

Third Quarter Sales Results

Financial Year 2020 - 13 weeks to 5 April 2020

30 April 2020

WOOLWORTHS GROUP

Better together for team, customers and community

Group sales from continuing operations

\$16.5BN

▲ 10.7%

Group Online sales

\$817M

▲ 34.0%

March Group VOC Net Promoter Score

59

▲ +5 pts vs. 12-month average

KEY HIGHLIGHTS

- Key focus has been on team and customer safety and doing the right thing
- Australian Food sales growth of 11.3% and New Zealand Food sales growth of 13.7% (with online sales capacity constrained in March, especially in Australia)
- Strong BIG W sales growth but material adverse change in mix from COVID-19
- After slow start to quarter, very strong Endeavour Drinks sales growth in March
- Hotels shut from 23 March with sales decline of 12.9%. Comparable sales growth of 2.4% for period of trade

THIRD QUARTER SALES

\$ MILLION	2020 (13 WEEKS)	2019 (13 WEEKS)	CHANGE	COMPARABLE GROWTH*
Australian Food [†]	11,171	10,033	11.3%	10.3%
New Zealand Food (AUD)	1,856	1,616	14.8%	
New Zealand Food (NZD)	1,925	1,693	13.7%	13.4%
BIG W	866	791	9.5%	9.9%
Endeavour Drinks [†]	2,252	2,056	9.5%	8.9%
Hotels	350	402	(12.9)%	2.4%
Total third quarter sales from continuing operations	16,495	14,898	10.7%	
Discontinued operation – Petrol	-	1,117	n.m.	n.m.

"The last four months have been one of the most challenging periods in the history of Woolworths. Our team is doing an incredible job of responding to these unprecedented challenges and I want to thank them for their amazing efforts. I would also like to thank our customers for their understanding, patience and support. I am proud of the way we have all supported each other with humanity and a commitment to doing the right thing. The COVID-19 crisis is far from over, but we are hopeful that we are now settling into a 'new normal' and are confident that we will get through this together.

"Group sales growth for the quarter was strong across all businesses apart from Hotels following the mandatory closure due to Government restrictions in late March. After a slower start to the quarter, Australian and New Zealand Food sales increased materially from late February due to pantry-loading and more recently with customers eating more at home. Endeavour Drinks sales also surged towards the end of the quarter. While already trading well in January and February, BIG W's sales growth also accelerated in March, although the sales mix shifted towards lower-margin everyday needs and leisure. Sales and safety were supported by a material cost investment in team hours, supply chain and personal protective equipment (PPE).

"Our team have played a critical role during these unprecedented times and while the outlook for the rest of the financial year is uncertain, we remain in a strong operational and financial position. This has been a real team effort and we expect to pay a recognition bonus to our permanent front-line team members at the end of the financial year to reflect their over-and-above efforts."

Brad Banducci
CEO, Woolworths Group

* Comparable sales in Q3'20 is calculated comparing weeks 28-40 in the current quarter to weeks 29-41 in the prior year

[†] F19 sales have been re-presented to reflect the transfer of the Summergate business from Endeavour Drinks to Australian Food

COVID-19 and business update

Following the announcement on 24 March, Woolworths Group today provides a further update on the response to COVID-19 impacts.

Prioritising and investing in the safety of our team and customers

Brad Banducci, Woolworths Group CEO, said: “The health and safety of all of our team members, customers and supplier partners is our number one priority. To create as safe an environment as possible, a number of measures have been put in place for their protection. While we understand that some of these measures can be frustrating and have compromised some elements of our customer experience and resulted in additional operating costs, we have taken a non-negotiable approach to safety. The measures implemented thus far include:

