

**THE
WAREHOUSE
GROUP**

2026 Interim Results

**// 26 weeks ending
Sunday 1 February 2026**



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Chair update

// John Journee
Chair

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Chair update

The Group is on the right path and execution is improving



Sales
\$1.6bn

Up 0.3% on FY25 H1
Like for like same store sales¹ up 0.5% on FY25 H1



Gross Profit
\$520.5m

Down 0.2% on FY25 H1
Gross Profit Margin 32.3%



Operating Profit²
\$26.9m

Up 37.7% from FY25 H1

- / While there are green shoots appearing, the retail environment remains challenging. Families continue to face cost-of-living pressure, confidence is fragile and conditions remain volatile.
- / Against that backdrop, the Group has delivered a solid result – holding sales, reducing costs and improving profitability.
- / New management and a brand-led operating model are in place, with retail fundamentals being re-established.
- / There is more to do to restore sustainable returns. In a tight economy, with subdued consumer spending and added uncertainty from international conflict in the Middle East, realising the full potential of our brands will take time.
- / The Board have made the decision not to pay an interim dividend given the half year results and the current and ongoing economic uncertainty.
- / The Board and management are aligned and working closely together to rebuild shareholder value and return to paying dividends.



Group update

// Mark Stirton
Group CEO



Macroeconomic context in the first half

- ✓ **Consumer Confidence** lifted from 101.5 to 107.2 in January, the highest level since August 2021¹.
- ✓ The proportion of households thinking **it's a good time to buy a major household item rose 2 points** to +1.
- ✓ 55% of consumers describe their financial position as "**comfortable**" in January 2026².
- ✓ **Farmer confidence** remains elevated but down on the near-record highs in early 2025³.
- ✗ **Inflation remains high** at 3.1% but is expected to rise further⁴.
- ✗ **Unemployment** hit a 10 year high of 5.4% in December⁴.
- ✗ Consumers are still cautious, repaying debt, and **confidence is taking time to flow through** to meaningful discretionary spend.
- ✗ New Zealand **GDP still muted** at annual growth rate of 0.2%⁴.



“
Saving more money tops Kiwis' priorities for 2026 alongside health and family time.

Core categories top the list of planned spending next year.⁵
”

FY26 H1 highlights

In a volatile environment we delivered a solid result

- / Held sales, reduced costs and improved profitability by staying disciplined.
- / A **standout result for Warehouse Stationery**, our smallest brand and the fastest to turn around.
- / Strong profit wedge achieved in **Noel Leeming with operating profit** exceeding FY25 full year profit in H1 FY26.
- / Customers are responding well to our new ranges, brand and store changes, with **foot traffic and conversion up again** at The Warehouse.
- / **Strong trading** across Black Friday, Christmas and Back to School.
- / Enhanced visual merchandising is **supporting category growth**, particularly in Health & Beauty.
- / As newer ranges landed in Q2, we relied less on discounting and delivered **higher levels of full price sales**.
- / New **leaner operating model** to help improve profitability and deliver better value over the long term.



Making headway on retail fundamentals

Plan & buy

- / New merchandise **strategy** and **governance** developed.
- / Key **talent capability** recruited.
- / Supply **base broadened** and new agents introduced.
- / **Retail planning discipline** strengthened to improve margin and inventory management.

Move

- / Dedicated **supply chain role** on executive team.
- / Shipping supplier changed, improving **visibility, cost and control**.
- / Delivery windows improved and **complexity removed** from container flows.
- / Supply chain review underway to **improve cost to serve**.

Sell

- / Store **growth pipeline identified** starting with The Warehouse and Noel Leeming Mangawhai.
- / Store experience and visual merchandising **uplift projects underway**. Top international talent added.
- / **First flagship store format** remodelling plans underway.
- / Brand identity and customer **research completed**.
- / Media **efficiency reviewed**.
- / MarketMedia (retail media) **strategy expanded**.



