



NZX | Media release – 28 November 2025

2025 Annual Shareholders' Meeting – Chair and CEO Address

Chair's Address – Dame Joan Withers

Kia ora koutou katoa. Haere mai ki tenei hui motuhake.

Good morning and thank you for joining us here at The Warehouse Group offices – we are thrilled to be able to use our own facilities for this annual meeting.

My name is Dame Joan Withers, and I am the Chair of The Warehouse Group.

Today's meeting is being conducted both in person and online.

We are very pleased to welcome those of you participating online through the virtual meeting platform provided by our share registrar, MUFG Pension & Market Services. I'll provide you with further instructions as we progress through the meeting, but if you encounter any issues, please refer to the virtual meeting online portal guide or you can phone the helpline on 0800 200 220.

On behalf of your Directors, our Group Chief Executive Officer, Mark Stirton, and our Executive Team, I extend a very warm welcome to you all to our Annual Shareholders Meeting – both to those of you here in person today and everyone online.

Sitting with me at the front today are members of the Board of Directors and the Executive Leadership Team.

Starting from your left, please join me in welcoming: John Journee, Dean Hamilton, Robbie Tindall, Tony Carter, Rachel Taulelei, Caroline Rainsford, Hamish Rumbold, our Group CEO Mark Stirton and Group CFO Stefan Knight.

Also with us today are members of the Executive Leadership Team sitting in the front row.

Finally, I'd like to welcome the team from PricewaterhouseCoopers, our company auditor, and the team from our share registrar, MUFG Pension & Market Services.

They will help conduct the voting on the formal business later in the meeting and act as scrutineer.



Meeting Agenda

Before we proceed with the formal business, I will run through the order of events for today's meeting.

The agenda will start with the usual formalities, and I will give an overview of the year that has been. Our incoming Chair, John Journee, will then address you and introduce himself.

Our Group CEO, Mark Stirton, will provide an update on our strategy, a recap of our FY25 annual results, an update on the first quarter of the current financial year, and commentary on the remainder of FY26.

We will then turn to the formal part of the day's business. The resolutions today include the re-election of two Directors, Caroline Rainsford and new Director Hamish Rumbold, and authorising the setting of the auditor's fees.

We will cover each resolution in turn and invite you to submit your questions specific to those items. We will respond to those questions during the Q&A session for each resolution.

Voting will take place by poll. I will outline the process for discussion and voting on the resolutions at that point in the agenda.

Voting will remain open for 5 minutes after the conclusion of the meeting.

Following the resolutions, we will take questions on the Group's financial performance, operational performance, or other general business. I ask that you wait to raise any general questions until that time.

We will now move to the formal agenda.

The notice convening today's meeting was circulated to shareholders on 31 October.

I note that a quorum is present, so I am pleased to declare the 2025 Annual Shareholders' Meeting of The Warehouse Group officially open and underway.

Proxies

Proxies have been received from 279 shareholders, representing 196,398,462 voting shares. This represents 56.62% of the voting shares in the Company.

I will provide further details on proxies for each resolution at that time.

Annual Report

The Financial Statements for the 53 weeks ended 3 August 2025, together with the Auditor's report, are set out in the Company's 2025 Annual Report, which was released to the NZX on 2 October 2025.

If you would like a hard copy of the Annual Report, please email us.

Under the Companies Act 1993, there is no requirement to approve the Financial Statements or the Auditor's report at Annual Meetings. However, we will be happy to answer any questions you may have during the Q&A session at the end of the meeting.

Q&A Procedures for shareholders joining online

During this annual meeting, anyone in the room or online will be able to ask questions and vote. I encourage you to do so.

For those of you online, you can send through your questions at any time through the online portal by clicking the "Ask a question" button within the virtual meeting platform.

Select the item of business, type in your question, and click Submit. I encourage you to do this as early as possible so we can answer your questions at the appropriate time in the meeting. Please note that online questions may be moderated or, amalgamated together if we receive multiple questions on one topic.

Now, we move to the substantive part of my presentation.

FY25 Year in Review

FY25 was one of the most demanding years in recent memory for The Warehouse Group, shaped by tough economic conditions and a sharp decline in consumer confidence.

