

# F22 Profit and Dividend Announcement

For the 52 weeks ended 26 June 2022

**Strong performance despite a challenging environment, as Australians come back together**

## F22 Full Year Group Highlights

| Group Sales       | Group EBIT    | Group NPAT    | Earnings Per Share | Final Dividend | Full year DPS      |
|-------------------|---------------|---------------|--------------------|----------------|--------------------|
| <b>\$11.6b</b>    | <b>\$924m</b> | <b>\$495m</b> | <b>27.6c</b>       | <b>7.7c</b>    | <b>20.2c</b>       |
| Flat year on year | ↑2.8% vs F21  | ↑11.2% vs F21 | ↑11.3% vs F21      | ↑10% vs F21    | 73.1% payout ratio |

Endeavour Group Managing Director and CEO, Steve Donohue, said:

“The Financial year 2022 was a significant one for Endeavour Group, our first as an independently listed business, and together we delivered strong financial results. Our Retail segment had an exceptional first half, and our Hotels segment came back strongly in the second half. As a Group, sales were in line with last year at \$11.6 billion and Net Profit after Tax of \$495 million was up 11.2%.

These achievements were delivered against a backdrop of ongoing impacts from COVID-19, severe weather events, team shortages and a range of supply chain disruptions. Notwithstanding these challenges, the commitment and passion of our team enabled these positive financial outcomes.

We delivered focussed investments in our Hotels business, acquiring five new hotels and completing 40 renewals, while also improving our Retail drinks network with ongoing renewals and innovative new store formats, as well as 32 net new stores. The investment in our digital connections with customers have been accelerated in recent years given COVID-19 restrictions and we emerged from F22 with both record sales and record numbers of customer connections. We were also pleased to welcome Josef Chromy Wines to our Paragon Wine Estates portfolio and we're proud of the achievements of our Pinnacle Drinks team who won hundreds of awards for quality in the year.

Australians are returning to socialising in hospitality settings, and the trend towards discovering new drinks is continuing. While we anticipate that the operating environment will remain challenging, I'm confident our team of exceptional people, our customer-focused strategy, and our disciplined approach to financial management will enable us to continue to deliver for our customers, partners, team members and shareholders.”

| Key financial metrics (\$ million)                      | F22<br>(52 WEEKS) | F21<br>(52 WEEKS) | CHANGE |
|---|-------------------|-------------------|--------|
| Group Sales   | 11,597            | 11,595            | imm.   |
| Group EBIT  | 924               | 899               | 2.8%   |
| Group Profit for the year after income tax (Group NPAT) | 495               | 445               | 11.2%  |
| Basic earnings per share (EPS) - cents                  | 27.6              | 24.8              | 11.3%  |
| Full year dividend per share (DPS) - cents              | 20.2              |                   |        |

## Progress against Key Priorities

### Navigating COVID-19

COVID-19 had a significant impact on our results again in F22. We endured extensive hotel closures and restrictions, particularly in the first half of the financial year. When on-premise venues were restricted and demand shifted to at-home occasions, creating tailwinds for our Retail business.

### Investing for the future

Throughout this latest phase of COVID-19, we have maintained positive customer engagement, with strong Voice of Customer (VOC) NPS scores in Retail and Hotels. We also continued to invest in the future, with a focus on digital, our network, and overall Group optimisation. Key strategic highlights for the year included:

|  |  |
|--|--|
| <b>Grew customer reach</b>                   | <ul style="list-style-type: none"> <li>• Grew My Dan's active members by 15% to over 4.5 million</li> <li>• Improved Dan Murphy's VOC NPS by 2pts to 79 and BWS VOC NPS by 3 pts to 74<sup>1</sup></li> <li>• Increased Hotels customer rating (VOC) by 0.1pts to 8.4</li> </ul>   |
| <b>Grew digital engagement</b>               | <ul style="list-style-type: none"> <li>• Enhanced digital experience, including personalised My Dan's offers and BWS on tAPP promotional programs</li> <li>• Completed BWS Cooler's third and most successful year</li> <li>• Progressed hotel digitalisation, including rolling-out 'order and pay at table' technology, and introducing legislated facial recognition technology in all South Australian hotels</li> <li>• Launched the "Dan Picked" subscription service and Dan's Gifting Hub</li> </ul> |
| <b>Enhanced and expanded our network</b>     | <ul style="list-style-type: none"> <li>• Introduced innovative new store formats such as The Cellar by Dan Murphy's and Dan Murphy's neighbourhood stores</li> <li>• Expanded our premium wine business with the acquisition of Josef Chromy Wines</li> <li>• Rolled out 32 net new stores and 81 store renewals</li> <li>• Acquired 5 new hotels and completed 40 hotel renewals; upgraded over 2,000 EGMs</li> </ul>   |
| <b>Operations optimised across the Group</b> | <ul style="list-style-type: none"> <li>• Reinforced our corporate structures to support being a listed company</li> <li>• Purposefully invested to establish standalone capabilities, including technology platforms that are future focused and flexible</li> <li>• Managed costs through closure periods in Hotels</li> <li>• Continued our successful Simpler for Stores program</li> </ul>   |

