



**RETAIL
IS OUR
WORLD.**



B BRISCOE
GROUP LIMITED

Full Year

52 week period ended 30 January 2022





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Highlights

Year ended 30 January 2022



Record Sales

- Group sales +6.08% to \$744.4m
- Homeware sales +4.93% to \$460.9m
- Sporting goods sales +8.00% to \$283.5m



Continued Gross Profit Performance

- Gross Profit % up to 45.76% from 43.76%
- Gross Profit \$ +10.92% to \$340.6m
- Multiple supply chain initiatives in place to protect margin gains



Online Performance Improvement

- Online sales growth +21.01%
- Online sales 21.47% of total Group sales
- Front-end improvements enhance customer experience
- Personalisation functionality introduced
- Back-end productivity and process improvements



Record NPAT

- NPAT up 20.10% to \$87.9m



Strong Balance Sheet

- Net cash at period end \$102.5m
- Increased inventories to meet ongoing consumer demand with uncertain global supply chain
- 15.5 cents per share final dividend to be paid 31 March 2022



Strategic Initiatives contributing to increased profitability

- Improved customer experience delivered from customer personalisation
- Extended range building new revenue momentum

The Growth Equation

Solid Foundations

- Global premium brands
- Relevant product markets
- Proven resilience in challenging environments
- Proven multi channel capabilities
- Strong balance sheet
- Lean operating model delivers agility
- Strong growth in customer base.

Strategic Programme



- Record NPS achieved in both Briscoes and Rebel
- Strong Increase in customer database engagement
- Personalised comms driving increased customer lifetime value

Future Supply Chain

- Product availability improvements implemented
- Hybrid Online fulfilment pilot live
- Online Digital picking phase 2 live
- Online fulfilment speed increasing YOY

New Revenues

- Over 3,000 new products live from 15 suppliers with Drop ship
- New store formats performing ahead of expectations
- Multi-year store refurbishment program in place

