Super Retail Group

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18 August 2021

ASX Announcement

2021 – Full Year Results Presentation

Super Retail Group Limited (ASX–SUL) provides its 2021 – Full 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

2021 FULL YEAR RESULTS PRESENTATION

Wednesday, 18 August 2021

Inspiring you to live your passion

SUPERCHEAP AUTO rebel BCF macpac

ABN: 81 108 676 204

CONTENTS

Group highlights

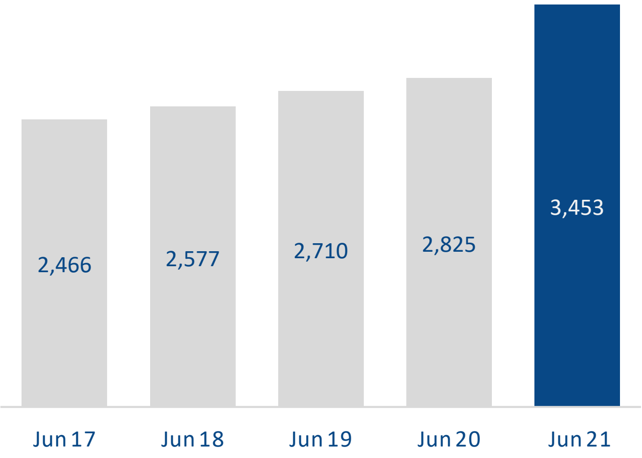
Executive summary

- Record full year result driven by strong top line growth, higher gross margin and disciplined cost management
- Continued successful execution of omni-retail strategy providing flexibility to pivot to online channels to meet shifts in consumer behaviour during COVID-19 lockdowns
- Strong performance in digital, delivering more than $400 million in online sales
- Robust cashflow generation supporting fully franked final dividend of 55 cents per share, bringing the full year dividend to 88 cents per share
- Conservative balance sheet with no bank debt
- Inventory position entering FY22 fortified against significant global supply chain volatility
- As previously flagged, second-half cost escalation reflects catch up on projects deferred in 2020 due to COVID-19 and reinvestment of gains from a period of unprecedented consumer demand to drive organic growth
- Focus on investing in four core brands to consolidate market-leading positions and position the Group for success in a post COVID-19 trading environment

Record sales of $3.45 billion

Unprecedented consumer demand in the Group's lifestyle and leisure categories delivered strong top-line growth

GROUP SALES ($M)



SALES GROWTH BY BRAND

	SALES GROWTH (%)	LFL SALES GROWTH (%)
Supercheap Auto	16.9	16.4
rebel	15.3[1]	17.5
BCF	49.1	48.0
macpac	16.3	14.2
Total Group	22.2	22.8

(1) rebel total sales growth in 2020/21 was lower than like-for-like sales growth due to store closures and closure of Infinite Retail

Financial highlights

SALES

- Group sales up 22 per cent to $3.45b
- Group like-for-like sales growth of 23 per cent

EARNINGS

- Segment EBIT up 80 per cent to $476.8m[1]
- Segment PBT up 108 per cent to $435.8m[1]
- Statutory NPAT up 173 per cent to $301.0m
- Normalised NPAT up 107 per cent to $306.8m[1]
- Basic EPS up 139 per cent to 133.4 cents
- Final fully franked dividend of 55 cents per share, bringing the full year dividend to 88 cents per share

ONLINE

- Online sales up 43 per cent to $415.6m
- Online sales represented 12 per cent of total sales
- Click & Collect sales up 56 per cent to $192.1m
- Home delivery sales up 34 per cent to $223.5m

BALANCE SHEET

- Strong balance sheet with no bank debt
- Cash balance of $242.3m
- $600m of undrawn debt facilities

(1) Post AASB 16 Leases

Operating highlights

CUSTOMERS

- 8m active club members - up 22 per cent
- Average customer NPS of 62.6
- Active club members represented 63 per cent of Group sales

OMNI-CHANNEL

- Click & Collect represented 46 per cent of online sales
- Completed more than 1.5 million home delivery orders
- 30 per cent of Group online sales supported by analytically driven data and insights

BRANDS

- Market-leading brand awareness scores[1]:
  - Supercheap Auto – 85 per cent
  - rebel - 94 per cent
  - BCF – 76 per cent
  - Macpac – 86 per cent

SUPPLY CHAIN

- Shipped container TEUs[2] up 54 per cent to 15,341
- Pallets delivered up 25 per cent to 408,000
- 24 per cent reduction in split orders

(1) FY21 Stellar Market research brand awareness scores. Macpac brand awareness score is for New Zealand
(2) TEUs are a unit of cargo capacity and means twenty-foot equivalent unit

ESG highlights[1]

MODERN SLAVERY & RESPONSIBLE SOURCING

Macpac sourced 100% of its cotton usage for T-shirts from Fairtrade cotton

COMMUNITY

Donated over $680,000 to charitable causes

PRIVACY & DATA INTEGRITY

No reported cyber events impacting privacy

SUSTAINABILITY

Increased Dow Jones Sustainability index score from 52 to 60 (top quartile within the DJSI retail sector)

ENERGY

Reduced total electricity use by 5% to 81,470 MWh

CARBON EMISSIONS

Reduced scope 1 & 2 carbon emissions by 7% from FY20 level to 61,859 tCO2-e

HEALTH & SAFETY

Total Recordable Injury Frequency Rate improved by 24% to 9.43

DIVERSITY

WGEA[2] Employer of Choice for Gender Equality

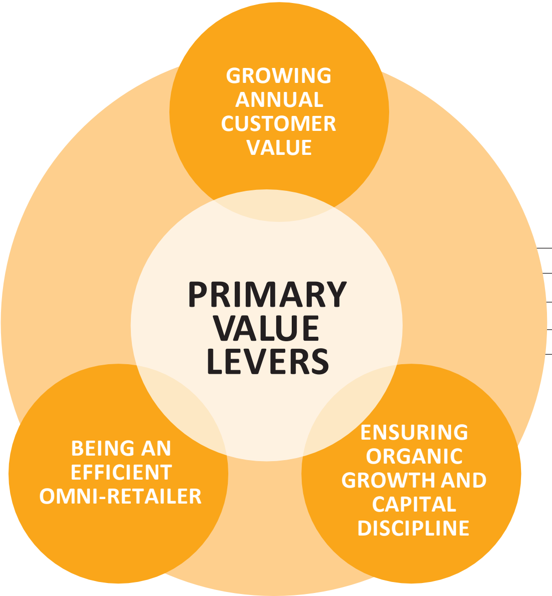
TRAINING & ENGAGMENT

Team engagement score increased to 82 (5pts above Achievers benchmark)

