

Woolworths Group

Group Half-Year Results 2023



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Acknowledgement of Country

Woolworths Group acknowledges the many Traditional Owners of the lands on which we operate, and pay our respects to their Elders past and present.

We recognise their strengths and enduring connection to lands, waters and skies as the custodians of the oldest continuing cultures on the planet.

We remain committed to actively contributing to Australia's reconciliation journey through listening and learning, empowering more diverse voices and working together for a better tomorrow.

Woolworths Group reaffirms our support for the Uluru Statement from the Heart, and its calls for a First Nations Voice to Parliament enshrined in the Constitution.

The mural on this page represents a series of artworks produced by Trevor Eastwood and Jason Douglas, two Diversity Dimensions mentors in the Resourcing the Future Aboriginal and Torres Strait Islander employment program. Trevor and Jason invited the team members at Norwest Support Office to co-create this artwork during National Reconciliation Week in 2018 as part of our Reconciliation Action Plan.



H23 summary

A balanced H1 result with improved customer and financial performance compared to COVID-impacted prior year

Customer Care scores a highlight with most customer metrics improving on prior periods; Group VOC NPS up on Q2 F22 and Q1 F23

Successful seasonal trading delivered through a focus on an affordable and inspirational Christmas

Group sales up 4.0% (3-yr CAGR: 7.5%), EBIT¹ up 18.4% (3-yr CAGR: 7.1%) driven by Australian Food. Ex COVID² costs in H22, Australian Food EBIT up 4.3%

Strong digital traffic growth across Group platforms driven by growth in app usage despite normalisation in eCommerce sales

Progress on building Food and Everyday Needs ecosystem with MyDeal and Shopper Media completed, and Petspiration Group investment³ announced

¹ Before significant items
² Direct COVID costs of \$161m in H22
³ Subject to ACCC and NZCC approval

Customers returning to store but digital engagement still growing strongly

Australian Food weekly store visits¹

2019 average 20.6m

First COVID wave

Delta wave

19.4m H23 avg. weekly store visits

16.0m H23 avg. weekly digital visits

Food and Everyday digital traffic¹

2019 average 6.6m

December-19

December-20

December-21

December-22



¹ Four week rolling average

Our retail ecosystem for good food and more everyday



Strong progress on our strategic agenda

| | | | | | More to do | |
|---|---|---|--|--|---|--|
| Living our purpose | Better together for better E2E experiences | Most trusted brand for third year in a row | Strong improvement in TRIFR; Everyday Extra for Australian team | Low Prices, Specials, personalised offers and own brands providing value to customers | Donations to WIRES and OzHarvest | On sustainability agenda, especially soft plastics |
| Delivering compelling customer propositions | Consistently good B2C food experiences | Prices Dropped campaigns helping deliver more value for customers | RT3 embedded in Woolworths Supermarkets to improve rostering & customer outcomes | WFC's ¹ value-added and seasonal ranges growing strongly | All CFCs supporting Same Day; 20 DTB sites added | More inspirational and affordable food solutions for customers |
| | More Everyday for our members | 14.1m Everyday Rewards members; MyDeal added to rewards program | Real Time Loyalty launch; booster and subscription growth | Strong trading momentum in BIG W; range now on MyDeal | Proposed entry into specialty pet segment via Petspiration Group ² | More value to customers across their everyday needs shopping |
| | Grow and connect our B2B food business | Strong PFD sales growth including new customer growth | Providing Nth Qld remote communities with Woolworths products | Strong growth in Learn, Care & Office segments in Woolworths at Work | Reached agreement to sell Summergate in China | Optimise red protein value chain through Greenstock |
| Strengthening our foundations | Scale our next gen retail platforms & Evolve our Group capabilities | Strong progress on wiq use cases including Next-gen Promotions | Cartology launched in BIG W and Metro; completion of Shopper acquisition | MSRDC consistently at 2.3m cartons per week; construction started on Christchurch Fresh DC, NZ | New Primary Connect 3PL customer platform launched | Digitise and commercialise platforms to unlock benefits and grow ecosystem |



1 Woolworths Food Company
 2 Subject to ACCC and NZCC approval

Multi-year supply chain transformation past the halfway mark



Melbourne South Regional DC, Vic commissioned in February 2019
Now consistently averaging 2.3m cartons per week

Melbourne Fresh DC, Vic commissioned in August 2020

Adelaide Regional DC, SA expansion commissioned in June 2020

Palmerston North DC, NZ commissioned in August 2021

Hazelmere DC, WA servicing BIG W commissioned in December 2021

Heathwood Chilled & Frozen DC, Qld commissioned in February 2022

Auckland Fresh DC, NZ commissioned in June 2022

Erskine Park DC, NSW transitioned to ambient grocery DC expected in Q1 F24

Moorebank National DC, NSW opening 2024
Auburn CFC, NSW first automated CFC opening 2024

Christchurch Fresh DC, NZ opening 2024

Moorebank Regional DC, NSW expected to open 2025

Adjacencies supporting our cornerstone businesses and driving growth

Strengthening digital engagement

Average weekly traffic to Group digital platforms

22.7m **29%**
(+2m vs. H22) 3-yr CAGR

Digital traffic to Food and Everyday platforms reaching 16 million average weekly visits

 **+22%**
vs. Q2 H22

Transition to Real Time Loyalty platform to deliver personalised offers at scale



More Everyday

Total Everyday Rewards members

14.1m
(+800k vs. H22)

Active Everyday Rewards members Weekly Rewards app users

+5.8% **+57%**

27k MyDeal customers linked their EDR card in the first week of MyDeal becoming an EDR partner

 **+4.6%** new customer growth supported by pet insurance (vs. H22)



+39% Mobile active customer base (vs. H22)

Evolving our B2B offer

B2B Food H23 sales growth

+26%
vs. H22



✓ Strong market and customer driven growth; PFD now supplying Woolworths with seafood



✓ Learn, Care and Office segments all growing



✓ Joint tender won with PFD; strong MetroGo sales growth



Launched Primary Connect customer brand solution PC+

International business growing

Growing our ecosystem

MyDeal

- Completed 23 September 2022
- Q2 GTV¹ broadly flat on prior year, revenue up 10%; 1m+ active customers
- BIG W range launched on MyDeal in August

shopper

- Completed 30 September 2022
- Integration work underway

 **Petspiration Group**

- Proposed 55% equity interest in #2 player in \$10bn specialty pet sector²
- LTM (Sep 22)³ sales of \$979m and EBITDA of \$158m
- Material opportunities for joint value creation

Progress on our sustainability goals

People

Making a positive change to the future of our people, our partners and our communities



40%
of management (levels 4-6) identify as woman or female

11.38
Total recordable injury frequency rate
▼ 7.3% from H22

\$22.4m
of direct community contribution in H23 (cash and in-kind donations)

\$5.9m
invested in a virtual reality learning platform that offers multi-skilling opportunities for our team¹

Planet

Ensuring we leave the environment better off for future generations



7.9%
reduction in scope 1 & 2 emissions² from H22

21%
Green electricity across operations

>10m meals
donated via food rescue partnerships

Scope 3
supplier engagement pilot completed across six key supermarket categories³

Product

Having a positive impact on people and the planet through the product and services provided



