

<b>Results for announcement to the market</b>		
Name of issuer	BRISCOE GROUP LIMITED	
Reporting Period	Full-Year - 28 January 2019 to 26 January 2020	
Previous Reporting Period	Full-Year - 29 January 2018 to 27 January 2019	
Currency	New Zealand Dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$653,017	+3.3%
Total Revenue	\$653,017	+3.3%
Net profit/(loss) from continuing operations	\$ 62,583*	-1.3%
Total net profit/(loss)	\$ 62,583*	-1.3%
<b>Final Dividend</b>		
Amount per Quoted Equity Security	\$ 0.12500000	
Imputed amount per Quoted Equity Security	\$ 0.04861111	
Record Date	23 March 2020	
Dividend Payment Date	31 March 2020	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$ 1.3892	\$1.2230
A brief explanation of any of the figures above necessary to enable the figures to be understood	<p>* \$62,583 above represents net profit after tax (NPAT) after the impact of the new NZ IFRS 16 accounting standard. NPAT of \$65,007 is directly comparable to last year's NPAT as both are before the impact of NZ IFRS 16.</p> <p>Refer tables below for further detail in relation to the impacts of NZ IFRS 16 on income statement and balance sheet.</p> <p>Refer to the section below "Full Year Review" for commentary.</p> <p>Earnings before interest and tax (EBIT) is a non-GAAP measure.</p>	
<b>Authority for this announcement</b>		
Name of person authorised to make this announcement	Geoff Scowcroft	
Contact person for this announcement	Rod Duke	
Contact phone number	+ 64 9 815 3737	
Contact email address	rod.duke@briscoegroup.co.nz	
Date of release through MAP	16/03/2020	

Audited abridged financial statements accompany this announcement.

## Full Year Review

Briscoe Group Limited (NZX/ASX code: BGP)

Highlights for the full year ended 26 January 2020:

- Total sales \$653.0 million, +3.34%
- Same store sales growth, +2.04%
- Gross profit \$257.5 million, +1.64%
- Gross profit margin 39.43% vs 40.09% last year
- Online sales growth, +16.20%
- Full year NPAT (before NZ IFRS 16 adjustment) \$65.0 million, +2.54%
- Final Dividend 12.5cps, increase from 12.00cps last year, +4.17%
- Total Dividend 21.0cps, increase from 20.0cps last year, +5.00%

Rod Duke, Group Managing Director, said: “We are pleased to announce record sales, an increased final dividend payment and, what would have been, another record profit for Briscoe Group except for the accounting adjustment the company was required to make in relation to the new leases accounting standard (see below). To achieve such results despite the ongoing competitiveness and widely reported difficulties faced by many retailers, is a commendable result.”

The earnings were generated on sales revenue of \$653.0 million, an increase of 3.34% on the \$631.9 million generated for the previous year.

Gross Margin dollars increased 1.64% for the period with gross margin percentage decreasing from 40.09% to 39.43%. The decreased gross margin percentage reflects the continued intensity of competition across the retailing environment.

Rod Duke, said: “As we commented in February, the concentration of sales around Black Friday promotions is increasingly influencing the traditional steady build through to Christmas. New behaviours in customers continue to emerge and we are excited by the strategic initiatives the team is developing in response. We operate in highly competitive markets, and while major event-based campaigns are critical, customers are also constantly looking for more resourceful and new ways to shop with us. This is a demanding time for retailers but we also see it as an exciting next phase of our ongoing development.”

In addition to the competitive trading environment, the full-year reported bottom line, as was the case for the half-year, will be impacted by the introduction of the new international accounting standard in relation to the treatment of leases (NZ IFRS 16). The effect on the Group’s income statement will be to lower the NPAT in comparison to the NPAT which would have been reported under the previous accounting treatment. The impact of this change will be \$2.4 million and result in a reported NPAT of \$62.58 million for the year (52 weeks) ending 26 January 2020. It is important to note that the impact of NZ IFRS 16 has no cash effect to the Group and is for financial reporting purposes only (see tables below for more detail in relation to the impacts of the new standard).

The 2019/20 NPAT includes dividends received of \$6.8 million from the Group’s shareholding in Kathmandu Holdings Limited. In addition, \$2.7 million was received for rights entitlements not exercised as a result of the Group’s decision to take up only half of its entitlement in relation to Kathmandu’s capital raising process associated with their acquisition of the Rip Curl

business. Mr Duke said, "Including the \$13.6 million additional investment made this year, the total cost of our investment in Kathmandu is now \$87.9 million and represents a 16.3% shareholding. The Board considers the level of investment to be at an appropriate level and as the largest single shareholder we continue to maintain a close interest in the company."

