



# Annual Shareholders' Meeting

November 2019



# Board of Directors



**Joan Withers**

Chair & Independent  
Non-Executive Director



**Keith Smith**

Deputy Chair & Independent  
Non-Executive Director



**Julia Raue**

Independent  
Non-Executive Director



**Robbie Tindall**

Non-Executive Director  
(Alternate to Sir Stephen Tindall)



**Anthony Balfour**

Independent  
Non-Executive Director



**Will Easton**

Independent  
Non-Executive Director



**John Journee**

Independent  
Non-Executive Director



**Renee Mateparae**

Future Director



# Group Executives on the Stage



**Nick Grayston**

Group Chief Executive Officer

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**Mark Yeoman**

Group Chief Operating Officer

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**Jonathan Oram**

Group Chief Financial Officer

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# Order of Business

## 1. Welcome and Chair's Address

Joan Withers

## 2. Group CEO's Review

Nick Grayston

## 3. Business of Meeting

- Re-election of Directors
- Auditor Fees
- Constitution Amendments
- General Business

Joan Withers

## 4. Q&A

All

## 5. Refreshments



# Chair's Address

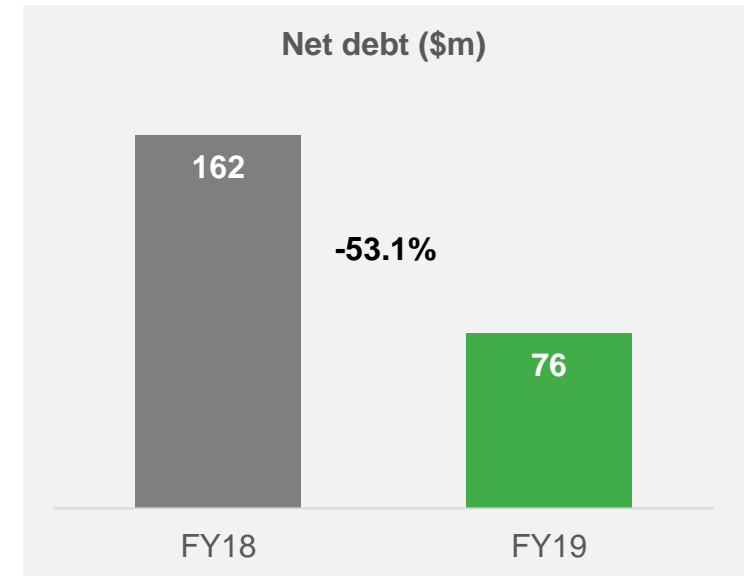
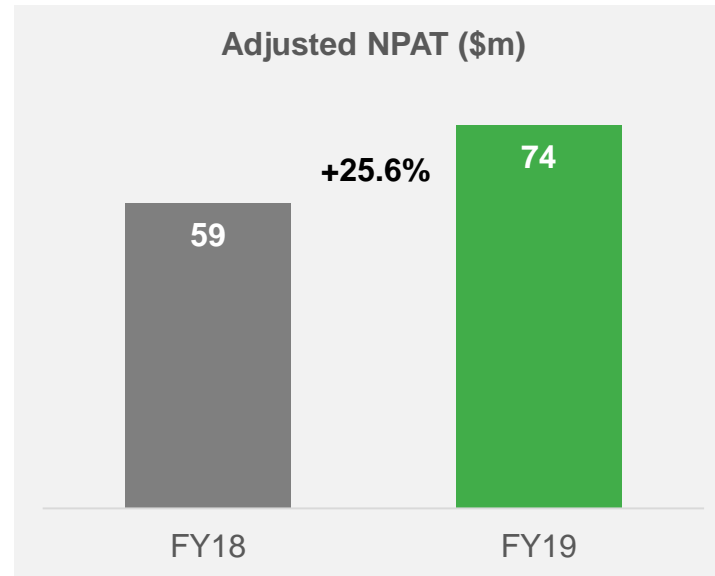
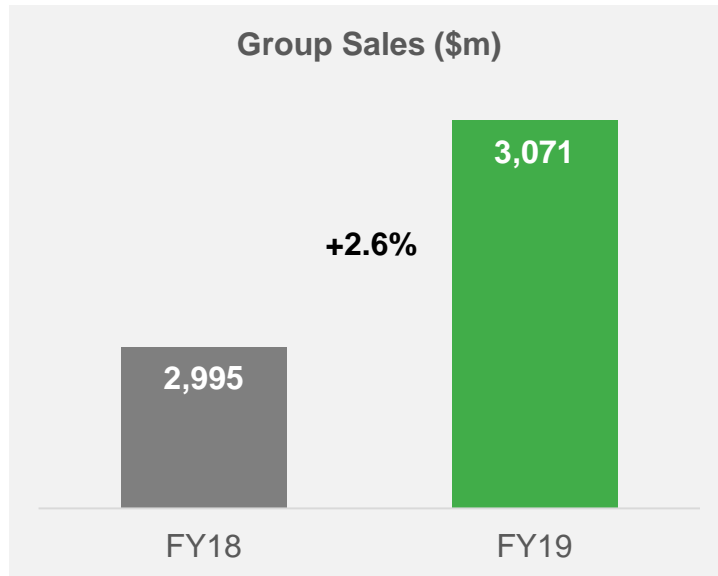
Joan Withers

