

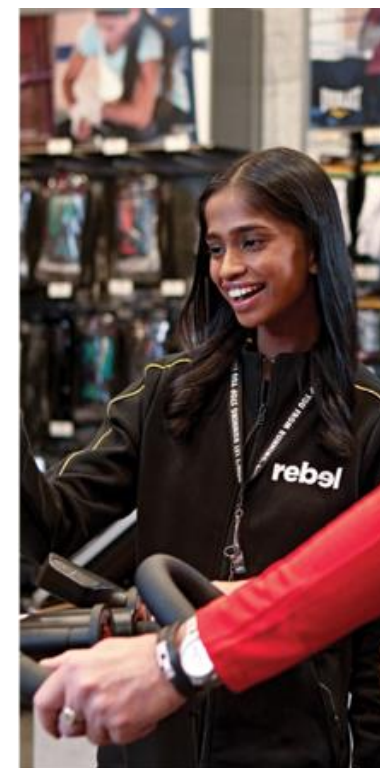
20 Macquarie Australia 23 Conference Presentation

Authorised for release by the Super Retail Group Board

4 May 2023

Anthony Heraghty
Group Managing Director
& Chief Executive Officer

ABN: 81 108 676 204



Super Retail Group's investment proposition

A unique portfolio of powerful brands

- Our brands are category leading
- Focus on growing the four core brands



Attractive leisure and lifestyle categories

- We operate in high involvement categories of auto, sports and outdoor leisure
- Long term trends, including a growing car parc and greater focus on personal health & wellbeing are tailwinds for growth¹
- Auto and sports are resilient categories

A large and growing customer loyalty base

- Almost 10 million active club members representing over 70% of sales
- We have a significant opportunity to leverage our first party data to tailor and personalise offers and reward our loyal customers

An engaged and passionate team

- We have a highly engaged team²
- We have a clear corporate vision and values
- Our team's focus is to inspire our customers to live their passion

A national network of stores in Australia and New Zealand

- Our footprint of over 700 stores represents a unique competitive advantage
- Ongoing network optimisation opportunities based on new store openings and alternative store formats

An efficient omni-retail model

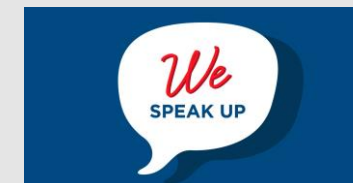
- Growing digital capability
- Providing our customers with the flexibility to purchase in-store or online
- Omni-retail model allows us to leverage the convenience and accessibility of our store network

A highly cash generative business

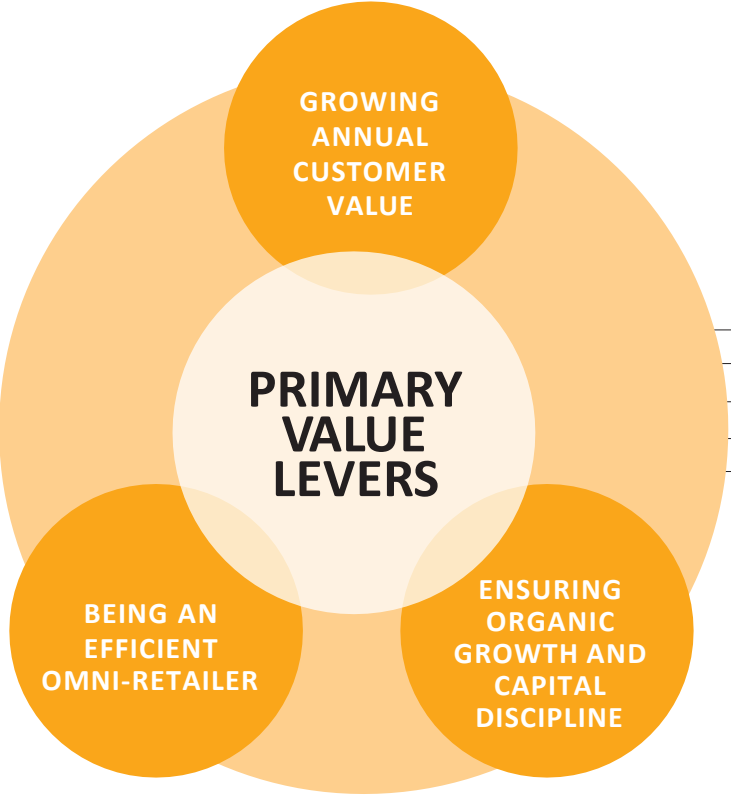
- Strong cashflow generation provides capacity to invest for growth and potential to deliver shareholder returns
- Disciplined approach to capital allocation - focus on return on invested capital and earnings per share

