



27 August 2024

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Manager

**Coles Group Limited – 2024 Full Year Results Presentation**

Please find attached for immediate release to the market the 2024 Full Year Results Presentation for Coles Group Limited.

This announcement is authorised by the Board.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniella Pereira".

**Daniella Pereira**  
Group Company Secretary

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# 2024 Full Year Results Presentation

27 August 2024

Leah Weckert, Managing Director & Chief  
Executive Officer  
Charlie Elias, Chief Financial Officer

colesgroup



Through our partnership with Sundrop Farms and following extensive research spanning multiple European countries, Coles created the Grandma's Heirloom Tomato range.

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## Non-IFRS financial information

- This presentation contains IFRS and non-IFRS financial information.
- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.
- Non-IFRS financial information is financial information that is presented other than in accordance with relevant accounting standards and may not be directly comparable with other companies' information.
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Balance Sheet and Cash Flow information presented in this 2024 Full Year Results Presentation is consistent with the underlying information disclosed in the 2024 Annual Report.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes



# Coles wishes to acknowledge the Traditional Custodians of this land

We recognise their strength and resilience  
and pay our respects to their Elders past  
and present.

Coles extends that respect to all Aboriginal  
and Torres Strait Islander people, and  
recognises their rich cultures and their  
continuing connection to land and waters.

**coles**



## FY24 highlights

Significant progress across all strategic pillars

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Value proposition and loyalty offers resonating

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Strong eCommerce sales growth

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Costs managed, favourable loss trajectory and improvements in availability

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ADC and CFC programs reached key milestones

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Strategic investments further strengthen the core

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Team member engagement at record high



# FY24 financial highlights

**Reported Group EBIT**  
*continuing operations*

**\$2,057m**

+5.7% normalised<sup>1</sup> vs. pcp

**Reported NPAT**  
*continuing operations*

**\$1,128m**

+2.1% normalised<sup>1</sup> vs. pcp

**Operating cash flow**

**\$3,589m**

98% cash realisation

**Underlying Group EBIT<sup>2</sup>**  
*continuing operations*

**\$2,175m**

+7.3% normalised<sup>1</sup> vs. pcp

**Underlying NPAT<sup>2,3</sup>**  
*continuing operations*

**\$1,210m**

+4.1% normalised<sup>1</sup> vs. pcp

**Total dividend<sup>4</sup>**  
*declared*

**68cps**

fully franked

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Non-IFRS: Underlying adjusted for major project implementation costs in relation to the ADCs and CFCs (FY24: \$107 million; FY23: \$58 million), a provision relating to the Award covered salaried team member review (FY24: nil; FY23: \$25 million) and non-recurring expenses recorded within the Liquor division (FY24: \$11 million; FY23: nil). FY24 major project implementation costs includes \$9 million of accelerated depreciation and amortisation in relation to transition to the ADCs and CFCs; (3) Non-IFRS: Calculated underlying NPAT applies the effective income tax rate of 30.2% in FY24 (FY23: 29.1%); (4) The Coles Board has declared a fully franked final dividend of 32 cents per share with a record date of 4 September 2024 and a payment date of 25 September 2024.

# Successful execution of immediate strategic priorities

**Our vision** is to become the most trusted retailer in Australia and grow long-term shareholder value.



We are proudly **coles**



## Availability, loss and quality

- ✓ Improved availability with DIF of 96% (89% in FY23) and DIFOT of 92% (82% in FY23)<sup>1</sup>
- ✓ Rapid implementation of loss technology with 44 bps improvement in total loss in 2H24 vs pcg
- ✓ Improved quality controls in fresh; launched 'Great lengths for quality' campaign

## Delivering value

- ✓ 'Great Value, Hands Down' campaigns, every day low prices, weekly specials and promotions
- ✓ Launched >1,100 Exclusive to Coles and 244 Exclusive Liquor Brand products
- ✓ National roll out of instant \$10 off at checkout for Flybuys members

## Simplify and Save to Invest

- ✓ Achieved \$238 million of benefits
- ✓ Delivered initiatives in stores, distribution centres and eCommerce
- ✓ Remain on track to deliver >\$1 billion in cumulative savings over the next 4 years