Rising unemployment and tighter household budgets led to a significant slowdown in discretionary spending, while competition across the retail sector intensified.

We made deliberate choices to reset the business. FY25 was a year of streamlining our operating model, resetting price points, improving product ranges, and applying stronger discipline to cost and capital management. These actions were essential to lay the foundation for a turnaround.

Group sales held steady at \$3.1 billion. It is important to note that FY25 included an additional trading week. On a like-for-like basis, sales were flat, reflecting resilience in a difficult market.

Conversion improved, and unit sales grew strongly across all three brands, with encouraging momentum in the second half, particularly at The Warehouse and Noel Leeming.

Margin came under pressure, and profitability suffered as a result. Gross margin declined by 140 basis points, significantly impacting the Group's bottom line. This was primarily driven by early price resets at The Warehouse and a category mix skewed toward lower-margin products.

The second half brought some improvement. Category mix strengthened, and unit growth lifted across the Group, supported by sharper pricing and on-trend products, especially in home, apparel, toys, and beauty at The Warehouse. We also introduced new brands as part of our range refresh.

Cost control remained a clear focus. CODB decreased by 40 basis points to 32.2% of sales, despite inflationary pressures on rent, utilities, and wages.

Capital management was disciplined. Projects were rationalised, and elevated IT spend tapered off. Capital expenditure fell to \$12.4 million, down significantly from \$39 million in FY24.

Operating profit was \$1.3 million, and we reported a net loss of \$2.8 million. Given this financial performance, the Board determined it should not declare a dividend for FY25.

That is deeply disappointing, and I want to acknowledge the impact on our shareholders. As you will hear through Mark's presentation, we are taking comprehensive action to restore profitability and deliver value back to our shareholders.

While we made progress on cost control during FY25, it was not enough to offset the margin decline, and as announced with our Q1 trading update earlier this month, work is underway to further reduce our cost base. Again Mark will take you through additional details on this shortly.

We now have a new leadership team in place. They are aligned on our goals, focused on execution, and committed to accelerating progress to rebuild profitability and unlock the full potential of our brands.

The appointment of Mark Stirton as Group Chief Executive Officer, effective 1 August, was a pivotal moment for The Warehouse Group. After a comprehensive global search, the Board was unanimous that Mark is the right person to lead the company forward.

Mark brings outstanding experience and capability. His decade at Mr Price Group, including as Group Chief Financial Officer, combined with his Chartered Accountancy qualifications and MBA in business transformation, give him the qualifications and experience, commercial credibility and strategic insight to deliver the performance needed to create value for shareholders.

He has already hit the ground running. Mark is leading with intent and driving momentum, bringing disciplined control to operating costs and capital expenditure, and sharpening the focus on retail fundamentals to turn the business around.

Changes to the Board of Directors

I want to take a moment to acknowledge some important changes to our Board.

Today, we recognise Robbie Tindall, who is retiring from the Board at this Annual Shareholders' Meeting.

Robbie joined as a Director in 2020, after several years as an Alternate Director for Sir Stephen Tindall. His deep understanding of our business, his passion for sustainability, and his steady guidance have been invaluable. He has also been a very valued colleague to me and my fellow directors.

Robbie leaves to dedicate more time to K1W1 – the Tindall entity which invests in early-stage startups in New Zealand across a diverse range of industries, and we wish him every success.

We are delighted to welcome Hamish Rumbold, who joined the Board on 19 November, and is standing for re-election today.

Hamish brings extensive experience in brand and customer strategy, digital and technology, and retail leadership. His skills strengthen the Board's capability.

And finally, as I foreshadowed when I stood for re-election in 2022, , this is my last Annual Shareholders' Meeting as Chair and as a Director of The Warehouse Group.

Over the past nine years, I have had the privilege of leading this iconic New Zealand business through periods of growth and through some of the most challenging times in our history.

The past few years have been particularly difficult, and I want to acknowledge the impact on our shareholders. The Company's performance has weighed heavily on the Board and on me personally.

Despite these challenges, I am proud of the resilience this company has shown. We are not yet where we want to be, but we have a clearer focus, stronger leadership, and a renewed determination to deliver for all our stakeholders.

