



Endeavour Group H1 F24 Results Presentation

February 2024



Group overview

Steve Donohue, CEO



Acknowledgement of country



Creating a more sociable future, together



Our vision is to be the leading platform enabling social occasions



Leading customer offer and brands

*Drive **revenue growth** through meaningful omnichannel customer experiences*



Efficient end-to-end business

*Grow **earnings ahead of sales** through higher margins from investment in Advanced Analytics and Pinnacle, and cost optimisation*



Capital allocation to drive growth

*Deliver **growth and returns** from prioritised capital management and allocation, portfolio optimisation, and new earnings streams*



One team living our purpose and values

*Attracting, retaining and developing our **talent** in line with Endeavour's ambition, Purpose and Values*



Positive and sustainable imprint

*Deliver on our **sustainability commitments** in Responsibility & Community, People, and Planet*

H1 F24 performance highlights

- **Resilient performance, with unrivalled value credentials** resonating with customers
- **Cost optimisation initiatives** and **gross margin management** drove EBIT slightly ahead of sales
- **Profit after tax impacted by higher finance costs**, in line with previous guidance
- **Strong cash generation** underpins stable dividends and capital investment program
- **Leveraging unique portfolio** and scale while executing our **diversified growth strategy**



Sales
\$6.7b +2.5%

EBIT
\$661m +2.6%

Profit after tax
\$351m -3.6%

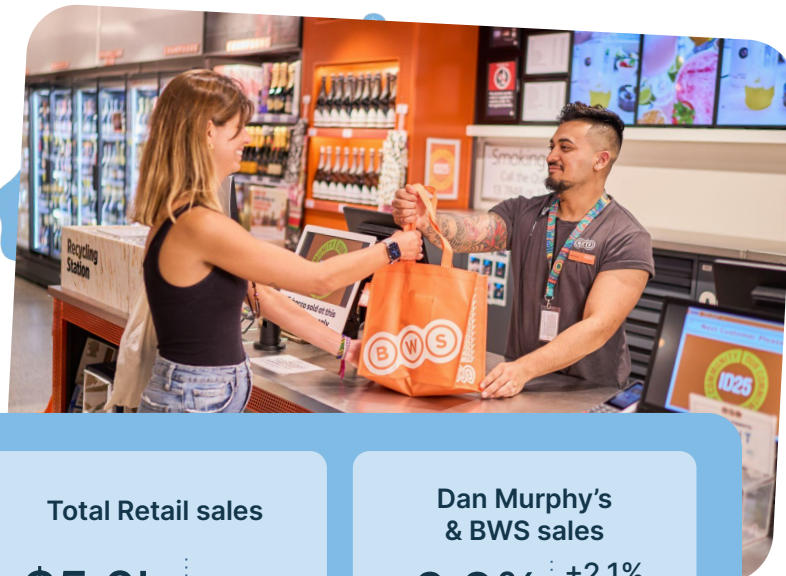
Earnings per share
19.6c -3.4%

Dividend per share
14.3c In line

Cash realisation ratio
140% 99%
H1F23

Retail highlights

- Sales growth accelerated through the half
- Focused on maintaining price leadership and delivering value
- Leading customer metrics in both Dan Murphy's and BWS
- Transactions stable, with basket value growing through positive mix and pricing
- Online sales grew 6.2%, with profitability supported by record high pick-up order mix at 50%
- Pinnacle products continue to support value and choice



Total Retail sales

\$5.6b | +2.5%

Dan Murphy's
& BWS sales

+2.9% | +2.1%
Comp

Online sales

\$515m | +6.2%

VOC/NPS

DM 80 | **BWS 75**

The destination for value, range and service

H1 F24 Highlights

LOWEST LIQUOR PRICE GUARANTEE

Invested to increase price leadership, increasing average discount versus competitors¹



Promotional planning and execution delivered strong results across the festive season



Opened four new large format stores and renewed 12 stores

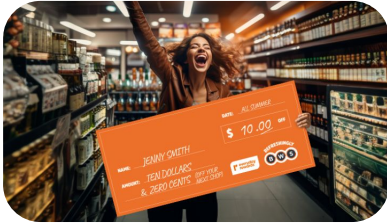


My Dan's membership program grew to a record 5.4 million active members with a scan rate at 82%

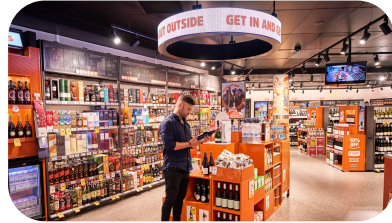


Delivering value and convenience

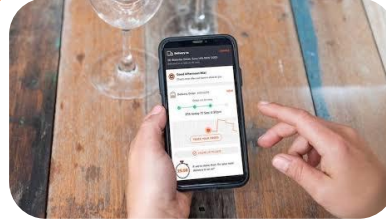
H1 F24 Highlights



Reinforcing value through 'A Win's a Win' campaign, delivering **consistent performance** across H1



Continued portfolio investment with **12 new stores (net), 31 renewals** and **29 upgrades**



BWS remains at the forefront of convenience, **expanding customer delivery options**, while improving efficiency and eCommerce returns



Highly successful brand relaunch, including activations such as the 'BWS CoolRoom', resonating strongly with GenZ adults and Millennials

Delivering products customers love

H1 F24 Highlights



7 in 10 customers chose an exclusively sourced or produced Pinnacle product, providing **provenance, quality, value and choice**