## Customer experience

- ✓ Renewed 50 supermarkets and 97 Liquor stores
- ✓ Added new digital features for in-store and online shopping; launched Coles Plus Saver
- ✓ Online NPS improved 22%

## Transformation programs

- ✓ Redbank ADC ramp up complete and Kemps Creek ADC construction complete, outbound deliveries commenced in July
- ✓ CFC construction in VIC and NSW completed, ramp up commenced in July



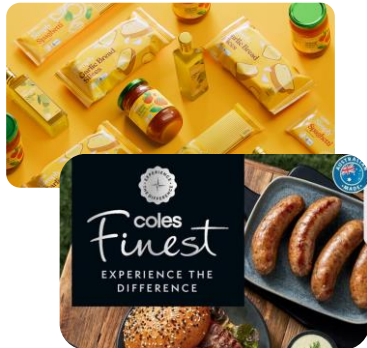


# Value proposition resonating with customers

**'Great Value, Hands Down'**  
seasonal campaigns,  
**every day low prices**  
and thousands of  
**weekly specials**



Launched  
**Coles Simply** and  
expanded **Coles Finest**,  
delivering **quality at an**  
**affordable price**



**Unlocking more value**  
and rewarding our  
customers through  
**loyalty and**  
**subscriptions**



Helping all Australians  
come together for  
**moments that matter**,  
key events and special  
occasions







# Increased focus on freshness, quality and convenience

## Freshness and Quality

Improved quality controls, faster fresher flows, increased local sourcing and launched 'Great lengths for quality' campaign



## Convenience

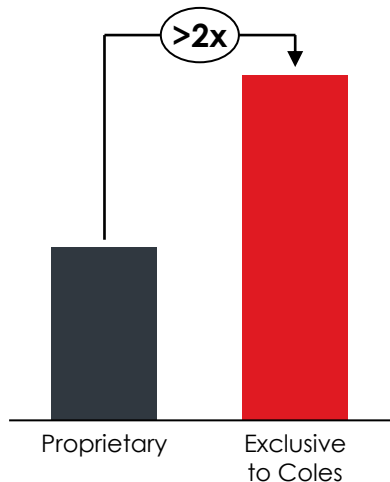
Expanded convenience offerings aimed at saving time, providing inspiration and budget friendly options for busy households





# Exclusive brand innovation

**Exclusive to Coles**  
sales grew 6.6%<sup>1</sup>



**Coles Finest** sales revenue grew 20%<sup>1</sup>,  
**Coles Simply** achieved 66% brand awareness<sup>2</sup>



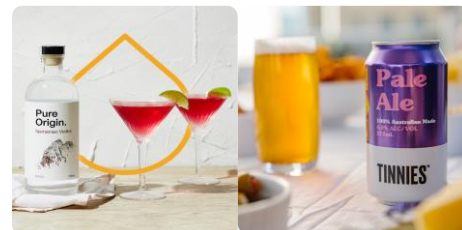
**Coles Own Brand** received 69 awards  
including 19 Product of the Year Awards



**>1,100 new Exclusive to Coles products**,  
with growth across all price tiers



**538 Exclusive Liquor Brand awards**,  
including international recognition





# Digital adoption increasing rapidly

## Digitally-powered growth

Driving sustained value through our investments in digital

### Supermarkets

**+30.1%**

Normalised<sup>1</sup>  
eCommerce sales  
growth

**9.4%**

eCommerce  
penetration

**+42.6%**

Monthly active  
app users<sup>2</sup>

### Liquor

**+9.2%**

Normalised<sup>1</sup>  
eCommerce sales  
growth

**6.2%**

eCommerce  
penetration

## Seamless customer experience and personalisation

Supporting convenient trolley-building and check-out, with greater focus on rewarding loyalty



