Metcash Limited
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NSW 2113 Australia

4 December 2023

Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

METCASH LIMITED – FY24 HALF YEAR RESULTS PRESENTATION

Please find attached for release to the market the FY24 Half Year Results Presentation for Metcash Limited.

This document was authorised to be given to ASX by the Board of Directors of Metcash Limited.

Yours faithfully

Julie D. Hutton

Julie Hutton
Company Secretary

Metcash

FY24 HALF YEAR RESULTS

4 DECEMBER 2023

Group overview and divisional results

Doug Jones
Group Chief Executive Officer

Acknowledgement of country

Care for Country, Maggie-Jean Douglas, Naidoc week 2021 winning artwork

We acknowledge the Traditional Custodians of the lands from which we are all connecting today.

We are connecting from Wallumedegal Country, and pay our respects to elders across Country, past, present and emerging.

Group highlights

Continued strong performance underpinned by our flywheel

- Further sales growth consolidates recent extraordinary sales performance
- Strong earnings performance in Food and Liquor
- Hardware retail network resilient
- Good cost management
- Outstanding cash result
- Well positioned with platform and resilience for future growth and strong returns
- Growth investments delivering ahead of business case
- Significant growth opportunities – footprint and M&A

Supply
Provide a multi-channel B2B platform

Provide an effective and efficient route-to-market choice for suppliers through our scale and independent partner network

Demand
Generate and capture for our customers

Provide best possible range of products to independent customers to meet their shoppers' needs, and support them with formats and tools to compete with national retailers

Group highlights

Continued sales growth and strong cash generation

Operating Cashflow

$218m

(1H23: $90m)

Group revenue[1]

$9.0bn

+1.6%

Group EBIT

$246.5m

-3.4% underlying

Profit after tax

$142.5m

-10.9% underlying
$141.0m reported **+12.2%**

Operating Cashflow

$217.7m

CRR[2] ~**92%** (1H23: ~**37%**)

Earnings per share[3]

14.7 cps

-11.4% underlying
14.5 cps reported **+11.5%**

Interim Dividend

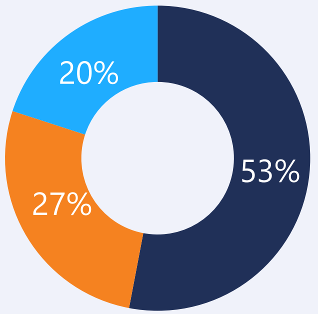
11.0cps

~**75%** UPAT

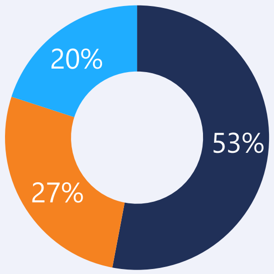
1. Includes charge-through sales, which represent direct sales from suppliers to retailers, invoiced through Metcash
2. Cash realisation ratio (CRR) = cashflow from operations / underlying NPATDA (depreciation and amortization not tax effected)
3. Includes impact of dividend reinvestment plan (DRP)

Results overview by pillar

Sales revenue (including charge-through sales[1])	**1H24 $m**	**1H23 $m**	**%**
Food	4,732.2	4,703.3	0.6
Hardware	1,783.5	1,732.6	2.9
Liquor	2,485.2	2,426.8	2.4
Total sales revenue (including charge-through sales)	**9,000.9**	**8,862.7**	**1.6**
Less: Charge-through sales[1]	(1,163.2)	(1,124.9)	3.4
Total sales revenue (Statutory Accounts)	**7,837.7**	**7,737.8**	**1.3**

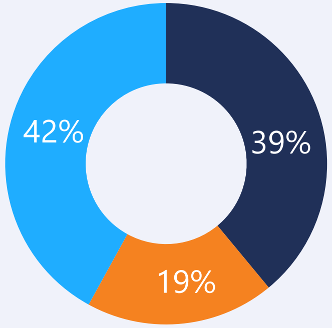


1H24
Total Pillar sales revenue $9.0bn

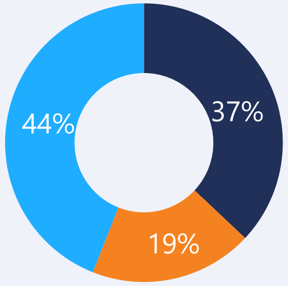


1H23
Total Pillar sales revenue $8.9bn

Underlying EBIT	**1H24 $m**	**1H23 $m**	**%**
Food	101.7	98.2	3.6
Hardware	110.6	116.6	(5.1)
Liquor	50.8	49.3	3.0
Business Pillars	**263.1**	**264.1**	**(0.4)**
Corporate	(16.6)	(9.0)	(84.4)
Total EBIT	**246.5**	**255.1**	**(3.4)**



1H24
Total Pillar EBIT $263m



1H23
Total Pillar EBIT $264m

Balanced portfolio of businesses supports ongoing success

1. Direct sales from suppliers to retailers, invoiced through Metcash

Food – sales

- **Strong sales performance in current market, particularly ex-tobacco**
- **Total Food sales (including charge-through) +0.6%**
  - Supermarkets +0.6%
  - Campbells & Convenience[1] +0.7%
- **Total Food sales (including charge-through) ex-tobacco +5.7%**
  - Supermarkets +6.0%
  - Campbells & Convenience +5.2%
- **Growth in supermarkets wholesale sales (ex-tobacco) supported by further improvement in network competitiveness and inflation**
  - Continued improvement in prices, ranges and store quality
    - Shoppers continued to include IGA in repertoire
    - Foot traffic up – increased focus on 'value' shopper offer
    - Items per basket down – impact of higher cost of living
  - Moderation in wholesale price inflation[2]
    - 1H24: 6.5% (Q1: 7.7%, Q2: 5.3%, October: 4.3%)
  - Volume growth returned in Q2, 1H24 volumes near flat
  - Retail LfL[3] scan sales +2.8% ex-tobacco
  - Private label sales up 19.2%
  - IGA Shop Online platform now in ~410 stores
- **Team score up ~50bps to ~74% including tobacco**
- **Tobacco sales -12.2% – acceleration of illicit trade and shift to alternatives**
- **New store openings of 18, and 8 closures**
- **Campbells & Convenience growth driven by increase in customer base and strong food service demand**

	1H24 $m	1H23 $m	%
Revenue (including charge-through)			
Supermarkets	4,222.7	4,197.2	0.6
Campbells & Convenience	509.5	506.1	0.7
Total revenue (including charge-through)	4,732.2	4,703.3	0.6
Charge-through sales	(615.6)	(573.8)	7.3
Total revenue as per Statutory Accounts	**4,116.6**	**4,129.5**	**(0.3)**

