

22 February 2023

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 1 January 2023.

**Authorised by:** Kate Eastoe, Group Company Secretary

## For further information contact

### Investors and analysts

Paul van Meurs  
Head of Investor Relations  
+61 407 521 651

### Media

Woolworths Press Office  
[media@woolworths.com.au](mailto:media@woolworths.com.au)  
+61 2 8885 1033

# Woolworths Group

Group Half-Year Results 2023



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# Acknowledgement of Country

Woolworths Group acknowledges the many Traditional Owners of the lands on which we operate, and pay our respects to their Elders past and present.

We recognise their strengths and enduring connection to lands, waters and skies as the custodians of the oldest continuing cultures on the planet.

We remain committed to actively contributing to Australia's reconciliation journey through listening and learning, empowering more diverse voices and working together for a better tomorrow.

Woolworths Group reaffirms our support for the Uluru Statement from the Heart, and its calls for a First Nations Voice to Parliament enshrined in the Constitution.



The mural on this page represents a series of artworks produced by Trevor Eastwood and Jason Douglas, two Diversity Dimensions mentors in the Resourcing the Future Aboriginal and Torres Strait Islander employment program. Trevor and Jason invited the team members at Norwest Support Office to co-create this artwork during National Reconciliation Week in 2018 as part of our Reconciliation Action Plan.





## H23 summary

A balanced H1 result with improved customer and financial performance compared to COVID-impacted prior year

Customer Care scores a highlight with most customer metrics improving on prior periods; Group VOC NPS up on Q2 F22 and Q1 F23

Successful seasonal trading delivered through a focus on an affordable and inspirational Christmas

Group sales up 4.0% (3-yr CAGR: 7.5%), EBIT<sup>1</sup> up 18.4% (3-yr CAGR: 7.1%) driven by Australian Food. Ex COVID<sup>2</sup> costs in H22, Australian Food EBIT up 4.3%

Strong digital traffic growth across Group platforms driven by growth in app usage despite normalisation in eCommerce sales

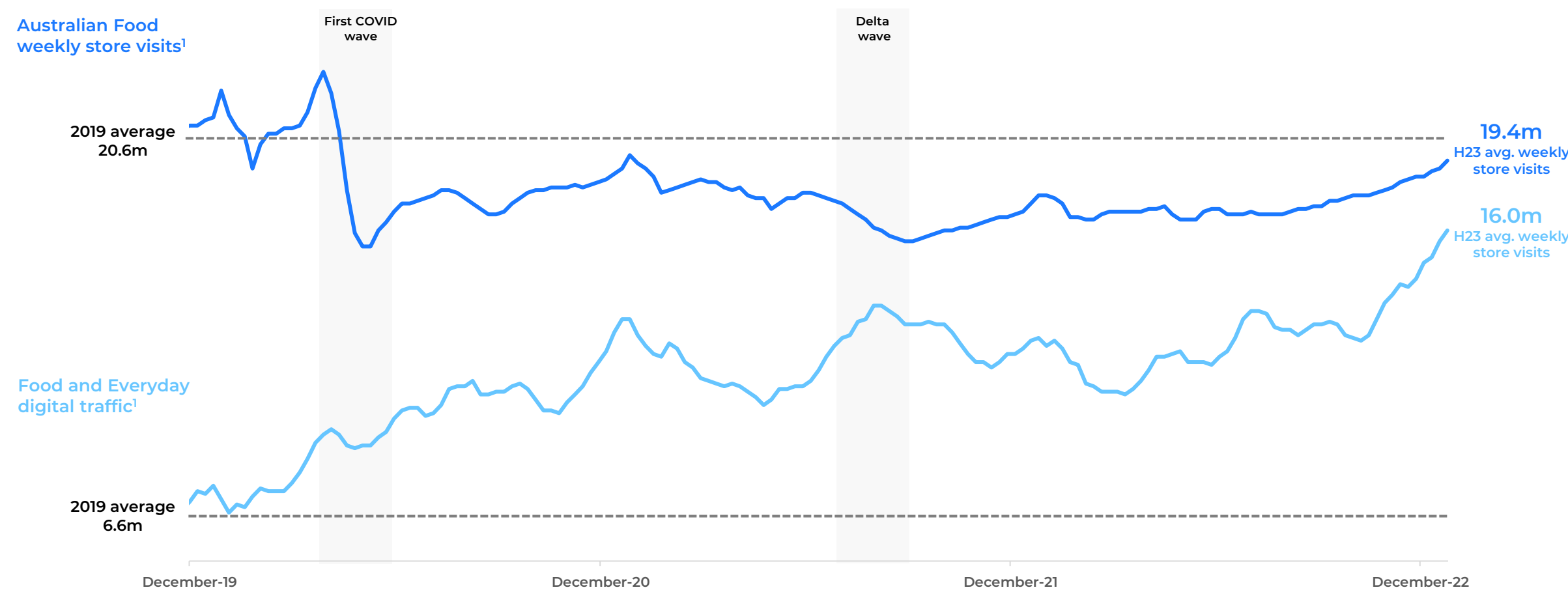
Progress on building Food and Everyday Needs ecosystem with MyDeal and Shopper Media completed, and Petspiration Group investment<sup>3</sup> announced

<sup>1</sup> Before significant items

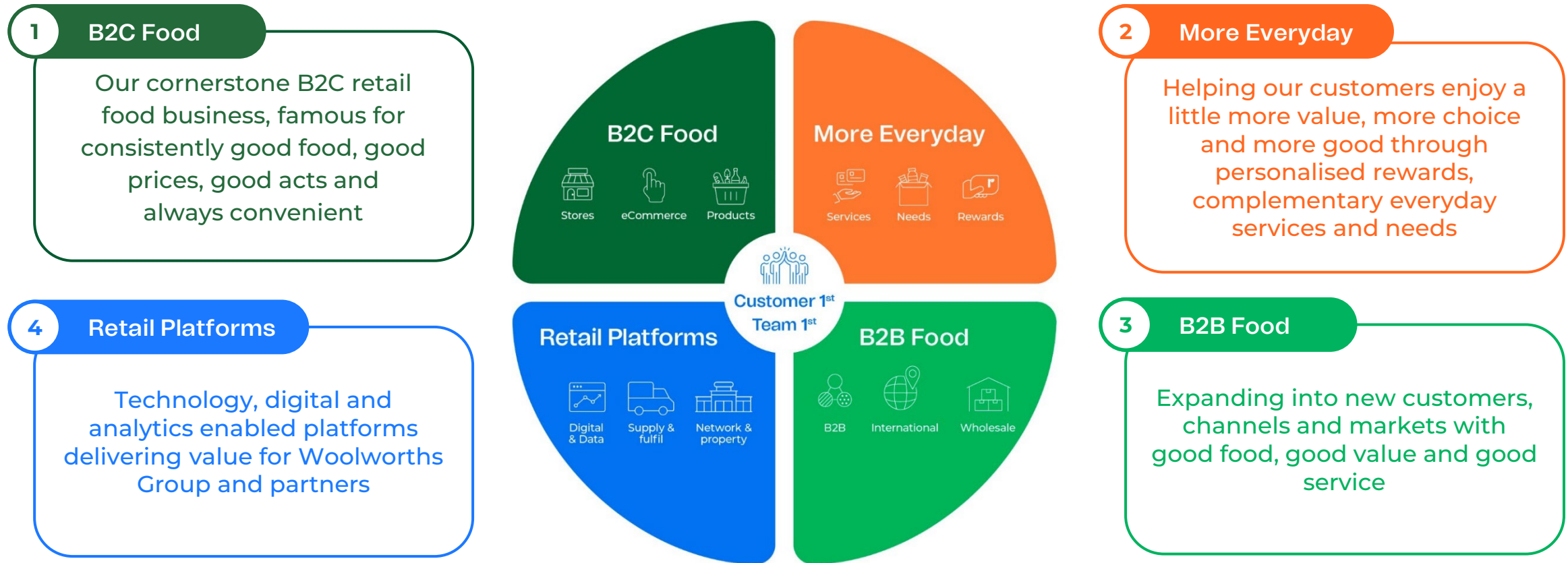
<sup>2</sup> Direct COVID costs of \$161m in H22

