ASX Announcement

23 August 2023

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 25 June 2023.

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F23 Full Year Profit and Dividend Announcement

For the 52 weeks ended 25 June 2023

Woolworths Group

Investing in our customers, team and platforms

Customer & Sales

Group VOC NPS	Group sales	Group eCom sales
49	$64.3B	$6,592M
⇨ Flat on June F22	▲ 5.7% from F22	▲ 0.8% on F22

Earnings & Dividend

Group EBIT[1]	Group NPAT (cont. ops.)[2]	Final dividend
$3,116M	$1,618M	58c
▲ 15.8% from F22	▲ 4.6% from F22	▲ 9.4% from F22

Team & Sustainability

Scope 1 & 2 emissions[3]	Virgin plastic removed[4]	Group Severity Rate[5]
▼36%	>14,000t	1.52
from 2015 baseline	26% reduction from F18 baseline	▼12.6% from F22 (Overshadowed by two workplace fatalities)

Woolworths Group CEO, Brad Banducci:

"The 2023 financial year marked a return to relative stability after several years of material COVID-related disruption. This was most evident in the ongoing normalisation of shopping habits with customers shopping more frequently and increasingly on weekends and evenings. Despite the more stable environment, our overall customer experience was inconsistent, impacted by lingering supply chain challenges, and more recently by the impact of inflation on value for money perceptions. While overall customer demand has been remarkably stable, we are increasingly seeing our customers become more careful in their spending patterns, particularly our Saver Families, and in more discretionary categories.

"F23 Group sales increased by 5.7% (4-yr CAGR: 7.1%) with sales momentum increasing through the year as we cycled COVID impacts in the prior year and inflation remained elevated. Higher sales, an improved operating rhythm, the absence of COVID costs, and the benefits of ongoing investment in recent years led to Group EBIT growth of 15.8% for F23 (4-yr CAGR: 7.4%). However, excluding direct COVID costs incurred in the prior year of $323 million, Group EBIT increased by 3.4%.

"Looking ahead to F24, we expect food inflation in Australia and New Zealand to continue to moderate but will likely remain elevated in some packaged categories. We also expect the consumer environment to remain challenging with customers continuing to cut back on non-essential items. We remain committed to investing in our customers to deliver increased value and convenience; our teams to help them manage their own cost-of-living pressures; and in our platforms including our store network and supply chain, to create a better, safer and more sustainable future for all of our stakeholders."

Key Group financial metrics

$ MILLION	F23	F22	CHANGE
Group before significant items			
Sales	64,294	60,849	5.7%
EBITDA	5,694	5,051	12.7%
EBIT	3,116	2,690	15.8%
EBIT excl. direct COVID costs	3,116	3,013	3.4%
NPAT[6]	1,721	1,514	13.7%
Basic EPS (cents)	141.7	124.0	14.3%
Group after significant items			
NPAT from continuing operations[2]	1,618	1,547	4.6%
NPAT from continuing and discontinued operations[2]	1,618	7,934	(79.6)%
Basic EPS (cents)	133.3	649.6	(79.5)%
Final dividend per share (cents) – fully franked	58	53	9.4%

1 Before significant items
2 Attributable to equity holders of the parent entity after significant items
3 Using the market-based method for calculating electricity emissions
4 Own brand virgin plastic packaging across Australian Food, New Zealand Food and BIG W
5 Safety performance is measured by the Severity Rate, which is a blended measure that includes all team and customer injuries/illnesses and their severity
6 Before significant items attributable to equity holders of the parent entity

F23 Group summary

Performance overview

Brad Banducci continued: "Tragically, two of our team members lost their lives at work in the last 12 months. We are deeply impacted by this loss, and our thoughts are with the families, many friends, and colleagues affected. Investigations into these events are ongoing, but we are absolutely committed to ensuring learnings are acknowledged and properly implemented.

"While our customer scores were largely stable over the year, and improved in Q4 relative to Q3, they were below our aspirations and impacted by ongoing supply chain disruption, market-wide supply driven inflation and the impact of customers returning to shopping more on weekends and the evenings. Pleasingly, Customer Care remains our highest Store-controllable Voice of Customer metric, demonstrating the continued efforts of our team. Another highlight was the improvement in Online customer metrics as well as improved Availability scores in Q4 for Woolworths Food Retail, reflecting better Fruit & Vegetable supply. Team scores also improved during the year with a strong improvement in Group Voice of Team largely driven by improvements in store team advocacy.

"**Australian Food** total sales increased by 5.0% (4-yr CAGR: 5.8%) in F23 with H2 sales increasing by 7.6% (4-yr CAGR: 5.9%). In H1, sales growth was impacted by cycling higher growth in the prior year due to COVID-related lockdowns, with H2 sales growth reflecting elevated inflation. EBIT increased by 19.1% (4-yr CAGR: 8.4%) with H2 EBIT increasing by 20.1%. Excluding the material impact of direct COVID costs in F22, EBIT increased by 9.5% for the year.

"**Woolworths Food Retail** (Stores and eCom) sales increased by 4.8% (4-yr CAGR: 5.7%) with H2 sales increasing by 7.4% (4-yr CAGR: 5.8%). Sales growth in H2 was driven by Woolworths Supermarkets and Metro Food Stores store-originated sales and eCommerce sales returning to strong growth. In Woolworths Supermarkets, industry-wide cost pressures continued to fuel inflation but pleasingly, average price growth began to moderate in H2 with Q4 average price growth of 5.2% driven by deflation in Meat and Fruit & Vegetables. Woolworths Food Retail EBIT increased by 18.3% driven by improved promotional effectiveness, category mix benefits, an improvement in productivity, and the absence of COVID costs. This helped to offset significant cost inflation primarily driven by wage increases and higher depreciation.

"Metro Food Stores had a strong year with sales growth of 21.6%. Increasing customer mobility, new store growth and enhancements to our existing format all contributed. In **Woolworths Food Company (WFC)**, own and exclusive brand sales increased by 5.4% with sales momentum accelerating over the course of the year. We saw strong growth in more affordable Pantry Essentials such as rice, pasta and drinks as well as value-added ranges such as Macro, COOK and BBQ. Our own and exclusive brands play a key role in providing value for our customers with inflation materially below the overall store inflation in F23, equivalent to approximately $50 million in additional annual investment delivering increased value for our customers.

"At our H1 results, we disclosed the performance of WooliesX (eCommerce and our other digital businesses) separately for the first time as part of Australian Food. This was to provide more transparency on WooliesX's performance, where we have prioritised investment in recent years, to meet the very strong growth in customer demand for digital, loyalty and eCommerce services.

"**WooliesX** had a strong second half after a challenging first half, with F23 total sales increasing by 5.6% and DAP & EBIT up 23.1% on the prior year. Express and same day delivery services continue to grow rapidly which helped drive an eCom sales increase of 13.2% in H2 after a 5.8% decline in H1. Cartology grew sales by 29% (including Shopper) for the year despite a more challenging advertising market with strong growth in Everyday Needs categories.

"In **Australian B2B**, F23 sales increased by 17.4% with H2 growth remaining strong at 12.0%. PFD's sales grew 28% in F23 due to strong trading with existing customers and new customer acquisition. However, the sale of Summergate and Fresh to Go (part of PFD), and the wind down of our international business in H2 impacted the result. F23 EBIT was $63 million, up 13.0% on the prior year but excluding the impact of trading losses and exit costs on discontinued businesses, EBIT would have been $105 million, an increase of 68.7% on the prior year.

"It was a challenging year for the **New Zealand Food** team which was reflected in EBIT declining by 21%[1] on the prior year despite a 4.6%[1] increase in sales and a reduction in COVID costs compared to the prior year. The lower EBIT was primarily due to a 12% increase in wages in July 2022 to address cost-of-living pressures for our team but there were also several external factors impacting the results including weather events and ongoing supply chain disruptions. Pleasingly, stability improved in the second half with H2 EBIT of $127 million[1] slightly higher than H1 EBIT of $122 million[1] and up by 10.3%[1] on the prior year. In F24 we will continue to invest in value for customers; our team; stores; and supply chain to improve our overall customer experience and deliver improved returns over the longer-term for our shareholders. The recently announced rebranding of Countdown Supermarkets to Woolworths New Zealand, and the transition of Onecard to Everyday Rewards, provides focus and energy to our plans.

"The trading environment for **BIG W** changed dramatically between H1 and H2. After delivering a strong H1 result, we indicated in February that the H2 EBIT contribution would likely revert to more typical seasonal patterns. H2 ended up below our initial expectations as customers cut back on discretionary items, particularly in Q4, and the sector became extremely competitive with higher levels of promotions and discounts. While F23 EBIT of $145 million more

1 New Zealand dollars

F23 Group summary

than doubled on the prior year, H2 EBIT of $11 million was below H2 F22 due to flat sales, higher promotional activity across the market and rising unit costs driven by team wage investments. Pleasingly, our customer scores remained strong, including value for money metrics, and digital interactions continue to grow. We also launched Cartology in BIG W during the year with 175 screens in store by year end.

Group strategic highlights

"Our F23 result was a culmination of the realisation of benefits from our ongoing investment in recent years as well as a recovery from a very challenging F21 and F22 which were impacted by material COVID costs. While continuing to refine our new store blueprint and progress our store renewal program, we have also seen strong sales growth from newer businesses and adjacencies such as PFD and Cartology, supplemented by our acquisition of Shopper Media in H1.

"Investments in analytics, digital and eCommerce have built a strong platform for growth for the Group. wiq worked in partnership across the Group to deliver high priority analytics use cases including Next Gen Promotions, while Digital and eCom had a strong H2, with WooliesX eCom sales increasing by 13.2%, and digital visits to Group platforms increasing by 21.1% in Q4.

"Our **Supply Chain** transformation continues to progress as planned with Melbourne South Regional DC (MSRDC) consistently delivering 2.4 million cartons per week and major new facilities in Sydney under construction. Our Auburn eCom fulfilment centre is expected to open in late 2024 and the initial construction phase of our new Sydney NDC in Moorebank is now complete with an operational launch date planned for H1 F25.

"In addition to Shopper Media, we completed the acquisition of MyDeal and announced the acquisition of a 55% interest in Petstock Group which remains subject to ACCC approval. In May, we acquired the MILKRUN brand to accelerate our sub-60 minute convenience offering with Metro60 rebranded to MILKRUN.

