

A woman with blonde hair, wearing a white long-sleeved dress with a colorful floral pattern, stands next to a yellow planter box filled with pink flowers. She is leaning against a light green wall. The dress has a V-neckline, a tied waist, and ruffled details at the hem. The scene is brightly lit, with shadows cast on the wall.

MYER

MY STORE

2019 AGM
CEO UPDATE

JOHN KING
CHIEF EXECUTIVE OFFICER

Agenda

- FY2019 Results
- Customer First Plan
- Christmas
- In summary

Trading

- Total sales down 3.5% to \$2,991.8 million, comparable store sales excluding sales in Apple down 1.3%
- Operating Gross Profit (OGP) down 1.9% to \$1,162.4 million, OGP margin up 65bps to 38.9%
- Cost of Doing Business (CODB) down 3.1% to \$1,002.4 million

Earnings

- EBITDA* up 7.2% to \$160.1 million
- NPAT* up 2.2% to \$33.2 million, Earnings per share* 4.0 cents
- Dividend continues to be suspended

Balance Sheet

- Net debt down \$69 million, net debt was \$39 million at the end of the period
- Inventory down 5.4% to \$347 million
- All banking covenants have substantial headroom

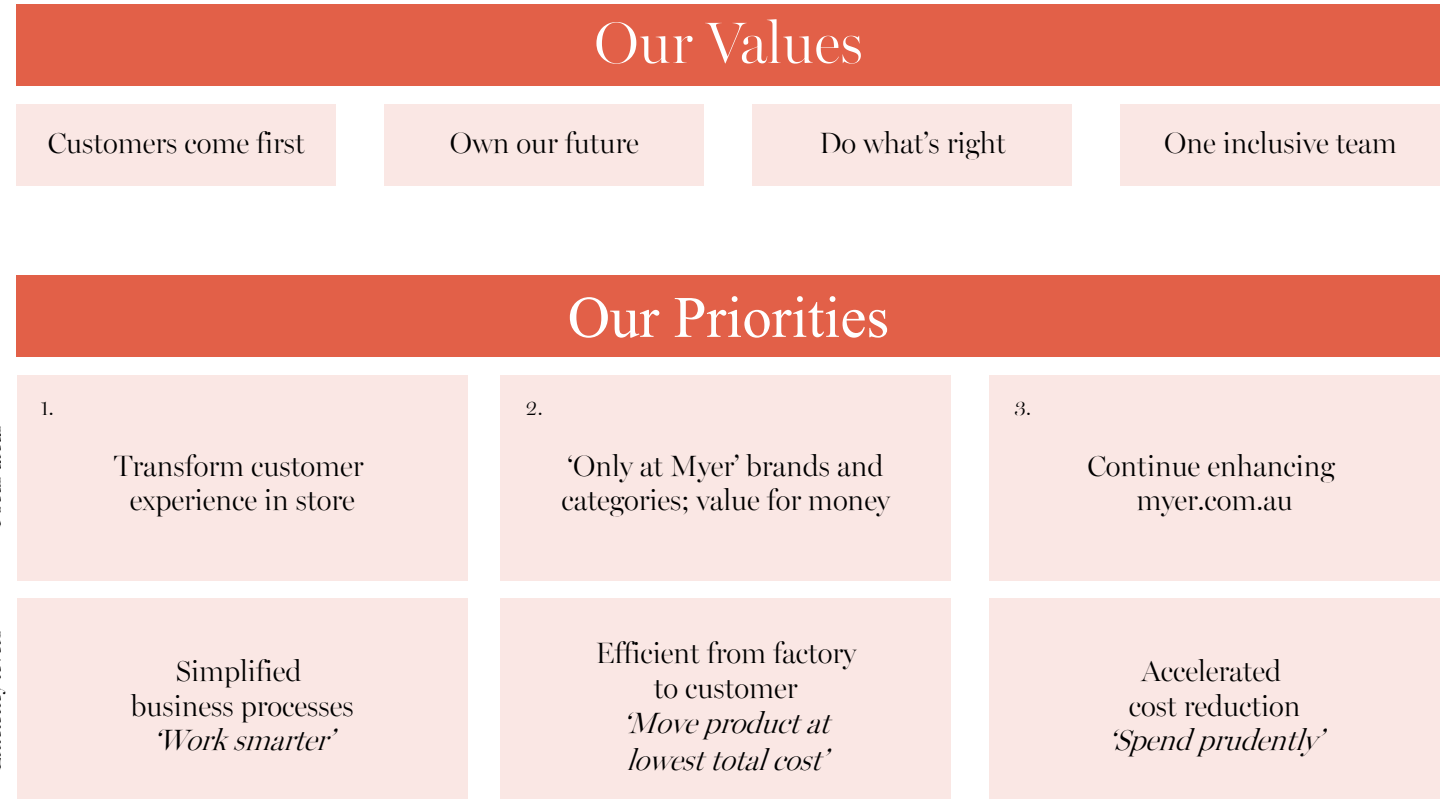
Cash Flow

- Operating cash flow (before interest and tax) up \$8 million to \$138 million
- Capex down to \$45 million reflecting heightened focus on return hurdles in subdued macro environment

