

Super Retail  
Group



Inspiring you to  
live your passion



Super Retail Group

# MACQUARIE AUSTRALIA CONFERENCE

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Group Managing Director and  
Chief Executive Officer



**rebel**



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- Corporate strategy update
- Update on two of our strategic drivers:
  1. Leveraging closeness to our customer – growing customer loyalty
  2. Excel in omni-retail execution – harmonising in-store and online profitability
- FY21 trading update

# Corporate strategy is on track

## THE THREE PRIMARY VALUE LEVERS



## 5 STRATEGIC DRIVERS



### GROW THE FOUR CORE BRANDS

- Align capital investment to grow core 4 brands
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- Refresh private brand strategy



### LEVERAGE CLOSENESS TO OUR CUSTOMER

- Deepen understanding of the customer through more sophisticated analytics and insights
- Develop structured customer relationship management program to drive visitation & transaction growth
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### CONNECTED OMNI-RETAIL SUPPLY CHAIN

- Optimise Australia and New Zealand distribution centre networks, planning and product flows
- Orchestrate customer online orders
- Leverage group sourcing capability



### SIMPLIFY THE BUSINESS

- Remove duplication and leverage scale (BW / merch / process consistency and simplification / cost out)
- Focus on KPI alignment and value mindset
- Modernise technology infrastructure to be fit for purpose



### EXCEL IN OMNI-RETAIL EXECUTION

- Continue to build expertise for our customer-facing teams, underpinned by team members as industry experts
- Deliver a seamless 'Super Retailer' experience
- Evolve the store experience

