



Briscoe Group Half Year to 27 July 2025

Briscoe Group Limited (NZX/ASX code: BGP)

Highlights for the 26-week period – 27 January 2025 to 27 July 2025:

- Sales of \$371.27 million, 99.8% of last year
- Improved sales trend: Q2 growth +2.07% vs Q1 -2.58%
- Online sales as mix of total Group sales 19.36%, (LY 18.77%)
- Online sales growth +2.92% vs last year
- Total Inventory \$105.98 million (LY 106.32 million)
- \$14.85 million capital investment, including \$10.37 million for the new distribution centre project
- New distribution project progressing on time and within budget
- NPAT \$29.31 million

The directors of Briscoe Group Limited (NZX/ASX code: BGP) announce a net profit after tax (NPAT) of \$29.31 million for the half-year ended 27 July 2025. The half-year results are unaudited.

Dame Rosanne Meo, Briscoe Group Chair said, “This half-year result represents another solid performance by the Group in an economy which remains highly challenging. Recent economic indicators – including elevated inflation and unemployment - underscore the ongoing cost-of-living pressures and subdued consumer sentiment, placing additional strain on discretionary spending with no consistent signs of economic recovery.”

The directors have resolved to pay an interim dividend of 10.0 cents per share. Books will close to determine entitlements at 5pm on 19 September 2025 and payment will be made on 9 October 2025. The company’s dividend policy is to pay out at least 60% of NPAT when calculated on a full year basis.

“Dame Rosanne Meo said, “As with last year’s final dividend, paid earlier this year, this interim dividend reflects the Group’s increased focus on a number of innovative strategic initiatives, our substantial investment programme across the next two years as well as acknowledging the impact of economic headwinds on profitability.”

Rod Duke, Group Managing Director, said, “We’re pleased with the progress made during this half and despite the challenges, the team has remained focused on delivering value and improved service to our customers. The trading environment was mixed, with Q1

impacted by abnormal weather and promotional timing, but Q2 rebounded with a 2.07% increase.

“We’ve continued to see our online channel grow, with sales up 2.92% and its share of Group sales rising to 19.36%. During August the team transitioned the online channel to the Adobe platform and now look to leverage the expected functionality and performance improvements which it brings.”

The earnings were generated on sales revenue of \$371.27 million. Rod Duke said, “To drive Group sales to 99.8% of last year’s record half-year sales is a terrific achievement and it’s important to recognise that in what continues to be an incredibly challenging environment. Both trading segments closed slightly under last year’s sales – homeware under by 0.11% and sporting goods by 0.40%.”

Gross profit margin percentage declined for the period from 42.97% to 41.43%. Rod Duke said, “As stated previously, our goal this year is to stabilise gross profit % and while we’re progressing initiatives to support this, the pace of economic recovery and consumer confidence will be critical. Optimising gross profit while maximising sales is a constant focus for the team and they continue to do a terrific job in this relentless environment.

“Cost control also continues to be a focus with ongoing cost inflation widely reported as another impediment to improving consumer confidence. It is important to us to recognise the continued efforts of our team across the business and this first half has seen the flow through of the 5% wage rate increase delivered in May last year as well as the additional 2.5% made earlier this year. Utility costs continue to climb with increases in store rents, rates and power charges. Strategic initiatives, while helping to protect sales and gross margin, also contributed to the additional costs during the half in relation to projects such as electronic shelf-labelling, upgrade to merchandise planning and the new online platform.

“Interest income for the half-year will close around \$1.96 million under last year as a result of lower interest rates and lower cash balances with the progress of the build of our new distribution centre at Drury which remains on time and within budget. This strategic investment will revolutionise the way we warehouse and distribute product, unlocking significant future benefits in relation to inventory, cost and process efficiencies.”

Inventory levels as at 27 July 2025 continued to decrease closing at \$105.98 million, down from \$106.32 million at the same time last year. Rod Duke said, “With pressure on sales likely to continue we have focused strongly on inventory levels during the period and we are particularly pleased with the closing position in relation to both value and quality.”

The Group’s balance sheet remains strong with cash balances of \$119.83 million at the close of the period, compared to \$131.77 million held at the same time last year. Approximately \$22 million of creditor payments included in the trade payables balance were subsequently paid by 31 July 2025. Rod Duke said, “With the significant investment the Group is making across the next 18 months in establishing the new distribution centre, combined with the seasonality of our operational cashflow, the Group will establish a funding facility to support future cash flow requirements.”

During the year \$14.85 million of capital investment was made by the Group of which \$10.37 million represents expenditure in relation to the new distribution centre project at South Auckland. “Rod Duke said, “This project has gained serious momentum in the past six months with the shell of the 320,000 cubic metre facility now largely in place with practical completion of the construction phase expected in early 2026.

“Store development projects were also advanced during the period. Two major store refurbishments were completed at Briscoes Homeware Westgate and Rebel Sport Henderson, transforming these stores into modern retail environments. The improvements included elevated fixture suites, energy-efficient LED lighting, enhanced counters, and improved Click & Collect facilities – delivering a more seamless and engaging shopping experience for customers.

“We’re also very excited about the progress made in relation to Rebel Sports’ new flagship store at Mt Wellington which is on track to launch in November. We believe it will set a new benchmark for sports retail in Australasia, delivering a premium customer experience, supported by advanced technology, elevated product ranges, retail media integration, and dedicated customer experience zones.

“Looking ahead, we remain cautious about the retail environment. In the absence of a clear uplift in consumer confidence, the ongoing economic headwinds may result in a full-year NPAT closer to \$60 million.”

The Group’s next planned market release will be shortly after its 3rd quarter which closes on 26 October 2025.

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