

WOOLWORTHS GROUP



24 February 2021

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

Half-Year Results Presentation

Attached for release to the market is the Half-Year Results Presentation for the period ended 3 January 2021.

Authorised by: Michelle Hall, Company Secretary

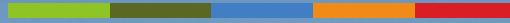
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**Woolworths Group Limited ABN 88 000 014 675
1 Woolworths Way, Bella Vista NSW 2153**

WOOLWORTHS GROUP



Better Together

COMPANY RESULTS HALF-YEAR 2021



Woolworths Group Limited
ABN 88 000 014 675

Woolworths Group Purpose

What we mean by 'we'

Our team and our partners

What we mean by 'create'

We constantly innovate to make a positive impact on the lives of our customers and team

What we mean by 'experiences'

The moments we create in store and online for customers, communities and shareholders, as we work together in our teams—and with our partners

We create better experiences together for a better tomorrow

What we mean by 'better'

We always look for ways to improve—for our customers, team, communities and partners

What we mean by 'together'

How we work in partnership—with each other, as well as with our partners and communities

What we mean by 'tomorrow'

The plans we make and the actions we take today will have a positive impact for generations to come

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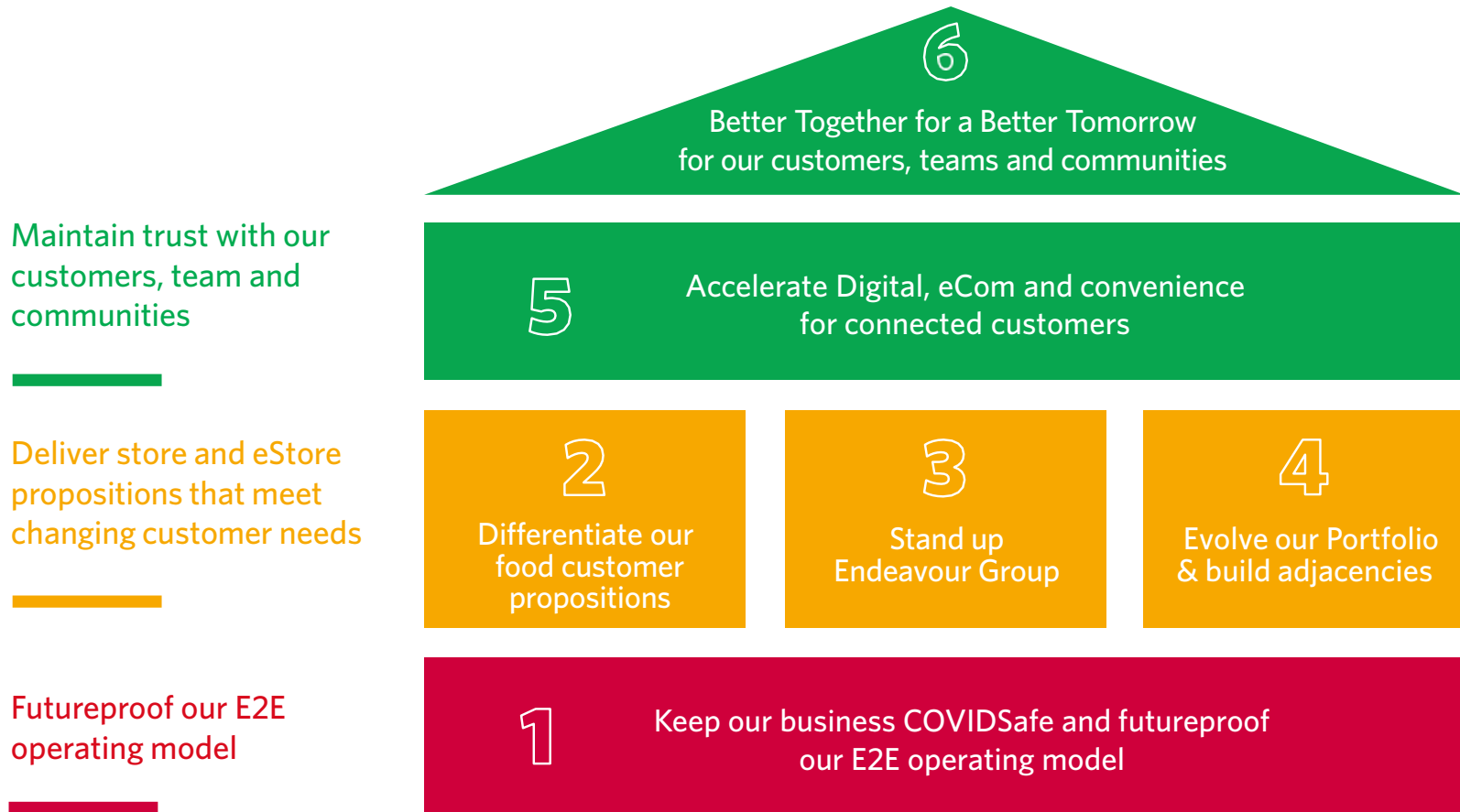
Strong Group customer, brand and reputation metrics

Increased in-home consumption in H1 delivering double-digit
Group sales and EBIT growth

Scaling up of Digital and eCom capacity and services delivering
strong sales growth

Material profit improvement for BIG W

Improvements in team safety in H1 and successful
execution of a COVIDSafe Christmas



We create **better** experiences **together** for a better **tomorrow**

Progress against key priorities (i)



1 Better Together for a Better Tomorrow for our Customers, Teams, and Communities

- December VOC NPS improved across all businesses supported by customer Care metrics
- Woolworths named Australia's most valuable brand (Brand Finance) and most trusted brand (Roy Morgan)
- Committed to 100% green energy by 2025; 6.7 million meals donated in H1 via OzHarvest
- Further progress on salaried team member remediation with \$228m paid in H1
- More to do to maintain momentum in brand advocacy



2 Accelerate Digital, eCom and Convenience for our increasingly Connected Customers

- Record digital traffic and eCom sales
- Material increases in eCom capacity and range of services across X businesses
- New CFCs opened in Notting Hill and Lidcombe as well as Wellington, NZ; commissioned first eStore with Takeoff in Carrum Downs
- Continued growth in loyalty members, scan rates and app usage
- More to do to accelerate digital, improve eCom customer experience and operating efficiency



3 Differentiate our Food Customer Propositions

- Tailored customer store propositions launched at Crows Nest, Park Sydney and Cabramatta
- 13 new stores and 45 Renewals completed in H1 in Australia and New Zealand
- Strong sell-through of seasonal product reflecting Own Brand resonance; retained title of healthiest supermarket Own Brand (The George Institute)
- Launched a new online Healthier Options tool for customers
- More to do to adapt our store and deliver personalised value for our customers



4 Stand-up Endeavour Group

- Strong trading momentum in H1 in Drinks and progress in online and digital
- Hotels more resilient than expected despite operating restrictions
- Progress on operating model to build more effective shared capabilities across Endeavour Group
- Continued preparation for separation of Endeavour Group; targeting June demerger
- More to do to maintain momentum and successfully execute demerger



5 Evolve our Portfolio & Build Strong Adjacencies

- Material profit improvement for BIG W in H1
- Announced acquisition of PFD in August; ACCC decision expected in April
- Progress in scaling up Cartology, Woolworths International and Woolworths@Work during the half
- Supply Chain rebranded to Primary Connect as it evolves to become an end-to-end logistics service provider
- More to do to build out the Woolworths Group ecosystem



