



26 February 2020

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

HALF-YEAR RESULTS PRESENTATION

Attached for release to the market is the Half-Year Results Presentation for the period ended 5 January 2020.

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WOOLWORTHS GROUP

Better Together

COMPANY RESULTS F20 HALF-YEAR

Thank you to Andrew Lawrence and Dan Medd from
Penrose RFS Brigade. Photography by Matthew Abbott.

Woolworths Group purpose



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Standing together to support Australians through natural disasters

One of our values at Woolworths Group is that we care deeply and was at the core of our response to support Australians through the recent devastating bushfires



- More than \$3.8 million raised via the S.T.A.N.D program through Group and customer donations
- \$200,000 in Woolworths and BIG W gift cards distributed to schools in affected areas
- \$250,000 committed for wildlife support and the supply of food such as carrots, sweet potatoes and nuts for wildlife in bushfire affected areas
- To thank volunteer firefighters and emergency services personnel, a 10% discount across Woolworths Group businesses was offered
- Donation of products to rural fire crews, on-the-ground support, charities and evacuation centres
- Extended paid leave for team members volunteering for emergency services and mobilised counsellors to further support team members and their families



We create better experiences together.

Update on salaried store team member remediation

- On 30 October, announced review of salaried store team members against GRIA
- \$78 million paid to date to eligible team members (\$69 million paid in H1)
- Original estimate of \$200 – 300 million based on two years' data and extrapolation for prior years and other Group businesses
- Review now has covered five years' data
 - Based on latest available information, salaried store team member payment shortfall estimated at \$315 million (\$265 million net of provisions recognised in F19)
 - Interest and other costs of \$80 million expected
 - Estimate still subject to further analysis, validation and completion of Fair Work investigation
- Independent reviewer has been appointed to resolve disputes
- Committed to fully pay team members as soon as possible
- Restated prior years to reflect the impact in periods to which it relates

We're committed to making this right.

We pride ourselves in caring for our people, but this time, we have let many of them down. For that we are deeply sorry.

We've been made aware of a shortfall in payment to some of our salaried store team members in accordance with the General Retail Industry Award.

Our review to date indicates the shortfall relates to the number of hours worked, when they were worked and some rostering practices, which were not adequately factored into the individual salary settings for some salaried store team members.

That means that even though we paid salaried team members in accordance with their salary commitments, many haven't been paid what they should have been.

Our highest priority is to pay everything we owe to our salaried team members, both current and those who have left the business, as soon as possible.

That includes back payments plus interest and superannuation.

We are determined to make this right. If you have been a salaried store team member in the Woolworths Group and believe you may have been affected, we strongly encourage you to visit team.woolworths.com.au

We're working hard to correct this situation and ensure it doesn't happen again.

In the meantime, we offer our unreserved apologies.

Strong H1 sales and EBIT growth



Online growth remains strong; X businesses continue to scale



Pleasing improvement in BIG W profitability driven by Apparel



Endeavour Drinks and Hotels restructure and merger completed; separation progressing



Making progress on salaried team member remediation; initial payments made in December

Build connected capabilities for the future

Create differentiation in all our businesses

Lean operating model leveraging core platforms

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Customer 1st
Brand, Team & Culture

5

Connected and Convenient Ways to Shop

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Differentiate our Food Customer Propositions

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Evolve our Drinks Business

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Unlock Value in our Portfolio

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Better for Customers, Simpler and Safer for Stores and Support

We create better experiences together.



Customer 1st Brand, Team & Culture

- Strong improvement in Brand NPS
- Team supporting local communities impacted by bushfires; paid leave extended for volunteers
- Named Australia's top company in the 2019 Refinitiv D&I Index
- \$69 million repaid to salaried store team members in H1
- More to do to repay team members, finalise salary review and embed improved processes



Connected and Convenient Ways to Shop

- Strong online sales growth across X businesses
- Delivery Now available to >8 million customers
- Launched two Caltex Metros and first Countdown Metro opened
- Woolworths Rewards and Qantas FF partnership revamped
- More to do to progress online fulfilment strategy



Differentiate our Food Customer Propositions

- 36 Renewals and 15 new stores including first sustainable supermarket
- Fresh Made Easy rolled out
- Everyday Acts driving VOC improvement in NZ Food
- Strong FoodCo sales growth
- More to do to evolve store formats, grow Our Brands and fresh inspiration and renew focus on customer and team





Evolve our Drinks Business

- Nine Dan Murphy's opened
- My Dan's increasing to >4 million members
- Strong improvement in Pinnacle sales and penetration in Wine
- New BWS app launched and On Demand now available in over 700 stores
- More to do with new leadership in place, BWS MD, Scott Davidson and Dan Murphy's MD, Alex Freudmann



Unlock Value in our Portfolio

- Announced and progressed separation of Endeavour Group
- Key Endeavour Group appointments made
- Continued improvement in BIG W trading performance especially in Apparel
- Progress across new businesses incl. Cartology and Woolworths International
- More to do to across Portfolio including building Group's digital retail ecosystem

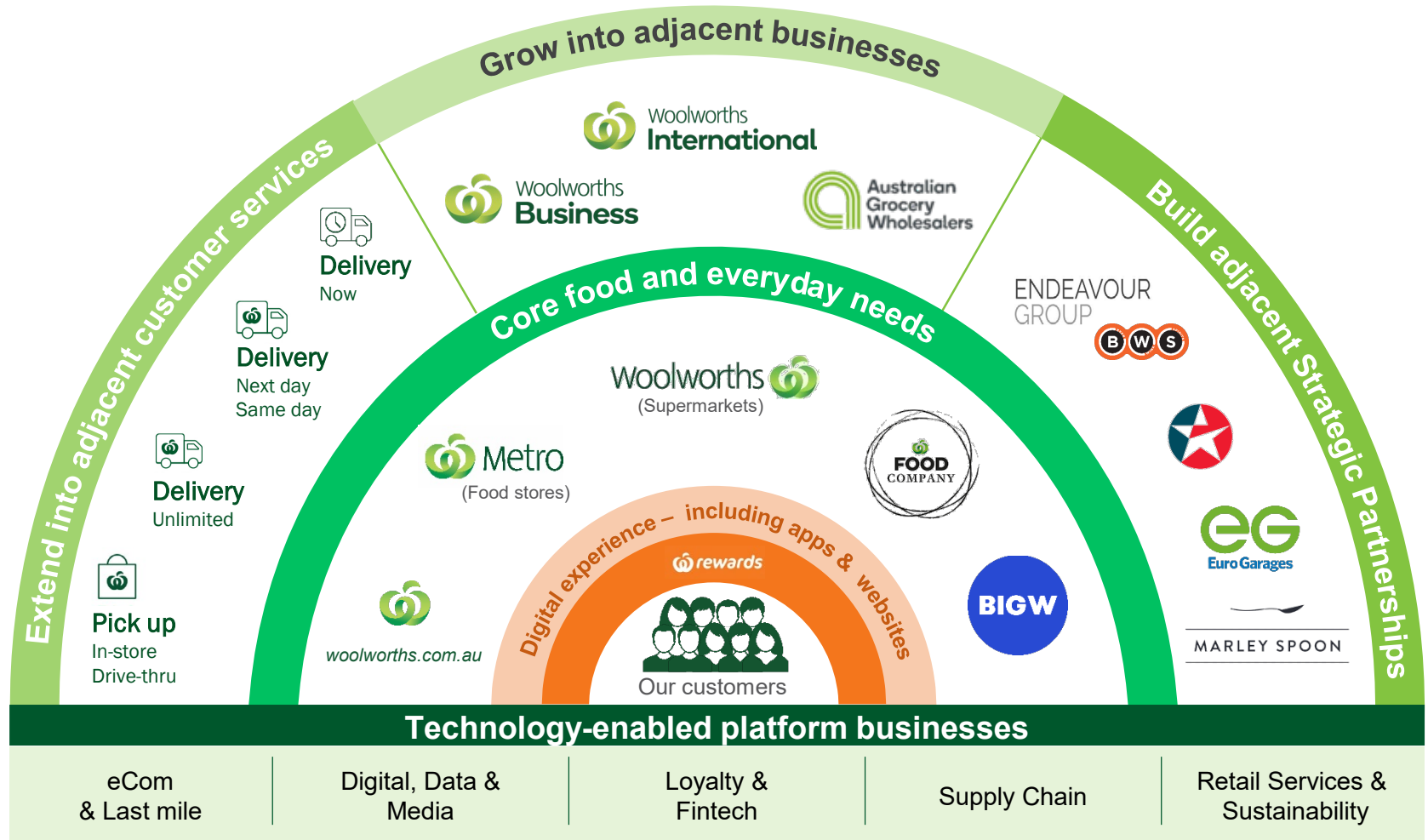


Better for Customers, Simpler & Safer for Stores & Support

- Notable team safety improvements; progress on mental health initiatives
- Good improvement in total stock loss
- MSRDC continues to ramp up, now supplying all Victorian stores
- Woolworths Supermarkets' Customer Operating Model implemented
- More to do to on MSRDC; optimise Customer Operating Model; improve rostering practices; build on mental health initiatives