Conglomerate model creates operating synergies

- Ability to leverage our scale to fractionalise costs and deliver efficiencies through centralised resources, capability and systems (corporate, IT & supply chain)



Our strategy – execution progress



STRATEGIC DRIVERS



1
GROW THE FOUR
CORE BRANDS



2
LEVERAGE CLOSENESS TO
OUR CUSTOMER



3
CONNECTED OMNI-RETAIL
SUPPLY CHAIN

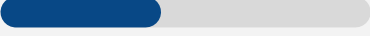
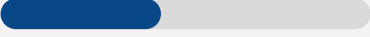
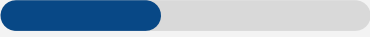


4
SIMPLIFY THE
BUSINESS



5
EXCEL IN OMNI-RETAIL
EXECUTION

PROGRESS



Delivering on our strategy – grow the four core brands



Grow the four core brands

Focused on building four core brands in high involvement leisure and lifestyle categories

Continued to invest in the business during COVID-19

Employed brand strategies targeting a well defined customer value proposition

Expanded and optimised the store network

Improved store experience with new formats and refurbishments

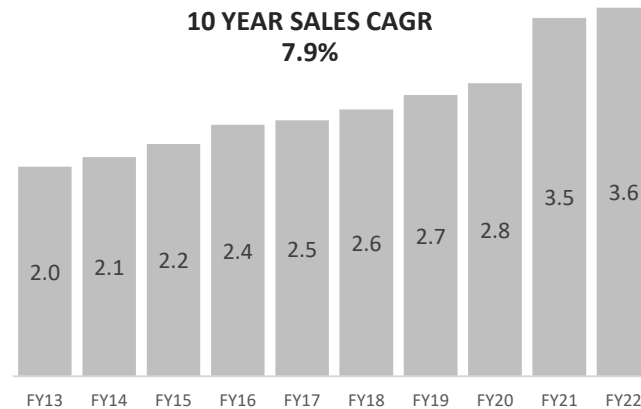
Introduced Macpac product into BCF and rebel stores

Extended range by leveraging key brands

Solidified relationships with global trade partners

GROUP SALES (\$b)

The Group has a track record of revenue growth throughout the economic cycle

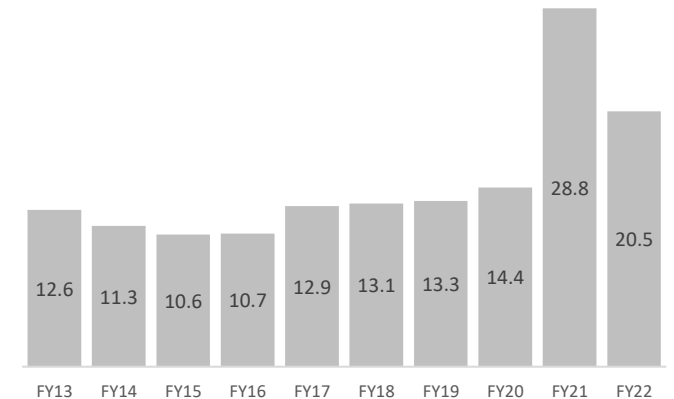


OUR INVESTMENT

Since June 2019, the Group has opened **50** new stores, completed **69** refurbishments and invested **\$160 million** in the store network

RETURN ON INVESTED CAPITAL (%)

