

24 NOVEMBER 2017

2017 ANNUAL GENERAL MEETING
MURAL HALL, MYER MELBOURNE

MYER

THE AGENDA

Chairman's address

CEO update

Formal business

Shareholder Questions

Meeting concludes

24 NOVEMBER 2017

RICHARD UMBERS
CEO & MANAGING DIRECTOR



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MENSWEAR

LIVES
HERE

We are continuing to invest in our strategic priorities

Customer led offer

- Introduction of new wanted brands including: Forever New, Quicksilver, Roxy, Darren Palmer Home, Jack & Jones Premium, Only, Christie Nicolaides, 2XU
- 72 MEB master brand installations: Basque, Piper, BLAQ

Wonderful experiences

- Experiential and destination retailing: Katy Perry Tour, 'Australia lives here' campaign, Sydney ice skating rink
- Food and services: 2 new cafes and 7 food pop up shops
- New personal shopping suites at 7 stores
- Fitting room upgrades at 8 stores
- Rebalancing labour hours in favour of customer facing roles

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We are continuing to invest in our strategic priorities

Omni channel

- 41% growth in online sales in FY2017, improved range, user experience, fulfilment
- Represented 11% total sales (ex concessions) or 8.2% total sales (including concessions) in July 2017
- \$177 million in omni channel sales, including iPads in store
- Click & Collect reached 15% of orders in July 2017

Productivity and Efficiency

- Store upgrades, space hand backs in 4 stores
- Closed three stores
- Space hand back at Support office and QLD DC
- Announced closure of 3 further stores

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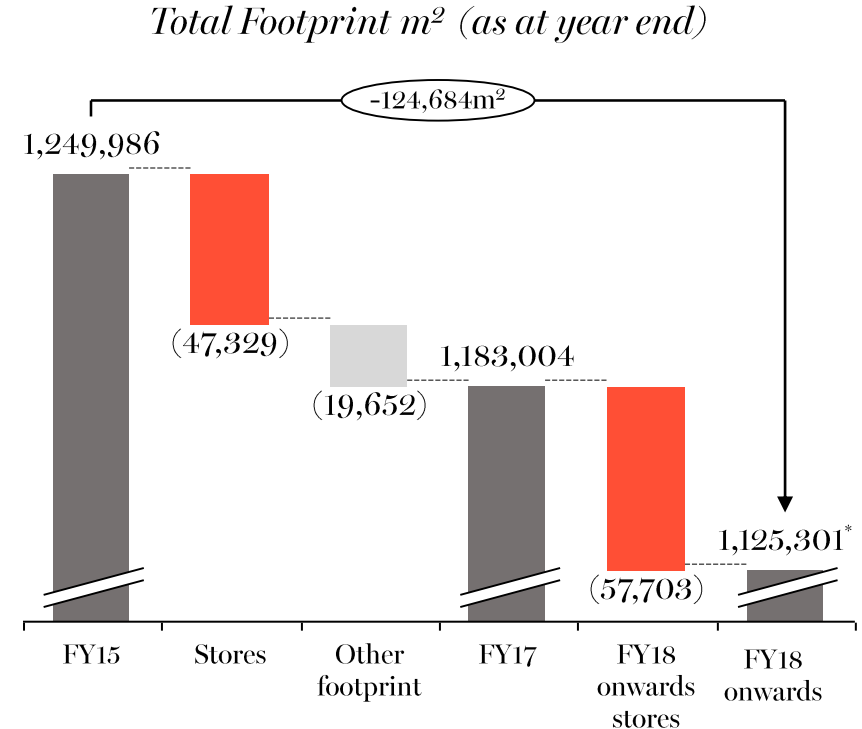
Footprint reduction continues across the Myer network

2016

- Decision to not proceed with 3 planned stores

2017

- Announced Logan to close in FY18
- Closed 3 stores at Orange, Brookside and Wollongong
- Space hand backs at 4 stores - 2 in FY17, 2 underway
- >30% space handed back at Support Office
- 50% space handed back at Richlands DC
- Announced 3 additional store closures: Belconnen, Hornsby, Colonnades



FY2017 result demonstrates a leaner, more productive and efficient retailer

- Sales down 1.4%, flat on comparable basis
- Operating gross profit down 2.8% to \$1,220.4 million
- Improved CODB margin by 54 basis points
- Productivity and efficiency initiatives delivering results
- NPAT down 2.2% to \$67.9 million pre implementation costs and individually significant items
- Continued strong balance sheet, operating cash flows
- Final dividend 2.0 cents per share, fully franked