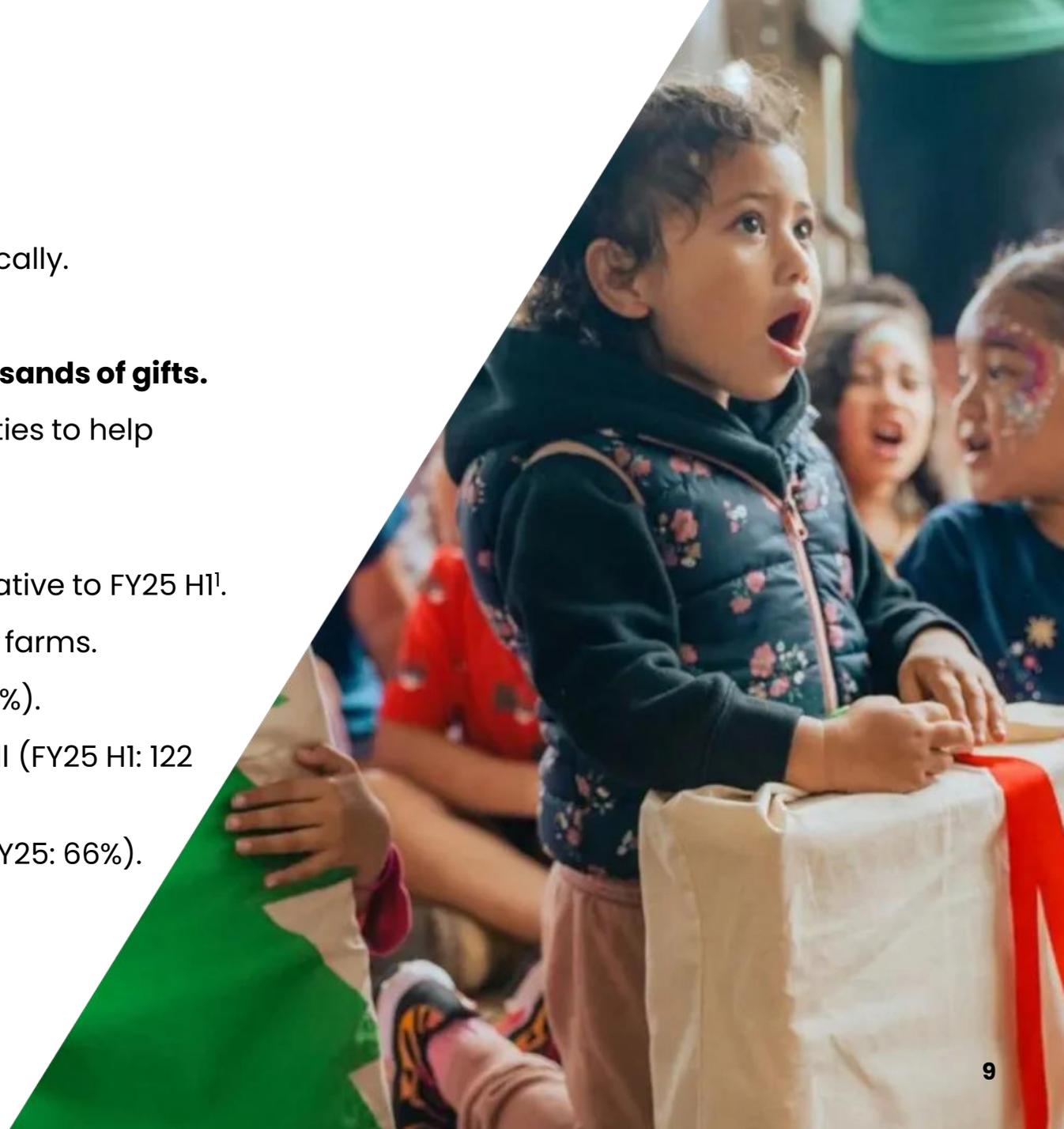
Doing good is in our DNA

Community

- / Raised nearly **\$700,000** from our Red Bag to give back locally.
- / Santa visited 19 towns and took **2,371 family photos**.
- / Christmas Be the Joy campaign **raised \$250k+ and thousands of gifts**.
- / **Over 1,000 more team members** hired in local communities to help with Christmas trade.

Environment

- / Scope 1 & 2 market-based **emissions decreased 80%** relative to FY25 H1¹.
- / 183 stores and sites powered by Lodestone Energy's solar farms.
- / **Diverted 79%** of operational waste from landfill (FY25 : 80%).
- / **147 tonnes of post-consumer waste** diverted from landfill (FY25 H1: 122 tonnes).
- / 69% of private label sales with **sustainable packaging** (FY25: 66%).



Financial performance

// Stef Knight
Group CFO



Group financial performance

\$ million	FY26 H1	FY25 H1	Variance
Sales revenue	1,612.1	1,607.2	0.3%
Gross Profit	520.5	521.7	-0.2%
Gross Profit Margin %	32.3%	32.5%	(20)bps
Cost of doing business (CODB) ²	493.6	502.2	-1.7%
CODB %	30.6%	31.3%	(70)bps
Operating Profit³	26.9	19.5	37.7%
Operating Profit Margin %	1.7%	1.2%	50bps
Adjusted NPAT ⁴	17.9	10.7	67.1%
Reported NPAT⁵	15.7	11.8	33.6%

- **A solid result in a tough economic environment with constrained customer spending**
- Group sales increased 0.3%, up 0.5% on a like for like same store sales basis¹.
- Like for like sales growth driven by strong units growth, up 1.5%, but offset by ASP down 1.7%.
- Gross profit margin decreased 20bps – declined in Q1 as we cleared FY25 winter stock in The Warehouse, but improved in Q2 with new ranges and less clearance.
- Cost reset programme delivered CODB down 1.7%, decreasing 70bps as a percentage of sales.
- Operating Profit grew 37.7% to \$26.9 million, and increasing operating margin to 1.7% of sales – driven by Warehouse Stationery and Noel Leeming.

1. Like for like same store sales compares 26 weeks ending 1 Feb 2026 with 26 weeks ending 2 Feb 2025, excludes online sales and removes the impact of opening and closing stores year on year.

2. Cost of Doing Business (CODB) excludes the impact of NZ IFRS 16, unusual items, and is a non-GAAP measure.

3. Operating Profit excludes the impact of NZ IFRS 16 and unusual items and is a non-GAAP measure. For a reconciliation between Operating Profit and Reported EBIT refer to Slide 26 of this presentation and Note 3 of the interim financial statements for the 26 weeks ended 1 February 2026.

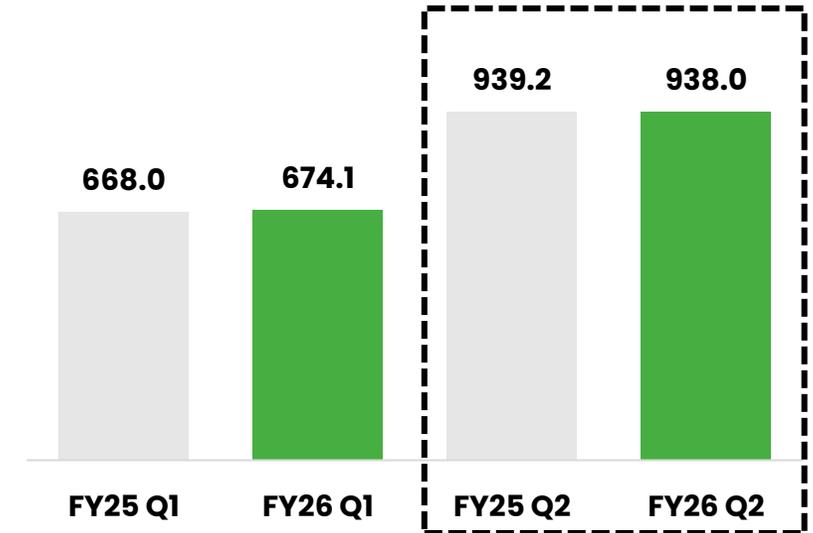
4. Adjusted NPAT before unusual items and is a non-GAAP measure. For a reconciliation between Adjusted and Statutory NPAT refer to Note 4 of the interim financial statements for the 26 weeks ended 1 February 2026.

