

ASX Announcement

Appendix 4D and 2022 Half-Year Financial Report

Sydney: Monday, 21 February 2022

In accordance with ASX Listing Rule 4.2A, Endeavour Group Limited provides the following documents for the half-year ended 2 January 2022:

- Appendix 4D; and
- Half-Year Financial Report.

The release of this announcement was authorised by the Board.

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Appendix 4D

Under ASX Listing Rule 4.2A

Endeavour Group Limited and its controlled entities
for the half-year ended 2 January 2022

Results for announcement to the market

This Appendix 4D and Half-Year Financial Report presents the results of Endeavour Group Limited (the Company) and the entities it controlled at the end of, or during, the half-year ended 2 January 2022 (together referred to as the Group or Endeavour Group).

The current reporting period is the 27 weeks from 28 June 2021 to 2 January 2022 (the half-year) and the previous corresponding reporting period is the 27 weeks from 29 June 2020 to 3 January 2021.

Key information

	2 JANUARY 2022 27 WEEKS \$M	3 JANUARY 2021 27 WEEKS \$M	CHANGE \$M	CHANGE %
Revenue from the sale of goods and services	6,337	6,357	(20)	(0.3%)
Profit for the period	311	269	42	15.6%
Profit for the period attributable to equity holders of the Company	311	269	42	15.6%

Details related to dividends

	AMOUNT PER ORDINARY SHARE CENTS	FRANKED AMOUNT PER ORDINARY SHARE CENTS	DIVIDEND DECLARED \$M	PAYMENT DATE
2022 interim dividend ¹	12.5	12.5	224	28 March 2022
2021 final dividend	7.0	7.0	125	22 September 2021
2021 interim dividend	53.8	53.8	269	17 May 2021
2020 final dividend	2.6	2.6	13	18 September 2020

¹ The \$224 million dividend declared represents the anticipated dividend based on shares on issue at the date of this report. This value will change if there are any shares issued between the date of this report and the ex-dividend date. The record date for determining entitlements is 2 March 2022.

Net tangible (liabilities) per ordinary share

	2 JANUARY 2022 CENTS	3 JANUARY 2021 ¹ CENTS
Net tangible (liabilities) per ordinary share	(15.1)	(39.8)

¹ On 25 June 2021, in advance of Endeavour Group's separation from Woolworths Group, Endeavour increased its number of ordinary shares from 500,000,000 to 1,790,980,017 via a share split. If the share split had occurred in the half-year ended 3 January 2021, the net tangible (liabilities) per ordinary share for that period would have been 11.1 cents.

Details of entities over which control has been gained or lost

During the half-year ended 2 January 2022 Endeavour Group gained control of Shorty's Liquor Holdings Pty Limited, an 80% owned subsidiary, when it was incorporated in Australia on 3 November 2021.

Other information

Additional Appendix 4D disclosure requirements and further information including commentary on significant features of the operating performance, results of segments, trends in performance, and other factors affecting the results for the half-year are included in the 2022 Half-Year Financial Report, and the accompanying F22 Half-Year Profit and Dividend Announcement.

The Consolidated Financial Statements contained within the 2022 Half-Year Financial Report, upon which this report is based, have been reviewed by Deloitte Touche Tohmatsu.



2022 Half-Year Financial Report

For the half-year ended 2 January 2022

Endeavour Group
ABN 77 159 767 843

2022 Half-Year Financial Report

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Directors' Report

The Directors of Endeavour Group Limited (Endeavour) present their report, together with the Half-Year Financial Report of Endeavour and its controlled entities (the Group or Endeavour Group), for the half-year ended 2 January 2022.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

Review and Results of Operations

Refer to the accompanying F22 Half-Year Profit and Dividend Announcement for the 27-week period ended 2 January 2022.

The Directors

The names of the Directors of Endeavour holding office during or since the end of the half-year are:

Non-executive Directors

Peter Hearl (Chairman)
Holly Kramer
Duncan Makeig
Bruce Mathieson Sr
Joanne Pollard
Colin Storrie
Catherine West

Executive Directors

Steve Donohue (Managing Director and CEO)

Auditor's Independence Declaration

The auditor's independence declaration is included on page 3 of the 2022 Half-Year Financial Report.

The Directors' Report is made in accordance with a resolution of the Directors of Endeavour and is dated 21 February 2022.