(1) For more details on ESG performance and achievements refer to the Appendix and to the Group’s Sustainability Report
(2) Workplace Gender Equality Agency

Corporate strategy

Our Strategy

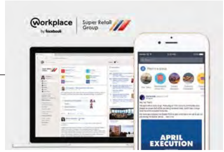


STRATEGIC DRIVERS

1 GROW THE FOUR CORE BRANDS

2 LEVERAGE CLOSENESS TO OUR CUSTOMER

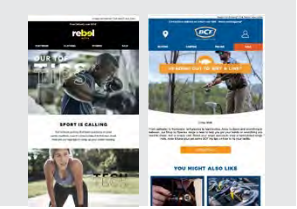
3 CONNECTED OMNI-RETAIL SUPPLY CHAIN



4 SIMPLIFY THE BUSINESS

5 EXCEL IN OMNI-RETAIL EXECUTION

Strategy execution remains on track



Current Focus Areas

GROW THE FOUR CORE BRANDS

- Expansion of successful rCx concept in Doncaster across 4 additional rebel stores – Parramatta, Miranda, Chermside and Chadstone
- 5-year Brand strategies in execution
- Ongoing store network optimisation across all brands
- Macpac successfully expanded across BCF and rebel
- New and refreshed ranges across the private brand portfolio and strong improved brand execution in BCF

LEVERAGE CLOSENESS TO OUR CUSTOMER

- Embedding behavioural segmentation across the value chain in all brands
- Completion of quantitative and qualitative customer research and loyalty club reviews, culminating in development of updated Customer Value Propositions for all brands
- Expansion of pricing strategy continuing to deliver strong results

CONNECTED OMNI-RETAIL SUPPLY CHAIN

- Group sourcing optimisation & 5-year supply chain strategy in train – commencing 2 year journey to upgrade Warehouse Management System (WMS)
- Order Management System (OMS) phase I and International Freight System (IFS) implemented – both of which have been important in managing unprecedented volumes and market volatility due to COVID-19
- Prioritised investment in fine tuning omni-fulfilment network
- Supply chain TRIFR decreased by 62 per cent

SIMPLIFY THE BUSINESS

- Senior Leadership team KPIs aligned to Group strategy and cascading throughout the business
- IS 5-year strategy in train, with acceleration of migration to cloud based solutions execution continuing, including completion of successful migration to AWS
- Team engagement and communication tools in use (Workplace by Facebook)
- Workforce planning program pilot executed and implementation continuing

EXCEL IN OMNI-RETAIL EXECUTION

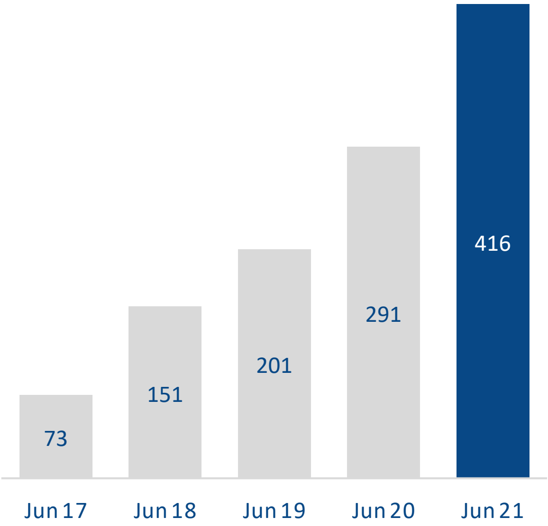
- Key digital acceleration elements continue including web chat, 'fitfinder' and focus on SEO
- Developed use of AI for intelligent merchandising - AI now supports over 30 per cent of online revenue
- Elevated look and feel across websites with particular emphasis on improved navigation
- Continued investment of store experience uplift, particularly across SCA and rebel
- Localisation of range and assortment in BCF driving improved performance

Excelling in omni-retail execution

Online sales up 43 per cent to $416 million

Online sales growth moderated in the second half as COVID-19 related trading restrictions eased

