

2 May 2024

ASX Market Announcements Office  
Australian Securities Exchange  
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Sydney NSW 2000

## Third Quarter Sales Results

Attached for release to the market are the Third Quarter Sales Results for the 13 week period ended 31 March 2024.

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# Third Quarter Sales Results



Financial Year 2024 - 13 weeks ended 31 March 2024

2 May 2024

## Group Sales

**\$16,800m**

▲ 2.8% from Q3 F23

Change in Average Prices for Woolworths Food Retail -0.2%

## Group eCom Sales

**\$1,931m**

▲ 17.6% from Q3 F23

86% of B2C eCom<sup>4</sup> orders fulfilled within 24 hours

## Group Voice of Customer NPS

**43**

▼ 4 pts from March 2023

Customer Care scores remain strong

## Customer caution despite material moderation in inflation

Woolworths Group CEO, Brad Banducci, said: "It was a challenging quarter across the Group with a noticeable shift in customer sentiment and shopping behaviours since Christmas. Customer metrics and sales growth across the Group have been impacted but encouragingly unit volumes and customer metrics improved as the quarter progressed and we expect more stable trading in Q4.

"In Australian Food, total sales increased by 1.5% with Woolworths Food Retail's adjusted total sales also increasing by 1.5%<sup>1</sup>. Sales growth reflects the context of a very strong Q3 F23 (7.6%), a material moderation in inflation (-0.2% in Q3 F24 vs. 5.8% in Q3 F23) and the cycling of collectibles. Adjusted total sales growth in April was broadly in line with Q3 with inflation continuing to moderate and items showing ongoing modest growth.

"WooliesX eCom sales momentum continued during the quarter increasing by 18.4% driven by a double-digit increase in active customers and item growth. Convenience remains critically important for customers with 86% of B2C eCom orders now fulfilled within 24 hours of order placement.

"Australian B2B sales increased by 3.2% with sales growth impacted by the exit of our international businesses in H2 last year. Excluding their contribution in the prior year, sales increased by 5.1%. PFD sales have begun to moderate modestly reflecting slower quick service restaurant (QSR) sales but remained robust at 5.4% reflecting its diversified customer base.

"New Zealand Food total sales increased by 0.2%<sup>2</sup> in Q3 (adjusted total sales: 1.0%<sup>1</sup>), also impacted by materially lower inflation and a competitive trading environment. Good progress on Woolworths New Zealand's turnaround continued with a solid increase in both Value for Money and Fruit & Vegetables customer scores following the reset of key pricing mechanics, and improvements in Fresh during the quarter. Adjusted sales growth in April has remained broadly in line with Q3.

"BIG W total sales for the quarter declined by 4.1% (adjusted total sales: -4.9%<sup>1</sup>) reflecting increased consumer caution and downtrading most evident among budget customers. Our Play and Everyday segments have been solid but there remains more to do in Clothing and Home. Sales declines in April have been broadly in line with Q3 with a slow start to Autumn/Winter clothing sales creating some downside risk to our previous expectations of EBIT breakeven in H2.

"In the Other segment, the sales increase was due to the inclusion of Petstock for the first time from January. Petstock sales were marginally below the prior year reflecting lower sales in discretionary categories. The process for the disposal of Petstock stores required under the ACCC undertaking is well progressed and remains subject to ACCC approval.

"Our focus for the rest of F24 remains on providing value for our customers reflecting their cost-of-living pressures. We expect trading conditions to be challenging for the next 12 months due to competition for customer shopping baskets and as inflation returns to a very low single digit range. However, we are well positioned to manage this more challenging environment through an ongoing focus on our Customers and Team, and our end-to-end productivity plans."

## Third quarter sales

\$ MILLION	Q3'24	Q3'23 <sup>3</sup>	CHANGE	ADJUSTED <sup>1</sup> CHANGE	ADJUSTED <sup>1</sup> COMP GROWTH
Australian Food	12,578	12,394	1.5%	1.5% <sup>4</sup>	1.1% <sup>4</sup>
Australian B2B	1,098	1,065	3.2%		
New Zealand Food (AUD)	1,884	1,858	1.4%		
New Zealand Food (NZD)	2,022	2,018	0.2%	1.0%	1.5%
BIG W	1,002	1,046	(4.1)%	(4.9)%	(5.1)%
Other <sup>5</sup>	238	(25)	n.m.		
<b>Total third quarter Group sales</b>	<b>16,800</b>	<b>16,338</b>	<b>2.8%</b>		
<b>Woolworths MarketPlus GMV<sup>6</sup></b>	<b>81</b>	<b>70</b>	<b>16.8%</b>		

