

WOOLWORTHS GROUP



26 August 2021

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Full Year Results Announcement

Attached for release to the market is the Full Year Results Announcement for the period ended 27 June 2021.

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F21 Full Year Profit and Dividend Announcement

WOOLWORTHS GROUP

For the 52 weeks ended 27 June 2021

Building out the Woolworths Group Ecosystem and being COVIDSafe

| | | | | |
|---|---|---|---|------------------------------------|
| Group Sales \$67,278m ▲ 5.7% | eCommerce Sales \$5,602m ▲ 58.1% | Group EBIT ¹ \$3,663m ▲ 13.7% | Group NPAT ¹ \$1,972m ▲ 22.9% | Dividend 108¢ ▲ 14.9% |
|---|---|---|---|------------------------------------|

Woolworths Group CEO, Brad Banducci, said: "The Delta variant of COVID has seen the operating environment change rapidly in the last three months. We are working hard to protect our team and continuing to provide food and everyday needs for our customers and the communities which we serve. It has become clear that vaccination is key to the safety of our team and the easing of restrictions, and we are committed to supporting vaccination efforts across the broader community. I want to express my deep gratitude to our team as they continue to demonstrate care for each other and our customers, and acknowledge the Government and industry for their support as we work through these challenging times together.

"F21 was a significant year in the history of Woolworths Group and one we can look back on proudly. We farewelled our Endeavour Group colleagues at the end of June following a multi-year journey to separate the business. It was a bittersweet moment but we are confident it was the right decision to enhance value for our shareholders. We also made progress in laying the foundations for the new Woolworths Group, a more focused food and everyday needs ecosystem with a Customer 1st Team 1st culture at its core, and enabled by data and technology.

"The Group's F21 trading performance was strong with sales growth of 5.7%, Group EBIT¹ up 13.7% and Group NPAT¹ up 22.9% on the prior year. We also continued to progress our sustainability agenda and launched our new 2025 Sustainability Plan in November with ambitious targets in areas where we can make a difference."

F21 Key financial metrics

| \$ MILLION | F21 | F20 | CHANGE |
|---|--------|--------|--------|
| Group before significant items | | | |
| Sales | 67,278 | 63,675 | 5.7% |
| Earnings before interest and tax (EBIT) | 3,663 | 3,219 | 13.7% |
| Net profit after tax (NPAT) attributable to equity holders of the parent entity | 1,972 | 1,602 | 22.9% |
| Continuing operations before significant items | | | |
| Sales | 55,694 | 53,080 | 4.9% |
| EBIT | 2,764 | 2,485 | 11.1% |
| NPAT attributable to equity holders of the parent entity | 1,504 | 1,249 | 20.1% |
| Basic earnings per share (EPS) - cents | 119.6 | 99.5 | 20.2% |
| Group after significant items | | | |
| NPAT attributable to the equity holders of the parent entity | 2,074 | 1,165 | 77.8% |
| Basic EPS - cents | 165.0 | 92.7 | 77.9% |
| Final dividend - cents | 55 | 48 | 14.6% |

Progress against our 2025 Sustainability Plan

| PEOPLE | PLANET | PRODUCT |
|--|--|--|
| <ul style="list-style-type: none"> ✓ WGEA Employer of Choice for gender equality citation ✓ AWEI Gold Tier Status for LGBTQ+ inclusion | Reduction in scope 1 & 2 carbon emissions 27% from 2015 levels ▼ 4.1% vs. F20 | Tonnes of plastic removed 2,571 ▲ 21.5% vs. F20 |

¹ Before significant items

Summary

F21 Business performance highlights

Brad Banducci continued, "The sales and earnings profile across our business was very different in H1 and H2 as we cycled the impact of COVID from late February onwards. In **Australian Food**, full year sales increased by 5.4%, with H2 sales increasing by 0.2%. While H2 sales were impacted by cycling 10.4% sales growth in H2 F20, COVID costs also declined materially on the prior year, and together with gross margin improvements led to 4.5% EBIT growth in H2 and 9.0% EBIT growth before significant items for the year. Customer scores improved in Q4 compared to Q3 and were broadly in line with the prior year, with improvements in Ease of Pick up, Queue Wait Times and Fruit & Veg despite the ongoing disruption from COVID.

"In Woolworths Supermarkets, store-originated sales increased by 2.0% for the year, driven by a 7.2% increase in H1. Sales slowed as expected in H2 as customers shopped more frequently with smaller basket sizes. Highlights for the year included 65 Renewals and 13 new Supermarkets, including the launch of a community innovation store in Cabramatta. Metro Food Stores sales declined by 4.9%, impacted by lower sales from stores in CBDs and transit locations. Neighbourhood Metro's continued to perform strongly with 10 new stores opened during the year.

"Australian Food eCommerce sales through WooliesX increased by 74.7% compared to the prior year, with eCommerce penetration of 7.9% of sales. Q4 sales increased by 36.5% despite growth of 69.0% in Q4 last year. Two new customer fulfilment centres were opened, and we announced a new automated facility to be built in Auburn to service Western Sydney. Further capacity was added with Direct to boot available in 629 stores by year end, driving the increase in Pick up mix.

"In **New Zealand Food**, sales growth in H1 was impacted by low market growth, particularly during the summer tourist season. In H2, sales declined 5.5% as the business cycled New Zealand's restrictive COVID lockdown period. EBIT declined 4.6% for the year and 13.3% in H2 reflecting the lower sales. Customer scores were impacted by availability issues due to global supply shortages and shipping delays.

"**BIG W** had another fantastic year with improved customer scores and strong sales and EBIT growth. After sales growth of 20.1% in H1, growth moderated in H2 but remained positive at 2.3%, despite the negative impact of lockdowns in the half. EBIT increased by over 300% in the year to \$172 million.

"**Endeavour Drinks** F21 sales increased by 9.6% with EBIT increasing by 17.7% due to the continuation of the in-home consumption and premiumisation trends. **Hotels** delivered materially higher earnings than the prior year, with EBIT increasing 52% to \$261 million. While some disruption to trading continued due to lockdowns, sales and EBIT growth in H2 benefitted from cycling a period where venues were closed for most of the final four months of F20.

"I wanted to recognise the enormous amount of work across the business that led to the successful demerger of Endeavour Group on 28 June. We look forward to *being better together in partnership* with Endeavour Group for many years to come.

"As we continue to build the Group's food and everyday needs ecosystem, we announced an increase in our Quantum stake and the establishment of Q-Retail to bring together both groups' retail advanced analytics capabilities. We also launched Wpay as a stand-alone payments business, Greenstock - our upstream meat business, and Woolworths at Work - our B2B eCom business. After year end, we completed a 65% investment in PFD Food Services, one of Australia's leading foodservice suppliers.

F21 Sustainability highlights

"In November 2020, we launched our Group Sustainability Plan 2025 organised into three pillars, People, Planet and Product. We have made good progress on all three pillars, with further detail to be provided in our upcoming sustainability report and modern slavery statement. For our team, we introduced or enhanced initiatives to demonstrate our care and to create a great place to work. This included a celebration of our diversity reflected in our WGEA Employer of Choice for gender equality citation, Australian Workplace Equality Index (AWEI) Gold Tier Status for LGBTQ+ inclusion for the fourth consecutive year, and our partnership with Community Corporate, to deliver the Group's Refugee Employment Program. On Planet, the Group has reduced scope 1 and 2 emissions by 27% compared to 2015 levels. Under our Product pillar, 2,571 tonnes of plastic was removed in F21.

"In December, Woolworths Group commissioned an independent review into the proposed Dan Murphy's development in Darwin. Following receipt of the report, we decided to not proceed with the store and surrendered the licence to the NT government. In June, we released the full report, as well as Woolworths Group's initial reflections on the report, which identified some immediate actions as well as other areas to address which require deeper thought and consideration.

Summary and outlook

"It was another challenging year for our team and communities but also a year where we achieved a lot together. COVID will continue to have a profound impact in F22 but making any further predictions about the year ahead remains very difficult. Our commitment to operating COVIDSafe remains our number one priority with the ability to respond quickly and effectively to restrictions becoming part of the way we do business. We are confident that we have the right foundations in place to continue to deliver value for all our key stakeholders in the years ahead."

Woolworths Group Chairman, Gordon Cairns, added: "This has been a hugely transformative year for Woolworths Group. We successfully divested Endeavour Group which to date has resulted in a material increase in shareholder value, and reinforces our confidence in the growth potential of both businesses. We also increased our shareholding in Quantum from 47% to 75%, underscoring the strategic importance of advanced analytics to the future of our Group, and were delighted to complete our strategic investment of 65% in PFD. These are important steps in building the Group's food and everyday needs ecosystem.

Summary

“We have also continued to invest in our existing business, spending \$2 billion on sustaining and growth capex in F21. We will invest what is required to ensure that we are able to meet the expectations of customers whether they shop in store or online. An example is our investment in eCommerce over many years which has helped to drive sales of over \$5.5 billion this year. Despite this increased investment, normalised Group ROFE increased 1.4 points during the year to 15.1%.

“Finally, we have announced a \$2 billion off-market share buy-back and declared a second half dividend of 55 cents per share, bringing our full year dividend to 108 cents per share, a 14.9% increase on F20. Endeavour Group is also expected to pay a dividend relating to H2 as previously communicated in the demerger booklet. Taken together, the growth in total dividends for the year is expected to be broadly in line with the growth in Group NPAT before significant items. Woolworths Group's buy-back and final dividend will return approximately \$1.1 billion of franking credits to shareholders. Thank you for your support.”