6 Keep our Business COVIDSafe and Future Proof our E2E Operating Model

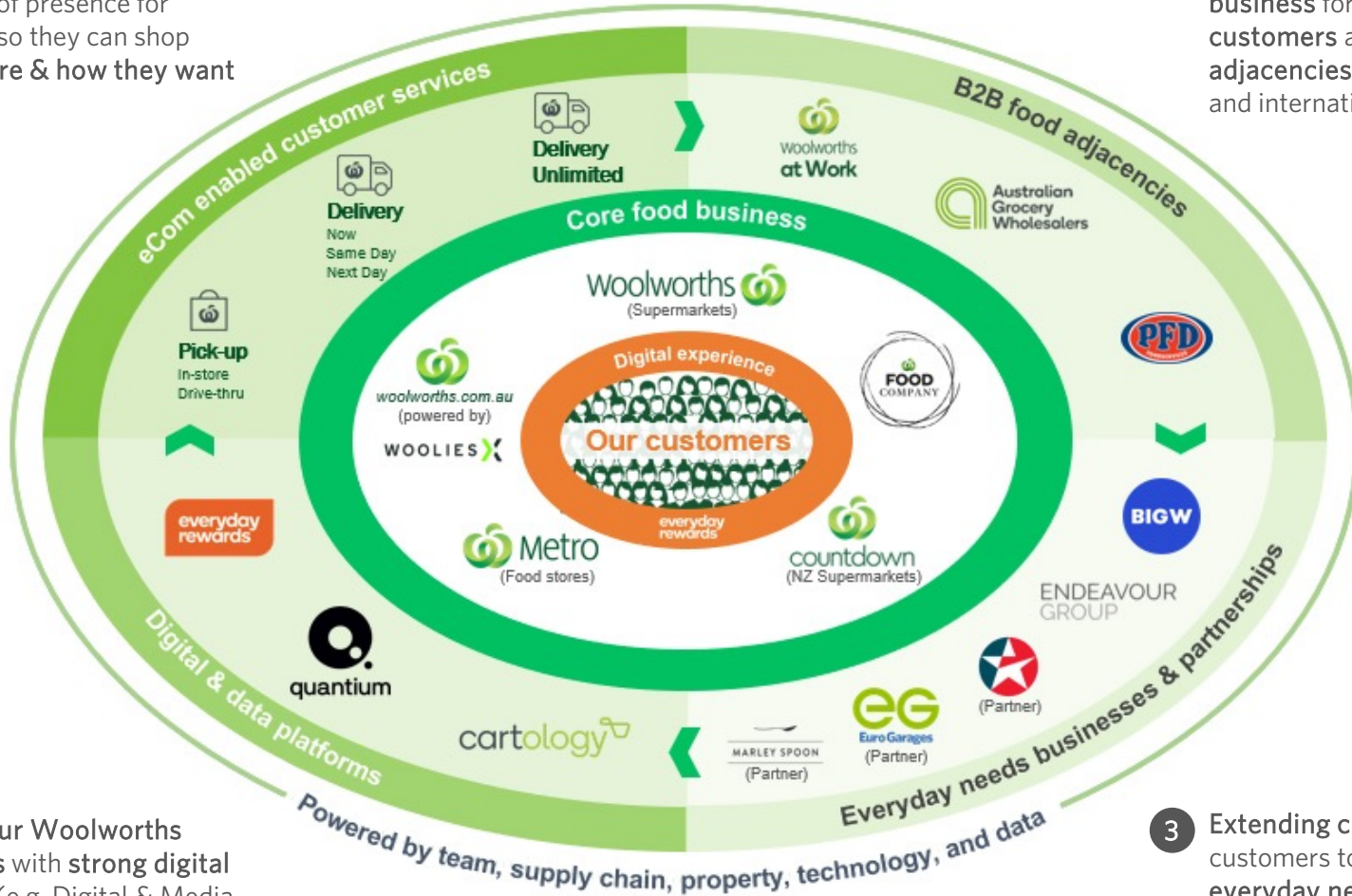
- Continued improvements in team safety with a reduction in TRIFR of 16% in H1 despite challenges of COVID
- Successfully executed a COVIDSafe Christmas across operations for customers and team
- Solid progress on scaling MSRDC, now consistently over 2 million cases per week
- New Melbourne Fresh DC opened early and successful Townsville and Adelaide expansions
- More to do to progress supply chain transformation

Woolworths Group Food and Everyday Needs Ecosystem

We create **better** experiences **together**
for a better **tomorrow**

1 Providing additional services and points of presence for customers so they can shop when, where & how they want

2 Leveraging our Food business for B2B customers and foodservice adjacencies both, domestic and international



4 Enabling our Woolworths businesses with strong digital platforms (e.g. Digital & Media, Loyalty & Fintech)

3 Extending choice for our customers to meet their everyday needs (via our businesses and partners)

Our guiding principles underpin our Group Sustainability Plan 2025

01
We act like a leader and speak up on issues that matter

02
We care for, and unlock the potential of, our people

03
We have a positive impact on the planet

04
We apply circular thinking in everything we do

05
We embrace the power of partnerships to create change

PEOPLE

- Be a truly inclusive workplace
- Invest in the holistic wellbeing of our team
- Create meaningful retail careers in the workplace of the future
- Activate ethical and mutually beneficial partnerships through the whole value chain
- Have a positive impact on our customers and communities

PLANET

- 100% green electricity by 2025
- Zero food waste to landfill by 2025
- Reduce carbon emissions by 63% by 2030 compared to a 2015 baseline
- Net positive carbon emissions by 2050
- Practise responsible stewardship of natural resources

PRODUCT

- Materially increase healthier choices in our customers' baskets
- 100% of Own Brand packaging is sustainable by 2025
- 100% of Own Brand sourcing is sustainable by 2025
- Lead the future of protein
- Lead the responsible service and consumption of alcohol and gaming

People, Planet and Product goals are underpinned by over 40 commitments

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- Key balance sheet metrics
- Capital management framework
- Cash flow summary
- Capital expenditure
- Capital management

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Brad Banducci





Financial Results and Capital Management

WOOLWORTHS GROUP



H1 F21 results summary

\$ MILLION	H21 (27 WEEKS)	H20 (27 WEEKS)	CHANGE
Before significant items			
Sales	35,845	32,410	10.6%
EBIT	2,092	1,893	10.5%
NPAT attributable to equity holders of the parent entity	1,135	979	15.9%
Basic EPS - cents	90.5	77.9	16.1%
After significant items			
EBIT	2,092	1,762	18.7%
NPAT attributable to equity holders of the parent entity	1,135	887	28.0%
Basic EPS - cents	90.5	70.6	28.1%
Dividend per share - cents	53	46	15.2%

Strong improvement in Group EBIT despite Hotels decline

\$ MILLION	H21 (27 WEEKS)	H20 (27 WEEKS)	CHANGE
Before significant items			
Australian Food	1,329	1,177	13.0%
New Zealand Food	181	175	3.0%
<i>New Zealand Food (NZD)</i>	194	186	4.4%
BIG W	133	50	165.7%
Endeavour Drinks	419	338	24.1%
Hotels	122	224	(45.4)%
Central overheads	(92)	(71)	29.9%
EBIT before significant items	2,092	1,893	10.5%
Significant items	-	(131)	n.m.
Group EBIT	2,092	1,762	18.7%
EBIT before significant items excluding Hotels	1,970	1,669	18.0%

Group COVID costs continue to moderate

\$ MILLION	H1 F21	Q2'21 (13 WEEKS)	Q1'21 (14 WEEKS)	H2 F20	Q4'20 (12 WEEKS)	Q3'20 (13 WEEKS)
Cleaning and PPE	91	32	59	105	74	31
Contractors and security	13	5	8	54	39	15
Team costs ¹	60	21	39	117	86	31
Supply chain	61	20	41	49	29	20
COVID costs before discretionary payments	225	78	147	325	228	97
Team discounts, incentives & recognition payments ²	47	22	25	67	49	18
Donations ³	5	1	4	12	11	1
Total COVID costs	277	101	176	404	288	116
COVID costs as a % of sales	0.8%	0.6%	1.0%	2.0%⁴	2.0%	2.1%⁵

¹ Represents incremental team members and roles, to support COVID crisis management and customer and team safety (and excludes any incremental variable cost driven by higher sales)

² Only includes incremental recognition payments above portion funded by reduction in awards to STI eligible team members in F20. Cost of team discounts netted off against sales

³ FareShare, OzHarvest, Foodbank Australia and Basics Box donations

⁴ Calculated based on sales from March to June 2020

⁵ Calculated based on sales for March 2020 only

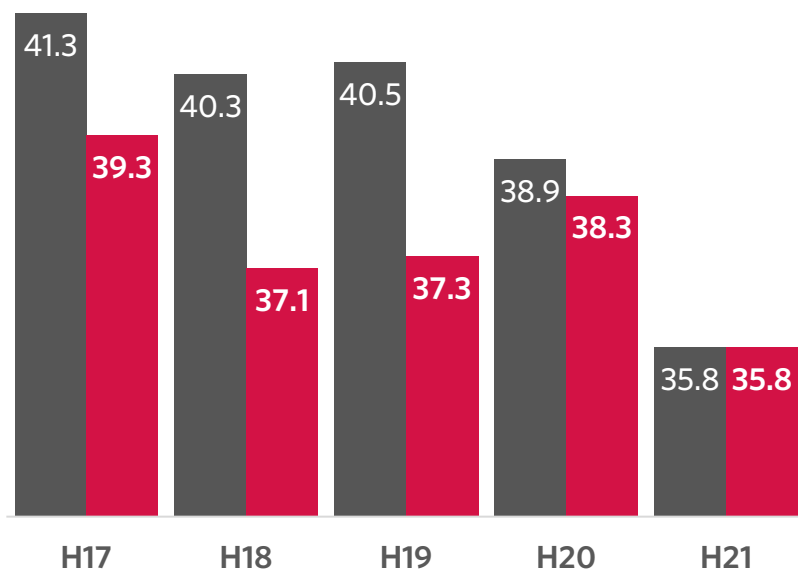
Note: Excludes costs of closure of stores and hotels in Victoria

Reduction in Group inventory days due to strong sales growth; ROFE up 74 bps on F20, down 25 bps on H1 F20 due to Hotels