"We also took the difficult choice to exit and restructure some businesses during the year where there was no clear path to profitability or appropriate returns over the medium-term. The sale of Summergate was completed in April and we closed Woolworths International in June, as we reorganised the way we approach the international market.

Group sustainability highlights

"**Sustainability** is a core element of our Group Purpose. Highlights during the year included the announcement of a fully electric home delivery vehicle fleet by 2030, the removal of reusable plastic bags for sale in stores nationwide, and donating the equivalent of over 34 million meals to people in need through our food rescue program. We also launched our latest Reconciliation Action Plan in June which details our commitment to better the lives of our Indigenous communities through initiatives such as tailoring Indigenous recruitment approaches to support an increase in Indigenous team members joining Woolworths Group.

"In August, we announced our updated commitment of reducing hunger and food waste, working together with our partners to make a meaningful difference to this critical issue. We also recognise the role we play as part of our value chain to drive solutions that reduce food waste, and we are donating an additional $9 million with our food rescue partners across Australia and New Zealand, including OzHarvest, FoodBank, and FareShare. In addition, we will partner with industry to invest in new technologies to ensure excess food at farms can get to more kitchens across the country.

Investing in our customers, team and platforms

"We are continuing to invest to deliver value for our customers including actively helping them to **Spend Less this Spring**. Some examples include our latest seasonal 'Prices Dropped for Spring' campaign, in-store Member Prices providing immediate offers and more Own Brand products added to our 'Low Prices you can Rely On' range. We are also encouraging customers to use the online tools we provide to help them spend less by using shopping lists, filtering for the best unit price, and encouraging customers to use up what they already have in the fridge or pantry at home.

"We will also continue to invest in our team and in July we increased the retail wage paid to our store teams in Australia by 5.75%, in addition to a 0.5% increase in superannuation. Wages for our New Zealand store teams will increase by 7% from 1 July after a 12% increase in July last year. Together this equates to an investment of over $400 million in our store teams across Australia and New Zealand in F24. Everyday Extra for team will remain a key feature of our team benefits program and will launch in New Zealand in 2024. We are also committed to offering our teams meaningful hours and embedding our multi-skilling and recently launched cross-store working initiatives. We will also invest capital expenditure of over $40 million in CCTV upgrades, team safety body-worn cameras and wearable duress devices to improve safety for our teams.

F23 Group summary

"We are committed to building a better business and to do this we will continue to invest in the most important areas to drive growth, increase operating efficiency and improve our resilience. Digital and analytics capabilities are only increasing in importance, and we will continue to build on the strong foundations and momentum we have.

"Our F24 capital expenditure budget is approximately $2 billion to invest in our store and eCom network, open stores in new communities, strengthen our supply chain resilience, and invest in technology to provide greater efficiency and better and safer experiences for our team.

"These investments are designed to strengthen the foundations of our business, deliver sustainable growth and create long-term value for our shareholders."

Current trading and outlook

On **current trading and outlook**, Brad Banducci, said: "Sales in the first eight weeks of the year have shown similar trends to Q4 with solid growth in our Food businesses but BIG W sales declining on the prior year.

"In **Australian Food,** Woolworths Food Retail sales growth for F24 to date remained strong at approximately 6.5%. Inflation has continued to moderate with item growth in the low single-digits benefitting from strong volume growth in Fruit & Vegetables.

"Costs in F24 will be impacted by material wage increases and inflation in energy and transport. However, we made good progress in F23 to restore our operating rhythm and have strong productivity plans in place for the year ahead. These include ongoing benefits from ensuring we have the right team available at the right time in our stores, initiatives to better manage stockloss, make things simpler for our store teams, and realise the benefits from our existing supply chain investments.

"We remain cautiously optimistic about the year ahead and are confident in the plans we have in place. However, EBIT growth in Australian Food in F24 needs to be viewed in the context of the above mentioned cost inflation and a strong focus on delivering value for our customers.

"**New Zealand Food** sales increased by approximately 4.5% in F24 to date. We are clear on the areas where we need to improve in New Zealand and are committed to investing where appropriate to ensure we continue to improve our customer and team experience. We are confident that this will lead to a better New Zealand business in the longer term for all of our stakeholders, but the short-term outlook remains challenging.

"**BIG W** sales momentum continues to be challenged with sales down approximately 6% in F24 to date. While BIG W is being impacted by the broader discretionary spending slowdown in Australia, some categories like Everyday Essentials are performing strongly. Loyal customers are continuing to shop with BIG W, and we are seeing some trading-in but customers are cautious, putting fewer items in their baskets. The outlook for the remainder of the year is uncertain and as always, trading in Q2 will be key to the full year results.

"**Other** costs in F24 are expected to be in line with F23 at approximately $250 million excluding Woolworths Group's share of Endeavour Group's earnings."

As a reminder, F24 will have a 53rd week.

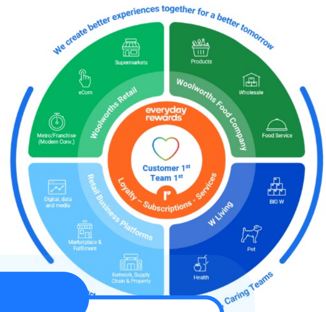
Woolworths Group Chair, Scott Perkins:

"In F23 Woolworths Group performed well across most measures. Our track record of disciplined investment for the longer term is delivering results. We are particularly focused on addressing the cost-of-living pressures experienced by our customers and team. Our strategy remains centred on them as the key driver of sustainable value for shareholders.

"Reflecting on the F23 result and our confidence in the Group's prospects, I am pleased to announce an increase of 9.4% in the fully franked final dividend to 58 cents per share."

Click here to view further shareholder communication for these results, including video messages from other business leaders

F23 Group strategic highlights



Living our purpose

Build a better and safer tomorrow for our customers and team

- Woolworths named Most Trusted Brand (Roy Morgan) and Most Valuable Brand (Brand Finance)
- VOT improved through the year and VOC remained stable with improving trends at the end of Q4
- Donated the equivalent of 34 million meals to food relief partners to help combat food insecurity
- **More to do** to deliver consistent customer experiences, value for money and further improve team safety

Leverage Everyday Rewards to unlock even more value for our members

- 750,000 additional Everyday Rewards members, reaching 14.5 million total members in F23
- >130 million Booster offers unlocked delivering an additional 40 billion points to members
- Rebranded insurance to Everyday Insurance in February 2023 with telco services set to rebrand in Q1 F24
- **More to do** to scale Everyday Extra as a key value mechanic for all families, especially Savers

Delivering compelling customer propositions

Woolworths Retail: help all customers find their Woolies worth

- Progressed Value/Core/UP segmentation tailoring store ranges to communities. 22 new stores and 55 renewals in F23
- RT3 now embedded across Australian fleet with New Zealand rollout underway
- Meeting customer demand for convenience with 708 Direct to boot enabled stores and strong growth in Same Day
- **More to do** in New Zealand Food including the launch of Everyday Rewards in 2024

Woolworths Food Company: grow brands, products and capabilities unique to Woolworths

- 1,500[1] new products from WFC with Macro, COOK, BBQ & Thomas Dux generating strong growth
- PFD proving resilient despite consumer headwinds
- Revisited wholesale strategy with Summergate and International exit in H2, MetroGo pilot with Ampol ended
- **More to do** in Greenstock to sustainably improve availability and reduce costs in meat

BIG W and Specialty (W Living): help our customers find real value and easy everyday solutions

- Strong H1 from BIG W; H2 impacted by pressure on discretionary spend
- MyDeal and Everyday Market GMV stable compared to prior year in challenging marketplace environment
- Healthylife and Superpharmacy partnership announced in December
- **More to do** to complete Petstock Group investment and scale Group marketplace offerings

Strengthening our foundations

Platforms: scale value delivery in our Group businesses and directly with third parties

- Primary Connect's modernisation progressed with MSRDC consistently delivering 2.4m cartons; MFDC ramping up
- wiq delivering high value use cases in F23 across the Group
- Strong underlying sales growth from Cartology, supported by Shopper Media and expansion into BIG W and New Zealand
- Replenishment team well progressed in the implementation of SAP UDF to enhance store demand forecasting
- **More to do** to progress Smart Store program, CFCs and realise benefits from New Zealand supply chain investments

1 Includes redesigned, reformulated and new to market

Group profit or loss

For the 52 weeks ended 25 June 2023

$ MILLION	F23	F22	CHANGE
Group			
EBITDA before significant items	**5,694**	**5,051**	**12.7%**
Depreciation and amortisation[1]	(2,578)	(2,361)	9.2%
EBIT before significant items	**3,116**	**2,690**	**15.8%**
Finance costs	(677)	(600)	12.7%
Income tax expense	(707)	(566)	24.9%
NPAT before significant items	**1,732**	**1,524**	**13.7%**
Non-controlling interests	(11)	(10)	6.8%
NPAT attributable to equity holders of the parent entity before significant items	**1,721**	**1,514**	**13.7%**
Significant items after tax	(103)	33	n.m.
NPAT from continuing operations after significant items	1,618	1,547	4.6%
NPAT from discontinued operations attributable to equity holders of the parent entity after significant items	-	6,387	n.m.
NPAT attributable to equity holders of the parent entity after significant items	**1,618**	**7,934**	**(79.6)%**

MARGINS – CONTINUING OPERATIONS BEFORE SIGNIFICANT ITEMS	F23	F22	CHANGE
Gross margin (%)[2]	26.8	26.2	51 bps
Cost of doing business (CODB) (%)[2]	21.9	21.8	8 bps
EBIT (%)	4.8	4.4	43 bps

SUSTAINABILITY	F23	F22	CHANGE
Scope 1 & 2 emissions (tonnes)[3]	1,941,581	2,117,157	(8.3)%

EARNINGS PER SHARE AND DIVIDENDS	F23	F22	CHANGE
Closing fully paid ordinary shares outstanding (million)[4]	1,214.7	1,209.1	0.5%
Weighted average number of ordinary shares used in basic EPS (million)	1,214.3	1,221.5	(0.6)%
Total Group basic EPS (cents) before significant items	141.7	124.0	14.3%
Total Group basic EPS (cents) after significant items	133.3	649.6	(79.5)%
Total Group diluted EPS (cents) after significant items	132.3	644.8	(79.5)%
Basic EPS (cents) – from continuing operations before significant items	141.7	124.0	14.3%
Basic EPS (cents) – from continuing operations after significant items	133.3	126.7	5.2%
Diluted EPS (cents) – from continuing operations before significant items	140.7	123.1	14.3%
Diluted EPS (cents) – from continuing operations after significant items	132.3	125.7	5.2%
Final dividend per share[5] (cents) – fully franked	58	53	9.4%
Total dividend per share (cents) – fully franked	104	92	13.0%

