Woolworths Group Limited
ABN 88 00 014 675

Demerger of Endeavour Group
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Woolworths Group Purpose

What we mean by ‘we’
Our team and our partners

What we mean by ‘create’
We constantly innovate to make a positive impact on the lives of our customers and team

What we mean by ‘experiences’
The moments we create in store and online for customers, communities and shareholders, as we work together in our teams—and with our partners

We create better experiences together for a better tomorrow

What we mean by ‘better’
We always look for ways to improve—for our customers, team, communities and partners

What we mean by ‘together’
How we work in partnership—with each other, as well as with our partners and communities

What we mean by ‘tomorrow’
The plans we make and the actions we take today will have a positive impact for generations to come
Completing the Endeavour Group Transformation

Stage 1: Restructure
- Internal reorganisation of Woolworths Group to create a distinct legal entity, known as Endeavour Group

Stage 2: ALH Merger
- Endeavour to acquire BMG’s interest in ALH in exchange for issuing BMG with a 14.6% interest in Endeavour Group

Stage 3: Separation
- Separation of Endeavour Group from Woolworths Group via demerger
- To create simpler, more focused, independent businesses better equipped for future growth

Activity
- To simplify Woolworths Group’s corporate structure
- To create a distinct legal entity
- To facilitate the ALH Merger and potential separation
- To integrate the operations of the Woolworths’ drinks business and ALH Group
- To facilitate potential separation

Purpose
- Shareholders approved on 16 December 2019
- Completed 4 February 2020

Timing
- Completed 2 February 2020
- Meeting Resolutions to be considered at the General Meeting on 18 June 2021
Rationale for the demerger

- Simple and more agile operating model
- Increased focus on growing its food and everyday needs retail ecosystem
- Enhanced brand clarity

Win-win Partnership

- Joint customer food and drinks offer in store and online
- Everyday Rewards partnership and shared analytics
- Retain joint benefits of capabilities and infrastructure built by Woolworths Group

- Simplified and customer-centric business
- Clear purpose across Retail, Hotels and its broader business
- Broad mandate for growth and access to capital to pursue investment

Woolworths Group

endeavour group

Win-win
Partnership

Joint customer food and drinks offer in store and online

Everyday Rewards partnership and shared analytics

Retain joint benefits of capabilities and infrastructure built by Woolworths Group

Simplified and customer-centric business

Clear purpose across Retail, Hotels and its broader business

Broad mandate for growth and access to capital to pursue investment
Creation of two independent and leading ASX-listed companies

**Woolworths Group (Post demerger)**

- Australia and New Zealand’s leading food and everyday needs business
  
  - Footprint of established food and everyday needs brands
  
  - Well positioned in resilient grocery market with strong balance sheet
  
  - Innovation capabilities and established core platforms in areas like digital, data & analytics, formats and supply chain
  
  - Complementary partnerships with leading Australian businesses through retail ecosystem
  
  - Experienced board and management

**Endeavour Group**

- Australia’s leading retail drinks and hospitality business
  
  - The leading retail drinks and hospitality operator in Australia
  
  - Complementary portfolio of trusted and innovative brands
  
  - Legal and social licence to operate
  
  - Exclusive products that meet customer needs and drive growth
  
  - Experienced and knowledgeable team
Overview of the demerger

- Demerger to occur via a distribution of Endeavour shares
- Eligible shareholders will receive one Endeavour share for every share held in Woolworths Group
  - Expected to qualify for demerger tax relief
- Woolworths Group will hold a 14.6%¹ interest
- Bruce Mathieson Group (BMG) will also hold a 14.6% interest
- Vote on demerger resolutions at a General Meeting to be held on 18 June 2021
  - No scheme of arrangement required
  - Resolutions require simple majority
- Endeavour Group starts trading on ASX on 24 June 2021²

¹ Excludes a small number of Endeavour Shares to be transferred to the trustee of the Woolworths Employee Share Trust under the demerger which will be disposed of by the trustee shortly after implementation of the demerger
² Conditional and deferred settlement basis
### Pro forma impact of the demerger

<table>
<thead>
<tr>
<th>$m (unless otherwise stated)</th>
<th>Current Woolworths Group</th>
<th>Pro forma post demerger</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>F20 revenue</strong></td>
<td>63,675</td>
<td>53,131</td>
</tr>
<tr>
<td><strong>F20 EBIT</strong>(^1)</td>
<td>3,219</td>
<td>2,519</td>
</tr>
<tr>
<td><strong>F20 NPAT</strong>(^1)</td>
<td>1,646</td>
<td>1,303</td>
</tr>
<tr>
<td><strong>H1 F21 net debt/ (cash)</strong>(^2)</td>
<td>491</td>
<td>(75)</td>
</tr>
<tr>
<td><strong>H1 F21 eCommerce penetration</strong></td>
<td>8.2%</td>
<td>8.3%(^3)</td>
</tr>
<tr>
<td><strong>Team members (#)</strong></td>
<td>200,000+</td>
<td>172,000+</td>
</tr>
<tr>
<td><strong>Retail stores / venues (#)</strong></td>
<td>3,386(^5)</td>
<td>1,424(^5)</td>
</tr>
<tr>
<td><strong>F20 EBIT by segment (%)</strong>(^6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AU Food</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>NZ Food</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>BIG W</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>BIG W</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Retail(^7)</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Hotels(^7)</td>
<td>77%</td>
<td></td>
</tr>
</tbody>
</table>