The outstanding quality of Pinnacle wine was recognised with **677 awards** including **15 trophies** and **96 gold medals** in H1



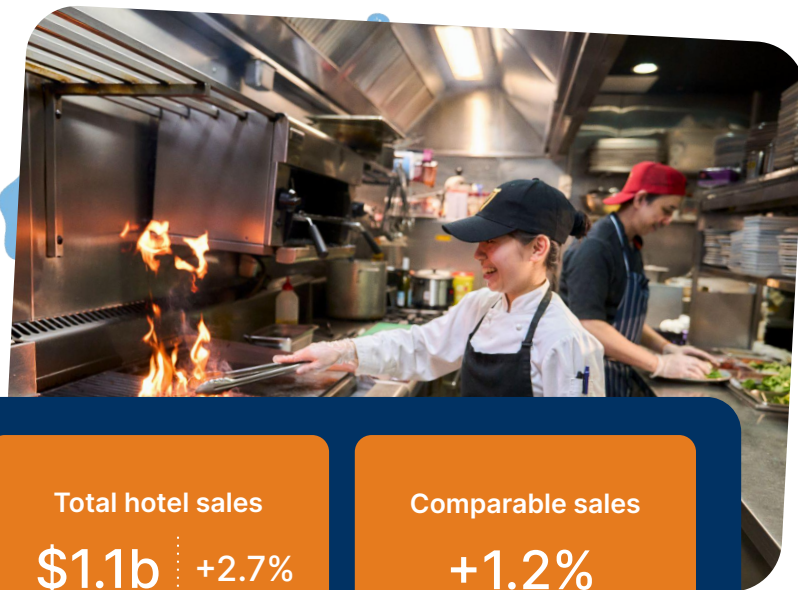
Integrated Cape Mentelle. Across the portfolio we now have **22 winemakers** and **14 viticulturalists** managing **550 hectares** of owned and leased vineyards



Upgrade of Dorrien Winery completed which will drive production efficiency and **lower grape to bottle conversion costs**

Hotels highlights

- **Sales growth** underpinned by resilient demand and an improved food and bar offer
- **Expansion in food and bar margins** offsets lower gaming mix
- **Disciplined cost management** in response to inflationary pressures
- **Investments aligned to strategy, focused on multi-driver¹ renewals** with 15 renewals completed (no acquisitions in H1)
- Continuing to progress **portfolio optimisation** strategy flagged at Investor Day



Total hotel sales
\$1.1b | +2.7%

Comparable sales
+1.2%

voc²
8.6/10 | +0.2

Number of hotels
353 | -1



Reputation for value drives strong **customer engagement** and record Christmas covers



Improved menus focused on value to customers whilst driving incremental Gross Profit margin



Group optimisation program delivered benefits through venue process optimisation and sourcing initiatives



pub+ customer app development progressed to testing, expecting to launch in H2

Group optimisation program delivering material cost savings



Retail GO

Building robust and cross-functional capabilities to drive optimisation benefits in cost savings



Optimise our supply chains



Optimise in-store processes and systems



Optimise our eCommerce and fulfilment models



Enhance store asset and facility management

Hotel GO

Building tools and processes that will help optimise Hotels operations.



Standardise and optimise in-venue processes



Leverage data to enhance Hotels operations

Group Services GO

Building our long-term strategy across key cross-functional Group services.



Category review and optimisation



Maximise Property & Network resources



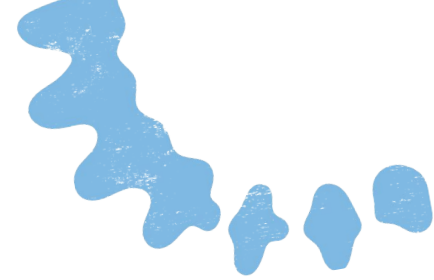
Optimise partnership value



Optimise group costs

- H1 F24 savings of \$53 million benefiting GP and CODB
- Tracking in line with target to deliver \$200m+ savings F24-F26
- Material offset to inflationary impacts

Creating our positive imprint



People

Championing individuality, human and personal rights

- **Achieved Bronze Tier status** with Australian Workplace Equality Index (AWEI), two years ahead of our target



Responsibility and Community

Advocating responsible choices and supporting positive change in our communities

- **Dedicated to responsible leadership** with 95% team members having completed our unique Leading in Responsibility training
- **10 million customers reached** with responsibility messaging through moderation campaigns
- **\$1.9 million invested in communities**, with our customers through our partnership with GIVIT, Gotcha4Life and Very Special Kids



Planet

Reducing our impact on the planet

- **Invested in renewable energy** with 170 sites with solar across the Group, and installation of electric charging stations in six Dan Murphy's stores

Committed to shareholder value creation

per our Strategy Scorecard

Revenue

Grow revenue at or above market

Earnings

Mid-to-high single digit EBIT growth

Sustainably Grow margin

Capital discipline

Cash conversion ratio of 90-110%

Expand ROFE

Financial strength

Maintain lease-adjusted leverage² of 3.0-3.5x

Shareholder returns

High single-digit EPS growth

Dividend payout ratio 70-75%

Deliver long-term
shareholder value
of 10%+ per year
from F26¹

Financial Results

Kate Beattie, CFO



H1 F24 Financial result highlights

Revenue & Earnings

\$6.7b

Sales

+2.5%

\$661m

EBIT

+2.6%

9.9%

EBIT margin

In line

\$351m

Net Profit
After tax

-3.6%

Financial strength & Capital discipline

\$914m

Operating Cash flow

H1 F23: \$643m

140%

Cash Realisation Ratio

H1 F23: 99%

11.6%

ROFE

-59 bps

3.4x

Leverage Ratio

Target 3-3.5x

Delivering for shareholders

19.6c

Earnings per share

-3.4%

14.3c

Dividend per share

In line

73.0%

Half-year dividend
payout ratio

Group Financial Performance

- **Sales and EBIT growth** in both Retail and Hotels
- **Profit after tax reduced** due to higher finance costs in line with previous guidance
- Effective tax rate of 30.9%