1 Depreciation of $269 million is included in cost of sales (F22: $229 million)
2 F22 gross margin and cost of doing business restated primarily to reflect the reclassification of DC costs from CODB to gross margin and reclassification of eCom support costs and overheads from gross margin to CODB
3 F23 & F22 emissions data reflect market-based scope 2 electricity reporting. F22 has been restated to also reflect new guidance from the Clean Energy Regulator for treatment of Australian Carbon Credit Units. Further details of the emissions profile are available in the 2023 Sustainability data pack
4 Includes the fully paid ordinary shares on issue of 1,218.7 million (F22: 1,213.9 million), net of shares held in trust of 4.0 million (F22: 4.8 million)
5 The 2023 final dividend is payable on or around 27 September 2023

Group trading performance

F23 sales summary

$ MILLION	F23	F22[1]	CHANGE	H2 F23	H2 F22[1]	CHANGE
Australian Food	48,047	45,740	5.0%	23,487	21,821	7.6%
Australian B2B[2]	4,324	3,684	17.4%	2,066	1,844	12.0%
New Zealand Food (AUD)	7,240	7,092	2.1%	3,537	3,254	8.7%
New Zealand Food (NZD)	*7,912*	*7,563*	*4.6%*	*3,833*	*3,536*	*8.4%*
BIG W	4,785	4,431	8.0%	2,077	2,083	(0.3)%
Other[2,3]	(102)	(98)	4.4%	(42)	(47)	(11.1)%
Total Group	**64,294**	**60,849**	**5.7%**	**31,125**	**28,955**	**7.5%**
Total Group eCommerce sales	**6,592**	**6,542**	**0.8%**	**3,240**	**2,916**	**11.1%**
eCommerce sales penetration (%)[4]	11.0%	11.4%	(46) bps	11.1%	10.7%	38 bps
Average weekly traffic to Group digital platforms (million)[5]	23.0	19.8	16.3%	23.4	18.8	24.4%

F23 EBIT summary

$ MILLION	F23	F22[1]	CHANGE	H2 F23	H2 F22[1]	CHANGE
Before significant items						
Australian Food	2,865	2,406	19.1%	1,437	1,197	20.1%
Australian B2B	63	56	13.0%	14	30	(49.3)%
New Zealand Food (AUD)	228	296	(22.9)%	117	105	11.6%
New Zealand Food (NZD)	*249*	*316*	*(21.0)%*	*127*	*116*	*10.3%*
BIG W	145	55	165.3%	11	30	(63.7)%
Other[3]	(185)	(123)	51.7%	(100)	(54)	90.4%
Group EBIT before significant items	**3,116**	**2,690**	**15.8%**	**1,479**	**1,308**	**13.1%**
Significant items	(117)	6,388	n.m.	(41)	146	n.m.
Group EBIT	**2,999**	**9,078**	**(67.0)%**	**1,438**	**1,454**	**(1.0)%**

1 F22 restated to include Woolworths at Work as part of Australian Food
2 Revenue from the sales of goods and services in Australian B2B includes $351 million (2022: $302 million) of freight revenue. However, at a Group level, this is reclassified and recognised as a reduction in cost of sales. As a result, $351 million (2022: $302 million) reduction has been recognised in Other. This has not resulted in a change to earnings before interest and tax at a Group level
3 Other comprises Quantium and MyDeal (which are not considered separately reportable segments), as well as various support functions, including property and Group and overhead costs, the Group's share of profit or loss of investments accounted for using the equity method (including Endeavour Group), and consolidation and elimination journals
4 Group eCommerce penetration is calculated based on Australian Food, New Zealand Food, BIG W and MyDeal sales only. F22 restated to include Woolworths at Work as part of Australian Food
5 F22 digital traffic has been restated to include Woolworths Mobile, HealthyLife, gift cards, B2B and PetCulture digital platforms. F23 includes MyDeal

Note: all references to sales, EBITDA and EBIT are from continuing operations before significant items, unless stated otherwise

Group sales increased by 5.7% in F23 to $64.3 billion with all segments growing sales on the prior year. H2 sales increased by 7.5% to $31.1 billion with inflation having a greater impact in the second half. Sales growth in Australian Food, Australian B2B and New Zealand Food remained broadly similar in Q3 and Q4 whereas BIG W's sales slowed in Q4 as customers cut back on discretionary spend.

Group eCommerce sales in F23 increased by 0.8% with a strong recovery in H2, growing by 11.1%. While eCommerce penetration declined by 46 bps to 11.0% in F23 due to the sales uplift in the COVID-impacted first half of F22, H2 penetration increased 38 bps on the prior year to 11.1% led by WooliesX eCom sales. Digital traffic to the Group's platforms continued to grow strongly, increasing by 16.3% compared to the prior year with average weekly visits reaching 23.4 million in H2.

Group gross margin (%) increased by 51 bps to 26.8% driven by Australian Food where the absence of COVID costs across the supply chain, mix and growth in new businesses more than offset an increase in stockloss. New Zealand Food's gross margin declined marginally on the prior year.

Group CODB (%) increased by 8 bps to 21.9% with higher costs primarily driven by wage and other cost inflation being somewhat offset by the absence of COVID costs, improved productivity, and sales growth.

Group trading performance

Group EBIT before significant items increased by 15.8% to $3,116 million with H2 EBIT increasing by 13.1% to $1,479 million. Strong EBIT growth in Australian Food, Australian B2B and BIG W was offset somewhat by lower EBIT from New Zealand Food and higher net costs in the Other segment. In H2, Australian Food and New Zealand Food reported higher EBIT driven by strong sales growth, the absence of COVID costs and increased operating stability. Australian B2B EBIT in H2 declined due to the one-off costs of business exits and BIG W EBIT declined as sales slowed sharply in Q4 in an increasingly competitive market. Other segment costs increased due to fewer property disposals than the prior year, higher M&A and investment costs, amortisation on acquired intangibles and MyDeal losses. The Group EBIT margin for F23 increased 43 bps to 4.8% with the H2 EBIT margin increasing 24 bps to 4.8%.

Finance costs increased 12.7% to $677 million largely due to the impact of higher interest rates on bank debt and higher average net debt during the year.

Income tax expense increased by 24.9% to $707 million reflecting a normalisation in the effective tax rate compared to the prior year.

NPAT from continuing operations attributable to equity holders of the parent entity before significant items increased by 13.7% in F23 with EPS on the same basis increasing by 14.3%.

Significant items from continuing operations after tax of $103 million in F23 compared to a gain of $33 million in the prior year. In H2, a net revaluation cost was booked on put option liabilities over the Group's non-controlling interests in PFD and Quantium. Significant items reported in H1 relate to updates on the end-to-end payroll review; increased redundancy costs associated with the supply chain network transformation; the reversal of historical onerous contract provisions related to the BIG W network review; as well as costs associated with the exit of Summergate. Significant items from discontinued operations in F22 was $6,387 million related to the one-off gain on demerger of Endeavour Group.

NPAT from continuing operations attributable to equity holders of the parent entity after significant items increased by 4.6%. Group NPAT attributable to equity holders of the parent entity after significant items decreased by 79.6%.

F23 reporting changes

In 2023, the Group reclassified the costs of running its distribution centres from branch and administration expenses to cost of sales to enable better visibility of the overall margins of the products that the Group sells to enable appropriate accountability and support better end-to-end decision making. Separately, the Group reclassified the presentation of its eCommerce overheads from cost of sales to branch and administration expenses to align with the current period's presentation of other similar costs, such as store labour in branch and administration expenses. In addition, Woolworths at Work is no longer reported as part of Australian B2B and has moved to WooliesX as part of Australian Food. The Group has restated the amounts presented in the prior year to reflect the reclassifications.

Australian Food

$ MILLION	F23	F22[1]	CHANGE	4-YR CAGR
Total sales	**48,047**	**45,740**	**5.0%**	**5.8%**
EBITDA	**4,651**	**4,044**	**15.0%**	**8.1%**
Depreciation and amortisation	(1,786)	(1,638)	9.0%	
EBIT	**2,865**	**2,406**	**19.1%**	**8.4%**
EBIT excluding direct COVID costs	**2,865**	**2,617**	**9.5%**	
Gross margin (%)	28.1	27.4	76 bps	
CODB (%)	22.1	22.1	6 bps	
EBIT to sales (%)	6.0	5.3	70 bps	
Funds employed	9,647	10,117	(4.6)%	
ROFE (%)	29.0	24.9	4.1 pts	
Scope 1 & 2 emissions (tonnes)[2]	1,546,804	1,687,757	(8.4)%	

Sales performance by business

$ MILLION	F23	F22[1]	CHANGE
Woolworths Food Retail (Stores and eCom)[3]	47,648	45,445	4.8%
WooliesX (including eCom)[4]	5,414	5,213	3.9%
Accelerator revenue[5]	64	19	236.5%
Elimination of eCom sales[6]	(5,079)	(4,937)	2.9%
Total Australian Food sales	**48,047**	**45,740**	**5.0%**

1 Prior period restated to reflect Woolworths at Work
2 F23 & F22 emissions data reflect market-based scope 2 electricity reporting. F22 has been restated to also reflect new guidance from the Clean Energy Regulator for treatment of Australian Carbon Credit Units
3 Woolworths Food Retail includes Woolworths Supermarkets, Metro Food Stores, WooliesX B2C eCom and Woolworths at Work
4 WooliesX includes B2C eCom and Woolworths at Work sales, Digital & Media and Rewards & Services
5 Accelerators revenue includes Everyday Market, MILKRUN and HealthyLife. Does not reflect Everyday Market GMV. Accelerators are not included in Woolworths Food Retail or WooliesX
6 Eliminations reflect the reversal of eCom sales which are included in both Woolworths Food Retail and WooliesX

Trading performance

Australian Food sales increased 5.0% in F23 to $48.0 billion (4-yr CAGR: 5.8%) driven by an increase in Woolworths Food Retail sales of 4.8% (4-yr CAGR: 5.7%), with H2 growth reflecting inflation, items returning to modest growth from Q3, and eCom sales growth. WooliesX sales increased 3.9% with Direct to boot and Same Day propositions driving online growth. Accelerators revenue grew 236.5% compared to the prior year largely reflecting the growth in sub-60 minute delivery.

