

9 March 2023

## HALF YEAR 2023 RESULTS

### MOMENTUM SUSTAINED IN 1H23 – PROFITABLE SALES GROWTH WITH NPAT INCREASING 101%

- RECORD<sup>1</sup> 1H SALES OF \$1,884.9 MILLION, GROWTH 24.2% YOY; 17.2% HIGHER THAN 1H20 (PRE-COVID)
- NPAT OF \$65.0 MILLION, HIGHEST SINCE 1H14
- NET CASH UP \$50 MILLION TO \$267 MILLION; NET CASH POSITION FOR ALL OF 1H23
- INTERIM DIVIDEND DECLARED OF 8.0 CENTS PER SHARE FULLY FRANKED, COMPRISING ORDINARY DIVIDEND OF 4.0 CENTS PER SHARE, AND A SPECIAL DIVIDEND OF 4.0 CENTS PER SHARE

### 1H23 RESULTS (post-AASB 16) for the 26 weeks to 28 January 2023, compared to 1H22 (26 weeks to 29 January 2022):

- Total sales<sup>2</sup> growth of 24.2% to \$1,884.9 million
- Group online<sup>3</sup> sales were \$382.3 million or 20.3% of total sales, a decline of 9.8% due to mandated lockdowns in the prior period, but represents a 3yr Compound Annual Growth Rate (CAGR) of 31.5% from 1H20 (pre-COVID)
- Operating gross profit growth of 17.4% to \$683.2 million; margin decreased by 212 basis points to 36.3% which includes the unfavourable impact of higher shrinkage and foreign exchange movements
- Cost of Doing Business (COBD) was \$442.5 million or 23.5% of total sales, representing an improvement of 126 basis points
- Net Profit after tax of \$65.0 million, an increase of \$32.7 million or 101.4%
- Stronger balance sheet position with net cash at period end up \$50m to \$267m and inventory well controlled at the same level as the prior corresponding period
- Fully franked interim dividend of 4.0 cents per share declared, plus an additional fully franked special dividend of 4.0 cents per share, utilising significant accumulated franking credits

### Commenting on the results, Myer's CEO, John King, said:

*"We are very pleased with the strength and quality of our first half results, with a best-on-record first half sales performance, significantly improved profitability and a balance sheet that continues to provide a strong foundation for future growth. The result reaffirms our view that the Customer First Plan is the right strategy, which continues to deliver strong outcomes for our business and shareholders."*

*"Our omni-channel offer is strong, we continue to invest in MYER one, one of the country's most effective retail loyalty programs and have also demonstrated our ability to capitalise on customers returning to stores and CBD locations through a targeted program of store space optimisation, a stronger merchandise offer, key refurbishments and improved customer service."*

*"Our ordinary fully franked dividend and additional special dividend demonstrates the confidence in the momentum being built as we move through FY23, with Department store sales growth in the eight weeks post Christmas up 16.1% over the corresponding period in the prior year; continuing to deliver sales momentum despite tightening economic conditions."*

## CUSTOMER FIRST PLAN UPDATE

### Strength of the omni-channel offer is driving earnings momentum

- Strong total sales<sup>2</sup> growth of 24.2% led by a return to physical retail, with the prior corresponding period impacted by lockdowns in Q1, and Omicron in Q2
- CBD stores were the strongest channel increasing 53.7%, or 20.0% on a comparable<sup>4</sup> basis when lockdown periods are excluded
- Group online<sup>3</sup> sales declined 9.8% to \$382.3 million as customers migrated back to Bricks and Mortar stores; since 1H20 the 3yr CAGR for group online sales is 31.5%
- 1H23 NPAT of \$65.0m is highest since 1H14, and 101.4% higher than 1H22

John King said: *“Our strong omni-channel offer continues to give us the ability to capture the opportunities that pure plays simply cannot, with strong growth in our store sales reflecting the re-balancing of sales post lockdowns, a return to CBD growth and a robust online business providing synergies in both digital and physical environments.”*

### Key to this success is the continuing growth in MYER one and new partnership opportunities

- MYER one continues to underpin our growth hitting 73.5% tag rate across all transactions; highest level since public listing in 2009
- Active members<sup>5</sup> increased to 4.1m in the last 12 months, with new member acquisition up 36.1%
- Partnerships and Pay with Points programs allow greater access to new customers, new revenue streams and provides greater value for customers and their reward programs
- The Myer loyalty and partnership eco-system delivers a leading retail customer loyalty proposition if trading conditions tighten

John King said: *“Our continued investment in MYER one and our data capability is demonstrating strong growth in all metrics, underpinning the trajectory of our business. Partnerships across Commbank, Virgin and American Express continue to deepen the value offered to customers and in turn will provide greater revenue and growth opportunities for our business.”*

### Merchandise offer has resonated with customers and continues to improve

- Customers have responded to investments in making key brand partnerships bigger
- Inventory levels have been held consistent YoY with more newness, despite the substantial sales increase and supply chain disruptions
- The rollout of the Country Road Group of brands has commenced, representing a significant opportunity for the business

John King said: *“We continue to strengthen our merchandise offer across all fronts including growing the brands that customers love, re-introducing others like the Country Road Group and Bendon, as well as introducing new brands such as American Eagle, which will provide significant positive impact on our business in the coming years.”*

### Current trade update

In the eight weeks post Christmas, Department store sales<sup>6</sup> are up 16.1% over the corresponding period in the prior year. John King said: *“Like all retailers we remain cautious about the macro-economic environment, however, we are pleased with the momentum we are generating through the Customer First Plan and have a strong pipeline of initiatives still to come, which will ensure we are well placed for the future.”*

## Investor and Analyst briefing

Myer's CEO and Managing Director John King and CFO Nigel Chadwick will host a teleconference for investors and analysts today at 9.30am (Melbourne time).

Participants can register for the conference by clicking [here](#). 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](http://www.myer.com.au/investor)

This announcement was authorised by the Board of Myer Holdings Limited.

-ends-

## Footnotes

<sup>1</sup> Since FY04 when records are available in the financial system

<sup>2</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$1,450.2 million (1H22: \$1,205.4 million)

<sup>3</sup> Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

<sup>4</sup> 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 was removed. On reopening, the store was included from the first full week of trade.

<sup>5</sup> MYER one members who have shopped in the last 12 month period

<sup>6</sup> Excludes sass & bide and Marcs and David Lawrence

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# MYER

MY STORE

**MYER HOLDINGS LTD**

**HALF YEAR  
2023 RESULTS**

TO 28 JANUARY 2023

**JOHN KING**  
Chief Executive Officer

**NIGEL CHADWICK**  
Chief Financial Officer





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**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.**

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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.

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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

## 1H23 Highlights

1H23 Financial Results

Customer First Plan

Conclusion

Appendices



# Financial Highlights

## STRONG SALES GROWTH

↑ 24.2%

Total sales<sup>1</sup> increase on 1H22

**Best 1H sales result on record<sup>2</sup>**

## ROBUST OMNI-CHANNEL

20.3%

Group online<sup>3</sup> sales mix in 1H23

**3yr Online CAGR from 1H20**  
**↑ 31.5%**

## SIGNIFICANTLY IMPROVED NPAT

\$65.0m

Best 1H NPAT since 1H14

**↑ NPAT up 101.4% on 1H22**

## STRONGER BALANCE SHEET

\$267m net cash

**↑ \$50 million on 1H22; net cash position for all 1H23**

## REWARDING SHAREHOLDERS

8.0c per share

**Interim ordinary dividend 4.0cps; plus special dividend of 4.0cps declared**

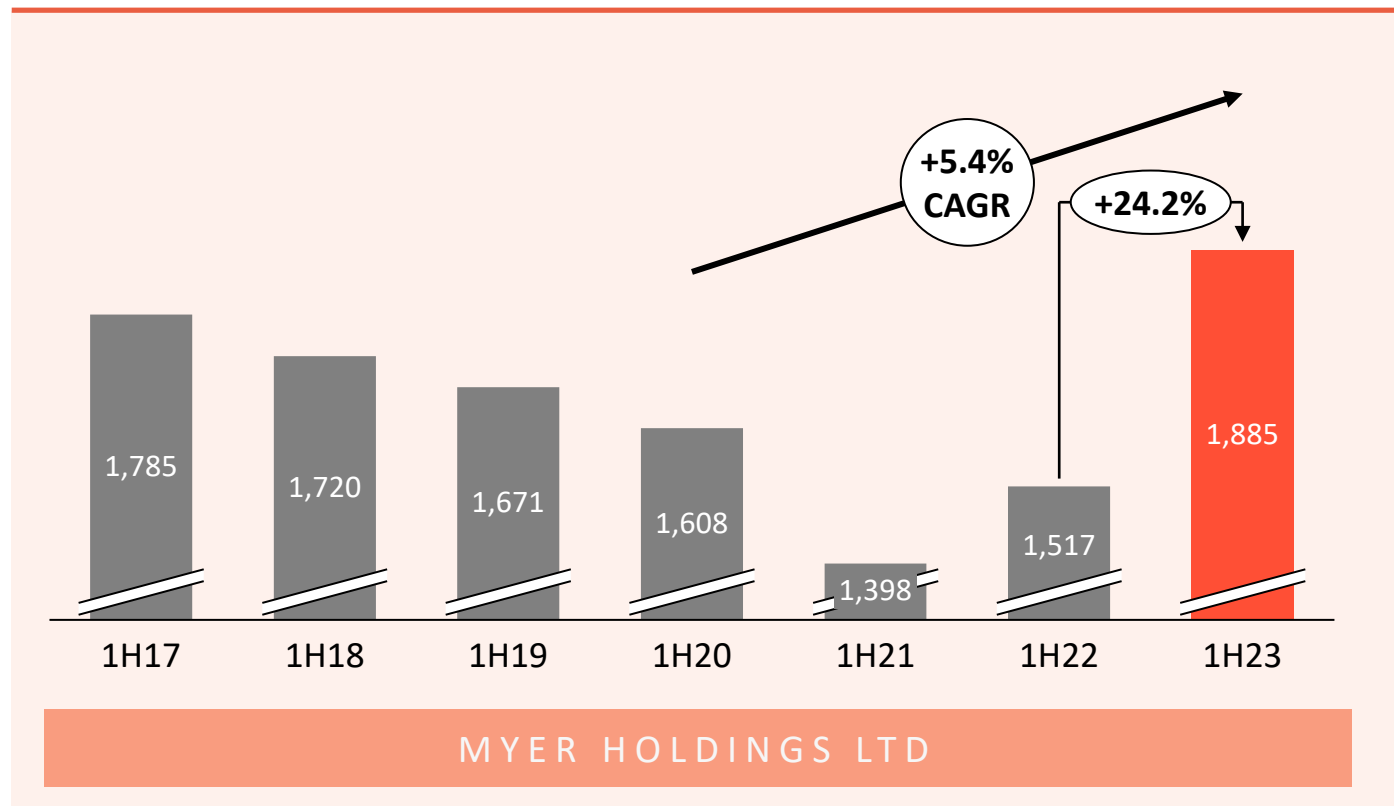
<sup>1</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$1,450.2 million (1H22: \$1,205.4 million)