IGA Local Grocer, Forest Lake, NSW

Strong sales performance as differentiated offer continues to resonate

Metcash

1. Convenience business now referred to as Campbells & Convenience 2. Excludes tobacco and produce. 3. Based on scan data from 1,132 IGA stores

Food – EBIT

- **Food EBIT increased $3.5m or 3.6% to $101.7m, reflecting**
  - Strong trading performance ex-tobacco
  - Recovery of higher fuel costs from customers
  - Benefits of strategic buying opportunities largely applied to offset additional costs and further improve competitiveness
  - Restructuring costs of $2.8m
    - Alignment of capabilities and resources to support acceleration of strategic growth initiatives
  - Costs well managed
    - Elevated absenteeism and use of casual labour in DCs remains a significant focus
- **EBIT margin improved 6bps to 2.15% reflecting the strong sales performance ex-tobacco and change in sales mix**

	1H24 $m	1H23 $m	%
Total revenue[1] (including charge-through)	4,732.2	4,703.3	0.6
EBIT	**101.7**	**98.2**	3.6
EBIT margin[2]	2.15%	2.09%	6bps

Tucker Fresh IGA, Kinross, WA

Continued earnings growth and improved leverage

1. Total revenue includes charge-through sales of $615.6m (1H23: $573.8m) 2. EBIT margin: EBIT/Total revenue (including charge-through)

Hardware – sales

- **Total sales (including charge-through) increased by 2.9% to $1.8bn with growth in Total Tools more than offsetting a slight decline in IHG**
  - Combined network retail sales resilient, up 2.1% in a more challenging market
  - Total Hardware sales excluding acquisitions -1.1%
  - Online sales -7.2%, now 5.1% of non-account sales
- **Total IHG sales decreased by 0.2% to $1.43bn**
  - Network retail sales[1] resilient
    - Scan sales +0.7% (DIY +1.4%, Trade +0.3%); LfL flat (DIY +0.8% Trade -0.4%)
    - DIY transactions -0.6%, basket items -4.0%, basket value +0.7%
  - IHG retail sales (JV/Company owned stores)+0.7%
  - Wholesale sales -1.9% (LfL -1.6%, with DIY +0.7% and Trade -2.7%) – reduction in network inventory due to improved supply availability
    - Trade resilient, volumes held flat
    - Timber deflation 15%, Trade sales ex-timber +5.4%
  - Wholesale inflation continued to moderate (Trade 2.6%, DIY 3.8%)
  - Continued strong growth in QLD & WA
  - Good progress with Whole of House strategy
  - Paint, garden, kitchen, bathroom and laundry categories all >8% sales growth

	1H24 $m	1H23 $m	%
Total revenue as per Statutory Accounts	1,242.9	1,187.7	4.6
Charge-through sales	540.6	544.9	(0.8)
Total revenue (including charge-through)	**1,783.5**	**1,732.6**	**2.9**

Mitre 10, Moe, Vic

Retail sales resilient in more challenging market

1. Based on a sample of 365 network stores that provide scan data (represents >85% of sales)

Hardware – sales (cont.)

Total Tools

- **Total sales increased 18.2% to $350.9m largely reflecting the impact of additional majority-owned joint venture stores**
  - Total network retail sales[1] +4.1% (-2.1% LfL) to $589.7m – continuing to perform well
    - Activity levels in Q2 softer than Q1
    - Foot traffic down, customer conversions up
    - Insider loyalty members +15% to 1.99m (penetration ~92%), with redemptions up ~60%
  - TTH JV/company-owned stores sales +27.8% (LfL -1.5%)
  - Total sales excluding acquisitions -2.6%
  - Transition to new Ravenhall, Vic DC led to one-off decline in Exclusive Brand (EB) sales
    - EB sales to franchisees -20.1% (retail store inventory declined ~17%)
    - Network retail store sales of EB +11.5% (~20% penetration of addressable share)
    - Significant future benefits
  - Growth in key categories such as Cordless, Outdoor Power Equipment, Accessories and Handtools
  - Growth in total store network to 112 with 6 additional stores opening soon (2 in December and 4 in February 2024)
    - On track for expansion to ~130 stores by 2025

	1H24 $m	1H23 $m	%
Total revenue as per Statutory Accounts	1,242.9	1,187.7	4.6
Charge-through sales	540.6	544.9	(0.8)
Total revenue (including charge-through)	**1,783.5**	**1,732.6**	**2.9**

Continued strong growth of Total Tools retail network supported by footprint expansion

1. Based on 112 network stores scan data

Hardware – EBIT

- **EBIT decreased $6.0m or 5.1% to $110.6m with increased earnings in Total Tools offset by a decline in IHG**
  - Excluding acquisitions, EBIT decreased $13.8m or 11.8%
  - Lower sales volumes
    - Increased CODB pressures, particularly in retail stores
      - Regulatory cost increases
      - Labour
      - Occupancy costs
- **IHG EBIT decreased $8.5m or 12.2% to $61.3m**
  - Wholesale EBIT margin 2.9% (1H23: 2.8%)
  - Retail gross margins stable
  - Higher CODB
    - Closure and relocation of stores to growth locations ~$2m
    - Regulatory, occupancy and labour >$4m
- **Total Tools EBIT increased $2.5m or 5.3% to $49.3m**
  - LTM[3] EBIT/LTM[3] network sales increased to 7.9% (FY23: 7.7%)
  - Average store margin (JV and company-owned) ex new stores 9.4%
  - Other income generated by the network includes:
    - Franchise fee of ~2.4%
    - Exclusive Brands, supplier income and other costs
  - Ex acquisitions, EBIT -8.1%
- **Total Hardware EBIT margin of 6.2% (1H23: 6.7%) with IHG 4.3% and Total Tools 14.0%**
  - Includes positive impact of Total Tools and the retail margin from IHG joint venture and company-owned stores

	1H24 $m	1H23 $m	%
Total revenue[1] (including charge-through)	1,783.5	1,732.6	2.9
EBIT	**110.6**	**116.6**	**(5.1)**
EBIT margin[2]	6.20%	6.73%	(53bps)

Mount Gambier, SA

Earnings remain at healthy levels despite more challenging market

1. Total revenue includes charge-through sales of $540.6m (1H23: $544.9m)
2. EBIT margin: EBIT/Total revenue (including charge-through)
3. LTM: last 12 months basis

