



Sales to 26 January 2025 Positive 4th Quarter Sales

Briscoe Group Limited (NZX/ASX code: BGP)

Highlights:

- Promotional activity drives positive 4th Quarter Group sales growth of +0.96%
- Full-year (52 weeks) Group sales \$791.5 million, 99.94% of last year's record sales
- Full year Online sales as mix of total Group sales, 19.69% (18.72% last year)
- Closing inventories to be around \$5 million below last year
- Expected full-year net profit after tax (NPAT) to be in line with previous guidance
- Announcement of full year results including final dividend - 12 March 2025

4th Quarter: 28 October 2024 – 26 January 2025 (13 weeks):

Unaudited sales for the 4th quarter, 13-week period ended 26 January 2025 were \$245.3 million, +0.96% ahead of the \$243.0 million for the 13-week 4th quarter of last year.

For the 4th quarter, intense promotional activity resulted in increased homeware sales of 1.27% compared to last year, with sporting goods increasing by 0.44%.

Full year: 29 January 2024 – 26 January 2025 (52 weeks):

The directors of Briscoe Group Limited announce unaudited sales for the full-year, 52-week period to 26 January 2025 of \$791.5 million, just 0.06% below the record \$792.0 million reported for last year.

Both segments delivered the same 'near-flat' sales growth for the 52-week period. Homeware -0.06%, Sporting Goods -0.06%.

Commentary

Group Managing Director, Rod Duke said: "In a year which proved to be exceptionally difficult for retail, to deliver positive growth for the final quarter and drive full year sales to 99.94% of last year's record Group sales is a terrific achievement.

"Whilst current sales growth is at modest levels it is important to recognise this year's level of sales represents a 21.20% increase since the year immediately prior to Covid (year-ended January 2020) or 3.92% compound average growth across the same period.

"Our online performance continued to strengthen during the year and will represent 19.69% of total Group sales for the year ended 26 January 2025, nearly 1% higher than last year's mix of 18.72%. We're excited about the potential to grow the Group's online business further as we re-platform its front-end to the *Adobe* system during 2025.

“As reported throughout the past year gross margin has been, and remains, under significant pressure. We expect the final reported full-year Group gross profit margin percentage to be around 200 basis points below last year’s reported margin of 42.40%. However, this will still represent a gross profit margin around 100 basis points in excess of the gross margin delivered for the year immediately prior to Covid (year-ended January 2020).

“Inventory and cost management remains a key focus for us and despite intense sales pressure the team has improved both stockturn and the quality and value of closing inventory which, when finalised, should be around \$5 million less than the previous year. Particular focus has been placed on the level of sporting goods seasonal inventory.”

Rod Duke said, “We expect the Group’s net profit after tax (NPAT) will be in line with the recent guidance given in our trading update made 10 January 2025. This will be a solid result given the economic backdrop through which New Zealand retail has had to navigate. The NPAT guidance excludes the previously announced one-off, non-cash tax adjustment of \$7.4 million booked as a result of changes to tax depreciation on commercial buildings enacted by the Government during 2024.

“We are committed to investing in critical business initiatives and our significant strategic program remains on track and on budget.

“We believe the difficult retail environment will continue into the 2025 calendar-year and expect the Group’s first half to be especially challenging. However, the exciting strategic initiatives and incredibly talented team positions the Group well to continue to optimise profitability as and when the economy recovers.”

The Group is due to report its full year result, including announcement of final dividend, on Wednesday 12 March 2025.

Tuesday 4 February 2025

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