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1H FY26 Results Presentation

13 February 2026

1H FY26 Summary

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ANZ Group

- Written Sales up 10.5% vs prior year.
- Revenue $251.7m, up 13.1% vs prior year.
- 1H gross profit margin was 65.9%, up 1.5pp from 1H FY25 and 0.9pp higher than FY25.
- Net Profit after tax $46.6m, up $10.6m or 29% on 1H FY25 underlying and up $12.5m or 37% on 1H FY25 statutory.

UK

- Revenue $17.6m, impacted by store closures due to rebranding program.
- Written orders for 1H FY26, $21.7m. January written orders $6.7m.
- Nick Scali branded stores LFL in January up 32%.
- Gross profit margin 1H FY26 was 59.2%, compared to 45.1% 1H FY25.
- 16 stores refurbished and rebranded as Nick Scali by December 2025.
- Net loss after tax $5.6m as per forecast.

Group

- Group net profit after tax $41.0m.
- Cash and bank deposits $91.7m as at 31 December 2025.
- Interim dividend 39 cents per share fully franked.

Written Sales Orders and Group Revenue

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ANZ Group Written Sales Orders 1H FY26	**$229.8m**
Change versus 1H FY25	**+10.5%**

Written Sales for 1H FY26 were up 10.5% vs prior year with growth across all Australian states and New Zealand.

ANZ LFL[1] Written Sales Orders for 1H were +10.1%

UK Written Sales Orders 1H FY26	**$21.7m**
Change versus 1H FY25	**+12.8%**

Written Sales for 1H were up 12.8% vs prior year. YOY comparatives are not representative of trading due to numerous store closures for lengthy periods for store refurbishments.

Group Written Sales Orders 1H FY26	**$251.6m**
Change versus 1H FY25	**+10.7%**

ANZ Group Revenue 1H FY26	**$251.7m**
Change versus 1H FY25	**+13.1%**

ANZ 1H revenue growth 13.1%, reflecting higher written sales in May / June FY25 (up 16% on prior year) and a strong first quarter FY26.

ANZ LFL[1] revenue for 1H was +12.7%

UK Revenue 1H FY26	**$17.6m**
Change versus 1H FY25	**-38.5%**

UK revenue for 1H FY26 reflects lower written sales over Q4 FY25 and 1H FY26, caused by closures of numerous stores for lengthy periods for store refurbishments.

Group Revenue 1H FY26	**$269.3m**
Change versus 1H FY25	**+7.2%**

[1] LFL represents written sales orders from online and from showrooms which were open for the whole of both reporting periods.

Group Financial Performance $m

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	H1 FY26			H1 FY25[2]
	ANZ	UK	Group	Group
Sales Revenue	**251.7**	**17.6**	**269.3**	**251.1**
Cost of sales	(85.9)	(7.2)	(93.1)	(94.8)
Gross Profit	**165.8**	**10.4**	**176.2**	**156.3**
Gross Margin %	65.9%	59.2%	65.4%	62.3%
Other income	2.8	0.2	3.0	2.9
Operating expenses	(70.1)	(10.8)	(80.9)	(75.3)
Depreciation and amortisation	(23.6)	(4.5)	(28.1)	(27.0)
Bank finance costs	(2.1)	–	(2.1)	(2.3)
AASB16 interest costs	(5.9)	(0.9)	(6.8)	(6.2)
Profit (Loss) before tax	**66.9**	**(5.6)**	**61.3**	**48.4**
Income tax	(20.3)	–	(20.3)	(15.2)
Profit (Loss) after tax	**46.6**	**(5.6)**	**41.0**	**33.3**
Impact of AASB16 on profit (Loss) after tax[3]	(0.4)	(0.7)	(1.1)	(1.6)
Profit (loss) after tax before AASB16	**47.0**	**(4.9)**	**42.1**	**34.8**
EBITDA[1]	**96.9**	**(0.3)**	**96.6**	**81.8**
EBIT[1]	**73.3**	**(4.8)**	**68.5**	**54.8**

ANZ Group

ANZ Group gross margin 1H at 65.9%, vs 1H FY25 at 64.4%.

ANZ underlying[2] 1H FY26 operating expenses increased by $5m compared to the prior year, mainly attributable to employment bonuses and additional marketing in line with sales growth.

UK

UK gross margin continues to improve with Nick Scali product in place and legacy Fabb product now cleared. 1H FY26 gross margin was 59.2% compared to 1H FY25 at 45.1%.

UK revenue is reported net of interest free subsidy costs impacting margin.

