



2017 Annual General Meeting

23 October 2017



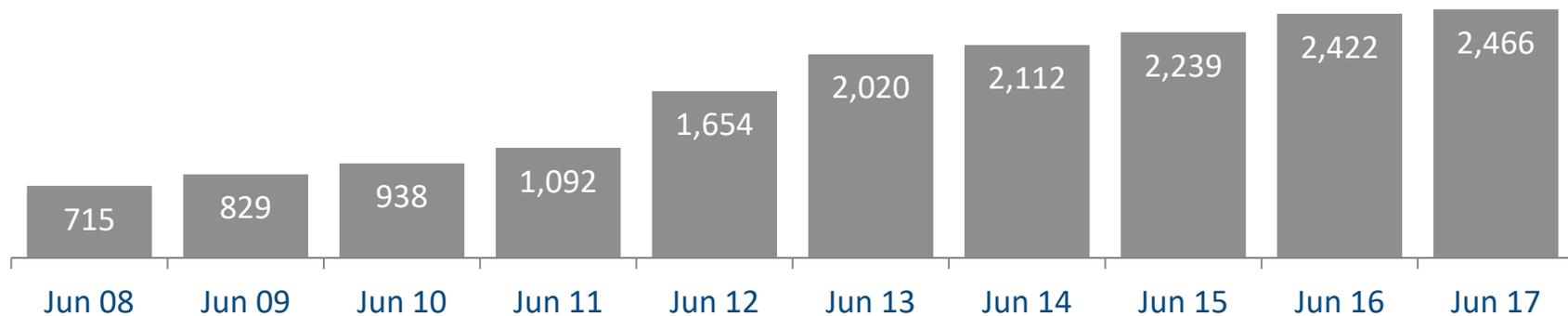
Chairman's Presentation

Robert Wright

23 October 2017

Sales and EBIT Trends

Reported Sales (\$m)



Reported Total Segment EBIT (\$m)



Group Net Profit after Tax

	2016/17 \$m	2015/16 \$m	Change on PCP
Normalised Net Profit after Tax (NPAT)	135.8	108.6	25.0%
Other items not included in Normalised NPAT	(34.0)	(45.8)	-
Profit attributable to owners – continued operations	101.8	62.8	62.1%

