MYER

MY STORE

4 March 2021

HALF YEAR 2021 RESULTS

STRONG GROWTH IN GROUP ONLINE SALES[1], UP 71.0% TO $287.6 MILLION

NET PROFIT AFTER TAX[2] UP 8.4% TO $42.9 MILLION

NET CASH IMPROVED BY $98.2 MILLION TO $201.1 MILLION

1H21 RESULTS (post-AASB 16) for the 26 weeks to 23 January 2021, compared to 1H20:

- Total sales[3] down 13.1% to $1,398.0 million; reflecting store closures and reduced foot traffic throughout the period, particularly in the large CBD stores Melbourne, Sydney and Brisbane
- Comparable store sales[4] were down 3.1%; up 6.3% excluding the six CBD stores
- Continued strong growth in Group online sales[1] up 71.0% to $287.6 million, representing 21% of total sales and one of the largest and fastest growing online retailers in Australia
- Operating Gross Profit (OGP) margin declined by 55 basis points to 38.6% due in part to lower margin sales in apparel categories early in 1H21
- Cost of Doing Business (CODB)[2] down $86.0 million or 20.9% to $325.2 million, including JobKeeper wage subsidy and rent waivers
- EBITDA[2] declined by 1.7% to $214.6 million and was flat on a pre-AASB 16 basis
- EBIT[2] increased by 2.7% to $109.0 million, EBIT[2] margin increased by 120 basis points to 7.8%
- Statutory net profit after tax up 76.3% to $43.0 million
- Net cash improved by $98.2 million to $201.1 million, inventory was down 22% at the end of the period
- Dividend remains suspended

COVID-19:

- During the period, the primary focus continued to be on the health and wellbeing of customers, team members and the broader communities in which Myer operates
- CBD stores most impacted by reduced footfall; comparable store sales[4] in CBD stores down 32%
- JobKeeper wage subsidy provided extensive employment support for team members

KEY FINANCIALS (post-AASB 16)

$ MILLIONS	1H21	1H20	CHANGE
Total Sales[3]	**1,398.0**	1,607.9	(13.1%)
Operating Gross Profit (OGP)	**539.8**	629.6	(14.3%)
Cost of Doing Business (CODB)[2]	**(325.2)**	(411.2)	(20.9%)
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)[2]	**214.6**	218.4	(1.7%)
Earnings before Interest and Tax (EBIT)[2]	**109.0**	106.2	2.7%
Net Profit after Tax[2]	**42.9**	39.6	8.4%
Statutory Net Profit after Tax	**43.0**	24.4	76.3%

Myer's Chief Executive Officer and Managing Director, John King, said: "The first half result reflects several positive achievements including the continued strength of our online business, now representing 21% of total sales, as well as sustained disciplined management of costs, cash and inventory. We have now delivered five consecutive halves of reduced operating costs which, combined with a significantly improved balance sheet, has ensured the Company was able to withstand this challenging operating environment."

Sales
Sales during the period were impacted by several macro headwinds including widespread government mandated store closures and travel restrictions which, combined with customer concerns relating to COVID-19, led to reduced foot traffic in many stores. Comparable sales[4] in Myer CBD stores were down by 32% during the period and remain challenged by restricted CBD workforce, tourism and subdued confidence from continued shutdowns. Regional and suburban stores were relatively strong with a total of 11 Myer stores delivering increased sales during 1H21 compared to 1H20. Excluding the Myer CBD stores, comparable store sales[4] would have been up 6.3%.

Online
Pleasingly the continued strength of our online channel in part offset the reduced sales in physical stores. The online channel delivered significant growth throughout the period and record sales during the Black Friday 4-day sale period. The continued rapid growth reflects several factors including the extensive improvements to the website undertaken during the past three years, the widespread trust associated with the Myer brand, and the improved fulfilment capacity and efficiency resulting from the new 3PL arrangement that was introduced prior to Christmas 2020. Furthermore, the 3PL is now responsible for fulfilling 25% of orders at a lower cost per order, which together with several other supply chain strategic initiatives, resulted in improvements to customer experience and profitability for the online channel.

Operating Gross Profit
The 55 basis points decline in the operating gross profit margin reflected a changing sales mix from COVID-19 specific factors early in the period such as reduced levels of new apparel merchandise in early 1H21 and the need to rapidly clear stock from the metropolitan Melbourne stores post the lockdown. Furthermore, OGP margin reflected higher MYER one program costs. OGP margins improved as the period progressed, driven by high demand categories including Homewares. Pleasingly inventory overall was well managed and finished the period down 22% to $265.8 million, with record low levels of clearance inventory.

Costs
Myer continued to deliver cost of doing business (CODB) savings across stores and support office. Included in CODB was $18 million in rent and outgoings waivers which were granted during the period, a portion of which related to COVID-19 store closures which occurred in 2H20, and the remaining benefit of the first phase of the Australian Government's JobKeeper Payment Scheme.

During 1H21, the ongoing impacts of COVID-19 were significant, and the receipt of the first phase of JobKeeper ensured Myer was able to keep considerable numbers of team members employed. Myer recognised a total of $51m of JobKeeper relating to August and September which was paid to employees either directly ($19m) or through subsidised wages ($32m).

CEO Commentary
Mr King said the online growth as well as the success in further reducing costs, preserving cash, reducing inventory and deleveraging the balance sheet, were highlights. During the period, Myer launched two refurbished stores on reduced space being Cairns and Belconnen. Furthermore, new leases were negotiated at Morley and Highpoint including the hand back of one floor at each store, with works scheduled to complete in March and June, respectively.

Improvements to the merchandise cycle delivered material improvements to cash flow and borrowing needs with gross peak borrowings of $80m during 1H21 compared to $220m during 1H20.

Following several enhancements to the MYER one program, there was increased engagement during the period and an increase in MYER one sales as a percentage of total sales to 69.2% at the end of the period. The valuable data and insights from MYER one are being used to improve buying and enable further improvements to marketing, with increasingly personalised and targeted offers replacing the previous more expensive mass marketing.

"The focus remains on profitable sales and executing the Customer First Plan, which has been adapted to respond to COVID-19 by accelerating, re-sequencing and expanding various initiatives. The strengthened balance sheet provides a solid platform for investing in our digital growth engine which represents a significant opportunity," Mr King said.

Board Update
At the 2020 AGM, Myer announced that it had commenced a process to identify and appoint a suitable replacement Chairman.

Myer's Acting Chairman, JoAnne Stephenson said: "The Board has undertaken a thorough search to find a new Chairman and the search process is progressing well, with advanced discussions underway with preferred candidates. Relevant retail skills have been a priority in the search. We will update the market as soon as it is appropriate to do so."

-ends-

Footnotes

[1] *Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads*

[2] *Excluding implementation costs and individually significant items*

[3] *Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $1,127.1 million (1H20: $1,281.2 million)*

[4] *In addition to the historical definition of comparable sales, stores closed during COVID-19 have been removed from both the current and previous year to obtain comparable sales. Where a store was closed mid-week, the week in which the store closed has been removed. On reopening, the store has been included from the first full week of trade*

Investor and Analyst briefing

A teleconference will be held for investors and analysts today at 9.30am (Melbourne time).

Participants can register for the conference by clicking here.

Registered participants will receive their dial in number upon registration.

Attendees will need to have the attached slides available for the call.

An archive of the briefing will be available afterwards at: www.myer.com.au/investor

For further information please contact:

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HALF YEAR 2021 RESULTS

TO 23 JANUARY 2021

JOHN KING
Chief Executive Officer

NIGEL CHADWICK
Chief Financial Officer

Important information

The information in this document is general only and does not purport to be complete. It should be read in conjunction with Myer's other periodic and continuous disclosure announcements. Investors or potential investors should not rely on the information provided as advice for investment purposes, and it does not take into account their objectives, financial situation or needs. Investors and potential investors should make their own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

Myer, its related bodies corporate, officers and employees do not warrant the accuracy or reliability of the information in this document and do not accept responsibility or liability arising in connection with the use of or reliance on this document.

This document may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "project", "should", "could", "would", "target", "aim", "forecast", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar expressions, as well as indications of and guidance on future earnings and financial position and performance.

Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside Myer's control, and which may cause actual results or performance to differ materially from those expressed or implied in this document. As such, undue reliance should not be placed on any forward-looking statements.

Subject to law, Myer assumes no obligation to update, review or revise any information contained in this document, whether as a result of new information, future events or otherwise. Past performance cannot be relied upon as a guide to future performance.

