



**RETAIL  
IS OUR  
WORLD.**



**B** BRISCOE  
GROUP LIMITED

# Full Year

52 week period ended 29 January 2023

**BRISCOES**  
HOMEWARE



**REBEL**  
SPORT



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# Highlights

Yearended 29 January 2023



## Record Sales

- Group sales +5.56% to \$785.9m.
- Homeware sales +5.77% to \$487.5m.
- Sporting goods sales +5.22% to \$298.4m.



## Solid Gross Profit Performance

- Gross Profit 44.02%.
- Gross Profit \$ +1.55% to \$345.9m.
- Gross profit over 450 basis points higher than pre covid levels.



## Online Performance

- Online sales 18.97% of total Group sales.
- Significantly enhanced development speed with new strategic partner.
- Personalisation program delivering increased customer life time value.
- Back-end fulfilment productivity and process improvements driving industry leading despatch speed.



## Record NPAT

- NPAT up 0.60% to \$88.4m.



## Strong Balance Sheet

- Net cash at period end \$149.9m (Excludes \$26 million of creditors payments made on 31 January 2023).
- Inventory level beginning to normalise as the global supply chain returns to normality.
- 16 cents per share final dividend to be paid 30 March 2023.



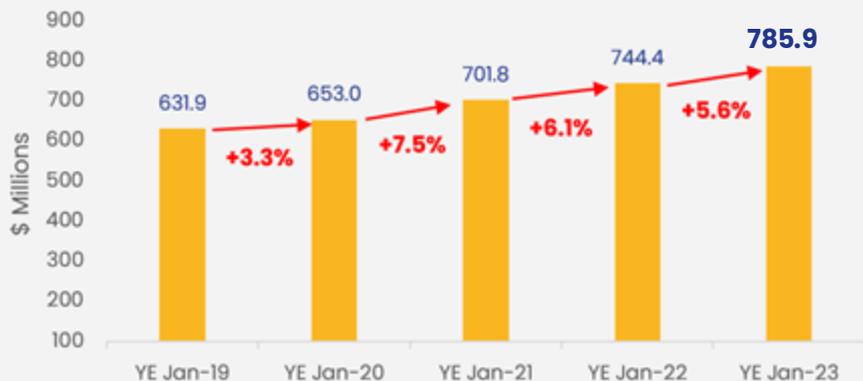
## Strategic Initiatives contributing to increased profitability

- Record level of customer satisfaction through Net Promoter Score (NPS) across both stores and online.
- Inventory optimisation through enhanced allocation and replenishment tools.
- Extended range delivering incremental sales.

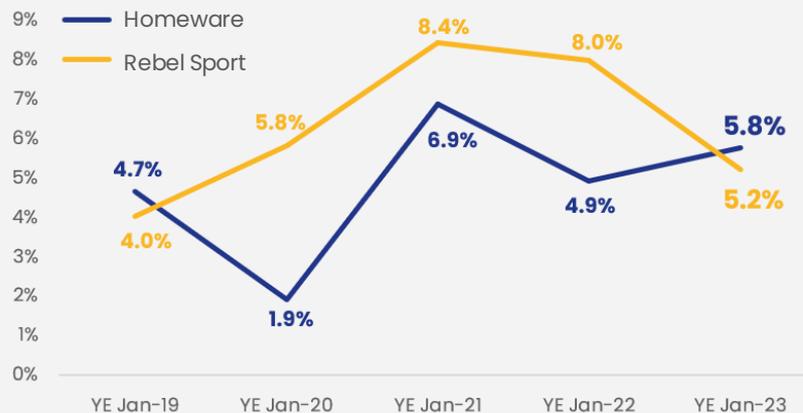
# Sales



## Percentage Growth



## Sales Growth by Segment



Consistent Year-on-year sales **increases**.



Continued strong growth across **segments**.

