

17 February 2021

**ASX Announcement**

**2021 – Half Year Results Presentation**

Super Retail Group Limited (ASX:SUL) provides its 2021 – Half Year Results Presentation to the market.

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The release of this announcement has been authorised by the Board of Super Retail Group Limited.

Super Retail  
Group



Inspiring you to  
live your passion



Super Retail Group Limited

## 2020/21 HALF YEAR RESULTS PRESENTATION

**SUPERCHEAP**  
**AUTO**

**rebel**

**BCF**

**macpac**

Authorised for release by the Super Retail Group Board

17 February 2021



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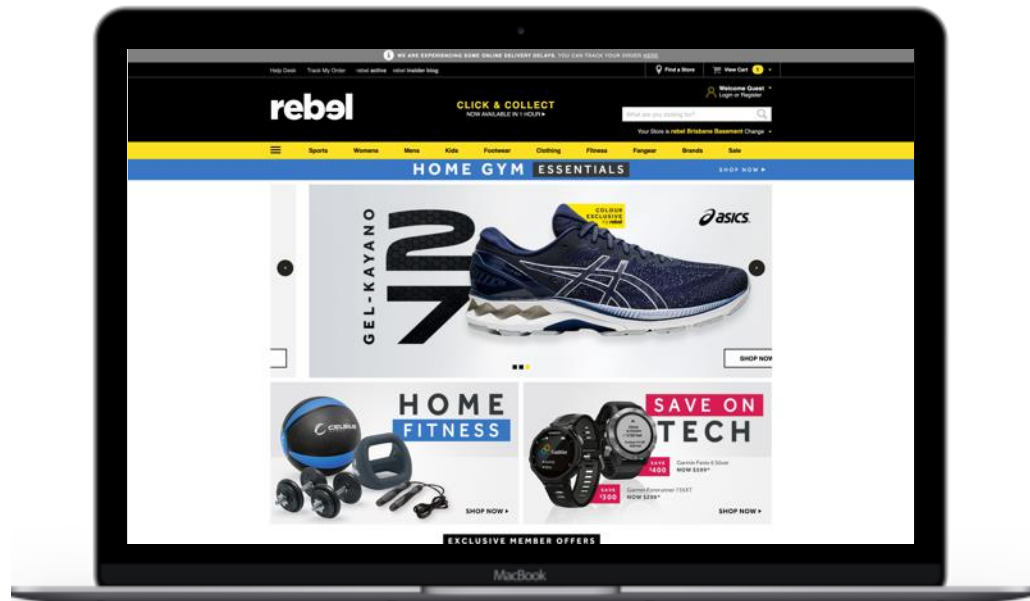
# Group highlights



# Executive summary

## WELL EXECUTED OMNI-RETAIL STRATEGY DELIVERS A RECORD FIRST HALF RESULT

- Record first half result driven by strong top line growth, higher gross margin and disciplined cost management
- Successfully executed our omni-retail strategy to capture strong customer demand despite the challenges of COVID-19
- Excellent performance in digital, delivering 87 per cent growth in online sales
- Strong operating leverage demonstrating profitability of online sales and scalability of omni-retail business model
- Robust cashflow generation and conservative balance sheet with no bank debt
- Well positioned to reinvest in each of our four core brands and increase our market share



# Financial highlights

## SALES



- Group sales up 23.1% to \$1,776.3m
- Group LFL sales growth of 23.8%<sup>1</sup>

## EARNINGS



- Group segment EBITDA up 94.9% to \$311.4m<sup>2</sup>
- Group segment EBIT up 121.8% to \$256.0m<sup>2</sup>
- Group segment EBIT margin up 6.4% to 14.4%<sup>2</sup>
- Statutory NPAT up 201% to \$172.8m
- Underlying NPAT up 139.0% to \$177.1m<sup>2</sup>
- Fully franked interim dividend of 33.0 cents per share

## ONLINE



- Online sales up 87.3% to \$237.4m
- Online sales represented 13.3% of first half sales
- Active online loyalty club members up 700,000 versus pcpc
- Average online transaction value 170% higher than average in-store transaction value

## BALANCE SHEET



- No bank debt
- Cash balance of \$416.8m
- Financial flexibility to reinvest for growth in four core brands

(1) No adjustments have been made to like-for-like sales growth numbers for COVID-19 related store closures  
(2) Pro forma as if AASB 16 did not apply to enable a more meaningful comparison with the pcpc







# Operating highlights

## CUSTOMERS



- 7.1m active club members up 10.9% on pcp
- Average customer NPS 59.8%<sup>1</sup>
- Active club members represent 61.6% of Group sales

## OMNI-CHANNEL



- Fulfilled over 2m online orders, up 93% on pcp
- Click & Collect sales up 73.7% on pcp to \$107.8m
- Home delivery sales up 100.3% on pcp to \$129.6m

## SUPPLY CHAIN



- Imported 8,639 container TEUs, up 29% on pcp
- Delivered 228,000 pallets from DCs, up 16% on pcp
- Made 1m-plus home delivery shipments
- Phase 1 of OMS implementation delivering cost savings in line with expectations

## TEAM



- More than 300 active trainees in Certificate III (Retail Operations) and Certificate IV (Retail Management) training
- Paid one-off COVID-19 thank you payment of up to \$1,000 to 5,000-plus frontline, permanent, store and distribution centre team members

(1) Club member NPS for 12 months ending December 2020

# Environmental, social and governance (ESG) highlights

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## ACTING WITH INTEGRITY



- Increased Dow Jones Sustainability Index score from 52 to 60
- Included in the SAM Sustainability Yearbook 2021 as a Sustainability leader in the retailing industry
- Yearly communication on progress to the United Nations Global Compact (GC) qualified for the GC Advanced level, the highest level for a signatory