Myer uses certain measures to manage and report on its business that are not recognized under Australian Accounting Standards (non-IFRS information), including, without limitation, total sales, OGP margin, CODB, EBITDA, total funds employed, net cash, working capital, operating cash flow and free cash flow. These measures are used internally by management to assess the performance of Myer's business, make decisions on the allocation of Myer's resources and assess operational management. Non-IFRS information has not been subject to audit or review, and should not be considered an indication of, or an alternative to, an IFRS measure of profitability, financial performance or liquidity.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

AGENDA

1H21 SUMMARY

1H21 RESULTS

CUSTOMER FIRST PLAN

CONCLUSION

APPENDICES

1H21 Results Summary

Record online sales continues

- Group online sales[1] up 71.0% to $287.6 million
- Comparable sales down 3.1%[2]; up 6.3% if CBD stores excluded
- Total sales[3] down 13.1% to $1,398.0 million, reflecting forced closures and reduced CBD traffic
- Operating Gross Profit (OGP) down 14.3% to $539.8 million

Improved cost of doing business (CODB)[4] mitigated trade impacts

- EBITDA[4] down 1.7% to $214.6 million
- EBIT[4] increased 2.7% to $109.0 million
- CODB[4] down 20.9% to $325.2 million, down 232bps as a percent of total sales
- Government subsidies and rent waivers provided support during period of significant sales decline including forced store closures

Increased profit

- Net profit after tax[4] up 8.4% to $42.9 million
- Statutory profit after tax of $43.0 million, up 76.3%
- Implementation costs and ISIs (post-tax) were $15.2 million in prior period

Strong balance sheet

- Net cash positive $201.1 million, $98.2 million improvement YOY
- Revolving working capital tranche of debt facility not required during 1H21
- Inventory 22% lower YOY to $265.8 million
- Substantial headroom in banking covenants
- Dividend continues to be suspended

[1] Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

[2] In addition to the historical definition of comparable sales, stores closed during COVID-19 have been removed from both the current and previous year to obtain comparable sales. Where a store was closed mid-week, the week in which the store closed has been removed. On reopening, the store has been included from the first full week of trade

[3] Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $1,127.1 million (1H20: $1,281.2 million); [4] Excluding implementation costs and individually significant items

Operational Highlights

Online

- Group Online Sales[1] 21% of sales mix in 1H21 (up 100% YoY)
- Improved checkout, browse experience led to conversion uplift of 81bps
- Record online customer NPS[2], MYER one penetration and traffic measures

MYER one

- Launched $10 reward card, over 1 million more members earned rewards in 1H21, up 156%
- MYER one sales as a % of total sales improved to 69.2% at end of 1H21, up 410bps
- Significantly improved acquisition, engagement and communication effectiveness

Supply Chain

- Opened 3PL, over 800,000 units in facility
- 25% of online orders fulfilled from 3PL in Q2 post opening
- Alternative last mile carrier launched

Stores

- Record customer satisfaction with team members
- Safely executed key trade periods
- Re-launched Cairns and Belconnen post refurbishment with sales productivity up 87% at Cairns and 57% at Belconnen, compared to pre-refurbishment
- Further savings in shrinkage; down $5 million YOY

[1] Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

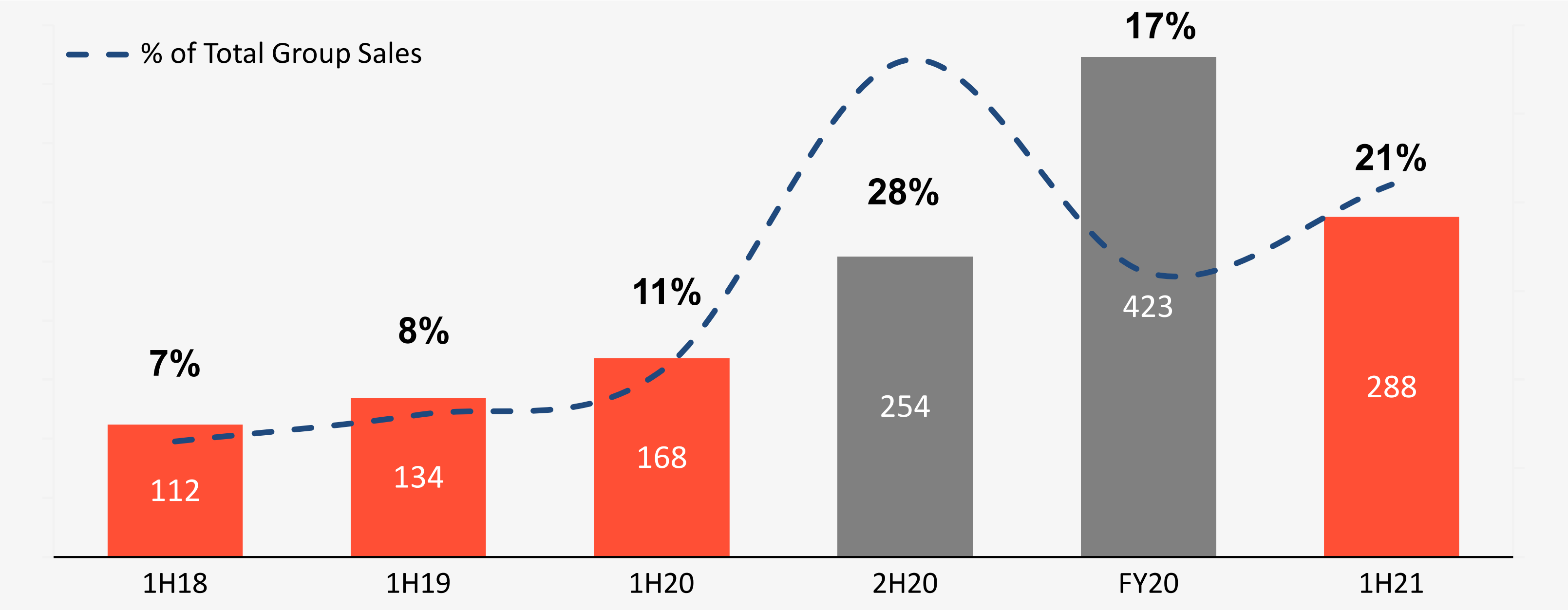
[2] Net Promoter Score is highest for a 1H result

Online provides platform for future growth

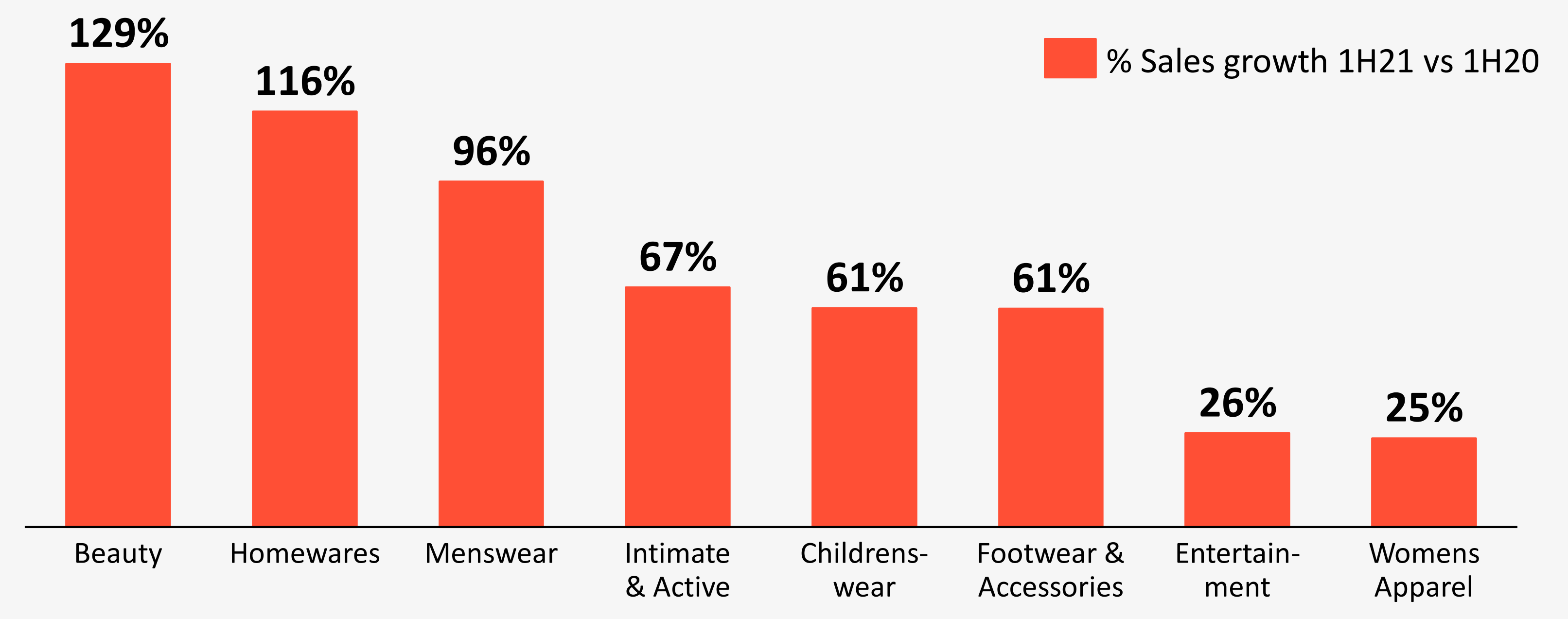
- Group online[1] sales now $287.6 million, up 71.0% in 1H21 – making Myer one of Australia's largest and fastest growing online retailers
- Key categories continue to perform strongly against market with Beauty up 129% YOY, Homewares up 116% YOY
- Deepening engagement with MYER one with online tag rate increasing 21% YOY with strong upside for continued growth and effectiveness as we leverage insight and data
- Online profit contribution continues to improve through more effective media investment profile and introduction of 3PL delivering cost per order efficiencies
- Provides a strong platform to drive further growth and remains focus of future investment