<sup>1</sup> VOC NPS represents the average score for the full year. F21 scores have been updated to align to the definition of VOC NPS applicable from F22 onwards in order to provide a consistent comparison across periods.

## Sustainability and commitment to “our imprint”

Our sustainability ambition is to leave a positive imprint on each community. We shared our first Sustainability Strategy in October 2021, setting out our goals and commitments across three principles: Responsibility & Community, People and Planet. Since then, we have focused on establishing our baselines and setting a strong foundation to be able to deliver on these commitments. Key achievements for the year included:

|   |   |
|---|---|
| <p><b>Responsibility &amp; Community</b></p> <p><i>Advocating responsible choices and supporting positive change in our communities</i></p> | <ul style="list-style-type: none"> <li>Established our Darwin Community Advisory Committee (CAC). Comprising a locally-based panel of diverse community leaders, the CAC will explore initiatives that seek to reduce harm from the misuse of alcohol and problem gambling in the local area.</li> <li>Developed and rolled out our unique 'Leading in Responsibility' team training module, training 92% of team members.</li> <li>Partnered on an exclusive in-store trial with DrinkWise Australia, to support their research into the use of low and zero alcohol options to moderate consumption.</li> </ul> |
| <p><b>People</b></p> <p><i>Championing individuality, human and personal rights</i></p>   | <ul style="list-style-type: none"> <li>Achieved a 76% engagement score in our first Voice of Team survey, with our team engaged with the business and aligned to our purpose, values and goals.</li> <li>Launched Proud at Endeavour, a network of 300+ LGBTQ+ and ally team members working on initiatives to create a supportive environment for teams and customers.</li> </ul>  |
| <p><b>Planet</b></p> <p><i>Reducing our impact on the planet</i></p>  | <ul style="list-style-type: none"> <li>Established our emissions baseline, and started our climate disclosures using the Task Force on Climate-related Disclosure framework.</li> <li>Continued our investment in renewable energy, with solar panels now installed across 104 sites.</li> </ul>  |

More information can be found in our first Sustainability Report, released today.

## Group Performance

| \$ million                                     | F22<br>(52 WEEKS) | F21<br>(52 WEEKS) | CHANGE       |
|--|-------------------|-------------------|--------------|
| <b>Sales</b>                                   | <b>11,597</b>     | <b>11,595</b>     | <b>imm.</b>  |
| Retail EBIT                                    | 666               | 669               | (0.4%)       |
| Hotels EBIT                                    | 315               | 261               | 20.7%        |
| Other EBIT (incl. Corporate Costs)             | (57)              | (31)              | 83.9%        |
| <b>Earnings before interest and tax (EBIT)</b> | <b>924</b>        | <b>899</b>        | <b>2.8%</b>  |
| Finance costs                                  | (205)             | (247)             | (17.0%)      |
| <b>Profit before income tax</b>                | <b>719</b>        | <b>652</b>        | <b>10.3%</b> |
| Income tax expense                             | (224)             | (207)             | 8.2%         |
| <b>Profit for the year (after income tax)</b>  | <b>495</b>        | <b>445</b>        | <b>11.2%</b> |

### Results Overview

As a group, we delivered **Sales** of \$11.6 billion in F22, in line with last year. It was a strong trading result given we were again impacted by a complex and volatile trading environment. We endured extensive temporary hotel closures and restrictions, particularly in the first half of the financial year which was very challenging for our Hotels business. At the same time, these closures created tailwinds for our Retail business with an elevated at-home market. The effects of COVID-19 eased through the second half of the financial year.