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Summary

Progress against Woolworths Group key priorities over the F21 financial year:

Better Together for a Better Tomorrow for our Customers, Teams and Communities

- Woolworths named Australia's most valuable brand (Brand Finance) and most trusted brand (Roy Morgan)
- Ranked #1 for third consecutive year in Australian Top 100 Most Diverse and Inclusive Companies in 2020 Refinitiv D&I Index
- Direct community investment of \$34.9 million
- >6,000 tonnes of plastic packaging removed since 2018; first renewable power purchase agreement with NSW wind farm
- More to do to build on diversity and inclusion agenda across all parts of the business

Accelerate Digital, eCom and Convenience for our increasingly Connected Customers

- Increased Home Delivery and Direct to boot capacity supporting eCom growth of 63.3%¹
- Weekly traffic to Group's digital assets up 40.5% to 17.2 million¹ driven by growth in apps; Cartology advertising screens rolled out to 1,218 stores
- Announced plans for first automated online fulfilment centre in Auburn, NSW; four Takeoff micro-fulfilment centres now operational in Australia and New Zealand
- Everyday Rewards members increased to 13.1 million with continued growth in scan rates
- More to do to increase eCom capacity and improve the customer experience

Differentiate our Food Customer Propositions

- 26 net new stores and 75 Renewals completed in F21 in Australia and New Zealand
- Tailored UP range rolled out to 31 Woolworths Supermarkets and launch of Community Supermarket in Cabramatta
- Launched new eco Supermarket in West End, Qld, and first New Zealand 4-star Green Star rated store in Richmond enabling customers to shop greener
- New agile team formed to improve Fruit & Veg offer with focus on farmgate to customer benchtop
- More to do to embed the Woolworths brand refresh with the launch of 'Today's Fresh Food People'

Stand up Endeavour Group

- Separation work formally recommenced in February following deferral due to COVID uncertainty
- Partnership agreements completed and implemented to facilitate separation
- Strong and experienced executive team assembled, and board appointments confirmed
- Successful separation in June 2021 from Woolworths Group via demerger
- More to do to transition from ownership to partnership with Endeavour Group

Evolve our Portfolio and Build Strong Adjacencies

- Material EBIT improvement from BIG W
- New businesses launched including Wpay, Greenstock and Woolworths at Work
- Completed strategic investment in PFD Food Services following ACCC approval in June
- Strengthened advanced analytics partnership with Quantum through increase in shareholding to 75%
- More to do to manage COVID impacts on BIG W and deliver benefits from new businesses

Keep our Business COVIDSafe and Futureproof our E2E Operating Model

- Commenced discussions with the Government to support the national COVID vaccine rollout
- Phase 1 of new workforce management solution (RT3) rolled out to 165 stores
- Commenced building works on new Moorebank National DC. Announced new Sydney Fresh DC
- Launched new E2E pay processes program to enhance pay process integrity
- More to do to support vaccine rollout and deliver benefits of supply chain investments

¹ Continuing operations

Group profit or loss

For the 52 weeks ended 27 June 2021

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|---|-------------------|-------------------|--------------|
| Continuing operations before significant items | | | |
| EBITDA | 4,843 | 4,453 | 8.7% |
| Depreciation and amortisation | (2,079) | (1,968) | 5.5% |
| EBIT | 2,764 | 2,485 | 11.1% |
| Finance costs | (613) | (671) | (8.5)% |
| Income tax expense | (647) | (555) | 16.5% |
| NPAT | 1,504 | 1,259 | 19.2% |
| Non-controlling interests | - | (10) | n.m. |
| NPAT from continuing operations attributable to equity holders of the parent entity before significant items | 1,504 | 1,249 | 20.1% |
| Significant items from continuing operations after tax | 102 | (321) | n.m. |
| NPAT from discontinued operations attributable to equity holders of the parent entity after significant items | 468 | 237 | 98.0% |
| NPAT attributable to equity holders of the parent entity after significant items | 2,074 | 1,165 | 77.8% |
| MARGINS - CONTINUING OPERATIONS | | | |
| Gross profit (%) | 29.3 | 28.9 | 44 bps |
| Cost of doing business (CODB) (%) | 24.4 | 24.2 | 16 bps |
| EBIT (%) | 5.0 | 4.7 | 28 bps |

F21 Group profit or loss before significant items

| \$ MILLION | F21 CONTINUING OPERATIONS | F21 DISCONTINUED OPERATIONS | F21 GROUP |
|---|---------------------------------|-----------------------------------|--------------|
| EBITDA | 4,843 | 1,428 | 6,271 |
| Depreciation and amortisation | (2,079) | (529) | (2,608) |
| EBIT | 2,764 | 899 | 3,663 |
| Finance costs | (613) | (159) | (772) |
| Income tax expense | (647) | (207) | (854) |
| NPAT | 1,504 | 533 | 2,037 |
| Non-controlling interests | - | (65) | (65) |
| NPAT attributable to equity holders of the parent entity | 1,504 | 468 | 1,972 |

F20 Group profit or loss before significant items

| \$ MILLION | F20 CONTINUING OPERATIONS | F20 DISCONTINUED OPERATIONS | F20 GROUP |
|---|---------------------------------|-----------------------------------|--------------|
| EBITDA | 4,453 | 1,224 | 5,677 |
| Depreciation and amortisation | (1,968) | (490) | (2,458) |
| EBIT | 2,485 | 734 | 3,219 |
| Finance costs | (671) | (172) | (843) |
| Income tax expense | (555) | (175) | (730) |
| NPAT | 1,259 | 387 | 1,646 |
| Non-controlling interests | (10) | (34) | (44) |
| NPAT attributable to equity holders of the parent entity | 1,249 | 353 | 1,602 |

Summary

| EARNINGS PER SHARE AND DIVIDENDS | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|---|---------------------------|---------------------------|---------------|
| Weighted average ordinary shares on issue (million) | 1,256.9 | 1,257.9 | (0.1)% |
| Total Group basic EPS (cents) before significant items | 156.9 | 127.5 | 23.0% |
| Total Group basic EPS (cents) after significant items | 165.0 | 92.7 | 77.9% |
| Total Group diluted EPS (cents) after significant items | 164.2 | 92.2 | 78.2% |
| Basic EPS (cents) - from continuing operations before significant items | 119.6 | 99.5 | 20.2% |
| Basic EPS (cents) - from continuing operations after significant items | 127.7 | 73.9 | 72.8% |
| Diluted EPS (cents) - from continuing operations before significant items | 119.1 | 98.9 | 20.4% |
| Diluted EPS (cents) - from continuing operations after significant items | 127.1 | 73.5 | 73.0% |
| Interim dividend per share (cents) | 53 | 46 | 15.2% |
| Final dividend per share ^{1,2} (cents) | 55 | 48 | 14.6% |
| Total dividend per share ² | 108 | 94 | 14.9% |

¹The 2021 final dividend payable on or around 8 October 2021 will be fully franked

²Dividend excludes H2 dividend declared by Endeavour Group. Including Endeavour Group H2 dividend, total dividend per share is broadly consistent with Group NPAT before significant items growth

Group trading performance

F21 sales summary

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE | H2 F21 (25 WEEKS) | H2 F20 (25 WEEKS) | CHANGE |
|--|-------------------|-------------------|--------------|----------------------|----------------------|---------------|
| Continuing operations | | | | | | |
| Australian Food | 44,441 | 42,151 | 5.4% | 20,992 | 20,951 | 0.2% |
| New Zealand Food | 6,652 | 6,823 | (2.5)% | 3,187 | 3,456 | (7.8)% |
| <i>New Zealand Food (NZD)</i> | 7,146 | 7,192 | (0.6)% | 3,429 | 3,628 | (5.5)% |
| BIG W | 4,583 | 4,106 | 11.6% | 2,002 | 1,957 | 2.3% |
| Other | 18 | - | n.m. | 18 | - | n.m. |
| Sales from continuing operations | 55,694 | 53,080 | 4.9% | 26,199 | 26,364 | (0.6)% |
| Discontinued operations | | | | | | |
| Endeavour Drinks | 10,167 | 9,275 | 9.6% | 4,484 | 4,500 | (0.4)% |
| Hotels | 1,417 | 1,320 | 7.3% | 750 | 401 | 87.1% |
| Sales from discontinued operations | 11,584 | 10,595 | 9.3% | 5,234 | 4,901 | 6.8% |
| Total Group sales (including eCommerce) | 67,278 | 63,675 | 5.7% | 31,433 | 31,265 | 0.5% |
| Continuing operations eCommerce sales | 4,743 | 2,905 | 63.3% | | | |
| Discontinued operations eCommerce sales | 859 | 637 | 34.7% | | | |
| Group eCommerce sales | 5,602 | 3,542 | 58.1% | | | |
| Continuing operations eCommerce sales penetration (%) | 8.5% | 5.5% | 304 bps | | | |
| Continuing operations - average weekly traffic to Group digital assets (million) | 17.2 | 12.2 | 40.5% | | | |

F21 EBIT summary

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE | H2 F21 (25 WEEKS) | H2 F20 (25 WEEKS) | CHANGE |
|---|-------------------|-------------------|--------------|----------------------|----------------------|---------------|
| Continuing operations before significant items | | | | | | |
| Australian Food | 2,432 | 2,232 | 9.0% | 1,103 | 1,055 | 4.5% |
| New Zealand Food | 336 | 358 | (6.4)% | 155 | 183 | (15.4)% |
| <i>New Zealand Food (NZD)</i> | 361 | 378 | (4.6)% | 167 | 192 | (13.3)% |
| BIG W | 172 | 39 | 344.9% | 39 | (11) | n.m. |
| Group | (176) | (144) | 23.6% | (87) | (73) | 22.2% |
| EBIT from continuing operations before significant items | 2,764 | 2,485 | 11.1% | 1,210 | 1,154 | 4.7% |
| Discontinued operations | | | | | | |
| Endeavour Drinks | 669 | 569 | 17.7% | 250 | 231 | 8.3% |
| Hotels | 261 | 172 | 51.7% | 139 | (52) | n.m. |
| Endeavour Group costs | (31) | (7) | n.m. | (28) | (7) | n.m. |
| EBIT from discontinued operations before significant items | 899 | 734 | 22.6% | 361 | 172 | 110.9% |
| Group EBIT before significant items | 3,663 | 3,219 | 13.7% | 1,571 | 1,326 | 18.3% |
| Significant items | 59 | (591) | n.m. | | | |
| Group EBIT | 3,722 | 2,628 | 41.6% | | | |

Group sales from continuing operations increased by 4.9% in F21 with H2 sales declining 0.6%. Strong full year sales growth for Australian Food and BIG W, particularly in H1, was somewhat offset by lower sales from New Zealand Food. In H2, Australian Food (+0.2%) and BIG W (+2.3%) sales remained positive while New Zealand Food sales declined 5.5%. Total Group sales in F21 increased by 5.7%, aided by growth of 9.3% from Endeavour Group.

Group eCommerce sales from continuing operations increased by 63.3% with eCommerce penetration on the same basis increasing 304 bps to 8.5% of sales. Average weekly traffic to Group digital assets (continuing operations) also increased materially with 17.2 million visits per week during F21. Group eCommerce sales increased by 58.1%.

