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The Warehouse Group provides FY27 first quarter trading update

The Warehouse Group ("the Group") has today provided a trading update for the 13 weeks ended 1 November 2026 ("FY27 Q1").

- Group sales were $678.8 million, up 0.7% compared with the 13 weeks ended 2 November 2025 ("FY26 Q1")
- Group same store sales[1] were up 0.1% compared with the prior comparable period
- The Warehouse sales were $390.4 million, up 0.4%, with same store sales up 0.6%
- Warehouse Stationery sales were $52.3 million, up 0.2%, with same store sales up 0.6%
- Noel Leeming sales were $233.6 million, up 1.3%, with same store sales down 1.1%
- Group gross profit margin was 33.5%, up 110 basis points compared with FY26 Q1
- Online sales were $48.8 million, up 4.7%, representing 7.2% of Group sales.

Group sales increased 0.7% on the prior year, and gross profit margin improved 110 basis points, driven by margin gains at Warehouse Stationery and The Warehouse, including strong performance in apparel and health and beauty.

Group same store foot traffic was down 1.1%, as higher fuel prices and lower consumer confidence weighed on customer visits. Store conversion increased 0.8% and average basket size was up 0.4%, as customers who visited shopped more intentionally, while bigger-ticket purchases remained softer.

Group Chief Executive Officer Mark Stirton said, “Margin recovery has continued as we improve our products, make our stores more exciting to shop and run the business with much greater discipline.

“Sales growth remains modest, with families understandably cautious in the lead-up to the election and unemployment at its highest rate in 11 years. Lifting sales and

[1] Same store sales exclude online, Noel Leeming commercial and the impact of opening and closing of stores during the reported and comparable period

giving customers more reasons to visit us is our priority as we head into the important festive trading season."

Brand performance

The Warehouse

The Warehouse sales grew 0.4%, with customers responding to refreshed apparel ranges, new brands in health and beauty, and toys. Families have started getting ready for summer, with sales up across camping, gardening and pools. Grocery sales were lower as The Warehouse reshaped its range around a value-led top-up shop, with great value on a smaller range of everyday essentials.

Gross profit margin increased 170 basis points to 37.1%, continuing the recovery that began in the second half of FY26, with higher trading margins across all categories.

Warehouse Stationery

Warehouse Stationery sales were up 0.2%. Customer demand increased for print and copy services, and art and craft around school holidays. Sales were softer in higher-price categories including technology and office furniture, alongside lower online sales. Gross profit margin increased 240 basis points to 47.7% through more full-price sales and mix.

Noel Leeming

Noel Leeming sales grew 1.3% supported by positive online sales performance and the successful opening of the new concept Queen Street store, with customers spending more on cellular, small appliances and gaming, while sales of bigger-ticket items, particularly computers and televisions, remained softer. The resulting sales mix saw gross profit margin decrease 40 basis points to 22.5% for the quarter.

Outlook

Retail conditions over the festive season are expected to remain highly competitive. Cost-of-living pressures continue to weigh on consumer confidence and leave households with less discretionary income.

The start of the Group's second quarter has also, we believe, been affected by uncertainty in the lead-up to and following the election, with foot traffic across all three brands below last year.

"New Zealanders remain cautious in an uncertain external environment. We are responding by managing our costs and inventory carefully, while improving our ranges and the experience in our stores. We're determined to give customers better value and deliver strongly through this important trading period."

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