Key Metrics	1H21 vs 1H20
Group online[1] sales	**up 71.0%**
Myer online[2] sales	**up 73.6%**
Customer Conversion	up 81bps
Net Promoter Score	63 (up from 60)

Group online[1] Sales



Myer.com.au sales growth by category



[1] Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

[2] Myer online sales excludes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

Achievements and macro challenges

Achievements

- Online scale and momentum has accelerated our digital transition; online performance partially mitigated impact of store closures
- Online customer experience (including fulfilment) has significantly improved
- More engaged MYER one base creating momentum
- Motivated store team delivering record customer service satisfaction scores
- Strong balance sheet and minimal debt; allowing options for re-investment
- Clean inventory position down 22% and improved stock turn

Macro Challenges

- Footfall in CBD's suffering from restrictions, remote working and lack of tourism
- Ongoing shutdowns hurt confidence and foot traffic
- Disruption to global supply chains has impacted some product availability
- Speed of recovery is specific to category

AGENDA

- 1H21 SUMMARY
- **1H21 RESULTS**
- CUSTOMER FIRST PLAN
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Income statement (post-AASB 16)

$ MILLIONS	1H21	1H20	Change
Total Sales[1]	1,398.0	1,607.9	(13.1%)
Operating Gross Profit	539.8	629.6	(14.3%)
Cost of Doing Business[2]	(325.2)	(411.2)	(20.9%)
EBITDA[2]	**214.6**	**218.4**	**(1.7%)**
Depreciation[2]	(105.6)	(112.2)	(5.9%)
EBIT[2]	**109.0**	**106.2**	**2.7%**
EBIT Margin	**7.8%**	**6.6%**	**+120bps**
Net Finance Costs	(47.5)	(49.8)	(4.6%)
Tax[2]	(18.6)	(16.8)	10.8%
Net Profit after Tax[2]	**42.9**	**39.6**	**8.4%**
Operating Gross Profit Margin (%)	38.61%	39.16%	-55bps
Cost of Doing Business[2] Margin (%)	23.26%	25.58%	-232bps
Implementation Costs and ISIs	0.1	(15.2)	nm[5]
Statutory Net Profit after Tax	**43.0**	**24.4**	**76.3%**

- Total Sales[1] reflects COVID-19 closures and reduced CBD footfall; comparable sales[3] were down 3.1%
- Group online sales[4] grew by 71.0% YOY
- OGP decline is predominantly sales volume driven. OGP margin decreased by 55bps due to COVID-19 impact on sales mix, with less new inventory early in 1H21
- CODB[2] decreased by 20.9%; reflecting cost mitigation activities throughout 1H21. Includes net JobKeeper wage subsidy of $32 million and rent and outgoings waivers of $18 million
- The JobKeeper wage subsidy was critical in maintaining connection to our workforce
- EBITDA[2] was marginally below prior year, but flat to prior year when the impact of AASB 16 *Leases* is removed – refer Appendix 2
- Depreciation[2] down 5.9%; reflecting lower capital investments and prior year impairment to right-of-use lease assets
- Implementation costs and individually significant items (ISIs) in the prior year reflected restructuring costs and the exit of the clearance floor concept

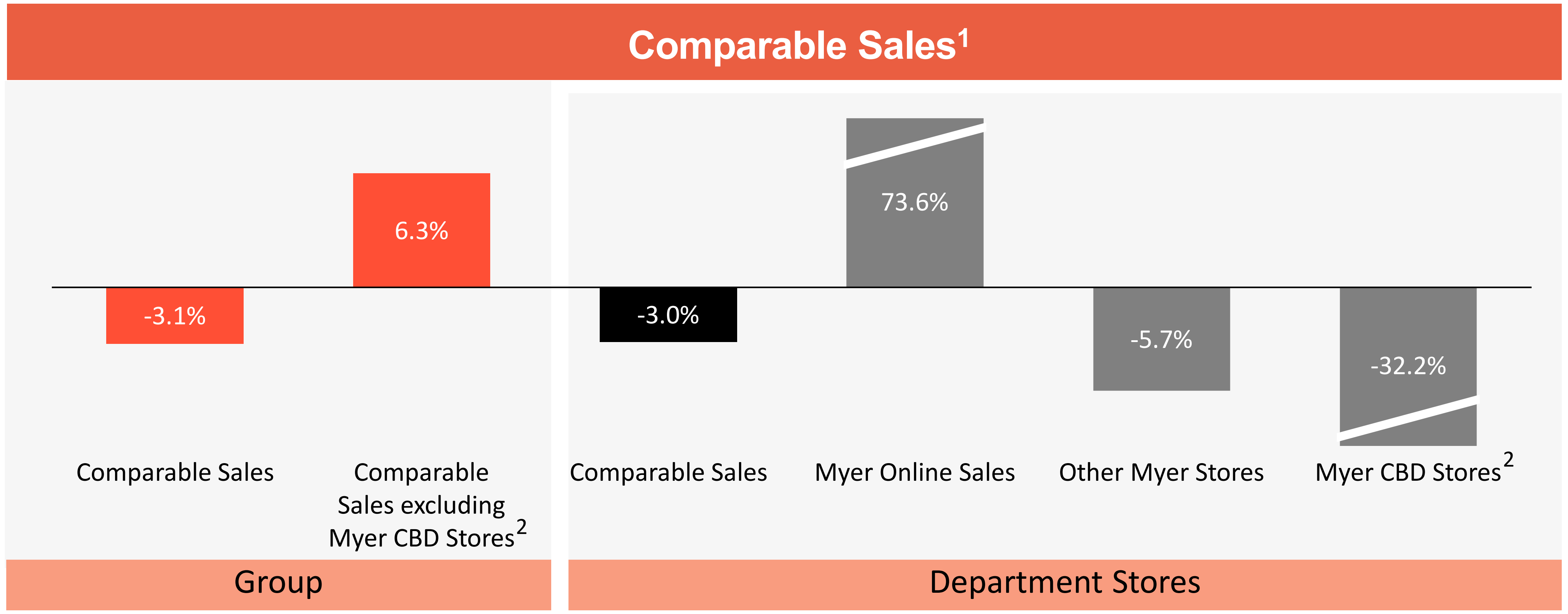
[1] Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $1,127.1 million (1H20: $1,281.2 million); [2] Excluding implementation costs and individually significant items

[3] In addition to the historical definition of comparable sales, stores closed during COVID-19 have been removed from both the current and previous year to obtain comparable sales. Where a store was closed mid-week, the week in which the store closed has been removed. On reopening, the store has been included from the first full week of trade

[4]Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads; [5] Not meaningful

CBD footfall continues to impact businesses

- Myer CBD stores[2] were the largest impact to comparable sales and remain challenged with restricted workforce, tourism and subdued confidence from continued shutdowns
- 1H21 comparable sales[1] would have been up 6.3% if Myer CBD stores[2] were excluded
- Q2 Bricks and Mortar store comparable sales trajectory improved
- Increased focus on online, suburban stores and CBD recovery programs will in part mitigate further impact