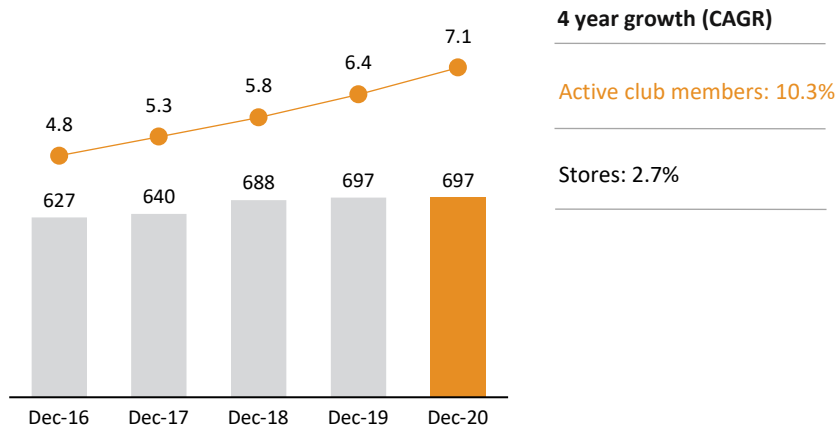


## Strategic driver: leverage closeness to our customer

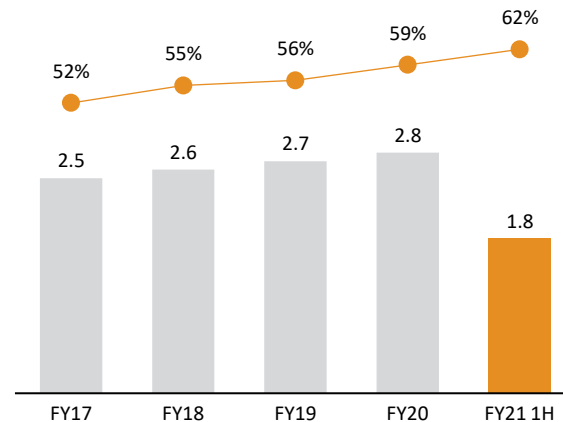


# Active club membership growth outpacing store growth

## STORE NUMBERS AND ACTIVE CLUB MEMBERS (MILLION)



## GROUP SALES (\$BILLION) AND % SALES FROM ACTIVE CLUB MEMBERS<sup>1,2</sup>

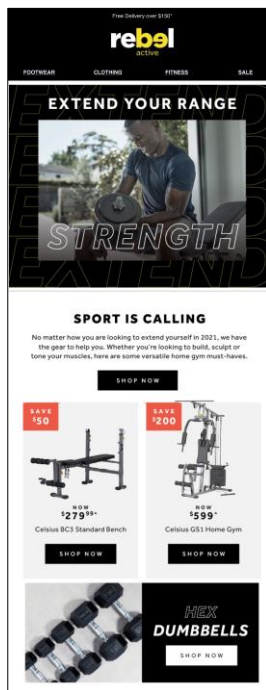
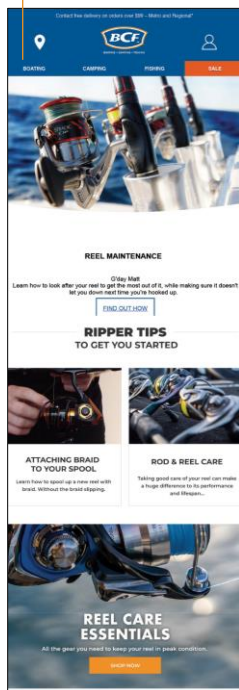


—●— Active club members    ■ Store numbers

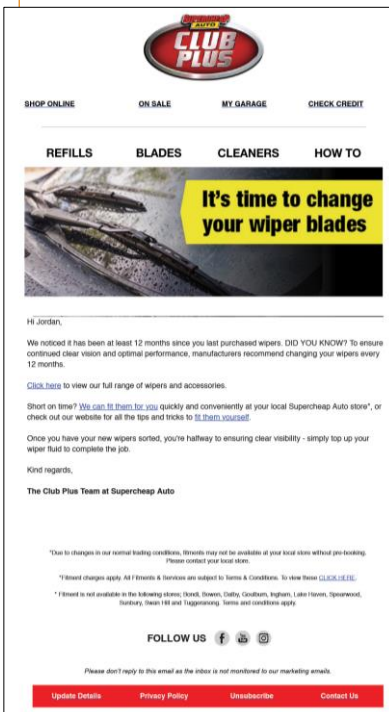
—●— % sales from active club members    ■ Group sales

# We are embedding personalised content in our club member communications

- **Personalising** content to engage with our customers about how to best use their purchase and to make relevant and adjacent product recommendations



- **Reminding** our customers about when it is time to make a replacement



- **Inviting** our customers to participate in events and experiences, relevant to their recent purchase



# The use of artificial intelligence (AI) is positively impacting sales



% of AI assisted  
online sales <sup>1,2</sup>

47%

Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21



% of AI assisted  
online sales <sup>1,2</sup>

32%

Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21



% of AI assisted  
online sales <sup>1,2</sup>

29%

Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21



% of AI assisted  
online sales <sup>1,2</sup>

30%

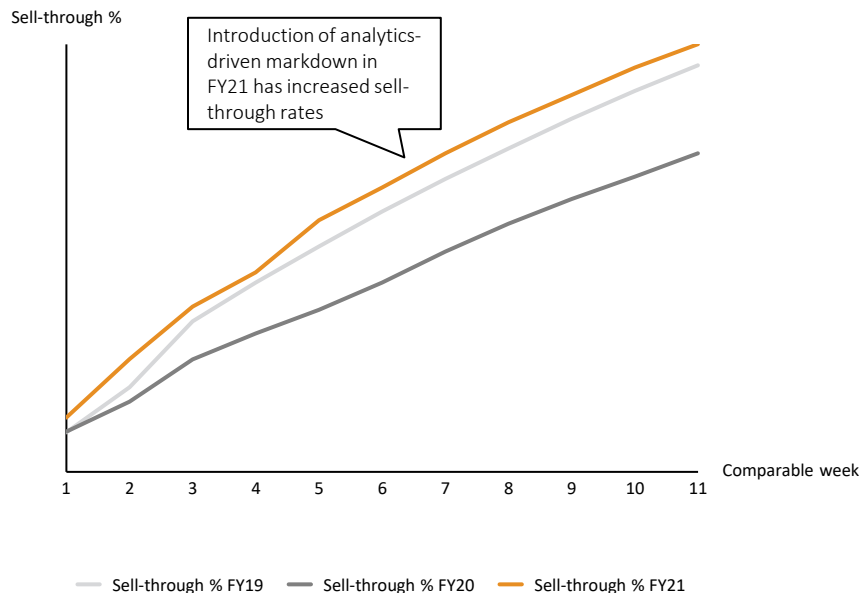
Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21