# Chair's Address

## FY19 Overview

175

transformation initiatives  
completed



# Chair's Address

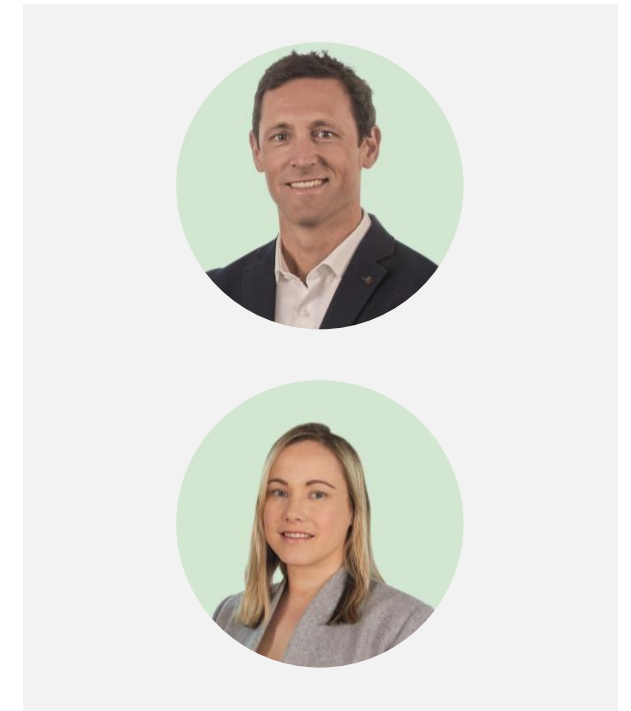
## Share Price



## Integrated Reporting and our 'social license to operate'

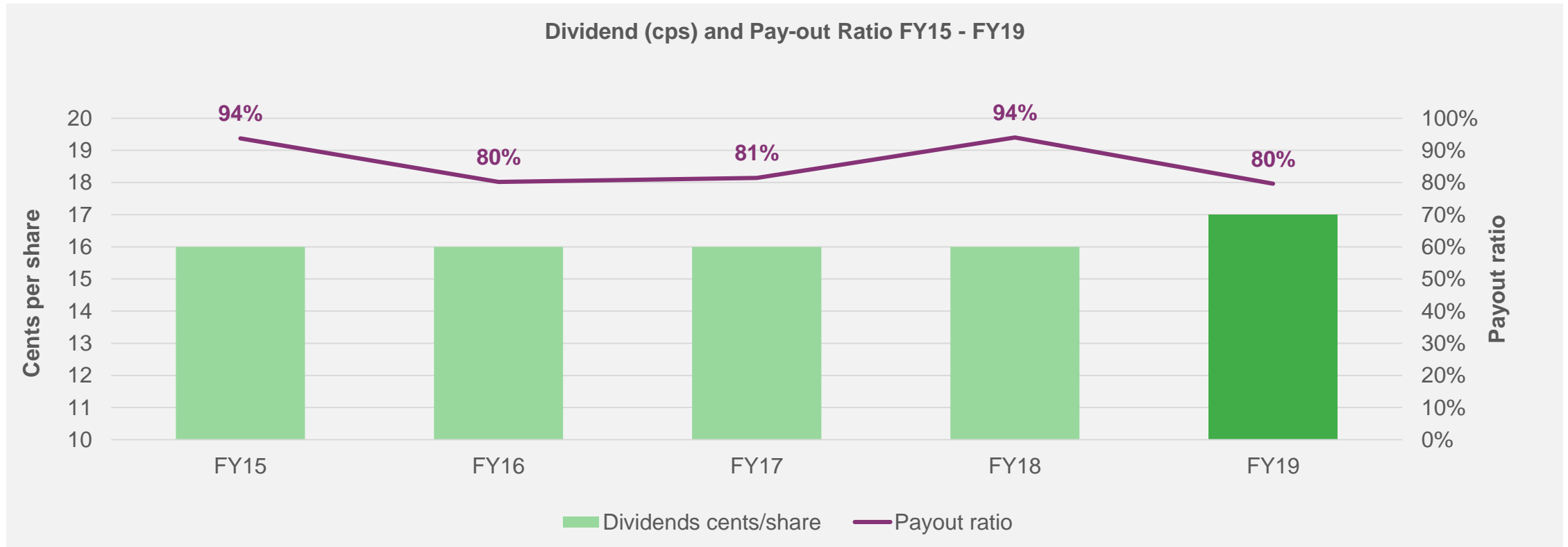


## Board Update



# Chair's Address

## Dividend

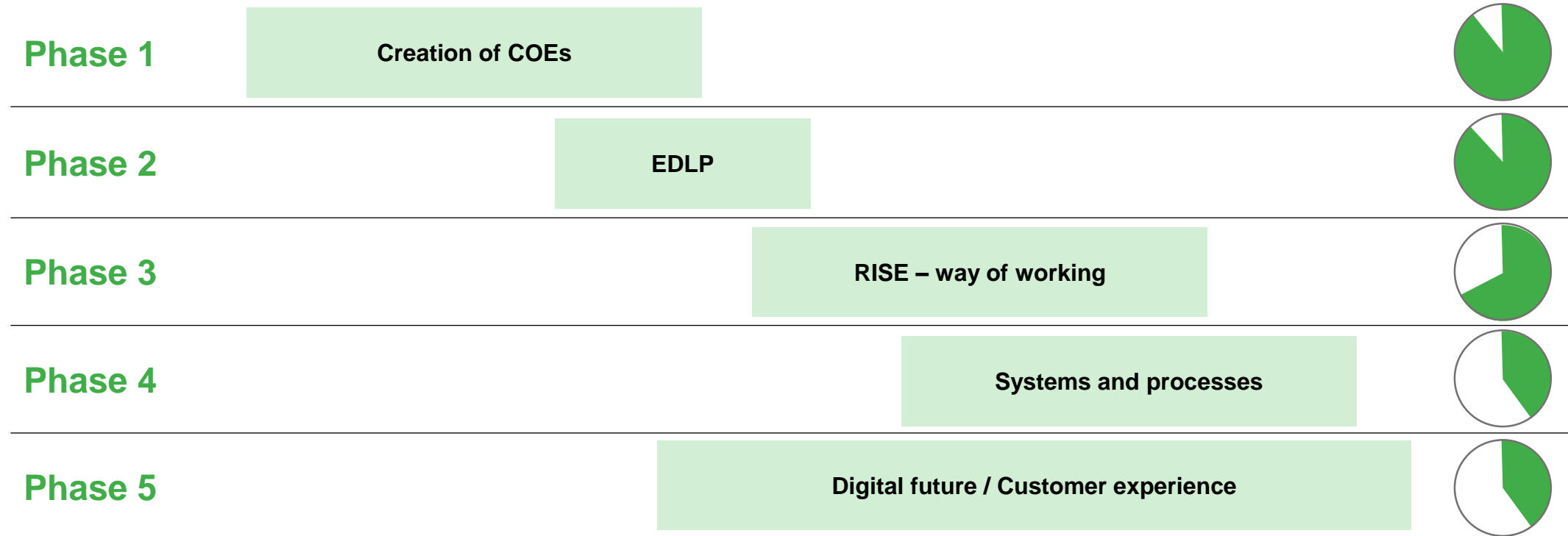




# Group CEO's Review

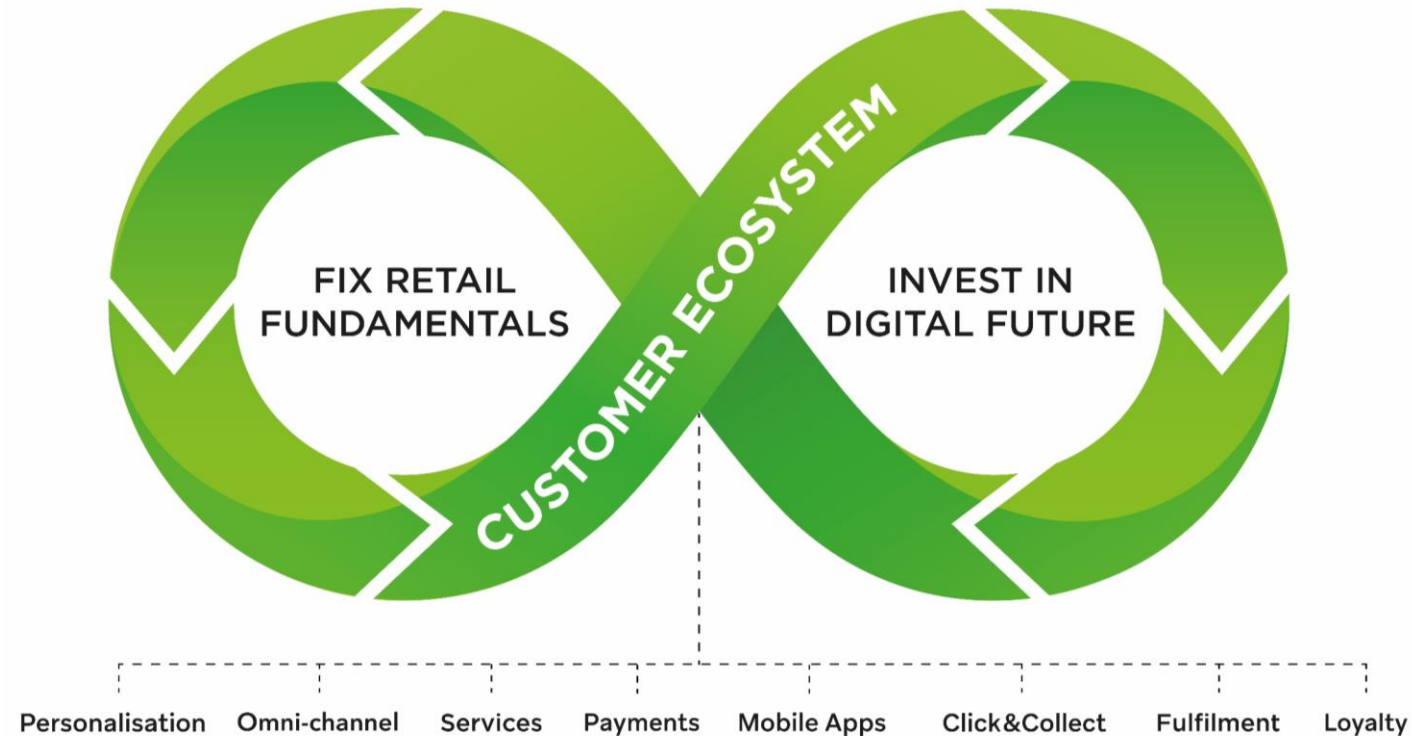
Nick Grayston

# Progressing Our Transformation



# Our Ecosystem

**Leveraging:** Our reach, our customer insights, our ability to serve

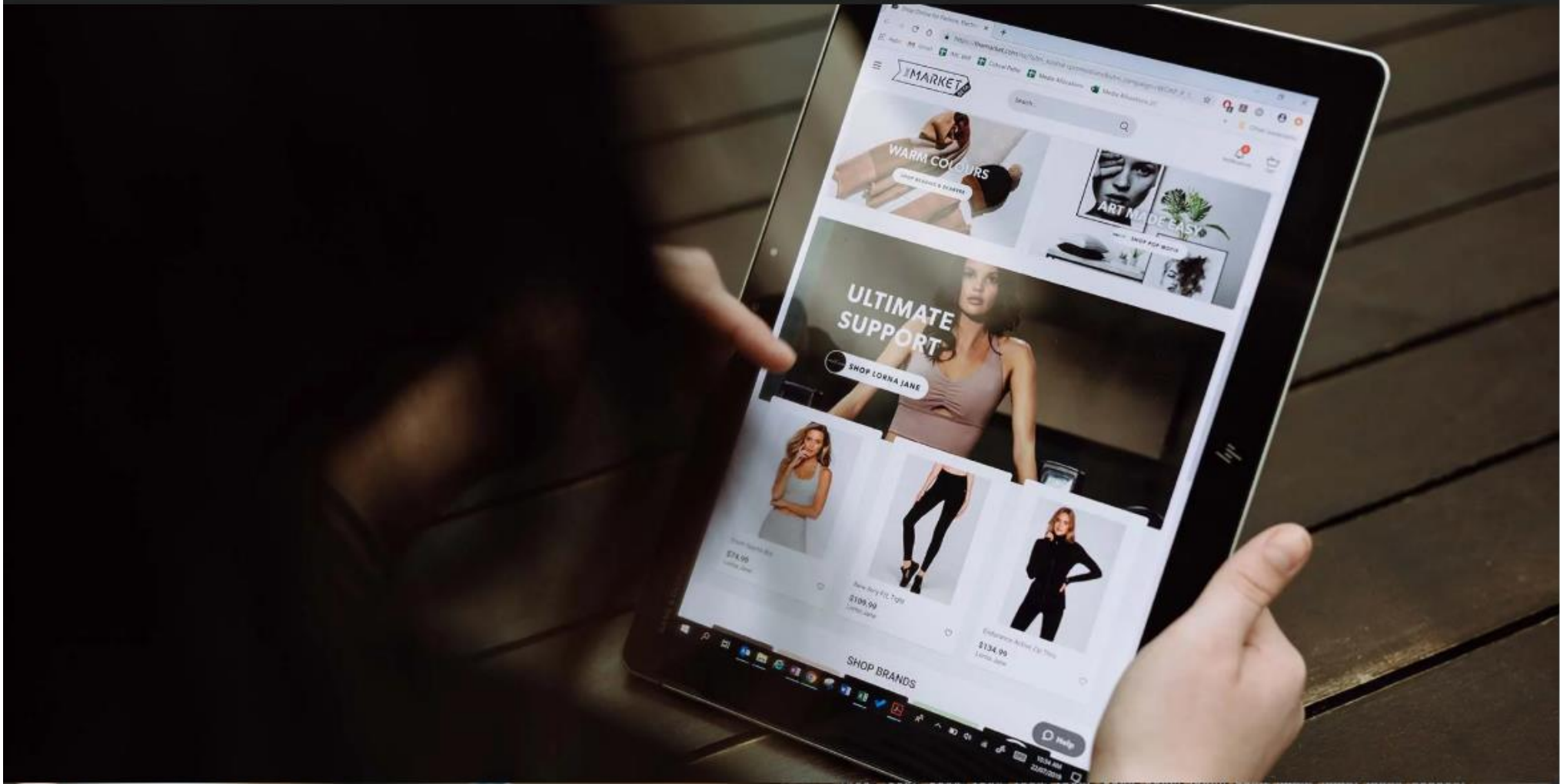