Group gross profit (%) from continuing operations increased 44 bps to 29.3% driven by increases in Australian Food (+21 bps), New Zealand Food (+24 bps) and BIG W (+180 bps) as well as a mix benefit through a higher contribution from BIG W to the Group total which has a higher-than-average gross profit. Gross profit increases across the Group reflected stock loss improvements, favourable product mix changes, fewer markdowns, and less clearance activity.

Group trading performance

Group CODB (%) from continuing operations before significant items increased by 16 bps driven by higher CODB (%) in New Zealand and a higher contribution from BIG W to the Group total, which has a higher-than-average CODB (%). This was despite a 100 bps reduction in BIG W's CODB (%) in the year due to strong sales growth and cost control.

Group EBIT from continuing operations before significant items increased 11.1% to \$2,764 million, driven by a 9% increase from Australian Food and an increase of over 300% from BIG W. Group EBIT before significant items (continuing and discontinued operations) increased 13.7% to \$3,663 million with Endeavour Group EBIT up 22.6%. Group EBIT margin (continuing operations before significant items) increased 28 bps to 5.0%.

Finance costs from continuing operations before significant items declined 8.5% on the prior year due to lower non-lease interest expense as a result of lower average net debt and lower borrowing costs. Lease interest expense was similar to the prior year.

NPAT from continuing operations attributable to equity holders of the parent entity before significant items was \$1,504 million, up 20.1% on the prior year reflecting the increase in EBIT and a reduction in finance costs.

Group NPAT attributable to equity holders of the parent entity after significant items was \$2,074 million, up 77.8% on the prior year. The increase was due to the increase in NPAT from continuing operations attributable to equity holders of the parent entity before significant items of 20.1%; a significant item gain from continuing operations after tax of \$102 million in F21 compared to a loss of \$321 million in F20; and a material increase in NPAT from Endeavour Group.

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Australian Food

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|---------------------------------------|-------------------|-------------------|--------|
| Sales | 44,441 | 42,151 | 5.4% |
| EBITDA before significant items | 4,006 | 3,707 | 8.1% |
| Depreciation and amortisation | (1,574) | (1,475) | 6.7% |
| EBIT before significant items | 2,432 | 2,232 | 9.0% |
| Significant items | (94) | (176) | n.m. |
| EBIT | 2,338 | 2,056 | 13.7% |
| Gross margin (%) | 29.4 | 29.2 | 21 bps |
| CODB (%) ¹ | 24.0 | 23.9 | 3 bps |
| EBIT to sales (%) ¹ | 5.5 | 5.3 | 18 bps |
| Sales per square metre (\$) | 18,158 | 17,935 | 1.2% |
| Funds employed | 9,717 | 9,161 | 6.1% |
| ROFE (%) | 25.8 | 25.0 | 86 bps |
| Plastic removed (tonnes) ² | 2,551 | 2,116 | 20.6% |
| Scope 1 & 2 carbon emissions (tonnes) | 1,784,786 | 1,850,569 | (3.6)% |

Sales performance by channel

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|--|-------------------|-------------------|-------------|
| Woolworths Supermarkets (store-originated) ³ | 39,212 | 38,449 | 2.0% |
| WooliesX eCommerce sales | 3,523 | 2,017 | 74.7% |
| Woolworths Supermarkets & WooliesX (stores and eCommerce) | 42,735 | 40,466 | 5.6% |
| Metro Food Stores | 897 | 943 | (4.9)% |
| Adjacency revenue ⁴ | 809 | 742 | 8.9% |
| Total Australian Food sales | 44,441 | 42,151 | 5.4% |

Operating metrics

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|---------------------|---------------------|---------------------|---------------------|
| Customer metrics | | | | |
| VOC NPS (Store and Online) | 53 | 50 | 52 | 50 |
| Store-controllable VOC | 81% | 80% | 81% | 80% |
| Sales productivity metrics | | | | |
| Total sales (\$ million) | 9,900 | 11,092 | 11,416 | 12,033 |
| Total sales growth | 1.2% | (0.7)% | 8.3% | 12.9% |
| Comparable sales growth | 0.1% | (2.1)% | 7.1% | 11.5% |
| Two-year average comparable sales growth ⁵ | 4.5% | 4.1% | 5.5% | 9.1% |
| Change in average prices | | | | |
| Total | (1.2)% | (1.8)% | 0.3% | 1.2% |
| Total excluding Tobacco | (2.6)% | (3.4)% | (1.4)% | (0.2)% |

¹ Before significant items

² Annualised calculated values for each reporting period based on virgin plastic weight removed per unit times annualised sales volumes

³ Excludes eCommerce sales fulfilled from store

⁴ Adjacency revenue includes FinTech, Exports, Summergate and Wholesale revenues

⁵ Simple average of F21 and F20 comparable sales growth

Trading performance

Australian Food VOC NPS (Store and Online) finished F21 at 53, an increase of three points on the prior quarter and in line with the prior year. Store-controllable VOC of 81% increased one point compared to the prior quarter and decreased one point compared to the prior year. Positive Q4 momentum in customer metrics for both stores and online reflects positive sentiment across Ease of Pick up, Queue Wait Time and Fruit and Vegetable scores.

Australian Food F21 sales increased 5.4% to \$44.4 billion, with comparable sales increasing 4.2% (4.5% excluding Tobacco). Two-year average sales growth was 7.1%. eCommerce sales increased 74.7% to \$3.5 billion, with sales penetration for the year of 7.9%.

H1 sales growth of 10.6% benefitted from COVID-related demand and the successful Disney+ Ooshies and glass containers campaigns. H2 sales increased 0.2% as the business cycled COVID pantry-loading in the prior year. In Q4, total sales increased

Australian Food

1.2% and comparable sales increased by 0.1%, with cycling of prior year pantry-loading partly offset by elevated sales in May and June following COVID outbreaks in Victoria and NSW and a strong trade plan throughout the year. Own and Exclusive Brands sales increased 5.8% in F21 supported by new products developed by Woolworths FoodCo and launched during the year. The Cook, BBQ and Crumbed ranges continue to resonate well with customers.

Metro Food Stores F21 sales declined 4.9% to \$897 million, impacted by reduced foot traffic across CBD and transit locations, with comparable sales declining approximately 45% and 30%, respectively. The Group recorded a non-cash impairment of \$50 million in F21 in relation to store and lease assets across 13 stores within the network.

Agency business F21 sales grew 8.9% to \$809 million with growth driven by the wholesale businesses.

Sales per square metre increased 1.2% to \$18,158. During the year, 23 net new stores were opened, including 13 Supermarkets and 10 Metro Food Stores, with 65 Renewals completed. Two new dedicated eCommerce fulfilment centres were also opened in Notting Hill (Vic) and Lidcombe (NSW), and the first eStore in Australia, Carrum Downs (Vic). At the end of the year, there were 996 Supermarkets, 78 Metro Food Stores and two Summergate stores, with a total fleet of 1,076 stores.

In Q4, average prices decreased 1.2% (decrease of 2.6% excluding Tobacco), with deflation across all major categories except Tobacco and Meat, due to the cycling of the temporary reduction in promotions in the prior year following the onset of COVID. Inflation in Meat was driven by increased livestock costs.

Gross margin (%) increased 21 bps to 29.4% with stock loss improvements through higher sales velocity and successful stock loss initiatives, as well as product mix being favourably impacted by COVID. This was partially offset by higher eCommerce delivery costs.

CODB (%) excluding significant items increased 3 bps to 24.0%. COVID costs in the year remained material at \$205 million (excluding discretionary team discount and bonus payments) but moderated as the year progressed until an increase in June due to COVID outbreaks.

Higher cash CODB reflects incremental store wages associated with higher eCommerce penetration, investment in IT platforms, developing new digital capabilities to optimise the customer experience, incremental supply chain costs including Melbourne Fresh Distribution Centre transition costs, and investment in new businesses. Inflation was broadly offset by productivity benefits.

Depreciation and amortisation increased by 6.7% driven by investment in new stores, Renewals, supply chain and shorter-life technology and digital assets.

F21 EBIT before significant items increased by 9.0% to \$2.4 billion, with H1 growth of 13.0% and H2 growth of 4.5%. EBIT margin increased 18 bps to 5.5%.

Funds employed increased \$556 million to \$9.7 billion from F20, with investment in new stores, Renewals, eCommerce and supply chain as well as higher lease assets from new stores and the reassessment of lease options. This was partially offset by lower net working capital. Despite higher average funds employed, ROFE increased by 86 bps due to the strong increase in EBIT.

During the year, we amplified our focus on supporting our communities through living our core value of 'We Care Deeply'. Together with customers, we provided more than \$8 million in support to OzHarvest, Foodbank and Fareshare with 10,000 tonnes of edible surplus food provided to charities. Initiatives in F21 supporting our 2025 Sustainability Plan included solar panels having been installed across 129 Woolworths Supermarkets and four distribution centres, 111,950 tonnes of organic waste diverted from landfill, and the launch of sustainable packaging across a selection of our own brand red meat ranges.

WooliesX

Digital metrics

| | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|---------------------|---------------------|---------------------|---------------------|
| Average weekly traffic to digital assets ¹ (million) | 12.1 | 12.4 | 12.4 | 11.4 |
| Average weekly traffic growth (year on year %) | 12.4% | 47.7% | 69.8% | 75.5% |

eCommerce metrics

| | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|---------------------|---------------------|---------------------|---------------------|
| Customer metrics | | | | |
| Online VOC NPS | 63 | 60 | 58 | 58 |
| eCommerce sales metrics | | | | |
| eCommerce sales (\$ million) ² | 838 | 878 | 846 | 961 |
| eCommerce sales growth | 36.5% | 90.5% | 83.3% | 100.0% |
| eCommerce penetration | 8.5% | 7.9% | 7.4% | 8.0% |
| Pick up mix (% of eCommerce sales) | 37.5% | 35.7% | 33.1% | 32.1% |

Everyday Rewards metrics

| | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|--|---------------------|---------------------|---------------------|---------------------|
| Total Everyday Rewards members (million) | 13.1 | 12.9 | 12.8 | 12.6 |
| Scan rate ³ (%) | 53.7% | 54.0% | 53.6% | 53.1% |

¹ Digital assets include Woolworths website and app, Everyday Rewards website and app, and Woolworths Insurance website

² WooliesX sales numbers are included in Australian Food total and comparable sales

³ Scan rate for Woolworths Supermarkets excluding Tobacco

Trading performance

WooliesX's **Digital and Media** business reported an increase in average weekly traffic to Woolworths' websites and apps of 25.8% to 12.1 million in F21. Improving customer satisfaction with their digital experiences, in particular helping inspire, plan and shop safely remained the focus. Key upgrades to experiences included personalised lists, the launch of Fresh Ideas for You on the Woolworths App, addition of new recipes and launching in-app push notifications.