Average inventory days

Days

■ Continuing operations
■ Group

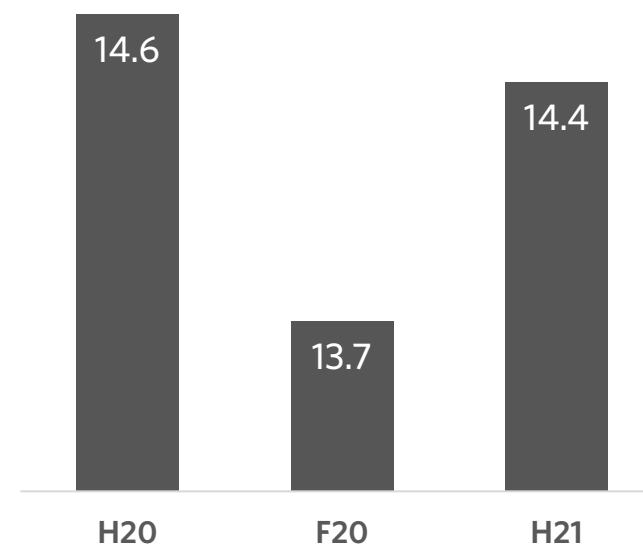


Average inventory days from continuing operations declined by 3.1 days on the prior year due to strong sales growth driving faster inventory turns, despite higher closing inventory levels

Normalised ROFE

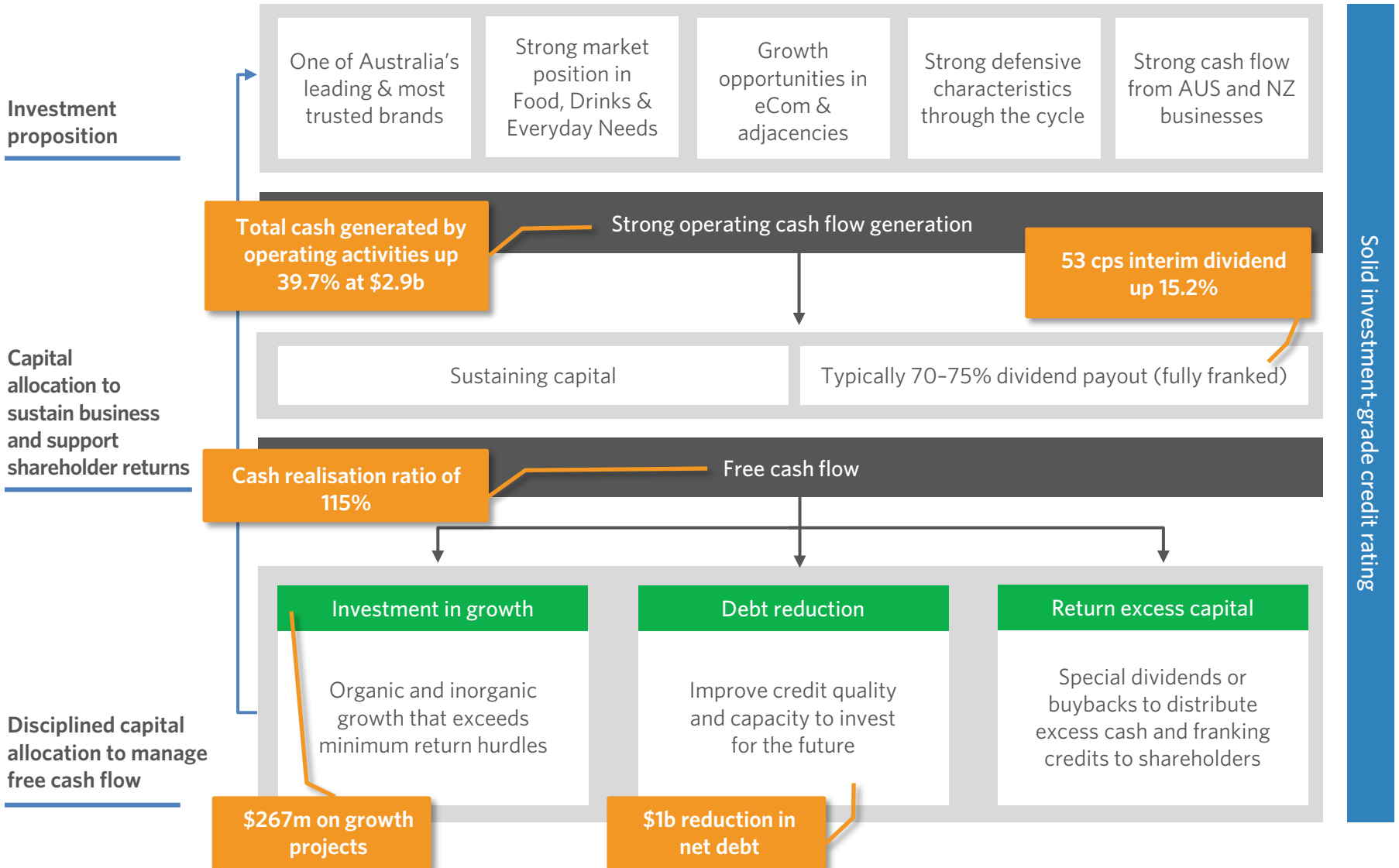
Percentage

■ Continuing operations

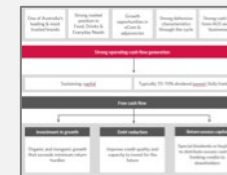


Group ROFE declined by 25 bps compared to H1 F20 due to a reduction in Hotels EBIT. ROFE increased by 74 bps compared to June 2020

Capital management framework



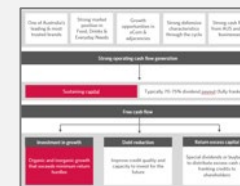
Strong free cash flow and cash realisation



17

\$ MILLION	H21 (27 WEEKS)	H20 (27 WEEKS)	CHANGE
EBITDA	3,415	3,141	8.7%
Significant items	-	(131)	n.m.
Group EBITDA	3,415	3,010	13.4%
Working capital and non-cash movements	358	(59)	n.m.
Operating activities before interest & tax	3,773	2,951	27.9%
Interest paid - leases	(407)	(414)	(1.6)%
Net interest paid - non-leases	(67)	(91)	(26.1)%
Tax paid	(419)	(385)	8.8%
Operating activities	2,880	2,061	39.7%
Investing activities	(710)	(761)	(6.6)%
Free cash flow before lease payments, dividends and share issues	2,170	1,300	66.9%
Repayment of lease liabilities	(618)	(602)	2.7%
Dividends and share payments	(525)	(649)	(19.1)%
Free cash flow after lease payments, dividends and share issues	1,027	49	n.m.
Cash realisation ratio (CRR)	115%	95%	

Operating capex increase due to Renewals, IT and Digital spend



Operating capex

\$ MILLION	H21	H20
Sustaining capex	568	428
Growth capex	267	255
Operating capex	835	683
Property development ¹	174	222
Gross capex	1,009	905
Property sales	(225)	(174)
Group net capex	784	731
Lease asset additions	405	291

Sustaining capex

\$ MILLION	H21	H20
SIB	129	111
Renewals	191	156
Supply chain	58	42
IT	115	67
Productivity	75	52

Growth capex

\$ MILLION	H21	H20
New stores	74	66
eCom / Digital	103	65
Other growth	90	124

F21 operating capex expected to be \$1.8-1.9 billion, driven by investment in eCom, digital and supply chain

¹ Property acquisitions now included in property development, previously in operating capex. The comparative has been re-presented on the same basis

Primary Connect (Supply Chain) update

One of Australia's leading food and beverage brands	Strong market position in Food, Beverages & Everyday Needs	Global operations in 10+ countries	Strong delivery capabilities through the supply chain	Strong track record in food and beverage distribution
Strong operating track this generation				
Sustaining capital		Typically 70-75% dividend payout (dividend yield)		
Free cash flow				
Investment in growth	ESG reduction	Return on investment		
Optimise and improve growth that creates long-term value	Improve credit quality and reduce the cost of the capital	Special dividends on liquidity to distribute excess cash and funding needs for opportunities		

Melbourne South RDC (Ambient)



- Carton throughput increasing
- Plans to transition volumes from other VIC sites in H2

Melbourne Fresh DC



- Opened ahead of schedule and operating well
- Transition from existing 3PL providers to be completed in Q4

Adelaide RDC (Ambient, Liquor, TC)



- Expansion completed in June'20
- Supported VIC during COVID

Townsville RDC (Ambient, Liquor)



- Expansion completed in May'20
- Sustained service levels during recent flooding

Heathwood DC QLD (Frozen and Chilled)