In addition to the additional investment in Kathmandu, \$19.2 million of capital investment was made by the Group during the year of which \$10.1 million represents predominantly development of property owned by the Group. The balance of capital investment was for the fit-out of new and relocated stores, online platform improvements, security system upgrades and enhancements to system software and hardware.

Inventories totalled \$87.4 million at year-end, \$6.4 million higher than the \$81.0 million reported for last year, predominantly reflecting the impact of the three new stores opened by the Group during the year, the increased demand for online shopping as well as a higher mix of imported inventory this year compared to last year's year-end position.

The store development programme progressed well throughout the year. During the first half, following earthquake strengthening works, both the Briscoes Homeware and Rebel Sport stores in New Plymouth underwent full refurbishments.

Projects continued at pace during the second half of the year lead by the completion of the Group's new Support Office at 1 Taylors Road, Auckland with the full support team relocated by the end of August. Rod Duke said, "It's a brilliant space and wonderful to have the full support team together in one location."

In September the existing Briscoes Homeware store at 36 Taylors Road was relocated to retail space on the ground floor of the new Support Office building. This now allows for a complete rebuild on the existing site for which siteworks have recently commenced.

September also saw the opening of a new Rebel Sport store in Newmarket, Auckland as part of the exciting new Westfield retail redevelopment. This store reflects a contemporary fit-out and design, parts of which will be replicated in future new and refurbished Rebel Sport stores.

The opening of new Briscoes Homeware and Rebel Sport stores - including online fulfilment centres, in Mt Roskill during October were welcome additions to the Group's Auckland network. In addition to these new stores, the existing Briscoes Homeware store at Riccarton, in Christchurch was relocated to a new site on Riccarton Road and an extension and full refurbishment of the Tauranga Briscoes Homeware store was completed.

The Group's online channels continued to experience strong growth finishing the year 16% up on the previous year and now represents just over 11% of total Group sales. Rod Duke said, "We will continue to focus on our online offering while maintaining our proven strategy of adding stores to our network as and when we identify opportunities. The rollout of our 'Click and Collect' offering will continue in the current year enhancing the way we engage with customers across both the online and physical store channels.

"New Zealand retailing remains highly competitive and sensitive to continued cost and margin pressures, an unpredictable New Zealand dollar, subdued consumer and business confidence as well as the increasing significance of the COVID-19 (coronavirus) issue - all of which will make it difficult for retailers to maintain margins. However, notwithstanding these headwinds, we are confident that we have the right programmes and initiatives in place to leverage

opportunities to grow the business and deliver the experience and value to our customers to ensure that we continue to be the first choice for homeware and sporting goods in New Zealand.”

Group Chair Dame Rosanne Meo said, “This year’s results emphasise the Group’s ability to perform and deliver improved performance in difficult trading conditions. On behalf of the Board, I would like to acknowledge the great work done by all staff to maintain Briscoe Group’s status as New Zealand’s top homeware and sporting goods retailer.

In relation to the economic and social impact of the Government’s border control announcements in the last two days and with the broader economic package still outstanding, we are not underestimating the challenges we will face as an employer and as a business. It is a complex outlook, but we feel that we are as well placed as any retailer to respond to our customers’ ongoing and changing needs.”

Rod Duke this morning announced that in response to the growing economic uncertainty surrounding COVID-19 (coronavirus) that he will be taking no salary at all through until at least the end of July. He said, “I’m particularly proud of how the team is facing the challenge ahead. I met this morning with the senior management team who unanimously agreed to a freeze on their salary increases for the same period. We continue to monitor the situation closely, taking steps to help protect our team and customers and to mitigate interruption to our business.”

Dame Rosanne announced that the directors have resolved to pay a final dividend of 12.5 cents per share (cps). The dividend is fully imputed and, when added to the interim dividend of 8.5cps, brings the total dividend for the year to 21.0cps, an increase of 5.00% over last year’s total dividend of 20.00cps.

The final dividend will be paid on 31 March 2020. The share register will close to determine entitlements to the dividend at 5pm on 23 March 2020.