## PASSIONATELY SUPPORTING OUR TEAM



- Continued to invest in measures to keep our team and customers safe during the COVID-19 pandemic including contact-free Click & Collect
- WGEA Employer of Choice for Gender Equality
- Total Recordable Injury Frequency Rate (TRIFR) of 11.10, in line with pcip

## CARING FOR OUR NATURAL ENVIRONMENT



- Ongoing initiatives to reduce waste, packaging and energy consumption
- Launched first product range with the Australasian Recycling Label
- Finalist at the 2020 Australian Packaging Covenant Awards - large retailer category
- Implemented energy efficiency upgrades in new stores and refurbishments
- Brand initiatives targeting sustainability including Macpac recycled range, BCF restoring waterways partnership with Oz Fish, rebel footwear recycling partnership with Save our Soles and Supercheap Auto oil and battery recycling program

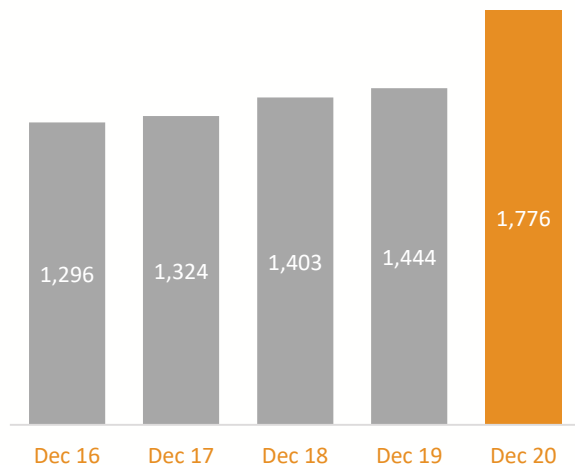








# Strong revenue growth

THE GROUP'S THREE LARGEST BRANDS DELIVERED STRONG TOP LINE GROWTH. MACPAC WAS IMPACTED BY COVID-19 LOCKDOWNS IN AUCKLAND AND MELBOURNE<sup>1</sup>

GROUP 1H  
SALES (\$M)



SALES GROWTH  
BY BRAND

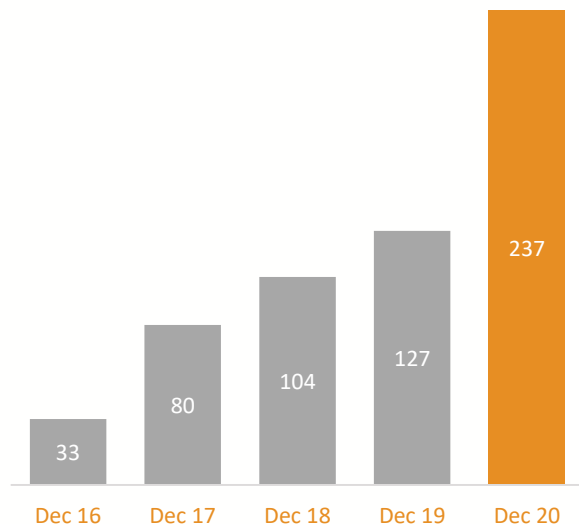
1H	SALES GROWTH (%) <sup>2</sup>	LFL SALES GROWTH(%) <sup>2</sup>
	20.2	19.6
	14.9 <sup>3</sup>	17.1
	50.9	50.8
	(5.3)	(3.3)
<b>TOTAL GROUP</b>	<b>23.1</b>	<b>23.8</b>

# Online sales grew by 87 per cent to \$237m





ONLINE SALES REPRESENTED 13% OF GROUP FIRST HALF SALES (COMPARED TO 9% IN PCP)

## 1H ONLINE SALES (\$M)

4 YR CAGR 64%



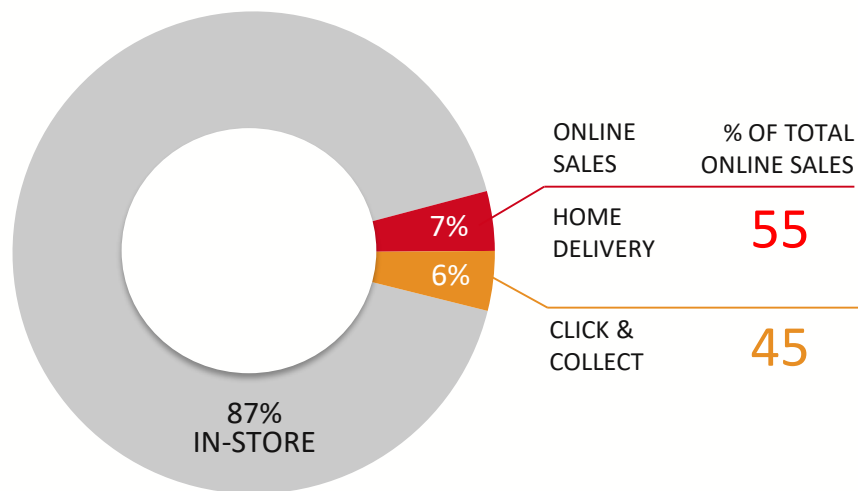
## BRAND PERFORMANCE

	ONLINE SALES (\$M)	ONLINE SALES GROWTH VS PCP (%)	ONLINE AS % OF TOTAL SALES
	54	46	8
	120	102	19
	51	113	12
	13	94	21
TOTAL GROUP	237 <sup>1</sup>	87	13