Shop  
Similar



Bought  
Before



Shoppable  
Recipes



Integrated  
Flybys

**+22.1%**

Improvement in  
Online NPS<sup>2</sup>

## New ventures & adjacencies

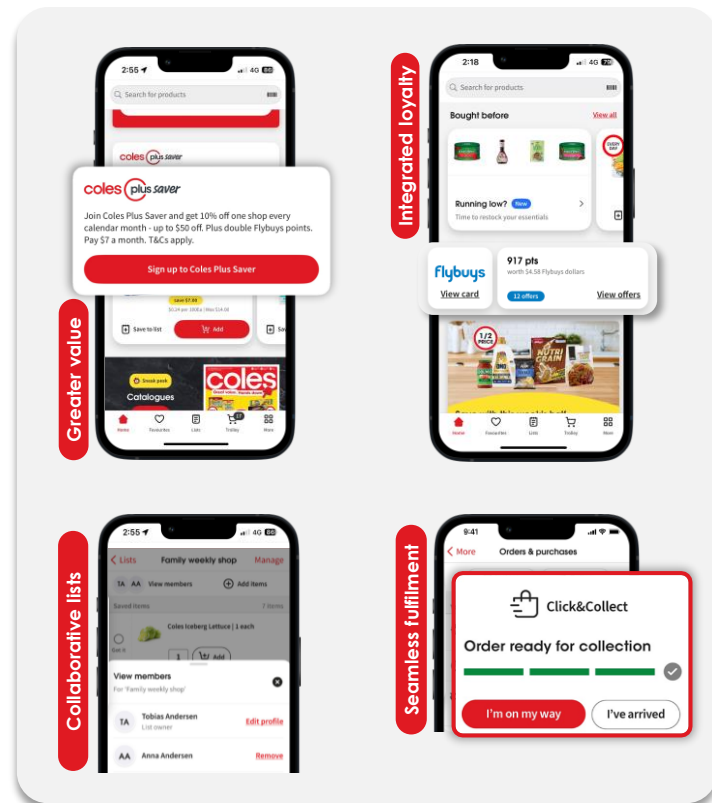
Building deeper customer relationships through innovative businesses

**swaggle**

Destination for all  
your pet needs

**QuiteLike**

Meal kit for food  
lovers





# Strong growth in Coles 360

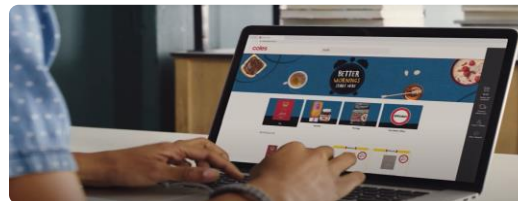
**+20.5%** increase in Coles 360 media income<sup>1</sup>

Strong advertiser demand across all digital offerings – in-store, Coles Online and offsite channels

Launched Coles 360Impact, a measurement tool providing detailed insights into campaign performance for suppliers

Expanded Coles 360 offering into Liquor, developing a range of new app and website opportunities

Continued roll out of digital screens in FY24, with total portfolio of more than 600<sup>2</sup>







# Differentiation via CFCs

## Transition and ramp up

- NSW and VIC CFCs commenced operations in July 2024
- Metropolitan Sydney and Melbourne next day home delivery orders expected to be transitioned by end of December
- FY25 implementation and transition costs expected to be ~\$70 million. Lower than expected driven by earlier opening of Truganina CFC and accelerated transition plans
- The reduction in FY25 implementation and transition costs is expected to largely offset the net additional cost of operating the CFCs in FY25<sup>1</sup>
- Depreciation and amortisation in FY25 is expected to be ~\$55 million in line with guidance

### 1 Prior to go live

- Commissioning & testing
- Recruitment & training

### 2 Transition

- ~25k SKUs (uplift on average in-store range)
- Next day home delivery orders transferred

### 3 Growth & Optimisation

- Range expansion
- Waste and mark down optimisation
- Route density
- Additional spokes
- Proposition optimisation

## Coles' eComm proposition – Anywhere, Anytime, Anyhow

🚚 Home Delivery

🛒 Click & Collect

⚡ Immediacy

Our new CFCs are designed to deliver a superior **Home Delivery** customer experience and expand network capacity



