

21 February 2024

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

Half-Year Results Announcement

Attached for release to the market is the Half-Year Results Announcement for the period ended 31 December 2023.

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F24 Half-Year Profit and Dividend Announcement

For the 27 weeks ended 31 December 2023

21 February 2024



WooliesX driving Group growth; focus on delivering value for customers in H2

Customer & Sales		Group VOC NPS	Group sales	Group eCom sales	Average weekly Group Digital traffic
		50 ▼ 1 pt from Dec 2022	\$34.6B ▲ 4.4% from H23	\$3,950M ▲ 17.8% from H23	27M ▲ 20.5% from H23
Earnings & Dividend		Group EBIT ¹	Group NPAT before SI ²	Group NLAT after SI ³	Interim dividend
		\$1,692M ▲ 3.3% from H23	\$929M ▲ 2.5% from H23	\$(781)M ▼ n.m. from H23	47c ▲ 2.2% from H23
Team & Sustainability		Scope 1 & 2 emissions ⁴	Virgin plastic removed ⁵	Group Severity Rate ⁶	Group TRIFR
		▼ 40% from 2015 baseline	>15,800t 29% reduction from F18 baseline	1.44 ▼ 4% from F23	13.64 ▲ 11% from F23; more work to do on TRIFR

Woolworths Group CEO, Brad Banducci: "The Group's first half F24 result was mixed and reflects solid results from Australian Food and Australian B2B somewhat offset by the impacts of a very challenging trading environment on New Zealand and BIG W. Encouragingly, customer scores have held up with Group VOC NPS of 50, down one point on the prior year. Customer Care and shelf availability were the highlights; however, our customers' concerns about the cost of living continues to impact our Value for Money scores which remains our key focus for H2.

"Importantly, inflation in our Food businesses continued to moderate during the half as favourable conditions in Fruit & Vegetables and Meat led to price reductions in these categories. Across the Group, we also helped our customers to spend less through our Low Price and seasonal Prices Dropped programs, personalised member Rewards, affordable Own Brands, digital tools and Weekly Specials.

"H1 F24 Group sales increased 4.4% with around 40% of Group sales growth due to eCom which increased 17.8%. Group EBIT before significant items increased 3.3% with the Group EBIT margin of 4.9%, unchanged on the prior year. In Australian Food, H1 sales increased 5.4% (Q2: 4.5%) and EBIT increased 9.9% with around two-thirds of Australian Food EBIT growth attributable to WooliesX (including eComX, Cartology and Services). eComX sales grew 21.3% in the half due to strong growth in our Same Day offers with eComX DAP up 185% driven by pick and delivery process optimisation and increased scale.

"In New Zealand Food, we made good progress in our transformation but a value-focused customer, moderating price inflation and material wage inflation led to an EBIT decline of 42% during the half to NZ\$71 million. We are confident we are on the right path and have a strong customer plan to sustainably improve the performance of the business but recognise that it will be a multi-year journey. This was reflected in our decision to impair NZ\$1.6 billion of goodwill in the half.

"As foreshadowed last month, BIG W had a challenging first half. Outside of solid trading in key events like Black Friday and Christmas, customers are increasingly cautious and trading down. Lower sales together with elevated wage inflation and clearance activity to maintain inventory health had a material impact on earnings, with H1 F24 EBIT of \$54 million, down 60% on the prior year.

"Managing cost-of-living pressures remains the key issue for our customers and we are focused on helping our customers to spend less every time they shop with us. We also need to continue to invest in our teams and our platforms to strengthen the Group and deliver long-term sustainable outcomes for all our key stakeholders. As always, I would like to thank our hard-working team for their commitment and focus to building a better Group."

Key Group financial metrics

\$ MILLION	H24	H23	CHANGE
Group before significant items			
Sales	34,635	33,169	4.4%
EBITDA	3,079	2,924	5.3%
EBIT	1,692	1,637	3.3%
NPAT ²	929	907	2.5%
Basic EPS (cents) ²	76.2	74.8	2.0%
Group after significant items			
Net (loss)/profit after tax ³	(781)	845	n.m.
Basic (loss)/earnings per share (cents) ³	(64.1)	69.7	n.m.
Interim dividend per share (cents) – fully franked	47	46	2.2%

1 Before significant items

2 Attributable to equity holders of the parent entity before significant items

3 Attributable to equity holders of the parent entity after significant items

4 Emissions data reflects market-based reporting and includes ACCUs estimated to be issued in the period

5 Own brand virgin plastic packaging across Australian Food, New Zealand Food and BIG W

6 A blended rolling 12-month measure that includes all team and customer injuries/illnesses and their severity

H24 Group summary

Performance overview

Brad Banducci continued: "Team advocacy was a highlight for the half, particularly across our stores and distribution centres, with Group Voice of Team scores up eight points on the prior year. Our most recent Voice of Supplier survey results also remained strong with the combined score increasing four points in January 2024 compared to January 2023. 'In-store execution of promotional and marketing plans' as well as 'straightforward to do business with' showed the biggest improvements.

"Group Severity Rate improved in the half reflecting ongoing improvements in safety reporting. However, TRIFR increased on F23 largely due to an increase in manual handling injuries and we know we have more work to do in this area. During the half we rolled out enhanced measures for supermarkets at highest risk of violence and aggression and virtual reality safety training for over 40,000 store team members in Australia. In New Zealand, we also progressed the roll out of the Safer Stores program which includes initiatives such as trolley lock systems and double entry gates.

"**Australian Food** H1 total sales increased by 5.4% to \$25.9 billion boosted by strong eCom growth and items returning to modest growth. A material improvement in eCom profitability and ongoing growth in Media and Everyday services helped deliver an increase in Australian Food EBIT of 9.9%.

"**Woolworths Food Retail (Stores and eCom)** sales increased by 5.2% in the half (6.6% ex Tobacco) with item growth of 2.0% (2.1% ex Tobacco) mainly driven by eCom and increased demand for Fruit & Vegetables and Meat due to lower prices and improved shelf availability. Average prices continued to moderate over the half with Q2 average prices increasing 1.3% compared to 2.0% in Q1 and 7.7% in the prior year. Woolworths Food Retail EBIT increased by 8.2% with a 17 bps margin improvement on the prior year, primarily driven by the improvement in eComX DAP & EBIT as the EBIT margin for Stores remained stable in the half.

"**Woolworths Food Company's** own and exclusive brand sales increased by 6.8% for the half with item growth in Long Life Food and Fresh as customers recognised the value offered by our own brands. The Pantry, Drinks and Household Care categories were particularly strong. **Metro Food Stores** sales increased 9.1% in H1 supported by the opening of new stores and the continued recovery in customer mobility.

"**WooliesX** H1 total sales increased 27.5% as we continued to provide more convenient options for customers with Direct to boot and Same Day propositions driving online growth. Improvement in fulfilment capabilities led to B2C Same Day fulfilment mix reaching 43% in Q2, with 85% of orders fulfilled within 24 hours of order placement. Cartology revenue increased 14.6% in H1 supported by growth in sponsored search through Cartology Promoted Products. WooliesX H1 F24 DAP & EBIT increased 132.3% to \$168 million, with the DAP & EBIT margin increasing by 186 bps to 4.1% driving approximately two-thirds of Australian Food EBIT growth.

"**Australian B2B** sales for the half increased 2.8% and EBIT increased 45.7% with comparisons to the prior year impacted by exited businesses in F23. PFD's trading performance remained strong with sales growth of 8.1% in H1 driven by new customer growth and a recovery in key segments including airlines and cruise ships.

"**New Zealand Food** had a challenging half impacted by slowing sales due to moderating inflation and item declines reflecting the competitive trading environment. New Zealand Food sales increased by 2.3%¹ for the half and EBIT declined 41.7% to NZ\$71 million. Key transformation initiatives are already driving an uplift in customer scores and items returned to growth in Q2. We rebranded 34 stores to Woolworths New Zealand in the half with sales improvements relative to stores not yet rebranded. Despite this early progress, there remains much more to be done and we are committed to delivering more value and convenience for our New Zealand customers.

"**BIG W's** sales declined 4.1% in H1 and EBIT declined by 60.0% to \$54 million impacted by ongoing customer adjustments to cost-of-living pressures. Sales momentum improved modestly in Q2 (-3.1%) compared to Q1 (-5.5%) as customers shopped BIG W for their key seasonal events. Our Everyday range continued to resonate with customers, however, more discretionary categories such as Home underperformed as customers were increasingly cautious and traded down to lower price products. Despite this, closing inventory was below the prior year as we carefully managed seasonal stock through markdowns.

"In the **Other** segment, LBIT of \$68 million was 19.9% below the prior year and benefited from lower advanced analytics costs and higher proceeds from property sales compared to the prior year, offset somewhat by a lower contribution from Endeavour Group following a partial sell-down of our stake in December 2022.