Sustainable Business Growth

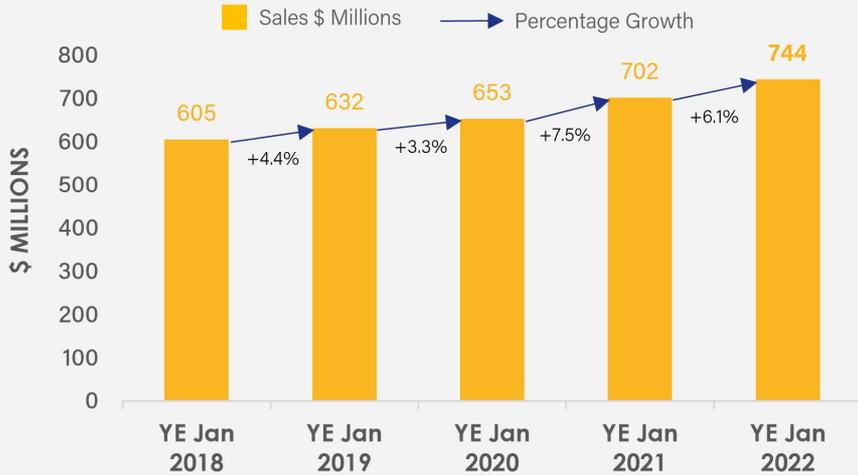
- Sales
- Gross Profit
- NPAT



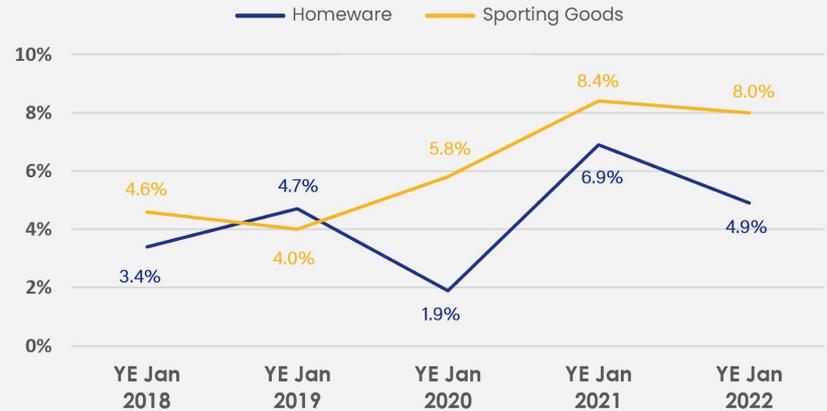
Sales



Percentage Growth



Sales Growth by Segment



Year-on-year sales increases pre and post lockdowns.



Continuing strong growth across both segments.

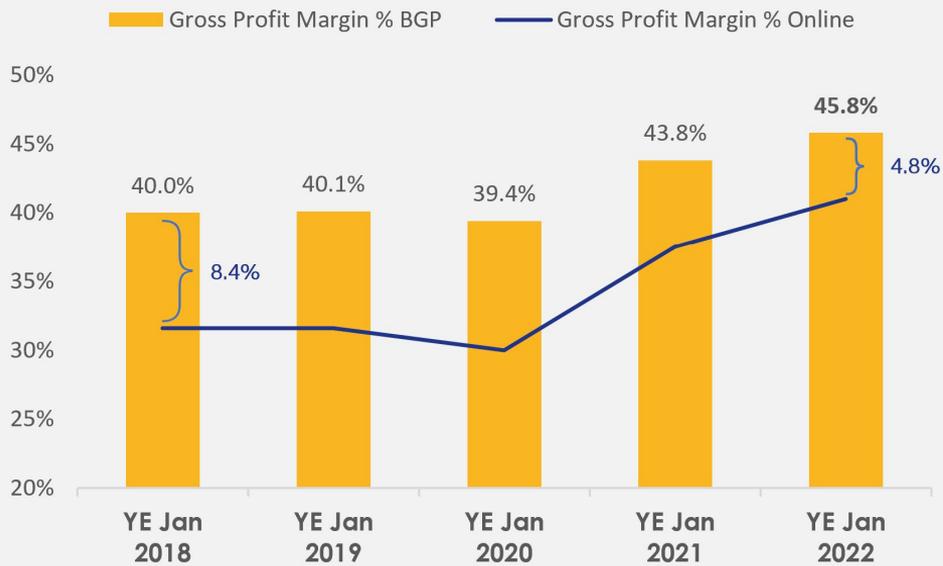


Core business, new stores, online and strategic initiatives driving growth.