Woolworths Group digital retail ecosystem



Powered by team, technology and data

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WOOLWORTHS GROUP





Financial Results

H20 results summary

Reported

\$ MILLION

Continuing operations before significant items

	REPORTED H20	PRE-AASB 16 REPORTED ¹ H19	CHANGE
Sales	32,410	30,587	6.0%
EBIT	1,893	1,419	33.5%
NPAT	979	902	8.5%
Basic EPS – cents	77.9	68.9	13.1%

Group after significant items

EBIT	1,762	1,503	17.3%
NPAT	887	961	(7.7)%
Dividend per share – cents	46	45	2.2%

Normalised for AASB 16

\$ MILLION

Continuing operations before significant items (post-AASB 16)

	REPORTED H20	POST-AASB 16 NORMALISED ² H19	NORMALISED ² CHANGE
EBIT	1,893	1,700	11.4%
NPAT	979	846	15.7%

¹ Certain comparatives have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group. The impact of the costs to remediate salaried store team members has been corrected by the restatement of each of the affected financial statements line items for prior periods in accordance with the requirements for the correction of an error under AASB 108

² Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

Normalised Group EBIT up 11.4% on F19

Group EBIT/(LBIT) Post-AASB 16

\$ MILLION	REPORTED H20	POST-AASB 16 NORMALISED ^{1,2,3} H19	POST-AASB 16 NORMALISED ¹ CHANGE
Continuing operations before significant items			
Australian Food	1,177	1,090	8.0%
New Zealand Food	175	161	8.8%
<i>New Zealand Food (NZD)</i>	186	175	6.4%
Endeavour Drinks	338	316	6.7%
BIG W	50	20	155.3%
Hotels	224	207	8.3%
Central Overheads	(71)	(94) ³	(24.8)%
EBIT from continuing operations before significant items	1,893	1,700³	11.4%

Strong EBIT improvement across all businesses in the half

¹ Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

² Certain comparatives have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group

³ The impact of the costs to remediate salaried store team members has been corrected by the restatement of each of the affected financial statements line items for prior periods in accordance with the requirements for the correction of an error under AASB 108

Group EBIT excluding AASB 16 impact in F20

Group EBIT/(LBIT) Pre-AASB 16

\$ MILLION	PRE-AASB 16 NORMALISED ¹ H20	REPORTED ^{2,3} H19	PRE-AASB 16 NORMALISED ¹ CHANGE
Continuing operations before significant items			
Australian Food	1,018	933	9.0%
New Zealand Food	150	137	9.7%
<i>New Zealand Food (NZD)</i>	158	148	6.9%
Endeavour Drinks	309	294	5.2%
BIG W	21	(8)	n.m.
Hotels	178	161	10.8%
Central Overheads	(72)	(98) ^{2,3}	(27.0)%
EBIT from continuing operations before significant items	1,604	1,419^{2,3}	13.1%

Excluding AASB 16 in H20, normalised Group EBIT increased by 13.1%

¹ Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20

² Certain comparatives have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group

³ The impact of the costs to remediate salaried store team members has been corrected by the restatement of each of the affected financial statements line items for prior periods in accordance with the requirements for the correction of an error under AASB 108

Impact of restatement on financial statements for salaried store team member remediation

\$ MILLION		FINANCIAL STATEMENT IMPACT
F18 and pre-F18 payment shortfall	263	Opening retained earnings - F19 balance sheet
H19 payment shortfall	26	H19 profit or loss and balance sheet
H2 F19 payment shortfall	26	F19 profit or loss and balance sheet
Gross payment shortfall for prior periods	315	
Provisions recognised in H2 F19	(50)	
Net payment shortfall for prior periods	265	
Interest and other costs	80	H20 profit or loss (significant items) and balance sheet
Net remediation cost	345	
Repaid to team members in H20	(69)	H20 cash flow statement
Net before-tax impact on F19 of \$(2)m		

Ongoing annualised impact across Group of \$35 - \$45 million before any mitigation

Key P&L lines impacted by the introduction of AASB 16. Similar NPAT impact in both years

\$ MILLION	H20 ¹		
	Pre-AASB 16 NORMALISED ²	REPORTED	Impact of AASB 16
EBITDA	2,263	3,141	878
D&A	(659)	(1,248)	(589)
EBIT	1,604	1,893	289
Interest expense	(71)	(440)	(369)
Tax	(452)	(429)	23
Non-controlling interests	(45)	(45)	-
NPAT	1,036	979	(57)

\$ MILLION	H19		
	REPORTED ³	Post- AASB 16 NORMALISED ⁴	Impact of AASB 16
EBITDA	2,030	2,850	820
D&A	(611)	(1,150)	(539)
EBIT	1,419	1,700	281
Interest expense	(71)	(431)	(360)
Tax	(404)	(381)	23
Non-controlling interests	(42)	(42)	-
NPAT	902	846	(56)

¹Before significant items

²Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20

³Certain comparatives have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group. The impact of the costs to remediate salaried store team members has been corrected by the restatement of each of the affected financial statements line items for prior periods in accordance with the requirements for the correction of an error under AASB 108

⁴Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

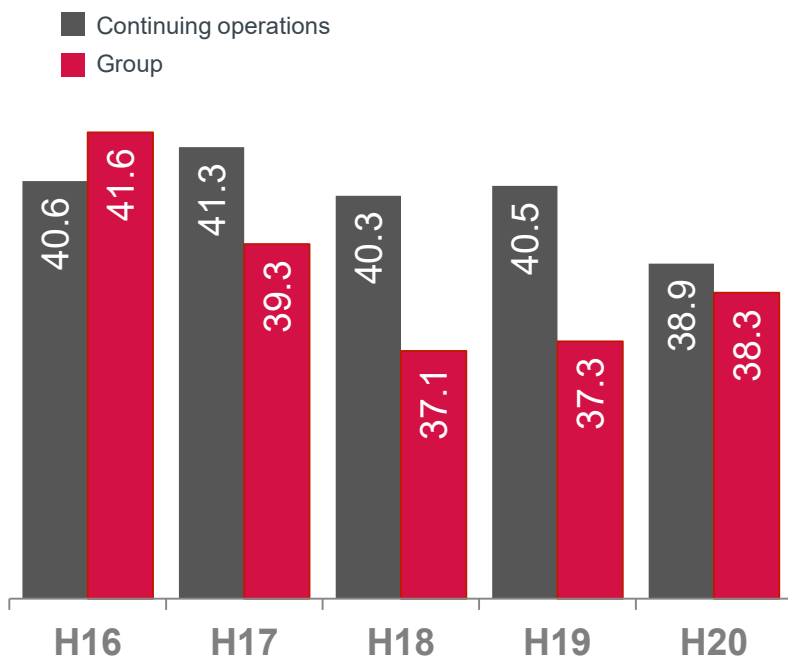
Key balance sheet lines impacted by introduction of AASB 16



