

Super Retail
Group



Inspiring you to
live your passion



Super Retail Group

MACQUARIE AUSTRALIA CONFERENCE

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Group Managing Director and
Chief Executive Officer



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Tuesday, 4 May 2021



Contents

- Corporate strategy update
- Update on two of our strategic drivers:
 1. Leveraging closeness to our customer – growing customer loyalty
 2. Excel in omni-retail execution – harmonising in-store and online profitability
- FY21 trading update

Corporate strategy is on track

THE THREE PRIMARY VALUE LEVERS



5 STRATEGIC DRIVERS



GROW THE FOUR CORE BRANDS

- Align capital investment to grow core 4 brands
- Develop organic brand strategies, leveraging consolidated competitive advantage
- Refresh private brand strategy



LEVERAGE CLOSENESS TO OUR CUSTOMER

- Deepen understanding of the customer through more sophisticated analytics and insights
- Develop structured customer relationship management program to drive visitation & transaction growth
- Align marketing, merchandising & pricing strategies to customer



CONNECTED OMNI-RETAIL SUPPLY CHAIN

- Optimise Australia and New Zealand distribution centre networks, planning and product flows
- Orchestrate customer online orders
- Leverage group sourcing capability



SIMPLIFY THE BUSINESS

- Remove duplication and leverage scale (BW / merch / process consistency and simplification / cost out)
- Focus on KPI alignment and value mindset
- Modernise technology infrastructure to be fit for purpose



EXCEL IN OMNI-RETAIL EXECUTION

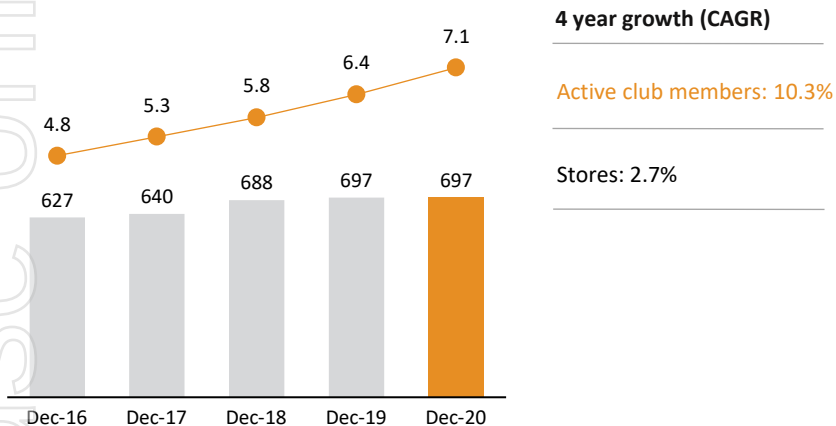
- Continue to build expertise for our customer-facing teams, underpinned by team members as industry experts
- Deliver a seamless 'Super Retailer' experience
- Evolve the store experience

Strategic driver: leverage closeness to our customer

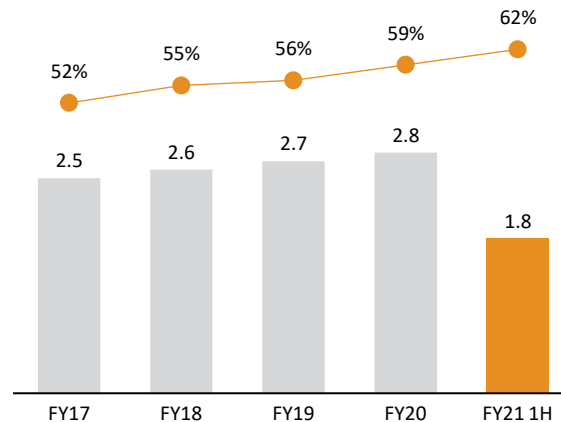


Active club membership growth outpacing store growth

STORE NUMBERS AND ACTIVE CLUB MEMBERS (MILLION)



