

23 July 2021

NATIONAL DISTRIBUTION CENTRE TO ENHANCE STORES AND ONLINE FULFILMENT

Myer Holdings Limited (ASX:MYR) today announced that it has secured a 10-year lease on a new 40,000 square metre facility in Victoria, as its National Distribution Centre (NDC) for both stores and online fulfilment.

The NDC represents the next phase of the Supply Chain 'Factory to Customer' initiative underpinning the Myer Customer First strategy, following the enhancements to online operations that were undertaken last year and changes to international freight arrangements earlier this year.

The new build, located at Dexus's 'Horizon 3023' industrial estate in Ravenhall, Victoria, will be a state-of-the-art facility holding over 100,000 SKU's, with widespread customer benefits and efficiencies anticipated for both the stores and online businesses, through the implementation of several automation solutions.

The new NDC is expected to provide centralised fulfilment for stores ensuring stock is prioritised for stores with the highest sell through, which is anticipated to maximise sales and reduce markdowns. For the online business, it is anticipated that up to 70% of fulfilment will be performed by the NDC, ensuring improved levels of service for our customers, operational efficiencies and reduced cost per order. Our stores will still be key for click and collect options as well as 'last mile' deliveries in some areas.

Myer will offer Brand Partners access to the NDC facility allowing them to also take advantage of the efficiencies and services.

Construction of the site is underway, and Myer is expected to begin using the NDC in a phased approach from August 2022.

Myer CEO, John King, said:

"Today's announcement is another important step in our Customer First Plan. It will deliver an enhanced experience in store and online for our customers but also significant efficiencies for the business through significant benefits from factory to customer."

"Having a centralised fulfilment centre for stores replaces our historical push model, and will result in improved inventory management, reduced markdowns and maximised sell-through whilst also producing significant efficiencies in our online fulfilment operations."

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