NZX | Media release – 27 November 2026

2026 Annual Shareholders' Meeting – Chair and CEO Address

Chair's Address – John Journee

Kia ora koutou katoa, and good morning.

Thank you for joining us here at our Store Support Office in Northcote, and online.

My name is John Journee, and I am the Chair of The Warehouse Group. This is my first Annual Shareholders' Meeting as Chair.

Today's meeting is being held in-person and online.

A warm welcome to those joining through the virtual meeting platform provided by our share registrar, MUFG Pension & Market Services.

If you experience any technical problems during the meeting, please refer to the virtual meeting guide or call the helpline on 0800 200 220.

On behalf of your Directors and the Executive Leadership Team, welcome to you all.

Please join me in welcoming:

Hamish Rumbold, Rachel Taulelei, Dean Hamilton, our Group Chief Executive Officer Mark Stirton and our Group Chief Financial and Delivery Officer Stefan Knight, Carrie Kirkman, Tony Carter and Caroline Rainsford.

Members of the Executive Leadership Team are with us today in the room, along with some of our regional managers and team.

I'd also like to welcome the team from PricewaterhouseCoopers, our auditor, and the team from MUFG Pension & Market Services. They will conduct the voting on today's resolutions and act as scrutineer.

Before we begin, I will briefly outline today's meeting.

I will start with the Board's perspective on FY26 and our revised strategy and dividend policy. Mark will then take you through the Group's FY26 performance and a strategic overview.

We will then turn to the formal business.

There are four resolutions today: the re-election of Dean Hamilton; the re-election of Carrie Kirkman, who joined the Board on 1 November; authorising the Directors to fix the auditor's fees and expenses; and a shareholder proposal relating to the Group's freehold properties.

We will take each resolution in turn, and you can ask questions on each one as we reach it.

Voting will be by poll, and I will explain the process when we reach that part of the meeting. Voting will stay open for five minutes after the meeting closes.

After the resolutions, we will take questions on the Group's performance and any other general business. I ask that you hold general questions until then.

We will now move to the formal agenda.

The Notice of Meeting was released to NZX and sent to shareholders on 30 October 2026.

I note that a quorum is present, and I declare the 2026 Annual Shareholders' Meeting of The Warehouse Group open.

Proxies have been received from 261 shareholders. This represents 58.84% of the voting shares in the Company. I will give details of proxy votes on each resolution when we reach it.

The financial statements for the 52 weeks ended 2 August 2026, together with the auditor's report, are in the Company's 2026 Annual Report, released to NZX on 30 September 2026. If you would like a hard copy, there are some available copies today at the registration desk, or please email us.

Under the Companies Act 1993, shareholders are not required to approve the financial statements or the auditor's report at this meeting. We are happy to answer questions on them during general business.

Asking questions online

Anyone attending in the room or online can ask questions and vote, and I encourage you to do both.

If you are online, you can send questions at any time by clicking "Ask a question" in the virtual meeting platform. Choose the item of business, type your question and click Submit.

Please send your questions early so we can answer them at the right point in the meeting. Online questions may be moderated, or grouped together if we receive several on the same topic.

I will now turn to my address.

Your Board

Your Board has changed since we were together with you this time last year.

At last year's meeting, Dame Joan Withers and Robbie Tindall retired as Directors. On behalf of the Board, I again thank them both for their service to the Group.

On 1 November, we welcomed Carrie Kirkman to the Board. Carrie brings extensive retail experience across Australia and North America.

Carrie stands for re-election today, as does Dean Hamilton, who retires by rotation. The Board unanimously supports both re-elections, and we will come to them later in the meeting.

FY26: progress against the reset plan

Last year, I told you my priority as Chair would be to support the pace, discipline and prioritisation needed to execute our turnaround.

FY26 was the first full year under our brand-led operating model. It showed that the reset can deliver, even in a difficult consumer environment.

Group sales were just over $3 billion. Reported sales were down 1.9%, because FY25 included an extra trading week. On a comparable 52-week basis, sales were down 0.2%, and same-store sales were up 0.4%.

Gross margin increased 40 basis points to 32.6%, and the cost of doing business fell 40 basis points to 31.8% of sales. Together, these lifted operating profit to $22.6 million, from $1.3 million in FY25.

The Group generated free cash flow of $79.4 million. This reduced net debt by $79.1 million to $17 million.

Importantly, this improvement came from actions taken within the business, not from any meaningful recovery in market conditions.

Noel Leeming and Warehouse Stationery delivered much stronger operating profits. The Warehouse also improved, but its profitability remains below an acceptable level. Its recovery is the Group's most important priority.

The Board did not declare a final dividend for FY26. Our immediate priority is to rebuild sustainable earnings while keeping the financial flexibility to support the turnaround.

We know how important dividends are to you, and we remain committed to paying them again. I will come back to this shortly.

The Board is encouraged by the progress made in the past year, but we are clear about the work still ahead.

Our revised strategy

Earlier this month at an Investor Day for institutional investors and analysts, we set out the Group's strategy and a target of $100 million operating profit within three to five years.

The full Investor Day presentation is available on our website and on the NZX website.

The Board has been closely involved in shaping this strategy, and I'd like to explain why we believe in it.