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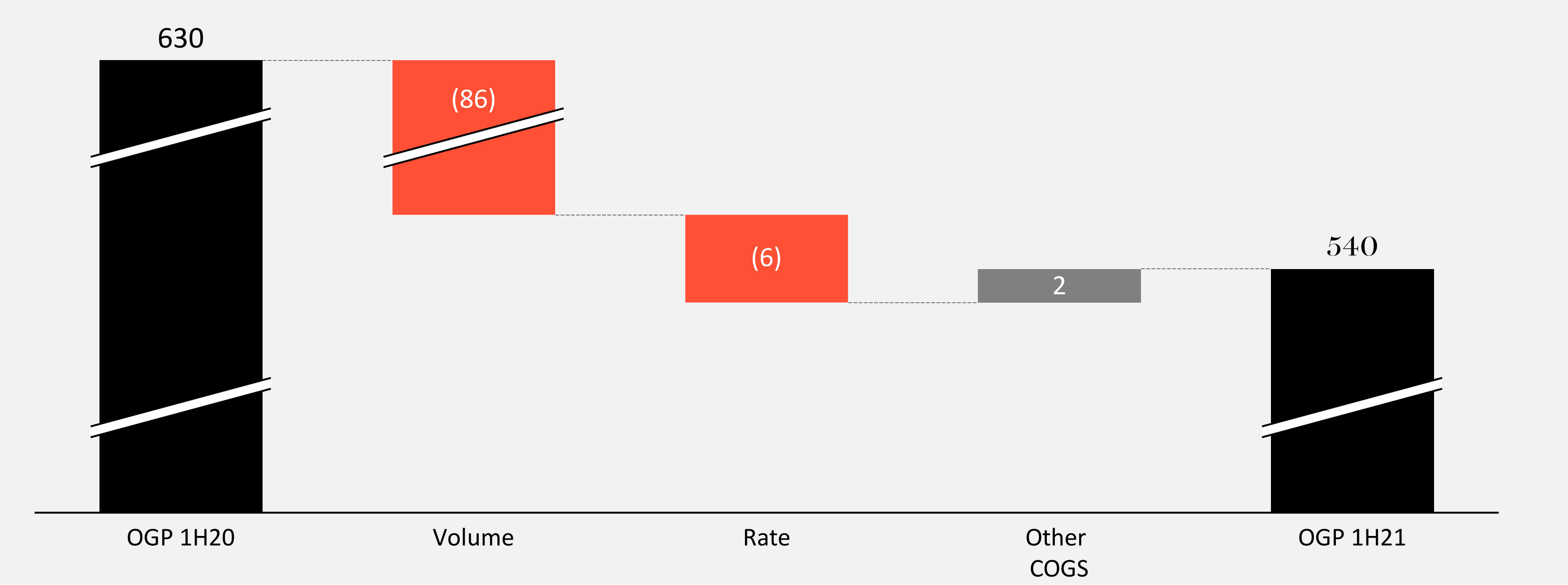
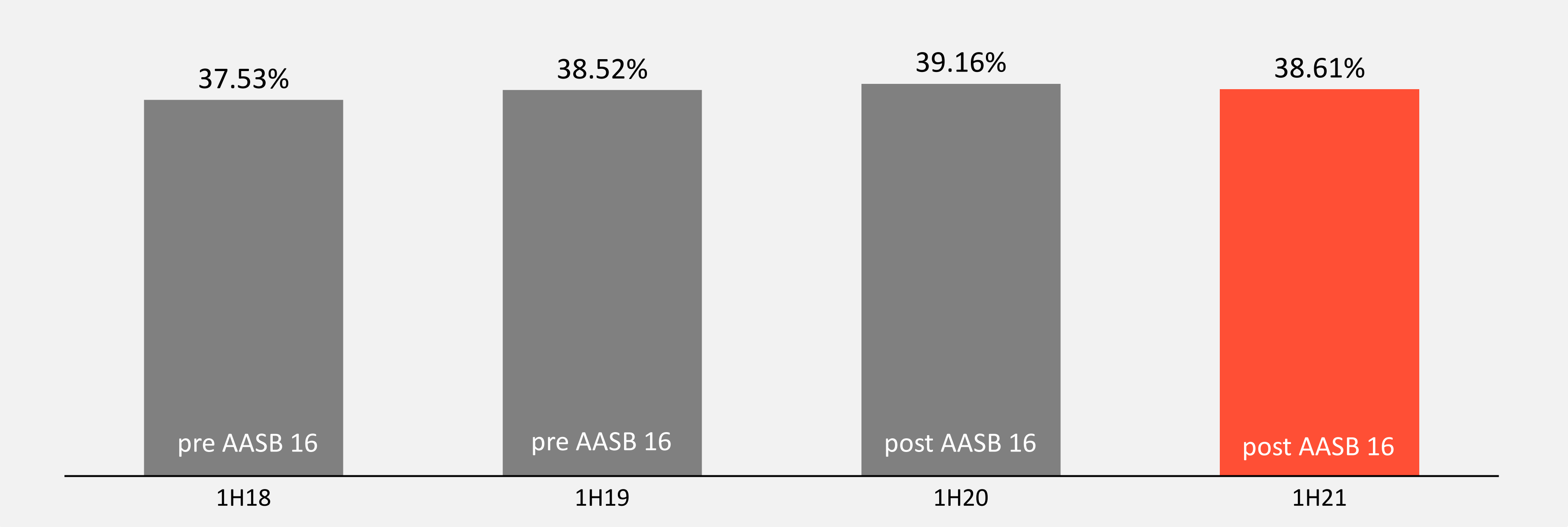
[2] Myer CBD stores includes Melbourne, Sydney, Brisbane, Perth, Adelaide and Hobart

Operating gross profit

Operating Gross Profit ($m)



Operating Gross Profit Margin (%) – 1H18 to 1H21



- Margin rate declined by 55bps reflecting a changing sales mix from COVID-19 specific factors:
  - Less new inventory in the business early in 1H21 particularly in apparel categories;
  - The need to clear seasonal inventory from metropolitan Melbourne stores post lockdown; offset by
  - Higher margins in Home categories which had strong demand and less markdowns.
- Other impacts on margin rate during the period included:
  - Higher relative MYER one program costs;
  - Reduction in shrinkage of $5 million;
  - Reduction in supplier support as a result of lower purchases;
  - Unfavourable FX impact of approximately $2.4 million – hedging means there is a lag to the benefit of improving FX rates
- Improvements to the inventory cycle expected to favourably impact future periods with clearance inventory down 66% YOY

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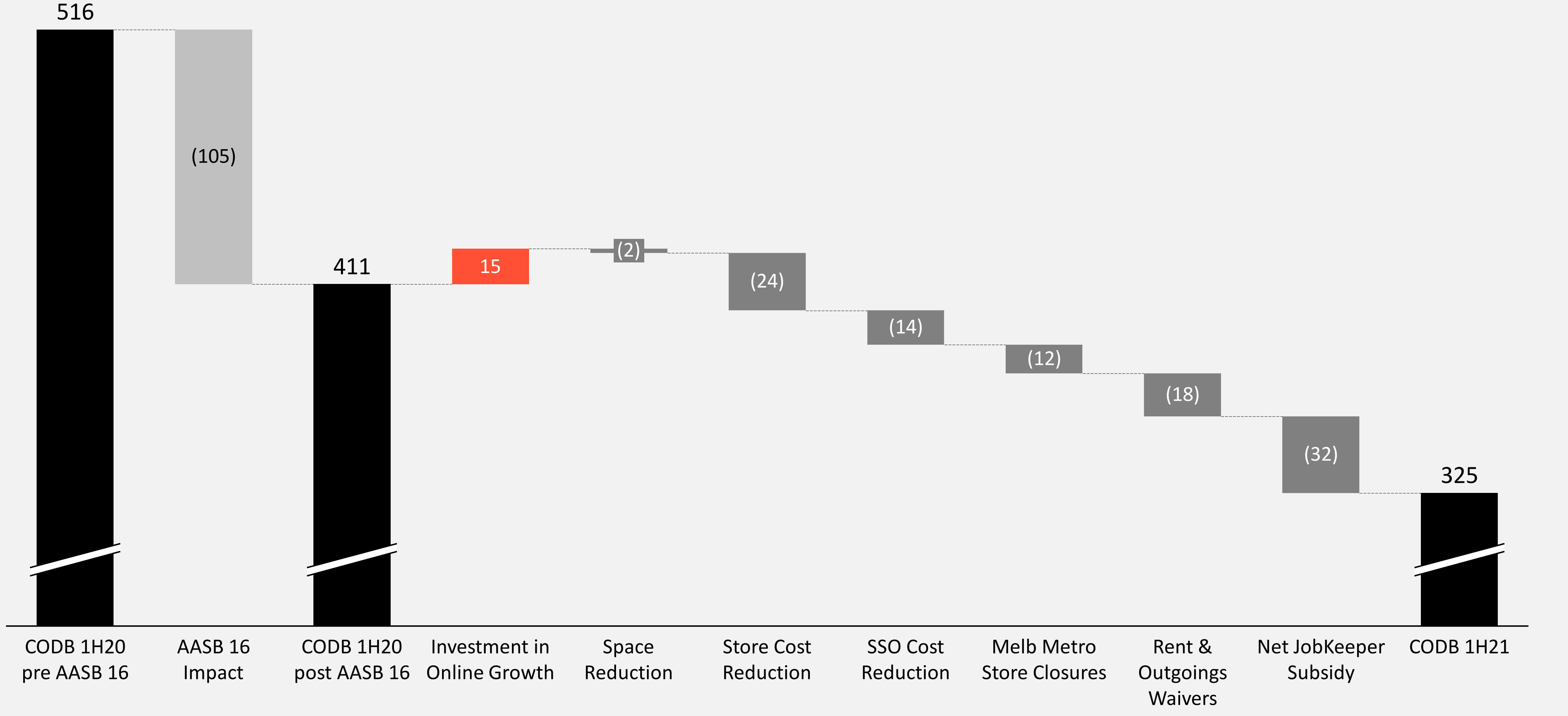
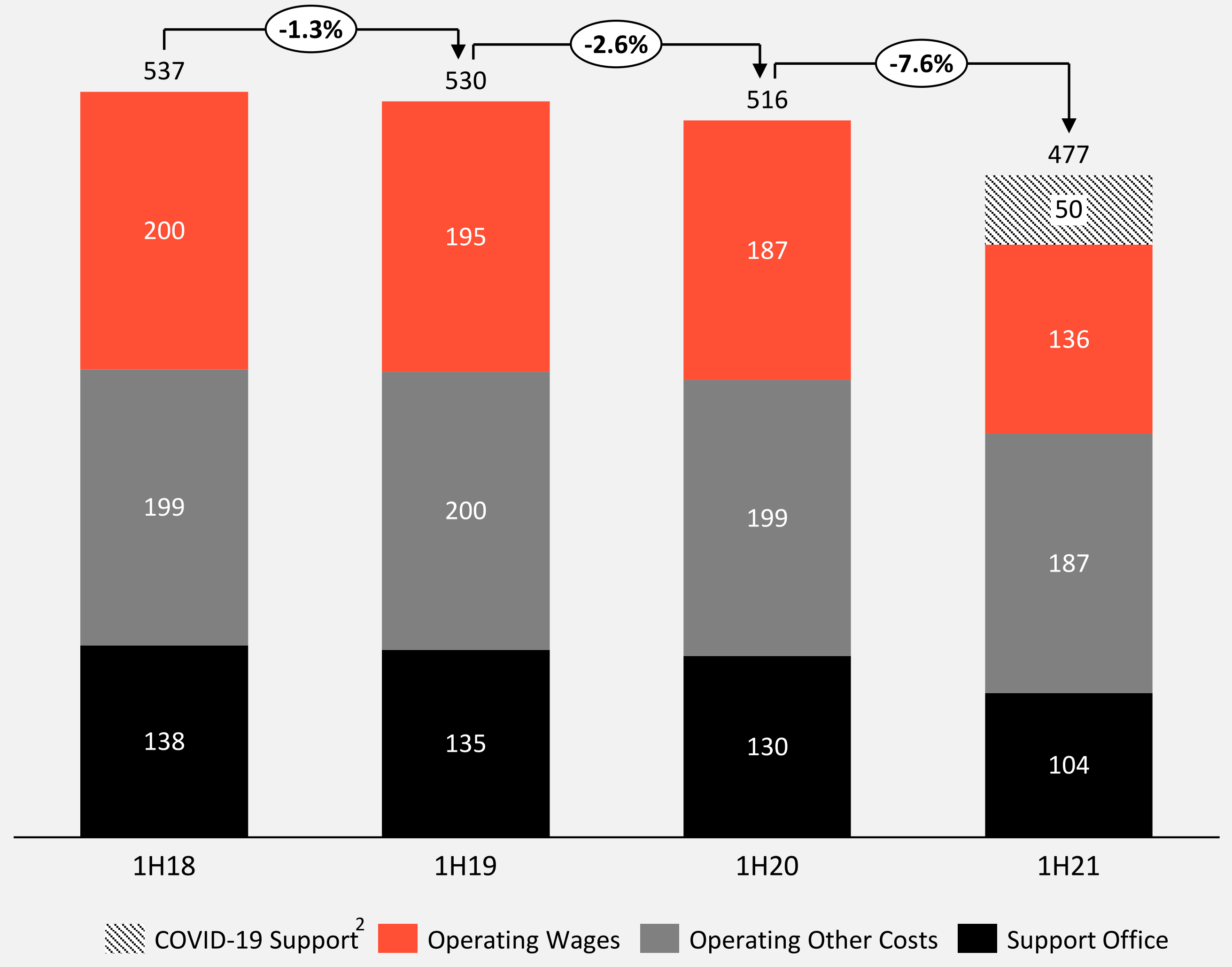
Cost of Doing Business