Monday 16 March 2020  
Contact for enquiries:

Rod Duke  
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**TABLE 1: INCOME STATEMENT - IMPACTS OF NZ IFRS 16**

	PERIOD ENDED 26 JANUARY 2020 ACTUAL					PERIOD ENDED 27 JANUARY 2019 ACTUAL	VARIANCE January 2020 vs January 2019			
	Previous classification	Adjustments under NZ IFRS 16			NZ IFRS 16 classification			Previous classification	NZ IFRS 16 classification	
		Back out rental expense	Include lease depreciation	Include lease finance cost						
Sales revenue	653,017	-	-	-	653,017	631,919	21,098	21,098		
Cost of goods sold	(395,515)	-	-	-	(395,515)	(378,564)	(16,951)	(16,951)		
<b>Gross profit</b>	257,502	-	-	-	257,502	253,355	4,147	4,147		
Other income	9,661	-	-	-	9,661	6,994	2,667	2,667		
Store expenses	(109,916)	28,813	(19,239)	-	(100,342)	(103,202)	(6,714)	2,860		
Administration expenses	(70,161)	1,232	(669)	-	(69,598)	(71,152)	991	1,554		
<b>Earnings before interest and tax</b>	87,086	30,045	(19,908)	-	97,223	85,995	1,091	11,228		
Finance income	724	-	-	-	724	754	(30)	(30)		
Finance costs	(131)	-	-	(13,504)	(13,635)	(142)	11	(13,493)		
Net finance income / (costs)	593	-	-	(13,504)	(12,911)	612	(19)	(13,523)		
<b>Profit before income tax</b>	87,679	30,045	(19,908)	(13,504)	84,312	86,607	1,072	(2,295)		
Income tax expense	(22,672)	(8,412)	5,574	3,781	(21,729)	(23,214)	542	1,485		
<b>Net profit attributable to shareholders</b>	65,007	21,633	(14,334)	(9,723)	62,583	63,393	1,614	(810)		

**TABLE 2: BALANCE SHEET - IMPACTS OF NZ IFRS 16**

**FULL YEAR AS AT 26 JANUARY 2020**

	Previous classification	NZ IFRS 16 classification	Difference
	\$000	\$000	\$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	67,414	67,414	-
Trade and other receivables	3,533	3,533	-
Inventories	87,414	87,414	-
Held-for-sale assets	5,408	5,408	-
Derivative financial instruments	269	269	-
<b>Total current assets</b>	<b>164,038</b>	<b>164,038</b>	-
<b>Non-current assets</b>			
Property, plant and equipment	97,265	97,265	-
Intangible assets	3,464	3,464	-
Right-of-use assets	-	266,001	266,001
Deferred tax	3,240	11,676	8,436
Investment in equity securities	154,104	154,104	-
<b>Total non-current assets</b>	<b>258,073</b>	<b>532,510</b>	<b>274,437</b>
<b>TOTAL ASSETS</b>	<b>422,111</b>	<b>696,548</b>	<b>274,437</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	82,601	81,260	(1,341)
Lease liabilities	-	17,744	17,744
Taxation payable	4,895	4,895	-
Derivative financial instruments	1,014	1,014	-
<b>Total current liabilities</b>	<b>88,510</b>	<b>104,913</b>	<b>16,403</b>
<b>Non-current liabilities</b>			
Trade and other payables	852	852	-
Lease liabilities	-	278,664	278,664
<b>Total non-current liabilities</b>	<b>852</b>	<b>279,516</b>	<b>278,664</b>
<b>TOTAL LIABILITIES</b>	<b>89,362</b>	<b>384,429</b>	<b>295,067</b>
<b>NET ASSETS</b>	<b>332,749</b>	<b>312,119</b>	<b>(20,630)</b>
<b>EQUITY</b>			
Share capital	60,752	60,752	-
Cashflow hedge reserve	(519)	(519)	-
Equity-based remuneration reserve	841	841	-
Other reserves	66,251	66,251	-
Retained earnings	205,424	184,794	(20,630)
<b>TOTAL EQUITY</b>	<b>332,749</b>	<b>312,119</b>	<b>(20,630)</b>

<b>BRISCOE GROUP LIMITED</b> <b>CONSOLIDATED INCOME STATEMENT</b> <b>for the 52 week period ended 26 January 2020</b>
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	Period ended 26 January 2020 \$000	Period ended 27 January 2019 \$000
Sales revenue	653,017	631,919
Cost of goods sold	(395,515)	(378,564)
<b>Gross profit</b>	<b>257,502</b>	<b>253,355</b>
Other income	9,661	6,994
Store expenses	(100,342)	(103,202)
Administration expenses	(69,598)	(71,152)
<b>Earnings before interest and tax</b>	<b>97,223</b>	<b>85,995</b>
Finance income	724	754
Finance costs	(13,635)	(142)
Net finance income	(12,911)	612
<b>Profit before income tax</b>	<b>84,312</b>	<b>86,607</b>
Income tax expense	(21,729)	(23,214)
<b>Net profit attributable to shareholders</b>	<b>62,583</b>	<b>63,393</b>

