

F23 Half-Year Profit and Dividend Announcement

For the 27 weeks ended 1 January 2023

A strong result as Australians celebrate the first restriction-free festive season in three years

F23 Half-Year Group Highlights

Group Sales	Group EBIT	Group NPAT	Earnings per Share	Dividend per share
\$6.5b	\$644m	\$364m	20.3c	14.3c
↑2.6% vs H1 F22	↑15.8% vs H1 F22	↑17.0% vs H1 F22	↑16.7% vs H1 F22	↑14.4% vs H1 F22

Endeavour Group Managing Director and CEO, Steve Donohue, said:

“Our team has delivered strong results Group-wide, with a standout December from the first restriction-free festive season in three years. H1 Group sales of \$6.5 billion were 2.6% higher versus the prior comparative period, demonstrating the stabilisation of our core markets post-pandemic.”

“Pleasingly, our H1 EBIT result of \$644 million was 15.8% higher versus prior period, reflecting both the return of Hotels to full operation and our careful management of the deleverage impacts of lower Retail sales as we cycle COVID-19 driven peaks. On a three-year¹ comparative basis, both Hotels and Retail sales are trading well ahead with 4.7% and 4.5% CAGRs respectively.”

“Our unique network of brands and partners put us at the heart of social occasions, particularly over the festive period. December saw customers return to more normal holiday activities and a full social calendar. Domestic travel has returned to regional and coastal towns, with stores and hotels in these areas performing strongly.”

“With our physical and online network, and our digital capabilities, we were able to continue to deliver true omnichannel experiences, from new gifting services, to click and collect, electronic shelf labels and image search functionality in apps, and in Hotels via the growth of order and pay at table.”

“We continue to focus on meeting customer demand for drinks discovery: a strong new product pipeline and our extensive selection of premium and craft options has contributed to our overall earnings.”

“Our results this half are a credit to the hardworking and passionate team members right across our operations.”

Key financial metrics (\$ million)	H1 F23 (27 WEEKS)	H1 F22 (27 WEEKS)	CHANGE
Group Sales	6,502	6,337	2.6%
Group EBIT	644	556	15.8%
Group Profit for the period after income tax (Group NPAT)	364	311	17.0%
Basic earnings per share (EPS) - cents	20.3	17.4	16.7%
Dividend per share (DPS) - cents	14.3	12.5	14.4%

¹ Based on movement between F23 and Equivalent F20 results for the relevant period.

Progress against Key Priorities

Leading Customer offer and brands	<ul style="list-style-type: none"> • 4.9 million My Dan's active members in the half, up 9% on last year • Maintained strong customer engagement metrics across Dan Murphy's, BWS and Hotels • Trialled new and localised retail store formats • Improved customer experience with 60 retail and 34 hotel renewals • Network expanded with 21 net new stores and 5 new hotels • Grew the Paragon Wine Estates portfolio with the acquisition of the Shingleback Wines brand and an agreement to acquire Cape Mentelle (completion expected post-Profit and Dividend Announcement)
Efficient end to end business	<ul style="list-style-type: none"> • Gross profit increased in Retail at the same time as managing increased promotional intensity, supply chain inflation and increasing marketing investment • Effective price and promotion management • Operational efficiency program delivered savings to mitigate inflation
Partnerships that grow industry value and impact	<ul style="list-style-type: none"> • Launched MixIn - our Retail Media business, supporting our suppliers and partners to better communicate and engage with customers • 1,339 new lines added to our stores over the last 6 months, supporting continued product innovation and trend leadership • Continued to partner with me&u to deliver a digital-enabled Hotels experience
One team living our purpose and values	<ul style="list-style-type: none"> • BWS was awarded Diamond LearnX awards for the Best Customer Experience Program, the Best Learning Partnership and Best Customer Experience Team • Team availability levels returned to sustainable levels supported by our early and innovative approach to summer season recruitment

Sustainability and commitment to “our imprint”

Our sustainability ambition is to leave a positive imprint on each community. We have been focused on building our foundations to be able to deliver on our commitments. Key achievements include:

