

OUR STORES

252

stores across
New Zealand



the warehouse

90



71



70

(incl 25
SWAS)



21

**Plus a leading online marketplace,
websites and mobile apps**

LOVE THE EVERYDAY FOR LESS

the warehouse 

The Warehouse is New Zealand's largest general merchandise retailer with a presence in virtually every Kiwi home and community.

Ensuring that our products and services keep pace with the expectations of those we serve and our focus on implementing new ways of working to meet those needs and expectations contributed to The Warehouse's retail operating profit growth.

Updates to our store operating model and changes to rosters have been successful, with team member rosters now more closely aligned to when our customers are shopping. Our customer and employee survey scores have improved, showing both our customers and our team are embracing the changes.

During the year we deployed a new picking and order location app to better equip our team members to efficiently fill Click & Collect orders, which have increased 37.9%. We now have dedicated Click & Collect counters in some of our stores, conveniently located at the front to facilitate efficient pick-ups.

Our store footprint continues to evolve, with the latest new generation SWAS store opening in Ormiston Town Centre, South Auckland, including a complete garden centre, a dedicated new-look homeware range space, a full print and copy centre and a dedicated Click & Collect counter.

Our 40-in-2 programme will see approximately 40 of our stores nationwide refurbished and refitted with an updated store format and fixtures and fittings, with works due to be completed by 2023.

We are committed to becoming one of New Zealand's most sustainable companies while continuing to deliver great value to our customers. Our efforts at The Warehouse – from the location of our stores, to our ethical sourcing programme,

sustainable initiatives and community partnerships – are moving us towards achieving this goal.

We have made significant improvements to a number of our products, including removing plastic packaging from our ranges and replacing with more environmentally friendly alternatives.

During the year we expanded our soft plastics recycling scheme to another 13 stores across our network. Since the programme's launch in The Warehouse stores in October 2015, close to 15.5 million individual units of soft plastic have been collected and diverted from landfill. That equates to nearly 70 tonnes.

Electric trucks were introduced for customer deliveries of larger items to locations within a 220km round trip radius from our distribution centres in Auckland, Hamilton, Tauranga and Christchurch. We have also increased public access to electric vehicle (EV) charging with the expansion and upgrade of our charging station infrastructure, now with 28 store locations nationwide.

Our team's passion for our customers and the community continues to be a strong driver of our support to a number of organisations throughout the year, including Variety – the Children's Charity, The Salvation Army, Women's Refuge and Duffy's Books in Homes.

Following the introduction of our affordable range of \$1 period products, The Warehouse has teamed up with The Period Place to launch collection boxes where customers can donate period products directly to local community groups to reach people in need. For every ten sold, The Warehouse also donates a pack to its community partners – Women's Refuge and The Period Place. More than 99,000 period products have been donated through the initiative already.



THE AUTHORITY IN APPLIANCES, TECHNOLOGY & SERVICES

Noel Leeming helps Kiwis enrich their lives through technology. We pride ourselves on offering Kiwis global and home brands, coupled with innovative, world-class service.

Highlights for the year include a record operating profit of \$64.9m, record sales of \$1.1b, an increase in market share, and a lift in employee and customer satisfaction ratings. These successes reflect a dedication to sticking to our strategy and delivering exceptional customer service through our high-performing, passionate experts and end-to-end services solutions.

As a result of adapting to changing trading conditions during COVID-19 alert levels, one-hour Click & Collect is now a permanent offering for customers, with dedicated Click & Collect bays at most stores making pick-up quick and easy.

We have continued to consolidate our store footprint, closing stores at Manukau Westfield, Tokoroa, and Hunters Plaza in Papatoetoe, and opening our innovative store at Ormiston Town Centre in South Auckland, built on the design of our successful Newmarket store.

Innovating for our customers is a key reason why Noel Leeming is New Zealand's number one consumer electronics retailer. Our Noel Leeming services offering continues to grow – 42% up on FY20's services results. Key customer experience capabilities have been unlocked including the ability to book our Tech Solutions services at point of sale, the introduction of a tiered capability framework for team member development and a full team redesign, setting up the services business for further growth in the years ahead.

The Noel Leeming sales app provides us with a point of

difference in the retail environment in New Zealand – helping customers on the shop floor, improving the overall customer experience, showing our authority in demonstrating technology and increasing our sales conversion.

Another step forward in innovation is the completed roll-out of e-ticketing across all Noel Leeming stores, removing all paper ticketing from stores. We are proud to be the first retailer in Australasia to achieve this, enabling live pricing in all stores. Looking ahead, the next development will be the inclusion of live product locations on store maps for customers through the Noel Leeming mobile app, as well as hourly deals and competitive price reactions.

In partnership with TechCollect NZ, Noel Leeming now offers free e-waste collection at 16 stores nationwide, with plans for this programme to be extended across all Noel Leeming stores. We hope this programme will help New Zealand divert a significant amount of e-waste from landfills, and recover precious resources to be recycled.

The Warehouse Group Business (TWGB) was formed in 2019 to allow business and commercial customers to procure a wide range of products across our Group companies including technology, stationery, appliances, furniture, sporting, outdoor, apparel, FMCG and many more categories, through one central supplier.

Since its inception, TWGB has increased the Group's commercial sales revenue by 24.1% and exceeded \$500m in group commercial sales. Key highlights include 5,831 lunchbox units to 214 schools participating in the Ministry of Education school lunch programme, and 300,000 period products distributed to schools in partnership with the Ministry of Education.

