

# Full Year

31 January, 2021

**RETAIL  
IS OUR  
WORLD.**







# Contents

- ▶ FY January 2021 Highlights
- ▶ Sales Growth
- ▶ Gross Profit Growth
- ▶ Net Profit After Tax
- ▶ Strategy Update
- ▶ How We Will Continue To Win





# FY January 2021 Highlights

## Record sales across all channels

- ▶ Group sales +7.47% to \$701.8m
- ▶ Homeware sales +6.89% to \$439.2m
- ▶ Sporting goods sales +8.45% to \$262.6m
- ▶ Group online sales +79.65% (18.81% of Group Sales)

## Omni strategy delivery

- ▶ Online sales 18.81% of total sales
- ▶ Nationwide online fulfilment capability enhanced significantly
- ▶ Click and Collect established early 2020 across all stores

## Strong gross margin performance

- ▶ Gross margin % up 433bps to 43.76%
- ▶ Focus on margin enhancement across all stages of product life cycle

## Record NPAT

- ▶ NPAT up 16.96% to \$73.2m

## Excellent cash generation

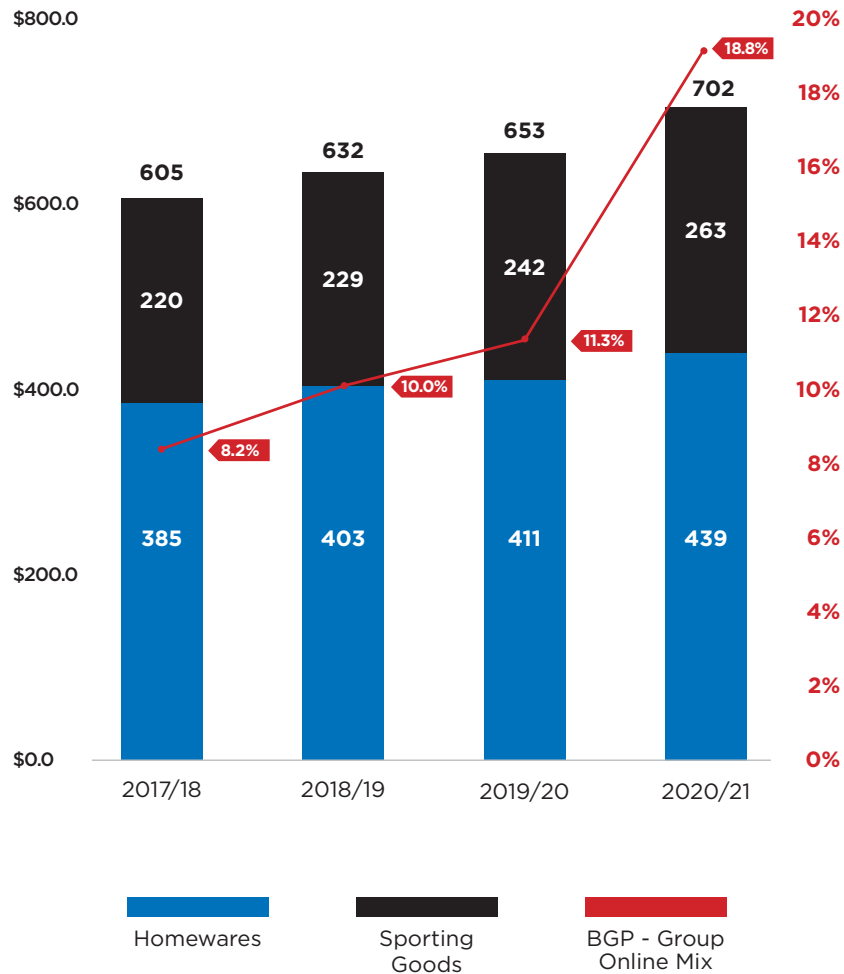
- ▶ Net cash at period end of \$100.4m
- ▶ 6.00 cents per share special dividend paid January 2021
- ▶ 13.50 cents per share final dividend declared