48 Homeware and 42 Rebel Sport stores.

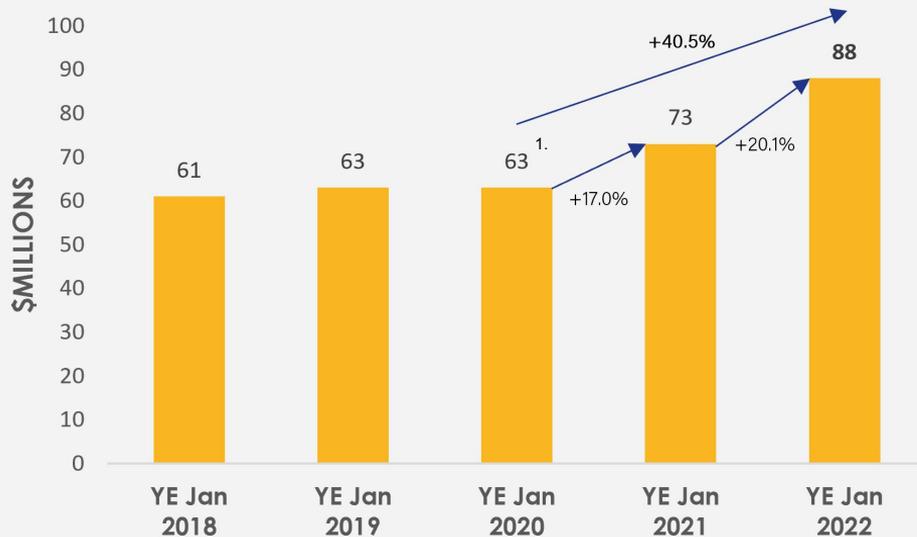
Gross Profit Margin %



- Continued strong margin growth across both Homewares and Sporting Goods
- Online GP% differential has narrowed with a focus on wider story telling alongside promotions
- Step-change increase in Group GP% driven by:
 - Post lockdown increased consumer demand
 - Enhanced analysis and management of promotional activity
- Wide range of Supply chain initiatives implemented:
 - Data driven order and allocation profiles
 - Inventory between North and South Islands
 - Buying enhancements to the replenishment algorithms
 - Significant product size availability improvements on Rebel Sport



Net Profit After Tax (NPAT)



1. Includes \$2.4M negative impact from adoption of NZ IFRS 16: Leases



Significant increase in NPAT driven by:

- Lifestyle choice in relation to time at home and personal well-being
- Increased active customer base through leveraging customer segmentation insights
- Enhanced analysis and construction of promotional activity
- Ongoing focus on robust cost control
- Supply chain initiatives delivering incremental profitability
- Online growth as a result of:
 - Post lockdown step-change to online usage
 - Back-end and front-end system and process enhancements

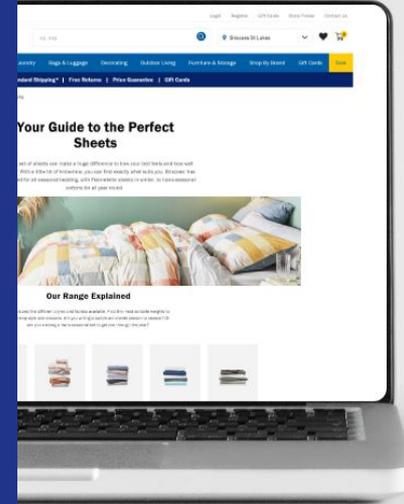
Online Share of Sales



Significant growth in online sales enhanced by further lockdowns.

Step change also driven by:

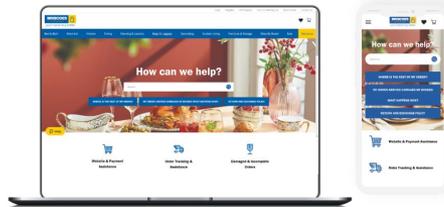
- Increased digital media budget to drive up traffic to the site - more than 50 million total combined sessions
- Personalisation programme embedded - now accounting for approximately 20% of online email revenue
- New promotional cadence and merchandising strategy embedded
- Enhanced online order fulfilment routing implemented