Balance sheet metrics improved on prior year

Average inventory days

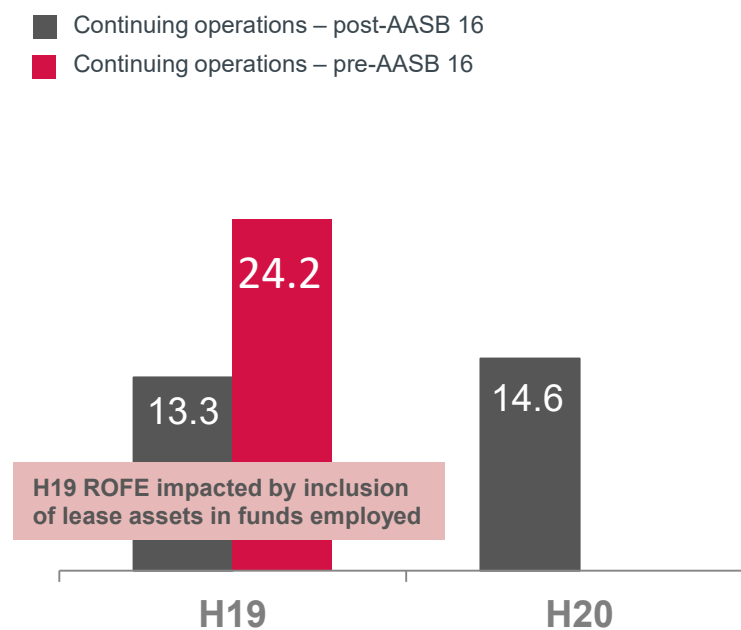
Days



Average inventory days declined by 1.6 days due to successful inventory management programs

Normalised ROFE

Percentage



Group ROFE - continuing operations increased 134 bps largely due to strong Group EBIT growth

Free cash flow lower than prior year due to working capital timing

\$ MILLION	REPORTED H20	PRE-AASB 16 REPORTED ¹ H19	CHANGE	
EBITDA – continuing operations	3,141	2,030	54.8%	▲ +ve AASB 16 impact with fixed rent becoming lease interest and repayment of lease liabilities. Normalised EBITDA growth of 10.3% from continuing operations before significant items
EBITDA – discontinued operations	-	84	n.m.	
Significant items	(131)	-	n.m.	
Group EBITDA	3,010	2,114	42.4%	EBITDA growth impacted by discontinued operations in H19 and significant items in H20
Working capital and non-cash movements	(59)	373	(115.8)%	Impacted by trade payables timing in H20
Operating activities before interest & tax	2,951	2,487	18.7%	▲
Interest paid – leases	(414)	-	n.m.	▼ -ve AASB 16 impact due to some fixed rent now lease interest
Interest paid – non-leases	(91)	(86)	5.8%	
Tax paid	(385)	(386)	(0.3)%	
Operating activities	2,061	2,015	2.3%	
Investing activities	(761)	(911)	(16.5)%	Capex discussed on slide 21
Free cash flow before lease payments, dividends and share issues	1,300	1,104	17.8%	
Dividends and share payments	(649)	(703)	(7.7)%	▲ H19 incl. cash payment of F18 10c special dividend
Repayment of lease liabilities	(602)	-	n.m.	▼ -ve AASB 16 impact with some fixed rent now repayment of lease liabilities
Free cash flow after lease payments, dividends and share issues	49	401	(87.8)%	Normalised EBITDA growth with lower capex and lower cash dividends offset by trade payables timing
Cash realisation ratio (CRR)	95%	123%	29 pts	

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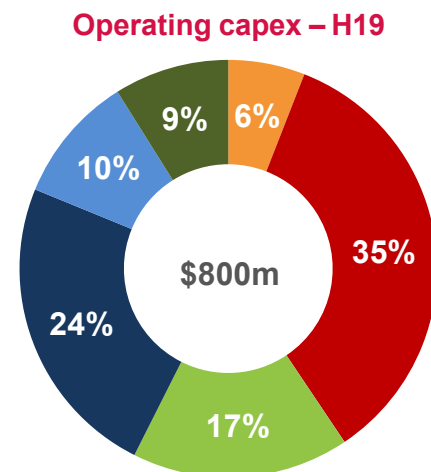
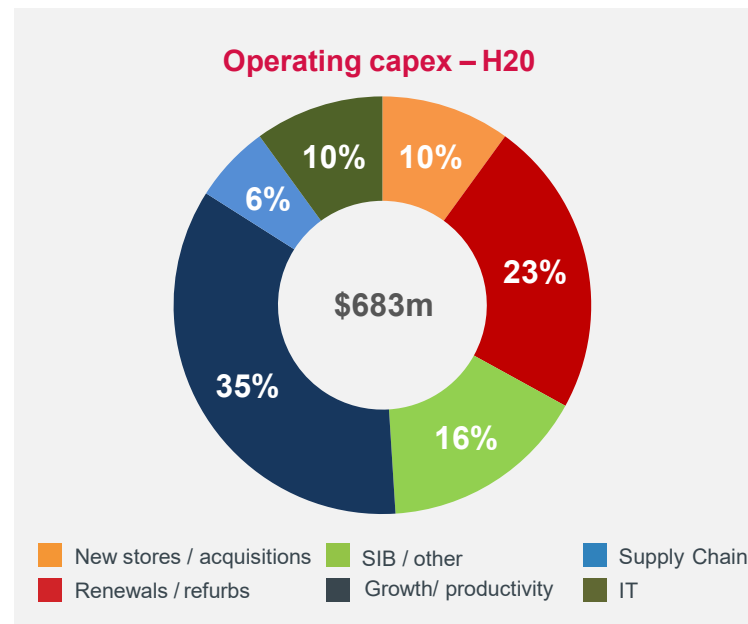
Operating capex below prior year due to Supply Chain and timing of Renewal spend

\$ MILLION	H20	H19 ¹
Continuing operations		
Operating capex²	683	800
Property development	222	227
Gross capex	905	1,027
Property sales	(174)	(101)
Net capex	731	926
Discontinued operation	—	18
Group net capex	731	944
Lease asset additions (net)	250	n.a.

**F20 operating capex expected to be
~\$1.7 billion**

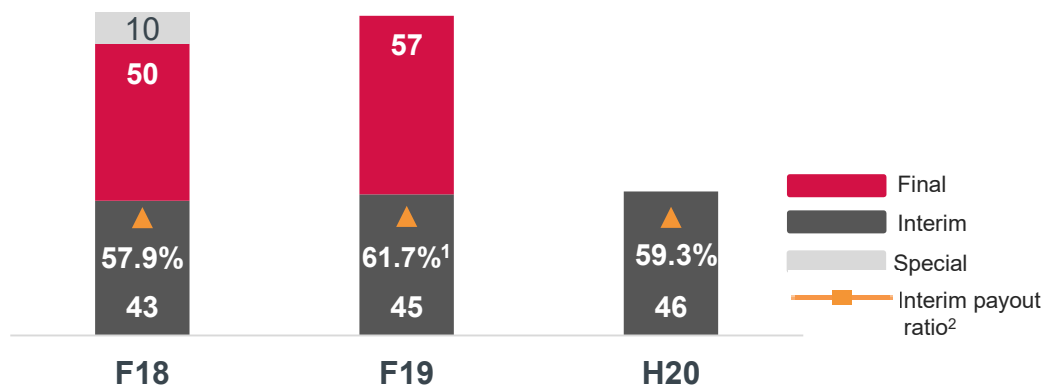
¹ Property acquisitions now included in property development, previously in operating capex. The comparative has been represented on the same basis

² Acquisitions of businesses are included in operating capex (H20: \$38m, H19: \$23m)



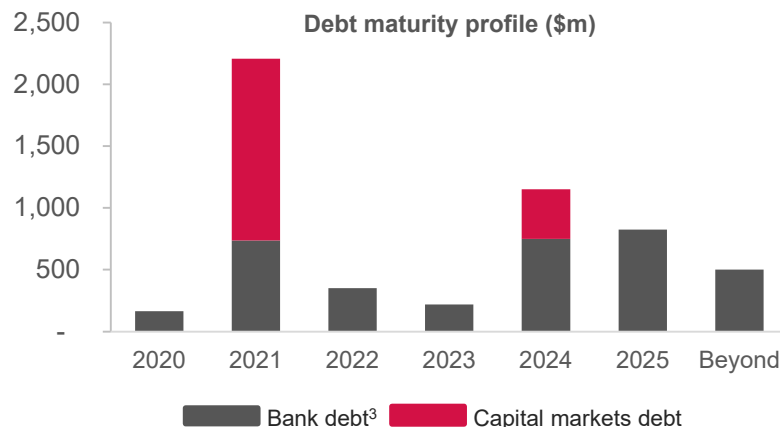
Fully-franked interim dividend up 2.2% to 46 cps