"As previously announced, significant items of \$1.7 billion relate to the impairment of goodwill in New Zealand Food and a mark-to-market loss following our assessment that we no longer have significant influence over Endeavour Group.

¹ New Zealand dollars

Group strategic highlights

"We continued to make progress on our strategic agenda through strengthening our retail platforms including advanced analytics, digital and media, eCom fulfilment, loyalty and supply chain.

H24 Group summary

"Wiq co-created decision tools such as Next Gen Promotions and Quick Assist are delivering material improvements in performance, particularly in Woolworths Food Retail. Customers are increasingly engaging with us through our digital and online platforms with weekly average traffic to Group digital platforms reaching 29.3 million in Q2, up 17% on the prior year driven by growth in apps. Cartology is continuing to grow its retail media network leveraging capabilities from the Shopper acquisition through a new partnership with Vicinity Centres which will add more than 1,000 screens in over 50 centres by the end of F24.

"Another highlight during the half was the establishment of Woolworths MarketPlus, bringing together our marketplace capabilities across MyDeal, Everyday Market and BIG W into one team. In Q2 we launched BIG W Market, ahead of Black Friday with over 20,000 products, materially extending the range for customers. To support this, BIG W launched its first stand-alone centralised eCom fulfilment solution in partnership with NP Fulfilment in Eastern Creek, Sydney.

"In early January, we officially welcomed Petstock to Woolworths Group. Petstock will be part of W Living, which brings together BIG W, MarketPlus and HealthyLife as we continue to build out our general merchandise and speciality everyday needs ranges to better meet the needs of our customers.

"Our supply chain transformation is progressing well with practical completion of our Moorebank NDC achieved in August, two years after the initial sod turn and on track to be operational in H1 F25. Our Moorebank RDC is also progressing to schedule with high-bay racking completed in the half and on schedule to go live in F26.

Group sustainability highlights

"Sustainability highlights in the first half include a further 11.6% reduction in scope 1 and 2 emissions compared to H1 F23 and a 40% reduction from the 2015 baseline. This was supported by the installation of solar panels in 19 Supermarkets, five BIG W's and two distribution centres, reaching a total of 257 sites across Australia and New Zealand. In January, we commenced a new energy partnership with CleanCo in Queensland as we continue the transition to 100% renewable energy.

"As part of our ambition to improve circularity, we increased the volume of reusable plastic crates by 9% or two million cycles in H1 and made progress towards reinstating an in-store soft plastics collection and recycling program as part of the Soft Plastics Taskforce. The taskforce commenced a trial of a new in-store collection scheme earlier this month in Victorian metropolitan areas, with five Woolworths Supermarkets participating in the trial.

"Together with our customers, we helped deliver over \$11.5 million to our food relief charity partners including OzHarvest, Foodbank and Fareshare in Australia and The Salvation Army in New Zealand via our Christmas appeals and other giving programs. This supported the equivalent of over 18 million meals provided to those in need and diverted from landfill.

"Our Mini Woolies program reached an important milestone in the half, opening our 50th store at Coreen School in Blacktown in partnership with Fujitsu. The program reached 52 stores at the end of the half and by the end of F24, we plan to open a further 28 in Australia and our first two stores in New Zealand. The program now operates in Schools for Specific Purposes and post school providers that support people with disabilities as they transition to life beyond school."

Current trading and outlook

On current trading and outlook, Brad Banducci, said: "Sales in the first seven weeks of H2 F24 have continued to moderate reflecting lower inflation and a more cautious consumer. Delivering value for customers remains our number one priority for H2.

"In Australian Food, Woolworths Food Retail sales increased by approximately 1.5%¹ for the first seven weeks impacted by a further moderation in inflation and lower item growth. While underlying cost inflation (including wages) in H2 is expected to remain high, we have a strong productivity pipeline in place for H2 (and into F25). However, EBIT growth in H2 is expected to be below H1.

"New Zealand Food sales for the first seven weeks increased by approximately 1%¹. While we are seeing early progress, it will take some time for the transformation initiatives to reach full potential. With the launch of Everyday Rewards and the ongoing rebranding, we expect transformation costs of \$15 – \$25 million in H2, with H2 EBIT expected to be below H1.

"BIG W sales have declined by approximately 6%¹ for the first seven weeks. We expect an improving sales trend in Q4 as we begin to cycle material sales declines in the prior year and new initiatives land. However, H2 is typically a lower profit half for BIG W and at this stage, we expect H2 EBIT to be around breakeven levels.

"Other costs, excluding Woolworths Group's contribution from Petstock Group and Endeavour Group, are expected to be \$200 - \$220 million for the full year. H2 will also include Petstock for the first time with EBITDA expected to be \$60 - \$70 million for the half."

As a reminder, F24 includes a 53rd week.

¹ Sales for first seven weeks of H2 F24. Adjusted for the non-comparable timing of New Year's Day

H24 Group summary

Woolworths Group Chair, Scott Perkins:

"Woolworths Group's first half F24 results highlighted the benefits of our strategic investments over many years which have positioned us well to deliver for our customers, team and trade partners. However, we also know that we need to do more to improve the performance of New Zealand Food and BIG W. We are confident in our plans to manage the near-term challenges including addressing the cost-of-living pressures experienced by our customers and driving sustainable value for our shareholders over the longer-term.

"I am pleased to announce an interim dividend of 47 cents per share, up 2.2% on the prior year in line with NPAT growth before significant items."

[Click here to view further shareholder communication for these results, including video messages from other business leaders](#)

H24 Group strategic highlights



Build a better and safer tomorrow for our customers and team

- Awarded Roy Morgan's 'Best of the Best' most trusted brand for second consecutive year
- Rolled out comprehensive suite of safety initiatives to improve team and customer safety across Australia & New Zealand
- Equivalent of 18 million meals donated across Australia and New Zealand via food rescue partnerships
- **More to do** to deliver value for money for our customers and provide a safe working environment for our team

Leverage Everyday Rewards to unlock even more value for our members

- Over 675,000 new Everyday Rewards members in H1 with 9.4 million active members
- Launched Member Price in Woolworths and BIG W with over 5.2 million members accessing the offer to date. Everyday Extra subscribers grew by 70% in H1
- Launched Everyday Rewards in New Zealand in early February with over two million members transitioned and 150,000 new members
- **More to do** to grow Everyday Rewards engagement in New Zealand

Woolworths Retail: help all customers get their Woolies worth

- Over 3,000 products on Low Price and roll out of seasonal and Christmas Prices Dropped campaigns
- 7 net new stores and 28 renewals; 34 New Zealand supermarkets rebranded to Woolworths
- 726 Direct to boot enabled stores in Australia and New Zealand; launched first standalone Direct to boot site in Rose Bay
- **More to do** to help customers spend less and progress transformation of Woolworths New Zealand

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

- 32 new products launched in H1 as part of Woolworths Food Company's Christmas range driving 18% sales growth
- Strong sales growth in PFD including cruise ships, airlines and new quick-service restaurant openings
- Improved end-to-end sourcing across the Meat supply chain in Greenstock
- **More to do** to leverage own brands to deliver even more value for our customers

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

- Solid BIG W trading in key customer events including Black Friday and Christmas
- Established Woolworths MarketPlus; Group GMV growth of 7.9% due to strong growth in Everyday Market and the launch of BIG W Market in Q2
- Petstock Group partnership completed on 3 January. Work underway on joint value creation plans
- **More to do** to continue to expand marketplace offering and activate W Living as a Group

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

- Achieved practical completion of Moorebank NDC in August with the site on track to go live in H1 F25
- Approximately 40 million cartons picked across Australia and New Zealand helping to deliver a successful Christmas week
- Announced new Cartology partnership with Vicinity Centres, leveraging capabilities from Shopper acquisition, which will expand screen network by 40%
- Wiq Next Gen Promo and Quick Assist tools delivering benefits across the Group; machine learning markdown tool rolled out to BIG W
- **More to do** to build out wiq's decision tools and scale the HomeRun last mile fulfillment business

