

ASX ANNOUNCEMENT

Thursday, 27 October 2022

2022 AGM Addresses and Presentation

In accordance with ASX Listing Rule 3.13.3, Super Retail Group Limited (ASX:SUL) attaches the addresses and presentation to be delivered by Sally Pitkin AO, Chair and Anthony Heraghty, Group Managing Director and Chief Executive Officer at its Annual General Meeting today.

The release of this announcement has been authorised by the Board of Super Retail Group Limited.

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**2022 Annual General Meeting
Thursday, 27 October 2022
Chair's Address**

I am pleased to report to shareholders today on the 2022 financial year.

Despite the economic and community impact of the COVID-19 pandemic during the year, your company delivered a strong financial and operating performance, underlined by another year of record sales.

The strong result was underpinned by our best-ever online performance and strategic inventory management, which allowed us to capture increased consumer demand as the economy emerged from pandemic restrictions.

2022 was also a significant year for Super Retail Group on another measure of success that is far removed from the bottom line.

During the year we marked an important milestone for the company, celebrating the 50th anniversary of the business. In a world of increasing uncertainty and change, and an era of heightened customer expectations and wider choice, this is no small achievement.

I am sure many shareholders will be familiar with our company's humble beginnings. We started out as an automotive accessories mail-order business based in the home of our founders, non-executive director Reg Rowe and his late wife Hazel, right here in Brisbane.

It's a real tribute to Reg and Hazel that one of their key pillars when establishing the business - an unwavering commitment to customers – to this day remains a central tenet for Anthony and our 14,000 team members.

Reaching a 50th birthday rightly prompted a time for reflection at Super Retail Group about the journey the company is taking. Reg would be the first to acknowledge that it's appropriate we take the opportunity to acknowledge the contribution of our shareholders, team members, customers, business partners and the wider community to our success.

From those modest early days, we have grown remarkably. Five decades on, we are now recognised as a successful omni-retailer with four core brands that are household names across Australia and New Zealand. As Super Retail Group Ltd, we are approaching 20 years as a public company listed on the Australian Securities Exchange. It's a remarkable Queensland and Australian success story.

Against a backdrop of ongoing domestic and global volatility over the past 12 months, shareholders will be pleased to hear we continued to drive the growth and evolution of the Group despite the impact of COVID-19 lockdowns and other restrictions on economic activity.

Fortunately, your company was sustained during the most challenging periods of the COVID downturn due its strong pre-pandemic financial position and a resilient omni-retail strategy.

The highly effective execution of the strategy, significant enhancements to our digital capability, and another year of dedicated and energetic commitment from our team members helped drive the strong financial performance.

Additionally, in reviewing the year, our decision to invest heavily in inventory in response to disrupted global supply chains was fundamental to the Group's strong financial performance.

This pre-emptive and strategic management of the supply chain challenges enabled our four core brands to capture the increased consumer demand when retail spending bounced back following the end of COVID-19 lockdowns.

Looking ahead, we expect economic uncertainty to endure – particularly given the ongoing global volatility, the high inflationary environment and inevitable impact of rising interest rates, as well as the continuing impact of the pandemic.

In this environment, it remains prudent to maintain a continual review over capital management.

The Group's strong financial performance and balance sheet has supported the Board's decision to determine a fully franked final dividend of 43 cents a share. The total dividend for the FY22 is 70.0 cents a share. The total dividend represents a full year payout ratio of 65 per cent, in line with the Group's policy.

Despite the external uncertainty, we continued to invest in the business to strengthen our competitive position and generate long-term value for our shareholders.

This investment will continue, with a particular focus over the next two years on our loyalty programs and data analytics to capitalise on the strategic opportunities presented by one of the largest active club memberships in Australia and New Zealand.

In continuing to deliver sustainable growth, the Board also recognises that the Group's performance across social and environmental aspects is more important than ever.

At last year's annual general meeting, I revealed we were undertaking a review and refresh of our vision, mission and values. We considered that the widespread changes to society since our values were first articulated necessitated a reappraisal. We wanted to ensure our values remained relevant to our increasingly diverse team members and the broader community across Australia and New Zealand.

The Board and Senior Leadership Team understood the importance of remaining aligned with our stakeholders. Our vision, mission and values help us communicate our intentions as an organisation and provide a reference point for our decisions and actions. Appropriately these principles were developed organically, created by team members for team members.

The Board also continues to prioritise ethical and sustainable stewardship of the Group's operations. Building a company that is successful and sustainable over the long term requires a commitment to ethical and sustainable practices. While we have been long-time advocates of this approach to our business operations, we recognise the need to continually evolve.

We are continuing to embed environmental, social and governance standards and practices to position the business for the long term and supporting this work with transparent reporting about how we are performing against robust aspirations.

Within this domain, we are determined to play our role in mitigating the impact of climate change, and actively managing our carbon footprint to ensure we remain aligned with community sentiment.

In our day-to-day operations, we consistently consider the need to transition to a lower carbon footprint in our decision-making, and at a strategic level the Board regards ESG as a critical component in its risk management considerations.

Following direct feedback from team members, customers and other valued stakeholders, the Board reviewed and strengthened our Sustainability Framework. The Framework provides guidance for our people, customers, investors and stakeholders on the standards we are setting for the future as a benchmark for our operations.