- Social distancing practices enforced in all stores, distribution centres and support offices
- Security guards in place at stores nationwide and dedicated greeters in Woolworths and Countdown Supermarkets
- Dedicated community shopping hours to support vulnerable customers and those at the front-line of dealing with the health crisis
- Additional proactive cleaning measures and elevated hygiene standards across retail and non-retail environments
- Support for the most vulnerable team members (those aged over 70 years and those with compromised immune systems and chronic illness) by asking them to stay home with alternative work options arranged or paid leave offered that does not draw from existing entitlements
- Installation of protective plexiglass screens at manned and self-service ‘assisted’ checkouts across stores
- A limit to the number of customers in Woolworths Supermarkets, Metro and Countdown stores during peak trading periods
- Voluntary team member temperature checks and access to face masks for optional use
- Thermometers and thermal imaging devices supplied to all distribution centres for team members and visitors
- Support for team member mental wellbeing including extra counsellors, Employee Assist phone line and ‘I Am Here’
- Increased loan limits and extended repayment timelines for all team members and their immediate families via the Financial Wellbeing Program in partnership with Good Shepherd
- All business initiatives that impact stores were paused to allow the team to focus on safety and customers

“While we have made good progress in ensuring the safety of our team and customers, we must all remain vigilant to ensure that we build on the hard work to date. Our thoughts are with our team members, customers and their families that have contracted COVID-19 and we wish them a speedy recovery.”

Doing what it takes to meet the food and everyday needs of our customers

“Due to the sudden and unprecedented increase in demand, our Food businesses in particular, were impacted by acute product shortages in some areas. To support the network capacity in Australia, five third-party sites were established across Victoria, New South Wales and Queensland, and a BIG W distribution centre was partially repurposed to support Supermarkets. A record number of cartons were handled by the Supply Chain team during March with over 30 million cartons dispatched in the busiest week, higher than usual Christmas week levels. Woolworths Group’s Supply Chain continues to operate 24 hours a day and is running at capacity across most sites. Increasingly, the Supply Chain team has been able to return to scheduled delivery times from most distribution centres and, with a few exceptions, product availability pressures have abated with product limits increasingly being removed.

“Since the beginning of the COVID-19 crisis, Woolworths Group has also worked hard to provide employment across Supermarkets, eCommerce, Supply Chain and Endeavour Drinks to allow us to serve our customers in the safest possible way. This includes the redeployment of more than 3,600 Hotels team members following the closure on 23 March. Thousands of other roles have been filled by team members from businesses such as Qantas Group.

“We would like to thank our Supply Chain, Replenishment and Operations teams for responding so quickly and creatively to address product shortages for our customers. We would also like to thank our suppliers, government stakeholders and other food retailers as we have all worked together to put Australian and New Zealand consumers first”, he said.

COVID-19 and business update

Pivoting and ramping up Home Delivery to meet the needs of our customers

The rapid increase in demand for eCommerce services, resulted in significant disruption to the Group's online businesses during March and April, and led to the temporary suspension of Australian Food's Pick-up and delivery services from stores. Home Delivery was also reprioritised to serve vulnerable customers through Priority Assistance.

In recent weeks, the Australian eCommerce business has scaled materially, doubling overall home delivery capacity over the last month, with the extra capacity fulfilled out of hundreds of Woolworths Supermarkets across Australia, a new pop-up delivery hub in Notting Hill, Melbourne, and the onboarding of on-demand delivery services via Sherpa, Drive Yello and Uber. In New Zealand, four stores have been converted temporarily into dedicated online hubs and Countdown's first dedicated eStore was opened in Auckland.

To ensure vulnerable Australians and New Zealanders have access to grocery and food essentials via Home Delivery or Pick up, many initiatives have been introduced including:

- **Priority Assistance** home delivery service where eligible customers are given access to dedicated delivery windows to assist the elderly, people with disability and those in mandatory isolation. To date, over 350,000 customers have taken up the home delivery service in Woolworths Supermarkets and Countdown with the service expected to continue for the foreseeable future
- **Priority Delivery Hubs**, in 200 locations across Australia and four locations in New Zealand, the hubs are existing stores with reduced trading hours to support prioritising the delivery of groceries to the homes of vulnerable customers
- **Woolworths and Countdown Basics Box** contains set meals, snacks and essential items, available online to all customers. This initiative was made possible by streamlining the picking process and a partnership with Australia Post and DHL Supply Chain in Australia and New Zealand Couriers in New Zealand
- **Community Pick up** available in 900 selected locations across Australia, allows Priority Assistance customers to place an order online for someone to pick up on their behalf, with the service now contactless for the safety of team and customers
- Partnership with Australian food services supplier PFD to support the temporary fulfilment of orders to B2B customers and essential services like day care centres, schools, disability services and nursing homes with home delivery

Supporting our communities

Woolworths Group remains committed to supporting communities with a number of initiatives rolled out to help those impacted by the health crisis including:

- On 17 March, Woolworths was the first supermarket nationally to introduce a community shopping hour for the elderly and people with disability. Healthcare and Emergency Service workers were also included in the community hour later in the month
- Partnering with Meals on Wheels and their network of volunteers to help deliver 80,000 packs (320,000 rolls) of toilet paper directly to their vulnerable clients across Australia
- More than \$4.5 million provided to date to hunger relief partners OzHarvest, Foodbank and Fareshare by way of financial contributions, direct food donations, transportation and labour cost support. An additional \$5 million has been committed to support these partners over the coming months
- \$1.5 million donated to children's health and wellbeing charity partners to support their ongoing work due to the COVID-19 related downturn in the charity sector and cancellation of their key fundraising efforts
- 90,000 essential items such as toothpaste, body wash, kitchenware, back-to-school packs and homewares provided by BIG W to charity partner Good360 for distribution to their network
- Supporting small suppliers through temporary changes to our payment policy so eligible suppliers are paid within 14 days for their goods and services
- Rental relief support to help retail tenants and small businesses in Woolworths Group owned shopping centres impacted by temporary store closures or downturn in business during COVID-19
- 6,000 Woolworths Basic Boxes donated to organisations including Arnhem Land Progress Aboriginal Corporation, Outback Stores and NSWALC Indigenous communities
- Kindness Card created for use by Government and Charity partners to identify vulnerable customers for Priority Assistance
- Establishment of a bulk orders team to support the delivery of products to charity and groups directly supporting vulnerable Australians, essential workers and isolated communities
- Working with Civil Defence in Auckland to set up and coordinate supply of food parcels for vulnerable Aucklanders
- Care packs distributed to all partner truck drivers that interact with Woolworths Group's Supply Chain which includes essential hygiene products to help keep them safe

COVID-19 and business update

Brad Banducci, Woolworths Group CEO, said: "Supporting the communities in which we operate has always been part of Woolworths Group's DNA. However, in the current crisis, community takes on a much broader definition. We have doubled down on our commitment to work together with partners like OzHarvest, Fareshare and Foodbank to provide food to Australians who need it most, our eCommerce business will continue to support vulnerable customers for as long as required and we will work together with our supplier and logistics partners to enable a supportive and safe environment for their team."

Current trading - strong sales but also material costs

Sales growth across the Group has continued in April although growth rates have moderated relative to March. Australian Food sales growth in the first three weeks of April is in the mid-single digits with Drinks sales growth broadly back to pre-COVID-19 levels. The rate of sales growth for the remainder of the financial year is very difficult to predict at this stage.

Sales growth in March was particularly strong in the Food and Drinks (excluding Hotels) businesses, but was partially offset by higher incremental operating costs largely due to increases in team wages in Store, eCommerce and Supply Chain to meet higher demand and to support safety and social distancing. Incremental costs have also been incurred for cleaning, security and safety equipment.

Looking forward to Q4, a number of costs are expected to continue for the rest of the quarter. This includes costs associated with the temporary employment of approximately 22,000 new team members that will continue to support safety and social distancing, additional warehouse capacity, scaling up online (particularly the expansion of Home Delivery) as well as ongoing security, cleaning and PPE costs. In Q4, these incremental costs are expected to be in the range of \$220 - \$275 million for the Group (excluding Hotels). The extent to which these costs can be offset for the remainder of the financial year will depend on the rate of sales growth and required level of safety settings.