1 Adjusted for the non-comparable timing of New Year's Day and Easter

2 New Zealand dollars

3 Q3'23 restated to include Woolworths at Work in Australian Food

4 Woolworths Food Retail

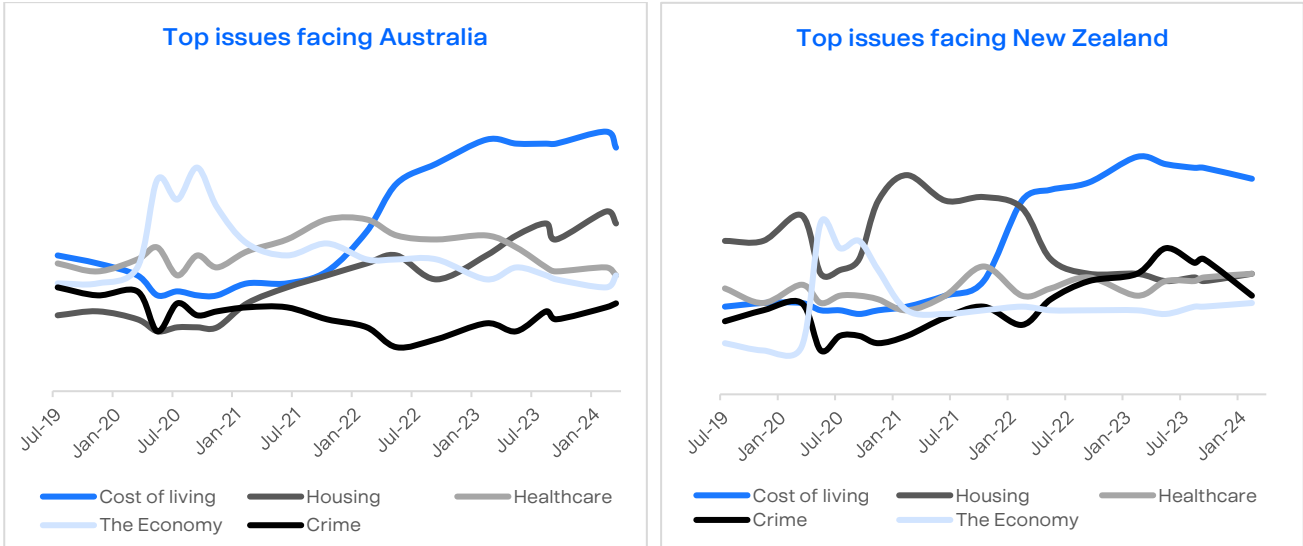
5 Other includes revenue from Quantum, MyDeal and Petstock offset by the reclassification of freight revenue recognised in Australian B2B that is reclassified and recognised as a reduction to cost of sales at a Group level

6 Gross merchandise value (GMV) includes Everyday Market, MyDeal and BIG W Market GMV. Excludes BIG W 1P eCom sales

# Group update

## Customer update

Brad Banducci continued: "Consumer sentiment in Australia and New Zealand has been weak for some time. However, since Christmas we have seen a noticeable change in consumer behaviour as customers have adjusted their budgets and spending following the holiday period which is consistent with Ipsos data which showed that the gap between cost-of-living concerns and other concerns continues to widen. Customers are looking for more ways to save, are cross-shopping more, buying more own brand and buying more product on promotion.



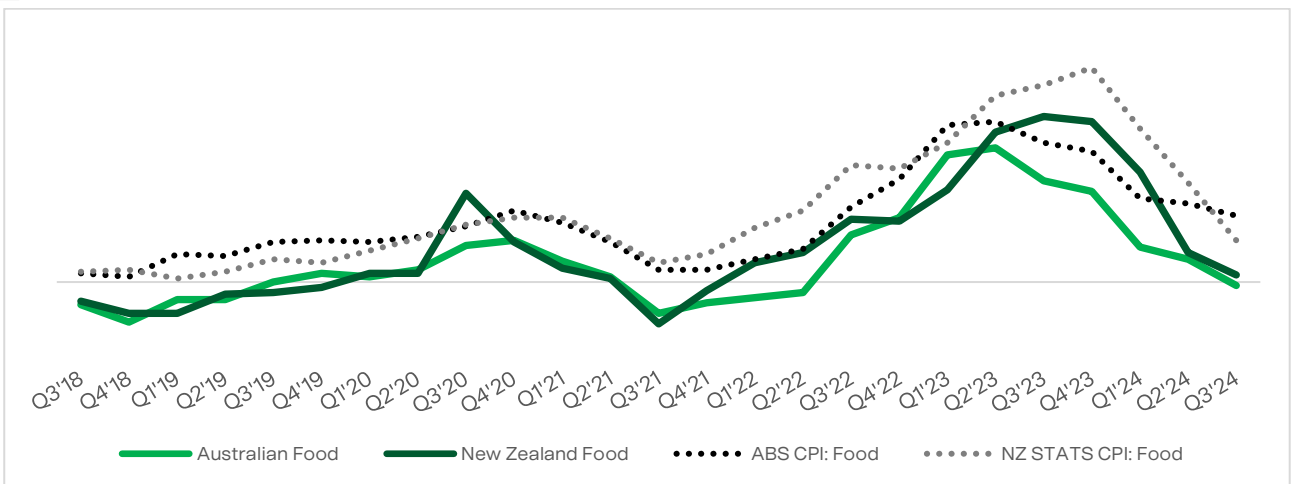
Source: Ipsos AU National Issues Monitor - March 2024; Ipsos 23rd NZ Issues Monitor - February 2024

"While we understand that our customers are fatigued by inflation, the rapid increase in grocery prices over the last two years is a relatively recent phenomenon after modest food inflation for much of the previous part of the decade. At the same time, household budgets are being materially impacted by increases in mortgages, rents, utilities, insurance and other key household expenses. However, customers shop our stores multiple times a week, are budget savvy and grocery price increases are very visible to them. This, together with customers feeling that they have some control over their food and grocery budget, brings grocery price increases into sharp focus.