GROUP SALES (\$BILLION) AND % SALES FROM ACTIVE CLUB MEMBERS^{1,2}

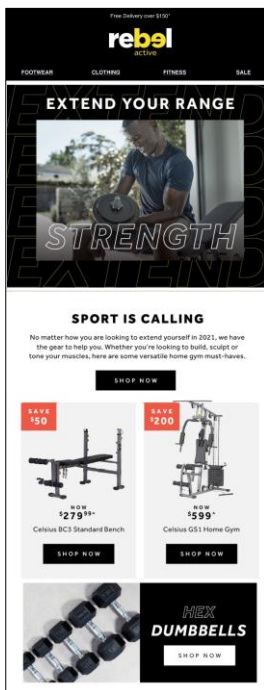
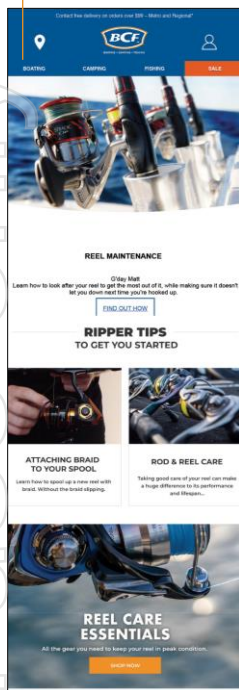


● Active club members ■ Store numbers

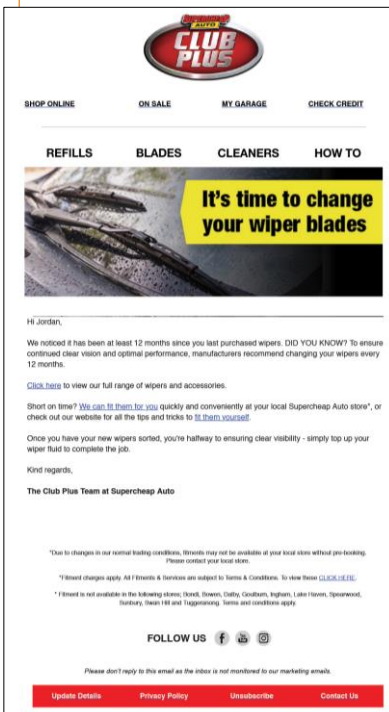
● % sales from active club members ■ Group sales

We are embedding personalised content in our club member communications

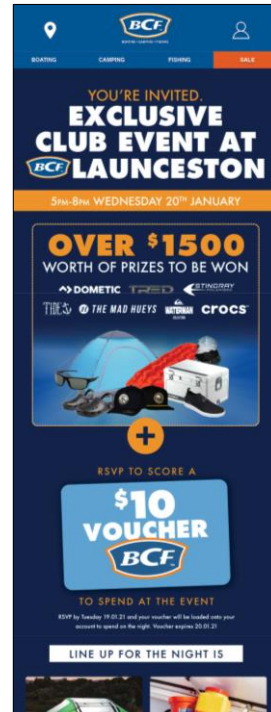
- **Personalising** content to engage with our customers about how to best use their purchase and to make relevant and adjacent product recommendations



- **Reminding** our customers about when it is time to make a replacement



- **Inviting** our customers to participate in events and experiences, relevant to their recent purchase



The use of artificial intelligence (AI) is positively impacting sales



% of AI assisted
online sales ^{1,2}

47%

Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21

rebel

% of AI assisted
online sales ^{1,2}

32%

Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21



% of AI assisted
online sales ^{1,2}

29%

Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21



% of AI assisted
online sales ^{1,2}

30%

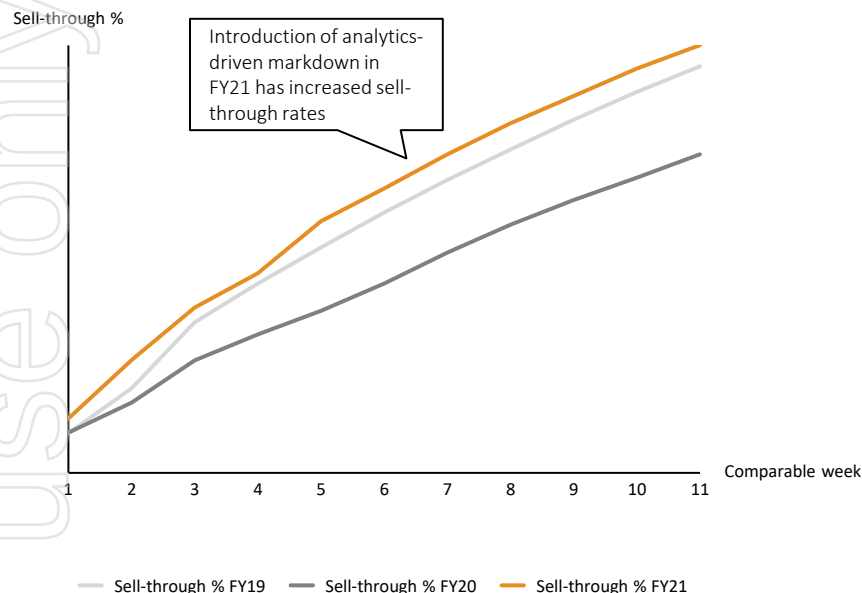
Mar-20 May-20 Jul-20 Sep-20 Nov-20 Jan-21 Mar-21