Cartology continued to enhance its client experience through expanded inventory and data-led customer insights and achieved strong growth across all key advertising channels. By year end, Cartology digital advertising screens had been rolled out to 1,218 stores across Woolworths Supermarkets and Dan Murphy's.

eCommerce sales grew by \$1.5 billion (+74.7%) to \$3.5 billion in F21 representing 7.9% of Australian Food sales, up 3.1 points on the prior year. Growth moderated to 36.5% in Q4 as the business cycled strong demand last year.

Perfect order ended the year at an all-time high, improving by 20.9% on the prior year, through a focus on complete baskets and improving on-time delivery. VOC NPS improved consistently as the year progressed.

Over the year, the business met the demand for increased convenience by adding 379 Direct to boot sites assisting Pick up penetration to reach 37.5% of sales in Q4. Another 125 Delivery Now locations were added, and same day delivery was rolled out to 425 stores where customers can order and receive their order within a one-hour window later in the day.

Woolworths at Work was launched to provide businesses with a tailored online shopping experience. The platform provides access to features such as line of credit, consolidated billing, and two-hour delivery windows.

WooliesX eCom services was recognised by Australians in the 2021 Mozo People's Choice Awards as the highest rated online supermarket, winning all seven awards in the category.

Everyday Rewards members increased 6.0% to 13.1 million, with scan rates improving to 53.7% by year end. The Everyday Rewards app continues to provide value and convenience to members across partners, with the ability to boost offers, check points balance and access eReceipts.

The Everyday Rewards program increased the value available to customers by adding new partners, including Origin Energy, SuperPharmacy and Pet Culture. Strong member engagement with record levels of interest and participation were driven by the Rewards exclusive glass container collectable and Bank for Christmas offering, as well as the ability for members to continue to earn Qantas Points.

Wpay was launched as a standalone payments business in June and will offer customers cost effective solutions such as transaction processing, settlement services, in-store terminals, custom gifting and loyalty initiatives and reporting and analytics.

New Zealand Food

| NZD \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|---------------------------------------|-------------------|-------------------|---------------|
| Sales | 7,146 | 7,192 | (0.6)% |
| EBITDA | 633 | 634 | (0.2)% |
| Depreciation and amortisation | (272) | (256) | 6.3% |
| EBIT | 361 | 378 | (4.6)% |
| Gross margin (%) | 25.3 | 25.0 | 24 bps |
| CODB (%) | 20.2 | 19.8 | 45 bps |
| EBIT to sales (%) | 5.0 | 5.3 | (21) bps |
| Sales per square metre (\$) | 17,147 | 17,832 | (3.8)% |
| Funds employed | 4,329 | 4,190 | 3.3% |
| ROFE (%) | 8.4 | 8.8 | (40) bps |
| Plastic removed (tonnes) ¹ | 16.4 | - | n.m. |
| Scope 1 & 2 carbon emissions (tonnes) | 61,802 | 68,426 | (9.7)% |

Operating metrics

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|---------------------|---------------------|---------------------|---------------------|
| Customer metrics | | | | |
| VOC NPS (Store and Online) | 45 | 47 | 50 | 48 |
| Store-controllable VOC | 80% | 82% | 83% | 83% |
| Sales metrics | | | | |
| Total sales (\$ million) | 1,637 | 1,792 | 1,840 | 1,877 |
| Total sales growth | (3.9)% | (6.9)% | 1.8% | 6.9% |
| Comparable sales growth | (4.2)% | (7.5)% | 0.8% | 5.8% |
| Two-year average comparable sales growth ² | 4.9% | 3.0% | 2.7% | 5.3% |
| Change in average prices | | | | |
| Total | (0.5)% | (2.4)% | 0.2% | 0.8% |
| Total excluding Tobacco | (0.6)% | (2.7)% | (0.2)% | 0.6% |

CountdownX

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Customer metrics | | | | |
| Online VOC NPS | 62 | 64 | 65 | 67 |
| eCommerce sales metrics | | | | |
| eCommerce sales (\$ million) | 205 | 214 | 213 | 230 |
| eCommerce sales growth | (0.5)% | 36.6% | 44.9% | 50.8% |
| eCommerce penetration | 12.5% | 11.9% | 11.6% | 12.2% |
| Pick up mix (% of eCommerce sales) | 43.3% | 42.1% | 39.4% | 37.9% |
| Loyalty | | | | |
| Countdown Onecard members (million) | 1.8 | 1.9 | 1.9 | 1.8 |
| Onecard scan rates (%) | 59.3 | 59.9 | 59.6 | 59.1 |

¹ Annualised calculated values for each reporting period based on virgin plastic weight removed per unit times annualised volumes

² Simple average of F21 and F20 comparable sales growth

Trading performance

New Zealand Food's customer scores declined marginally on the prior year with F21 VOC NPS decreasing two points to 45 and Store-controllable VOC also decreasing two points at 80%. Some softening took place in Q4 with Out of Stocks, which was impacted by a combination of global supply challenges and shipping delays and stronger sales than anticipated.

Total sales for F21 declined 0.6% to \$7.1 billion, cycling the strict COVID lockdowns in H2 F20. Sales in H2 decreased 5.5% after cycling growth of 13.8% in the prior year. Q4 sales declined 3.9% and comparable sales declined 4.2%; average two-year comparable growth in Q4 rose to 4.9%.

New Zealand Food

Digital and eCommerce momentum was again a highlight for the year. eCommerce sales grew 30.2%, despite cycling elevated sales from COVID impacts in H2, with Q4 penetration at 12.5%. Additional capacity was added with two new eStores in Grenada North (Lower North Island) and Moorhouse (Christchurch); the first two automated fulfilment units were launched in partnership with Takeoff Technologies at the Auckland Penrose eStore in January and at Moorhouse in March. Other digital highlights include the launch and scale-up of the Countdown transactional app and Delivery Saver subscription service. Further innovations included two Cleveron locker units for Pick up and the roll out of Scan&Go to six stores. In October, a simplified and strengthened Onecard rewards program was launched and Cartology New Zealand was launched in February.

Two new Countdown stores were opened in Pokeno and Richmond, the first New Zealand 4 star Green Star rated store, and one Metro store. Two replacement Countdown stores and 10 Renewals were also completed. Sales per square metre declined by 3.8% to \$17,147 due to the reduction in sales and an increase in average space.

The new Hilton meat plant went live in July 2021 supplying cabinet ready meat to all North Island Countdown stores. Progress was made on the new Palmerston North ambient and Auckland Fresh distribution centres which are scheduled for opening in September 2021 and May 2022, respectively.

New Zealand Food's franchise stores (Fresh Choice and Super Value) had strong two-year sales growth despite the impact from lack of international tourists, particularly over the summer period. One new Super Value store opened in December.

Average prices decreased by 0.5% in Q4 primarily driven by deflation in Grocery, Perishables and Meat, which was partly offset by some inflation in Produce. The reduction in average prices moderated relative to Q3 which experienced a more significant COVID impact last year than Q4, with both quarters impacted by a reduction in promotions in H2 F20.

Gross profit (%) increased 24 bps on last year, helped by continued progress in stock loss, mix improvements and increased use of data-driven tools in category management, such as the promotional effectiveness tool. A new 'Value You Can Count On' campaign was launched to accompany over 4,000 products on the Great Price program.

CODB (%) increased by 45 bps, with the biggest driver being team member wage increases driven by enterprise agreements. Other increases included store depreciation and digital spend arising from investment in the store network, eCommerce capacity and mix and digital capability, which have helped support eCommerce growth.

EBIT for the year was \$361 million, a 4.6% decline on the prior year following a 10.7% increase in EBIT in F20. H2 EBIT declined 13.3% due to cycling COVID.

Following the launch of Countdown's 2025 Sustainability Commitments, progress has continued in F21, including no longer selling plastic cutlery from our stores as well as shifting our fresh pasta into PET from PVC, all hot smoked salmon to clear PET and the removals of all glitter products from our stores. We also explored new opportunities to reduce carbon emissions, including working with the Sustainable Business Council and other businesses and logistics operators to develop the Low Carbon Freight Pathway report to progressively decarbonise New Zealand's freight system.

BIG W

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|---------------------------------------|-------------------|-------------------|---------------|
| Sales | 4,583 | 4,106 | 11.6% |
| EBITDA | 348 | 207 | 67.6% |
| Depreciation and amortisation | (176) | (168) | 4.2% |
| EBIT | 172 | 39 | 344.9% |
| Gross margin (%) | 33.6 | 31.8 | 180 bps |
| CODB (%) | 29.9 | 30.9 | (100) bps |
| EBIT to sales (%) | 3.7 | 0.9 | 280 bps |
| Sales per square metre (\$) | 4,517 | 3,962 | 14.0% |
| Funds employed | 1,194 | 947 | 26.1% |
| ROFE (%) | 16.5 | 3.6 | 12.9 pts |
| Plastic removed (tonnes) ¹ | 3.1 | - | n.m. |
| Scope 1 & 2 carbon emissions (tonnes) | 115,882 | 126,764 | (8.6)% |

Operating metrics

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|---------------------|---------------------|---------------------|---------------------|
| Customer metrics | | | | |
| VOC NPS (Store and Online) | 62 | 63 | 60 | 60 |
| Store-controllable VOC | 83% | 82% | 78% | 80% |
| Sales metrics | | | | |
| Total sales (\$ million) | 978 | 1,024 | 1,466 | 1,115 |
| Total sales growth | (10.4)% | 18.3% | 19.8% | 20.4% |
| Comparable sales growth | (9.4)% | 20.0% | 21.0% | 22.3% |
| Two-year average comparable sales growth ² | 10.6% | 15.0% | 12.1% | 13.4% |

BIG W X

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| eCommerce sales metrics | | | | |
| eCommerce sales (\$ million) | 96 | 76 | 142 | 104 |
| eCommerce sales growth | 4.6% | 34.8% | 91.0% | 175.2% |
| eCommerce penetration | 9.9% | 7.5% | 9.6% | 9.3% |
| Pick up mix (% of eCommerce sales) | 50.8% | 42.7% | 45.9% | 41.6% |
| Loyalty | | | | |
| Everyday Rewards scan rate (%) | 51.1 | 51.0 | 50.1 | 49.2 |

¹ Annualised calculated values for each reporting period based on virgin plastic weight removed per unit times annualised sales volumes

² Simple average of F21 and F20 comparable sales growth

Trading performance

BIG W's continued focus on its purpose of making a real difference for families has had a positive impact on customer metrics with Store-controllable VOC at 83%, an improvement of six points compared to the prior year. VOC NPS (Store and Online) increased four points on the prior year to 62 and softened one point from Q3. Notable improvements in VOC include Stock Availability, Ease of Locating Products and Correct Price Ticketing.