# Analytics are improving sell-through rates and gross margin on markdowns

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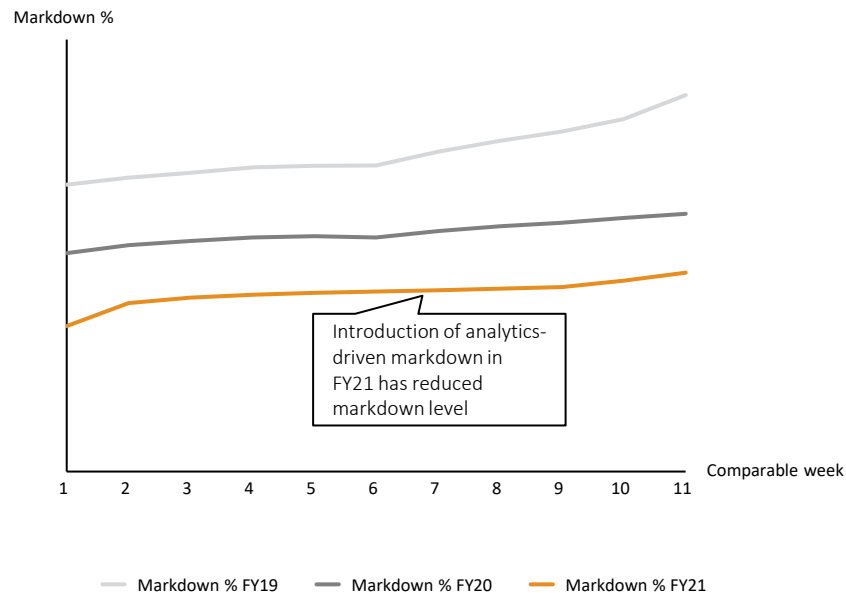
## SELL-THROUGH RATE COMPARISON