In practical terms, this means we have reset our carbon emissions targets, with a new and ambitious goal for the business of zero emissions for Scope 1 and 2 by 2030. We've also strengthened our commitment to climate governance, enhancing transparency around our climate-related financial disclosures. Anthony will elaborate on our sustainability performance as part of his 2022 review.

As Chair, I recognise the need for the Board to evaluate the skill sets, experience and diversity of directors as part of the important process of succession planning. The Board needs the appropriate mix of expertise and capabilities to effectively govern. As shareholders would expect, succession planning is a regular item on our agenda.

Given my 12 years on the Board, my intention is that at the end of my current three-year term in 2024, I would not be putting my name forward for re-election as a director.

As part of our active Board regeneration policy, during the year I was delighted to welcome Judith Swales to the Board as a Non-Executive Director. With both director and executive management experience from a range of global businesses, Judith has made an immediate impact on Board discussions.

On behalf of the Board, I would also like to thank Gary Dunne for his contribution to the Group. Gary retired from the Board during this year after his appointment as the Chief Executive Officer of Melbourne-based RPM Property Group.

To my fellow directors, thank you for your wise counsel and strong support during the year.

Given the strong FY22 performance and high team member engagement, I would like to acknowledge the leadership of the Group Managing Director and Chief Executive Officer Anthony Heraghty and his management team. Their strategic planning has positioned the Group for continued success. The pre-emptive move to invest in inventory is a prime example of this prudent approach.

Of course, a strategy is only as good as its execution. For our company, nothing happens without a committed and engaged team. Our reputation for knowledgeable and dedicated service for customers is built on the commitment of our 14,000 team members.

In the past 12 months, our team members have once again demonstrated a willingness to go above and beyond. This was probably best illustrated in our response to the devastating floods that ravaged communities across the nation. These communities were facing significant pressures and our team members stood up when it counted.

As we look to the future, the Group is well placed to navigate what is expected to remain a challenging external environment for the broader retail sector, fortified by the strength of our brands and customer value proposition, the resilience of our auto and sports businesses and sales momentum in our leisure and outdoor categories.

This reinforces our determination to keep playing the long game – creating a positive impact on the communities in which we operate and positioning Super Retail Group for shareholder returns over the long term. We want to ensure the next 50 years are as successful as the first.

On behalf of the Board and management, I want to thank team members, customers, partners and shareholders for your continuing support.

**2022 Annual General Meeting
Thursday, 27 October 2022
CEO's Address and Presentation**

Introduction

Thank-you Sally and good morning everyone.

It is my pleasure to provide you with an overview of the 2022 financial year and an update on our year-to-date trading performance.

This year your company delivered another strong set of financial results despite the ongoing challenges of the COVID-19 pandemic.

I would like to thank our 14,000 team members for their efforts in contributing to this outcome. Once again, our team demonstrated remarkable resilience and determination to support our customers and execute our business plan.

Our management team have continued to display strong leadership, through a very challenging period for retail, and I also thank them for continuing to find ways to engage our team, drive performance and deliver value for our customers and shareholders.

Record online sales and the Group's strategic decision to invest in inventory in response to a disrupted global supply chain underpinned a solid first half performance, despite disruptions to store trading.

Momentum continued to build in the second half, as pandemic fears eased and customers began returning to stores, with like-for-like sales increasing by five per cent. This reflected a growing contribution from our successful new store formats, positive like-for-like sales across our four core brands and a record June winter sales result for Macpac.

Notwithstanding a more challenging retail environment ahead, I am confident that the resilience of our key auto and sports businesses together with ongoing investment made during the pandemic period holds us in very good stead.

We have built a better, stronger omni-retail business and the Group remains in robust financial shape. We have a conservative balance sheet with no bank debt. We remain well positioned to leverage our brand strength, large active customer base and leading market positions in our lifestyle categories, through the next phase of the economic cycle.

Financial Highlights

As we go to financial highlights, you can see that Group sales increased by almost 3 per cent to a record \$3.55 billion.

This translated to normalised profit before tax of \$350 million.

Pleasingly, the Group achieved gross margin of 46.8 per cent as targeted and effective promotions and pricing partially offset higher supply chain costs.

The Group delivered statutory NPAT of \$241 million, while our underlying NPAT was \$244 million, reflecting another year-on-year reduction in below the line adjustments.

Customer and brand highlights

The business continues to attract and retain new customers, with more than one million new members added to our loyalty programs in FY22.

We achieved 14 per cent growth in active customer numbers this year, building our loyalty program membership to a record 9.2 million active customers. These club members contributed 70 per cent of Group sales in FY22, up from 63 per cent in FY21.

We have more customers than ever, and I am pleased to report they are also increasingly satisfied with our brands, products and service. Our Group Net Promoter Score increased to 64.6, with all brands recording an improved performance.

Over the next two years, the Group will undertake significant capital investment to better leverage our customer data.

We are also relaunching our loyalty programs and building our customer analytics to allow all our businesses to make increasingly personalised offers to our customers using analytically driven data and insights.

The potential to better leverage our customer data represents an exciting strategic opportunity for the Group.

Store network highlights

The value of our store network was further demonstrated in FY22, despite lower foot traffic in shopping centres due to COVID.

Despite our record online sales it is important to note that more than nine in every ten transactions involved our store network, through either over-the-counter sales or Click & Collect. Reports of the death of bricks and mortar are, in our case, greatly exaggerated.

The Group opened 21 new stores in the past 12 months, a net addition of 18, taking our total number of stores to 716 across Australia and New Zealand.

