

WOOLWORTHS GROUP



29 April 2021

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

Third Quarter Sales Results

Attached for release to the market is the Woolworths Group Third Quarter Sales results for the 13 week period to 4 April 2021.

Authorised by: Michelle Hall, Company Secretary

For further information contact:

Media: Woolworths Group Press Office: +61 2 8885 1033 media@woolworths.com.au

Investors and Analysts: Paul van Meurs, Head of Investor Relations: +61 407 521 651

**Woolworths Group Limited ABN 88 000 014 675
1 Woolworths Way, Bella Vista NSW 2153**

Third Quarter Sales Results

Financial Year 2021 - 13 weeks to 4 April 2021

WOOLWORTHS GROUP

29 April 2021

Trading patterns stabilising with Q3 growth impacted by cycling COVID

Group sales



\$16,566m

▲ 0.4% vs. Q3 F20

Group eCommerce sales



\$1,341m

▲ 64.2% vs. Q3 F20

Group VOC NPS



56

▲ 5 pts vs. Q3 F20¹

Woolworths Group CEO, Brad Banducci, said: "There were two very distinct trading periods in Q3; the first seven weeks before we began to cycle COVID and the second six weeks as we cycled the peak growth of the prior year. Group sales growth was strong in the first seven weeks of the quarter. For the final six weeks, food and drinks sales declined on the prior year as expected, BIG W remained strong, and Hotels' sales growth started to recover as it cycled closures at the end of Q3 in the prior year.

"Despite the volatile trading over the quarter on a one-year basis, two-year average growth rates in Australian Food, Endeavour Drinks and BIG W remained above-trend. Due to the distortive impact of COVID on Easter trading in the prior period, we have not reported Easter-adjusted sales.

"Customer scores across the Group remained strong but comparisons to the prior year are flattered by COVID-related availability and capacity issues in Q3 F20. Relative to Q2 F21, customer scores improved other than in our Australian and New Zealand Food businesses, which reflected typical seasonal trends.

"In Australian Food, total sales declined by 0.7%, following an increase of 8.2% for the first seven weeks of the quarter. Sales growth in the last six weeks was impacted by lower item growth and a reduction in average prices, particularly in March. The reduction in prices reflects deflation in categories like Fruit & Vegetables, category mix changes and cycling the temporary reduction in promotions in March last year. In New Zealand Food, total sales declined by 6.9%² after being up 1.4% for the first seven weeks. BIG W reported total sales growth of 18.3% for the quarter with no slowdown in the final six weeks. Endeavour Drinks' total sales increased by 6.3% after being up 14.4% for the first seven weeks. Hotels total sales continued to improve as we began to cycle venue closures in the prior year with growth of 54.4% in the final six weeks of the quarter bringing growth for the quarter to 11.5%.

"In general, customer shopping behaviours continue to normalise. While food customers are still shopping less frequently, the growth in the number of items customers put in their baskets is slowing. Customers are also shopping more on weekends, state-based performance is becoming more balanced and there is less divergence in trading across the fleet, other than in CBD and transit locations. While we remain vigilant in looking after the safety of our customers and team, COVID costs continued to trend down over the quarter."

Continued on page 2

Third quarter sales

\$ MILLION	2021 (13 WEEKS)	2020 (13 WEEKS)	PRE-CYCLING COVID	POST CYCLING COVID	13 WEEK PERIOD		
			(7 WEEKS) ³ CHANGE	(6 WEEKS) ⁴ CHANGE	(13 WEEKS) CHANGE	2-YEAR AVG. GROWTH	COMPARABLE GROWTH
Australian Food	11,092	11,171	8.2%	(9.6)%	(0.7)%	5.3%	(2.1)%
New Zealand Food (AUD)	1,667	1,856	(0.3)%	(19.7)%	(10.2)%	1.5%	
<i>New Zealand Food (NZD)</i>	<i>1,792</i>	<i>1,925</i>	<i>1.4%</i>	<i>(15.1)%</i>	<i>(6.9)%</i>	<i>2.9%</i>	<i>(7.5)%</i>
BIG W	1,024	866	17.9%	18.7%	18.3%	14.8%	20.0%
Endeavour Drinks	2,393	2,252	14.4%	(1.6)%	6.3%	8.2%	5.5%
Hotels	390	350	(11.5)%	54.4%	11.5%	(1.4)%	n.m.
<i>Endeavour Group</i>	<i>2,783</i>	<i>2,602</i>	<i>10.0%</i>	<i>3.8%</i>	<i>7.0%</i>	<i>6.6%</i>	<i>n.m.</i>
Total Group sales	16,566	16,495	8.1%	(7.3)%	0.4%	5.6%	

