



Sales to 29 July 2018

Briscoe Group Limited (NZX/ASX code: BGP)

Highlights for the 26 weeks (half-year) to 29 July 2018:

- Total Group sales \$292.2 million, +4.27%
- Homeware sales growth, +4.53%
- Sporting goods sales growth, +3.83%
- Group same-store sales growth, +2.42%
- Total Gross profit % margin expected to be ahead of last year
- Group net profit after tax (NPAT) expected to be ahead of last year

The directors of Briscoe Group Limited announce unaudited sales for the half year to 29 July 2018 of \$292.2 million, an increase of 4.27% on the \$280.3 million reported for the first six months of last year. The Group's homeware segment increased sales by 4.53% during this period and the sporting goods segment by 3.83%.

On a same-store basis, the Group's sales for the half year ended 29 July 2018 were 2.42% ahead of the same period last year. The same-store calculation adjusts for two new Rebel Sport stores opened by the Group at Petone (April 2017) and Kerikeri (February 2018), the new Briscoes Homeware stores opened at Rangiora (September 2017) and Glenfield (December 2017), and also for three store closures being the Lower Hutt Rebel Sport and Briscoes Homeware stores (April 2017), and the Living & Giving Store at Riccarton (March 2018).

On a same-store basis, homeware sales increased by 2.22% for the 26 week period while sporting goods sales were 2.77% ahead of last year.

Group sales for the thirteen week second quarter ended 29 July 2018 increased 4.99% to \$145.9 million from the \$138.9 million reported for last year's second quarter. The Group's homeware segment increased sales by 7.29% during this period and the sporting goods segment by 0.57%.

On a same-store basis, the Group's sales for the second quarter ended 29 July 2018 were 2.81% ahead of the same period last year.

On a same-store basis, homeware sales increased by 4.44%, while sporting goods sales declined slightly by 0.33% over the second quarter of last year.

Group Managing Director, Rod Duke said, "This second quarter has produced a reversal in form across the two trading brands when compared to the first quarter. Our

homewares segment has rebounded strongly from a fairly modest first quarter sales performance to deliver same-store growth of over 4% while the sporting goods segment found the second quarter more difficult than the first, largely as a consequence of the positive incremental sales impact of at least \$1 million experienced during the British and Irish Lions' tour of New Zealand during June and July last year.

"Sales growth through our online channel has continued to grow strongly at well over 20% compared to last year and is now approaching 9% of total Group sales.

"Overall we are satisfied with the sales growth achieved by the Group for both this second quarter and for the first half. We expect gross profit margin percentage to finish ahead of that produced for the first half of last year.

"Our bottom line profit for the first half will include the impact of an additional tax expense incurred compared to last year as a result of the interim dividend, received from our Kathmandu investment, not being imputed for New Zealand shareholders.

"New Zealand retailing remains highly competitive and retailers' profit margins continue to be tested by declining consumer confidence, record-high fuel costs and increased wage pressures. Despite these headwinds our profit continues to track marginally ahead of last year and we anticipate this being reflected in an increased half-year profit announcement for the Group, expected to be released on 20 September 2018."

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