*Comparative figures in the above consolidated income statement have not been restated to reflect the impact of NZ IFRS 16*

<b>BRISCOE GROUP LIMITED</b> <b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> <b>for the 52 week period ended 26 January 2020</b>
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	Period ended 26 January 2020 \$000	Period ended 27 January 2019 \$000
Net Profit attributable to shareholders	62,583	63,393
<b>Other comprehensive income:</b>		
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
Change in value of investment in equity securities	38,513	994
<b>Items that may be subsequently reclassified to profit or loss:</b>		
Fair value gain recycled to income statement	(4,077)	(3,904)
Fair value gain taken to the cashflow hedge reserve	3,022	5,509
Deferred tax on fair value gain taken to income statement	1,142	1,093
Deferred tax on fair value gain taken to cashflow hedge reserve	(846)	(1,543)
<b>Total other comprehensive income</b>	<b>37,754</b>	<b>2,149</b>
<b>Total comprehensive income attributable to shareholders</b>	<b>100,337</b>	<b>65,542</b>

*Comparative figures in the above consolidated statement of comprehensive income have not been restated to reflect the impact of NZ IFRS 16*

**BRISCOE GROUP LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
As at 26 January 2020

	26 January 2020 \$000	27 January 2019 \$000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	67,414	80,777
Trade and other receivables	3,533	2,822
Inventories	87,414	81,017
Held-for-sale assets	5,408	-
Derivative financial instruments	269	793
<b>Total current assets</b>	<b>164,038</b>	<b>165,409</b>
<b>Non-current assets</b>		
Property, plant and equipment	97,265	92,016
Intangible assets	3,464	2,520
Right-of-use assets	266,001	-
Deferred tax	11,676	3,418
Investment in equity securities	154,104	101,989
<b>Total non-current assets</b>	<b>532,510</b>	<b>199,943</b>
<b>TOTAL ASSETS</b>	<b>696,548</b>	<b>365,352</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	81,260	83,754
Lease liabilities	17,744	-
Taxation payable	4,895	6,830
Derivative financial instruments	1,014	448
<b>Total current liabilities</b>	<b>104,913</b>	<b>91,032</b>
<b>Non-current liabilities</b>		
Trade and other payables	852	779
Lease liabilities	278,664	-
<b>Total non-current liabilities</b>	<b>279,516</b>	<b>779</b>
<b>TOTAL LIABILITIES</b>	<b>384,429</b>	<b>91,811</b>
<b>Net assets</b>	<b>312,119</b>	<b>273,541</b>
<b>EQUITY</b>		
Share capital	60,752	58,929
Cashflow hedge reserve	(519)	240
Equity-based remuneration reserve	841	1,097
Other reserves	66,251	27,738
Retained earnings	184,794	185,537
<b>TOTAL EQUITY</b>	<b>312,119</b>	<b>273,541</b>

*Comparative figures in the above consolidated balance sheet have not been restated to reflect the impact of NZ IFRS 16*

<b>BRISCOE GROUP LIMITED</b> <b>CONSOLIDATED STATEMENT OF CASH FLOWS</b> <b>for the 52 week period ended 26 January 2020</b>
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	Period ended 26 January 2020 \$000	Period ended 27 January 2019 \$000
<b>OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Receipts from customers	652,701	631,881
Rent received	12	589
Dividends received	6,832	6,405
Premium received from KMD rights issue	2,720	-
Interest received	850	748
Insurance recovery	97	-
	663,212	639,623
<b>Cash was applied to:</b>		
Payments to suppliers & employees	(525,678)	(529,107)
Interest paid	(13,631)	(142)
Net GST paid	(20,310)	(20,405)
Income tax paid	(24,085)	(24,249)
	(583,704)	(573,903)
<b>Net cash inflows from operating activities</b>	<b>79,508</b>	<b>65,720</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Proceeds from sale of property, plant and equipment	11	4,905
	11	4,905
<b>Cash was applied to:</b>		
Purchase of property, plant and equipment	(17,410)	(19,632)
Purchase of intangible assets	(1,768)	(1,959)
Investment in equity securities	(13,602)	(5,568)
	(32,780)	(27,159)
<b>Net cash outflows from investing activities</b>	<b>(32,769)</b>	<b>(22,254)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Issue of new shares	1,620	2,178
Net proceeds from borrowings	-	-
	1,620	2,178
<b>Cash was applied to:</b>		
Dividends paid	(45,494)	(43,090)
Lease liabilities payments	(16,264)	-
	(61,758)	(43,090)
<b>Net cash outflows from financing activities</b>	<b>(60,138)</b>	<b>(40,912)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,399)</b>	<b>2,554</b>
Cash and cash equivalents at beginning of period	80,777	78,193
Effect of exchange rate changes on cash and cash equivalents	36	30
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>67,414</b>	<b>80,777</b>