ONLINE SALES ($M)
4 YR CAGR 55%



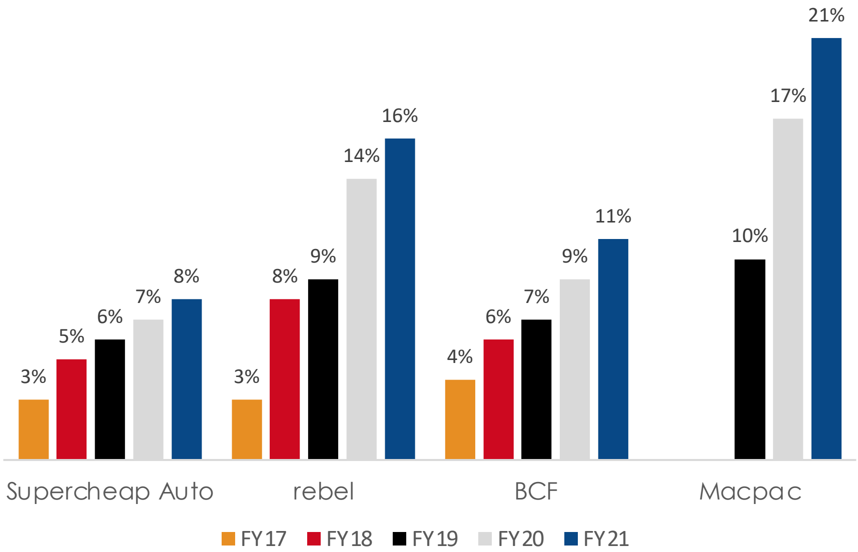
BRAND PERFORMANCE

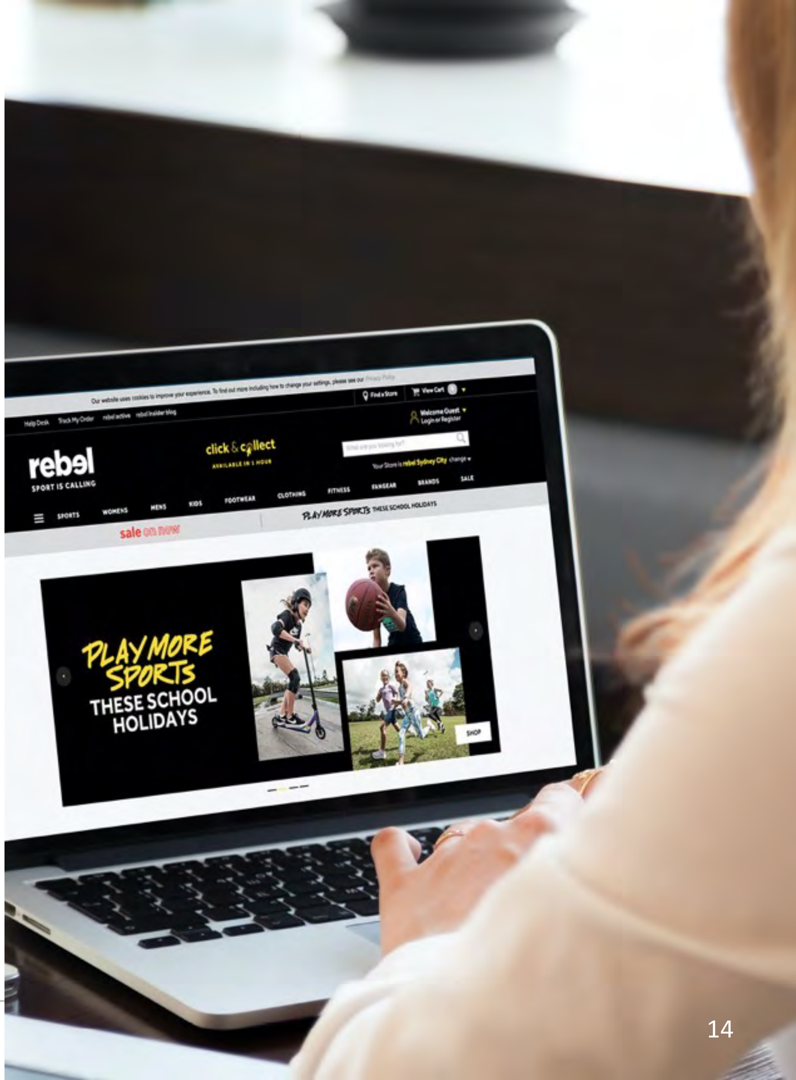
	ONLINE SALES ($M)	ONLINE SALES GROWTH VS PCP (%)	ONLINE SALES AS A % OF TOTAL SALES
SUPERCHEAP AUTO	107	31	8
rebel	193	36	16
BCF	86	90	11
macpac	30	38	21
Total Group	416	43	12

Long-term shift to online continues

Growing online sales validate the Group's omni-retail business strategy and continued investment in our digital capability

ONLINE SALES AS A PERCENTAGE OF TOTAL SALES – BY BRAND[1]



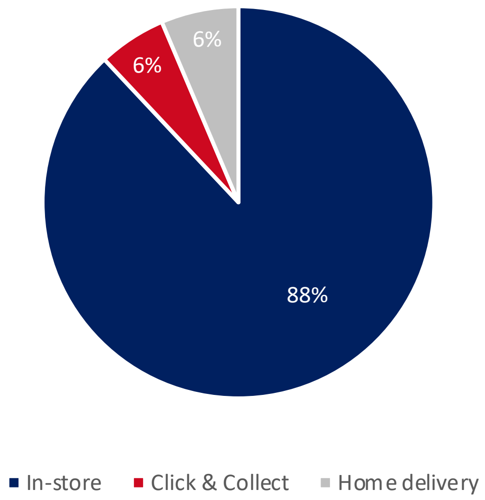


(1) Macpac was acquired at the end of FY18. Data included from FY19 onwards.

Our store network remains a competitive advantage

Despite the impact of COVID-19 on shopping centre foot traffic, 94 per cent of sales involved a customer visiting a store

GROUP SALES BY CHANNEL



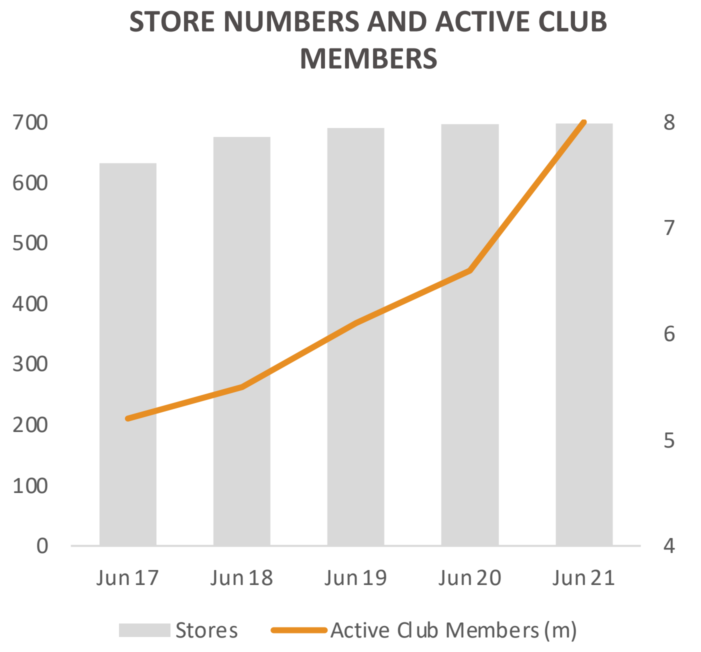
BRAND SALES BY CHANNEL

	In-store (%)	Click & Collect (%)	Home Delivery (%)
Supercheap Auto	92	6	2
rebel	84	5	11
BCF	89	6	5
macpac	79	2	19
TOTAL GROUP	88	6	6

Leveraging closeness to customer

Active club membership continues to outpace store growth

Active club members have grown more than four times faster than store numbers in the past four years