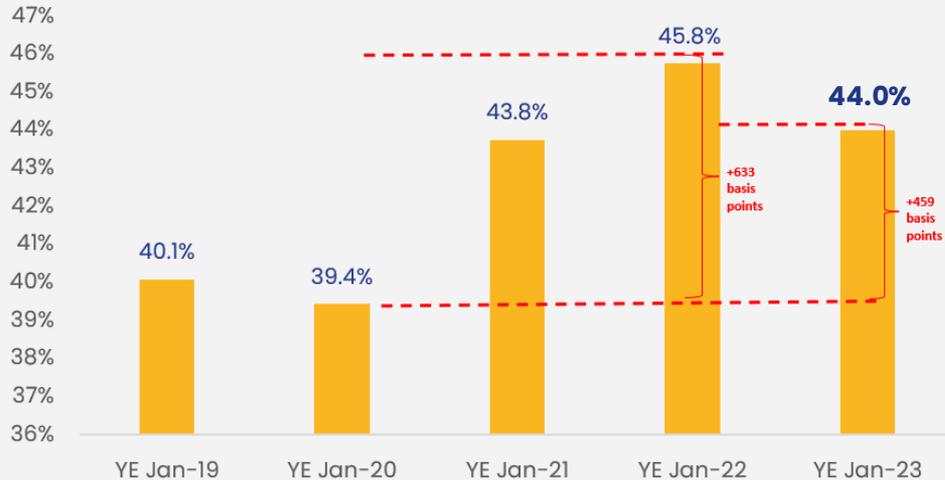


Core business, new stores, online and strategic initiatives **driving growth**.



**48 Homeware and 42 Rebel Sport** stores.

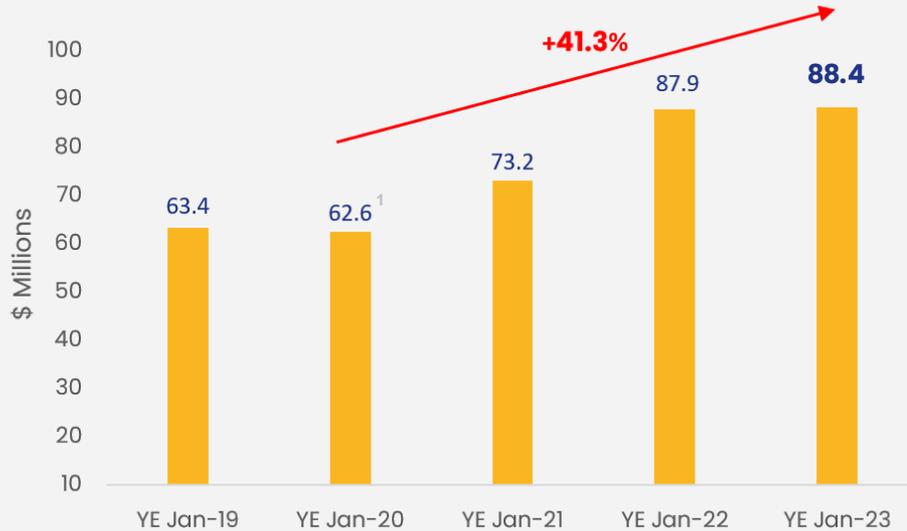
# Gross Profit Margin %



- Continued strong margin performance across both Homewares and Sporting Goods.
- Step-change vs Pre covid (FY20) increase in Group GP% driven by:
  - Detailed promotional analysis and optimisation of promotional activity.
  - Significant improvement in seasonal product availability.
  - Enhanced replenishment algorithms for core products.
  - Increased Premium product brand offering.



# Net Profit After Tax (NPAT)



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



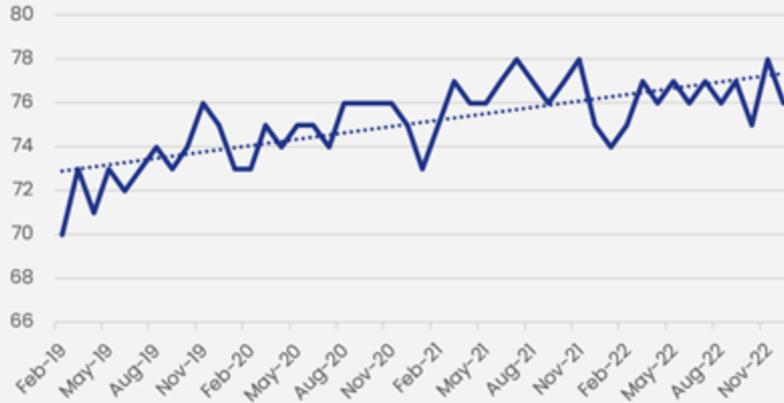
## Record NPAT driven by:

- Growth in Gross Profit dollars due to increased sales.
- Record growth in VIP club members and increasing life time value.
- Relentless focus on cost and inventory control.
- Supply chain initiatives delivering incremental profitability.
- New revenue stream of direct to customer product range extension now significant.

