



Half-Year to 1 August 2021 Sales +22%, NPAT +64%

Briscoe Group Limited (NZX/ASX code: BGP)

Highlights for the half-year 1 February 2021 to 1 August 2021 (26 weeks):

- Group net profit after tax (NPAT) to be at least \$46 million, +64%
- Total Group sales \$358.4 million, +22.58%
- Homeware sales growth, +20.77%
- Sporting goods sales growth, +25.66%
- Online sales as mix of total Group sales, 16.16%

The directors of Briscoe Group Limited announce unaudited sales for the 26-week half-year to 1 August 2021 of \$358.4 million, an increase of 22.58% on the \$292.4 million reported for the same period ended 26 July 2020. The Group's homeware segment increased sales by 20.77% during this period and the sporting goods segment by 25.66%.

It is important to note that the first half of last year (to July 2020) was significantly impacted as a result of COVID-19. The first quarter was negatively impacted with 50 days of store closures due to the Level-4 lockdown and then the second quarter was positively impacted by the unprecedented increased post-lockdown demand which continued for the remainder of the year.

Group Managing Director, Rod Duke said, "The impact of COVID-19 caused unprecedented and volatile sales patterns across the first half of last year. A more relevant period to compare against would be the first half of 2 years ago. Under this more normalised comparison, the Group's half year sales increased by 18.30%, with the first quarter increasing by 14.94% and then strengthening to an increase of 21.61% for the second quarter.

"We're thrilled with these sales numbers including the performance of our online channel which represents approximately 16% of Group sales for this first half. Two years ago, just under 11% of Group sales were delivered by online operations for the first half result.

"Gross margin has continued to be very strong for the Group, delivering ahead of expectations. We continue to improve the way in which we analyse and construct promotional activity and also how we manage the flow of inventory through the business.

Whilst consumer demand has continued to be supportive, a number of our strategic initiatives in relation to merchandise and supply chain processes are enhancing both sales and gross profit margin. Significant preparatory work by our merchandise team in anticipating international supply chain disruptions including; factory delays, lack of shipping availability, port disruptions and increased costs, has resulted in a very healthy inventory position at half-year. Inventories will close higher than in recent years putting us in great shape for the second half to avoid being hindered by shortages we have already seen occurring across the wider retail market.

“As previously reported, we anticipate this first half result to be significantly ahead of last year and currently expect to report NPAT of at least \$46 million. This compares to \$28.0 million (+64%) for last year. I want to thank the entire team for their contribution to this first half performance. Their focus on trading has been relentless while still ensuring meaningful progress has been made on the strategic initiatives.

“While this result represents a fantastic achievement for the Group, it is still too early to forecast precisely where the full year will land. Last year’s second half had significant benefit from the continued “pent-up” demand post-lockdown and also included an additional week as a result of the Group realigning its financial and calendar year-ends. However, we are confident of producing another very strong full-year result and the Board intends to provide some full-year guidance as part of the Group’s half-year results announcement.”

The directors expect to release the half-year profit results on 14 September 2021, including declaration of an interim dividend.

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