¹ Q3 F20 Group VOC NPS has been restated

² New Zealand dollars

³ First seven weeks - 4 January 2021 to 21 February 2021

⁴ Last six weeks - 22 February 2021 to 4 April 2021

Summary

eCommerce, digital and data

"Group eCommerce sales have continued to grow strongly, up 64.2% in Q3 to \$1.3 billion. In Australian Food, WooliesX eCommerce sales increased by 90.5% to \$878 million with penetration of 7.9% compared to 4.1% in the prior year and 7.7% in H1 F21. Comparisons to Q3 F20 have been favourably impacted by the disruption to some eCommerce services following unprecedented demand last year. However, we estimate that eCommerce sales growth would still have exceeded 70% on a normalised basis.

"New Zealand Food eCommerce sales increased by 37.9% with sales penetration of 11.6%. BIG W eCommerce sales increased by 34.8% with penetration of 7.5% falling relative to Q2 as BIG W cycled strong sales growth in the prior year. Endeavour Drinks' eCommerce sales increased by 23.8% with penetration of 8%.

"During the quarter, we made progress on creating better experiences for customers and increasing efficiencies across all our 'X' businesses. Highlights include the launch of micro-fulfilment technology in New Zealand in the quarter with Penrose opening on 21 January and Moorhouse opening on 29 March. Together with Carrum Downs in Victoria which opened in October last year, we now have three micro-fulfilment eStores in partnership with Takeoff Technologies. A fourth facility will be opened in Maroochydore, Queensland in August.

"On Tuesday, we announced plans for the next phase in our eCommerce fulfilment program with our first mid-size automated customer fulfilment centre to be built in Auburn, Sydney. Subject to approval, construction is expected to commence in 2021 with the facility expected to be operational by 2024. The facility will be built in partnership with Knapp with a capacity of up to 50,000 orders per week. Knapp are leaders in automated storage systems and warehouse logistics software and currently partner with Takeoff to provide the shuttle system for its units.

"Customer digital engagement remains a priority. Average weekly traffic to Woolworths' digital assets increased by 48% to 12.4 million visits per week. We made several improvements to our websites and apps to increase convenience for customers including enhancements to the Woolworths digital catalogue. Everyday Rewards and My Dan's member numbers continued to grow with scan rates improving across all our loyalty programs.

"We also recently announced an increase in Woolworths Group's ownership of Quantum to 75%. The increased investment will reshape the way that Woolworths Group and Quantum partner and is a very important step in the evolution of the Group's advanced analytics strategy. A new business, Q-Retail, will be established to deliver the Group's advanced analytics roadmap and commercialise products externally.

Community and sustainability

"During the quarter, local communities were impacted by widespread flooding across the Eastern seaboard and bushfires in Western Australia. Our team rallied to ensure the community was supplied with essential groceries, including the use of aircraft and barges to get essential items to isolated communities. Together with the generosity of our customers, over \$200,000 was raised for our S.T.A.N.D partnership with The Salvation Army to help feed those in evacuation centres. We also supported Foodbank's efforts to provide emergency relief hampers through the donation of food and essential items and paid for the milk lost by the dairy farmers who supply our Farmers Own brand in the Manning Valley.