But investment in our store network is not just about numbers. It is also about refurbishing the network and upgrading our fleet with new and exciting formats.

In Supercheap Auto, we converted more than 30 stores to the next generation format, and this helped deliver a solid uplift in our like-for-like sales, particularly in the tools category.

In rebel, we finished the year with 11 rCX stores (including our flagship Rundle Mall store in Adelaide, which is pictured on the slide). These are large format stores that showcase a comprehensive range across key global brands. With a focus on core categories, they provide a differentiated customer experience through physical experience zones like half-court basketball and indoor football pitches. This unique format is attracting co-investment from leading global sports brands, including Nike, Adidas and Under Armour and giving us access to exclusive products.

More broadly across the network, we have also continued to roll-out our specialised in-store "World of" format in must-win categories of Basketball, Football, Running, Kids and Training.

In BCF, our small format regional stores with tailored products are performing well above expectations.

And in Macpac, sales and brand awareness have been boosted by the opening of 10 new stores and the introduction of Macpac product in more than 200 rebel and BCF stores

Looking forward, our network expansion plan for FY23 includes up to 30 new store openings, including our BCF superstore in Townsville. We also expect to open an additional 5 rCX stores next year.

Digital and omni highlights

Following a sustained program of investment in our digital capability, Group digital sales in FY22 grew by 44 per cent to more than \$600 million.

This record online sales result shows that we are capturing digital market share from our constantly improving omni execution.

Since FY19, online sales have increased by a factor of three, and have increased as a proportion of overall sales from seven to 17 per cent.

Click & Collect, which leverages the strength of our store network, grew by 73 per cent to \$332 million.

These Click & Collect sales represented 55 per cent of total online sales and nine per cent of total sales.

Pleasingly, the investment we have made in our order management system is continuing to reap benefits. It has enabled us to reduce split deliveries, adding to the profitability of our home delivery sales.

Sustainability Framework

In FY22, we strengthened our Sustainability Framework to deliver better outcomes for our people and planet.

The enhanced framework outlines a commitment to five focus areas: Team, Community, Responsible Sourcing, Circular Economy and Climate.

These focus areas have 12 goals, linked to measurable targets, that are all set out on the slide in front of you.

Given time constraints, I cannot speak to all of this in detail now, but in terms of some of the key targets we have set, I would call out the following:

- We have reset our carbon emissions targets, with a new goal of zero emissions for Scopes 1 and 2 by 2030.
- We have set a 40:40:20 target for Board and executive and senior leadership positions
- We are targeting for 100% of private brand packaging to be reusable or recyclable by 2025
- We are developing a Disability Action Plan; and
- We are developing a Reconciliation Action Plan

I would strongly encourage you to refer to our Sustainability Report for further details.

Sustainability Achievements

Turning to the next slide, and I am very proud of the progress we have made in FY22 against some of our key sustainability and team performance measures.

Key sustainability highlights include:

- A 16.9% reduction in greenhouse gas emissions (Scope 1 and 2) from the FY17 base year
- More than 1 million litres of oil recycled through Supercheap Auto
- More than 1 million bags refused, since Macpac's refuse-a-bag program began in 2018

Key team member highlights include:

- 45.5% female representation at the executive leadership level
- More than 2,500 team members participated in the "I am here" mental health program
- High team engagement scores of 82 and 80 in our October and June team member surveys

This year the Group improved its Dow Jones Sustainability Index score from 60 to 62, placing us in the top quartile of the retail sector.

We also received a "Comprehensive" rating from the Australian Council of Superannuation Investors for ESG reporting relative to peers in the ASX200.

Strategy

Turning to our corporate strategy and, in short, there has been no change.

The Group's strategy is based on five pillars:

- Growing the four core brands
- Leveraging closeness to our customer
- Connecting our omni-retail supply chain
- Simplifying the business, and
- Excelling in omni-retail

In FY23 the Group expects to spend \$125 million in furthering our strategic objectives. We remain focused on organic growth opportunities, including the expansion and refurbishment of our store network and ongoing investment in digital, personalisation and loyalty.

Segment Results

This slide provides a summary of the segment results for the full year. Given this slide is self-explanatory, I will now turn to the next slide and provide some more detail on the performance of each of our brands.

Supercheap Auto

Turning to Supercheap Auto, I'm pleased to report that Australia remains firmly in love with their cars. Supercheap Auto delivered a record sales result in another COVID disrupted year, reinforcing the reliability of the auto category and the strength of the Supercheap brand.

Benjamin Ward and his team continue to excel in customer acquisition, having added more than 1 million new members to their club membership program in the past 12 months.

In terms of financial highlights:

- Total sales increased to \$1.34 billion
- Online sales grew by 64% to \$175 million and represented 13% of total sales
- Like-for-like sales for the year fell 0.1% but rebounded strongly in the second half
- H2 like-for-like sales grew by 7.7% driven by strong performance in lubricants, auto maintenance and tools

- Gross margin declined by 60 bps versus pcp as higher trading margins were offset by higher supply chain costs and normalisation of promotions
- Segment PBT fell by 8 per cent to \$176 million, but pleasingly second half PBT of \$100 million was almost 12 per cent higher than in the prior corresponding period

rebel

rebel also delivered another very strong sales performance in FY22, despite inventory challenges and a peak Christmas trading period impacted by a reduction in footfall in CBD and large shopping malls.

