

Wednesday, 24 October 2018

Annual General Meeting - Chair's Address

Your board was pleased to report strong financial results for the year, with growth in sales and earnings before interest and tax for all of our brands. Our financial management together with effective capital management supported a final dividend of 27.5 cents per share fully franked, bringing the full year dividend to 49 cents per share fully franked, an increase of 5.4% on the prior year. The dividend was in line with the Group's policy to maintain a dividend payout ratio of between 55% and 65% of underlying net profit after tax.

Your company has a clear purpose, and a capable team led by Peter Birtles. We will continue to execute on our omni-retail strategy, responding to the dynamic retail environment and striving to provide solutions and experiences for customers so they can make the most of their leisure time. We believe that our omni-retail strategy supports the creation of long term shareholder value and strengthens the company for the future.

As I said in my message in our annual report, good governance provides the foundation for all our activities, and is essential to the realisation of our goals. Your Board is committed to sound governance practices, based on an ethical approach to decision making, and a healthy organisational culture that values engagement, transparency, diversity and inclusion. We recognise that what we do as a company affects our team members, our customers, our suppliers, our investors, and the communities we are connected with. By engaging with our stakeholders, and being transparent about our approach and our actions, we aim to make good decisions which will support the continued success of the Group.

Your Board has worked effectively with Peter and his management team during the year, in formal meetings, briefings, and strategy development sessions, and in activities to engage with stakeholders, and visit stores, support offices, distribution centres and other parts of our supply chain. Your Board works conscientiously and consistently to support the senior leadership team and have effective oversight of business operations. Your Board also works effectively as a team, striving for continuous improvement in a dynamic environment.

One of the important roles of any Board is ensuring the right leadership is in place, not just for today but for the long term, so that your company is set up for sustained success. Succession planning for the Board, CEO and senior leadership team is an ongoing and iterative process. After almost 13 years as Group Managing Director and Chief Executive Officer, the Board and Peter believe it is the right time to commence an orderly succession process. Today we are announcing that Peter intends to retire as Managing Director and Chief Executive Officer in the second quarter of the 2019 calendar year, with the final timing determined by the outcome of a comprehensive executive recruitment process. We will undertake a national and international search to identify the next MD and CEO of Super Retail Group. Today's announcement provides certainty and transparency for the business while the recruitment process is underway.

The company is in very good shape, thanks to Peter and the team. At the appropriate time we will have a lot more to say about Peter's tenure and contributions to your company, but on behalf of the Board, I would like to thank him today for his dedication to the business and leadership of the Group. He has overseen the transformation of Super Retail Group into a leading omni-retailer in a tough environment for the retail sector.

Peter has, of course, committed to working with the Board so we have a smooth transition, and in the meantime he has his focus firmly on running Super Retail Group as we approach the Christmas trading period, and then our half year results.

Your Board is committed to securing the best candidate for the job to best position Super Retail Group for continued success. We have a strong senior leadership team supporting Peter, and look forward to announcing the Group's next Managing Director and Chief Executive Officer in due course.

I thank my Board colleagues for their commitment and guidance, and the entire Super Retail Group team for their tireless efforts to inspire and support our customers, and engage with our stakeholders. I look forward to continuing to work with them as we strive for long-term value creation for you, our shareholders.

Most importantly, on behalf of the Board, I thank you, our shareholders for your continuing support of Super Retail Group.