Group profit or loss

For the 27 weeks ended 31 December 2023

\$ MILLION	H24	H23	CHANGE
Group			
EBITDA before significant items	3,079	2,924	5.3%
Depreciation and amortisation ¹	(1,387)	(1,287)	7.8%
EBIT before significant items	1,692	1,637	3.3%
Finance costs	(358)	(346)	3.6%
Income tax expense	(397)	(380)	4.1%
NPAT before significant items	937	911	2.9%
Non-controlling interests	(8)	(4)	100.0%
NPAT attributable to equity holders of the parent entity before significant items	929	907	2.5%
Significant items after tax	(1,710)	(62)	n.m.
Net (loss)/profit after tax attributable to equity holders of the parent entity after significant items	(781)	845	n.m.
MARGINS - BEFORE SIGNIFICANT ITEMS			
Gross margin (%)	27.4	26.6	76 bps
Cost of doing business (CODB) (%)	22.5	21.7	81 bps
EBIT (%)	4.9	4.9	(5) bps
NPAT (%)	2.7	2.7	(5) bps
SUSTAINABILITY			
Scope 1 & 2 emissions (tonnes) ²	887,182	1,003,522	(11.6)%
EARNINGS PER SHARE AND DIVIDENDS			
Closing fully paid ordinary shares outstanding (million) ³	1,221.1	1,215.2	0.5%
Weighted average number of ordinary shares used in basic EPS (million)	1,218.7	1,212.8	0.5%
Group basic EPS (cents) before significant items	76.2	74.8	2.0%
Group diluted EPS (cents) before significant items	75.8	74.3	1.9%
Group basic (loss)/earnings per share (cents) after significant items	(64.1)	69.7	n.m.
Group diluted (loss)/earnings per share (cents) after significant items ⁴	(64.1)	69.3	n.m.
Interim dividend per share (cents) - fully franked ⁵	47	46	2.2%

¹ Depreciation and amortisation of \$154 million is included in cost of sales (H23: \$131 million)

² Scope 1 and 2 emissions data reflects market-based report and includes ACCUs issued to Woolworths Group for projects registered with the Emissions Reduction Fund. In F23, 237,356 ACCUs were included in the Group's scope 1 and 2 emissions (market-based). In F24, a maximum of 130,226 ACCUs are estimated to be included

³ Includes the fully paid ordinary shares on issue of 1,221.6 million (H23: 1,216.5 million), net of shares held in trust of 0.5 million (H23: 1.3 million)

⁴ Weighted average number of shares used in the diluted (loss)/earnings per share calculation is 1,218.7 million (H23: 1,220.1 million). Weighted average number of shares for the current period used in the diluted loss per share calculation is the same as used in the basic loss per share calculation as the effect of share rights expected to vest were anti-dilutive and excluded from the calculation

⁵ The 2024 interim dividend is payable on or around 11 April 2024

Group trading performance

H24 sales summary

\$ MILLION	H24	H23 ¹	CHANGE
Australian Food	25,899	24,560	5.4%
Australian B2B ²	2,323	2,258	2.8%
New Zealand Food (AUD)	3,858	3,703	4.2%
<i>New Zealand Food (NZD)</i>	4,172	4,079	2.3%
BIG W	2,595	2,708	(4.1)%
Other ^{2,3}	(40)	(60)	(32.1)%
Total Group	34,635	33,169	4.4%
Total Group eCommerce sales⁴	3,950	3,353	17.8%
eCommerce sales penetration (%) ⁵	12.2%	10.8%	138 bps
Average weekly traffic to Group digital platforms (million) ⁶	27.0	22.4	20.5%

H24 EBIT summary

\$ MILLION	H24	H23 ¹	CHANGE
Before significant items			
Australian Food	1,570	1,428	9.9%
Australian B2B	71	49	45.7%
New Zealand Food (AUD)	65	111	(40.6)%
<i>New Zealand Food (NZD)</i>	71	122	(41.7)%
BIG W	54	134	(60.0)%
Other ³	(68)	(85)	(19.9)%
Group EBIT before significant items	1,692	1,637	3.3%
Significant items	(1,714)	(76)	n.m.
Group EBIT	(22)	1,561	n.m.

1 H23 restated to include Woolworths at Work in Australian Food

2 Revenue from the sales of goods and services in Australian B2B includes \$187 million (H23: \$180 million) of freight revenue. However, at a Group level, this is reclassified and recognised as a reduction in cost of sales. As a result, \$187 million (H23: \$180 million) reduction has been recognised in Other. This has not resulted in a change to EBIT at a Group level

3 Other comprises Quantum and MyDeal (which are not considered separately reportable segments), as well as various support functions, including property 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 H23 has been restated to include Woolworths at Work and MyDeal

5 Group eCommerce penetration is calculated based on Australian Food, New Zealand Food, BIG W and MyDeal sales only

6 Group digital traffic metrics have been restated to reflect a change in reporting method

Group sales increased by 4.4% to \$34.6 billion with Australian Food delivering the strongest growth for the half. In Q2, sales growth rates moderated in the Food businesses as inflation continued to decline. However, sales trends improved in Q2 in Australian B2B due to cycling lower unprofitable meat sales in the prior year, offset somewhat by a modest slowdown in PFD sales growth. While still below the prior year, solid trading across Black Friday and Christmas led to an improvement in sales momentum in BIG W in Q2.

Group eCommerce sales continued the strong momentum from H2 F23 increasing by 17.8% to \$3,950 million in the half leading to an increase in Group eCom penetration of 138 bps to 12.2%. The strong growth was driven by Australian Food with WooliesX eCom sales increasing by 21.3%. Average weekly traffic to the Group's digital platforms grew at 20.5% to 27.0 million weekly visits driven by continued growth in apps.

Group gross margin (%) increased by 76 bps with increases in Australian Food offset by declines in BIG W and New Zealand Food reflecting the more challenging trading environment, price investment and changes in business mix.

Group CODB (%) increased by 81 bps largely driven by material team wage increases and other cost inflation across all businesses. In BIG W and New Zealand Food, the increase was further impacted by sales growth rates materially below cost inflation.

Group EBIT before significant items increased by 3.3% to \$1,692 million with a mixed performance by business. Australian Food (+9.9%), Australian B2B (+45.7%) and lower Other net costs (-19.9%) were positive

Group trading performance

EBIT growth drivers whereas New Zealand Food (-41.7%) and BIG W (-60.0%) detracted from EBIT growth. The Group EBIT margin before significant items was 4.9%, 5 bps below the prior year.

Finance costs increased 3.6% to \$358 million driven by higher borrowing rates on bank debt.

Income tax expense before significant items increased by 4.1%, largely in line with EBIT before significant items growth with an effective tax rate of 29.8% in the half.

NPAT attributable to equity holders of the parent entity before significant items increased 2.5% to \$929 million with EBIT growth somewhat offset by higher interest and tax. The Group NPAT margin on the same basis for the half was 2.7%. Group basic EPS before significant items increased by 2.0% to 76.2 cents.

Significant items after tax of \$1,710 million primarily comprises the impairment in New Zealand Food of \$1,501 million and a loss of \$209 million related to the mark-to-market of the Group's investment in Endeavour Group following the loss of significant influence.

Net loss after tax attributable to equity holders of the parent entity after significant items was \$781 million impacted by the significant items described above.

Australian Food

\$ MILLION	H24	H23 ¹	CHANGE
Total sales	25,899	24,560	5.4%
EBITDA	2,531	2,317	9.2%
Depreciation and amortisation	(961)	(889)	8.2%
EBIT	1,570	1,428	9.9%
Gross margin (%)	28.9	27.9	96 bps
CODB (%)	22.8	22.1	72 bps
EBIT to sales (%)	6.1	5.8	24 bps
Funds employed	9,468	9,916	(4.5)%
ROFE (%)	31.1	26.7	4.4 pts
Scope 1 & 2 emissions (tonnes) ²	769,361	859,886	(10.5)%

Sales performance by business

\$ MILLION	H24	H23 ¹	CHANGE
Woolworths Food Retail (Stores and eCom) ³	25,648	24,371	5.2%
WooliesX (including eCom) ⁴	3,262	2,694	21.1%
Accelerator revenue ⁵	58	26	124.9%
Elimination of eCom sales ⁶	(3,069)	(2,531)	21.3%
Total Australian Food sales	25,899	24,560	5.4%

1 H23 restated to include Woolworths at Work in Australian Food

2 Emissions data reflects market-based reporting and ACCUs estimated to be issued in the period

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 5.4% in H1 to \$25.9 billion with Woolworths Food Retail sales of 5.2% driven by strong eCom growth and a return to modest item growth. Inflation continued to moderate during the half with item growth also slowing in Q2, particularly in discretionary categories. WooliesX sales increased 21.1% with Same Day and Direct to boot propositions driving online growth. Accelerator revenue grew by 124.9% largely reflecting the continued expansion of MILKRUN in sub-60-minute delivery.

Gross margin (%) (ex Tobacco) increased by 78 bps (or 96 bps including Tobacco). Key drivers included strong Cartology and service income growth, cycling a collectibles program in the prior year and leveraging advanced analytics to reduce unprofitable promotions. Other increases came from Long Life mix and improved commodity sourcing, including Meat. Falling livestock prices, improved end-to-end sourcing and production efficiencies enabled lower prices for customers, with the Meat category broadly breakeven for the half. Stockloss was well managed and largely in line with the prior year.

CODB (%) increased 72 bps to 22.8% with cash CODB reflecting the 6.25% increase in store team wages and superannuation in July, a return to item growth in the half, energy inflation and the cost of servicing a higher online mix. Process improvement initiatives such as Customer 1st Availability and eCom picking optimisation supported better customer experiences and provided some offset to cost inflation in the half.