Leading perfect order rates



Improved freshness



Expanded range<sup>2</sup>



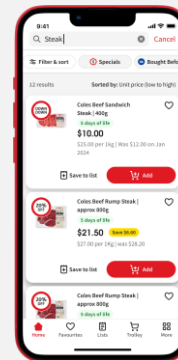
Product trial agility



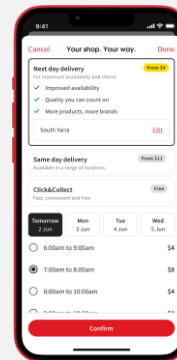
Equivalent to ~40 new supermarkets



Seamless customer experience



Days of life

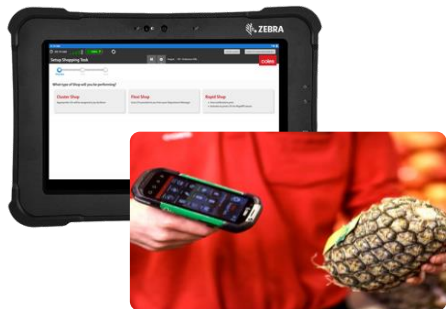


Extended slots

# Operating initiatives delivering results

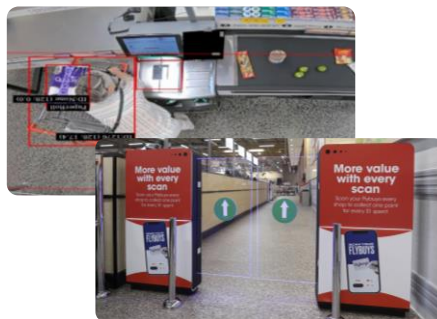
## Simplify and Save to Invest

- Delivered **\$238 million** in benefits
- Driven by an extensive range of initiatives, such as optimised pallet fills, guided stock counts, simplified meat processes and eCommerce pick efficiencies
- ~70% CODB / ~30% GP



## Loss

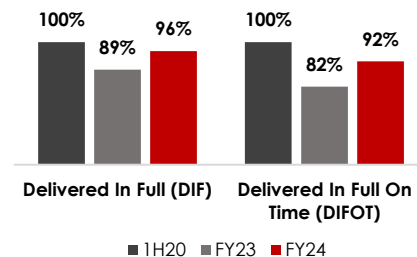
- Total loss improved **44 bps** in 2H24<sup>(1)</sup>
- Skip Scan technology in 546 stores, Smart Gates in 326 stores and Bottom of Trolley technology in 455 stores



## Availability

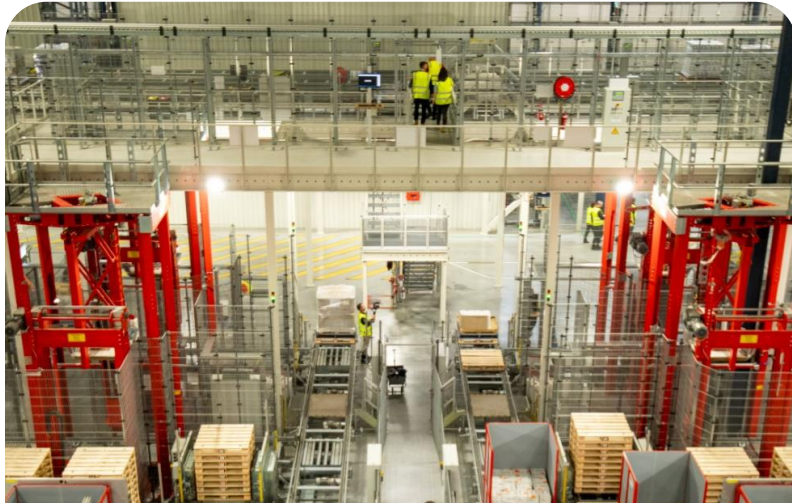
- **DIF +7pp** and **DIFOT +10pp** vs FY23
- Improved supply chain resilience (e.g. transitioned to 100% WA sourcing of all Coles Own Brand fresh beef, poultry, pork and lamb in WA stores)

Rebased to 100 in 1H20 (pre-COVID-10 levels)





# ADC program tracking to plan



## Recap of benefits



Half footprint, double capacity



Improved availability and resilience



Increased efficiency



Safer



More sustainable

**Redbank ADC (QLD)** now servicing 219 stores with ramp up completed in December. QLD supply chain costs have reduced in line with business case and availability across QLD and northern NSW stores has improved

**Kemps Creek ADC (NSW)** received first inbound deliveries in March<sup>1</sup> with first outbound in July. Ramp up expected to be completed by end of 3Q25

Expect **FY25 implementation and transition costs** to be ~\$60 million and **depreciation and amortisation** to be ~\$75 million

On track to deliver **first full year of benefits across both facilities in FY26**