\$ million	H1 F24	H1 F23	CHANGE
Sales	6,667	6,502	2.5%
Retail EBIT	436	418	4.3%
Hotels EBIT	260	256	1.6%
Other EBIT (incl. corporate costs)	(35)	(30)	16.7%
Earnings before interest and tax (EBIT)	661	644	2.6%
Finance costs	(153)	(119)	28.6%
Profit before income tax	508	525	(3.2%)
Income tax expense	(157)	(161)	(2.5%)
Profit for the period (after income tax)	351	364	(3.6%)

Retail Financial Performance

- **Strong execution** underpinning Sales growth in BWS and Dan Murphy's
- **Gross profit margin** strength continued, supported by **new product development, pricing and promotion optimisation** and **supply chain savings**
- Effective **cost management** materially mitigating inflation while investing in analytics and technology
- **EBIT growth ahead of Sales**

	H1 F24	H1 F23	CHANGE
Sales (\$m)	5,583	5,446	2.5%
EBITDA (\$m)	593	568	4.4%
Depreciation and amortisation (\$m)	(157)	(150)	4.7%
EBIT (\$m)	436	418	4.3%
Gross profit margin (%)	24.6%	23.8%	+83bps
Cost of doing business (%)	16.8%	16.1%	+68bps
EBIT to sales (%)	7.8%	7.7%	+13bps
Return on average funds employed ¹ (%)	15.0%	14.9%	+10bps

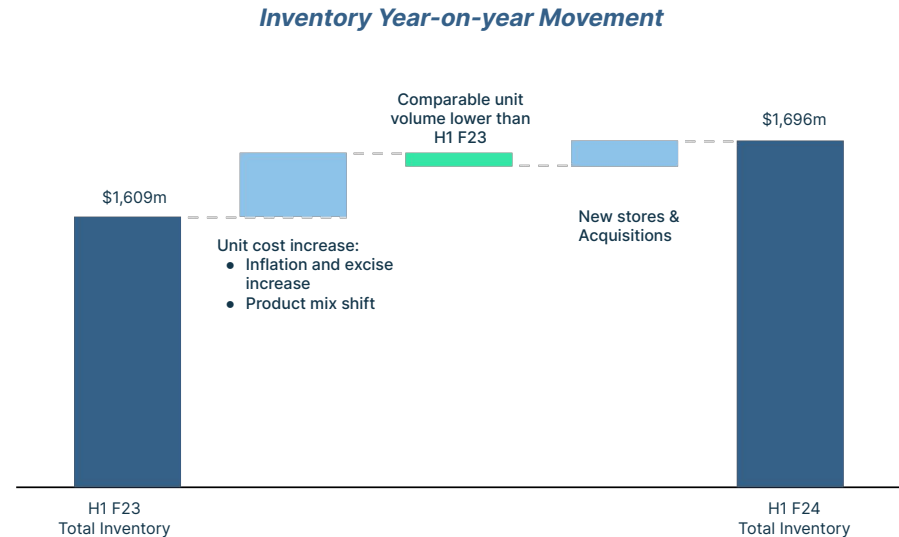
Hotels Financial performance

- Improved food and bar offering delivering **sales and margin improvement**; gaming revenue stable
- **Optimisation program** delivered in-venue cost efficiency
- **Depreciation & amortisation** uplift includes CPI indexed leases and renewal of Victorian gaming entitlements
- **Maintaining strong EBIT margin**
- **ROFE impacted by annualisation** of the renewal of Victorian Gaming Entitlements¹

	H1 F24	H1 F23	CHANGE
Sales (\$m)	1,084	1,056	2.7%
EBITDA (\$m)	404	389	3.9%
Depreciation and amortisation (\$m)	(144)	(133)	8.3%
EBIT (\$m)	260	256	1.6%
Gross profit margin (%)	84.7%	84.4%	+28bps
Cost of doing business (%)	60.8%	60.2%	+53bps
EBIT to sales (%)	24.0%	24.2%	-26bps
Return on average funds employed (%)	9.9%	11.1%	-122bps