<p>Responsibility & Community</p> <p><i>Advocating responsible choices and supporting positive change in our communities</i></p>	<ul style="list-style-type: none"> • Ongoing rollout of our data driven alert system, enabling team interactions with EGM players potentially engaged in higher risk gameplay, with over 1,000 team members trained • Post H1 F23 balance date, we received NSW regulatory approval to progress with a digital wallet/cashless gaming trial at The Crows Nest Hotel • Ongoing trial of Facial Recognition Technology (FRT) in NSW at The Crows Nest Hotel • Ongoing dialogue with QLD regulator regarding potential FRT trial • Launched our Reflect-level Reconciliation Action Plan • Darwin Community Advisory Committee has progressed to making recommendations for community support initiatives • Partnered with DrinkWise to launch a new alcohol literacy training program for our team • Continued to engage with our communities, including hosting Pilbara’s “Let’s talk about moderation” event
<p>People</p> <p><i>Championing individuality, human and personal rights</i></p>	<ul style="list-style-type: none"> • Became a Signatory to HESTA’s 40:40 Vision² • Made progress on our seven Modern Slavery Statement commitments including evolving our risk management framework and broader capability uplift
<p>Planet</p> <p><i>Reducing our impact on the planet</i></p>	<ul style="list-style-type: none"> • In partnership with Orora, we have created the new lightweight wine bottle product. It is 420 grams which is 195 grams lighter than the existing options. • Expanded our solar generation network by four sites, taking our total sites to 113

² 40:40 Vision is an initiative led by HESTA to ensure diversity in executive leadership in ASX300 companies.

Group Performance

\$ million	H1 F23 (27 WEEKS)	H1 F22 (27 WEEKS)	CHANGE
Sales	6,502	6,337	2.6%
Retail EBIT	418	461	(9.3%)
Hotels EBIT	256	121	111.6%
Other EBIT (incl. corporate costs)	(30)	(26)	15.4%
Earnings before interest and tax (EBIT)	644	556	15.8%
Finance costs	(119)	(105)	13.3%
Profit before income tax	525	451	16.4%
Income tax expense	(161)	(140)	15.0%
Profit for the period (after income tax)	364	311	17.0%

Results Overview

As a group, **Sales** increased 2.6% to \$6.5 billion (H1 F22: \$6.3 billion) reflecting the continued recovery of our Hotels business and the cycling of COVID-19 impacts.

Our **Group EBIT** for the half of \$644 million is 15.8% higher than the prior comparative period. Within this, the **Hotels EBIT** contribution more than doubled to \$256 million in the half. Our **Retail EBIT** of \$418 million represents a decline of 9.3%, as we cycle a very strong H1 F22 where Retail sales were elevated due to COVID-19 restrictions in place for on-premise hospitality venues.

Other EBIT, comprising corporate costs not allocated to business segments, was negative \$30 million for the half, \$4 million higher than the same period last year as we continue to embed our group capabilities.

Finance costs of \$119 million were \$14 million higher than H1 F22 due to rising interest rates. **Income tax expense** of \$161 million is equivalent to an effective tax rate of 30.7% (H1 F22: 31.0%).

As a result, we have delivered **Profit for the period (after income tax)** of \$364 million, 17.0% higher than last year (H1 F22: \$311 million).

On 13 February 2023 the Board determined to pay a fully franked interim dividend of 14.3 cents per share representing a 14.4% increase versus the F22 interim dividend. This equates to an expected dividend payment of \$256 million to the Group's shareholders. Endeavour shares will trade ex-dividend from 21 February, the record date is 22 February and the distribution is expected to be paid to shareholders on 20 March.

Segment Performance - Retail

\$ million	H1 F23 (27 WEEKS)	H1 F22 (27 WEEKS)	CHANGE
Sales	5,446	5,657	(3.7%)
EBITDA	568	604	(6.0%)
Depreciation and amortisation	(150)	(143)	4.9%
EBIT	418	461	(9.3%)
Gross profit margin (%)	23.8%	23.7%	+12bps
Cost of doing business (%)	16.1%	15.5%	+59bps
EBIT to sales (%)	7.7%	8.1%	-47bps

VOC NPS	3-year sales CAGR³	Online sales	Online penetration	ROFE
DM 78 (Flat) BWS 74 (Flat) vs H1 F22	↑ 4.5%	\$485m ↓ 19.6% vs H1 F22	8.9% ↓ 175 bps vs H1 F22	15.5% ↓ 227 bps vs H1 F22

Results Overview

In Retail, we recorded \$5.4 billion of **Sales** in the first half of F23. This represents a decline of 3.7% as we cycle exceptional sales last year which were elevated due to the impacts of COVID-19. At the time, there were extensive closures in on-premise hospitality venues, which created a shift to at-home consumption that benefited Retail. Looking through the impacts of COVID-19, the H1 F23 sales represent a 14.0% three-year³ growth rate, and a compound annual growth rate (CAGR) of 4.5% over this period.