# 93% of total sales involve a customer visiting a store

EXECUTING OUR OMNI RETAIL STRATEGY TO MEET CUSTOMER DEMAND

GROUP SALES BY CHANNEL<sup>1</sup>



BRAND SALES BY CHANNEL<sup>1</sup>

	In-store (%)	Click & Collect (%)	Home Delivery (%)
<b>SUPERCHEAP AUTO</b>	92	6	2
<b>rebel</b>	81	6	13
<b>BCF</b>	88	7	5
<b>macpac</b>	79	2	19
TOTAL GROUP	87	6	7



# Large, growing and active club loyalty membership base

CLUB MEMBERSHIP AND SALES FROM CLUB MEMBERS HAVE CONTINUED TO GROW



**VIP** 1.88M active<sup>1</sup> club members ↑ 11%

**63% NPS<sup>2</sup>** ↑ from 62%

**42% - sales from active club members** ↑ from 40%

**VIP** 3.08M active<sup>1</sup> club members ↑ 12%

**53% NPS<sup>2</sup>** ↓ from 58%

**67% - sales from active club members** ↑ from 65%

**VIP** 1.77M active<sup>1</sup> club members ↑ 16%

**63% NPS<sup>2</sup>** ↑ from 62%

**84% - sales from active club members** ↑ from 82%

**VIP** 0.41M active<sup>1</sup> club members ↓ 13%

**67% NPS<sup>2,3</sup>**

**64% - sales from active club members** ↓ from 69%

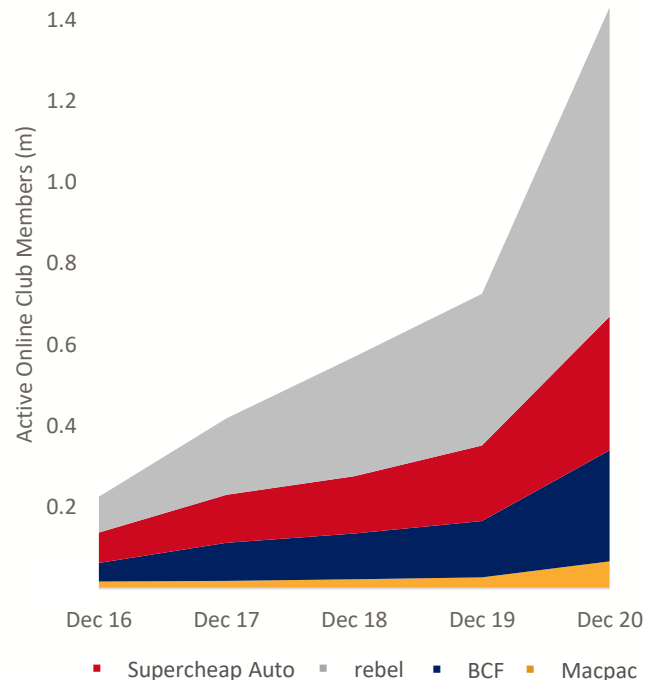
# Attracting and retaining loyal customers

## EXPANDING CUSTOMER LOYALTY BASE A KEY DRIVER OF EARNINGS GROWTH

- Attracted an additional 700,000-plus customers to our loyalty programs in the past 12 months to reach 7.1m-plus members
- Club loyalty members represent 62% of Group sales
- On average, club members have a higher ATV than non members
- Active online loyalty club members have almost doubled to 1.4m in the past 12 months
- Key progress to date:
  - Generated value through digital engagement with our club members and creating a seamless transactional experience
  - Aligned marketing, merchandising and pricing strategies to customers
  - Deepened our understanding of the customer, with more sophisticated analytics and insights
  - Developing structured customer relationship (CRM) program to drive visitation and transaction growth
- A key priority is to improve engagement and maximise retention by redesigning our loyalty programs to reward and incentivise club members.

### ACTIVE ONLINE CLUB MEMBERS BY BRAND

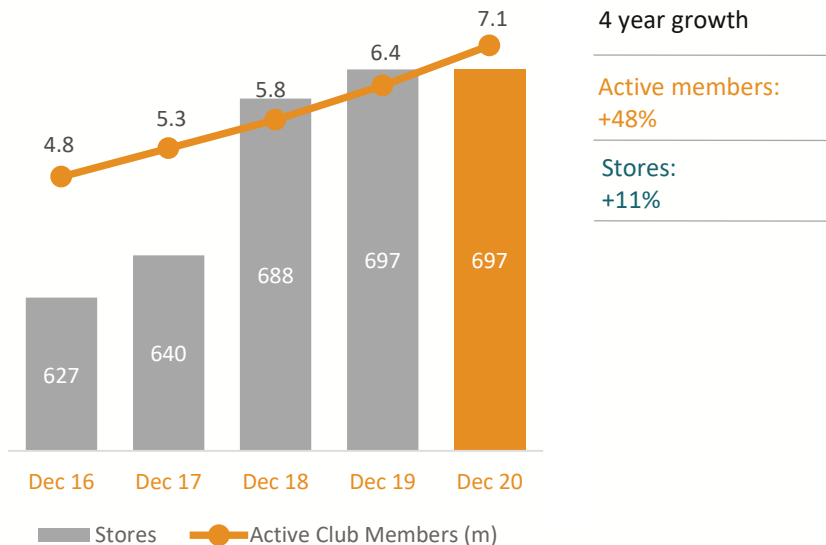
4 YR CAGR 59%



# Active club membership growth outpacing store growth

ACTIVE CLUB MEMBERS HAVE GROWN FOUR TIMES FASTER THAN STORE NUMBERS IN THE PAST 4 YEARS

STORE NUMBERS AND ACTIVE CLUB MEMBERS





# Growing our four core brands

KEY SECOND HALF INITIATIVES FOR 2020/21



- Store refresh acceleration – refurbish 22 stores
- Grow dedicated service areas in stores to provide more fitment options for customers
- Augment range with “Super Buy” program with fortnightly unique offers while stocks last
- Drive private brand growth through new and improved ranges and refreshed brand execution

rebel

- Introduce successful rCX store format in new locations
- Roll out “World Of” Basketball, Football, Running, Kids and Training
- Complete preparations for launch of Fanatics.com on [rebelsport.com.au](https://rebelsport.com.au) in 1H FY22
- Ongoing store network optimisation