1. Before significant items and non-controlling interests
2. Net financial debt excluding lease liabilities and the impact of derivatives
3. Based on reported H1 F21 eCommerce sales divided by total sales for Australian Food, New Zealand Food and BIG W
4. For the Retail segment only
5. As at 3 January 2021. Excludes NZ franchise stores, Summergate and five managed clubs
6. EBIT by segment excluding central overheads
7. F20 EBIT split impacted by COVID-19. F19 EBIT split of 62% for Retail and 38% for Hotels

As a result of pro forma adjustments to reflect the impact of the demerger, the sum of Woolworths Group and Endeavour Group, post demerger, will not always equal Woolworths Group pre demerger. Refer to Demerger Booklet for more detail.
Woolworths Group’s retail ecosystem with our customers and everyday needs at the core

**B2C Food**
Our cornerstone retail food businesses, famous for good food, prices and acts and always convenient

**B2B Food**
Expanding food into new customer segments, channels and markets

**Platforms & Partners**
Technology, digital and analytics enabled retail platforms delivering value for Woolworths Group and partners

**More Everyday**
Extending into complementary everyday categories and services to provide more for our customers

**Better experiences together for a better tomorrow**
Partnership agreements between Woolworths Group and Endeavour Group extend choice for customers to meet their everyday needs through both Woolworths Group’s businesses and partners.

Key anticipated benefits to be delivered under the partnership agreements include:

- framework to pursue joint growth opportunities and further develop team and technology capabilities for mutual benefit;
- protecting and maintaining the synergies and collaborative relationship;
- supporting Endeavour Group with continuity of its operations and transition to separate listed entity; and
- minimising stranded costs for Woolworths Group on the demerger.

**Partnership agreement categories**

- Supply Chain & Stores
- Loyalty & Fintech
- Digital & Media
- Business Support
- International
Woolworths Group post demerger capital management considerations

- Woolworths Group’s operating cash flow and cash realisation is expected to remain strong
- Woolworths Group remains committed to solid investment grade credit ratings
  - No change to credit rating targets anticipated
- Pro forma net cash of $75m following settlement of Endeavour Group intercompany borrowings
- Lease liabilities of $11.9b
- Woolworths Group Board will consider capital management options
- Subject to trading conditions and Board approval, $1.6b – $2.0b could be returned to shareholders

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1 Excludes debt-related financial assets of $44m
2 Before significant items
Demerger expected to create value for shareholders

Relative to other separation alternatives, Woolworths Group Board believes the demerger is the most value accretive path to separation for shareholders.

Woolworths Group is committed to ensuring Endeavour Group is set up with a strong foundation for success and growth as an independent listed company.

Grant Samuel & Associates, the Independent Expert, has concluded that the demerger is also in the best interests of Woolworths Group shareholders.

Woolworths Group Board unanimously recommends the demerger.

Shareholder vote to be held at the General Meeting on Friday, 18 June 2021. Expected to trade (conditional and deferred settlement basis) on 24 June 2021.
Endeavour Group
Post Demerger
**Endeavour Group Board**

**Peter Hearl**  
Chairman

**Steve Donohue**  
Managing Director and Chief Executive Officer

**Holly Kramer**  
Woolworths Group nominee, non-executive director

**Bruce Mathieson Sr**  
BMG nominee, non-executive director

**Duncan Makeig**  
Independent non-executive director

**Joe Pollard**  
Independent non-executive director

**Colin Storrie**  
Non-executive director

**Catherine West**  
Independent non-executive director

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1 Colin Storrie is not considered to be independent because he is currently a senior executive of Woolworths Group and is expected to remain in this role until 27 June 2021.
Endeavour Group senior leadership team

Steve Donohue
Managing Director and Chief Executive Officer

Shane Gannon
Chief Financial Officer

Agnieszka Pfeiffer-Smith
Chief Strategy Officer

Peter Atkin
Chief Legal Officer

Judith Powell
Chief Information Officer

Alison Merner
Chief People Officer

Bruce Mathieson Jr
Managing Director, Hotels

Alex Freudmann
Managing Director, Dan Murphy’s

Scott Davidson
Managing Director, BWS

Paul Walton
Director, Pinnacle Drinks

Claire Smith
Director, EndeavourX
Presenting today

Steve Donohue
Managing Director and Chief Executive Officer

- Steve was appointed Managing Director, Endeavour Drinks in January 2018
- Prior to this, Steve held a broad range of roles within the Woolworths Group drinks business, starting as a store manager in Dan Murphy’s at 19 years old and progressing into senior Buying, Merchandising and Marketing roles in Dan Murphy’s, BWS and the broader drinks business
- In 2013, Steve moved to New Zealand to work for Countdown before returning to Australia in 2015 to take up Director of Buying and Merchandising for Woolworths Supermarkets
- Steve has over 25 years of experience in the retail industry and brings a deep appreciation for core retail principles and a strong focus on the customer experience