Liquor – sales

- **Total sales (including charge-through) increased 2.4% to $2.5bn**
  - Continued strong performance in a challenging market
  - Growth in sales to retail customers more than offset decline in sales to on-premise customers
  - Total volumes slightly down, with growth in 'value' categories of beer and RTDs
- **Independent retail network continued to perform**
  - Wholesale sales to retail customers +2.8%
  - Preference for local shopping: convenience, tailored ranges, local friendly service and competitive prices
  - Shopper behaviour reflected increased preference for 'value'
    - More at-home consumption at expense of on-premise
    - Volume growth in beer and RTDs, wine flat and spirits down
    - Strong growth in Owned and Exclusive brands
- **Sales to on-premise customers declined 2.6% in line with market trends**

	1H24 $m	1H23 $m	%
Total revenue as per Statutory Accounts	2,478.2	2,420.6	2.4
Charge-through sales	7.0	6.2	12.9
Total revenue (including charge-through)	**2,485.2**	**2,426.8**	**2.4**

Porters, Glenbrook NSW

Continued growth in sales to retail customers

Liquor – EBIT

- **EBIT increased $1.5m or 3.0% to $50.8m**
  - Contribution from sales growth
  - Improved leverage
  - Good cost management
- **Continued focus on productivity levels at DCs**
  - Continued elevation of absenteeism and casual labour use
- **EBIT margin increased one basis point to 2.04%**

	1H24 $m	1H23 $m	%
Total revenue[1] (including charge-through)	2,485.2	2,426.8	2.4
EBIT	**50.8**	**49.3**	3.0
EBIT margin[2]	2.04%	2.03%	1bp

Porters Glenbrook, NSW

EBIT growth and improved leverage

1. Total revenue includes charge-through sales of $7.0m (1H23: $6.2m) 2. EBIT margin: EBIT/Total revenue (including charge-through)

Good progress with strategic initiatives

Food

Continued improvement in network competitiveness

- Network of the Future – continued strong progress
  - Network alignment (store format, range, prices and promotions) by end FY24
  - Remain on track to upgrade 90% of store network by FY26 – 47 upgrades in 1H24
- Further narrowing of IGA price gap to competitors – focus now on price perception
- New Victorian DC build on track for completion mid 2024
- Organising for growth – right capabilities and alignment of resources

Hardware

Growing store and customer network

- Network growth through independent and JV/company-owned stores
- Total Tools JV put option reset retains strong partnerships for growth
  - 11 stores reset in Nov/Dec 23
- Milestone of 200 Sapphire stores completed – on target for 300 by 2025
- Continued consolidation of fragmented Trade market through acquisitions that drive Whole of House strategy
  - Now 20 Frame & Truss sites (10 JV/company-owned)
- Delivering improved availability of range and inventory levels for members and franchisees

Liquor

Investment in network growth and enhancement

- Store and cool room upgrades
- Value for shoppers through loyalty programs
- Owned & Exclusive portfolio
- Shopper value programs
- Grow on-premise share

Truganina DC, Vic

Ravenhall DC, Vic

Initiatives support the flywheel to deliver further value

Digital and Horizon update

Digital

Accelerating digital progress for shoppers, retailers, and suppliers – focus on both B2C and B2B

Food

- Accelerated take-up of IGA Rewards (currently in ~530 stores)
- IGA Shop Online continues to grow (site visits +82%)
- On-Demand performing strongly (Uber, DoorDash partnerships)
- 100% of charge-through sales now on "Sorted" (retailer/supplier marketplace) – currently tracking at ~2.5m transactions annualised
- askROSS (retailer one stop shop) solutions with 1,900+ retailers now accessing each week

Hardware

- Continued growth in loyalty (3.7m members across IHG/TT)
- Expansion and increased take-up of IHG Trade Technology

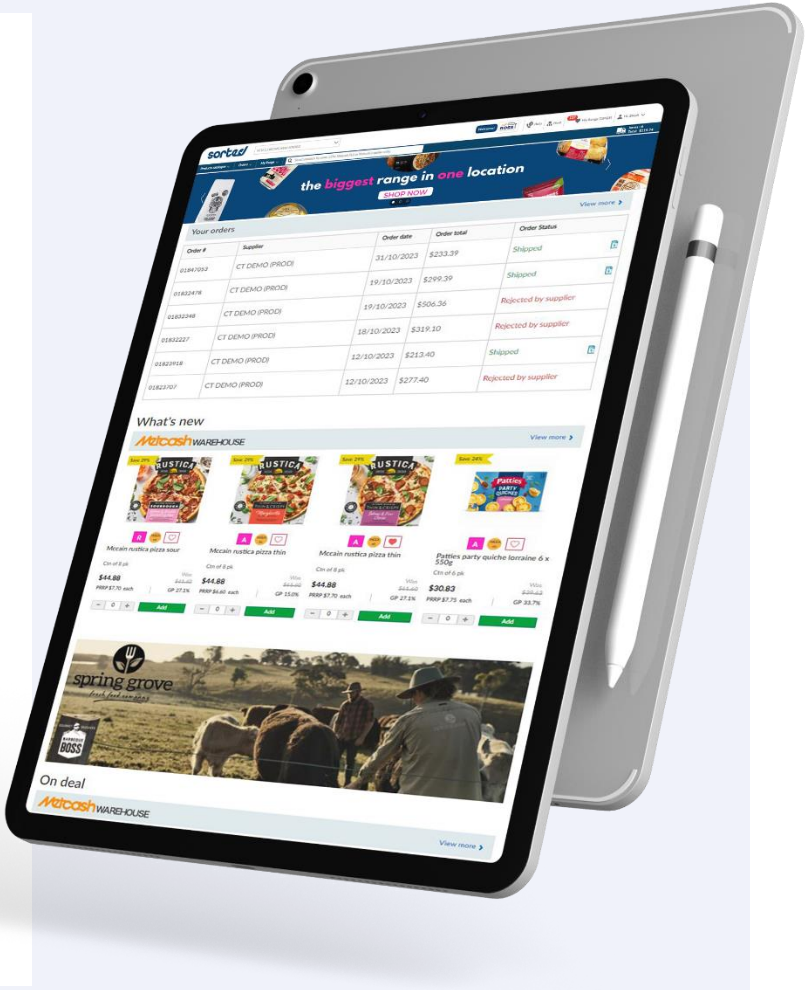
Liquor

- Continued growth in branded e-commerce platform, loyalty program, and continued rollout of ALM Connect (retailer/ supplier marketplace) and R.O.S.S. platform

Horizon

Driving efficiencies, simplification and growth through replacement of legacy systems

- Continued steady progress
  - Core finance deployed
  - Blue Yonder forecasting and replenishment completed in Food – working capital benefits
  - Vendor payment portal completed
  - Detailed design and build phase to be completed by in-house team
- Ongoing focus on ensuring quality outcomes and reduced risk
- Significant reduction in monthly spend as planned
- Guidance for capital cost and opex unchanged