5. Reported NPAT is net profit after tax attributable to shareholders.

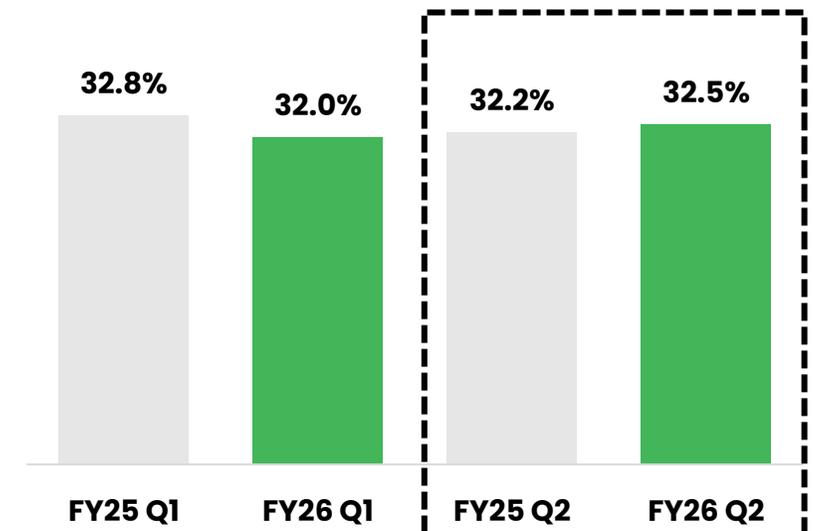
Quarterly performance

- FY26 Q1 saw sales growth of 0.9% at the cost of gross profit margin which decreased 80bps¹.
- Gross margin declined 80bps in Q1 with margin growth in Warehouse Stationery and Noel Leeming offset by The Warehouse as it dealt with unproductive stock levels, carried over from FY25 winter.
- FY26 Q2 sales were broadly flat with sales growth in Nov/Dec offset by weather impacts in January.
- **Gross margin momentum improved in Q2, up 30bps:**
 - Warehouse Stationery delivered exceptionally strong sales growth at higher margins.
 - Noel Leeming margins grew strongly with sales growth in high margin categories of Computers, Whiteware and Services.
 - Softer sales in high margin categories like Home, Apparel and stronger sales in FMCG, Leisure and Toys, resulted in lower gross profit margin at The Warehouse.

Group Sales (\$m)



Group Gross Profit Margin

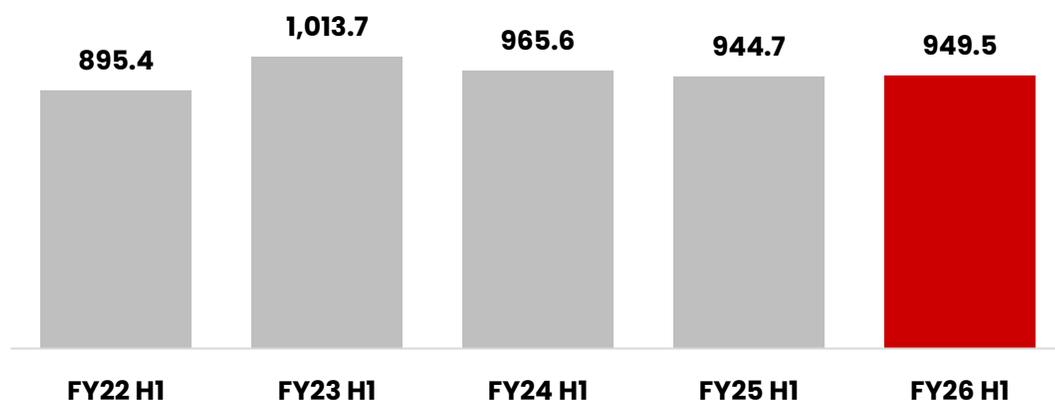


The Warehouse

\$million	FY26 H1	FY25 H1	Variance
Sales	949.5	944.7	0.5%
Operating Profit (EBIT pre-IFRS16)	9.1	12.5	-27.2%
Operating Margin %	1.0%	1.3%	(30)bps
Online sales	43.9	44.3	-0.9%
Online as % of sales	4.6%	4.7%	(10)bps
Number of stores	84	85	(1)
Rolling 12-month Sales density ²	\$3,986	\$3,785	5.3%

- Like for like same store sales¹ increased 1.2% – driven by store traffic up 0.5% and conversion up 1.0%.
- Total units sold increased 1.7%, while ASP decreased 1.9%.
- Sales growth in FMCG continues, lead by emerging Health and Beauty category. Toys held its number one position in the market.
- Gross profit margin decreased 110bps in the half year. Margin in Q1 was impacted due to higher clearance, higher freight, and required stock provisioning. Gross margin performance improved in Q2 across most categories, supported by lower promotional and clearance activity.
- Group CODB overheads remain too high and continue to suppress Operating Profit (\$9.1 million).
- The Warehouse Tory Street Wellington closed in May 2025, impacting sales.