Long Term Shareholder Returns

Value of \$1,000 invested 10 years ago

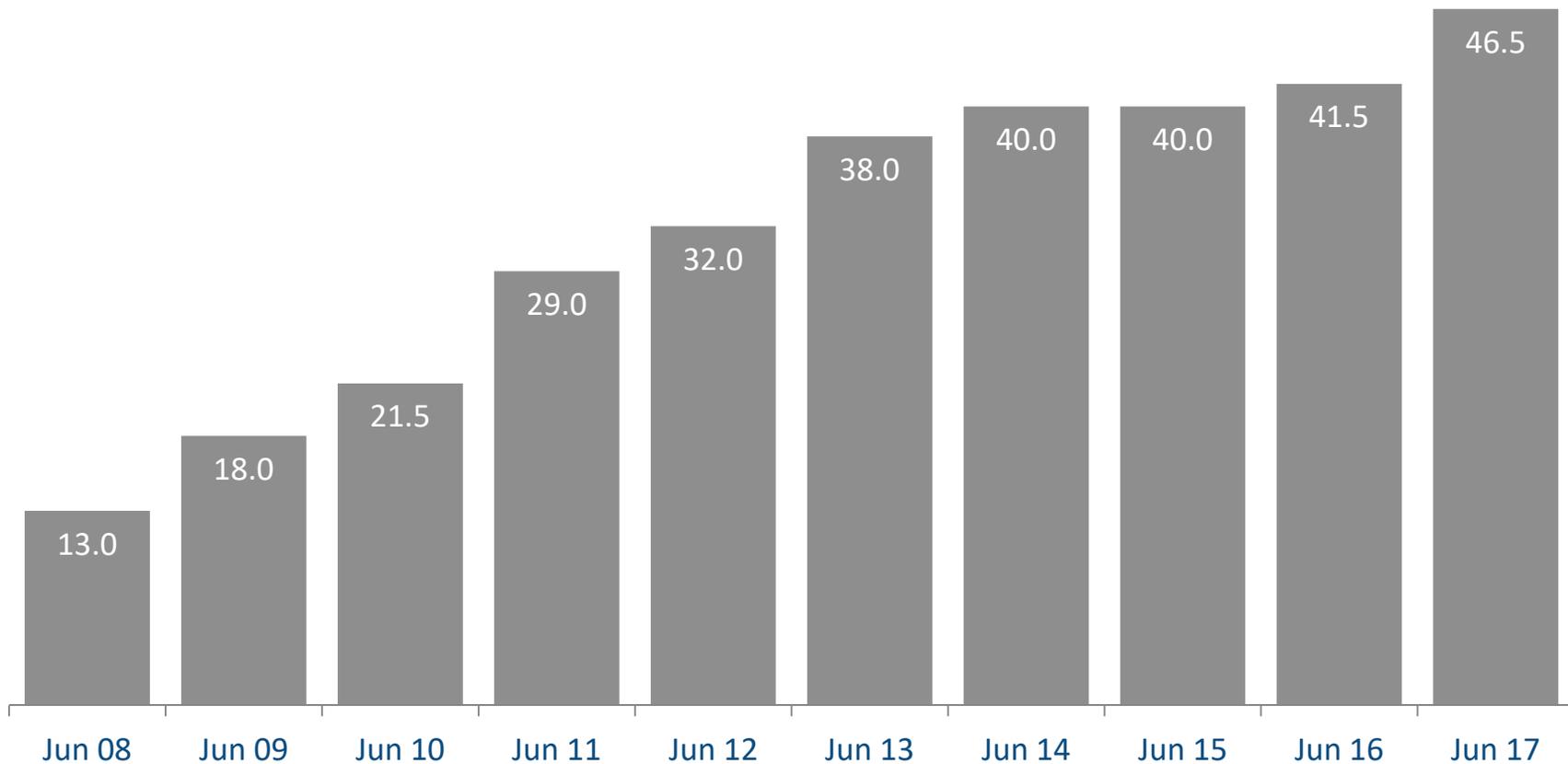


Group Cash Flow

	2016/17 \$m	2015/16 \$m	Change on PCP
Operating Cash Flow	234.5	159.2	47.3%
Capital Expenditure	(101.2)	(79.9)	26.7%
Financing Cash flows	(129.0)	(77.0)	67.5%
Net Cash Flow	4.3	2.3	87.0%

Dividend Per Share Trends

Reported DPS (c)





Chairman's Presentation

Robert Wright

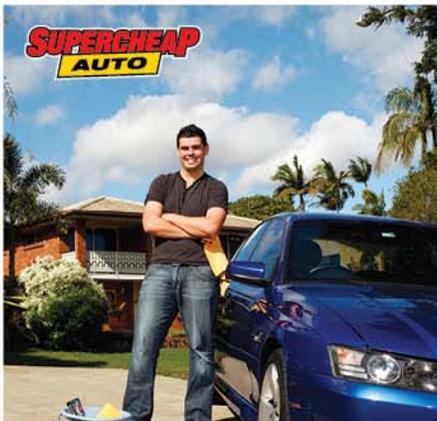
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Group Managing Director & Chief Executive Presentation

Peter Birtles

23 October 2017



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Group Highlights

- Total Group sales of \$2.5 billion up by 4.1% on a LFL basis
- Total Segment EBIT of \$207.3 million up by 18.3% on pcp
- Normalised NPAT of \$135.8 million up by 25.0% on pcp
- Operating cash flow of \$234.5 million up by \$75.3 million on pcp
- Full year dividend of 46.5 cents per share up by 12% on pcp

