



24 March 2020

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

Update on impact of COVID-19

Please see attached an announcement authorised on behalf of the Woolworths Group Board for release to the market.

Marcin Firek
Company Secretary
Woolworths Group Limited



24 March 2020

Woolworths Group update on impact of coronavirus (COVID-19)

Woolworths Group is today providing an update on the impact of COVID-19 on its businesses.

Woolworths Group CEO, Brad Banducci, said: “The safety of our customers, teams and the communities in which we operate remains our number one priority.

“In line with the Federal Government’s directive, Woolworths Group’s Hotels business has been closed until further notice. Our teams are working to redeploy as many impacted team members as possible to other Group businesses. At present, all other Woolworths Group businesses remain open for trading. If there is any further mandatory closure of businesses in Australia or New Zealand, it is likely that many, if not all, of our businesses will continue to operate as required services for the community.

“In recent weeks, sales growth across the Group’s retail businesses has been strong (with the recent exception of Hotels), reflecting unprecedented demand for a range of products as customers have consumed more at home and stocked their pantries. This has been particularly pronounced in Australian and New Zealand Food, leading to challenges across the supply chain in keeping up with demand, which has unfortunately led to shortages on store shelves.

“Together with our suppliers and logistics partners, our teams are making good progress in improving the flow of product into stores. Customers can have confidence in both Australia and New Zealand’s food supply chains. Collectively our industry is more than capable of providing enough food for everyone in both countries. What we’ve been facing until now, is a short-term shock to the system driven by unprecedented demand. We’ve been pleased to see early signs of moderation in shopping behaviour in our supermarkets over the weekend and it’s heartening to see customers respecting product limits in store so more members of their local community have access to the items they need.

“We remain focused on supporting the most vulnerable in the community at this time. In addition to our dedicated early shopping hour at stores in Australia, a Priority Assist service has been implemented online to support the elderly, people with disability and those who are required to self isolate. We will announce more details of how we will support the vulnerable in the community through our media and customer channels later this week. We appreciate our regular online customers’ understanding at this time as we look to increase capacity and delivery window options. Unfortunately, as a result of the demand we have been experiencing, our Pick up service remains temporarily suspended.

“We are **better together** and I would like to thank our customers, government agencies and suppliers for their patience and support at this uniquely challenging time.”

Team update

“I want to specifically thank our team who have been working tirelessly to support customers and replenish stores as quickly as possible. Our team responds incredibly well in a crisis and I am especially proud of how they have come together across the Group for our customers.

“As we focus on team and customer safety, social distancing measures have been implemented in all stores nationwide. This includes informative signage requesting customers to adhere to social distancing in stores and additional cleaning and hygiene measures. We’ve also started installing plexiglass screens at our registers across our store network as an additional safeguard for our team members and customers.

“The measures we’ve introduced have been well received by our team and customers alike, and we’re grateful for the community support on this incredibly important public health effort.

“Our support offices and above store operations have also moved to remote working practices to ensure all our teams are best placed to continue supporting the essential services we provide to our customers.

“We have also adjusted leave options for all team members and continue to provide practical support such as access to micro-loans and financial advice along with mental wellbeing programs for team members and their immediate families.”

Group update

Given the significant uncertainty associated with current sales performance, changes to customer shopping patterns including pantry stocking and the closure of the Hotels business for an extended period, Woolworths Group is not able to accurately forecast the net impact of COVID-19 on the financial year 2020 results. Further updates on the impact of COVID-19 on the Group’s performance will be provided as appropriate.

Woolworths Group has a strong balance sheet, with access to liquidity and funding. It is well supported by its lenders, with significant headroom in available facilities and lending covenants. The Group’s cash flows are being managed efficiently, and payments to the team and suppliers are being made on time. Where appropriate, suppliers are being supported with shorter payment terms and early payments. As this period of shutdown continues, both discretionary spend and capital expenditure will be reviewed with adjustments made as required.

Woolworths Group Chairman, Gordon Cairns, said: “The Board is confident that the Group remains in a strong financial position and the team are doing everything possible in very challenging circumstances. On behalf of the Board, I would like to extend my thanks to them for their continued efforts and our customers for their support.”

Endeavour Group separation

Given the impact of the Government directive to close Hotels for an extended period and current financial market conditions, the Woolworths Group Board has made the decision to defer the separation of Endeavour Group from Woolworths Group until calendar 2021, with the specific date subject to ongoing review.

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