rebel apparel sell-through – FY19, FY20 and FY21<sup>1</sup>



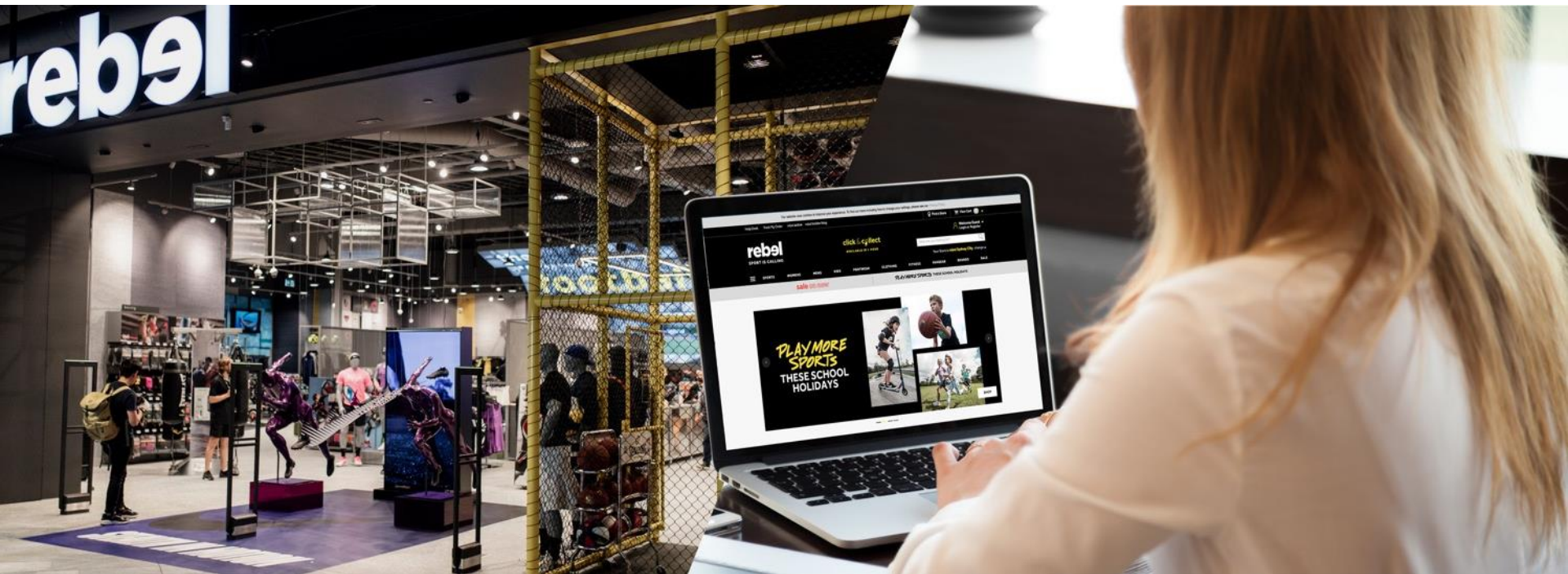
## MARKDOWN COMPARISON

rebel apparel markdown (cumulative) – FY19, FY20 and FY21<sup>1</sup>



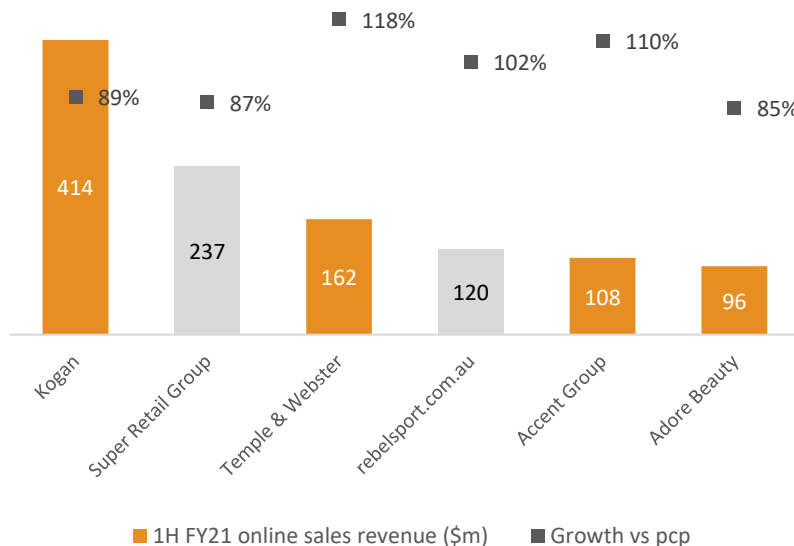


## Strategic driver: excel in omni-retail execution



# Our omni-retail capability enabled us to meet the surge of online demand during COVID-19

## ONLINE SALES AND ONLINE SALES GROWTH OF SELECT ASX-LISTED RETAILERS<sup>1</sup>



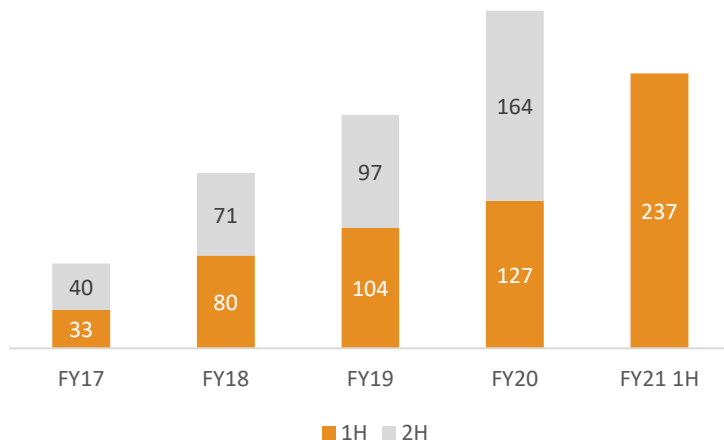
During COVID-19 we demonstrated our capability to profitably grow our online business:

- Met significant surge in online demand
- Achieved 87% growth in online sales
- Click & Collect represented 45% of online sales, despite reduced store foot traffic
- Omni-order capture and fulfilment flexed to meet customer demand
- Delivered strong operating leverage