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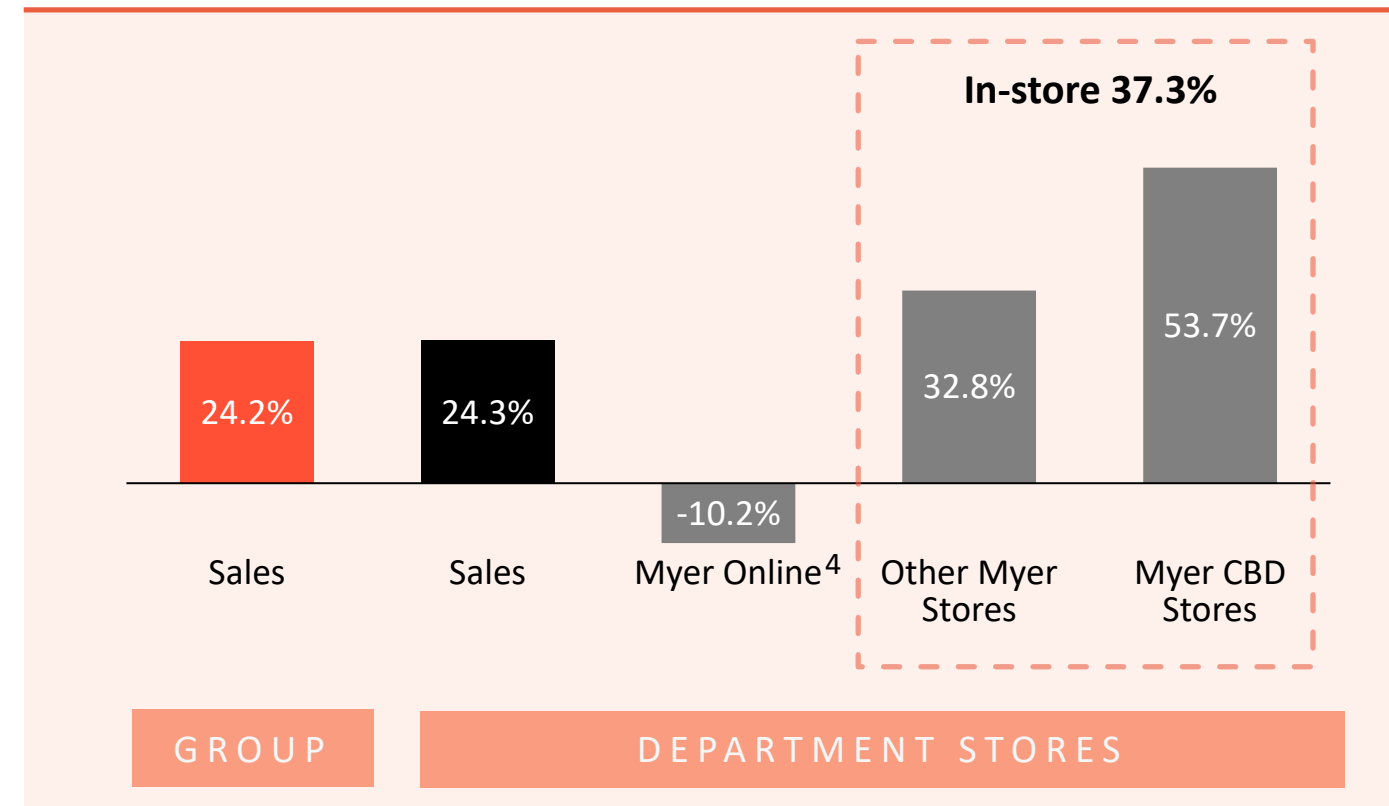
# Record 1H sales with in-store sales returning, including strong CBD store growth and robust omni-channel offer

1H TOTAL SALES<sup>1</sup> GROWTH



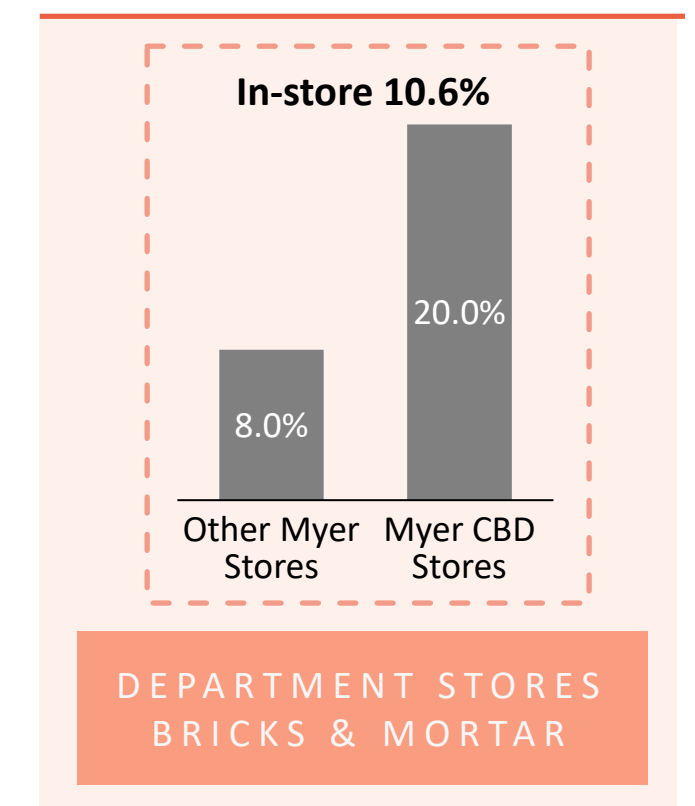
- ✓ Downward sales trend pre-COVID has reversed due to strength of omni-channel offer
- ✓ 1H23 sales are 17.2% higher than pre COVID (1H20), representing 5.4% CAGR (1H20 – 1H23)
- ✓ Myer is gaining market share<sup>2</sup> relative to industry (+28bps in 1H23)

TOTAL SALES<sup>1</sup> GROWTH BY CHANNEL



- ✓ Strong return to physical retail, over-indexing to CBD locations as foot traffic improved
- ✓ Myer online<sup>4</sup> sales reduced as cycled COVID store closures in prior year, but represented 20.3% of total sales in 1H23

COMPARABLE SALES<sup>3</sup>



- ✓ Excluding impact of COVID store closures in prior year, Myer stores grew strongly, with CBD stores growing 20% YoY

<sup>1</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$1,450.2 million (1H22: \$1,205.4 million)

<sup>2</sup> Based on analysis commissioned from Mastercard comparing Myer's performance against retail industry

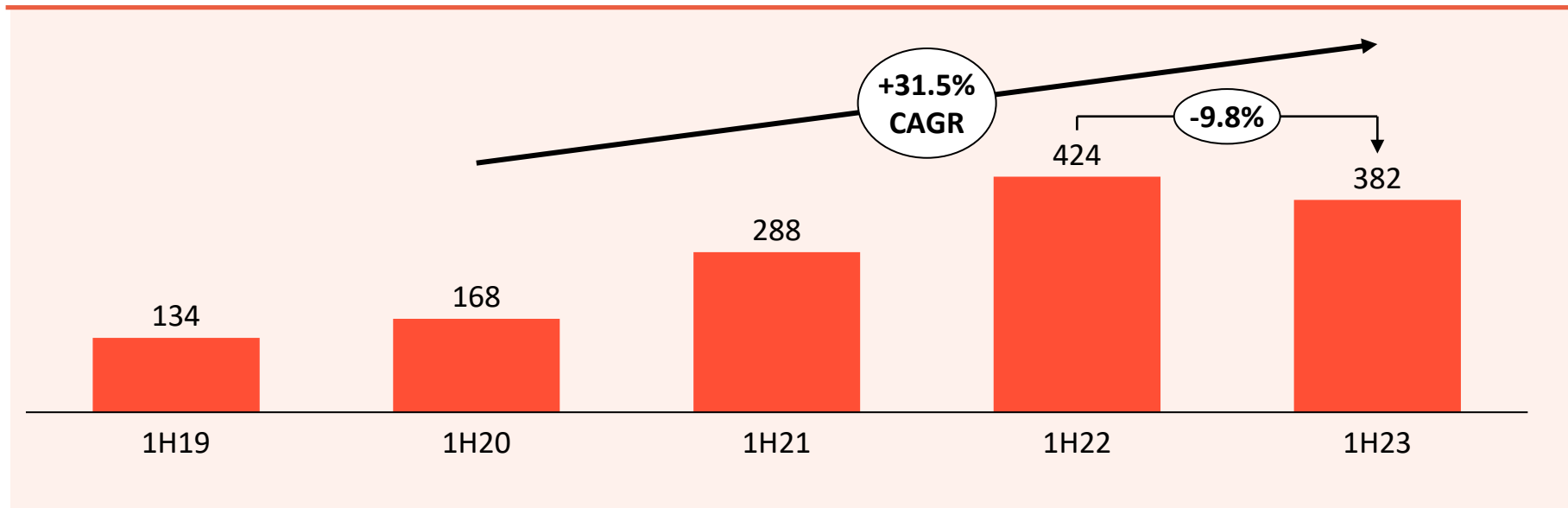
<sup>3</sup> In addition to the historical definition of comparable sales, stores closed during COVID-19 have been removed from both the current and previous year to obtain comparable sales. Where a store was closed mid-week, the week in which the store closed has been removed. On reopening, the store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

<sup>4</sup> Myer online sales excludes sass & bide and Marcs and David Lawrence



# Our strong online presence continues to underpin our omni-channel capabilities and point of difference in market

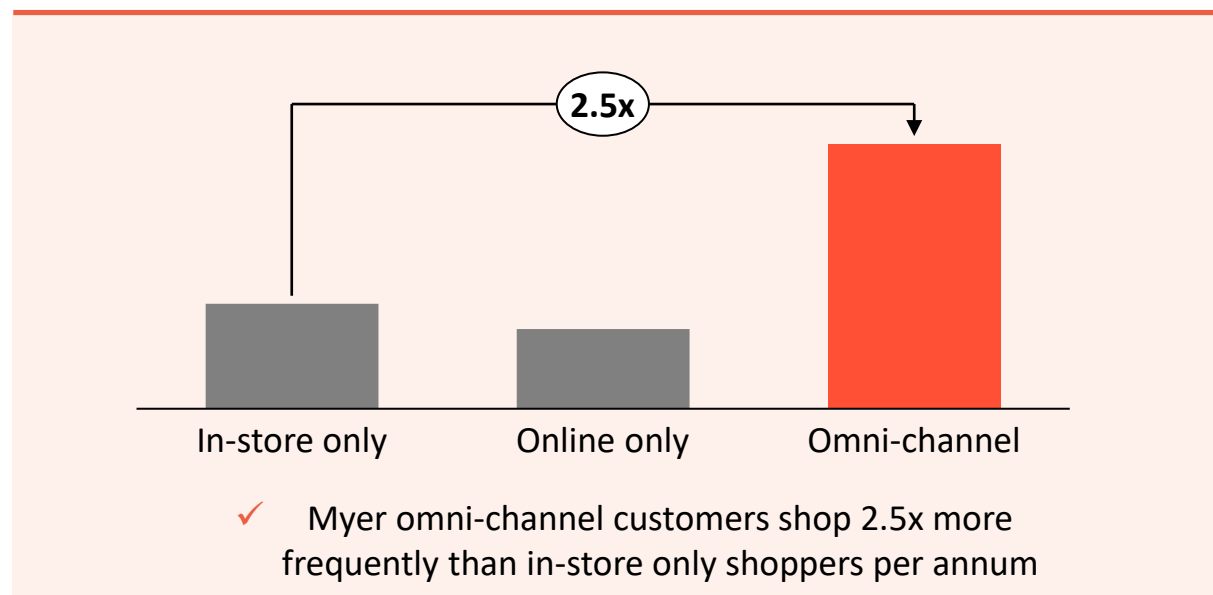
GROUP ONLINE<sup>1</sup> SALES GROWTH (\$M)