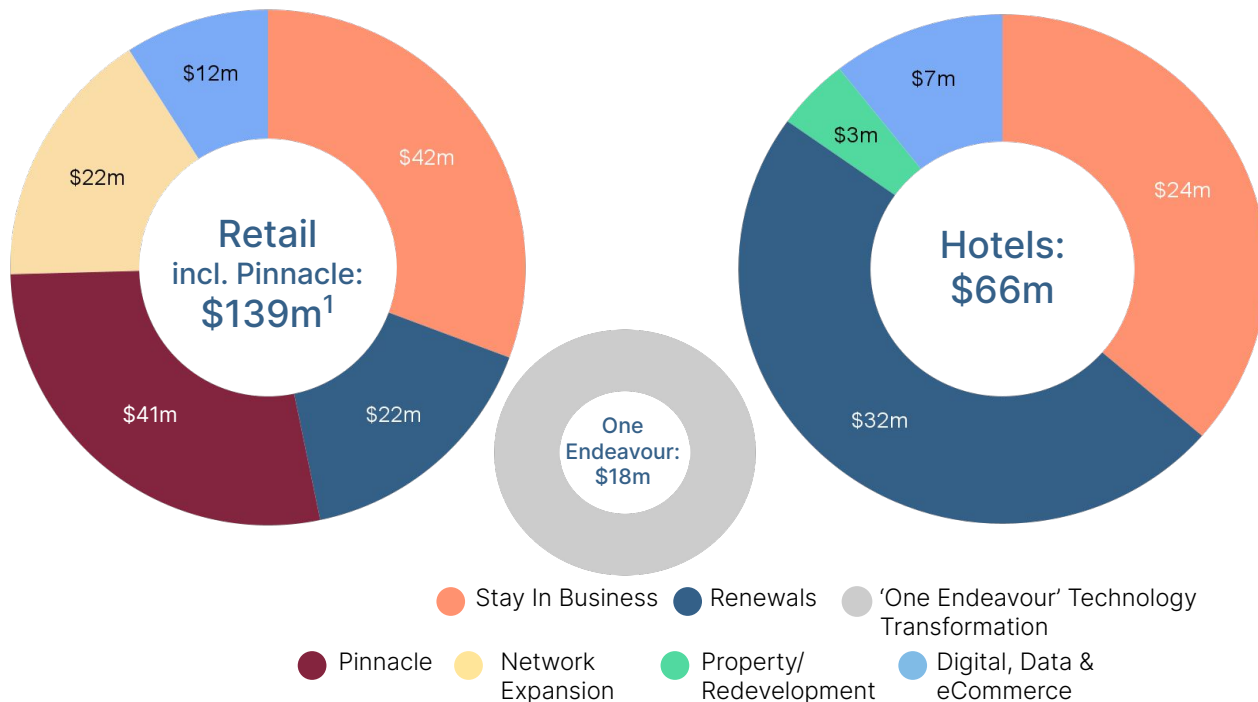
Inventory

- **Comparable unit volume lower** than H1 F23
- **Unwinding inventory build** in F23 that resulted from supply chain disruptions
- **Value increased**, due to cost of goods inflation and product mix shift to higher value categories
- **Inventory additions for new stores**, with a net +22 stores in H1 F24 versus H1 F23
- **Volume reducing further post balance date** as seasonal buffer stocks reduced and optimisation continues



Capital expenditure

- **Balanced investments in Retail**, including efficiency investment in the Pinnacle Dorrien Winery
- **Lower Hotels capex** with no acquisitions in the half and investment **focused on multi-driver renewals**
- **Full year capital expenditure** (gross) expected to be between **\$420-480 million**, in line with previous guidance



Debt Management

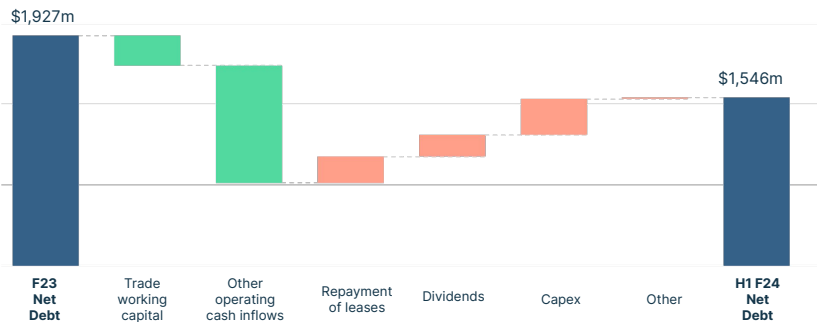
Net debt reduction in line with seasonality

- **Cash Realisation Ratio** of 140% (99% H1 F23), benefiting from non-recurrence of H1 F23 inventory and tax timing outflows
- **Net debt of \$1.5 billion**, reduced by \$381 million from end F23, largely due to seasonality
- **End of year net debt** expected to be ~\$1.9 billion, in line with F23
- **Full year Finance costs** expected to be \$300-310 million¹

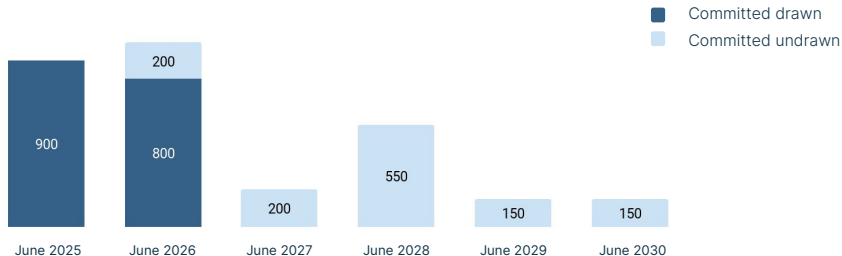
Maintaining ample flexibility

- **Leverage ratio² of 3.4x** within target range; consistent with investment grade credit metrics
- Committed **undrawn debt facilities of \$1,250 million**
- \$725 million (42%) of **drawn bank facilities hedged**
- **Debt facilities increased** by \$150 million in the half
- Weighted average debt term maturity 2.7 years
- Weighted average cost of debt of 4.8% (H1 F23: 2.8%)

Net debt



Debt maturity profile (\$ million)³



1. Previous guidance \$280-310 million; includes debt and lease interest expense

2. Leverage ratio - Net debt plus lease liabilities, divided by 12-month rolling EBITDA

3. Excludes \$209 million loan from the Victorian government for the Victorian gaming entitlements and \$20 million uncommitted drawn debt repaid in January 2024 (after balance date).