**Enabled by:** World-class team, partners and technology

**For:** Our communities, our investors, our planet



# THE MARKET



# Building a Change Able Performance Culture

We provide exceptional experiences by putting our **customers first**

We are **change able** and have a winning culture

We are **productive** and make speed a habit



# FY19 Annual Result

For the period ended 28 July 2019

<i>\$ million</i>	2019	2018	Variance
Retail Sales	3,071.4	2,994.6	2.6%
Retail Gross Profit	1,028.6	991.2	3.8%
Gross Margin %	33.5%	33.1%	40 bps
Retail CODB	916.2	899.8	1.8%
CODB %	29.8%	30.0%	(20) bps
Retail Operating Profit	112.4	91.4	22.9%
Operating Margin %	3.7%	3.1%	60 bps
Continuing NPAT (Reported)	67.3	27.3	146.9%
Continuing NPAT (Adjusted)	74.1	59.0	25.6%
NPAT (Reported)	65.4	22.9	185.8%
Operating Cash Flow	198.0	107.9	83.5%
Ordinary Dividend	17.0	16.0	1.0 cps

- Retail Sales up 2.6% on last year with sales growth across all our brands and improving momentum into year end
- Retail Gross Profit up 3.8% and Gross Margin improvement of 40 basis points, reflecting benefits of our transformation programme