Sales over the festive period were particularly strong, with both BWS and Dan Murphy's delivering record sales in the weeks leading into Christmas and New Year's Day. Across Retail, sales momentum improved through the half, with comparable sales improving from -7.5% in Q1, to -2.7% in Q2.

Consumer preferences for premium categories and new products have continued to underpin a strong **Gross profit** outcome. Additionally we have generated margin improvements through initiatives such as personalisation and promotional optimisation. These gains more than offset the impact of higher levels of promotion and increased supply chain costs. Gross profit margin for the half was 23.8%, representing an improvement of 12 bps.

Cost of doing business was held flat, but increased as a rate to sales by 59 bps to 16.1%, partly due to the deleverage impact of lower sales as well as ongoing investments in digital and technology. Normalisation of staffing levels, wage increases and other inflationary cost pressures were largely offset through productivity savings generated via our operational efficiency programs, including activity-based rostering.

Retail EBIT of \$418 million was below last year as we cycle favourable COVID-19 impacts. Compared to pre COVID-19⁴, EBIT has grown 23.7% (+7.3% CAGR) and EBIT margin has also improved by 60 bps.

During H1 F23, we continued to invest in enhancing our market leading omnichannel business, providing customers with a seamless experience, when, where and how they choose to shop. Many customers chose to return to shopping in our stores post COVID-19 and, as a consequence, our online sales and penetration has stepped back from

³ Based on movement between F23 and Equivalent F20 results for the relevant period.

⁴ Based on a comparison to Equivalent F20 results.

prior year levels. The pick-up mix (versus delivery) has also increased to 60.2% in Dan Murphy's (H1 F22: 53.4%). Our online channel remains profitable and well ahead of pre COVID-19 levels. Over a three-year period⁵, total Retail online sales were up 50.6%, which represents a CAGR of 14.6%.

My Dan's active members grew to 4.9 million whilst Voice of Customer scores remain high, in line with last year, including particularly strong in-store metrics.

Central to our omnichannel strategy is our store network. We have grown the network to 1,696 stores in the half, with 17 net new BWS stores and 4 new Dan Murphy's stores. In addition, we have renewed 60 stores. This includes trialling new store formats that are tailored to their location and demographic, such as The Cellar by Dan Murphy's, our luxury retail drinks offer in Lane Cove and our Mount Hawthorn BWS Craft Beer Superstore.

During the half we acquired Shingleback Wines of McLaren Vale, and entered into an agreement to acquire Cape Mentelle in Margaret River (completion expected post H1 Profit and Dividend Announcement), rounding out our Paragon Wine Estates portfolio of leading, premium Australian wines with representation from some of Australia's most recognised wine regions.

Retail Operating Metrics by Quarter

	H1 F23 (27 WEEKS)	Q2 F23 (13 WEEKS)	Q1 F23 (14 WEEKS)	Q4 F22 (12 WEEKS)	Q3 F22 (13 WEEKS)
Customer metrics					
BWS VOC NPS (Store and Online)	74	75	74	74	74
Dan Murphy's VOC NPS (Store and Online)	78	77	79	80	79
My Dan's active members (million)	4.9	4.9	4.7	4.5	4.4
Sales productivity metrics					
Total sales (\$ million)	5,446	2,956	2,490	2,106	2,323
Total sales growth / (decline)	(3.7%)	(1.6%)	(6.2%)	0.7%	(3.0%)
Three-year sales growth ⁵	14.0%	14.1%	13.9%	15.6%	12.4%
Comparable sales growth / (decline)	(5.0%)	(2.7%)	(7.5%)	(2.6%) ⁶	(1.3%) ⁶
Online sales (\$ million)	485	270	215	180	222
Online sales growth / (decline)	(19.6%)	(9.4%)	(29.5%)	(1.6%)	15.0%
Online penetration	8.9%	9.1%	8.6%	8.5%	9.6%

⁵ Based on a comparison to Equivalent F20 results.

⁶ Calculated by adjusting F21 results to align timing of Easter with F22.