Focus on organic investment is generating strong ROIC



Grow the four core brands

	JUN 19	JUN 22		JUN 19	DEC 22
SALES	\$2.7b	\$3.6b	TOTAL STORES	690	722
ROIC ¹	13.3%	20.5%	SUPERCHEAP AUTO NEXTGEN STORES	0	59
ANNUAL STORE CAPEX	\$29m	\$59m	REBEL RCX STORES	0	13

Delivering on our strategy – leveraging closeness to our customer



Leveraging closeness to our customer

Grown active club membership

Driven improved club member experience

Grown club member sales faster than total sales

Completed loyalty club reviews and developed updated customer value propositions for all brands

On track to relaunch rebel loyalty program in H2 of calendar 2023

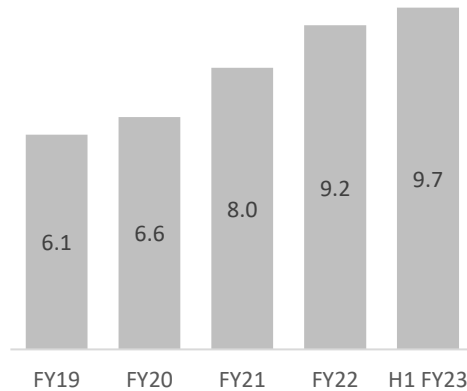
Commenced personalisation program to drive higher member engagement

Employed customer driven marketing merchandising and pricing

Improved pricing and promotional execution through analytical insights

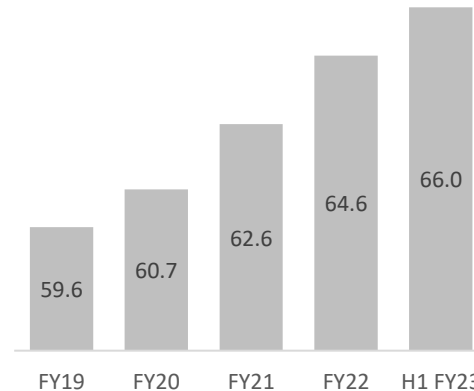
ACTIVE CLUB MEMBERS (M)

Club membership has increased by more than 3 million to 9.7 million



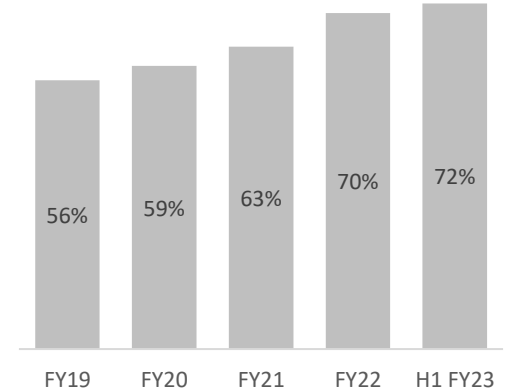
CLUB MEMBER NPS¹

Club member NPS has continued to improve



CLUB MEMBER SALES % OF GROUP SALES

Club members represent 72% of Group sales



Leveraging closeness to our customer

	JUN 19	DEC 22		JUN 19	DEC 22
ACTIVE CLUB MEMBERS	6.1m	9.7m	CLUB MEMBER SPEND (LTM) ²	\$1.5b	\$2.7b
CLUB MEMBER NPS ¹	59.6	66.0	CLUB MEMBER % OF SALES	56%	72%

1. NPS means net promoter score
2. LTM means last 12 months

Delivering on our strategy – connected omni-retail supply chain



Connected omni-retail supply chain

- Leveraged Group supply chain network by integrating Macpac and rebel
- Utilised store network to optimise omni-fulfilment
- Established order management system to orchestrate online orders
- Opened online high fulfilment stores to improve splits and on-time delivery
- Implemented international freight system with new partners
- Aggregated private brand sourcing and improved trading terms
- Reduced TRIFR¹ in distribution centres



Connected omni-retail supply chain

	DEC 19	DEC 22		DEC 19	DEC 22
ORDER MANAGEMENT SYSTEM	X	✓	DISTRIBUTION CENTRE TRIFR ¹	63.3	13.6
SPLIT ORDERS	25.6%	15.1%	INVENTORY (\$) AS A % OF SALES	43.0%	44.7%