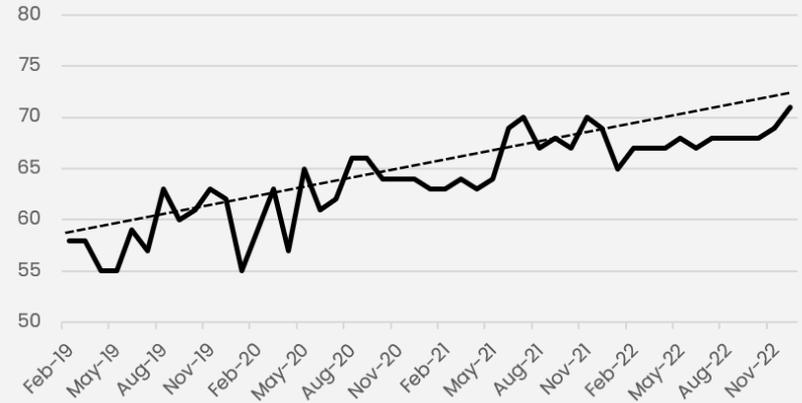
# Customer Satisfaction – NPS



## Briscoe NPS



## Rebel NPS



Record levels of **satisfaction** achieved consistently for the past two years.



Online NPS launched in FY23 and the new insights being used to target **online user experience improvements**.

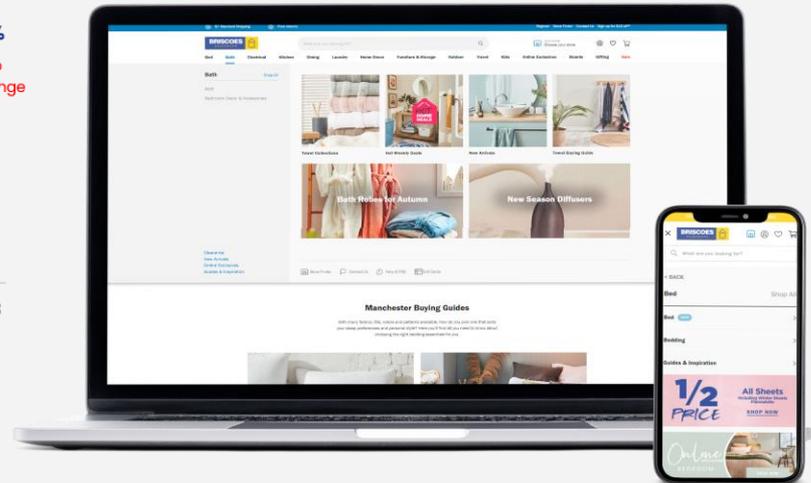
# Online Share of Sales



Online mix remains strong however normalising due to customers being able to shop in store this year.

## Highlights:

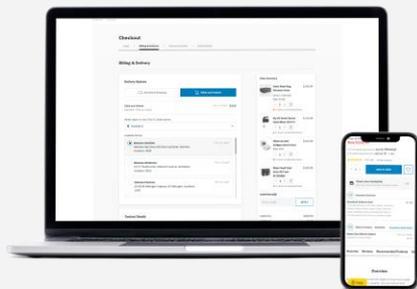
- Increased digital media investment to capture more digital media consumption by customers.
- Personalisation programme now fully optimised, automating over 200 million emails sent in FY23.
- New promotional cadence and merchandising strategy embedded.
- Enhanced online order fulfilment routing implemented.