Faced with this challenge, Gary Williams and the rebel team did a great job in pivoting to meet online demand – rebel lifted online sales by almost 40 per cent to \$268 million or 22% of total sales.

In terms of financial highlights:

- Total sales increased to \$1.21 billion
- Like-for-like sales were down 2.8 per cent for the year but rebounded in the second half as foot traffic recovered and footwear and apparel stocks were replenished at the end of the fourth quarter
- Gross margin was 80 bps lower than pcp as higher trading margins were offset by supply chain costs and increased promotional activity and inventory supply challenges
- Segment normalised PBT fell by 15 per cent to \$141 million but pleasingly second half segment normalised PBT of \$73 million was almost 5 per cent higher than the previous period.

BCF

BCF delivered a very strong top line result, with another record year of sales. Paul Bradshaw and the BCF team are continuing to build this business through store network expansion, range improvements and tailored products.

In terms of financial highlights:

- Total sales increased to \$830 million driven by like-for-like sales growth and contribution from new stores
- Online sales grew by 36% to \$117 million and represented 14% of total sales
- Like-for-like sales for the year grew by 1.1% following a strong second half performance
- H2 like-for-like sales increased by 6.7% driven by strong trading over the summer and Easter holiday periods, particularly in boating and camping
- PBT of \$60 million was 38% lower than prior year, however second half PBT of \$28 million was only 14% below the prior year

Macpac

After a challenging first half, which was impacted by COVID lockdowns in Australia and New Zealand, Cathy Seaholme and the Macpac team delivered an outstanding second half performance, driven by a record June winter sales period in Australia. Cold weather isn't always bad.

In terms of financial highlights:

- Total sales increased to \$177 million
- Online sales grew by 35% to \$41 million and represented 23% of total sales
- Like-for-like sales for the year grew by 4.4%, and by 8.5% in the second half
- This strong performance was driven by our Australian stores where like-for like sales increased by 12.4%. Cold and wet weather spurred strong demand in rainwear and insulation
- Our performance in New Zealand was more subdued, owing to the impact of COVID-19 and reduced tourism and travel
- Pleasingly, wholesale sales of Macpac product to rebel and BCF increased by 95%, following the expansion of this offering to more than 200 rebel and BCF stores.
- Gross margin was lower than the previous corresponding period due to higher freight costs as a result of a significant uplift in home delivery sales in the first half. Second half gross margin was higher than pcg
- Macpac delivered PBT of \$18.6 million

Trading Update

I am pleased to provide an update on our year-to-date trading performance.

For the first 16 weeks of FY23 the Group has delivered the following like-for-like sales growth:

	FY23 vs FY22	FY23 vs FY20
Supercheap Auto	23%	28%
rebel	20%	23%
BCF	4%	46%
Macpac	76%	38%
Group	20%	30%

Given the Group is cycling lockdowns in the prior comparative period, investors are cautioned against extrapolating this growth.

Online sales represent 10 per cent of FY23 year to date sales.

Group gross margin percentage in the first 16 weeks is in line with gross margin percentage delivered in the prior comparative period.

Supercheap Auto has continued to trade well, supported by its store refurbishment program, with auto maintenance the best performing category.

Sales growth in rebel has been driven by ongoing recovery in foot traffic, improved stock availability from key global sports brands and an uplift in licensed sales during the AFL and NRL finals season.

BCF has maintained sales growth momentum above pre COVID-19 levels. Year to date performance has been underpinned by growth in camping and apparel sales, supported by the success of new strategic brands including Yeti and Darche. BCF

remains on track to open its brand new superstore in Townsville in November.

Macpac's year to date performance has been driven by strong store sales in Australia, which have benefited from wet weather. New Zealand store performance in the first quarter was impacted by lack of staff availability (due to COVID-19) and a slow recovery in tourism.

While current trading remains strong, the Group expects higher mortgage rates and increased cost of living expenses will begin to impact consumer spending.

The value proposition of the Group's brands, its large active club member base and the resilience of its key auto and sports categories mean the Group is well positioned for more challenging retail trading conditions ahead.

As always, the Group's first half result will be highly dependent on trading in the peak Christmas holiday period.

Concluding Remarks

I look forward to updating you on our progress throughout the year and would like to again thank you, our shareholders for your continued support.

I will now hand back to Sally to conduct the rest of the meeting.