- Deliver local and regionally relevant ranges through a tailored offering
- Amplify offering in 4WD, caravan and hiking to capture growing demand
- Broaden apparel and footwear offering to address seasonality
- Optimise store network through store rationalisation, lease renegotiation and capturing new catchments



- Range Macpac in select BCF and rebel stores in Winter 2021
- Invest in the brand to grow market awareness in Australia
- Ongoing focus on sustainable design practices - building durable products with sustainable materials
- Open five new stores in Australia

# Key opportunities to create shareholder value

## LEARNING FROM OUR SUCCESS DURING COVID-19 LOCKDOWN

Opportunity	1H 2020/21 Achievement	How we can deliver on the opportunity
Rebase Group gross margin to above pre-COVID-19 levels	<ul style="list-style-type: none"> <li>Significant expansion in Group gross margin driven by reduced promotional activity</li> </ul>	<ul style="list-style-type: none"> <li>Improve sourcing</li> <li>Leverage quantitative capability in pricing strategy team</li> <li>Discipline in inventory management and tailored ranging to minimise inventory write downs and obsolete stock</li> </ul>
Harmonise profitability of online and in-store sales	<ul style="list-style-type: none"> <li>Pivoted to meet surge in online demand</li> <li>Achieved 87% growth in online sales</li> <li>Click &amp; Collect proportion of online sales broadly stable at 45%</li> <li>Successfully demonstrated ability of supply chain to handle significant online volume uplift</li> <li>Delivered strong operating leverage</li> </ul>	<ul style="list-style-type: none"> <li>Continue to invest in digital channels to grow sales and deliver cost fractionalisation</li> <li>Improve supply chain efficiency to reduce split orders and optimise order fulfilment and delivery routing</li> <li>Leverage store network to provide timely and convenient Click &amp; Collect offering</li> <li>Lift incremental in-store spend from customers picking up Click &amp; Collect orders</li> </ul>
Rebase sales intensity in BCF to above pre-COVID-19 levels	<ul style="list-style-type: none"> <li>Record result for BCF driven by higher sales intensity due to unprecedented consumer demand and ability to flow significant volume increases through the network</li> <li>Increased active club member base to 1.77m</li> <li>Successfully trialled new small format regional stores</li> <li>Successfully trialled local ranges across two States</li> </ul>	<ul style="list-style-type: none"> <li>Deliver locally relevant ranges through a tailored offer – refining range and reinvesting the right product in the right stores</li> <li>Introduce Macpac winter range in BCF stores to mitigate seasonality</li> <li>Broaden apparel and footwear offer in fishing and camping</li> <li>Optimise network – close underperforming stores, renegotiate leases on existing stores and capture new catchment opportunities</li> <li>Broaden exclusive offering range with key trade partners</li> <li>Leverage BCF's existing club member loyalty base</li> <li>Continue to invest in brand awareness and grow active customer base</li> </ul>

## 2020/21 first half financial results





# Group results

\$m	1H 2020/21 Post AASB 16	1H 2020/21 Pre AASB16 <sup>1</sup>	1H 2019/20 Pre AASB 16	Change %
Total sales	1,776.3	1,776.3	1,443.5	23.1%
Total segment EBITDA	418.1	311.4	159.8	94.9%
Segment D&A	(146.1)	(55.4) <sup>2</sup>	(44.4)	24.8%
Total segment EBIT	272.0	256.0	115.4	121.8%
Normalised NPAT	175.6	177.1	74.1	139.0%
Other items not included in normalised NPAT <sup>3</sup>	(2.8)	(2.8)	(12.7)	(78.0%)
Profit attributable to owners (pre AASB 16)	n/a	174.3	61.4	183.9%
AASB 16 adjustment	n/a	(1.5)	(4.0)	(62.5%)
Profit attributable to owners	172.8	172.8	57.4	201.0%

# Segment results

\$m	1H 2020/21		1H 2019/20	
Segment	Sales	EBIT <sup>1</sup>	Sales	EBIT
Supercheap Auto	661.9	104.1	550.7	57.3
Rebel	623.7	99.6	542.8	53.7
BCF	427.7	62.0	283.5	12.1
Macpac	63.0	3.5	66.5	2.3
Group and Unallocated		(13.2)		(10.0)
<b>Total</b>	<b>1,776.3</b>	<b>256.0</b>	<b>1,443.5</b>	<b>115.4</b>



# Supercheap Auto



- Total sales growth of 20.2% driven by like-for-like sales growth and contribution from new stores
- Like-for-like sales growth of 19.6% reflected both transaction growth and increased units per sale driving higher average transaction value
- Western Australia, Queensland and South Australia were the best performing states
- Like-for-like sales growth was achieved in all categories with Outdoors and Accessories delivering the strongest growth
- In-Car Tech, 4WD & Outdoor, Paint Protect, Car Detailing and Safety & Comfort were the strongest performing sub-categories
- Segment EBITDA increased by 69.1% to \$127.7m and Segment EBIT increased by 81.7% to \$104.1m
- Segment EBIT margin improved by 530bps to 15.7%
- Online sales grew by 46.1% to \$54.2m
- Active Club Plus membership increased to 1.88m and club members represented 42% of total sales
- SCA opened 1 new store with 327 stores at period end