**Group EBIT** increased 2.8% to \$924 million, driven by the partial recovery of the Hotels segment and another strong result in Retail, which delivered EBIT in line with F21.

**Other EBIT**, comprising corporate costs not allocated to business segments, was negative \$57 million for the year, in line with expectations set out at the time of Demerger from Woolworths Group. As F22 is our first full year of trading independently, this is not directly comparable to F21, where only part-year corporate costs were recorded and totalled \$31 million.

**Finance costs** of \$205 million in F22 were \$42 million lower than last year due to a favourable change to interest rates when funding was converted from related party to external debt on demerger. Income tax expenses of \$224 million is equivalent to an effective tax rate of 31.2% (F21: 31.8%).

**The Group's profit for the year after income tax** was \$495 million (+11.2%).

On 23 August 2022 the Board determined to pay a fully franked final dividend of 7.7 cents per share representing a full-year payout ratio of 73.1%. This equates to an expected final dividend payment of \$138 million to the Group's shareholders. Endeavour shares will trade ex-dividend from 31 August 2022, the record date is 1 September 2022 and the distribution is expected to be paid to shareholders on 16 September 2022.

## Segment Performance - Retail

| \$ million                    | F22<br>(52 WEEKS) | F21<br>(52 WEEKS) | CHANGE |
|-------------------------------|-------------------|-------------------|--------|
| <b>Sales</b>                  | <b>10,086</b>     | <b>10,178</b>     | (0.9%) |
| <b>EBITDA</b>                 | <b>944</b>        | <b>936</b>        | 0.9%   |
| Depreciation and amortisation | (278)             | (267)             | 4.1%   |
| <b>EBIT</b>                   | <b>666</b>        | <b>669</b>        | (0.4%) |
| Gross profit margin (%)       | 23.2              | 22.4              | +89bps |
| Cost of doing business (%)    | 16.6              | 15.8              | +86bps |
| EBIT to sales (%)             | 6.6               | 6.6               | +3bps  |

| VOC NPS <sup>2</sup>                                | 3-year sales growth                   | Online Sales                   | Online penetration              | ROFE                           |
|---|---------------------------------------|--------------------------------|---------------------------------|--------------------------------|
| <b>DM 79 (↑ 2)</b><br><b>BWS 74 (↑ 3)</b><br>vs F21 | <b>↑ 19.3%</b><br>vs F19 <sup>3</sup> | <b>\$1.0b</b><br>↑17.0% vs F21 | <b>10.0%</b><br>↑152 bps vs F21 | <b>16.8%</b><br>↑45 bps vs F21 |

### Results Overview

We've maintained our Retail EBIT in line with the strong F21 result, delivered gross profit margin gains and made strategic investments to grow our network and capabilities. In F22, Retail EBIT was \$666 million (F21: \$669 million).

Sales at \$10.1 billion were marginally lower than F21 as COVID-19 had a significant impact in F22, as it did in F21. As an indicator, Retail sales in F22 were 19.3% higher than F19<sup>3</sup>, the relevant pre COVID-19 comparative period. The retail market was elevated as a result of the extensive temporary on-premise closures, particularly in the first four months of the financial year. In the second half, these restrictions eased and Retail sales started to return to normal.

Gross profit margin improved 89 bps to 23.2% (F21: 22.4%), underpinned by premiumisation, higher margin new products and demand for Pinnacle Drinks products, as well as a lower level of promotional activity in the market. The margin gains were strongest in the first half as supply chain costs increased in the second half and promotional activity started to increase.

Growth in Spirits and Premix was a highlight, with innovative new products such as seltzers performing particularly well. Over the last three years, sales in these categories have grown over 40%<sup>4</sup>. Customers continue to seek out new, premium and craft offerings. We have also seen an acceleration of low and zero alcohol products, with five of the top ten fastest growing subcategories being in low and zero alcohol.