*Excluding implementation costs and individually significant items totalling \$8.7 million (\$12.5 million pre-tax)

Ensuring Myer is Australia's Favourite Department Store

Providing friendly helpful service,
high quality and exclusive brands,
and offering compelling value



Store Experience	'Only at Myer' brands	Online growth	Progress on space reduction	Efficiencies & reduced waste
<ul style="list-style-type: none"> Improved store layouts, brand adjacencies in 34 stores, 11 stores in 2H2019 Team Member satisfaction increased 2%; as measured by our customers 	<ul style="list-style-type: none"> Significant brand refresh currently underway in stores, Myer Exclusive Brand (MEB) mix increased Continued to exit brands, products and categories that do not contribute to increased long term profitability 	<ul style="list-style-type: none"> Digital sales now represent our largest store and 9.8% of total sales Online range extended by over 100 brands; new website and digital marketing strategy delivering conversion improvement, plans for fulfilment at peak periods are now in place 	<ul style="list-style-type: none"> Belconnen and Cairns to be refurbished, with landlord contributions, smaller footprint, lower cost / m2 Space hand back at Emporium and vacated additional level at Support Office 	<ul style="list-style-type: none"> \$33 million reduction in costs reflected wages efficiency in store, focused marketing, reduced store occupancy, and a focus on simplification in the Support Office Focus on profitable sales has delivered efficiencies

Transform Customer Experience in Store

FY2019 Highlights

- Announced refurbishments of Belconnen and Cairns, providing an enhanced shopping experience
- M-comms and My Wallet fully deployed, increased Team Member satisfaction as measured by our customers
- Relayering and personalisation continues to deliver positive results

Current Focus Areas

- Renewed focus on MYER one
- Myer Beauty Emporium opened in Melbourne, Sydney and Chadstone with plans to further roll-out
- Afterpay and Humm introduced in-store



‘Only at Myer’ brands and categories

FY2019 Highlights

- Exited unprofitable ranges, commenced improvements to promotional and clearance cycle
- Enhanced MEB offering and investment (17.6% of mix vs. 16.7% in FY2018)
- Key brands being rolled out to additional stores include: Polo Ralph Lauren, Rodd & Gunn, Tommy Hilfiger, SK-II, Levi's, Sunglass Hut, Radley and Bestseller Group

Current Focus Areas

- Well progressed in rollout of 90+ new brands by Christmas 2019
- Option/inventory reduction, focus on full price sales
- Expand most successful brands to additional stores, make the big bigger and exit the unprofitable tail