\$m	1H 2020/21 Pre AASB 16 <sup>1</sup>	Change on PCP <sup>2</sup>	1H 2020/21 Post AASB 16
Sales	661.9	20.2%	661.9
LFL sales growth		19.6%	
Segment EBITDA	127.7	69.1%	164.5
EBITDA margin %	19.3%	5.6%	24.9%
Segment EBIT	104.1	81.7%	109.0
Segment EBIT margin %	15.7%	5.3%	16.5%

- Total sales growth of 17.0%<sup>1</sup> driven by like-for-like sales growth
- Like-for-like sales growth of 17.1% was driven by transaction growth and higher average transaction value
- Queensland and NSW were the best performing states
- Like-for like sales growth was achieved in all categories with Fitness and Hardgoods delivering the strongest growth
- Apparel and footwear sales accelerated during the half as COVID-19 restrictions eased
- Limited stock availability impacted sales but this was offset by higher gross margin due to reduced promotional activity
- Segment EBITDA increased by 74.0% to \$119.0m and Segment EBIT increased by 85.5% to \$99.6m
- Segment EBIT margin improved by 610bps to 16.0%
- Online sales grew by 102.1% to \$119.9m
- Active club membership increased to 3.08m and club member sales represented 67% of rebel sales
- rebel opened 1 store and closed 4 stores resulting in 157 stores at period end

\$m	1H 2020/21 Pre AASB 16 <sup>2</sup>	Change on PCP <sup>2,3</sup>	1H 2020/21 Post AASB 16
Sales	623.7	14.9%	623.7
LFL sales growth		17.1%	
Segment EBITDA	119.0	74.0%	156.8
EBITDA margin %	19.1%	6.5%	25.2%
Segment EBIT	99.6	85.5%	104.0
Segment EBIT margin %	16.0%	6.1%	16.7%



- Total sales increased by 50.9% driven by like-for-like sales growth
- Like-for-like sales increased by 50.8% due to increased transactions and higher average transaction value
- Material uplift in boating, camping and fishing sales during H1 as COVID-19 restrictions eased and domestic tourism and leisure activity increased
- Western Australia, Queensland and NSW were the best performing states
- Like-for like sales growth was achieved in all categories with Camping, Boating and Apparel delivering the strongest growth
- Camping Accessories, Watersports and 4WD were the best performing sub-categories
- Strong growth in Segment EBITDA and Segment EBIT reflected increased sales intensity driven by unprecedented consumer demand
- Online sales grew by 113.1% to \$50.5m
- Active club membership increased to 1.77m and club member sales represented 84% of BCF sales
- BCF opened 2 stores resulting in 141 stores at period end

\$m	1H 2020/21 Pre AASB 16 <sup>1</sup>	Change on PCP <sup>2</sup>	1H 2020/21 Post AASB 16
Sales	427.7	50.9%	427.7
LFL sales growth		50.8%	
Segment EBITDA	72.7	229.0%	96.7
EBITDA margin %	17.0%	9.2%	22.6%
Segment EBIT	62.0	412.4%	67.6
Segment EBIT margin %	14.5%	10.2%	15.8%

- Sales fell by 5.3% as a result of a 3.3% decrease in like-for-like sales and store closures and relocations
- In New Zealand, like-for-like sales increased by 15.6% despite store closures in Auckland due to COVID-19 lockdown and decreased tourism and travel
- In Australia, like-for-like sales decreased by 15.3% reflecting store closures in Melbourne due to COVID-19 lockdown and the impact of offshore travel restrictions on thermal and insulation sales
- Excluding the impact of store closures in Melbourne and Auckland, Macpac like-for like sales increased by 6.0%
- Strong performance in tents, backpacks and accessories, following successful launch of summer family camping range
- Segment EBIT increased by 52.2% to \$3.5m and segment EBIT margin increased by 210 bps to 5.6%
- Online sales grew by 93.8% to \$12.8m
- Active club membership decreased to 0.41m and club members represented 64% of Macpac sales
- Macpac had 72 stores at period end

\$m	1H 2020/21 Pre AASB 16 <sup>1</sup>	Change on PCP <sup>2</sup>	1H 2020/21 Post AASB 16
Sales	63.0	(5.3%)	63.0
LFL sales growth		(3.3%)	
Segment EBITDA	5.2	40.5%	13.3
EBITDA margin %	8.3%	2.7%	21.1%
Segment EBIT	3.5	52.2%	4.5
Segment EBIT margin %	5.6%	2.1%	7.1%

# Group & unallocated

- Group and unallocated includes:
  - Corporate costs not allocated to segments
  - Commercial operations
  - Omni-retail development
- Total costs of \$13.2m (EBIT)
- Corporate costs \$6.0m higher than pcg – includes impact of refund of \$1.7m refund of Jobkeeper payments to the Australian government, insurance costs and management incentives
- Un-utilised distribution centre costs \$1.9m lower than pcg
- Omni-retail and digital costs \$0.9m lower than pcg

\$m	1H 2020/21 Pre AASB 16 <sup>1</sup>	1H 2019/20 Pre AASB 16	Change on PCP <sup>2</sup>	1H 2020/21 Post AASB 16
EBIT	(13.2)	(10.0)	(3.2)	(13.2)
Comprising:				
Corporate costs	(11.4)	(5.4)	(6.0)	(11.4)
Un-utilised distribution centre costs	0.0	(1.9)	1.9	(0.0)
Digital and omni-retail development	(1.8)	(2.7)	0.9	(1.8)