Productivity savings were largely able to offset the various cost challenges which stemmed from the volatile operating environment. During the year we experienced further COVID-19 challenges including team availability constraints, as well as severe weather events. We were largely able to offset both the resulting cost pressures and underlying cost inflation through efficiency initiatives and strong cost control. The increase in CODB rate (as a percentage of Sales) of 86 bps was in part due to increased investment in

<sup>2</sup> Prior year VOC NPS measured as the average score for the full year.

<sup>3</sup> Normalised 52-week Equivalent F19 results

<sup>4</sup> Sales growth is calculated with comparison to Equivalent F19 results.

our network and digital capabilities, as well as technology as we continue to set up our standalone platforms.

Over the past 12 months, we have continued to grow the My Dan's membership program with active members exceeding 4.5 million. We also continued to enhance our in-store and online customer experience with Dan Murphy's Voice of Customer scores (VOC NPS) reaching 79 (F21: 77) and BWS VOC NPS increasing to 74 (F21: 71). In-store customer experience was a key driver in delivering the strong customer engagement scores for both brands.

During the year, we increased our digital investment to improve and expand our online and omnichannel customer offering, which supported our online sales growth of 17.0% to \$1.0 billion, with online penetration reaching 10.0%, 152 bps higher than F21. We continued to invest in personalised shopping experiences and improved search capabilities to support customers online and in-store, and developed a new content management system which enables seamless updates to our web and app platforms.

We continue to invest in expanding and enhancing our store network and at the end of the financial year, there were 258 Dan Murphy's stores and 1,417 BWS stores. We added 32 net new stores including seven Dan Murphy's and 25 BWS stores and completed 81 store renewals. We have piloted innovative new formats such as The Cellar by Dan Murphy's and Dan Murphy's neighbourhood stores. We also expanded our Paragon Wine Estates portfolio with the acquisition of Josef Chromy Wines, a premium Tasmanian winery best known for its award-winning Pinot Noir and Chardonnay.

Average segment funds employed were slightly lower than prior year at \$4.0 billion. With EBIT stable, this created a small improvement in ROFE which increased by 45 bps compared to F21.

### Retail Operating Metrics by Quarter

|   | F22<br>(52 WEEKS) | Q4 F22<br>(12 WEEKS) | Q3 F22<br>(13 WEEKS) | Q2 F22<br>(13 WEEKS) | Q1 F22<br>(14 WEEKS) |
|---|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Customer metrics</b>                 |                   |                      |                      |                      |                      |
| BWS VOC NPS (Store and Online)          | 74                | 74                   | 74                   | 73                   | 74                   |
| Dan Murphy's VOC NPS (Store and Online) | 79                | 80                   | 79                   | 78                   | 79                   |
| <b>Sales productivity metrics</b>       |                   |                      |                      |                      |                      |
| Total sales (\$ million)                | 10,086            | 2,106                | 2,323                | 3,003                | 2,654                |
| Total sales growth                      | (0.9%)            | 0.7%                 | (3.0%)               | (1.0%)               | (0.2%)               |
| Three-year sales growth <sup>5</sup>    | 19.3%             | 15.6%                | 12.4%                | 21.7%                | 26.6%                |
| Easter adjusted sales growth            | (0.9%)            | (2.0%)               | (0.7%)               | (1.0%)               | (0.2%)               |
| Easter adjusted comparable sales growth | (1.7%)            | (2.6%)               | (1.3%)               | (1.6%)               | (1.2%)               |

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|                                   | F22<br>(52 WEEKS) | Q4 F22<br>(12 WEEKS) | Q3 F22<br>(13 WEEKS) | Q2 F22<br>(13 WEEKS) | Q1 F22<br>(14 WEEKS) |
|-----------------------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Sales productivity metrics</b> |                   |                      |                      |                      |                      |
| Online sales (\$ million)         | 1,005             | 180                  | 222                  | 298                  | 305                  |
| Online sales growth               | 17.0%             | (1.6%)               | 15.0%                | 16.4%                | 34.4%                |
| Online penetration                | 10.0%             | 8.5%                 | 9.6%                 | 9.9%                 | 11.5%                |

<sup>5</sup> Three-year change is calculated with comparison to the normalised 52-week F19 results.