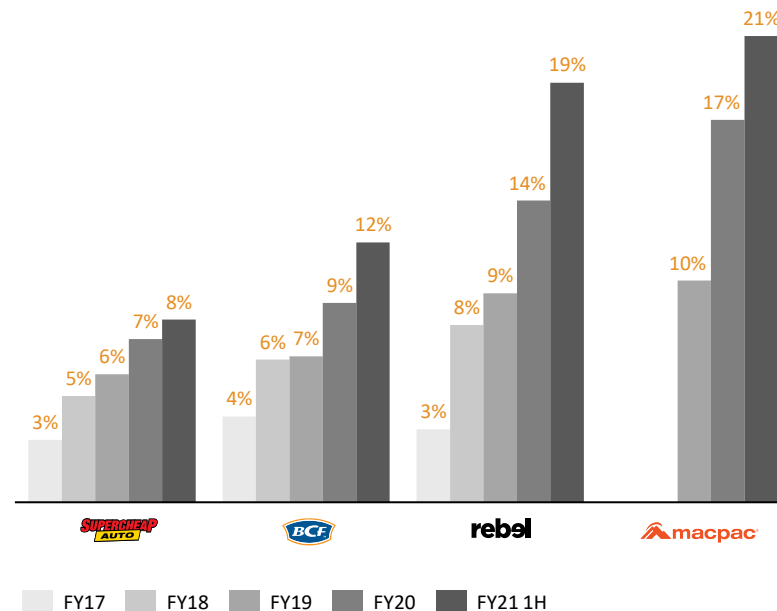
# Online sales are growing as a percentage of total sales

## ONLINE SALES GROWTH OF 64% (CAGR) OVER THE PAST 4 YEARS<sup>1</sup>

Online sales (\$ million)



## ONLINE SALES AS % OF TOTAL SALES - BY BRAND<sup>2</sup>

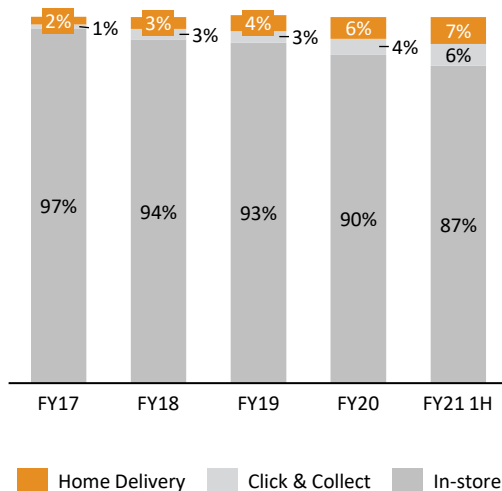


# Omni-retail strategy leveraging our store network is sustainable

## 1

93% of sales involve a customer visiting a store

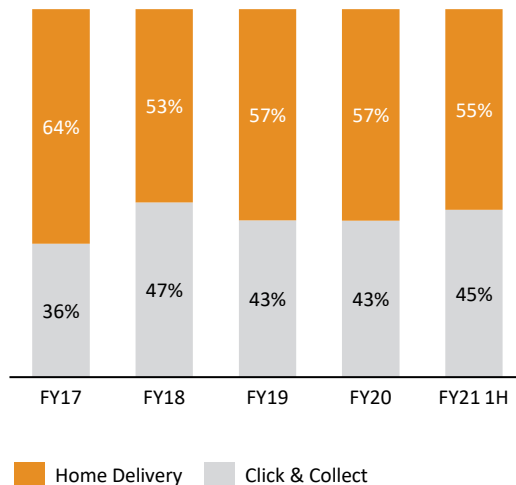
**SALES MIX BY CHANNEL  
FY17 – FY21**



## 2

Click & Collect, our most profitable channel, has remained relatively steady as a % of online sales

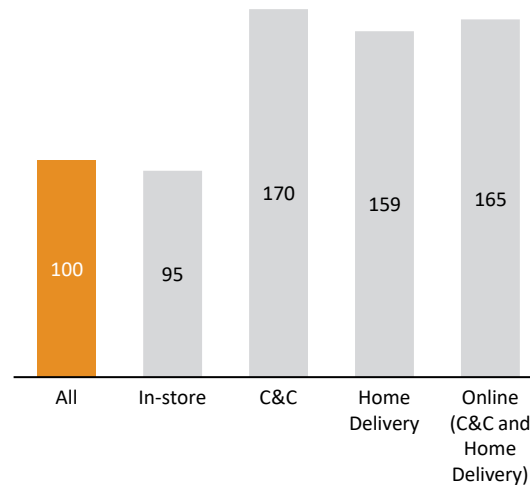
**ONLINE SALES MIX  
FY17 – FY21<sup>1</sup>**