Gross margin (%) increased 76 bps to 28.1% (H1: +78 bps; H2: +73 bps). Excluding COVID costs in the prior year, gross margin increased 54 bps (H1: +51 bps; H2: +55 bps). Growth was driven by category mix benefits, including a 16% decline in Tobacco sales which contributed 16 bps to the increase; improved promotional effectiveness supported by the Next Gen Promotions decision tool; and growth from Cartology and Shopper Media. This was partly offset by stockloss driven by higher rates of theft and increased Everyday Rewards investment. To address rising stockloss, Scan Assist, technology to support accurate scanning, has been rolled out to 474 supermarkets by the end of the year.

CODB (%) increased 6 bps to 22.1%. Excluding direct COVID costs incurred in the prior year, CODB increased 29 bps (H1: +43 bps; H2: +15 bps). H2 CODB % (excluding COVID costs) reflects a return to a more consistent operating rhythm, improved unit-based productivity combined with the benefit of higher sales growth. This was offset by inflation in team wages, depreciation and amortisation, energy prices as well as business growth initiatives.

Depreciation and amortisation increased 9.0% driven by new stores, renewals, supply chain and shorter-life digital investments.

F23 EBIT increased 19.1% to $2,865 million (4-yr CAGR: 8.4%). Excluding direct COVID costs incurred in the prior year of $211 million, EBIT increased 9.5%.

Funds employed decreased 4.6% compared to F22 largely due to an increase in trade payables driven by inflation, offset by investment in new stores, renewals, eCom, supply chain and Shopper Media. ROFE increased by 4.1 pts to 29.0% reflecting the EBIT increase.

Woolworths Food Retail (Stores and eCom)

$ MILLION	F23	F22[1]	CHANGE
Total sales	**47,648**	**45,445**	**4.8%**
EBITDA	**4,550**	**3,982**	**14.3%**
Depreciation and amortisation	(1,712)	(1,583)	8.1%
EBIT	**2,838**	**2,399**	**18.3%**
EBIT to sales (%)	6.0%	5.3%	68 bps
Sales per square metre ($)[2]	**18,921**	**18,364**	**3.0%**

Sales performance by business

$ MILLION	F23	F22[1]	CHANGE	4-YR CAGR
Woolworths Supermarkets (store-originated)	41,413	39,557	4.7%	3.6%
Metro Food Stores (store-originated)	1,156	951	21.6%	6.5%
eCom	5,079	4,937	2.9%	37.8%
Woolworths Food Retail (Stores and eCom)	**47,648**	**45,445**	**4.8%**	**5.7%**

Operating metrics

	Q4'23	Q3'23	Q2'23	Q1'23
Customer metrics[3]				
VOC NPS (Store and Online)	49	46	52	50
Store-controllable VOC (%)	78	76	78	78
Sales productivity metrics[1]				
Total sales growth	7.2%	7.6%	5.7%	(0.5)%
Comparable sales growth	6.4%	6.8%	5.1%	(0.9)%
Volume productivity metrics[1,4]				
Comparable transaction growth	4.5%	8.0%	6.8%	5.2%
Comparable items per basket growth	(4.4)%	(7.6)%	(9.1)%	(12.8)%
Comparable item growth	(0.1)%	(0.1)%	(2.9)%	(8.3)%
Change in average prices				
Total	5.2%	5.8%	7.7%	7.3%

1 Prior period restated to reflect Woolworths at Work
2 Prior year sales per square metre has been restated to conform to the current year's presentation of sales channel
3 Customer metrics represent the final month of the quarter
4 Volume productivity metrics are disclosed as percentages and therefore may not add

Trading performance

Customer metrics improved compared to Q3 with VOC NPS (Store and Online) improving three points to 49, and Store-controllable VOC improving two points to 78%. Higher scores reflect improved availability in store and online, and improved Fruit & Vegetables supply. Value for Money scores also stabilised compared to Q3. Compared to F22, VOC NPS was flat and Store-controllable VOC was up three points reflecting improved availability as stock flows stabilised and higher Fruit & Veg scores reflecting lower prices and quality.

Woolworths Food Retail sales in F23 increased 4.8% (6.3% ex Tobacco) or 5.7% on a 4-yr CAGR (6.8% ex Tobacco) with comparable sales for the year increasing 4.2% (5.6% ex Tobacco). After an increase of 2.5% in H1 (3.8% ex Tobacco) impacted by cycling COVID-driven in-home consumption and supply challenges in Fruit & Vegetables; sales increased by 7.4% (9.1% ex Tobacco) in H2 with strong growth nationally across all store segments (Value, Core, UP) with volume growth strongest in UP stores. H2 sales growth was driven by sustained inflation associated with elevated levels of supplier cost increases and total items returning to growth from mid-January. Shelf price inflation moderated in Q4 compared to Q3 but remained elevated due to industry-wide cost pressures.

Woolworths Supermarkets (store-originated) sales for the year were $41.4 billion, an increase of 4.7% (6.3% ex Tobacco) on the prior year. eCom sales increased 2.9% to $5.1 billion with sales penetration of 10.7%. Woolworths Supermarkets (store-originated) sales growth increased by 6.3% (8.0% ex Tobacco) in H2 and eCom sales returned to strong growth of 13.2%.

Average prices in Q4 increased by 5.2% compared to the prior year, below the Q3 increase of 5.8%. Lower prices were passed on to customers as growing conditions improved in Fruit & Vegetables, and lower beef and lamb livestock prices, contributed to the moderation with both Fruit & Vegetables and Meat in deflation in the quarter.

Metro Food Stores (store-originated) sales increased by 21.6% to $1,156 million assisted by the opening of five new Neighbourhood stores and a recovery in customer mobility supporting On the Go stores.

Woolworths Food Company's own and exclusive sales grew 5.4% in F23 with a strong sales increase in H2. H1 growth was impacted by availability issues in Fruit & Vegetables and Meat with H2 growth of 9.1% driven by strong item growth of 3.2% particularly across protein, chiller, and pantry categories; and inflation. Customers increasingly traded into own brand to improve the value of their basket with Pantry essentials, Drinks such as long life milk, and baby products showing particularly strong growth. On a 4-yr CAGR, own and exclusive brand sales increased by 8.3%.

Woolworths Food Company's Retail business introduced over 1,500[1] new products in the year including further rollout of the Macro protein range, Macro carbon neutral eggs, and new bakery products to provide value to customers. Fresh meal solutions brands such as COOK and BBQ also continued to resonate with customers.

As cost-of-living pressures continued to impact customer budgets, we continued to deliver value through the Get your Woolies worth platform. This included four seasonal and a Christmas Prices Dropped campaign; a Christmas price freeze, more than 3,000 products on Low Price; and personalised member offers and benefits through Everyday Rewards. At the end of the year, categories that account for half of Woolworths Supermarkets sales were curated by Value, Core and UP with an increased emphasis on value ranges and fresh categories.

Woolworths Food Retail's sales per square metre increased by 3.0% with sales growth higher than average space growth of 1.9%. During the year 10 net new stores were opened, 43 renewals were completed and 28 Mini Woolies opened. At the end of the year, the total fleet comprised 1,002 Woolworths Supermarkets, 93 Metro Food Stores, 708 Direct to boot locations, seven CFCs, two eStores and 41 Mini Woolies.

Woolworths Food Retail EBIT increased by 18.3% to $2,838 million with the EBIT margin increasing 68 bps to 6.0%.

During the year, Woolworths continued to tackle food waste with 80% of food waste diverted from landfill in F23 and over 300,000 tonnes of food waste saved by our Odd Bunch program since its launch in 2015. Kids confectionery was removed from checkouts in all supermarkets with 80% of snacks at checkouts with a Health Star Rating of 3.5 or above to help make it easier for customers to access healthier food choices.

1 Includes redesigned, reformulated, and new to market

WooliesX (including eCom)

$ MILLION	F23	F22	CHANGE
Total sales	**6,432**	**6,090**	**5.6%**
DAP & EBIT before depreciation and amortisation	**340**	**261**	**30.0%**
Depreciation and amortisation	(159)	(114)	38.9%
DAP & EBIT	**181**	**147**	**23.1%**
DAP & EBIT to sales (%)	2.8	2.4	40 bps

Sales performance by platform

$ MILLION	F23	F22	CHANGE
eComX (B2C and Woolworths at Work)	5,079	4,937	2.9%
Digital & Media (idX/ Cartology) and Rewards & Services (EverydayX)	1,353	1,153	17.3%
Total WooliesX sales	**6,432**	**6,090**	**5.6%**
Eliminations and reclassifications[1]	(1,018)	(877)	16.1%
WooliesX sales after eliminations and reclassifications	**5,414**	**5,213**	**3.9%**

DAP & EBIT performance by platform

$ MILLION	F23	F22	CHANGE
eComX DAP	89	93	(4.9)%
Digital & Media (idX/ Cartology), Rewards & Services (EverydayX) and TechX & Support EBIT	92	54	70.9%
WooliesX DAP & EBIT	**181**	**147**	**23.1%**

eCom metrics

	Q4'23	Q3'23	Q2'23	Q1'23
Customer metrics				
B2C Online VOC NPS	60	56	59	60
eCommerce sales metrics[2]				
eCommerce sales ($ million)	1,248	1,300	1,214	1,316
eCommerce sales growth	17.2%	9.7%	(1.3)%	(9.6)%
eCommerce penetration	11.4%	10.6%	10.0%	10.8%
Pick up mix (% of eCommerce sales)	39.4%	38.6%	37.4%	36.3%

Digital metrics

	Q4'23	Q3'23	Q2'23	Q1'23
Food and Everyday digital platforms				
Average weekly traffic (million)	16.3	15.7	16.1	14.0
Average weekly traffic growth (year on year)	21.3%	28.4%	22.4%	4.0%
Group digital platforms				
Average weekly traffic (million)	23.7	23.1	25.3	20.2
Average weekly traffic growth (year on year)	21.1%	27.6%	19.8%	(0.5)%

Everyday Rewards metrics

	Q4'23	Q3'23	Q2'23	Q1'23
Total Everyday Rewards members (million)[3]	14.5	14.3	14.1	13.9
Scan rate (% of transactions)	55.7	54.9	54.5	53.9
Tag rate (% of sales)	69.2	68.8	68.2	67.1

1 Eliminations and reclassifications represent the elimination of intercompany revenues for Everyday Rewards points, gift cards, wPay processing fees; and the reallocation of Cartology revenue to cost of sales
2 eCom includes B2C and Woolworths at Work
3 Total number of members that have joined the program since inception

WooliesX (including eCom)

WooliesX comprises three platform businesses – eCom (B2C eCom & Woolworths at Work), Digital & Media including owned digital assets and media (Cartology and Shopper Media) and Rewards & Services. Rewards & Services includes Everyday Rewards, Everyday Insurance, wPay and Everyday Mobile. eCom's operating profit is measured using DAP which includes costs directly-attributable to the eCom business. DAP includes costs such as picking, packing and delivery; marketing costs; all eCom support costs; and variable DC costs. DAP does not include an allocation of costs that are not directly attributable to the eCom business and would exist regardless of eCom activity. EBIT is used to measure the profitability of the other businesses in WooliesX.

