

Wednesday 19 February 2020

Officeworks delivers revenue and earnings growth in first half

Today Officeworks reported an 11.9 per cent increase in total revenue to \$1.2 billion for the first half of the 2020 financial year.

The retailer reported a 3.9 per cent increase in earnings before interest and tax (EBIT) to \$79 million. Return on capital was 16.9 per cent.

Customers continue to respond positively to Officeworks' every channel offer with sales growth of 11.5 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. Pleasing momentum was maintained in the B2B segment.

Providing an easy and engaging experience for customers remained a key focus throughout the half. Sales growth was underpinned by new and expanded ranges such as art and education supplies, the early launch of the back-to-school program and a continued focus on providing low prices across the widest range of products, accompanied by great service.

Officeworks Acting Managing Director, Michael Howard, said: "The price trust we have with customers is particularly important to us and we continued to work hard to ensure we were able to deliver low prices. At the same time, we understand that prices alone are not always enough, so we also maintained our focus on providing customers with the widest range and great service."

The retailer recorded its safest half under Wesfarmers ownership, with total recorded injury frequency rate (TRIFR) decreasing 35 per cent to 7.1.

Other highlights from the half include the new store Enterprise Agreement being approved by the Fair Work Commission and implemented, the roll out of Geeks2U in our store network and online, our Wall of Hands initiative, which raised more than \$800,000 for the Australian Literacy & Numeracy Foundation (ALNF) and 84 per cent of operational waste recycled across the business.

There were no stores opened or closed during the half, so at 31 December 2019 there were 167 stores operating across Australia.

"We remain focused on making bigger things happen for our team, customers and the communities in which we live and work. We look forward to continuing to drive growth by executing our strategic agenda to deliver satisfactory returns to shareholders over the long term," he said.

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About Officeworks:

Established 25 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 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 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.