Building a technology-enabled wholesaler and banner network

ESG Highlights

Metcash's partnership with Greening Australia in action

Group

- Increased to 89th percentile of DJSI international assessment
  - (FY23: 87th percentile; FY22: 69th percentile)
- First GRI-referenced sustainability report released August 2023
- Enhanced 2023 Modern Slavery Statement now available on Metcash and Australian Border Force websites

People, Planet and Community

- Key safety measure (TRIFR) improved ~17% to 16.4
- Emissions reduced 5.2% to 69,829t CO_2e (2023 NGERS report)
  - Tracking ahead of 2030 SBT (Paris agreement aligned)
  - Solar generation up 22%
- New partnership with Greening Australia – commitment to plant 65,000 trees
- Awarded EPA NSW grant ($500k) to improve network waste-to-landfill diversion
- Battery recycling now available in >1,000 network stores
  - Hardware: ~90 tonnes recycled to date
  - Food: ~76 tonnes recycled to date
- Food For Change now in 290 IGA stores
  - >3m meals donated; 1.5m kg food waste diverted from landfill; 2.9m CO_2e avoided
- Received Special Olympics Champion of Inclusion award

Continuing to make good progress against our ESG plans

Group financials

Alistair Bell

Group Chief Financial Officer

Financial highlights

Outstanding cash performance and strong financial position

- **Continued sales growth**
- **Outstanding operating cashflows – effective working capital management**
- **Disciplined capital management supported strong returns through period of investment**
  - Interim dividend of 11.0cps – in line with annual target ratio of ~70% of UPAT
  - DRP continues
  - ROFE[1] 27%
- **Existing capital growth plans supported by strong financial position**
  - Robust operating cashflows (1H24 CRR ~92%, LTM[2] 106%)
  - DLR of 0.59x (below target range of 1.0x to 1.75x)

- **Acquisitions post balance date (2H24)**
  - Remaining 15% of Total Tools Holdings - $101.5m 30 Nov 23
  - Strategic growth in IHG ~$40m
  - Total Tools JV stores put option reset
    - 11 stores reset in Nov/Dec
    - Consideration of $42.6m for increase in ownership to between 80%-95%
    - Put option for residual deferred to 1H28 for these stores
    - More put option resets in 2H24
    - Ownership in four corporate stores reduced to 70% (consideration $6m)

1. ROFE = Underlying EBIT / Averaging opening and closing funds employed 2. LTM: Last Twelve Months

Capital management

Framework

Cash from operating activities	Cash for investing activities	Net interest & lease payments
Cash realisation	Sustaining capex	Service obligations

Sustaining capex
Includes Stay-In-Business and Core growth initiatives

Maintain strong balance sheet
Target Debt Leverage Ratio[1] of 1.0x up to 1.75x

Reliable dividends
Dividend payout ratio of ~70% Underlying NPAT (DRP reactivated from FY23 Final dividend)

Core cash flow
Additional capital allocation options

Major strategic growth projects	Surplus cash returns to investors
Aligned to strategy and expect to deliver returns in excess of specific hurdles	

Maximising value for shareholders
Deliver strong return on funds employed in excess of WACC

1H24 outcomes

	1H24	1H23
Operating cashflow	$218m CRR 92%	$90m CRR 37%
Capex & M&A[1]	$76m	$110m
DLR[2]	0.59x	0.65x
Net debt	$329m	$350m
Interim dividend	11.0cps	11.5cps
ROFE[3]	27%	30%

1. FY24 Capex expected to be between $170m-$190m (SIB & Core Growth, incl. Major DC and Horizon) and $45-60m on strategic growth. Excludes Total Tools put/call options
2. Debt Leverage Ratio (DLR) = Net Debt/(Underlying EBITDA less depreciation of ROU assets)
3. ROFE = Underlying EBIT / Average opening and closing funds employed

Profit and loss

	1H24 $m	1H23 $m	%
Sales revenue including charge-through sales	9,000.9	8,862.7	1.6
Charge-through sales	(1,163.2)	(1,124.9)	3.4
Sales revenue per statutory accounts	7,837.7	7,737.8	1.3
EBITDA[1]	**340.8**	**341.0**	(0.1)
Depreciation and amortization	(94.3)	(85.9)	(9.8)
EBIT	**246.5**	**255.1**	(3.4)
Net finance costs	(44.9)	(26.8)	(67.5)
Profit before tax and NCI	**201.6**	**228.3**	(11.7)
Tax[2]	(58.8)	(67.7)	13.1
Non-controlling interests	(0.3)	(0.7)	57.1
Underlying profit after tax	**142.5**	**159.9**	(10.9)
Significant items (post tax)[3]	(1.5)	(34.2)	95.6
Reported profit after tax	**141.0**	**125.7**	12.2
EPS based on underlying profit after tax	14.7c	16.6c	(11.4)
Interim dividend	11.0cps	11.5cps	(0.5cps)
ROFE[4]	**27.2%**	**30.2%**	(300bps)

Pleasing 1H reflects resilience and diversity of business portfolio

1. Includes share of profit from equity accounted investments of $10.9m (1H23: $10.5m) 2. Income tax expense of $58.8m reflects an effective tax rate of 29.2% (1H23: 29.7%) and is below the corporate tax rate of 30% due to the share of profit from equity-accounted investments which are non-assessable to Metcash. 3. Significant items includes Project Horizon implementation costs $5.1m, put option valuation adjustment ($3.9m) and Mega DC costs $0.3m (all post tax) 4. ROFE based on underlying EBIT divided by the average of opening and closing funds employed

Cashflows

	1H24 $m	1H23 $m
Operating cash flows	217.7	89.6
Investing cashflows, net	(71.1)	(106.8)
Capital expenditure (including Project Horizon, DC upgrades and store upgrades)	(57.2)	(81.1)
Acquisitions of businesses	(19.0)	(28.6)
Net loan repayments and other investing activities	5.1	2.9
Financing and lease cashflows, net	(126.4)	(158.2)
Acquisition of non-controlling interest (put option liabilities)	-	(11.6)
Payments for lease liabilities, net and other financing activities	(61.6)	(40.4)
Dividends paid (net of DRP)	(64.8)	(106.2)
Decrease/ (increase) in Net Debt	**20.2**	**(175.4)**
Cash Realisation Ratio (CRR)[1]	**91.9%**	**36.5%**
Debt Leverage Ratio[2]	**0.59x**	**0.65x**