Trading performance

WooliesX total sales increased 5.6% in F23 to $6,432 million, driven primarily by growth in Digital & Media and Rewards & Services. DAP & EBIT increased 23.1% to $181 million reflecting strong sales growth and improvements in productivity across all platforms with the DAP & EBIT margin increasing by 40 bps to 2.8%.

eCom sales increased 2.9% in F23 to $5,079 million, with eCommerce penetration reaching 11.4% in Q4, an increase of 97 bps on the prior year. Strong demand for convenience in H2 with sales growth of 13.2% more than offset lower H1 sales due to cycling the COVID-impacted prior year. Woolworths at Work sales increased 29% on the prior year and was strong across all quarters driven by increased customer acquisition.

B2C VOC NPS ended the year at 60, up four points on Q3 and two points on the prior year, with customer scores improving across all propositions reflecting improvements in on-time deliveries, order completeness and increased care for Pick up orders (Direct to boot and in store). Active eCom customers also grew 9% on the prior year to 0.9 million, above peak COVID levels and with a higher share of loyal shoppers.

B2C customer demand for convenience continued to increase with significant growth in Same Day and on-demand delivery propositions. In June, over 80% of orders were fulfilled within 24 hours of order placement, an increase of eight points compared to the prior year enabled by improved fulfilment capabilities.

eCom DAP declined marginally on the prior year with a 43.6% reduction in H1 offset by a strong recovery in H2 with DAP growth of 68.9%. The H2 increase was driven by sales growth, and efficiencies unlocked by productivity initiatives including order pick optimisation and delivery truck route efficiency.

Direct to boot is now available in 708 stores with a further 81 sites added during the year, and two new CFCs opened in Rochedale, Qld and Caringbah, NSW. The Group's commitment to an electric home delivery fleet by 2030 was further progressed with 27 electric vehicles added to the fleet in F23.

In **Digital & Media**, digital engagement continued to grow with average weekly traffic to the Food and Everyday digital platforms reaching 16.3 million weekly visits in Q4, up 21.3% on the prior year. The increased engagement was largely driven by the Everyday Rewards and Woolworths apps with weekly active users increasing by 42% and 36% respectively. Weekly average traffic to Group digital platforms reached 23.7 million in Q4, up 21.1% on the prior year also due to growth in apps. Customers are increasingly using digital platforms to save by accessing personalised specials and using shopping lists to manage their budgets with shopping list users up 26% on prior year. Our new Real Time Loyalty Platform, launched in September, has materially increased the number of offers and content in real time as well as enabling faster analysis of campaigns to support more targeted member engagement.

Despite a more challenging environment for marketing investment in F23, Cartology revenue increased by 29% (including Shopper) supported by strong momentum in the Food business and the launch of Cartology in BIG W.

Rewards & Services platform sales increased by 12.9% in F23. Everyday Rewards members reached 14.5 million by the end of the year, reflecting the continued focus on delivering personalised value, real time loyalty improvements and enhancements to the Everyday Rewards app. Member engagement and app usage reached record levels in F23 with scan rates and tag rates increasing 1.7 and 2.0 pts respectively. Other highlights include the rebranding of Everyday Insurance (from Woolworths Insurance) in February 2023 with the rebranding of Everyday Mobile taking place in Q1 F24.

Australian B2B

$ MILLION	F23	F22[1]	CHANGE
Total sales	**4,324**	**3,684**	**17.4%**
EBITDA	**176**	**154**	**14.8%**
Depreciation and amortisation	(113)	(98)	15.8%
EBIT	**63**	**56**	**13.0%**
EBIT to sales (%)	1.5%	1.5%	(6) bps
Funds employed	1,286	1,280	0.5%
ROFE (%)[2]	5.0	4.2	83 bps
Scope 1 & 2 emissions (tonnes)[3]	73,585	78,483	(6.2)%

Sales performance by business

$ MILLION	F23	F22[1]	CHANGE
B2B Food (Woolworths Food Company 3rd party)	3,126	2,599	20.3%
B2B Supply Chain (Primary Connect 3rd party)	1,198	1,085	10.4%
Total Australian B2B sales	**4,324**	**3,684**	**17.4%**

Sales and EBIT breakdown by continuing and exited business

$ MILLION	F23	F22[1]	CHANGE
Sales			
Continuing businesses	3,947	3,217	22.7%
Exited businesses	377	467	(19.2)%
Total Australian B2B sales	**4,324**	**3,684**	**17.4%**
EBIT			
Continuing businesses	105	62	68.7%
Exited businesses (including exit costs)[4]	(42)	(6)	n.m.
Total Australian B2B EBIT	**63**	**56**	**13.0%**

1 Prior period restated to exclude Woolworths at Work which has moved to Australian Food
2 F22 ROFE has been calculated based on the average of mid and closing funds employed
3 F23 & F22 emissions data reflect market-based scope 2 electricity reporting. F22 has been restated to also reflect new guidance from the Clean Energy Regulator for treatment of Australian Carbon Credit Units
4 In addition to the exit costs, $30 million was recognised in relation to the exit of the Summergate business in significant items in H1

Australian B2B comprises B2B Food and B2B Supply Chain. B2B Food reflects the third-party sales and profit of Woolworths Food Company which includes PFD, Australian Grocery Wholesalers and Greenstock. B2B Food does not include the sales and EBIT contribution from Woolworths Food Company's own and exclusive retail brands and Greenstock's internal meat sales as this is reported in the Australian Food segment. B2B Supply Chain comprises the Primary Connect 3rd party business (PC+) which primarily provides transport services to Woolworths suppliers and Endeavour Group, and Statewide Independent Wholesalers (SIW) in Tasmania. B2B Supply Chain only includes the sales and EBIT contribution for third-party supply chain services and not for supply chain services provided to Woolworths Group businesses.

Trading performance

Australian B2B total sales increased by 17.4% to $4,324 million in F23 with B2B Food and B2B Supply Chain both delivering strong sales growth.

EBITDA, which excludes the impact of the amortisation of PFD intangibles, increased by 14.8% to $176 million. Strong profit growth from PFD was offset by higher losses and sale and exit costs related to Summergate in China and the wind down of Woolworths International.

Depreciation and amortisation increased 15.8% and was impacted by $7 million of accelerated depreciation related to the wind down of Woolworths International and higher depreciation on PC+ supply chain assets.

Australian B2B

EBIT increased by 13.0% to $63 million at an EBIT margin of 1.5%. EBIT includes $42 million of losses (F22: $(6) million) and one-off costs associated with the exit of Summergate, Woolworths International and Fresh to Go. Excluding these costs in both years, the EBIT margin would have increased from 1.9% in F22 to 2.7% in F23.

B2B Food sales increased by 20.3% to $3,126 million driven by strong PFD sales growth. PFD's sales momentum continued throughout the year due to higher demand from its customers as the consumer environment normalised, new business wins, and the impact of inflation. PFD growth was somewhat offset by lower AGW sales which declined due to a reduction in unprofitable wholesale meat sales. The sale of Summergate was completed in April 2023 and the International business received final sales orders from customers in Q4.

B2B Supply Chain sales increased by 10.4% to $1,198 million with growth largely driven by new customers and fuel price increases. PC+ delivered strong sales and EBIT growth in F23.

Primary Connect's multi-year supply chain transformation program is progressing to plan. During the year, Auckland Fresh DC continued to ramp up since its launch in June 2022, and MSRDC and Melbourne Fresh DC in Victoria saw improved performance as the sites mature, achieving consistent cartons per week of 2.4 million and 1.4 million respectively. In Q4, PC+ opened three cross dock locations to create an east coast temperature controlled commercial network to support new customers into the network with an emphasis on chilled and freezer capacity.

Development of key projects remain on track, including the Moorebank precinct, which is transitioning to commissioning and testing phase, with the National DC on track for launch in H1 F25. The Auburn eCom fulfilment centre is also on track to open in late 2024.