Depreciation and amortisation increased by 8.2% driven by new stores, renewals, supply chain and tech-enabled store and digital investments.

EBIT increased 9.9% to \$1,570 million with the EBIT margin increasing 24 bps to 6.1%. Two-thirds of EBIT growth was driven by WooliesX with eCom DAP up 185% on the prior year, and a growing contribution from media, loyalty and other services.

Woolworths Food Retail (Stores and eCom)

\$ MILLION	H24	H23 ¹	CHANGE
Total sales	25,648	24,371	5.2%
EBITDA	2,454	2,272	8.0%
Depreciation and amortisation	(920)	(855)	7.6%
EBIT	1,534	1,417	8.2%
EBIT to sales (%)	6.0	5.8	17 bps
Sales per square metre (\$)	19,304	18,470	4.5%

Sales performance by business

\$ MILLION	H24	H23 ^{1,2}	CHANGE
Woolworths Supermarkets (store-originated)	21,785	21,112	3.2%
Metro Food Stores (store-originated)	794	728	9.1%
eComX	3,069	2,531	21.3%
Woolworths Food Retail (Stores and eCom)	25,648	24,371	5.2%

EBIT & DAP performance by business

\$ MILLION	H24	H23 ¹	CHANGE
Stores (including support costs)	1,436	1,383	3.8%
eComX DAP	98	34	184.8%
Woolworths Food Retail (Stores and eCom)	1,534	1,417	8.2%

Operating metrics

	Q2'24	Q1'24	Q4'23	Q3'23
Customer metrics³				
VOC NPS (Store and Online)	50	48	49	46
Store-controllable VOC (%)	78	78	78	76
Sales productivity metrics				
Total sales growth	4.3%	6.1%	7.2%	7.6%
Comparable sales growth	3.8%	5.5%	6.4%	6.8%
Volume productivity metrics				
Comparable transactions growth	2.2%	4.0%	4.5%	8.0%
Comparable items per basket growth	(1.0)%	(2.4)%	(4.4)%	(7.6)%
Comparable item growth	1.2%	1.6%	(0.1)%	(0.1)%
Change in average prices				
Total	1.3%	2.0%	5.2%	5.8%
Total excluding Tobacco	0.9%	1.8%	5.2%	6.0%
Total excluding Tobacco and Fruit & Veg	1.9%	4.0%	6.7%	6.8%

1 H23 restated to include Woolworths at Work in Australian Food

2 H23 Woolworths Supermarkets (store-originated) and Metro Food Stores (store-originated) sales have been restated to reflect the conversion of nine Supermarkets to Metro Food Stores in Q1

3 Customer metrics represent the final month of the quarter

Trading performance

Customer advocacy improved compared to Q1 F24 with VOC NPS (Store and Online) improving two points to 50, and Store-controllable VOC remaining stable at 78%. Customer scores reflect sustained availability improvements in store and online over the half as well as higher Care scores during the Christmas trading period. Value for Money scores also stabilised compared to Q1 F24 but remained below the prior year impacting VOC NPS, with scores down two points on Q2 F23. Store-controllable VOC was flat compared to the prior year.

Woolworths Food Retail total sales increased 5.2% in the half (6.6% ex Tobacco) to \$25,648 million driven by item growth of 2.0% (ex Tobacco 2.1%) and moderating inflation. Item growth was mainly driven by increased demand for Fruit & Vegetables and Meat due to lower prices and improved availability. Comparable sales for the half increased 4.6% with Q2 comparable sales growth of 3.8% reflecting lower inflation and item growth than Q1.

Woolworths Supermarkets (store-originated) sales for H1 were \$21,785 million, up 3.2% (4.6% ex Tobacco) compared to the prior year. Strong customer demand for eCom continued in the half with sales of \$3,069 million, increasing 21.3% compared to the prior year. Christmas trading was strong in Long Life Food and Fresh with record sales, including Woolworths Food Company's bakery range and leg ham which was available as part of the Low Price program. However, customers continued to reduce spending in discretionary Everyday Needs categories such as Pet, Baby Care and Home Essentials, particularly from November.

Average prices in Q2 increased by 1.3% compared to the prior year with a further softening from the Q1 increase of 2.0%. Providing value to our customers was the key priority during the half under the 'We can help you spend less today' banner. This included seasonal and Christmas Prices Dropped campaigns, more than 3,000 products on Low Price, as well as the Everyday Rewards 'Boost your Budget' campaign and the launch of Member Price. In Q2, Fruit & Vegetables average prices declined by 6.4% due to an increased supply of berries, capsicums and zucchinis, and Meat average prices declined 7.2% as beef and lamb livestock prices softened. Excluding Tobacco and Fruit & Veg, average price growth in Q2 was 1.9% compared to 4.0% in Q1.

Team safety continued to be a critical focus with the roll out of tiered conflict bundles across all stores, which includes safety measures based on the level of risk by store, as well as the roll out of virtual reality safety training to over 40,000 front-of-store team members and all store leaders to support them to respond to potential acts of violence and aggression.

Metro Food Stores (store-originated) sales increased by 9.1% to \$794 million assisted by the opening of four new Neighbourhood stores and customer mobility supporting On the Go stores.

Woolworths Food Company's Own and Exclusive brand sales grew 6.8% during the half with item growth of 4.0%. Long life sales increased by 12.2% driven by strong growth across Pantry, Household Care and Everyday Chilled, including milk and cream.

Woolworths Food Retail's sales per square metre increased by 4.5% to \$19,304 with sales growth higher than average space growth of 1.8%. During the half nine net new stores were opened and 23 renewals were completed. At the end of the half, the total fleet comprised 1,001 Woolworths Supermarkets, 103 Metro Food Stores, 714 Direct to boot locations, seven CFCs and two eStores, and 52 Mini Woolies.

Woolworths Food Retail EBIT increased by 8.2% to \$1,534 million with the EBIT margin increasing 17 bps to 6.0% driven by a material improvement in eCom profitability during the half.

Together with our customers, Woolworths provided the equivalent of over 10 million meals to Australians in need as part our OzHarvest Christmas Appeal. Woolworths also continued to progress our disability inclusion strategy with the opening of 11 new Mini Woolies stores during H1.

WooliesX (including eCom)

\$ MILLION	H24	H23 ¹	CHANGE
Total sales	4,087	3,206	27.5%
DAP & EBIT before depreciation and amortisation	260	145	78.9%
Depreciation and amortisation	(92)	(73)	25.9%
DAP & EBIT	168	72	132.3%
DAP & EBIT to sales (%)	4.1	2.3	186 bps

Sales performance by platform

\$ MILLION	H24	H23 ¹	CHANGE
eComX (B2C and Woolworths at Work)	3,069	2,531	21.3%
Digital & Media (idX & Cartology), Rewards & Services (EverydayX) and HomeRun ²	1,018	675	51.0%
WooliesX total sales	4,087	3,206	27.5%
Eliminations and reclassifications ³	(825)	(512)	61.3%
WooliesX sales after eliminations and reclassifications	3,262	2,694	21.1%

DAP & EBIT performance by platform

\$ MILLION	H24	H23 ¹	CHANGE
eComX DAP	98	34	184.8%
Digital & Media (idX & Cartology), Rewards & Services (EverydayX), HomeRun and Digital Technology & Support EBIT	70	38	84.6%
WooliesX DAP & EBIT	168	72	132.3%

eComX metrics

	Q2'24	Q1'24	Q4'23	Q3'23
Customer metrics				
B2C Online VOC NPS (eCom and Digital)	62	61	61	58
eCommerce sales metrics				
eCommerce sales (\$ million)	1,510	1,559	1,248	1,300
eCommerce sales growth	24.4%	18.4%	17.2%	9.7%
eCommerce penetration	11.9%	12.0%	11.4%	10.6%
Pick up mix (% of eCommerce sales)	39.9%	39.7%	39.4%	38.6%

Digital metrics

	Q2'24	Q1'24	Q4'23	Q3'23
Food and Everyday digital platforms				
Average weekly traffic (million)	19.5	17.5	16.3	15.7
Average weekly traffic growth (year on year)	21.4%	25.2%	21.3%	28.4%
Group digital platforms⁴				
Average weekly traffic (million)	29.3	24.9	23.3	22.8
Average weekly traffic growth (year on year)	17.0%	24.5%	18.9%	25.8%

Everyday Rewards metrics

	Q2'24	Q1'24	Q4'23	Q3'23
Active members (million) ⁵	9.4	9.2	9.0	8.9
Scan rate (% of transactions) ⁶	57.5	56.2	55.7	54.9
Tag rate (% of sales) ⁶	71.3	70.0	69.2	68.8

1 H23 restated to include Woolworths at Work in Australian Food and a reclassification from other expenses to depreciation and amortisation

2 HomeRun is the Group's end-to-end, third-party delivery service provider

3 Eliminations and reclassifications represent the elimination of intercompany revenues for Everyday Rewards points, HomeRun, gift cards, wPay processing fees and the reallocation of Cartology revenue to cost of sales

4 Prior period restated to reflect a change in reporting method

5 Registered Everyday Rewards members that have scanned their card at any Woolworths Group banner or partner in the last 12 months

6 Woolworths Supermarkets only (Stores and eCom)

Trading performance

WooliesX total sales increased 27.5% to \$4,087 million, driven by growth across all platforms. DAP & EBIT increased 132.3% to \$168 million reflecting strong sales growth and productivity improvements with the DAP & EBIT margin increasing by 186 bps to 4.1%.

eComX sales increased 21.3% in the half to \$3,069 million, with eCommerce penetration reaching 11.9% in Q2, an increase of 192 bps on the prior year. Same Day, On Demand and Collection propositions continued to grow rapidly reflecting increased customer demand for convenience. Woolworths at Work sales increased by 27% on the prior year due to continued active customer growth.