The Warehouse historical sales (\$m)



Same store sales¹
+1.2%



Store foot traffic¹
+0.5%



Store traffic sales conversion¹
+1.0%



Basket Value¹
(0.2%)

1. Like for like same store sales compares 26 weeks ending 1 Feb 2026 with 26 weeks ending 2 Feb 2025, excludes online and removes the impact of opening and closing stores year on year.
2. Sales density is calculated as total sales (including online) for the rolling 12 months divided by average store square metres.

The Warehouse

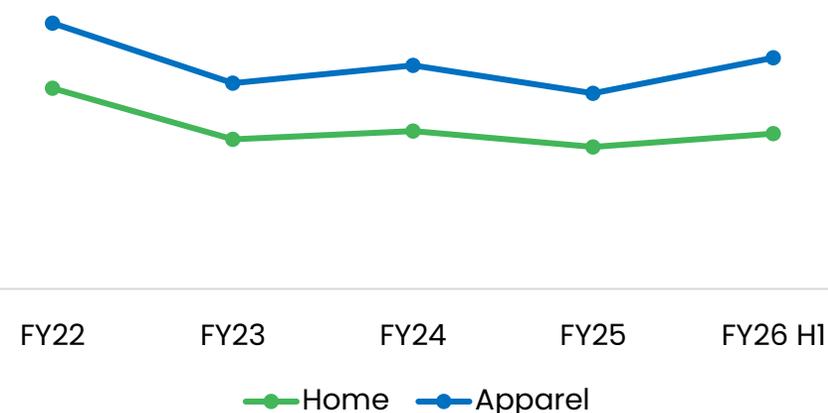
Where we're making progress

- ✓ Foot traffic up 0.5% - 1.5 million New Zealanders through our stores every week.
- ✓ Home - units up 4.2% in a competitive environment, driven by lower ASP down 5.3%.
- ✓ Apparel - good ASP growth up 2.2%, offsetting lower units sold down 3.4%.
- ✓ Conversion up 1.0% to 55.4%.
- ✓ The Warehouse inventory on hand is down 10.3% with improved stock turn, despite aged inventory carry.
- ✓ Aged inventory at 14.4% compared with FY25 YE at 25.3%.
- ✓ Improved margin on FMCG by increasing Health & Beauty and optimising the grocery offering.

Critical Success Factors

- ➔ We have more work to do on home and apparel. New merchant processes combined with sourcing changes will improve sales execution, margins and reduce clearance.
- ➔ Improved integrated supply chain - merchandise flow into the business is currently costly and inefficient. Improved supply chain programme is a key imperative to inventory performance and reducing cost to serve.
- ➔ Reinvigorate our brands to increase customer reappraisal.

Home and Apparel cash gross margin %



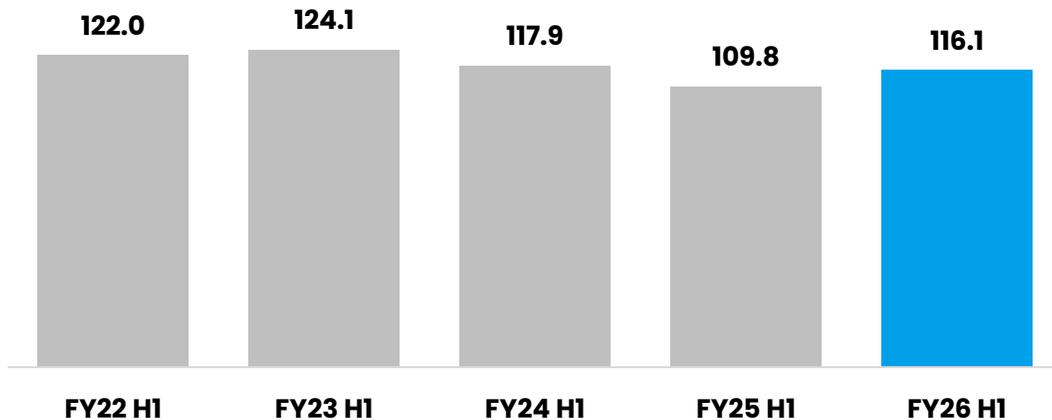
Warehouse Stationery



\$million	FY26 H1	FY25 H1	Variance
Sales	116.1	109.8	5.7%
Operating Profit (EBIT pre-IFRS16)	8.1	2.4	243.0%
Operating Margin %	7.0%	2.2%	480bps
Online sales	7.3	7.4	12.2%
Online as % of sales	7.2%	6.8%	40bps
Number of stores	67	66	1
Rolling 12-month Sales density ²	\$4,460	\$4,342	2.7%

- Warehouse Stationery was the standout performer with sales up 5.7% and strong growth across all categories.
- FY26 H1 sales included the last week of January (the biggest week of Back to School trade), this week occurred in FY25 H2.
- Like for like same store sales¹ increased 1.8% - driven by standalone store traffic up 1.8% and conversion up 1.4%.
- Total units sold increased 0.6% and ASP increased 1.8%.
- Price resets and lower clearance due to good stock control has led to gross profit growing faster than sales, delivering gross profit margin up 170bps, back to FY23 levels.
- Warehouse Stationery converted Sylvia Park store to a SWAS and opened a new store in Tory Street, Wellington.