Analytics are improving sell-through rates and gross margin on markdowns

rebel

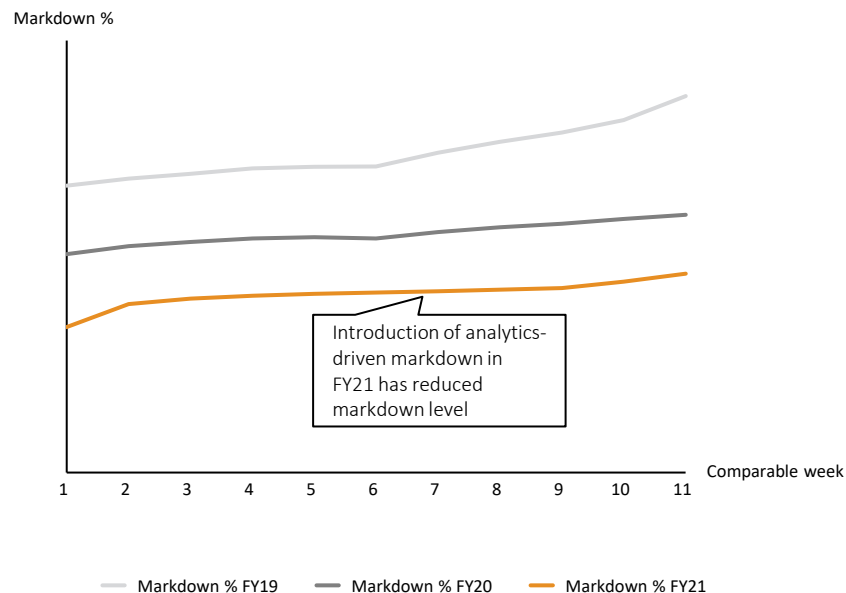
SELL-THROUGH RATE COMPARISON

rebel apparel sell-through – FY19, FY20 and FY21¹

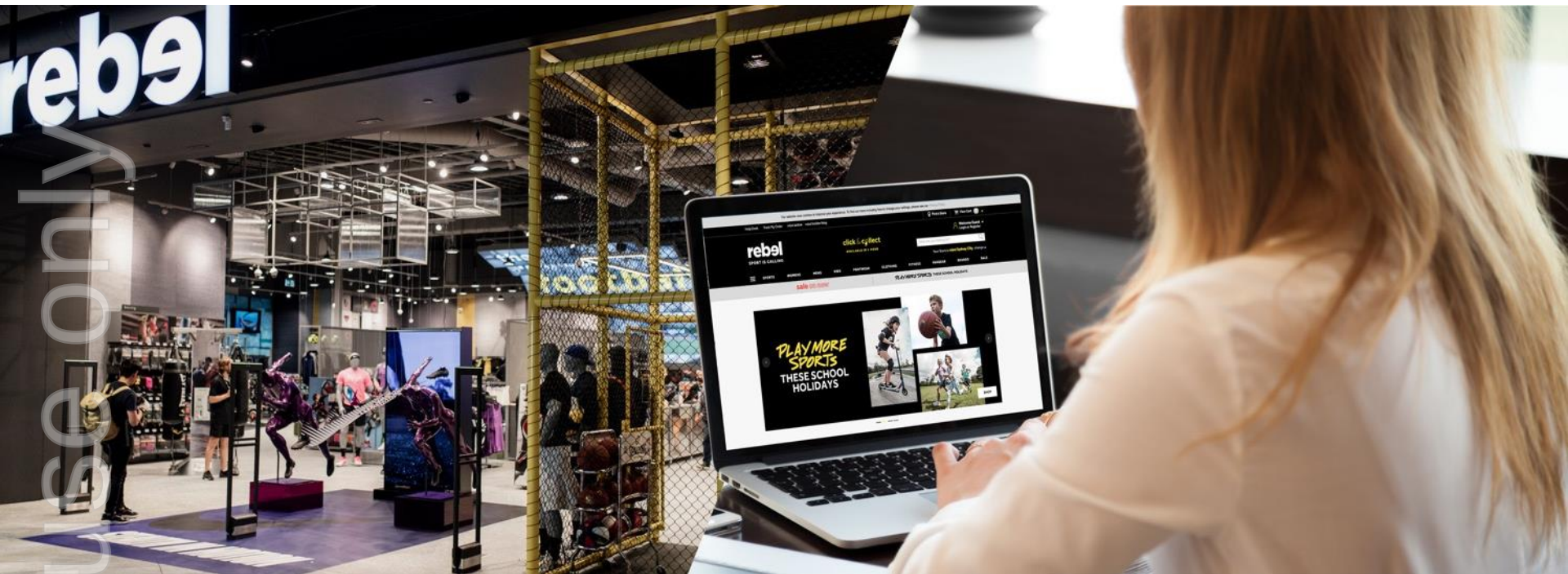


MARKDOWN COMPARISON

rebel apparel markdown (cumulative) – FY19, FY20 and FY21¹

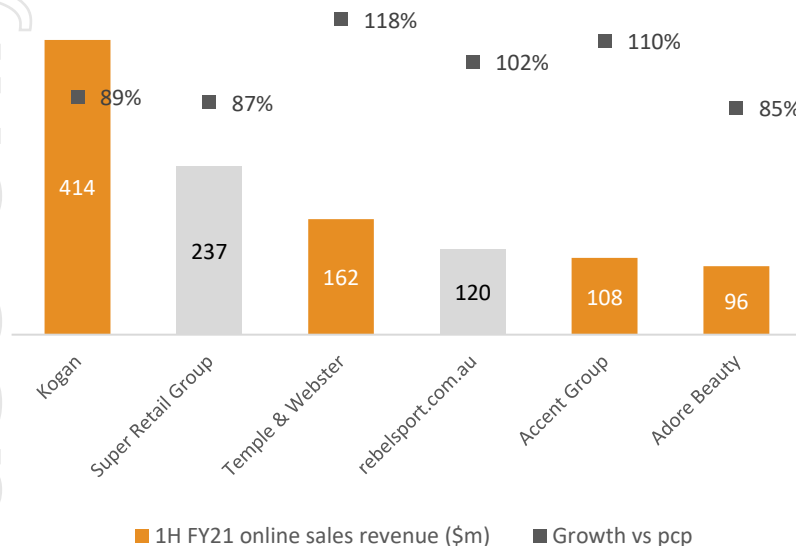


Strategic driver: excel in omni-retail execution



Our omni-retail capability enabled us to meet the surge of online demand during COVID-19