- Cost of Doing Business up 1.8% but down as a percentage of Sales reflecting investment in transformation, Torpedo7 store network growth and TheMarket
- Overall, it was a strong year for the Group with Operating Profit up 22.9% and Adjusted NPAT from Continuing Operations up 25.6%
- Operating Cash Flow up 83.5%, benefiting from overall performance and working capital initiatives
- The Board have announced a Final Dividend of 8.0 cps bringing the total pay-out for FY19 to 17.0 cps (up from 16.0 cps in FY18)



# Group H1 and H2 Performance

For the Year ended 28 July 2019

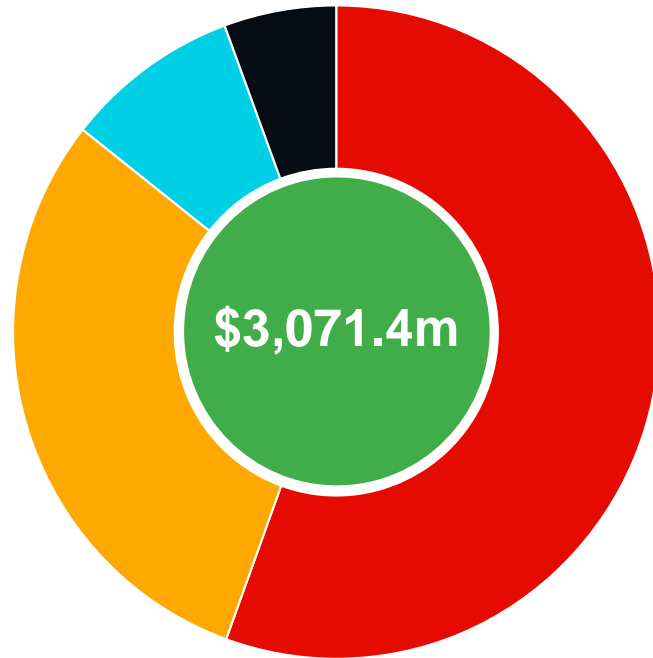
\$ million	H2			H1		
	2019	2018	Variance	2019	2018	Variance
Retail Sales	1,430.8	1,396.5	2.5%	1,640.5	1,598.1	2.7%
Retail Gross Profit	495.4	468.7	5.7%	533.2	522.5	2.1%
Gross Margin %	34.6%	33.6%	100 bps	32.5%	32.7%	(20) bps
Retail CODB	443.5	435.7	1.8%	472.7	464.1	1.9%
CODB %	31.0%	31.2%	(20) bps	28.8%	29.0%	(20) bps
Retail Operating Profit	51.9	33.0	57.2%	60.5	58.4	3.5%
Operating Margin %	3.6%	2.4%	120 bps	3.7%	3.7%	-
Continuing NPAT (Adjusted)	34.5	21.3	61.5%	39.6	37.7	5.2%