### Price inflation

"Importantly, food inflation has continued to moderate materially in Australia and New Zealand and in Q3 average prices were largely flat compared to the prior year. While not directly comparable due to methodology differences, our measure of food inflation is now below food consumer price inflation in both Australia and New Zealand.

### Australian Food and New Zealand Food change in total average price vs. seasonally adjusted Food CPI



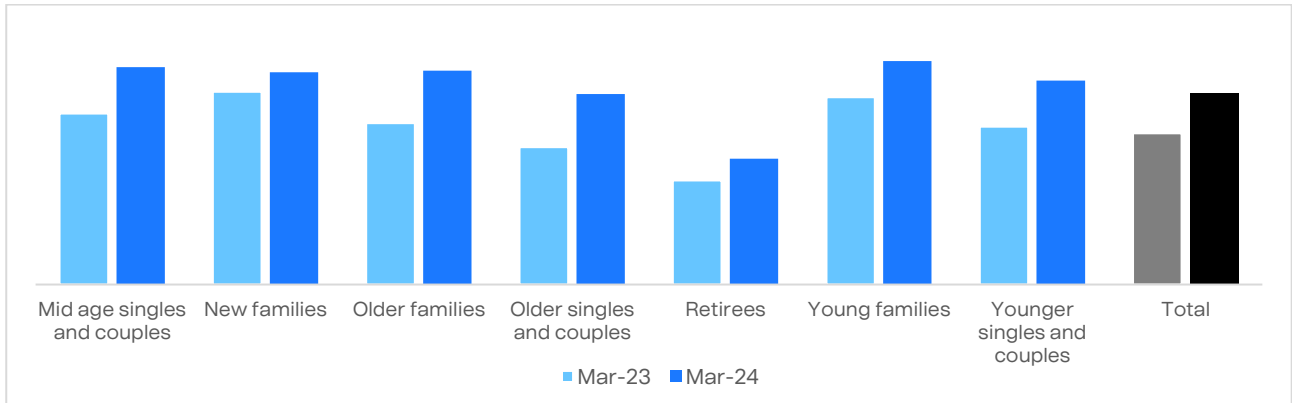
Source: Australian Bureau of Statistics Consumer Price Index: Food and Non-Alcoholic Beverages, March Quarter 2024; Statistics New Zealand Consumer Price Index: Food, March Quarter 2024

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Customer insights by business

“When we listen to what our customers are telling us, all customer segments in **Australian Food** are reporting an increase in concerns around ‘making ends meet’ despite the recent moderation in inflation. Customer segments that are most exposed to the increase in housing costs (families with a mortgage or young singles, couples or families that are renters) report the highest levels of concern. We are also seeing these customer segments make the most use of ways to save such as buying products on promotions, comparing unit prices and making the most of reward and loyalty programs. Own brand penetration also continues to increase with categories such as Pantry, Frozen Foods and Household Care showing the strongest growth.

Proportion of customers who say they are struggling to make ends meet by life stage



Source: Woolworths consumer survey March 2024: Q. Thinking about how you feel right now, to what extent do you agree or disagree with each of the following statements? 'I often struggle to make ends meet'

Percentage of customers using ways to save



Source: Woolworths consumer survey March 2024: Q. In response to increasing prices of food, products & services, are you doing any of the following more than usual?

“In **New Zealand Food**, cost-of-living also remains the key concern for customers. However, we have seen a gradual decline in the proportion of customers who perceive grocery prices to have increased (either substantially or marginally) over the last few months which is consistent with improvements in our Value for Money scores. New Zealand customers are also increasingly looking for new ways to save more on their overall basket.

“PFD, in our **Australian B2B** segment, has performed strongly in the post-COVID environment reflecting the ongoing strength in out-of-home consumption and its diversified customer base which includes segments such as airlines and cruise ships that have taken longer to return to pre-COVID levels of activity. More recently we have begun to see a modest slowdown in sales as out-of-home consumption has begun to moderate as more customer meal occasions move back into the home.

“**BIG W** sales have become increasingly event-driven and needs-based with the number of items in customers’ baskets continuing to decline. While customers are cutting back in all areas, the trading areas that have been impacted the most are Clothing and Home. Our higher price point or ‘Best’ products in our ‘Good, Better, Best’ pricing hierarchy have also been challenged. By customer segment, budget customers have unsurprisingly been impacted the most with increased trading down to cheaper items, deferring purchases or not purchasing at all.

“Specific examples during the quarter include the share of Lego sold under \$20 increasing from around a third of Lego sales last year to around half this year, and our Kids’ bike promotion led to around a 50% increase in Kids’ bikes sold under \$100. In contrast, we have seen material sales declines in our ‘Best’ vacuum cleaners.

“Looking ahead, we expect customers to remain cautious for at least the remainder of this calendar year. However, we are confident in the plans we have in place to navigate the more challenging environment to help customers find value and manage their household budgets.