>12,000t
virgin plastic packaging reduction
▼ 26% vs F18 baseline⁴

#1
Australia's Healthiest Supermarket Own Brands⁵ fourth year in a row

+38 bps
portion of sales from healthier products with health star rating 3.5 or higher⁶

>13m
pieces of Free Fruit for Kids in H23

1 Part of Future of Work program

2 Operational emissions

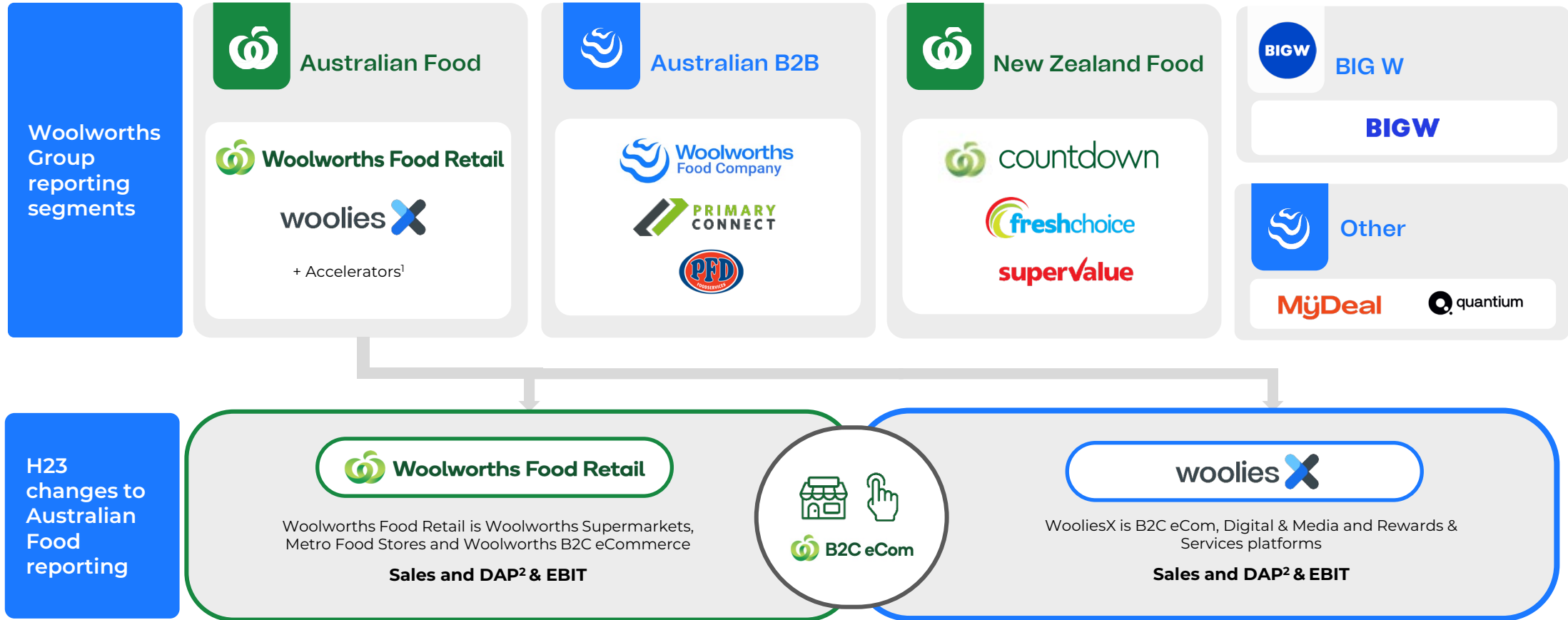
3 Part of the Value chain emissions program aligned to a 19% reduction in value chain emissions by 2030

4 Own brand virgin plastic packaging reductions from targeted initiatives across Woolworths Supermarkets and Metro Food Stores only. Calculated based on the change in virgin plastic weight multiplied by the volume of either sales or purchases in the 12 months prior to the packaging change

5 The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022)

6 A rolling 12 month comparison to prior year based on Woolworths Supermarkets excluding Metro Food Stores in Australia and Countdown in New Zealand. Excludes fruit and vegetable sales due to supply constraints within the reporting period

Woolworths Food Retail and WooliesX now disclosed as part of Australian Food segment



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Group financial results

Key balance sheet metrics

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Current trading and outlook

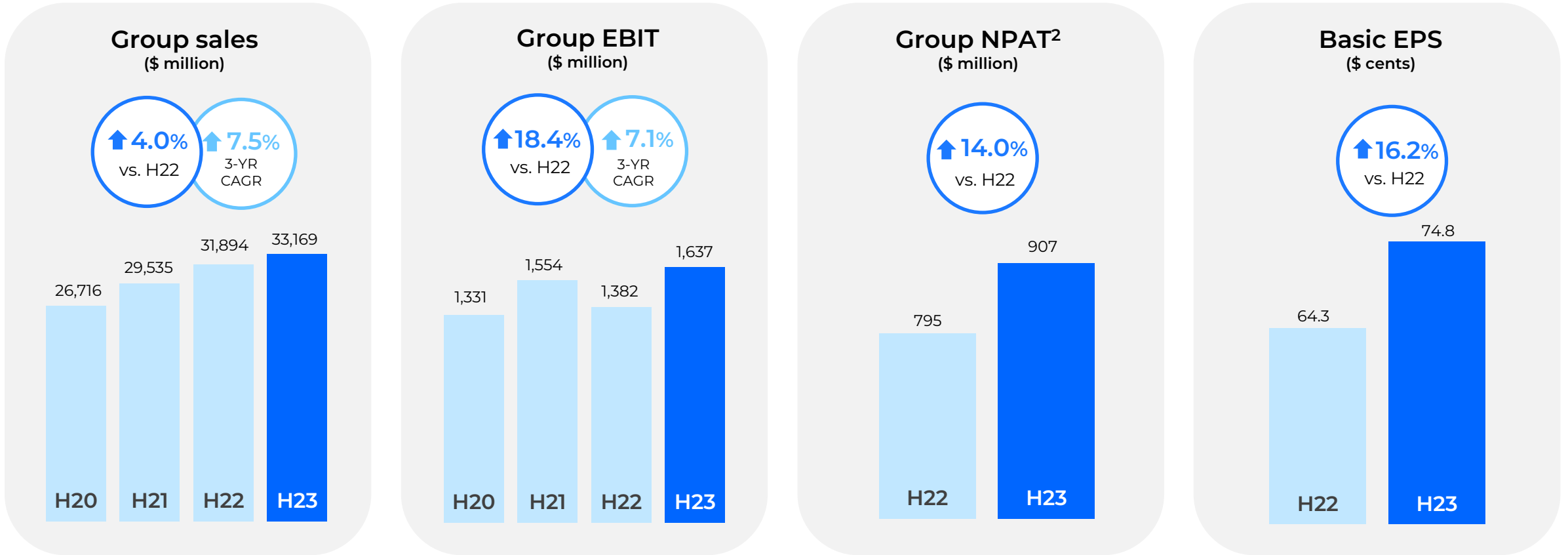
Brad Banducci

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Group financial results and capital management



H23 results summary¹



¹ Continuing operations before significant items

² Before significant items attributable to the equity holders of the parent entity