Relentless focus on online customer experience

NEW CUSTOMER SERVICE TOOL ZENDESK

introduced including live chat launch



NEW ONLINE MERCHANDISING STRATEGY

introduced to tell product and category stories



OMNICHANNEL GIFT CARD PROGRAMME

introducing eGift cards



NEW DEVELOPMENT PARTNER

introduced to deliver more experience features – faster



Fulfilled

1,863,032

ORDERS THIS YEAR

> **22,500** ORDERS PER WEEK BRISCOES

> **14,923** ORDERS PER WEEK REBEL

INCREASE IN ONLINE AVAILABILITY

AT THE START OF 2021

40

STORES FULFILLING

WE NOW HAVE ALL

90

STORES AND DC FULFILLING

FAR GREATER AVAILABILITY WITH A SIGNIFICANT REDUCTION IN OUT-OF-STOCK

DESPITE EXTENSIVE LOCKDOWN DISRUPTION, SPEED TO DESPATCH IMPROVED 21% ON LAST YEAR



YE JAN 2021

2.4

AVG DAYS TO PICK & DESPATCH

YE JAN 2022

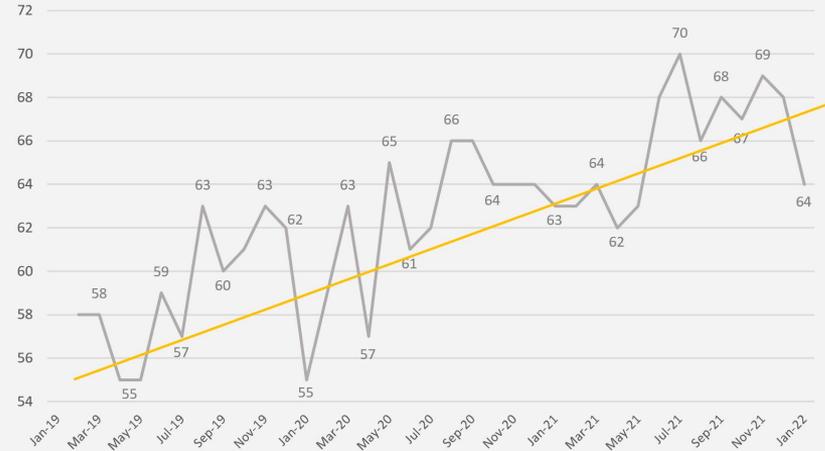
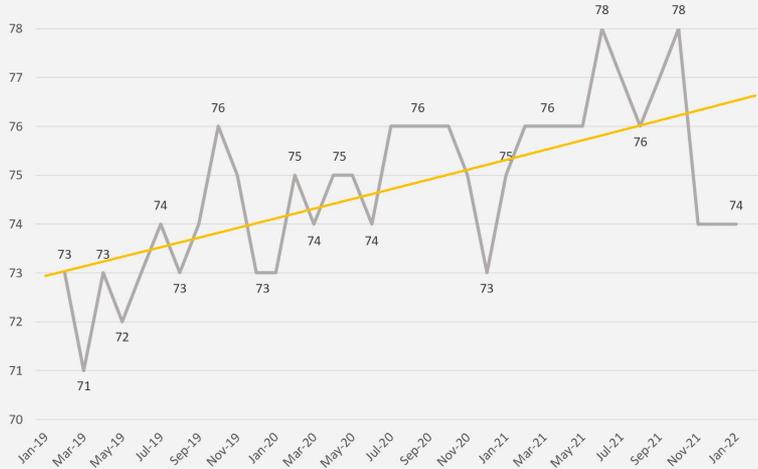
1.9

AVG DAYS TO PICK & DESPATCH

Customer Satisfaction

- Despite significant global supply chain disruption, we maintained very strong customer scores
- Customer sensitivity was heightened during FY22 due to prolonged lockdowns – focus on fulfilment and post purchase experience

NPS Trend – Last Three Years



Team

Despite all of the challenges associated with Covid-19, our business maintained the investment in our people, including introducing a wide array of new tools and processes to make team members' roles easier and to enhance the focus on our customers.



RECRUITMENT & RESOURCING

>500

- Covid-19 required us to swiftly move over 500 interviews to an online process for managers and candidates to scale up for peak seasonal recruitment.



HEALTH, SAFETY & WELLBEING

18%

- 18% reduction year on year of our Total Recordable Injury Frequency Rate (TRIFR). A testament to our ongoing commitment and focus on team member health, safety and wellbeing.



SCHOLARSHIPS

31

- Including the three new scholarships awarded in 2021, Briscoe Group, in partnership with the RA Duke Trust has provided 31 scholarships through First Foundation since participation began in 2013.



ENHANCEMENT OF SYSTEMS

100%

- 2021 saw the introduction of Contractor Management within our ecoPortal Health & Safety management system.