- Completion on track for Oct'21
- Expected to go live in Feb'22

Moorebank NSW RDC and NDC

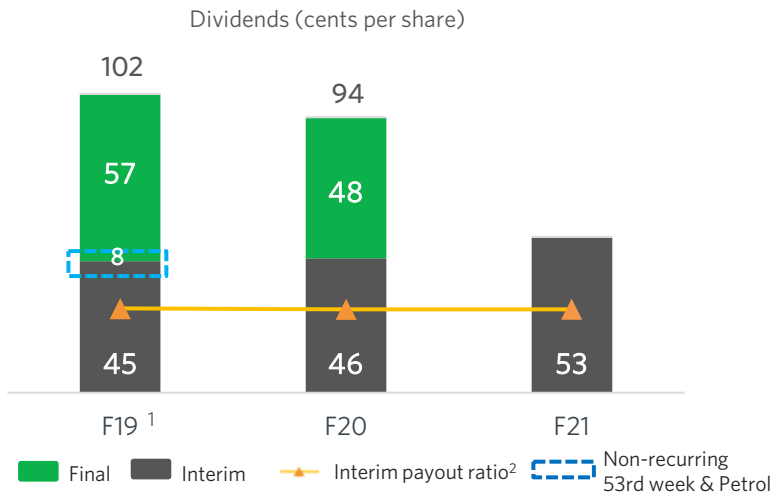


- Progressing to plan
- Full DA approval received

Dividends and funding



53 cps interim dividend up 15.2%



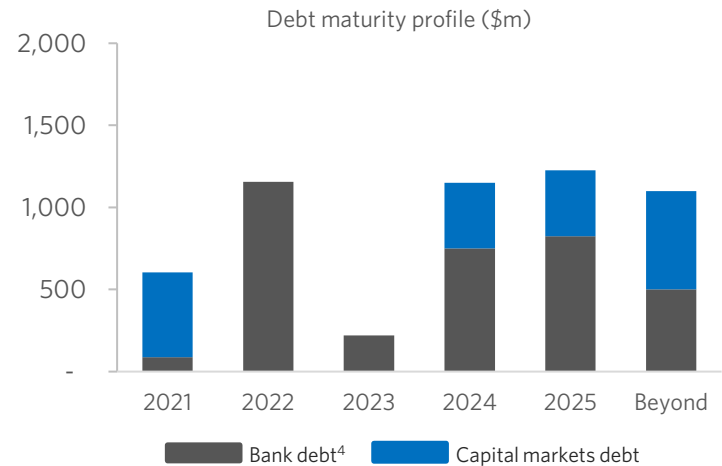
- Fully franked interim dividend of 53 cps, up 15.2% with dividend growth on the prior year broadly in line with NPAT of 15.9%²; and
- DRP via share issuance, no discount

Committed to solid investment-grade credit ratings

S&P: BBB (stable outlook)³
 Moody's: Baa2 (stable outlook)³

Credit metrics have significant headroom above thresholds for current ratings

Sources of funding and liquidity remain strong



- In September 2020, the US\$617 million US Senior Notes matured and in November 2020 the JPY20 billion European Medium Term Notes also matured. These were refinanced with the Australian Medium Term Notes issued in May 2020
- In April 2021, the US\$438 million US Senior Notes are due to mature. The Group intends to refinance this maturity
- Net debt⁵ of \$447 million (H1 F20: \$1,543m)

¹ Includes discontinued operations (Petrol) and 53rd trading week

² Based on Group NPAT attributable to equity holders of the parent entity before significant items

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

⁴ Total committed facilities (drawn and undrawn)

⁵ Excluding lease liabilities

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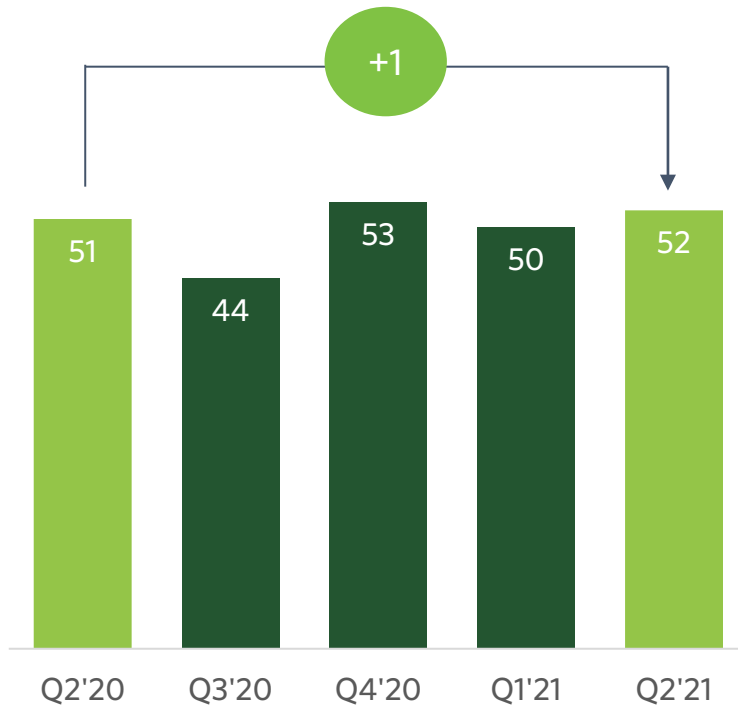


Woolworths 
The fresh food people

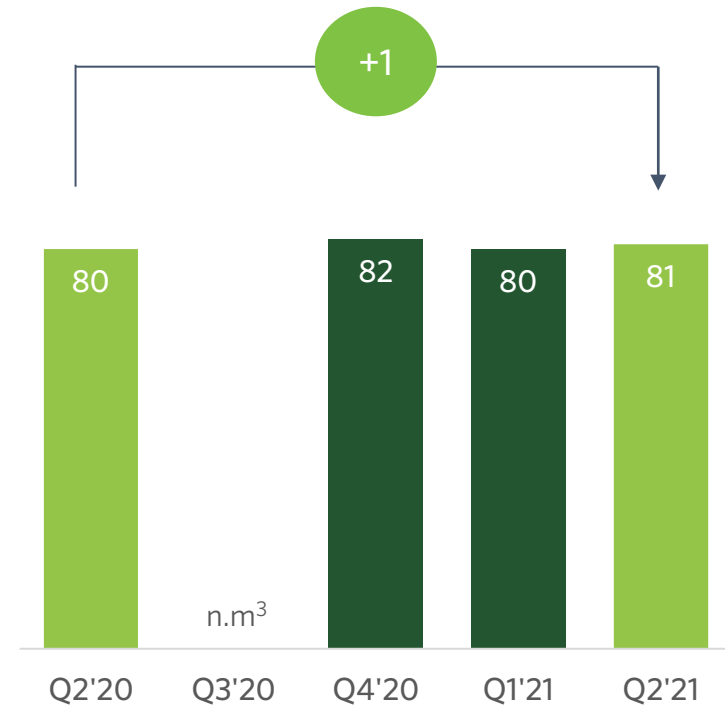
	H21	H20	CHANGE
Sales (\$m)	23,449	21,200	10.6%
EBITDA (\$m)	2,128	1,929	10.3%
EBIT (\$m)	1,329	1,177	13.0%
Gross margin (%)	29.2	29.1	11 bps
CODB (%)	23.6	23.6	(1) bps
EBIT to sales (%)	5.7	5.6	12 bps
Sales per square metre (\$)	18,538	17,236	7.6%
ROFE before significant items (%)	25.9	25.2	78 bps

Customer metrics strong reflecting well executed Christmas plan and COVIDSafe focus

VOC NPS - Store & Online¹
% promoters - % detractors



Store-controllable VOC²
% customers satisfied, 6 & 7 out of 7



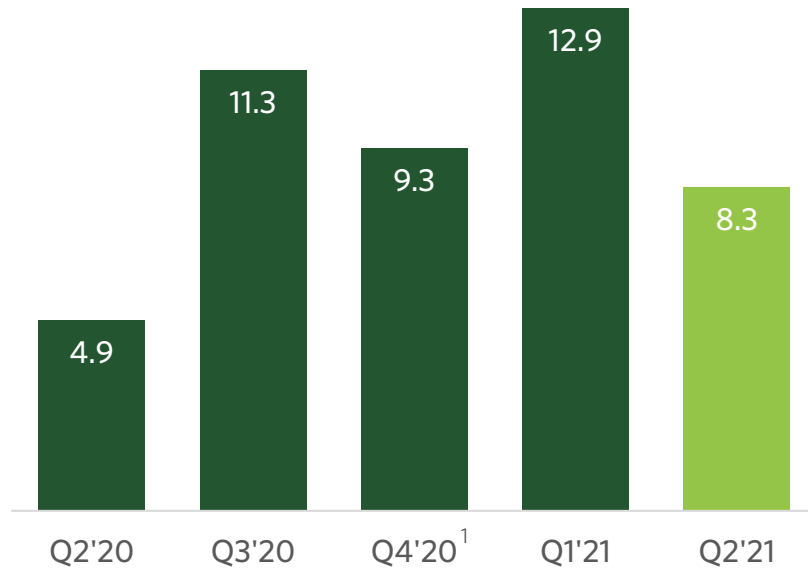
¹ VOC NPS - Store & Online weighted 70% Store and 30% Online

² In F20, Store-controllable VOC was re-weighted from seven metrics to five

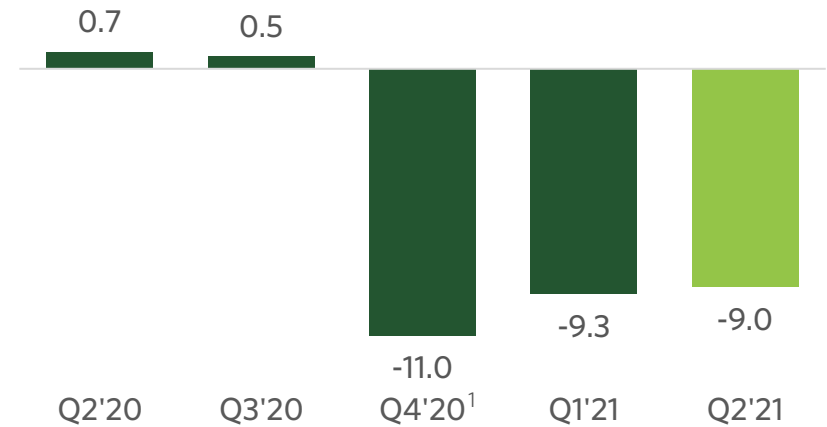
³ A comparable Store-controllable VOC was not available in Q3 F20 given the suspension of in-store Pick up and material impact on availability due to COVID