Comparative figures in the above consolidated statement of cash flows have not been restated to reflect the impact of NZ IFRS 16

**BRISCOE GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the week period ended 26 January 2020

	Share Capital	Cashflow Hedge Reserve	Equity-Based Remuneration Reserve	Other Reserves	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at 28 January 2018</b>	56,467	(915)	1,045	26,744	165,087	248,428
Net profit attributable to shareholders for the period	-	-	-	-	63,393	63,393
<b>Other comprehensive income:</b>						
Change in fair value of investment in equity securities	-	-	-	994	-	994
<u>Net fair value gain taken through cashflow hedge reserve</u>	-	1,155	-	-	-	1,155
Total comprehensive income for the period	-	1,155	-	994	63,393	65,542
<b>Transactions with owners:</b>						
Dividends paid	-	-	-	-	(43,090)	(43,090)
Share options charged to income statement	-	-	483	-	-	483
Share options exercised	2,462	-	(284)	-	-	2,178
Transfer for share options lapsed and forfeited	-	-	(147)	-	147	-
<b>Balance at 27 January 2019</b>	58,929	240	1,097	27,738	185,537	273,541
<b>Impact of adopting NZ IFRS 16</b>	-	-	-	-	(18,205)	(18,205)
<b>Adjusted balance at 28 January 2019</b>	<b>58,929</b>	<b>240</b>	<b>1,097</b>	<b>27,738</b>	<b>167,332</b>	<b>255,336</b>
Net profit attributable to shareholders for the period	-	-	-	-	62,583	62,583
<b>Other comprehensive income:</b>						
Change in value of investment in equity securities	-	-	-	38,513	-	38,513
<u>Net fair value loss taken through cashflow hedge reserve</u>	-	(759)	-	-	-	(759)
Total comprehensive income for the period	-	(759)	-	38,513	62,583	100,337
<b>Transactions with owners:</b>						
Dividends paid	-	-	-	-	(45,494)	(45,494)
Share options charged to income statement	-	-	168	-	-	168
Performance rights charged to income statement	-	-	105	-	-	105
Share options exercised	1,823	-	(203)	-	-	1,620
Transfer for share options lapsed and forfeited	-	-	(373)	-	373	-
Deferred tax on equity-based remuneration	-	-	47	-	-	47
<b>Balance at 28 July 2019</b>	<b>60,752</b>	<b>(519)</b>	<b>841</b>	<b>66,251</b>	<b>184,794</b>	<b>312,119</b>

*Prior year figures in the above consolidated statement of changes in equity have not been restated to reflect the impact of NZ IFRS 16*

## Earnings per Security (EPS)

Calculation of basic and fully diluted EPS in accordance with IAS 33: Earnings Per Share

	Current full-year (cents per share)	Previous corresponding full- year (cents per share)
Basic EPS	28.2	28.7
Diluted EPS	28.0	28.3

## Dividends Paid / Payable

	Date Paid / To be paid	Cents per share (fully imputed)
Interim Dividend for the period ended 26 January 2020	8 October 2019	8.50
Final Dividend for the period ended 26 January 2020	31 March 2020	12.50

## Segment Information

	Homeware \$000	Sporting goods \$000	Eliminations / Unallocated \$000	Total Group \$000
<b>For the period ended 26 January 2020</b>				
Sales Revenue	410,908	242,109		653,017
Earnings Before Interest and tax	49,390	36,447	11,386	97,223

	Homeware \$000	Sporting Goods \$000	Eliminations / Unallocated \$000	Total Group \$000
<b>For the period ended 27 January 2019</b>				
Sales Revenue	403,159	228,760		631,919
Earnings Before Interest and tax	46,689	31,062	8,244	85,995

Comparative figures in the above segment information have not been restated to reflect the impact of NZ IFRS 16