UK 1H FY26 operating expenses were $10.8m AUD. In local currency terms expenses were in line with prior year with savings in employment and property costs offset by additional marketing spend.

[1] EBITDA and EBIT are based on finance costs net of $1.7m (FY25 $2.1m) interest income included in Other income. Refer Appendix B.

[2] FY25 underlying financial performance excludes $1.3m restructuring and integration costs for the UK and $2.8m ($1.9 post tax) costs in ANZ resulting from business failure of a freight forwarder. Refer Appendix A for reconciliation to Group statutory profit after tax.

[3] Refer Appendix C for Impact of AASB16 on profit (loss after tax) reconciliation.

Group Cashflow $m

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	Group	
	1H FY26	1H FY25
Operating cash flows net of lease liabilities repayments and lease interest payments	51.5	29.0
UK acquisition – acquired creditor remediation	–	(3.0)
Tax paid	(14.8)	(20.2)
Net bank interest paid	(0.2)	(0.1)
Property and other capital investments	(17.1)	(5.8)
Proceeds of issue of share capital	–	3.8
Repayment of borrowings	–	–
Dividends paid	(28.2)	(28.1)
Net reduction in cash and bank deposits	**(8.8)**	**(24.4)**
FX adjustment	(0.5)	0.7
Closing cash and bank deposits	**91.7**	**87.6**
Total Borrowings	(71.7)	(71.7)
Net cash (Debt)	**20.0**	**15.9**

Operating cashflows

Cash of $53.4m generated from ANZ operating activities in 1H FY26 (including operating lease and interest payments) compared to $44.1m 1H FY25.

UK operational funding requirements have decreased as sales orders grow and refurbishments are completed. Operating cash flows at -$1.9m.

Property and other capital investments

Land acquired for $3.8m in July 25 to facilitate build of new South Australian distribution centre. Construction to commence in 2026.

Purchase of Campbelltown retail store settled in Nov 25, $7.9m.

Capital management & dividends

Payment of the FY25 final dividend returns $28.2m to shareholders in the period.

Closing cash and bank deposits at December 25 of $91.7m and net cash of $20.0m.

Group Balance Sheet $m

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	Dec 2025	Jun 2025
Cash and deposits	91.7	101.0
Inventory – in transit	14.6	13.5
Inventory – on hand	42.2	44.6
Property at net book value	132.4	120.1
Plant and equipment	30.3	27.6
Leased assets	232.3	216.0
Intangibles	165.0	166.4
Other assets	5.7	7.5
Borrowings	71.7	71.7
Payables	30.2	34.8
Lease liabilities	260.1	244.5
Deferred revenue	57.7	67.2
Provisions	9.2	9.1
Tax and other liabilities	7.3	2.8
Net assets	**278.0**	**266.6**

Inventory – On hand

	ANZ DCs	ANZ showrooms	UK DC	UK showrooms	Total
Dec 2025	13.6	23.0	1.6	3.8	42.0
Jun 2025	15.7	23.5	1.9	3.5	44.6

Intangibles

Includes $126m of goodwill and brand value acquired in 2021 as part of the Plush acquisition and $36m of goodwill recognised as part of the Fabb Furniture UK acquisition in 2024.

Borrowings

$43.7m of borrowings unchanged over the period relate to property debt secured at less than 30% LVR.

Corporate debt $28m at 31 December 2025, also unchanged over the reporting period.

Nick Scali in the UK

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UK Summary

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Written Sales Orders

- Sales orders continued to improve during the half as more stores were rebranded.
- 4 rebranded Nick Scali stores trading LFL in January 2025 showed growth of 32%.

Margin

- 1H FY26 gross margin 59.2% (net of interest free subsidy).
- Margin is expected to improve over the medium term.

Distribution

- Progress has been made in restructuring the customer delivery model to reduce margin leakage.

Leadership

- Further consolidation of UK head office roles as Australian operational processes are adopted in the UK, driving greater efficiency across the group.
- Focus remains on retail teams in stores.
- Evaluating and seeking new store opportunities.

Product

- Best sellers in the UK in line with best sellers in Australia.
- New product introductions based on Australian performance.

Pathway to Profitability

- Breakeven position $51m of sales revenue.
- New stores critical for profit growth.
- Increased brand awareness.