"We achieved important milestones during the quarter as part of our 2025 Sustainability Plan including the WGEA Employer of Choice for Gender Equality citation. We also continued our rollout of solar with an additional 12 sites completed across Woolworths Supermarkets and Dan Murphy's during the period. Finally, last week we celebrated the milestone of more than 100 million pieces of free fruit given to Australian kids since the launch of our Free Fruit for Kids program in 2015, in our aspiration to build a healthier future.

Current trading and outlook

"Turning to current trading and outlook, sales growth for the first three weeks of April remained volatile and impacted by prior year growth rates and the timing of public holidays. In Australian Food, total sales were broadly flat compared to last year. This reflects the cycling of mid-single digit sales growth in April last year in comparison to double-digit sales growth in May and June. Endeavour Drinks sales in April remained above last year but are expected to slow when we cycle growth of over 30% in May and June. While in New Zealand, sales growth was materially negative in April, cycling growth of over 20% in the prior year. BIG W sales growth has also slowed in the first three weeks of April, cycling growth in April last year of approximately 20%. We continue to expect sales to decline over the March to June period for all businesses other than Hotels where Q4 F20 sales declined 86.3% on a normalised basis. Despite this trading volatility, we remain focused on delivering the best possible experiences for our customers.

"The Endeavour Group demerger remains on target for late June. Key milestones during the quarter include securing financing commitments for Endeavour Group's proposed debt facilities and finalising board and management appointments which will be announced in due course. Subject to board and regulatory approval, demerger documentation is expected to be released in mid-May.

"And finally on PFD, due to an extended ACCC review process, the condition precedent relating to regulatory approval has been extended to February 2022. Woolworths Group and PFD have also agreed that the PFD owned property will be excluded from the business sale, with any proceeds from property sales going to the Smith family.

"Thank you as always to our team and partners for their hard work and commitment during another challenging, volatile but rewarding quarter."

Brad Banducci
CEO, Woolworths Group

Australian Food

Sales performance by channel

\$ MILLION	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)	CHANGE
Woolworths Supermarkets (Store-originated) ¹	9,780	10,264	(4.7)%
WooliesX eCommerce sales	878	461	90.5%
Woolworths Supermarkets & WooliesX (Stores and eCommerce)	10,658	10,725	(0.6)%
Metro Food Stores	225	265	(15.0)%
Adjacency revenue ²	209	181	15.0%
Total Australian Food sales	11,092	11,171	(0.7)%

Operating metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Customer metrics		
VOC NPS (Store and Online)	50	44
Store-controllable VOC ³	80%	n.m. ⁴
Sales metrics		
Total sales (\$ million)	11,092	11,171
Total sales growth	(0.7)%	11.3%
Comparable sales growth	(2.1)%	10.3%
Two-year average comparable sales growth	4.1%	7.3%
Volume productivity metrics⁵		
Comparable transactions growth	(12.0)%	0.5%
Comparable items per basket growth	8.6%	6.2%
Comparable items growth	(4.4)%	6.7%
Change in average prices		
Total	(1.8)%	2.1%
Total excluding Tobacco	(3.4)%	0.6%
Total excluding Tobacco and Fruit & Veg	(2.4)%	1.2%

¹ Excludes eCommerce sales fulfilled from store

² Adjacency revenue includes Digital and Media, FinTech (Insurance and Payments), International (incl. Summergate) and Wholesale.

³ From April 2020, a new survey was introduced for in-store and online. The new survey did not have a significant impact on the results reported

⁴ A comparable Store-controllable VOC was not available in Q3 F20 given the suspension of in-store Pick up and the material impact on availability due to COVID

⁵ Volume productivity metrics are disclosed as percentages and therefore may not add

Australian Food's VOC NPS (Store and Online) ended Q3 at 50, up six points on the prior year which was impacted by the initial onset of COVID. VOC NPS was down two points on Q2 with Store-controllable VOC down one point to 80%. Relative to Q2, customer metrics softened marginally reflecting seasonal Christmas highs.