One Endeavour technology program on track

Strategic Rationale

Transition and simplify technology landscape as a foundation for growth and innovation

- > Modern, **fit-for-purpose, lower cost** technology solutions
- > One common set of systems across businesses enabling **agility, efficiency** and **automation**
- > Best in class data platform enabling **insight** and **future growth**, including AI
- > Contemporary eCommerce platform delivering **faster cheaper development** and **better customer experience**
- > We will **continue to update the market** as we progress the program

Key enabler of **Group Optimisation benefits**

Current capital capacity sufficient to support program funding

Progress update

Completed and Inflight

	F23	H1 F24	H2 F24	F25+
Spend Management	Completed			
Property Lease Management	On track			
One Team - People Systems	On track			
Unified Commerce	On track			

In Design phase

ERP - Finance (ERP)		Discovery	Design	
End-to-End Stores/Venues		Discovery	Design	

Cost estimates

Operating Costs - Retail	\$19m	\$13m		
Operating Costs - Hotel	\$7m	\$5m	\$25 - 30m	
Capital expenditure	\$15m	\$18m	\$25 - 30m	

Priorities and outlook



Outlook

- **Strong customer advocacy and our value positioning** ensure we're **well positioned to perform through the economic cycle**
- Continued focus on performance optimisation including **disciplined cost and investment management**
- **Advancing Hotel portfolio renewal** and unlocking value from our \$1bn+ freehold portfolio
- **The structural resilience of the Group, high cash generation and strong balance sheet** position us well to balance short and longer-term objectives
- We remain focused on delivering against our Strategy Scorecard, targeting **10%+ shareholder returns from F26**



First 7 weeks trading in H2 F24:

- **Retail sales**¹ +0.3% in line with prior year, reflects **a soft start in January, with February in growth** +1.5%
- **Hotels sales** +1.0%

Q&A

Steve Donohue
Chief Executive Officer

Kate Beattie
Chief Financial Officer



Appendices



Strategy scorecard


Leading customer offer and brands	Efficient end-to-end business	Capital allocation to drive growth	One team living our purpose and values	Positive and sustainable imprint	Efficient end-to-end business
<p>Drive revenue growth through meaningful omnichannel customer experiences</p> <p>Sales efficiency Grow comparable store and hotels sales</p> <p>Customer experience Improve Voice of Customer in Retail and Hotels</p> <p>Deliver customer value Sustain Dan Murphy's price leadership and leading value perception¹</p> <p>Brand health Maintain or improve NPS for BWS and Dan Murphy's</p> <p>Omnichannel engagement Grow monthly active app and web users and conversion</p> <p>Understand our customer Grow active members</p>	<p>Grow earnings ahead of sales through higher margins and CODB optimisation</p> <p>Optimisation \$290m+ savings by F23-F26 while investing for growth Maintain leading operating cost metrics</p> <p>Transformation Transition and simplify our technology landscape and business</p> <p>Sustainable margin Sustainably grow Retail, and Hotels food & bars, gross profit margins</p> <p>Advanced Analytics Implement use cases to drive price, promotion and range optimisation across Retail & Hotels</p> <p>Pinnacle investment Invest in Pinnacle to drive value and choice for customers, revenue and margin growth</p>	<p>Deliver growth and returns from prioritised capital allocation, portfolio optimisation, and new earnings streams</p> <p>Capital discipline for growth investments 15%+ return on growth capital invested</p> <p>Working capital Decrease Trade working capital days</p> <p>Portfolio optimisation Actively manage our asset and business portfolio to maximise value</p> <p>New earning streams Add new products, channels, brands or production capability</p>	<p>Attracting, retaining and developing our talent in line with our ambition, Purpose and Values</p> <p>Values and Ways of Working Maintain or improve Living our Values and Ways of Working</p> <p>Safety Reduce Total Recordable Injury Frequency Rate (TRIFR)</p> <p>Team Experience Maintain or improve Engagement</p> <p>Gender equality Maintain or improve gender pay equity (WGEA) Maintain 40:40:20 gender balance In senior management</p>	<p>Deliver on our sustainability commitments in Responsibility & Community, People, and Planet</p> <p>Culture of Responsibility and Compliance Full compliance with regulatory requirements 100% of team members complete leading in Responsibility training</p> <p>Promoting Responsibility Creating responsibility campaigns to reach 5m people per campaign Evolve and improve Player Protect</p> <p>Community engagement Increase our support of Community Partnerships and reconciliation</p> <p>Environment 100% renewable energy by 2030 Meet our targets on packaging, to improve circularity</p>	<p>Deliver long-term shareholder value of 10%+ per year from F26²</p> <p>Revenue Grow revenue at or above market</p> <p>Earnings Mid-to-high single digit EBIT growth Sustainably Grow margin</p> <p>Capital discipline Cash conversion ratio of 90-110% Expand ROFE</p> <p>Financial strength Maintain lease-adjusted leverage³ of 3.0-3.5x</p> <p>Shareholder returns High single-digit EPS growth Dividend payout ratio 70-75%</p>