Shane Gannon
Chief Financial Officer

- Shane is an experienced finance executive with over 40 years in the finance function with the last 15 years as a CFO of four ASX-100 companies, most recently with the Mirvac Property Group
- Shane joined Endeavour Group as Chief Financial Officer in April 2021
- Before joining Mirvac, Shane was the CFO of Goodman Fielder, CSR and Dyno Nobel
- Prior to the above CFO roles, Shane was employed in divisional CFO roles at Lend Lease Group (10 years) and private equity in the renewable energy space
- Shane’s broad industry experience, in addition to public company CFO roles, includes property, financial services, mining services, FMCG and energy sectors
Our purpose

We’re pioneering, entrepreneurial and always innovating

We connect people through our products and places, enabling great experiences and positive, memorable moments

Creating a more sociable future together

We do the right thing – build our business sustainably, act responsibly and embrace technology

We work as one team to contribute to the communities we serve and collaborate with our partners to help build a better industry
Endeavour Group investment highlights

- **Market leading brands and positions**
  - Leading brands - Dan Murphy’s and BWS are #1 and #2 preferred retail drinks brands in Australia\(^1\), and operate the largest network of 1,630\(^1\) stores with flexible, short duration leases
  - Largest hotels network in Australia, with 332\(^1\) hotels (owned and leased)
  - 1,775+ liquor licences and ~12,400 electronic gaming licences across Australia
  - Leading digital presence - 18m+ web and app visits in December 2020 and eCommerce sales of $637m in F20
  - 5.1m My Dan’s loyalty members

- **Advanced digital and product capabilities through EndeavourX and Pinnacle Drinks**
  - EndeavourX is the engine of Endeavour’s eCommerce offerings, digital capabilities and loyalty propositions
  - Pinnacle Drinks provides consumer brand and product development capabilities, with a focus on premiumisation

- **Ecosystem partnerships that reinforce portfolio benefits**
  - Combination and co-location of retail drinks and hotel assets drives enhanced financial performance
  - Ongoing support of Woolworths Group capabilities in digital, IT and supply chain through flexible partnership agreements

- **Growth momentum across all business units**
  - Ongoing opportunities for network growth, enhancing the existing store and venue network and improving end to end efficiency
  - Digital step change opportunity to grow market share to match bricks and mortar
  - Category expansion and Pinnacle Drinks growth opportunity particularly in premium and craft categories
  - Development opportunities across the existing hotel network and acquisition of new hotels

- **Commitment to purpose and responsible service**
  - 28,000+ engaged team members and an experienced board and management team, committed to our purpose of creating a more sociable future together
  - Continued focus on maintaining position as an industry leader in the responsible service of alcohol and gaming

- **Strong financial performance**
  - Resilient financial performance through COVID-19
  - Strong operating cashflow and access to liquidity to fund growth and distributions to shareholders

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\(^1\) Ergo Liquor Tracker survey
\(^2\) As at 3 January 2021
## Endeavour Group - Australia’s leading drinks and hospitality business

**$10.6B**  
F20 Sales (F19 $10.3B)

**$693M**  
F20 EBIT (F19 $861M)

### Retail

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBIT</th>
<th>Brands</th>
<th>Online sales growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.3B</td>
<td>$578M</td>
<td>Pinnacle Drinks, Dan Murphy’s, BWS</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Australia’s largest retail drinks business, with multi-format brand propositions and capabilities**

### Hotels

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBIT</th>
<th>Venues</th>
<th>EGMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.3B</td>
<td>$171M</td>
<td>332</td>
<td>12,364</td>
</tr>
</tbody>
</table>

**Operator of a portfolio of 332 licensed venues providing a range of hospitality experiences**

### Pinnacle Drinks

Pinnacle Drinks provides products and services capabilities across the entire group, including a portfolio of exclusive brands, vertically integrated production and services, and premium brand ownership.

### EndeavourX

EndeavourX brings together Endeavour Group’s digital and fulfilment capabilities and platforms, loyalty propositions, and oversees the trading operations of the specialty and eCommerce businesses. EndeavourX enables Endeavour Group to know and engage its customers across the entire business.

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Note: Pro forma revenue and pro forma EBIT. Endeavour Group F20 pro forma EBIT of $693 million (F19: $861 million) includes unallocated net costs of $56 million (see Appendix). COVID-19 had a material impact on the performance of Endeavour Group in F20.