New Zealand Food

$ MILLION (NZD)	F23	F22	CHANGE	4-YR CAGR
Total sales	**7,912**	**7,563**	**4.6%**	**4.8%**
EBITDA	**572**	**611**	**(6.3)%**	**(0.4)%**
Depreciation and amortisation	(323)	(295)	9.5%	
EBIT	**249**	**316**	**(21.0)%**	**(7.4)%**
Gross margin (%)	23.1	23.2	(9) bps	
CODB (%)	20.0	19.0	94 bps	
EBIT to sales (%)	3.2	4.2	(102) bps	
Sales per square metre ($)	18,208	17,881	1.8%	
Funds employed	4,745	4,635	2.4%	
ROFE (%)	5.2	7.0	(1.8) pts	
Scope 1 & 2 emissions (tonnes)	62,255	63,782	(2.4)%	

Sales performance by business

$ MILLION (NZD)	F23	F22	CHANGE	4-YR CAGR
Countdown Supermarkets (store-originated)	6,277	5,904	6.3%	3.0%
Franchise and other revenue[1]	633	628	0.8%	4.9%
eCommerce	1,002	1,031	(2.8)%	21.7%
Total New Zealand Food sales	**7,912**	**7,563**	**4.6%**	**4.8%**

1 Includes franchise and export sales

Operating metrics

	Q4'23	Q3'23	Q2'23	Q1'23
Customer metrics				
VOC NPS (Store and Online)	39	37	43	40
Store-controllable VOC (%)	76	73	76	75
Sales productivity metrics				
Total sales growth	8.3%	8.5%	5.3%	(2.5)%
Comparable sales growth	7.2%	6.8%	4.0%	(3.3)%
Volume productivity metrics				
Comparable transactions growth	9.8%	11.9%	12.8%	6.7%
Comparable items per basket growth	(11.1)%	(14.4)%	(15.8)%	(14.3)%
Comparable item growth	(2.4)%	(4.1)%	(5.0)%	(8.6)%
Change in average prices				
Total	9.2%	9.5%	8.6%	5.3%

New Zealand Food

CountdownX

	Q4'23	Q3'23	Q2'23	Q1'23
Customer metrics				
Online VOC NPS	54	50	54	56
eCommerce sales metrics				
eCommerce sales (NZD $ million)	230	232	255	285
eCommerce sales growth	(2.4)%	(8.1)%	(6.8)%	5.9%
eCommerce penetration	12.7%	11.5%	12.3%	14.2%
Loyalty				
Countdown Onecard members (million)	1.9	1.9	1.9	1.9
Onecard scan rate (% of transactions)	59.0	57.7	58.4	60.0
Onecard tag rate (% of sales)	75.3	74.3	75.1	76.5

Trading performance

New Zealand Food's customer metrics ended F23 up on the prior year despite a dip in Q3 due to adverse weather events affecting availability, and the impact of market-wide inflation and cost-of-living pressures on value perception. A recovery in availability as H2 progressed led to the highest Availability score since July 2021 with improvements in the customer experience also contributing. VOC NPS (Store and Online) increased two points on Q3 and the prior year to 39. Store-controllable VOC increased three points on Q3, and one point compared to the prior year.

New Zealand Food's total sales increased by 4.6% in F23 to $7,912 million (4-yr CAGR: 4.8%). H1 total sales increased 1.3% despite cycling elevated sales driven by COVID lockdowns in the prior period with a decline in items offset by higher inflation. In H2, sales increased by 8.4% with Q4 total sales increasing by 8.3% (comparable sales: 7.2%). Item declines during the half were more than offset by inflation with item declines moderating in Q4 as availability began to improve. Average prices in Q4 increased by 9.2% compared to Q4 F22, a small reduction on the 9.5% increase in Q3.

FreshChoice and SuperValue sales increased by 0.8%, with sales growth impacted by cycling COVID in the prior year where sales benefitted from more customers shopping locally. On a 4-yr CAGR, franchise store sales have increased by 4.9%.

eCommerce sales declined 2.8% in F23 with penetration decreasing 96 bps to 12.7% as customers returned to in store shopping. On a 4-yr CAGR, eCommerce sales have increased by 21.7% with penetration up 5.7 pts from 7.0% in F19. Online VOC NPS ended the year at 54, up four points on Q3 and in line with the prior year. By the end of F23, Drive solutions and eLockers had been rolled out to 104 stores with Pick up at 42% of eCommerce sales. Other digital highlights in F23 include strong growth in Cartology, an increase in unique app users of 16.3% and growth in Delivery Saver subscriptions, with 33,000 subscribers at the end of F23.

Sales per square metre increased by 1.8% reflecting sales growth of 4.6%, offset by an increase in average space of 2.7%. During the year three new stores and one replacement store were opened, 12 renewals were completed, two stores were permanently closed and one replacement store was closed. At the end of the year, the total store network of 263 stores comprised 191 Countdown stores, and 35 SuperValue and 37 FreshChoice franchise stores.

Gross margin (%) decreased by 9 bps in F23 to 23.1%. In H1, gross margin was impacted by an increase in costs primarily driven by freight, online delivery charges and an increase in distribution centre costs, partly due to the opening of the Auckland Fresh DC. Gross margin in H2 increased by 26 bps to 23.4% driven by a focus on promotional effectiveness, category mix benefits, and an improvement in distribution centre cost management and lower COVID costs. This was partially offset by stockloss.

CODB (%) increased by 94 bps primarily driven by higher team member wages following the 12% increase in store team wages in July 2022. H2 CODB (%) increased by 20 bps with productivity initiatives, lower COVID costs and stronger sales momentum helping to partially offset the increase in team wages. Other material cost increases included a 9.5% increase in depreciation and amortisation arising from investment in the store network, including spend to facilitate eCommerce growth, investment in digital capability and innovation, and supply chain transformation.

F23 EBIT declined 21.0% on the prior year to $249 million with the EBIT margin down 102 bps to 3.2%. In H2, EBIT returned to growth of 10.3% on the prior year with the EBIT margin increasing 6 bps to 3.3%. Excluding direct COVID costs of $61 million in the prior year, F23 EBIT declined by 34%.

ROFE declined 1.8 pts to 5.2%, primarily due to lower EBIT and higher average funds employed due to investment in the store network and the opening of the Auckland Fresh DC in F22.

Initiatives supporting our sustainability agenda included fundraising support for communities impacted by adverse weather events, including a support package of $750,000 for fruit and vegetable growers impacted by Cyclone Gabrielle, as well as the removal of approximately 50 million plastic produce bags from circulation. During the year we launched Sonder, a comprehensive health, safety and wellbeing app for team members, and were proud to be awarded with the New Zealand Safeguard Workplace Health and Safety Wellbeing Award in recognition for our mental health and wellbeing initiatives over the last two years.

BIG W

$ MILLION	F23	F22	CHANGE	4-YR CAGR
Total sales	**4,785**	**4,431**	**8.0%**	**6.5%**
EBITDA	**348**	**245**	**41.6%**	**23.9%**
Depreciation and amortisation	(203)	(190)	6.2%	
EBIT	**145**	**55**	**165.3%**	**n.m.**
Gross margin (%)	31.6	31.5	9 bps	
CODB (%)	28.6	30.3	(170) bps	
EBIT to sales (%)	3.0	1.2	180 bps	
Sales per square metre ($)	4,756	4,409	7.9%	
Funds employed	1,424	1,247	14.2%	
ROFE (%)	11.1	4.6	6.5 pts	
Scope 1 & 2 emissions (tonnes)[1]	103,061	125,533	(17.9)%	

Sales performance by business

$ MILLION	F23	F22	CHANGE	4-YR CAGR
BIG W (store-originated)	4,303	3,812	12.9%	4.9%
eCommerce	482	619	(22.2)%	32.5%
Total BIG W sales	**4,785**	**4,431**	**8.0%**	**6.5%**

Operating metrics

	Q4'23	Q3'23	Q2'23	Q1'23
Customer metrics				
VOC NPS (Store and Online)	62	65	60	64
Store-controllable VOC (%)	83	83	81	83
Sales productivity metrics				
Total sales growth	(5.7)%	5.7%	5.8%	30.1%
Comparable sales growth	(5.9)%	5.5%	5.6%	29.9%
Volume productivity metrics				
Comparable transactions growth	(5.1)%	6.8%	4.5%	34.6%
Comparable items per basket growth	(5.6)%	(5.8)%	(7.1)%	(3.8)%
Comparable item growth	(10.4)%	0.6%	(2.9)%	29.5%

BIG W X

	Q4'23	Q3'23	Q2'23	Q1'23
Customer metrics				
Online VOC NPS	62	71	57	69
eCommerce sales metrics				
eCommerce sales ($ million)	106	91	173	112
eCommerce sales growth	(4.4)%	(1.9)%	(5.4)%	(51.8)%
eCommerce penetration	10.2%	8.7%	11.4%	9.4%
Loyalty				
Everyday Rewards scan rate (% of transactions)	54.5	53.9	53.3	52.0

1 F23 & F22 emissions data reflect market-based scope 2 electricity reporting. F22 has been restated to also reflect new guidance from the Clean Energy Regulator for treatment of Australian Carbon Credit Units

BIG W

Trading performance

BIG W's customer metrics remained broadly stable in F23 with Store-controllable VOC at 83% - in line with Q3 and the prior year. VOC NPS (Store and Online) ended the year at 62, down three points on Q3 and down two points on the prior year driven by a decline in eCom NPS. Improving product availability and wait times for Pick up and Home Delivery orders remains a priority. Despite the pressure on consumer discretionary spend during the year, BIG W's continued focus on providing value to customers, including the launch of new own brand ranges (Openook and Somersault), resulted in Product and Price VOC improving by one point compared to the prior year.

BIG W's total sales were up 8.0% in F23 to $4,785 million (4-yr CAGR: 6.5%). Sales growth in H1 of 15.3% (4-yr CAGR: 6.9%) was driven by cycling the prior year's temporary store closures and customers returning to shop in store more frequently. In H2, sales declined by 0.3% on the prior year (4-yr CAGR: 6.0%) with the decline in Q4 of 5.7% due to a notable softening in discretionary spend and to a lesser extent by the timing of Easter. Everyday Essentials including Health, Beauty & Baby and Pet Care categories; and Leisure including Books, Electronic Gaming and Travel Goods continued to see item growth but discretionary areas including Clothing and Home were impacted by the rising cost of living on households.

eCommerce sales decreased 22.2% in F23 to $482 million, largely driven by a 31.4% decline in H1 as customers returned to shopping in store and cycling of COVID-driven online purchasing behaviour. eCommerce sales declined 3.3% in H2 with penetration of 10.1%. The launch of a select BIG W range on MyDeal in August has seen consistent sales growth on the platform since launch.

The BIG W store network grew by one store during the year to 177 stores following the opening of a new BIG W in Q1 alongside a new Woolworths Supermarket at Town Hall in Sydney. Sales per square metre increased by 7.9% due to the strong sales growth in H1.

Gross margin (%) increased 9 bps in F23 to 31.6% driven by an increase in H1 due to cycling higher markdowns in the prior year and lower delivery costs due to the decline in eCommerce sales. H2 gross margin (%) decreased 87 bps with higher stockloss and increased promotional activity being partly offset by mix and category management changes.

CODB (%) declined by 170 bps due to higher sales growth, the absence of direct COVID costs incurred in the prior year, and key productivity measures returning to pre-COVID levels. In H2, CODB (%) was broadly flat despite higher wage rate increases due to strong item-based cost control.

Despite a more challenging H2, F23 EBIT increased 165.3% to $145 million at an EBIT margin of 3.0% with H2 EBIT declining 63.7% to $11 million. Excluding direct COVID costs of $16 million in the prior year, F23 EBIT increased by 104%.

Closing inventory was higher than the prior year with cost inflation more than offsetting a reduction in units. Despite the higher inventory, inventory health was strong with the proportion of aged and quit stock below the prior year.