# Positive progress against key sustainability targets

## Energy and emissions

- Combined Scope 1 and Scope 2 emissions reduction of 1.5% from FY23, 34.5% reduction from FY20<sup>1</sup>
- On track to meet target to source 100% renewable electricity by FY25



## Packaging

- 87.4% of Coles Own Brand and Coles Liquor Own Brand packaging was recyclable<sup>2</sup>
- Removed >500 million pieces of plastic from Coles Own Brand products since 2021



## Waste

- Diverted 86.7% of the Group's solid waste from landfill<sup>3</sup>
- 20 million kgs of food donated to SecondBite and Foodbank (equivalent to ~40 million meals)



## Sourcing and farming

- >97.5% of fresh produce, by volume, is sourced from Australian suppliers
- 100% of Coles Own Brand fresh pork, chicken, turkey, duck, beef, lamb, milk and eggs are Australian grown







# Committed to supporting our team members, community and suppliers



## Team

- 8.8% reduction in TRIFR (vs FY23)
- Highest ever *mysay* engagement score<sup>1</sup>, ranking in the top quartile<sup>2</sup>
- Ranked #1 out of 40 organisations in the Access and Inclusion Index 2023
- Gold tiered employer for third year in a row at the AWEI 2024 Australian LGBTQ+ Inclusion Awards



## Community

- \$38.5 million in community support<sup>3</sup>
- Donated equivalent of ~40 million meals to SecondBite and Foodbank
- #1 corporate giver in Australia as a percentage of profit<sup>4</sup> for the fourth consecutive year
- Launched Coles' Stretch Reconciliation Action Plan



## Suppliers

- \$34.7 billion supplier spend for products and services
- Awarded \$36 million in financial support since 2015 through Coles Nurture Fund to 107 small businesses across Australia to help Australian producers innovate and grow (including \$3.7 million in FY24)



# Investing in technology to enable rapid roll out of new capabilities

Delivered a new cloud data platform, with 90% of data available in our Cloud Data Domains

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Enhanced our master data management system

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Partnered with a leading global AI provider to drive operational improvements, including further optimising rostering and enabling more team members to receive their desired hours

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Commenced roll out of Liquor Easy Ordering, a demand forecasting and automated ordering system to improve availability

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Developed an intelligent edge backbone, facilitating loss technology and enabling rapid deployment of computer vision solutions across our stores



## Strategic investments focused on our core

### Supermarkets and supply chain

- Acquisition of two state-of-the-art milk processing facilities
- Improves security of milk supply and provides scope for future growth through product innovation



### Liquor

- Acquisition of 20 liquor stores across Tasmania
- Significantly expands Liquor footprint in Tasmania
- ~30% of Tasmanian population now have a Liquorland within a five-minute drive



# Group financial overview





# FY24 results – Group

\$m	FY24 (53 weeks)	FY23 (52 weeks)	Change	Change normalised <sup>1</sup>
<b>Group - continuing operations</b>				
Sales revenue	43,571	40,483	7.6%	5.7%
<b>EBITDA</b>				
- reported	3,659	3,382	8.2%	5.0%
- underlying <sup>2</sup>	3,768	3,465	8.7%	5.6%
<b>EBIT</b>				
- reported	2,057	1,859	10.7%	5.7%
- underlying <sup>2</sup>	2,175	1,942	12.0%	7.3%
<b>Net profit after tax</b>				
- reported	1,128	1,042	8.3%	2.1%
- underlying <sup>2</sup>	1,210	1,101	9.9%	4.1%
Basic earnings per share (cents)	84.6	78.1	8.3%	2.1%
<b>Total operations - continuing and discontinued operations<sup>3</sup></b>				
<b>Net profit after tax</b>	<b>1,118</b>	<b>1,098</b>	<b>1.8%</b>	<b>(4.0)%</b>
Basic earnings per share (cents)	83.8	82.3	1.8%	(4.0)%
Interim dividend per share (cents)	36.0	36.0	-	-
Final dividend per share (cents)	32.0	30.0	6.7%	-
<b>Total dividend per share (cents)</b>	<b>68.0</b>	<b>66.0</b>	<b>3.0%</b>	<b>-</b>

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Non-IFRS: Underlying adjusted for major project implementation costs in relation to the ADCs and CFCs (FY24: \$107 million; FY23: \$58 million), a provision relating to the Award covered salaried team member review in FY23 (FY24: nil; FY23: \$25 million) and non-recurring expenses recorded within the Liquor division (FY24: \$11 million; FY23: nil). FY24 major project implementation costs includes \$9 million of accelerated depreciation and amortisation in relation to transition to the ADCs and CFCs. Calculated underlying NPAT applies the effective income tax rate of 30.2% in FY24 (FY23: 29.1%); (3) Includes Express which was classified as a discontinued operation.