# Continuous improvement in online customer experience

## FAST & TRANSPARENT DELIVERY EXPERIENCE

Introduced same day Click and Collect and new delivery communications



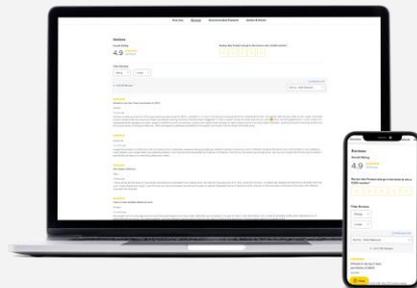
## NEW CUSTOMER RESEARCH FRAMEWORK INTRODUCED

Quarterly user testing and NPS introduced



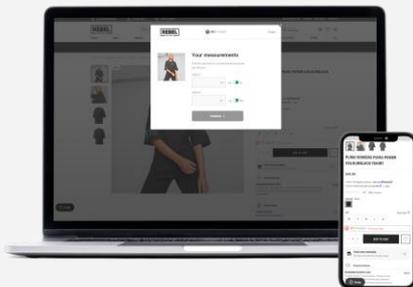
## NEW MOBILE EXPERIENCE WITH FRICTIONLESS NAVIGATION AND FILTERS

Partnership with Bazaarvoice to deliver syndicated reviews to the site



## CUSTOMER LED FIT FINDER

Partnership with fit analytics to find your perfect apparel size



Fulfilled

1,747,717

ORDERS THIS YEAR

## INCREASE IN ONLINE AVAILABILITY

ALL  
90  
STORES

Launch of Same  
Day C&C

70%



## OVER 55% INCREASE IN SPEED TO DISPATCH

YE JAN 2022

1.9

AVG DAYS  
TO PICK &  
DESPATCH

YE JAN 2023

0.8

AVG DAYS  
TO PICK &  
DESPATCH

# Introduction of omnichannel VIP club



Launch of store club sign up:

Stores signing up to

**10%**

of all transactions

Significant growth in database size

**Briscoes Club**

**>830,000**

UP 8.0%

**Club Rebel**

**>780,000**

UP 3.3%

Club revenue growth

- Total email revenue delivered (online only) +15% increase on FY22.
- Automated lifecycle email programme delivered +37.8% increase on FY22.
- Introduced 6 new email automations to the Group programme.



# Team

“ Our focus on investing in our people, systems and processes enabled us to increase team member capabilities, competence and confidence. Our team is well positioned as we head into the new year. ”



TEAM ENGAGEMENT

82%

Introducing PeakOn enabled us to run two successful rounds of team member surveys with aggregate participation rate of 82%. Employee engagement and identifying what is important to team members enables targeted initiatives helping make Briscoe Group a great place to work.



FIRST FOUNDATION SCHOLARSHIPS

34

Briscoe Group, in partnership with the RA Duke Trust has provided 34 scholarships through First Foundation since 2013. Our relationship with First Foundation continues to deepen with involvement in mentoring of scholars and leveraging Briscoe Group's development activities for First Foundation staff.



RECRUITMENT & RESOURCING

>17,500

Despite a shortage of talent in the marketplace our refreshed recruitment system and processes resulted in improved candidate and manager experiences while enabling us to effectively deal with over 17,500 job applications.



NEW & IMPROVED SYSTEMS & PROCESSES

100%

During the year we introduced Mariner7 as our companywide performance management and talent tracking system, and implemented OneTrust to support our privacy programme. All of these tools enable our managers and leaders to do "more on the floor".



LEARNING & DEVELOPMENT

59%

With 59% of our Retail Management team having completed or underway in our Management and Leadership program, we have widened participation to leaders from our support functions.



HEALTH, SAFETY & WELLBEING

1

We facilitated the first round of our Wellbeing Focus Groups, learning directly from our team what wellbeing means to them and what support would be most valued.

# Sustainability – Our steps to a better tomorrow

- Good progress has been made on our commitments to increasing our positive impact.
- Record breaking year for our fundraising for Cure Kids at \$1.05m and surpassing \$10m in donations since we formed the partnership.
- Well advanced on the preparation for Climate Related Disclosures (CRD) requirements and collaborating closely with other like-minded retailers to build common solutions.
- Working closely with global industry experts to implement ethical supplier policies and conduct robust audits across our international supply chain.



## 2023 – 2025

- Set the policies, targets, governance and reporting.
- Define our climate and waste targets with programs of work to support their achievement.
- More deliberate with our social and community programs ensuring we maximise positive impact.
- Embedding internal governance including Climate Related Disclosures.



## 2025 – 2030

- Delivering on our commitments toward zero waste and emissions.
- Maximising our social impact for a better New Zealand.
- Improving our status as an employer of choice for our people.



## BY 2050

- Zero emissions and waste across our operations.
- Positive contributor to thriving communities across all of New Zealand.



**Electrification** of our forklifts. Bringing our electrification program forward to have a **full electric fleet by 2025.**



Donated over **10,500 balls** to schools across New Zealand this year, with nearly **60,000 balls** donated since the launch of our **Pass It Forward** partnership.



Joined the **Sustainable Business Council** and are a member of the New Zealand **Retail Climate Scenario Sector Group** facilitated by KPMG.