2016/17 results are for 52 weeks, pcp results are for 53 weeks

Core businesses generating strong underlying performance



Transformation initiatives delivering expected benefits



Investment in omni-retail capabilities on track



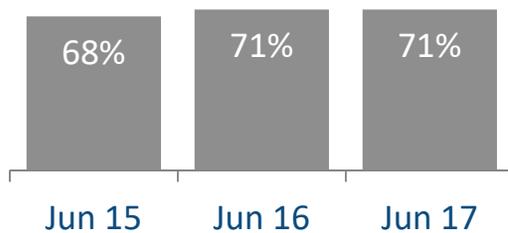
Strong performance in customer and team member metrics



Performance Trends

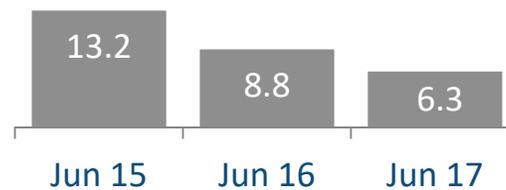
Team

Team Engagement

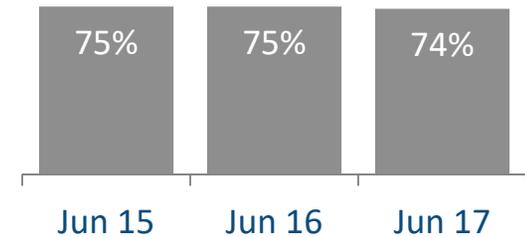


Safety

Lost Time Injury Frequency Rate

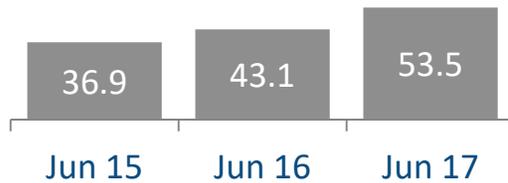


Team Retention



Customer

Average Net Promoter Score

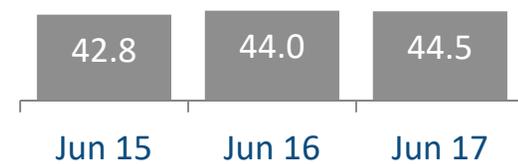


Average of club member NPS

Active Club Members (m)



Customer Transactions (m)



Segment Results



	2016/17		2015/16	
	Sales \$m	Segment EBIT \$m	Sales \$m	Segment EBIT \$m
Auto Segment	955.9	111.0	922.8	104.6
Leisure Segment	553.5	25.4	581.9	18.6
Sports Segment	949.2	91.3	910.2	77.8
Group & Unallocated	7.2	(20.4)	7.3	(25.7)
Total Segment Result	2,465.8	207.3	2,422.2	175.3

Segment Results are net of non-controlling interests (EBIT only) and in 2016/17 excludes the business restructuring costs for Sports Retail (in 2015/16 excludes the business restructuring costs for Ray's Outdoors and Infinite Retail). Refer the segment notes below.

Segment Results



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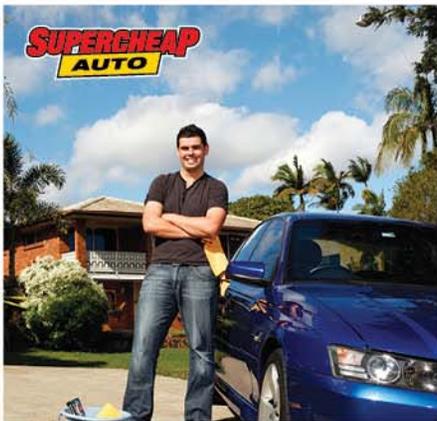
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Group Cash Flow