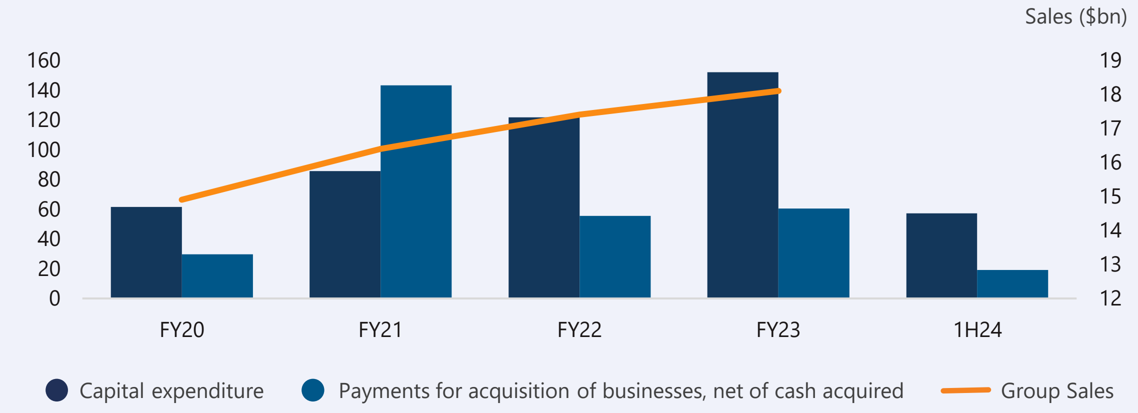
Outstanding cash result

1. Cash realisation ratio (CRR) = Cash flow from operations/underlying NPATDA (depreciation and amortisation not tax effected)
2. Net Debt / (Underlying EBITDA – depreciation of ROU assets)

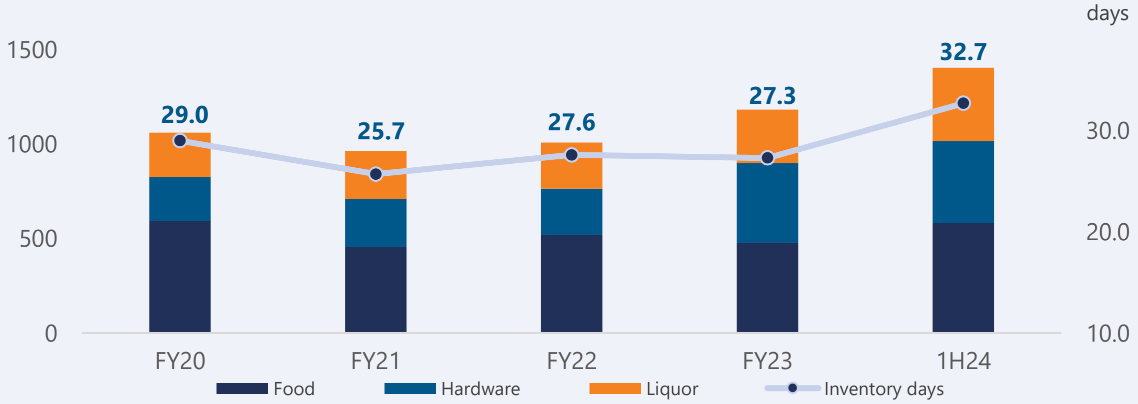
Balance sheet

	31 Oct 2023 $m	30 April 2023 $m
Trade and other receivables and prepayments	1,952.8	1,764.7
Inventories	1,403.8	1,183.4
Trade payables and provisions	(2,857.3)	(2,460.1)
Net working capital	**499.3**	**488.0**
Intangible assets	911.4	895.1
Property, plant and equipment	280.7	273.6
Equity accounted investments	134.5	123.6
Customer loans and assets held for resale	17.4	20.6
Capital investments	**1,344.0**	**1,312.9**
Total funds employed	**1,843.3**	**1,800.9**
Lease receivables and 'right of use' assets	860.3	874.3
Lease provisions and liabilities	(1,076.9)	(1,089.1)
Net lease balances	**(216.6)**	**(214.8)**
Net debt	(329.4)	(349.6)
Put option liabilities	(295.7)	(282.2)
Tax, derivatives and other	144.3	130.8
Net Assets/Equity	**1,145.9**	**1,085.1**
Working Capital Days[2]	13.7 days	14.1 days

Capital expenditure ($m)[1]



Inventory ($m) and inventory days



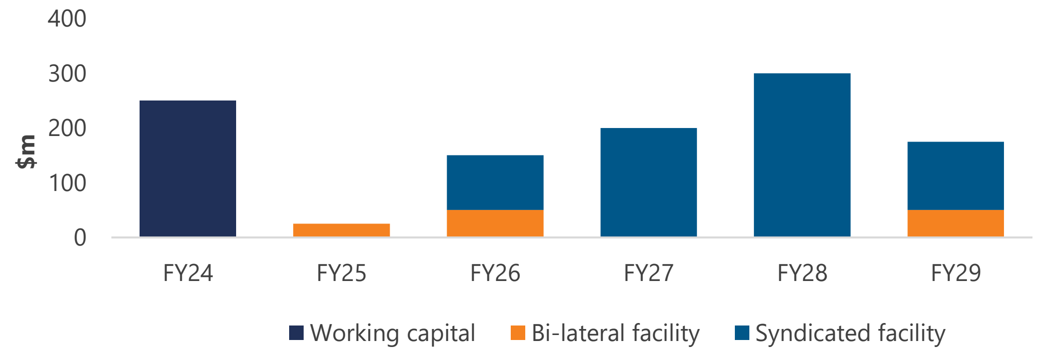
Strong financial position – 1H24 growth investments in line with capital plan

Metcash

1. Excludes put option payments treated as financing cashflows of $nil (FY23: $12.8m) and also Software as-a-Service (SaaS) related prepayments and network stores' refurbishment costs treated as operating cash flows of $7.8m (FY23: $18m)
2. Average monthly working days for the period

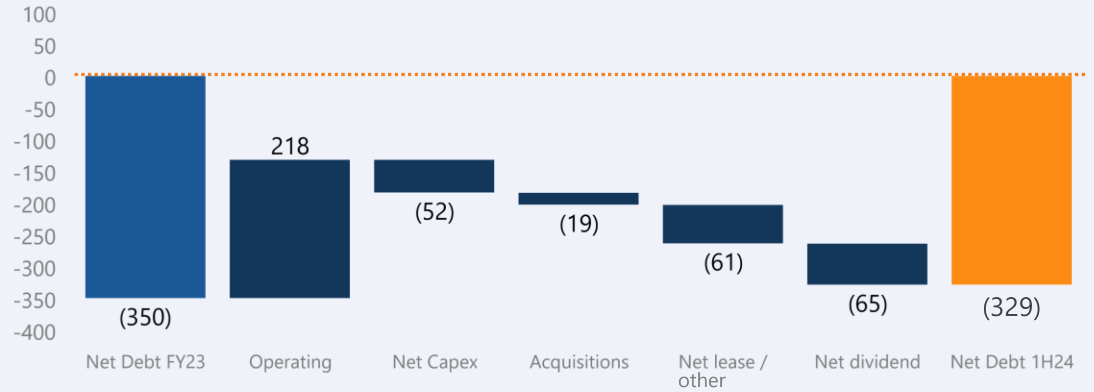
Debt management

Debt facility maturity profile[1]