2022 AGM CEO PRESENTATION

Authorised for release by the
Super Retail Group Board

27 October 2022

ABN: 81 108 676 204



SUPERCHEAP
AUTO

rebel

BCF

macpac



SUPER RETAIL GROUP

Financial highlights

\$3,551m
SALES

\$396.6m
NORMALISED EBIT

\$349.6m
NORMALISED PBT

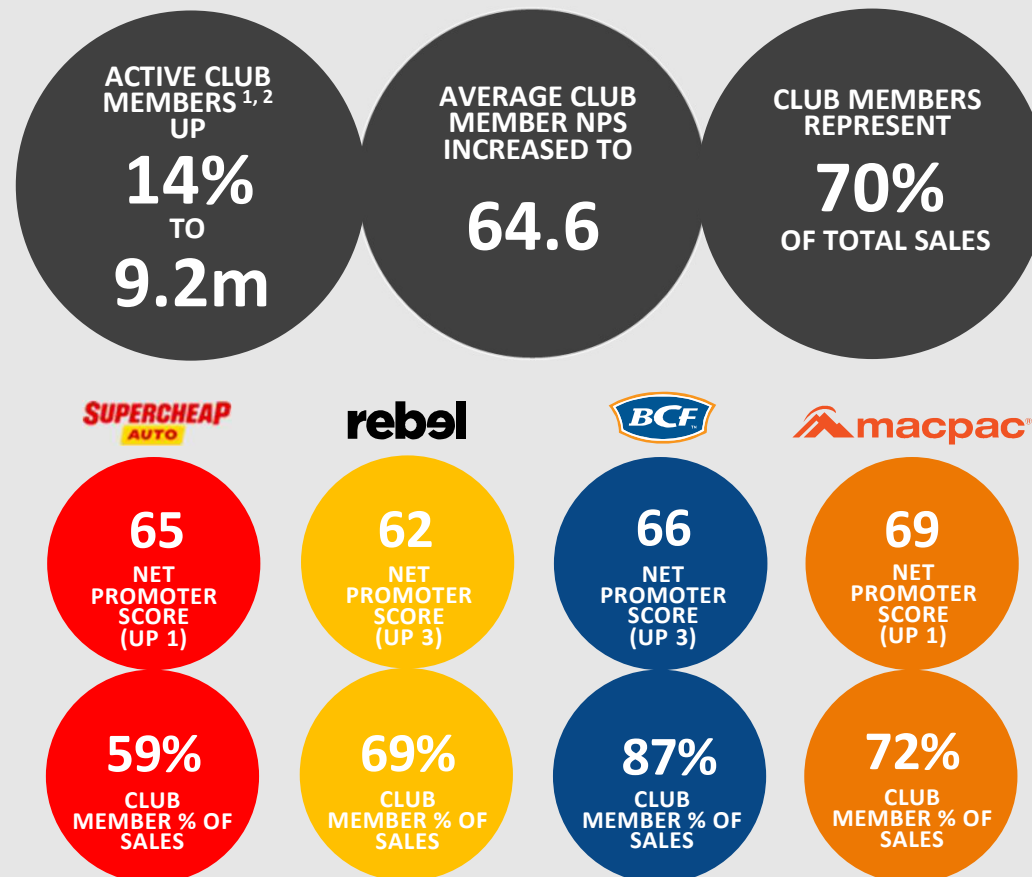
\$241.2m
STATUTORY NPAT

\$244.1m
NORMALISED NPAT

FULLY FRANKED
DIVIDENDS
TALLING
70.0 CENTS



Customer and brand highlights

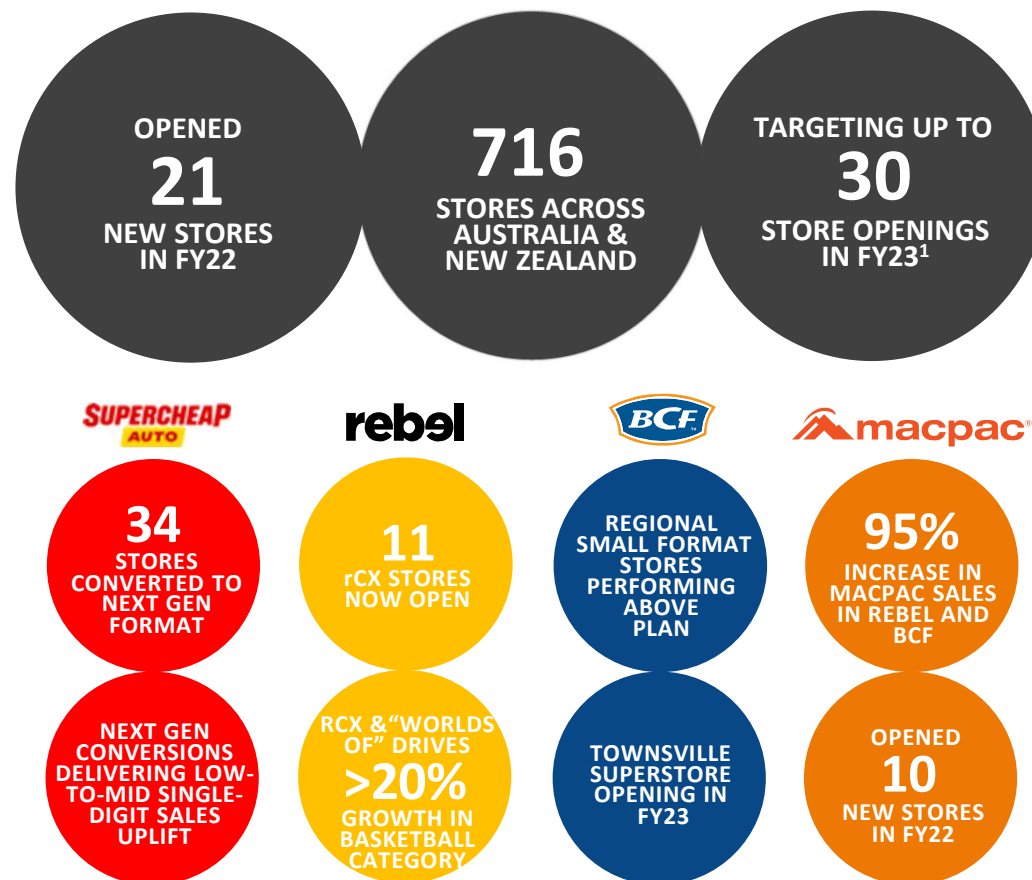


- (1) Active club member is a club member who purchased in last 12 months
 (2) Club membership growth numbers show growth over past 12 months



rebel rCX store, Rundle Mall, Adelaide

Store network highlights



(1) FY23 store targets per brand – Supercheap Auto 8 stores, rebel 4 stores, BCF 8 stores and Macpac 10 stores



