

18 February 2021

## **OFFICEWORKS DELIVERS REVENUE AND EARNINGS GROWTH IN FIRST HALF**

Today Officeworks reported a 23.7 per cent increase in total revenue to \$1.52 billion for the first half of the 2021 financial year.

The retailer reported a 22 per cent increase in earnings to \$100 million. Return on capital was 23.4 per cent.

Customers continue to respond positively to Officeworks' every channel offer with sales growth of 23.6 per cent delivered for the half, underpinned by robust transaction growth. Strong sales growth was delivered in both stores and online as a result of continued investment in the customer experience as part of our every channel strategy.

This strategy allowed the business to respond quickly to changes in customer behaviour during the half. Online penetration increased to 37.1 per cent, for the half, driven by periods of particularly strong online sales growth when in store access was restricted due to COVID-19.

The business delivered strong earnings growth despite gross margin compression driven by changes in sales mix, continued investment in low prices, and additional costs incurred to keep team members and customers safe in a COVID-19 environment.

During the half, Officeworks continued to invest in the long-term growth of the business. Improvements in store layouts as well as investment in supply chain capacity were delivered during the half. At the same time, the business continued to upgrade its online proposition and enhanced its data and analytics capability.

Officeworks Managing Director, Sarah Hunter, said: "The constantly changing landscape of COVID-19 meant we had to be agile to meet changing customer needs, and ensuring the safety for our team members and customers remains our top priority. The performance in the first half is pleasing, we have delivered strong financial results whilst continuing to invest for long-term growth. This is a testament to our team and their agility and capability."

In a period where our communities needed support more than ever, Officeworks contributed more than \$3 million to local and national community groups. Good progress was also made to reduce emissions and 91 per cent of operational waste was recycled across the business.

The business continued to invest in their supply chain with improvements in capacity across every channel, providing greater flexibility to manage changing COVID restrictions and to better meet customer expectations. A brand-new store in Belmont (WA) was opened and the Gilles Plains (SA) team relocated to a new store.

"While the outlook is uncertain, Officeworks remains well positioned for the future with a focus on meeting and adapting to the evolving needs and wants of customers. We remain focused on making bigger things happen for our team, customers and the communities in which we live and work." Ms Hunter said.

- ENDS -

### **About Officeworks:**

Established 26 years ago in Richmond, Victoria, Officeworks is committed to making bigger things happen for its customers, team, the community and stakeholders. It operates 167 stores across Australia, a website that is home to more than 40,000 products, a national call centre, and a business team that helps micro, small and medium-sized businesses start, run and grow. Officeworks offers customers a wide range of office supplies, technology, furniture, art supplies, education resources and helpful services like print & copy and on-site and remote tech support through Geeks2U - delivering an experience that is easy and engaging, no matter how customers choose to shop. Officeworks

is focused on the safety, wellbeing and career progression of the more than 8,000 team members it employs. It's also dedicated to operating in a sustainable manner, including building and maintaining meaningful connections with the communities in which it operates, fundraising for its national partners and local community groups, continuing to reduce its impact on the environment and source responsibly.