Notes:

1. Price leadership based on Endeavour Group internal price index; value perception based on Ergo Liquortracker survey
2. Sum of EPS growth and dividend yield; Assuming stabilized interest rates and inflation environment
3. Net debt plus lease liabilities divided by 12-month rolling EBITDA

Capital management framework supports growth and shareholder returns

Operating cash flow (90-110% cash realisation) 

Targeting investment grade credit metrics 

Dividends
70-75%
target full-year payout ratio

Sustaining CAPEX
> Stay-in business > One Endeavour Transformation
> Renewals

Cash and balance sheet management 

Growth CAPEX > Organic and inorganic

Surplus Cash > Return to shareholders

Deliver strong shareholder value creation, targeting 

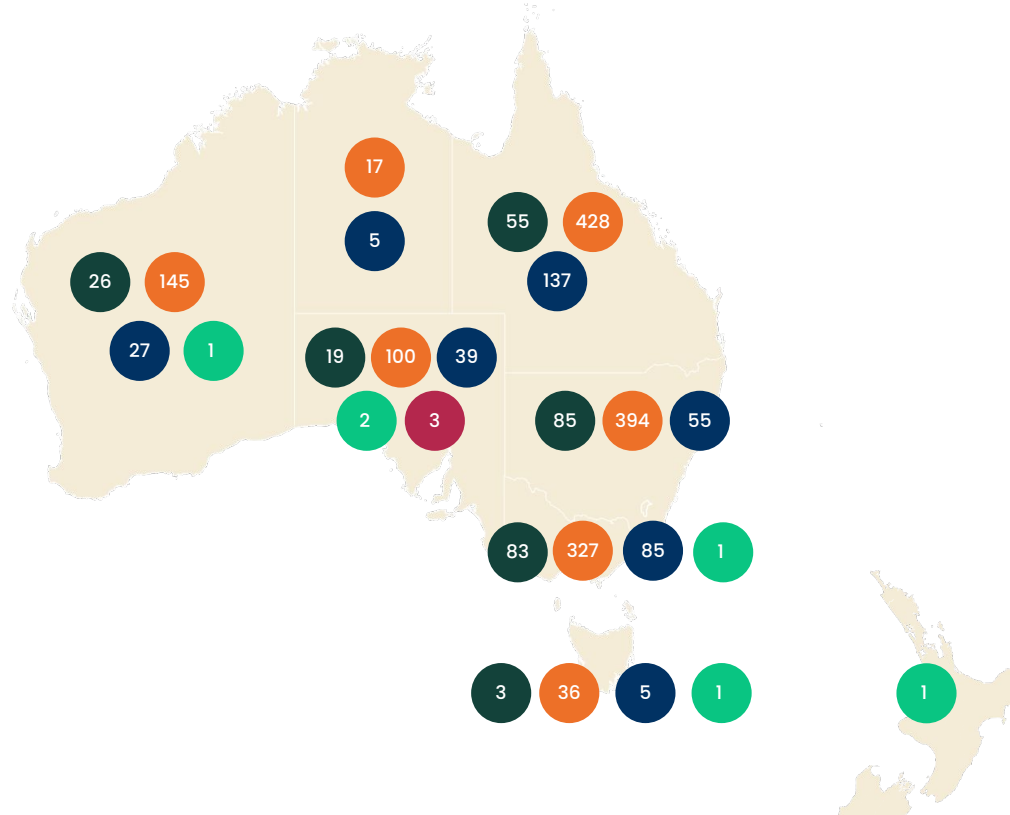
> Sales ahead of market > EBIT growth ahead of sales > Sustainable value creation

- Free cash flow deployed to dividends, capex, and debt reduction or returned to shareholders
- Growth capex return hurdles are risk weighted, with low risk investment hurdle of 15% ROI¹
- Targeting leverage of 3.0-3.5x²

Network ¹

Key:

- Dan Murphy's
- BWS
- Hotels (incl clubs)
- Wineries
- Bottling facilities



271 +5

Dan Murphy's stores²

1,447 +12

BWS stores

353 -1

Hotels (incl. managed clubs)

6
Wineries

3
Bottling facilities

Group sales composition

	H1 F24	H1 F23	CHANGE
BWS and Dan Murphy's	81.7%	81.4%	29 bps
Specialty ¹	2.1%	2.4%	-31 bps
Gaming	6.5%	6.7%	-23 bps
Bars	5.0%	4.9%	9 bps
Food	3.7%	3.6%	14 bps
Accommodation	0.7%	0.7%	0 bps
Other Hotels	0.3%	0.3%	2 bps
Total	100.0%	100.0%	

Group financial performance

\$ million	H1 F24 (27 WEEKS)	H1 F23 (27 WEEKS)	CHANGE
Sales			
Retail	5,583	5,446	2.5%
Hotels	1,084	1,056	2.7%
Total sales	6,667	6,502	2.5%
Profit for the period			
Retail EBIT	436	418	4.3%
Hotels EBIT	260	256	1.6%
Other	(35)	(30)	16.7%
Total EBIT	661	644	2.6%
Finance costs	(153)	(119)	28.6%
Profit before income tax	508	525	(3.2%)
Income tax expense	(157)	(161)	(2.5%)
Profit for the period (after income tax)	351	364	(3.6%)
EBIT Margin			
Retail EBIT margin (%)	7.8%	7.7%	+13bps
Hotels EBIT margin (%)	24.0%	24.2%	-26bps
Total EBIT margin (%)	9.9%	9.9%	+1bps