Warehouse Stationery historical sales (\$m)



Same store sales¹
+1.8%



Store foot traffic²
+1.8%



Store traffic sales conversion²
+1.4%



Basket Value¹
(0.4%)

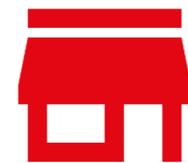
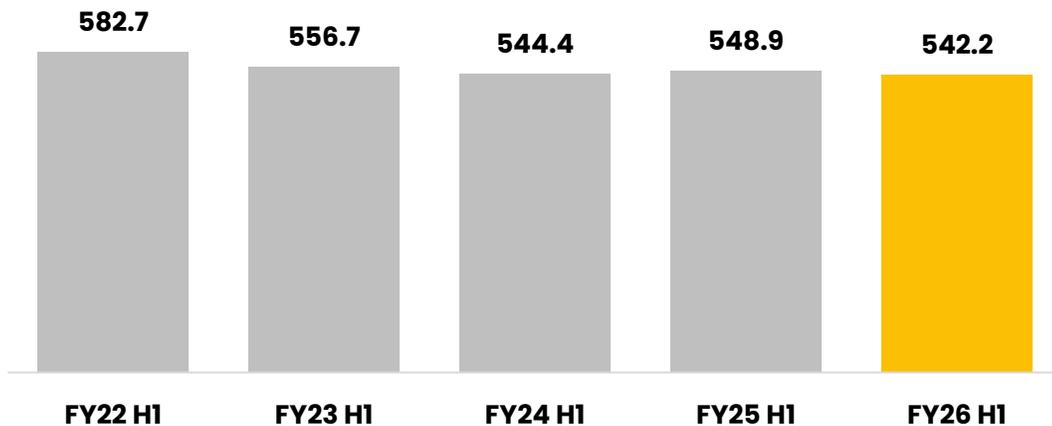
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- Like for like same store sales compares 26 weeks ending 1 Feb 2026 with 26 weeks ending 2 Feb 2025, excludes online and removes the impact of opening and closing stores year on year.
- Warehouse Stationery store foot traffic and conversion is for standalone stores only.
- Sales density is calculated as total sales (including online) for the rolling 12 months divided by average store square metres.

\$million	FY26 H1	FY25 H1	Variance
Sales	542.2	548.9	(1.2)%
Operating Profit (EBIT pre-IFRS16)	12.9	8.5	52.0%
Operating Margin %	2.4%	1.6%	80bps
Online sales	66.8	58.5	14.2%
Online as % of sales	12.3%	10.7%	170bps
Number of stores	66	66	-
Rolling 12-month Sales density ²	\$12,899	\$12,533	2.9%

- Sales declined 1.2% compared to FY25 H1, reflecting a strong comparative period with elevated Flybuys redemption sales.
- While like for like same store sales¹ decreased 1.3%, lower store sales were offset by very strong online sales, up 14.2%.
- Total units sold decreased 4.4%, while ASP increased 3.9%.
- Category sales growth was achieved in cellular aided by 3G shutdown, computers, and whiteware.
- Focus on strengthening profitability in a highly competitive market delivered 90bps growth in gross profit margin.
- Disciplined cost control delivered Operating Profit of \$12.9m, up 52.0% on FY25 H1, and higher than FY25 full year.

Noel Leeming historical sales (\$m)



Same store sales¹
(1.3%)



Store foot traffic¹
(3.1%)



Store traffic sales conversion¹
(4.2%)

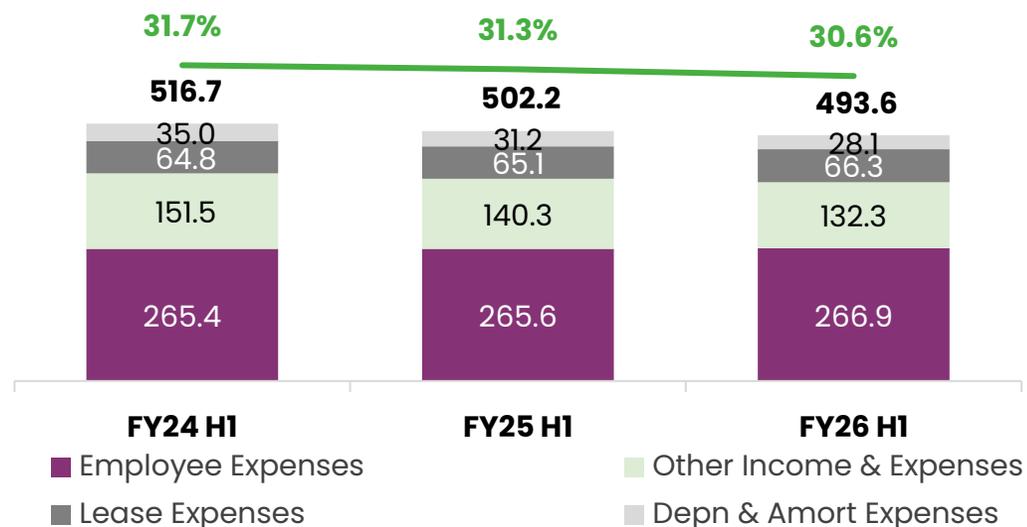


Basket Value¹
+6.3%

1. Like for like same store sales compares 26 weeks ending 1 Feb 2026 with 26 weeks ending 2 Feb 2025, excludes online and removes the impact of opening and closing stores year on year, and excludes Noel Leeming Commercial sales.
2. Sales density is calculated as total sales (including online) for the rolling 12 months divided by average store square metres.