# FY24 results – Supermarkets and Liquor

## Supermarkets

\$m	FY24 (53 weeks)	FY23 (52 weeks)	Change	Change normalised <sup>1</sup>
<b>Sales revenue</b>	39,042	36,746	6.2%	4.3%
<b>EBITDA</b>				
- reported	3,487	3,157	10.5%	7.3%
- underlying <sup>2</sup>	3,585	3,240	10.6%	7.6%
<b>EBIT</b>				
- reported	2,018	1,765	14.3%	9.6%
- underlying <sup>2</sup>	2,125	1,848	15.0%	10.5%
<b>EBIT margin %</b>				
- reported	5.2	4.8	37bps	24bps
- underlying <sup>2</sup>	5.4	5.0	42bps	30bps

- Sales growth supported by investments in value and improved availability
- Exclusive to Coles range and eCommerce both delivered strong growth
- Underlying EBIT<sup>1</sup> up 10.5% (normalised) with underlying gross margin<sup>1</sup> up 50 bps (normalised), including 44 bps total loss improvement in 2H24 vs pcp, and Simplify and Save to Invest benefits helping to control costs

## Liquor

\$m	FY24 (53 weeks)	FY23 (52 weeks)	Change	Change normalised <sup>1</sup>
<b>Sales revenue</b>	3,692	3,610	2.3%	0.5%
<b>EBITDA</b>				
- reported	261	279	(6.5)%	(10.1)%
- underlying <sup>3</sup>	272	279	(2.5)%	(5.9)%
<b>EBIT</b>				
- reported	133	157	(15.3)%	(20.9)%
- underlying <sup>3</sup>	144	157	(8.3)%	(13.9)%
<b>EBIT margin %</b>				
- reported	3.6	4.3	(73)bps	(92)bps
- underlying <sup>3</sup>	3.9	4.3	(43)bps	(62)bps

- Sales impacted by reduced customer discretionary spend, and business transitioning away from bulk and affiliate sales
- eCommerce delivered sales growth of 9.2% (normalised)
- Underlying EBIT<sup>2</sup> decline of 13.9% (normalised) with 9bps increase in underlying gross margin<sup>2</sup> (normalised) more than offset by wage growth, operating leverage, IT investments and increased D&A

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Non-IFRS: Underlying adjusted for major project implementation costs in relation to the ADCs and CFCs (FY24: \$107 million; FY23: \$58 million) and a provision relating to the Award covered salaried team member review in FY23 (FY24: nil; FY23: \$25 million). FY24 major project implementation costs includes \$9 million of accelerated depreciation and amortisation in relation to transition to the ADCs and CFCs; (3) Non-IFRS: Underlying adjusted for tax adjustment relating to prior years (FY24: \$5.2 million; FY23: nil) and a write-off of capitalised IT development costs in relation to the eCommerce business (FY24: \$5.8 million; FY23: nil).

# Operating cash flow

## Cash realisation of 98%

Cash flow <sup>1</sup>		
\$m	FY24	FY23
EBIT	2,043	1,970
Depreciation and amortisation	1,602	1,558
<b>EBITDA</b>	<b>3,645</b>	<b>3,528</b>
Change in working capital <sup>2</sup>	(91)	6
Change in provisions and other <sup>2</sup>	35	70
<b>Operating cash flow (excl. interest and tax)</b>	<b>3,589</b>	<b>3,604</b>
<b>Cash realisation<sup>3</sup></b>	<b>98%</b>	<b>102%</b>

## Comments

- **Cash realisation** declined to 98% with the timing of year end having an impact on working capital and cash flow conversion
- **Working capital** movement reflects increase in inventories to support availability, partially offset by lower receivables and increased payables driven by timing of year end payments
- Movement in **provisions and other** includes higher employee benefits provisions and major project implementation costs