ROFE increased 6.5 pts to 11.1% due to higher EBIT more than offsetting an increase in average funds employed.

During the year, BIG W continued its partnership with the Australian Literacy and Numeracy Foundation to grow the Breakfast Library program, supporting 30 schools each week, with over $220,000 raised in customer donations during Book Week and the Back to School campaign. In partnership with Good360, BIG W launched a national fundraising campaign to support recovery efforts for Victorian communities impacted by flooding through donations of essential items to those in need. BIG W's commitment to a better tomorrow also saw its Toys for Joy recycling program prevent an estimated 130 tonnes of toys going to landfill in F23.

Other

$ MILLION	F23	F22	CHANGE
Gross revenue	**249**	**204**	**22.2%**
Eliminations[1]	(351)	(302)	16.4%
Total revenue	**(102)**	**(98)**	**4.4%**
EBITDA	**(5)**	**35**	**n.m.**
Depreciation and amortisation	(180)	(158)	14.6%
LBIT	**(185)**	**(123)**	**51.7%**

1 Revenue in Australian B2B includes $351 million (2022: $302 million) of freight revenue. However, at a Group level, this is reclassified and recognised as a reduction in cost of sales. As a result, $351 million (2022: $302 million) reduction has been recognised in Other. This has not resulted in a change to earnings before interest and tax at a Group level

Other includes Group functions such as Property, Group overheads as well as Woolworths Group's investments in Quantium, MyDeal and Endeavour Group.

Gross revenue increased by 22.2% largely due to the inclusion of MyDeal revenue from 23 September 2022. Quantium external sales were broadly in line with the prior year with growth from international retailers and the Telstra partnership commencing in January, offset by lower Health & Government work. For the period of ownership by Woolworths Group, MyDeal gross transaction value was marginally down on the prior year with revenue increasing by 4.4% despite a challenging market environment.

EBITDA declined by $40 million to a loss of $5 million primarily due to fewer property disposals than the prior year, higher M&A and investment costs, and MyDeal trading losses. This was offset somewhat by the non-recurrence of the Team Thank You payment of $34 million incurred in the prior year.

Depreciation and amortisation increased 14.6% to $180 million largely due to higher depreciation on capital expenditure and the amortisation of acquired intangible assets relating to MyDeal of $9 million.

LBIT of $185 million increased by 51.7% compared to the prior year driven by the EBITDA decline and higher depreciation and amortisation described above.

Significant items

$ MILLION	H1 F23 PROFIT/(LOSS) BEFORE TAX	H2 F23 PROFIT/(LOSS) BEFORE TAX	F23 PROFIT/(LOSS) BEFORE TAX
Supply chain transformation[1]	(32)	-	(32)
Exit of the Summergate business[2]	(30)	-	(30)
End-to-end payroll review remediation[1]	(61)	-	(61)
Revaluation of put option liabilities over non-controlling interests[1]	-	(41)	(41)
BIG W onerous contract provision reversal[1]	47	-	47
Total significant items before income tax from continuing operations	**(76)**	**(41)**	**(117)**
Income tax benefit	14	-	14
Total significant items from continuing operations	**(62)**	**(41)**	**(103)**

1 Included in branch and administration costs
2 Exit of the Summergate business comprises $28 million included in cost of sales and $2 million included in branch and administration expenses

Individually significant items have been highlighted to help better understand the financial performance of the Group during the period.

Supply chain transformation

As part of the Group's ongoing supply chain transformation, provisions for redundancy costs associated with the announced closure of four distribution centres in New South Wales and Victoria were recognised in prior periods. During the period, the Group reassessed the provision for redundancy costs and recognised an additional $32 million predominantly relating to increases in wage rates and redundancy terms specific to the relevant EAs for impacted team members, as agreed in EA negotiations during the period.

Exit of the Summergate business

During the period, the Group completed the sale of Summergate, the Group's alcoholic drinks distributor in China. The net assets and liabilities of the business were sold, with the purchaser assuming all ongoing trading liabilities of the business. This resulted in the Group recognising a net loss of $30 million during the period, reflecting the write down of net assets, primarily receivables and inventory, as part of the exit process.

End-to-end payroll review remediation

As part of the Group's end-to-end payroll review remediation program, the Group completed its remaining compliance testing and finalised remediation estimates relating to its multi-year review program. The analysis included the Group's supply chain operations, which had not been previously reviewed.

In the first half, the Group recognised a significant item provision of $61 million for prior period payment shortfalls due to non-compliance with EAs for hourly paid team members and other one-off remediation charges, such as interest and on-costs, predominantly across the Group's supply chain operations.

Revaluation of put option liabilities over non-controlling interests

The Group has recognised put option liabilities over its non-controlling interests of PFD, Quantium, and MyDeal. At each reporting period, the put option liabilities are reassessed to reflect the present value of the Group's best estimate of the amounts expected to be paid at the time of exercise. During the second half, a net revaluation cost of $41 million was recognised, primarily resulting from higher than forecast earnings and reductions in net debt.

BIG W network review

The Group previously announced the planned closure of certain BIG W stores and recognised onerous contract provisions relating to the anticipated costs of lease terminations. Ongoing negotiations with landlords resulted in a preferred strategy to exit these stores at the end of their current lease term. As a consequence, exit payments are no longer required, and therefore, the onerous contract provisions were reassessed, and a $47 million gain was recognised in the first half.

Group balance sheet

Group balance sheet as at 25 June 2023

$ MILLION	25 JUNE 2023	26 JUNE 2022	CHANGE
Inventories	3,698	3,593	105
Trade payables	(5,621)	(5,216)	(405)
Net investment in inventory	**(1,923)**	**(1,623)**	**(300)**
Trade, other receivables and prepayments	1,319	1,203	116
Other creditors, provisions and other liabilities	(4,559)	(4,358)	(201)
Fixed assets, investments, loans to related parties and convertible notes	10,082	10,000	82
Net assets held for sale or distribution	250	266	(16)
Intangible assets	5,693	5,278	415
Lease assets	9,467	9,995	(528)
Other assets	413	425	(12)
Total funds employed	**20,742**	**21,186**	**(444)**
Net tax balances	1,248	1,325	(77)
Net assets employed	**21,990**	**22,511**	**(521)**
Cash and borrowings	(2,620)	(3,260)	640
Derivatives	(60)	(46)	(14)
Net debt (excluding lease liabilities)	**(2,680)**	**(3,306)**	**626**
Lease liabilities	(11,980)	(12,471)	491
Total net debt	**(14,660)**	**(15,777)**	**1,117**
Put option over non-controlling interest	(765)	(630)	(135)
Net assets	**6,565**	**6,104**	**461**
Non-controlling interests	140	124	16
Shareholders' equity	6,425	5,980	445
Total equity	**6,565**	**6,104**	**461**

KEY RATIOS – BEFORE SIGNIFICANT ITEMS			
Closing inventory days (based on cost of sales)[1]	28.6	29.2	(0.6)
Closing trade payable days (based on cost of sales)[1]	(43.6)	(42.3)	(1.3)
Group ROFE (%)	14.9	13.7	1.2 pts

1 F22 restated to reflect the reclassification of DC costs from CODB to gross margin and reclassification of eCom overheads from gross margin to CODB

Inventories of $3,698 million increased by $105 million compared to the prior year due to inflation on the cost of goods, better availability as supply chains recovered, and higher PFD inventory driven by revenue growth. BIG W inventory was marginally higher than the prior year. Closing inventory days decreased 0.6 days reflecting the gradual reduction in inventory holdings as supply chains normalise but average inventory days increased by 1.1 days due to inflation and increased investment in inventory over the year.

Trade payables of $5,621 million increased by $405 million driven by inflation on goods purchased across all businesses, partly offset by a reduction in BIG W payables from reduced inventory purchases in Q4 to reflect lower sales.

Trade, other receivables and prepayments of $1,319 million increased by $116 million largely driven by the timing of receipts and revenue growth in PFD and Quantium as well as growth in Everyday Insurance receivables.

Other creditors, provisions and other liabilities of $4,559 million increased by $201 million driven mainly by an increase in employee-related accruals due to timing and team salary and wages growth.

Fixed assets, investments, loans to related parties and convertible notes of $10,082 million was largely in line with the prior year. Investment in new stores, property development, and refurbishments of existing stores was partly offset by a reduction in the Group's investment in Endeavour Group by $630 million following the sale of a 5.5% stake in December 2022.

Intangible assets of $5,693 million increased by $415 million following the recognition of intangibles assets on the acquisitions of MyDeal and Shopper Media.

Group balance sheet

Lease assets of $9,467 million decreased by $528 million driven by lease asset depreciation of $1,066 million, partially offset by lease asset additions and remeasurements of $559 million.

Total funds employed decreased by $444 million, due to higher payables and a decrease in lease assets, partly offset by an increase in inventory and intangible assets driven by the acquisitions of MyDeal and Shopper Media.

Net debt (excluding lease liabilities) of $2,680 million decreased by $626 million compared to F22 driven by higher operating cash flows and the proceeds from the sale of shares in Endeavour Group, partially offset by the cash outflow associated with acquisitions.

Lease liabilities of $11,980 million decreased by $491 million due to lease payments of $1,609 million, partially offset by interest expense of $542 million and new leases and remeasurements of $556 million.

Put option liabilities of $765 million increased by $135 million mainly driven by the recognition of a put option liability on acquisition of MyDeal of $79 million, and an upward revaluation of $41 million driven by higher than forecast earnings.

Group ROFE was 14.9%, an increase of 1.2 pts compared to F22 largely due to higher Group EBIT from continuing operations.