4-year CAGR

Active members: +11.4%

Stores: +2.5%

Large, growing and active club membership base

Active club members grew by more than 20 per cent to 8 million

SUPERCHEAP AUTO

327 STORES

2.3m ACTIVE CLUB MEMBERS

64 AVERAGE ACTIVE CLUB MEMBER NPS

46% ACTIVE CLUB MEMBERS % OF TOTAL SALES

85% BRAND AWARENESS

Data: Stellar Market Research; Australia FY21

37% ACTIVE CLUB MEMBER GROWTH

rebel

153 STORES

3.2m ACTIVE CLUB MEMBERS

59 AVERAGE ACTIVE CLUB MEMBER NPS

68% ACTIVE CLUB MEMBERS % OF TOTAL SALES

94% BRAND AWARENESS

Data: Stellar Market Research; Australia FY21

13% ACTIVE CLUB MEMBER GROWTH

BCF

142 STORES

2.0m ACTIVE CLUB MEMBERS

63 AVERAGE ACTIVE CLUB MEMBER NPS

84% ACTIVE CLUB MEMBERS % OF TOTAL SALES

76% BRAND AWARENESS

Data: Stellar Market Research; Australia FY21

29% ACTIVE CLUB MEMBER GROWTH

macpac

76 STORES

0.5m ACTIVE CLUB MEMBERS

68 AVERAGE ACTIVE CLUB MEMBER NPS

66% ACTIVE CLUB MEMBERS % OF TOTAL SALES

86% BRAND AWARENESS

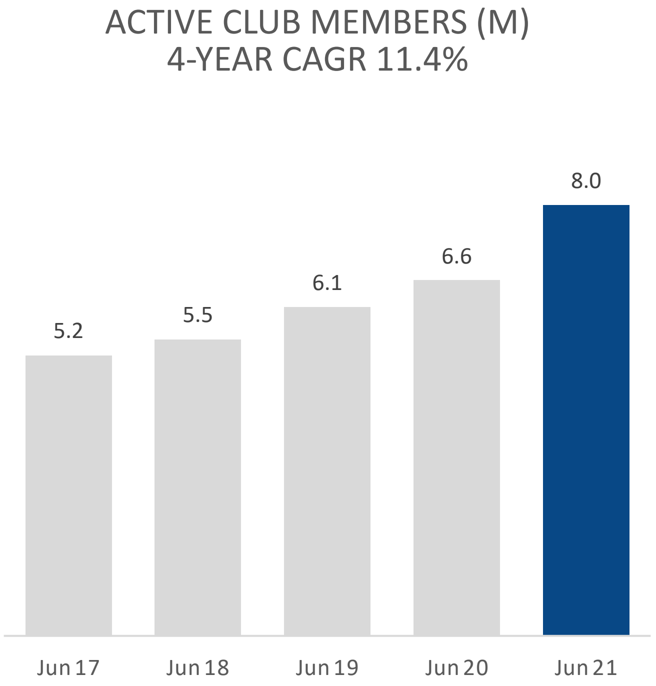
Data: Stellar Market Research; New Zealand FY21

6% ACTIVE CLUB MEMBER GROWTH

Investing in loyalty

Leveraging our growing club member base

- Added 1.4m customers to our loyalty programs in the past 12 months to reach 8m members
- Club loyalty members represent 63 per cent of Group sales
- The Group is deploying capital into rebuilding our loyalty programs, developing a customer data platform and building our analytics capability
- Completed quantitative and qualitative customer research and loyalty club reviews leading to the development of updated Customer Value Propositions for all brands
- Investing in capability to tailor loyalty benefits to meet segmented customer profiles and make hyper-personalised offers to individual customers utilising data analysis
- Key objectives and outcomes:
    - Implement a structured loyalty program driving visitation and transaction value growth
    - Develop analytical insight to drive improvement in marketing, merchandise, logistics, and store performance
    - Employ customer solution-driven merchandising and marketing strategies



Growing the four core brands - network optimisation

Network optimisation

Significant opportunity to optimise the network lease portfolio

- The Group has recently completed a review of its lease portfolio and store network across the four core brands and renewed its 5-year network optimisation plan, focused on:
  - Expanding the Group’s presence in key markets
  - Fleet refurbishment and roll out of alternative formats to improve customer experience
  - Removing duplication in the network (rebel/Amart)
  - Closing and/or strategically relocating underperforming stores
  - Negotiating improved lease terms
- The Group intends to take advantage of current retail market dynamics to consolidate the market leading positions of its four core brands by investing in the store network and optimising its store locations and lease portfolio
- The Group renegotiated more than 100 leases in FY21 which delivered rent savings
- The Group expects to spend circa $70m on store network capex in FY22

Network optimisation – key opportunities

STORE REFURBISHMENT

- Supercheap Auto store improvement program is targeting the conversion of ~170 old generation stores into new generation stores over the next 5 years
- Conversion to next generation stores delivers favourable economics:
  - Target single digit percentage sales uplift in year 1 and payback in less than 5 years
  - Refurbishment store capex averages circa $0.45m

rCX ROLL OUT

- Conversion of top 25 stores and consolidation and conversion of first CBD flagship store to rCX format.
- Six stores to be upgraded to rCX format in FY22, including first CBD flagship in Adelaide
- rCX Parramatta performing above expectations
  - Investment in in-store experience has driven sales growth of +67% vs FY20
  - NPS of 62 (+14 vs prior period)

SMALL FORMAT ROLL OUT

- Circa 600 sqm store (compared to standard 1200 sqm format) delivering sales intensity ~30% above fleet average
- Reduced floorspace, higher sales intensity and lower rent (compared to metro) creates favourable economics
- Successfully trialled at Echuca and Victor Harbour
- Targeting smaller catchment regional areas
- $0.4m capex per store

STORE ROLL OUT

- Increase penetration in Australian market
- Successful winter launch of sales of Macpac products in rebel and BCF
- Expanded distribution network has increased Macpac sales and helped to grow brand awareness in Australia
- ~$4 million of Macpac sales to rebel and BCF in fourth quarter of FY21

Network optimisation overview

FY22 STORE DEVELOPMENT PLAN	Supercheap Auto	rebel	BCF	macpac
	• Open 5 stores and close 1 store • Refurbish 30 stores • Relocate or extend 14 stores	• Open 2 stores and close 2 stores • Refurbish 11 stores • Relocate or extend 8 stores	• Open 5 stores • Range amplification merchandising initiatives across 32 stores • Relocate 2 stores	• Open 7 stores • Refurbish 2 stores • Relocate 1 store
CURRENT LEASE PORTFOLIO PROFILE				
WALE [1]	• 3.4 years	• 3.8 years	• 2.8 years	• 2.2 years
# leases renegotiated last year	• 50	• 22	• 16	• 13
# leases expiring in next 2 years	• 123	• 52	• 62	• 36
5 YEAR OPPORTUNITY				
	• Circa 60% of fleet in new format	• rCX format in top 60 stores, “worlds of” basketball, football etc across network	• Open up to 20 stores	• Open up to 30 stores