Disciplined cost control delivering results

CODB by category (\$m)



CODB by allocation

\$million	FY26 H1	FY25 H1	Variance
Brand costs	352.6	348.1	1.3%
SSO costs	112.9	122.9	-8.1%
Depn. & Amort. expenses	28.1	31.2	-10.1%
Total CODB	493.6	502.2	-1.7%

- **CODB¹ reduced by 1.7% to 30.6% of sales as we start to see benefits of our cost reset programme, as we aim for CODB to be less than 31%.**
- Due to the seasonality of sales in H1, CODB as a percentage of sales is always lower in H1 and is expected to normalise in the second half.
- Employee expenses increased slightly - including increases in store and DC labour, but offset with a 9.6% reduction in SSO labour.
- Depreciation decreased 10.1%, following 7.4% reduction in FY25, through reduced capital spend.
- Other income and expenses decreased 5.7%, primarily driven by savings in IT running costs and SaaS² spend, lower non-labour store costs, and increased MarketMedia revenue.
- Brand costs increased 1.3%, lower than inflation. Distribution costs increased 5.5%; excluding these DC costs, brand costs would have only increased 0.7%.
- SSO costs continued to decrease reducing 8.1% in FY26 H1, following 7.8% reduction in FY25.
- The full effect of the cost reset programme is not expected until FY27, including the recent SSO restructure and TCS arrangements.

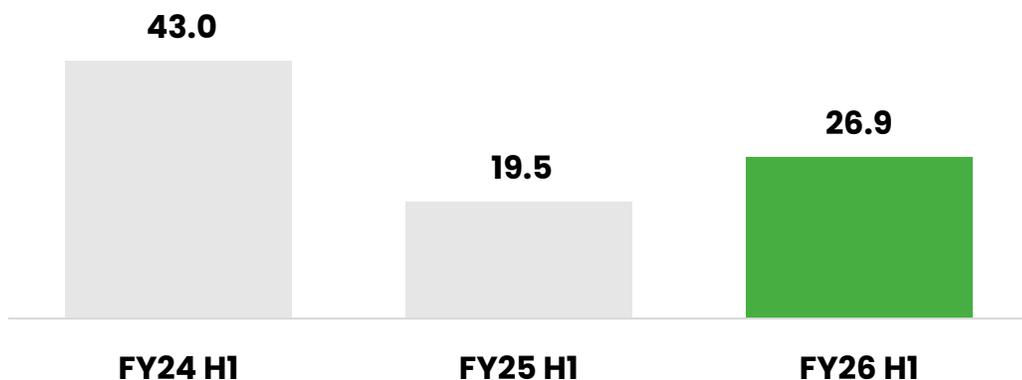
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1. Cost of Doing Business (CODB) excludes the impact of NZIFRS16, unusual items, and is a non-GAAP measure.
2. Software as a Service.

Growth in Operating Profit

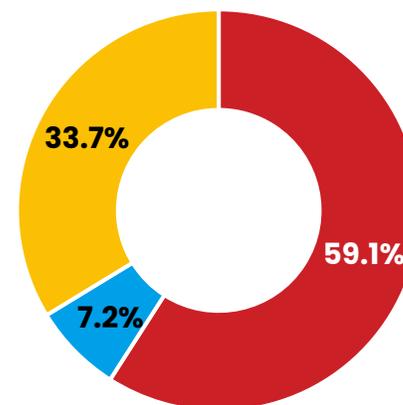
FY26 H1 Operating Profit¹ (\$m)



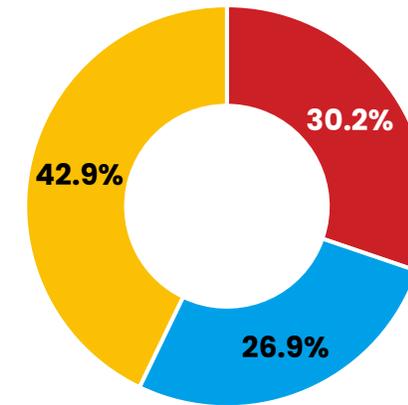
	FY26 H1	FY25 H1	Variance
Brand Profit³	167.9	173.6	-3.3%
SSO Costs	(112.9)	(122.9)	-8.1%
Depreciation	(28.1)	(31.2)	-10.1%
Group Operating Profit	26.9	19.5	37.7%

- Brand Profit decreased 3.3% compared to FY25 H1 due to the small decrease in gross profit (down 0.2%), and 1.3% increase in Brand CODB costs.
- However, disciplined cost control at SSO, including our partnership with TCS, and lower depreciation has delivered significant increase in overall Group Operating Profit, up 37.7% to \$26.9 million.

