as an unusual item as this was subsequently repaid in December 2020, therefore now excluded from Sales and Operating Profit. This was included in Operating Profit in the 2020 Annual Report.

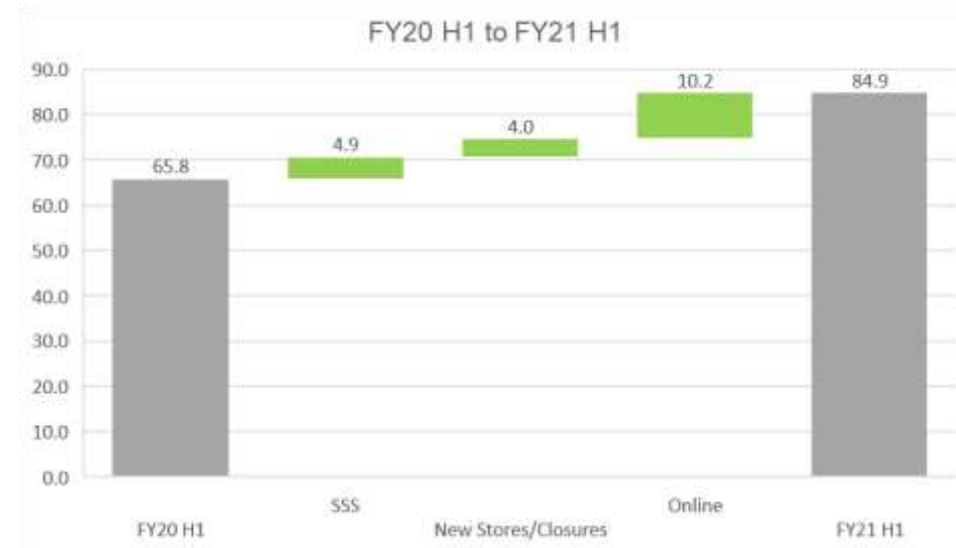
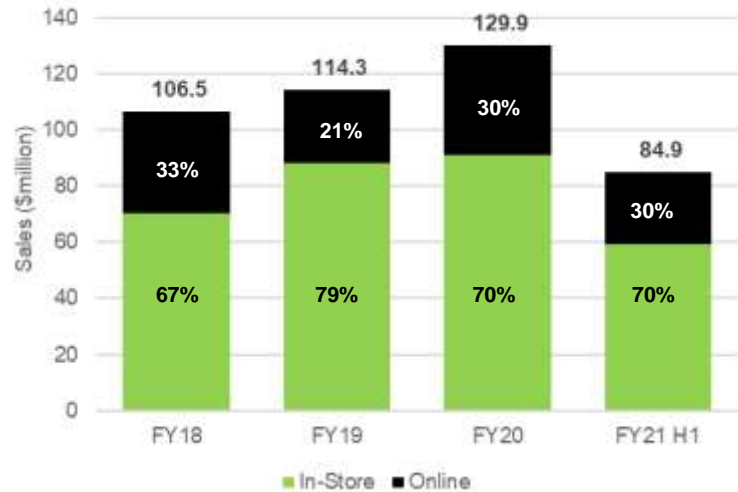
Noel Leeming – channel and mix



- Surge in online penetration during FY20 driven by customers using the channel during lockdown, with positive user experiences ensuring this higher penetration rate carried through into FY21.
- Same Store Sales Growth driven by continued strong demand for appliances, technology and services, resulting in record highs for both the Black Friday and Boxing Day events.
- Major categories by sales include Communications, Computers, Whiteware, and TVs.
- Since FY21 H1 we have closed two Noel Leeming Stores in Hunters Plaza and Morrinsville and opened one new store in Ormiston.



Torpedo7 – channel and mix



- FY19 shift in sales mix between online and stores was the result of removal of Shotgun Supplements and No1 Fitness websites from the brand as well as an increase in total number of stores from FY18. FY20 and FY21 has seen strong online growth from a change in customer behaviour resulting from the lockdown.
- Overall sales growth from H1 FY20 of +29% is the result of SSS growth of +24.4% including online.
- Major categories by sales include Cycle equipment, Outdoor, Watersports Equipment, Apparel, and Fitness Equipment.
- Since FY21 H1 we have increased our T7 store numbers with the opening of one new store in Napier.