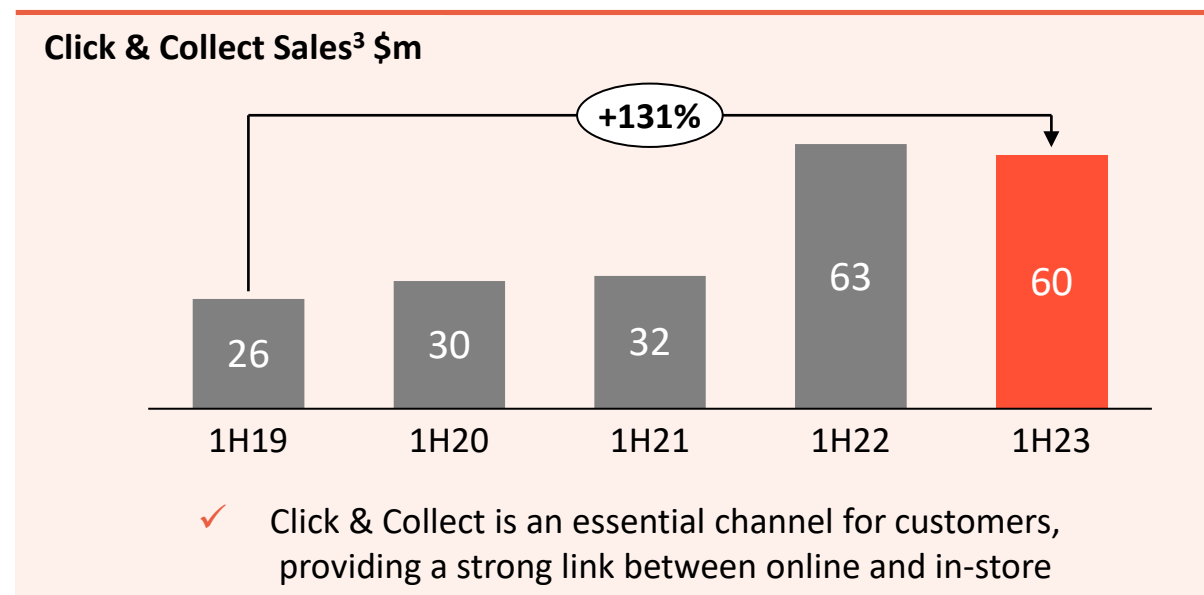
MYER ONLINE<sup>2</sup> PERFORMANCE METRICS

	1H19	1H20	1H21	1H22	1H23	1H19-23 Change
Visitor Traffic	52.3m	69.3m	85.9m	104.7m	113.6m	+117%
Unique Customers	799k	987k	1,502k	2,000k	1,756k	+120%
Conversion Rate	1.97%	1.95%	2.76%	3.37%	2.63%	+66bps
NPS	58	64	65	67	69	+19%
MYER one Online tag rate	55.3%	52.2%	63.9%	69.1%	75.8%	+2050bps

SHOP FREQUENCY




FULFILMENT CHANNEL



STRONG LINK BETWEEN ONLINE & STORES<sup>4</sup>

- Customers are using the channels interchangeably, allowing multi-channel retailers an advantage



**59%**  
People viewing products on myer.com.au intend to purchase in-store



**23%**  
Of myer.com.au purchasers looked in-store prior to making purchase

<sup>1</sup> Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

<sup>2</sup> Myer online excludes sass & bide and Marcs and David Lawrence

<sup>3</sup> Sales value (\$m) of orders collected in-store (excludes marketplace, sass & bide and Marcs and David Lawrence)

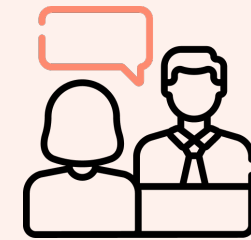
<sup>4</sup> Based on market research commissioned by Myer

# MYER one continues to drive our growth story delivering a leading retail customer loyalty proposition



**7.0m**  
Digitally contactable members (+11.4% YoY)

- The program is one of Australia's largest retail loyalty programs



**402k**  
New Members in 1H23 (+36.1% YoY)

- Acquisition continues to increase dramatically, particularly against the 18-34 demographic



**4.1m**  
Active Members<sup>1</sup> in last 12 months (+17.1% YoY)

- Already one of the largest unique active customer bases in the country, it has demonstrated strong 1H growth

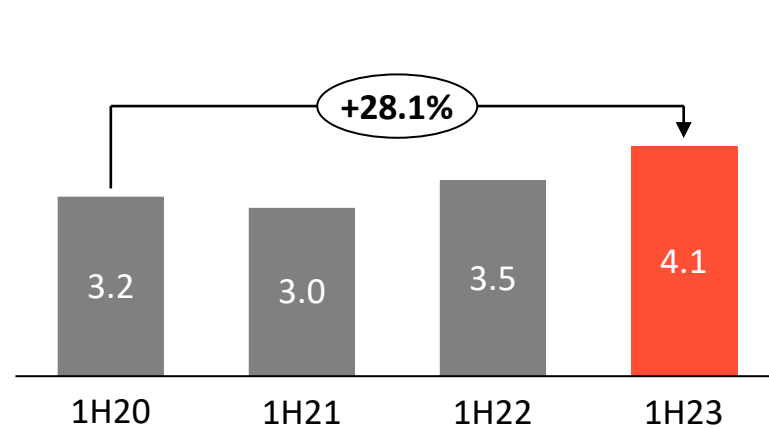


**73.5%**  
Tag Rate (+323bps YoY)

- The tag rate for all purchases in-store and online continues to set new highest levels since public listing

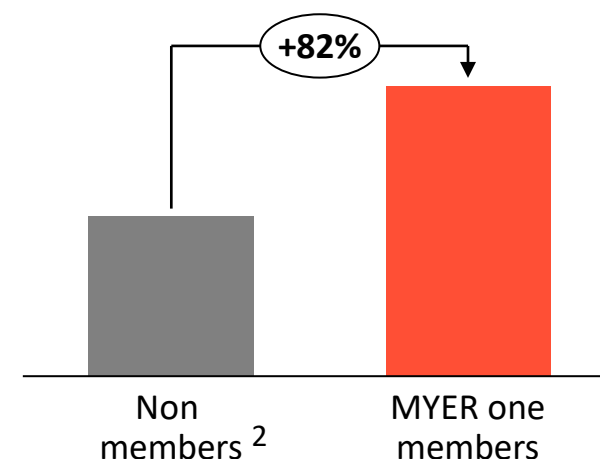
## ACTIVE MEMBERS<sup>1</sup>

- ✓ 4.1m active MYER one members, 28% increase from 1H20



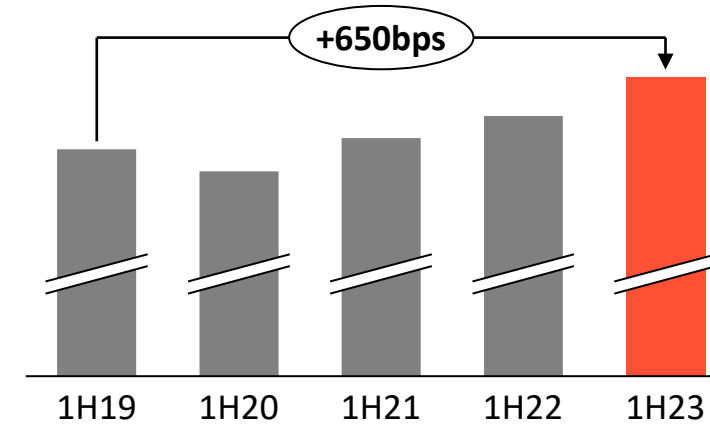
## FREQUENCY & SPEND<sup>2</sup>

- ✓ MYER one members spend more through more visits



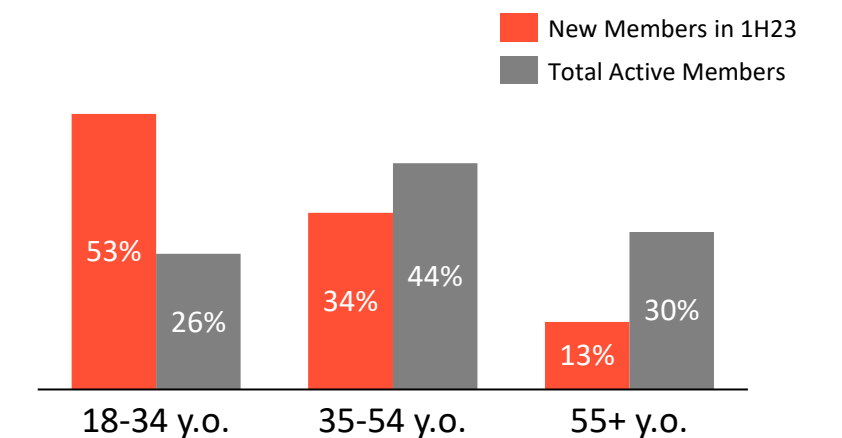
## MYER one TAG RATE

- ✓ MYER one members are engaging more across in-store and online



## DEMOGRAPHICS (MEMBER AGE)

- ✓ MYER one is attracting a younger generation of customer



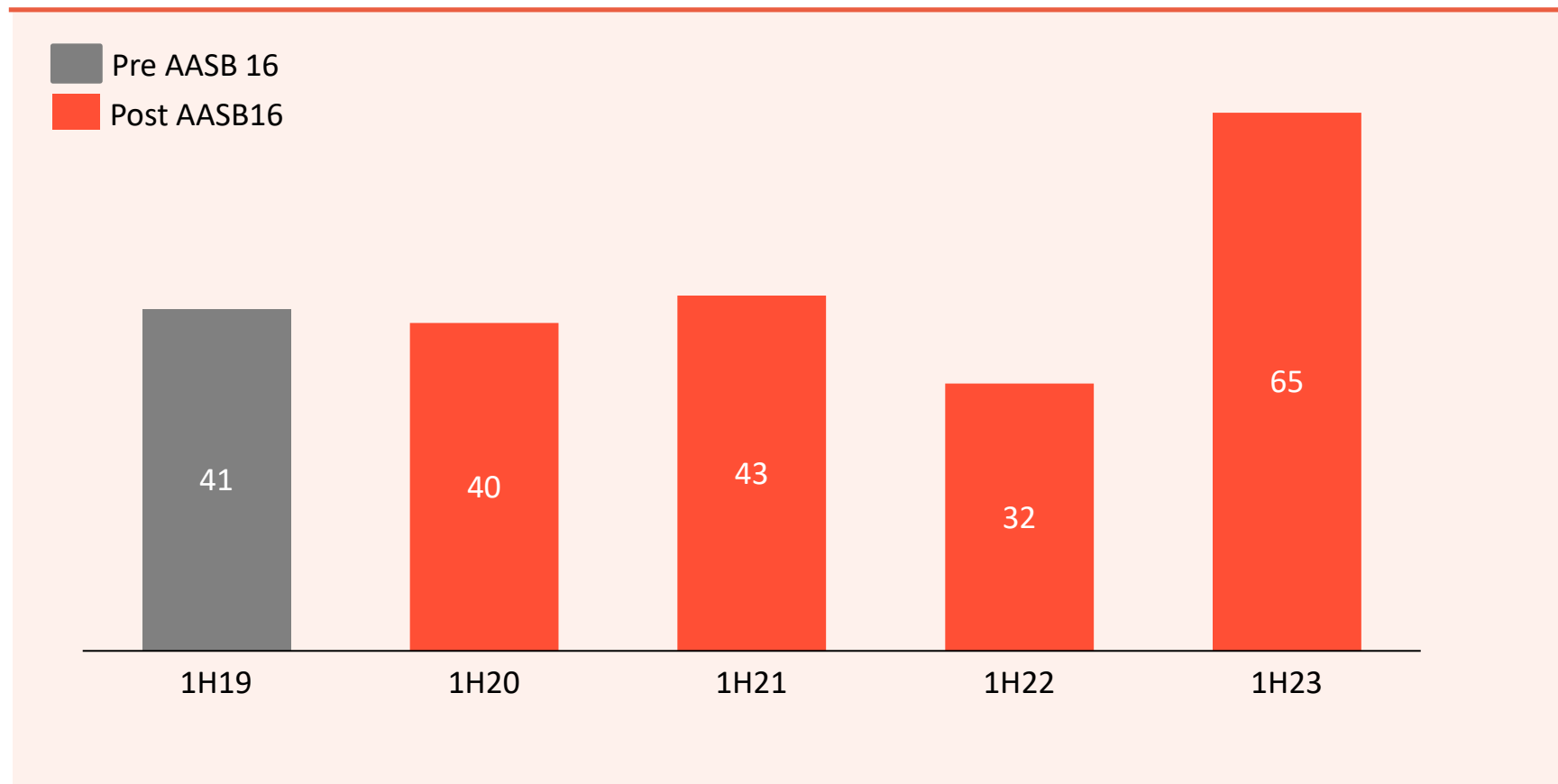
<sup>1</sup> MYER one members who have shopped in the 12 month period