Digital and omni-channel highlights

GROUP ONLINE
SALES UP
44%
TO
\$601m¹

73%
INCREASE IN CLICK &
COLLECT SALES TO
\$332m¹

CLICK & COLLECT
GREW TO
55%
OF
ONLINE SALES

ONLINE SALES
REPRESENTED
17%
OF TOTAL
GROUP SALES

92%
OF CUSTOMERS ARE
OMNI OR IN-STORE
SHOPPERS

12%
REDUCTION IN
SPLIT ORDERS ^{1,2}

(1) Based on 12 month change to the end of FY22

(2) Reduction of split rates on deliveries of multi quantity orders compared to FY21

Our 2030 Sustainability Framework

Our new framework outlines our commitment, driven by our vision and connected to our stakeholders. It has five focus areas: team, community, responsible sourcing, circular economy and climate.

These focus areas have 12 goals, linked to measurable targets.



SUPER RETAIL GROUP

Goal

2030 Targets¹

1.	Invest in the health, safety and wellbeing of our team	<ul style="list-style-type: none"> Implementing a holistic wellbeing program – participation rates Health & Safety TRIFR, 1st quartile performer in retail
2.	Create an inclusive and diverse team	<ul style="list-style-type: none"> Develop Reconciliation Action Plan
3.	Support our team with purpose-led career development	<ul style="list-style-type: none"> 40:40:20 for Board and executive and senior leadership positions Develop Disability Action Plan Program development for greater diversity and inclusion inc. LGBTQ+
4.	Invest in community programs that support our customers' and team's passions	<ul style="list-style-type: none"> Identify key purpose-aligned community partnerships and agree a strategy for each Brand Contribute to conservation and regeneration programs
5.	Improve transparency and disclosure of high-risk supply chains	<ul style="list-style-type: none"> Collaborate with and support strategic trade partners to improve their supply chains
6.	Invest in sustainable supply chains through strategic partnering	<ul style="list-style-type: none"> Contribute to industry level change
7.	Source materials and products more responsibly and sustainably	<ul style="list-style-type: none"> Embed responsible purchasing practices in decision making across our business
8.	Design and procure durable products, with a circular mindset	<ul style="list-style-type: none"> 100% of private brand packaging is reusable or recyclable²
9.	Reduce waste and unnecessary packaging	<ul style="list-style-type: none"> Adopt the Australasian Recycling Label for private brand packaging
10.	Repair, reuse or recycle our products	<ul style="list-style-type: none"> 50% average recycled content must be included in private brand packaging² Problematic and unnecessary single-use private brand plastic packaging must be phased out² Increase waste diverted from landfills to 90%
11.	Develop a decarbonisation roadmap for our operations and customer offering	<ul style="list-style-type: none"> Zero Emissions – Scopes 1 and 2
12.	Enhance climate-related disclosures	<ul style="list-style-type: none"> Align climate-related reporting to the Task Force on Climate-related Disclosures

For more information about our ESG reporting, please see our FY22 Sustainability Report.

- (1) As our work in all these areas develops, we expect that our plans and targets will be updated
 (2) Our packaging targets are aligned to those set by the Australian Government, with delivery expected by 2025

Sustainability and team – achievements and key performance measures



10.7

Total Recordable Injury Frequency Rate (TRIFR)

*A 13% per cent increase from the prior year (9.4)**

>2,500

Team members participated in the "I Am Here" mental health program

82 and 80

Engagement survey October 2021 and June 2022

37.5%

Female representation at Board level

45.5%

Female representation at executive leadership level

37.3%

Female representation at senior leadership level

\$1.5m

Group Total Giving

Disability Action

Joined Australian Network on Disability and commenced consultation on our inaugural Disability Action Plan

Reconciliation

Commenced consultation and development on our inaugural Reconciliation Action Plan

58%

Recycling rate for waste material in stores, offices and distribution centres

1,101,200L

Recycled litres of oil through Supercheap Auto

91,167

Recycled car batteries through Supercheap Auto

56,751

Recycled pairs of shoes through rebel and Macpac's in-store collection

1%

Percentage reduction of total electricity use to 80,723 MWh

87

Store lighting upgrades with expected energy saving of 549MWh

>1m

Bags refused through Macpac's 'Refuse a Bag' initiative since the program began in 2018