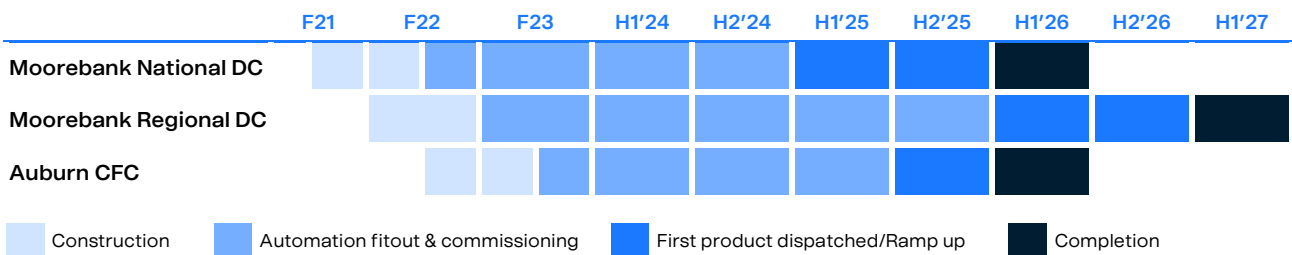
**Supply chain network and transformation update**

“We have previously highlighted that we have a number of major automation projects going live over the next few years. Major projects reaching or nearing completion in F25 and F26 include our Auburn CFC and Moorebank NDC and RDC. Construction on these projects has generally been progressing to plan, however some weather and other minor project delays have led to an overlap of site commissioning in calendar 2025.

As typically experienced with large scale supply chain and automation projects, there will be a period of site commissioning, ramp up and dual-running costs as we transition to these new facilities, which will peak in calendar 2025. In F25, we expect to incur \$90 - \$100 million of incremental costs (compared to F24) associated with site commissioning, ramp up and dual-running costs of these facilities. In F26, we expect a similar total cost (no further incremental cost) before net benefits are realised in F27 with a double-digit ROFE expected by F28.

We remain confident in the benefits we will realise from these automation investments, reflecting the efficiency and service benefits we have achieved in MSRDC and our automated Takeoff micro-fulfilment facilities. A more detailed update will be provided at our F24 full-year results.

**NSW supply chain transformation**



**Regulatory update**

“Woolworths Group continues to engage constructively and in good faith with the inquiries and reviews that are currently underway.

“On 8 April 2024, the interim report on the Review of the Food and Grocery Code of Conduct was released with the final report expected in June 2024. We are considering the report in detail. We support the Code becoming mandatory and will continue to engage constructively with Dr Emerson and the Secretariat. The ACCC Supermarkets Inquiry interim report is due on 31 August 2024 with a final report due in February 2025 and we are well advanced in responding to the ACCC’s various information requests.

“The Senate Select Inquiry into Supermarket Pricing is due to report on 7 May 2024. Other parliamentary inquiries include the Victorian, Queensland, and South Australian State Inquiries with reports due over the course of the next 12 months.”

More information on these inquiries and reviews and access to the Woolworths Group’s submissions can be found on the [Woolworths Group website](#).

# Australian Food

## Sales performance by business

\$ MILLION	Q3'24	Q3'23 <sup>1</sup>	CHANGE
Woolworths Food Retail (Stores and eCom) <sup>2</sup>	12,448	12,288	1.3%
WooliesX (including eCom) <sup>3</sup>	1,634	1,387	17.8%
Accelerator revenue <sup>4</sup>	35	19	78.9%
Elimination of eCom sales <sup>5</sup>	(1,539)	(1,300)	18.4%
<b>Total Australian Food sales</b>	<b>12,578</b>	<b>12,394</b>	<b>1.5%</b>

## Trading performance

**Australian Food** total sales increased 1.5% in the quarter to \$12,578 million. Woolworths Food Retail sales increased 1.3% (2.5% ex Tobacco) with moderating inflation during the quarter and subdued item growth, particularly in discretionary categories. eCom remained strong with growth of 18.4% as Same Day and Direct to boot continue to increase in popularity. Accelerator revenue grew by 78.9% largely reflecting MILKRUN's ongoing expansion.

## Woolworths Food Retail (Stores and eCom)

### Sales performance by business

\$ MILLION	Q3'24	Q3'23 <sup>1,6</sup>	CHANGE	ADJ CHANGE <sup>7</sup>
Woolworths Supermarkets (store-originated)	10,512	10,601	(0.8)%	(0.8)%
Metro Food Stores (store-originated)	397	387	2.6%	3.4%
eComX	1,539	1,300	18.4%	19.7%
<b>Woolworths Food Retail (Stores and eCom)</b>	<b>12,448</b>	<b>12,288</b>	<b>1.3%</b>	<b>1.5%</b>

## Operating metrics

	Q3'24	Q3'23
<b>Customer metrics<sup>8</sup></b>		
VOC NPS (Store and Online)	42	46
Store-controllable VOC (%)	75	76
<b>Sales productivity metrics</b>	<b>Adjusted<sup>7</sup></b>	
Total sales growth	1.5%	7.6%
Comparable sales growth	1.1%	6.8%
<b>Volume productivity metrics</b>	<b>Adjusted<sup>7</sup></b>	
Comparable transactions growth	0.3%	8.0%
Comparable items per basket growth	(0.8)%	(7.6)%
Comparable item growth	(0.5)%	(0.1)%
<b>Change in average prices</b>		
Total	(0.2)%	5.8%
Total excluding Tobacco	(0.7)%	6.0%
Total excluding Tobacco and Fruit & Veg	0.1%	6.8%