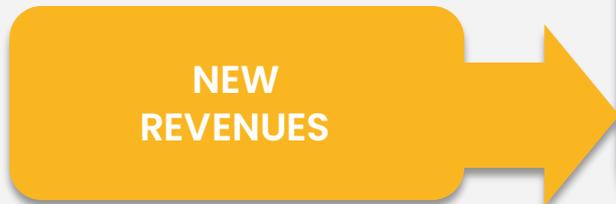
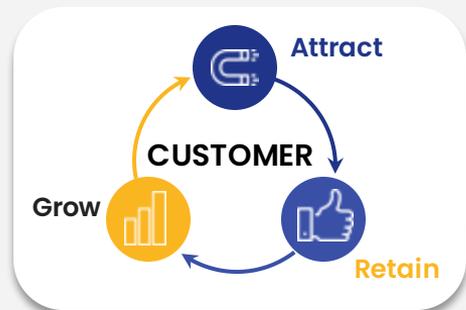


Provided **mental health training** for our team. Our Employee Assistance Program is used for non-work-related support.



Engaged with several **external experts** to help in setting our **Sustainability** and **ESG** strategy and understanding our emissions profile.

# Strategic initiatives delivering ahead of plan



## 2022

Step change in Online user experience enhancements

VIP Club for Briscoes and Rebel Sport launched successfully

In store digital price and promotion labelling pilot live in 8 stores

Future supply chain network design completed

Same day Click and Collect now live in Briscoes and Rebel

Significantly increased North and South Island distribution capability

Over 45 drop ship suppliers live – including new product categories

Automated personalisation platform driving increased customer LTV

## 2023 and Beyond

New Product information management suite launch

Customer Data platform implementation

Roll out of digital price and promotion labelling to all stores

Warehouse management system implementation

North Island Distribution capacity enhanced

Premium delivery options embedded for online deliveries and returns

Accelerated new store concept refurbishment plan

Target over 100 drop ship suppliers live – including new international suppliers

# Driving to win in a challenging environment:

- Excellent trading performance in both Homewares and Sporting goods.
- Strategic initiatives nearing completion and the program is delivering ahead of expectations and now contributing significant incremental profit.
- Record levels of growth in customer database, driven from increasing levels of customer service.
- Relentless focus on Inventory has driven controlled levels of inventory to minimise impact on margin.
- Continued investment in key Internal resources, such as digital, planning and supply chain.
- Extremely strong balance sheet provides financial protection and ability to fund strategic investment such as Supply chain infrastructure.
- World class team.
- Business has proven again the agility to navigate uncertain economic conditions.



# Financial Summary

	FY Jan 19	FY Jan 20	FY Jan 21	FY Jan 22	FY Jan 23
Homeware Revenue - \$000	403,159	410,908	439,234	460,887	487,501
Sporting Goods Revenue - \$000	228,760	242,109	262,563	283,563	298,353
Group Total Revenue - \$000	631,919	653,017	701,797	744,450	785,854
Online Mix of Sales - %	10.0%	11.3%	18.8%	21.5%	19.0%
Group Gross Margin - \$000	253,355	257,502	307,116	340,642	345,922
Group Gross Margin - %	40.1%	39.4%	43.8%	45.8%	44.0%
Group EBIT - \$000	85,995	97,223 <sup>1</sup>	115,886	136,468	135,494
Group EBIT - % to Sales	13.6%	14.9%	16.5%	18.3%	17.2%
Group NPAT - \$000	63,393	62,583	73,199	87,909	88,437
Group NPAT - % to Sales	10.0%	9.6%	10.4%	11.8%	11.3%
<hr/>					
Free Cash Flow - \$M (Operating Cash Flow less Capex)	49.0	60.3	81.1	76.6	128.0 <sup>4</sup>
Dividends Per Share - cps	20.0	8.5 <sup>2</sup>	28.5 <sup>3</sup>	27.0	28.0
Earnings Per Share - cps	28.7	28.2	32.9	39.5	39.7
Net Cash Position - \$M	80.8	67.4	100.4	102.5	149.9 <sup>4</sup>
Inventory Turnover - X p.a. (COGS divided by average inventory)	4.9	4.7	4.4	3.8	3.7

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 8cps paid December 2020

4. Excludes \$26 million of creditors payments made on 31 January 2023



These **MARKET LEADING** brands continue to be relevant to our shoppers in a very testing, yet dynamic marketplace. We challenge ourselves to test and trial better ways of operating our business, to ensure these Brands will continue to be successful and loved, now and **LONG** into the future!