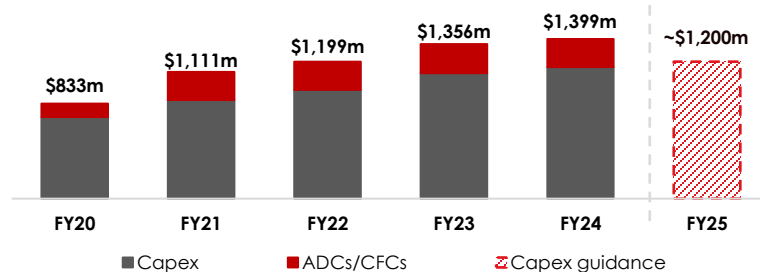
# Capital expenditure

## Capital expenditure breakdown

\$m	FY24	FY23
Store renewals	383	276
Growth initiatives	247	360
Efficiency initiatives	492	413
Maintenance	277	307
<b>Operating capital expenditure</b>	<b>1,399</b>	<b>1,356</b>
Property acquisitions and development	275	176
Property divestments	(256)	(248)
<b>Net property capital expenditure</b>	<b>19</b>	<b>(72)</b>
<b>Net capital expenditure</b>	<b>1,418</b>	<b>1,284</b>

## Key capital expenditure initiatives

<b>Store renewals</b>	<ul style="list-style-type: none"> <li>Store renewals across Supermarkets (50) and Liquor (97) including 89 Black &amp; White Liquorland renewals</li> </ul>
<b>Growth initiatives</b>	<ul style="list-style-type: none"> <li>New stores across Supermarkets (12) and Liquor (45)<sup>1</sup></li> <li>Investment in automated CFCs and other eCommerce initiatives</li> </ul>
<b>Efficiency initiatives</b>	<ul style="list-style-type: none"> <li>Investments in ADCs, stock loss initiatives, store front-end initiatives and Liquor ERP solution</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Refrigeration and electrical replacement programs</li> <li>Lifecycle replacement of store and technology assets</li> </ul>
<b>Property</b>	<ul style="list-style-type: none"> <li>FY24 net property expense of \$19 million</li> </ul>
<b>Outlook</b>	<ul style="list-style-type: none"> <li>FY25 operating capital expenditure expected to be approximately \$1.2 billion</li> </ul>





# Balance sheet

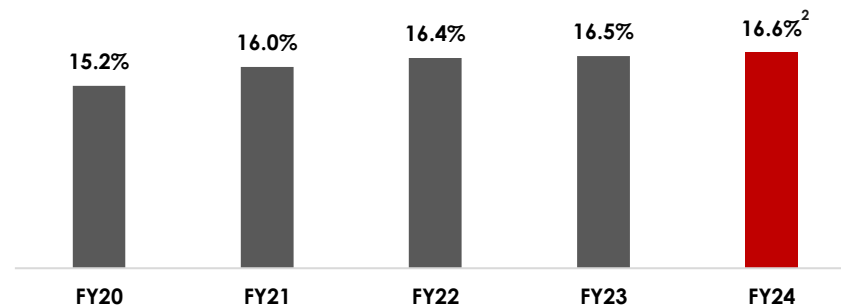
## Balance sheet summary

\$m	30 Jun 2024	31 Dec 2023	25 Jun 2023
Working capital	(1,385)	(1,599)	(1,506)
Property, plant and equipment	5,619	5,252	4,985
Right-of-use assets	7,048	6,363	6,507
Other assets and liabilities	1,085	1,143	996
<b>Capital employed</b>	<b>12,367</b>	<b>11,159</b>	<b>10,982</b>
Cash and cash equivalents	675	1,092	597
Interest bearing liabilities	(1,652)	(1,666)	(1,118)
Lease liabilities	(8,417)	(7,725)	(7,849)
Net tax balances	644	677	744
<b>Total net assets</b>	<b>3,617</b>	<b>3,537</b>	<b>3,356</b>