(1) Weighted average lease expiry based on tenancy size

FY21 financial results

Group results

$m	FY21 Post AASB 16	Change on PCP %[1]	FY21 Pre AASB 16[2]	Change on PCP %[3]
Total sales	3,453.1	22	3,453.1	22
Total segment EBITDA	776.2	46	557.4	70
Segment D&A	(299.4)	12	(114.1)	24
Total segment EBIT	476.8	80	443.3	88
Normalised NPAT	306.8	107	308.0	100
Other items not included in normalised NPAT[4]	(5.8)	(85)	(5.8)	(85)
Profit attributable to owners (pre AASB 16)	n/a	n/a	302.2	160
AASB 16 adjustment	n/a	n/a	(1.2)	-
Profit attributable to owners	301.0	173	301.0	173

(1) Change from FY20 Post AASB 16 to FY21 Post AASB 16
(2) Excludes AASB 16 Leases
(3) Change from FY20 Pre AASB 16 to FY21 Pre AASB 16
(4) Other items not included in normalised NPAT are detailed in the Appendix

Segment results (post AASB 16 Leases)

$m	FY21			FY20		
Segment	**Sales**	**EBIT**	**PBT[1]**	**Sales**	**EBIT**	**PBT[1]**
Supercheap Auto	1,308.8	204.2	192.3	1,119.7	141.6	129.2
rebel	1,197.0	180.0	166.7	1,038.6	110.6	96.0
BCF	797.7	105.2	96.4	535.0	23.4	15.0
Macpac	153.4	18.1	16.9	131.9	7.7	5.8
Group and Unallocated	(3.8)	(30.7)	(36.5)	-	(18.3)	(36.1)
Total	**3,453.1**	**476.8**	**435.8**	**2,825.2**	**265.0**	**209.9**

(1) Post AASB 16 Leases normalised PBT

Supercheap Auto

- Total sales growth of 16.9 per cent driven by like-for-like sales growth
- Like-for-like sales growth of 16.4 per cent reflected transaction growth and higher average transaction value driven by increase units per transaction and average unit value
- Online sales grew by 31 per cent to $107 million, representing 8 per cent of sales
- Auto accessories and car care delivered the strongest category growth
- 4WD & Outdoor, in car tech and roof racks, safety and comfort as well as car detailing were the fastest growing sub-categories
- Western Australia, South Australia and New South Wales delivered the strongest sales growth
- Gross margin expansion was driven by lower promotional sales, reduced promotional and clearance depth and a favourable net recovery of supply cost inflation
- Segment normalised PBT margin improved by 320bps to 14.7 per cent due improved gross margins and cost leverage
- Active Club Plus membership increased to 2.3m and club members represented 46 per cent of total sales
- SCA opened two new stores and closed one store resulting in 327 stores at period end

$m	FY21 Pre AASB 16[1]	Change on PCP[2]	FY21 Post AASB 16
Sales	1,308.8	16.9%	1,308.8
LFL sales growth		16.4%	
Segment EBITDA	241.3	38.1%	315.7
EBITDA margin %	18.4%	2.8%	24.1%
Segment EBIT	192.7	42.8%	204.2
Segment EBIT margin %	14.7%	2.7%	15.6%
Segment normalised PBT	n/a	n/a	192.3
Segment normalised PBT %			14.7%

(1) Excludes AASB 16 Leases
(2) Change measured on a pre AASB 16 Leases basis

rebel

rebel

- Total sales growth of 15.3 per cent driven by like-for-like sales growth
- Like-for-like sales growth of 17.5 per cent[1] was driven by increased transaction and higher average transaction value, due to increased items per transaction and higher average item value
- Online sales grew by 36 per cent to $193 million, representing 16 per cent of sales
- Like-for-like sales growth was achieved in all categories with performance sports delivering the strongest growth
- Football, basketball, licensed apparel and kids apparel were the fastest growing sub-categories. Fitness equipment and accessories also performed well as COVID-19 related lockdowns lifted at-home fitness activity
- Queensland, New South Wales and Western Australia delivered the strongest sales growth
- Gross margins increased due to lower promotional activity, sales mix to higher margin products and favourable net recovery of supply cost inflation
- Segment normalised PBT margin improved by 470bps to 13.9 per cent
- Active club membership increased to 3.2m and club member sales represented 68 per cent of rebel sales
- Rebel opened one store and closed eight stores resulting in 153 stores at period end

$m	FY21 Pre AASB 16[2]	Change on PCP[3]	FY21 Post AASB 16
Sales	1,197.0	15.3%	1,197.0
LFL sales growth[1]		17.5%	
Segment EBITDA	206.1	62.8%	285.9
EBITDA margin %	17.2%	5.0%	23.9%
Segment EBIT	168.0	73.9%	180.0
Segment EBIT margin %	14.0%	4.7%	15.0%
Segment normalised PBT	n/a	n/a	166.7
Segment normalised PBT %			13.9%

(1) Like-for-like sales growth was higher than sales growth due to store closures and closure of Infinite Retail
(2) Excludes AASB 16 Leases
(3) Change measured on a pre AASB 16 Leases basis

BCF

- Total sales increased by 49.1 per cent driven by LFL sales growth
- Like-for-like sales increased by 48.0 per cent due to increased transactions and higher average transaction value
- Online sales grew by 90 per cent to $86 million, representing 11 per cent of sales
- Boating, camping and fishing categories all grew strongly, reflecting elevated levels of domestic tourism and leisure activity
- Caravan, 4WD, camp shelter & bedding, barbeque, trailer, watersports, footwear and apparel were among the fastest growing sub-categories
- All states performed strongly, with Victoria and Western Australia delivering the strongest sales growth
- Gross margins increased due to lower promotional sales, reduced promotional and clearance depth and a favourable net recovery of supply cost inflation
- Segment normalised PBT margin improved by 930bps to 12.1 per cent driven by significant cost leverage
- Active club membership increased to 2m and club member sales represented 84 per cent of BCF sales
- BCF opened 3 stores resulting in 142 stores at period end