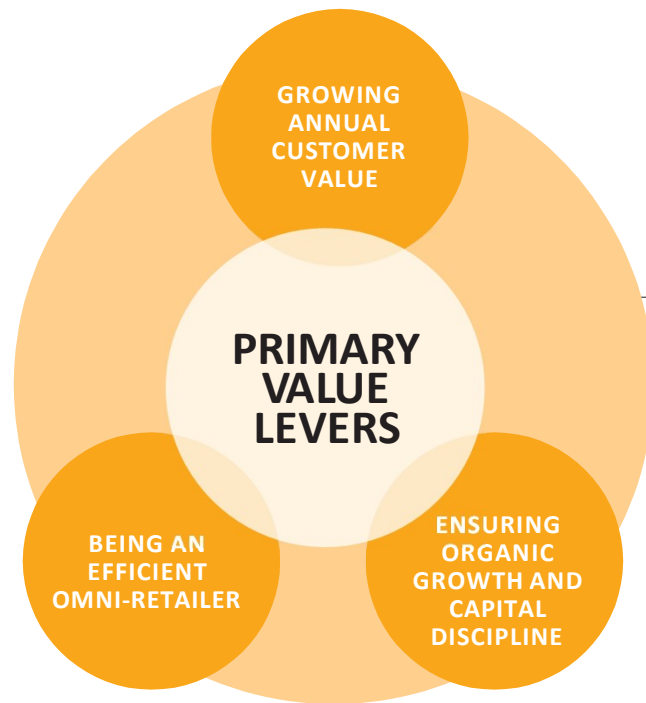
16.9%

Reduction in greenhouse gas emissions (Scopes 1 & 2) from the FY17 base year

2.4%

Reduction in greenhouse gas emissions (Scopes 1 & 2) from FY21

Our strategy



STRATEGIC DRIVERS



1 GROW THE FOUR CORE BRANDS



2 LEVERAGE CLOSENESS TO OUR CUSTOMER



3 CONNECTED OMNI-RETAIL SUPPLY CHAIN



4 SIMPLIFY THE BUSINESS



5 EXCEL IN OMNI-RETAIL EXECUTION

Segment results

\$m	FY22 (53 weeks)		FY21 (52 weeks)	
Segment	Sales	PBT	Sales	PBT
Supercheap Auto	1,339.8	176.1	1,308.8	192.3
rebel	1,212.0	141.0	1,197.0	166.7
BCF	829.7	59.6	797.7	96.4
Macpac	176.8	18.6	153.4	16.9
Group and Unallocated	(7.4)	(45.7)	(3.8)	(36.5)
Total	3,550.9	349.6	3,453.1	435.8





- Total sales increased by 2.4% to \$1.34 billion (or 0.5% adjusting for 53rd week)
- Record sales performance supported by sales uplift from conversion of existing stores to latest Generation 4 format
- Like-for-like sales for the year fell 0.1% but rebounded strongly in the second half
 - H1 like-for-like sales fell by 7.7% as COVID-19 lockdowns impacted sales in Q1
 - H2 like-for like sales grew by 7.7% driven by strong performance in lubricants, auto maintenance and tools
- Gross margin declined by 60 bps versus pcp as higher trading margins were offset by higher supply chain costs and normalisation of promotions
- Segment normalised PBT of \$176.1 million was 8.4% lower than pcp
- Second half segment normalised PBT of \$100.2 million was 11.9% higher than pcp
- Normalised PBT margin of 13.1% was 160 bps lower than pcp however second half PBT margin was in line with pcp
- Online sales grew by 64% to \$175.3 million and represented 13% of total sales
- Click & Collect comprised 79% of online sales and 10% of total sales
- Active Club membership increased by 36% to 3.2m and club members represented 59% of SCA sales
- Supercheap Auto opened 3 stores and closed 1 store during the period, resulting in 329 stores at period end²

\$m	FY22 (53 weeks)	FY21 (52 weeks)	Change (53 weeks vs 52 weeks)	Adjusted change ¹ (52 weeks vs 52 weeks)
Sales	1,339.8	1,308.8	2.4%	0.5%
Segment EBITDA	301.5	315.7	(4.5%)	(6.0%)
Segment EBIT	190.6	204.2	(6.7%)	(8.7%)
Segment normalised PBT	176.1	192.3	(8.4%)	(10.5%)
Normalised PBT margin	13.1%	14.7%	(1.6%)	(1.6%)



- Total sales increased by 1.3% to \$1.21 billion (0.6% decline adjusted for 53rd week)
- Sales result supported by an increased contribution from new rCX format stores and strong performance in key categories including basketball and licensed
- Like-for-like sales for the year fell by 2.8% but rebounded strongly in the second half:
 - H1 like-for-like sales fell by 5.9% due to lower footfall in CBD and large shopping malls due to the pandemic and delayed shipments which impacted product availability
 - H2 like-for-like sales grew by 0.5%. Sales momentum built during the half as foot traffic recovered and footwear and apparel stocks were replenished at the end of Q4
- Gross margin was 80 bps lower than pcp as higher trading margins were offset by supply chain costs and increased promotional activity and inventory supply challenges
- Segment normalised PBT of \$141.0 million was 15.4% lower than pcp
- Second half segment normalised PBT of \$72.7 million was 4.9% higher than pcp
- Normalised PBT margin of 11.6% was 230 bps lower than pcp, however second half PBT margin was only 10 bps lower than pcp
- Online sales grew by 39% to \$267.7 million and represented 22% of total sales
- Click & Collect comprised 41% of online sales and 9% of total sales
- Active club members increased by 2% to 3.3m and club members represented 69% of sales
- rebel opened 3 stores and closed 1 store resulting in 155 stores at period end

\$m	FY22 (53 weeks)	FY21 (52 weeks)	Change (53 weeks vs 52 weeks)	Adjusted change ¹ (52 weeks vs 52 weeks)
Sales	1,212.0	1,197.0	1.3%	(0.6%)
Segment EBITDA	264.6	285.9	(7.5%)	(8.3%)
Segment EBIT	155.6	180.0	(13.6%)	(14.4%)
Segment normalised PBT	141.0	166.7	(15.4%)	(16.3%)
Normalised PBT margin	11.6%	13.9%	(2.3%)	(2.2%)