Source: Demerger Booklet page 24
Broad network footprint

**Endeavour Group network footprint**

**KEY**
- Dan Murphy’s: 246 locations
- BWS: 1,384 locations
- Hotels: 332 locations
- Bottling facilities: 3 locations
- Wineries: 4 locations

**Retail store network growth over time**

<table>
<thead>
<tr>
<th></th>
<th>F16</th>
<th>F17</th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
<th>H1</th>
<th>F21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth %</td>
<td>3.6%</td>
<td>2.3%</td>
<td>7.9%</td>
<td>17.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Hotels venue network growth over time**

<table>
<thead>
<tr>
<th></th>
<th>F16</th>
<th>F17</th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
<th>H1</th>
<th>F21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth %</td>
<td>3.7%</td>
<td>1.9%</td>
<td>COVID-19 Impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Locations as at 3 January 2021, with the exception of Oakridge Wines acquired in March 2021
2 Excludes 5 clubs managed by Endeavour Group in Victoria
Operating in a growing drinks and fragmented hospitality market

### Drinks retail market size (revenue)
(Packaged liquor market including online and direct to consumer)

<table>
<thead>
<tr>
<th>Year</th>
<th>$b</th>
<th>%</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>F16</td>
<td>19.3</td>
<td>39.4</td>
<td></td>
</tr>
<tr>
<td>F17</td>
<td>19.9</td>
<td>39.7</td>
<td>3.0%</td>
</tr>
<tr>
<td>F18</td>
<td>20.9</td>
<td>39.7%</td>
<td></td>
</tr>
<tr>
<td>F19</td>
<td>21.1</td>
<td>39.8%</td>
<td></td>
</tr>
<tr>
<td>F20</td>
<td>23.0</td>
<td>40.4%</td>
<td></td>
</tr>
</tbody>
</table>

- **Endeavour Group market share**
- **Spike in retail sales caused by COVID**

### Hospitality market size (revenue)
(Pubs, bars and nightclubs)

<table>
<thead>
<tr>
<th>Year</th>
<th>$b</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>F16</td>
<td>18.8</td>
<td>8.0%</td>
</tr>
<tr>
<td>F17</td>
<td>18.6</td>
<td>8.6%</td>
</tr>
<tr>
<td>F18</td>
<td>18.6</td>
<td>8.6%</td>
</tr>
<tr>
<td>F19</td>
<td>18.5</td>
<td>8.6%</td>
</tr>
<tr>
<td>F20</td>
<td>15.1</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

- **Endeavour Group market share**
- **Hospital closures and restrictions due to COVID**

Source: Frost & Sullivan (March 2021)

1 F19 reflects market share normalised to exclude EGL 53rd week

Source: IBISWorld Report Pubs, bars and nightclubs in Australia (October 2020)
A strong history of organic and strategic growth

Note: Due to rounding, numbers presented in this chart may not add up to precisely to the totals presented.
Customer engagement and understanding, driving better experiences...and more engagement

- **78**
  - Dan Murphy's VOC NPS
- **5.1m**
  - My Dan Murphy's members
- **172**
  - Contactless Direct to boot stores

**Customer Trust**

- **Attract and Engage Customers**
- **Enable Meaningful Experiences**
- **Understand our Customers**

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1 Voice of Customer (VOC) Net Promoter Score (NPS) (Store and Online) as reported for Q3 F21
Portfolio of trusted and innovative brands

**Dan Murphy's**
- One of Australia’s most trusted brands
- Destination for drinks discovery – in store and online
- Widest range at Australia’s lowest prices

**BWS**
- One of the most convenient places to buy drinks in Australia
- Integrated online offering including under one hour delivery proposition
- Localised range

**ALH Group**
- Australia’s largest on-premise venue operator
- Range of hospitality experiences, including bars and food, electronic gaming, wagering, live entertainment and accommodation

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**Reported brand preference**
- Dan Murphy's: 37%
- BWS: 21%

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1 Ergo Liquor Tracker survey

- Reported brand preference: #1 and #2 most preferred brands in the market
- Kantar recently named Dan Murphy’s one of the most trusted and most meaningfully different brands in Australia
Large hotel property portfolio with development potential

**49 owned hotel properties**
- Opportunities for growth and capital recycling
- Leverage ecosystem partnerships and portfolio benefits

**283 leased hotel properties**
- WALE of 14.4\(^1\) years plus options
- Redevelopment rights and optimisation potential across multiple sites

### Recent developments across Hotels

- **Como Hotel**
  - Reopened 15 December 2020

- **Redland Bay Hotel**
  - Reopened 3 July 2020

- **Forest Hotel**
  - Opened 11 December 2020

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\(^1\) As at 3 January 2021
Leading digital presence

High customer engagement

18m+ monthly web and app visits in Dec 2020

5.1m My Dan’s members in H1 F21

Largest share of category traffic

Website visits per month (m)
Dec 2020¹

<table>
<thead>
<tr>
<th>BWS</th>
<th>7.0</th>
<th>2.2</th>
<th>1.7</th>
<th>1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#3</td>
<td>#4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fast growing eCommerce sales

eCommerce sales

$483m sales in H1 F21
50.2% growth yoy
8.5% penetration of total Retail sales

Leader in eCommerce Innovation

- 30 min Pick up in most stores
- 172 contactless Direct to boot service stores
- 171 stores with two hour express delivery
- 30 min Pick up in most stores
- On Demand delivery in < 1 hr available from 960 stores

¹ Source: SimilarWeb

Drinks delivered in 1 hour, or free delivery next time.