To our shareholders, our customers, our team members, and my fellow Directors, thank you. Your support and commitment have meant a great deal to me. It has been an honour to serve as Chair.

I am delighted that John Journee will succeed me as Chair following today's meeting.

John's experience on the Board and in executive roles within the Group, including his time as Interim CEO, means he brings both operational insight and strong governance capability. His appointment provides continuity and confidence as the Group moves into its next phase of transformation and growth.

I will now hand to John, so that he can address you as our incoming Chair.

Incoming Chair Address – John Journee

It is a great honour to stand before you today as the incoming Chair of The Warehouse Group. I take this responsibility seriously and am deeply committed to serving and returning value to you, our shareholders.

Before I speak about the future, I want to acknowledge Joan's extraordinary contribution.

Over the past nine years, Dame Joan has led this Board with clarity, courage, and unwavering commitment. Her leadership has been decisive, her integrity absolute, and her belief in this company steadfast, even through our most challenging times, including the Covid-19 pandemic and the tough decisions of the past 18 months.

Joan has been instrumental in shaping The Warehouse Group's governance. Under her leadership, we strengthened our focus on sustainability, advanced gender equity, and navigated significant transformations. She has ensured this company reflects the

communities we serve, and her influence has helped position The Warehouse Group as a leader in responsible retailing.

On behalf of the Board, management, and our team, Joan, thank you. It has been a true privilege to work alongside you.

As I step into this role, my focus is clear. While I bring continuity and stability, my priority will be supporting the pace, discipline and initiative required to execute our turnaround.

My experience spans more than 40 years in retail, including 23 years with The Warehouse Group in both executive and governance roles.

I understand our heritage and what made us great. And most recently, I had the opportunity to serve as Interim CEO, which gave me deep insight into the operational realities of the business and the opportunities to improve.

I am passionate about our brands, our people, and our customers. I know the challenges we face, and I also know the potential we have to unlock. My commitment is to work closely with Mark Stirton and the leadership team to ensure we deliver on the critical value drivers for this business. That means sharper execution, more relevant customer connection, and a relentless focus on rebuilding profitability and creating long-term value for shareholders.

To our shareholders, thank you for your continued support and belief in The Warehouse Group. We have work to do, and I am confident that we are well positioned to succeed.

Thank you. I will now hand over to Mark Stirton to talk about the Group's direction and financial performance.

CEO's Address – Mark Stirton

Thank you, Joan and John, and good morning everyone.

It is a privilege to address you today at my first Annual Shareholders' Meeting as Group Chief Executive Officer.

I want to begin by thanking Dame Joan and John Journee for their leadership and support as I have stepped into this role. Their guidance has been invaluable during this critical time for the Group.

My first three months

Since stepping into the CEO role in August, my priority has been to set the playing field and align the organisation around clear goals and performance expectations.

I firstly want to recognise the commitment of our people. This is a great business with a passionate team. Across our stores, distribution centres, support office, and product teams, our people continue to show up every day with determination in what remains a very challenging retail environment. Their hard work and resilience are crucial to turning this business around.

I have set about enabling the business to run at two speeds: reducing costs now to recover profitability, while continuing to invest in the areas that will strengthen the Group for the long term, like our stores, product and prices, and our supply chain.

I have spent a great deal of time in our stores and in our distribution centre, listening, learning, and challenging our teams to solve the issues that affect the customer experience.

The reality is that trading conditions are tough. The economy is slow to recover, household budgets remain under pressure, and competition is intense. We are working hard to deliver the products and experiences our customers expect and to improve our financial performance at pace.

It is clear to me that our competitive advantage lies in our stores, footprint and in our footfall. We have the highest number of stores of any New Zealand general retailer, with 1.7 million customers walking through our doors every week. We are embedded in New Zealand communities, and it is within our gift to show up for these communities and customers better than we have to date.

It is also apparent that we have work to do on delivering the right range of products at the right prices. We have taken our eye off the ball on our core brands and core categories, and we are fixing that now. That means bringing back on-trend products in home and apparel and ensuring the essential items our customers need are available at value-driven prices.

To enable this, I have set a disciplined direction for the Group, one that balances immediate performance with long-term growth, and have strengthened our leadership team to improve execution in critical parts of the business.

