

F22 Third Quarter Trading Update

Solid third quarter results whilst navigating impact of weather events and COVID-19

Sales for the 13 weeks from 3 January 2022 to 3 April 2022

| \$ million | Q3 F22 (13 WEEKS) | Q3 F21 (13 WEEKS) | CHANGE | EASTER-ADJ CHANGE ¹ |
|--------------|----------------------|----------------------|---------------|-----------------------------------|
| Retail | 2,323 | 2,396 | (3.0%) | (0.7%) |
| Hotels | 405 | 390 | 3.8% | 2.5% |
| Group | 2,728 | 2,786 | (2.1%) | (0.3%) |

1. Calculated by adjusting F21 results to align timing of Easter with F22. This adjustment has also normalised for a three-day lockdown in the Greater Brisbane area from 29 March 2021 to 1 April 2021.

Endeavour Group Managing Director and CEO, Steve Donohue, said “Our business performed well over the third quarter. Hotels trading improved as COVID-19 related restrictions eased, and Retail sales were slightly lower than the equivalent period last year. We continued to build strong customer engagement, with both BWS and Dan Murphy’s recording improvements in customer metrics. These results are once again delivered within the context of an uncertain operating environment with extreme weather events, ongoing supply chain disruptions and growing inflationary pressures creating new challenges.

COVID-19 continued to impact our operations. This was particularly evident at the beginning of the quarter, when consumer hesitancy reduced patronage in our Hotels, while team availability was a challenge in both businesses.

Operating conditions were further impacted by recent floods and adverse weather across parts of New South Wales and Queensland. Team members from multiple sites have been personally impacted by the severe flooding and we are offering them additional support including financial assistance for property damage, providing vouchers for food and offering accommodation for displaced team members and their families at our hotels. Together with our customers, we have also raised over \$800,000 to help communities impacted by the floods via charities including donation platform GIVIT.org.au and Red Cross.

The flood events caused extensive damage to a small number of our stores and hotels in the quarter. Our Dan Murphy’s Lismore store was submerged in the flooding in the first week of March. In addition, ten of our BWS stores as well as the Breakfast Creek Hotel (Brisbane) and Westtower Tavern (Ballina) were significantly impacted. As a Group, we have suffered approximately \$9 million in damages in Q3 which reduced EBIT for the period. This includes direct costs as a result of the floods, such as clean up costs and asset write-offs, as well as an estimate of lost profits when stores and hotels were not able to operate. We are working through the insurance claim process and have not recognised an insurance recovery to date. We reopened the majority of our impacted sites by April, but five stores and one hotel remained fully or partially closed as at the end of Q3.

In light of these challenges, it’s encouraging to see the sustained strength in our trading performance. I would like to thank all our team members for their incredible efforts and dedication through another period of volatility.”

Trading Update

The Group delivered \$2,728 million in total sales in the quarter, 2.1% lower than the same quarter last year. This is impacted by the timing of Easter, which fell in the third quarter of last financial year compared to the fourth quarter this year. Excluding the impact of Easter in Q3 F21, Group sales in Q3 F22 would have been broadly in line (0.3% lower) with the elevated trading levels in Q3 F21.

Retail sales declined by 0.7% (Easter-adjusted) reflecting the shift of customers returning to on-premise venues as COVID-19 restrictions began to ease. Online sales increased by 16.8% (Easter-adjusted) in Q3 F22 to \$222 million, equivalent to 9.6% of Retail sales. We have reached annualised Online sales of over \$1 billion¹. We continue to see online sales growth, supported by our continued investments in digital platforms and engagement, such as the BWS Cooler campaign and Dan Murphy's personalisation capability.

Both Dan Murphy's and BWS customer engagement scores improved with Dan Murphy's VOC NPS up by one point and BWS' score up three points compared to Q3 F21, driven by improvements in in-store customer experience.

Dan Murphy's opened one store during the quarter, bringing the total store network to 258. In BWS, five stores were opened, thirteen renewed and four closed, ending the quarter with 1,411 stores.

Hotels trading momentum continued to improve, largely as a result of easing COVID-19 restrictions in New South Wales and Victoria which offset a decline in Western Australia where restrictions tightened. The business delivered \$405 million total sales in Q3, up 3.8% on the prior year. Unlike Retail, Hotels' sales growth was favourably impacted by the timing of Easter due to licence restrictions on Good Friday trading, which fell in the third quarter last year. Adjusted for the timing of Easter, Hotels' sales growth for the third quarter was 2.5%.