The Hotels business has been closed since 23 March. Many of the team have been redeployed into other Group businesses where possible and discussions are ongoing with landlords about rent reductions where appropriate. Despite this, there are ongoing costs that cannot be avoided and based on current expectations, Hotels will make a loss before interest and tax of \$30 - \$35 million per month (including March) while the business remains closed.

BIG W sales have remained strong, but the sales mix has changed with customers buying more everyday needs and leisure products. In the second half, BIG W will also be impacted by incremental costs due to COVID-19 and higher online fulfilment costs. Inventory health remains strong at this stage but continues to be closely monitored. Based on current forecasts, BIG W is expected to still make a small profit for F20 (post-AASB 16).

The longer-term impact of the crisis is uncertain however, in the likely event of a more challenging medium-term economic environment, the Group remains well positioned through its focus on food and everyday needs, convenience (eCommerce and in-store) and value.

The Group's financial position remains strong, with access to funding and liquidity. Significant headroom exists under rating agency metrics and banking covenants. The Group is monitoring market conditions to refinance debt facilities maturing in F21.

Salaried store team member remediation payments

Since the last update in February, further partial payments were made to affected salaried store team members in Woolworths Supermarkets, Metro and BWS. BIG W salaried store team members are expected to receive payments in early May. By the end of June, payments are expected to have been made for all businesses dating back to early 2015. The review is expected to be completed and all payments made by the end of the calendar year.

AASB 16 Leases update

In February, Woolworths Group provided pro-forma H1'19 post-AASB 16 results to aid comparison to H1'20 reported results. Appendix Two includes pro-forma financial year 2019 post-AASB 16 results.

Australian Food

Operating metrics

YEAR ON YEAR (%)	Q4'20 (4 WEEKS)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Customer metrics			
VOC NPS (Store and Online)	57	44	47
Store-controllable VOC		n.m.	78%
Sales metrics			
Total sales (\$ million)*		11,171	10,033
			Easter-adjusted
Total sales		11.3%	4.7%
Comparable sales		10.3%	4.2%
Volume productivity metrics			
			Easter-adjusted
Comparable transaction growth		0.5%	1.9%
Comparable items per basket		6.2%	2.6%
Comparable item growth		6.7%	4.5%
Change in average prices			
Total		2.1%	0.0%
Total excluding Tobacco		0.6%	(1.4)%

Customer metrics are based on the final month of the quarter. Due to the material disruption in stores during March, customer metrics were negatively impacted with VOC NPS declining by three points compared to the same month in the prior year. Pleasingly, VOC NPS has recovered in April to 57. Store-controllable VOC is a composite measure of five key in-store customer metrics. With in-store Pick up suspended in March along with a material impact on Availability, a comparable Store-controllable VOC is not available for March. However, Team Attitude and Queue Wait Time were both flat compared to February despite the disruption and Woolworths' reputation scores have improved materially.

Total sales for the quarter increased 11.3% to \$11.2 billion with comparable sales increasing 10.3%. Total sales growth was approximately 3% for the first seven weeks of the quarter but increased materially from the week ending Sunday 1 March due to COVID-19 pantry-loading and peaked in the week ending 22 March with growth of over 40%.

Long-life grocery items experienced the strongest growth including items such as toilet paper, cleaning items, rice and pasta. Fresh sales also increased materially, particularly in the peak trading weeks in mid-March. However, there was a noticeable shift away from behind-the-counter products to pre-packed goods. Own brand performed strongly with double-digit growth in the quarter. The Tobacco category continued to negatively impact sales growth with comparable growth excluding Tobacco of 11.7%.