BIG W achieved record annual sales of \$4.6 billion in F21, up 11.6% on the prior year, with comparable sales increasing by 13.0%. All major categories experienced strong annual growth.

Q4 total sales declined 10.4% (comparable: -9.4%) with trade impacted by lockdowns across Victoria and NSW in late Q4, and the cycling of the peak COVID demand in the prior year. Two-year average comparable sales growth in Q4 was 10.6%, supported by a strong customer plan and a successful Toy Mania sale event.

BIG W's digital acceleration continued in Q4 with eCommerce sales growth of 4.6% and penetration reaching a record 9.9%, up from 8.4% in the prior year. In Q4, BIG W X remained focused on creating more connected and convenient customer experiences by launching a new BIG W website, evolving the online layby solution, as well as rolling out contactless Direct to boot to a further four locations, bringing total locations to 76.

BIG W

BIG W closed three stores during the year as part of its ongoing property network review, with total store numbers now at 176. Sales per square metre increased 14.0% due to strong sales growth and lower average space than the prior year. As previously announced, the Monarto DC closed in Q4, with the transition to a new third-party DC network in Perth and Melbourne in place from Q3.

Gross profit (%) improved 180 bps in F21, with stronger margin expansion in H2 from continuing momentum in full price Apparel sales, coupled with H2 category mix changes due to cycling elevated sales of lower margin COVID-impacted categories, including Leisure and Toys and Home Essentials last year.

CODB (%) reduced by 100 bps due to better fixed cost leverage, partly offset by the annualisation of costs associated with a new enterprise agreement, higher supply chain costs driven by the transition of Monarto DC to a third-party logistics provider, higher costs to support digital sales acceleration and investment in building digital and data analytics, and insight capability across teams.

BIG W's EBIT increased 344.9% to \$172 million, and an EBIT margin of 3.7%, up from 0.9% in the prior year.

Closing inventory was higher than the prior year due to higher inventory to support increased sales volumes, as well as normalising from COVID surge buying and stock availability challenges impacting last year. Average inventory days declined on the prior year due to sales momentum and good stock management. Higher closing inventory and capital investments resulted in higher funds employed at the end of the period. Despite this, ROFE improved to 16.5%, up from 3.6% in F20, due to the material EBIT increase compared to the prior year.

BIG W continued to show real care for our communities through continuing its Free Books for Kids initiative distributing over 4.8 million free books to families. BIG W is committed to Woolworths Group's 2025 Sustainability Plan and has made progress in a number of areas during the year, including the activation of ethical partnerships through the whole value chain such as Action Collaboration Transformation and Better Cotton Initiative. We recognise that reducing plastics is important to our customers and whilst pleased with our start, there is a lot more to do in the coming year.

Discontinued Operation - Endeavour Group

Endeavour Drinks

| | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|-------------------------------|-------------------|-------------------|--------------|
| Sales | 10,167 | 9,275 | 9.6% |
| EBITDA | 960 | 826 | 16.3% |
| Depreciation and amortisation | (291) | (257) | 13.4% |
| EBIT | 669 | 569 | 17.7% |
| Gross margin (%) | 24.2 | 23.1 | 109 bps |
| CODB (%) | 17.6 | 17.0 | 64 bps |
| EBIT to sales (%) | 6.6 | 6.1 | 45 bps |
| Sales per square metre (\$) | 20,989 | 19,579 | 7.2% |
| Funds employed | 3,804 | 3,592 | 5.9% |
| ROFE (%) | 17.9 | 15.1 | 283 bps |

Operating metrics

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|---------------------|---------------------|---------------------|---------------------|
| Customer metrics | | | | |
| BWS VOC NPS (Store and Online) | 71 | 72 | 71 | 71 |
| Dan Murphy's VOC NPS (Store and Online) | 79 | 78 | 76 | 77 |
| Sales metrics | | | | |
| Total sales (\$ million) | 2,091 | 2,393 | 3,029 | 2,654 |
| Total sales growth | (7.0)% | 6.3% | 17.0% | 21.4% |
| Comparable sales growth | (7.3)% | 5.5% | 15.5% | 20.0% |
| Two-year average comparable sales growth ¹ | 7.0% | 7.2% | 8.6% | 11.6% |

EndeavourX

| YEAR ON YEAR (%) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| eCommerce sales metrics | | | | |
| eCommerce sales (\$ million) | 183 | 193 | 256 | 227 |
| eCommerce sales growth | 14.1% | 23.8% | 44.3% | 57.6% |
| eCommerce penetration | 8.8% | 8.0% | 8.5% | 8.6% |

¹ Simple average of F21 and F20 comparable sales growth

Endeavour Group separation

On 18 June 2021, Woolworths Group obtained shareholder approval for the separation of Endeavour Group which resulted in two of the Group's separate major business lines, Endeavour Drinks and Hotels, being classified as discontinued operations. The Group classified the respective assets and liabilities of Endeavour Group as held for distribution and have presented these amounts at carrying value and separately from other assets and liabilities in the balance sheet as at 27 June 2021.

Trading performance

Endeavour Drinks' total sales for the year were \$10.2 billion, up 9.6% on the prior year. Sales growth was driven by the shift to in-home consumption and ongoing premiumisation trends. H2 sales decreased by 0.4%, with Q4 sales declining by 7% after cycling 23.2% growth in Q4 F20.

BWS and Dan Murphy's continued to improve customer metrics. Dan Murphy's VOC ended the year at 79, up three points on the prior year and BWS VOC was 71, up one point on the prior year.

eCommerce sales increased 34.7% in F21, with eCommerce penetration now 8.4% of sales (F20: 6.9%). Penetration has remained high even in periods when lockdowns and on-premise restrictions have eased.

Endeavour Drinks' retail store network increased to 1,643, with 33 net new stores added during F21. At the end of the year, the fleet consisted of 251 Dan Murphy's stores and 1,392 BWS stores. Sales per square metre increased 7.2% reflecting strong sales growth ahead of an increase in average space.

Gross margin (%) increased 109 bps in F21 mainly due to lower promotional activity and was supported by premiumisation and product mix shifts. CODB (%) was 17.6%, 64 bps higher than the prior year. The higher sales provided fixed cost leverage, which partially offset increases in team member costs, COVID costs and investments in technology and EndeavourX.

EBIT increased 17.7% to \$669 million in F21, and H2 EBIT increased 8.3%.

Discontinued Operation - Endeavour Group

Hotels

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|-------------------------------|-------------------|-------------------|-----------|
| Sales | 1,417 | 1,320 | 7.3% |
| EBITDA | 499 | 405 | 22.8% |
| Depreciation and amortisation | (238) | (233) | 1.7% |
| EBIT | 261 | 172 | 51.7% |
| Gross margin (%) | 85.0 | 83.0 | 206 bps |
| CODB (%) | 66.6 | 70.0 | (333) bps |
| EBIT to sales (%) | 18.4 | 13.0 | 538 bps |
| Funds employed | 3,865 | 4,065 | (4.9)% |
| ROFE (%) | 6.7 | 4.2 | 251 bps |

Trading performance

In F21, total sales increased by 7.3% to \$1,417 million with EBIT increasing by 51.7% to \$261 million. In H2, sales increased by 87.1% cycling a period in the prior year when most hotels were closed. EBIT in H2 increased to \$139 million following a loss of \$52 million in the prior year.

The most significant impact of COVID lockdowns and restrictions was in the key state of Victoria where operations were somewhat impacted throughout the financial year. Hotels re-entered lockdown in early July 2020 and reopened in early November with capacity limits and trading restrictions in place. There were further short-term snap lockdowns in both February and June.

In F21, five hotels were acquired, taking the total network of hotels to 339 (including five managed clubs) and 26 hotels were refurbished, including significant redevelopments of two hotels.

Endeavour Group costs

Endeavour Group incurred Group costs of \$31 million in F21 compared to \$7 million in the prior year. The costs reflect the ongoing costs of establishing Endeavour Group as a stand-alone business.

Primary Connect, Group, COVID costs and significant items

Primary Connect

In October last year, Woolworths Group's Supply Chain was rebranded Primary Connect as it evolves to become an end-to-end service provider for Woolworths Group retail businesses and other strategic partners. Primary Connect is now a key supply chain partner to BWS and Dan Murphy's following the demerger of Endeavour Group.

In Australian Food, MSRDC's carton throughput continued to ramp up during the year with Q4 volumes averaging 2.1 million cartons per week. The transition of volume out of existing facilities into MSRDC is not yet complete with a further increase in volumes expected in F22.

Other major achievements during the year included Melbourne Fresh DC opening ahead of schedule in August 2020. The temperature-controlled Heathwood DC remains on track for completion in October 2021 and is expected to go live in February 2022.

The NSW supply chain transformation is progressing to plan, with building works for the new Sydney NDC at Moorebank beginning in May. In June, a new 76,000 square metre Fresh DC to be built at Wetherill Park, Sydney was announced, which will substantially complete the transformation of the NSW supply chain network and allow the consolidation of the currently fragmented temperature-controlled network in the state.

Group

Net Group costs were \$176 million, an increase of \$32 million from \$144 million in F20. Group costs in F20 have been restated to exclude \$7 million related to Endeavour Group. F21 Group costs included COVID-related costs of \$28 million, the cost of additional risk and payroll remediation resources, and higher insurance costs. For F22, Group costs will include Woolworths Group's equity accounted contribution from its 14.6% investment in Endeavour Group. Excluding this contribution, Group costs in F22 are expected to be approximately \$175 million.