Brand % of Sales²



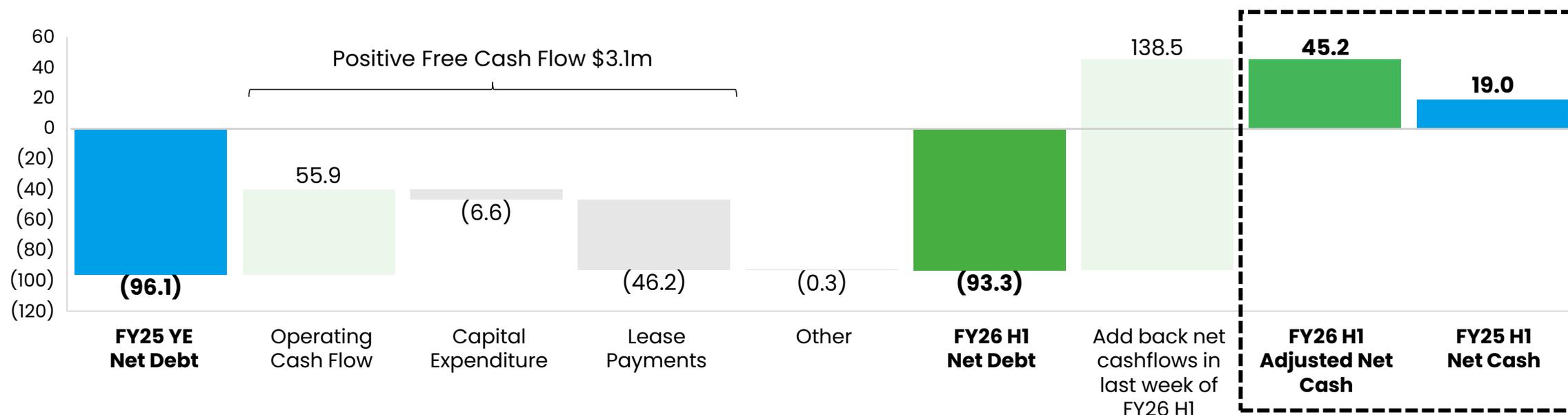
Brand % of Operating Profit²



■ The Warehouse ■ Warehouse Stationery ■ Noel Leeming

1. Operating Profit excludes the impact of NZ IFRS 16 and unusual items and is a non-GAAP measure. For a reconciliation between Operating Profit and Reported EBIT refer to Slide 26 of this presentation and Note 3 of the interim financial statements for the 26 weeks ending 1 February 2026.
 2. Sales and Operating Profit excluding other group operations and eliminations.
 3. Brand profit is gross profit less brand costs before SSO costs and Depreciation.

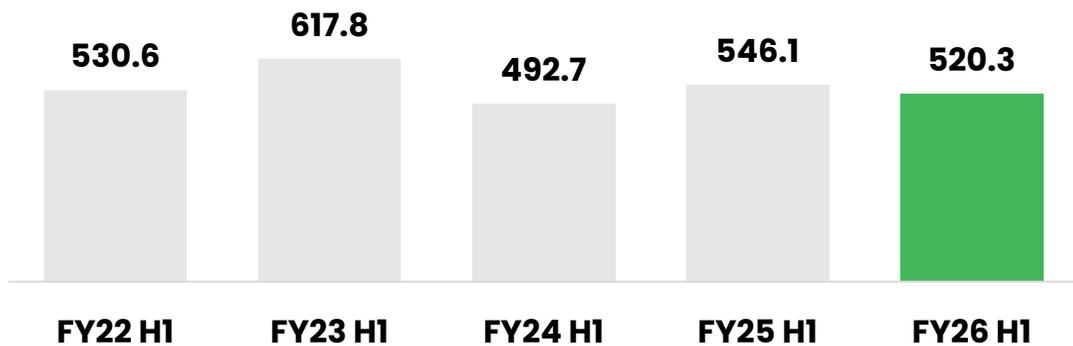
Net debt and working capital



- **Average daily bank borrowings decreased \$52.0 million** in FY26 H1 compared to FY25 H1, which combined with a reduction in interest rates, resulted in **62.9% lower interest cost** in FY26 H1.
- Net debt and working capital balances impacted by 53 week year in 2025, resulting in FY26 H1 balance sheet date falling one week later than FY25 H1, and an additional \$138.5m of outflows in that week.
- Adjusted FY26 H1 was in an **Net Cash position of \$45.2m** at the same time as FY25 H1 which was in a Net Cash position of \$19.0m.
- **Well managed capital expenditure delivered positive free cash flow¹ of \$3.1m** (FY25: -\$45.2m, FY25 H1: \$70.0m).

Inventory

Inventory (\$m)



Inventory by brand \$million	FY26 H1	FY25 H1	Variance
The Warehouse and Warehouse Stationery			
Inventory on hand	306.4	341.7	-10.3%
Goods in transit	72.6	60.8	+19.3%
Closing Inventory	379.0	402.5	-5.8%
Stockturn	3.9	3.8	+4.8%
Noel Leeming			
Closing Inventory	140.5	139.7	+0.6%
Stockturn	6.4	5.6	+13.7%

- Inventory decreased \$25.8m (4.7%) compared to FY25 H1.
- Weighted average stock turn of 4.7x (FY25: 4.6x), demonstrating continued focus on stock turns and sell through rates.
- Aged inventory¹ of 15.9% (FY25: 23.1%), clearing higher aged inventory from FY25 year end through FY26 H1 impacted margins, particularly in Q1.
- Group inventory on hand decreased 7.7%, compared to FY25 H1, offset by higher levels of goods in transit, up 19.3%.
- Consistent high return on inventory investment with FY26 H1 12-month GMROI² of 213% (FY25 H1 12-month GMROI: 203%).
- Good stock health with 76% of Group inventory on hand in continuity product, but still work to do over the next 12 months to deal with aged inventory.

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1. Aged inventory is defined as stock over six months old.

2. Gross Margin Return on Inventory ("GMROI") calculated as rolling 12-month gross profit on average inventory at cost (including provisions, excluding goods in transit).

Project expenditure

- Project Expenditure¹ was in line with spend in prior period, with reduced Information Systems and Digital spend, and increased spend on store development and improvements.
- FY26 H1 project expenditure of \$9.1 million included capital expenditure of \$5.8 million and SaaS and IT operating expenditure of \$3.3 million.
- Project spend for FY26 is expected to be modest and prioritise supporting store development.

\$million	Capital Expenditure	SaaS Spend	FY26 H1	FY25 H1
Store Development, Operations & Property	3.3	0.3	3.6	2.1
Information Systems & Digital	1.4	3.0	4.4	6.8
Supply chain	1.1	-	1.1	-
Total Project Spend	5.8	3.3	9.1	8.9



1. Total project expenditure includes capital expenditure, prepayments, SaaS expenditure and project operating expenditure.