Balance sheet

\$ million	H1 F24 31 DEC 2023	F23 25 JUNE 2023	H1 F23 1 JAN 2023
Trade working capital	592	778	545
Lease assets	3,271	3,208	3,211
Property, plant and equipment	2,187	2,095	1,973
Intangible assets	4,253	4,260	4,172
Other liabilities (net)	(790)	(731)	(783)
Funds employed	9,513	9,610	9,118
Tax liabilities (net)	168	151	192
Other (assets)/liabilities (net)	(38)	(60)	(54)
Lease liabilities	3,936	3,883	3,855
Net debt	1,546	1,927	1,333
Equity	3,901	3,709	3,792
Total funding and tax	9,513	9,610	9,118
Return on funds employed (%)¹	11.6	11.8	12.2

1. ROFE is calculated as EBIT for the previous 12 months as a percentage of 13 month average adjusted funds employed, where adjusted funds employed refers to funds employed adjusted to exclude deferred taxes on indefinite life intangible assets.

Cash flow

\$ million	H1 F24 (27 WEEKS)	H1 F23 (27 WEEKS)	CHANGE
EBIT	661	644	17
Depreciation and amortisation expenses	301	283	18
Changes in trade working capital	186	(33)	219
Changes in assets and liabilities and other non-cash items	49	127	(78)
Finance costs on borrowings paid	(54)	(28)	(26)
Payment for the interest component of lease liabilities	(94)	(94)	0
Income tax paid	(135)	(256)	121
Operating cash flows	914	643	271
Payments for property, plant and equipment and intangible assets	(221)	(165)	(56)
Payments to acquire businesses, net of cash acquired	(2)	(20)	18
Repayment of lease liabilities	(163)	(147)	(16)
Dividend paid	(134)	(138)	4
Other	(10)	(6)	(4)
Free cash flow	384	167	217
Cash realisation ratio (%)	140	99	

Historical Financial Performance¹

	Pre COVID-19				COVID-19				COVID-19 unwind / Post COVID-19			
	H1 F19	H2 F19	H1 F20	H2 F20	H1 F21	H2 F21	H1 F22	H2 F22	H1 F23	H2 F23	H1 F24	
Retail												
Sales (\$M)	4,564	3,889	4,777	4,509	5,690	4,488	5,657	4,429	5,446	4,459	5,583	
EBIT	316	222	338	231	419	250	461	204	418	240	436	
EBIT Margin (%)	6.9%	5.7%	7.1%	5.1%	7.4%	5.6%	8.1%	4.6%	7.7%	5.4%	7.8%	
One Endeavour Costs							(2)	(6)	(6)	(13)	(13)	
EBIT excl. One Endeavour Costs							463	210	424	253	449	
EBIT Margin excl. One Endeavour Costs (%)							8.2%	4.7%	7.8%	5.7%	8.0%	
Hotels												
Sales (\$M)	865	775	919	401	667	750	680	831	1,056	923	1,084	
EBIT	207	144	227	-52	122	138	121	194	256	172	260	
EBIT Margin (%)	23.9%	18.6%	24.7%	-13.0%	18.3%	18.4%	17.8%	23.3%	24.2%	18.6%	24.0%	
One Endeavour Costs									(4)	(3)	(5)	
EBIT excl. One Endeavour Costs									260	175	265	
EBIT Margin excl. One Endeavour Costs (%)									24.6%	19.0%	24.4%	

Victorian gaming entitlement reconciliation

\$310m in Victorian gaming entitlements were renewed during F23, resulting in the initial recognition of a \$279 million liability owing to the Victorian Government. The balance outstanding at reporting date represents the initial value of gaming entitlements less \$73 million in prior period payments and \$28m in payments made in the current year. While available for immediate use, the entitlements will be paid off over five years.

\$m	F18 - 19	F23	F24	F25 - F27	F28 - F32	F33	Total
P&L Impact							
Depreciation and amortisation	-	(27)	(31)	(93)	(155)	(4)	(310)
Estimated Interest expense	-	(0.6)	~(9)	~(18)	~(0.2)	-	~(28)
Cash Flow Impact							
Deposit paid	(31)	-	-	-	-	-	(31)
Repayments of principal	-	(42)	(56)	(167)	(14)	-	(279)
Estimated Repayment of interest	-	(0.6)	~(9)	~(18)	~(0.2)	-	~(28)
Balance Sheet Impact							
Borrowings	-	(237)	56	167	14	-	-
Prepayments	31	(31)	-	-	-	-	-
Intangibles (licences)	-	310	-	-	-	-	310
Accumulated amortisation	-	(27)	(31)	(93)	(155)	(4)	(310)

Notes:

- \$31m p.a Depreciation and amortisation started from Aug 2022 (\$310m over 10 years). **This replaces a previous entitlement. The incremental impact to Depreciation and amortisation is ~\$14m p.a.**
- Estimated interest expense based on current interest rate (10 Year Commonwealth Bond Rate)
- \$31m prepayment made in F18-19
- First payment of the 5-year instalments started from June 2023 (\$42m). Approximately \$56m p.a. from F24 onwards, with \$28m being repaid in the first half of F24.
- Estimated interest expense based on current interest rate (10 Year Commonwealth Bond Rate)
- First payment of the 5-year instalments started from June 2023 (\$42m). Approximately \$56m p.a. from F24 onwards, with \$28m being repaid in the first half of F24.