Segment Performance - Hotels

\$ million	H1 F23 (27 WEEKS)	H1 F22 (27 WEEKS)	CHANGE
Sales	1,056	680	55.3%
EBITDA	389	245	58.8%
Depreciation and amortisation	(133)	(124)	7.3%
EBIT	256	121	111.6%
Gross profit margin (%)	84.4%	84.4%	-
Cost of doing business (%)	60.2%	66.6%	-633bps
EBIT to sales (%)	24.2%	17.8%	+645bps

Voice of Customer	Number of hotels (incl clubs)	Order and pay at table transactions	3-year sales CAGR⁷	ROFE
8.4/10	349	3.1m	↑ 4.7%	11.1%
↓ 0.1 vs H1 F22	↑ 5 vs F22	vs 1.2m in H1 F22		↑ 447 bps vs H1 F22

Results Overview

In the first restriction free half in three years, customers returned to socialise in our hotels, which served over 40,000 meals on Christmas Day alone. Event bookings in the lead up to Christmas were particularly strong and through the half we were host to multiple sold out live entertainment events.

Sales in H1 F23 of \$1.1 billion were 55.3% higher than last year which was severely limited by on-premise restrictions. On a three-year⁷ basis, Hotels sales were up 14.9% representing a three-year⁷ CAGR of 4.7%. This was supported by hotel acquisitions as well as our bistro and bar renewal program, the return of events such as sports screenings and live entertainment, and investments in Gaming rooms and machines. Investment in our accommodation offering has also delivered strong growth in both occupancy and nightly room rates.

Gross profit margin was stable at 84.4%, with a favourable driver mix offsetting material cost increases in food.

With all our hotels open during the period, our **Cost of doing business** increased but improved as a percentage of sales by 633 bps to 60.2%, principally due to the higher sales leverage. Labour costs increased due to better team availability as well as wage inflation.

Our renewal program continued, with 34 of our hotels (10%) completing a renewal in the half. These ranged from small renovations such as the North Wollongong Hotel in New South Wales where we renovated the sports bar with interactive sports simulators and large LED screens, through to whole hotel renewals such as the Blue Mountain Hotel, a historical hotel in Toowoomba, Queensland where we upgraded the bar, bistro and gaming facilities.

We have continued to deploy our digital capability to enhance our customers' experience at our hotels. Like Retail, Hotels are seeing a growing trend towards digital interaction before and during the hotels experience. This includes online research, accommodation bookings, restaurant reservations and customer reviews as well as a shift to order and pay at table. During the half, 43% of food sales took place via digital wallets, demonstrating the ongoing and growing preference for cashless experiences in Hotels.

⁷ Based on movement between F23 and Equivalent F20 results for the relevant period.

We added five hotels in H1 F23; Leichhardt Hotel (Cloncurry, QLD), Tandara Hotel Motel (Sarina, QLD), Emu Hotel (Morphett Vale, SA), The Raven Hotel (West End, QLD) and The Horse and Jockey Hotel (Warwick, QLD). The total Hotels portfolio consisted of 349 hotels (including five managed clubs) at the end of the period. A further three hotels were added since the end of the reporting period; The Tower Hotel (Magill, SA), Beach Hotel (Seaford, SA) and The Marine Hotel (Cardwell, QLD).

Hotels Operating Metrics by Quarter

	H1 F23 (27 WEEKS)	Q2 F23 (13 WEEKS)	Q1 F23 (14 WEEKS)	Q4 F22 (12 WEEKS)	Q3 F22 (13 WEEKS)
Sales productivity metrics					
Total sales (\$ million)	1,056	518	538	426	405
Total sales growth	55.3%	30.2%	90.8%	18.3%	3.8%
Three-year sales growth ⁸	14.9%	14.9%	15.0%	n.m.	n.m.

⁸ Based on a comparison to Equivalent F20 results.

Group Financial Summary

Balance Sheet and Cash Flow Metrics

Operating cash inflow	Cash realisation ratio	Leverage ratio	ROFE	Capital expenditure
\$643m ↓ \$289m vs H1 F22	99.4% (vs 161.2% H1 F22)	3.3x (vs 3.1x H1 F22) ⁹	12.2% ↑ 84 bps vs H1 F22	\$205¹⁰ vs \$150m H1 F22

The Endeavour Group remains in a strong financial position, with solid cash realisation and appropriate funding in place to support the ongoing investment in our strategic priorities.