Dividends (cents per share)



- Dividend up 2.2% on the prior year. Excluding non-comparable Petrol earnings in H19, interim dividend is up 9.5%
- DRP remains active, no discount
- The impact on the Group's capital management framework will be considered following a successful separation of Endeavour Group

Sources of funding and liquidity remain strong



- \$2bn syndicated bank facilities refinanced in Nov 2019 with 4, 5 and 7 year tranches lowering effective interest rate and increasing weighted average maturity
- Net debt⁴ of \$1,543m (F19: \$1,599m) broadly in line with F19

Committed to solid investment grade credit ratings

Credit metrics have significant headroom above thresholds for current ratings

S&P: BBB (stable outlook)⁵
Moody's: Baa2 (stable outlook)⁵

No change to ratings expected after AASB 16

¹ Restated for the impact of the costs to remediate salaried store team members in accordance with the requirements for the correction of an error under AASB 108

² Based on Group NPAT attributable to equity holders of the parent entity before significant items

³ Total committed facilities (drawn and undrawn)

⁴ Excluding lease liabilities

⁵ These credit ratings have been issued by a credit rating agency which holds an Australian Financial Services Licence with an authorisation to issue credit ratings to wholesale clients only and are published for the benefit of Woolworths Group's debt providers

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WOOLWORTHS GROUP





Woolworths 
The fresh food people

	REPORTED H20	POST-AASB 16 NORMALISED ¹ H19	POST-AASB 16 NORMALISED ¹ CHANGE
Sales (\$m)	21,200	19,928	6.4%
EBITDA (\$m)	1,929	1,757	9.8%
EBIT (\$m)	1,177	1,090	8.0%
Gross margin (%)	29.1	28.8	38 bps
Cost of doing business (%)	23.6	23.3	29 bps
EBIT to sales (%)	5.6	5.5	8 bps
Sales per square metre (\$)	17,236	16,656	3.5%
ROFE (%)	25.2	25.3	(15) bps

H20 Normalisation – pre-AASB 16

	PRE-AASB 16 NORMALISED ² H20	REPORTED ³ H19	PRE-AASB 16 NORMALISED ² CHANGE
EBIT – pre-AASB 16 comparable basis	1,018	933	9.0%
EBIT – pre-AASB 16 comparable basis to sales (%)	4.8	4.7	12 bps

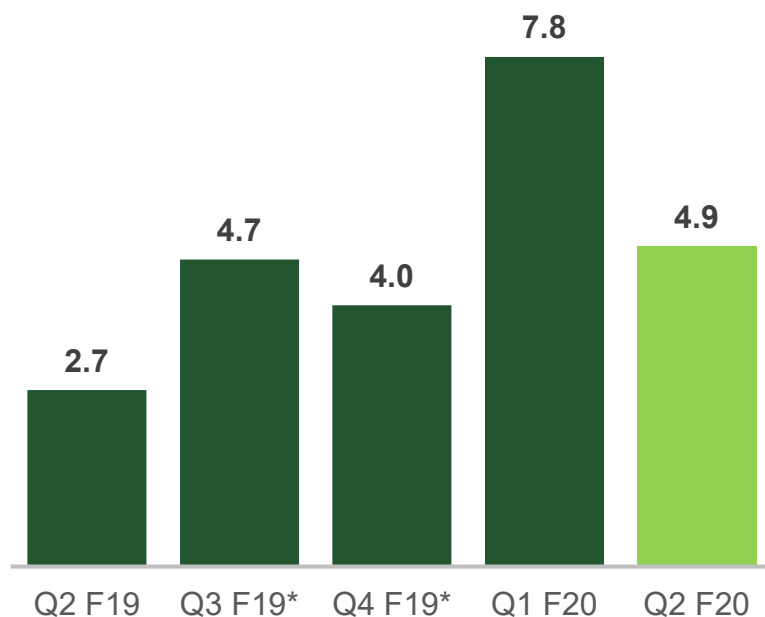
¹ Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

² Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20

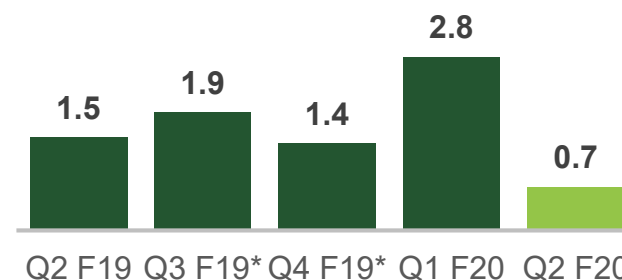
³ Comparatives have been re-presented to reflect the transfer of the Summergate business from Endeavour Drinks to Australian Food

Australian Food delivering strong sales in H1

Total sales (% year on year)



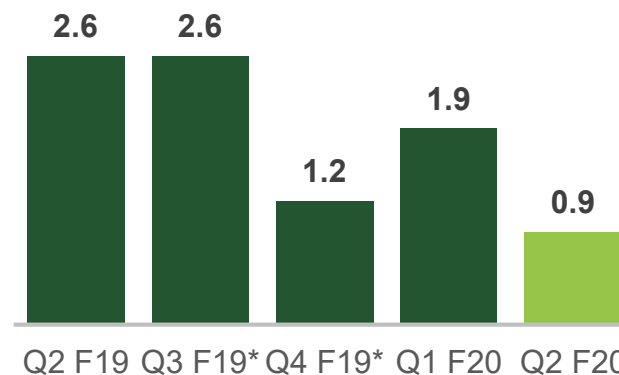
Comp transactions (% year on year)



Comp sales growth (% year on year)



Comp items per basket (% year on year)

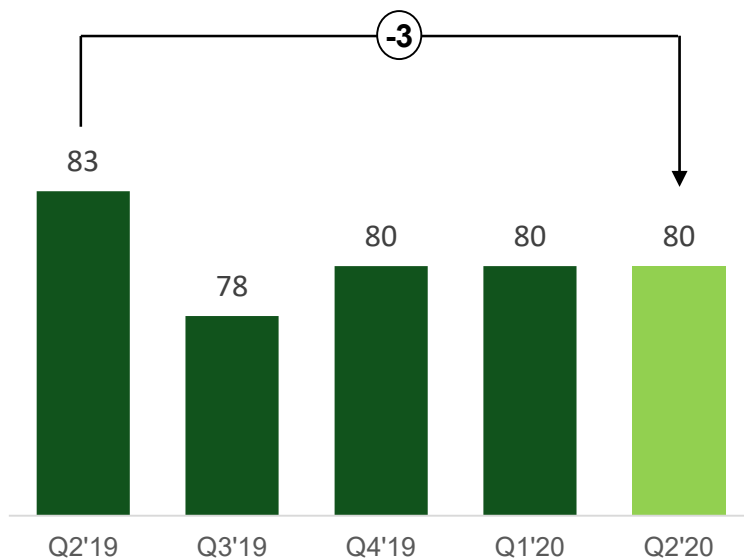


* Adjusted for the timing of Easter with Q4 also normalised for the impact of the 53rd week in F19