FY2016 results are on a 52-week basis for comparison purposes

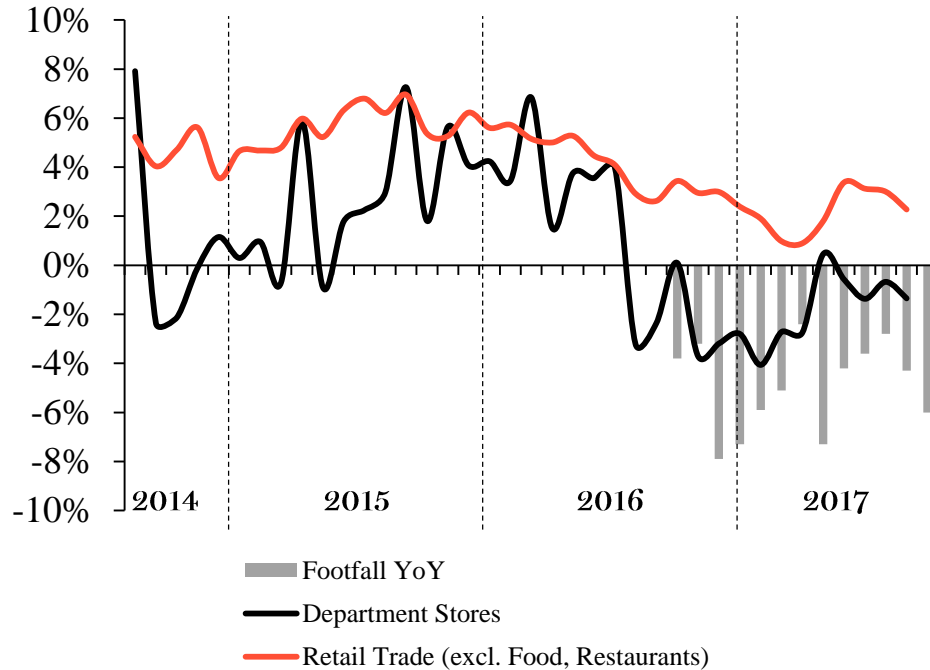


New Myer will evolve to maintain relevance to our customer

1	CUSTOMER LED OFFER	2	WONDERFUL EXPERIENCES	3	OMNI-CHANNEL SHOPPING	4	PRODUCTIVITY STEP CHANGE
<ul style="list-style-type: none">• Cluster optimisation• Category optimisation• Brand optimisation• Channel optimisation• Localisation• Supplier collaboration	<ul style="list-style-type: none">• Elevated Visual Merchandise• Dwell spaces• Improved fitting rooms• Enhanced Myer Hub• Signature service• Trained and capable staff• Targeted customer engagement	<ul style="list-style-type: none">• Strengthen online proposition• Omni-channel experience• Right infrastructure and operations	<ul style="list-style-type: none">• Store network optimisation• Flagship store emphasis• Right sizing support office• Cost focus and efficiency focus				
<ul style="list-style-type: none">• Strengthened category destinations• Merchandise Planning capability	<ul style="list-style-type: none">• Customer Service and Experiential Retail	<ul style="list-style-type: none">• MYER one use of customer data• Omni Channel Acceleration	<ul style="list-style-type: none">• Myer Clearance				
<ul style="list-style-type: none">• Efficient operating model	<ul style="list-style-type: none">• Execution focused culture	<ul style="list-style-type: none">• Technology, processes, systems	<ul style="list-style-type: none">• Strengthened balance sheet				

Retail sales growth has slowed

*Australian Retail Sales and Footfall Growth YoY
(July '14 – June '17)*



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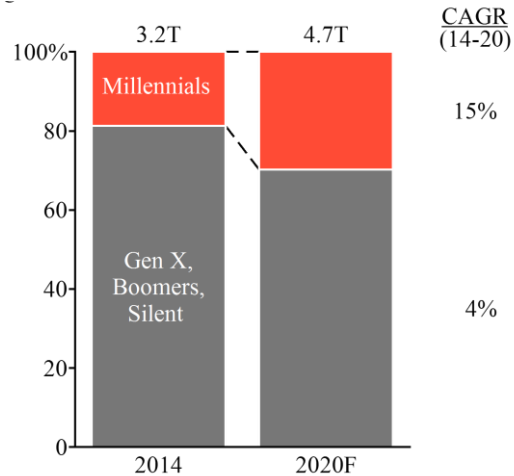
Source: ABS Retail Trade (seasonally adjusted); ShopperTrak Retail Traffic Index