Why the Board believes in this plan

First, we are starting from real strengths: three iconic brands, a national store network and deep connection with our communities.

Second, there is a clear path to better performance. The plan addresses the areas that need to improve; being margin, cost and growth.

The Board has made the following commitments to shareholders.

We will stay focused on the agreed strategy, with clear priorities, performance metrics, disciplined capital allocation and accountability for delivery.

We will be transparent about progress, reporting consistently on the measures that matter, including where performance falls short.

Dividend policy

As part of our updated capital management framework, one of the key changes was a revised Group dividend policy.

The Board now targets an annual ordinary dividend payout of 50% to 70% of adjusted net profit after tax. The previous policy was to distribute at least 70%.

The range gives the Board flexibility across the retail cycle, so that dividends can be sustained while continuing to invest in maintaining, improving and growing the business.

In setting any dividend, the Board will consider the Group's earnings, free cash flow, trading outlook and market conditions, alongside the balance sheet and liquidity position. All dividends remain subject to Board approval.

The Board's current intention is to consider resuming dividends for the FY27 year, subject to market conditions, the Company's financial performance and Board approval.

On behalf of the Board, I thank Mark, the Executive Leadership Team and all our team members. The progress made this year reflects their hard work and commitment to our Company and its customers.

And to you, our shareholders, thank you for your continued support and your patience.

I will now hand over to Mark.

CEO’s Address – Mark Stirton

Thank you, John, and good morning everyone. Kia ora.

A year ago, at my first Annual Meeting as Group CEO, I said we needed action, execution and improved performance.

Today I will cover what we delivered in FY26, how we traded in the first quarter of FY27, and the priorities ahead.

FY26 Group performance

FY26 was another tough year for New Zealand households. Unemployment reached its highest level since 2015, inflation rose to 4.1%, and customers were focused on value.

We did not wait for the economy to recover. We focused on what we could control.

For the first time since FY21, gross margin increased and the cost of doing business fell in the same year. That is what began to rebuild our operating leverage.

Gross margin rose 40 basis points. The improvement came in the second half, up 90 basis points, as clearance of aged stock eased and The Warehouse recovered strongly in the fourth quarter.

Cost of doing business fell to 31.8% of sales, led by lower support office, IT and depreciation costs.

Operating profit rose to $22.6 million from $1.3 million, and adjusted net profit after tax was $13.5 million, compared with the loss of $2.8 million in FY25.

By brand, Noel Leeming and Warehouse Stationery both nearly doubled their operating profit, and The Warehouse halved its operating loss.

We recently published our first quarter trading performance for FY27. Sales growth remains modest, while the margin recovery we saw in FY26 continues.

Customers remain cautious, with uncertainty around the election adding to pressure on confidence and foot traffic. We expect conditions to remain highly competitive through Christmas, with lifting sales our priority.

People, communities and environment

Looking after our people, our communities and our environment remains part of who we are.

In FY26, our stores, team and customers contributed $1.9 million to New Zealand charities and community groups.

The Good Drop, our clothing reuse and recycling scheme with The Salvation Army, won the KNAPP Sustainability Leadership Award.

90% of our electricity was matched with electricity produced by Lodestone Energy's solar farms, helping reduce our emissions, and we diverted 79% of operational waste from landfill.

Our team were safer at work, with fewer workplace injuries.

Our employee engagement score fell to 25, from 36 in FY25. That reflects a year of significant change, and we have asked a lot of our people.

I want to thank our team for everything they are doing to put the business in a stronger position. Lifting engagement is a priority, and I’m pleased to share that our latest eNPS result is higher.

Our path back to our $100 million target

As John spoke to, we have set out a target of $100 million operating profit within three to five years.

As recently as FY22, this Group earned $119 million in operating profit. We know what it takes to deliver. Getting back there depends on consistent execution.

Our plan builds from our strengths: loved brands, 1.7 million customer visits every week, and a national store and distribution footprint.

First, reset - fix the retail fundamentals, with predictable margin, disciplined cost and healthy stock.

Second, improve returns - turn better performance into profit, through better ranges and our store refresh programme.

Third, grow - win more customers across our three brands, open new stores and grow in new areas.

We are making decisions with a clearer view of our customers, and our stronger balance sheet and revised dividend policy support sustainable returns to you, our shareholders.

We have clear targets, a credible plan and a more disciplined capital allocation framework.

We have also expanded Stefan's remit to support the execution of our strategy and ensure the right resources, priorities and accountabilities are in place.

To be clear, $100 million is a target, not a forecast or earnings guidance. The timing will depend on market conditions and our execution.

We have set other financial and operational targets, and will report against these measures at every half and full year result.

Last year, I said a turnaround of this size would take time, and it will. FY26 was a solid step forward, but we are far from finished, and our ambitions are much bigger.

Thank you for joining us this morning.

I wish you and your families a happy Christmas and a safe summer. I will now hand back to John for the formal business.

Ends

For media queries please contact:

Lizzie Havercroft
General Manager Corporate Affairs
+64 27 507 0613
lizzie.havercroft@twgroup.co.nz

For investor queries please contact:

Mark O'Malley
Head of Strategy
+64 27 301 5936
mark.omalley@thewarehouse.co.nz

The Warehouse Group Limited
26 The Warehouse Way, Northcote, Auckland 0627