Cost of Doing Business ($m)



Myer Group Cost Structure ($m) - Pre AASB 16[1]



- Investing for online growth is our priority, but we have continued to execute cost reductions
- No material impact from inflation in 1H21
- JobKeeper wage subsidy was critical in maintaining our workforce

[1] Pre-AASB 16 is shown to include occupancy costs

[2] COVID-19 support includes net JobKeeper subsidy and rent & outgoings waivers

Operating cash flow (post-AASB 16)

$ MILLIONS	1H21	1H20
EBITDA[1]	214.6	218.4
Add/(Less) implementation costs and ISIs	0.2	(21.6)
Add non-cash asset impairments	0.3	1.0
Working capital movement	111.2	92.9
Operating cash flow (before interest & tax)	**326.3**	**290.7**
Conversion	*151.7%*	*147.0%*
Income tax refunded/(paid)	7.0	(8.2)
Net interest paid	(2.9)	(4.5)
Interest – lease liabilities	(42.8)	(44.3)
Operating cash flow	**287.6**	**233.7**
Capex paid[2]	(14.2)	(22.4)
Free cash flow	**273.4**	**211.3**
Principal portion of lease liabilities paid	(80.6)	(67.7)
Other	(0.2)	(0.7)
Net cash flow	**192.6**	**142.9**

- Operating cash flow (before interest & tax) increased by $36 million to $326 million; cash conversion substantially increased
- Working capital improvement includes the benefits of maintaining lower inventory levels and favourable changes to the merchandise cycle. This was offset by the net unfavourable impact from settlement of FY20 year-end positions including rent and outgoings deferrals, government deferrals offset by JobKeeper receipts
- Capital expenditure decreased with landlord funding provided for most store redevelopment activity
- Dividend continues to be suspended

Net Capex Spend[2]	1H21 ($m)
Store Redevelopments/Space Reductions	4.0
Online (including 3PL) and Systems	7.5
Brand Fit-outs / Retail Operations	2.0
Other	0.7

[1] Excluding implementation costs and individually significant items
[2] Net of landlord contributions

Balance sheet (post-AASB 16)

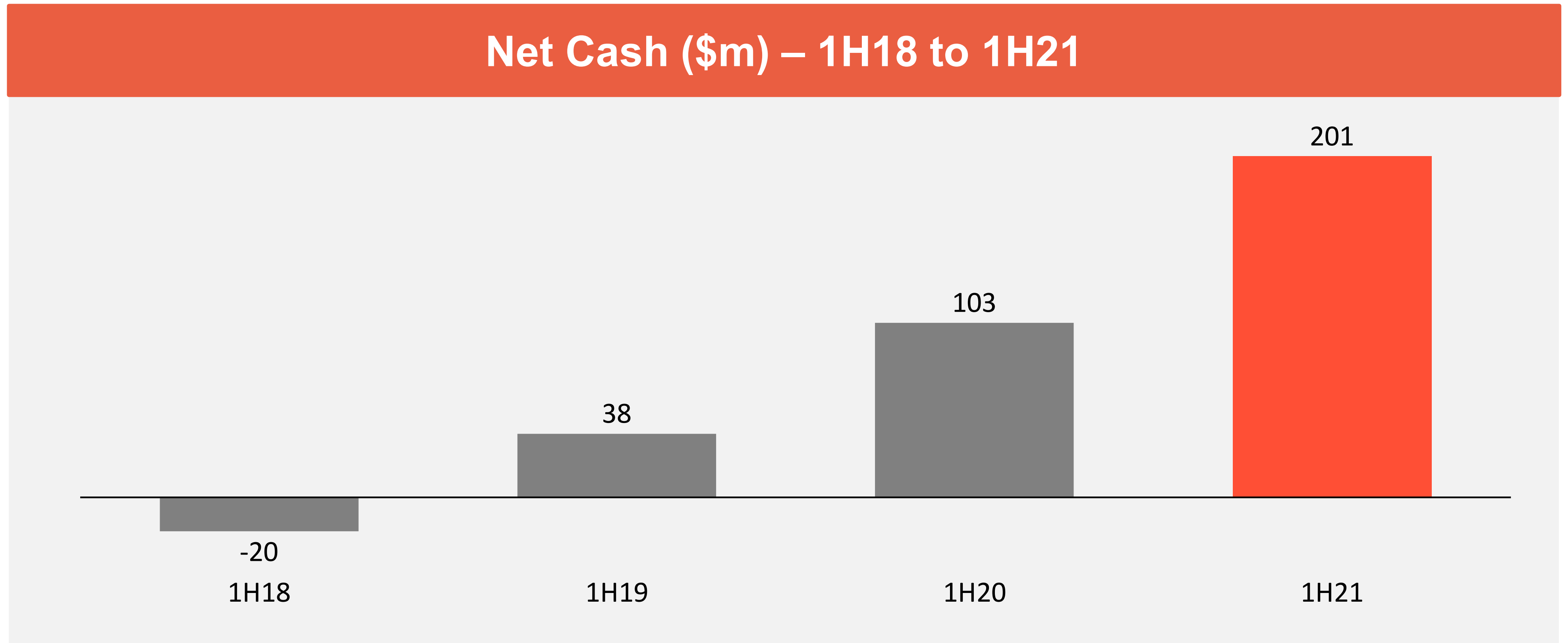
$ MILLIONS	1H21	FY20	1H20
Inventory	265.8	256.0	340.7
Creditors	(454.3)	(354.2)	(455.1)
Other Assets & Liabilities	49.1	119.9	8.8
Right-of-Use Assets	1,243.5	1,272.6	1,388.7
Lease Liabilities	(1,743.7)	(1,794.7)	(1,834.2)
Property & Fixed Assets	339.3	347.0	359.9
Intangibles (Brands and Software)	310.4	319.6	463.6
Total Funds Employed	**10.1**	**166.2**	**272.4**
Debt	(75.4)	(78.6)	(77.4)
Add Cash	276.5	86.5	180.3
Net Cash	**201.1**	**7.9**	**102.9**
Equity	**211.2**	**174.1**	**375.3**