<sup>3</sup> Subject to ACCC and NZCC approval

# Customers returning to store but digital engagement still growing strongly



## Our retail ecosystem for good food and more everyday



## Strong progress on our strategic agenda

Living our purpose	Better together for better E2E experiences	<div>Most trusted brand for third year in a row</div> <div>Strong improvement in TRIFR; Everyday Extra for Australian team</div> <div>Low Prices, Specials, personalised offers and own brands providing value to customers</div> <div>Donations to WIRES and OzHarvest</div>				More to do
		<div>On sustainability agenda, especially soft plastics</div>				
Delivering compelling customer propositions	Consistently good B2C food experiences	Prices Dropped campaigns helping deliver more value for customers	RT3 embedded in Woolworths Supermarkets to improve rostering & customer outcomes	WFC's <sup>1</sup> value-added and seasonal ranges growing strongly	All CFCs supporting Same Day; 20 DTB sites added	More inspirational and affordable food solutions for customers
	More Everyday for our members	14.1m Everyday Rewards members; MyDeal added to rewards program	Real Time Loyalty launch; booster and subscription growth	Strong trading momentum in BIG W; range now on MyDeal	Proposed entry into specialty pet segment via Petspiration Group <sup>2</sup>	More value to customers across their everyday needs shopping
	Grow and connect our B2B food business	Strong PFD sales growth including new customer growth	Providing Nth Qld remote communities with Woolworths products	Strong growth in Learn, Care & Office segments in Woolworths at Work	Reached agreement to sell Summergate in China	Optimise red protein value chain through Greenstock
Strengthening our foundations	Scale our next gen retail platforms & Evolve our Group capabilities	Strong progress on wiq use cases including Next-gen Promotions	Cartology launched in BIG W and Metro; completion of Shopper acquisition	MSRDC consistently at 2.3m cartons per week; construction started on Christchurch Fresh DC, NZ	New Primary Connect 3PL customer platform launched	Digitise and commercialise platforms to unlock benefits and grow ecosystem



# Multi-year supply chain transformation past the halfway mark



## Adjacencies supporting our cornerstone businesses and driving growth

### Strengthening digital engagement

Average weekly traffic to Group digital platforms

**22.7m** **29%**  
(+2m vs. H22) 3-yr CAGR

Digital traffic to Food and Everyday platforms reaching 16 million average weekly visits

**+22%**  
vs. Q2 H22

Transition to Real Time Loyalty platform to deliver personalised offers at scale



### More Everyday

Total Everyday Rewards members

**14.1m**  
(+800k vs. H22)

Active Everyday Rewards members

**+5.8%**

Weekly Rewards app users

**+57%**

**27k** MyDeal customers linked their EDR card in the first week of MyDeal becoming an EDR partner



**+4.6%** new customer growth supported by pet insurance (vs. H22)



**+39%** Mobile active customer base (vs. H22)

### Evolving our B2B offer

B2B Food H23 sales growth

**+26%**  
vs. H22



✓ Strong market and customer driven growth; PFD now supplying Woolworths with seafood



✓ Learn, Care and Office segments all growing



✓ Joint tender won with PFD; strong MetroGo sales growth



Launched Primary Connect customer brand solution PC+

International business growing

### Growing our ecosystem

**MyDeal**

- Completed 23 September 2022
- Q2 GTV<sup>1</sup> broadly flat on prior year, revenue up 10%; 1m+ active customers
- BIG W range launched on MyDeal in August




**shopper**

- Completed 30 September 2022
- Integration work underway

**Petspiration Group**

- Proposed 55% equity interest in #2 player in \$10bn specialty pet sector<sup>2</sup>
- LTM (Sep 22)<sup>3</sup> sales of \$979m and EBITDA of \$158m
- Material opportunities for joint value creation

# Progress on our sustainability goals

<div>People</div> <div>Making a positive change to the future of our people, our partners and our communities</div> <div></div>	<div>40%</div> <div>of management (levels 4-6) identify as woman or female</div>	<div>11.38</div> <div>Total recordable injury frequency rate ▼ 7.3% from H22</div>	<div>\$22.4m</div> <div>of direct community contribution in H23 (cash and in-kind donations)</div>	<div>\$5.9m</div> <div>invested in a virtual reality learning platform that offers multi-skilling opportunities for our team<sup>1</sup></div>
<div>Planet</div> <div>Ensuring we leave the environment better off for future generations</div> <div></div>	<div>7.9%</div> <div>reduction in scope 1 &amp; 2 emissions<sup>2</sup> from H22</div>	<div>21%</div> <div>Green electricity across operations</div>	<div>&gt;10m meals</div> <div>donated via food rescue partnerships</div>	<div>Scope 3</div> <div>supplier engagement pilot completed across six key supermarket categories<sup>3</sup></div>
<div>Product</div> <div>Having a positive impact on people and the planet through the product and services provided</div> <div></div>	<div>&gt;12,000t</div> <div>virgin plastic packaging reduction ▼ 26% vs F18 baseline<sup>4</sup></div>	<div>#1</div> <div>Australia's Healthiest Supermarket Own Brands<sup>5</sup> fourth year in a row</div>	<div>+38 bps</div> <div>portion of sales from healthier products with health star rating 3.5 or higher<sup>6</sup></div>	<div>&gt;13m</div> <div>pieces of Free Fruit for Kids in H23</div>

1 Part of Future of Work program

2 Operational emissions

3 Part of the Value chain emissions program aligned to a 19% reduction in value chain emissions by 2030

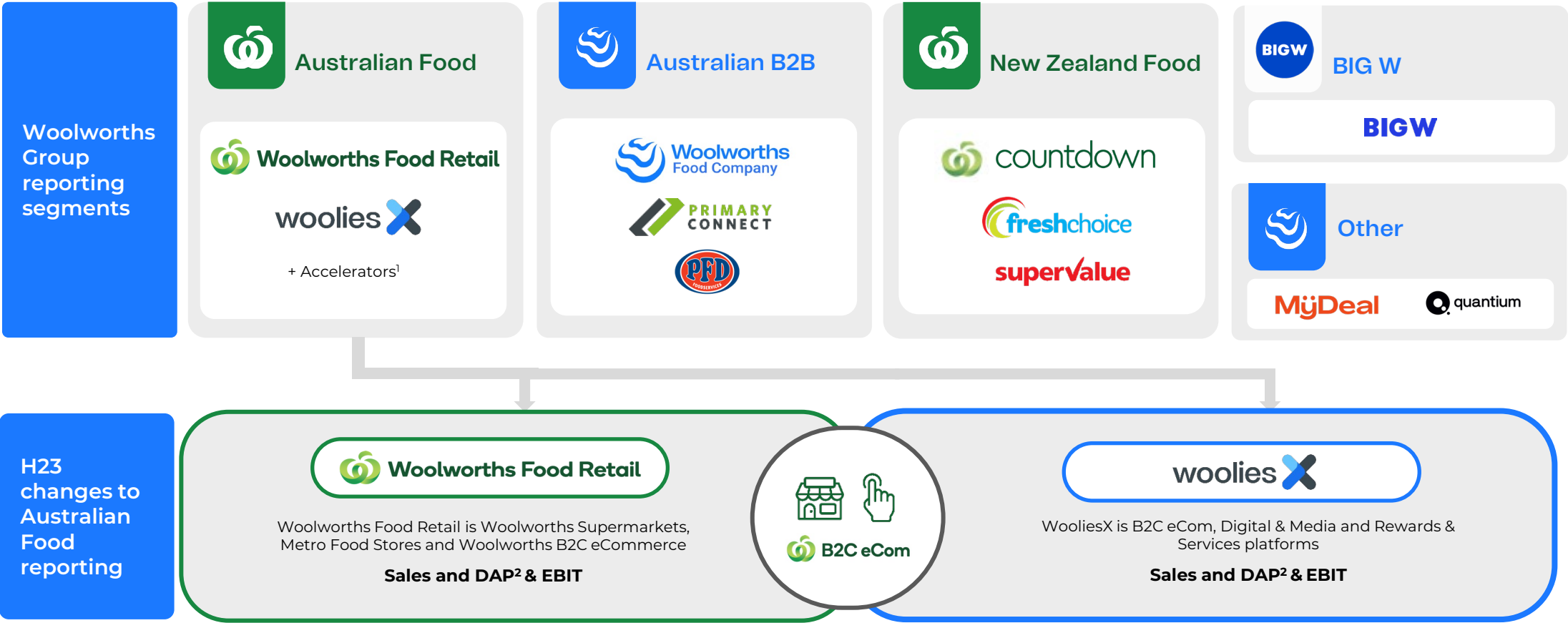
4 Own brand virgin plastic packaging reductions from targeted initiatives across Woolworths Supermarkets and Metro Food Stores only. Calculated based on the change in virgin plastic weight multiplied by the volume of either sales or purchases in the 12 months prior to the packaging change