	2016/17 \$m	2015/16 \$m
Operating cash flow (pre store set up investment)	264.8	184.4
Store set up investment	(30.3)	(25.2)
Operating cash flow	234.5	159.2
Stores	(64.7)	(56.1)
Other capital expenditure	(36.5)	(23.8)
Investing cash flow	(101.2)	(79.9)
Dividends & interest	(104.0)	(100.3)
Ext debt (repay)/proceeds	(25.0)	23.3
Financing cash flow	(129.0)	(77.0)
Net cash flow	4.3	2.3

Group Balance Sheet

	June 17 \$m	June 16 \$m
Inventory		
- Auto Retailing	187.7	188.7
- Leisure Retailing	126.9	145.8
- Sports Retailing	164.9	162.7
- Group & Unallocated	2.0	4.7
Total inventory	481.5	501.9
Trade and other payables	(253.7)	(251.1)
Net inventory investment	227.8	250.8
Property, Plant and Equipment & Computer Software	358.0	315.2
Net external debt	380.7	400.2



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2017/18 Trading Update

Auto Retailing

- Sales growth in the first 16 weeks of 2017/18 circa 6% (LFL sales growth circa 4%)
- Auto categories performing solidly with Tools categories delivering strong growth cycling competitive clearance activity in the prior comparative period
- SCA store development: plan to open ten new stores and close one store, 44 refurbishments, extensions and relocations

Leisure Retailing

- Sales growth for BCF in the first 16 weeks of 2017/18 circa 7% (LFL sales growth circa 2%)
- Solid LFL growth cycling Ray's Outdoor's clearance activity in the prior comparative period
- Rays performance is strong with new customers, focusing on traffic growth. Expected loss of \$4m this financial year – decision on future plans in Q3
- Store development plan to open three BCF stores and close one and open one Rays store

2017/18 Trading Update

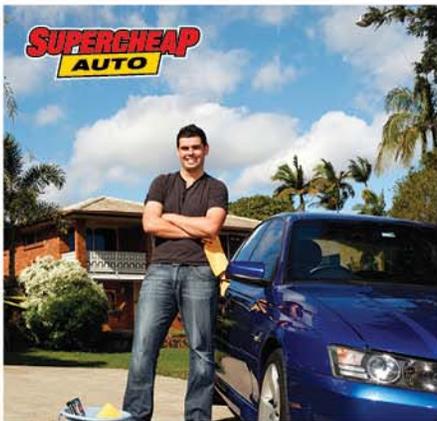


Sports Retailing

- Sales growth in the first 16 weeks of 2017/18 circa 5% (LFL sales growth circa 2%)
- 63 Amart Sports stores converted to Rebel – remaining five stores will be converted by 28 October
- Store development: plan to open three Rebel stores

Group

- Planned capital expenditure of circa \$120m to support the store development program, Amart Sports conversion and investment in information systems to support omni-retailing strategy