Changes to the Executive Leadership Team

Several changes have been made to our Executive Leadership Team to position the Group for success.

During the year, we welcomed two outstanding new leaders. Stefan Knight joined us as Group Chief Financial Officer from Spark New Zealand, bringing deep financial expertise and strategic insight. Shayne Tong came on board as Group Chief Digital and Transformation Officer from Foodstuffs South Island, adding strong digital and transformation capability to our team.

We were equally proud to promote high-calibre internal talent. Silv Roest stepped into the role of Group Chief Legal, Corporate Affairs and Sustainability Officer, while Carrie Fairley was appointed Chief Merchandise Officer for The Warehouse and Warehouse Stationery.

Our Group Chief Sourcing and Supply Chain Officer, Mark Anderton, who has been based in Shanghai, will depart in March next year. We thank Mark for his many years of service to the business and have taken this opportunity to rethink our leadership structure.

Moving forward, sourcing will become part of the Chief Merchandise Officer role, creating a single home for decisions on our range. At the same time, we have appointed Lyle Brady, our current GM Supply Chain, to the leadership team as Group Chief Supply Chain Officer, giving logistics a clear voice at the table.

As a team, we are aligned on the priorities that matter most – building an unbeatable culture, rebuilding profitability, unlocking brand potential, and delivering long-term shareholder value.

Group direction

As mentioned, we have reset our Group's direction.

Our Group purpose is to build exceptional retail brands that customers love, our team take pride in, and that deliver sustainable shareholder returns.

This is not just a statement; it is the lens through which every decision is made.

Our Group ambition is to be a highly desired retail stock. Our strategy is anchored in restoring profitability through better trading and positioning the business for sustainable future growth.

Our Group values remain unchanged: Think Customer, Do Good, and Own It – these values continue to guide our culture and decision making.

Our strategy will revolve around strengthening and growing our three New Zealand retail brands, enabling each to lead in its market while leveraging shared services, platforms, and capital efficiencies.

Later in FY26, we will share a longer-term strategy for the Group and our brands.

Unlocking the potential of our brands

As we look ahead, one thing is clear: the potential of our brands is vast and there are signs of progress.

Our private label portfolio is a core strength

What is clear to me on review of our merchandise portfolio is that we have a portfolio of very valuable private label brands which have been built up over decades which our customers love. Our job to do is to further invest in making these brands and products even more desirable.

Brand Preference

We are starting to shift consumer preference in key categories. In FY25, The Warehouse reclaimed the number one spot in toys, with sales up 8% in FY25. We also saw preference gains in home, apparel, pet care, party supplies, sport and outdoors.

Range Refresh

Customers told us they wanted more excitement, trend, and colour in our ranges. Our teams have started refreshing most categories within the portfolio starting with home, apparel, and health and beauty.

Early feedback is encouraging, but this is just the start. We have a lot more work to do, and our teams are already planning trend-led seasonal collections for summer, and Winter 2026.

Store Experience and Reach

Our reach remains a strategic advantage. Over 85% of Kiwis live within 20 minutes of one of our stores. Our key opportunity is to improve our story telling in store. We have great value products, but we have work to do to improve our visual merchandising and store experience to make them come to life. Our new Beauty Zones and apparel layout trials are just the beginning of several transformations customers will see.

Our brand-led strategy is gaining traction. However, we know there is much more to do to unlock the full potential of our brands in the months and years ahead which is very exciting.

FY25 Annual Results recap

Now moving to the FY25 annual results in more detail.

FY25 Group financial performance

Before we look at the numbers, it's important to note that FY25 was a 53-week financial year, compared to 52 weeks in FY24. Where appropriate, we compare FY25 on a 52-week same store sales basis with FY24, removing the final 53rd week of FY25.

Group sales for the FY25 financial year were up 1.6%, and flat on a 52-week same-store basis.

Retail conditions were challenging throughout the year in a low-growth economy, and the year was a story of two halves. While sales declined 1.6% in the first half, we delivered a turnaround in the second half, with growth of 1.6% on a like-for-like 26-week basis.

The Group pleasingly sold 4.6% more units in FY25. However, this was offset by a 4.4% decline in average selling price.

Group gross profit margin declined 140 basis points to 32.2%, and had the biggest impact on profitability in FY25.