*It’s our way of saying “my bad”.

T&C’s apply. Delivery Guarantee valid on BWS orders only.
EndeavourX was created in 2019, and comprises the digital platforms and incubator businesses of the Group to build customer knowledge, leverage capability and drive growth.

EndeavourX brings together the loyalty propositions across the business into a single view called CustomerPulse.

Customer insights drive the prioritisation of the digital delivery agenda (currently focused on personalisation, app and convenience) and the development of key platforms.

EndeavourX also oversees the trading operation of the eCommerce and incubator businesses.

Innovations like facial recognition in Hotels or predictive algorithms in Jimmy Brings also enable Endeavour Group to continually evolve and remain committed to responsible service and consumption.
Pinnacle Drinks is Endeavour Group’s consumer brand and production business

**Endeavour Group’s own and exclusive brand business**

- Largest supplier to Endeavour Group
- Access to high quality exclusive products, while delivering growth for Endeavour Group
- Supply chain flexibility to respond to consumer demand

<table>
<thead>
<tr>
<th>207</th>
<th>New products in F20</th>
</tr>
</thead>
<tbody>
<tr>
<td>458</td>
<td>Awards won (YTD F21)</td>
</tr>
</tbody>
</table>

**Pinnacle Drinks engages in selective vertical integration**

- Collection of award winning and premium heritage wineries and wine brands around Australia and New Zealand
- A 5-star James Halliday rated winery in the Barossa Valley
- Provides wine solutions including contract bottling services and supply of packaging goods

**Product Innovation**

**Premium Wine**
Creating a more sociable future together

Ability to generate more value from a liquor licence by leveraging both hotel and retail businesses

Ability to leverage innovative capabilities from our incubator businesses to power market leading brands

Ability to benefit from the scale and capabilities of Woolworths Group through partnership agreements

Ability to attract talent into a large diverse purpose-led organisation

Ability to distribute product and provide differentiation throughout the hotels, retail and digital network of the Group

Ability to bring data from customers together to learn and innovate across all businesses

Endeavour Group’s ecosystem unlocks portfolio benefits
Key areas of future growth opportunity

Growing digital engagement
- Increase eCommerce market share to align to bricks and mortar
- Improve the digital offer and deploying new services into underserved communities
- Make digital the front door to all brands including hotels

Strategic expansion of the network
- Accelerate acquisition, roll-up and development of new hotels
- Expand to catchments that can support an additional Dan Murphy’s or BWS store
- Expand smaller incubator brands and platforms leveraging existing infrastructure

Expanding product range and reach
- Respond to emerging trends
- Leverage Pinnacle to drive new category growth and support premiumisation
- Grow customer resonance of Pinnacle Drinks’ brands within Endeavour Group and offshore through selective partnerships

Enhancing the existing footprint
- Accelerate hotel refurbishments
- Deliver differentiated in-store experiences
- Unlock the value of freehold and leasehold property assets over time

Enhancing end-to-end efficiency
- Benefit from growing scale and synergies
- Expansion of technology capabilities to support growth
- Agile and integrated ways of working
Highly experienced and engaged team

- Passionate, knowledgeable and diverse team members, with market-leading sustainable engagement metrics
- Critical capabilities required to drive Endeavour Group to its full potential
- Best in class capability throughout the organisation, including in digital, merchandising and across store management and store teams

28,000+ team members
36% female representation across Endeavour Group senior leaders
38% reduction in recordable injuries to Dec 20

Highly Engaged Team Sustainable Engagement (Feb-20 Retail Survey Results)

Endeavour Group vs. Australian average: +5
Endeavour Group vs. Global retail average: +3
Commitment to responsibility and community

Approach to Responsible Service

Responsibility
Most responsible operating model based on tailoring community relevant voluntary initiatives over and above legal compliance
- ID25+
- Choose to Drinkwise
- International Alliance for Responsible Drinking initiative
- Responsible gaming hosts

Training
Curated in-house RSA and RSG training for Retail, Hotels and eCommerce, and continuous improvement to develop innovative training solutions

Innovation
Explore, test and implement appropriate technologies for harm minimisation
- Facial recognition technology in South Australia
- Voluntary pre-commitment in Monty’s Rewards app
- Predictive algorithms

Audit & Compliance
Dedicated internal RSA and RSG teams who monitor compliance and address regulatory issues if they arise. External audit through mystery shopping and RGC

Partnership
Tailored partnerships with communities
- Jawun Secondments
- ALH chefs to FareShare charity kitchens during COVID
- 180 Liquor Accords
- Domestic and Family Violence initiative