B2C Online VOC NPS ended the half at 62, up one point on Q1 and two points on the prior year, reflecting improvements in real time order tracking, improved substitution selections, the launch of Member Price and introduction of the best unit price filter. Active eCom customers grew 14.1% on the prior year, reaching one million in December, with a higher share of loyal shoppers and subscribers.

Continued improvement in eCom fulfilment capabilities enabled the further rollout of Same Day collection and delivery orders up to 4 pm across most of the network. These capabilities supported growth in B2C Same Day fulfilment mix to 43% in Q2, with 85% of orders fulfilled within 24 hours of order placement, an increase of three points from Q4 F23 and seven points on the prior year. Pick up mix reached 39.9% of sales in Q2, up 247 bps on the prior year.

eComX DAP increased by 184.8% on the prior year to \$98 million driven by strong sales growth, productivity improvements including pick and delivery optimisation, as well as improved Pick up mix and efficiencies from targeted customer acquisition and retention initiatives.

Direct to boot is now available in 714 stores with a further 19 sites added during the half, including the first stand-alone Direct to boot site in Rose Bay, Sydney. During the half, 29 sites were upgraded as part of the renewal process.

In **Digital & Media**, digital engagement continued to grow with average weekly traffic to Food and Everyday digital platforms reaching 19.5 million weekly visits in Q2, up 21.4% on the prior year primarily driven by record traffic to the Woolworths and Everyday Rewards apps. Weekly average traffic to Group digital platforms reached 29.3 million in Q2, up 17% on the prior year. Weekly active users of the Woolworths app increased 32% on the prior year.

Cartology revenue increased by 14.6% during the half supported by strong digital advertising growth including growth in Cartology Promoted Products through sponsored search functionality. Highlights for the half included the roll out of over 400 health and beauty screens in store across Woolworths Supermarkets and the announcement of Cartology's new partnership with Vicinity Centres, which leveraged capabilities from the Shopper acquisition to add more than 1,000 screens to over 50 centres by the end of F24.

Rewards & Services platform sales increased by 20.4% in the half. Active Everyday Rewards members reached 9.4 million, with over 675,000 new members joining the program, up 7.7% on the prior year. This growth reflects the continued focus on delivering personalised member value, the launch of Member Price in Q1 and ongoing enhancements to the Everyday Rewards app. Member engagement remains strong with weekly active app users up 28.2% to two million, and scan and tag rates increasing by three points on the prior year as customers increasingly engage with Everyday Rewards. Everyday Extra continued to grow strongly in the half, providing members with additional benefits and more ways to save.

Woolworths Mobile was rebranded to Everyday Mobile in August 2023, enabling more value and benefits for Everyday Reward members. Everyday Insurance launched travel insurance in December 2023, further growing the Everyday portfolio.

HomeRun is the Group's last mile delivery platform and was launched during the half, bringing together the Group's last mile delivery capabilities for the first time. In the first six months as a Group platform, HomeRun, through the existing fleet and crowd-sourced partners, has delivered 10 million orders and improved the efficiency and customer experience of last mile delivery services.

Australian B2B

\$ MILLION	H24	H23 ¹	CHANGE
Total sales	2,323	2,258	2.8%
EBITDA	133	101	31.2%
Depreciation and amortisation	(62)	(52)	17.7%
EBIT	71	49	45.7%
EBIT to sales (%)	3.0	2.1	89 bps
Funds employed	1,316	1,209	8.9%
ROFE (%)	6.7	6.0	70 bps
Scope 1 & 2 emissions (tonnes) ²	36,577	36,863	(0.8)%

Sales performance by business

\$ MILLION	H24	H23 ¹	CHANGE
B2B Food (Woolworths Food Company 3 rd party)	1,653	1,627	1.5%
B2B Supply Chain (Primary Connect 3 rd party)	670	631	6.2%
Total Australian B2B sales	2,323	2,258	2.8%

1 H23 restated to include Woolworths at Work in Australian Food

2 Emissions data reflects market-based reporting and ACCUs estimated to be issued in the period

Trading performance

Australian B2B total sales for the half increased 2.8% to \$2,323 million. Excluding exited businesses, Australian B2B total sales increased by 5.2%.

B2B Food sales increased by 1.5% to \$1,653 million driven by a strong half from PFD with sales increasing by 8.1% due to new and existing customer growth. PFD also benefited from a recovery in airline and cruise ship sales and new store openings in the quick service restaurant channel. B2B Food sales growth was partly offset by a decline in AGW sales due to cycling unprofitable bulk meat sales that were exited in H2 F23 as well as the closure of Woolworths International and sale of Summergate in F23.

B2B Supply Chain sales increased by 6.2% in H1 to \$670 million. This was driven by an increase in external primary freight services with new customer and business growth in PC+'s commercial cross-dock warehouses offset by softer freight volume.

Australian B2B EBIT for the half increased 45.7% to \$71 million reflecting PFD growth, cycling losses in the prior year from exited businesses, and unprofitable bulk meat sales.

ROFE increased by 70 bps to 6.7% driven by the strong improvement in EBIT with average funds employed largely flat.

PC+ continued to scale volume and operations through its three new cross-dock locations, with additional revenue growth through other transport services, including parking, maintenance services and office space. MyPC+ (My Primary Connect), an internally developed platform to support PC+ customers and transport partners with order management, invoicing and reporting, was also launched in May with over 900 supplier and carrier partners onboarded by the end of H1.

Primary Connect achieved key construction milestones in the half as part of its multi-year supply chain transformation including practical completion of Moorebank NDC with the site progressing to plan to go live in H1 F25 as well as good progress at Moorebank RDC with the high-bay racking completed and on track for launch in F26. Construction of Auburn CFC is also progressing well; however, it is likely that the opening will be delayed until calendar 2025.

New Zealand Food

\$ MILLION (NZD)	H24	H23	CHANGE
Total sales	4,172	4,079	2.3%
EBITDA	242	286	(15.2)%
Depreciation and amortisation	(171)	(164)	4.6%
EBIT	71	122	(41.7)%
Gross margin (%)	22.6	22.8	(18) bps
CODB (%)	20.9	19.8	110 bps
EBIT to sales (%)	1.7	3.0	(128) bps
Sales per square metre (\$)	18,474	17,704	4.3%
Funds employed	3,354	4,915	(31.8)%
ROFE (%)	4.6	5.0	(46) bps
Scope 1 & 2 emissions (tonnes) ¹	25,613	33,569	(23.7)%

Sales performance by business

\$ MILLION (NZD)	H24	H23	CHANGE
Woolworths New Zealand Supermarkets (store-originated)	3,286	3,212	2.3%
Franchise and other revenue ²	346	327	5.8%
eCommerce	540	540	0.0%
Total New Zealand Food sales	4,172	4,079	2.3%

Operating metrics

	Q2'24	Q1'24	Q4'23	Q3'23
Customer metrics				
VOC NPS (Store and Online)	43	38	38	37
Store-controllable VOC (%)	78	77	76	73
Sales productivity metrics				
Total sales growth	1.7%	2.8%	8.3%	8.5%
Comparable sales growth	2.5%	2.6%	7.2%	6.8%
Volume productivity metrics				
Comparable transactions growth	5.2%	4.8%	9.8%	11.9%
Comparable items per basket growth	(4.2)%	(8.9)%	(11.1)%	(14.4)%
Comparable item growth	0.8%	(4.5)%	(2.4)%	(4.1)%
Change in average prices				
Total	1.7%	6.3%	9.2%	9.5%

¹ Emissions data reflects market-based reporting

² Includes franchise and export sales

New Zealand Food

WooliesX New Zealand

	Q2'24	Q1'24	Q4'23	Q3'23
Customer metrics				
Online VOC NPS (eCom and Digital)	56	52	50	49
eCommerce sales metrics				
eCommerce sales (NZD million)	267	273	230	232
eCommerce sales growth	4.7%	(4.2)%	(2.4)%	(8.1)%
eCommerce penetration	12.6%	13.2%	12.7%	11.5%
Loyalty				
Onecard members (million)	1.9	1.9	1.9	1.9
Onecard scan rate (% of transactions)	57.9	58.8	59.0	57.7
Onecard tag rate (% of sales)	74.6	75.2	75.3	74.3

Trading performance

New Zealand Food's customer metrics strengthened throughout the half driven by early progress from transformation initiatives. VOC NPS (Store and Online) ended Q2 at 43, up five points on Q1 and in line with the prior year. Value for Money perceptions were up four points compared to December 2022 as the reset of key price mechanics during the period resonated well with customers. Store-Controllable VOC increased one point on Q1 and was up two points on the prior year.