Total sales declined 0.7% to \$11.1 billion in Q3 with comparable sales declining 2.1%. eCommerce sales increased 90.5% to \$878 million, with eCommerce penetration of 7.9% (Q3 F20: 4.1%). Sales for the first seven weeks of the quarter grew 8.2%, benefitting from COVID-related demand as well as a strong customer plan including the glass containers and Discovery Garden programs. For the final six weeks of the quarter, sales declined 9.6% as the business cycled COVID pantry-loading in the prior year. Two-year average comparable sales growth in Q3 was 4.1%, more typical of pre-COVID growth rates.

The moderation of sales growth over the quarter was broadly consistent across states other than where impacted by localised COVID lockdowns in Queensland (January), Victoria and Western Australia (February), and lower market growth in Victoria which has been below the national average since the end of the extended Victorian lockdown in Q2.

Metro Food Stores sales for the quarter declined 15.0% to \$225 million as stores continue to be negatively impacted by reduced foot traffic in CBD and on-the-go locations, with comparable sales in these locations declining by approximately 40%. Adjacency revenue increased 15.0% to \$209 million driven by growth in International and Wholesale.

Comparable transactions declined 12.0%, partially offset by growth in items per basket of 8.6% with customers continuing to shop less frequently but with larger baskets. During the first seven weeks of the quarter, growth in comparable items was driven by an increase in comparable items per basket, partially offset by a decline in comparable transactions. For the final six weeks of the quarter, the decline in comparable transactions more than offset growth in items per basket.

Average prices declined 1.8% (3.4% excluding Tobacco) with all major long-life categories other than Tobacco declining. This was largely due to cycling the temporary reduction in promotions in March 2020 following the onset of COVID. Fruit & Vegetables prices also declined due to improved growing conditions and higher prices in the prior year due to drought and bushfire-related cost increases.

During the quarter, six new stores were opened and two closed including two net new Woolworths Supermarkets and two net new Metro Food Stores with six renewals completed. Four Metro Food Stores in metropolitan locations remain temporarily closed. At the end of the quarter, there were 1,068 stores, including 996 Woolworths Supermarkets and 72 Metro Food Stores.

Australian Food

We continued to play an active role in local communities during the quarter including supporting NSW communities impacted by floods and the WA bushfires through our S.T.A.N.D partners. The Easter campaign of the 14 Days of Good Acts raised \$2.1 million for state charity partners including Variety, Children's Hospital Foundation and Royal Children's Hospital.

Digital & Media metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Average weekly traffic to digital assets ¹ (million)	12.4	8.4
Average weekly traffic growth (year on year)	47.7%	66.9%

eCommerce metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Customer metrics		
Online VOC NPS	60	56
eCommerce sales metrics		
eCommerce sales (\$ million) ²	878	461
eCommerce sales growth	90.5%	26.5%
eCommerce penetration	7.9%	4.1%
Pick up mix (% of eCommerce sales)	35.7%	32.0%

Everyday Rewards metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Total Everyday Rewards members (million)	12.9	12.2
Scan rates ³ (%)	51.3	48.2

¹ Digital assets include Woolworths website and app, Everyday Rewards website and app, and Woolworths Insurance website

² WooliesX sales numbers are included in Australian Food total and comparable sales

³ Scan rates for Woolworths Supermarkets

WooliesX's **Digital and Media** business continued to build connected experiences for customers in Q3. This included improved personalisation, navigation and relevant digital campaigns and offers. Average weekly traffic to Woolworths' websites and apps was up 47.7% to 12.4 million visits in the quarter with easy planning for Food, Health and Everyday resonating well with customers. Cartology continues to grow strongly as the business attracts more and more brands seeking access to Woolworths' growing and engaged digital audience.