Store Network

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	June 25	New locations[3]	Dec 25	Long term Opportunity[1]
Nick Scali				
Australia	60	-1	59	73
New Zealand	5	–	5	13
	65	-1	64	86
Plush				
Australia	45	1	46	85-90
New Zealand	–	–	–	05-10
	45	1	46	90-100
ANZ Total	**110**	**0**	**110**	**180-200**
UK	20	-1	19	60-70
Total [2]	**130**	**-1**	**129**	**240-270**

- New Plush showroom opened Nov 25 in Bendigo, VIC.
- Five further new stores for FY26 (3 Nick Scali, 2 Plush), bringing total planned new stores in FY26 to 6 new locations.
- UK Lincoln store closed Oct 25 at end of lease and not suitable to rebrand to Nick Scali as part of the ongoing optimisation of the UK store network.
- The UK refurbishment program is mostly complete with 16 stores converted to the Nick Scali store design, branding and product range.
- A number of new store locations in the UK are under negotiation.

[1] *Opportunity is based on demographic data and proximity to existing showrooms. Timing of store rollout is dependent on site availability and commercial terms.*
[2] *Total excludes clearance stores and on-line.*
[3] *New locations represents net movement of new store locations offset by closed store locations*

Outlook

ANZ

Written sales for the month of Jan 26 increased by 3.1%, like for like written sales increased 3.2%.

During the second half a further 5 new stores are planned for opening with additional opportunities currently being reviewed.

UK

With the store refurbishment now mostly complete material improvements are being seen in written sales compared to prior year.

Total January written sales were $6.7m. For the 4 LFL stores written sales were up 32% compared to last year.

A number of potential new UK stores are currently under negotiation.

Disclaimer & Important Information

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This document should be read in conjunction with the FY26 Half Year Results Announcement and FY26 Appendix 4D.

Authorised for release by the Board of Nick Scali Limited.

Supporting Information

Appendix A – Underlying Group NPAT Reconciliation $m

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	1H FY26 Statutory	1H FY25 Statutory	UK Restructuring & integration costs	ANZ costs resulting from freight forwarder business failure	1H FY25 Underlying
Sales Revenue	**269.3**	**251.1**	**–**	**–**	**251.1**
Cost of sales	(93.1)	(94.8)	–	–	(94.8)
Gross Profit	**176.2**	**156.3**	**–**	**–**	**156.3**
Gross Margin %	65.4%	62.3%	–	–	62.3%
Other income	3.0	2.9	–	–	2.9
Operating expenses	(80.9)	(79.4)	1.3	2.8	(75.3)
Depreciation and amortisation	(28.1)	(27.0)	–	–	(27.0)
Finance costs	(8.9)	(8.5)	–	–	(8.5)
Profit before tax	**61.3**	**44.3**	**1.3**	**2.8**	**48.4**
Income tax	(20.3)	(14.3)	–	(0.9)	(15.2)
Profit after tax	**41.0**	**30.0**	**1.3**	**1.9**	**33.3**

Appendix B – Underlying EBITDA and EBIT Reconciliations[1] $m

	1H FY26 ANZ	1H FY26 UK	1H FY26 Group	1H FY25 Group
Profit (loss) before tax	**66.9**	**(5.6)**	**61.3**	**48.4**
Finance costs	8.0	0.9	8.9	8.5
Interest income in Other income	(1.6)	(0.1)	(1.7)	(2.1)
Depreciation and amortisation	23.6	4.5	28.1	27.0
EBITDA	**96.9**	**(0.3)**	**96.6**	**81.8**
Depreciation and amortisation	(23.6)	(4.5)	(28.1)	(27.0)
EBIT	**73.3**	**(4.8)**	**68.5**	**54.8**

[1] *EBITDA and EBIT are based on finance costs net of $1.7m (FY25 $2.1m) interest income included in Other income.*

Appendix C – Lease Expense $m

	1H FY26 Group	1H FY26 ANZ	1H FY26 UK	1H FY25 Group
Property Expense	9.2	7.1	2.1	8.8
AASB16 depreciation expense	23.9	19.8	4.1	23.4
AASB16 Interest Expense	6.8	5.9	0.9	6.2
Total property expenses statutory	**39.9**	**32.8**	**7.1**	**38.4**
AASB16 depreciation expense	(23.9)	(19.8)	(4.1)	(23.4)
AASB16 Interest Expense	(6.8)	(5.9)	(0.9)	(6.2)
Lease period obligations not included in statutory property expense	29.6	25.3	4.3	28.0
Lease expense pre AASB16	**38.8**	**32.4**	**6.4**	**36.8**
Statutory expense compared to pre AASB16	**1.1**	**0.4**	**0.7**	**1.6**