5 The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022)

6 A rolling 12 month comparison to prior year based on Woolworths Supermarkets excluding Metro Food Stores in Australia and Countdown in New Zealand. Excludes fruit and vegetable sales due to supply constraints within the reporting period



# Woolworths Food Retail and WooliesX now disclosed as part of Australian Food segment



<sup>1</sup> Everyday Market, Metro60 and HealthyLife not included in Woolworths Food Retail or WooliesX  
<sup>2</sup> See glossary for definition of Directly-Attributable Profit (DAP)

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Brad Banducci

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## Group financial results and capital management

Stephen Harrison

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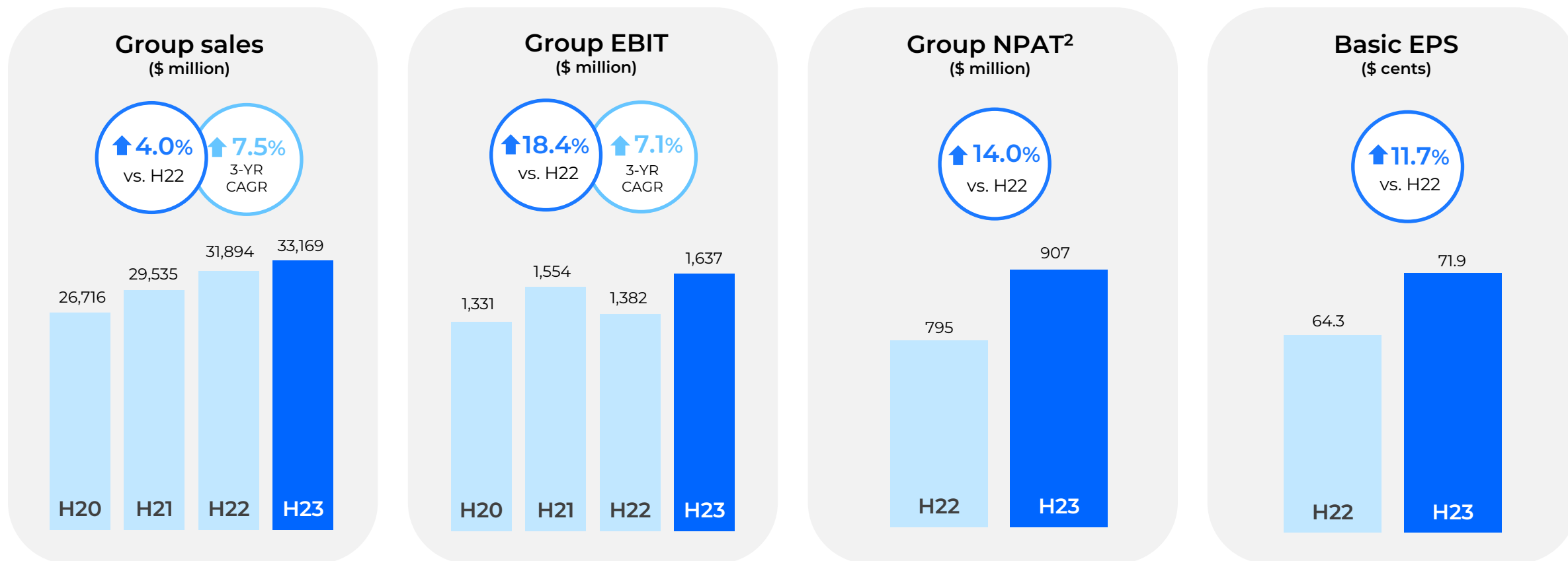
Brad Banducci

# Group financial results and capital management





## H23 results summary<sup>1</sup>



## Group trading performance

### Group sales

\$ MILLION	H23	H22	CHANGE	3-YR CAGR
Australian Food	24,385	23,780	2.5%	5.5%
Australian B2B <sup>1</sup>	2,433	1,979	23.0%	
New Zealand Food (AUD)	3,703	3,838	(3.5)%	
<i>New Zealand Food (NZD)</i>	<i>4,079</i>	<i>4,027</i>	<i>1.3%</i>	<i>4.7%</i>
BIG W	2,708	2,348	15.3%	8.0%
Other <sup>1,2</sup>	(60)	(51)	19.4%	
<b>Group</b>	<b>33,169</b>	<b>31,894</b>	<b>4.0%</b>	<b>7.5%</b>