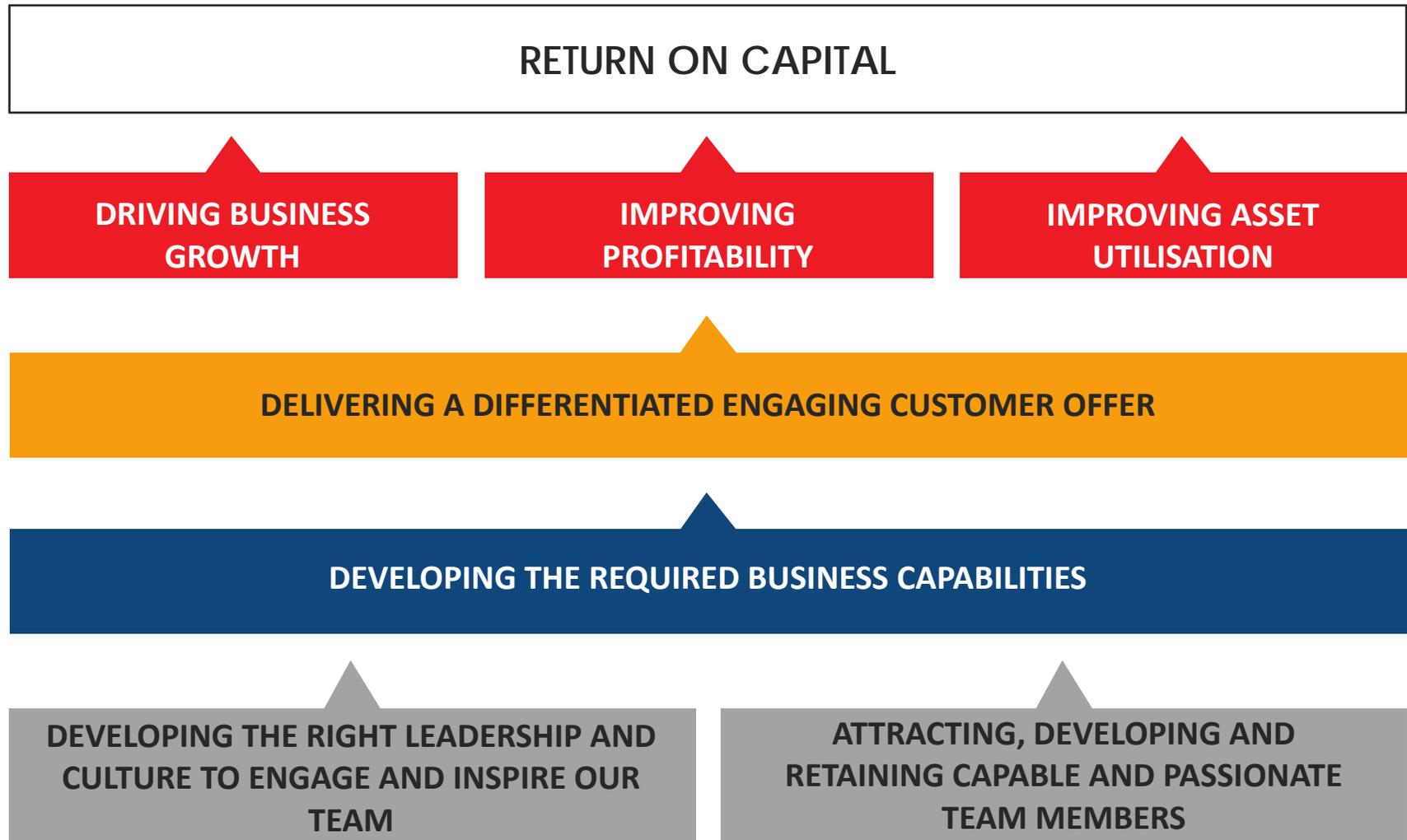
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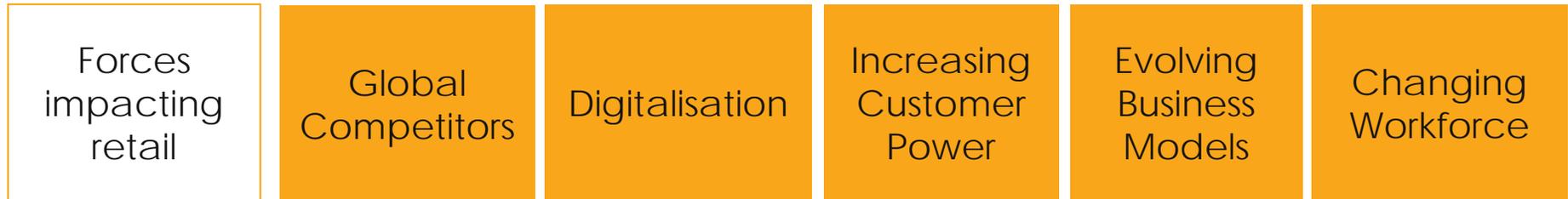
Retail is a people business - It all starts with our team



Strategic context



Strategic context



- Lower utility of consumption
- Less time for shopping
- More informed and connected – changing media consumption

- Expect increasing relevance and personalisation
- Expect increasing convenience
- Demand the best prices

- Retail footfall decreasing.....
- But transaction values increasing
- More time for services

Strategic context

Strategic Options for Traditional Retailers

The 'middle ground' is increasingly challenging.