Peter Hearl
Chairman



Steve Donohue
Managing Director and CEO

Auditor's Independence Declaration

Deloitte.

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21 February 2022

The Board of Directors
Endeavour Group Limited
26 Waterloo Street
Surry Hills NSW 2010

Dear Directors

Auditor's Independence Declaration to Endeavour Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Endeavour Group Limited.

As lead audit partner for the review of the half-year financial report of Endeavour Group Limited for the half-year ended 2 January 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Elliott

Taralyn Elliott

Partner
Chartered Accountants

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Consolidated Statement of Profit or Loss

	NOTE	HALF-YEAR ENDED	
		2 JANUARY 2022 \$M	3 JANUARY 2021 \$M
Revenue from the sale of goods and services	3	6,337	6,357
Cost of sales		(4,424)	(4,525)
Gross profit		1,913	1,832
Other revenue		20	15
Branch expenses		(1,153)	(1,150)
Administration expenses		(224)	(158)
Earnings before interest and tax		556	539
Finance costs	5	(105)	(136)
Profit before income tax		451	403
Income tax expense		(140)	(134)
Profit for the period		311	269
Profit for the period attributable to:			
Equity holders of the parent entity		311	269
		311	269
		CENTS	CENTS
Earnings per share (EPS) attributable to equity holders of the parent entity:			
Basic and diluted earnings per share ^{1,2}		17.4	15.0

1 The weighted average number of shares has been adjusted to remove shares held by the trustee of the employee share trusts that are controlled by Endeavour Group Limited. The impact of their exclusion results in an insignificant difference between basic and diluted earnings per share.

2 The weighted average number of shares used in earnings per share for the half-year ended 3 January 2021 has been retrospectively adjusted to reflect the change in outstanding ordinary shares that occurred via the share split on 25 June 2021.

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

	HALF-YEAR ENDED	
	2 JANUARY 2022 \$M	3 JANUARY 2021 \$M
Profit for the period	311	269
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss, net of tax</i>		
Effective portion of changes in the fair value of cash flow hedges	8	1
<i>Items that will not be reclassified to profit or loss, net of tax</i>		
Change in the fair value of investments in equity securities	8	(5)
Other comprehensive income/(loss) for the period, net of tax	16	(4)
Total comprehensive income for the period	327	265
Total comprehensive income for the period attributable to:		
Equity holders of the parent entity	327	265
	327	265

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY				
	SHARE CAPITAL \$M	SHARES HELD IN TRUST \$M	RESERVES \$M	RETAINED EARNINGS \$M	TOTAL \$M
HALF-YEAR ENDED 2 JANUARY 2022					
Balance at 27 June 2021	3,875	(2)	(589)	104	3,388
Profit for the period	–	–	–	311	311
Other comprehensive income for the period, net of tax	–	–	16	–	16
Total comprehensive income for the period, net of tax	–	–	16	311	327
Dividends paid ¹	–	–	–	(125)	(125)
Purchase of shares by Endeavour Group Equity Incentive Plan Trust and/or Endeavour Group Employee Equity Plan Trust	–	(10)	–	–	(10)
Transfer of shares to satisfy employee share plans	–	9	(9)	–	–
Share-based payments expense	–	–	2	–	2
Transfer on disposal of investments held at fair value through other comprehensive income, net of tax	–	–	20	(20)	–
Balance at 2 January 2022	3,875	(3)	(560)	270	3,582

1 Refer to Note 8 for further information.

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY				
	SHARE CAPITAL \$M	SHARES HELD IN TRUST \$M	RESERVES \$M	RETAINED EARNINGS \$M	TOTAL \$M
HALF-YEAR ENDED 3 JANUARY 2021					
Balance at 28 June 2020	4,033	(2)	(584)	(60)	3,387
Profit for the period	–	–	–	269	269
Other comprehensive (loss) for the period, net of tax	–	–	(4)	–	(4)
Total comprehensive (loss)/income for the period, net of tax	–	–	(4)	269	265
Dividends paid ¹	–	–	–	(13)	(13)
Balance at 3 January 2021	4,033	(2)	(588)	196	3,639