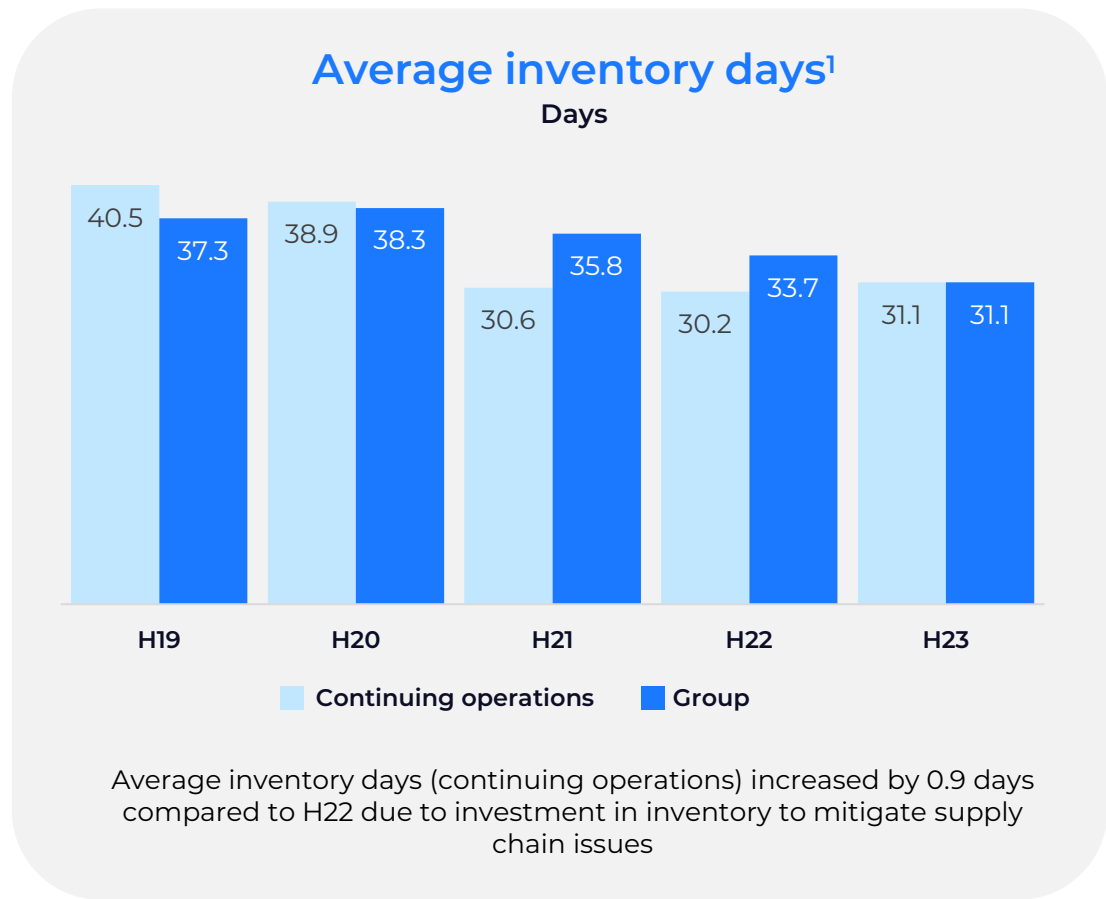
### Group EBIT

\$ MILLION	H23	H22	CHANGE	3-YR CAGR
Australian Food	1,439	1,217	18.2%	7.6%
Australian B2B <sup>1</sup>	38	18	105.3%	
New Zealand Food (AUD)	111	191	(42.0)%	
<i>New Zealand Food (NZD)</i>	<i>122</i>	<i>200</i>	<i>(39.1)%</i>	<i>(13.0)%</i>
BIG W	134	25	437.5%	39.0%
Other <sup>1,2</sup>	(85)	(69)	22.1%	
<b>Group before significant items</b>	<b>1,637</b>	<b>1,382</b>	<b>18.4%</b>	<b>7.1%</b>

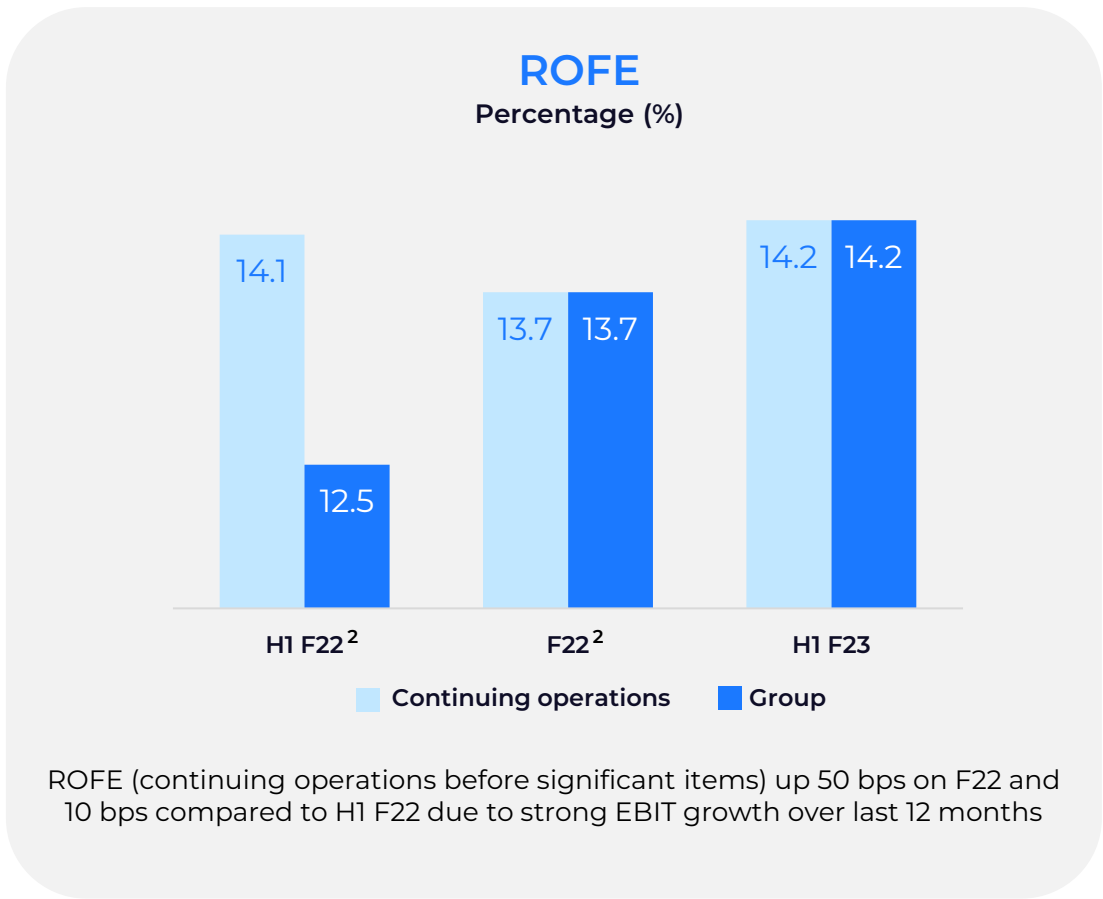
4.3% excl. direct  
COVID costs in  
prior year

- Revenue from the sale of goods and services in Australian B2B includes \$180 million (2022: \$150 million) of freight revenue. However, at a Group level, this is classified and recognised as a reduction in cost of sales. As a result, a \$180 million (2022: \$150 million) reduction has been recognised in the Other segment. This has not resulted in a change to earnings before interest and tax at a Group level
- Other comprises Quantum and MyDeal, which are not considered separately reportable segments, as well as other support functions including property and Group overhead costs, the Group's share of profit or loss of investments accounted for using the equity method, and consolidation and elimination journals