Group trading performance

Group sales

| \$ MILLION | H23 | H22 | CHANGE | 3-YR CAGR |
|-------------------------------|---------------|---------------|-------------|-------------|
| Australian Food | 24,385 | 23,780 | 2.5% | 5.5% |
| Australian B2B ¹ | 2,433 | 1,979 | 23.0% | |
| New Zealand Food (AUD) | 3,703 | 3,838 | (3.5)% | |
| <i>New Zealand Food (NZD)</i> | <i>4,079</i> | <i>4,027</i> | <i>1.3%</i> | <i>4.7%</i> |
| BIG W | 2,708 | 2,348 | 15.3% | 8.0% |
| Other ^{1,2} | (60) | (51) | 19.4% | |
| Group | 33,169 | 31,894 | 4.0% | 7.5% |

Group EBIT

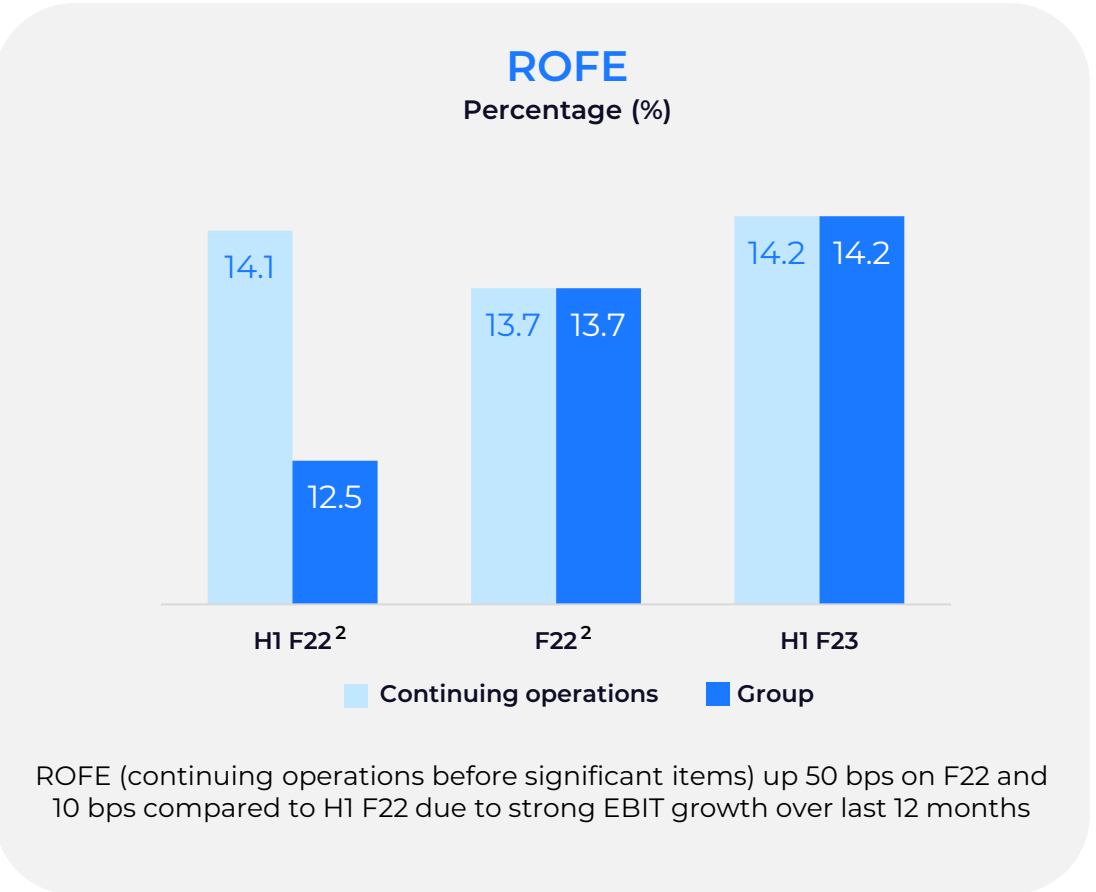
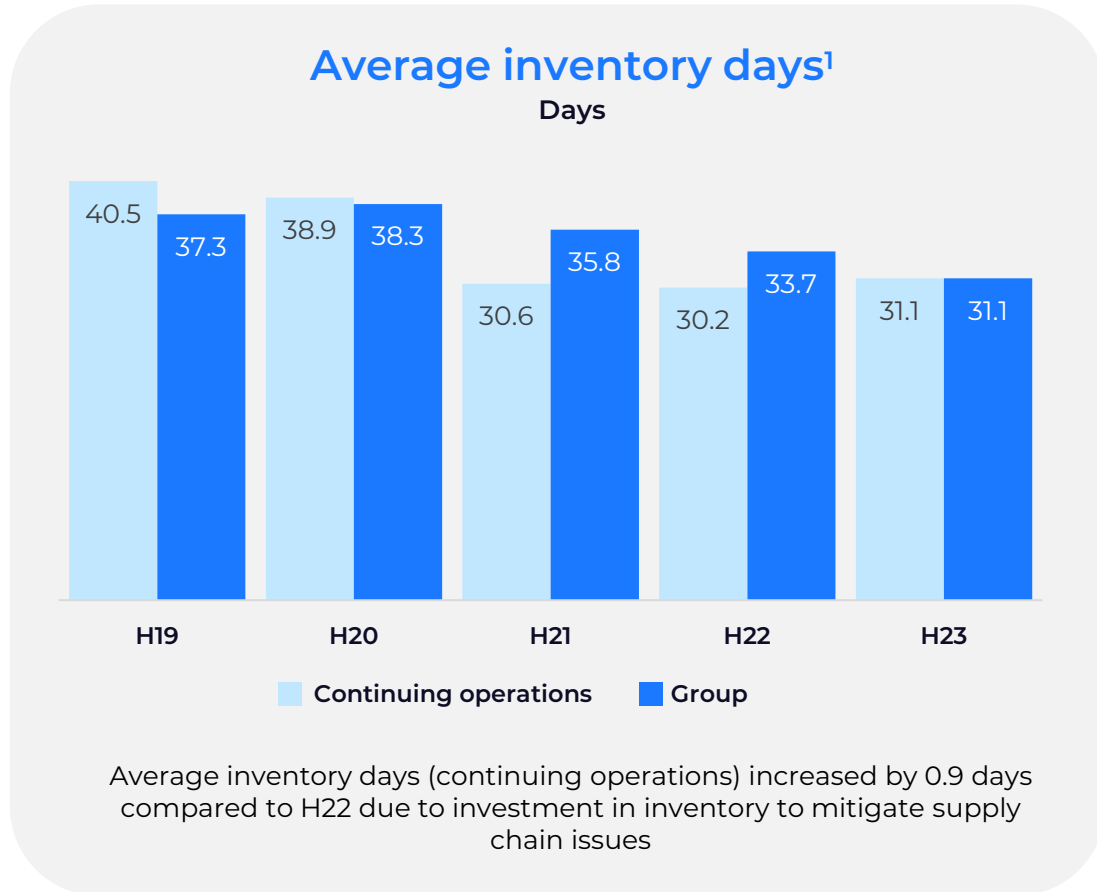
| \$ MILLION | H23 | H22 | CHANGE | 3-YR CAGR |
|---------------------------------------|--------------|--------------|----------------|----------------|
| Australian Food | 1,439 | 1,217 | 18.2% | 7.6% |
| Australian B2B ¹ | 38 | 18 | 105.3% | |
| New Zealand Food (AUD) | 111 | 191 | (42.0)% | |
| <i>New Zealand Food (NZD)</i> | <i>122</i> | <i>200</i> | <i>(39.1)%</i> | <i>(13.0)%</i> |
| BIG W | 134 | 25 | 437.5% | 39.0% |
| Other ^{1,2} | (85) | (69) | 22.1% | |
| Group before significant items | 1,637 | 1,382 | 18.4% | 7.1% |