ONLINE SALES AND ONLINE SALES GROWTH OF SELECT ASX-LISTED RETAILERS¹



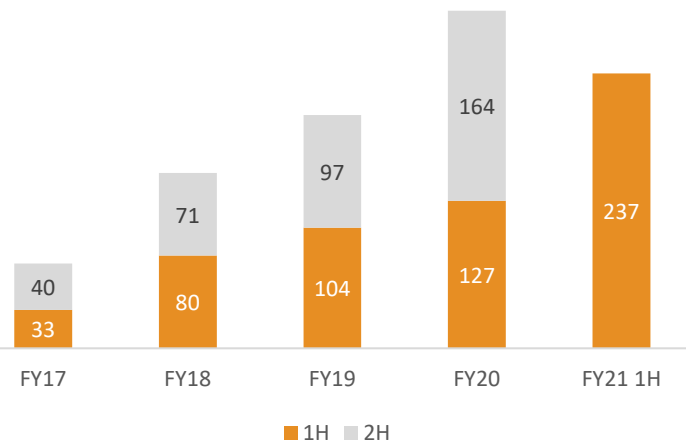
During COVID-19 we demonstrated our capability to profitably grow our online business:

- Met significant surge in online demand
- Achieved 87% growth in online sales
- Click & Collect represented 45% of online sales, despite reduced store foot traffic
- Omni-order capture and fulfilment flexed to meet customer demand
- Delivered strong operating leverage