# Improvement in ROFE reflecting EBIT growth, despite investment in inventory to mitigate supply chain challenges



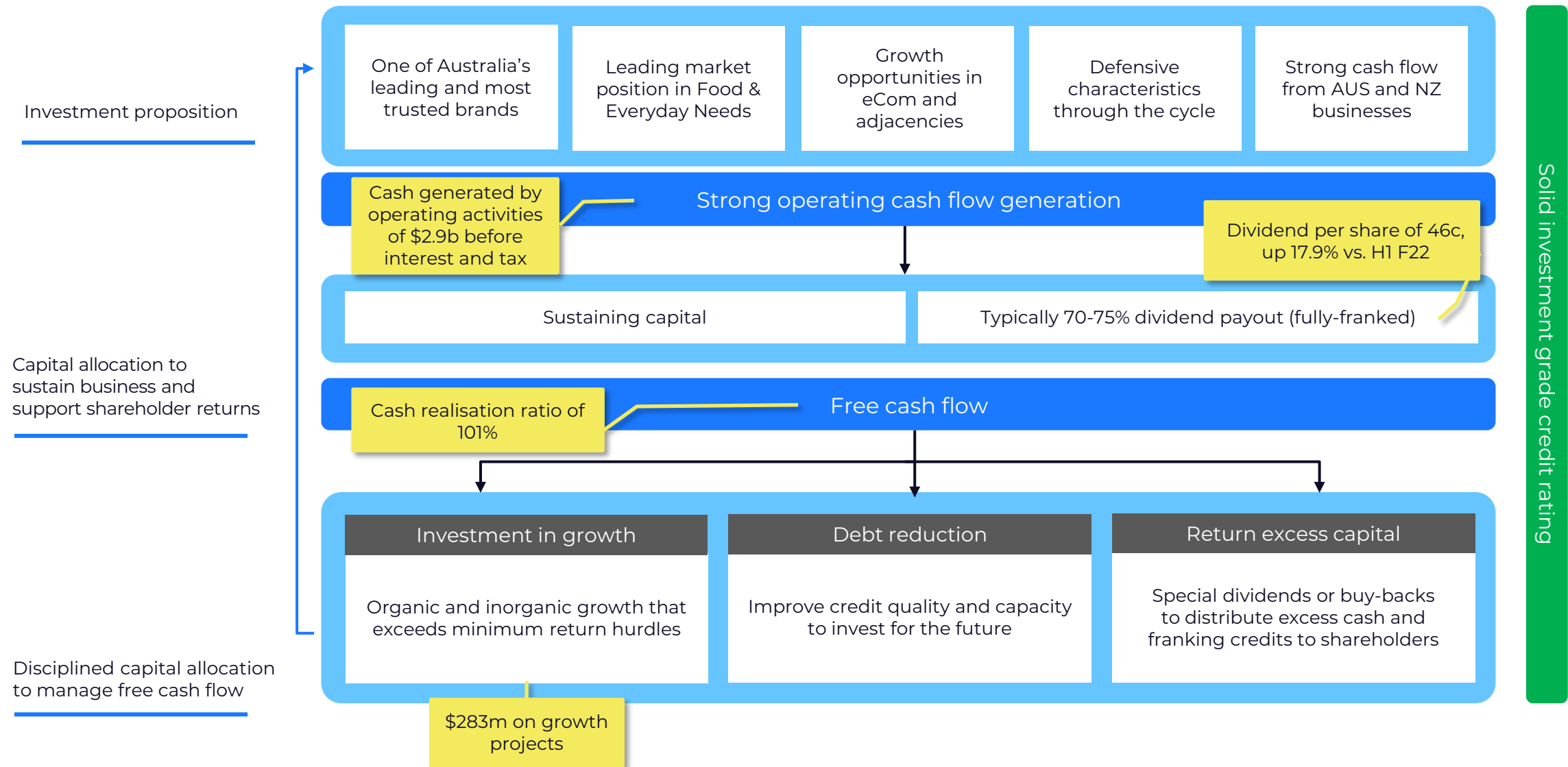
<sup>1</sup> Average inventory days calculated on a rolling 13-month basis



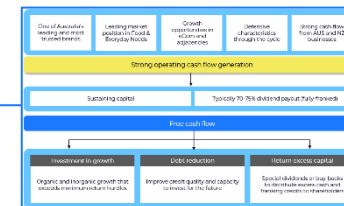
<sup>2</sup> Normalised to exclude the demerger distribution liability relating to Endeavour Group of \$7,870 million



# Woolworths Group capital management framework



# Strong operating cash flow growth used for investment and dividends



\$ MILLION	H23	H22	CHANGE
EBITDA – continuing operations	2,848	2,454	16.1%
EBITDA – discontinued operations	-	6,387	n.m.
<b>Group EBITDA</b>	<b>2,848</b>	<b>8,841</b>	<b>(67.8)%</b>
Working capital and non-cash movements – continuing operations	27	122	(77.9)%
Working capital and non-cash movements – discontinued operations	-	(6,387)	n.m.
<b>Cash from operating activities before interest and tax</b>	<b>2,875</b>	<b>2,576</b>	<b>11.6%</b>
Interest paid – leases	(320)	(322)	(0.6)%
Net interest paid – non-leases	(52)	(13)	296.7%
Tax paid	(354)	(510)	(30.6)%
<b>Total cash provided by operating activities</b>	<b>2,149</b>	<b>1,731</b>	<b>24.1%</b>
<b>Total cash used in investing activities</b>	<b>(839)</b>	<b>(1,280)</b>	<b>(34.5)%</b>
<b>Cash flow before lease payments, dividends, share payments and proceeds from loans to related party</b>	<b>1,310</b>	<b>451</b>	<b>190.1%</b>
Repayment of lease liabilities	(580)	(554)	4.7%
Dividends paid and payments for shares held in trust	(555)	(633)	(12.3)%
Proceeds from loan to related party	-	1,712	n.m.
Payments for share buy-backs	-	(2,000)	n.m.
<b>Net cash flow</b>	<b>175</b>	<b>(1,024)</b>	<b>n.m.</b>
<b>Adjusted cash realisation ratio (CRR)</b>	<b>101</b>	<b>91<sup>1</sup></b>	

Prior year included Endeavour Group gain on demerger

Increase in inventory in H23, largely offset by payables

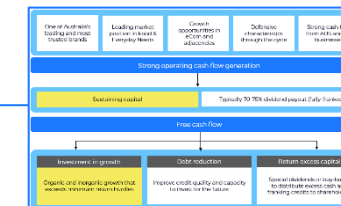
Higher interest rates and higher average net debt

Lower tax paid, reflecting lower prior year earnings

Reduction in investing activities due to proceeds on the partial sale of Endeavour Group of \$634m. Capex discussed on next slide

Lower cash dividends, reflecting lower group earnings following Endeavour Group demerger

# Operating capex in line with expectations and above COVID-disrupted prior year



## \$ MILLION

	H23	H22
Sustaining capex	645	587
Growth capex	283	235
<b>Operating capex</b>	<b>928</b>	<b>822</b>
Property development	322	313
<b>Gross capex</b>	<b>1,250</b>	<b>1,135</b>
Property sales	(130)	(195)
<b>Group net capex</b>	<b>1,120</b>	<b>940</b>
Net lease asset additions <sup>1</sup>	122	308

**F23 operating capex expected to be ~\$2b**

## Sustaining capex

\$ MILLION	H23	H22
SIB	157	112
Renewals	185	174
Supply chain	105	136
IT	129	87
Productivity	69	78