4.3% excl. direct COVID costs in prior year



- Revenue from the sale of goods and services in Australian B2B includes \$180 million (2022: \$150 million) of freight revenue. However, at a Group level, this is classified and recognised as a reduction in cost of sales. As a result, a \$180 million (2022: \$150 million) reduction has been recognised in the Other segment. This has not resulted in a change to earnings before interest and tax at a Group level
- Other comprises Quantum and MyDeal, which are not considered separately reportable segments, as well as other support functions including property and Group overhead costs, the Group's share of profit or loss of investments accounted for using the equity method, and consolidation and elimination journals

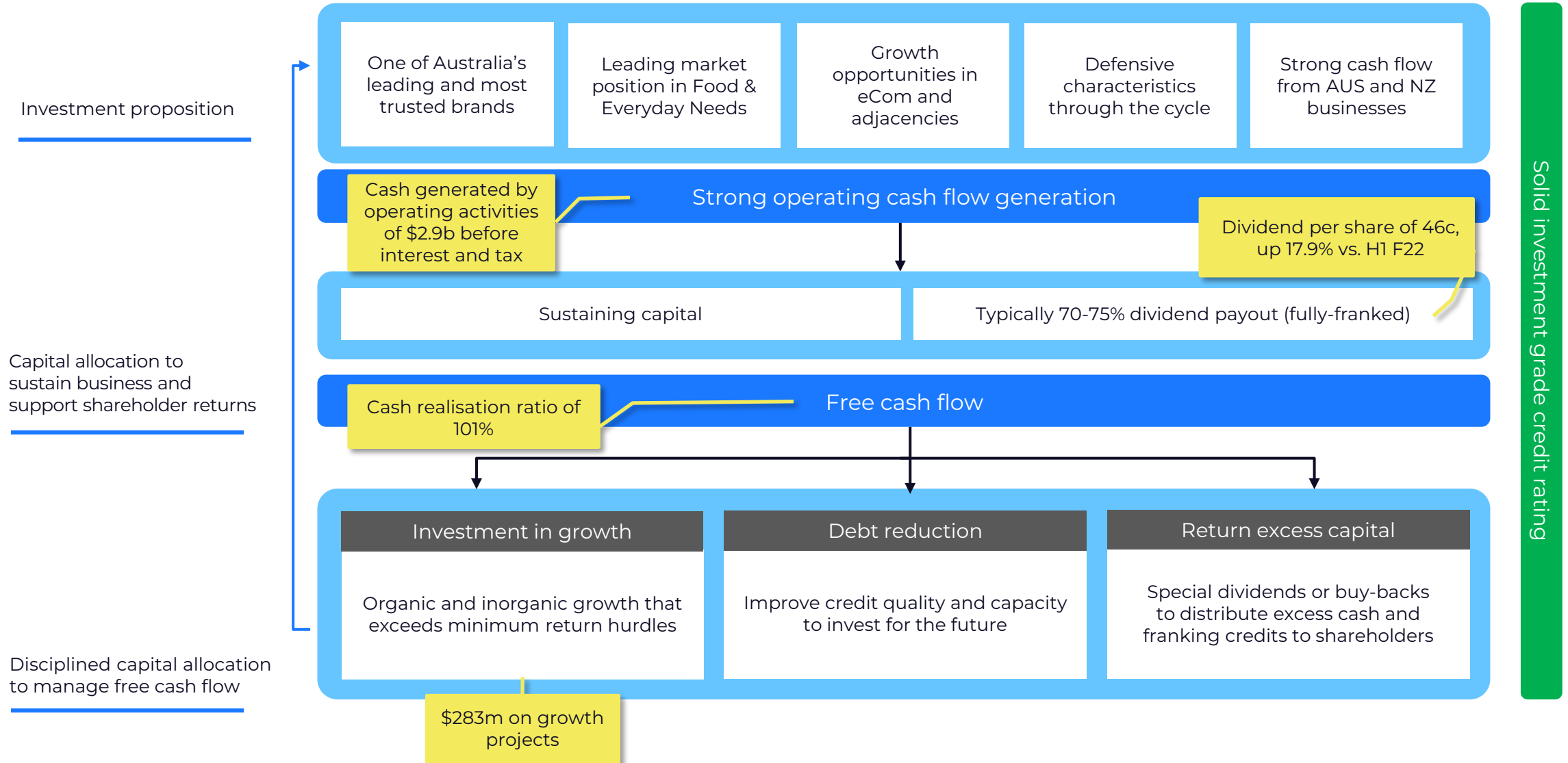
Improvement in ROFE reflecting EBIT growth, despite investment in inventory to mitigate supply chain challenges



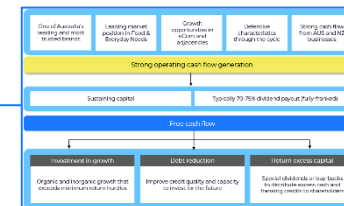
¹ Average inventory days calculated on a rolling 13-month basis

² Normalised to exclude the demerger distribution liability relating to Endeavour Group of \$7,870 million

Woolworths Group capital management framework



Strong operating cash flow growth used for investment and dividends



| \$ MILLION | H23 | H22 | CHANGE |
|--|--------------|-----------------------|----------------|
| EBITDA – continuing operations | 2,848 | 2,454 | 16.1% |
| EBITDA – discontinued operations | - | 6,387 | n.m. |
| Group EBITDA | 2,848 | 8,841 | (67.8)% |
| Working capital and non-cash movements – continuing operations | 27 | 122 | (77.9)% |
| Working capital and non-cash movements – discontinued operations | - | (6,387) | n.m. |
| Cash from operating activities before interest and tax | 2,875 | 2,576 | 11.6% |
| Interest paid – leases | (320) | (322) | (0.6)% |
| Net interest paid – non-leases | (52) | (13) | 296.7% |
| Tax paid | (354) | (510) | (30.6)% |
| Total cash provided by operating activities | 2,149 | 1,731 | 24.1% |
| Total cash used in investing activities | (839) | (1,280) | (34.5)% |
| Cash flow before lease payments, dividends, share payments and proceeds from loans to related party | 1,310 | 451 | 190.1% |
| Repayment of lease liabilities | (580) | (554) | 4.7% |
| Dividends paid and payments for shares held in trust | (555) | (633) | (12.3)% |
| Proceeds from loan to related party | - | 1,712 | n.m. |
| Payments for share buy-backs | - | (2,000) | n.m. |
| Net cash flow | 175 | (1,024) | n.m. |
| Adjusted cash realisation ratio (CRR) | 101 | 91¹ | |