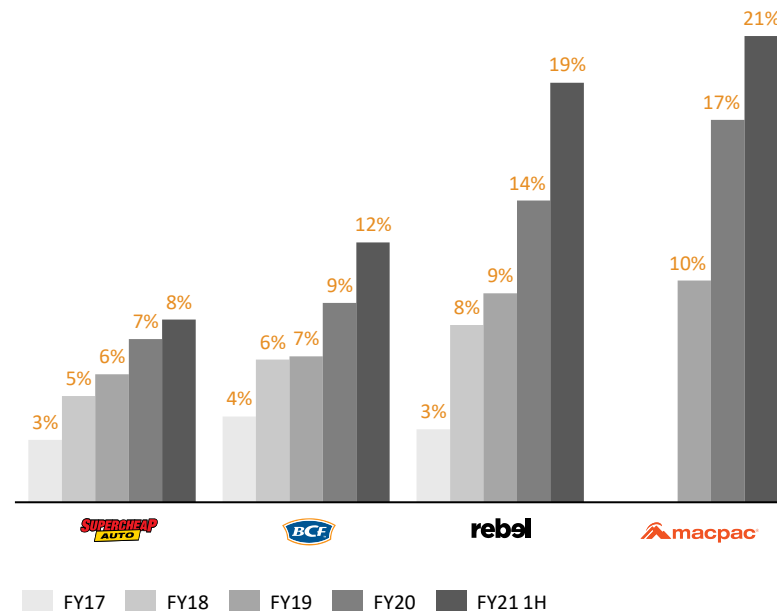
Online sales are growing as a percentage of total sales

ONLINE SALES GROWTH OF 64% (CAGR) OVER THE PAST 4 YEARS¹

Online sales (\$ million)



ONLINE SALES AS % OF TOTAL SALES - BY BRAND²

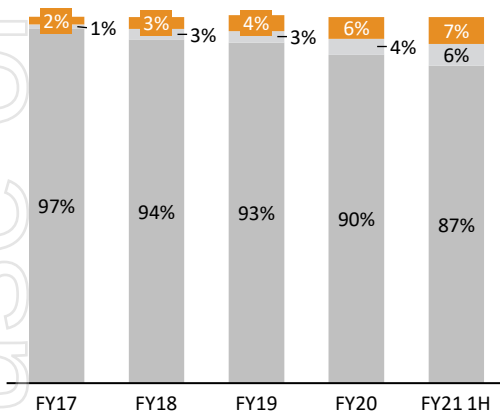


Omni-retail strategy leveraging our store network is sustainable

1

93% of sales involve a customer visiting a store

SALES MIX BY CHANNEL
FY17 – FY21

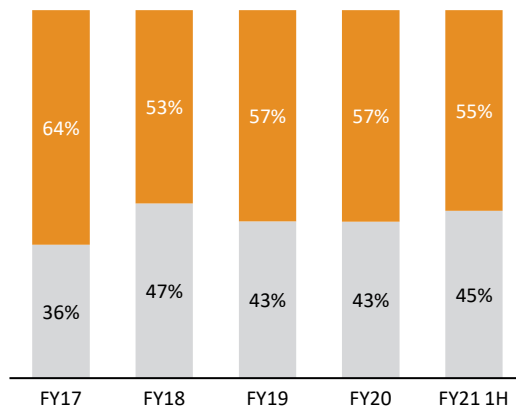


Home Delivery Click & Collect In-store

2

Click & Collect, our most profitable channel, has remained relatively steady as a % of online sales

ONLINE SALES MIX
FY17– FY21¹

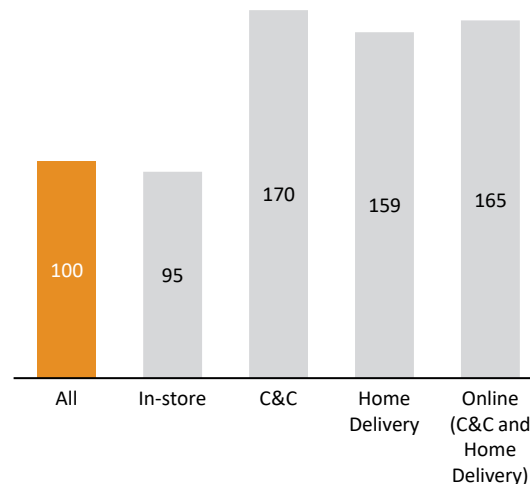


Home Delivery Click & Collect

3

Contribution margin dollars per transaction significantly higher for online sales than for in-store sales