Metro food stores' sales growth was also strong during the quarter. Sales increased initially due to pantry-loading but more recently have declined compared to the prior year, impacted by a material reduction in foot traffic in CBD and on-the-go locations. Neighbourhood stores, on the other hand, continue to perform more strongly.

Comparable item growth has been driven primarily by an increase in items per basket (+6.2%). Initially, larger mall-based stores showed the strongest growth, but customers are increasingly shopping at local neighbourhood stores reflecting the impact of self-isolation but also a material reduction in foot traffic in major malls. Transaction growth increased initially compared to the prior year; however, has slowed materially as customers are visiting stores less frequently. Basket sizes remain high as customers do fewer, larger shops reflecting social-distancing and better availability.

Average prices increased by 2.1% in the quarter with increases across many Fresh categories and Grocery. Excluding Tobacco, average prices increased by 0.6% and excluding Fruit & Vegetables and Tobacco, average prices increased by 1.2%. Inflation was driven by the continued impact of drought-related cost increases as well as fewer in-store promotions which were removed for a short period of time in March to help prioritise getting essential products to stores without the supply chain having to cope with the extra volume of products needed for a full program of specials. In recent weeks, promotional activity has returned to normal with the number of in-store promotions now broadly in line with the pre-March period.

During the quarter, one Supermarket was opened and one was closed. Three new Metros were opened with a further three Supermarkets rebranded to Metro during the quarter. The total fleet size at the end of Q3 was 1,041 which includes 58 Metros. Ten Renewals were completed, with 46 Renewals completed year to date.

*F19 sales have been re-presented to reflect the transfer of the Summergate business from Endeavour Drinks to Australian Food

Operating metrics

YEAR ON YEAR (%)	Q4'20 (4 WEEKS)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Customer metrics			
Online VOC NPS	72	56	48
Sales metrics			
Online sales (\$ million)*		461	368
Online sales growth		26.5%	34.7%
Online penetration		4.1%	3.7%
Loyalty			
Woolworths Rewards members (million)		12.2	11.5
Scan rates (%)		48.2	45.8

WooliesX Online VOC NPS increased eight points compared to March in the prior year. Following a reduction in the early part of the month due to availability issues, scores improved dramatically in the last two weeks of March as the service was reprioritised to focus on vulnerable customers. VOC NPS in April has further increased to 72 reflecting customers' appreciation of the convenience of the service.

WooliesX delivered solid sales in the quarter; however, growth was below recent levels, due to material capacity constraints in March. Online sales in January and February increased by over 40% but declined in March with sales increasing by 26.5% in Q3. While online penetration of 4.1% increased on Q3'19, it was below Q2'20 penetration of 4.4%. The suspension of Pick up from the middle of March resulted in a mix shift towards Home Delivery.

More than 300,000 customers have taken up our Home Delivery service since it was prioritised to vulnerable customers. In recent weeks, Community Pick up has been scaled-up and is now available at over 900 locations for someone to pick up an order on behalf of Priority Assistance customers. Our eCommerce business has steadily been re-establishing all online services with capacity doubling in mid-April to ensure sufficient availability for all customers.

Digital traffic more than doubled in March to 38 million visits, with active app usage increasing to 1.2 million users. Customers increasingly started their shopping journeys online and used the website and app as a source of information for their food and everyday needs. The 'researched online, bought in store' (ROBIS) metric was at record highs.

In collaboration with the banks, WooliesX successfully negotiated with AusPayNet to increase the pin limit on tap-and-go transactions from \$100 to \$200 to reduce customers' need to touch the payment terminal.

Woolworths Rewards members increased to 12.2 million by the end of the quarter, an increase of approximately 700,000 members compared to the prior year. Scan rates also continued to increase to 48.2% reflecting improved member engagement despite lower below-the-line Rewards activity in late March to alleviate pressure on store team and supply.