- Net debt of $329.4m (FY23: $349.6m), including cash and cash equivalents of $96.9m (FY23: $89.5m)
- Average net debt of ~$555m (FY23: ~$498m)
  - $150m hedged (1.2yrs from 1 May 23 at 3.7%)
- Weighted average cost of bank debt 5.46% (FY23: 3.73%)
  - Benefit from lower credit margins, hedging and cash management
  - BBSY 4.1% (FY23: 2.6%)
- Undrawn debt facilities of ~$670m
- $200m of additional committed facilities added Nov. 2023
- Balanced debt maturity profile

Group cash movements for 1H24 ($m)



Debt metrics and ratios

	1H24	1H23
Weighted average debt maturity	2.7 years	2.0 years
Weighted average cost of debt[2]	5.5%	3.0%
Debt leverage ratio[3]	0.59x	0.65x
Underlying EBITDA coverage[4]	4.0x	4.9x

Balanced debt maturity profile – higher cost of debt / reduced margin

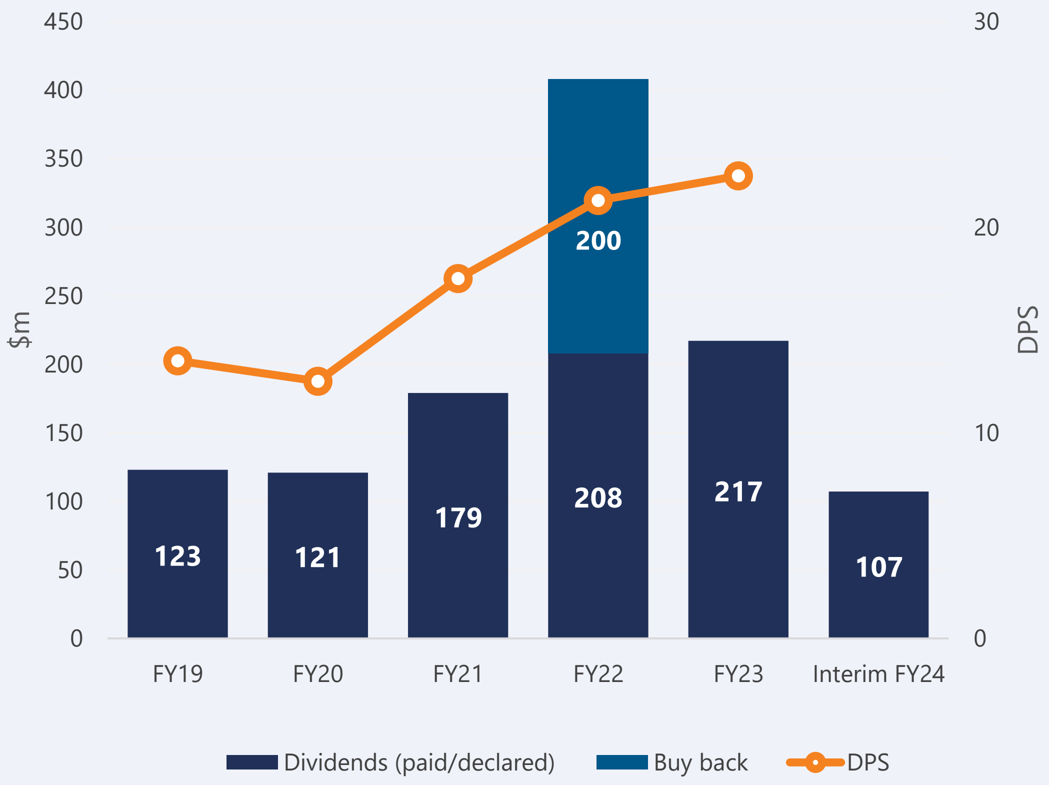
Metcash

1. Excludes lease liabilities and additional $200m of added debt facilities in Nov. 23
2. Weighted average cost of debt over the period (excludes line fees)
3. Net Debt/(Underlying EBITDA - depreciation of ROU assets)
4. Underlying EBITDA/(Net Finance Costs (excludes lease costs) + Net Rent Expense + ROU depreciation)

Shareholder distributions

- **Dividend policy – target annual payout ratio ~70% of underlying profit after tax**
- **FY24 interim dividend 11.0 cents per share, fully franked**
  - Ex-dividend date: 14 December 2023
  - Record date: 15 December 2023
  - Payment date: 30 January 2024
- **Dividend reinvestment plan (DRP reactivated in June 2023)**
  - Discount of 1.0% (FY23: discount 1.0%)
- **FY24 interim dividend DRP details**
  - Participation deadline: 18 December 2023
  - Pricing period: 8 January 2024 – 19 January 2024
  - Announcement of DRP price and number of shares to be issued: 22 January 2024
  - Shares issued : 30 January 2024

Distributions



Continued focus on delivering superior shareholder returns

Group outlook

Doug Jones
Group Chief Executive Officer

Outlook

Group

- **Sales growth has continued into 2H24**
- **Food and Liquor continued to perform well supported by their competitiveness and differentiated value proposition**
- **Hardware continues to perform better than the market and remains ideally positioned in the detached housing and professional tools segments to capitalise on an improvement in consumer confidence and activity levels**
- **Continued strong focus on costs and working capital management across the Group**
  - Cost optimisation program expected to deliver $14m – $16m (annualised) savings in 2H24
- **Well positioned for future growth and strong returns through the cycle with resilience and diversity of business portfolio**
  - Solid fundamentals in all pillars
  - Healthy and investing retail networks
  - Leading market positions
  - Strong financial position
  - Significant pipeline of strategic growth opportunities
  - Track record of well executed and successful acquisitions
  - Experienced management team

Pillar sales – first 4 weeks of 2H24

Group

- Total sales increased 0.8% with growth in Food ex-tobacco, Hardware and Liquor compared to the prior comparable period

Food

- Total Food sales ex-tobacco increased 4.8% (approx. flat including tobacco)
- Supermarkets wholesale sales ex-tobacco increased 4.9% (approx. flat including tobacco) with volume growth continuing into 2H24
- Wholesale price inflation (ex-tobacco and produce) for Nov 4.4%

Hardware

- Total sales increased 2.4% reflecting a return to growth in IHG and the contribution from store footprint expansion and acquisitions in Total Tools
  - IHG sales increased 1.6%
  - Total Tools sales increased 6.2%

Liquor

- Total sales increased 1.5% with growth in sales to retail and on-premise customers

APPENDICES

01. Financial history
02. Total Tools & put option accounting
03. Put options
04. Total tools sales & margins
05. Bannered store numbers

Financial history

01.