Prior year included Endeavour Group gain on demerger

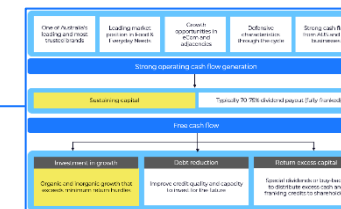
Increase in inventory in H23, largely offset by payables

Higher interest rates and higher average net debt

Lower tax paid, reflecting lower prior year earnings

Reduction in investing activities due to proceeds on the partial sale of Endeavour Group of \$634m. Capex discussed on next slide

Lower cash dividends, reflecting lower group earnings following Endeavour Group demerger



Operating capex in line with expectations and above COVID-disrupted prior year

| \$ MILLION | H23 | H22 |
|--|--------------|--------------|
| Sustaining capex | 645 | 587 |
| Growth capex | 283 | 235 |
| Operating capex | 928 | 822 |
| Property development | 322 | 313 |
| Gross capex | 1,250 | 1,135 |
| Property sales | (130) | (195) |
| Group net capex | 1,120 | 940 |
| Net lease asset additions ¹ | 122 | 308 |

F23 operating capex expected to be ~\$2b

Sustaining capex

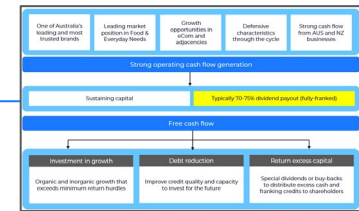
| \$ MILLION | H23 | H22 |
|--------------|-----|-----|
| SIB | 157 | 112 |
| Renewals | 185 | 174 |
| Supply chain | 105 | 136 |
| IT | 129 | 87 |
| Productivity | 69 | 78 |

Growth capex

| \$ MILLION | H23 | H22 |
|--------------|-----|-----|
| New stores | 73 | 45 |
| Digital | 72 | 55 |
| eCom | 69 | 68 |
| Other growth | 69 | 67 |

Sustainability capex²

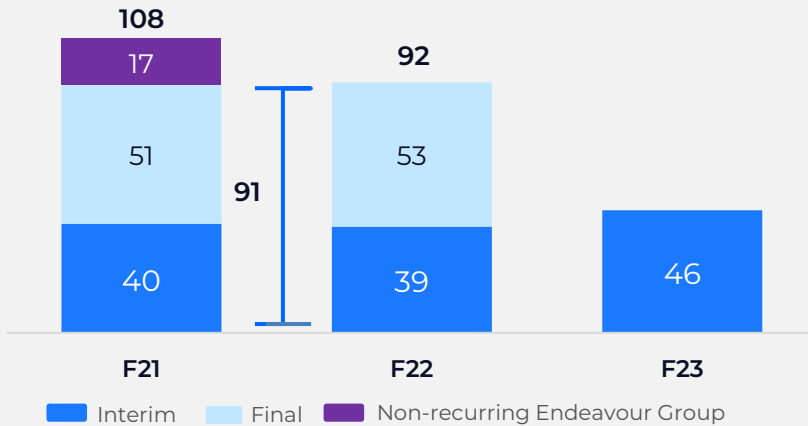
\$76 million including refrigeration, solar, LED lighting and energy management



Dividends and funding

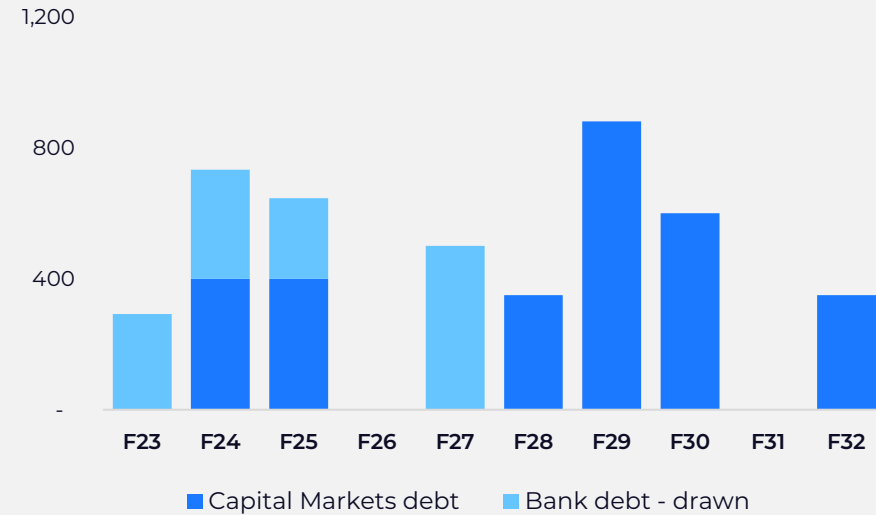
46 cps interim dividend

Dividends (cents per share)



- Fully franked interim dividend of 46 cps, up 17.9% with dividend reflecting strong NPAT growth
- Interim payout ratio consistent with prior years
- DRP satisfied via new share issuance, no discount

Debt maturity profile (\$m)¹



- Weighted average maturity of 3.5 years²
- Solid investment-grade credit rating with significant headroom
 - S&P: BBB (stable outlook)³
 - Moody's: Baa2 (stable outlook)³
- Next material maturity is the \$750 million syndicated bank facility maturing in November 2023 which will be refinanced or repaid from existing committed undrawn bank facilities prior to the end of F23



¹ Bank debt drawn as at 1 January 2023 under short-term uncommitted facilities included in F23 maturities. Excludes lease liabilities and undrawn committed bank debt

² As at 1 January 2023

³ Credit ratings issued by a credit rating agency which holds an Australian Financial Services Licence authorised to issue credit ratings to wholesale clients only and are published for the benefit of the Group's debt providers

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Woolworths 
The fresh food people

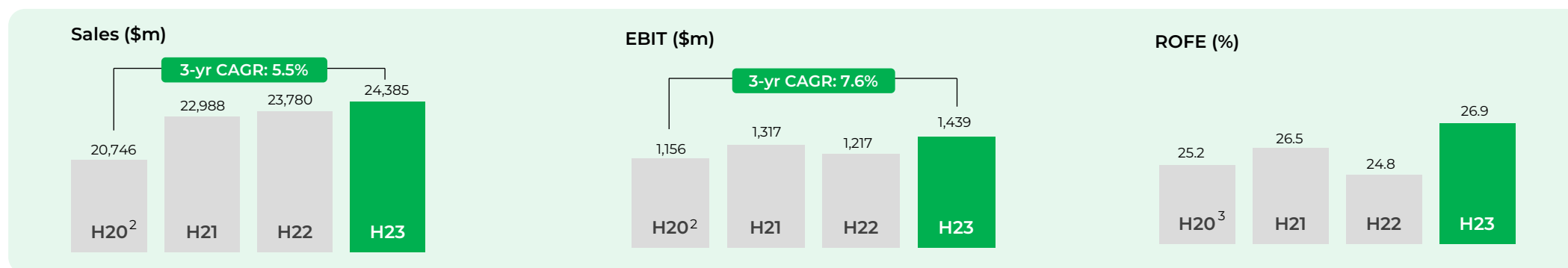


Australian Food

| | H23 | H22 | CHANGE |
|--------------------------|---------------|---------------|--------------|
| Total sales (\$m) | 24,385 | 23,780 | 2.5% |
| EBITDA (\$m) | 2,324 | 2,054 | 13.1% |
| EBIT (\$m) | 1,439 | 1,217 | 18.2% |
| Gross margin (%) | 30.7 | 30.2 | 48 bps |
| CODB (%) | 24.8 | 25.1 | (30) bps |
| EBIT to sales (%) | 5.9 | 5.1 | 78 bps |
| ROFE (%) | 26.9 | 24.8 | 215 bps |