1 Q3'23 restated to include Woolworths at Work in Australian Food

2 Woolworths Food Retail includes Woolworths Supermarkets, Metro Food Stores, WooliesX B2C eCom and Woolworths at Work

3 WooliesX includes B2C eCom and Woolworths at Work sales, Digital & Media, Rewards & Services and HomeRun

4 Accelerator revenue includes Everyday Market, MILKRUN and HealthyLife. Everyday Market revenue represents commission revenue earned as an agent and does not reflect GMV. Accelerators are not included in Woolworths Food Retail or WooliesX

5 Eliminations reflect the reversal of eCom sales which are included in both Woolworths Food Retail and WooliesX

6 Q3'23 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

7 Adjusted for the non-comparable timing of New Year's Day and Easter

8 Customer metrics represent the final month of the quarter

### Trading performance

Customer metrics were mixed during the quarter with VOC NPS (Store and Online) ending the quarter at 42, down four points compared to the prior year and down eight points on Q2 F24 largely driven by declines in Value for Money scores due to sustained cost-of-living pressures despite a highly competitive price index relative to competitors. Store-controllable VOC of 75% was down one point compared to the prior year and down three points compared to Q2 F24; however, customer scores improved as the quarter progressed with an increased focus on providing consistently good shopping experiences.

Woolworths Food Retail total sales increased 1.3% in the quarter (2.5% ex Tobacco) to \$12,448 million or 1.5% on an adjusted basis. Sales growth reflects the context of a very strong Q3 F23 (7.6%), a material moderation of inflation (Q3 F24: -0.2%; Q3 F23: 5.8%), the cycling of collectibles, and some availability challenges in Fresh in January and early February and in Drinks. Comparable items declined 0.5% in the quarter but improved as the quarter progressed and returned to growth in March.

Woolworths Supermarkets (store-originated) sales for Q3 were \$10,512 million, down 0.8% (+0.4% ex Tobacco) on the prior year. eCommerce momentum remained strong with sales increasing 18.4% to \$1,539 million with penetration reaching 12.4%, up 178 bps on Q3 F23 and 46 bps on Q2 F24. Woolworths Metro Stores (store-originated) sales increased 2.6% to \$397 million.

Woolworths Food Company's Own and Exclusive Brand sales grew 2.3% in Q3 with item growth of 1.8% as customers shifted more of their basket to the value offered by own brand. Long Life sales increased by 5.6% with strong growth in Pantry, Frozen Foods and Household Care. Fresh sales increased by 1.8% with Bakery, Seafood and Everyday Chilled performing strongly during the Easter trading period.

Average prices in Q3 declined 0.2% compared to the prior year with the moderation driven by deflation of 6.2% in Fruit & Vegetables due to increased supply, as well as Meat, which declined by 9.0% reflecting lower livestock costs and passing on lower input costs to customers. Excluding Tobacco and Fruit & Vegetables, average prices increased by 0.1% with a moderation in Long Life categories as the volume of supplier-driven cost price increases continued to decline and customers increasingly sought value in specials and own brand, particularly in discretionary categories such as Household Care and Pet Care.

During the quarter we continued to help our customers find value through our 'We can Help You Spend Less Today' campaign. This included Prices Dropped for Autumn on more than 400 essential products with an average price drop of 18%, in addition to 3,000 essential products on Low Price, including many own brand products and over 6,000 Weekly Specials. Everyday Rewards campaigns including Boost your Budget were also used to provide more ways for customers to save with Everyday Rewards scan rates increasing strongly on the prior year.

During the quarter, seven Woolworths Supermarket renewals were completed, two Supermarkets were opened, one Supermarket was closed, and one new Woolworths Metro Food Store was opened. At quarter end, the total network comprised 1,002 Woolworths Supermarkets, 104 Woolworths Metro Food Stores, 719 Direct to boots, seven CFCs, three eStores and 56 mini woolies.

Woolworths Supermarkets continued to care for its communities at Easter with its Season of Good Acts program, which included surprising and delighting customers, as well as community donations to store teams' charities of choice. A soft plastics recycling trial was launched in five supermarkets in Melbourne. Four new mini woolies stores were opened during the quarter, with the first store in NT opened at Henbury School in Tiwi, providing hands-on learning experiences for young people living with disabilities.

