



## Sales to 29 January 2023 Record Full-Year Sales and Profit

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Briscoe Group Limited (NZX/ASX code: BGP)

### Highlights:

- Record full-year (52 weeks) Group sales \$785.9 million, +5.56%
- Full year Homeware sales growth, +5.77%
- Full year Sporting goods sales growth, +5.22%
- Full year Online sales as mix of total Group sales, 18.97%
- Expected record full-year net profit after tax (NPAT) not less than \$88 million
- Announcement of full year results including final dividend - 15 March 2023

### Full year: 31 January 2022 – 29 January 2023 (52 weeks):

The directors of Briscoe Group Limited announce unaudited sales for the full-year, 52-week period to 29 January 2023 of \$785.9 million, an increase of 5.56% on the \$744.4 million reported for last year.

The homeware segment increased sales by 5.77% during the full year and the sporting goods segment by 5.22%.

### 2<sup>nd</sup> Half: 1 August 2022 – 29 January 2023 (26 weeks):

Unaudited sales for the 2<sup>nd</sup> half, 26-week period ended 29 January 2023 were \$417.9 million, 8.26% ahead of the \$386.0 million for the 26-week 2<sup>nd</sup> half period of last year.

For the 2<sup>nd</sup> half, the homeware segment increased sales by 8.61% with the sporting goods segment increasing by 7.70%.

Trading results reported across the 3<sup>rd</sup> and 4<sup>th</sup> quarters were impacted firstly by the enforced store shutdowns during the previous year (mid-August 2021 to early November 2021) and then the subsequent retail sales lift following the shutdowns.

### Commentary

Group Managing Director, Rod Duke said: “I’m thrilled to announce another year of record sales and profit. To achieve this considering the continued deterioration in economic factors impacting consumer confidence and subsequent retail spending, is an outstanding achievement.

“Part of this year’s success has been our ability to navigate the myriad of negative conditions which destabilised and disrupted retail trade. The first quarter was significantly influenced by the Omicron outbreak which impacted foot traffic to bricks and mortar stores. From the second quarter we began to see the influence of negative economic sentiment on the back of significant cost of living increases including food and fuel inflation, increased interest rates and falling house prices. This deterioration in confidence continued to impact throughout the 3<sup>rd</sup> and 4<sup>th</sup> quarters.

“The model we operate continues to be extremely adaptable through these turbulent and trying economic times, providing the capability for the business to be flexible but focused on key deliverables to provide the best possible customer experience. We continue to improve process through technology and data with a constant focus on balancing sales, gross profit and inventories.

“Our online business continues to produce strong results and will represent 18.97% of total Group sales for the year ended 29 January 2023. Developments and enhancements have driven both functionality and productivity improvements across the E-Commerce platform during the year.

“Gross margin remains a focus for the Group and we are seeing increasing pressure as the impacts of the economic downturn are felt. We continue to see benefits from the initiatives the team are driving in order to optimise and protect the significant gains (633 basis points) to gross profit made by the Group during the preceding two years. We expect Group gross margin percentage for the full year to close around 175 basis points below the gross margin percentage of 45.76% achieved for last year.”

The Group received dividends of \$2.1 million (after tax) from its investment in KMD Brands Limited during the year compared to \$1.7 million for the same period last year.

Rod Duke said, “As previously reported we expect to achieve a result ahead of the \$87.9 million NPAT delivered last year. This is a remarkable performance given the substantial increase last year’s result represented on previous years, as well as the significant economic and public health challenges faced throughout the year by all businesses.

“We expect the deteriorating economic conditions and subsequent negative impact on customer sentiment to continue into the 2023 calendar year and do not underestimate how difficult trading will be. However, we have a very strong core business which has proven to be very agile through previous difficult trading periods and an incredibly talented team which positions the Group to continue to outperform most other retailers in New Zealand.”

The Group is due to report its full year result, including announcement of final dividend, on Wednesday 15 March 2023.

Friday 3 February 2023

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