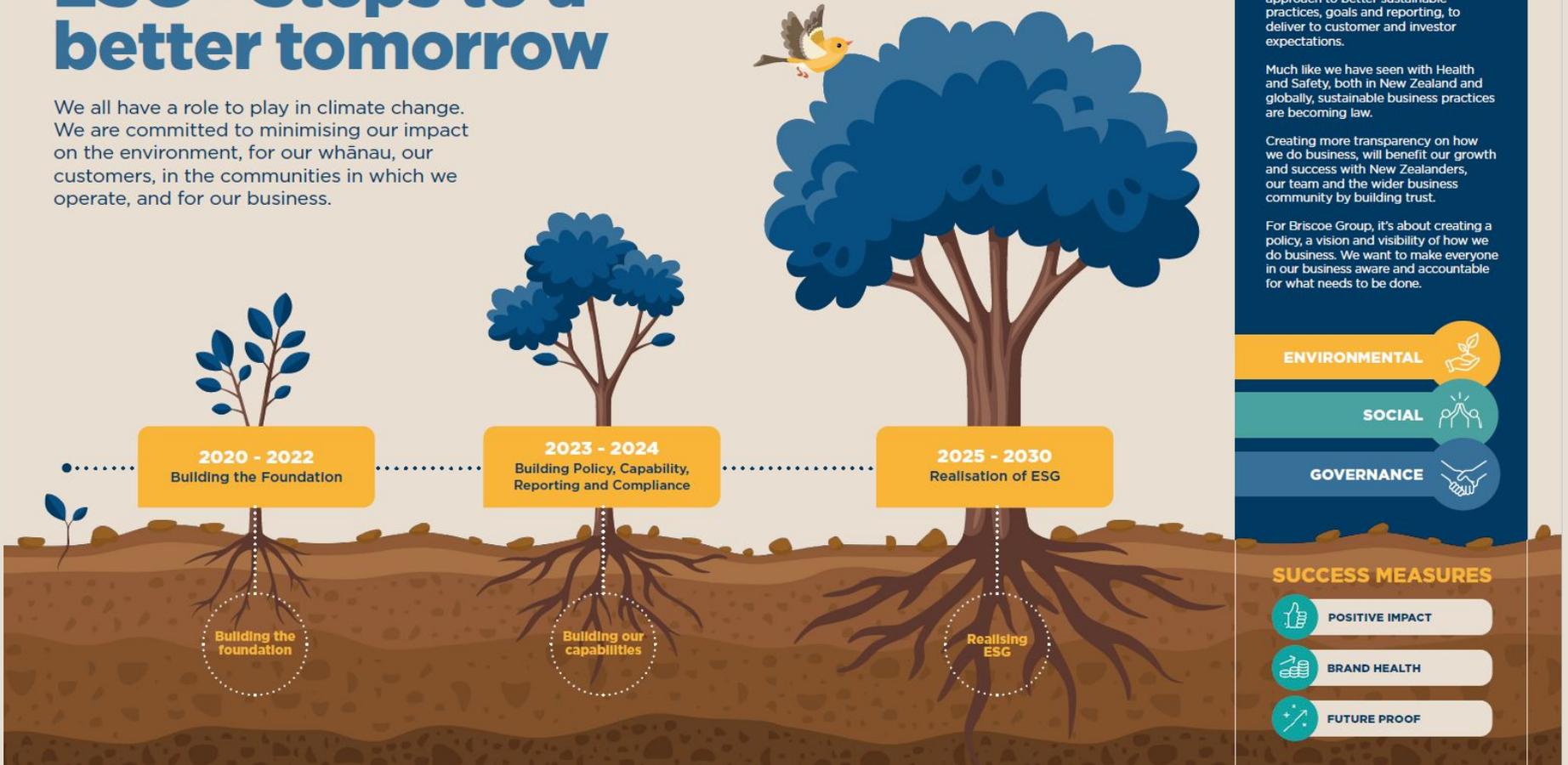
LEARNING & DEVELOPMENT

40%

- 40% of our Retail Management team completed or commenced our bespoke Management and Leadership program. We are well on track to have all participants through the program over our 3 year horizon.