Our Imprint

At Endeavour, we aspire to leave a positive imprint on every community we touch

We are not just responsible for our own actions, we must try to improve outcomes in the wider community, as members of that community

We are committed to creating a more sociable future together
Financial overview
Endeavour Group financial highlights

**Scale and growth**
- $10.6b¹
  - F20 revenue
- $693m¹
  - F20 EBIT
- 6.5%¹
  - F20 EBIT margin

**Strong asset base**
- $3.2b²
  - Net assets
- $2.0b²
  - Liquor, gaming and other licences
- $592m²
  - Freehold land, warehouse, retail and other property

**Cash generative**
- $1.4b¹
  - F20 operating cash flow before finance costs and tax
- $0.5b³
  - F20 cash flow before dividends and debt repayment
- F21 final dividend
  - Expected to be declared and paid in H1 F22

**Financial flexibility**
- $2.5b
  - Debt facilities (3-5yr tenor)
- $500m+
  - Facility headroom at demerger
- 8.8 years
  - Retail WALE

---

¹ Pro forma before significant items
² Pro forma as at 3 January 2021
³ Pro forma operating and investing cash flows after lease payments
**Endeavour Group historical financial performance**

### Pro forma revenue by business ($bn)

<table>
<thead>
<tr>
<th></th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
<th>H1 F20</th>
<th>H1 F21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>8.2</td>
<td>8.6</td>
<td>9.3</td>
<td>5.7</td>
<td>6.4</td>
</tr>
<tr>
<td>Hotels</td>
<td>1.6</td>
<td>1.7</td>
<td>1.3</td>
<td>0.9</td>
<td>0.7</td>
</tr>
</tbody>
</table>

**Retail**
- Solid Retail comparable sales growth in F18; softer market in F19
- H2 F20 and H1 F21 materially impacted by COVID which drove unprecedented Retail demand
- F19 EBIT reflects targeted investments in key focus areas including customer experience, ranging, data and analytics and eCommerce
- F20 and H1 F21 EBIT impacted by COVID with strong sales growth offset somewhat by higher costs

### Pro forma EBIT by business ($m)

<table>
<thead>
<tr>
<th></th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
<th>H1 F20</th>
<th>H1 F21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>582</td>
<td>568</td>
<td>578</td>
<td>344</td>
<td>422</td>
</tr>
<tr>
<td>Hotels</td>
<td>359</td>
<td>349</td>
<td>171</td>
<td>225</td>
<td>122</td>
</tr>
<tr>
<td>Other</td>
<td>(56)</td>
<td>(56)</td>
<td>(56)</td>
<td>(29)</td>
<td>(29)</td>
</tr>
</tbody>
</table>

**Hotels**
- Strong sales growth in F18; softer market in F19, with sales growth supported by venue refurbishments
- H2 F20 and H1 F21 materially impacted by the closure of venues and venue restrictions due to COVID but improving trend as restrictions eased

**Other**
- Other costs of $56m reflect pro forma central overhead costs

---

Note: F19 includes 53 weeks
## Summarised pro forma balance sheet

<table>
<thead>
<tr>
<th>$m</th>
<th>Pro forma Endeavour Group 3 Jan 2021¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>566</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>193</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,436</td>
</tr>
<tr>
<td>Lease assets</td>
<td>3,150</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,838</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>3,838</td>
</tr>
<tr>
<td>Other assets</td>
<td>106</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>11,127</strong></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,749</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>3,788</td>
</tr>
<tr>
<td>External borrowings</td>
<td>1,832</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>563</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>7,932</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>3,195</strong></td>
</tr>
</tbody>
</table>

### Net debt

<table>
<thead>
<tr>
<th>$m</th>
<th>Pro forma 3 Jan 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>(566)</td>
</tr>
<tr>
<td>External borrowings</td>
<td>1,832</td>
</tr>
<tr>
<td><strong>Net debt (excluding lease liabilities)</strong></td>
<td><strong>1,266</strong></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>3,788</td>
</tr>
<tr>
<td><strong>Total net debt</strong></td>
<td><strong>5,054</strong></td>
</tr>
</tbody>
</table>

¹ Due to the nature of the working capital cycles in the business and the higher levels of seasonal trading, working capital is generally lower at the first half balance sheet date.