Strategic context

Implications for Super Retail Group



- Historical levers of differentiation (range and price) no longer enough
- Building a stronger emotional connection with customers is critical – built around their passions for their leisure activities
- We have a significant advantage through connecting our customers with our team members who share their passions
- Organisational capabilities have to be World-Class not Australasian class



We need to become real specialists in our categories

Vision

OUR VISION

Inspiring you to live your passion



Group Strategy

OUR STRATEGY

Growing businesses in high involvement categories

Engaging capable team members who share our customers' passions

Building a world class omni-retail organisation

Participating in high involvement categories mean that we can win by connecting with and inspiring our customers around their passions by providing solutions and engaging experiences not just product and price transactions

How we can win.....



*Our focus is on helping our customer catch the fish they've always wanted to...
...not just to sell them the fishing rod.*

Allowing our customers to shop their way by integrating our web business with our extensive network of conveniently located stores is a major competitive advantage

How we can win.....

INSPIRE

'Women in sport'



FISHO app

Catch up with the fisho community



EXPERIENCE

Penrith Customer Experience Centre



Team Experts



SOLUTIONS

Fitment services

IN STORE SERVICES

Can't blow to start? Poor 'stability'? Missing the road?

Whether it's a new battery, wiper blades, bulbs, or even road noise we have the solution for you.

The trained Team Members at Supercheap Auto® ensure your product is fitted as you would expect in a safe and efficient manner, and remember:

We're Here to Help!

Product innovation



Key initiatives – investing in customer experience

OMNI

- Click and Collect
- Customer delivery and collection options

DIGITAL

- New web platform for all websites
- Customer engagement apps – BCF trialling FISHO

STORES

- New stores – potential for up to 800 stores
- New formats

SERVICES

- In store services – fitment, installation, podiatry.....
- Partnerships

Key initiatives – building business capability

CUSTOMER INSIGHT

- Analytics
- Net Promoter Score
- Direct Marketing

PRIVATE BRANDS

- Private Brand profitability
- Increasing share of sales

TEAM CAPABILITY AND ENGAGEMENT

- Build on top quintile engagement
- Product to customer centricity
- Focus on leadership alignment, capability development, talent pipeline and achievement culture

Key initiatives – delivering business efficiency

OPERATING MODEL

- Review of the Group wide operating model to:
 - build a successful omni-retail organisation
 - drive efficiency in Group wide operations

LEISURE

- Division – cycling impact of Ray's Outdoors closure
- BCF – space productivity opportunities
- Rays – trial of new format to conclude in third quarter of FY18

SPORTS

- Rebel / Amart Sports Integration – circa \$15m benefits
- Maturing store space productivity

SUPPLY CHAIN

- Operations efficiencies – further \$10 million cost efficiencies
- Working Capital – further \$40 to \$50 million over the next three years

Factors underpinning confidence in our strategy

Customer Needs and Wants	Customers in the Auto, Leisure, Sports categories want more than range, price and convenience	Customers want community, expertise, inspiration, innovation and solution
Customer Buying Activity	Customers want to shop in the manner that's most convenient to them at the time	Click and collect presents a significant opportunity and is already over 50 per cent of on-line sales
Product Characteristics	Many of the top selling products in our categories have supply chain challenges	Chemicals, Lead Batteries, Bulky, Ugly and Fragile items require special handling
International Peers	The market leading retailers in our categories in the US, Canada and UK have continued to grow	Their performance provides confidence that Super Retail's margin targets are achievable
Brand Strength	Our businesses have sizeable club membership and their web traffic is significantly higher than competitors	We are best placed to transition to the new competitive environment
Improvement Opportunities	Super Retail has a significant program of business improvement initiatives	The benefits of the program can be reinvested into competitive pricing and to growing our businesses



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