H23 SUSTAINABILITY METRICS

| | | | |
|---|---------|---------|--------|
| Scope 1 & 2 emissions (tonnes) ¹ | 790,557 | 861,828 | (8.3)% |
|---|---------|---------|--------|



¹ H22 values have been updated to include emission sources reporting for the first time in F22

² Restated to conform with the new structure of the Group, which reflects the establishment of the new Australian B2B segment

³ H20 has not been restated to exclude Australian B2B

Australian Food

Woolworths Food Retail (Stores and eCom)

| | H23 | H22 | CHANGE |
|--|---------------|---------------|--------------|
| Total sales (\$m) | 24,196 | 23,633 | 2.4% |
| Cash DAP ¹ & EBITDA | 2,279 | 1,994 | 14.4% |
| DAP & EBIT | 1,428 | 1,183 | 20.8% |
| DAP & EBIT to sales (%) | 5.9 | 5.0 | 90 bps |
| Sales per square metre ² (\$) | 18,470 | 18,014 | 2.5% |
| SALES PERFORMANCE BY BUSINESS³ | | | |
| Woolworths Supermarkets (store-originated) | 21,266 | 20,597 | 3.2% |
| Metro Food Stores (store-originated) | 574 | 489 | 17.4% |
| B2C eCom | 2,356 | 2,547 | (7.5)% |
| Woolworths Food Retail (stores and eCom) | 24,196 | 23,633 | 2.4% |

¹ Directly-attributable profit (DAP) before depreciation and amortisation. See glossary for a definition of DAP

² Sales per square metre has been restated to exclude non-sales areas of customer fulfilment centres and to conform to current year's presentation of sales

³ Prior year reclassifications to reflect current year reporting

Progress against strategic priorities

Build advocacy as Today's Fresh Food People



Caring for our communities and teams

Phased out plastic bags in SA and NT, removing 826t of plastic p.a.

Launched 16 new Mini Woolies stores

7.4m meals funded through OzHarvest Christmas appeal

Convenient and connected experiences

700 Direct to boot stores at end of H1

Record Bank for Christmas savings spent in Supermarkets

Boosters via Everyday Rewards up 14% vs. Dec 2021

Reimagine our core customer offer



Get your Woolies Worth

Prices Dropped for Spring and Christmas, helping deliver more value

Low Price Freeze on ~200 essential items in H1

Odd Bunch sales growth 3.4%, helping reduce food waste

Tailoring our range

Curated range reviews (Value, Core, UP) cover 40% of sales, generating incremental sales and GP

Freshest Fresh

Completed rollout of Cultivate education program focused on quality, freshness and temperature control

Simplify our E2E processes, leveraging data and analytics



Connected and achieving teams

RT3, new rostering tool, rolled out to all stores

Focus on multi-skilling team, including VR training in all stores

Enabled Agile with daily huddles and Team Connect boards in stores

Building future fit store operations

Smart Bundle (including electronic shelf labels) live in 75 stores

Embedding good stock loss

Scan assist technology now live in 249 stores to support accurate scanning

Woolworths 360 evolving our integrated network to best serve our customers



Opened eight net new stores and completed 25 renewals



CFCs opened in Caringbah and Rochedale, averaging a combined ~12,000 orders per week



New-look supermarket opened with new BIG W store at Town Hall in Sydney



Rolled out solar panels to 27 supermarkets, one DC and two CFCs with a total of 199 sites within Australia



Launched flagship UP supermarket in Cottesloe, WA



Expanded Direct to boot with 20 net new Direct to boot enabled stores, with 700 stores at end of H1

Australian Food

WooliesX (including eCom)

| | H23 | H22 | CHANGE |
|-----------------------------------|--------------|--------------|----------------|
| Total sales (\$m) | 3,031 | 3,172 | (4.4)% |
| Cash DAP & EBITDA | 135 | 165 | (17.5)% |
| DAP & EBIT¹ | 83 | 120 | (30.4)% |
| DAP & EBIT to sales (%) | 2.7 | 3.8 | (104) bps |

SALES PERFORMANCE BY PLATFORM

| | | | |
|--|--------------|--------------|---------------|
| B2C eCom (eComX) | 2,356 | 2,547 | (7.5)% |
| Digital & Media (ConnectedX/ Cartology) and Rewards & Services (EverydayX) | 675 | 625 | 8.0% |
| Total WooliesX sales | 3,031 | 3,172 | (4.4)% |
| Eliminations and reclassifications ² | (512) | (484) | 6.0% |
| WooliesX sales after eliminations and reclassifications | 2,519 | 2,688 | (6.3)% |

DAP & EBIT PERFORMANCE BY PLATFORM

| | | | |
|--|-----------|------------|----------------|
| B2C eCom (eComX) DAP | 45 | 71 | (36.8)% |
| ConnectedX/ Cartology, EverydayX, TechX & support costs EBIT | 38 | 49 | (22.8)% |
| WooliesX DAP & EBIT¹ | 83 | 120 | (30.4)% |

¹ DAP measure used for eCommerce while EBIT measure used for other WooliesX businesses. See glossary for DAP definition

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

H23 highlights

ConnectedX & Cartology



Digital traffic to Group platforms reaching 25 million weekly visits **+20%** vs. Q2 F22



Grew weekly users of Woolworths app and connected experiences between Rewards and Woolworths apps, with over 50% of eCom orders placed in app **+34%** vs. H22



New and simpler digital experiences with new navigation, improved search and recipe filtering

Shopping Lists users: **+16.7%** vs. H22
 Catalogue users: **+8.6%** vs. H22
 eReceipt uptake: **+760k** vs. H22



Transition to Real Time Loyalty platform to deliver personalised offers at scale



Cartology expanded its advertising offer through acquisition of Shopper and launch of BIG W and Metro Food Stores propositions

eComX



Consistently strong online VOC NPS supported by implementation of efficiency improvements **59** +6 points vs. H22



Continued increases to capacity with 700 Direct to boot enabled supermarkets at end of H1 **+20** DTB sites



Strong Delivery Unlimited subscriber growth who on average spend ~3x more than customers shopping in store **+48%** vs. H22



Opened Rochedale and Caringbah CFCs Progressed construction of Auburn automated CFC



Canstar Blue's 2022 Most Satisfied Customers in Online Groceries achieving five stars in each category

EverydayX



14.1 million +800,000 or 6% vs. H22



Everyday Rewards engagement reached record levels in H22 **+57%** active weekly app users vs. H22



Members accessing Booster offers up 14% vs. H22



Canstar Blue's 2022 Most Satisfied Customers in a Rewards Program for second consecutive year



Delivered more value beyond points through Villeroy & Boch tableware program



Biggest Bank for Christmas to date with more members saving and redeeming their Rewards dollars