*WooliesX sales numbers are included in Australian Food total and comparable sales

New Zealand Food

Operating metrics

YEAR ON YEAR (%)	Q4'20 (3 WEEKS)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Customer metrics			
VOC NPS (Store and Online)	50	44	44
Store-controllable VOC		n.m.	79%
Sales metrics**			
Total sales (\$ million)		1,925	1,693
			Easter-adjusted
Total sales		13.7%	2.9%
Comparable sales		13.4%	3.8%
Volume productivity metrics			
			Easter-adjusted
Comparable transaction growth		(3.5)%	1.8%
Comparable items per basket		10.8%	3.9%
Comparable item growth		7.3%	5.8%
Change in average prices			
Total		5.1%	(0.6)%
Total excluding Tobacco		5.5%	(0.5)%

CountdownX

YEAR ON YEAR (%)	Q4'20 (3 WEEKS)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Customer metrics			
Online VOC NPS	60	57	67
Sales productivity metrics**			
Online sales (\$ million)		151	111
Online sales growth		36.2%	42.4%
Online penetration		7.9%	6.6%
Loyalty			
Countdown Onecard members (million)		1.9	2.0

New Zealand Food's overall customer scores (VOC NPS) remained resilient in March despite the impacts of a material increase in demand from late February. As with Australia, Store-controllable VOC is not available for March. Pleasingly, VOC NPS improved strongly from the second half of the month as customers responded positively to the safety measures implemented across stores by the team, with Cared About My Needs VOC recording a new high of 76. VOC NPS in April has improved to 50.

Total sales increased by 13.7% to \$1.9 billion. Comparable sales increased by 13.4% driven by sales growth of over 50% in the week prior to full lockdown, with certain days more than doubling, reflecting the peak period of customer pantry-loading. On 26 March, New Zealand moved into Alert Level Four lockdown with major supermarkets, pharmacies and dairies (convenience) the only retail operations allowed to remain open. Under the tighter restrictions, most other retailers including butchers, takeaway shops, fast food outlets and delivery options were suspended. Growth rates have moderated from peak levels; however, have been higher than Australia given the more limited number of shopping alternatives for customers. On 27 April, restrictions were downgraded to Level Three which allows more businesses to open but physical contact with customers is still restricted.

Comparable transaction growth declined materially in March resulting in a reduction of 3.5% for Q3 but was more than offset by an increase in items per basket as customers heeded government advice to stay at home, shopping less frequently with bigger baskets. New Zealand Food's franchise stores (Fresh Choice and Super Value) have performed strongly as a result. Sales growth for the quarter was predominantly driven by Grocery, particularly packaged goods, similar to Australia.

New Zealand Food

Online sales growth increased by 36.2% in the quarter with penetration increasing to 7.9% of sales despite some capacity constraints towards the end of the quarter. Online capacity has been rapidly added in April, including our first dedicated eStore in Auckland, which was opened in mid-April. Online penetration for the last week of the quarter was 11% and has continued to increase.

The change in average prices of 5.1% was driven by increasing commodity prices including dairy, flour, meat, and fruit and vegetable prices. The reported number was also impacted by approximately 100 bps by the temporary removal of promotions in the last two weeks of the quarter to manage stock availability and support supply chain operations following unprecedented demand. Shelf prices in Long-life and 3,400 Great Prices across the store were maintained during the Level Four lockdown and promotional activity has since resumed.

During the quarter, one store was closed with 181 stores at the end of the period. In late March and early April, four stores were temporarily closed to customers and converted to dedicated online hubs and another two stores have been temporarily closed given their CBD locations. Stores will reopen to customers at the appropriate time.

