



MY STORE

6 August 2020

EXISTING LENDERS EXTEND FINANCE FACILITIES TO 2022; COVID-19 UPDATE

Myer Holdings Limited (ASX:MYR) today announced that it had signed a binding term sheet with its existing lenders to amend and extend its bank facility until August 2022.

The amended facility of \$340m (which will amortise by \$30m during 2021 and by \$60m during 2022), compares to the existing facility of \$360m. The reduced size in part reflects the Company's success in deleveraging the balance sheet during the past two years evidenced by reducing peak requirements, with a peak debt level for 2019 of \$220m (compared to \$290m a year earlier), and an increase in net cash at the end of 1H20 by \$65m to \$103m when compared to 1H19.

The lenders have agreed that no covenant testing will be required at the end of FY20, given the significant impact of COVID-19 on Myer's operations during 2H20.

Covenants for future periods will continue to be tested quarterly as per the previous facility but have been adjusted down and will range during the term of the facility (including minimum Fixed Charges Cover Ratio ranging between 1.10 times to 1.40 times and maximum Net Leverage Ratio ranging between 2.0 times and 3.25 times).

Myer CFO, Nigel Chadwick said: "Securing this new facility with our existing lenders is testament to the work that we have undertaken during the past two years. It is particularly pleasing to have secured this extension to our facilities during such an unprecedented time of economic and social disruption in retail. We also wish to acknowledge the important and continuing support provided by the lending syndicate."

COVID-19 Update

Trading during the second half of FY20 was severely impacted by COVID-19.

On 29 March 2020, Myer closed all 60 stores for the health and safety of team members and customers. At the same time, the difficult decision was made to stand down approximately 10,000 team members. Stores were progressively reopened from 8 May 2020, with the majority of stores reopening on 27 May 2020. As well as store closures for the majority of that two-month period, sales were further impacted by significant reductions in foot traffic, in particular in CBD locations, and more recently the metropolitan Melbourne region. Pleasingly, the strong growth in online sales continued throughout 2H20, and this growth accelerated significantly during the period of store closures.

As a result of disciplined cost control, support from the Federal Government via JobKeeper and other payment deferrals, as well as rent relief and deferrals, and despite the loss of revenue and earnings as a result of the store closures and reduced foot traffic, the Company expects to report a small net cash positive position at the end of FY20. This compares to \$39m in net debt at the end of FY19.

Further details will be provided at our full year results announcement in September.

COVID-19 – Temporary Closure of Melbourne Stores

Following the announcement of Stage 4 Restrictions by the Victorian Government on 3 August 2020, Myer has temporarily closed all metropolitan Melbourne stores from the close of business on 5 August 2020 for a period of six weeks.



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The stores that have closed are: Myer Melbourne, Highpoint, Doncaster, Southland, Northland, Chadstone, Werribee, Frankston, Fountain Gate, Eastland, and Knox City. Myer's regional stores in Geelong, Ballarat and Bendigo will continue to operate during this time.

Myer.com.au will continue to be available 24/7 across all categories, with the reduced free delivery threshold of \$49 remaining in place. In addition, as permitted under the Victorian Government directions, Click and Collect services will be available for Melbourne customers at selected metropolitan stores during this time: Myer Melbourne, Highpoint, Southland, Doncaster and Northland.

Unfortunately, a number of Myer's team members will not be required to work for the period of the store closures. However, some team members will continue working throughout the period to support online fulfilment and Click and Collect.

Myer will continue to monitor state government and health department advice during this time and further updates will be provided as appropriate.

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