

20 October 2021

ASX Announcement

AGM 2021 – CHAIR ADDRESS TO SHAREHOLDERS

A year ago, when we gathered virtually for the Annual General Meeting, the impact of the COVID-19 health and economic crisis was still unfolding.

At the time, we all recognised the uncertainty playing out across the retail sector, the economy and the wider Australian and New Zealand communities but held hopes that better times lay ahead.

Regrettably, it has not played out that way. The past year has been perhaps the most difficult and challenging time that many businesses and people have faced.

But in Super Retail Group's ongoing response to the COVID-19 pandemic, we displayed the agility, innovation and resilience required to operate successfully in an uncertain external environment.

On behalf of the Board, I am pleased to report the 2021 financial year was a demonstration of Super Retail Group at its best, underlining the benefits of a sustainable business strategy that remains robust in a volatile world.

The record sales and earnings results reflect the successful execution of our strategy and exceptional contingency planning by the Group's leadership team. By remaining nimble and flexible, we remained open for business with plentiful stocks for our engaged team members to meet the unprecedented customer demand in our lifestyle and leisure categories.

As we stand here today, of course, uncertainty continues to loom large over the economy and society.

While the impact of the pandemic will play out for some time yet, Super Retail Group has continued to perform strongly thanks to our resilient omni-retail strategy, strong leadership and diligent team members.

Looking back, last year's \$203 million equity raising, completed with strong support from retail and institutional shareholders, including our founder and major shareholder Reg Rowe, was pivotal in positioning the Group for success.

The financial flexibility allowed us to invest in both our people and the infrastructure needed to continue delivering our omni-retail strategy, despite the uncertainty created by COVID-19.

We entered the current financial year, FY2022, with a conservative balance sheet and no bank debt.

Importantly, as consumer trends accelerated the shift towards online and became embedded in customer behaviour across Australia and New Zealand, our supply chain and distribution networks were enhanced and strengthened.

To the great credit of the management team, the business was able to circumvent many of the COVID-19 induced supply chain challenges confronting other retailers by building inventory levels in advance of anticipated delays. This

decision combined with other improvements to our operations has driven a strong operational performance and a record financial result.

The Group's result and robust financial position has supported the Board's decision to determine a fully franked final dividend of 55 cents per share. The total dividend for the 2021 financial year is 88 cents per share. The total dividend represents a full year payout ratio of 65 per cent, in line with the Group's policy.

On behalf of shareholders, the Board also remains focused on the ethical and sustainable stewardship of all aspects of the Group's activities. At Super Retail Group we are determined to make a constructive contribution to society and have a positive impact in the communities in which we operate.

With a rapidly evolving external environment, the Group is reviewing its Vision, Mission and Values to ensure they remain relevant to team members and other stakeholders. In the time since our Values were first articulated, the Company has transitioned to an omni-retailer with four core brands and employs a larger and more diverse group of team members. The Board wants to be satisfied that these statements of intent remain firmly aligned with the ambition of the organisation.

Robust environmental, social and governance practices continue to be an area of focus for the Board and leadership team.

As a Group, our business activities are increasingly conducted in a manner that aligns with the transition to a lower carbon footprint and ESG risk management is entrenched as a routine component of the Board's accountabilities.

More than ever, any review of Super Retail Group's performance, must draw attention to the passion and dedication of our team members. They are the backbone of the organisation and are the foundation of our success. We will continue to invest in our team members because we understand they are central to delivering sustained growth. The immense uncertainty around health risks for the community during the pandemic only serves to further underline the extraordinary efforts of team members.

This has never been more apparent given our strong performance during one of the most challenging external environments in our time as a listed company.

The Board would also like to commend the leadership of our Managing Director and Chief Executive Officer Anthony Heraghty. Anthony has retained his laser focus on ensuring the business continues to focus on executing our strategy and creating a culture of high performance, creativity and engagement. Strong leadership from Anthony and his leadership team, and an emphasis on more deeply understanding our customers is a crucial contributor to our strong growth.

The stewardship of the Board has helped strengthen the Group and positioned it to create long-term value. The Board is diligent and dedicated in fulfilling its responsibilities guiding the business on behalf of shareholders and I take this opportunity to thank my fellow directors for their sound advice and counsel.

Over the course of the financial year, Diana Eilert announced her retirement as a Non-Executive Director after six years on the Board. The Board thanks Diana for her contribution and service to shareholders. Earlier this month, I was pleased to announce the appointment of Judith Swales as a Non-Executive Director, effective 1 November 2021.

Ms Swales has significant board and executive management experience with a range of global businesses and is currently the Asia-Pacific Chief Executive Officer of dairy company Fonterra.

Her extensive background in high-performing retail businesses and digital acumen across a diverse range of sectors combined with her focus on delivering value for shareholders makes her a valuable addition to the Board.

Looking forward, as Australia and New Zealand continue the emergence from the constraints of COVID-19, we have strong grounds for optimism, for both the community and the business.

Further, the year ahead will be particularly significant for Super Retail Group, with 2022 marking 50 years since our journey began with Reg and Hazel Rowe establishing an automotive accessories mail order business in Queensland.

On this note, it was with great sadness that we learned of the passing of Hazel Rowe earlier this year. It is no exaggeration to say that we are all indebted to Hazel for her work with Reg in founding this business, which now employs over 14,000 people across Australia and New Zealand, supports thousands of suppliers and meets the needs of millions of customers. It is a remarkable legacy.

On behalf of the Board and the entire Super Retail Group team, today we acknowledge Hazel's contribution and reiterate our deepest sympathies to Reg and the Rowe family.

Although the year ahead will be marked by continuing uncertainty, the Board and leadership team have a clear strategy and engaged team members to ensure the Group is positioned to deliver sustainable success. I am confident Super Retail Group will continue to create value for our shareholders.

Thank you for your continued support.

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

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