During the quarter, we continued to invest in our network with eight hotels renewed and two acquired (The Empire Hotel and The Grand Tasman Hotel, both in South Australia), bringing our total hotels to 344 (including five managed clubs) at the end of the quarter.

¹ Based on Online sales in the 52 weeks to 3 April 2022

Retail

Operating Metrics

| | Q3 F22 (13 WEEKS) | Q3 F21 (13 WEEKS) |
|---|----------------------|----------------------|
| Customer metrics | | |
| BWS VOC NPS (Store and Online) | 74 | 71 |
| Dan Murphy's VOC NPS (Store and Online) | 79 | 78 |
| Sales productivity metrics | | |
| Total sales (\$ million) | 2,323 | 2,396 |
| Total sales growth ¹ | (3.0%) | 6.3% |
| Easter-adjusted sales growth | (0.7%) | n.a. |
| Easter-adjusted comparable sales growth | (1.3%) | n.a. |

1. F21 sales growth is calculated with comparison to the Equivalent F20 results. Refer to the Appendix for further detail on comparative figures.

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| | Q3 F22 (13 WEEKS) | Q3 F21 (13 WEEKS) |
|-------------------------------------|----------------------|----------------------|
| Sales productivity metrics | | |
| Online sales (\$ million) | 222 | 193 |
| Online sales growth ¹ | 15.0% | 23.8% |
| Easter-adjusted online sales growth | 16.8% | n.a. |
| Online penetration | 9.6% | 8.0% |
| Loyalty | | |
| My Dan's members (million) | 6.4 | 5.3 |
| My Dan's scan rates | 68.9% | 62.4% |
| Everyday Rewards scan rates - BWS | 43.8% | 43.9% |

1. F21 sales growth is calculated with comparison to the Equivalent F20 results. Refer to the Appendix for further detail on comparative figures.

Hotels

Operating Metrics

| | Q3 F22 (13 WEEKS) | Q3 F21 (13 WEEKS) |
|-----------------------------------|----------------------|----------------------|
| Sales productivity metrics | | |
| Total sales (\$ million) | 405 | 390 |
| Total sales growth ¹ | 3.8% | 11.4% |
| Easter-adjusted sales growth | 2.5% | n.a. |

1. F21 sales growth is calculated with comparison to the Equivalent F20 results. Refer to the Appendix for further detail on comparative figures.

The contents of this F22 Third Quarter Trading Update are derived from the unaudited accounting records of Endeavour Group.

Endeavour Group Chief Executive Officer, Steve Donohue, and Deputy Chief Financial Officer, Kate Beattie, will host an analyst and investor conference call today at 10:00am (AEST). Analysts, investors and media can access the management briefing via the following:

Teleconference Registration: <https://s1.c-conf.com/diamondpass/10021455-eyes7hd.html>

Participants will need to pre-register for the call at the link above. You will receive a calendar invite and a unique code which is to be quoted when dialling into the call.

Further Information

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Appendices

Appendix 1: New stores/hotels and renewals

| | GROSS NEW STORES / HOTELS (INCL. ACQUISITIONS) | NET NEW STORES / HOTELS (INCL. ACQUISITIONS) | RENEWALS |
|--------------------------|--|--|----------|
| F22 Third Quarter | | | |
| Retail | 6 | 2 | 13 |
| Hotels | 2 | 2 | 8 |
| Endeavour Group | 8 | 4 | 21 |

Appendix 2: Glossary

| Term | Description |
|---------------------------|--|
| Comparable sales | Measure of sales which excludes stores that have been opened or closed in the last 12 months and demonstrable impact on existing stores from new store openings/closures |
| Online penetration | Online penetration is calculated as total online sales as a percentage of total Retail sales for the same time period |
| Renewals | A significant upgrade to the store/hotel environment, enhancing customer experience, range and process efficiency (including digital) |
| VOC NPS | Voice of Customer Net Promoter Score (VOC NPS) is based on feedback from customers, and represents the number of promoters (score of nine or 10) less the number of detractors (score of six or below) |

Appendix 3: Note on comparatives, including F20 Equivalent Information

Sales growth is calculated by comparing the current period to the same period in the prior year. Q3 F21 sales growth is calculated with reference to Equivalent Q3 F20 sales.

Equivalent F20 financial information includes the results of what was previously known as Woolworths' Drinks and Hotels businesses for the full 52-week period ended 28 June 2020. This information has been sourced from the data used in the F20 Woolworths Group Limited Annual Report, adjusted to exclude consolidation adjustments not applicable to Endeavour Group on a standalone basis.

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