- Total sales increased by 4.0% to \$829.7m (or 2.7% adjusted for 53rd week) driven by like-for-like sales growth and contribution from new stores
- Like-for-like sales for the year grew by 1.1% following a strong second half performance
 - H1 like-for-like sales fell by 3.7% cycling a record pcg,
 - H2 like-for-like sales grew by 6.7% driven by strong trading over the summer and Easter holiday periods, particularly in boating and camping
- Gross margin was 300 bps lower than pcg due to increased promotional activity, sales mix and higher supply chain costs
- Segment normalised PBT of \$59.6 million was 38.2% lower than pcg
- Second half segment normalised PBT of \$28.4 million was 14.2% below pcg
- Normalised PBT margin of 7.2% reflects the return to a more typical competitive environment
- Online sales grew by 36% to \$116.7 million and represented 14% of total sales
- Click & Collect comprised 66% of online sales and 9% of total sales
- Active club membership increased by 7% to 2.1m and club member sales represented 87% of BCF sales
- BCF opened 5 stores resulting in 147 stores at period end

\$m	FY22 (53 weeks)	FY21 (52 weeks)	Change (53 weeks vs 52 weeks)	Adjusted change ¹ (52 weeks vs 52 weeks)
Sales	829.7	797.7	4.0%	2.7%
Segment EBITDA	133.4	167.1	(20.2%)	(20.0%)
Segment EBIT	68.9	105.2	(34.5%)	(34.0%)
Segment normalised PBT	59.6	96.4	(38.2%)	(37.5%)
Normalised PBT margin	7.2%	12.1%	(4.9%)	(4.7%)



- Total sales increased by 15.3% to \$176.8m (or 11.4% adjusted for 53rd week) driven by record June winter sales
- Like-for-like sales for the year grew by 4.4% overall and by 8.5% in the second half²
 - In Australia, like-for like sales increased by 12.4% reflecting growth in rainwear and insulation apparel sales due to cold and wet weather
 - In New Zealand, like-for-like sales fell 6.5% due to the impact of COVID-19 and reduced tourism and travel
- Wholesale sales of Macpac product to rebel and BCF increased by 95%
- Gross margin was lower than pcp due to higher freight costs as a result of a significant uplift in home delivery sales in the first half. Second half gross margin was higher than pcp
- Adjusting for the 53rd week in FY22, which occurred in the peak winter promotion period:
 - Segment normalised PBT was only 1.9% below pcp despite the \$1.5m PBT loss incurred in the COVID-19 impacted first half
 - Normalised PBT margin was 130 bps lower than pcp however second half PBT margin was 250 bps higher than pcp
- Online sales grew by 35% to \$40.8 million and represented 23% of total sales
- Click & Collect comprised 17% of online sales and 4% of total sales
- Active club membership increased by 22% to 0.6m and club members represented 72% of Macpac sales
- Macpac opened 10 stores and closed 1 store resulting in 85 stores at period end³

\$m	FY22 (53 weeks)	FY21 (52 weeks)	Change (53 weeks vs 52 weeks)	Adjusted change ¹ (52 weeks vs 52 weeks)
Sales	176.8	153.4	15.3%	11.4%
Segment EBITDA	40.5	35.7	13.4%	7.8%
Segment EBIT	20.0	18.1	10.5%	(0.1%)
Segment normalised PBT	18.6	16.9	10.1%	(1.9%)
Normalised PBT margin	10.5%	11.0%	(0.5%)	(1.3%)

FY23 trading update

- Group like-for-like sales growth as at week 16 is as follows:

	Like-for-like sales growth FY23 vs FY22	Like-for-like sales growth FY23 vs FY20
Supercheap Auto	23%	28%
rebel	20%	23%
BCF	4%	46%
Macpac	76%	38%
Group	20%	30%

- The Group has continued its positive start to FY23 with all four core brands delivering strong like-for-like sales growth
- Given the Group is cycling lockdowns in the prior comparative period, investors are cautioned against extrapolating this growth
- Online sales represent 10 per cent of FY23 year to date sales
- Group gross margin percentage in the first 16 weeks is in line with gross margin percentage delivered in the prior comparative period

FY23 trading update cont.

- Supercheap Auto has continued to trade well, supported by its store refurbishment program, with auto maintenance the best performing category
- Sales growth in rebel has been driven by ongoing recovery in foot traffic, improved stock availability from key global sports brands and an uplift in licensed sales during the AFL and NRL finals season
- BCF has maintained sales growth momentum above pre COVID-19 levels. Year to date performance has been underpinned by growth in camping and apparel sales, supported by the success of new strategic brands including Yeti and Darche. BCF remains on track to open its brand new superstore in Townsville in November
- Macpac's year to date performance has been driven by strong store sales in Australia, which have benefited from wet weather. New Zealand store performance in the first quarter was impacted by lack of staff availability (due to COVID-19) and a slow recovery in tourism
- While current trading remains strong, the Group expects higher mortgage rates and increased cost of living expenses will begin to impact consumer spending
- The value proposition of the Group's brands, its large active club member base and the resilience of its key auto and sports categories mean the Group is well positioned for more challenging retail trading conditions ahead
- As always, the Group's first half result will be highly dependent on trading in the peak Christmas holiday period

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