# Group balance sheet

- Inventory increased by \$19.4m compared to pcp and reflects higher stock in transit (up \$43.2m)
- Higher inventory levels in Supercheap Auto, BCF and Macpac reflect inventory restocking as the brands reposition inventory levels to meet current elevated levels of consumer demand
- Lower inventory levels in rebel reflect ongoing supply constraints which are expected to ease during the second half of 2020/21
- Trade payables increase reflects extension of trading terms negotiated with trade partners as well as an increase in inventory purchases driven by higher sales
- No bank debt as at Dec 20 reflects impact of July equity raising and strong trading throughout the period
- PP&E balances have reduced due to accelerated depreciation and amortisation

\$m	Pro Forma Dec 20 pre AASB 16 <sup>1</sup>	Dec 19 Pre AASB 16	Statutory Dec 20 <sup>2</sup>
Inventory			
Supercheap Auto	249.7	212.5	249.7
rebel	171.5	207.1	171.5
BCF	171.4	158.8	171.4
Macpac	47.9	42.7	47.9
Total inventory	640.5	621.1	640.5
Trade payables	(603.0)	(425.1)	(603.0)
Net inventory investment	(37.5)	196.0	(37.5)
Property, plant and equipment & computer software	321.7	362.3	299.7
Net external debt	(414.0)	251.8	(416.8)



# Returns, capital ratios and fx

- Normalised EPS of 78.6 cents, 109.6% higher than pcg
- Basic EPS (Pre AASB 16) of 77.4 cents, 148.9% higher than pcg and reflects a significant reduction in abnormal items compared to pcg
- Super Retail Group has declared a fully franked interim dividend of 33.0 cents per share
- Super Retail Group confirms its dividend policy is to pay out total annual dividends of between 55% and 65% of underlying NPAT
- Return on Capital of 28.5% substantially above WACC
- Normalised fixed charge cover ratio of 2.7 times up from 2.1 times in Jun-20
- The Group was in a net cash position for the current 6 month period
- Effective AUD/USD rate for the period was 0.71 up from 0.686 in pcg. The AUD/USD hedge rate for next 12 months is circa 0.737
- The Group hedges between 50% and 75% of expected foreign currency purchases for the next 4 months and up to 50% of expected foreign currency purchases for the subsequent 5 to 12 month period

	Pro Forma 1H 2020/21 Pre AASB16 <sup>2</sup>	1H 2019/20 Pre AASB 16	1H 2020/21 Post AASB16
Normalised EPS <sup>1</sup>	78.6	37.5	77.9
Basic EPS (Pre AASB 16) <sup>2</sup>	77.4	31.1	76.7
DPS <sup>2</sup>	33.0	-	
	12 mths to Dec 20	12 mths to Jun 20	12 mths to Dec 20
Reported Annualised Post Tax Return on Capital (ROC) <sup>1</sup>	28.5%	14.4%	29.1%
Fixed charge cover – normalised EBITDAR	2.7x	2.1x	2.6x
Net Debt / EBITDA - normalised	(0.9x)	(0.1x)	(0.6x)
Average Net Debt	\$74m	\$371m	\$74m

# Group cash flow

- Operating cash flow (pre AASB 16) was \$420.0m which was \$180.9m higher than the prior comparative period.
- Total capital expenditure of \$29.4m was \$8.5m below the prior comparative period and included \$19.0m spent on omni-retail and IT projects and \$10.4m spent on new stores and refurbishments.
- Investment in store capex of \$10.4m is split: \$2.4m in Supercheap Auto, \$6.2m in rebel, \$0.9m in BCF and \$0.9m in Macpac
- Other capital expenditure includes investments in omni-retailing capabilities, data, cyber, networking, core information systems, order management system and inventory planning and execution projects
- Retail component of the June 2020 capital raising was received in early July 2020

\$m	1H 2020/21 Pre AASB 16 <sup>1</sup>	1H 2019/20 Pre AASB 16	1H 2020/21 Statutory
Operating cash flow	420.0	239.1	527.2
Stores	(10.4)	(8.6)	(10.4)
Other capex	(19.0)	(29.2)	(19.0)
Payment of subsidiaries/JV	-	(0.1)	-
Investing cash flow	(29.4)	(37.9)	(29.4)
Dividends & interest	(48.6)	(66.2)	(66.6)
Lease principal payments	(1.8)	(1.6)	(91.0)
Issue of shares	41.4	-	41.4
External debt repayment	(250.0)	(84.0)	(250.0)
Financing cash flow	(259.0)	(151.8)	(366.2)
<b>Net cash flow</b>	<b>131.6</b>	<b>49.4</b>	<b>131.6</b>

## Corporate strategy



# Our strategy

## THE THREE PRIMARY VALUE LEVERS



## 5 STRATEGIC DRIVERS



**GROW THE FOUR  
CORE BRANDS**



**LEVERAGE CLOSENESS  
TO OUR CUSTOMER**



**CONNECTED OMNI-  
RETAIL SUPPLY CHAIN**



**SIMPLIFY THE  
BUSINESS**



**EXCEL IN OMNI-  
RETAIL EXECUTION**



# Strategy execution remains on track



## GROW THE FOUR CORE BRANDS



## LEVERAGE CLOSENESS TO OUR CUSTOMER



## CONNECTED OMNI-RETAIL SUPPLY CHAIN



## SIMPLIFY THE BUSINESS



## EXCEL IN OMNI-RETAIL EXECUTION

### Current Focus Areas

- rebel rCX stores (Doncaster, Paramatta) performing well
- BCF pro and small format store trials delivering above expectations
- Macpac concept store opened in Nelson
- Macpac brand trial in BCF, extending to 153 stores across BCF and rebel from March
- Announced Supercheap Auto's updated sponsorship strategy
- Key range and assortment alignment to customer need