During H1 F23, capital expenditure was \$205 million¹⁰, weighted towards enhancing our customer experiences through the renewal of our stores and hotels and expanding our network of stores, hotels and wine assets. Through endeavourX we are continuing to deploy our digital capabilities to create differentiated experiences and value for our customers. We continue to see a positive contribution from our capital investments ahead of hurdle rate returns. The level of capital investment was evenly distributed between our Hotels and Retail segments (48% and 52% respectively).

Group Funds Employed¹¹

\$ million	H1 F23 1 JAN 2023	F22 26 JUNE 2022	H1 F22 2 JAN 2022
Trade working capital ¹²	545	546	238
Lease assets	3,164	3,126	3,132
Property, plant and equipment	1,973	1,935	1,898
Intangible assets	4,236	3,894	3,852
Other liabilities (net) ¹³	(783)	(677)	(811)
Funds employed	9,135	8,824	8,309
Tax liabilities (net)	197	273	268
Other (assets)/liabilities (net) ¹⁴	(54)	(54)	(26)
Net debt	1,333	1,221	682
Lease liabilities	3,855	3,816	3,803
Equity	3,804	3,568	3,582
Total funding and tax	9,135	8,824	8,309

Total funds employed as of 1 January 2023 was \$9.1 billion, \$311 million above F22 and \$826 million higher than H1 F22.

Trade working capital was consistent with F22 and \$307 million higher than H1 F22 largely due to higher inventory. In H1 F22, supply chain disruptions resulted in low inventory levels and out-of-stocks. We have rectified our inventory

⁹ Leverage ratio - Net debt plus lease liabilities, divided by 12-month rolling EBITDA.

¹⁰ Excludes \$310 million in Victorian gaming entitlements.

¹¹ Presentation of the Group Funds Employed table for H1 F22 has been updated to align to the definition of funds employed applicable from F22 onwards in order to provide a consistent comparison across periods.

¹² Includes trade and other receivables and payables (excluding all related party balances), and inventories.

¹³ Includes accruals, provisions, related party balances, investments and other assets and liabilities.

¹⁴ Includes derivatives and unamortised borrowing costs.

levels during H1 F23, and brought forward inventory purchases for international products, that continue to have long lead times, to protect sales and restore service levels through the key summer trading period.

Intangible assets increased by \$342 million compared to F22 and \$384 million compared to H1 F22, both primarily due to the renewal of the Group's Victorian gaming entitlements for \$310 million. \$31 million of this amount was prepaid in prior periods, with the remaining \$279 million to be paid to the Victorian Government over a five year period, resulting in the recognition of an interest bearing liability and therefore a corresponding increase in **Net debt** during the period. The next instalment of \$42 million is payable in May 2023. The gaming entitlements have a ten year duration and as such are to be amortised over a 10 year period. There is no impact on cash in H1 F23.

Other liabilities (net) increased by \$106 million compared to F22 primarily due to elevated trading over the Christmas period, and was broadly consistent with H1 F22.

Tax liabilities (net) decreased by \$76 million compared to F22 and were \$71 million lower than H1 F22, largely due to higher tax payments during H1 F23 (discussed in the Group Cash Flow section below).

Net Debt

\$ million	H1 F23 1 JAN 2023	F22 26 JUNE 2022	H1 F22 2 JAN 2022
Borrowings	1,673	1,502	1,480
Deduct: Cash and cash equivalents	351	294	813
Add back: Unamortised borrowing costs	11	13	15
Net debt	1,333	1,221	682

Net debt was \$112 million higher than at the end of the F22 due to a \$279 million increase in borrowings for amounts owed for the renewal of the Group's Victorian gaming entitlements, offset by \$167 million in free cash flow. The \$651 million increase compared to H1 F22 was also driven by amounts owed for the Victorian gaming entitlements, as well as increases in trade working capital.

Group Cash Flow

\$ million	H1 F23 (27 WEEKS)	H1 F22 (27 WEEKS)	CHANGE
EBIT	644	556	88
Depreciation and amortisation expenses	283	267	16
Changes in trade working capital	(33)	248	(281)
Changes in assets and liabilities and other non-cash items	127	136	(9)
Finance costs on borrowings paid	(28)	(29)	1
Payment for the interest component of lease liabilities	(94)	(93)	(1)
Income tax paid	(256)	(153)	(103)
Operating cash flows	643	932	(289)
Proceeds from the sale of property, plant and equipment and intangible assets	2	-	2
Payments for property, plant and equipment and intangible assets	(167)	(123)	(44)
Payments for the purchase of businesses, net of cash acquired	(20)	(18)	(2)
Proceeds from the sale of equity securities	-	72	(72)
Payments for purchase of investments	(3)	-	(3)
Dividends received	1	3	(2)
Repayment of lease liabilities	(147)	(137)	(10)
Dividends paid	(138)	(125)	(13)
Payment for shares held in trust	(4)	(10)	6
Free cash flow	167	594	(427)
<i>Cash realisation ratio (%)</i>	<i>99.4</i>	<i>161.2</i>	

A **cash realisation ratio** of 99.4% was achieved during the half (H1 F22: 161.2%). This solid level of cash generation was below an exceptional prior year, with the normalisation of inventory levels and higher income tax paid.