** Total sales and growth for New Zealand Food is quoted in New Zealand dollars

BIG W

Operating metrics

YEAR ON YEAR (%)	Q4'20 (4 WEEKS)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Customer metrics			
VOC NPS (Store and Online)	61	63	58
Store-controllable VOC		80%	80%
Sales metrics			
Total sales (\$ million)		866	791 Easter-adjusted
Total sales		9.5%	5.6%
Comparable sales		9.9%	7.4%
Volume productivity metrics			
Comparable transaction growth		(2.6)%	5.8% Easter-adjusted
Comparable items per basket		5.5%	4.9%
Comparable item growth		2.8%	11.0%

BIG W Online

YEAR ON YEAR (%)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Sales productivity metrics		
Online sales (\$ million)	57	33
Online sales growth	73.2%	167.0%
Online penetration	6.5%	4.1%

BIG W's VOC NPS in March improved materially on the prior year with customers responding positively to BIG W's range and value proposition. Store-controllable VOC remained strong ending at 80%, flat on last year despite a reduction in availability as a result of COVID-19. VOC NPS in April to date was 61.

Total sales increased by 9.5% to \$866 million with comparable sales growth of 9.9%. Easter-adjusted comparable sales grew by 8.8% with BIG W the only Group business with a material Easter-timing impact. Q3 was BIG W's eighth consecutive quarter of positive comparable sales growth with sales growing every month in the quarter but accelerating from late February as a result of COVID-19.

Category mix shifted in Q3 with Home Essentials, Leisure and Toy categories performing strongly while Apparel sales declined in March. The category mix changes resulted in higher average selling prices but are typically lower margin categories. Comparable transactions declined, particularly during the COVID-19 period, as customers shopped less frequently but increased their average basket size.

Online sales increased by 73%, with online penetration of 6.5%, up from 4.1% in Q3'19, again in part due to increased demand for Home Delivery.

During the quarter, BIG W continued its Free Books for Kids initiative, partnering with The Wiggles.

Three stores were closed during the quarter as part of the ongoing network review, with 180 stores at the end of the quarter.

Endeavour Drinks

Operating metrics

YEAR ON YEAR (%)	Q4'20 (4 WEEKS)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Customer metrics			
BWS VOC NPS (Store and Online)	73	71	65
Dan Murphy's VOC NPS (Store and Online)	75	76	73
Sales metrics			
Total sales (\$ million)*		2,252	2,056
Total sales		9.5%	Easter-adjusted 6.7%
Comparable sales		8.9%	6.3%

EndeavourX

YEAR ON YEAR (%)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Sales productivity metrics		
Online sales (\$ million)	155	Easter-adjusted 108
Online sales growth	43.1%	10.7%
Online penetration	6.9%	5.2%
Loyalty		
My Dan's members (million)	4.3	3.4

Endeavour Drinks' customer metrics improved in Q3 with March VOC NPS increasing on the prior year and preceding quarter for both Dan Murphy's and BWS. Despite the pressures of the surge in demand in March, Online VOC NPS also improved on the prior year, as customers responded favourably to the additional convenience provided by online services. VOC NPS in April has remained strong.

Endeavour Drinks total sales increased by 9.5% in Q3 to \$2.3 billion with comparable sales increasing by 8.9%. January and February sales were subdued and impacted by low market growth due to weather and bushfires. However, sales grew materially in March with a pronounced surge in demand commencing on 22 March in Victoria and New South Wales. Sales growth rates have now begun to moderate.

In March, Dan Murphy's was the key beneficiary of increased demand with stronger sales growth reflecting its strong brand resonance and breadth of range. Beer, Wine and Spirits grew strongly across both retail businesses; however, some trading down was evident as customers shifted towards larger pack sizes and away from premium products. This change in mix has now returned to normal.

In EndeavourX, Endeavour Drinks' online sales increased by 43.1%, significantly above recent run-rates with online penetration increasing to 6.9%. BWS and Dan Murphy's both delivered strong online growth with BWS's sales growing by over 200% for a week during the period of peak sales, albeit from a lower base. Other initiatives included an extension of Endeavour Marketplace's (Direct from Supplier) service and local ranging programs to assist small producers with a route to market. Almost 300 new suppliers have been added, offering approximately 2,000 new products in the last four weeks. Dan Murphy's also launched a contactless Pick up, direct to boot service in April, which is now available in approximately 40 stores. My Dan's members continued to increase with 4.3 million members at the end of March.