New Zealand Food's total sales increased 2.3% in H1 to \$4,172 million with comparable sales increasing by 2.5%. Comparable items returned to growth in Q2, increasing by 0.8% following a 4.5% decline in Q1. Item growth in Q2 was offset by average prices which moderated significantly with an increase of 1.7% compared to 6.3% in Q1 and over 9% in H2 F23. The moderation was largely as a result of better availability driven by improved growing conditions in Fruit & Vegetables, combined with a slowing rate of cost inflation and a continued focus on value for customers.

Franchise and other sales increased by 5.8% with sales growth driven by two new FreshChoice stores and the conversion of eight SuperValue stores to FreshChoice.

eCom sales in H1 were flat with penetration decreasing 29 bps on the prior year to 12.9% as customers returned to in-store shopping. However, momentum improved towards the end of the half with growth of 4.7% in Q2 and 5.4% during the Christmas week. Online VOC NPS ended the year at 56, up two points on the prior year and four points on Q1 driven by improvements in complete orders and availability.

Progress in scaling Woolworths New Zealand's eCom network continued during the half with 12 Direct to boot sites opened, the roll out of MILKRUN to 32 stores and Express Pick up available in 147 stores at the end of the half. After a successful soft launch in October, Everyday Rewards officially went live on 1 February with over two million members transitioned to date and 150,000 new members joining since launch. Other digital highlights in the half include strong growth in Cartology NZ, increasing 7.2% compared to the prior year and an increase in weekly active app users, up 22% compared to the prior year with improved digital customer NPS scores.

Sales per square metre increased 4.3% reflecting higher sales offset by an increase in average space of 0.7%. During the half, one new Woolworths New Zealand store was opened, two stores were permanently closed and another store was closed with a replacement store opening in 2025. Five renewals were also completed. At the end of the half, the total store network of 263 stores comprised 189 Woolworths New Zealand stores, 27 SuperValue and 47 FreshChoice stores.

Gross margin (%) decreased 18 bps compared to the prior year driven by price investment following the launch of new pricing mechanics, investment into Fresh and own brand, and higher freight costs, somewhat offset by cycling a collectible program in the prior year and an improvement in stockloss.

CODB (%) increased 110 bps primarily reflecting the store team wage increase of 7% in July as well as transformation costs, including the launch of MILKRUN and the scaling up of New Zealand Grocery Wholesalers business. Other material cost increases included a 4.6% increase in depreciation and amortisation arising from investment in the store network, including the rebranding of stores and supply chain transformation.

New Zealand Food

EBIT declined 41.7% on the prior year to \$71 million with the EBIT margin decreasing 128 bps to 1.7%.

ROFE declined 46 bps to 4.6% primarily due to lower EBIT. The reduction in closing funds employed was due to the goodwill impairment of \$1.6 billion.

Initiatives supporting our sustainability agenda included the roll out of healthier checkouts across all Woolworths New Zealand supermarkets, including the removal of kids' confectionery from checkouts and 80% of snacks at the checkouts to have a Health Star Rating of 3.5 or above. During the half Woolworths New Zealand held its annual Christmas Appeal for The Salvation Army with customers donating \$211,000 to help New Zealanders in need and Woolworths New Zealand matching customer donations to the appeal up to \$200,000.

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BIG W

\$ MILLION	H24	H23	CHANGE
Total sales	2,595	2,708	(4.1)%
EBITDA	163	239	(32.1)%
Depreciation and amortisation	(109)	(105)	3.5%
EBIT	54	134	(60.0)%
Gross margin (%)	30.5	31.9	(143) bps
CODB (%)	28.5	27.0	146 bps
EBIT to sales (%)	2.1	5.0	(289) bps
Sales per square metre (\$)	4,622	4,765	(3.0)%
Funds employed	1,201	1,256	(4.4)%
ROFE (%)	5.0	13.6	(8.6) pts
Scope 1 & 2 emissions (tonnes) ¹	37,983	54,893	(30.8)%

Sales performance by business

\$ MILLION	H24	H23	CHANGE
BIG W (store-originated)	2,312	2,423	(4.5)%
eCommerce	283	285	(0.7)%
Total BIG W sales	2,595	2,708	(4.1)%

Operating metrics

	Q2'24	Q1'24	Q4'23	Q3'23
Customer metrics				
VOC NPS (Store and Online)	60	62	63	64
Store-controllable VOC (%)	80	82	83	83
Sales productivity metrics				
Total sales growth	(3.1)%	(5.5)%	(5.7)%	5.7%
Comparable sales growth	(3.1)%	(5.6)%	(5.9)%	5.5%
Volume productivity metrics				
Comparable transactions growth	(1.4)%	(4.3)%	(5.1)%	6.8%
Comparable items per basket growth	(3.4)%	(3.4)%	(5.6)%	(5.8)%
Comparable item growth	(4.8)%	(7.6)%	(10.4)%	0.6%

BIG W X

	Q2'24	Q1'24	Q4'23	Q3'23
Customer metrics				
Online VOC NPS (eCom and Digital)	58	66	64	67
eCommerce sales metrics				
eCommerce sales (\$ million)	173	110	106	91
eCommerce sales growth	0.1%	(2.0)%	(4.4)%	(1.9)%
eCommerce penetration	11.8%	9.7%	10.2%	8.7%
Loyalty				
Everyday Rewards scan rate (% of transactions)	56.5	54.7	54.5	53.9

¹ Emissions data reflects market-based reporting and ACCUs estimated to be issued in the period

Trading performance

BIG W's customer metrics in December were impacted by a seasonal decline after a busy Christmas period, particularly across eCom. VOC NPS (Store and Online) ended the half at 60, down two points on Q1 and the prior year mainly driven by a decline in eCom metrics. Store-controllable VOC ended the half at 80%, down two points on Q1 and one point on the prior year. Providing consistent eCom experiences for our customers during peak trading periods remains a key priority.

BIG W total sales were down 4.1% in H1 to \$2,595 million with items down 6.0% on the prior year reflecting a challenging trading environment and a reduction in customer discretionary spending. Sales trends improved in Q2, compared to Q1, with total sales down 3.1% driven by Black Friday and Christmas events. Across the four key trading segments, Play saw an uplift in item growth in Q2 with own brand toy range Somersault a highlight. Everyday, which includes Health, Beauty and Pet Care categories continued to resonate with customers with sales in the half broadly flat on the prior year with a strong performance in Beauty. However, discretionary areas including Clothing and Home were most impacted. While there is more to do, BIG W continued its focus on providing customers with value during the half through dropping prices on over 2,350 products, the launch of Member Price and a reduction in lay-by service fees.

BIG W X's eCom sales declined 0.7% in the half to \$283 million; however, eCom penetration in the half increased to 10.9% from 10.5% in the prior year. eCom sales momentum improved in Q2 with sales increasing by 0.1% compared to the prior year. A focus on digital engagement in the half helped drive traffic growth of 9.9% as well as increased BIG W app downloads and usage. Everyday Rewards scan rates increased to 56.5% in Q2 due to growth in active members and the launch of Member Price. BIG W Market was launched before Black Friday with strong early trading results as well as driving new traffic to the BIG W website. In partnership with MyDeal, BIG W Market has scaled rapidly with over 20,000 additional products now available to customers.

BIG W total store numbers remained unchanged at 177. Sales per square metre decreased by 3.0% reflecting lower sales.

Gross margin (%) decreased 143 bps in H1 to 30.5% and was mainly driven by increased clearance in Autumn/Winter clothing, significant investments in opening price points to provide the best value to customers and category mix. Gross margin was also impacted by higher stockloss, partly offset by productivity improvements across the supply chain. Gross margin improved in Q2 following clearance activity in Q1 and improved sell-through of Spring/Summer clothing.

CODB (%) increased 146 bps mainly due to lower sales. CODB dollars increased by 1.0% with productivity improvements and effective management of volume-based costs partially offsetting higher wages.