DO YOUR BEST WORK

Business made easy and doing your best work are the principles that drive Warehouse Stationery.

The brand caters to Kiwis from all walks of life who want to stock up on business items, school supplies, or materials for creative projects such as photography or craft. Warehouse Stationery is a leading supplier for small businesses in New Zealand, and has benefitted from our recent inclusion in the All of Government Procurement Panel for office supplies ICT (information and communication technology) consumables.

In FY21 our retail operating profit of \$34.3m increased by to 12.5%, sales were up from \$269m to \$275m and Click & Collect sales increased to 64.4%. Sales received a strong boost from changing work habits. As more Kiwis now work from home, they are using Warehouse Stationery to purchase their office furniture and essentials such as ink, paper and printers.

Our Print and Copy Centre facilities continued to show increased demand, with Click & Collect services growing to 6% of total sales from 3% last year. The uptake of our Tech Solutions service also grew, as more customers had to deal with technology challenges in their home workspaces.

Throughout the year we continued to refine our Warehouse Stationery offer by moving seven standalone stores to within The Warehouse stores, giving customers



more choice under one roof. We also opened a purpose-built store-within-a-store at Ormiston. This format has proven to be very successful and we will continue our store-within-a-store concept in the coming year. We plan for another four to be moved within the first half of FY22.

Our standalone stores continue to provide our customers with the wide variety of services and essentials they have come to trust.

This year we further expanded our sustainable range of products and services. These included Forest Stewardship Certified notebooks and wheat paper school supplies, as well as wheat photocopy paper in our business range. We also continued our ink, toner and drum cartridge recycling programme.

Our Warehouse Stationery team members supported a variety of causes over the year including the Blue Shirts in Schools programme which provides six weeks of work experience and guidance to school students wanting to understand more about retail as a career choice. We also worked with The Salvation Army to equip children in need with back-to-school essentials through our in-store Add a Dollar campaign, which is now in its 11th year.





SEE YOU OUT THERE

Torpedo7 is one of New Zealand's leading adventure sports stores offering a unique selection of bikes, outdoor equipment, water gear, clothing, snow and fitness products and technology to guide you in your next adventure.

Torpedo7 continues to make good progress year-on-year, with both sales and gross profit growth, 22.2% and 102.3% respectively.

We have succeeded in turning around our business performance to a position the brand can profitably grow from. Key to this success has been the rationalisation of range and growth of Torpedo7 branded goods. Product sourcing has moved to an in-house specialist team, focused on developing our Torpedo7 brand of products and apparel. Our team members are also keen outdoor enthusiasts and avid users of the products we sell, ensuring they are well positioned to give our customers the best and right advice on gear for whatever outdoor activity or adventure our customers are participating in.



Torpedo7

Strong demand for adventures was generated by our customers need to continue to explore, just more locally - reawakening the realisations that we live in the world's best adventure playground. Proudly on a journey to a more sustainable offering, we have removed all plastic packaging on Torpedo7 branded bikes with packaging now being 100% cardboard. Building on that achievement, our goal in 2022 is to have 30% of our Torpedo7 branded apparel be manufactured with recycled fibres. We have also added low-emission lighting in stores and a 100% hybrid vehicle fleet to our short-term sustainability goals.

In FY21 we opened a spacious new 1,200sqm store in Napier which features a refreshed look and feel to acknowledge the local environment. Moving forward, Torpedo7 growth initiatives will include opening new stores in Whangārei, Invercargill and Wellington in 2022, and other sites of interest have been identified for future growth.

We have now streamlined our online fulfilment capabilities by moving to one dedicated fulfilment centre, improving our customer experience.

Torpedo7 Club continues to drive engagement for our customers and a new partnership with the AA brings more benefits to our members. We will continue to drive engagement with our Club members through our club offers and partnerships.

Torpedo7's passion for the outdoors and our local environment has provided support through partnerships with Sustainable Coastlines, joining with them to clean up our shorelines, and with Hillary Outdoors Education Trust by donating \$67,000 to support programmes run by them throughout the year.

GET IT ALL DONE



With millions of products from more than 5,300 of the world's most desirable local and international brands, TheMarket.com is the place to get it all done.

Since launching in 2019, TheMarket.com is New Zealand's fastest growing e-Commerce platform with almost 397,000 active customers with the marketplace customer segment growing fastest at 207% YoY, adding 147,000 customers in FY21.

Assortment has grown YoY with over 2.5m products available. Traffic to the site and consumer sales have increased with a shift from stores to online. This has been accelerated by COVID-19, with momentum continuing to grow with more range, more partners and more customers joining the platform every week.

TheMarket Club subscription service now has over 50,000 members, offering subscribing customers free shipping on eligible items from local and international

stores, VIP access to exclusive offers and promotions, priority customer service and eligibility for benefits and deals through exclusive partners.

Throughout the year, TheMarket.com has partnered with major brands and events, resulting in increased brand awareness and was a naming sponsor and the official retail partner of Emirates Team New Zealand's defence of the 36th America's Cup in Auckland in 2021.

TheMarket.com also partnered with Vodafone, offering free access to TheMarket Club to Vodafone's Club members.

In 2020 TheMarket.com launched its Fulfilment by Market service which provides end-to-end solutions for brand owners where inventory is held and fulfilled by TheMarket.com on their behalf. Brand owners like L'Oréal are using this service, selling all their major brands through their store on TheMarket.com.