- Finished goods held in stores, venues, warehouses and bulk product held by Pinnacle Drinks
- Freehold land, warehouse retail and other properties: $592m
- Plant and equipment: $701m
- Leasehold improvements: $545m
- Goodwill: $1.7b
- Liquor, gaming and other licences: $2.0b
- Software: $95m
Cash flows and capex

Pro forma net operating cash flows ($m)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
<th>H1 F20</th>
<th>H1 F21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,249</td>
<td>1,350</td>
<td>1,429</td>
<td>881</td>
<td>1,067</td>
</tr>
</tbody>
</table>

Pro forma capex by business ($m)\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>F18</th>
<th>F19</th>
<th>F20</th>
<th>H1 F20</th>
<th>H1 F21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>183</td>
<td>157</td>
<td>181</td>
<td>93</td>
<td>54</td>
</tr>
<tr>
<td>Hotels</td>
<td>343</td>
<td>336</td>
<td>325</td>
<td>160</td>
<td>126</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

- Track record of disciplined capital allocation
- Investment balanced across investments in new stores / venues, refurbishments and redevelopments, technology, EGM fleet, digital / eCommerce and M&A
- Opportunities for continued investment to deliver attractive returns

- Strong operating cash flow to support dividends and fund growth
- Operating cash flow in F20 and H1 F21 benefitted from impact of COVID trading on working capital

\(^1\) Pro forma net operating cash flows before financing costs and tax
\(^2\) Includes payments for businesses and investments. Shown on an accrual basis
## Debt facilities

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Amount ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-yr Syndicated revolving credit facilities</td>
<td>1,000</td>
</tr>
<tr>
<td>4-yr Syndicated revolving credit facilities</td>
<td>900</td>
</tr>
<tr>
<td>3-yr Bilateral revolving credit facilities</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total debt facilities limit</strong></td>
<td><strong>2,500</strong></td>
</tr>
</tbody>
</table>

- Total debt facilities of $2.5b
- Pro forma F20 finance costs based on variable rate effective borrowing cost of 1.8% on drawn debt of $1,850m
- On demerger, net debt of $1.4b to $1.5b expected
- Pro forma lease liabilities of $3.8b as at 3 Jan 2021
- Weighted average lease expiry:
  - Endeavour Group: 12.6 years
  - Retail: 8.8 years
  - Hotels: 14.4 years
- Targeting credit metrics consistent with an investment grade profile

## Dividend approach

- Dividend policy to be determined by Endeavour Group Board at its discretion
- Initially, dividend payout ratio of 70% to 75% of NPAT expected
- Endeavour Group expected to pay dividend of 70% to 75% of NPAT for H2 F21, subject to fiduciary and statutory requirements
- Woolworths Group’s final dividend and Endeavour Group’s first dividend post demerger are, in aggregate, anticipated to be broadly equivalent to final dividend that would have been paid by Woolworths Group if the demerger had not gone ahead

---

1 Excluding lease liabilities
Summary

- Market leading brands and positions
- Advanced digital and product capabilities through EndeavourX and Pinnacle
- Ecosystem partnerships that reinforce portfolio benefits
- Growth momentum across all business units
- Commitment to purpose and responsible service
- Strong financial performance
Appendix – Endeavour Group pro forma historical statements of profit or loss

<table>
<thead>
<tr>
<th>A$M</th>
<th>H1 F21 (27 WEEKS)</th>
<th>H1 F20 (27 WEEKS)</th>
<th>F20 (52 WEEKS)</th>
<th>F19 (53 WEEKS)</th>
<th>F18 (52 WEEKS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6,357</td>
<td>5,712</td>
<td>10,624</td>
<td>10,294</td>
<td>9,795</td>
</tr>
<tr>
<td><strong>EBIT, excluding significant items</strong></td>
<td>515</td>
<td>540</td>
<td>693</td>
<td>861</td>
<td>885</td>
</tr>
<tr>
<td>Net interest on leases¹</td>
<td>(89)</td>
<td>(96)</td>
<td>(184)</td>
<td>(180)</td>
<td>(181)</td>
</tr>
<tr>
<td>Finance costs²</td>
<td>(17)</td>
<td>(17)</td>
<td>(33)</td>
<td>(34)</td>
<td>(33)</td>
</tr>
<tr>
<td><strong>Profit, excluding significant items and before tax</strong></td>
<td>409</td>
<td>427</td>
<td>476</td>
<td>647</td>
<td>671</td>
</tr>
<tr>
<td>Income tax expense³</td>
<td>(131)</td>
<td>(130)</td>
<td>(148)</td>
<td>(202)</td>
<td>(209)</td>
</tr>
<tr>
<td><strong>NPAT, excluding significant items</strong></td>
<td>278</td>
<td>297</td>
<td>328</td>
<td>445</td>
<td>462</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A$M</th>
<th>H1 F21 (27 WEEKS)</th>
<th>H1 F20 (27 WEEKS)</th>
<th>F20 (52 WEEKS)</th>
<th>F19 (53 WEEKS)</th>
<th>F18 (52 WEEKS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT, excluding significant items</strong></td>
<td>515</td>
<td>540</td>
<td>693</td>
<td>861</td>
<td>885</td>
</tr>
<tr>
<td>Depreciation on lease assets¹</td>
<td>144</td>
<td>138</td>
<td>270</td>
<td>261</td>
<td>244</td>
</tr>
<tr>
<td>Depreciation and amortisation on other assets</td>
<td>113</td>
<td>108</td>
<td>209</td>
<td>214</td>
<td>191</td>
</tr>
<tr>
<td><strong>EBITDA, excluding significant items</strong></td>
<td>772</td>
<td>786</td>
<td>1,172</td>
<td>1,336</td>
<td>1,320</td>
</tr>
</tbody>
</table>