$m	FY21 Pre AASB 16[1]	Change on PCP[2]	FY21 Post AASB 16
Sales	797.7	49.1%	797.7
LFL sales growth		48.0%	
Segment EBITDA	116.8	234.7%	167.1
EBITDA margin %	14.6%	8.1%	21.0%
Segment EBIT	95.9	510.8%	105.2
Segment EBIT margin %	12.0%	9.1%	13.2%
Segment normalised PBT	n/a	n/a	96.4
Segment normalised PBT %			12.1%

(1) Excludes AASB 16 Leases
(2) Change measured on a pre AASB 16 Leases basis

Macpac

- Sales grew by 16.3 per cent as a result of a 14.2 per cent increase in like-for-like sales
- In Australia, like-for-like sales increased by 9.7 per cent despite restrictions on offshore travel, which impacted luggage, thermal and insulation sales, and Melbourne store closures due to COVID-19 lockdowns
- In New Zealand, like-for-like sales increased by 21.1 per cent despite a lack of inbound tourism and the closure of Auckland stores due to COVID-19 lockdowns
- Online sales grew by 38 per cent to $30 million, representing 21 per cent of sales
- Tents, sleeping bags and camping accessories were the fastest growing categories
- Strong second-half performance with H2 like-for-like sales growth of 31.8 per cent. Macpac stores sales benefited from increased brand awareness associated with the successful launch of Macpac product in rebel and BCF stores in the fourth quarter
- Gross margins recovered to FY19 levels due to increase average selling price, improvements in product sourcing costs and favourable FX
- Segment normalised PBT margin increased by 660bps to 11.0 per cent
- Active club membership increased to 0.5m and club members represented 66 per cent of Macpac sales
- Macpac opened four stores resulting in 76 stores at period end

$m	FY21 Pre AASB 16[1]	Change on PCP[2]	FY21 Post AASB 16
Sales	153.4	16.3%	153.4
LFL sales growth		14.2%	
Segment EBITDA	21.4	111.9%	35.7
EBITDA margin %	14.0%	6.3%	23.3%
Segment EBIT	17.4	141.7%	18.1
Segment EBIT margin %	11.3%	5.8%	11.8%
Segment normalised PBT	n/a	n/a	16.9
Segment normalised PBT %			11.0%

(1) Excludes AASB 16 Leases
(2) Change measured on a pre AASB 16 Leases basis

Group & unallocated

- Group and unallocated includes:
  - Corporate costs
  - Software as a service (SaaS) write offs
- Corporate costs $7.0m higher than pcp reflecting performance rights expenses for both Group and brand participating management, increased investment in corporate areas such as legal, risk & compliance, higher insurance costs and increased professional fees
- In accordance with updated guidance by the International Financial Reporting Interpretation Committee (IFRIC) on cloud based software, the Group has re-assessed the treatment of software intangibles linked to a SaaS solution. This has resulted in $5.4m of expense in the period. The Group expects future capital expenditure on SaaS related projects will increasingly be treated as opex rather than capex

$m	FY21	FY20	Change on PCP
EBIT	(30.7)	(18.3)	67.8%
Comprising:			
Corporate costs	(25.3)	(18.3)	38.3%
SaaS asset write offs	(5.4)	-	-

Group balance sheet

- Inventory increased by $194m compared to June 2020 and reflects the Group’s decision to invest in inventory having regard to current elevated levels of consumer demand and the potential for global supply chain disruptions to impact lead times, shipping rates and container availability during the second half of the calendar year
- Supercheap Auto, rebel and BCF inventory all increased as a result of the Group’s decision to proactively build inventory positions
- Net inventory increase of $80.3m compared to June 2020 reflects higher inventory levels and major supplier trading terms returning to normalised levels in FY21 after temporary changes in FY20
- Property, plant, equipment and software decreased in the year despite an increase in capital expenditure. A number of assets were assessed to have reached the end of their useful lives and amortisation was either accelerated or assets were written off
- No bank debt as at June 2021, net cash position has improved in the year due to stronger earnings performance. All temporary extended payment terms have been unwound

$m	FY21	FY20	Change on PCP
Inventory			
Supercheap Auto	276.2	189.8	
rebel	191.4	140.1	
BCF	186.9	128.9	
Macpac	42.4	43.6	
Group	(0.5)	-	
Total Inventory	696.4	502.4	38.6%
Trade payables	(448.9)	(335.2)	33.9%
Net inventory investment	247.5	167.2	48.0%
Property, plant and equipment & computer software	306.9	322.2	(4.7)%
Net bank debt/(net cash position)	(242.3)	(37.3)	(549.6)%

Returns and capital ratios

- Normalised EPS of 136 cents was 81 per cent higher than pcp despite increased number of shares on issue following June 2020 equity raising
- Super Retail Group has declared a final fully franked dividend of 55 cents per share. This brings the full year dividend to 88 cents per share, representing a payout ratio of 65 per cent
- Normalised fixed charge cover ratio of 3.1x has increased due to the lift in earnings. It is expected to normalise in the low to mid 2x.
- $600 million of undrawn debt facilities
- Return on Capital of 28.8 per cent significantly above WACC
- While COVID-19 related trading restrictions and lockdowns persist, the Group intends to maintain a very conservative debt position
- Once trading conditions normalise, the Group will target a long term net debt/EBITDA position (pre AASB 16) of between 0 and 0.5x

	FY21	FY20	Change on PCP
Normalised EPS[1]	136.0c	75.0c	81.3%
Basic EPS	133.4c	55.8c	139.1%
DPS	88.0	19.5c	351.3%
	FY21 Pre AASB16[2]	**FY20 Pre AASB16**	**FY21 Post AASB16**
Reported Annualised Post Tax Return on Capital (ROC)[1]	28.8%	14.4%	17.0%
Fixed charge cover – normalised EBITDAL	3.1x	2.1x	9.6x
Net Debt / EBITDA - normalised	(0.4x)	(0.1x)	1.0x
Average Net Bank Debt	($219m)	$371m	($219m)