## Segment Performance - Hotels

| \$ million                    | F22<br>(52 WEEKS) | F21<br>(52 WEEKS) | CHANGE  |
|-------------------------------|-------------------|-------------------|---------|
| <b>Sales</b>                  | <b>1,511</b>      | <b>1,417</b>      | 6.6%    |
| <b>EBITDA</b>                 | <b>561</b>        | <b>499</b>        | 12.4%   |
| Depreciation and amortisation | (246)             | (238)             | 3.4%    |
| <b>EBIT</b>                   | <b>315</b>        | <b>261</b>        | 20.7%   |
| Gross profit margin (%)       | 85.1              | 85.0              | +8bps   |
| Cost of doing business (%)    | 64.2              | 66.6              | -236bps |
| EBIT to sales (%)             | 20.8              | 18.4              | +243bps |

|                                |                               |                                |                                     |                                |
|--------------------------------|-------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| Voice of Customer <sup>2</sup> | Number of hotels (incl clubs) | Days when all hotels were open | 3-year sales growth (decline)       | ROFE                           |
| <b>8.4/10</b><br>↑0.1 vs F21   | <b>344</b><br>↑5 vs F21       | <b>231</b><br>vs 195 in F21    | <b>↓7.9%</b><br>vs F19 <sup>6</sup> | <b>8.0%</b><br>↑130 bps vs F21 |

### Results Overview

The Hotels segment posted a very strong result considering the extensive challenges encountered across the first half of the year. Total sales for the Hotels segment in F22 was \$1.5 billion (F21: \$1.4 billion). This is higher than the last financial year reflecting the more extensive COVID-19 closures in F21. The higher sales flowed through to deliver much stronger EBIT at \$315 million, 20.7% higher than F21, due to improved operating leverage.

We started the financial year with extensive COVID-19 related restrictions particularly in New South Wales and Victoria. These restrictions extended across the first four months of the year. Following this, there was a brief period where our hotels were reopening, before the Omicron variant emerged and once again our hotels were negatively impacted. The results for this year therefore represent 231 trading days when all our hotels were able to open (vs 195 days in F21). The majority of the impacts were in the first half.

Trading recovered strongly in the second half of the financial year as COVID-19 restrictions were lifted and sales rebounded, exceeding pre COVID-19 levels (+7.3% vs H2 F19<sup>6</sup>). Despite the challenging environment, customer ratings have remained strong with Voice of Customer scores<sup>7</sup> reaching 8.4, up slightly on F21.

Gross profit margin remained stable at 85.1%, compared to 85.0% in the prior year and the Cost of doing business rate (as a percentage of sales) improved 236 bps to 64.2%, benefiting from higher sales leverage and continued strong cost management including responding to closures and restrictions.

Throughout the year and despite the challenges that the hospitality industry experienced, we remained focussed on innovating across all aspects of our hotel operations. We continued the hotel renewals program, with 40 renewals completed in the year and we also continued to upgrade our electronic gaming machines, with the average age now 6.8 years, down from 8.5 years last year and 9.6 years at the beginning of F21.

<sup>6</sup> Normalised 52-week Equivalent F19 results

<sup>7</sup> As measured by Loopon

Our portfolio of hotels continued to grow, with 5 hotels acquired in the year; the Terrey Hills Tavern (NSW), The Manly Hotel (QLD), the Commercial Hotel (QLD), The Empire Hotel (SA) and The Grand Tasman Hotel (SA). The total Hotels portfolio consisted of 344 hotels (including five managed clubs) at the end of the period.

There are further opportunities to deploy our digital capability to enhance our hotel operations. Customer trends such as 'order and pay at table' accelerated in response to COVID-19 and we have continued to roll out technology to improve the customer experience in our hotels. We now have over 330 hotels live with 'order and pay at table' technology and have executed over 3.7 million transactions using this technology.

ROFE improved by 130 bps to 8.0% due to cycling a lower 12-month rolling EBIT. This created a material improvement with segment funds employed being relatively consistent between financial years.