Strong sales growth in H1 with COVID driving less frequent shops and bigger baskets

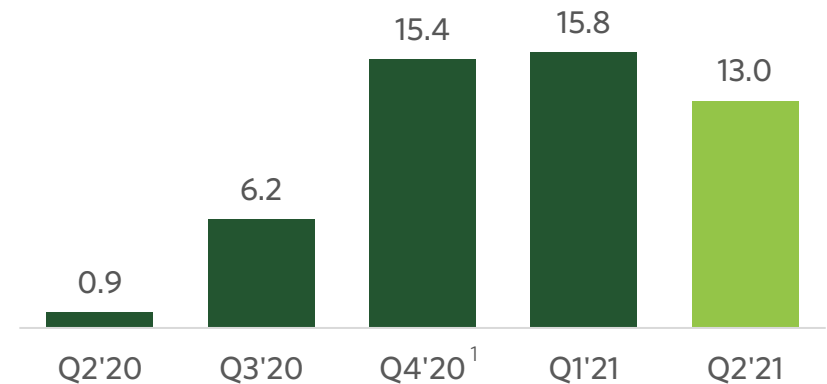
Total sales (% year on year)



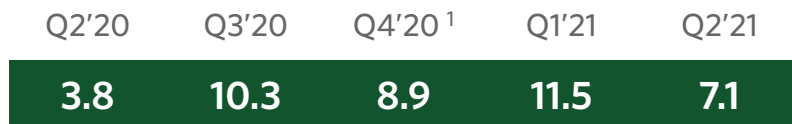
Comp transactions (% year on year)



Comp items per basket (% year on year)



Comp sales growth (% year on year)



¹ Normalised for the impact of the 53rd week in F19

COVID response



PPE including disposable face masks and sanitiser available for all team members. Perspex screens at checkouts and extra cleaning of high touch surfaces

\$168 million

COVID costs to support hygiene, safety and social distancing across store and supply chain network

Support for our team through paid special leave, mental health support and additional staff discount

OzHarvest

Woolworths' 6th annual OzHarvest Christmas Appeal raised a record \$3.4 million to fund 6.7 million meals for Australians in need



Feed Appeal

Rounding up sales transactions to the nearest dollar has enabled Woolworths to award 52 grants to urban, rural, and regional food relief organisations

S.T.A.N.D

Customers continued to support S.T.A.N.D (Supporting Through Australian Natural Disasters) with \$2.3 million donated to charity partners



WIRES

A year after the devastating bushfires across Australia, Woolworths continues to support WIRES, including donating 10 cents from every pack of Reindeer Carrots sold over Christmas raising \$334,000



Growing grassroots

We raised a record-breaking \$1.1 million in our Halloween Appeal, in support of our long standing partnerships with children's charities

We extended our partnership with Netball Australia, supporting >715,000 participants and continued our relationship with Cricket Australia



Better customer and team experience for a better tomorrow

SHARING THE SPIRIT OF CHRISTMAS

24 Days of Good Acts in stores recognising team, and caring for our customers and communities

REWARDS ENGAGEMENT

12.8m

Total Everyday Rewards Members

1.5m

Members participated in glass containers offer

ACCELERATED ECOM

91.8%

H1 eCommerce Sales Growth
7.7% sales penetration

627

stores with Direct to boot service

Deliver core propositions to meet changing customer needs

HEALTHY AND DIFFERENTED RANGE

Recognised as the **Healthiest Own Brand** for the second year
BBQ range launched for summer,
Gold Christmas range celebrated native Australian ingredients

SAFE, FAST AND FRIEDLY EXPERIENCE

Care metrics materially lifted in December
Trialling **Scan & Go**

TAILORED FORMATS

UP range trialled in Crows Nest and Metro Park Sydney
Expanded ethnic range trialled in Cabramatta

Futureproof our E2E operating model

SIMPLER FOR STORES

Rollout of technology based tool (Shout) to support **better availability** in long-life

E2E STOCK LOSS

Embed good processes including waste and markdown tool in fresh.
Welcome gates now in 786 stores

SUPPLY CHAIN NETWORK

Opened **Melbourne Fresh DC**; increased volumes through **Melbourne South RDC**

Format and network highlights

13



Opened 13 (net) new stores and completed 35 Renewals in Woolworths Supermarkets and Metro Food Stores in H1 F21 bringing the total store network to 1,064 stores



Launched first eStore at Carrum Downs (VIC) in partnership with Takeoff, and two new dedicated eCommerce fulfilment centres (Lidcombe, NSW and Notting Hill, VIC)

Expanded Pick up with 377 new Direct to boot enabled stores and trial of first temperature controlled self-service locker



Progressed against sustainability targets with an additional 41 solar PV systems (including largest to date at Adelaide RDC)

Total emission reduction of over 55,000tCO₂e from our energy initiatives



Launched Metro Park Sydney flagship store, offering local, premium neighbourhood shopping experience as well as Smart Store 3.0 in Loganholme, QLD with 50+ technology solutions being tested

Cartology screens deployed in 985 stores across Woolworths Supermarkets



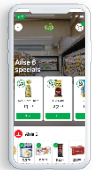
Digital & Media

Front door to Woolies

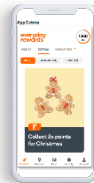
12.4m

+69.8% vs Q2'20

Weekly visits across web & app in Q2'21



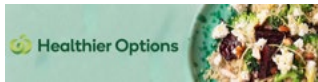
Woolworths app enhancements; aisle navigation, smarter lists, and Scan & Go integration
>3.4m total downloads



Everyday Rewards app with push notifications and real-time e-receipts
>3.9m total downloads

Launched more inspiration and ideas

- Fresh Ideas for You
- Healthier Options
- Christmas Hub



eCom & Fulfilment

Easy shopping when & where you want it

Expanded convenience offering

- **209 Delivery Now** stores (102 new in H1)
- **429 Same Day Delivery** stores with 1-hr delivery window
- **627 Direct to boot** (377 new in H1)



eCom sales

\$1.8b

+91.8% vs H20

H1 Penetration

7.7%

Online VOC NPS

58

(3) pts vs Q2'20

Total eCom customers

1.5m

+74% vs H20

Delivery Unlimited Subscription

2.7x

YOY growth in paid subscribers

New platform launched to better serve childcare and healthcare clients



Loyalty & FinTech

Seamless experiences to enjoy a little more, every day

12.8m

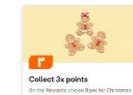
+730,000 +6.0% vs Q2'20

Everyday Rewards members with improvement in scan rates across all banners



Scan & Go expanded

14 Supermarkets and 8 Metro Food Stores



Strong member engagement with Rewards exclusive collectables and Bank for Christmas

Rebranded loyalty across all channels, banners and partners

Sustainability-focused partnership with Origin Energy launched offering members \$60-100+ in points per year



Launched earn points on Caltex StarCard

Accelerate Digital and eCom



Tailor our Stores



Fresh, Health and Sustainability



Evolve Simpler





 freshchoice

countdown 

superValue

NZD	H21	H20	CHANGE
Sales (\$m)	3,717	3,564	4.3%
EBITDA (\$m)	333	316	5.3%
EBIT (\$m)	194	186	4.4%
Gross margin (%)	25.0	24.7	31 bps
CODB (%)	19.8	19.5	31 bps
EBIT to sales (%)	5.2	5.2	-
Sales per square metre (\$)	17,863	16,704	6.9%
ROFE (%)	8.9	8.1	79 bps

H1 F21 highlights

Customer 1st Team 1st

VOC NPS: 50
(+3 vs Q2'20)
Store-controllable VOC: 83%
(+2 vs Q2'20)

TEAM

COVID safety and wellbeing,
Voice of Team, Voice of
Supplier, Cared metrics

Innovative and Convenient

47.7% H1 eCom sales
growth vs last year

11.6% eCom sales
penetration H1

3 eStores now open, Onecard
rewards program relaunched,
transactional mobile app

Great Prices and Good Acts



> 4,000 products on
Great Price program

Launched 2025 commitments



Strong Foundations

New Palmerston North Regional
DC, North Island Fresh DC,
Hilton meat plant under
construction