(1) Based on normalised net profit after tax
(2) Excludes AASB 16 Leases

Group cash flow

- Operating cash flow of $600.0 million reflects, in part, the unwinding of favourable supplier terms which were previously granted in response to the COVID-19 pandemic and increased investment in inventory
- Capital expenditure investment in omni-retail capabilities and spend on new stores and store refurbishment increased during the year. Committed expenditure totalled $97 million, with some $12.5 million of cash flow carried to the next period.
- Investment in store capex of $44.1 million is split: $12.9m in Supercheap Auto, $20.7m in rebel, $6.1m in BCF and $4.4m in Macpac
- Other capital expenditure includes investments in omni-retailing capabilities, inventory, data, cyber and core information systems

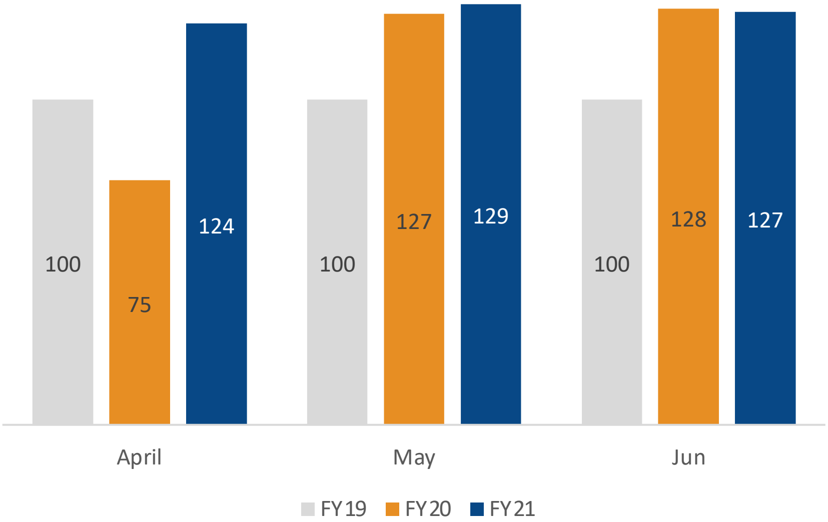
$m	FY21	FY20	Change on PCP
Operating cash flow	600.0	610.7	(1.8)%
Stores	(44.1)	(28.0)	
Other capex	(40.4)	(39.8)	
Payment of subsidiaries/JV	-	(0.1)	
Investing cash flow	(84.5)	(67.9)	24.4%
Dividends & interest	(161.5)	(110.0)	
Lease principal payment	(188.1)	(171.8)	
Issue of shares	41.4	157.0	
External debt repayment	(250.0)	(140.0)	
Financing cash flow	(558.2)	(264.8)	110.8%
Net cash flow	(42.7)	278.0	

FY22 trading update

Fourth quarter trading

Fourth quarter sales run rate remained strong. Group fourth quarter sales increased by 15 per cent compared to Q4 FY20, and by 26 per cent compared to Q4 FY19.

Q4 MONTHLY TOTAL SALES – REBASED TO 100[1]



TOTAL SALES GROWTH

Period	vs FY20	vs FY19
April	+64%	+24%
May	+2%	+29%
June	-1%	+27%
Q4 Total	+15%	+26%
FY21	+22%	+27%

(1) Each month of sales rebased to 100 using FY19 as base year

FY22 trading and operating update

- Group like-for-like sales growth as at week 7

	LFL sales growth (%)[1] (week 1 to 7) versus FY21	LFL sales growth (%)[1] (week 1 to 7) versus FY20
Supercheap Auto	(11)	9
rebel	(16)	8
BCF	(21)	34
Macpac	(2)	13
Group	(14)	12

- The Group is cycling 32% like-for-like sales growth in the first seven weeks of FY21
- The Group exited the fourth quarter with strong trading momentum. COVID-19 lockdowns in July and August have adversely impacted FY22 trading, however there has been a significant uplift in online sales in COVID-19 affected regions resulting in record online sales
- In FY22 year to date, online sales have grown by 62 per cent with Click & Collect sales growing by 137 per cent
- Total Group sales in the first seven weeks of FY22 are 15 per cent higher than the equivalent period in FY20
- A stretched global manufacturing & supply chain is creating challenges (longer lead times, higher freight costs and shipping delays) but the Group has fortified its inventory position and consumer demand in the auto, sports, leisure and outdoor categories remains buoyant
- Entering FY22, the Group had a cash balance of ~$240 million, no bank debt and $600m of undrawn committed debt facilities
- Targeting capex in FY22 of ~$125m – to fund expanded store development program and investment in omni and digital capability
- Trading outlook remains uncertain given risk of intermittent lockdowns and travel restrictions due to COVID-19

(1) No adjustment has been made to LFL sales for COVID-19 related store closures. Given the impact of COVID-19 on FY21 sales, the Group has reported FY22 like-for-like sales against both FY21 and FY20 trading, to enable a comparison with non-COVID impacted trading conditions.

Appendix

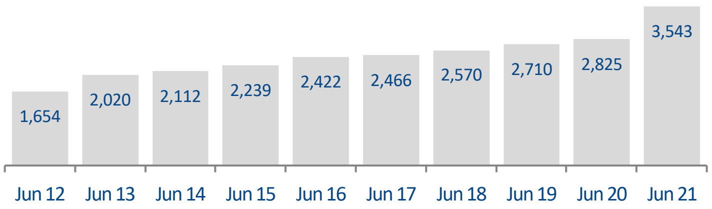

SUPERCHEAP
AUTO
BATHURST 2021
SUPERCHEAP
AUTO


womens
rebel

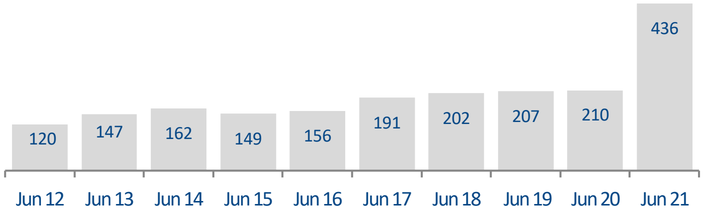

macpac

Performance trends

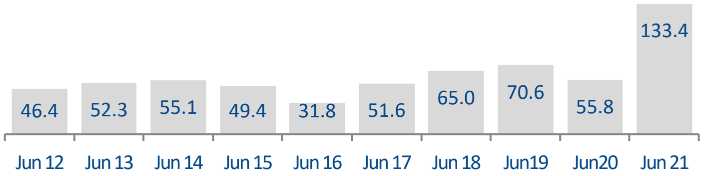
Reported Sales ($m)