Enhancements to Woolworths' digital catalogue within the app included better image resolution, ability to open catalogue links to videos, recipes and content pages, and Siri suggestions. The Woolworths app also went live with search filters allowing customers to refine their search according to their dietary needs and brand preferences. A range of new features were released on the Everyday Rewards app including geolocation push notification capability and eReceipts.

In Q3, **eCommerce** sales increased by 90.5% to \$878 million, representing 7.9% of Australian Food sales, up 3.8 points on the 4.1% penetration in the prior year and 7.7% in H1 F21. Sales growth rates benefitted from the disruption to services in Q3 F20 following the onset of COVID. However, normalising for this, sales would still have increased by over 70%. Sales growth was strong throughout the quarter.

Pick up mix continued to increase as a proportion of eCommerce sales achieving a 35.7% penetration in Q3 driven by customer demand, a focus on improving the customer experience and increased capacity in Direct to boot services, now available in 634 locations.

Online VOC NPS ended Q3 at 60, up two points on Q2 F21 and four points on Q3 F20. This was primarily driven by New South Wales and reflected customer recognition of the team efforts and the service provided, as well as progress across store and logistics measures such as order completeness and personal shopper and driver care.

Everyday Rewards members continued to expand, up 6.2% on the prior year to 12.9 million with scan rates increasing to 51.3% of all transactions by the end of March.

New Zealand Food

Operating metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Customer metrics		
VOC NPS (Store and Online)	47	44
Store-controllable VOC	82%	n.m. ¹
Sales metrics		
Total sales (NZD \$ million)	1,792	1,925
Total sales growth	(6.9)%	13.7%
Comparable sales growth	(7.5)%	13.4%
Two-year average comparable sales growth	3.0%	8.6%
Volume productivity metrics²		
Comparable transactions growth	(6.9)%	(3.5)%
Comparable items per basket growth	(2.0)%	10.8%
Comparable items growth	(9.0)%	7.3%
Change in average prices		
Total	(2.4)%	5.1%
Total excluding Tobacco	(2.7)%	5.5%

CountdownX

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Customer metrics		
Online VOC NPS	64	57
eCommerce sales metrics		
eCommerce sales (NZD \$ million)	209	151
eCommerce sales growth	37.9%	36.2%
eCommerce penetration	11.6%	7.9%
Loyalty		
Countdown Onecard members (million)	1.9	1.9
Onecard scan rates (%)	59.9	57.7

¹ A comparable Store-controllable VOC was not available in Q3 F20 given the suspension of in-store Pick up and the material impact on availability due to COVID

² Volume productivity metrics are disclosed as percentages and therefore may not add

New Zealand Food's customer metrics increased on the prior year but softened on recent quarters reflecting seasonal trends. VOC NPS of 47 was up three points on the prior year but down three points on Q2. Store-controllable VOC was 82% compared to 83% in Q2. Team Attitude and Ease of Pick up VOC measures were highlights with a continued focus on Availability, Value and Fruit & Vegetables.

Total sales declined by 6.9% to \$1,792 million, as New Zealand Food cycled the peak of last year's pantry-loading. Sales declined by 15.1% in the final six weeks of the quarter after increasing by 1.4% in the first seven weeks. Two-year average comparable sales growth was 3.0% with the market continuing to be impacted by border restrictions during the peak tourism period as well as lower growth in fresh. This was somewhat offset by the glass containers program, a new 'Value You Can Count On' campaign, and a strong Easter offer. There was a short-lived sales increase in February following a brief COVID lockdown, however, growth quickly returned to trend. Comparable transactions growth declined 6.9% but the trend improved on Q2 (-9.6%) as customers shopped more frequently but with fewer items in their basket.

New Zealand Food's digital momentum continued in Q3 with eCommerce sales growth of 37.9% resulting in penetration of 11.6% (Q2: 11.2%). Onecard scan rates also increased to 59.9% from 57.7% in the prior year. Countdown has now successfully launched its first two automated fulfilment units in partnership with Takeoff Technologies, at its Penrose eStore in January and Moorhouse Supermarket in Christchurch in March.