10 H1 Renewals completed

Simpler For Stores productivity,
stock loss, Availability VOC

H2 F21 focus

Customer 1st, Team 1st, Wellbeing & Safety



Value For Money and Rewards



Digital Experience and Online Growth



End to End Process Excellence







BIGW

	H21	H20	CHANGE
Sales (\$m)	2,581	2,149	20.1%
EBITDA (\$m)	224	138	61.7%
EBIT (\$m)	133	50	165.7%
Gross margin (%)	33.7	32.6	118 bps
CODB (%)	28.6	30.2	(165) bps
EBIT to sales (%)	5.1	2.3	282 bps
Sales per square metre (\$)	4,430	3,609	22.7%
ROFE before significant items (%)	11.9	0.0	12.0 pts

Good progress against key priorities during H1 F21

- ✓ Demonstrated **real care in our communities** with 2.4 million 'free books for kids' distributed, 1,000 filled backpacks donated for back to school, 'community bear' campaign launched and 360,000 items donated to local charities through Good360
- ✓ Continued **simplification of our customer offer** to align with shopping missions with a focus on essential items for home and family, range curation to make it easier to shop and inspiring special family moments/big days at home
- ✓ **Embedded and scaled up our digital services** with hub stores and contactless Drive up efficiency, Direct to boot launched across 75 locations and Same Day Delivery rolled out
- ✓ **Putting our customers and team first** by listening deeply and responding through VOC and VOT, caring for our teams through sustaining employment through the extended VIC lockdown, and continuing to connect with our partners resulting in 11 consecutive quarters of improving VOS
- ✓ **Continued to invest in our team and store network** with new BIG W X team co-located with WooliesX, 22 stores with new fixtures and layouts in apparel, baby and home categories

Our H2 F21 priorities

- 1 Continue to **simplify** our business and establish our capabilities to be **data-led**
- 2 Remain competitive on price whilst amplifying **real value** for our customers
- 3 Provide **curated ranges** and distinctive solutions that meet customers' everyday needs and inspire shopping missions across key destination areas
- 4 Offer a **connected, and digitally enabled experience** for our customers and teams
- 5 Continue to demonstrate **real care** for our customers, teams and wider communities

Living our purpose

Making a real difference for families

A distinctive, digital business

A distinctive customer offer that builds a successful and sustainable business

A simpler business

An agile business made efficient through simple data enabled processes

Customer and team come first

Make a real difference for families including those of our customers, teams, suppliers and community

A digital business for our customer and team

Digital customer journeys and ways of working at the core of who we are

Trusted value

Best value for money, with real quality at great prices and brands that excite me

Solutions for my family needs

Inspiring solutions that cater for family moments and everyday needs

Truly connected customer experience

Convenient, connected experience; personal and engaging service

Simple and data led

Streamlined E2E processes using data and digital capabilities; agile and faster supply chain; lean cost model for a financially sustainable business

We make a **real** difference for families.



ENDEAVOUR
DRINKS



Dan Murphy's

	H21	H20	CHANGE
Sales (\$m)	5,683	4,775	19.0%
EBITDA (\$m)	564	465	21.6%
EBIT (\$m)	419	338	24.1%
Gross margin (%)	24.0	23.2	76 bps
CODB (%)	16.6	16.2	46 bps
EBIT to sales (%)	7.4	7.1	30 bps
Sales per square metre (\$)	21,251	18,487	14.9%
ROFE (%)	18.0	14.7	333 bps

H1 F21 highlights



Continued strong customer scores with more customers proactively offered service (VOC NPS 76, +3 v Q2'20)



Five new stores opened, including second new urban format store in Benowa



Strong innovation in Pinnacle through products such as seltzers, led to record sales of Pinnacle products

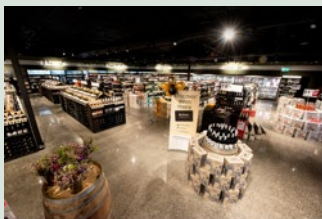


Record eCom sales supported by a positive customer response to Direct to boot and express delivery services



My Dan's growing 26% vs Q2'20 reaching 5.1 million members, making it the biggest drinks-specific loyalty program in Australia

H2 F21 focus



Further stores to open during H2 along with the trial of a new store renewal format



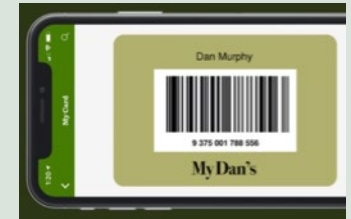
Continued focus on customer 1st ranging, focusing on local products



Ongoing development of digital platform to improve customer experience



Continued growth of wine merchant network along with team member customer experience training



Enhance the personalised offering to My Dan's customers to discover more products tailored to their preferences

H1 F21 highlights



Achieved record brand NPS with VOC continuing strong at 71 (+2 vs Q2'20)



Grew store network with 15 net new stores and 27 renewals completed in H1



Supported local suppliers and expanded our range, launching Local Luvvas campaign, and seltzers



Strong eCom sales and high number of app downloads, supported by innovative enhancements



Team safety focus with 15% reduction in injuries v H1 F20 and >50% reduction in lost hours

H2 F21 focus



Continue renewal program and rollout of contactless offerings



Grow delivery awareness and continue to develop digital offering



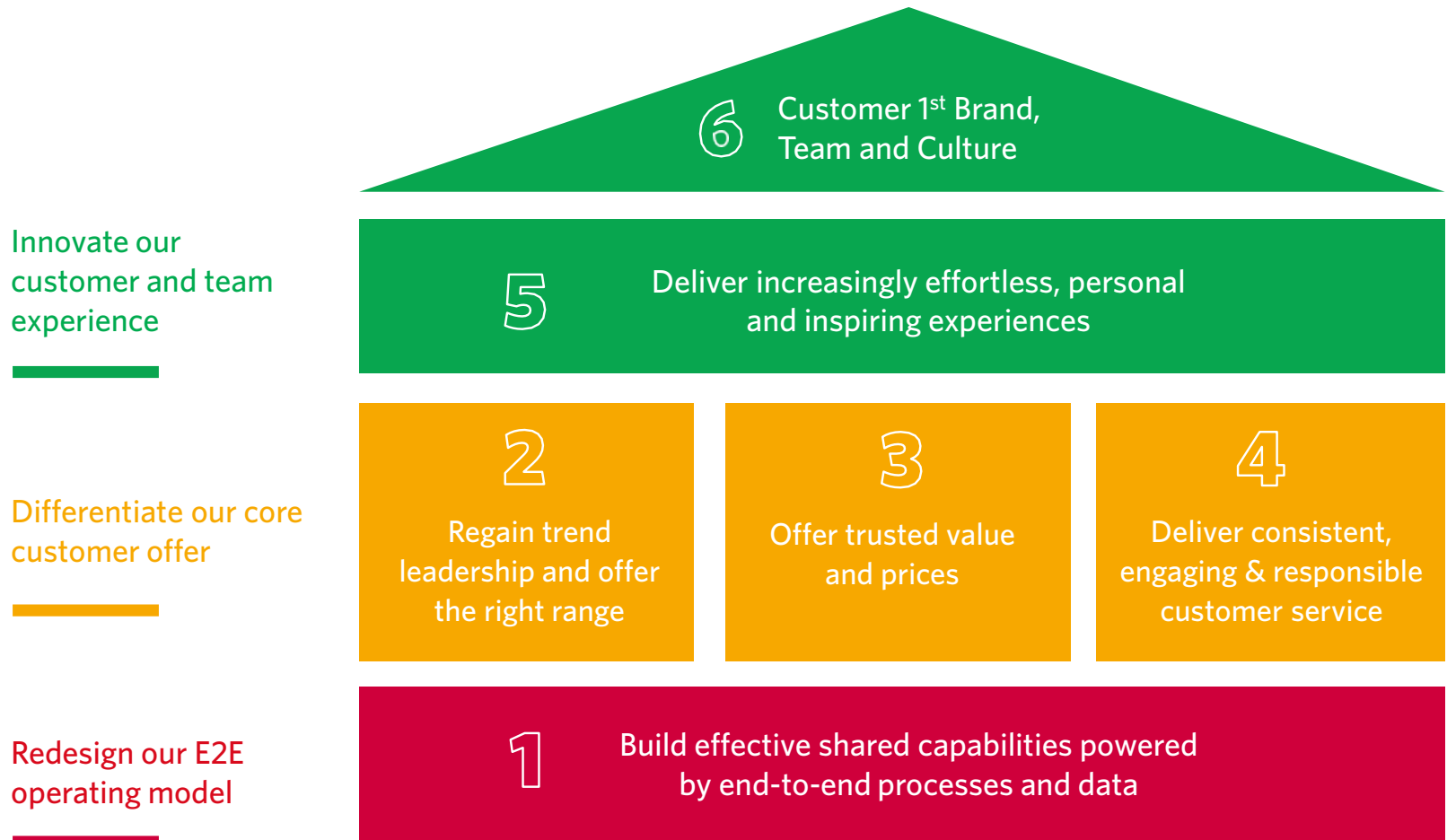
Celebrate key events, build our curated range and grow customer advocacy



Provide our team with training and digital tools to enhance the customer service experience