Reported Total Segment PBT ($m)

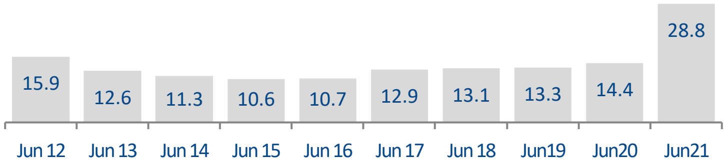


Reported EPS (c)



Normalised Reported Post Tax ROC (%)

pre AASB 16 Leases



ESG performance

ACTING WITH INTEGRITY

MODERN SLAVERY & RESPONSIBLE SOURCING

- Modern Slavery statement published in March 2021
- 445 factories audited in the last two years for responsible sourcing
- Macpac sourced 100% of its cotton usage for T-shirts from Fairtrade cotton
- Macpac recognised by the Humane Society International Australia for its commitment to source only certified non-mulesed wool

COMMUNITY

- Donated over $680,000 to charitable causes including:
  - Ozfish, supporting the health of Australia’s waterways
  - Macpac Fund for Good, supporting organisations focused on outdoor-based social development & environmental conservation
  - rebel Women in Sport mentoring program

PRIVACY & DATA INTEGRITY

- Privacy Policy in place supported by data governance, internal cyber security policies, procedures, reviews and training.
- No reported cyber events impacting privacy in FY21

ESG performance

CARING FOR OUR NATURAL ENVIRONMENT

CARBON EMISSIONS

- Reduced scope 1 & 2 carbon emissions by 7% from FY20 level to 61,859 tCO2-e
- Reduced scope 1 & 2 carbon emissions by 15% from FY17 (base year)

SUSTAINABILITY, PACKAGING & RECYLING

- Increased Dow Jones Sustainability Index score from 52 to 60
- Recycling rate for all waste material in stores, offices and distribution centres remained stable at 65%
- Signatory to Australian Packaging Covenant. Rated as Leading, based on achieving a score of 66% for our report
- Recycled more than 1 million litres of oil and >85,000 car batteries through Supercheap Auto stores
- Recycled more than 37,000 pairs of shoes through rebel's in-store collection

ENERGY

- Reduced total electricity use by 5% to 81,470 MWh
- Completed lighting upgrades in 50 stores with an expected energy saving of ~70.2 MWh

ESG performance

PASSIONATELY SUPPORTING OUR TEAM

DIVERSITY

- Women in Board positions decreased to 29%[1]
- Women in executive leadership stable at 27%
- Women in senior leadership stable at 39%
- WGEA Employer of Choice for Gender Equality

HEALTH & SAFETY

- Ongoing investment to keep our team and customers safe during the COVID-19 pandemic including contact-free Click & Collect
- Lost Time Injury Frequency Rate improved by 22% to 4.51
- Total Recordable Injury Frequency Rate improved by 24% to 9.43
- Over 1,800 team members have joined the I Am Here mental health program

TRAINING & ENGAGEMENT

- Team engagement score of 82 (5 pts above benchmark)
- 119 Australian team members completed Certificate III in Retail Operations or Certificate IV in Retail Management; 266 currently completing
- Five New Zealand team members completed Level Four Retail Management qualification; 28 currently completing

(1) Diana Eilert retired from the Board on 31 January. A search is underway to identify a new non-executive director.

Segment note (post AASB 16 Leases)

FY21

For the period ended 26 June 2021	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	1,308.8	1,197.0	797.7	149.6	3,453.1	-	3,453.1
Inter segment sales	-	-	-	3.8	3.8	(3.8)	-
Other income	-	0.1	-	0.2	0.3	0.1	0.4
Total segment revenue and other income	1,308.8	1,197.1	797.7	153.6	3,457.2	(3.7)	3,453.5
Segment EBITDA[1]	315.7	285.9	167.1	35.7	804.4	(28.2)	776.2
Segment depreciation and amortisation[2]	(111.5)	(105.9)	(61.9)	(17.6)	(296.9)	(2.5)	(299.4)
Segment EBIT result	204.2	180.0	105.2	18.1	507.5	(30.7)	476.8
Net finance costs	(11.9)	(13.3)	(8.8)	(1.2)	(35.2)	(5.8)	(41.0)
Total segment NPBT	192.3	166.7	96.4	16.9	472.3	(36.5)	435.8
Segment income tax expense[3]							(129.0)
Normalised NPAT							306.8
Other items not included in the total segment NPAT[4]							(5.8)
Profit for the period attributable to:							
Owners of Super Retail Group Limited							301.0
Profit for the period							301.0

Footnote item	[1] Segment EBITDA adjusted for $m	[2] Segment D&A adjusted for $m	[3] Segment income tax adjusted for $m	[4] Other items not included in total segment NPAT $m
Execution costs to complete remediation	8.8	-	2.6	6.2
Equity accounted losses – Autoguru	0.2	-	-	0.2
Provision reversals from previous years	(0.8)	-	(0.2)	(0.6)
	8.2	-	2.4	5.8

Segment note (post AASB 16 Leases)

FY20

For the period ended 27 June 2020	SCA $m	rebel $m	BCF $m	Macpac $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income							
External segment revenue	1,119.7	1,038.6	535.0	131.9	2,825.2	-	2,825.2
Other income	-	0.1	0.1	-	0.2	-	0.2
Total segment revenue and other income	1,119.7	1,038.7	535.1	131.9	2,825.4	-	2,825.4
Segment EBITDA[1]	242.0	205.1	79.3	25.0	551.4	(18.2)	533.2
Segment depreciation and amortisation[2]	(100.4)	(94.5)	(55.9)	(17.3)	(268.1)	(0.1)	(268.2)
Segment EBIT result	141.6	110.6	23.4	7.7	283.3	(18.3)	265.0
Net finance costs	(12.4)	(14.6)	(8.4)	(1.9)	(37.3)	(17.8)	(55.1)
Total segment NPBT	129.2	96.0	15.0	5.8	246.0	(36.1)	209.9
Segment income tax expense[3]							(61.7)
Normalised NPAT							148.2
Other items not included in the total segment NPAT[4]							(38.0)
Profit for the period attributable to:							
Owners of Super Retail Group Limited							110.2
Profit for the period							110.2

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