Group cash flow

Group cash flows for the 52 weeks ended 25 June 2023

$ MILLION	F23	F22	CHANGE
Group EBITDA – continuing operations	5,577	5,052	10.4%
Group EBITDA – discontinued operations	-	6,387	n.m.
Group EBITDA	**5,577**	11,439	(51.2)%
Working capital and non-cash			
(Increase) in inventories	(119)	(343)	(65.3)%
Increase in trade payables	371	165	124.8%
(Decrease)/increase in provisions	(37)	175	n.m.
Net change in other working capital and non-cash	224	(232)	n.m.
Net change in working capital and non-cash – discontinued operations	-	(6,387)	n.m.
Cash from operating activities before interest and tax	**6,016**	4,817	24.9%
Interest paid – leases	(542)	(542)	-
Net interest paid – non-leases	(133)	(59)	125.4%
Tax paid	(587)	(838)	(30.0)%
Total cash provided by operating activities	**4,754**	3,378	40.7%
Proceeds and advances from the sale of property, plant and equipment, subsidiaries and investments, net of cash disposed	1,020	385	165.2%
Payments for the purchase of property, plant and equipment and intangible assets	(2,519)	(2,416)	4.3%
Payments for the purchases of businesses net of cash acquired	(373)	(425)	(12.2)%
Other	28	(1)	n.m.
Total cash used in investing activities	**(1,844)**	(2,457)	(24.9)%
Repayment of lease liabilities	(1,067)	(1,019)	4.7%
Dividends paid (including to non-controlling interests)	(1,031)	(1,012)	1.9%
Proceeds from loan to related party	-	1,712	n.m.
Payments for share buy-backs	-	(2,000)	n.m.
Payments for shares held in trust	(110)	(125)	(12.0)%
Net cash flow	**702**	(1,523)	n.m.
Cash realisation ratio (%)	**113**	86[1]	

1 F22 adjusted for non-cash gain on demerger of Endeavour Group of $6,387m. F22 unadjusted CRR was 33%

EBITDA from continuing operations increased 10.4% to $5,577 million reflecting higher EBITDA from Australian Food, BIG W and Australian B2B, offset by lower EBITDA from New Zealand Food and the Other segment.

Increase in inventories of $119 million was due to higher inventory holdings across the Group reflecting the impact of inflation. The increase was lower than the prior year increase of $343 million where inventory holdings were increased in Australian Food and New Zealand Food to better manage supply chain disruption.

Increase in trade payables of $371 million reflects higher purchases largely driven by inflation.

Decrease in provisions of $37 million reflects the cash remediation of team members as well as the BIG W onerous contract provision reversal. In the prior year, the increase of $175 million reflected remediation costs and self-insurance.

Net change in other working capital and non-cash was an increase of $224 million primarily due to the non-cash revaluation of put option liabilities, a decrease in other receivables and an increase in the impairment of non-financial assets.

Cash from operating activities before interest and tax was $6,016 million, an increase of 24.9% or $1,199 million on the prior year, driven by increased EBITDA and favourable net working capital movements.

Interest paid – leases of $542 million was in line with the prior year.

Net interest paid – non-leases was $133 million, an increase of $74 million compared to the prior year due to the higher floating interest rates and higher average net debt during the year.

Tax paid decreased 30.0% compared to the prior year primarily driven by lower taxable income for F22, paid in F23.

Proceeds and advances from the sale of property, plant and equipment, subsidiaries and investments, net of cash disposed was $1,020 million. The increase in proceeds compared to the prior year was largely because of the sale of 5.5% of Endeavour Group in December.

Group cash flow

Payments for the purchase of property, plant and equipment and intangible assets of $2,519 million increased by 4.3% compared to the prior year primarily due to an increase in property development expenditure and stay-in-business capital expenditure.

Payments for the purchase of businesses, net of cash acquired of $373 million relates mainly to the acquisition of an 80.2% equity interest in MyDeal and 100% interest in Shopper Media.

Dividends paid (including to non-controlling interests) of $1,031 million increased by 1.9% compared to the prior year primarily due to an increase in the interim dividend per share, partially offset by a decline in shares on issue for the final dividend payment.

The **cash realisation ratio** for F23 was 113% (F22: 86%[1]) with favourable net working capital movements and lower cash tax paid compared to the current year's tax expense.

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 remains committed to solid investment grade credit ratings. The Group's credit ratings are BBB (stable outlook) according to Standard & Poor's and Baa2 (stable outlook) according to Moody's.

Financing transactions during F23

During F23 the Group refinanced or extended $1.9 billion of bilateral and syndicated bank debt facilities to new tenors ranging from 12 months to five years. These facilities are used to manage the Group's short term cash flow requirements and support its liquidity position.

Upcoming maturities and transactions

The Group has $400 million of domestic medium-term notes maturing in April 2024, which will be refinanced or repaid from existing committed undrawn bank facilities before maturity.

For further information

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Appendices

Appendix One: Quarterly sales summary

$ MILLION	Q4'23 12 WEEKS	Q4'22[1] 12 WEEKS	CHANGE
Australian Food	11,093	10,320	7.5%
Australian B2B	1,001	918	9.1%
New Zealand Food (AUD)	1,679	1,518	10.6%
New Zealand Food (NZD)	*1,815*	*1,675*	*8.3%*
BIG W	1,031	1,094	(5.7)%
Other	(17)	(18)	(0.5)%
Group sales	**14,787**	**13,832**	**6.9%**

TOTAL SALES GROWTH (%)[1]	Q1'23	Q2'23	H1 F23	Q3'23	Q4'23	H2 F23	F23
Australian Food	(0.4)%	5.9%	2.7%	7.8%	7.5%	7.6%	5.0%
Australian B2B	25.6%	20.2%	22.8%	14.9%	9.1%	12.0%	17.4%
New Zealand Food (AUD)	(8.1)%	1.3%	(3.5)%	7.0%	10.6%	8.7%	2.1%
New Zealand Food (NZD)	*(2.5)%*	*5.3%*	*1.3%*	*8.5%*	*8.3%*	*8.4%*	*4.6%*
BIG W	30.1%	5.8%	15.3%	5.7%	(5.7)%	(0.3)%	8.0%
Group sales	**1.8%**	**6.2%**	**4.0%**	**8.0%**	**6.9%**	**7.5%**	**5.7%**

COMPARABLE SALES GROWTH [1]	Q1'23	Q2'23	H1 F23	Q3'23	Q4'23	H2 F23	F23
Australian Food (Woolworths Food Retail)	(0.9)%	5.1%	2.0%	6.8%	6.4%	6.6%	4.2%
New Zealand Food (NZD)	(3.3)%	4.0%	0.3%	6.8%	7.2%	7.0%	3.5%
BIG W	29.9%	5.6%	15.1%	5.5%	(5.9)%	(0.5)%	7.8%

1 Prior periods restated to include Woolworths at Work as part of Australian Food

Appendices

Appendix Two: Five-year store and trading area analysis

STORES (NUMBER)	2023 FULL YEAR	2022 FULL YEAR	2021 FULL YEAR	2020 FULL YEAR	2019 FULL YEAR
Continuing operations					
NSW & ACT	349	346	343	334	324
QLD	256	253	250	242	237
VIC	273	270	268	265	253
SA & NT	79	79	78	78	78
WA	107	106	104	101	101
TAS	31	31	31	31	31
Mini Woolies[1]	*41*	*13*	*3*	*2*	*2*
Total Australian Food	**1,095**	**1,085**	**1,074**	**1,051**	**1,024**
New Zealand Supermarkets	191	190	184	182	180
BIG W	177	176	176	179	183
Total Group	1,463	1,451	1,434	1,412	1,387
Wholesale customer stores					
SuperValue and FreshChoice	72	72	71	70	70
Statewide Independent Wholesalers	220	220	220	220	220
Total wholesale customer stores	292	292	291	290	290
Exited businesses					
Summergate	-	2	2	1	1
Total Group including exited businesses	1,463	1,453	1,436	1,413	1,388
Trading area (sqm)					
Australian Food	2,491,102	2,460,633	2,435,065	2,382,764	2,330,830
New Zealand Supermarkets	422,818	421,142	410,229	405,425	404,032
BIG W[2]	1,004,537	1,004,914	1,004,914	1,021,775	1,045,260

1 Mini Woolies sites not included in trading area (sqm) calculation
2 BIG W trading area in F23 has been remeasured due to conversion of trading area to eStores

Appendices

Appendix Three: New stores, refurbishments, and new store rollout plans

F23	GROSS NEW STORES (INC. ACQUISITIONS)	NET NEW STORES (INC. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Australian Supermarkets	13	7	39
Metro Food Stores	5	3	4
New Zealand Food	4	1	12
BIG W	1	1	2
Total Group	**23**	**12**	**57**

Q4'23	GROSS NEW STORES (INC. ACQUISITIONS)	NET NEW STORES (INC. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Australian Supermarkets	-	(1)	14
Metro Food Stores	1	1	1
New Zealand Food	-	(1)	2
BIG W	-	-	2
Total Group	**1**	**(1)**	**19**

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

	MEDIUM TERM ANNUAL TARGET (NET)
Australian Food	
Woolworths Supermarkets	10-20 new full range supermarkets
Metro Food Stores	5–15 new Metro Food Stores
New Zealand Food	
Countdown	2-4 new supermarkets

Glossary

Active eCom customer	Customers that have made a purchase online in the last four weeks
AGW	Australian Grocery Wholesalers
B2B	Business to business
B2C	Business to customer
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
DAP	Directly-attributable profit only includes costs directly attributable to the B2C eCommerce business, such as picking, packing and delivery costs; CFC and variable DC costs; marketing costs; eCommerce support costs; and CFC and eCommerce-specific asset depreciation
DC	Distribution centre
Direct to boot (DTB)	Where a customer places an online order and drives to a dedicated area where a team member places the order directly in the customer's boot
EA	Enterprise agreement
eStore	Dedicated store for the fulfilment of online orders sometimes incorporating automation
Everyday Market	An integrated online marketplace that allows customers to shop products from other Woolworths Group brands and partners alongside their groceries
4-yr CAGR	Four-year compound annual growth rate. F23 results have been compared to normalised F19 results which have removed the impact of the 53rd week and if AASB 16 had been in place in F19
Funds employed	Net assets employed, excluding net tax balances
GMV	Gross merchandise value
MSRDC	Melbourne South Regional Distribution Centre
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)
NDC	National distribution centre
n.m.	Not meaningful
PC+	Primary Connect third-party logistics
Pick up	A service which enables collection of online shopping orders in store or at selected locations
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

Glossary

RT3	A new team rostering and store standards solution in Woolworths Supermarkets (right team, right task, right time)
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area of stores and fulfilment centres
Total net debt	Borrowings less cash balances, including debt hedging derivatives and lease liabilities
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 a percentage of customers providing a rating of six or seven on a seven-point scale
Voice of Team (VOT)	Survey measuring sustainable engagement of 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
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)

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

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Volume productivity metrics including transactions 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 from operating activities before interest and tax
- Significant items
- Net investment in inventory
- Net assets held for sale
- Closing inventory days
- Average inventory days