Brand NPS remains strong; plans in place to improve customer scores in H2

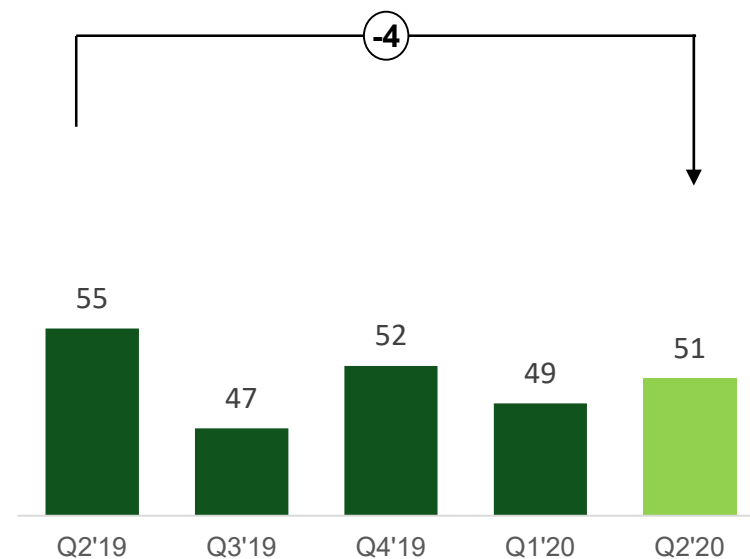
Store-controllable VOC¹

% customers satisfied, 6 & 7 out of 7



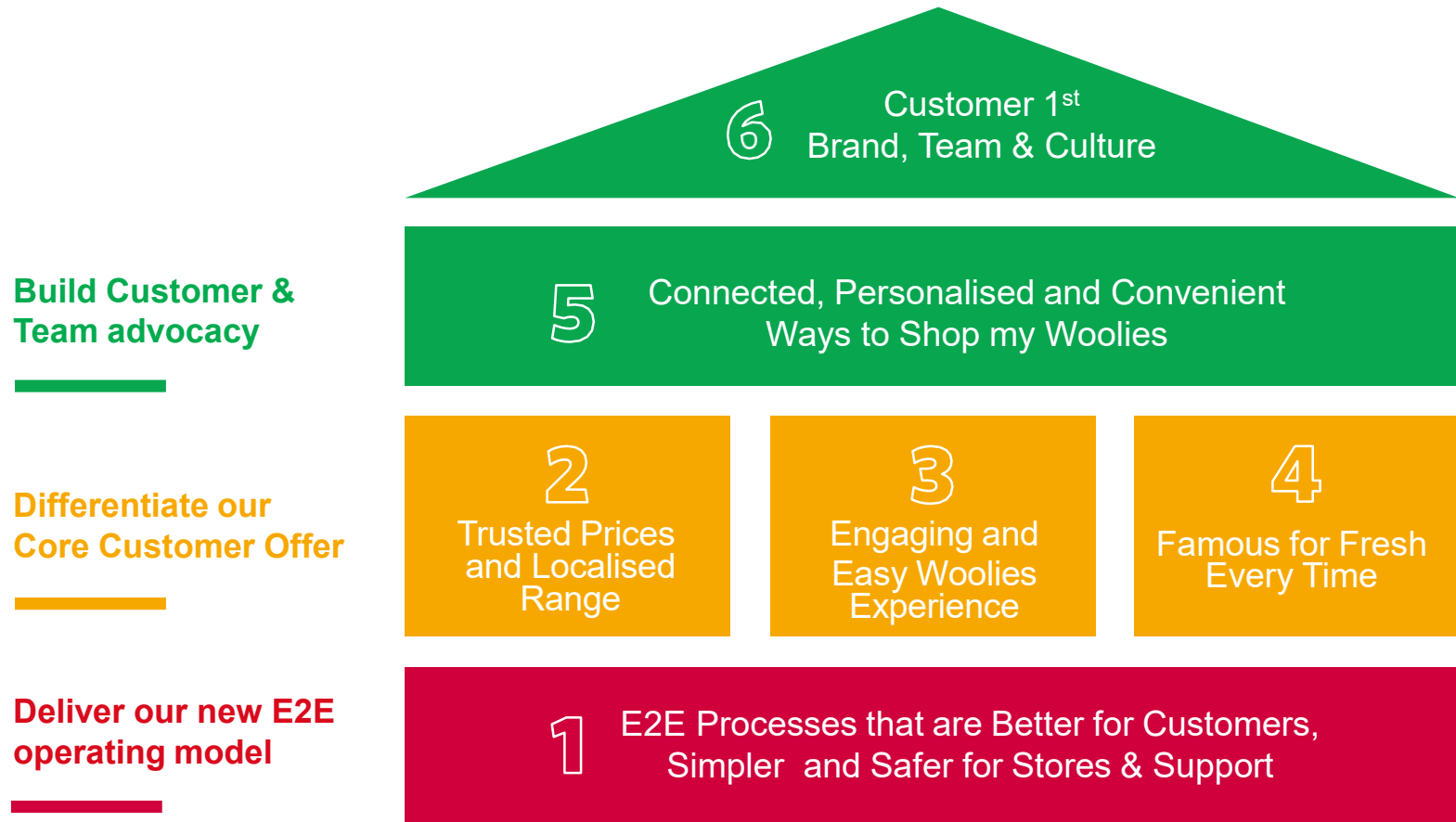
NPS - Store & Online^{1,2}

% promoters - % detractors



¹ In F20, Store-controllable VOC and VOC NPS has been re-weighted from seven metrics to five

² NPS Store & Online as 70% weighted store and 30% weighted online



Innovate our customer and team experience

Customer scores

51 VOC NPS

+2 pts vs Q1 F20; -4 vs H19

80% Store-controllable VOC
stable H20, -3% vs H19
Plans to improve in H2 F20

WooliesX

38% H20 Online

Sales Growth; 4.4% sales
penetration

12 million Woolworths
Rewards members

Team and Safety

13,400* team members
completed **I am Here** training for
mental wellbeing support

H20 **Total Recordable Injuries**
reduced by **9.6%** vs H19

Community & Bushfires

200 pallets of Food and
essentials donated to **bushfire**
impacted communities

\$1 million raised in
partnership with customers at
Xmas to **support OzHarvest**

Differentiate core customer offer

Store network

14 new stores (net)

36 Renewals
(32 Supermarkets, 4 Metros)

New store formats

2 Smart Stores launched
Millers Junction (VIC)
& Chullora (NSW)

New sustainable Supermarket
Burwood Brickworks (VIC)

Fresh offer

Fresh Made Easy deployed
nationally

Famous for
Fruit & Vegetables
implemented in 270 stores

Differentiated range

Emerging categories showing
continued growth including Free
From, Asian and vegan ranges

Redesign E2E Operating model

Better for customers

Roll out of new **customer**
operating model with an
ongoing focus on embedding
changes within stores

Better for stores

Continued to build momentum
across our **Simpler for Stores**
program, delivering a number of
initiatives during the half

Total stock loss

Reduced total stock loss
through a number of initiatives
including reactivation of scales
on assisted checkouts

Efficient supply chain

Ramp up of MSRDC continuing
now supplying all Victorian
stores

Supporting Communities

- Awarded 617 primary schools up to \$1,000 each to inspire the next generation of environmental champions via Woolworths Junior Landcare Grants
- More than \$1 million raised in partnership with customers at Christmas to support OzHarvest
- Delivered 500,000 pieces of school equipment to more than 14,000 schools nationwide as part of the Woolworths Earn and Learn program
- Supported women in need through Share the Dignity's collections in August
- More than 10 million pieces of fruit offered in H1 through our Free Fruit for Kids Program
- 55,000 kids participated in Fresh Food Kid Discovery Tours in H1, bringing the total to more than 250,000 kids who have learnt about fresh fruit and vegies since launch



WooliesX showing continued strong momentum

Strong eCom momentum

eCom growth at **38% YoY in H1**, supported by continued strong growth in Pick up offer



Digital traffic growing to over
50%

VOC NPS 61
maintained with high order volume in the lead up to Christmas

Multiple customer awards
No.1 Customer Satisfaction for Online Groceries by Canstar Blue and multiple awards by Mozo*

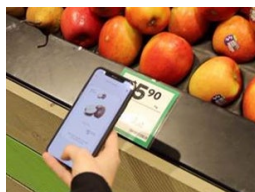


Ultra-convenient experiences

Continued investment into **digital experiences and convenient options** e.g. relaunch of Delivery Unlimited subscription, track my order feature and other improvements across web and app



Continued to expand **Delivery Now** proposition across Sydney, Melbourne and Brisbane



Scan&Go pilot live in 10 stores, 4 Supermarkets and 6 Metros

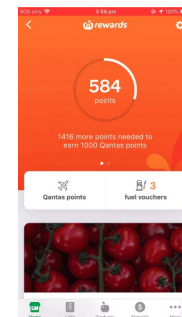
Rewards expansion

12 million



...members in our Rewards program (+0.7m vs Dec LY) with scan rates continuing to improve across all banners

Rewards access launched within the Woolworths mobile app, so customers can view their points as well as activate and track their offers