## Sales performance by platform

\$ MILLION	Q3'24	Q3'23 <sup>1</sup>	CHANGE
eComX (B2C and Woolworths at Work)	1,539	1,300	18.4%
Digital & Media (idX & Cartology), Rewards & Services (EverydayX) and HomeRun	477	340	40.5%
<b>Total WooliesX sales</b>	<b>2,016</b>	<b>1,640</b>	<b>22.9%</b>
Eliminations and reclassifications <sup>2</sup>	(382)	(253)	51.3%
<b>WooliesX sales after eliminations and reclassifications</b>	<b>1,634</b>	<b>1,387</b>	<b>17.8%</b>

## eComX metrics

	Q3'24	Q3'23
<b>Customer metrics<sup>3</sup></b>		
B2C Online VOC NPS (eCom and Digital)	58	58
<b>eCommerce sales metrics</b>		
eCommerce penetration	12.4%	10.6%
Pick up mix (% of eCommerce sales)	40.7%	38.6%

## Digital metrics

	Q3'24	Q3'23
<b>Food and Everyday digital platforms</b>		
Average weekly traffic (million)	19.3	15.7
Average weekly traffic growth (year on year)	22.9%	28.4%
<b>Group digital platforms</b>		
Average weekly traffic (million)	27.0	22.8
Average weekly traffic growth (year on year)	18.4%	25.8%

## Everyday Rewards metrics

	Q3'24	Q3'23
Active members (million) <sup>4</sup>	9.7	8.9
Scan rate (% of transactions) <sup>5</sup>	58.4	54.9
Tag rate (% of sales) <sup>5</sup>	72.1	68.8

1 Q3'23 restated to include Woolworths at Work in Australian Food

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

3 Customer metrics represent the final month of the quarter

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

5 Woolworths Supermarkets only (Stores and eCom)

## Trading performance

**WooliesX** total sales increased 22.9% to \$2.0 billion in the quarter with ongoing momentum and growth across all platforms.

**eComX** sales increased 18.4% to \$1,539 million with penetration reaching 12.4%, an increase of 178 bps on the prior year. Growth continued to be driven by Same Day orders with 86% of B2C orders delivered within 24 hours of order placement, up approximately five points on the prior year. Active eCom B2C customers increased 11.4% to just under one million active customers with engaged and loyal customers a key driver of growth.

Despite improvements in complete orders driven by improved availability, customer metrics were impacted by lower Value for Money scores, with B2C Online VOC NPS decreasing four points compared to Q2 F24 and flat compared to the prior year.

Pick up continues to grow in popularity through Direct to boot with Pick up mix reaching 40.7%, up 2.1 pts compared to the prior year with the total Direct to boot network reaching 719 sites at the end of the quarter. Direct to boot Now, a new sub-60 minute service was launched in the quarter to 86 stores.



Woolworths at Work continued to build momentum supported by new features for business customers including recurring order, fruit box deliveries and expansion of the everyday range, resulting in improved customer advocacy and strong sales growth of 16.4% in the quarter.

Within Digital & Media, weekly average traffic to Group digital platforms reached 27.0 million, up 18.4% on the prior year driven by increased traffic to the Woolworths app and Everyday Rewards app. Weekly average traffic to Food and Everyday digital platforms reached 19.3 million, up 22.9% on the prior year. Digital tools including Best Unit Price filter and Shopping Lists are becoming increasingly important in helping customers find value.

Cartology revenue declined 4.1% in the quarter due to the impacts of cycling the successful Woolworths Bricks Farm collectibles program in the prior year. Underlying revenue growth was broadly in line with H1 with a strong performance across Cartology Promoted Products, front of store screens and BIG W.

In Rewards & Services, platform sales increased 15.2% in the quarter. Everyday Rewards active members increased to 9.7 million, with more than 720,000 new members joining the program compared to the prior year and over 200,000 compared to the prior quarter. Scan rates continued to grow, increasing over three points on the prior year, reflecting additional benefits delivered through Member Prices and Boost campaigns. The continued shift of customer shopping from desktop to mobile drove growth of weekly active users of the Everyday Rewards app to over two million, up 25% compared to the prior year. Everyday Extra growth continued in Q3, giving members more opportunities to save on their everyday needs.

# Australian B2B

## Sales performance by business

\$ MILLION	Q3'24	Q3'23 <sup>1</sup>	CHANGE
B2B Food (Woolworths Food Company 3 <sup>rd</sup> party)	785	766	2.7%
B2B Supply Chain (Primary Connect 3 <sup>rd</sup> party)	313	299	4.5%
<b>Total Australian B2B sales</b>	<b>1,098</b>	<b>1,065</b>	<b>3.2%</b>

<sup>1</sup> Q3'23 restated to include Woolworths at Work in Australian Food

## Trading performance

**Australian B2B** total sales for the quarter increased 3.2% to \$1,098 million with B2B Food sales impacted by the closure of Woolworths International and the sale of Summergate in F23. Excluding the contribution from exited businesses in the prior year, Australian B2B sales increased by 5.1%.

**B2B Food** sales increased 2.7% to \$785 million impacted by the closure of Woolworths International and the sale of Summergate in F23. PFD sales increased by 5.4% with solid growth in all key channels compared to the prior year. Growth continues to be driven by key customer segments including airlines and cruise ships, expansion of customers in the QSR channel and inflation.

**B2B Supply Chain** sales increased by 4.5% to \$313 million reflecting business growth in PC+, new warehouse capacity and strong sales growth in Statewide Independent Wholesalers in Tasmania.