- Australian retail sales growth has dropped from ~5-6% in 2015 to ~1-3% since mid-2016
- Full service and discount department stores sales growth weakened sharply in mid-2016 to decline for 11 of the past 13 months
- Footfall in shopping centres in consistent decline over the past 12 months

The market is changing rapidly

Generational shifts

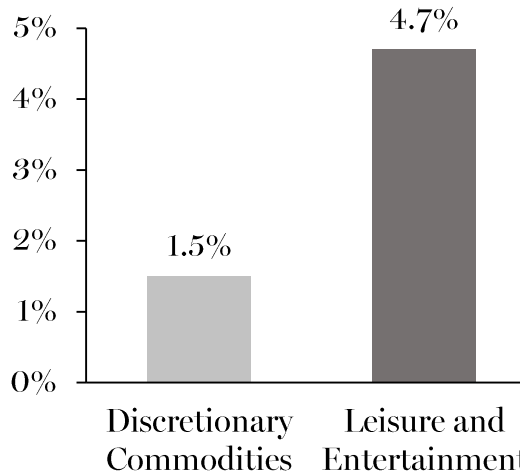
Retail Spend by Generation⁽¹⁾
(2014 – 2020F)



*“78% millennials would **choose to spend money on a desirable experience over buying something desirable**” Harris Poll*

Increased spend on experiences

Annual Spending Growth⁽²⁾
(2011-16)



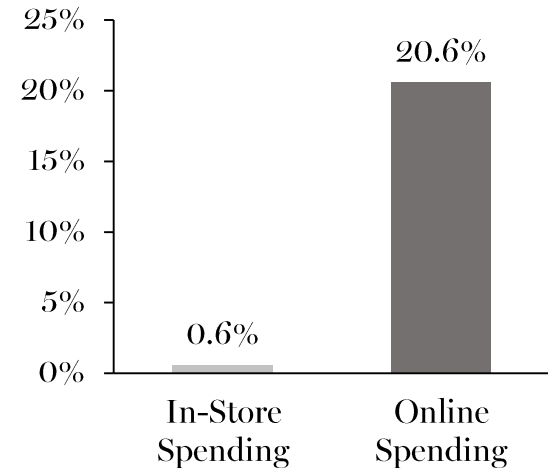
Total Spend
(2016, \$B)

105

138

Rapid online migration

Apparel Spending Annual Growth
(2011-16)



Total Spend
(2016, \$B)