Average prices declined by 2.4% in Q3, heavily impacted by the cycling of the onset of COVID pantry-loading and the temporary cessation of promotions last year which resulted in a 5.1% increase in Q3 F20. Underlying dairy commodity deflation, which has been evident throughout F21, has begun to ease. A lack of export demand and favourable growing conditions this year has also led to lower prices for livestock and fruit and vegetables.

During the quarter, one Countdown Supermarket, Auckland's second Metro Food Store, and the online fulfilment store in Moorhouse were opened. At the end of the quarter there were 181 Countdown Supermarkets, two Metro Food Stores and four online fulfilment stores.

Other highlights for the quarter include the launch of Cartology New Zealand and the celebration of Pride Month.

BIG W

Operating metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Customer metrics		
VOC NPS (Store and Online)	63	65
Store-controllable VOC	82%	80%
Sales metrics		
Total sales (\$ million)	1,024	866
Total sales growth	18.3%	9.5%
Comparable sales growth	20.0%	9.9%
Two-year average comparable sales growth	15.0%	8.7%
Volume productivity metrics¹		
Comparable transactions growth	6.1%	(2.6%)
Comparable items per basket growth	9.8%	5.5%
Comparable items growth	16.5%	2.8%

BIG WX

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
eCommerce sales metrics		
eCommerce sales (\$ million)	76	57
eCommerce sales growth	34.8%	73.2%
eCommerce penetration	7.5%	6.5%
Loyalty		
Everyday Rewards scan rates (%)	51.0	49.0

¹ Volume productivity metrics are disclosed as percentages and therefore may not add

BIG W's Store-controllable VOC improved two points on the prior year to 82% and VOC NPS declined two points to 63 with COVID-related demand adversely impacting Online NPS. Online NPS has been trending positively in recent months. Compared to Q2, VOC NPS improved by three points and Store-controllable VOC improved by four points following a continued improvement in stock availability.

Total sales in Q3 increased by 18.3% to \$1,024 million with comparable sales growth of 20.0%. Strong sales growth continued every month in the quarter and across all major categories, despite cycling the initial COVID demand surge from late February in the prior year. Q3 sales growth continued to be driven by an increase in items per basket, coupled with a strong uplift in transactions in March as customer shopping behaviour normalised from last year where customers were shopping less frequently due to COVID restrictions as well as the timing of Easter.

BIG WX sales increased by 34.8% in the quarter, with sales growth moderating from previous quarters due to cycling a strong uplift in eCommerce sales from February last year, where COVID restrictions drove a surge in demand for Home Delivery. eCommerce penetration of 7.5% in Q3 was 100bps higher than last year.

BIG W continues to make a real difference for families, through its Free Books for Kids initiative, distributing over two million free books in store and donating 40,000 books to communities in need. During the quarter, BIG W donated \$75,000 in gift cards and 61,000 new essential items to charities in flood affected areas, in partnership with Good360.

BIG W is committed to progressing its sustainability commitments aligned with Woolworths Group's 2025 Sustainability Plan. This includes continuing to activate ethical and mutually beneficial partnerships through the whole value chain such as ACT (Action Collaboration Transformation) and BCI (Better Cotton Initiative).

Three stores were closed during the quarter as part of the ongoing property network review, with 176 stores at the end of the quarter. The Monarto DC will close as planned in Q4 with the transition to a third-party DC network beginning in Q3 with new sites in Kewdale, Perth and Hopper's Crossing, Melbourne.

