



Briscoe Group Sales to 30 July 2023

The directors of Briscoe Group Limited (NZX/ASX code: BGP) announce unaudited sales for the 26-week half-year to 30 July 2023 of \$369.2 million, an increase of 0.35% on the \$367.9 million reported for the same period ended 31 July 2022. The Group's homeware segment increased sales by 0.28% during this period and the sporting goods segment by 0.46%.

Group Managing Director Rod Duke said, "We're pleased with the sales we've produced for this first half. To achieve positive sales growth for both homeware and sporting goods given the continued negative economic factors impacting consumer confidence and retail spending is a solid first half performance for the Group. It's encouraging to see a return to physical stores with the Group's bricks and mortar sales showing higher growth than online sales for the half.

"Our online channel continues to perform well and represents 18.33% of Group sales for the half as we continue to invest in both the front and back-end platforms.

"We were delighted to open a brand-new Rebel Sport store in Ashburton during April in conjunction with the relocation of the existing Briscoes Homeware store. Both stores have been received exceptionally well by the local catchment and we are very pleased with how they are trading.

"Gross margin remains a major focus for the Group, and we continue to see pressure as the impacts of the economic downturn are felt. Our goal for the full year remains to be able to show that the Group can protect around half of the 633 basis gross profit margin points gained during the 2 years ended January 2021 and January 2022. While we expect the gross profit margin percentage for the first half to be around 200 basis points below last year, with the plans we have in place we do not expect the same amount of decline for the second half.

"The retail environment continues to be difficult and unpredictable to navigate from an economic perspective and the widely reported explosion in retail crime continues to have a significant operational as well as economic impact. Over the last two years the Group has suffered seven ram raid attacks and at least 12 other significant break-ins causing substantial property damage and stock loss. Of even more concern, is the ever-increasing level of abuse and aggressive behaviour our store teams have to endure. We have significantly increased our capital investment in security initiatives to ensure our team feel as safe as possible when they are working in our stores and I would like to once again, thank the entire team for their continued commitment and outstanding efforts during this half. It is greatly appreciated and acknowledged by all of the Group's directors.

“We expect New Zealand retail to remain highly sensitive to ongoing uncertainty in relation to economic conditions, customer sentiment, cost pressures, higher interest rates and political uncertainty given the upcoming election. As previously reported, we expect it to be difficult for the Group to replicate last year’s full-year record net profit after tax (NPAT) result of \$88.4 million. In relation to the half-year ended 30 July 2023 we are confident of producing a half-year net profit after tax (NPAT) in excess of \$42 million, compared to the \$45.6 million reported for the first half of last year.”

Briscoe Group expects to release its half-year results on 13 September 2023, including declaration of an interim dividend.

Wednesday 9 August 2023

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