1 Refer to Note 8 for further information.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Balance Sheet

	NOTE	AS AT		
		2 JANUARY 2022 \$M	27 JUNE 2021 \$M	3 JANUARY 2021 \$M
Current assets				
Cash and cash equivalents		813	437	645
Trade and other receivables		184	118	358
Inventories		1,339	1,213	1,436
Other financial assets		2	–	–
Assets held for sale		3	3	3
Total current assets		2,341	1,771	2,442
Non-current assets				
Trade and other receivables		40	41	40
Other financial assets		43	89	80
Lease assets	6.1	3,132	3,117	3,150
Property, plant and equipment		1,898	1,887	1,838
Intangible assets		3,852	3,845	3,838
Deferred tax assets		35	14	23
Total non-current assets		9,000	8,993	8,969
Total assets		11,341	10,764	11,411
Current liabilities				
Trade and other payables		1,794	1,222	1,902
Lease liabilities	6.2	431	429	417
Borrowings		–	1,714	1,482
Current tax payable		137	111	83
Other financial liabilities		2	–	3
Provisions	7	342	336	292
Total current liabilities		2,706	3,812	4,179
Non-current liabilities				
Lease liabilities	6.2	3,372	3,350	3,371
Borrowings		1,480	–	–
Other financial liabilities		3	3	–
Provisions	7	29	37	33
Deferred tax liabilities		166	171	185
Other non-current liabilities		3	3	4
Total non-current liabilities		5,053	3,564	3,593
Total liabilities		7,759	7,376	7,772
Net assets		3,582	3,388	3,639
Equity				
Contributed equity	9	3,872	3,873	4,031
Reserves		(560)	(589)	(588)
Retained earnings		270	104	196
Total equity		3,582	3,388	3,639

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

	NOTE	HALF-YEAR ENDED	
		2 JANUARY 2022 \$M	3 JANUARY 2021 \$M
Cash flows from operating activities			
Receipts from customers		7,226	7,227
Payments to suppliers and employees		(6,019)	(6,080)
Finance costs on borrowings paid		(29)	(47)
Payments for the interest component of lease liabilities	6.2	(93)	(101)
Income tax paid		(153)	(112)
Net cash provided by operating activities		932	887
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(123)	(116)
Payments for the purchase of businesses, net of cash acquired		(18)	(17)
Proceeds from the sale of equity securities		72	–
Dividends received		3	–
Net cash (used in) investing activities		(66)	(133)
Cash flows from financing activities			
Proceeds from external borrowings		2,145	1
Repayment of external borrowings		(653)	–
Proceeds from borrowings with related parties		–	981
Repayment of borrowings with related parties		(1,710)	(1,332)
Repayment of lease liabilities	6.2	(137)	(121)
Dividends paid	8	(125)	(13)
Payments for shares held in trust	9	(10)	–
Net cash (used in) financing activities		(490)	(484)
Net increase in cash and cash equivalents		376	270
Cash and cash equivalents at start of the period		437	375
Cash and cash equivalents at end of the period		813	645

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Condensed Notes to the Consolidated Financial Statements.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 1. Basis of preparation

1.1 Basis of preparation

Endeavour Group Limited (the Company) is a for-profit company, limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business of the Company is 26 Waterloo Street, Surry Hills NSW 2010.

The Half-Year Financial Report (the Report) of the Company is for the 27-week period ended 2 January 2022 and comprises the Company and its controlled entities (together referred to as the Group or Endeavour Group). The comparative period is for the 27-week period ended 3 January 2021.

The Report was authorised for issue by the Directors on 21 February 2022.

The Report is presented in Australian dollars and amounts have been rounded to the nearest million dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

The Report has been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income and certain financial liabilities which have been measured at fair value.

The accounting policies applied in the preparation of the Report are consistent with those applied in the Group's Financial Report for the 52-week period ended 27 June 2021 (the 2021 Financial Report), unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

Certain comparative amounts in the Report have been reclassified to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group. In particular in order to report like costs and balances together and to align with our operating model as an independently listed business, the Group has made reallocations of:

- \$98 million from Administration expenses to Cost of sales in the Consolidated Statement of Profit or Loss for the half-year ended 3 January 2021. This reduces Gross profit but has no impact to EBIT; and
- \$58 million in current employee related liabilities from Trade and other payables to Provisions in the Consolidated Balance Sheet as at 27 June 2021 and \$37 million as at 3 January 2021. This has no impact to net assets.