<sup>2</sup> Source: Mastercard Commissioned Analysis 2022

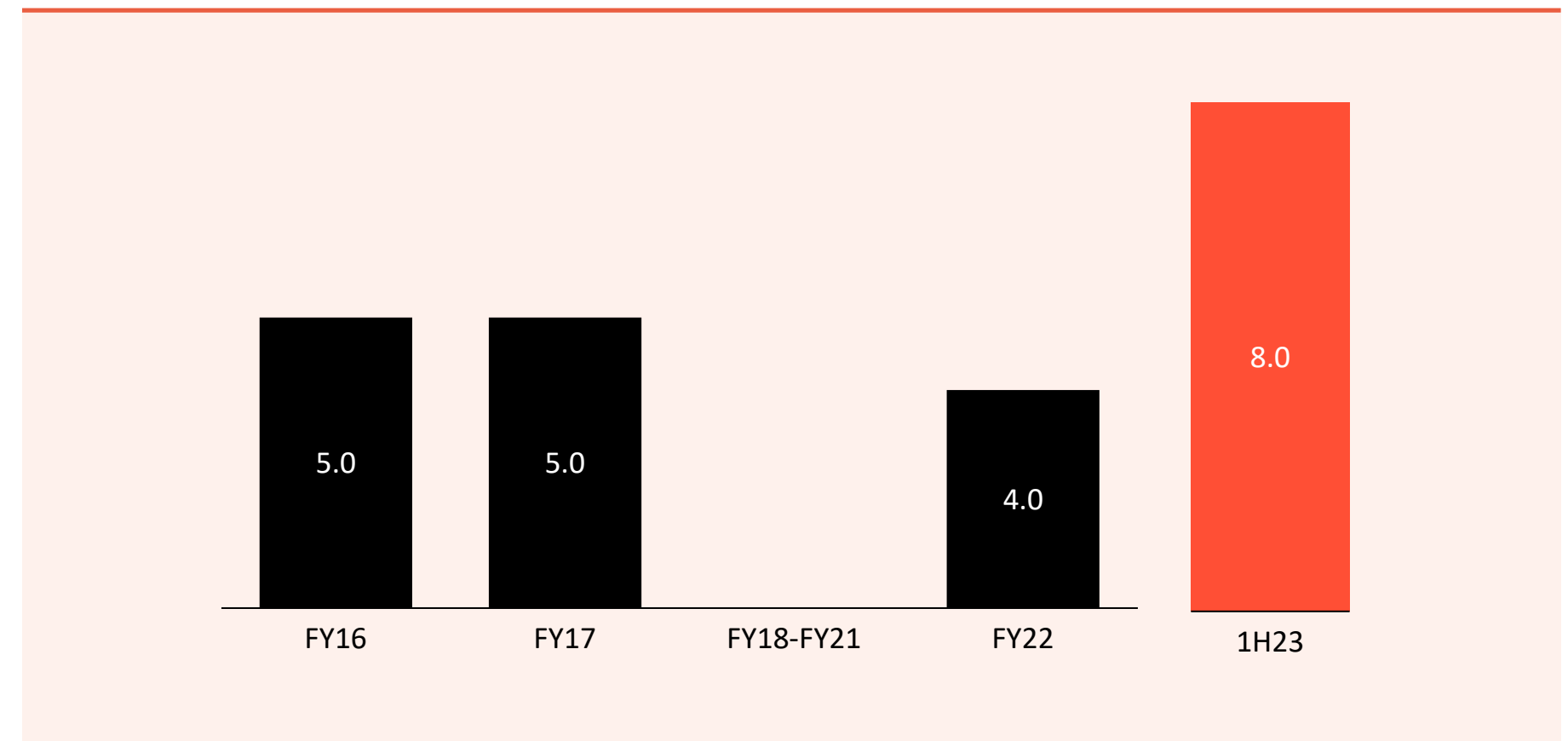


# Profitable sales growth under the Customer First Plan has led to the best 1<sup>st</sup> half NPAT<sup>1</sup> result since 1H14

NPAT<sup>1</sup> \$M



DPS \$c



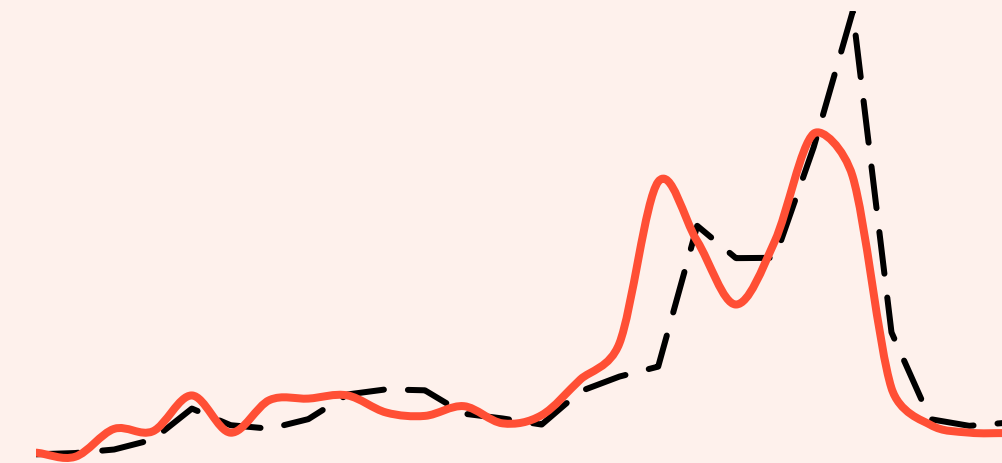
- Strong sales momentum driven by performance of physical stores, with CBD stores rebounding
- Online channel continues to compliment the store network, giving customers choice
- Structural improvements delivered through the Customer First Plan are now being realised
- Interim dividend declared of 8.0cps fully franked, comprising ordinary dividend of 4.0cps, and special dividend of 4.0cps

<sup>1</sup> Excluding implementation costs and individually significant items

# Building a more resilient and balanced business



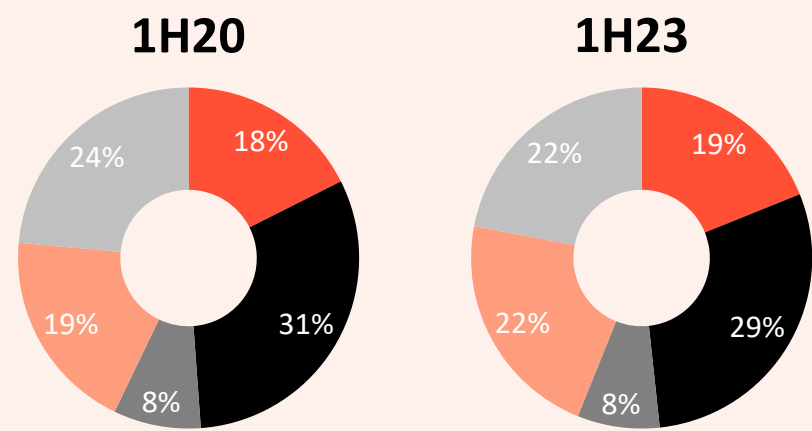
- Building stronger customer value and loyalty through MYER one, partnerships and points plus pay
- These assets drive acquisition and retention within the Myer ecosystem



DEPARTMENT STORES WEEKLY SALES AS A % OF 1<sup>ST</sup> HALF

— 1H20  
— 1H23

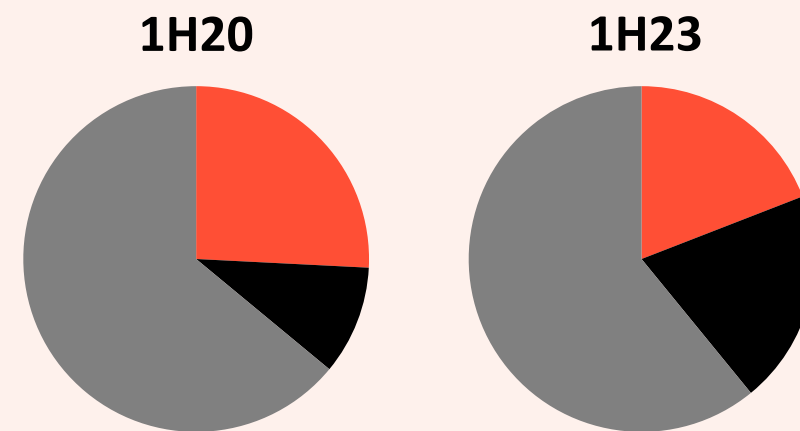
- Less reliance on Christmas peak, improving spread across the calendar through greater frequency of customer events and better leverage of Black Friday



DEPARTMENT STORES % OF SALES

■ Menswear ■ Childrenswear ■ Beauty  
■ Womenswear ■ Home & Entertainment

- Improved merchandise mix, less reliant on seasonal fashion categories
- Good, better, best product mix is resonating
- Making the big brands even bigger



DEPARTMENT STORES CBD STORES AS A % OF SALES

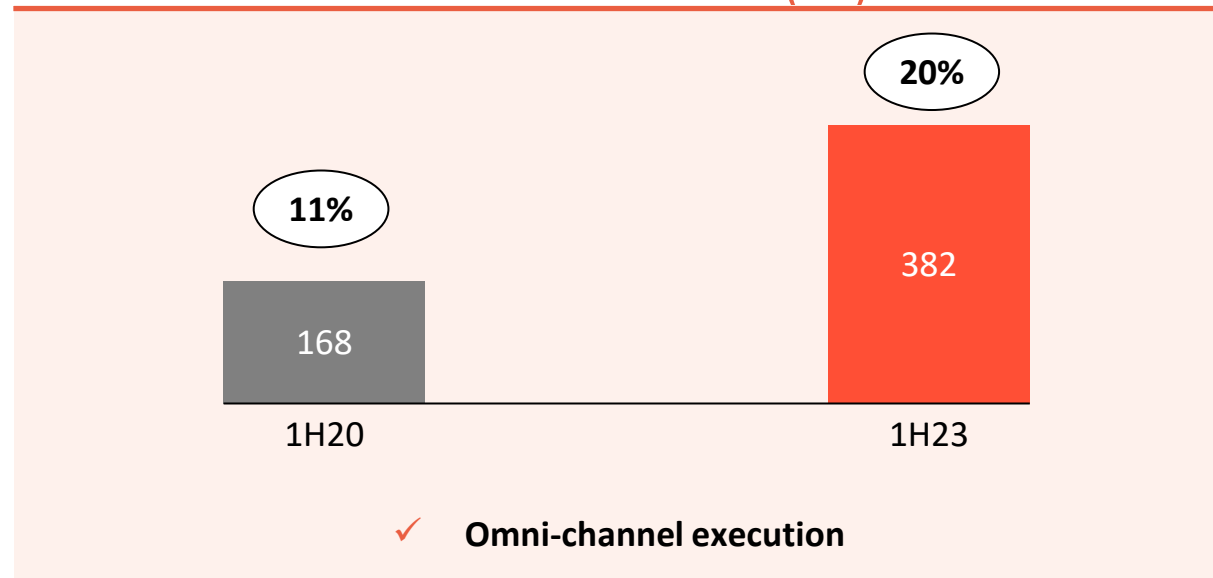
■ CBD stores  
■ Online  
■ Other

- Providing customers greater choice, less reliance on CBD stores although this will be future upside as it continues to increase