Endeavour Drinks

Operating metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Customer metrics		
BWS VOC NPS (Store and Online)	72	71
Dan Murphy's VOC NPS (Store and Online)	78	75
Sales metrics		
Total sales (\$ million)	2,393	2,252
Total sales growth	6.3%	9.5%
Comparable sales growth	5.5%	8.9%
Two-year average comparable sales growth	7.2%	7.6%

EndeavourX

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
eCommerce sales metrics		
eCommerce sales (\$ million)	193	155
eCommerce sales growth	23.8%	43.1%
eCommerce penetration	8.0%	6.9%
Loyalty		
My Dan's members (million)	5.3	4.3
Everyday Rewards scan rates - BWS (%)	43.9	40.2
My Dan's scan rates (%)	62.4	50.6

Endeavour Drinks' momentum continued with customer scores improving relative to the prior year and Q2. BWS VOC NPS was up one point on the prior year and one point on Q2 at 72. Dan Murphy's VOC NPS of 78 improved three points on the prior year and two points on Q2. Total sales increased by 6.3% in the quarter after increasing by 14.4% in the first seven weeks and declining by 1.6% in the final six weeks, as the business cycled the onset of COVID in the prior year. Comparable sales growth increased by 5.5% with two-year average comparable sales growth remaining strong at 7.2%.

By category, Spirits and RTDs continued to grow strongly supported by gin and seltzers. Wine sales declined marginally for the quarter due to the strong sales in March in the prior year. Beer sales were also impacted by the prior year sales surge, ending the quarter in line with Q3 F20 but with craft beer sales remaining buoyant.

Endeavour Drinks continues to invest in enhancing the customer experience, both in store and online. My Dan's loyalty members increased by over 200,000 during the quarter bringing the total to 5.3 million members at the end of the period. BWS customer engagement with Everyday Rewards also increased with scan rates of 43.9%, materially up on the prior year.

eCommerce sales increased 23.8% to \$193 million, with eCommerce penetration of 8.0% of total sales. This has been supported by an improved digital experience for customers across both the website and app and the continued investment in digital and fulfilment capabilities by EndeavourX. Traffic and conversion rates have been sustained despite the easing of COVID restrictions across the quarter.

Endeavour Drinks completed the acquisition of Oakridge Wines on 11 March. Oakridge is an award-winning winery located in the Yarra Valley, Victoria's oldest wine region.

During the quarter, nine new BWS stores were opened, and a further 11 stores were renewed. Three stores were closed, ending the quarter with 1,390 BWS stores nationally.

Dan Murphy's opened a new store in Newstead, Queensland and launched its latest store format in South Melbourne, Victoria ending the quarter with a total network of 247 stores.

Hotels

Operating metrics

	Q3'21 (13 WEEKS)	Q3'20 (13 WEEKS)
Sales metrics		
Total sales (\$ million)	390	350
Total sales growth	11.5%	(12.9)%

Hotels' total sales in Q3 increased 11.5% on the prior year to \$390 million reflecting improved trading trends in the first seven weeks of the quarter compared to H1 F21, and a material improvement in sales in the final six weeks of the quarter, which included the cycling of mandated lockdowns from 23 March last year.

Restrictions continued to ease in Q3 resulting in gaming, bars and food sales improving, while accommodation remained subdued.

During the quarter, Hotels continued to be periodically impacted by localised state-based lockdowns. As at the end of the quarter, all venues were operating apart from Greater Brisbane where a three-day lockdown was in place.

The addition of two hotels in the quarter saw the portfolio of hotels grow to 334 and five managed clubs.

Contact

FOR FURTHER INFORMATION CONTACT:

Investors and analysts	Media
Paul van Meurs Head of Investor Relations +61 407 521 651	Woolworths Press Office + 61 2 8885 1033

