



MY STORE

4 November 2021

2021 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS AND CHIEF EXECUTIVE OFFICER'S PRESENTATION

Myer Holdings Limited (ASX:MYR) today addresses shareholders in its Annual General Meeting to be held virtually at: <https://agmlive.link/MYR21>, commencing at 11:00am (Melbourne time).

The Chairman's Address follows below. We will separately lodge the Chief Executive Officer's Presentation.

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MY STORE

Myer Holdings Limited

2021 Annual General Meeting

Thursday, 4 November 2021, at 11:00am (Melbourne time)

Held virtually at: <https://agmlive.link/MYR21>

CHAIRMAN'S ADDRESS

FY21 IN REVIEW

I would now like to give an update on the year.

Our full year results released in September demonstrated that the Customer First Plan is gaining momentum and delivering results, despite the challenging trading conditions associated with the COVID-19 pandemic.

We have remained focused on bringing our Customer First Plan to life, to be a truly data-led retailer, using the combined strength of our store network and online capability, as we responded to the dynamic environment created by COVID-19.

Throughout the year, we have continued to see Australians living through various lockdowns across the nation, with large parts of the population having to navigate some form of stay-at-home measures during this time.

The Myer support office team, like many other Australians, largely performed their roles remotely and with great commitment and focus.

We continued to meet the protective measures implemented by the various levels of government with a lens on protecting the health and safety of customers, team members and the broader communities where we operate.

While there were temporary closure of stores in various states and territories, we continued to offer our customers our popular and free contactless click-and-collect service as well as online shopping via myer.com.au. Our Myer team members did a fantastic job in responding to these closures with agility and resilience and doing all they could to provide the service our customers expect and love from Myer.

To put the closures in perspective, they represented more than 2,000 individual trading days lost within the 2021 financial year, which is significant for our business.

More recently, it has been great to have our New South Wales stores open for a number of weeks and our Victorian stores opening last weekend. Customers have been thrilled to be back and our team have loved welcoming them.

We've seen strong trading in New South Wales stores since they reopened with department store revenues up 35% year on year in our first two weeks – showing the positive response from our customers to stores being open again.

FY21 RESULTS

I would like to briefly speak about our Full Year Results. Our FY21 results reflect the continued transformation of the business under our Customer First Plan since it was launched just over three years ago in September 2018.

The improved fundamentals were key to the improved profitability in FY21. The Board and Executive team were disappointed that the closures experienced in New South Wales and Victoria in June and July impacted the achievement of an even stronger result for the 2021 financial year.

Of particular note, the FY21 result reflected continued rapid growth in the online business, an improved operating gross profit margin, sustained and disciplined management of costs and cash, and the Company delivered a second half net profit after tax (NPAT) for the first time since FY17.

Key highlights included:

- Total sales up 5.5% to \$2,658.3 million, despite Government mandated store closures and travel restrictions, particularly in the first and fourth quarters.
- Continued strong growth in Group online sales, up 27.7% to \$539.5 million, now representing 20.3% of total sales.
- Net profit after tax (excluding implementation costs and individually significant items) of \$51.7 million, up from a net loss after tax of \$13.4 million in the prior year.
- Net cash improved by \$103.9 million to \$111.8 million.
- A solid second half performance with comparable store sales up 8.4%, EBIT of \$61.5 million and NPAT (excluding implementation costs and individually significant items) of \$8.8 million.

DIVIDEND

Despite our solid result in FY21 and strengthened balance sheet position, with the ongoing uncertainty around the timing of the lifting of restrictions, the Board took the prudent decision to continue the pause of dividends.

From a Board and Executive team perspective, as our performance continues to strengthen, the recommencement of dividends is a priority.

CUSTOMER FIRST PLAN – THREE YEARS OF DELIVERY

We have remained focused on the delivery of our Customer First Plan, using the combined strength of our store network and online business to respond to the challenges and opportunities presented by the external operating environment.

The provision of leading service, experiences and brands to our customers, whether they shop with us in-store or online is at the heart of the Plan.

Myer has recorded increasingly high levels of customer satisfaction, being named Department Store of the Year once again and rated the 7th most trusted brand in Australia by Roy Morgan.

John will make some more detailed comments on the momentum we are seeing through the Customer First Plan but I wanted to highlight some of the key achievements:

- Delivered significant growth and scale to online.
- Lifting the customer experience in store and online to record levels.
- Driving improved engagement and growth through our MYER one loyalty base by delivering improved rewards and greater personalisation.
- Improved product ranges and key categories, with a more disciplined approach to purchasing and inventory, focusing on core lines and supplier relationships – making the big brands bigger. We are focused on adding brands that our customers want, and expanding the ranging of the most popular brands.
- We continue to strategically review, optimise and reduce our overall physical store space and we remain focused on reducing costs.