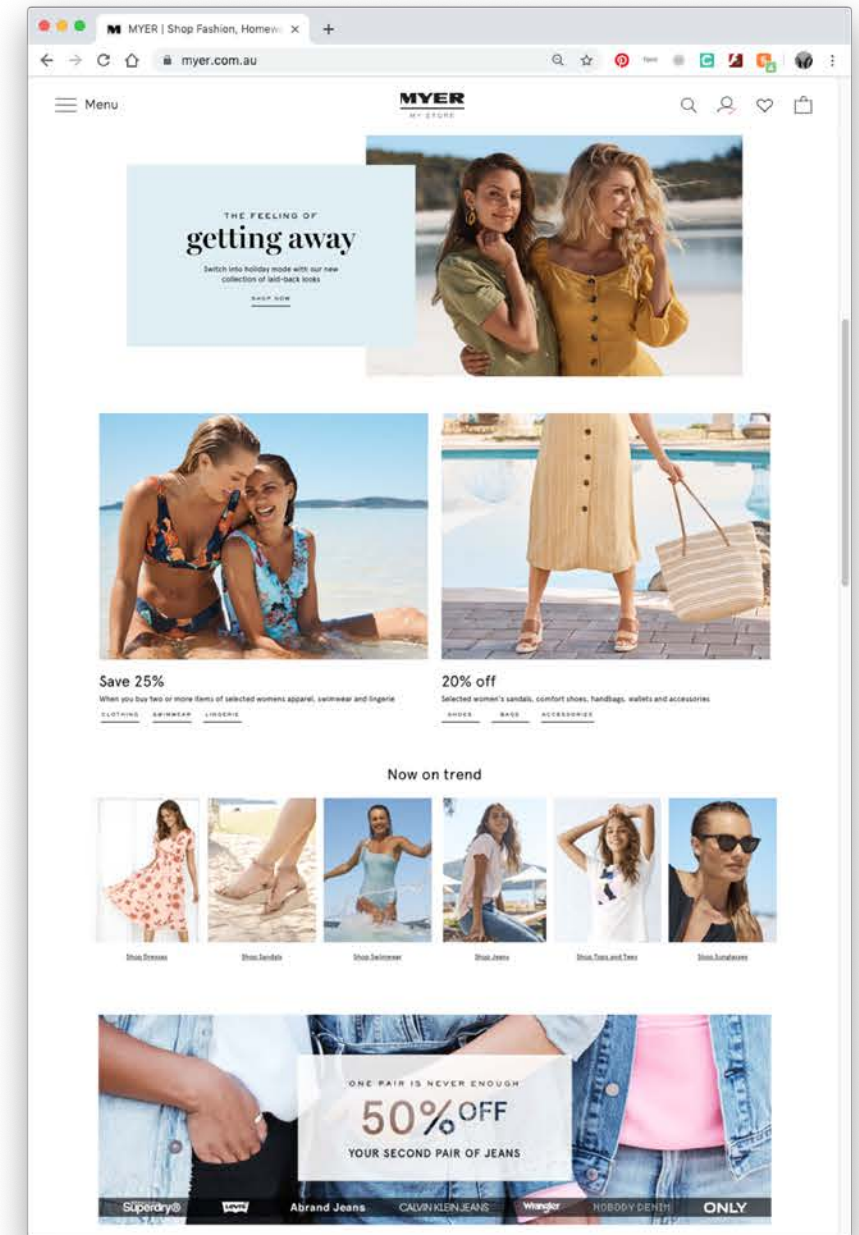
Continue enhancing myer.com.au

FY2019 Highlights

- New website continued to support strong growth in online
- Improved customer satisfaction through improved browsing, brand and content experience
- Improved profitability with gross margin growing faster than sales
- Fulfilment costs per order reduced by 13.5%

Current Focus Areas

- Easier checkout experience for customers, in place for peak trading periods
- Creating a personalised and relevant experience for customers, further range extension
- Expanding online fulfilment options to include additional fulfilment stores, dark floors in some stores and DCs



Efficiency levers

FY2019 Highlights

- Realised benefits of Workforce Management investment; improved staff alignment to peak trade and customer activity
- GLA reduction 29,000m² announced: Cairns, Belconnen and Emporium space hand backs, Support Office space reduction
- Delivered 3.1% reduction in CODB in FY19
- Shrinkage reduction of 12%

Current Focus Areas

- 5-10% of Store Gross Lettable Area under active discussion
- Closure of Hornsby and clearance floors (by Jan 2020)
- Factory to Customer solution (online fulfilment and store replenishment) new Executive General Manager of Supply Chain appointed
- Investment in shrinkage and other cost leakage



Delivering a strong Christmas

Christmas will have more gifting ideas and experiences than ever before with focus on:

- New and improved brands and product ranges
- More exclusive brands and products
- More “Pop ups” and entertainment



Delivering a strong Christmas

- Our Giftoriums and Santalands will be set up shortly to service all our customers needs
- More personalisation than any previous Christmas including: Cadbury Dairy Milk, Penfolds, Quicksilver, Starward Whiskey, Moët and Chandon and Wicks and Stone
- Building on success of our “Naughty or Nice Bauble” Campaign, we will launch a new and exciting brand campaign and innovative signature Christmas gift



Some good progress made on Customer First Plan, more to be done

FY2019 Highlights

- Focus on profitable sales, disciplined management of costs and cash, and deleveraging the business all delivered results

Continuing focus on delivery of our Customer First Plan

- Emphasis on improved customer experiences in stores and online
- Well progressed in rollout of 90+ new brands by Christmas 2019
- Continue to support strong growth in online – ensure it remains our largest store
- Focus on the successful execution of our spring edit, ensure a strong Christmas and Stocktake Sale period
- Renewed focus on MYER one

Opportunities for more cost efficiencies

- Further opportunities to reduce excess space and reduce occupancy costs
- Further cost savings exist in supply chain and simplification