Deliver greater personalised value to Everyday Rewards members



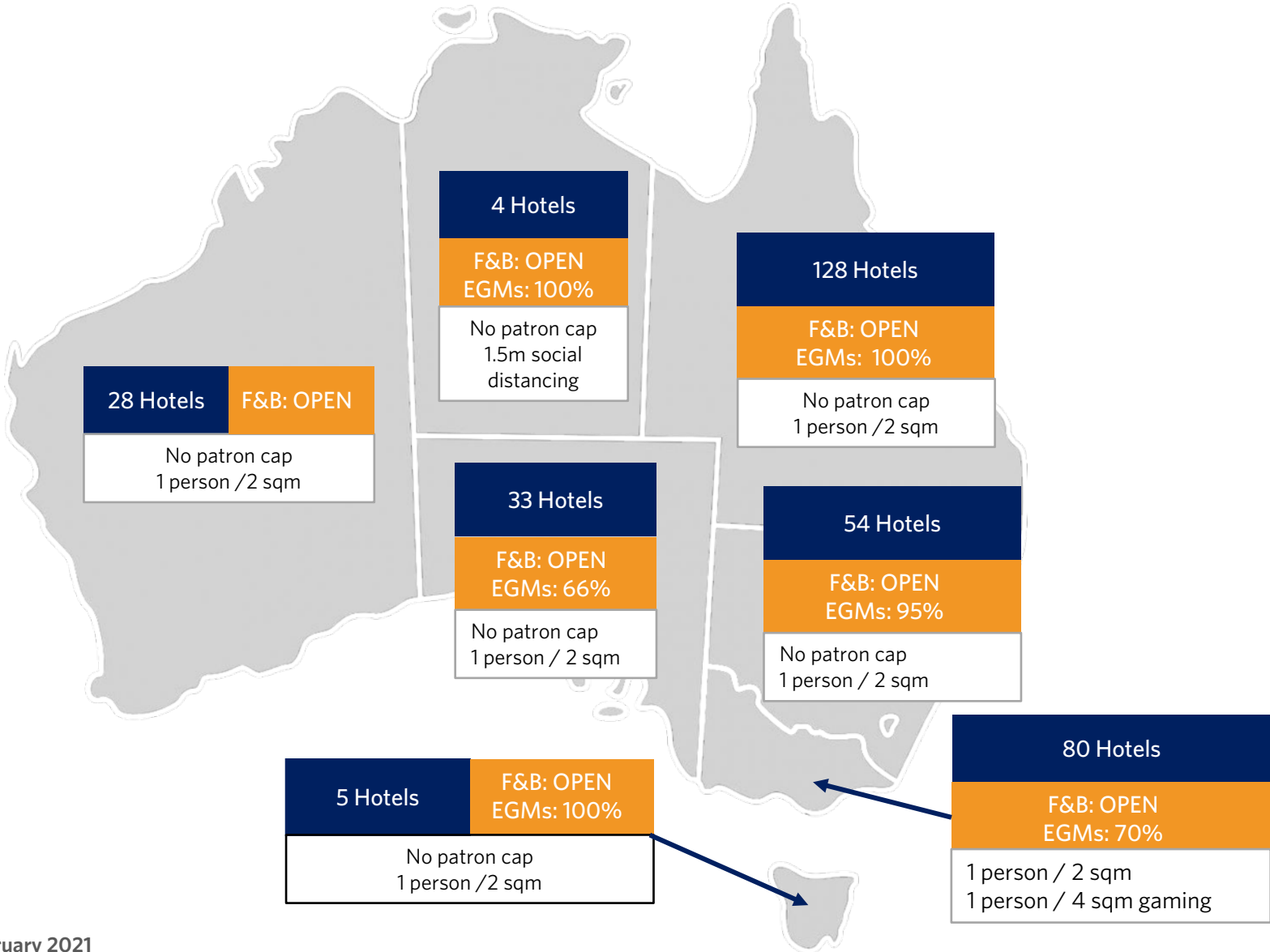
To connect everyone with a drinks experience they'll love



	H21	H20	CHANGE
Sales (\$m)	667	919	(27.5)%
EBITDA (\$m)	244	342	(28.5)%
EBIT (\$m)	122	224	(45.4)%
Gross margin (%)	84.8	83.7	112 bps
CODB (%)	66.4	59.2	717 bps
EBIT to sales (%)	18.4	24.4	(606) bps
ROFE (%)	1.7	9.0	(731) bps

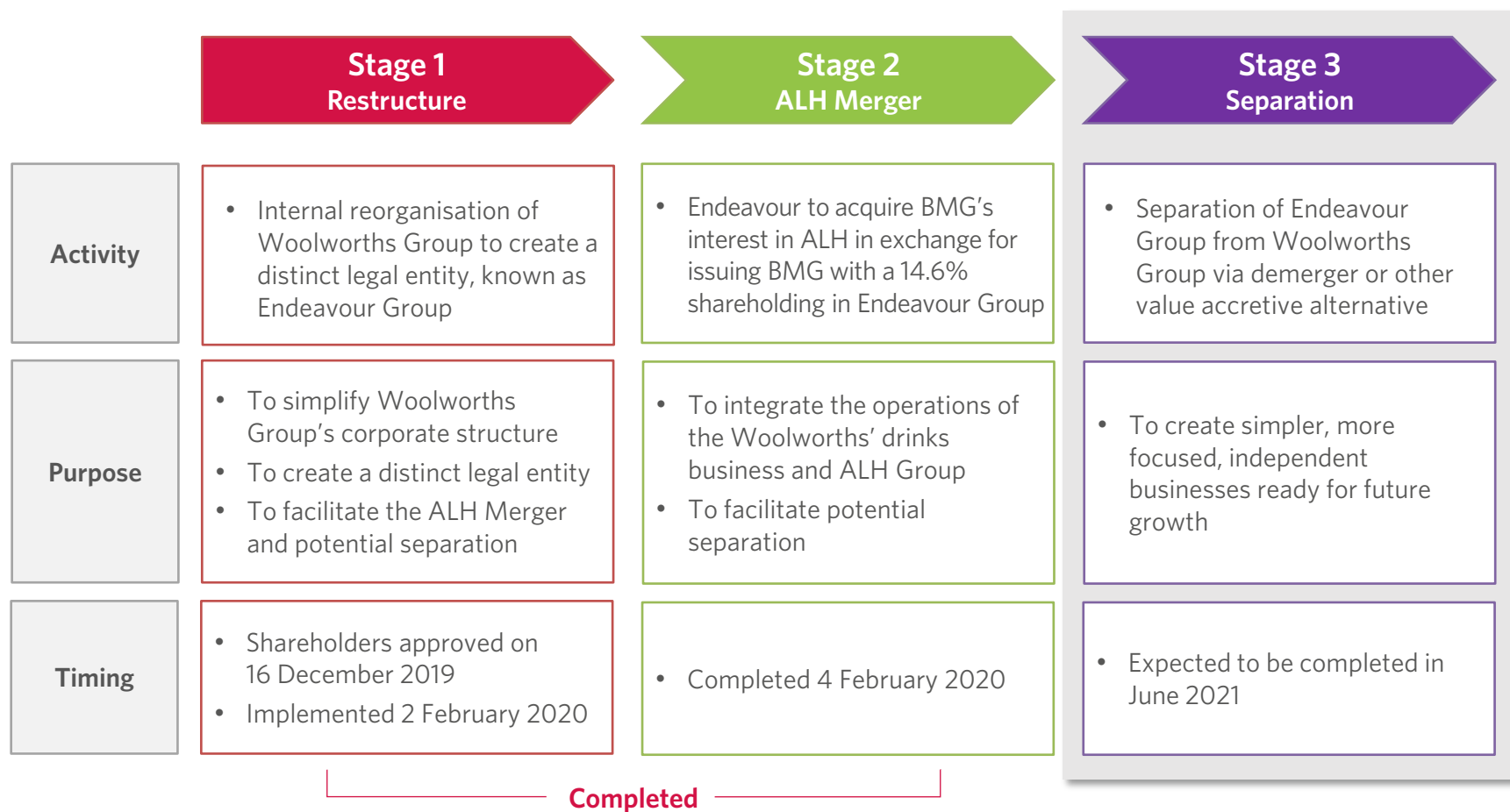
- Continued impact from COVID operating restrictions on Hotels, with sales down 27.5% on prior year
- Improving sales and EBIT trends over the half as restrictions eased
- Return to profit in H1 with EBIT of \$122 million compared to a loss of \$52 million in H2 F20
- Priorities for H2 F21:
 - Provide best COVIDSafe and responsible customer experience
 - Continue to improve trading performance

Operations have recommenced in all states and territories, however, some restrictions remain in place*



*As at 22 February 2021

Well progressed for the Endeavour Group's transformation



Intention to complete the separation of Endeavour Group by June 2021 via a demerger or value-accretive alternative. A dedicated internal team and advisor group continues to progress transaction execution and operational separation

The separation will enable simplicity and growth in both groups with the benefits of partnership retained through ongoing service agreements

Peter Hearl appointed as Chairman-elect. Steve Donohue appointed as CEO-elect. These positions will take effect in the event of a separation

A separation would be subject to final Board approval, third party consents, regulatory and shareholder approvals

Further information will be provided on timing and process for the separation at the appropriate time