### Hotels Operating Metrics by Quarter

|                                   | <b>F22<br/>(52 WEEKS)</b> | <b>Q4 F22<br/>(12 WEEKS)</b> | <b>Q3 F22<br/>(13 WEEKS)</b> | <b>Q2 F22<br/>(13 WEEKS)</b> | <b>Q1 F22<br/>(14 WEEKS)</b> |
|-----------------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Sales productivity metrics</b> |                           |                              |                              |                              |                              |
| Total sales (\$ million)          | 1,511                     | 426                          | 405                          | 398                          | 282                          |
| Total sales growth                | 6.6%                      | 18.3%                        | 3.8%                         | 12.4%                        | (9.9%)                       |



## Current Trading and Outlook

Over the first seven weeks of the new financial year, we've seen continued recovery in Hotels' trading results and the trends in Retail are consistent with a return to normal patterns of trade. Compared to the same period in F20<sup>8</sup>, which was before COVID-19 impacts, Retail Sales were up 12.7%<sup>9</sup> and Hotels 13.4%<sup>9</sup>. Sales comparisons to last year are not meaningful given the COVID-19 restrictions in place at the time.

Looking ahead, we expect the retail drinks and hospitality markets will continue to return to normal over the course of F23. While the return of social connection and events are positive and this is reflected in our first seven weeks of trading, there are a variety of factors which may impact performance in the year ahead including inflation, limited team availability and the potential for supply chain disruption. We will continue to respond flexibly, adapting and optimising both our retail and hotel offers as required.

As part of our recent investor days we communicated our F23 strategic priorities, focused on developing the leading customer offer, operating an efficient end-to-end business and building partnerships that grow our industry.

We remain committed to making disciplined investments that drive sustainable value creation for our shareholders and deliver on our purpose of 'creating a more sociable future together'. And we will continue to prioritise responsibility, leaving a positive and sustainable imprint in the community, operating as one team living our purpose and values.

### ENDS

The release of this announcement has been authorised by the Board.

### Further Information

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<sup>8</sup> F20 refers to Equivalent F20 results, which is described in detail in the F21 Annual Report

<sup>9</sup> Unaudited results

## Appendices

### Appendix 1: Non-IFRS Financial Information

This profit and dividend announcement for the 52 weeks ended 26 June 2022 (F22) contains certain non-IFRS financial information related to historical performance, position and cash flows. Non-IFRS financial information is financial information that is not defined or specified under any relevant accounting standards. This information may not be directly comparable with other companies' information but is commonly used in the industry in which Endeavour operates.

Non-IFRS information is also included to provide meaningful information on the underlying drivers of the business, performance and trends (for example, comparable sales growth). This information is used by management and directors to assess the financial performance of Endeavour Group and its segments. Non-IFRS information should be considered in addition to and is not intended to substitute IFRS measures.

The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by the Australian Security and Investments Commission in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information.

#### Normalised 52-week Equivalent F19 Information

Woolworths' Drinks and Hotels businesses were transferred to, and merged with, Endeavour Group Limited on 2 February 2020 (Restructure) and 4 February 2020 (Merger), respectively. Prior to this only the results of Endeavour Group Limited, previously known as Pinnacle Liquor Group Pty Limited, were included.

To enhance comparability against pre COVID-19 periods, a Normalised 52-week Equivalent F19 period is referenced, which relates to the results of what was previously known as Woolworths' Drinks and Hotels businesses for the 52-week period ended 23 June 2019. This information has been sourced from the data used in the F19 Woolworths Group Limited Annual Report, adjusted to include sales to other Woolworths Group controlled entities that were previously classified as intercompany transactions (pre Demerger) and remove the impact of the 53rd week in F19 from 24 to 30 June 2019.

### Appendix 2: Reclassification between Cost of doing business and Cost of sales

In order to report similar costs together and align with our operating model, we have made reclassifications from Administration expenses and Branch expenses (included within Cost of doing business or CODB) to Cost of sales for the comparative period. This has the impact of reducing Gross profit and CODB by \$188 million in F21. EBIT and EBIT to sales margin are not impacted.

### Appendix 3: New stores and renewals

| F22             | GROSS NEW STORES /<br>HOTELS (INCL.<br>ACQUISITIONS) | NET NEW STORES /<br>HOTELS (INCL.<br>ACQUISITIONS) | RENEWALS |
|-----------------|--|--|----------|
| Retail          | 44   | 32   | 81       |
| Hotels          | 5  | 5  | 40       |
| Endeavour Group | 49   | 37   | 121      |