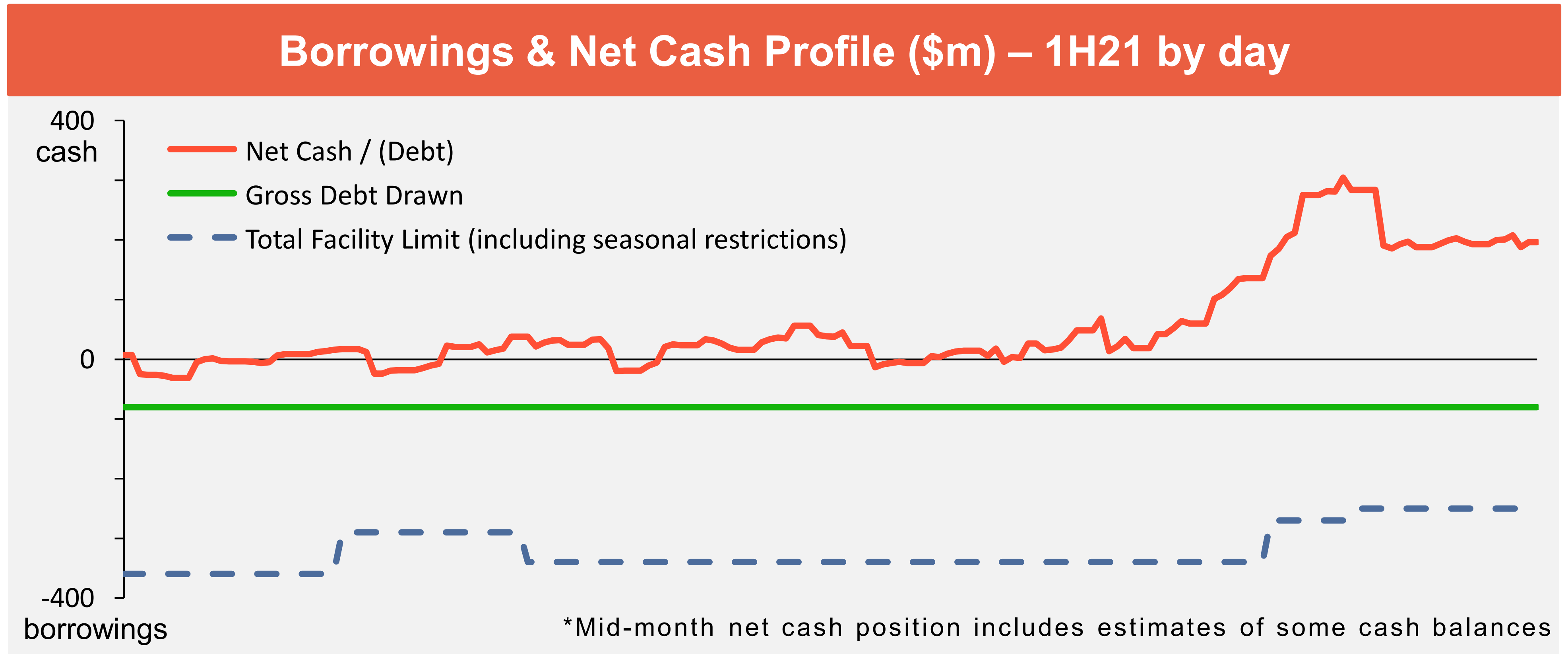
- Inventory down 22%, reflecting merchandise cycle improvements, better stockturn and some product availability issues
- Creditors reflects the business continuing to pay merchandise suppliers per agreed terms or better
- Other assets & liabilities increase due to an increase in deferred tax assets from impairments recognised at July 2020
- Net cash at end of period of $201.1 million; a $98.2 million improvement on 1H20 reflecting focus on deleveraging
- All covenants continue to be met

Banking Covenants (pre-AASB 16)	Actual	Covenant
Fixed Charges Cover Ratio	1.42x	≥ 1.10x
Net Leverage Ratio	(2.10x)	≤ 3.25x
Shareholders Equity ($m)[1]	498	≥ 363

[1] For the purposes of the banking covenants only, shareholders equity is based on pre-AASB 16 financials

Progress on deleverage provides the platform





- Net cash position of $201.1 million
- Lower inventory levels and changes to the merchandise cycle have had a material impact on cash flow and borrowing needs
- Myer did not utilise any of the revolving working capital tranche during 1H21, with only the amortising term loan tranche of $80 million constantly drawn as required by the facility. Prior year peak borrowing was $220 million
- The revolving working capital tranche included a seasonal restriction of $70 million at half year-end, when availability is not needed and commitment fees are reduced. This finished on 12 February 2021, and the unutilised working capital tranche is currently $240 million
- Peak net debt in 1H21 was ~$30 million, prior year was ~$170 million
- The strengthened financials provide the platform to further invest in the digital opportunity

In summary

- Achieving earnings growth in the 1H21 sales environment was a solid outcome
- Online sales continue to grow with improving profitability
- Focus on driving CODB lower continues
- Merchandise cycle has improved
- We have achieved progress in our goal of deleveraging the balance sheet
- There are opportunities to invest in digital growth, logistics and systems; and in stores, jointly with our landlords if economically justified
- JobKeeper and rent and outgoings waivers provided support during periods of significant sales decline including forced store closures; all JobKeeper payments received were paid to employees, and were critical in maintaining connection to our workforce

AGENDA

- 1H21 SUMMARY
- 1H21 RESULTS
- **CUSTOMER FIRST PLAN**
- CONCLUSION
- APPENDICES

Our way forward

- The Customer First Plan and its focus on retail execution continues to underpin our approach
- Myer Online is now one of Australia's leading digital retailers and is a key priority for growth investment
- MYER one provides a competitive advantage with well over 5 million member cards across our omni-channel network
- Space reduction to provide greater operational and balance sheet flexibility
- Our future vision for Myer is a data and digital-led retailer

COVID-19 overlay

Actions taken

Accelerate	Re-sequence	Expand

Our plan

Accelerate online	Accelerate F2C	Adapt in-store experience
Refocus merchandise	Rationalise property	Reduce overheads

Re-engage the consumer through peak

The Customer First Plan and its focus on retail execution continues to underpin our approach

Refocus Merchandise

- Inventory cleanest it has ever been, down 22%. Working with partners to improve product availability issues
- New quit cycle has sped up the merchandise cycle and we will see further improvements
- Lower inventory has improved the in-store experience and contributed to the record cash position
- Reweighted our merchandise offer towards Home and Casual
- Continue to make the big brands bigger - Tommy Hilfiger, Maxwell & Williams, Salt&Pepper and Premium Fragrances

Metrics	1H21 vs 1H20
Reduction in clearance inventory	down 66%
Stock turn improvement	up 0.36x

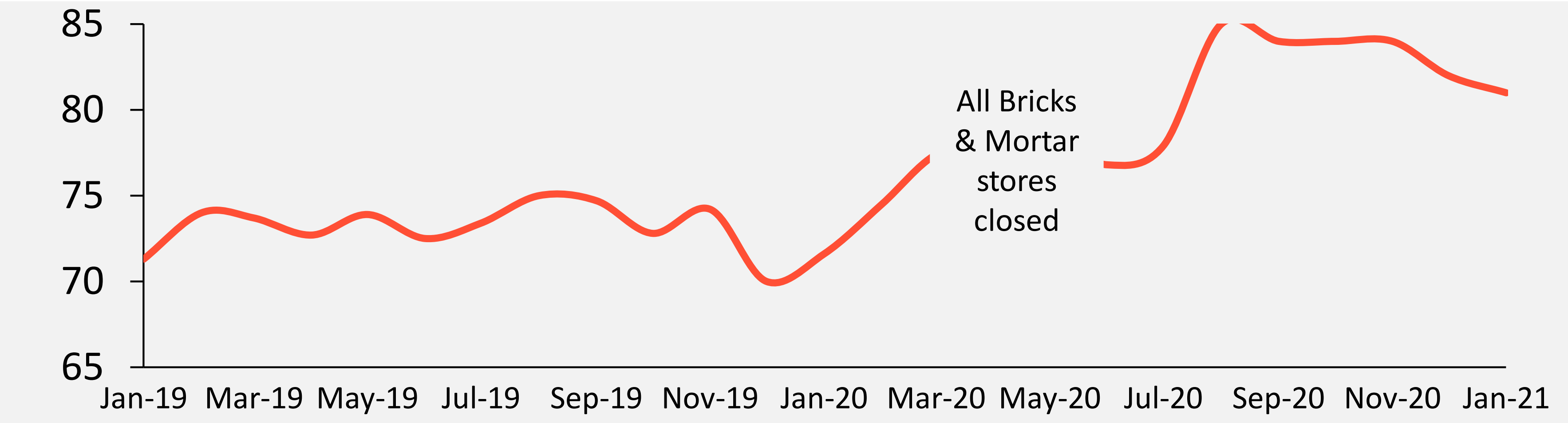
Customer Experience In-store

- Team member and staff safety protocols working well
- Customer satisfaction with team members highest on record
- Landlord funded refurbishments opened in Cairns and Belconnen and underway at Karrinyup