Relaunched Qantas partnership in Oct '19, allowing Rewards members to convert 2,000 Reward points into 1,000 Qantas points and simplifying the customer experience



* "Outstanding Customer Satisfaction", "Range of Products", "Freshness", "Online Shopping Experience", "Delivery Service", "Click and Collect" and "Most Recommended"



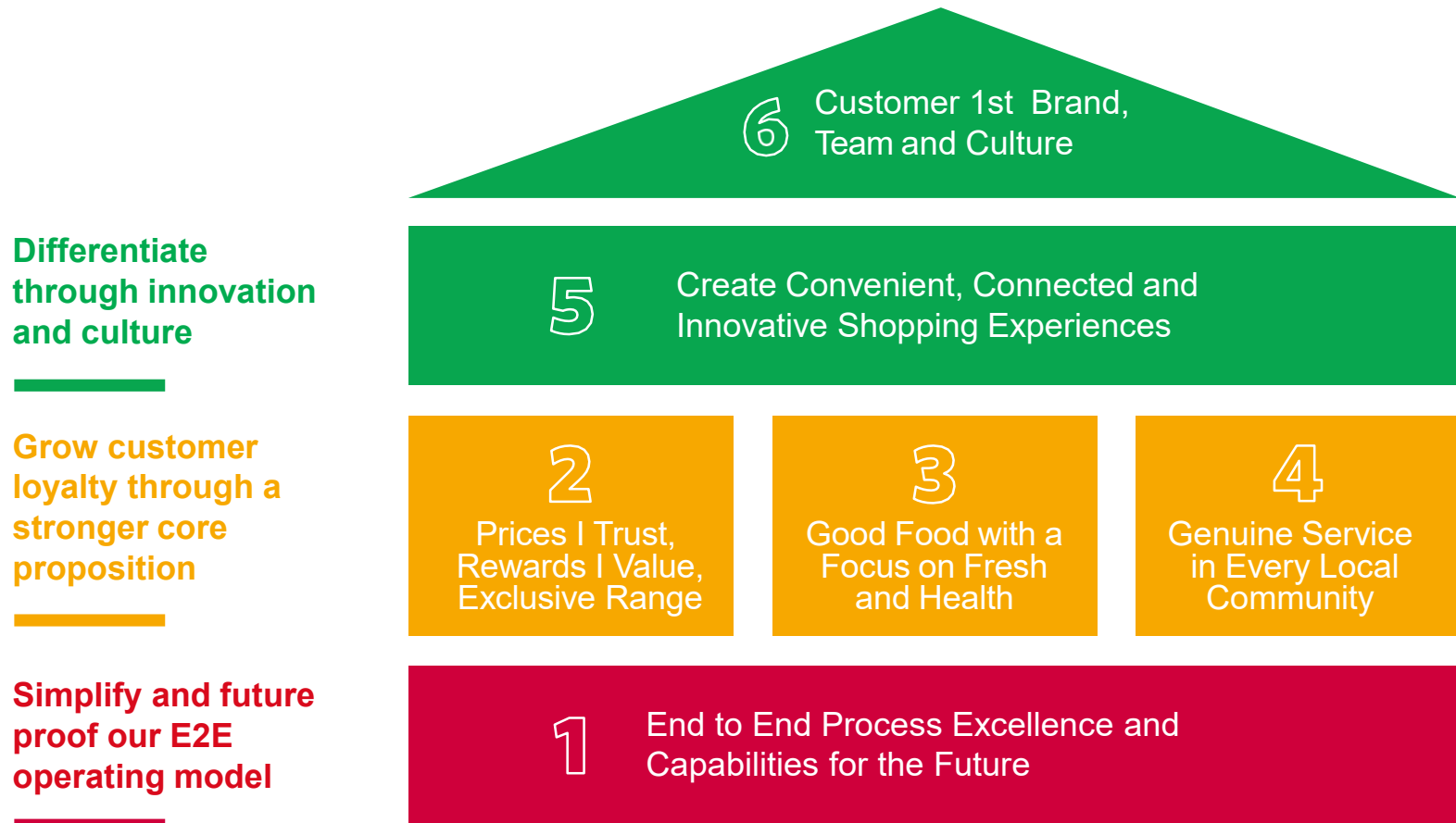
countdown 

NZD	REPORTED H20	POST-AASB 16 NORMALISED ¹ H19	POST-AASB 16 NORMALISED ¹ CHANGE
Sales (\$m)	3,564	3,401	4.8%
EBITDA (\$m)	316	294	7.5%
EBIT (\$m)	186	175	6.4%
Gross margin (%)	24.7	24.3	46 bps
Cost of doing business (%)	19.5	19.1	38 bps
EBIT to sales (%)	5.2	5.1	8 bps
Sales per square metre (\$)	16,704	16,009	4.3%
ROFE (%)	8.1	7.8	26 bps

H20 Normalisation – pre-AASB 16

	PRE-AASB 16 NORMALISED ² H20	REPORTED H19	PRE-AASB 16 NORMALISED ² CHANGE
EBIT – pre-AASB 16 comparable basis	158	148	6.9%
EBIT – pre-AASB 16 comparable basis to sales (%)	4.4	4.4	9 bps

¹ Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19² Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20



We're here to make Kiwis' lives a little better everyday.