## Appendix 4: F22 Group Funds Employed

### Group Funds Employed

| \$ million                       | F22<br>26 JUNE 2022 | F21<br>27 JUNE 2021 | CHANGE     |
|----------------------------------|---------------------|---------------------|------------|
| Trade working capital            | 546                 | 483                 | 63         |
| Lease assets                     | 3,126               | 3,117               | 9          |
| Property, plant and equipment    | 1,935               | 1,887               | 48         |
| Intangible assets                | 3,894               | 3,845               | 49         |
| Other liabilities (net)          | (677)               | (610)               | (67)       |
| <b>Funds employed</b>            | <b>8,824</b>        | <b>8,722</b>        | <b>102</b> |
| Tax liabilities (net)            | 273                 | 268                 | 5          |
| Other (assets)/liabilities (net) | (54)                | 10                  | (64)       |
| Net debt                         | 1,221               | 1,277               | (56)       |
| Lease liabilities                | 3,816               | 3,779               | 37         |
| Equity                           | 3,568               | 3,388               | 180        |
| <b>Total funding and tax</b>     | <b>8,824</b>        | <b>8,722</b>        | <b>102</b> |

## Appendix 5: F22 Group Cash Flow

### Group Cash Flow

| \$ million   | F22<br>(52 WEEKS) | F21<br>(52 WEEKS) | CHANGE       |
|--|-------------------|-------------------|--------------|
| <b>EBIT</b>  | <b>924</b>        | <b>899</b>        | <b>25</b>    |
| Depreciation and amortisation expenses                               | 525               | 505               | 20           |
| Changes in trade working capital                                     | (63)              | 7                 | (70)         |
| Changes in assets and liabilities and other non-cash items           | 26                | 130               | (104)        |
| Finance costs on borrowings paid                                     | (45)              | (72)              | 27           |
| Payment for the interest component of lease liabilities              | (173)             | (174)             | 1            |
| Income tax paid  | (245)             | (181)             | (64)         |
| <b>Operating cash flows</b>  | <b>949</b>        | <b>1,114</b>      | <b>(165)</b> |
| Payments for property, plant and equipment and intangible assets     | (285)             | (279)             | (6)          |
| Payments for the purchase of businesses, net of cash acquired        | (64)              | (39)              | (25)         |
| Proceeds from the sale of equity securities and assets held for sale | 74                | -                 | 74           |
| Dividends received   | 4                 | -                 | 4            |
| Repayment of lease liabilities                                       | (263)             | (247)             | (16)         |
| Dividends paid   | (349)             | (52)              | (297)        |
| Payment for shares held in trust                                     | (10)              | -                 | (10)         |
| <b>Free cash flow</b>  | <b>56</b>         | <b>497</b>        | <b>(441)</b> |
| <i>Cash realisation ratio (%)</i>                                    | <i>93.0</i>       | <i>117.3</i>      |              |

## Appendix 6: Glossary

| TERM                                   | DESCRIPTION  |
|--|--|
| <b>Cash realisation ratio</b>          | Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation   |
| <b>Comparable sales</b>                | 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 from new store openings/closures   |
| <b>Cost of doing business (CODB)</b>   | Expenses which relate to the operation of the business   |
| <b>EBITDA</b>                          | Earnings before interest, tax, depreciation and amortisation   |
| <b>Funds employed</b>                  | Net assets excluding net debt, leases liabilities and other financing-related assets and liabilities and net tax balances  |
| <b>imm.</b>                            | Immaterial   |
| <b>My Dan's active members</b>         | My Dan's active members are the number of unique members who have transacted in the last twelve months.  |
| <b>n.m.</b>                            | Not meaningful   |
| <b>Online penetration</b>              | Online penetration is calculated as total online sales as a percentage of total Retail sales for the same time period  |
| <b>Renewals</b>                        | A significant upgrade to the store / hotel environment, enhancing customer experience, range and process efficiency (including digital)  |
| <b>Return on Funds Employed (ROFE)</b> | ROFE is calculated as EBIT for the previous 12 months as a percentage of 13 month average adjusted funds employed  |
| <b>Segment funds employed</b>          | Funds employed by the segment adjusted to exclude deferred taxes on indefinite life intangible assets  |
| <b>VOC NPS</b>                         | Voice of Customer Net Promoter Score (VOC NPS) is based on feedback from customers, and represents the number of promoters (score of nine or 10) less the number of detractors (score of six or below). This includes scores from in-store and online customers. |