EBIT decreased 60.0% to \$54 million at an EBIT margin of 2.1%, down from 5.0% in the prior year.

Closing inventory was below the prior year as purchases were managed in line with trade and clearance activity was used to maintain strong inventory health. The lower inventory more than offset the increased investment in digital and other strategic initiatives leading to a 4.4% decrease in funds employed.

ROFE decreased by 8.6 pts to 5.0%, reflecting the decline in EBIT.

During the half BIG W continued its support for communities raising over \$80,000 for the Australian Literacy & Numeracy Foundation's Breakfast Library program and over \$70,000 in customer fundraising for Good360, with both fundraisers matched by the business. At Christmas, BIG W stores raised over \$393,000 for local Children's Hospitals and research institutes across the country and collected over 42,000 gifts across stores for families in need through local charity partners as part of the Giving Tree initiative.

Other

\$ MILLION	H24	H23	CHANGE
Gross revenue	147	120	22.1%
Eliminations ¹	(187)	(180)	4.1%
Total revenue	(40)	(60)	(32.1)%
EBITDA	29	8	262.7%
Depreciation and amortisation	(97)	(93)	5.1%
LBIT	(68)	(85)	(19.9)%

¹ Revenue in Australian B2B includes \$187 million (H23: \$180 million) of freight revenue. However, at a Group level, this is reclassified and recognised as a reduction in cost of sales. As a result, \$187 million (H23: \$180 million) reduction has been recognised in Other. This has not resulted in a change to EBIT at a Group level

Other includes Group functions such as Property, Group overheads as well as Woolworths Group's investments in Quantum, MyDeal and Endeavour Group. From H2, Woolworths Group will recognise its share of dividends received from Endeavour Group during the period following the assessment at 31 December that Woolworths Group no longer had significant influence over Endeavour Group. The earnings contribution from Petstock Group will also be included in Other in H2 F24.

Gross revenue increased by 22.1% due to Quantum revenue growth and an entire half of MyDeal revenue compared to a partial period in the prior year. Woolworths MarketPlus GMV (including Everyday Market, BIG W Market and MyDeal) increased 7.9% with strong growth in Everyday Market and BIG W Market offset by a decline in MyDeal GMV. MyDeal's growth was in line with broader market trends with a modest increase in share across the combined MarketPlus portfolio. Quantum revenue increased by 7% compared to the prior year with strong growth in Consumer and Retail.

EBITDA increased to \$29 million primarily driven by lower advanced analytics costs and higher proceeds from property sales offset somewhat by a lower contribution from Endeavour Group reflecting the partial sale of Woolworths Group's stake in December 2022. Depreciation and amortisation increased by 5.1% to \$97 million. LBIT of \$68 million declined by 19.9% compared to the prior year.

Significant items

\$ MILLION	PROFIT/(LOSS) BEFORE TAX
New Zealand Food impairment	(1,505)
Loss of significant influence over Endeavour Group	(209)
Total Group significant items before income tax	(1,714)
Income tax benefit ¹	4
Total Group significant items	(1,710)

¹ Relates to the tax impact on the \$13 million (NZ\$14 million) of property, plant and equipment impaired during the period. There is no tax impact on the impairment of goodwill and the loss of significant influence over Endeavour Group as these items are not tax deductible

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

New Zealand Food impairment

During the period, the trading performance of New Zealand Food continued to be impacted by a challenging economic environment and competitive landscape. Whilst progress was made during the period on the New Zealand Food transformation agenda, including improved customer metrics and an improvement in sales momentum towards the end of the period, the ongoing challenging environment led to a review of forecasts for the business for the next three years.

Due to a weaker medium-term market outlook in New Zealand, the significant uncertainty surrounding the time for the transformation initiatives to reach full potential, and the impact of higher interest rates on discount rates, all of which are indications of impairment, the recoverable amount of New Zealand Food was estimated based on its value in use and could no longer be supported. A non-cash impairment of \$1,492 million (NZ\$1,613 million) was made against goodwill within intangible assets and recognised as a significant item.

In addition, the Group recognised a \$13 million impairment (NZ\$14 million) as a significant item relating to property, plant, and equipment (signage) as a result of the transformation and rebranding of Countdown to Woolworths New Zealand.

Loss of significant influence over Endeavour Group

Woolworths Group currently holds a 9.1% interest in Endeavour Group. The Group has reviewed the facts and circumstances that affect the Group's assessment of significant influence over Endeavour Group and believes that as at 31 December 2023, it no longer has significant influence. As a result, the Group discontinued the equity method of accounting and recognised its investment in Endeavour Group as a financial asset at fair value through equity with a loss of \$209 million recognised in the half, which represents the difference between the derecognition of the carrying value of its equity accounted investment and the fair value of its investment in Endeavour Group as at 31 December 2023.

Group balance sheet

Group balance sheet as at 31 December 2023

\$ MILLION	31 DEC 2023	25 JUNE 2023	CHANGE	1 JAN 2023
Inventories	3,999	3,698	301	3,944
Trade payables	(6,064)	(5,621)	(443)	(5,570)
Net investment in inventory	(2,065)	(1,923)	(142)	(1,626)
Trade, other receivables and prepayments	1,331	1,319	12	1,358
Other creditors, provisions and other liabilities	(4,639)	(4,559)	(80)	(4,541)
Fixed assets and investments	10,152	10,082	70	9,882
Net assets held for sale	352	250	102	194
Intangible assets	4,198	5,693	(1,495)	5,708
Lease assets	9,432	9,467	(35)	9,696
Other assets	387	413	(26)	410
Total funds employed	19,148	20,742	(1,594)	21,081
Net tax balances	1,290	1,248	42	1,336
Net assets employed	20,438	21,990	(1,552)	22,417
Cash and borrowings	(2,536)	(2,620)	84	(3,106)
Derivatives	(62)	(60)	(2)	(119)
Net debt (excluding lease liabilities)	(2,598)	(2,680)	82	(3,225)
Lease liabilities	(11,835)	(11,980)	145	(12,102)
Total net debt	(14,433)	(14,660)	227	(15,327)
Put option liabilities over non-controlling interests	(774)	(765)	(9)	(716)
Net assets	5,231	6,565	(1,334)	6,374
Non-controlling interests	134	140	(6)	131
Shareholders' equity	5,097	6,425	(1,328)	6,243
Total equity	5,231	6,565	(1,334)	6,374
KEY RATIOS - BEFORE SIGNIFICANT ITEMS			CHANGE ON H23	
Closing inventory days (based on cost of sales) ¹	30.4	28.6	(1.1)	31.5
Closing trade payable days (based on cost of sales) ¹	(46.0)	(43.6)	(1.4)	(44.6)
Group ROFE (%)	15.7	14.9	148 bps	14.2

¹ H23 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 \$3,999 million increased by \$301 million compared to F23 due to seasonal volume increases and inflation. Compared to H1 F23, Group inventory was broadly unchanged with higher inventory in Australian Food due to inflation offset somewhat by lower Meat inventory and a reduction in inventory in BIG W and New Zealand Food. Compared to H1 F23, closing inventory days decreased by 1.1 days and average inventory days decreased by 0.1 days.

Trade payables of \$6,064 million increased \$443 million compared to F23 driven by seasonal volume growth and inflation, and later timing of purchases in BIG W. This was partially offset by the earlier timing of payments compared to the prior year.

Other creditors, provisions and other liabilities of \$4,639 million increased by \$80 million driven mainly by an increase in employee related provisions.

Fixed assets and investments of \$10,152 million was broadly in line with F23. Investment in fixed assets for new and existing stores, property development, supply chain and IT infrastructure was largely offset by depreciation and property transferred to assets held for sale. Investments also declined by \$209 million reflecting the mark-to-market of the Group's investment in Endeavour Group following the derecognition of the Group's equity accounted investment and the recognition of the investment at fair value upon loss of significant influence.

Intangible assets of \$4,198 million decreased by \$1,495 million reflecting the New Zealand Food goodwill impairment.

Lease assets of \$9,432 million was broadly in line with F23 with lease asset depreciation of \$572 million offset by lease asset additions and remeasurements of \$543 million.

Total funds employed of \$19,148 million decreased by \$1,594 million mainly driven by New Zealand Food goodwill impairment.

Lease liabilities of \$11,835 million decreased by \$145 million driven by lease payments of \$985 million, partially offset by lease liability additions and remeasurements of \$551 million and interest expense of \$283 million.

Group ROFE was 15.7%, an increase of 78 bps compared to F23 and 148 bps compared to H1 F23 largely due to higher Group EBIT. Excluding the impact of the New Zealand Food goodwill impairment on funds employed, ROFE would have been 15.3%, up 110 bps on the prior year.