In July, we announced our new National Distribution Centre which is a critical step in getting products to our customers in the quickest and most efficient way.

At this point, I want to thank our Myer team members, suppliers and brand partners, as well as the Executive team, for their hard work, commitment and agility in responding to the challenges and opportunities of the past year.

REALISING SHAREHOLDER VALUE

We are pleased with the progress to date – but there is more to come. The Board and the Executive team see great potential in some areas of our business where further inherent value can be unlocked.

We have been actively reviewing our online business and the MYER one program, with the input of strategic advisers to ensure the decisions we are taking are positioning the business to demonstrate the embedded value of these assets as we continue to invest in and grow them.

BOARD

In mid September, we announced two changes to the Board. Firstly, I was appointed as Chairman and I look forward to continuing to work closely with the Board and Executive team on the work underway through the Customer First Plan.

At the same time, we announced that Ari Mervis would join the Myer Board, and his election is on the agenda for shareholders today.

Ari's executive career included more than 25 years with SABMiller plc, including nearly ten years as Managing Director of the Asia Pacific region.

Ari was responsible for the acquisition and integration of Carlton and United Breweries by SABMiller as Chief Executive Officer, whilst retaining responsibility for the Asia Pacific region.

Ari is currently a Non-Executive Director and Chairman of McPherson's Ltd and brings global experience spanning a range of industries in branded goods and consumer staples, bringing a deep understanding of consumer markets.

With his executive experience in driving sustainable top-line growth, cost reduction and unlocking value through portfolio optimisation, Ari is already bringing valuable insights to the Myer Board and the broader business.

We also have highly skilled Directors in Dave Whittle and Jacquie Naylor.

Dave brings considerable brand, data, technology, omni-channel retail and digital transformation experience. Over the last six years, Dave has led Lexer, a global software company helping brands and retailers internationally to genuinely understand and engage their customers.

Jacquie brings to the role a wealth of experience and knowledge of both women's and men's apparel, homewares and outdoor brands. Jacquie has had extensive experience in strategic planning, logistics, marketing and eCommerce, together with corporate restructuring and global business expertise.

As Ari, Dave and Jacquie are on the agenda today for election or re-election, they will speak more on their skills and experience shortly.

We have a Board with a mix of skills and experience across key areas relevant to Myer's business now and into the future and with your support today, we will continue to ensure the Board remains majority independent, with an independent Chairman and we will continue working to ensure that any Board changes have the support of and mandate from all shareholders.

COMMUNITY

Before closing I wanted to touch on Myer's role in the community. Myer has a long-standing history of supporting local communities and is proud to partner with more than 60 charities across Australia annually. Myer's founder Sidney Myer was a well-known philanthropist, and it is in his tradition that the Myer Community Fund remains committed and focused on charitable work.

In FY21, the Myer Community Fund was proud to raise over \$825,000 to support children and families in Australia, including those experiencing family violence or requiring emergency financial relief. Funds were directed to our national charity partner The Salvation Army and local charity partners nationally. In light of the COVID-19 pandemic, an emergency relief program was implemented to provide grants to charities experiencing increased service demands due to the pandemic. Furthermore, the Myer Community Fund supported communities impacted by flood and storm damage via GIVIT and pediatric healthcare through The Royal Children's Hospital Foundation.

In FY22, we are partnering on a national level with two charities, Polished Man and The Salvation Army Australia. Both partnerships are focused on supporting vulnerable children and families in Australia.

I thank everyone at the Myer Community Fund including Chairman, Tony Sutton, as well as our committed charity partners, for their tireless work that makes such a huge difference in our community.



MY STORE

CLOSE

Once again in closing, thank you to our team, partners, suppliers and customers, and today to you our shareholders for your ongoing support and commitment.

We remain focused on the delivery of our Customer First Plan to build further momentum in improving the performance of the Myer business and demonstrating the value in the combination of our store network, online business and MYER one program.

Our CEO and management team are focussed on and committed to executing those plans, and I seek your support today for stability so that they can remain focused on the upcoming critical trading period and the delivery of the medium and longer term benefits of the Plan.

We have achieved a great deal during the past three years despite the impacts of COVID-19 through half of that period, but we know there is much more to be done – we are excited to continue to execute and deliver results to our customers and to you our shareholders.

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