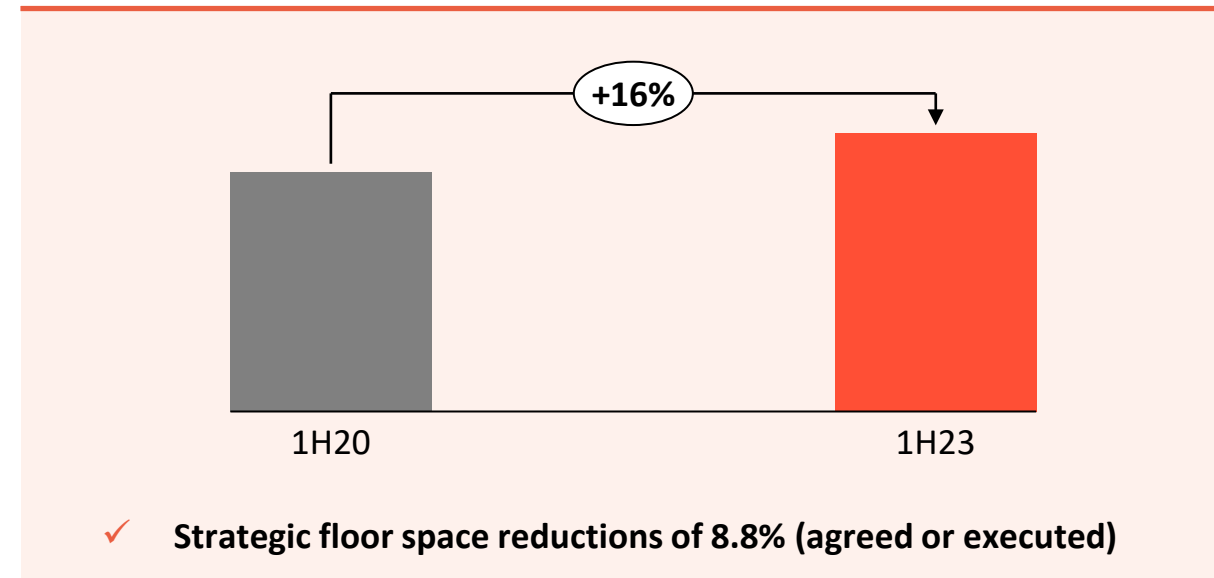


# Myer has emerged from the pandemic stronger on all key metrics, underpinned by our Customer First Plan

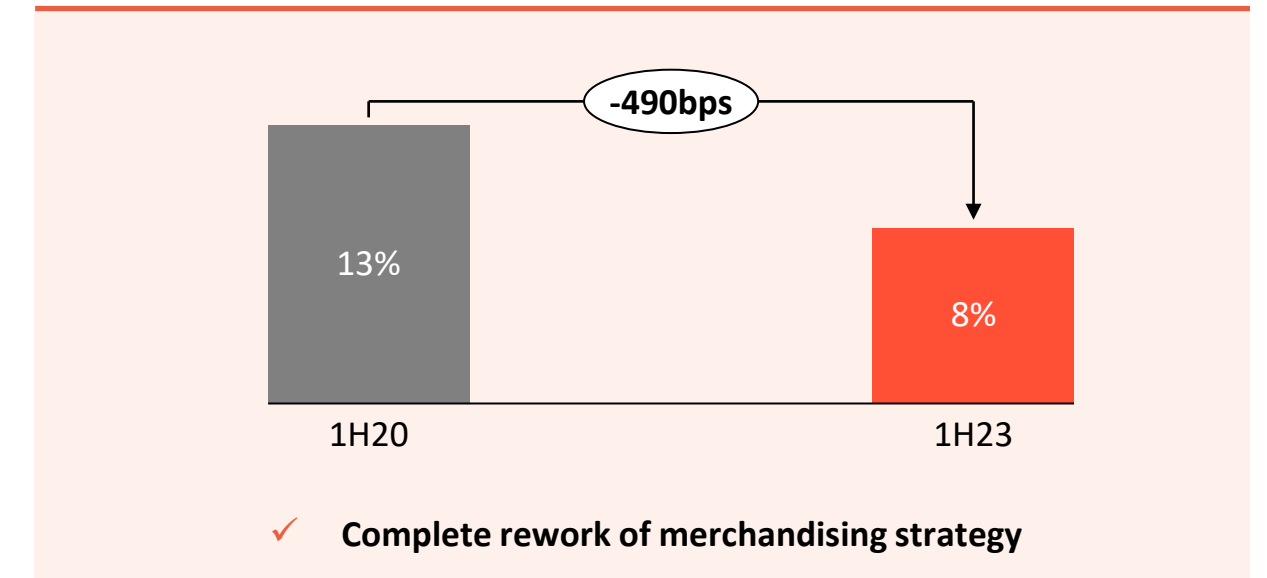
GROUP ONLINE<sup>1</sup> SALES (\$M);  
PENETRATION (%)



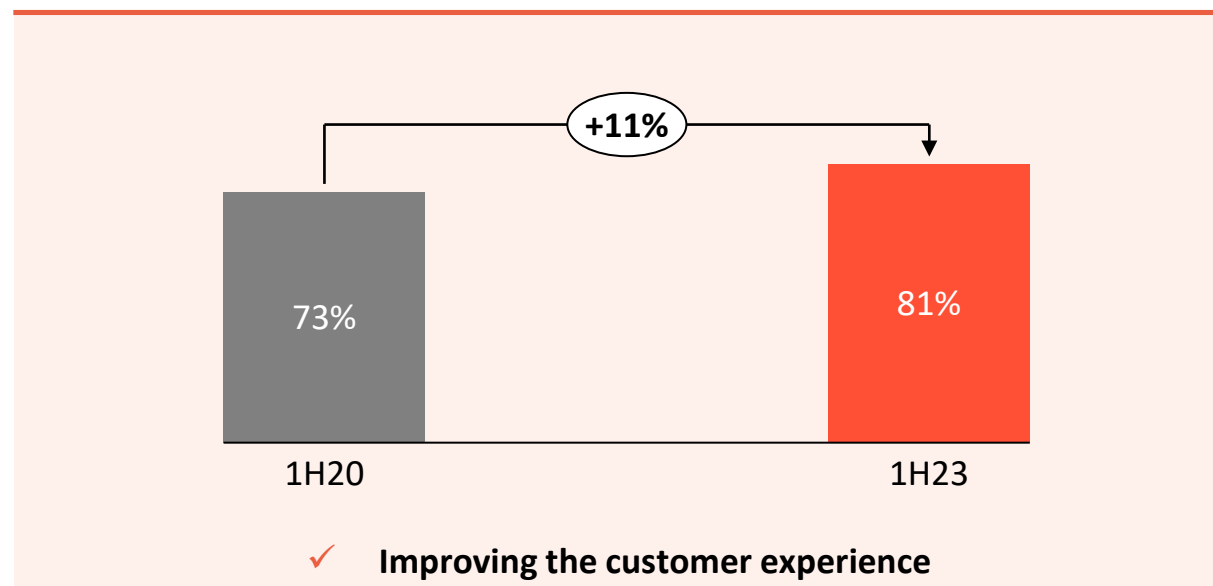
IN-STORE SALES PRODUCTIVITY<sup>2</sup>



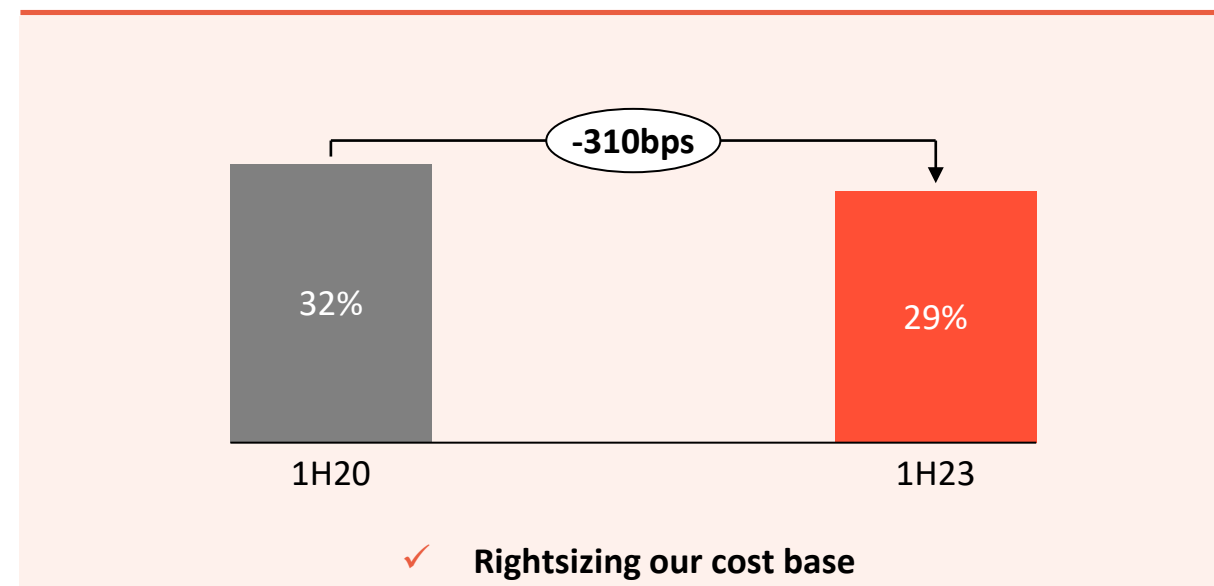
% OF CLEARANCE INVENTORY<sup>3</sup>  
OF TOTAL



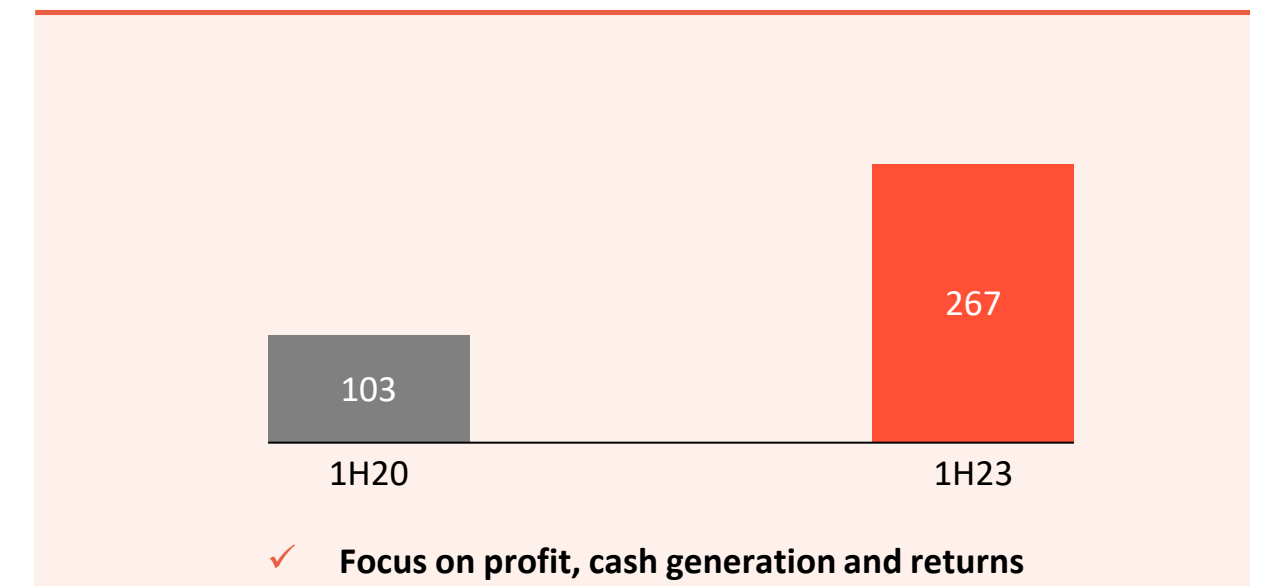
CUSTOMER SATISFACTION



CODB (PRE-AASB 16) % OF REVENUE



NET CASH / (DEBT) (\$M)