The Report is a general purpose condensed financial report prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The Report does not include all of the information required for a full financial report and should be read in conjunction with the 2021 Financial Report and any public announcements by the Group during the half-year in accordance with the continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules.

1.2 Deficiency in net current assets

As at 2 January 2022, the Group has a deficiency in net current assets of \$365 million (27 June 2021: \$2,041 million).

On 28 June 2021 the Group entered into external financing facilities of \$2,500 million with a maturity profile greater than one year. As at 2 January 2022, \$1,005 million remains undrawn and may be drawn at any time, subject to the terms of the lending agreements.

As such, in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

1.3 The Demerger

On 28 June 2021, Endeavour Group separated from Woolworths Group Limited (Woolworths) with Woolworths making a distribution of 70.8% of Endeavour Shares to eligible Woolworths Group shareholders on a one-for-one basis (the Demerger). The remaining 29.2% of Endeavour Shares were retained by Bruce Mathieson Group (14.6%) and Woolworths Group (14.6%).

In conjunction with the Demerger, on 24 June 2021, Endeavour Shares started to separately trade on the Australian Securities Exchange on a conditional and deferred settlement basis with normal settlement commencing on 1 July 2021 under the code 'EDV'.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 2. New and amended standards adopted by the Group

The Group has adopted all relevant new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board which are effective for annual reporting years beginning on or after 28 June 2021. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period and are not likely to significantly affect future years.

Note 3. Revenue from the sale of goods and services

	HALF-YEAR ENDED	
	2 JANUARY 2022 \$M	3 JANUARY 2021 \$M
Sale of goods in-store	4,983	5,125
Sale of goods online	603	483
Hotels-related goods and services	680	667
Other ¹	71	82
Total revenue from the sale of goods and services	6,337	6,357

1 Other mainly comprises sales by Pinnacle Drinks, which creates, manufactures and manages a portfolio of drinks brands.

Note 4. Segment disclosures

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance. These business units offer different products and services and are managed separately.

The Group's reportable segments are as follows:

- **Retail**¹ – Procurement and manufacture of drinks for sale to customers in Australia.
- **Hotels** – Provision of hotels-related goods and services, including food and drinks, accommodation, entertainment, and gaming in Australia.
- **Other** – Consists of various group support functions, including central overhead costs.

There are varying levels of integration between the Retail and Hotels reportable segments. This includes the common usage of property, services and administration functions.

The primary reporting measure of the reportable segments is earnings before interest and tax (EBIT), which is consistent with the way management monitor and report the performance of these segments.

The financial performance of the Retail and Hotels reportable segments is affected by seasonality whereby earnings are typically greater in the first half of the financial year due to the December holiday trading period.

1 The 'Retail' segment was previously known as 'Endeavour Drinks'.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 4. Segment disclosures (continued)

The reportable segments were materially affected by COVID-19 during the half-year. A summary of impacts is noted below.

- **Retail** – Revenue from the sale of goods and services, and EBIT during the half-year remain elevated compared to pre COVID-19 levels due to extensive on-premise closures in the first four months of the 2022 financial year and a shift to at-home consumption.
- **Hotels** – During the first half of the year there were extensive government restrictions including mandated closures which limited the ability for hotels to trade. There were only approximately 30% of total trading days where all of our hotels were open in this half-year. The most significant closures were in New South Wales, where hotels were closed from late June 2021 to mid-October 2021 and in Victoria with closures from early August 2021 to late October 2021. When hotels were permitted to open, they were subject to ongoing trading restrictions which differed by state and region. Restrictions were also in place in the half-year ended 3 January 2021, which included Victoria's extended lockdown from early July 2020 to early November 2020, as well as short-term snap lockdowns and trading restrictions in other states.

The Group operates primarily in Australia. The Group also operates in New Zealand, the results for which are immaterial to the Group.