1H FY21 INDEXED AVERAGE
CONTRIBUTION MARGIN DOLLARS
PER TRANSACTION BY CHANNEL²



(1) Click & Collect commenced in rebel in 2H FY17 and in Macpac in 1H FY19

(2) Contribution margin dollars are gross margin dollars less allocation of store costs and other variable costs directly attributable to the channel

Summary – good progress, with COVID-accelerated gains

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Trading update

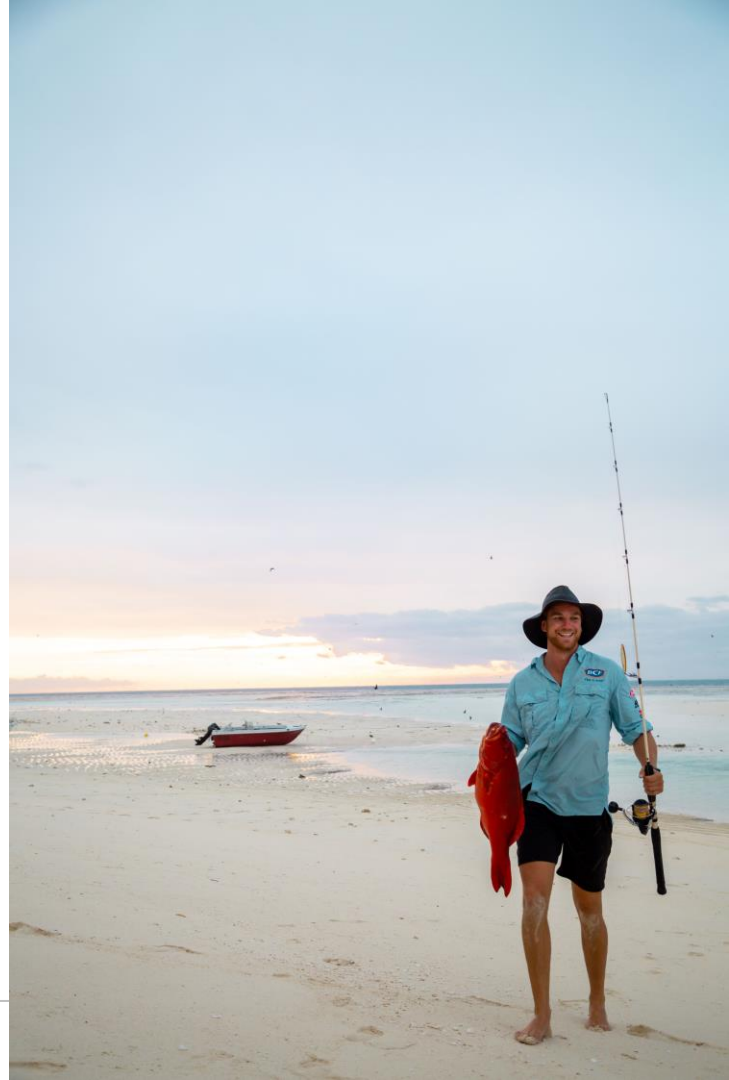


Trading update

- Group like-for-like (LFL) sales growth of 28 per cent as at week 44¹ versus FY20

	LFL sales (weeks 1- 44) versus FY20	LFL sales (weeks 1- 44) versus FY19
Supercheap Auto	21%	22%
rebel	20%	19%
BCF	59%	49%
Macpac	17%	3%
Group Total	28%	26%

- Strong Easter trading across all brands, particularly BCF and Macpac.
- Given the continued strength of customer demand, the Group has maintained relatively subdued levels of promotional activity in the second half. As a result, the gross margin improvement which the Group delivered in the first half has been maintained in the second half.
- The Group is in a well stocked inventory position which has benefitted from the arrival of orders made in the first half. Higher shipping costs in the second half have impacted inventory costs but these have been partly offset by favourable currency movements.
- As previously advised, second half operating expenses will reflect catch-up on projects deferred during COVID-19 and increased reinvestment in the business.
- Given the impact of COVID-19 on FY20 sales, the Group will now report FY21 like-for-like sales against both FY20 and FY19 trading, to enable a comparison with non-COVID trading conditions.



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