

28 March 2025

**HALLENSTEIN GLASSON HOLDINGS LIMITED**

**UNAUDITED RESULTS FOR 6 MONTHS ENDED 1 FEBRUARY 2025**

The Company advises that unaudited total Group sales for the six months to 1 February 2025 were \$240.0 million, compared to \$223.0 million in the prior corresponding period. Group unaudited net profit after tax (NPAT) was \$21.2 million, an increase of 0.3% over the corresponding period last year (\$21.1 million). The result is in line with the guidance announced to the NZX on 28 February 2025.

Gross margin on sales was 58.5% compared with 58.9% in the prior corresponding period. The reduction in the margin was due to the challenging New Zealand retail environment over the peak trade period. The strengthening USD continued to impact on our inventory purchasing costs.

During the six months to 1 February 2025 there was a continued focus on operating cost efficiency across the Group given the difficult trading environment. This was balanced with continued investment in our operational capabilities to support the growth of our Australian brands, which continue to deliver strong performance. Inventory levels were tightly controlled and ended the period lower than the prior year end.

The balance sheet remains in a strong position with improved working capital compared to the prior corresponding period and significant cash reserves of \$49.9 million.

**Segment Results**

**Glassons**

Sales in Australia were \$123.9 million for the six-month period, were up +15.8% against the prior corresponding period inclusive of sales from new and refurbished stores. The Australian business continued to experience growth throughout the half. Net profit after tax was \$11.8 million, an increase of +9.0% on the prior year (\$10.9 million).

During the period the Werribee store in Victoria was relocated and expanded, the season also benefited from the Rundle Mall store in Adelaide which opened in the prior winter season as well as several other stores that were refurbished in the second half of the prior year. Post reporting period, an outlet store in Harbour Town Adelaide opened in March, with a further store opening imminently in the Sunshine Coast, Queensland.

Sales in New Zealand were \$57.3 million, which were up +0.2% against the same period last year, reflective of a tougher trading environment compared to Australia, though a pleasing result when compared to the overall retail environment within New Zealand. Net profit after tax was \$6.7 million, an increase of +18.0% on the prior corresponding period (\$5.7 million).

During the season the Lynn Mall and Shirley stores were refurbished to ensure the look of the stores represented the brand through consistency with the rest of the store network. A new store was opened at the Manawa Bay Outlet Centre near Auckland Airport in September. The Timaru store was closed at the end of August 2024. Post reporting period, the Queen Street store has been refurbished and has reopened in late March.

Glassons continues to strengthen as a leading women's fashion brand in both Australia and New Zealand, delivering strong growth in a challenging retail environment.

## **Hallensteins**

Sales were \$58.8 million for the six-month period (including Australia), with sales flat against the same period last year +0.1%, however at a reduced gross margin at 56.2%. Margin was impacted by the difficult trading environment in New Zealand. Net profit after tax was \$2.5 million, a decrease of -43.6% on the prior corresponding period (\$4.5 million).

During the season, our new store concept design was rolled out in the Silverdale store in Auckland in November, and a new store was also opened in Manawa Bay Outlet Centre in September. Our Queen Street store has also moved to an improved location. We continue to look for further opportunities in Queensland to capitalise on the strong growth the brand has experienced recently in the market.

## **E-Commerce**

Digital sales have increased to 17.7% of total Group sales for the six-month period, up from 17.3% in the same period last year. Growth has returned to our digital channels following a normalisation of post-pandemic trade. Customers have continued to enjoy the physical in-store experience with many of our customers shopping both in-store and online concurrently, demanding a true omnichannel experience. There is a continued focus on digital marketing across the Group to drive engagement across all channels and ensure that customers enjoy a similar experience whether shopping in store or online. The Glassons App continues to be very successful, while significant work has been undertaken on both the Hallensteins and Glassons web shops to improve customer experience and increase conversion.

## **Dividend**

The Directors have declared an interim dividend of 24.5 cents per share (partially imputed at 40.5%) (last year 24 cents per share partially imputed at 45%) to be paid on 17 April 2025. The dividend payment can be maintained due to the strong balance sheet and operating cash generation.

### **Future Outlook**

Group sales for the first seven weeks are +5.4% ahead of the same period last year, however margin remains under pressure. The retail environment has remained subdued in the New Zealand market, although we remain well placed as this recovers.

We are conscious of the significant challenges that are expected to continue for the remainder of the financial year given the uncertainty in the current economic environment in New Zealand, Australia and globally. Alongside the new stores opened in the first half, the Group has additional refurbishment and new store opportunities to support growth in the second half of the 2025 financial year. We continue to look for margin, operational and cost efficiencies, while remaining flexible with our product offerings to ensure we are well positioned for changes in the market.

**Chris Kinraid**  
Group CEO