Group COVID costs

| \$ MILLION | H2 F21 (25 WEEKS) | Q4'21 (12 WEEKS) | Q3'21 (13 WEEKS) | H1 F21 (27 WEEKS) | Q2'21 (13 WEEKS) | Q1'21 (14 WEEKS) |
|---|----------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| Cleaning and PPE | 25 | 10 | 15 | 91 | 32 | 59 |
| Contractors and security | 7 | 4 | 3 | 13 | 5 | 8 |
| Team costs ¹ | 10 | 5 | 5 | 60 | 21 | 39 |
| Supply chain | 12 | 5 | 7 | 61 | 20 | 41 |
| COVID costs before discretionary payments | 54 | 24 | 30 | 225 | 78 | 147 |
| Team discounts, incentives, recognition payments and donations ² | 1 | - | 1 | 52 | 23 | 29 |
| Total COVID costs | 55 | 24 | 31 | 277 | 101 | 176 |
| COVID costs (% of sales) | 0.2% | 0.2% | 0.2% | 0.8% | 0.6% | 1.0% |

¹ Represents incremental team members and roles, to support COVID crisis management and customer and team safety (and excludes any incremental variable cost driven by higher sales)

² Cost of team discounts offset against sales

Total Group COVID costs were \$332 million in F21 compared to \$404 million in F20, including \$26 million of Endeavour Group COVID costs. COVID costs moderated over the year and were \$55 million in H2, equivalent to 0.2% of sales compared to 2.0% of sales in H2 F20. Since June, costs have again increased, reflecting the impact of lockdown restrictions across the country. Cost increases largely relate to dedicated health ambassadors in many stores across the country as well as incremental supply chain costs.

Primary Connect, Group, COVID costs and significant items

Significant items

| 2021 | PROFIT BEFORE INCOME TAX \$M | INCOME TAX BENEFIT \$M | PROFIT FOR THE PERIOD \$M |
|--|------------------------------------|------------------------------|---------------------------------|
| Continuing operations | | | |
| Australian Food | | | |
| Supply chain network review | (44) | 13 | (31) |
| Metro Food Stores asset impairment | (50) | 15 | (35) |
| Other | | | |
| Gain on previously held equity interest in Quantum | 221 | - | 221 |
| Transaction costs for the demerger of Endeavour Group and acquisition of PFD | (68) | 15 | (53) |
| Total significant items | 59 | 43 | 102 |

Supply chain network review

During the year, the Group announced the closure of the temperature-controlled operations at Minchinbury, NSW as part of the ongoing supply chain network review. An expense of \$44 million was recognised relating to the estimated redundancy costs for impacted team members.

Metro Food Stores asset impairment

The Group recognised expenses totalling \$50 million relating to non-cash asset impairment and other store exit costs for 13 Metro stores. The charge reflects the negative impact of COVID on the network's performance in CBD and transit locations.

Gain on previously held equity interest in Quantum

The Group recognised a \$221 million net gain on its previously held interest in Quantum. Following the Group's acquisition of an additional equity interest, the Group's previously held equity interest of 47.2% was treated as if it were disposed of and reacquired at fair value. Accordingly, it was remeasured to its acquisition-date fair value and, when compared to its carrying amount, a gain of \$221 million was recognised net of transaction-related costs.

Transaction costs for the demerger of Endeavour Group and acquisition of PFD

The Group incurred \$68 million in transaction costs related to the demerger of Endeavour Group and the acquisition of PFD Food Services. The costs include advisor fees and legal and other regulatory costs.

Group balance sheet

Group balance sheet as at 27 June 2021

| \$ MILLION | REPORTED 27 JUNE 2021 | NORMALISED 27 JUNE 2021 ¹ | REPORTED 28 JUNE 2020 | NORMALISED CHANGE |
|---|--------------------------|---|--------------------------|----------------------|
| Inventories | 3,132 | 4,345 | 4,434 | (89) |
| Trade payables | (4,832) | (5,721) | (5,843) | 122 |
| Net investment in inventory | (1,700) | (1,376) | (1,409) | 33 |
| Trade and other receivables | 782 | 941 | 894 | 47 |
| Other creditors, provisions, and other liabilities | (4,008) | (4,632) | (4,516) | (116) |
| Demerger distribution liability | (7,870) | (7,870) | - | (7,870) |
| Fixed assets, investments, loans to related parties and convertible notes | 7,605 | 9,581 | 8,953 | 628 |
| Net assets held for sale and distribution | 5,728 | 198 | 333 | (135) |
| Intangible assets | 4,671 | 8,516 | 7,717 | 799 |
| Lease assets | 9,553 | 12,670 | 12,062 | 608 |
| Other assets | 128 | 128 | 136 | (8) |
| Total funds employed | 14,889 | 18,156 | 24,170 | (6,014) |
| Net tax balances | 1,119 | 851 | 992 | (141) |
| Net assets employed | 16,008 | 19,007 | 25,162 | (6,155) |
| Cash and borrowings | (1,863) | (1,430) | (1,863) | 433 |
| Derivatives | - | - | 464 | (464) |
| Net debt (excluding lease liabilities) | (1,863) | (1,430) | (1,399) | (31) |
| Lease liabilities | (12,016) | (15,445) | (14,728) | (717) |
| Total net debt | (13,879) | (16,875) | (16,127) | (748) |
| Put option over non-controlling interest | (390) | (393) | (3) | (390) |
| Net assets | 1,739 | 1,739 | 9,032 | (7,293) |
| Non-controlling interests | 360 | 360 | 290 | 70 |
| Shareholders' equity | 1,379 | 1,379 | 8,742 | (7,363) |
| Total equity | 1,739 | 1,739 | 9,032 | (7,293) |

KEY RATIOS - GROUP BEFORE SIGNIFICANT ITEMS

| | | | |
|---|--------|--------|---------|
| Closing inventory days (based on cost of sales) | 33.5 | 35.8 | (2.3) |
| Closing trade payable days (based on cost of sales) | (44.2) | (47.2) | 3.0 |
| Normalised ROFE ² | 15.1 | 13.7 | 143 bps |

¹ Normalised to include the Endeavour Group balances transferred to assets or liabilities held for distribution

² F21 closing funds employed included in the ROFE calculation excludes the \$7,870 million demerger distribution liability

The normalised balance sheet as at 27 June 2021 does not include the impact of transferring the Endeavour Group balances to assets or liabilities held for distribution. To aid comparability, all balance sheet commentary provided compares the F21 normalised closing balance sheet to F20.

Closing inventory of \$4,345 million decreased by \$89 million compared to F20, mainly due to normalised inventory levels in the Food businesses following an inventory build in F20. This was partially offset by a rebuild of inventory in BIG W. Closing inventory days were 2.3 days lower and average inventory days from continuing operations declined by 0.5 days on the prior year reflecting strong sales momentum in F21.

Trade payables of \$5,721 million decreased by \$122 million compared to F20, primarily due to decreased volume replenishments of COVID contingency stock compared to the prior year, particularly in Q4, together with shorter payment terms for smaller suppliers.

A **demerger distribution liability** of \$7,870 million reflects the fair value of the demerger distribution payable to shareholders following the approval of the demerger resolutions for Endeavour Group in June 2021.

Fixed assets, investments, loans provided to related parties and convertible notes of \$9,581 million increased by \$628 million mainly due to additions reflecting investment in new stores, property development, refurbishments of existing stores, investment in eCommerce and digital, IT infrastructure and acquisitions of businesses.

Lease assets of \$12,670 million increased by \$608 million primarily driven by lease remeasurements of \$1,253 million and lease additions of \$537 million, partially offset by lease depreciation of \$1,228 million.

Total funds employed decreased \$6,014 million, largely driven by the \$7,870 million demerger distribution payable to shareholders as a result of the Endeavour Group demerger, partially offset by a \$799 million increase in intangible assets due to the acquisition of Quantum and software additions.

Group balance sheet

Lease liabilities of \$15,445 million increased by \$717 million, primarily driven by commencement of new leases of \$556 million, remeasurements during the period of \$1,242 million and interest of \$687 million, partially offset by \$1,845 million of payments made in the period.

Net assets of \$1,739 million includes a \$390 million put option liability over the non-controlling interest in Quantum. The liability reflects the amount expected to be paid at the exercise of the put option.

Group ROFE was 15.1%, 143 bps higher than F20. ROFE increased for all businesses reflecting EBIT growth well above increases in funds employed, other than New Zealand Food. Closing funds employed used for the Group ROFE calculation has been adjusted to remove the impact of the demerger distribution liability which has resulted in a temporary reduction in funds employed at year end.

Shareholders' equity of \$1,379 million decreased by \$7,363 million mainly due to the recognition of the demerger distribution liability of \$7,870 million recognised in reserves and share capital. As discussed below, this timing impact will reverse in F22 and shareholders' equity will increase when the gain on the demerger of Endeavour Group of approximately \$6.4 billion is recognised in Q1 F22.

Subsequent events

Demerger of Endeavour Group

On 28 June 2021, the Group lost control of Endeavour Group and recognised the retained 14.6% equity interest at fair value based on the VWAP of Endeavour Group shares in its first five days of trading of \$6.21. In addition, the Group derecognised the net assets held for distribution to shareholders (including a loan payable to the Group, which eliminated on consolidation), and the non-controlling interest share of Endeavour Group's net assets. A gain of approximately \$6.4 billion will be recognised within discontinued operations in F22. Effective from the separation date of 28 June 2021, Endeavour Group repaid \$1.7 billion of intercompany loans payable to the Group.

Acquisition of PFD Food Services

Following ACCC approval on 10 June 2021, the Group completed the acquisition of a 65% equity interest in PFD, resulting in the Group gaining control of the business on 28 June 2021. The fair value of the consideration is expected to be approximately \$431 million (including contingent consideration). The Group has a put option liability for the remaining 35% of the shares in PFD which is exercisable after three years from the acquisition date. The put option will be initially recognised at the present value of the amount expected to be paid at the time of exercise with a corresponding charge directly to equity. At the acquisition date, the estimated value of the put option liability is \$400 million to \$450 million.