## Managing our response to Covid-19

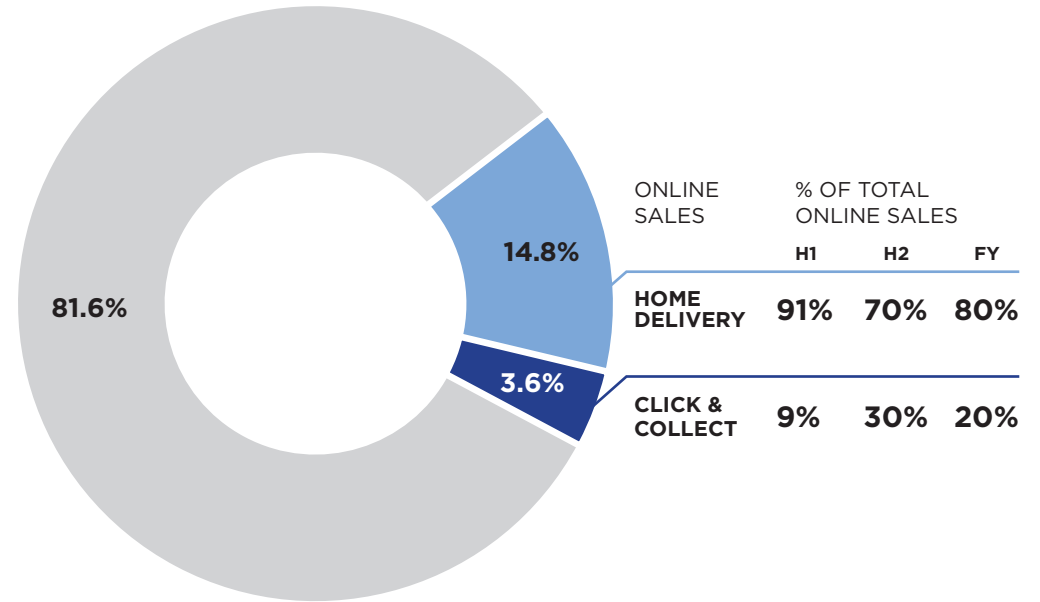
- ▶ Health and wellbeing of team and customers our top priority
- ▶ Accelerated our strategic initiative programme already underway
- ▶ All team paid in full throughout lockdowns
- ▶ No redundancies or permanent store closures
- ▶ \$11.5m Government Wage Subsidy repaid in full