Group gross profit margin decreased due to four main factors:

1. The strategic price reset of everyday low prices, particularly in The Warehouse on existing products.
2. Lower inventory sell-through due to products that did not resonate sufficiently with our customers, which led to additional clearance activity.
3. Sales contributions from lower-margin categories; and
4. Sales growth in Noel Leeming, our lowest margin brand, which contributed to a higher percentage of Group gross margin.

The decline in gross profit margin was smaller in the second half than in the first as we saw more stable pricing, better category mix and lower supply chain costs.

To offset these margin impacts, we focussed on controlling what we could. CODB was only up 0.2%, mainly due to the extra week, but slower than sales growth and reduced as a percentage of sales.

In FY26 we are targeting further margin improvement and CODB reduction, to drive financial performance.

We continue to look after our people and communities

Even in a challenging year like FY25, we stayed committed to looking after our people, our communities, and our environment. It's fundamental to who we are at The Warehouse Group.

We maintained 100% gender pay equity, and our employee Net Promoter Score rose to 36, up from 18.2 last year. That's a strong signal that our team feels more engaged as we work to build a high-performance culture.

Together with our customers, we raised \$2.4 million for New Zealand charities. That impact matters, especially in a year when many households and communities were doing it tough.

We also made strong progress on our environmental commitments. 66% percent of private label sales now use sustainable packaging. Our Scope 1 and 2 emissions are down 45% compared to FY23. More than 150 stores and sites are now powered by Lodestone Energy's solar farms, and we diverted 79% of operational waste from landfill.

These are meaningful steps that reflect our long-term commitment to sustainability and our belief that doing good is part of doing good business.

Now onto FY26 Q1

Group sales were up 0.9% to \$674.1 million with like-for-like same-store sales up 0.1%.

At a brand level, The Warehouse delivered sales growth of 0.7%, Warehouse Stationery sales grew 2.6%, and Noel Leeming achieved growth of 0.7%.

Pleasingly, foot traffic across the Group remains up 0.2%, with conversion improving 30 basis points.

This shows more customers are visiting stores and responding to improved product lines in key categories.

However, margins remains under pressure with Group gross profit margin down 40 basis points in the quarter.

A warmer winter led to slower sell-through at The Warehouse, resulting in increased clearance activity impacting the value perception of our new spring home and apparel ranges.

Conversely, Noel Leeming and Warehouse Stationery margins improved.

Trading conditions are challenging. While customers are responding to new ranges and in-store experience, margin improvement and cost reductions are imperative to restoring profitability.

Cost Reset programme

To help restore profitability and make sure our cost base is fit for a competitive value retailer, we are implementing a comprehensive cost reset programme.

This is needed to deliver on our intention to reduce the cost of doing business to below 31% of sales.

This programme is about taking decisive action. It will focus on continuing to drive down cost of doing business and includes a proposed reduction in head office roles.

We are also pursuing opportunities to expand our partnership with Tata Consultancy Services to potentially co-source additional areas of the business to gain more efficiencies and capabilities.

These decisions are not easy, and we are committed to supporting our team through this change with care and respect.

Looking ahead

The retail environment in New Zealand remains challenging. Low consumer confidence and ongoing cost-of-living pressures continue to impact household spending. These conditions are likely to persist into early 2026.

As we look ahead to Christmas, we remain cautious. We will pull every lever we have to deliver a successful peak trading period.

We are targeting margin recovery, overhead reductions, and unlocking working capital. Profitability depends on scaled improvement in higher-margin categories across the Group.

Overhead management remains a priority with deep cost transformation projects underway.

Capital investment will be directed to the most impactful projects, and we are actively pursuing selective space growth opportunities. We will share further details of our refreshed strategy later in FY26.

I know that words are not what our shareholders, customers, or team members want right now. You want action, execution, and improved performance. That is exactly what we are committed to delivering.

The team and I are working tirelessly to improve performance, and we look forward to reporting on our progress in the coming months. However a turnaround of this magnitude will take time, and we thank you for your patience.

I wish you a happy Christmas and summer ahead. Thank you, and I will now ask Dame Joan to return to the lectern to conduct the formal part of today's business.

Ends

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