1. TRIFR means total recordable injury frequency rate

Delivering on our strategy – simplify the business



Simplify the business

- Closed or exited non core businesses (Rays, Infinite Retail, AutoGuru, AutoCrew)
- Implemented single warehouse management system
- Implemented workforce planning solution to ensure right rostering and optimise our workforce
- Simplified the IS environment and migration to cloud based solutions
- Re-platformed gift cards
- Centralised operating capability in marketing, loyalty, planning, digital and technology
- Improved sourcing performance through centralised Asian sourcing capability
- Reduced electricity consumption and carbon footprint



Simplify the business

	JUN 19	JUN 22		JUN 19	JUN 22
BRANDS	8	4	WMS ¹	X	✓
CLOUD INFRASTRUCTURE	X	✓	RIGHT & SMART ROSTERING	X	✓
ENERGY USE LTM (MWh) ²	92,642	80,723	SCOPE 1 & 2 EMISSIONS (tCO2-e)	72,632	60,374

1. WMS means warehouse management system
2. LTM means last twelve months

Delivering on our strategy – excel in omni-retail execution



Excel in omni-retail execution

Profitably grown digital sales at scale

Grown click-and-collect faster than home delivery by leveraging national store network

Harmonised online and in-store gross margin contribution – agnostic as to which channels customers choose to shop

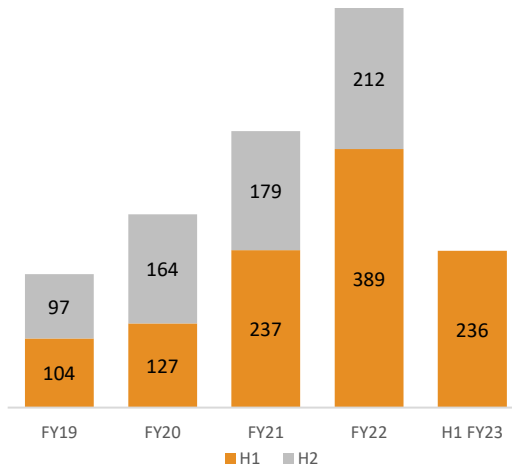
Elevated look and feel across brand websites

Utilising AI for intelligent merchandising

Developed team expertise both in-store and online through training and education

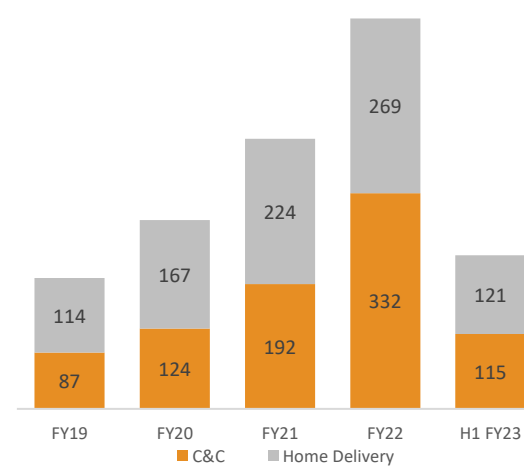
DIGITAL SALES (\$M)

Strong growth in digital sales since FY19



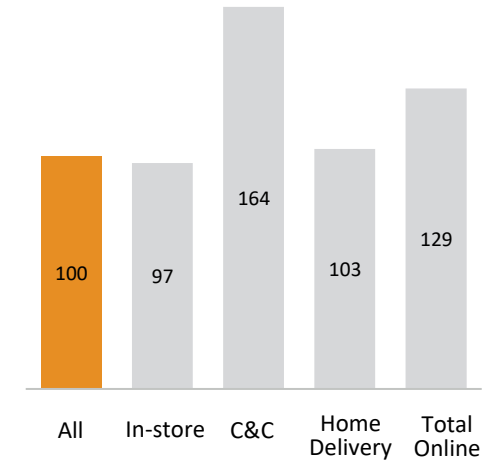
DIGITAL SALES BY TYPE (\$M)