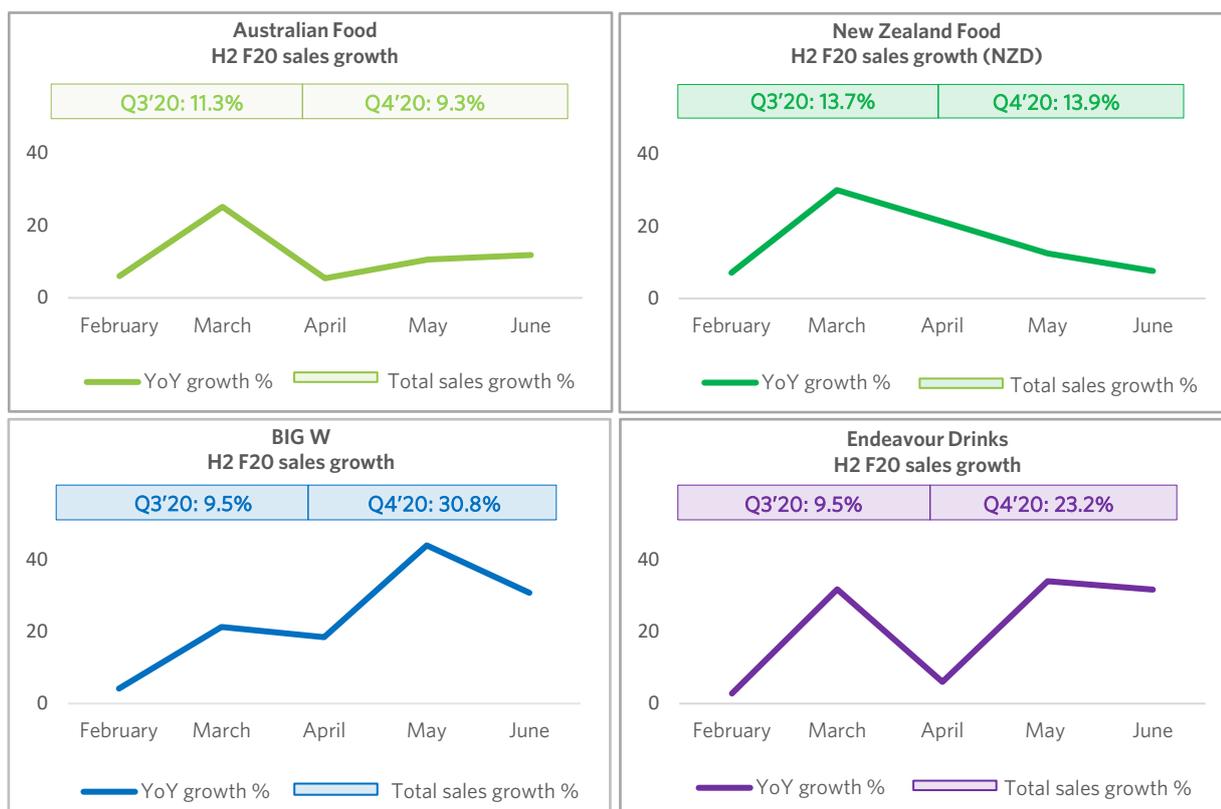
[Click here to view the shareholder communication for these results](#)

Appendices

Appendix One: New stores and refurbishments

F21 THIRD QUARTER	GROSS NEW STORES (INCL. ACQUISITIONS)	NET NEW STORES (INCL. ACQUISITIONS)	RENEWALS/ REFURBISHMENTS
Group			
Australian Supermarkets and Metro Food Stores	6	4	6
New Zealand Food	2	2	-
BIG W	-	(3)	-
Endeavour Drinks	10	7	7
Hotels	2	2	6
Total Group	20	12	19

Appendix Two: H2 F20 sales growth



Glossary

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 because of store refurbishment or new store openings/closures
Customer fulfilment centre (CFC)	Dedicated online distribution centres
DC	Distribution centre
Delivery Now	Delivery in under two hours
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
eReceipts	Electronic receipts
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)
n.m.	Not meaningful
On-demand/express delivery	An express or scheduled delivery service providing online orders at the customer's convenience
Pick up	A service which enables collection of online shopping orders in-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)
RTD	Ready-to-drink
Two-year average comparable sales growth	Average of the current period and prior period comparable sales growth
Two-year average sales growth	Average of the current period and prior period sales growth
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)
WGEA	Workplace Gender Equality Agency

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

- Volume productivity metrics including transaction growth, items per basket and item growth
- Change in average prices