# New Zealand Food

## Sales performance by business

\$ MILLION (NZD)	Q3'24	Q3'23	CHANGE	ADJ CHANGE <sup>1</sup>
Woolworths New Zealand Supermarkets (store-originated)	1,596	1,621	(1.6)%	(0.7)%
eCommerce	252	232	8.4%	9.3%
Other revenue <sup>2</sup>	174	165	5.7%	5.7%
<b>Total New Zealand Food sales</b>	<b>2,022</b>	<b>2,018</b>	<b>0.2%</b>	<b>1.0%</b>

## Operating metrics

	Q3'24	Q3'23
<b>Customer metrics<sup>3</sup></b>		
VOC NPS (Store and Online)	34	37
Store-controllable VOC (%)	77	73
<b>Sales productivity metrics</b>	<b>Adjusted<sup>1</sup></b>	
Total sales growth	1.0%	8.5%
Comparable sales growth	1.5%	6.8%
<b>Volume productivity metrics</b>	<b>Adjusted<sup>1</sup></b>	
Comparable transactions growth	3.6%	11.9%
Comparable items per basket growth	(2.6)%	(14.4)%
Comparable item growth	0.9%	(4.1)%
<b>Change in average prices</b>		
Total	0.4%	9.5%

## WooliesX New Zealand

	Q3'24	Q3'23
<b>Customer metrics</b>		
Online VOC NPS (eCom and Digital)	46	49
<b>eCommerce sales metrics</b>		
eCommerce penetration	12.4%	11.5%
<b>Loyalty</b>		
Everyday Rewards/ Onecard members (million)	2.3	1.9
Scan rate (% of transactions) <sup>4</sup>	52.1	57.7
Tag rate (% of sales) <sup>4</sup>	68.3	74.3

1 Adjusted for the non-comparable timing of New Year's Day and Easter

2 Includes franchise and export sales

3 Customer metrics represent the final month of the quarter

4 Woolworths New Zealand Supermarkets only (Stores and eCom)

## Trading performance

**New Zealand Food's** customer metrics were mixed with VOC NPS (Store and Online) ending the quarter at 34, down three points compared to the prior year and down nine points compared to Q2 F24, impacted by the transition process from Onecard to Everyday Rewards during the quarter. However, Store-controllable VOC was up four points compared to the prior year and down one point compared to Q2 F24 with strong improvements in Fruit & Vegetables, Value for Money and Availability scores compared to the prior year. The improvement in Value for Money scores was driven by the reset of key price mechanics during H1, including

# New Zealand Food

Low Price and Specials, which continue to resonate well with customers, as well as investment in value and the material moderation in inflation.

New Zealand Food's total sales increased 0.2% to \$2,022 million or 1.0% on an adjusted basis with comparable sales growth of 1.5%. Comparable items increased by 0.9% with solid item growth in Meat and Fruit & Vegetables as a result of improved availability offset by lower items in Long Life categories.

Average prices in Q3 increased by 0.4% compared to 9.5% in the prior year and 1.7% in Q2 F24. The decline was driven by deflation of 9.1% in Fruit & Vegetables after cycling the impacts of Cyclone Gabrielle in the prior year, combined with lower cost price increases and continued investment in value for customers.

As part of the Woolworths New Zealand transformation, Woolworths New Zealand launched its new brand platform, *That Fresh Food Feeling*, in April. The brand platform centres around the commitment to consistently deliver a materially improved fresh offer to New Zealand customers underpinned by a Fresh or Free guarantee.

eCommerce sales returned to solid growth in Q3 increasing 8.4% in the quarter to \$252 million. Penetration increased 94 bps to 12.4% due to improved network capacity, which was impacted by extreme weather events in the prior year, as well as growth in convenience offers including Express, Pick up and MILKRUN. After launching in H1, MILKRUN is now available in 49 stores across New Zealand.

Everyday Rewards was formally launched in February with over 380,000 new members joining the program to date since launch, as well as over 670,000 app downloads in the quarter. At the end of the quarter, there were 2.3 million Everyday Rewards members. While the launch was successful, Online VOC NPS declined three points compared to the prior year largely due to the transition process from Onecard to Everyday Rewards. Scan and tag rates were also impacted by the transition; however, improved towards the end of the quarter.

At the end of the quarter the total store network comprised 189 Woolworths New Zealand supermarkets, 22 SuperValue stores and 51 FreshChoice stores. The rebranding to Woolworths New Zealand from Countdown is progressing well with 48 rebranded supermarkets at the end of the quarter.

During the quarter the mini woolies program officially launched in New Zealand with the first mini woolies store opening at Somerville School in Tamaki Makaurau in March. The program aims to support the education of students and job candidates living with disabilities by providing hands-on learning experiences in a simulated supermarket setting.

## Sales performance by business

\$ MILLION	Q3'24	Q3'23	CHANGE	ADJ CHANGE <sup>1</sup>
BIG W (store-originated)	916	955	(4.0)%	(5.0)%
eCommerce	86	91	(5.8)%	(4.6)%
<b>Total BIG W sales</b>	<b>1,002</b>	<b>1,046</b>	<b>(4.1)%</b>	<b>(4.9)%</b>

## Operating metrics

	Q3'24	Q3'23
<b>Customer metrics<sup>2</sup></b>		
VOC NPS (Store and Online)	61	64
Store-controllable VOC (%)	82	83
<b>Sales metrics</b>	<b>Adjusted<sup>1</sup></b>	
Total sales growth	(4.9)%	5.7%
Comparable sales growth	(5.1)%	5.5%
<b>Volume productivity metrics</b>	<b>Adjusted<sup>1</sup></b>	
Comparable transactions growth	(2.3)%	6.8%
Comparable items per basket growth	(1.8)%	(5.8)%
Comparable item growth	(4.1)%	0.6%