During the quarter, Endeavour Drinks partnered with Sydney's Archie Rose Distilling Co as it shifted production from its usual gins and whiskies to make hand sanitiser, which has now been distributed across Dan Murphy's and BWS stores.

Dan Murphy's added one new store in the quarter, growing the network to 240 stores. BWS added six net new stores in the quarter, growing the network to 1,359 stores.

* F19 sales have been re-presented to reflect the transfer of the Summergate business from Endeavour Drinks to Australian Food

Hotels

Operating metrics

YEAR ON YEAR (%)	Q3'20 (13 WEEKS)	Q3'19 (13 WEEKS)
Sales metrics		
Total sales (\$ million)	350	402
Total sales	(12.9)%	Easter-adjusted 2.7%
Comparable sales	2.4%	2.7%

The Hotels business was closed on 23 March following a Federal Government directive in response to COVID-19. Sales for the first 11 weeks of the quarter increased by 3.2% with comparable sales for the 11-week period increasing by 2.4%. Sales for the quarter decreased by 12.9%. Comparable sales for the quarter were also up 2.4%, as venues are excluded from comparable sales from the date of closure.

Bars and Food were the strongest performing categories for the period until closure. Gaming sales were more subdued and Accommodation sales had already begun to slow from booking cancellations prior to closure due to the impact of COVID-19.

The number of Hotels in the quarter increased by two to 327 venues at the end of the period including five managed clubs.

-ends-

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[Click here to view the shareholder communication for these results.](#)

Appendices

Appendix One: New stores and refurbishments

F20 THIRD QUARTER	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Continuing operations			
Australian Food (including Metro)	4	3	10
New Zealand Food	-	(1)	1
BIG W	-	(3)	-
Endeavour Drinks (including attached)	8	7	8
Hotels	2	2	5
Total continuing operations	14	8	24

Appendix Two: F19 Post-AASB 16 basis (53 weeks)

2019 (53 WEEKS) \$M	AUSTRALIAN FOOD	NEW ZEALAND FOOD	BIG W	ENDEAVOUR DRINKS	HOTELS	UNALLOCATED	CONSOLIDATED CONTINUING OPERATIONS
Revenue	39,635	6,291	3,797	8,590	1,671	-	59,984
EBITDA before significant items	3,481	555	148	803	596	27	5,610
Depreciation and amortisation - lease assets	(585)	(109)	(100)	(149)	(130)	(25)	(1,098)
Depreciation and amortisation - non-lease assets	(756)	(121)	(80)	(105)	(111)	(49)	(1,222)
EBIT before significant items	2,140	325	(32)	549	355	(47)	3,290
Significant items	-	-	(371)	-	-	-	(371)
EBIT	2,140	325	(403)	549	355	(47)	2,919
Interest expense - non-leases							(126)
Interest expense - leases							(719)
Income tax expense							(621)
Profit for the period from continuing operations							1,453

Profit for the period from continuing operations attributable to:

Equity holders of the parent entity	1,387
Non-controlling interests	66
	1,453

Appendices

Appendix Three: Glossary

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
Customer fulfilment centre	Dedicated online distribution centres
Drive	Convenient options for customers to pick up online orders through Drive up or Drive thru facilities
eStore	Store which utilises automation for the fulfilment of online orders
MSRDC	Melbourne South Regional Distribution Centre
Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of zero to 10. The score is the net result of the percentage of customers providing a score of nine or 10 (promoters) less the percentage of customers providing a score of zero to six (detractors)
On-demand/express delivery	An express or scheduled delivery service providing online orders at the customer's convenience
Online sales	A measure of sales through all eCommerce channels
Pick up	A service which enables collection of online shopping orders in-store or at select locations
PPE	Personal protective equipment
Renewals	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)
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)

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

- Trading area
- Change in average prices
- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Easter-adjusted metrics
- Earnings before interest and tax (EBIT)
- Volume productivity metrics including transaction growth, items per basket and item growth