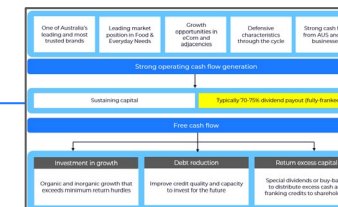
## Growth capex

\$ MILLION	H23	H22
New stores	73	45
Digital	72	55
eCom	69	68
Other growth	69	67

## Sustainability capex<sup>2</sup>

\$76 million including refrigeration, solar, LED lighting and energy management

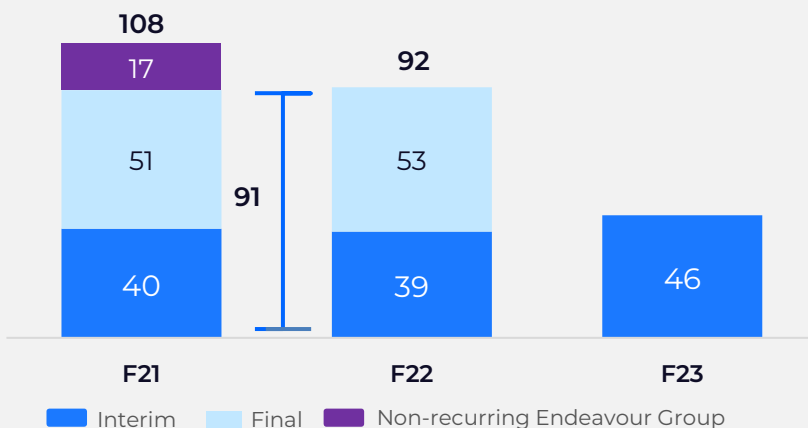




## Dividends and funding

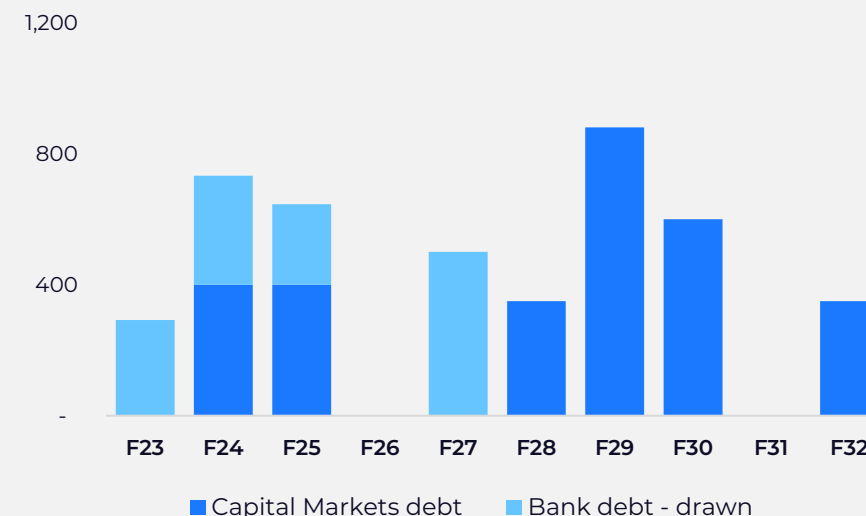
### 46 cps interim dividend

Dividends (cents per share)



- Fully franked interim dividend of 46 cps, up 17.9% with dividend reflecting strong NPAT growth
- Interim payout ratio consistent with prior years
- DRP satisfied via new share issuance, no discount

### Debt maturity profile (\$m)<sup>1</sup>



- Weighted average maturity of 3.5 years<sup>2</sup>
- Solid investment-grade credit rating with significant headroom
  - S&P: BBB (stable outlook)<sup>3</sup>
  - Moody's: Baa2 (stable outlook)<sup>3</sup>
- Next material maturity is the \$750 million syndicated bank facility maturing in November 2023 which will be refinanced or repaid from existing committed undrawn bank facilities prior to the end of F23

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Woolworths   
*The fresh food people*

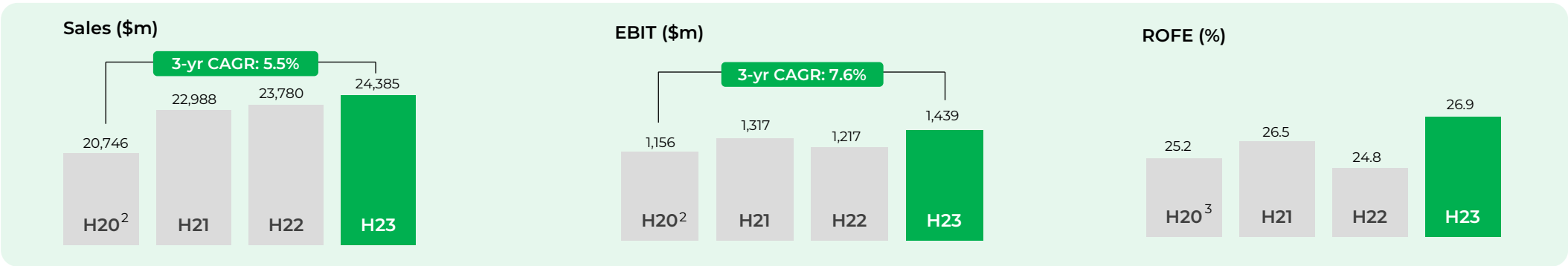


# Australian Food

	H23	H22	CHANGE
Total sales (\$m)	24,385	23,780	2.5%
EBITDA (\$m)	2,324	2,054	13.1%
EBIT (\$m)	1,439	1,217	18.2%
Gross margin (%)	30.7	30.2	48 bps
CODB (%)	24.8	25.1	(30) bps
EBIT to sales (%)	5.9	5.1	78 bps
ROFE (%)	26.9	24.8	215 bps

H23 SUSTAINABILITY METRICS

Scope 1 & 2 emissions (tonnes) <sup>1</sup>	790,557	861,828	(8.3)%
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1 H22 values have been updated to include emission sources reporting for the first time in F22  
2 Restated to conform with the new structure of the Group, which reflects the establishment of the new Australian B2B segment  
3 H20 has not been restated to exclude Australian B2B



# Australian Food

## Woolworths Food Retail (Stores and eCom)

	H23	H22	CHANGE
<b>Total sales (\$m)</b>	<b>24,196</b>	<b>23,633</b>	<b>2.4%</b>
Cash DAP <sup>1</sup> & EBITDA	2,279	1,994	14.4%
<b>DAP &amp; EBIT</b>	<b>1,428</b>	<b>1,183</b>	<b>20.8%</b>
DAP & EBIT to sales (%)	5.9	5.0	90 bps
Sales per square metre <sup>2</sup> (\$)	18,470	18,014	2.5%

### SALES PERFORMANCE BY BUSINESS<sup>3</sup>

Woolworths Supermarkets (store-originated)	21,266	20,597	3.2%
Metro Food Stores (store-originated)	574	489	17.4%
B2C eCom	2,356	2,547	(7.5)%
<b>Woolworths Food Retail (stores and eCom)</b>	<b>24,196</b>	<b>23,633</b>	<b>2.4%</b>


<sup>1</sup> Directly-attributable profit (DAP) before depreciation and amortisation. See glossary for a definition of DAP

<sup>2</sup> Sales per square metre has been restated to exclude non-sales areas of customer fulfilment centres and to conform to current year's presentation of sales

<sup>3</sup> Prior year reclassifications to reflect current year reporting

# Progress against strategic priorities

Build advocacy as Today's Fresh Food People



### Caring for our communities and teams

Phased out plastic bags in SA and NT, removing 826t of plastic p.a.

Launched 16 new Mini Woolies stores

7.4m meals funded through OzHarvest Christmas appeal


### Convenient and connected experiences

700 Direct to boot stores at end of H1

Record Bank for Christmas savings spent in Supermarkets

Boosters via Everyday Rewards up 14% vs. Dec 2021

Reimagine our core customer offer



### Get your Woolies Worth

Prices Dropped for Spring and Christmas, helping deliver more value

Low Price Freeze on ~200 essential items in H1

Odd Bunch sales growth 3.4%, helping reduce food waste


### Tailoring our range

Curated range reviews (Value, Core, UP) cover 40% of sales, generating incremental sales and GP

### Freshest Fresh

Completed rollout of Cultivate education program focused on quality, freshness and temperature control

Simplify our E2E processes, leveraging data and analytics



### Connected and achieving teams

RT3, new rostering tool, rolled out to all stores

Focus on multi-skilling team, including VR training in all stores

Enabled Agile with daily huddles and Team Connect boards in stores

### Building future fit store operations

Smart Bundle (including electronic shelf labels) live in 75 stores

### Embedding good stock loss

Scan assist technology now live in 249 stores to support accurate scanning

## Woolworths 360 evolving our integrated network to best serve our customers



Opened eight net new stores and completed 25 renewals



CFCs opened in Caringbah and Rochedale, averaging a combined ~12,000 orders per week



New-look supermarket opened with new BIG W store at Town Hall in Sydney



Rolled out solar panels to 27 supermarkets, one DC and two CFCs with a total of 199 sites within Australia



Launched flagship UP supermarket in Cottesloe, WA



Expanded Direct to boot with 20 net new Direct to boot enabled stores, with 700 stores at end of H1

## Australian Food

### WooliesX (including eCom)

	H23	H22	CHANGE
Total sales (\$m)	3,031	3,172	(4.4)%
Cash DAP & EBITDA	135	165	(17.5)%
<b>DAP &amp; EBIT<sup>1</sup></b>	<b>83</b>	<b>120</b>	<b>(30.4)%</b>
DAP & EBIT to sales (%)	2.7	3.8	(104) bps