- We are pleased with the H2 result for the Group, particularly with the warmer weather impacting seasonal sales
- Second half began to show benefits of initiatives focused on gross margin improvement
- Significant improvement in H2 profitability due to trading, improvement in the quality of the balance sheet, and relatively lower incentives



# Divisional Summary

## Retail Sales FY19



<b>\$1,705.7m</b>	<b>\$924.6m</b>	<b>\$268.6m</b>	<b>\$172.5m</b>
55.5%	30.1%	8.7%	5.6%
The Warehouse	Noel Leeming	Warehouse Stationery	Torpedo7 Group

## Retail Operating Profit FY19



<b>\$85.1m</b>	<b>\$38.1m</b>	<b>\$16.7m</b>	<b>-\$7.0m</b>	<b>-\$20.4m</b>	<b>\$112.4m</b>
The Warehouse	Noel Leeming	Warehouse Stationery	Torpedo7 Group	Other*	Total Group

\*Includes Digital Retail costs (TheMarket) of \$6.0m and \$14.4m of Other Group costs

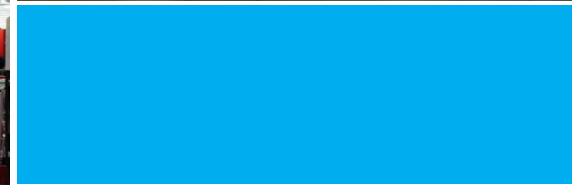




# The Warehouse and Warehouse Stationery




FY19 was a year of development and transformation for The Warehouse




Delivered a record operating profit in FY19



# Noel Leeming



**Smashed It?**  
No worries. It's covered.

Peace of mind with 

FY19 was the  
best retail  
operating profit  
ever!



Introducing the  
**Noel Leeming App**



Download on the App Store | GET IT ON Google Play

Continuing our focus on innovation



# Torpedo7

Continued to execute on our strategy of brand clarity, a refined product offering and store expansion

Torpedo7 Westfield Newmarket



# FY19 Online performance



**\$239m**

in online sales, now representing  
7.8% of Group Sales<sup>1</sup>



**5.5%**

increase in online traffic



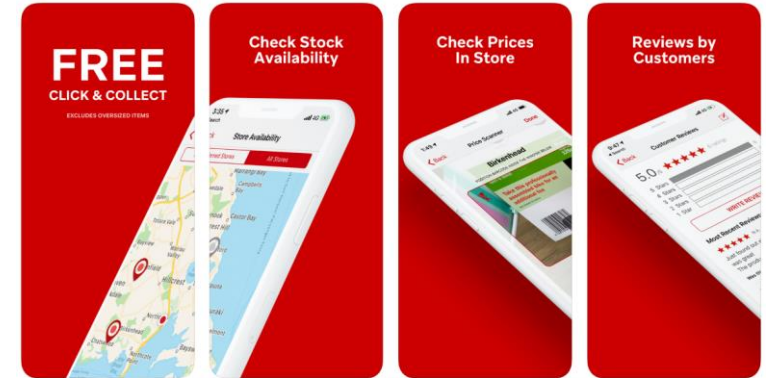
**18%**

growth in online sales<sup>1</sup>



**36%**

percentage of online sales fulfilled  
through Click & Collect<sup>2</sup>



**244%**

sales growth on  
The Warehouse App



Most 5-star reviews of any NZ  
shopping app<sup>3</sup>



<sup>1</sup> Based on normalised online sales adjusted for the closure of online platforms during FY19.

<sup>2</sup> Based on online sales of omni-channel brands (The Warehouse, Noel Leeming, Warehouse Stationery and Torpedo7).

<sup>3</sup> Apple iOS App Store and Google Play Store.