	RETAIL ¹ \$M	HOTELS \$M	OTHER \$M	CONSOLIDATED CONTINUING OPERATIONS \$M
HALF-YEAR ENDED 2 JANUARY 2022				
Revenue from the sale of goods and services	5,657	680	–	6,337
Other revenue ²	5	12	3	20
Total revenue	5,662	692	3	6,357
Earnings/(loss) before interest and tax	461	121	(26)	556
Finance costs				(105)
Profit before income tax				451
Income tax expense				(140)
Profit for the period				311
Depreciation and amortisation – lease assets	78	69	–	147
Depreciation and amortisation – non-lease assets	65	55	–	120
Capital expenditure ³	77	69	4	150

	RETAIL ¹ \$M	HOTELS \$M	OTHER \$M	CONSOLIDATED CONTINUING OPERATIONS \$M
HALF-YEAR ENDED 3 JANUARY 2021				
Revenue from the sale of goods and services	5,690	667	–	6,357
Other revenue ²	3	10	2	15
Total revenue	5,693	677	2	6,372
Earnings/(loss) before interest and tax	419	122	(2)	539
Finance costs				(136)
Profit before income tax				403
Income tax expense				(134)
Profit for the period				269
Depreciation and amortisation – lease assets	72	70	–	142
Depreciation and amortisation – non-lease assets	61	52	–	113
Capital expenditure ³	60	71	2	133

1 The 'Retail' segment was previously known as 'Endeavour Drinks'.

2 Other revenue mainly comprises rental and commission revenue.

3 Capital expenditure comprises property, plant and equipment and intangible asset acquisitions, including when acquired as part of a business.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 5. Finance costs

	HALF-YEAR ENDED	
	2 JANUARY 2022 \$M	3 JANUARY 2021 \$M
Interest expense – leases	88	89
Interest expense and other borrowing costs – non-leases ¹	17	47
	105	136

¹ In the prior period, Endeavour Group had borrowings with Woolworths, a related party. In the current period the Company entered into external borrowings facilities of \$2,500 million which were partially drawn down on 28 June 2021 to repay \$1,712 million in outstanding balances with Woolworths. The \$1,712 million repaid represented \$1,710 million in current borrowings and \$2 million in accrued interest recognised as trade and other payables.

Note 6. Leases

6.1 Lease assets

	2 JANUARY 2022 ¹ \$M	27 JUNE 2021 \$M	3 JANUARY 2021 \$M
MOVEMENT IN LEASE ASSETS			
Cost	4,425	4,272	4,172
Less: Accumulated depreciation and impairment	(1,293)	(1,155)	(1,022)
Carrying amount at end of period	3,132	3,117	3,150
<i>Movement:</i>			
Carrying amount at start of period	3,117	2,983	2,983
Additions	57	79	33
Terminations	(1)	(2)	(8)
Remeasurements	109	339	285
Depreciation expense	(147)	(280)	(142)
Other	(3)	(2)	(1)
Carrying amount at end of period	3,132	3,117	3,150

¹ Lease assets relate to property (99.8%) and plant and equipment leases (0.2%).

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 6. Leases (continued)

6.2 Lease liabilities

	2 JANUARY 2022 \$M	27 JUNE 2021 \$M	3 JANUARY 2021 \$M
MOVEMENT IN LEASE LIABILITIES			
Carrying amount at start of period	3,779	3,611	3,611
Additions	58	79	34
Terminations	(1)	(3)	(9)
Remeasurements	109	339	285
Interest expense	88	174	89
Payments for interest component of lease liabilities	(93)	(174)	(101)
Repayment of lease liabilities	(137)	(247)	(121)
Carrying amount at end of period	3,803	3,779	3,788
Current	431	429	417
Non-current	3,372	3,350	3,371
Total lease liabilities	3,803	3,779	3,788

Included in lease liabilities is \$347 million (27 June 2021: \$350 million, 3 January 2021: \$334 million) owing to Woolworths. Of this, \$44 million (27 June 2021: \$43 million, 3 January 2021: \$39 million) is owed within the next 12 months.

Note 7. Provisions

	AS AT		
	2 JANUARY 2022 \$M	27 JUNE 2021 \$M	3 JANUARY 2021 \$M
Current			
Employee benefits	197	202	173
Pay remediation	99	102	77
Self-insured risks, onerous contracts and other	46	32	42
Total current provisions	342	336	292
Non-current			
Employee benefits	15	15	14
Self-insured risks, onerous contracts and other	14	22	19
Total non-current provisions	29	37	33
Total provisions	371	373	325

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 7. Provisions (continued)

Pay remediation

The Group previously identified employee payment shortfalls relating to the Hotels and Retail segments under the Hospitality Industry General Award (HIGA), General Retail Industry Award (GRIA), and the BWS Enterprise Agreement. The Group has continued to review all relevant periods over which the payment shortfalls related and for which electronic records existed and this work is ongoing.