Notes:
1. Net interest on leases and depreciation on lease assets include the pro forma impact of adopting AASB 16 as if this accounting standard had been in place for all the periods presented.
2. Pro forma finance costs reflect the pro forma interest and amortisation of bank fees on external borrowings that will be drawn down upon Demerger, based on current interest rates, the pricing detailed in the terms of the Endeavour Group Facilities, and assumes the borrowings were in place for all periods presented. The interest to be paid under the Endeavour Group Facilities is variable and will change over time based on changes in the interest rate benchmarks referenced in the Endeavour Group Facilities. Following implementation of the Demerger, Endeavour Group may use interest rate hedges to reduce the variability in interest payments, which will impact the level of finance costs incurred, potentially by a material amount.
3. The pro forma income tax expense is based on the pro forma profit before tax adjusted for permanent differences and the corporate tax rate of 30%.
## Appendix – Endeavour Group pro forma historical segment information

<table>
<thead>
<tr>
<th>ASM</th>
<th>H1 F21 (27 WEEKS)</th>
<th>H1 F20 (27 WEEKS)</th>
<th>F20 (52 WEEKS)</th>
<th>F19 (53 WEEKS)</th>
<th>F18 (52 WEEKS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>5,690</td>
<td>4,793</td>
<td>9,304</td>
<td>8,623</td>
<td>8,183</td>
</tr>
<tr>
<td>Hotels</td>
<td>667</td>
<td>919</td>
<td>1,320</td>
<td>1,671</td>
<td>1,612</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,357</td>
<td>5,712</td>
<td>10,624</td>
<td>10,294</td>
<td>9,795</td>
</tr>
<tr>
<td><strong>EBIT, excluding significant items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>422</td>
<td>344</td>
<td>578</td>
<td>568</td>
<td>582</td>
</tr>
<tr>
<td>Hotels</td>
<td>122</td>
<td>225</td>
<td>171</td>
<td>349</td>
<td>359</td>
</tr>
<tr>
<td>Other¹</td>
<td>(29)</td>
<td>(29)</td>
<td>(56)</td>
<td>(56)</td>
<td>(56)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>515</td>
<td>540</td>
<td>693</td>
<td>861</td>
<td>885</td>
</tr>
<tr>
<td><strong>Depreciation and amortisation – lease assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>74</td>
<td>72</td>
<td>139</td>
<td>131</td>
<td>122</td>
</tr>
<tr>
<td>Hotels</td>
<td>70</td>
<td>66</td>
<td>131</td>
<td>130</td>
<td>122</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>144</td>
<td>138</td>
<td>270</td>
<td>261</td>
<td>244</td>
</tr>
<tr>
<td><strong>Depreciation and amortisation – other assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>61</td>
<td>56</td>
<td>107</td>
<td>103</td>
<td>89</td>
</tr>
<tr>
<td>Hotels</td>
<td>52</td>
<td>52</td>
<td>102</td>
<td>111</td>
<td>102</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>113</td>
<td>108</td>
<td>209</td>
<td>214</td>
<td>191</td>
</tr>
<tr>
<td><strong>EBITDA, excluding significant items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>557</td>
<td>472</td>
<td>824</td>
<td>802</td>
<td>793</td>
</tr>
<tr>
<td>Hotels</td>
<td>244</td>
<td>343</td>
<td>404</td>
<td>590</td>
<td>583</td>
</tr>
<tr>
<td>Other</td>
<td>(29)</td>
<td>(29)</td>
<td>(56)</td>
<td>(56)</td>
<td>(56)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>772</td>
<td>786</td>
<td>1,172</td>
<td>1,336</td>
<td>1,320</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>54</td>
<td>93</td>
<td>181</td>
<td>157</td>
<td>183</td>
</tr>
<tr>
<td>Hotels</td>
<td>70</td>
<td>65</td>
<td>141</td>
<td>176</td>
<td>157</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>126</td>
<td>160</td>
<td>325</td>
<td>336</td>
<td>343</td>
</tr>
</tbody>
</table>

### Notes:

1. The other segment includes dividend income from the investment held in ALE Property Group and central overhead costs, including costs arising from operating as a standalone entity listed on the ASX.
Thank you
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Financial information included in this document are consistent with disclosures made as part of the Endeavour Group Demerger Booklet. This document should be read in conjunction with the Demerger Booklet as detailed notes, including the basis for preparation, are included in the Demerger Booklet.

References to Endeavour Group Pro forma historical information are references to the pro forma historical information of Endeavour Group during the relevant periods or at the relevant time, being the corporate group that was created following the Restructure and ALH Merger which is proposed to be demerged to Woolworths Shareholders. References to Pro Forma historical financial information refers to Endeavour Group on a consolidated basis.

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