# Sales Growth

## Group Sales (\$ million)



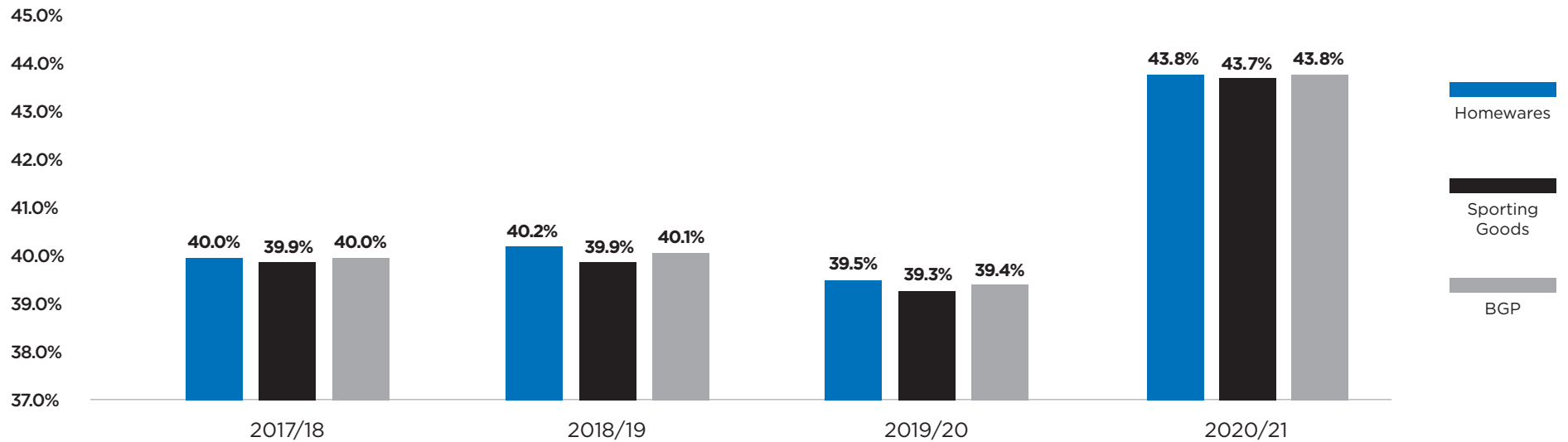
## Group Sales by Channel



ONLINE SALES	% OF TOTAL ONLINE SALES		
	H1	H2	FY
HOME DELIVERY	91%	70%	80%
CLICK & COLLECT	9%	30%	20%

**85.2% of total sales involve a customer visiting a store**

# Gross Profit %

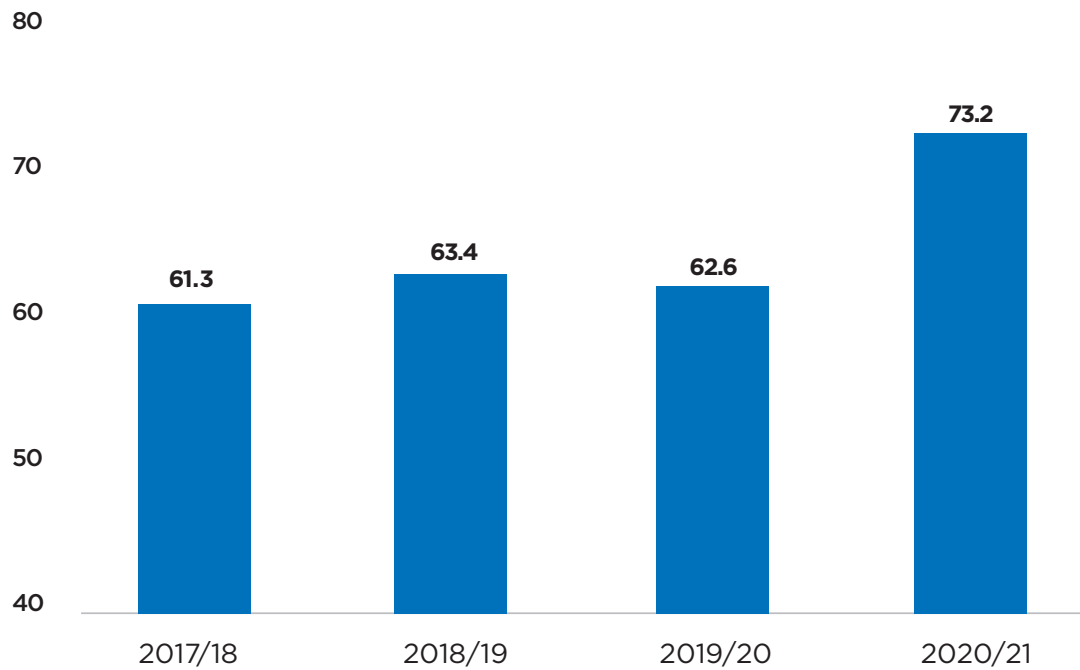


- ▶ Strong increase in margin across both homeware and sporting goods
- ▶ Focus on margin enhancement across all stages of product life cycle
  - Optimise pre-season planning and buying processes
  - Use of enhanced data analytics to maximise seasonal trading events
  - Improve inventory flow to shelf for new and replenishment product
  - Reduce level of clearance product





# Net Profit After Tax (\$ million)

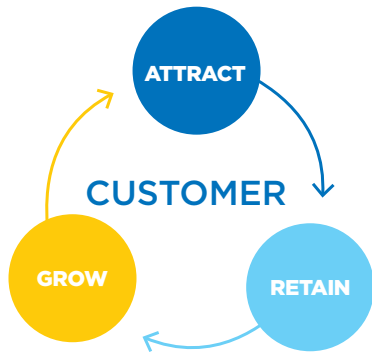


- ▶ 2020/21 NPAT up 16.96% to \$73.2m
- ▶ \$11.5 Government Wage Subsidy repaid in full
- ▶ No Kathmandu dividend received during 2020/21 (Last year \$6.8m)
- ▶ Focus on inventory, costs and internal processes



# Strategy Update

## - Projects on track and delivering to plan



### 2020/21 Achievement

- ▶ Completion of enhanced online platform.
- ▶ Accelerated nationwide roll-out of Click and Collect.
- ▶ Creation of customer segmentation analytics. Providing a deeper understanding of customer behaviour.
- ▶ Increased customer satisfaction levels, Briscoes up to 75 (up 1.2 on Ly) and Rebel 63 (up 3.8 on Ly)
- ▶ Active customer base increase of over 20%.

### Key focus for 2021/22

- ▶ Deliver mobile solutions for store team members and reinvest time to increase customer service levels.
- ▶ Increased speed of development for customer experience enhancements both in-store and online.
- ▶ Launch of new automated email CRM automation tool.



- ▶ Further nationwide expansion of our Online order fulfilment – delivering over 1.5m customer parcels.
- ▶ Optimisation of our online picking process.
- ▶ Embedded the strategic partnership with KPMG.

- ▶ Enhanced data analytics capability to increase product availability.
- ▶ Optimised supply chain efficiency to reduce split parcels and optimise online profitability.
- ▶ Complete future DC network modelling analysis.



- ▶ Completed the software development for extended online product ranging.
- ▶ Optimised delivery fee profile.

- ▶ Leverage DTC capability to test new incremental product categories online and in store.
- ▶ Proactively reviewing new retail brand opportunities.



## How We Will Continue To Win

- ▶ Retail brands appealing to a wider range of customers. Global leading branded offer, providing quality, value and style.
- ▶ Strong trading performance across Homewares and Sporting goods
- ▶ High performing Leadership team and strong team engagement
- ▶ Digital growth accelerated by new platform and increased internal resource
- ▶ Strong Balance sheet and Cash position to fund strategic investment
- ▶ Strategic programs defined and embedded over past 12 months.
- ▶ Strong partnership with KPMG with a shared focus of value creation
- ▶ Shared values, strong strategic relationships and a commitment to continue to do the right thing for the long term growth for all our stakeholders.