## 3

Contribution margin dollars per transaction significantly higher for online sales than for in-store sales

**1H FY21 INDEXED AVERAGE  
CONTRIBUTION MARGIN DOLLARS  
PER TRANSACTION BY CHANNEL<sup>2</sup>**



# Summary – good progress, with COVID-accelerated gains

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# Trading update



# Trading update

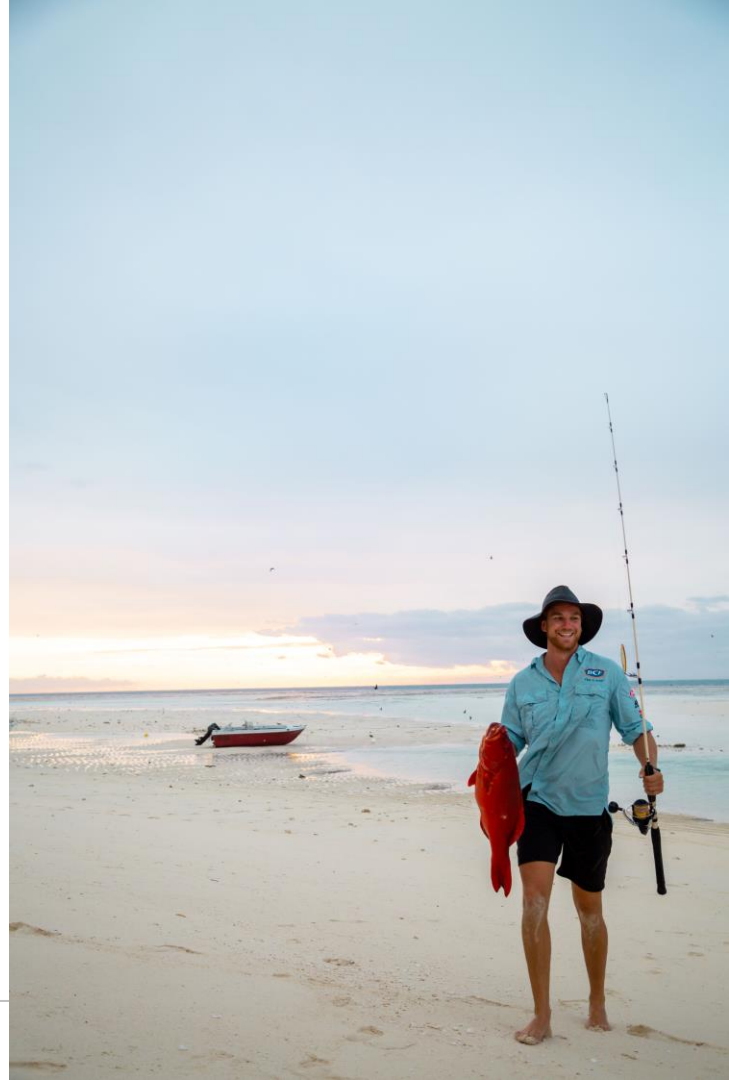
- Group like-for-like (LFL) sales growth of 28 per cent as at week 44<sup>1</sup> versus FY20

	LFL sales (weeks 1- 44) versus FY20	LFL sales (weeks 1- 44) versus FY19
Supercheap Auto	21%	22%
rebel	20%	19%
BCF	59%	49%
Macpac	17%	3%
<b>Group Total</b>	<b>28%</b>	<b>26%</b>

- Strong Easter trading across all brands, particularly BCF and Macpac.
- Given the continued strength of customer demand, the Group has maintained relatively subdued levels of promotional activity in the second half. As a result, the gross margin improvement which the Group delivered in the first half has been maintained in the second half.
- The Group is in a well stocked inventory position which has benefitted from the arrival of orders made in the first half. Higher shipping costs in the second half have impacted inventory costs but these have been partly offset by favourable currency movements.
- As previously advised, second half operating expenses will reflect catch-up on projects deferred during COVID-19 and increased reinvestment in the business.
- Given the impact of COVID-19 on FY20 sales, the Group will now report FY21 like-for-like sales against both FY20 and FY19 trading, to enable a comparison with non-COVID trading conditions.

## SUPER RETAIL GROUP

<sup>1</sup> No adjustments have been made to like-for-like sales growth numbers for COVID-19 related store closures





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