Group cash flows

Group cash flows for the 52 weeks ended 27 June 2021

| \$ MILLION | F21 (52 WEEKS) | F20 (52 WEEKS) | CHANGE |
|---|-------------------|-------------------|--------------|
| EBITDA - continuing operations | 4,843 | 4,453 | 8.7% |
| EBITDA - discontinued operations | 1,428 | 1,224 | 16.7% |
| Significant items | 59 | (591) | n.m. |
| Group EBITDA | 6,330 | 5,086 | 24.4% |
| Decrease/ (increase) in inventories | 103 | (152) | n.m. |
| (Decrease)/ increase in trade payables | (115) | 632 | n.m. |
| (Decrease)/ increase in provisions | (183) | 223 | n.m. |
| Net change in other working capital and non-cash | 27 | 278 | (88.9)% |
| Cash from operating activities before interest and tax | 6,162 | 6,067 | 1.7% |
| Interest paid - leases | (687) | (701) | (1.7)% |
| Net interest paid - non-leases | (113) | (155) | (26.9)% |
| Tax paid | (738) | (650) | 13.5% |
| Total cash provided by operating activities | 4,624 | 4,561 | 1.4% |
| Proceeds from the sale of property, plant and equipment, subsidiaries and investments, net of cash disposed | 408 | 295 | 38.8% |
| Payments for the purchase of property, plant and equipment and intangible assets | (2,389) | (2,149) | 11.3% |
| Other | (219) | (91) | 139.7% |
| Total cash used in investing activities | (2,200) | (1,945) | 13.1% |
| Repayment of lease liabilities | (1,158) | (1,066) | 8.7% |
| Dividends paid (including to non-controlling interests) | (1,154) | (1,199) | (3.8)% |
| Payments for shares held in trust | (177) | (102) | 74.0% |
| Free cash flow after equity and lease related financing activities | (65) | 249 | n.m. |

Cash flow from operating activities before interest and tax was \$6,162 million, an increase of \$95 million or 1.7% on the prior year. The increase in Group EBITDA of \$1,244 million was largely offset by outflows from working capital and non-cash movements compared to inflows in the prior year. The increase in EBITDA reflects higher trading EBITDA from continuing and discontinued operations as well as a gain on significant items in F21 compared to a loss on significant items in F20.

Increase in trade payables was unusually high in F20 due to creditor payment timing and high trade payables due to increased COVID-related stock replenishments. In F21, movement in payables was lower due to lower Q4 inventory replenishments, and inventory optimisation initiatives.

In F21, **decrease in provisions** of \$183 million was due to ongoing progress and cash payments for salaried team member remediation resulting in a lower provision balance compared to the prior year.

Net interest paid (non-leases) decreased by 26.9% reflecting lower net debt during the year and lower borrowing costs.

Tax paid increased 13.5% due to higher tax instalments on higher profits in F21 and stamp duty payable on the Endeavour Group demerger.

Cash used in investing activities was \$2,200 million, an increase of \$255 million or 13.1% above the prior year. The increase was primarily due to the Group acquiring a controlling interest in Quantum for \$169 million (net of cash acquired), and increased investment in eCommerce, IT and digital projects, partially offset by higher proceeds on property sales.

Repayment of lease liabilities increased by 8.7%, reflecting lease additions and lease remeasurements.

The Group **cash realisation ratio** was 97.4% (F20: 124.4%), primarily due to the cash payment of salaried team member remediation.

Capital management

Capital management objectives

The Group manages its capital structure with the objective of enhancing long-term shareholder value through funding its business at an optimised weighted average cost of capital. The Group returns capital to shareholders when consistent with its long-term capital structure objectives and will enhance shareholder value.

The Group remains committed to solid investment grade credit ratings and several actions can be undertaken, if required, to support the credit profile. This includes the sale of non-core assets, further working capital initiatives, and adjusting growth capital expenditure and the property leasing profile. The Group's credit ratings¹ are BBB (stable outlook) from S&P and Baa2 (stable outlook) from Moody's.

Financing events during 2021

In September 2020, the \$654 million US Senior Notes matured. In November 2020, the \$229 million European Medium Term Notes also matured. The Group refinanced these maturities with a \$1 billion domestic Medium Term Note issuance in May 2020.

In December 2020, the Group entered into a \$384 million bank guarantee facility and into \$398 million direct surety bond facilities to support the Group's workers' compensation obligations as a self-insurer. These transactions refinanced the Group's \$500 million bank guarantee facility, which matured in January 2021.

In April 2021, the \$424 million US Senior Notes were repaid with existing surplus cash and bank facilities.

Upcoming maturities and transactions

Subject to market conditions, the Group is intending to launch a debt capital markets transaction (total value approximately \$1.5 billion) where the proceeds will be used for general corporate purposes, including the long-term funding of the Group's increased investment in Quantum, the acquisition of PFD, and represents an opportunity to secure long-term, low-cost debt and reduce the Group's overall cost of debt and weighted average cost of capital.

Off-market buy-back

On 26 August 2021, the Group announced a capital return of \$2 billion to shareholders by way of an off-market buy-back. The buy-back is expected to return approximately \$840 million of franking credits to shareholders. For more information, please visit www.woolworthsgroup.com.au/buyback

¹ These credit ratings have been issued by a credit rating agency which holds an Australian Financial Services Licence with an authorisation to issue credit ratings to wholesale clients only and are for the benefit of the Group's debt providers.

New store rollout plans and outlook

New store rollout plans

The store rollout is supported by detailed plans for the next three to five years, identifying specific sites.

| | F21 NET STORE OPENINGS (INCL. ACQUISITIONS) | MEDIUM TERM ANNUAL TARGET (NET) |
|------------------------------|--|-----------------------------------|
| Australian Food ¹ | 23 | |
| Woolworths Supermarkets | 13 | 10-25 new full range supermarkets |
| Metro Food Stores | 10 | 5-15 new Metro Food Stores |
| New Zealand Food | 4 | |
| Countdown | 3 | 3-4 new supermarkets |
| Franchise stores | 1 | |
| BIG W | (3) | |

¹ Excludes 1 new Summergate store

Current trading and outlook

Woolworths Group CEO, Brad Banducci, said: "The ongoing impact of COVID has led to strong sales growth in the first eight weeks of F22 in Australian Food and more recently New Zealand Food, but negatively impacted BIG W, with stores facing a number of trading restrictions. COVID costs have again increased, and for the first eight weeks, Group COVID costs have been approximately \$41 million or 0.5% of sales.

"Australian Food total sales for the first eight weeks have increased by 4.5%, cycling growth of 11.9% in the prior year. Higher than anticipated sales growth has resulted from lockdowns across the country but particularly in our largest state, NSW, as in-home consumption has again increased. While we expect to continue to make good progress in F22, the trading environment remains highly uncertain. We continue to invest in eCommerce capacity to meet the needs of our connected customers, who are increasingly shopping online. In New Zealand Food, two-year average growth momentum has continued to improve in F22 with some benefit to sales from recent lockdowns.

"BIG W sales declined 15.1% for the first eight weeks of F22 due to the impact of lockdowns and cycling sales growth of 21.1% in the prior year. In F22 to date, 141 stores have experienced trading restrictions at some point, equating to approximately 2,700 trade days impacted across the business. We are actively managing our apparel stock levels and have commenced earlier than planned clearance activity to proactively manage our inventory position. Unfortunately, given that a large proportion of our stores remain closed to in-store customers, it is likely that EBIT for the half will be materially below the prior year.

"After being in a catch-up phase in H2 F20 following the onset of COVID, F21 was a year of investment for our X businesses. This investment will continue in F22 as we invest more in physical eCommerce capacity to meet customer demand, the online systems to support this growth and an improved digital customer experience.

"Operating capital expenditure in F22 is likely to remain at similar levels to F21, despite the demerger of Endeavour Group, due to construction having commenced on our new Moorebank DCs, our Auburn CFC and the continued rollout of Direct to boot capacity. We believe these investments are crucial to ensure that we continue to meet the needs of our customers in a rapidly changing retail environment and we are confident that they will enhance shareholder value over the medium to long-term.

"In summary, we are excited to be embarking on a new era for Woolworths Group and are focused on continuing to progress our key strategic priorities. We are also focused on leveraging our core capabilities and platforms to grow our food and everyday needs ecosystem by expanding into complementary areas that deliver more value and services for our customers. While we are excited by what the future holds, we are realistic about the challenges that lie ahead in the next few months as we support vaccination and respond to the volatility and challenges that Delta is causing on a daily basis."

FOR FURTHER INFORMATION CONTACT:

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|--|--|
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Appendices

Appendix One: ASIC Regulatory Guide 230 Disclosing Non-IFRS Financial Information and glossary

The earnings and dividend announcement for the 52 weeks ended 27 June 2021 contains certain non-IFRS financial measures of historical financial performance, balance sheet or cash flows. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards and may not be directly comparable with other companies' measures but are common practice in the industry in which Woolworths Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by the Australian Security and Investments Commission in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information.

These measures are used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the underlying drivers of the business, performance and trends, as well as the financial position of the Woolworths Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods (such as comparable sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Woolworths Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting and incentive setting purposes and have remained consistent with the prior year. Non-IFRS measures are not subject to audit or review.

Glossary

| | |
|----------------------------------|--|
| ACCC | Australian Competition and Consumer Commission |
| AWEI | Australian Workplace Equality Index |
| Cash realisation ratio (CRR) | Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation |
| Comparable sales | Measure of sales excluding stores that have been opened or closed in the last 12 months and existing stores where there has been a demonstrable impact from store disruption because of store refurbishment or new store openings/closures |
| Cost of doing business (CODB) | Expenses relating to the operation of the business |
| Customer fulfilment centre (CFC) | Dedicated online distribution centre |
| DC | Distribution centre |
| Delivery Unlimited | Subscription service that gives customers access to free delivery on any Next Day Delivery window and 3-hour Same Day Delivery windows, or reduced fees for quicker delivery options |
| Direct to boot | Where a customer places an order online and drives to a dedicated area where a team member places the order directly in the customer's boot |
| eStore | Dedicated store for the fulfilment of online orders sometimes incorporating automation |
| eReceipts | Digital versions of receipts that are automatically saved in a customer's Everyday Rewards app |
| Free cash flow | Cash flow generated by Woolworths Group after equity related financing activities including dividends and repayment of lease liabilities |
| Funds employed | Net assets employed excluding net tax balances and put option liability |
| MFC | Micro-fulfilment centre |
| MSRDC | Melbourne South Regional Distribution Centre |
| NDC | National distribution centre |
| Net assets employed | Net assets excluding net debt and other financial assets and liabilities |
| Net Promoter Score (NPS) | A loyalty measure based on a single question where a customer rates a business on a scale of zero to 10. The score is the net result of the percentage of customers providing a score of nine or 10 (promoters) less the percentage of customers providing a score of zero to six (detractors) |
| n.m. | Not meaningful |
| On-demand/express delivery | An express or scheduled delivery service providing online orders at the customer's convenience |