Summary of forward looking statements



Area	Description
Group optimisation	We are targeting \$200 million of cost out initiatives across F24 - F26 to mitigate inflationary pressures and enable continued investment in line with strategy.
Effective tax rate	We expect the full year effective tax rate to be in the range of 31-32%
Finance costs	F24 ¹ Finance costs are estimated to be in the vicinity of \$300-310 million based on current interest rate levels.
Net debt	End of year net debt expected to be ~\$1.9 billion, in line with F23
ROFE	F24 Group ROFE is expected to improve back towards the F23 level of 11.8%
Capital expenditure	Capital expenditure in F24 ¹ is anticipated to be between \$420-480 million of which ~60% is sustaining capex and ~40% is to be invested in growth initiatives. This represents a reduction in capital expenditure from F23 (\$510 million), due to fewer anticipated business acquisitions.
One Endeavour	The One Endeavour technology program is expected to incur \$25-30m of operating expenditure and \$25-30m of capital expenditure in H2 F24. We will continue to update the market as we progress the program.
53 Week	F24 is a 53 week reporting period, and our H2 F24 results will include an extra week of trading.

Comparative figures

Normalised 52-week Equivalent F19 Information and Equivalent F20 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 and an Equivalent F20 period are referenced.

Normalised 52-week Equivalent F19 Information 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 transactions to other Woolworths Group controlled entities that were previously classified as intercompany (pre Demerger) and remove the impact of the 53rd week in F19 from 24 to 30 June 2019.

Equivalent F20 Financial Information relates to the results of what was previously known as Woolworths' Drinks and Hotels businesses for the full 52-week period ended 28 June 2020, rather than only after the Restructure and Merger. This information has been sourced from the data used in the F20 Woolworths Group Limited Annual Report, adjusted to exclude consolidation adjustments not applicable to Endeavour Group on a standalone basis.

Glossary

Term	Description
CAGR	Compound annual growth rate
Cash realisation ratio	Operating cash flow as a percentage of Group profit for the year after income tax but before depreciation and amortisation
Cost of doing business (CODB)	Expenses which relate to the operation of the business
eCommerce	Online channels including but not limited to store websites, apps and other digital platforms
Free cash flow	Cash flow generated by the Group after equity related financing activities including dividends and repayment of lease liabilities
Funds employed	Net assets excluding net debt, lease liabilities, other financing-related assets and liabilities and net tax balances
Gaming	Refers to the operation of Electronic Gaming Machines
My Dan's active member	My Dan's active members are the number of unique members who have transacted in the last twelve months
n.m.	Not meaningful
Net debt	Borrowings less cash and cash equivalents and excluding the impact of unamortised borrowing costs
Net Promoter Score (NPS)	A loyalty measure based on a single question where a customer rates a business on a scale of zero to ten. 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).
Online penetration	Online penetration is calculated as total online sales as a percentage of total Retail sales for the same time period
Price index	An index comparing Dan Murphy's pricing to selected competitors. Competitor product pricing information is sourced by Endeavour through a number of channels, mostly via external providers. Pricing is reviewed on a product by product basis against many different suppliers. Product comparisons are weighted by Endeavour's volume mix to create a weighted index. Higher volume lines will have a bigger impact on the index than smaller lines.
Return on Funds Employed (ROFE)	ROFE is calculated as EBIT for the previous 12 months as a percentage of 13 month average adjusted funds employed, where adjusted funds employed refers to funds employed adjusted to exclude deferred taxes on indefinite life intangible assets.
VOC NPS	VOC NPS is based on feedback from Everyday Rewards members (for BWS) or My Dan's members (for Dan Murphy's). VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below).

Disclaimers

This presentation is dated 26 February 2024 and unless stated otherwise is current as at that date.

This presentation contains summary and general information about Endeavour Group Limited and its controlled entities (together, Endeavour, the Group, or Endeavour Group), and Endeavour Group's activities as at the date of this presentation. It should be read in conjunction with Endeavour Group's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, available at www.asx.com.au. Information about Endeavour Group's financial performance is current as at the last announcement provided to the Australian Securities Exchange.

This presentation has not been audited in accordance with Australian Auditing Standards.

This presentation contains certain non-IFRS measures that Endeavour Group believes are relevant and appropriate to understanding its business. Refer to Endeavour Group's 2024 Half-year Financial Report issued on 26 February 2024 for further details. F19 information is based on a normalised 52-week equivalent in F19.

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire Endeavour Group shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of any person.

Before making an investment decision, prospective investors and investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Past performance is no guarantee of future performance.

No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, no Endeavour Group company, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence.

This presentation may contain forward-looking statements including statements regarding an intent, belief or current expectation with respect to Endeavour Group's business and operations, market conditions, results of operations and financial condition, specific provisions and risk management practices. When used in this presentation, the words 'forecast', 'target', 'estimate', 'plan', 'will', 'anticipate', 'may', 'believe', 'should', 'expect', 'intend', 'outlook', 'guidance' and similar expressions, as they relate to Endeavour Group and its management, are intended to identify forward-looking statements. Forward looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of Endeavour Group to be materially different from future results, performances or achievements expressed or implied by such statements.

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

Endeavour Group Limited ACN 159 767 843 | 26 Waterloo Street, Surry Hills, NSW, 2010