Calculations of payment shortfalls involve a substantial volume of data, a high degree of complexity, interpretation, estimates and extrapolations, and are subject to further analysis. Determining the liability and amount of historical payment shortfalls requires consideration of numerous clauses of the awards and enterprise agreement, which translates into numerous decision rules across each year of the review. Changes to any of these variables have the potential to result in future adjustment to the provision in subsequent periods as analysis and work continues. On final determination of the payment shortfalls the Group will need to consider the extent to which identified payment shortfalls relate to current or prior periods.

The profit or loss charge pertaining to pay remediation during the half-year ended 2 January 2022 was \$22 million (3 January 2021: \$27 million). Payments of \$25 million were made to employees during the half-year ended 2 January 2022 (3 January 2021: \$nil) and have been included within Payments to suppliers and employees in the Consolidated Statement of Cash Flows.

Note 8. Dividends

	HALF-YEAR ENDED 2 JANUARY 2022			HALF-YEAR ENDED 3 JANUARY 2021		
	CENTS PER SHARE	TOTAL AMOUNT \$M	PAYMENT DATE	CENTS PER SHARE	TOTAL AMOUNT \$M	PAYMENT DATE
Prior year final	7.0	125	22 September 2021	2.6	13	18 September 2020
Dividends declared and paid during the period	7.0	125		2.6	13	

All dividends paid were fully franked at a 30% tax rate.

On 21 February 2022, the Board of Directors determined to pay an interim dividend in respect of the half-year ended 2 January 2022 of 12.5 cents per ordinary share fully franked at a 30% tax rate (3 January 2021: 53.8 cents per ordinary share fully franked at 30%). As the dividend was not determined to be paid until after 2 January 2022, no provision has been recognised at 2 January 2022.

Condensed Notes to the Consolidated Financial Statements

for the half-year ended 2 January 2022

Note 9. Contributed equity

	HALF-YEAR ENDED 2 JANUARY 2022		YEAR ENDED 27 JUNE 2021	
	NUMBER	\$M	NUMBER	\$M
SHARE CAPITAL				
1,790,980,017 fully paid ordinary shares (27 June 2021: 1,790,980,017)				
<i>Movement:</i>				
Balance at start of period	1,790,980,017	3,875	500,000,000	4,033
Adjustments to the issue of shares on Restructure	-	-	-	(158)
Share split ¹	-	-	1,290,980,017	-
Balance at end of period	1,790,980,017	3,875	1,790,980,017	3,875
TREASURY SHARES				
<i>Movement:</i>				
Balance at start of period	(358,196)	(2)	(100,000)	(2)
Share split ¹	-	-	(258,196)	-
Purchase of shares by Endeavour Group Equity Incentive Plan Trust and/or Endeavour Group Employee Equity Plan Trust	(1,396,289)	(10)	-	-
Transfer of shares to satisfy employee share plan obligations	1,391,302	9	-	-
Balance at end of period	(363,183)	(3)	(358,196)	(2)
Contributed equity at end of period	1,790,616,834	3,872	1,790,621,821	3,873

1 On 25 June 2021, in advance of the Demerger, the Company increased its number of ordinary shares from 500,000,000 to 1,790,980,017 via a share split, which resulted in an increase in treasury shares held from 100,000 to 358,196.

Holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Note 10. Subsequent events

2022 interim dividend

On 21 February 2022, the Board of Directors determined to pay an interim dividend in respect of the half-year ended 2 January 2022 of 12.5 cents per ordinary share fully franked at a 30% tax rate. Refer to Note 8 for further information.

Directors' Declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached Consolidated Financial Statements are in compliance with International Financial Reporting Standards, as stated in Note 1.1 to the Consolidated Financial Statements; and
- (c) in the Directors' opinion, the attached Consolidated Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Peter Hearl
Chairman



Steve Donohue
Managing Director and CEO

21 February 2022

Independent Auditor's Report



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Independent Auditor's Review Report to the Members of Endeavour Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Endeavour Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the Consolidated Balance Sheet as at 2 January 2022, and the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration as set out on page 16.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Endeavour Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated Group's financial position as at 2 January 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Independent Auditor's Report

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 2 January 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Elliott

Taralyn Elliott

Partner
Chartered Accountants

Sydney, 21 February 2022