Click & Collect represents almost half of Group online sales



CHANNEL AGNOSTIC

Contribution margin dollars per transaction are higher for online sales than in-store sales¹



Excel in omni-retail execution

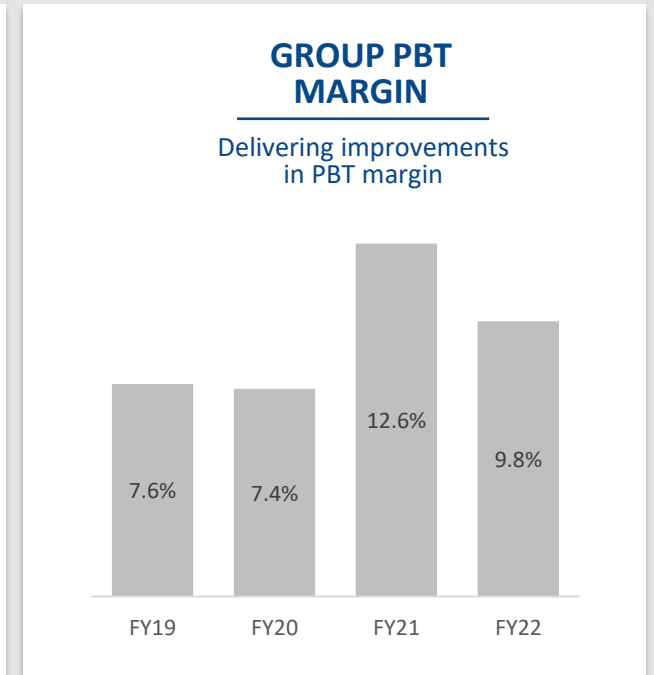
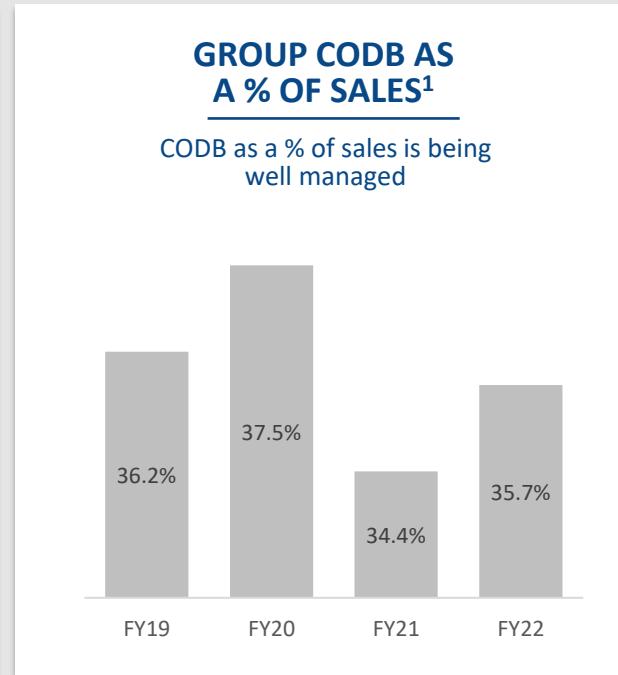
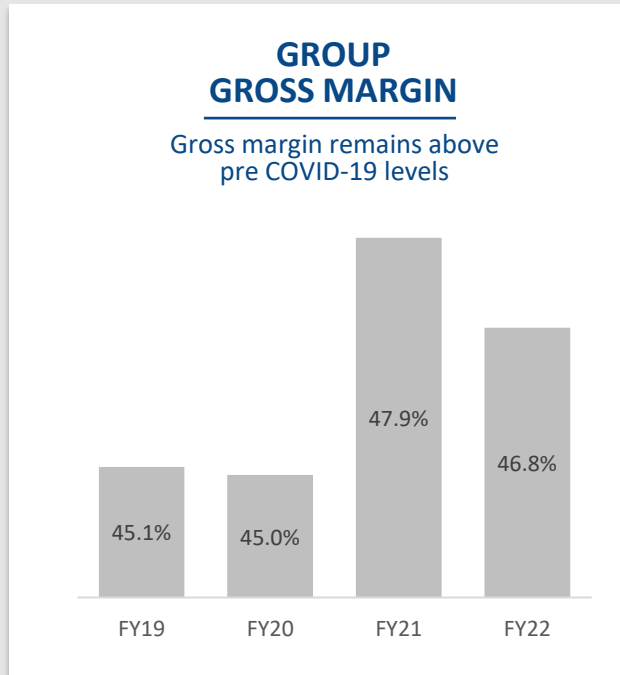
	JUN 19	DEC 22		JUN 19	DEC 22
DIGITAL SALES (LTM) ²	\$201m	\$448m	ONLINE NPS ³	53.8	62.4
DIGITAL SALES % OF TOTAL SALES (LTM) ²	7%	12%	% OF CLUB MEMBERS WHO ARE OMNI SHOPPERS	6%	17%