<sup>1</sup> Group online sales includes sass & bide and Marcs and David Lawrence. Excludes sales via in-store iPads

<sup>2</sup> Department Stores sales per sqm based on selling m2 (SLA)

<sup>3</sup> Department Stores stock on hand only



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**1H23 Financial Results**

Customer First Plan

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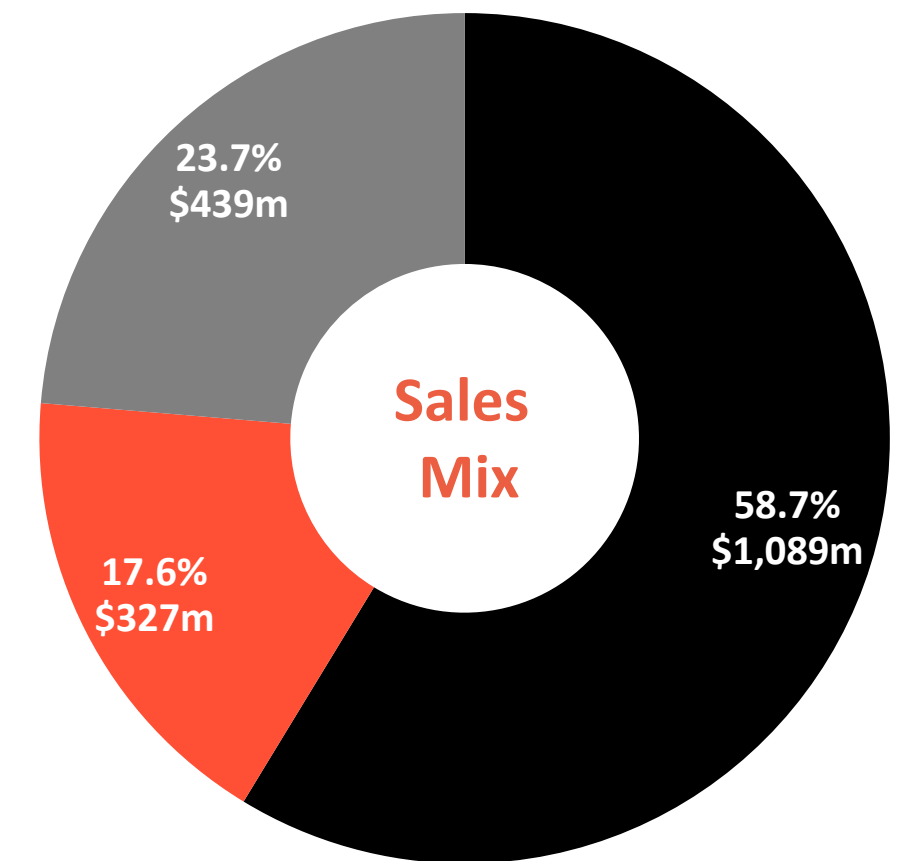


# NPAT increased 101.4% over 1H22

\$ MILLIONS	1H23	1H22	CHANGE
Total Sales <sup>1</sup>	1,884.9	1,517.4	24.2%
Operating Gross Profit	683.2	582.2	17.4%
Cost of Doing Business	(442.5)	(375.4)	(17.9%)
<b>EBITDA</b>	<b>240.7</b>	<b>206.8</b>	<b>16.4%</b>
<b>EBIT</b>	<b>139.6</b>	<b>96.7</b>	<b>44.4%</b>
<b>Net Profit after Tax</b>	<b>65.0</b>	<b>32.3</b>	<b>101.4%</b>
Operating Gross Profit Margin (%)	36.25%	38.37%	
Cost of Doing Business Margin (%)	23.48%	24.74%	

- Comparable sales<sup>2</sup> were up 4.5% on the prior corresponding half year period; includes the decline in Group online sales
- No Implementation Costs or Individually Significant Items were incurred during the half year period
- Statutory NPAT up 101.4%

## DEPARTMENT STORES



- National Brands
- MEBs
- Concessions

<sup>1</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$1,450.2 million (1H22: \$1,205.4 million)

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# Operating Gross Profit

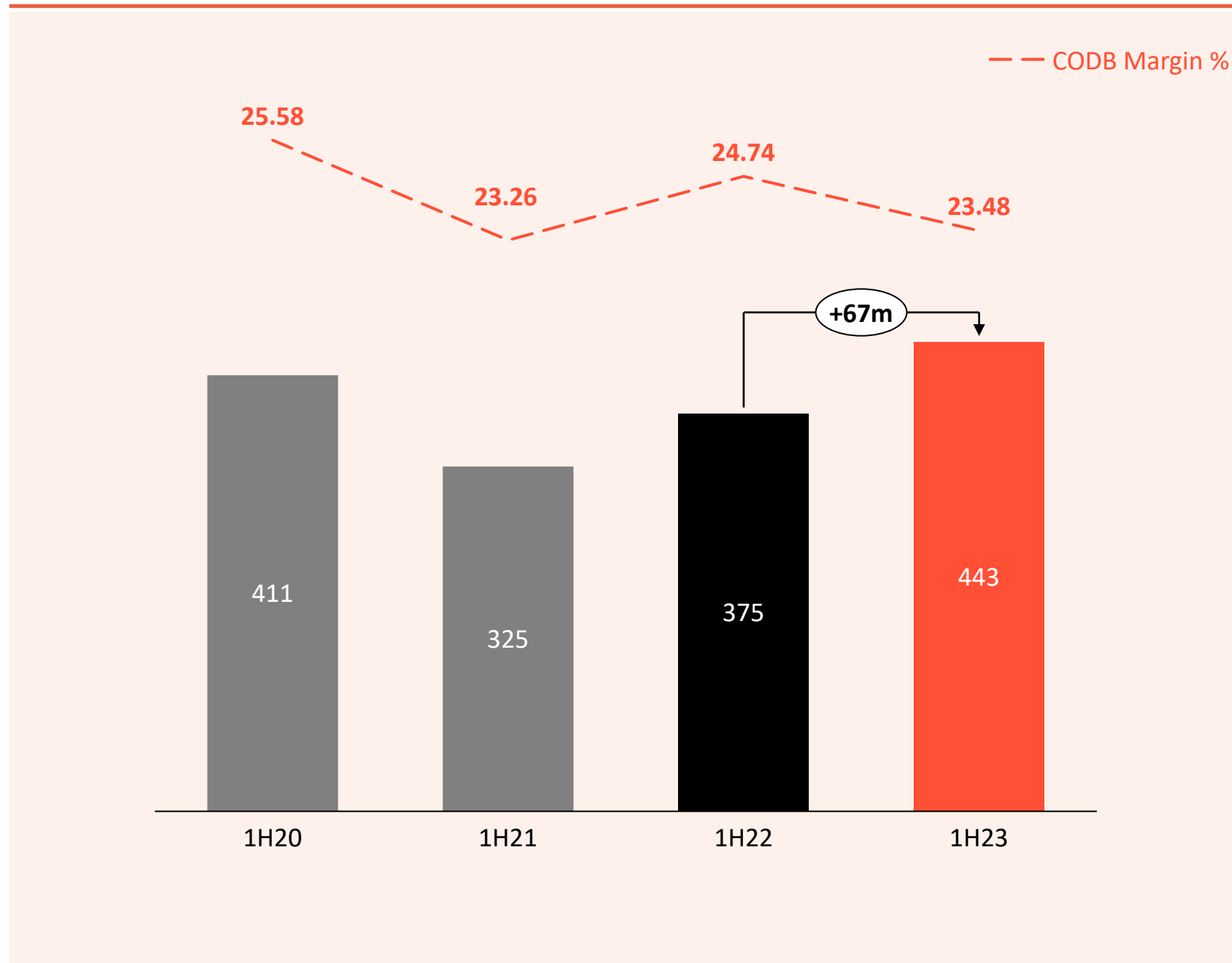
OPERATING GROSS PROFIT \$M and % to SALES



OGP	\$m var LY	
Sales Volume	+143	<ul style="list-style-type: none"> <li>Increased sales volume</li> </ul>
Mix	-6	<ul style="list-style-type: none"> <li>Increase in Concession sales</li> </ul>
Rate	-24	<ul style="list-style-type: none"> <li>Unfavourable FX impact</li> <li>Higher level of promotional discount in home &amp; entertainment categories</li> <li>Higher MYER one costs as tag rate increases</li> <li>Higher DC and Freight costs</li> </ul>
Other COGS	-12	<ul style="list-style-type: none"> <li>Increased shrinkage</li> </ul>

# Cost of Doing Business Margin improved by 126bps

COST OF DOING BUSINESS \$M and % to SALES



CODB	\$m var LY	
Normalisation of 1Q22	+26	<ul style="list-style-type: none"> <li>1Q22 (prior year) impacted by government lockdowns</li> <li>Additional store costs 1H23 (wages/rent) in part offset by reduced variable online costs</li> </ul>
Employee cost increases	+14	<ul style="list-style-type: none"> <li>Wage increases (EBA) / other remuneration increases</li> </ul>
Operational costs (in-store & online)	+15	<ul style="list-style-type: none"> <li>Predominantly sales volume related, including wage investment</li> </ul>
Support Office costs	+11	<ul style="list-style-type: none"> <li>Digital/IT, Marketing, Merchandise investments</li> </ul>



# Operating Cash Flow

\$ MILLIONS	1H23	1H22
EBITDA	240.7	206.8
Working capital movement	57.1	45.5
<b>Operating cash flow (before interest &amp; tax)</b>	<b>297.8</b>	<b>252.3</b>
<i>Conversion</i>	<i>123.8%</i>	<i>122.0%</i>
Income tax paid	(40.2)	(16.4)
Net interest paid	(3.1)	(3.2)
Interest – lease liabilities	(42.1)	(44.1)
<b>Operating cash flow</b>	<b>212.4</b>	<b>188.6</b>
Capex paid <sup>1</sup>	(37.5)	(15.5)
<b>Free cash flow</b>	<b>174.9</b>	<b>173.1</b>
Dividends	(20.5)	-
Principal portion of lease liabilities paid	(70.0)	(64.1)
Other	(1.9)	-
<b>Net cash flow</b>	<b>82.5</b>	<b>109.0</b>

- Strong growth in operating cash flow (before interest & tax); favourable cash conversion
- CAPEX increase reflects investments in key projects including the National Distribution Centre (NDC)

NET CAPEX <sup>1</sup> SPEND	1H23 (\$M)
Stores (Redevelopments, Brands & Operations)	19.8
Online and Systems	16.6
Other (including Supply Chain initiatives)	16.1
Landlord Contributions	(15.0)