ESG - Steps to a better tomorrow

We all have a role to play in climate change. We are committed to minimising our impact on the environment, for our whānau, our customers, in the communities in which we operate, and for our business.



PURPOSE

Our goal is to create a robust 3-5 year strategic plan for Briscoe Group's approach to better sustainable practices, goals and reporting, to deliver to customer and investor expectations.

Much like we have seen with Health and Safety, both in New Zealand and globally, sustainable business practices are becoming law.

Creating more transparency on how we do business, will benefit our growth and success with New Zealanders, our team and the wider business community by building trust.

For Briscoe Group, it's about creating a policy, a vision and visibility of how we do business. We want to make everyone in our business aware and accountable for what needs to be done.

ENVIRONMENTAL



SOCIAL



GOVERNANCE



SUCCESS MEASURES



POSITIVE IMPACT



BRAND HEALTH



FUTURE PROOF

Multi-Year Strategic Initiatives



**FUTURE
SUPPLY
CHAIN**

**NEW
REVENUES**

2021

Customer segmentation and personalised comms embedded

In store digital tools implemented

Online parcel digital picking live

Enhanced Product availability

Hybrid Online fulfilment model live

Further enhanced buy and promotional execution

Drop ship 15 suppliers live - over 3000 new products online

Automated Email platform driving increased customer lifetime value

2022 & 2023

Online UX enhancements

Enhanced data collection to step change Database growth

In store digital price and promotion labels

Future supply chain network design

Express online fulfilment & premium delivery options

Increased North and South island distribution capability

Accelerated new store concept refurbishment plan

New product categories launched direct-to-customer

**Opportunity
Assessment**

**Solution
Design**

Implementation

**Monitoring &
Sustainability**

Completed - 45 initiatives assessed

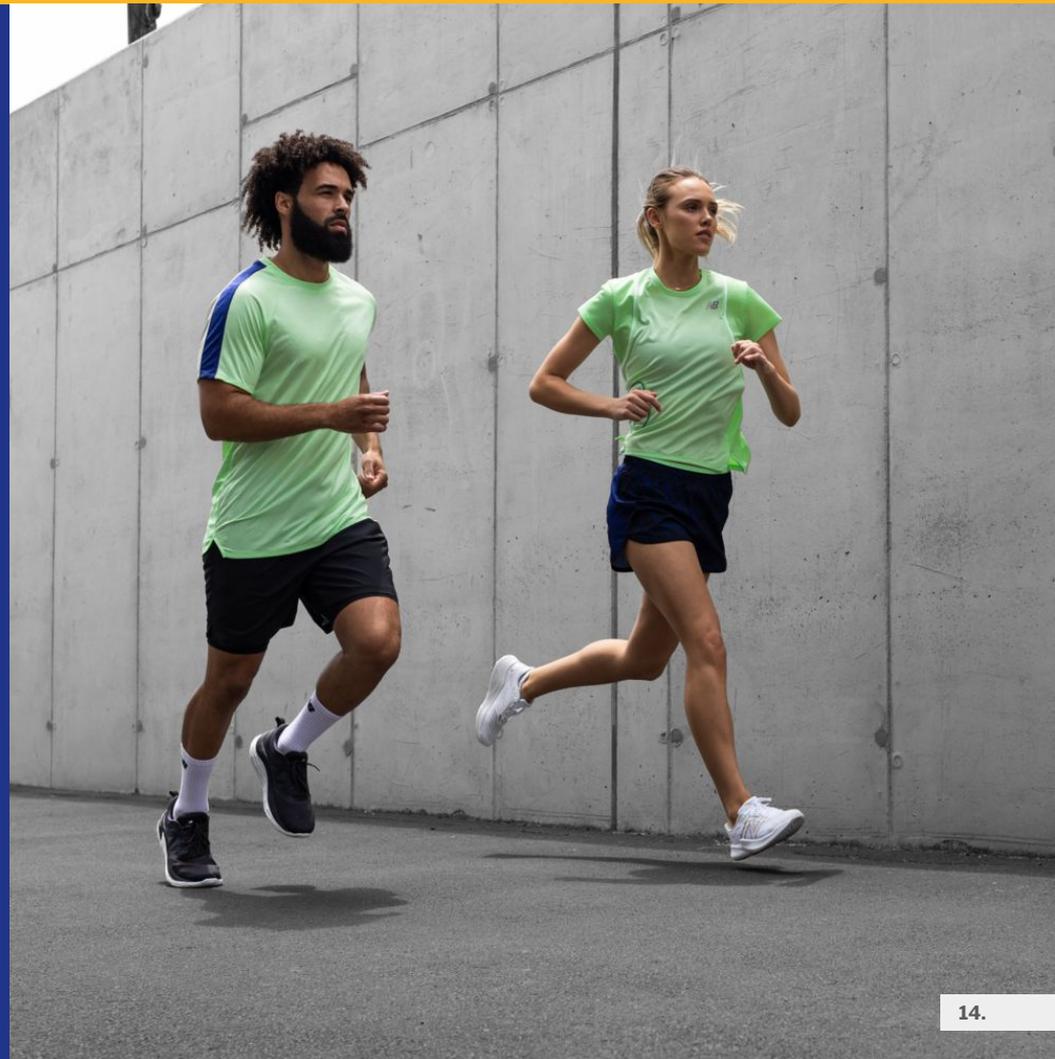
35 of 45 Design complete

18 of 35 Live

13 Transitioned to BAU

Building on our position of strength