H1 highlights

Customer 1st Team 1st

NPS

Continued brand advocacy
strengthening to new highs

TEAM

Improved Safety, Voice of
Team, Voice of Supplier and
Everyday Acts metrics

Convenient and Connected

32.7% H1 online sales
growth vs last year

8.2% Online sales
penetration H1

Opened first Metro and
announced first NZ eStore

Sales Growth

4.8%

H20 total sales growth

Great Prices and Good Acts

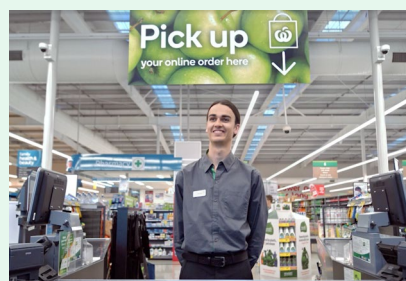


H2'20 focus

Customer 1st Team 1st Culture



Digital Experience and Online Growth



Health, Fresh and Sustainability



End to End Process Excellence





BIGW

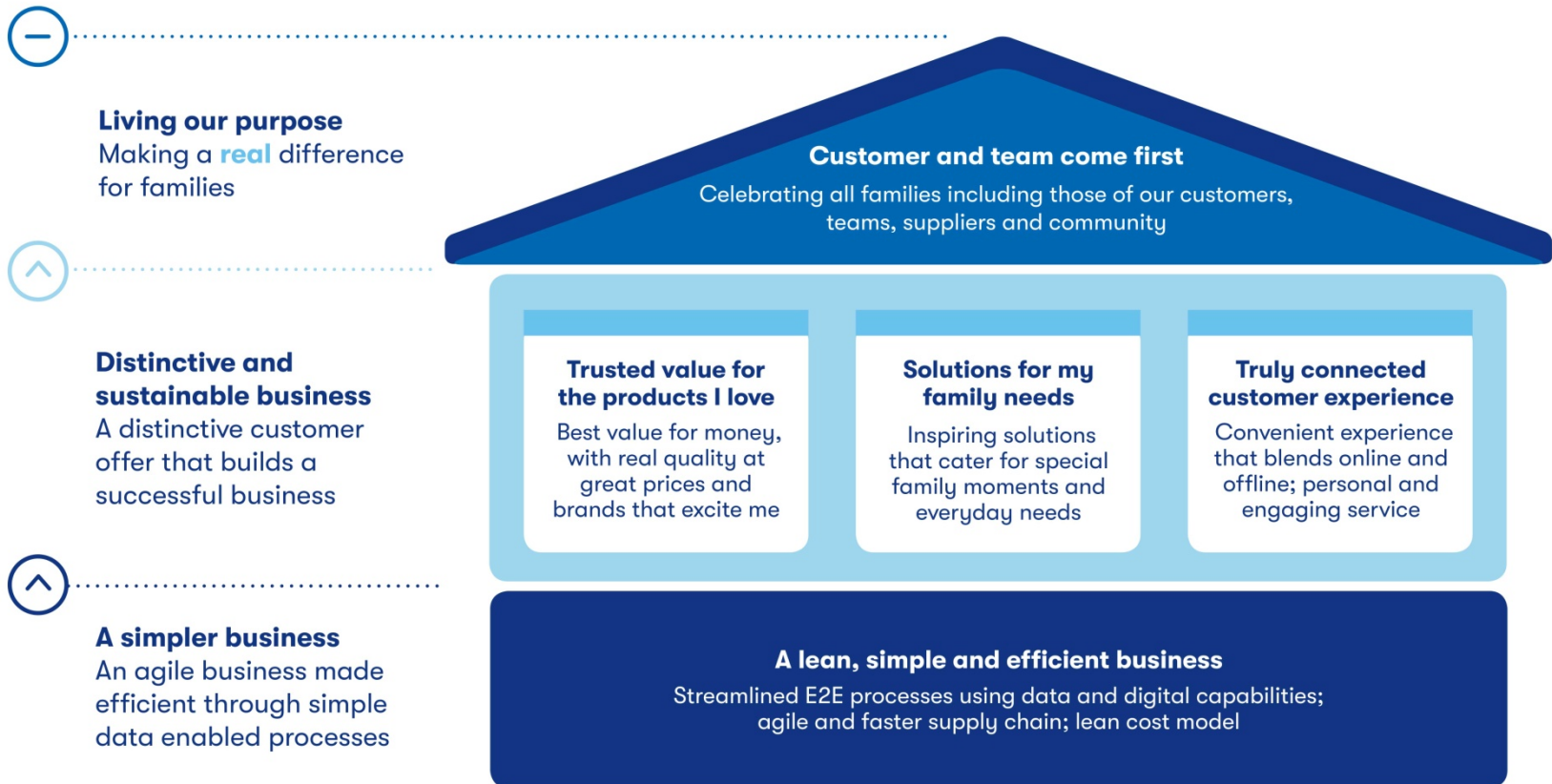
	REPORTED H20	POST-AASB 16 NORMALISED ¹ H19	POST-AASB 16 NORMALISED ¹ CHANGE
Sales (\$m)	2,149	2,091	2.8%
EBITDA (\$m)	138	112	23.6%
EBIT (\$m)	50	20	155.3%
Gross margin (%)	32.6	31.2	137 bps
Cost of doing business (%)	30.2	30.3	(2) bps
EBIT to sales (%)	2.3	0.9	139 bps
Sales per square metre (\$)	3,609	3,442	4.9%
ROFE (%)	0.0	(3.9)	3.9 pts

H20 Normalisation – pre-AASB 16

	PRE-AASB 16 NORMALISED ² H20	REPORTED H19	PRE-AASB 16 NORMALISED ² CHANGE
EBIT/(LBIT) – pre-AASB 16 comparable basis	21	(8)	n.m.
EBIT/(LBIT) – pre-AASB 16 comparable basis to sales (%)	1.0	(0.4)	133 bps

¹ Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

² Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20



We make a **real** difference for families.

H2O highlights

- ✓ Simplification of business processes and operations continued
- ✓ Continued to invest in price where it matters with more focus on full price selling
- ✓ Improved ranges in seasonal apparel supported by new fixtures and brands
- ✓ Improved digital offering and promotions
- ✓ Successful launch of new brand platform "Every Day's a Big Day"



Focus for the next 6 months

- 1 Simplify business by continuing to curate ranges and streamline processes
- 2 Remain competitive on price while optimising approach to promotions and clearance
- 3 Refresh fixtures in additional categories across the store network
- 4 Offer more ways for customers to shop BIG W with a focus on convenience
- 5 Continue to demonstrate real care to the communities BIG W operates in



Endeavour Group

The creation of Endeavour Group was completed in early February through the internal restructure of Woolworths Group's retail drinks business, and the merger of this business with ALH Group



As a result of these transactions, Woolworths Group now owns 85.4% of Endeavour Group, while Bruce Mathieson Group owns the remaining 14.6%



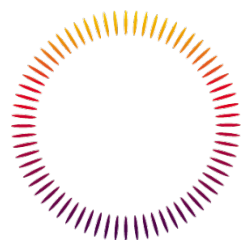
Key leadership appointments for Endeavour Group have been made, with Peter Hearl appointed as Chairman-elect, Steve Donohue as CEO-elect and Colin Storrie as COO/CFO-elect. These positions will take effect in the event of a separation



The planned separation of Endeavour Group is on track to occur later in CY2020. A dedicated internal team and advisor group continues to progress transaction execution and operational separation



We will provide further information on the expected timing and process for the separation at the appropriate time



ENDEAVOUR
DRINKS

	REPORTED H20	POST-AASB 16 NORMALISED ¹ H19	POST-AASB 16 NORMALISED ¹ CHANGE
Sales (\$m)	4,775	4,560	4.7%
EBITDA (\$m)	465	441	5.1%
EBIT (\$m)	338	316	6.7%
Gross margin (%)	23.2	22.8	42 bps
Cost of doing business (%)	16.2	15.9	29 bps
EBIT to sales (%)	7.1	6.9	13 bps
Sales per square metre (\$)	18,487	17,922	3.2%
ROFE (%)	14.7	14.4	23 bps

H20 Normalisation – pre-AASB 16

	PRE-AASB 16 NORMALISED ² H20	REPORTED ³ H19	PRE-AASB 16 NORMALISED ² CHANGE
EBIT – pre-AASB 16 comparable basis	309	294	5.2%
EBIT – pre-AASB 16 comparable basis to sales (%)	6.5	6.4	3 bps

¹ Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

² Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20

³ Comparatives have been re-presented to reflect the transfer of the Summergate business from Endeavour Drinks to Australian Food

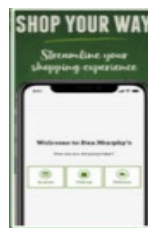
H1 highlights



Successful relaunch of My Dan's loyalty program. Over 4m memberships, up 24% vs LY



Complete review of the wine range
Delivering a localised range with 350 new lines added to stores over the last 6 months



Successful relaunch of the Dan Murphy's app providing multiple shopping options that enhance the customer experience

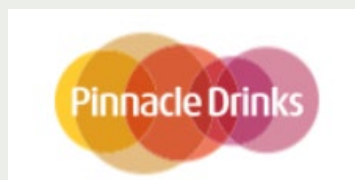


9 new stores taking total fleet to 239. Including first Smart Store and first New Urban format in Elanora Heights



Continued strong performance in VOC
December Store-controllable VOC of 90, +2pts on LY

H2'20 focus



Continue to leverage Pinnacle to deliver a product range tailored to customers



2 new stores added to the fleet to total 241 as well as trialling new store renewal formats



Optimising discovery engine to help My Dan's members discover new products that they will love



Continued focus on simplification of processes for store teams through investments in technology and Workforce Planning

H1 highlights



Opened 7 net new stores bringing the total store network to 1,353 and completed 73 Renewals (including 2 Smart Stores)



On demand delivery expanded to 740 stores driving double-digit growth



New product lines launched supporting double-digit sales growth on LY



New BWS APP +250k downloads supported by BWS Cooler promotion and was one of the top Food and Drinks apps

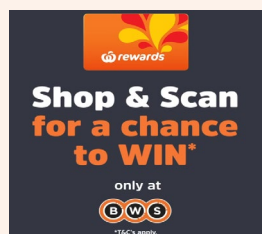


New partnership with Uber launched in ~210 stores in Victoria

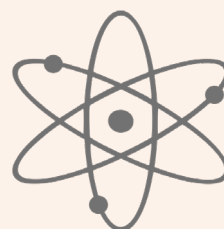
H2'20 focus



Continue the H2 Renewal program aligned to Food providing customers with improved in-store experience



Continue the Partnership with Food promoting customers to win on value through personalised Rewards