## BIG W X

	Q3'24	Q3'23
<b>Customer metrics</b>		
Online VOC NPS (eCom and Digital)	63	67
<b>eCommerce sales metrics</b>		
eCommerce penetration	8.5%	8.7%
<b>Loyalty</b>		
Everyday Rewards scan rate (% of transactions)	57.0	53.9

<sup>1</sup> Adjusted for the non-comparable timing of New Year's Day and Easter

<sup>2</sup> Customer metrics represent the final month of the quarter

## Trading performance

BIG W's VOC NPS (Store and Online) ended the quarter at 61, up one point on Q2 F24; however, down three points on the prior year, largely driven by a decline in eCommerce metrics. Store-controllable VOC was largely stable increasing two points compared to Q2 F24 and declining one point compared to the prior year.

BIG W total sales for the quarter declined 4.1% to \$1,002 million reflecting a reduction in discretionary spending. On an adjusted basis total sales declined 4.9%. Across the four key trading segments, sales in Play were broadly flat with growth in Books, Toys and Gaming. In Everyday categories, a strong performance in Beauty, Celebrations and Events more than offset lower sales in Petcare and Baby/Nursery. Sales growth in Clothing and Home were most impacted in the quarter with Clothing sales impacted by a slow start to Autumn/ Winter, and Home sales impacted by ranging changes that resulted in availability challenges. There remains more to do in these segments.

BIG W GMV (including 1P eCommerce sales and BIG W Market) increased by 7.6% compared to the prior year with BIG W Market GMV sales of \$14 million. Traffic to the BIG W website increased by 10.5% supported by

range expansion and the launch of the 'More for Less' value campaign. BIG W X's 1P eCommerce sales declined 5.8% to \$86 million and eCommerce penetration decreased to 8.5% after cycling the back to school online-only vouchers in the prior year. BIG W app usage continued to grow with one million downloads to date and the layby feature enabled in the app during the quarter. Everyday Rewards scan rates increased to 57% supported by Member Price events, BIG W app offers and seasonal campaigns.

Despite the challenging trading environment, BIG W continued to make progress on its transformation agenda including the roll out of strategic stock loss initiatives, and the implementation of Group capabilities and tools in space management, promotional planning and mark-down optimisation.

BIG W's total store network remained unchanged at 177 BIG W stores at the end of the quarter.

BIG W continued to make a real difference for families through a donation of \$158,000 to Perth Children's Hospital Foundation supporting the development of an interactive nature space, which provided much needed respite for frequent and long-term patients and families, as well as opportunities for play, learning and discovery. The Bunnyville fundraising campaign raised over \$234,000 with \$100,000 donated to the Breakfast Library program in partnership with the Australian Literacy and Numeracy Foundation.

## Other

\$ MILLION	Q3'24	Q3'23	CHANGE
Gross revenue	324	66	n.m.
Reclassifications <sup>1</sup>	(86)	(91)	(5.2)%
<b>Total sales</b>	<b>238</b>	<b>(25)</b>	<b>n.m.</b>

<sup>1</sup> Reflects the reclassification of freight revenue recognised in Australian B2B that is classified and recognised as a reduction in cost of sales at a Group level

### Trading performance

Other includes Group functions such as Property and Group overheads, as well as Woolworths Group's investments in Petstock, Quantum and MyDeal with gross revenue reflecting revenue from Petstock, Quantum and MyDeal.

The increase in gross revenue compared to the prior year was largely driven by the acquisition of a 55% equity interest in Petstock in January with sales of \$254 million in the quarter. Excluding Petstock, gross revenue increased 5.7% due to a high single-digit revenue increase from Quantum offset by a small decline in MyDeal revenue. Compared to the same period in the prior year (before Woolworths Group ownership), Petstock sales declined marginally reflecting lower sales in some of the more discretionary pet accessories ranges.

# Appendix

## New stores, refurbishments, and new store rollout plans

Q3'24	GROSS NEW STORES (INC. ACQUISITIONS)	NET NEW STORES (INC. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Australian Supermarkets	2	1	7
Metro Food Stores	1	1	-
New Zealand Food	-	-	-
BIG W	-	-	-
<b>Total Group</b>	<b>3</b>	<b>2</b>	<b>7</b>

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# Glossary

1P	Sales of Woolworths Group's owned merchandise
3P	Sales of third-party seller's merchandise
B2B	Business to business
B2C	Business to customer
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
Customer fulfilment centre (CFC)	Dedicated online distribution centre
Direct to boot (DTB)	Where a customer places an order online and drives to a dedicated area where a team member places the order directly in the customer's boot
eStore	Dedicated store for the fulfilment of online orders sometimes incorporating automation
Everyday Market	An integrated online marketplace that allows customers to shop products from other Woolworths Group brands and partners alongside their groceries
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)
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)
ROFE	Return on funds employed
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
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:

- Volume productivity metrics including transactions growth, items per basket and item growth
- Change in average prices
- Gross merchandise value