THE WAREHOUSE GROUP

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The Warehouse Group releases new strategy and ambition of $100m operating profit

The Warehouse Group today released its new strategy at its 2026 Investor Day, setting out how it plans to build exceptional retail brands and deliver improved and sustainable shareholder returns.

The Group has set a target to achieve $100 million in operating profit[1] within three to five years, compared with $22.6 million operating profit in FY26, and an ambition to open four to five new stores a year across its three brands.

Group Chief Executive Officer Mark Stirton said The Warehouse Group has a strong endowment to build from. “We welcome around 1.7 million customer visits to our three iconic retail brands every week, and we have a national store and distribution network that is enviable. Over time the business lost sight of what customers wanted from us and as a result, has not performed to its potential.

“Our new strategy is grounded in knowing our customers better, offering the right products, making our stores more exciting to shop and running the business with much greater discipline.

“We have a credible and realistic pathway to achieving our target of $100 million in operating profit within three to five years, which does not rely on any single initiative. We will first improve our existing business, then regain market share while pursuing growth through new stores and new profit streams. Importantly, much of what we need to execute is within our control and does not rely primarily on near-term economic recovery.”

The strategy includes plans for a simpler, more responsive and lower-cost integrated supply chain to improve product availability, reduce aged stock and markdowns, respond faster to customer demand and lower the cost to serve. Underpinning the strategy is a disciplined capital management framework, which sets out how cash will be allocated.

The Board has revised the dividend policy to target an annual ordinary dividend payout ratio of 50% to 70% of adjusted NPAT[2]. It intends to consider resuming dividends for the FY27 year. Any dividend remains subject to the Group’s performance, financial position and Board approval.

[1] Operating Profit (EBIT pre-IFRS 16) excludes the impact of NZ IFRS 16 and unusual items and is a non-GAAP measure. The three-to-five-year period would be between FY29 and FY31

[2] Adjusted NPAT is from continuing operations before unusual items and is a non-GAAP measure. A reconciliation between Adjusted and Statutory NPAT is located in Note 5.0 of the financial statements

Trading update

Trading for the first quarter of FY27 remains constrained by a subdued retail climate and consistent with the update provided at the Group's FY26 annual results, with Group sales broadly in line with the prior year and margin performance ahead of the prior comparable period. The Group will provide further detail on first-quarter performance in its Q1 Trading Update on 13 November 2026.

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