Australian B2B

Australian B2B

| | H23 | H22 | CHANGE |
|--|--------------|--------------|---------------|
| Sales (\$m) | | | |
| B2B Food (Woolworths Food Company 3 rd party) | 1,802 | 1,426 | 26.4% |
| B2B Supply Chain (Primary Connect 3 rd party) | 631 | 553 | 14.1% |
| Total Australian B2B | 2,433 | 1,979 | 23.0% |
| | | | |
| EBITDA (\$m) | 94 | 69 | 34.8% |
| EBIT (\$m) | 38 | 18 | 105.3% |
| EBIT to sales (%) | 1.5 | 0.9 | 62 bps |
| H23 SUSTAINABILITY METRICS | | | |
| Scope 1 & 2 emissions (tonnes) ¹ | 38,165 | 39,638 | (3.7)% |

Australian B2B

B2B Food

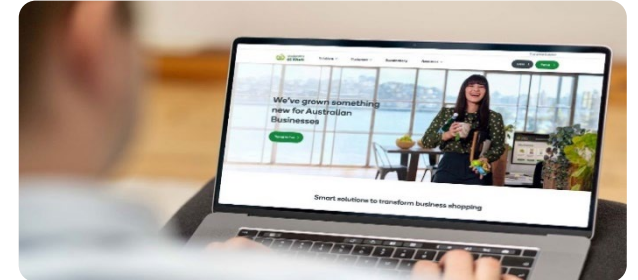
(Woolworths Food Company 3rd Party)



Strong half from PFD driven by market recovery and new customer growth



Solid sales in AGW supported by petrol and convenience channel as well as remote communities



Strong sales in Woolworths at Work cycling COVID disruptions, benefitting from business return to work

B2B Supply Chain

(Primary Connect 3rd Party)



Launch of the Primary Connect PC+ brand



Strong H1 growth in Primary Freight services supported by major customer accounts



Primary Connect international offshore consolidation capabilities established in India

countdown 

 freshchoice **superValue**



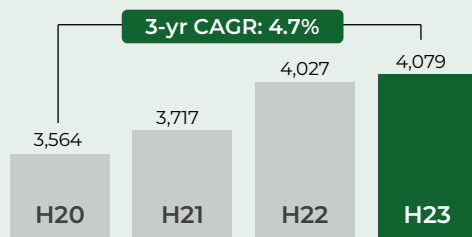
New Zealand Food

| NZD (\$) | H23 | H22 | CHANGE |
|-----------------------------|--------------|--------------|----------------|
| Total sales (\$m) | 4,079 | 4,027 | 1.3% |
| EBITDA (\$m) | 286 | 353 | (19.2)% |
| EBIT (\$m) | 122 | 200 | (39.1)% |
| Gross margin (%) | 25.2 | 25.2 | 5 bps |
| CODB (%) | 22.3 | 20.2 | 203 bps |
| EBIT to sales (%) | 3.0 | 5.0 | (198) bps |
| Sales per square metre (\$) | 17,704 | 17,827 | (0.7)% |
| ROFE (%) | 5.0 | 8.2 | (320) bps |

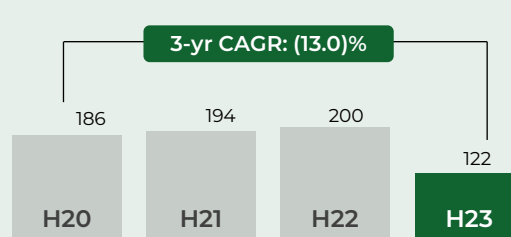
H23 SUSTAINABILITY METRICS

| | | | |
|---|--------|--------|------|
| Scope 1 & 2 emissions (tonnes) ¹ | 33,569 | 31,891 | 5.3% |
|---|--------|--------|------|

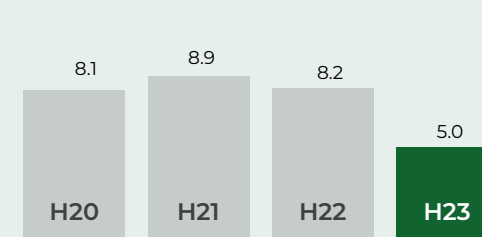
Sales (NZD\$m)



EBIT (NZD\$m)

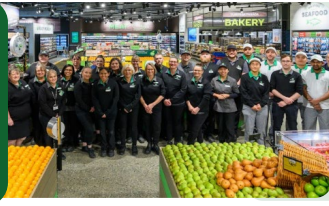





ROFE (%)



¹ H22 values have been updated to include emission sources reporting for the first time in F22

H23 highlights

| | | | | | |
|-------------------------------------|---|--|--|--|---|
| <p>Living our purpose</p> |  | <p>Q2 VOC NPS score of 43 +3 pts vs. H22</p> | <p>Q2 Store-controllable VOC of 76% +1 pt vs. H22</p> | <p>Improved pay and conditions for store teams</p> | <p>Te Reo Māori language at self-service checkouts</p> |
| <p>Digital, eCom and innovation</p> |  | <p>Q2 eCom penetration of 12.3%</p> | <p>98 stores with eLocker and Drive solutions</p> | <p>Roll out of Express Pick up to 64 stores and Express Delivery to 48 stores</p> | <p>Increased mobile app users, digital campaign activation and Cartology growth</p> |
| <p>Foundations for the future</p> |  | <p>Opened three new stores and completed nine renewals bringing the total to 193 stores</p> | <p>Progressed innovation initiatives, including the roll out of electronic shelf labels to 30 stores</p> | <p>Maintained Voice of Supplier leadership for third consecutive year</p> | <p>Embedded state-of-the-art Auckland Fresh DC</p> |
| <p>H2 F23 focus</p> |  | <p>Invest in Own Brand differentiation and offer to provide customers with <i>Value they can count on</i></p> | <p>Progress supply chain transformation, including construction of Christchurch Fresh DC opening 2024</p> | <p>Ramp up new stores and renewals pipeline to roll out successful new format</p> | <p>Increased focus on restoring productivity initiatives and restoring operating rhythm</p> |



BIGW

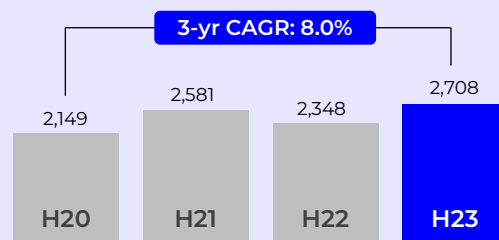
BIG W

| | H23 | H22 | CHANGE |
|-----------------------------|--------------|--------------|---------------|
| Total sales (\$m) | 2,708 | 2,348 | 15.3% |
| EBITDA (\$m) | 239 | 122 | 94.7% |
| EBIT (\$m) | 134 | 25 | 437.5% |
| Gross margin (%) | 33.4 | 32.9 | 53 bps |
| CODB (%) | 28.5 | 31.8 | (336) bps |
| EBIT to sales (%) | 5.0 | 1.1 | 389 bps |
| Sales per square metre (\$) | 4,765 | 4,323 | 10.2% |
| ROFE (%) | 13.6 | 5.8 | 7.8 pts |