- Continued excellent trading performance in both Homewares and Sporting goods
- Strategic plan is delivering ahead of expectations and now contributing significant incremental profit
- Continued to leverage enhanced promotional analytics to step change product margin
- Significant growth in customer database and engagement levels from customer service improvements
- Healthy inventory position will help protect from supply chain volatility
- Internal digital resources significantly enhanced
- Strong balance sheet provides financial protection and ability to fund strategic investment if required
- Experienced team across the business
- Business has proven record of performing well in times of economic uncertainty (GFC, COVID-19)



Financial Summary

	FY Jan 18	FY Jan 19	FY Jan 20	FY Jan 21	FY Jan 22
Homeware revenue \$000	385,217	403,159	410,908	439,234	460,887
Sporting Goods revenue \$000	219,919	228,760	242,109	262,563	283,563
Group Total Revenue \$000	605,136	631,919	653,017	701,797	744,450
Online Mix of sales %	8.2%	10.0%	11.3%	18.8%	21.5%
Group Gross Margin \$000	241,894	253,355	257,502	307,116	340,642
Group Gross Margin %	40.0%	40.1%	39.4%	43.8%	45.8%
Group EBIT \$000	83,364	85,995	97,223 ¹	115,886	136,468
Group EBIT % to sales	13.8%	13.6%	14.9%	16.5%	18.3%
Group NPAT \$000	61,325	63,393	62,583	73,199	87,909
Group NPAT % to sales	10.1%	10.0%	9.6%	10.4%	11.8%
Free cash flow \$000 (Operating Cash Flow less Capex)	55.5	49.0	60.3	81.1	76.6
Dividends per share cps	19.0	20.0	8.5 ²	28.5 ³	27.0
Earnings per share cps	27.8	28.7	28.2	32.9	39.5
Net debt /cash position \$000	78.2	80.8	67.4	100.4	102.5
Inventory turnover Xp.a. (COGS divided by average inventory)	4.7	4.9	4.7	4.4	3.8

1 Includes impact of adoption of NZ IFRS 16: Leases

2 Final dividend of 12.5cps cancelled as a result of COVID-19 pandemic

3. includes special dividend of 6cps paid December 2020

Briscoes

Rebel

Continue to be relevant to our shoppers in a very testing, yet dynamic marketplace. Challenge ourselves to test and trial better ways of doing our business, to ensure these Brands will continue to be successful and loved, now and in the future!