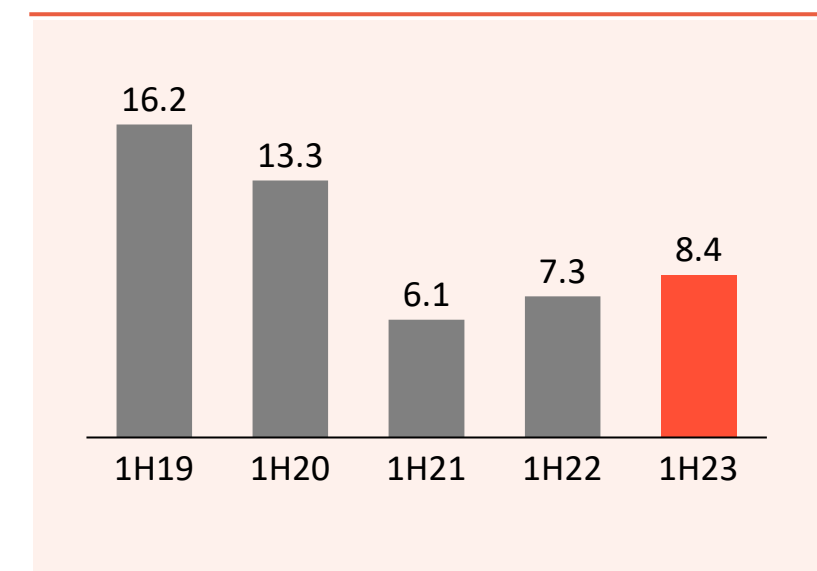
<sup>1</sup> Net of landlord contributions

# Balance Sheet

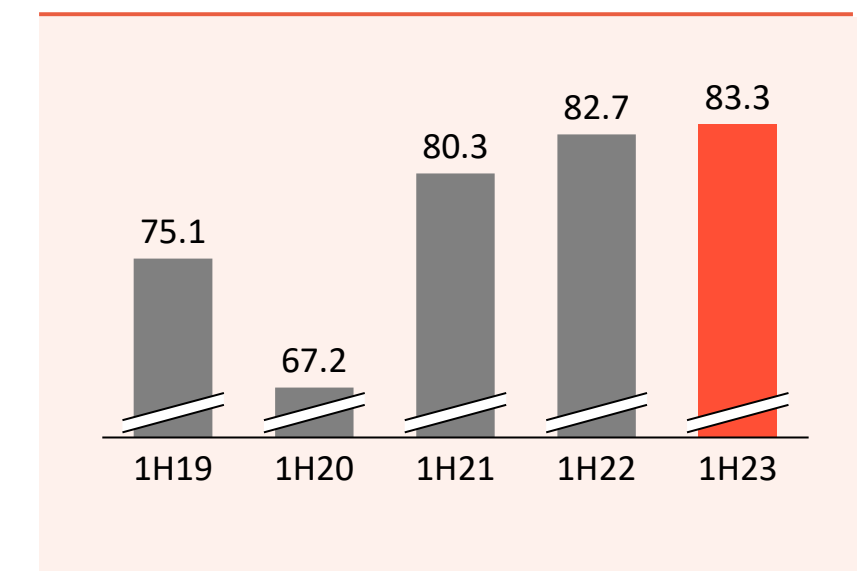
\$ MILLIONS	1H23	FY22	1H22
Inventory	383.6	371.4	383.2
Creditors	(495.8)	(429.3)	(499.8)
Other Assets & Liabilities	53.9	50.5	77.9
Right-of-Use Assets	1,156.0	1,177.8	1,243.0
Lease Liabilities	(1,689.5)	(1,699.2)	(1,767.7)
Property & Fixed Assets	313.5	305.0	308.7
Intangibles (Brands and Software)	308.8	305.3	301.8
<b>Total Funds Employed</b>	<b>30.5</b>	<b>81.5</b>	<b>47.1</b>
Debt	(59.1)	(58.0)	(56.9)
Add Cash	326.4	243.9	274.1
<b>Net Cash</b>	<b>267.3</b>	<b>185.9</b>	<b>217.2</b>
<b>Equity</b>	<b>297.8</b>	<b>267.4</b>	<b>264.3</b>

- Held inventory flat on corresponding prior period, even though sales 24% higher; supply chain challenges successfully navigated
- Newness of inventory continues to improve

% OF CLEARANCE INVENTORY<sup>1</sup> OF TOTAL



% OF INVENTORY<sup>1</sup> AGED UNDER 6 MONTHS

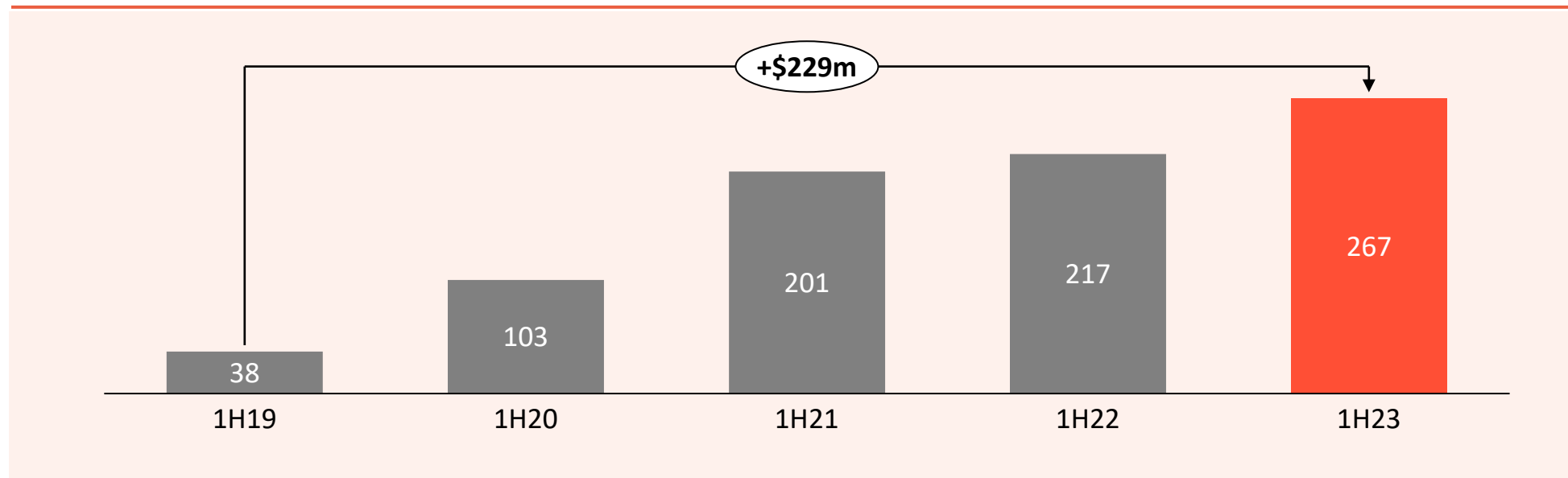


<sup>1</sup> Department Stores stock on hand only



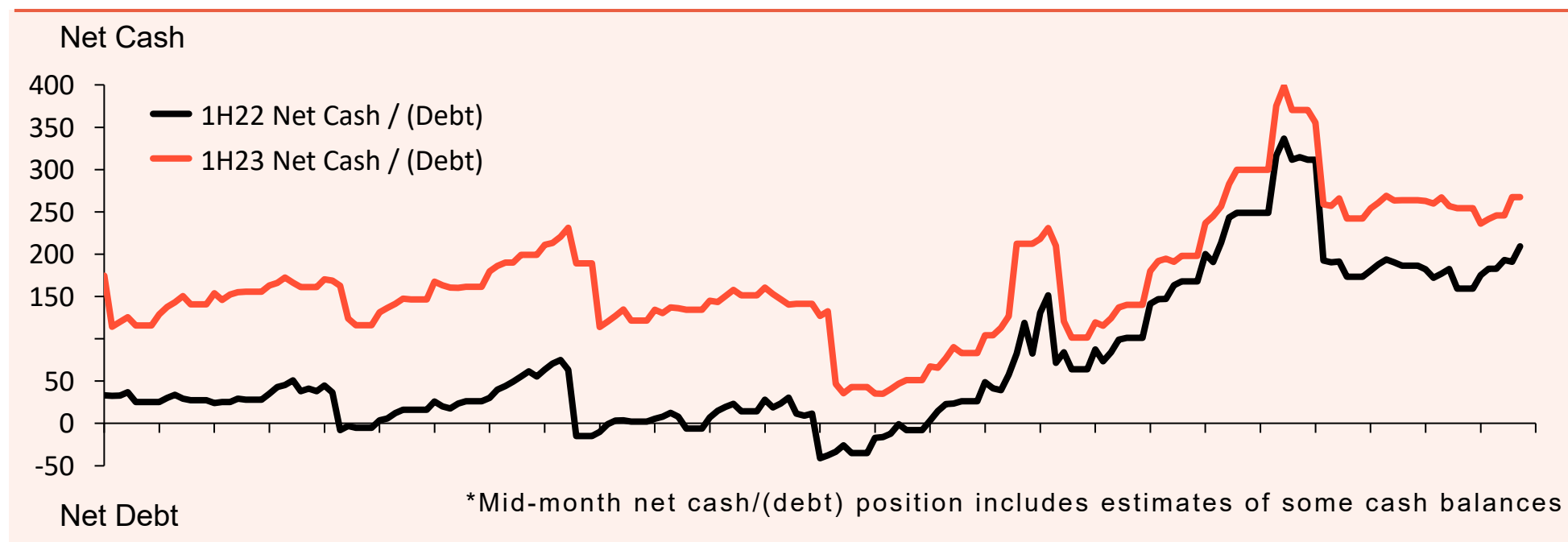
# Strong liquidity position – Net cash for entire 1H trading period

NET CASH / (DEBT) \$M – 1H19 TO 1H23



- Remained in a net cash position for 1H23; first time since ASX listing
- ABL (Asset Based Loan) announced Nov-21, provides an appropriate structure for peak funding requirements during first half, that are now much lower than historical levels

NET CASH / (DEBT) PROFILE (\$M) – 1H23 BY DAY





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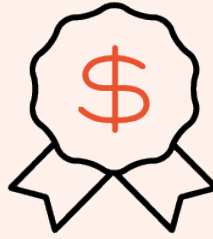
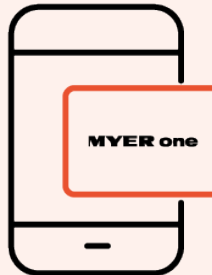
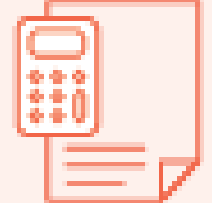
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# Customer First Plan progress means Myer is well placed to drive significant value creation for all shareholders

CUSTOMER FIRST PLAN

	ACCELERATE ONLINE	FACTORY TO CUSTOMER	IN-STORE EXPERIENCE	RE-FOCUS MERCHANDISE	RATIONALISE PROPERTY / OVERHEADS
Progress	<ul style="list-style-type: none"> <li>Built large scale business now representing 20.3% of total sales, on the way to our aspiration of \$1b+ annual revenue</li> <li>Provides stronger platform to leverage omni-channel synergies</li> </ul>	<ul style="list-style-type: none"> <li>Re-envisioning our supply chain with the introduction of National Distribution Centre to underpin profitability and provide more effective online fulfilment options</li> <li>Expected to be fully operational mid-year</li> </ul>	<ul style="list-style-type: none"> <li>Improved service and experiences in-store, new customer events and uplifted experience supported by comprehensive store re-layering and refurbishment program, and technology investments</li> </ul>	<ul style="list-style-type: none"> <li>Healthy inventory profile, improved stock turn, reweighted to ensuring we create new and bigger brand footprints</li> <li>Introduction of new brands that strengthen overall proposition, Country Road Group return, Bendon, American Eagle</li> </ul>	<ul style="list-style-type: none"> <li>Re-sizing our store space portfolio with strategic reduction of floors and stores and improved productivity</li> </ul>
Strengths	<ul style="list-style-type: none"> <li>Our <b>MYER one</b> program provides a strong value proposition for our customers with greater rewards making it a driver of choice for shopping at Myer versus our competitors</li> </ul> 	<ul style="list-style-type: none"> <li>Our <b>Omni-channel</b> offer allows our customer to shop from anywhere at any time</li> </ul> 	<ul style="list-style-type: none"> <li>Strength of <b>Balance Sheet</b> allows investment and execution of the plan</li> </ul> 		