The year ahead

// Mark Stirton
Group CEO



The year ahead

- / Sales in the first 6 weeks of H2 decreased 0.2% compared to the same six weeks last year.
- / FY26 focus continues on margin recovery in The Warehouse, CODB overhead reductions, unlocking working capital through inventory management, and disciplined capital expenditure to drive improved financial performance.
- / We are excited about store growth, new product ranges, and enhancing our customer experience with new visual merchandising and store development.
- / We remain cautious entering FY26 H2.
- / International conflict has created further uncertainty for New Zealanders. Rising fuel prices and potential disruption, along with congestion across key shipping routes, are expected to push freight costs higher in the period ahead.
- / While the full impact on supply chain and consumers remains uncertain, management is closely monitoring conditions, with planning underway. We are working with external stakeholders to seek to mitigate and manage these pressures as the situation evolves.



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Building exceptional retail brands



Appendix

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- 27** Investor metrics
- 28** Glossary
- 29** Disclaimer



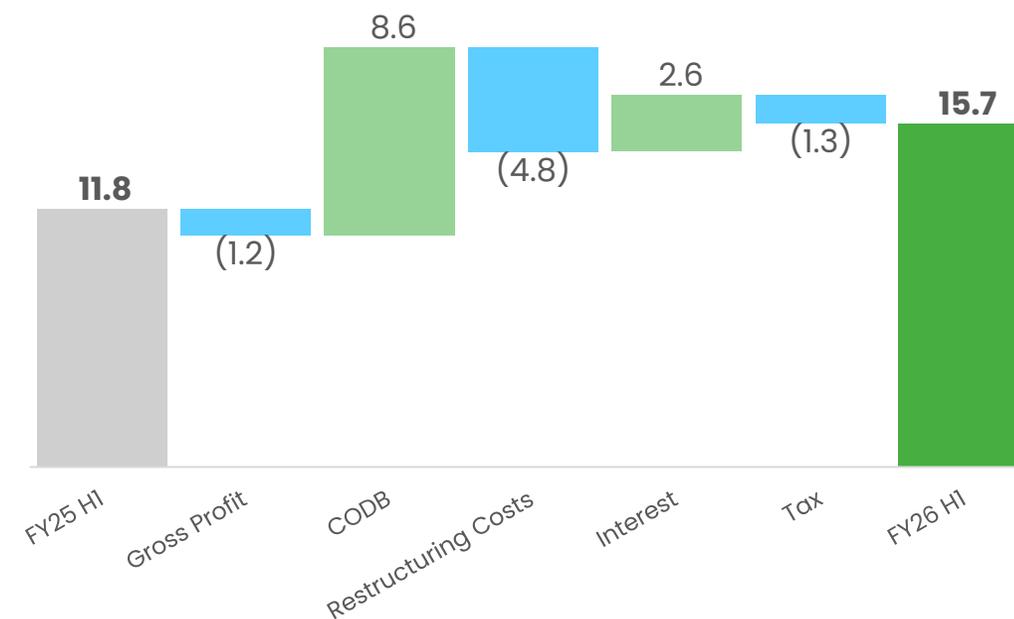
EBIT and NPAT reconciliation

For 26 weeks ended 1 February 2026

\$ million	Operating Profit ¹ (EBIT pre-NZIFRS 16)		Net Profit After Tax ¹ (NPAT)	
	FY26 H1	FY25 H1	FY26 H1	FY25 H1
Reported Earnings	42.2	38.9	15.7	11.8
Restructuring costs	4.8	-	3.5	-
Adjustments for NZIFRS 16 ²	(20.1)	(19.4)	(1.3)	(1.1)
Adjusted Earnings³	26.9	19.5	17.9	10.7

In November 2025, the Group initiated a cost reset programme to restore profitability and reduce its cost of doing business. As part of the move towards a leaner corporate structure the Group partnered with Tata Consulting Services to co-source corporate and administrative functions, including technology, accounting, call centres, and payroll. The restructure results in redundancy costs (\$4.8 million) for head office employees who leave the business.

FY26 H1 NPAT movement



1. Reported NPAT and Adjusted NPAT are attributable to shareholders of the parent. Operating Profit excludes the impact of NZ IFRS 16 and unusual items and is a non-GAAP measure. Refer to Note 3 and Note 4 of the interim financial statements for the 26 weeks ended 1 February 2026.
2. Refer to Note 3 of the interim financial statements for the 26 weeks ending 1 February 2026 for further details on the NZ IFRS 16 adjustment.
3. Adjusted NPAT is before unusual items and is a non-GAAP measure. Refer to Note 4 of the interim financial statements for the 26 weeks ended 1 February 2026.

Investor metrics

	FY26 H1	FY25 H1	FY25 YE
Returns			
Return on Equity ¹	5.3%	3.8%	-0.8%
Return on Net Operating Assets ²	2.7%	2.6%	3.0%
Dividend payout ratio	-	-	-
Cash Generation			
Free cashflow ³	\$3.1m	\$70.0m	\$(45.2)m
Stock turn (times)	4.7	4.3	4.6
Profitability			
Gross profit margin	32.3%	32.5%	32.2%
CODB as % of sales	30.6%	31.3%	32.2%
Operating profit margin	1.7%	1.2%	0.0%
Gross Margin Return on Inventory ⁴ (GMROI)	213%	203%	245%

1. Return on Equity is calculated as Net Profit After Tax / average Shareholder Equity.
2. Return on Net Operating Assets is calculated as Net Operating Profit After Tax (excluding interest) / average Net Operating Assets.
3. Free cash flow is calculated as Operating cash flow less capital expenditure and lease principal payments. Adjusting for the net cash outflows in the 53rd week of FY25, FY25 free cash flow would have been approximately \$38 million.
4. Gross Margin Return on Inventory ("GMROI") calculated as rolling 12-month gross profit on average inventory at cost (including provisions, excluding goods in transit).

Disclaimer

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