#### SALES PERFORMANCE BY PLATFORM

B2C eCom (eComX)	2,356	2,547	(7.5)%
Digital & Media (ConnectedX/ Cartology) and Rewards & Services (EverydayX)	675	625	8.0%
Total WooliesX sales	3,031	3,172	(4.4)%
Eliminations and reclassifications <sup>2</sup>	(512)	(484)	6.0%
<b>WooliesX sales after eliminations and reclassifications</b>	<b>2,519</b>	<b>2,688</b>	<b>(6.3)%</b>

#### DAP & EBIT PERFORMANCE BY PLATFORM

B2C eCom (eComX) DAP	45	71	(36.8)%
ConnectedX/ Cartology, EverydayX, TechX & support costs EBIT	38	49	(22.8)%
<b>WooliesX DAP &amp; EBIT<sup>1</sup></b>	<b>83</b>	<b>120</b>	<b>(30.4)%</b>

<sup>1</sup> DAP measure used for eCommerce while EBIT measure used for other WooliesX businesses. See glossary for DAP definition

<sup>2</sup> Eliminations and reclassifications represent the elimination of intercompany revenues including the cost of Everyday Rewards points, gift cards, wPay processing fees; and the reallocation of Cartology revenue to cost of sales

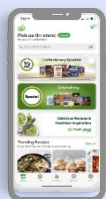


## H23 highlights

### ConnectedX & Cartology



**Digital traffic to Group platforms** reaching 25 million weekly visits **+20%** vs. Q2 F22



**Grew weekly users of Woolworths app** and connected experiences between Rewards and Woolworths apps, with over 50% of eCom orders placed in app **+34%** vs. H22



**New and simpler digital experiences** with new navigation, improved search and recipe filtering

Shopping Lists users: **+16.7%** vs. H22  
Catalogue users: **+8.6%** vs. H22  
eReceipt uptake: **+760k** vs. H22



**Transition to Real Time Loyalty platform** to deliver personalised offers at scale



**Cartology expanded** its advertising offer through acquisition of Shopper and launch of BIG W and Metro Food Stores propositions

### eComX



**Consistently strong online VOC NPS** supported by implementation of efficiency improvements **59** +6 points vs. H22



**Continued increases to capacity** with 700 Direct to boot enabled supermarkets at end of H1 **+20** DTB sites



**Strong Delivery Unlimited subscriber growth** who on average spend ~3x more than customers shopping in store **+48%** vs. H22



**Opened Rochedale and Caringbah CFCs** Progressed construction of Auburn automated CFC



**Canstar Blue's 2022 Most Satisfied Customers in Online Groceries** achieving five stars in each category

### EverydayX



**14.1 million** +800,000 or 6% vs. H22



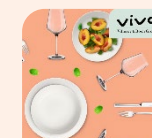
**Everyday Rewards engagement** reached record levels in H22 **+57%** active weekly app users vs. H22



**Members accessing Booster offers up 14% vs. H22**



**Canstar Blue's 2022 Most Satisfied Customers in a Rewards Program** for second consecutive year



**Delivered more value beyond points** through Villeroy & Boch tableware program



**Biggest Bank for Christmas to date** with more members saving and redeeming their Rewards dollars



**Australian B2B**

## Australian B2B

	H23	H22	CHANGE
<b>Sales (\$m)</b>			
B2B Food (Woolworths Food Company 3 <sup>rd</sup> party)	1,802	1,426	26.4%
B2B Supply Chain (Primary Connect 3 <sup>rd</sup> party)	631	553	14.1%
<b>Total Australian B2B</b>	<b>2,433</b>	<b>1,979</b>	<b>23.0%</b>
 EBITDA (\$m)	 94	 69	 34.8%
<b>EBIT (\$m)</b>	<b>38</b>	<b>18</b>	<b>105.3%</b>
EBIT to sales (%)	1.5	0.9	62 bps

### H23 SUSTAINABILITY METRICS

Scope 1 & 2 emissions (tonnes) <sup>1</sup>	38,165	39,638	(3.7)%
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# Australian B2B

## B2B Food

(Woolworths Food Company 3<sup>rd</sup> Party)



Strong half from PFD driven by market recovery and new customer growth



Solid sales in AGW supported by petrol and convenience channel as well as remote communities



Strong sales in Woolworths at Work cycling COVID disruptions, benefitting from business return to work

## B2B Supply Chain

(Primary Connect 3<sup>rd</sup> Party)



Launch of the Primary Connect PC+ brand



Strong H1 growth in Primary Freight services supported by major customer accounts



Primary Connect international offshore consolidation capabilities established in India



countdown 

 freshchoice **superValue**

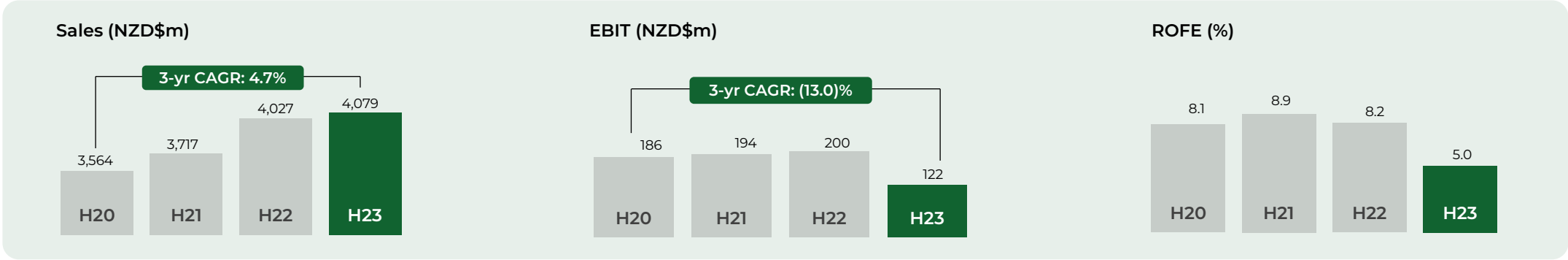


# New Zealand Food

NZD (\$)	H23	H22	CHANGE
Total sales (\$m)	4,079	4,027	1.3%
EBITDA (\$m)	286	353	(19.2)%
EBIT (\$m)	122	200	(39.1)%
Gross margin (%)	25.2	25.2	5 bps
CODB (%)	22.3	20.2	203 bps
EBIT to sales (%)	3.0	5.0	(198) bps
Sales per square metre (\$)	17,704	17,827	(0.7)%
ROFE (%)	5.0	8.2	(320) bps





H23 SUSTAINABILITY METRICS

Scope 1 & 2 emissions (tonnes) <sup>1</sup>	33,569	31,891	5.3%
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<sup>1</sup> H22 values have been updated to include emission sources reporting for the first time in F22

# H23 highlights

<div>Living our purpose</div> 	Q2 VOC NPS score of 43 +3 pts vs. H22	Q2 Store-controllable VOC of 76% +1 pt vs. H22	Improved pay and conditions for store teams	Te Reo Māori language at self-service checkouts
<div>Digital, eCom and innovation</div> 	Q2 eCom penetration of 12.3%	98 stores with eLocker and Drive solutions	Roll out of Express Pick up to 64 stores and Express Delivery to 48 stores	Increased mobile app users, digital campaign activation and Cartology growth
<div>Foundations for the future</div> 	Opened three new stores and completed nine renewals bringing the total to 193 stores	Progressed innovation initiatives, including the roll out of electronic shelf labels to 30 stores	Maintained Voice of Supplier leadership for third consecutive year	Embedded state-of-the-art Auckland Fresh DC
<div>H2 F23 focus</div> 	Invest in <b>Own Brand differentiation</b> and offer to provide customers with <i>Value they can count on</i>	Progress <b>supply chain transformation</b> , including construction of Christchurch Fresh DC opening 2024	<b>Ramp up new stores</b> and renewals pipeline to roll out successful new format	Increased focus on <b>restoring productivity initiatives</b> and restoring <b>operating rhythm</b>