	1H24	1H23	1H22	1H21	1H20
Financial Performance					
Sales revenue ($m)	7,837.7	7,737.8	7,150.6	7,059.7	6,289.8
Sales revenue (including charge-through sales) ($m)	9,000.9	8,862.7	8,129.1	8,093.9	7,209.5
EBIT ($m)	246.5	255.1	231.2	203.0	155.7
EBIT margin[1] (%)	2.7	2.9	2.8	2.5	2.2
Net finance costs ($m)	(44.9)	(26.8)	(22.8)	(21.3)	(27.0)
Underlying profit after tax ($m)	142.5	159.9	146.6	129.6	90.6
Reported profit/(loss) after tax ($m)	141.0	125.7	128.8	125.1	(151.6)
Operating cash flows ($m)	217.7	89.6	212.1	314.9	88.8
Cash realisation ratio[2] (%)	91.9%	36.5%	91.6%	151.8%	52.4%
Financial Position					
Shareholders' equity ($m)	1,145.9	1,089.4	1,117.5	1,369.1	1,028.8
Net (debt)/cash ($m)	(329.4)	(364.4)	(148.6)	172.5	(95.3)
Debt leverage ratio[3]	0.59x	0.65x	0.36x	(0.40x)	0.25x
Gearing ratio[4] (%)	22.3%	25.1%	11.7%	na	8.5%
Return on funds employed[5] (%)	27.2%	30.2%	30.5%	30.4%	26.1%
Share Statistics					
Fully paid ordinary shares (m)	977.1	965.5	965.5	1,022.4	909.3
Weighted average ordinary shares (m)	970.2	965.5	1,000.8	1,021.5	909.3
Underlying earnings per share (cents)	14.7	16.6	14.6	12.7	10.0
Reported earnings/(loss) per share (cents)	14.5	13.0	12.9	12.2	(16.7)
Dividends declared per share (cents)	11.0	11.5	10.5	8.0	6.0

1. EBIT margin = EBIT / Total revenue (including charge-through sales)
2. Cash flows from operations / Underlying NPAT + Depreciation and Amortisation (depreciation and amortisation not tax effected)
3. Net Debt / (Underlying EBITDA - depreciation of ROU assets)
4. Net Debt / (Shareholders' Equity + Net Debt)
5. Underlying EBIT / Average of opening and closing funds employed

Total Tools and put option accounting

- By virtue of put option accounting requirements, Metcash consolidates 100% of the Total Tools Group including JV store earnings (with no non-controlling interest) and 100% of balance sheet, notwithstanding:
  - Metcash's ownership interest of 85% in Total Tools Holding (TTH), as at 1H24
  - TTH's ownership interest of between 51% - 80% in 44 Total Tools JV stores
- At 31 October 2023, Metcash has recognised put option liabilities in relation to:
  - A put option over the residual 15% interest in TTH valued at $101.5m. Subsequent to 1H24, Metcash acquired this 15% interest via put option exercise
  - Put options over the residual 20% - 49% interest in 44 joint venture stores valued in aggregate at $183.2m, and exercisable by put holders between FY25-FY31
  - The exercise price of the put options are based on a multiple of the relevant EBITDA adjusted for a number of items including net debt and working capital
- From an accounting policy perspective, the above put option liabilities are:
  - Initially measured at the present values of the put option exercise prices estimated to be payable under each option
  - Subsequently remeasured at each reporting date at the estimated put option exercise price. Any change in value is recorded as a significant item within the Statement of Comprehensive Income, together with the net present value interest unwind on the put option liability
  - As a result of recognising the put options, Metcash has not recognised the minority shareholders' non-controlling interest in TTH and the joint venture stores, and has not accounted for the non-controlling interests
- If a call or put option is exercised or Metcash acquires an additional ownership interest by step acquisition, then the purchase consideration is deducted from the put option liability, and the put option liability in relation to any residual minority interest is revalued, with the valuation difference recorded as a significant item in the Statement of Comprehensive Income. In this circumstance, there is no change to the underlying accounting for the acquired business, because Metcash was already consolidating 100% of earnings and 100% of the balance sheet, and had already derecognised the non-controlling interest.
- Further details are contained in notes 3.2, 4.2 and 5.4 of the 1H24 Financial Report

Put options – maturity and subsequent event proforma

Put option maturity at 1H24 and showing proforma impact of step acquisitions post 1H24	1H24 stores	Financial Year	$m 1H24 as reported	$m TTH put option exercise[1]	$m JV store reset[2]	$m Corporate store divestment[3]	$m 1H24 proforma	1H24 proforma stores
Statement of Financial Position								
Total Tools Holdings		FY24	(101.5)	101.5	-	-	-	
JV Stores								
Between May 2024 and July 2024	16	FY25	(86.7)	-	62.4	-	(24.3)	5
Between May 2025 and July 2025	14	FY26	(44.2)	-	-	-	(44.2)	14
Between May 2026 and July 2026	2	FY27	(8.6)	-	-	-	(8.6)	2
Between May 2027 and July 2027	5	FY28	(21.7)	-	(18.3)	(5.6)	(45.6)	20
Between May 2030 and July 2030	7	FY31	(22.0)	-	-	-	(22.0)	7
JV Store put options	**44**		(183.2)	-	44.1	(5.6)	(144.7)	**48**
Total Tools Group put options			(284.7)	101.5	44.1	(5.6)	(144.7)	
Other put options			(11.0)	-	-	-	(11.0)	
Total Put Option Liability			**(295.7)**	**101.5**	**44.1**	**(5.6)**	**(155.7)**	
Non Current Receivables				**-**	**-**	**4.5**	**4.5**	
Retained Earnings				**-**	**-**	**2.6**	**2.6**	
Statement of Cashflows								
Financing – (acquisition)/disposal of NCI				**(101.5)**	**(42.6)**	**1.5**	**(142.6)**	
Statement of Comprehensive Income								
Significant Items – Put Option Valuation adjustment (gain)				-	(1.5)	-	(1.5)	
Significant items – (Gain) on partial disposal of business				-	-	(3.0)	(3.0)	
Total				-	(1.5)	(3.0)	(4.5)	