- Investment in analytical insight and customer strategy leadership
- Commencing leveraging of customer behavioural segmentation for each brand across the value chain
- Customer loyalty strategy well progressed, with extensive customer research in train, leading into customer value proposition and loyalty club review across all four brands
- Execution of pricing strategy continuing to deliver positive results

- Group sourcing optimisation and 5-year supply chain strategy in train
- Overseas sourcing project implementation benefits flowing through
- Two significant software solutions implemented: Order Management System (OMS) phase I and International Freight System (IFS) – both operable over increased peak trade
- Supply chain TRIFR reduced by 54%

- Senior Leadership Team KPIs aligned to Group strategy and cascading throughout the business
- IS 5-year strategy and acceleration of migration to cloud based solutions continues
- Team engagement and communication tools in use (Workplace, Microsoft Teams)
- Workforce planning pilot executed and program implementation continuing

- Key digital acceleration elements continue:
  - Web chat: positive conversion rate and average order value impact
  - Fit-finder: early data points showing significant conversion rate uplift
  - Overhauled checkout flow: easier to transact
  - SEO focus: increasing source of revenue
- Continued investment in store experience uplift, particularly across Supercheap Auto and rebel

# Trading update





# 2020/21 trading update

- Group like-for like sales growth of 25.2% as at week 33<sup>1</sup>

	H1 LFL sales (%) Weeks 1-26	H2 LFL sales (%) Weeks 27-33	YTD LFL sales (%) Weeks 1-33
Supercheap Auto	19.6	23.1	20.3
rebel	17.1	18.4	17.4
BCF	50.8	71.2	55.1
Macpac	(3.3)	8.0	(1.2)
Group Total	23.8	30.5	25.2

- Strong trading momentum has continued, particularly in BCF, with Group like-for-like sales of 30.5% in the first seven weeks of H2
- The Group remains well positioned to benefit from positive consumer sentiment and elevated demand in the domestic outdoor, leisure & travel sectors
- Current levels of consumer spending are expected to moderate when government stimulus is phased out and international travel restrictions ease
- The Group expects to revert to normal levels of promotional activity in the second half as inventory levels are restored
- Second half operating expenses will reflect catch up on projects deferred during COVID-19 and increased reinvestment in the business
- Confirming guidance for capex in 2020/21 of \$100m for investment in digital & omni-retail and to fund store development program

## SUPER RETAIL GROUP

(1) No adjustments have been made to like-for-like sales growth numbers for COVID-19 related store closures



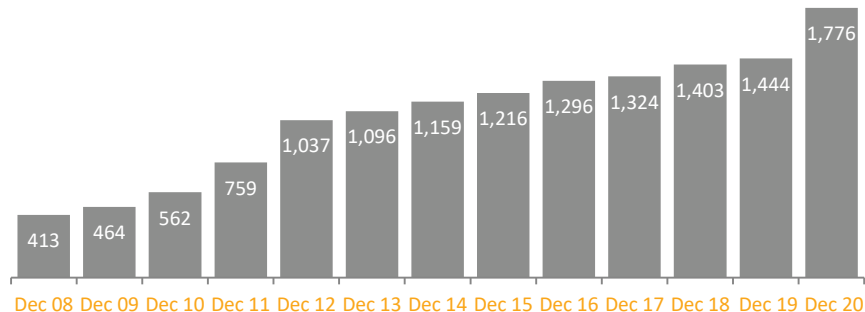
# Appendix



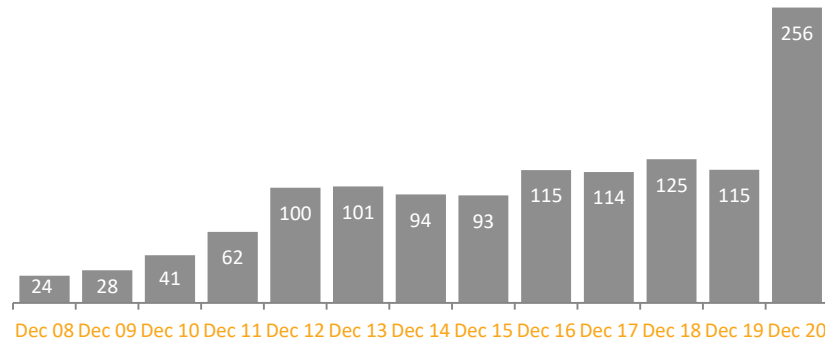


# Performance Trends

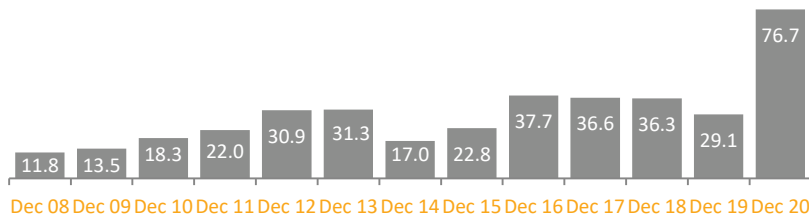
## Reported Sales (\$m)