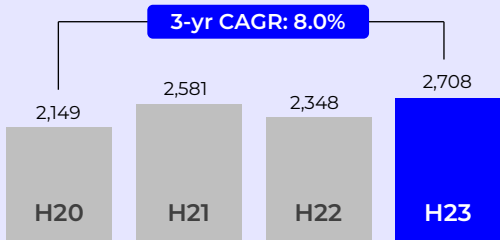
# BIG W

	H23	H22	CHANGE
Total sales (\$m)	2,708	2,348	15.3%
EBITDA (\$m)	239	122	94.7%
EBIT (\$m)	134	25	437.5%
Gross margin (%)	33.4	32.9	53 bps
CODB (%)	28.5	31.8	(336) bps
EBIT to sales (%)	5.0	1.1	389 bps
Sales per square metre (\$)	4,765	4,323	10.2%
ROFE (%)	13.6	5.8	7.8 pts

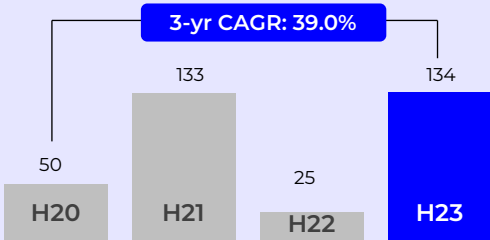
## H23 SUSTAINABILITY METRICS

Scope 1 & 2 emissions (tonnes) <sup>1</sup>	48,402	55,431	(12.7)%
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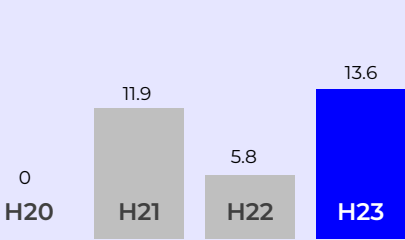
Sales (\$m)



EBIT (\$m)



ROFE (%)



<sup>1</sup> H22 values have been updated to include emission sources reporting for the first time in F22



# H23 highlights

<div>Live our purpose and show real care</div> <div></div>	<div>Roll out of new store operating model training to ~11,000 team members</div>	<div>National Toys for Joy program saving over 62 tonnes of waste from landfill in H1</div>	<div>Over 100 First Nations team members hired in H1 through local partnerships including Clontarf Academy</div>
<div>Accessible and relevant to all Australian families</div> <div></div>	<div>Opening of new small format BIG W store at Town Hall, the only discount department store in Sydney CBD</div>	<div>Created new core store blueprint to deploy as part of renewal activity in H2</div>	<div>Embedded Customer-led rostering nationally</div>
<div>Turbocharge digital experience and eCom</div> <div></div>	<div>Record NPS scores for digital customer experiences</div>	<div>Launch of two new eStores in Winston Hills, NSW and Watergardens, Vic</div>	<div>Launched BIG W range on MyDeal website</div>
<div>Distinctive offer underpinned by great value</div> <div></div>	<div>Strong performance in seasonal events, including Halloween, Black Friday and Christmas</div>	<div>Launched Openook, a new own brand within the Home &amp; Living category</div>	<div>Growth in Everyday Rewards member scan rates</div>
<div>Best in class availability and supply chain</div> <div></div>	<div>Successful transition of Hoppers Crossing DC (Vic) from 3PL to Primary Connect</div>	<div>Launch of Partner Hub with over 400 local suppliers onboarded</div>	<div>Launched new technology solution to support inventory forecasts and improve availability scores</div>



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# H2 F23 current trading and outlook

## Strong start to H2

Strong start to H2 F23 with continued stabilisation in operating conditions and robust sales growth. Providing customers with value remains #1 priority

Australian Food (Woolworths Food Retail) total sales increased by 6.5% in first seven weeks (3-yr CAGR: 6.5%). eCommerce sales trends improving

New Zealand Food trading momentum improving with sales up 6.3% in the first seven weeks (3-yr CAGR: 4.4%). H2 dollar EBIT expected to be above H1 and H2 F22

BIG W sales growth remains strong at 9.7% (3-yr CAGR: 7.5%). Well positioned in current environment. H1 to make up 75-80% of F23 EBIT

Sales growth solid in the half to date and operating rhythm continues to improve. H2 EBIT growth will be lower than H1 cycling a more normal half





# Thank you





## Appendix

### Reclassification of Australian Food sales to reflect new disclosure

SALES PERFORMANCE BY BUSINESS (\$ MILLION)	CURRENT REPORTING H22	PREVIOUSLY REPORTED H22	
Woolworths Supermarkets (store-originated)	20,597	20,630	Woolworths Mobile now in WooliesX
Metro Food Stores (store-originated)	489	489	
B2C eCom	2,547	2,554	Accelerators revenue removed from B2C eCom
<b>Woolworths Food Retail</b>	<b>23,633</b>	<b>23,672</b>	
<b>WooliesX (after eliminations and reclassifications)</b>	<b>2,688</b>	-	B2C eCom, Digital & Media, Rewards & Services
Adjacency revenue	-	108	Adjacency revenue now in WooliesX
Accelerators revenue	6	-	Accelerators are Metro60, Everyday Market and HealthyLife
B2C eCom elimination	(2,547)	-	Elimination of B2C eCom sales counted in Woolworths Food Retail and WooliesX
<b>Australian Food</b>	<b>23,780</b>	<b>23,780</b>	

# Glossary

AGW	Australian Grocery Wholesalers
CAGR	Compound annual growth rate
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 fulfilment centre (CFC)	Dedicated online distribution centres
DAP	Directly-attributable profit includes costs directly-attributable to the B2C eCommerce business, such as picking, packing and delivery costs; marketing costs; eCom support costs; and variable DC costs
Delivery Unlimited	Subscription service that gives customers access to free delivery on any Next and Same Day Delivery windows, or reduced fees for quicker delivery options (Delivery Now), free shipping at Everyday Market and 2x Everyday Rewards points on all online orders
DC	Distribution centre
Direct to boot	Where a customer places an order online and drives to a dedicated area where a team member places the order directly in the customer's boot
E2E	End-to-end
eStore	Dedicated store for the fulfilment of online orders, sometimes incorporating automation
Funds employed	Net assets employed, excluding net tax balances
GMV	Gross Merchandise Value
MSRDC	Melbourne South Regional Distribution Centre
NDC	National distribution centre
Net assets employed	Net assets, excluding net debt, derivatives and put option liabilities over non-controlling interest

## Glossary continued

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)
n.m.	Not meaningful
PC+	Primary Connect third-party logistics
Pick up	A service which enables collection of online shopping orders at a store or at select locations
RDC	Regional distribution centre
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
RT3	A new team rostering and store standards solution in Woolworths Supermarkets (Right team, right task, right time)
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area
SIW	Statewide Independent Wholesalers
Three-year CAGR	Three-year compound annual growth rate
Total net debt	Borrowings less cash balances including debt hedging derivatives and lease liabilities
TRIFR	Total recordable injury frequency rate
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)
WFC	Woolworths Food Company
Woolworths 360	Woolworths Group's format and network development team looking after network plans, formats, eCommerce fulfilment, smart operations, facilities management and energy and waste management

## Glossary continued

3PL

Third party logistics

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

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Cash flow from operating activities before interest and tax
- Significant items
- Fixed assets and investments
- Net investment in inventory
- Net assets held for sale
- Net tax balances
- Closing inventory days
- Closing trade payable days
- Average inventory days
- Change in average prices
- Trading area
- Margins including gross profit, CODB and EBIT/(LBIT)
- Volume productivity metrics including transaction growth, items per basket and item growth
- Directly-attributable profit (DAP)



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