Delivering on our strategy – strong financial performance



Financial performance

Achieved strong sales growth
 Lifted gross margin to above pre-COVID levels
 Managed CODB as a % of sales
 Delivered strong EPS growth
 Generated increased return on capital through organic investment in network, systems and capability
 Strengthened the balance sheet via \$203 million equity raising completed in July 2020
 As at the end of H1 FY23, the Group had no drawn bank debt and a positive cash balance



Strong financial performance

	JUN 19	JUN 22		JUN 19	JUN 22
GROSS MARGIN	45.1%	46.8%	PBT MARGIN	7.6%	9.8%
COST OF DOING BUSINESS	36.2%	35.7%	BASIC EPS (CENTS)	70.6	106.8

Investor Strategy Day

- Super Retail Group will be hosting an Investor Strategy Day at the Sheraton Grand Hyde Park, 161 Elizabeth Street, Sydney on Wednesday 17 May 2023
- For further details and to register your interest, please use this link: [Investor Strategy Day Website Registration](#)
- Alternatively go to the Super Retail Group website (www.superretailgroup.com.au) and click on the Events page under the Investors & Media section
- Registration will close at 4.00pm on Friday 12 May 2023



Trading update

- Group total sales growth and like-for-like sales growth as at week 43 of FY23 is as follows:

	H2 LFL Sales Growth (Weeks 27 to 43)	LFL Sales Growth (Weeks 1 to 43)	Total Sales Growth (Weeks 1 to 43)
Supercheap Auto	5%	11%	11%
rebel	9%	10%	11%
BCF	3%	0%	2%
Macpac	18%	38%	38%
Group Total	6%	9%	10%

- Following strong trading in the key Easter holiday period, the Group is pleased to report that it has continued to deliver positive like-for-like sales growth in FY23 YTD:
 - Supercheap Auto has seen an ongoing shift in consumer demand to less discretionary items with auto maintenance and lubricants the strongest performing categories
 - rebel has achieved strong sales growth in football and basketball. The trading performance of new regional stores in Ballina, Nowra, Tamworth and Bunbury is highly encouraging
 - BCF sales reflect a growing contribution from strategic brands. The level of promotional intensity in the camping and outdoor category remains high, with aggressive mark down activity from competitors
 - Macpac delivered a record Easter trading result driven by higher sales in both Australia and New Zealand
- Group gross margin (%) in the second half year to date is 10bps below gross margin (%) delivered in the first half
- Offshore freight costs have returned to pre-pandemic levels however inflationary pressures on wages, rent and energy expenses will impact Group CODB in the second half
- The Group is continuing to invest in customer loyalty, digital capability, new store openings, store refurbishments and alternative store formats
- The Group has opened 14 stores in FY23 year to date, with a further 13 stores scheduled to be opened by the end of FY23. Given delays in construction & development approvals, there is a risk that some store openings will slip into FY24
- The macro environment remains challenging; however, the Group's large active club member loyalty base and leading market positions in the resilient auto and sports categories mean it is well positioned to perform throughout the economic cycle

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