Income tax paid was higher in H1 F23 due to increases in tax instalment rates and the final F22 tax payment, made during the half, for the capital gain arising on the disposal of ALE Property Group shares in the prior year.

Payments for the purchase of property, plant and equipment and intangible assets were \$167 million which includes investment in new stores and hotels, renewals of existing stores and hotels, as well as investment in software intangibles and licences.

Payments to acquire businesses, net of cash acquired, were \$20 million and includes the acquisition of The Emu Hotel (SA), The Leichhardt Hotel (QLD), The Horse & Jockey Hotel (QLD) and The Tandara Hotel (QLD).

Proceeds from the sale of equity securities in H1 F22 related to cash received for the sale of ALE Property Group shares to Charter Hall.

Current Trading and Outlook

In the first 5 weeks of H2 F23, we have continued to see trading stabilise across the Group. Retail sales were in line with prior year (+0.2%). Our Hotels business also performed well in this period, with sales up 31.5% on last year, which was impacted by reduced patronage and team shortages due to the Omicron outbreak (particularly in January 2022).

While we expect to see some volatility ahead, we have demonstrated our resilience and stability as a business. We have not yet seen any material softening in key customer indicators but we are monitoring these closely as broader economic uncertainty continues. Importantly we have a wide range of offers available to customers for all occasions. Moreover, we operate in relatively predictable segments, offering affordability and great value for money. We also continue to have good organic pathways to grow and a strong pipeline of opportunities across our portfolio.

ENDS

The release of this announcement has been authorised by the Board.

Further Information

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Appendices

Appendix 1: Non-IFRS Financial Information

This profit and dividend announcement for the 27 weeks ended 1 January 2023 (H1 F23) contains certain non-IFRS financial information related to historical performance, position and cash flows. Non-IFRS financial information is financial information that is not defined or specified under any relevant accounting standards. This information may not be directly comparable with other companies' information but is commonly used in the industry in which Endeavour operates.

Non-IFRS information is also included to provide meaningful information on the underlying drivers of the business, performance and trends (for example, comparable sales growth). This information is used by management and directors to assess the financial performance of Endeavour Group and its segments. Non-IFRS information should be considered in addition to and is not intended to substitute 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.

Equivalent F20 Information

Woolworths' Drinks and Hotels businesses were transferred to, and merged with, Endeavour Group Limited on 2 February 2020 (Restructure) and 4 February 2020 (Merger), respectively. Prior to this only the results of Endeavour Group Limited, previously known as Pinnacle Liquor Group Pty Limited, were included.

To enhance comparability against earlier periods an Equivalent F20 period is referenced, which relates to the results of what was previously known as Woolworths' Drinks and Hotels businesses for the full 52-week period ended 28 June 2020, rather than only after the Restructure and Merger. 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.

Appendix 2: New stores and renewals

F23 HALF-YEAR	GROSS NEW STORES / HOTELS (INCL. ACQUISITIONS)	NET NEW STORES / HOTELS (INCL. ACQUISITIONS)	RENEWALS
Retail	27	21	60
Hotels	5	5	34
Endeavour Group	32	26	94

Appendix 3: Glossary

TERM	DESCRIPTION
Cash realisation ratio	Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation
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 store disruption from new store openings/closures
Cost of doing business (CODB)	Expenses which relate to the operation of the business
EBITDA	Earnings before interest, tax, depreciation and amortisation
Funds employed	Net assets excluding net debt, leases liabilities and other financing-related assets and liabilities and net tax balances
My Dan's active members	My Dan's active members are the number of unique members who have transacted in the last twelve months.
n.m.	Not meaningful
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)
Return on Funds Employed (ROFE)	ROFE is calculated as EBIT for the previous 12 months as a percentage of 13 month average adjusted funds employed
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). This includes scores from in-store and online customers.