Our Priorities are

- Disciplined investment in high-impact store improvements
- Activate CBD recovery programs as footfall improves
- Reinforce Myer as the one-stop shop destination for key events

Customer Satisfaction[1]



[1] Customer satisfaction is an in-store measure only; as measured by customers

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Accelerating online plans will underpin profitable growth trajectory

Online experience uplift

- Significant experience improvement planned around search, navigation and product sequencing will underpin increased conversion
- Accelerating journey to personalisation through automation and data integration

Enhancing online fulfilment

- Post 1H21, 3PL moved to a larger facility and will continue to expand under the hybrid model
- Continued focus on improving delivery times and reduced cost per order

Actively curate and expand the offer

- Migrated Myer Marketplace to myer.com.au and increased Drop Ship Vendor (DSV) allowing further expansion
- Expansion of key brands and categories

Continue to build and leverage MYER one

- Continue to drive deeper engagement with MYER one members
- Leverage data foundations to provide greater insight and targeting to drive communications effectiveness and underpin journey to personalisation

MYER one provides a competitive advantage across our omni-channel network

Increased MYER one experience changes, acquisition flow and onboarding

- Increasing MYER one engagement with tag rate improving to 69.2% (up 410bps) at end of 1H21, online tag rate up 1,270bps
- Improved acquisitions flows and onboarding with acquisition increasing by 66%

Enhanced value proposition and rewards

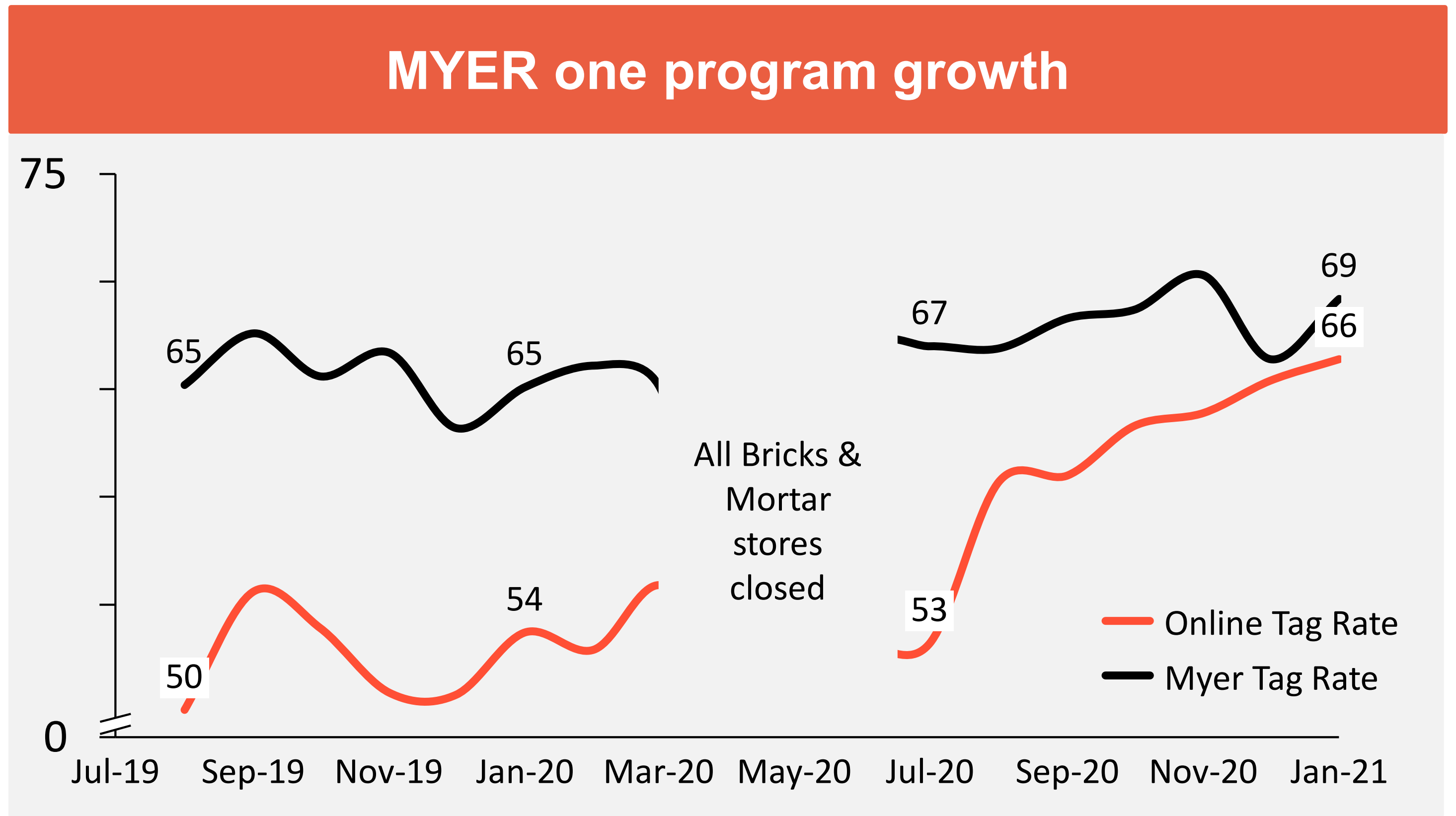
- Over 1 million more members earned rewards in 1H21 with introduction of $10 reward card
- Exceeding planned benefits including spend multiple on issued cards

Driving more effective CRM, trade marketing and developing more MYER one exclusive promotional activity

- More effective CRM and trade marketing program designed to engage and reward more members underpinning marketing efficiency
- New exclusive MYER one initiatives including bonus credit, expanded VIP shopping events and personalisation proved highly effective and delivered more value

Future developments underpinning growth in the platform

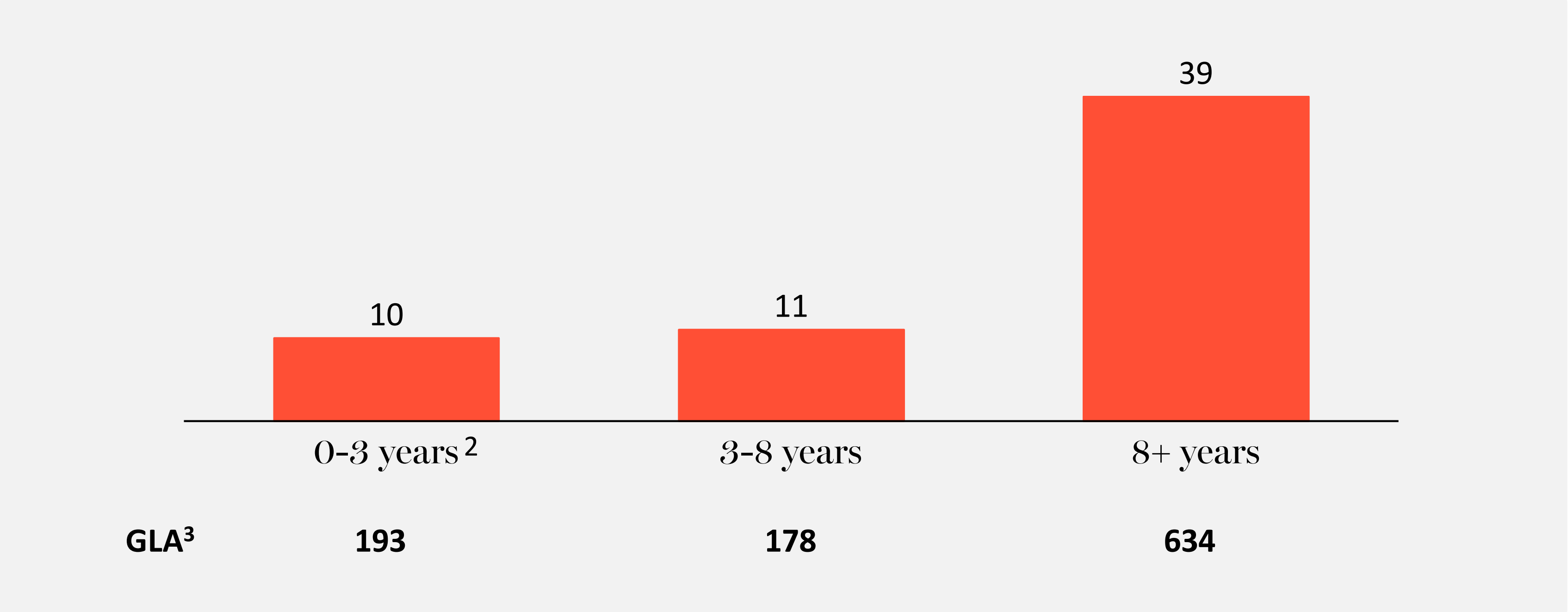
- Review of tiering and benefits of program to drive greater engagement and customer value
- Strengthening MYER one exclusive pricing within business as usual
- Leverage the data foundations across the business