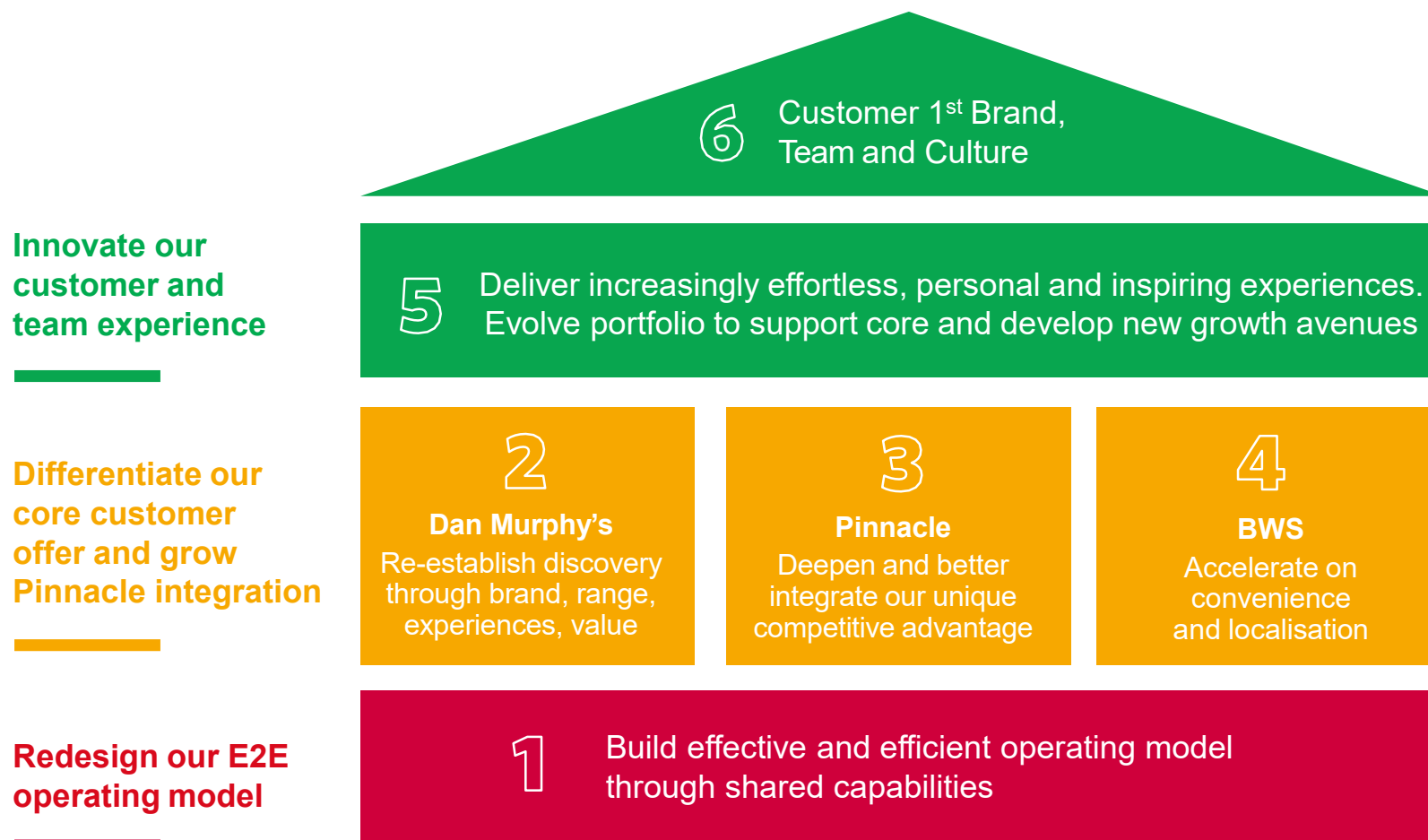
Continue to simplify store processes through in-store technology while providing authentic, knowledgeable and personalised customer experiences



Further enhance curated and localised ranging enabled by new system investments



Continue the partnership with Uber by expanding the offer to additional stores in the network



To connect everyone with a drinks experience they'll love



Broadbeach Tavern, QLD



	REPORTED H20	POST-AASB 16 NORMALISED ¹ H19	POST-AASB 16 NORMALISED ¹ CHANGE
Sales (\$m)	919	865	6.2%
EBITDA (\$m)	342	327	4.7%
EBIT (\$m)	224	207	8.3%
Gross margin (%)	83.7	84.2	(57) bps
Cost of doing business (%)	59.2	60.3	(105) bps
EBIT to sales (%)	24.4	23.9	47 bps
ROFE (%)	9.0	8.7	32 bps

H20 Normalisation – pre-AASB 16

	PRE-AASB 16 NORMALISED ² H20	REPORTED H19	PRE-AASB 16 NORMALISED ² CHANGE
EBIT – pre-AASB 16 comparable basis	178	161	10.8%
EBIT – pre-AASB 16 comparable basis to sales (%)	19.4	18.6	80 bps

¹ Normalised results and growth reflect adjustments to H19 if AASB 16 had been in place in F19

² Normalised results and growth reflect adjustments to H20 if AASB 16 had not been in place in F20

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Slower start to Q3 reflecting a volatile consumer and natural environment. Despite this we are confident in our plans for H2



Higher food inflation expected to continue in Australian and New Zealand Food. Costs to be impacted by new EAs, while continued opportunities available in productivity and total stock loss



Continue to scale up of X businesses to keep pace with customers' demands and expectations



Exciting but busy second half for Endeavour Group as we progress the separation of the business. Focused on areas of strong growth potential as premiumisation trends continue



Build on BIG W momentum through a focus on profitable sales with post-AASB 16 profit forecast in F20

Cash realisation ratio	Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation
Comparable sales	Measure of sales which excludes stores that have been opened or closed in the last 12 months and demonstrable impact on existing stores from store disruption as a result of store refurbishment or new store openings/closures
Cost of doing business (CODB)	Expenses which relate to the operation of the business
Customer 1 st Ranging	Developing a clearly defined range to provide an easier shopping experience for the customer
Customer fulfilment centre	Dedicated online distribution centres
Drive	Convenient options for customers to pick up online orders through Drive up or Drive thru facilities
eStore	Store which utilises automation for the fulfilment of online orders
Free cash flow	Cash flow generated by the Woolworths Group after equity related financing activities including dividends and repayment of lease liabilities
Funds employed	Net assets employed excluding net tax balances
MFC	Micro-fulfilment centre
MSRDC	Melbourne South Regional Distribution Centre
Net assets employed	Net assets excluding net debt and other financial assets and liabilities
Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of zero to 10. The score is the net result of the percentage of customers providing a score of nine or 10 (promoters) less the percentage of customers providing a score of zero to six (detractors)
Total Net debt	Borrowings less cash balances including debt hedging derivatives and lease liabilities
On-demand/express delivery	An express or scheduled delivery service providing online orders at the customer's convenience
Pick up	A service which enables collection of online shopping orders in-store or at select locations

Renewals	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)
Return on Funds Employed (ROFE)	ROFE is calculated as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed including significant items provisions
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area
Simpler for Stores	Simplification of end-to-end processes for store teams, improving customer experience and productivity
Smart Store	A store that employs technology to improve process efficiency from customers and team members
Total stock loss	The value of stock written-off, wasted, stolen, cleared, marked-down or adjusted from all stores nationally (sometimes expressed as a percentage of sales)
Voice of Customer (VOC)	Externally facilitated survey of a sample of Woolworths Group customers where customers rate Woolworths Group businesses on several criteria. Expressed as the percentage of customers providing a rating of six or seven on a seven-point scale
VOC NPS	VOC NPS is based on feedback from Woolworths Rewards members. VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below)
Voice of Supplier (VOS)	A survey of a broad spectrum of suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes scored as a percentage of suppliers that provided a rating of six or seven on a seven-point scale
Voice of Team (VOT)	Survey measuring sustainable engagement of our team members as well as their advocacy of Woolworths as a place to work and shop. The survey consists of nine sustainable engagement questions, three key driver questions and two advocacy questions

Other non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- EBIT – pre-AASB 16
- Normalised EBIT
- Cash flow from operating activities before interest and tax
- Significant items
- Fixed assets and investments
- Net investment in inventory
- Free cash flow after equity related financing activities excluding dividends
- Net assets held for sale
- Net tax balances
- Closing inventory days
- Closing trade payable days
- Average inventory days
- Change in average prices
- Trading area
- Easter-adjusted metrics
- Margins including gross profit, CODB and EBIT/(LBIT)
- Volume productivity metrics including transaction growth, items per basket and item growth

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Thank you

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