#hereforgood

# RAINBOW TICK



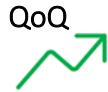
carboNZero   
ISO 14064-1 • certified organisation



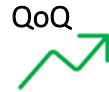
# Q1 FY20 Sales Update

**thewarehouse**  “where everyone gets a bargain every day”

**+2.4%**  
Retail Sales

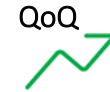


**+3.1%**  
Same Store Sales



**WS** warehouse stationery “work, study, create, connect”

**+2.1%**  
Retail Sales

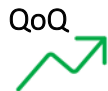


**+0.6%**  
Same Store Sales



**nl** noel leeming “the authority in appliances, technology and services for retail and commercial customers”

**+7.3%**  
Retail Sales

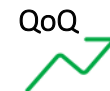


**+6.1%**  
Same Store Sales

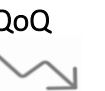


**Torpedo7** “see you out there”

**+3.0%**  
Retail Sales



**-0.6%**  
Same Store Sales



# Senior Executive Team



Nick Grayston

Group CEO



Jonathan Oram

Group CFO



Mark Yeoman

Group COO



Scott Newton

Chief Transformation Officer



Evelyn Ross

Chief People Officer



Jonathan Waecker

Chief Marketing Officer



Pejman Ohkovat

CEO TWL/WSL



Tania Benyon

CEO Group Sourcing Support  
and TWL/WSL Merchandise



Tim Edwards

CEO Noel Leeming Group



Simon West

CEO Torpedo7 Group



Justus Wilde

CEO TheMarket.com



# **Business of Meeting**

**Joan Withers**



# Resolution 1 – Re-election of Joan Withers



- Chair and Independent Non- Executive Director
- Appointed Director 23 September 2016
- Chair of the Corporate Governance and Nomination Committee, Member of the Audit and Risk Committee, Member of the Disclosure Committee, Member of the Health, Safety and Wellbeing Committee and Member of the People and Remuneration Committee
- Proxy voting in respect of this resolution is:  
A total of 188,629,365 proxy votes received, 186,982,443 votes for, 16,395 against, votes undirected 1,630,527 and 43,765 votes abstain giving a result of 99.13% votes cast in favour of the resolution



## Resolution 2 – Re-election of Julia Raue



- Independent Non-Executive Director
- Appointed 23 September 2016
- Chair of the Health, Safety and Wellbeing Committee and Member of the Audit and Risk Committee
- Proxy voting in respect of this resolution is:  
A total of 188,603,003 proxy votes received, 186,799,970 votes for, 70,575 against, votes undirected 1,732,458 and 70,127 votes abstain giving a result of 99.04% votes cast in favour of the resolution



# Resolution 3 – Auditor Fees

- That the Directors are authorised to fix the fees and expenses of PricewaterhouseCoopers as auditors for the ensuing year
- Proxy voting in respect of this resolution is:  
A total of 188,628,464 proxy votes received, 186,742,406 votes for, 96,259 against, votes undirected 1,789,799 and 44,666 votes abstain giving a result of 99.00% votes cast in favour of the resolution



# Resolution 4 – Amendment of Constitution

- That The Warehouse Group Limited amend its constitution in the form and manner described in the explanatory notes to the notice of meeting, with effect from the close of the Annual Shareholders Meeting
- The Company transitioned to the NZX Listing Rules on 1 March 2019. To comply with the NZX Listing Rules, the Company needs to amend its constitution
- The amendments are limited to those required to conform to the NZX Listing Rules, removing references to the ASX Listing Rules, changes to update relevant legislative references and to allow for electronic voting
- Proxy voting in respect of this resolution is:  
A total of 188,623,964 proxy votes received, 186,805,554 votes for, 6,156 against, votes undirected 1,812,254 and 49,166 votes abstain giving a result of 99.04% votes cast in favour of the resolution



# Voting Procedure

To cast your vote please tick one box either for, against or abstain alongside each resolution on the voting paper.

## Undirected Votes held by Directors by Resolution

1. 161,601
2. 213,969
3. 224,810
4. 231,265



# General Business

Joan Withers

# Questions

**THANK YOU**





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