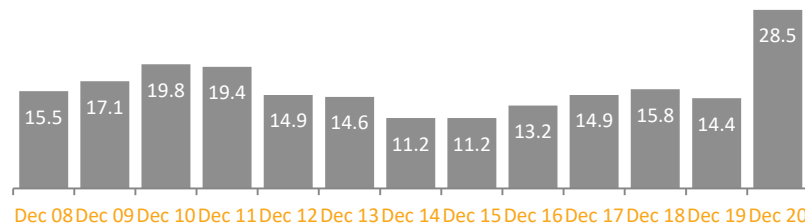
## Reported Total Segment EBIT (\$m)



## Reported EPS (c)



## Reported Post Tax ROC (%)



# Segment note

H1 2020/21

For the period ended 26 December 2020	SCA \$m	rebel \$m	BCF \$m	Macpac \$m	Total continuing operations \$m	Inter-segment eliminations/ unallocated \$m	Consolidated \$m
<b>Segment Revenue and Other Income</b>							
External segment revenue	661.9	623.7	427.7	63.0	1,776.3	-	1,776.3
Other income	-	0.1	-	0.2	0.3	0.1	0.4
<b>Total segment revenue and other income</b>	<b>661.9</b>	<b>623.8</b>	<b>427.7</b>	<b>63.2</b>	<b>1,776.6</b>	<b>0.1</b>	<b>1,776.7</b>
<b>Segment EBITDA<sup>(1)</sup></b>	<b>127.7</b>	<b>119.0</b>	<b>72.7</b>	<b>5.2</b>	<b>324.6</b>	<b>(13.2)</b>	<b>311.4</b>
Segment depreciation and amortisation <sup>(2)</sup>	(23.6)	(19.4)	(10.7)	(1.7)	(55.4)	-	(55.4)
<b>Segment EBIT result</b>	<b>104.1</b>	<b>99.6</b>	<b>62.0</b>	<b>3.5</b>	<b>269.2</b>	<b>(13.2)</b>	<b>256.0</b>
Net finance costs <sup>(3)</sup>							(3.1)
<b>Total segment NPBT</b>							<b>252.9</b>
Segment income tax expense <sup>(4)</sup>							(75.8)
<b>Normalised NPAT</b>							<b>177.1</b>
AASB 16 adjustment <sup>(5)</sup>							(1.5)
Other items not included in the total segment NPAT <sup>(5)</sup>							(2.8)
<b>Profit for the period</b>							<b>172.8</b>

Footnote item	<sup>(1)</sup> Segment EBITDA adjusted for \$m	<sup>(2)</sup> Segment D&A adjusted for \$m	<sup>(3)</sup> Net finance costs adjusted for \$m	<sup>(4)</sup> Segment income tax adjusted for \$m	<sup>(5)</sup> Other items not included in total segment NPAT \$m
Execution costs for team member remediation	3.9	-	-	1.2	2.7
Equity accounted losses – Autoguru	0.1	-	-	-	0.1
Impact of AASB 16 Leases adjustment	106.7	90.8	18.0	0.6	1.5
	<b>110.7</b>	<b>90.8</b>	<b>18.0</b>	<b>1.8</b>	<b>4.3</b>

# Segment note

H1 2019/20

For the period ended 28 December 2019	SCA \$m	rebel \$m	BCF \$m	Macpac \$m	Total continuing operations \$m	Inter-segment eliminations/ unallocated \$m	Consolidated \$m
<b>Segment Revenue and Other Income</b>							
External segment revenue	550.7	542.8	283.5	66.5	1,443.5	-	1,443.5
Other income	-	0.1	-	-	0.1	-	0.1
<b>Total segment revenue and other income</b>	<b>550.7</b>	<b>542.9</b>	<b>283.5</b>	<b>66.5</b>	<b>1,443.6</b>	<b>-</b>	<b>1,443.6</b>
<b>Segment EBITDA<sup>(1)</sup></b>	<b>75.5</b>	<b>68.4</b>	<b>22.1</b>	<b>3.7</b>	<b>169.7</b>	<b>(9.9)</b>	<b>159.8</b>
Segment depreciation and amortisation <sup>(2)</sup>	(18.2)	(14.7)	(10.0)	(1.4)	(44.3)	(0.1)	(44.4)
<b>Segment EBIT result</b>	<b>57.3</b>	<b>53.7</b>	<b>12.1</b>	<b>2.3</b>	<b>125.4</b>	<b>(10.0)</b>	<b>115.4</b>
Net finance costs <sup>(3)</sup>							(9.4)
<b>Total segment NPBT</b>							<b>106.0</b>
Segment income tax expense <sup>(4)</sup>							(31.9)
<b>Normalised NPAT</b>							<b>74.1</b>
AASB16 adjustment <sup>(5)</sup>							(4.0)
Other items not included in the total segment NPAT <sup>(5)</sup>							(12.7)
<b>Profit for the period</b>							<b>57.4</b>

Footnote item	<sup>(1)</sup> Segment EBITDA adjusted for \$m	<sup>(2)</sup> Segment D&A adjusted for \$m	<sup>(3)</sup> Net finance costs adjusted for \$m	<sup>(4)</sup> Segment income tax adjusted for \$m	<sup>(5)</sup> Other items not included in total segment NPAT \$m
Team member underpayment remediation	13.5	-	-	4.0	9.5
Execution costs for team member remediation	4.5	-	-	1.4	3.1
Equity accounted losses – Autoguru	0.5	-	-	-	0.5
Provision reversals from previous years	(0.5)	-	-	(0.1)	(0.4)
Impact of AASB 16 Leases adjustment	99.5	86.8	18.5	1.8	4.0
	<b>117.5</b>	<b>86.8</b>	<b>18.5</b>	<b>7.1</b>	<b>16.7</b>

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