Group cash flow

Group cash flows for the 27 weeks ended 31 December 2023

\$ MILLION	H24	H23 ¹	CHANGE
Group EBITDA before significant items	3,079	2,924	5.3%
Working capital and non-cash			
(Increase) in inventories	(301)	(360)	(16.4)%
Increase in trade payables	443	343	29.2%
Increase/(decrease) in provisions	64	(65)	n.m.
Net change in other working capital and non-cash items	121	33	n.m.
Cash from operating activities before interest and tax	3,406	2,875	18.5%
Interest paid – leases	(333)	(320)	4.1%
Net interest paid – non-leases	(67)	(52)	28.8%
Tax paid	(424)	(354)	19.8%
Total cash provided by operating activities	2,582	2,149	20.1%
Proceeds and advances from the sale of property, plant and equipment, subsidiaries and investments, net of cash disposed	124	793	(84.4)%
Payments for the purchase of property, plant and equipment and intangible assets	(1,315)	(1,274)	3.2%
Payments for the purchases of businesses net of cash acquired	(8)	(365)	(97.8)%
Other	10	7	42.9%
Total cash used in investing activities	(1,189)	(839)	41.7%
Repayment of lease liabilities	(652)	(580)	12.4%
Dividends paid (including to non-controlling interests)	(613)	(554)	10.6%
Payments for shares held in trust	(1)	(1)	-
Net cash flow	127	175	(27.4)%
Normalised cash realisation ratio¹ (%)	111	101	

1 H23 excludes \$76 million related to significant items which was previously reflected in EBITDA, working capital and non-cash items

2 Cash realisation ratio in H24 has been normalised to exclude the New Zealand Food goodwill impairment of \$1.5 billion (NZ\$1.6 billion) and the derecognition of equity accounting of the Endeavour Group of \$209 million due to the loss of significant influence

EBITDA before significant items increased 5.3% to \$3,079 million reflecting higher EBITDA from Australian Food and Australian B2B, partially offset by lower EBITDA from BIG W and New Zealand Food.

Increase in inventories of \$301 million reflects higher inventory holdings in Australian Food driven by inflation and category mix impacts, partially offset by lower inventory holdings in BIG W following the prudent management of inventory levels and improved sell-through of seasonal lines in Q2 F24.

Increase in trade payables of \$443 million reflects an increase in seasonal volume growth and the later timing of purchases in BIG W reflecting improved supply chain efficiency.

Increase in provisions of \$64 million in H1 F24 compared to a decrease in provisions of \$65 million in the prior year. The increase reflects the increase in employee provisions and lower remediation payments during H1 F24 compared to the prior year.

Net change in other working capital and non-cash items was an increase of \$121 million primarily due to a decrease in trade receivables.

Cash from operating activities before interest and tax increased 18.5% to \$3,406 million in the half.

Interest paid – leases reflects a modest increase in lease interest and **net interest paid – non-leases** increased \$15 million to \$67 million due to higher floating interest rates on bank debt.

Tax paid increased 19.8% compared to the prior year driven by higher taxable income for F23, paid in H1 F24.

Proceeds and advances from the sale of property, plant and equipment, subsidiaries and investments, net of cash disposed was \$124 million, relating mainly to property sales in Australia and New Zealand. The prior year included the proceeds of the sale of a 5.5% ownership interest in Endeavour Group of \$634 million.

Payments for the purchase of property, plant and equipment and intangible assets of \$1,315 million was largely in line with the prior year.

Payments for the purchases of businesses net of cash acquired declined materially on the prior year with H1 F23 reflecting the purchase of MyDeal and Shopper Media.

Repayment of lease liabilities of \$652 million increased 12.4% reflecting new property leases entered into during the half including two distribution centres.

Dividends paid (including to non-controlling interests) of \$613 million increased by 10.6% and reflects the increase in the F23 final dividend per share of 9.4%.

The normalised cash realisation ratio was 111% (H1 F23: 101%) with favourable working capital movements offset somewhat by higher cash interest and tax payments.

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 H24

In October 2023, the Group successfully issued \$450 million of domestic medium-term notes with a tenor of 7.5 years. The proceeds from the issuance will be used to refinance \$400 million of domestic medium-term notes maturing in April 2024.

Committed bank facilities, which were due to mature prior to 30 June 2024, were also extended during the period with a minimum tenor of at least 12 months.

Upcoming maturities and transactions

Post repayment of the domestic medium-term notes maturing in April 2024, there are no material maturities occurring in H2 F24.

Dividend reinvestment plan (DRP)

Going forward, shares issued under the DRP will be purchased on-market.

Subsequent events

The Group's acquisition of a 55% equity interest in Petstock Group was completed on 3 January 2024.

For further information

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Appendices

Appendix One: Quarterly sales summary

\$ MILLION	Q2'24 13 WEEKS	Q2'23 13 WEEKS	CHANGE
Australian Food	12,817	12,266	4.5%
Australian B2B	1,196	1,149	4.1%
New Zealand Food (AUD)	1,952	1,901	2.8%
<i>New Zealand Food (NZD)</i>	2,108	2,072	1.7%
BIG W	1,464	1,511	(3.1)%
Other	(18)	(21)	n.m.
Group sales	17,411	16,806	3.6%

TOTAL SALES GROWTH	Q1'24	Q2'24	H1'F24
Australian Food	6.4%	4.5%	5.4%
Australian B2B	1.5%	4.1%	2.8%
New Zealand Food (AUD)	5.8%	2.8%	4.2%
<i>New Zealand Food (NZD)</i>	2.8%	1.7%	2.3%
BIG W	(5.5)%	(3.1)%	(4.1)%
Group sales	5.3%	3.6%	4.4%

COMPARABLE SALES GROWTH	Q1'24	Q2'24	H1'F24
Australian Food (Woolworths Food Retail)	5.5%	3.8%	4.6%
New Zealand Food (NZD)	2.6%	2.5%	2.5%
BIG W	(5.6)%	(3.1)%	(4.2)%

Appendices

Appendix Two: Five-year store and trading area analysis

STORES (NUMBER)	2024 HALF-YEAR	2023 FULL YEAR	2022 FULL YEAR	2021 FULL YEAR	2020 FULL YEAR
Continuing operations					
NSW & ACT	353	349	346	343	334
QLD	259	256	253	250	242
VIC	274	273	270	268	265
SA & NT	79	79	79	78	78
WA	108	107	106	104	101
TAS	31	31	31	31	31
<i>Mini Woollies</i> ¹	52	41	13	3	2
Total Australian Food	1,104	1,095	1,085	1,074	1,051
New Zealand Supermarkets	189	191	190	184	182
BIG W	177	177	176	176	179
Total Group	1,470	1,463	1,451	1,434	1,412
Wholesale customer stores					
SuperValue and FreshChoice	74	72	72	71	70
Statewide Independent Wholesalers	220	220	220	220	220
Total wholesale customer stores	294	292	292	291	290
Exited businesses					
Summergeate	-	-	2	2	1
Total Group including exited businesses	1,470	1,463	1,453	1,436	1,413
Trading area (sqm)					
Australian Food	2,514,580	2,491,102	2,460,633	2,435,065	2,382,764
New Zealand Supermarkets	421,339	422,818	421,142	410,229	405,425
BIG W ²	1,004,537	1,004,537	1,004,914	1,004,914	1,021,775

1 Mini Woollies sites not included in trading area 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

H24	GROSS NEW STORES (INC. ACQUISITIONS)	NET NEW STORES (INC. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Australian Supermarkets	11	8	23
Metro Food Stores	4	1	-
New Zealand Food	1	(2)	5
BIG W	-	-	3
Total Group	16	7	31

Q2'24	GROSS NEW STORES (INC. ACQUISITIONS)	NET NEW STORES (INC. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Australian Supermarkets	5	3	8
Metro Food Stores	2	1	-
New Zealand Food	1	-	4
BIG W	-	-	3
Total Group	8	4	15

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	
<i>Woolworths Supermarkets</i>	10-20 new full range supermarkets
<i>Metro Food Stores</i>	5-15 new Metro Food Stores
New Zealand Food	
<i>Woolworths New Zealand Supermarkets</i>	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
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
Funds employed	Net assets employed, excluding net tax balances
GMV	Gross merchandise value
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
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area of stores and fulfilment centres
Severity rate	A blended rolling 12-month measure that includes all team and customer injuries/illnesses and their severity
Total net debt	Borrowings less cash balances, including debt hedging derivatives and lease liabilities

Glossary

TRIFR	12-month rolling total recordable injury frequency rate
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 Supplier (VOS)	A survey of a broad spectrum of suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes, scored as a percentage of suppliers that provided a rating of six or seven on a seven-point scale
Voice of Team (VOT)	Survey measuring sustainable engagement of 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)
Woolworths MarketPlus	Woolworths Group's third party marketplace platform, combining Everyday Market, MyDeal and BIG W Market capabilities into one team

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

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