MYER HOLDINGS LTD



## Country Road Group returns to Myer



- Provides a significant opportunity given sales of \$70 million in FY19 which was a significantly smaller offer (not inclusive of Country Road Kids and Home, Witchery and Trenery brands which are in the new agreement).
- We are confident in our ability to capture sales quickly, leveraging the power of our MYER one program which indicates 85% of MYER one customers who purchased Country Road in 2018 are still active and engaged today
- The rollout will commence with Witchery, Politix and Mimco introduced to 19 stores during February and March 2023; 37 pad roll-outs across 37 days
- This will be followed by Country Road Womens, Mens, Kids and Trenery across the July and August period; and a further roll-out of Witchery, Politix and Mimco to be complete in October 2023 (FY24)
- All brands will be available online by the end of August 2023



# Our MYER one Rewards and Pay with Points program uniquely positions us to deliver more value for customers

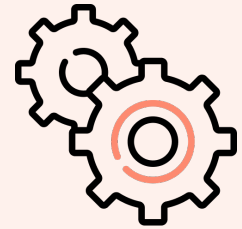
- New partner added to Points Plus Pay program: American Express members are now able to redeem points on Myer online<sup>1</sup>
- The combined reach and access we have now developed across MYER one, Commonwealth Bank Rewards, Virgin Velocity and American Express means we can provide unmatched access for customers to leverage their points if the economic conditions tighten
- Customers who have access to points spend significantly more than customers who do not, these programs seamlessly connect some of Australia's largest reward programs
- It will continue to provide Myer with a new source of customer growth, acquisition and revenue streams for both in-store and online as customers convert their points plus pay across Myer online and in-store
- Provides strong strategic platform for deeper partnerships
- Further enhances our loyalty offer, customer brand preference and cementing Myer as the ultimate one-stop shop



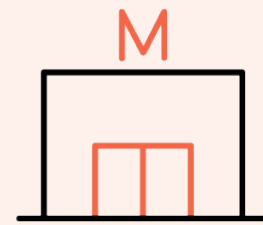
<sup>1</sup> Myer online sales excludes sass & bide and Marcs and David Lawrence



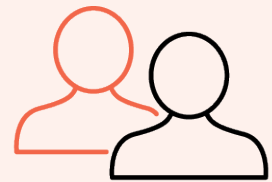
# Focus – we continue to invest in our stores and our people



- New Point of Sale hardware and software rollout to be completed during 2H23; delivering an enhanced customer experience in-store
- Continued investment in our leading M-Metrics Team Member applications

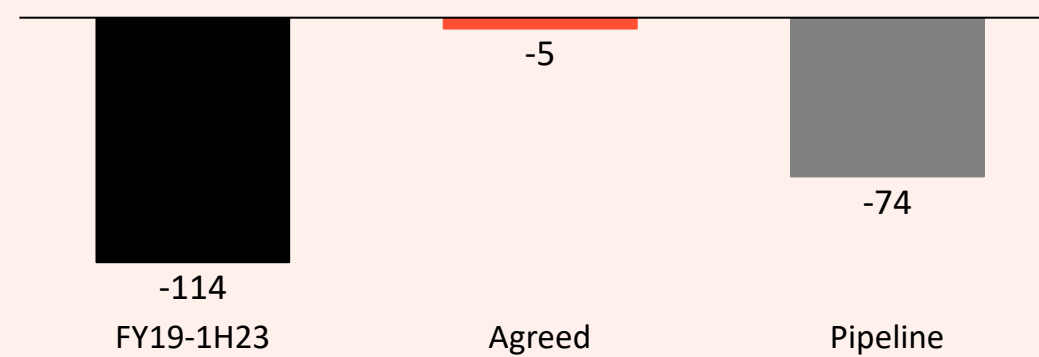


- Sales productivity up +16% vs 1H20
- Continued roll-out of new brands including American Eagle, Aerie and the Country Road Group brands
- Refurbishments at Chermside, Tea Tree Plaza, Marion and Ballarat
- Facilities management infrastructure upgrades in selected stores



- New mobility device roll-out continues, with 3,750 devices due for completion 2H23 – delivering efficiencies and improving team member experiences
- Investment in loss prevention resourcing to aid shrinkage reduction
- Continued investment in leadership teams capability through the development programs

## GLA SPACE REDUCTION (SQM in 000'S)



- WALE of 9.5 years at January 2023
- 119,734m2 (11.1%) of space reduction exited or announced since 1H18





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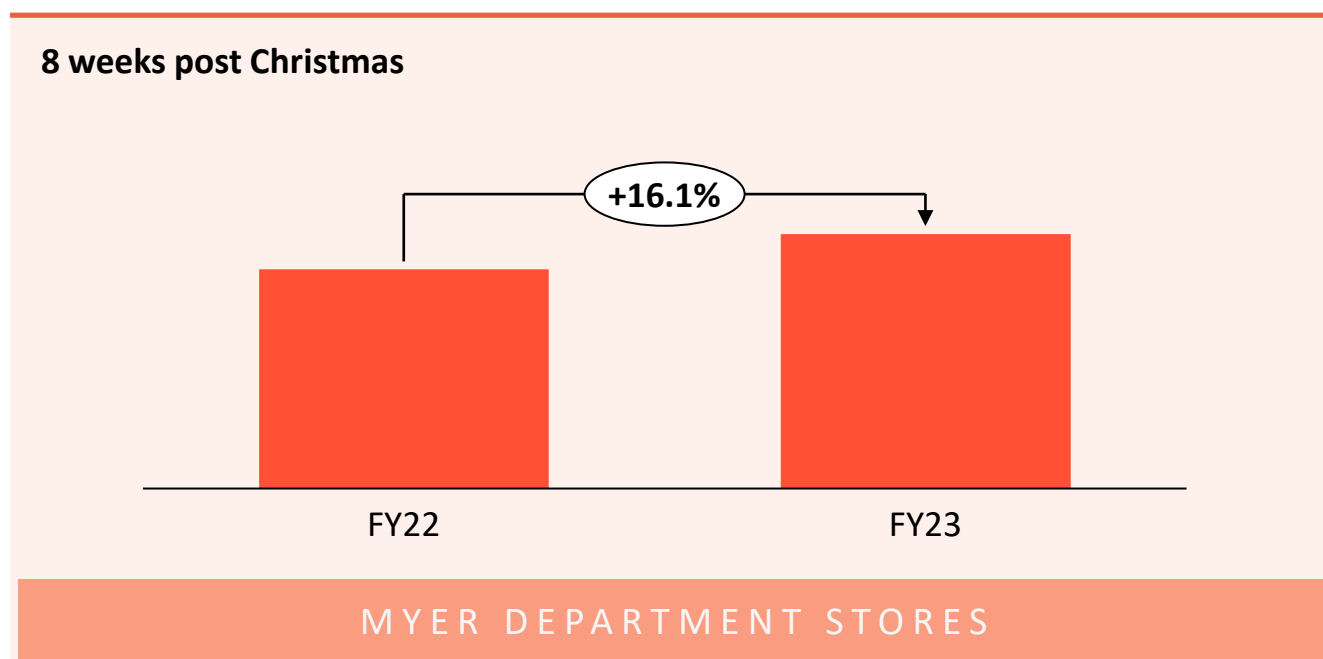




# Current Trade Update

- Trading continues to build on the momentum seen in 2022 across our omni-channel network
  - The eight weeks since Christmas has seen sales<sup>1</sup> increase by 16.1% over the corresponding period

## SALES<sup>1</sup> GROWTH



<sup>1</sup> Department Stores only





## Conclusion

- **Our Customer First Plan has been, and continues to be, the right Plan and has underpinned our growth and momentum in 1H23**

  - Delivered strong sales growth up 24.2% vs 1H22
  - Online continues to perform well providing future value opportunities
  - We have delivered NPAT growth of 101.4% over 1H22
  - Strengthened our balance sheet with considerable cash and more flexible financing facility
  - Continue to execute aggressively on space, with a 11% reduction since the inception of the Plan and another 7% in the pipeline
- **The strength of the trading performance, cash flow generation and the balance sheet support the declaration of an interim ordinary dividend of 4.0 cps and a special dividend of 4.0 cps (utilising significant accumulated franking credits)**
- **Updated trading for calendar 2023 remains strong albeit we are cautious of potential macroeconomic headwinds**
- **We are well placed to capitalise on the year ahead despite an uncertain economic outlook**

  - **We have the right value based proposition of affordable and aspirational brands**
  - **Further improvement to our brand portfolio will provide a significant uplift to our business**
  - **We continue to deliver customer choice across a strong omni-channel offer and improving CBD store network**
  - **We provide deeper customer value through loyalty and points plus pay partnerships**





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# Appendix 1: Income Statement – post AASB 16

\$ MILLIONS	1H23	1H22	CHANGE
Total Sales <sup>1</sup>	1,884.9	1,517.4	24.2%
Operating Gross Profit	683.2	582.2	17.4%
Cost of Doing Business	(442.5)	(375.4)	17.9%
<b>EBITDA</b>	<b>240.7</b>	<b>206.8</b>	<b>16.4%</b>
Depreciation	(101.1)	(110.1)	(8.2%)
<b>EBIT</b>	<b>139.6</b>	<b>96.7</b>	<b>44.4%</b>
Net Finance Costs	(46.2)	(50.5)	(8.5%)
Tax	(28.4)	(13.9)	103.7%
<b>Net Profit after tax</b>	<b>65.0</b>	<b>32.3</b>	<b>101.4%</b>

<sup>1</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$1,450.2 million (1H22: \$1,205.4 million)

## Appendix 2: Income Statement – AASB 16 impact

\$ MILLIONS	1H23 (STATUTORY)	AASB 16 IMPACT	1H23 (PRE-AASB 16)	1H22 (PRE-AASB 16)	CHANGE (PRE-AASB 16)
Total Sales <sup>1</sup>	1,884.9	-	1,884.9	1,517.4	24.2%
Operating Gross Profit	683.2	(0.3)	682.9	581.9	17.4%
Cost of Doing Business	(442.5)	(104.2)	(546.7)	(482.4)	13.3%
<b>EBITDA</b>	<b>240.7</b>	<b>(104.5)</b>	<b>136.2</b>	<b>99.5</b>	<b>36.8%</b>
Depreciation	(101.1)	62.4	(38.7)	(44.2)	(12.5%)
<b>EBIT</b>	<b>139.6</b>	<b>(42.1)</b>	<b>97.5</b>	<b>55.3</b>	<b>76.3%</b>
Net Finance Costs	(46.2)	41.6	(4.6)	(7.1)	(35.7%)
Tax	(28.4)	0.1	(28.3)	(14.5)	94.5%
<b>Net Profit after tax</b>	<b>65.0</b>	<b>(0.4)</b>	<b>64.6</b>	<b>33.7</b>	<b>92.2%</b>

<sup>1</sup> Revenue from sale of goods excluding concession sales and sales revenue deferred under customer loyalty program was \$1,450.2 million (1H22: \$1,205.4 million)