Appendices

Glossary continued

| | |
|---------------------------------|--|
| Pick up | A service which enables collection of online shopping orders in store or at selected locations |
| RDC | Regional distribution centre |
| Renewal | A total store transformation focused on the overall store environment, team, range and process efficiency (including digital) |
| Return on Funds Employed (ROFE) | Calculated as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed including significant items provisions |
| Sales per square metre | Total sales for the previous 12 months by business divided by average trading area of stores and fulfilment centres |
| Simpler for Stores | Simplification of end-to-end processes for store teams, improving customer experience and productivity |
| Total net debt | Borrowings less cash balances including debt hedging derivatives and lease liabilities |
| Stock loss | The value of stock written off, wasted, stolen, cleared, marked down or adjusted from all stores nationally (sometimes expressed as a percentage of sales) |
| UP range | Range of products sourced and curated for Woolworths Supermarkets with a high proportion of premium customers |
| Voice of Customer (VOC) | Externally facilitated survey of a sample of Woolworths Group customers where customers rate Woolworths Group businesses on several criteria. Expressed as the percentage of customers providing a rating of six or seven on a seven-point scale |
| VOC NPS | VOC NPS is based on feedback from Everyday Rewards members. VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below) |
| Voice of Supplier (VOS) | A survey of a broad spectrum of suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes, scored as a percentage of suppliers that provided a rating of six or seven on a seven-point scale |
| Voice of Team (VOT) | Survey measuring sustainable engagement of our team members as well as their advocacy of Woolworths as a place to work and shop. The survey consists of nine sustainable engagement questions, three key driver questions and two advocacy questions |
| WGEA | Workplace Gender Equality Agency |

Other non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Volume productivity metrics including transaction growth, items per basket and item growth
- Trading area
- Fixed assets and investments
- Net tax balances
- Closing trade payable days
- Change in average prices
- Margins including gross profit, CODB and EBIT
- Cash flow from operating activities before interest and tax
- Free cash flow after equity related financing activities excluding dividends
- Significant items
- Net investment in inventory
- Net assets held for sale
- Closing inventory days
- Average inventory days

Appendices

Appendix Two: Quarterly sales summary

| \$ MILLION | Q4'21 (12 WEEKS) | Q4'20 (12 WEEKS) | CHANGE |
|---|---------------------|---------------------|---------------|
| Continuing operations | | | |
| Australian Food | 9,900 | 9,780 | 1.2% |
| New Zealand Food | 1,520 | 1,600 | (5.0)% |
| <i>New Zealand Food (NZD)</i> | 1,637 | 1,703 | (3.9)% |
| BIG W | 978 | 1,091 | (10.4)% |
| Other | 18 | - | n.m. |
| Sales from continuing operations | 12,416 | 12,471 | (0.4)% |
| Discontinued operations | | | |
| Endeavour Drinks | 2,091 | 2,248 | (7.0)% |
| Hotels | 360 | 51 | 606.4% |
| Sales from discontinued operations | 2,451 | 2,299 | 6.6% |
| Group sales | 14,867 | 14,770 | 0.7% |

| TOTAL SALES GROWTH % | Q1'21 (14 WEEKS) | Q2'21 (13 WEEKS) | H1 F21 (27 WEEKS) | Q3'21 (13 WEEKS) | Q4'21 (12 WEEKS) | H2 F21 (25 WEEKS) | F21 (52 WEEKS) |
|--------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|-------------------|
| Australian Food | 12.9 | 8.3 | 10.6 | (0.7) | 1.2 | 0.2 | 5.4 |
| New Zealand Food (AUD) | 4.7 | 1.2 | 2.9 | (10.2) | (5.0) | (7.8) | (2.5) |
| <i>New Zealand Food (NZD)</i> | 6.9 | 1.8 | 4.3 | (6.9) | (3.9) | (5.5) | (0.6) |
| BIG W | 20.4 | 19.8 | 20.1 | 18.3 | (10.4) | 2.3 | 11.6 |
| Continuing operations | 12.4 | 8.5 | 10.4 | (0.8) | (0.4) | (0.6) | 4.9 |
| Endeavour Drinks | 21.4 | 17.0 | 19.0 | 6.3 | (7.0) | (0.4) | 9.6 |
| Hotels | (33.2) | (21.5) | (27.5) | 11.5 | 606.4 | 87.1 | 7.3 |
| Discontinued operations | 11.8 | 11.3 | 11.5 | 7.0 | 6.6 | 6.8 | 9.3 |
| Group | 12.3 | 9.0 | 10.6 | 0.4 | 0.7 | 0.5 | 5.7 |

| COMPARABLE SALES GROWTH % | Q1'21 (14 WEEKS) | Q2'21 (13 WEEKS) | H1 F21 (27 WEEKS) | Q3'21 (13 WEEKS) | Q4'21 (12 WEEKS) | H2 F21 (25 WEEKS) | F21 (52 WEEKS) |
|---------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|-------------------|
| Australian Food | 11.5 | 7.1 | 9.3 | (2.1) | 0.1 | (1.1) | 4.2 |
| New Zealand Food (NZD) | 5.8 | 0.8 | 3.3 | (7.5) | (4.2) | (5.9) | (1.3) |
| BIG W | 22.3 | 21.0 | 21.5 | 20.0 | (9.4) | 16.4 | 13.0 |
| Endeavour Drinks | 20.0 | 15.5 | 17.5 | 5.5 | (7.3) | (0.8) | 8.6 |

Appendix Three: Volume productivity metrics

| YEAR ON YEAR (%) | Q1'21 (14 WEEKS) | Q2'21 (13 WEEKS) | Q3'21 (13 WEEKS) | Q4'21 (12 WEEKS) |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Australian Food | | | | |
| Comparable transactions growth | (9.3) | (9.0) | (12.0) | 2.6 |
| Comparable items per basket growth | 15.8 | 13.0 | 8.6 | (2.1) |
| Comparable items growth | 5.0 | 2.9 | (4.4) | 0.4 |
| New Zealand Food | | | | |
| Comparable transactions growth | (12.5) | (9.6) | (6.9) | 30.9 |
| Comparable items per basket growth | 13.6 | 7.3 | (2.0) | (27.5) |
| Comparable items growth | (0.6) | (3.0) | (9.0) | (1.0) |
| BIG W | | | | |
| Comparable transactions growth | (1.8) | 2.6 | 6.1 | (4.2) |
| Comparable items per basket growth | 11.7 | 9.2 | 9.8 | (4.6) |
| Comparable items growth | 9.7 | 12.0 | 16.5 | (8.6) |

Appendices

Appendix Four: Five-year store and trading area analysis

| STORES (NUMBER) ¹ | 2021 FULL YEAR | 2020 FULL YEAR | 2019 FULL YEAR | 2018 FULL YEAR | 2017 FULL YEAR |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Continuing operations | | | | | |
| NSW & ACT | 343 | 334 | 324 | 317 | 312 |
| QLD | 250 | 242 | 237 | 234 | 234 |
| VIC | 268 | 265 | 253 | 249 | 244 |
| SA & NT | 78 | 78 | 78 | 79 | 80 |
| WA | 104 | 101 | 101 | 98 | 94 |
| TAS | 31 | 31 | 31 | 31 | 31 |
| Thomas Dux | - | - | - | - | 3 |
| Australian Supermarkets & Metro Food Stores | 1,074 | 1,051 | 1,024 | 1,008 | 998 |
| Summergate | 2 | 1 | 1 | 2 | 2 |
| Total Australian Food | 1,076 | 1,052 | 1,025 | 1,010 | 1,000 |
| New Zealand Supermarkets | 184 | 182 | 180 | 181 | 184 |
| BIG W | 176 | 179 | 183 | 183 | 185 |
| Total continuing operations | 1,436 | 1,413 | 1,388 | 1,374 | 1,369 |
| Wholesale customer stores | | | | | |
| SuperValue and FreshChoice | 71 | 70 | 70 | 69 | 65 |
| Statewide Independent Wholesalers | 220 | 220 | 220 | 220 | 220 |
| Total wholesale customer stores | 291 | 290 | 290 | 289 | 285 |
| Discontinued operations¹ | | | | | |
| BWS | 1,392 | 1,369 | 1,346 | 1,316 | 1,298 |
| Dan Murphy's | 251 | 241 | 230 | 227 | 219 |
| Total Endeavour Drinks | 1,643 | 1,610 | 1,576 | 1,543 | 1,517 |
| Hotels (includes clubs) | 339 | 334 | 328 | 323 | 329 |
| Woolworths Petrol | - | - | - | 534 | 531 |
| Total discontinued operations | 1,982 | 1,944 | 1,904 | 2,400 | 2,377 |
| Total Group | 3,418 | 3,357 | 3,292 | 3,774 | 3,746 |
| Trading area (sqm)² | | | | | |
| Australian Food | 2,435,065 | 2,382,764 | 2,330,830 | 2,281,866 | 2,252,709 |
| New Zealand Supermarkets | 410,229 | 405,425 | 404,032 | 405,274 | 415,970 |
| BIG W | 1,004,914 | 1,021,775 | 1,045,260 | 1,046,333 | 1,055,838 |
| Endeavour Drinks | 491,081 | 479,055 | 468,884 | 460,841 | 446,083 |

¹ Endeavour Drinks and Hotels became discontinued operations at the end of F21. The Petrol business became a discontinued operation at the end of H1 F17

² Excludes eStores

Appendix Five: F21 new stores and refurbishments

| FULL YEAR | GROSS NEW STORES (INCL. ACQUISITIONS) | NET NEW STORES (INCL. ACQUISITIONS) | RENEWALS/ REFURBISHMENTS |
|---|--|--|-----------------------------|
| Australian Supermarkets and Metro Food Stores | 30 | 23 | 65 |
| Summergate | 1 | 1 | - |
| New Zealand Supermarkets | 5 | 3 | 10 |
| BIG W | - | (3) | 3 |
| Total continuing operations | 36 | 24 | 78 |

| Q4'21 | GROSS NEW STORES (INCL. ACQUISITIONS) | NET NEW STORES (INCL. ACQUISITIONS) | RENEWALS/ REFURBISHMENTS |
|---|--|--|-----------------------------|
| Australian Supermarkets and Metro Food Stores | 8 | 6 | 24 |
| Summergate | - | - | - |
| New Zealand Supermarkets | 3 | 1 | - |
| BIG W | - | - | 1 |
| Total continuing operations | 11 | 7 | 25 |

Appendices

Certain comparatives have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group.

This announcement contains certain non-IFRS measures that Woolworths Group believes are relevant and appropriate to understanding its business. Refer to Appendix One for further information. Ratios and percentage changes referenced throughout this document are calculated on unrounded figures.

[Click here to view the shareholder communication for these results.](#)

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