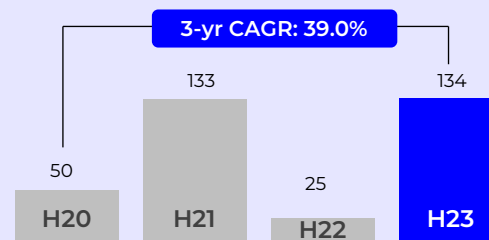
H23 SUSTAINABILITY METRICS

| | | | |
|---|--------|--------|---------|
| Scope 1 & 2 emissions (tonnes) ¹ | 48,402 | 55,431 | (12.7)% |
|---|--------|--------|---------|

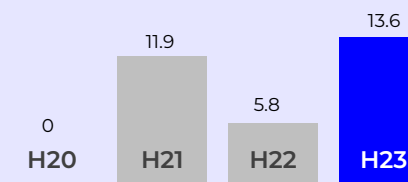
Sales (\$m)



EBIT (\$m)








ROFE (%)



¹ H22 values have been updated to include emission sources reporting for the first time in F22

H23 highlights

| | | | | |
|---|---|---|---|--|
| <p>Live our purpose and show real care</p> |  | <p>Roll out of new store operating model training to ~11,000 team members</p> | <p>National Toys for Joy program saving over 62 tonnes of waste from landfill in H1</p> | <p>Over 100 First Nations team members hired in H1 through local partnerships including Clontarf Academy</p> |
| <p>Accessible and relevant to all Australian families</p> |  | <p>Opening of new small format BIG W store at Town Hall, the only discount department store in Sydney CBD</p> | <p>Created new core store blueprint to deploy as part of renewal activity in H2</p> | <p>Embedded Customer-led rostering nationally</p> |
| <p>Turbocharge digital experience and eCom</p> |  | <p>Record NPS scores for digital customer experiences</p> | <p>Launch of two new eStores in Winston Hills, NSW and Watergardens, Vic</p> | <p>Launched BIG W range on MyDeal website</p> |
| <p>Distinctive offer underpinned by great value</p> |  | <p>Strong performance in seasonal events, including Halloween, Black Friday and Christmas</p> | <p>Launched Openook, a new own brand within the Home & Living category</p> | <p>Growth in Everyday Rewards member scan rates</p> |
| <p>Best in class availability and supply chain</p> |  | <p>Successful transition of Hoppers Crossing DC (Vic) from 3PL to Primary Connect</p> | <p>Launch of Partner Hub with over 400 local suppliers onboarded</p> | <p>Launched new technology solution to support inventory forecasts and improve availability scores</p> |



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Brad Banducci

H2 F23 current trading and outlook

Strong start to H2

Strong start to H2 F23 with continued stabilisation in operating conditions and robust sales growth. Providing customers with value remains #1 priority

Australian Food (Woolworths Food Retail) total sales increased by 6.5% in first seven weeks (3-yr CAGR: 6.5%). eCommerce sales trends improving

New Zealand Food trading momentum improving with sales up 6.3% in the first seven weeks (3-yr CAGR: 4.4%). H2 dollar EBIT expected to be above H1 and H2 F22

BIG W sales growth remains strong at 9.7% (3-yr CAGR: 7.5%). Well positioned in current environment. H1 to make up 75-80% of F23 EBIT

Sales growth solid in the half to date and operating rhythm continues to improve. H2 EBIT growth will be lower than H1 cycling a more normal half



Thank you



Appendix

Reclassification of Australian Food sales to reflect new disclosure

| SALES PERFORMANCE BY BUSINESS (\$ MILLION) | CURRENT REPORTING H22 | PREVIOUSLY REPORTED H22 | |
|--|--------------------------|----------------------------|--|
| Woolworths Supermarkets (store-originated) | 20,597 | 20,630 | Woolworths Mobile now in WooliesX |
| Metro Food Stores (store-originated) | 489 | 489 | |
| B2C eCom | 2,547 | 2,554 | Accelerators revenue removed from B2C eCom |
| Woolworths Food Retail | 23,633 | 23,672 | |
| WooliesX (after eliminations and reclassifications) | 2,688 | - | B2C eCom, Digital & Media, Rewards & Services |
| Adjacency revenue | - | 108 | Adjacency revenue now in WooliesX |
| Accelerators revenue | 6 | - | Accelerators are Metro60, Everyday Market and HealthyLife |
| B2C eCom elimination | (2,547) | - | Elimination of B2C eCom sales counted in Woolworths Food Retail and WooliesX |
| Australian Food | 23,780 | 23,780 | |

Glossary

| | |
|----------------------------------|--|
| AGW | Australian Grocery Wholesalers |
| CAGR | Compound annual growth rate |
| Cash realisation ratio | Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation |
| Comparable sales | Measure of sales which excludes stores that have been opened or closed in the last 12 months and demonstrable impact on existing stores from store disruption as a result of store refurbishment or new store openings/closures |
| Cost of doing business (CODB) | Expenses which relate to the operation of the business |
| Customer fulfilment centre (CFC) | Dedicated online distribution centres |
| DAP | Directly-attributable profit includes costs directly-attributable to the B2C eCommerce business, such as picking, packing and delivery costs; marketing costs; eCom support costs; and variable DC costs |
| Delivery Unlimited | Subscription service that gives customers access to free delivery on any Next and Same Day Delivery windows, or reduced fees for quicker delivery options (Delivery Now), free shipping at Everyday Market and 2x Everyday Rewards points on all online orders |
| DC | Distribution centre |
| Direct to boot | 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 |
| E2E | End-to-end |
| eStore | Dedicated store for the fulfilment of online orders, sometimes incorporating automation |
| Funds employed | Net assets employed, excluding net tax balances |
| GMV | Gross Merchandise Value |
| MSRDC | Melbourne South Regional Distribution Centre |
| NDC | National distribution centre |
| Net assets employed | Net assets, excluding net debt, derivatives and put option liabilities over non-controlling interest |

Glossary continued

| | |
|---------------------------------|--|
| 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 at a store or at select locations |
| RDC | Regional distribution centre |
| Renewals | A total store transformation focused on the overall store environment, team, range and process efficiency (including digital) |
| Return on Funds Employed (ROFE) | ROFE is calculated as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed including significant items provisions |
| RT3 | A new team rostering and store standards solution in Woolworths Supermarkets (Right team, right task, right time) |
| Sales per square metre | Total sales for the previous 12 months by business divided by average trading area |
| SIW | Statewide Independent Wholesalers |
| Three-year CAGR | Three-year compound annual growth rate |
| Total net debt | Borrowings less cash balances including debt hedging derivatives and lease liabilities |
| TRIFR | 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 the percentage of customers providing a rating of six or seven on a seven-point scale |
| VOC NPS | VOC NPS is based on feedback from Woolworths Rewards members. VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below) |
| WFC | Woolworths Food Company |
| Woolworths 360 | Woolworths Group's format and network development team looking after network plans, formats, eCommerce fulfilment, smart operations, facilities management and energy and waste management |

Glossary continued

3PL

Third party logistics

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

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Cash flow from operating activities before interest and tax
- Significant items
- Fixed assets and investments
- Net investment in inventory
- Net assets held for sale
- Net tax balances
- Closing inventory days
- Closing trade payable days
- Average inventory days
- Change in average prices
- Trading area
- Margins including gross profit, CODB and EBIT/(LBIT)
- Volume productivity metrics including transaction growth, items per basket and item growth
- Directly-attributable profit (DAP)

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