Sales Resilience Through 2nd Quarter

- **Third consecutive quarter of positive growth**
- **2nd Quarter Group Sales $193.4 million, +0.25%**
- **1st Half Group Sales $374.2 million, +0.79%**
- **1st Half Group Online Sales Growth, +2.07%, +$1.5 million**
- **1st Half Online Sales Mix 19.60% vs 19.36% Last Year**
- **New rewards system launched for Rebel Sport Club**
- **Reported Net Profit after Tax (NPAT) expected to be not less than $27 million**

The directors of Briscoe Group Limited (NZX/ASX code: BGP) announce unaudited sales for the 13-week second quarter ended 26 July 2026 of $193.4 million, an increase of 0.25% on the $192.9 million reported for the same period ended 27 July 2025.

Group sales for the first half, comprising the 26-week period ended 26 July 2026, were $374.2 million, an increase of 0.79% on the $371.3 million reported for the corresponding period last year.

Group Managing Director Rod Duke said, “We’re pleased to report a third consecutive quarter of positive sales growth despite economic conditions remaining challenging and consumer confidence continuing to recover only gradually.

“Sporting goods delivered a pleasing result, increasing 4.84% for the quarter. Sales benefited from strong customer engagement generated by a number of significant sporting events and successes during the period. The FIFA World Cup, Auckland FC's A-League triumph, the Warriors' strong NRL campaign and the All Blacks' successful home programme in the Nations Championship all helped generate excitement and a stronger connection with sport among New Zealand consumers. Homewares sales were below last year, declining 2.17%, reflecting lower-than-expected demand for heating products due to a milder start to winter, weaker luggage sales as geopolitical tensions affected travel activity, and ongoing pressure on discretionary consumer spending in general. Across the first half, Group sales increased 0.79%, with sporting goods increasing 2.56% and homewares decreasing 0.30%.

“Our online business continues to perform well with Group online sales increasing 2.07%, representing first-half growth of $1.5 million. Online sales represented 19.60% of total Group sales compared to 19.36% last year.

“During the half we also launched the next iteration of our Rebel Club loyalty scheme, introducing a new rewards system to drive frequency and transaction value, deepen customer engagement and improve personalisation.

“Gross profit percentage is expected to show further progress against the rate of decline experienced during last year. Group gross profit percentage for the first half is currently expected to be around 57 basis points below the prior corresponding period, a material improvement on the 115 basis point decline reported for the full year last year. This is especially encouraging given that we estimate the weaker New Zealand dollar diluted margin by around 30 basis points. This improvement reflects the benefit of initiatives implemented over the past eighteen months, although retail conditions remain highly promotional and consumers continue to be very responsive to price and promotional activity. Ongoing geopolitical tensions in the Middle East have added to cost pressures and broader economic uncertainty. Preserving sales momentum while rebuilding gross profit percentage remains a delicate balance and continues to require careful judgement from our merchandise and marketing teams.

“Inventory also remains well controlled, with half-year inventory expected to be approximately $1 million below last year

“Profitability for the first half will also reflect several anticipated items. These include net interest income expected to be approximately $1.9 million lower than last year, around $1.8 million of additional operating costs associated with the new distribution centre and approximately $0.9 million of one-off expenditure in relation to SAP S/4HANA implementation. These amounts are before tax.

“These costs will be partly offset by an expected net lease accounting benefit of approximately $2.0 million before tax associated with the early surrender of the previous distribution centre lease, after taking into account all lease-related costs arising from the transition to the new facility.

“Importantly, these costs represent an investment in the Group’s future operating capability. The substantial inventory, productivity, service and efficiency benefits expected from the distribution centre project will begin to emerge this year now that operational throughput levels are exceeding those in comparison to the previous distribution centre. More significant benefits will be progressively realised next year as automation is fully commissioned and optimised by the end of this financial year.

“Although economic conditions remain difficult and recovery continues to be slower than anticipated, we are encouraged by the sales resilience achieved during the first half. With the new distribution centre now operational, Rebel Club launched, and SAP S/4HANA progressing, we continue to invest for the long term. The additional operational costs from the new distribution centre and SAP project costs account for the difference in profit shortfall when compared to last year’s first half.

“Based on trading to date and subject to completion of normal half-year closing processes, the Group currently expects reported net profit after tax for the six months ending 26 July 2026 to close at not less than $27 million.

“The Board remains confident in the Group’s strategic direction, financial position and long-term growth opportunities.”

Briscoe Group expects to release its half-year results on 16 September 2026, including declaration of an interim dividend.

Monday 3 August 2026.

Contact for enquiries:
Rod Duke
Group Managing Director
Tel: +64 9 815 3737