



## 3<sup>rd</sup> Quarter to 31 October 2021

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Briscoe Group Limited (NZX/ASX code: BGP)

### Highlights year-to-date to 31 October 2021 (39 weeks):

- Total Group sales \$496.9 million, +9.52%
- Homeware sales growth, +9.53%
- Sporting goods sales growth, +9.50%
- Online sales as mix of total Group sales, 22.14%
- Solid trading performance for 3<sup>rd</sup> quarter despite lockdown constraints

### Year-to-date: 1 February 2021 – 31 October 2021:

The directors of Briscoe Group Limited announce unaudited sales for the 39-week period to 31 October 2021 of \$496.9 million, an increase of 9.52% on the \$453.7 million reported for the first three quarters of last year. The Group's homeware segment increased sales by 9.53% during this period and the sporting goods segment by 9.50%.

### Third quarter: 2 August 2021 – 31 October 2021:

It is worth noting that last year's 3<sup>rd</sup> quarter was a particularly strong quarter on the back of the post-lockdown retail recovery with Group sales growing at 14.97%. However, even with the constraints from the lockdowns experienced for this 3<sup>rd</sup> quarter just completed, the Group was only 1.29% below the 3<sup>rd</sup> quarter sales recorded for the same quarter 2 years ago.

Unaudited sales for the 3<sup>rd</sup> quarter, 13-week period ended 31 October 2021 were \$138.5 million, 14.14% below the \$161.3 million for the same quarter last year. For the quarter, homeware sales decreased by 11.44% to \$87.4 million, while sporting goods sales were \$51.1 million, 18.41% below the \$62.6 million achieved for the equivalent quarter last year.

After a very strong start to this 3<sup>rd</sup> quarter, New Zealand's extended period of near-normality came to a sudden conclusion with the announcement of a return to national Level 4 lockdown from 18 August 2021.

The impact on trading days across the store network is summarised below:

- All the Group's stores were closed for 21 days from 18 August
- Auckland stores remained shut for the remainder of the third quarter - 75 days in total during the 91-day quarter  
Typically these Auckland stores contribute around 25% of the Group's total sales.
- The Group's 5 Waikato stores were closed for a total of 49 days of the quarter
- The Group's 4 Northland stores were closed for a total of 33 days of the quarter

Having all stores except Auckland at Level 3 from 1 September allowed the Group to resume its Click and Collect service. The move to Level 2 enabled stores to reopen to the public albeit for shorter periods of time in relation to the Group's Waikato and Northland stores.

Rod Duke, Group Managing Director said, "The financial impact of nationwide store closures, as we know from the previous national lockdown, is immediate and severe and as previously disclosed, the final 2 weeks of August sales were negatively impacted by around \$17 million. Whilst the ongoing Level 3 lockdown in Auckland and the movement between Levels for Waikato and Northland stores continued to impact sales, trading throughout September and October was better than expected. Despite varying periods of lockdown in Auckland, Waikato and Northland, Group sales for the October period actually closed less than 1% below the same month last year.

"The Group's online performance has again been instrumental in minimising the potential impact of these latest lockdowns. Online sales produced growth of 98% for the 3<sup>rd</sup> quarter and represented 38% of all sales. We managed to maintain an incredibly high standard of service despite the huge increase in online demand.

"We have updated our modelling to reflect Waikato's recent move to step 2 of Level 3 and similarly the same assumed move for Auckland from Wednesday 10 November. Under these assumptions we expect the sum of November and December sales to be only marginally impacted, albeit with increased online demand, as the Group moves into a period of increased market-wide promotional activity including Black Friday events.

"We're very excited to be able to have our full store network open again from Wednesday 10 November and as we have experienced from previous lockdowns, we anticipate some pent-up demand for the remainder of the financial year from when our Waikato and Auckland stores reopen.

"If New Zealand continues to progress without any further lockdowns, our forecast net profit after tax (NPAT) for the Group's current financial year remains unchanged to that disclosed on 14 September 2021 with our half-year results.

"That is, despite the significant disruptions experienced during the 3<sup>rd</sup> quarter and into the start of November, we are confident of producing an NPAT above last year's record of \$73.2 million and up to \$85 million.

"I'm very proud of how the teams throughout the whole Group have once again pulled together in very trying and stressful circumstances to produce these remarkable results and enable us to still be on track to deliver a result in line with the previous market guidance."

Friday 5 November 2021

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