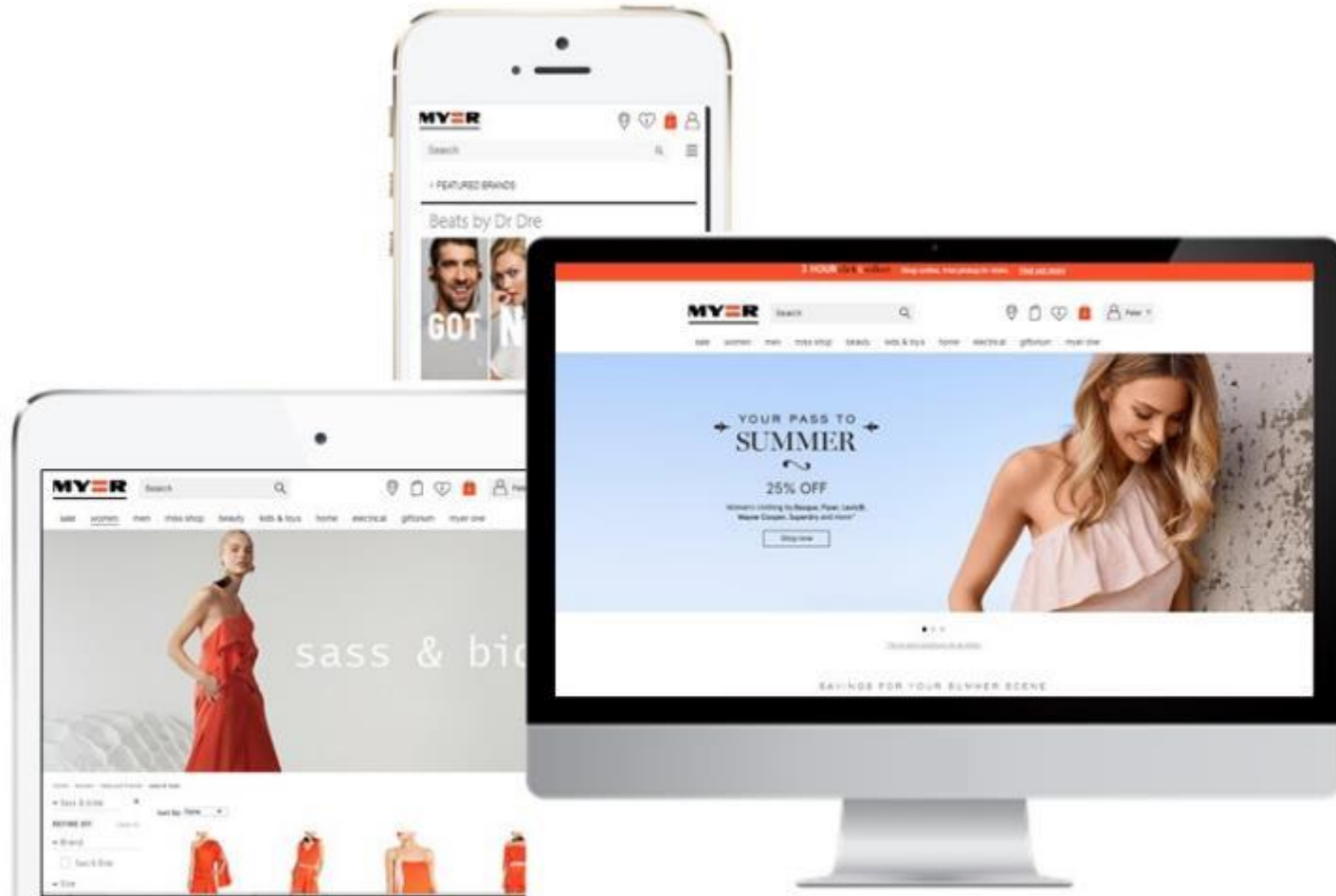
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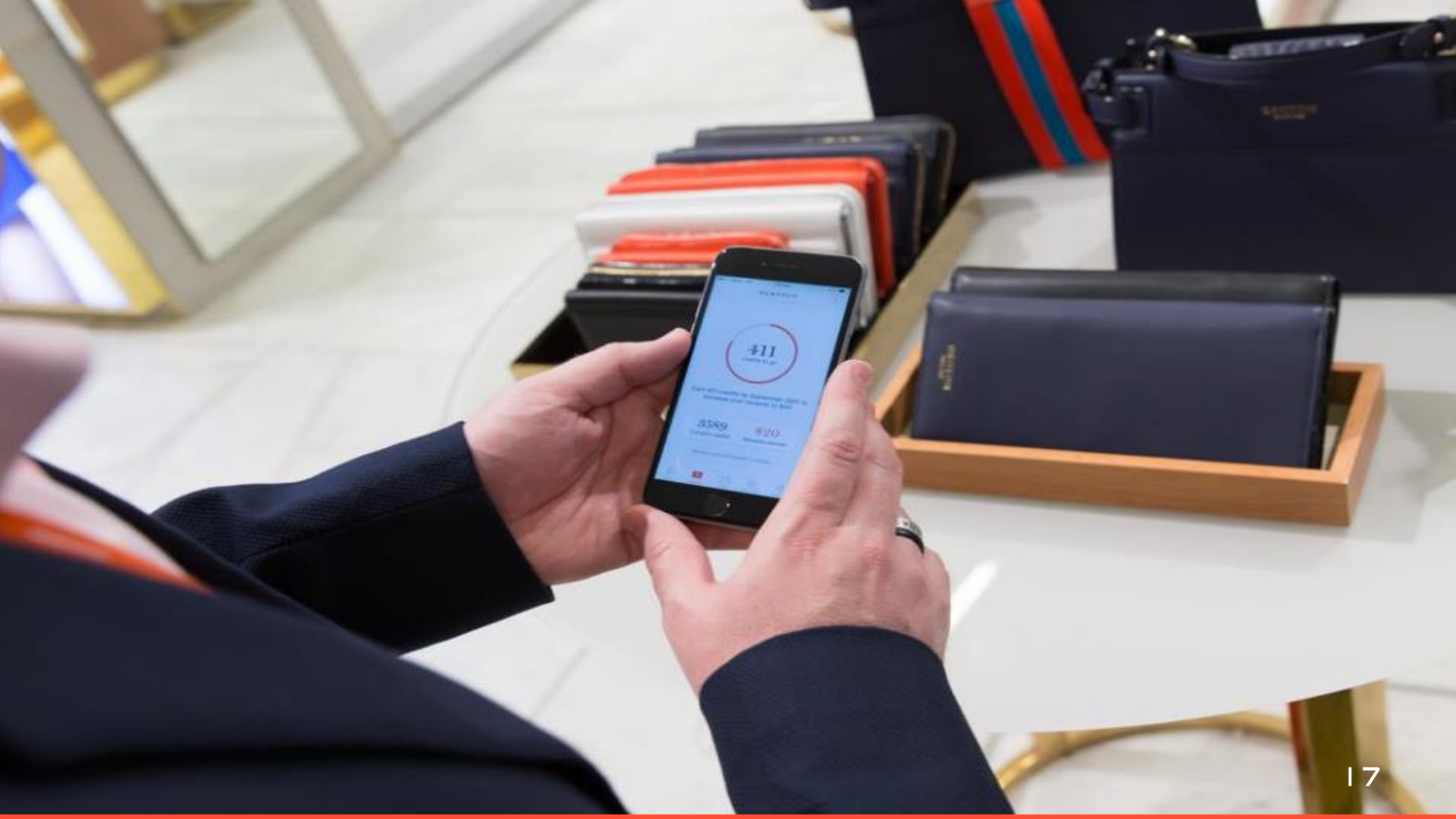
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CLEARANCE