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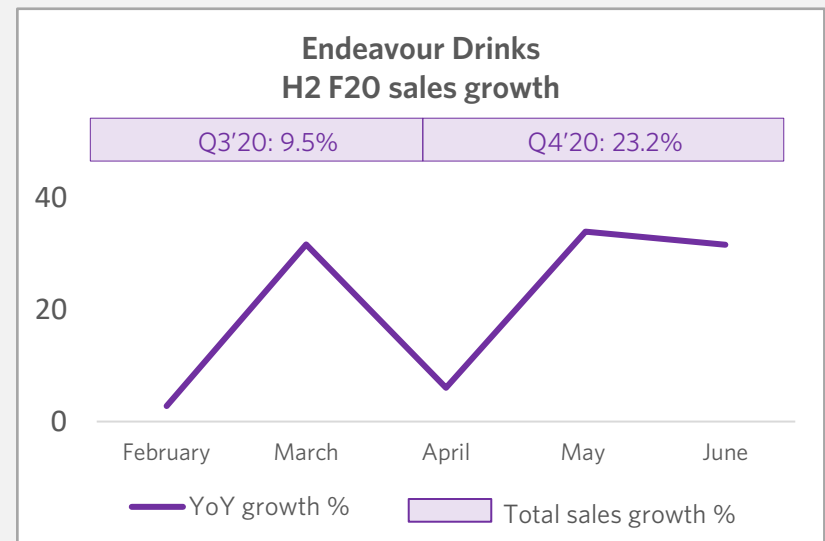
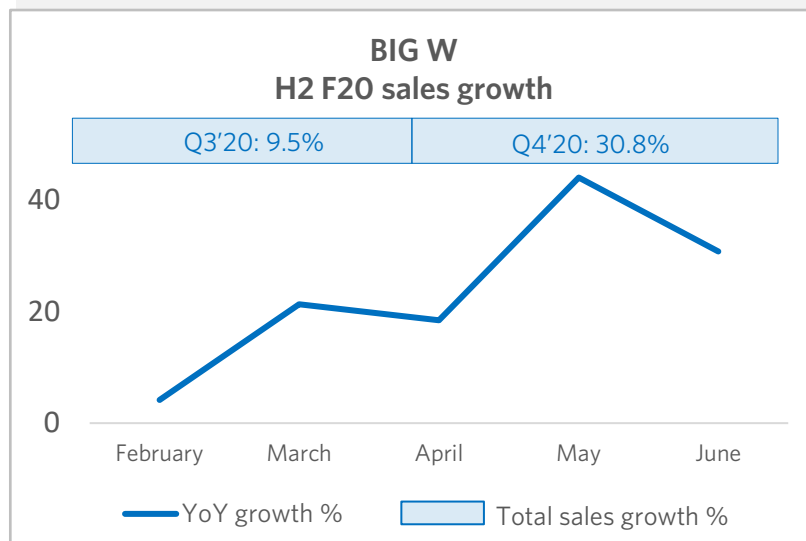
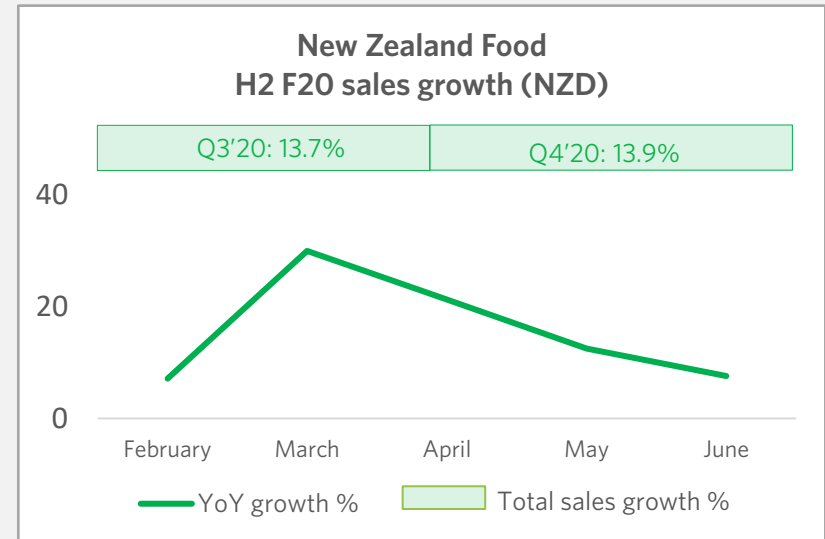
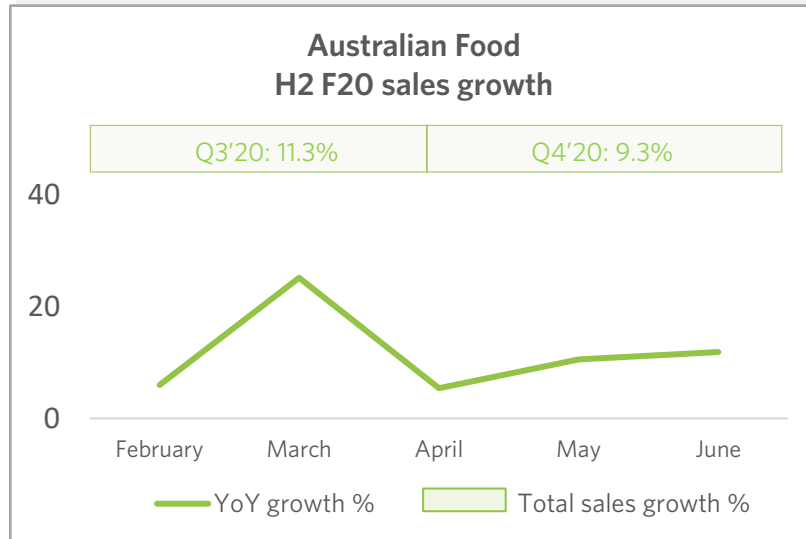
Current trading – first seven weeks of H2 F21

- **Group sales** for the first seven weeks of H2 F21 remained strong; however, growth rates have moderated relative to H1 in line with the market. COVID costs continued to moderate
- **Australian Food** total sales increased by ~8%
- **New Zealand Food** total sales growth remains subdued at ~1%
- **BIG W** (~18%) and **Endeavour Drinks'** (~14%) total sales growth remains strong but slowed modestly relative to Q2 F21
- **Hotels** total sales declined ~12% but with a lower rate of decline than Q2 F21

Outlook

- Sales for all Group businesses (except Hotels) are expected to decline in March to June compared to the prior year as we cycle COVID sales surge
- H2 F21 COVID costs expected to be materially below the prior year, subject to no prolonged lockdowns
- Hotels' H2 F21 EBIT is expected to be well above H2 F20, assuming venues can continue to trade without further restrictions
- Continue to accelerate digital and eCom. As we cycle peak COVID-demand, opportunity to optimise eCom at scale to drive further efficiency
- H2 F21 focus on improving end-to-end process efficiency (including COVID costs)

H2 F21 sales growth expected to be impacted by cycling material COVID-driven sales uplift in H2 F20





Thank you

WOOLWORTHS GROUP



ACCC	Australian Competition and Consumer Commission
Cash realisation ratio	Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation
Comparable sales	Measure of sales excluding stores that have been opened or closed in the last 12 months and existing stores where there has been a demonstrable impact from store disruption because of store refurbishment or new store openings/closures
Cost of doing business (CODB)	Expenses relating to the operation of the business
Customer fulfilment centre (CFC)	Dedicated online distribution centre
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
eStore	Dedicated store for the fulfilment of online orders sometimes incorporating automation
Free cash flow	Cash flow generated by Woolworths Group after equity related financing activities including dividends and repayment of lease liabilities
Funds employed	Net assets employed, excluding net tax balances
MFC	Micro-fulfilment centre
MSRDC	Melbourne South Regional Distribution Centre
NDC	National Distribution Centre
Net assets employed	Net assets excluding net debt and other financial assets and liabilities
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 selected locations
RDC	Regional Distribution Centre
Renewal	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)
Return on Funds Employed (ROFE)	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
RTDs	Ready-to-drink
Sales per square metre	Total sales for the previous 12 months by business divided by average trading area
Simpler for Stores	Simplification of end-to-end processes for store teams, improving customer experience and productivity
Smart Store	A store that employs technology to improve process efficiency for customers and team members
Total net debt	Borrowings less cash balances including debt hedging derivatives and lease liabilities
TRIFR	Total Recordable Injury Frequency Rate
Stock loss	The value of stock written off, wasted, stolen, cleared, marked down or adjusted from all stores nationally (sometimes expressed as a percentage of sales)
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 Everyday Rewards members. VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below)
Voice of Supplier (VOS)	A survey of a broad spectrum of suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes, scored as a percentage of suppliers that provided a rating of six or seven on a seven-point scale
Voice of Team (VOT)	Survey measuring sustainable engagement of our team members as well as their advocacy of Woolworths as a place to work and shop. The survey consists of nine sustainable engagement questions, three key driver questions and two advocacy questions

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
- Free cash flow after equity related financing activities excluding dividends
- 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
- Volume productivity metrics including transaction growth, items per basket and item growth

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