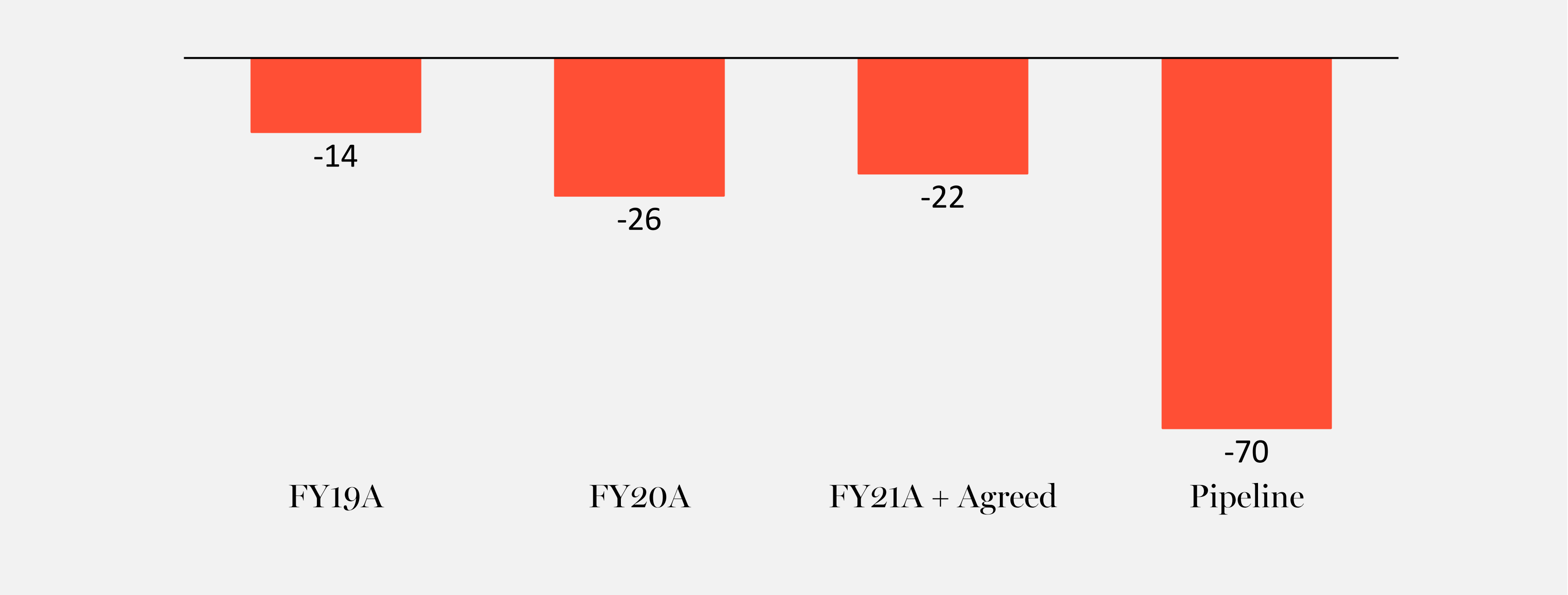
Space reductions to provide greater operational and balance sheet flexibility

- Our priority was executing additional rent and outgoing waivers of $18 million in 1H21 ($32 million in total since March 2020); with focus then shifting to trading well through key trade periods
- Agreed further space handbacks at Highpoint and Morley during the period
- Many Myer leases are strategic assets given term and cost per square metre
- GLA reduction target >110k sqm remains on track
- We will provide a further update in coming months

Department Stores Lease Liability Profile[1]



GLA[3] Space Reductions sqm ('000)



[1] Lease expiry profile reflects the number stores with current leases, signed Agreement for Leases and option periods exercised
[2] Includes 3 company owned properties: Bendigo, Dubbo, Wagga
[3] Gross Lettable Area sqm (000's)


AGENDA
1H21 SUMMARY
1H21 RESULTS
CUSTOMER FIRST PLAN
CONCLUSION
APPENDICES

Conclusion

- Focus on our Customer First Plan is producing positive results
- Online scale and growth provides platform for profitable growth
- MYER one momentum is underpinning improved connection and engagement with our customers
- Continued discipline in cost management and strengthened balance sheet provides future flexibility
- Well placed to manage headwinds and leverage opportunity

AGENDA

Appendix 1: NPAT reconciliation to statutory accounts

$ MILLIONS	EBIT	INTEREST	TAX	NPAT
Statutory reported result	**109.2**	**(47.5)**	**(18.7)**	**43.0**
Add back: Implementation costs and individually significant items				
Store exit costs/(reversals) and other asset impairments/(reversals)	(0.2)	-	0.1	(0.1)
Result: post-AASB 16[1]	**109.0**	**(47.5)**	**(18.6)**	**42.9**
Impact from adoption of AASB 16	(42.1)	42.0	-	(0.1)
Result: pre-AASB 16[1]	**66.9**	**(5.5)**	**(18.6)**	**42.8**

[1] Excluding implementation costs and individually significant items totalling $0.1 million ($0.2 million pre-tax)

Appendix 2: Income statement – AASB 16 impact

$ MILLIONS	1H21 (STATUTORY)	AASB 16 IMPACT	1H21 (PRE-AASB16)	1H20 (PRE-AASB16)	CHANGE (PRE-AASB16)
Total Sales[1]	1,398.0	-	1,398.0	1,607.9	(13.1%)
Operating Gross Profit	539.8	0.1	539.9	629.3	(14.2%)
Cost of Doing Business[2]	(325.2)	(101.5)	(426.7)	(516.1)	(17.3%)
EBITDA[2]	**214.6**	**(101.4)**	**113.2**	**113.1**	**0.1%**
Depreciation[2]	(105.6)	59.3	(46.3)	(48.6)	(4.7%)
EBIT[2]	**109.0**	**(42.1)**	**66.9**	**64.5**	**3.8%**
Net Finance Costs	(47.5)	42.0	(5.5)	(5.5)	1.1%
Tax[2]	(18.6)	-	(18.6)	(17.6)	5.8%
Net Profit after tax[2]	**42.9**	**(0.1)**	**42.8**	**41.5**	**3.2%**
Implementation Costs and Individually Significant Items (post tax)	0.1	-	0.1	(13.4)	nm[3]
Statutory Net Profit after tax	**43.0**	**(0.1)**	**42.9**	**28.1**	**52.9%**

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[1] Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was $1,127.1 million (1H20: $1,281.2 million)
[2] Excluding implementation costs and individually significant items totalling $0.1 million ($0.2 million pre-tax)
[3] Not meaningful

Appendix 3: Operating cash flow – AASB 16 impact

$ MILLIONS	1H21 (STATUTORY)	AASB 16 IMPACT	1H21 (PRE-AASB16)	1H20 (PRE-AASB16)
EBITDA[1]	**214.6**	**(101.4)**	**113.2**	**113.1**
Add/(Less) implementation costs and ISIs	0.2	-	0.2	(19.0)
Add non-cash asset impairments	0.3	-	0.3	1.0
Working capital movement	111.2	(22.0)	89.2	83.6
Operating cash flow (before interest & tax)	**326.3**	**(123.4)**	**202.9**	**178.7**
Conversion	151.7%	-	178.5%	187.9%
Income tax refunded/(paid)	7.0	-	7.0	(8.2)
Net interest paid	(2.9)	-	(2.9)	(4.5)
Interest – lease liabilities	(42.8)	42.8	-	-
Operating cash flow	**287.6**	**(80.6)**	**207.0**	**166.0**
Capex paid[2]	(14.2)	-	(14.2)	(22.4)
Free cash flow	**273.4**	**(80.6)**	**192.8**	**143.6**
Principal portion of lease liabilities paid	(80.6)	80.6	-	-
Other	(0.2)	-	(0.2)	(0.7)
Net cash flow	**192.6**	**-**	**192.6**	**142.9**

[1] Excluding implementation costs and individually significant items

[2] Net of landlord contributions