Plantation
Cafes in 3 sites
– Doncaster,
Southland &
Eastland

Degani Cafe
opening in
Myer
Townsville

NEW FOOD PARTNERS

Pop Up food
program initiated
with Mister Fitz &
Doughnut Time
in Sydney &
Brunetti & Bibelot
in Melb

Macquarie
Quell Café
refurbished

Penrith
M-Kitchen
refurbished

UPGRADED EATERIES

Café Victoria in
Sydney City,
refurbishment
early 2018

North Lakes,
L'Espresso
Café, to be
refurbished in
November
2017

Kings Domain
Barber business
open in
Melbourne & to
open in Sydney
& Bondi

NEW MEN'S GROOMING



Hair.Do by Joey
Scandizzo to
open in
Melbourne,
Southland &
Bondi

NEW EXPRESS BEAUTY SERVICES

Dry & Tea to
open in
Doncaster &
Highpoint



Personal
shopping suites
launched across
7 locations

ELEVATING FITTING ROOMS & PERSONAL SHOPPING SUITES

Fitting room
upgrades in 9
stores across
Flagship and
Premium

Monkey Mania
Play Centre
opening
March 2018
in Eastland

TESTING PLAY CENTRE CONCEPTS



We anticipate continued challenging trading conditions in Q2 FY2018

- Q1 sales (13 weeks to Saturday 28 October 2017) were \$699.0 million, down 2.8%
 - Sales on a comparable store sales basis were down 2.1%
- Online continued to record strong sales growth +67.8%
 - Click & Collect represented 22.1% of orders in Q1
- No improvement in trading so far in Q2 compared to Q1
- Trading in Q2 is the most important contributor to full year NPAT
- Whilst we are well prepared for Christmas and Stocktake sale, we still need the support of our customers
- Impact of Amazon's launch in Australia is unknown



The 2018 Agenda: Evolving New Myer

Continue to execute New Myer strategy with emphasis on:

- Customer service and experiential retail to drive traffic
- Omni-channel
 - Grow sales, improve efficiencies, increase traffic
- Productivity and efficiency
 - Optimise footprint, reduce occupancy costs
 - Cost optimisation, process improvements
- Merchandise optimisation - improve range and planning
- Improve MYER one engagement and visits, and better analysis and deployment of customer data



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