The subsequent event pro-forma financial information is preliminary in nature, and does not include any revaluation of the options at their revised maturity dates. Refer slide 32 for corresponding footnotes

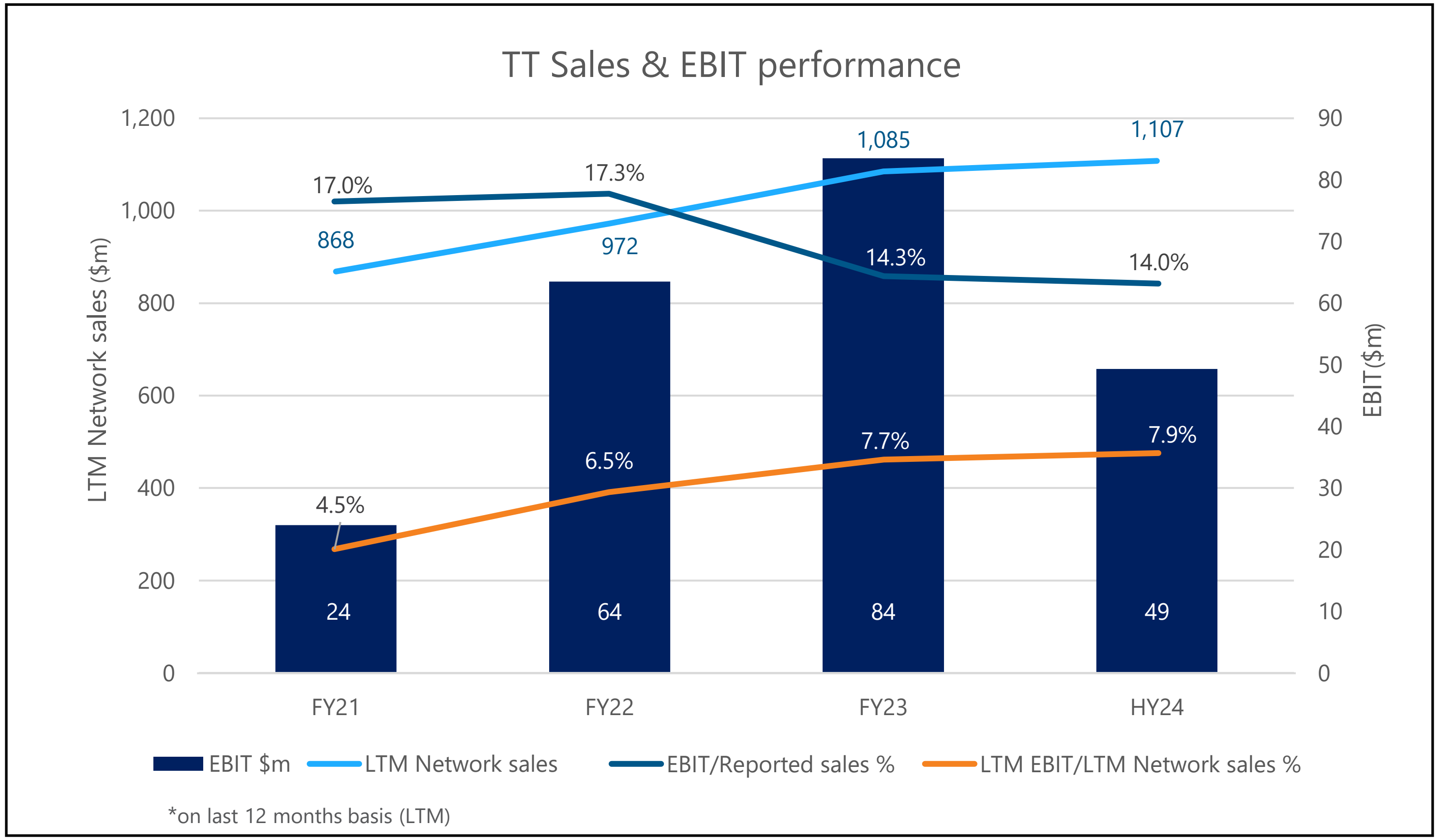
Put options (cont)

03.

1. Subsequent to 1H24, Metcash increased its ownership in Total Tools Holdings Pty Ltd (TTH) from 85% to 100% for $101.5m of cash consideration, paid on 30 November 2023.
2. Subsequent to 1H24, Metcash increased its ownership interest in 11 JV stores by step acquisition for $42.6m of cash consideration. The revised put options over the residual 5% to 20% ownership interest are now exercisable in May 2027.
3. Subsequent to 1H24, Metcash reduced its ownership interest in 4 corporate stores, by divestment, from a 1H24 ownership interest of 100% to a 70% ownership interest, for $6.0m sale consideration ($4.5m deferred). Put options have been issued in relation to the residual 30% ownership interest, exercisable in May 2027.

Further details are provided in notes 4.2 and 5.4 of the 1H24 Financial Report

Total Tools – sales & margins



Bannered store numbers

05.

	October 2023	Store movement in period		April 2023
		opened/joined banner group	closed/left banner group	
Supermarkets				
Supa Valu IGA	3	-	-	3
Core IGA	990	14	(21)	997
Small Format IGA	328	4	-	324
Total IGA bannered stores	**1,321**	18	(21)[1]	**1,324**
Village Grocer/Friendly Grocer/Eziway	**285**	2	(12)	**295**
Total Supermarkets	**1,606**	**20**	**(33)**	**1,619**
Total Convenience	**16**	**-**	**-**	**16**
Hardware				
Mitre 10	**368**	7	(3)	**364**
Home Hardware	**155**	7	(2)	**150**
True Value Hardware, Thrifty-Link, Hardings & Design 10	**96**	-	(16)	**112**
Total Tools	**112**	2	-	**110**
Total Hardware[2]	**731**	**16**	**(21)**	**736**
Liquor				
Cellarbrations	**496**	32	(55)	**519**
The Bottle-O	**264**	23	(22)	**263**
IGA Liquor	**476**	16	(17)	**477**
Porters	**31**	4	(3)	**30**
Thirsty Camel (NSW/ACT, QLD, TAS, SA/NT)	**128**	13	(13)	**128**
Big Bargain	**-**	-	(14)	**14**
Other	**1,849**	272	(49)	**1,626**
Total Liquor	**3,244**	**360**	**(173)**	**3,057**
Total number of stores	**5,597**			**5,428**

1. During the period 8 IGA branded stores closed and 13 left the IGA banner group, with Metcash retaining supply to all 13 of these
2. Includes 131 (FY23: 131) company-owned and joint venture stores within the Mitre 10 and Home Hardware banners, and 51 (FY23: 46) company-owned and joint venture stores within the Total Tools banner

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