## Comments

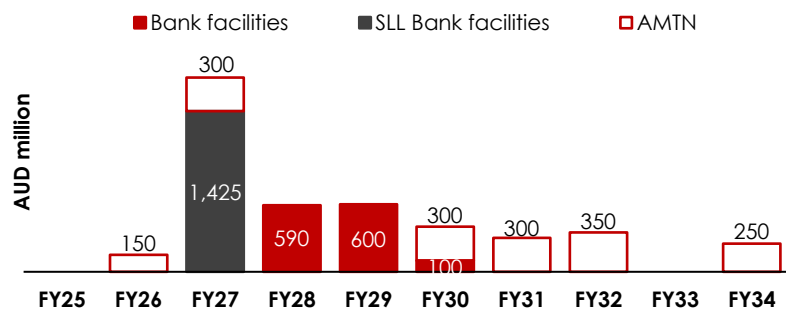
- **Working capital** increased by \$121 million driven by an increase in inventories to support availability, as well as the impact from inflation on the cost of goods
- **Property, plant and equipment** increased by \$634 million due to increased capital expenditure, partly offset by depreciation and property divestments
- **Right-of-use assets** increased by \$541 million and **lease liabilities** increased by \$568 million driven by lease asset additions and remeasurements, including recognition of the leases in relation to the Kemps Creek ADC and two CFCs

## Return on capital<sup>1</sup>

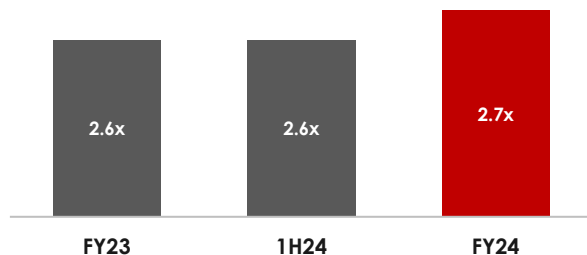


# Funding and dividends

## Debt facility maturity profile (\$m)



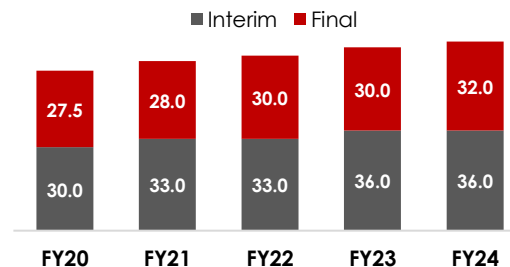
## Leverage ratio<sup>2</sup>



## Comments

- **Net debt** (excluding lease liabilities) of \$1,501 million increased by \$469 million with Coles having issued A\$600 million medium term notes (A\$350 million 7 years; A\$250m 10 years) with proceeds used for general corporate purposes
- Fully franked FY24 **final dividend of 32 cents per share**; FY24 **total dividend of 68 cents per share**
- Weighted average drawn **debt maturity** of 5.5 years
- **Undrawn facilities** of \$2.4 billion<sup>1</sup>

## Dividend (cps)



## Ratings

MOODY'S

**Baa1**

S&P Global  
Ratings

**BBB+**

# Supermarkets





# Supermarkets – key metrics<sup>1</sup>

Total sales revenue

**\$39.0bn**

6.2% vs. pcp  
4.3% normalised

eCommerce sales growth<sup>2</sup>

**30.1%**

normalised vs. pcp

Exclusive to Coles  
sales revenue growth

**6.6%**

normalised vs. pcp

Exclusive to Coles

**1,100+**

products launched in FY24

Reported EBIT

**\$2,018m**

14.3% vs. pcp  
9.6% normalised

Underlying EBIT<sup>3</sup>

**\$2,125m**

15.0% vs. pcp  
10.5% normalised

Reported EBIT  
margin

**5.2%**

37bps vs. pcp  
24bps normalised

Underlying EBIT<sup>3</sup>  
margin

**5.4%**

42bps vs. pcp  
30bps normalised

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) eCommerce sales and penetration are based on gross retail sales and include liquor sold through coles.com.au and exclude gift cards sold online; (3) Non-IFRS: Underlying adjusted for major project implementation costs in relation to the ADCs and CFCs (FY24: \$107 million; FY23: \$58 million) and a provision relating to the Award covered salaried team member review in FY23 (FY24: nil; FY23: \$25 million). FY24 major project implementation costs includes \$9 million of accelerated depreciation and amortisation in relation to transition to the ADCs and CFCs.





# Supermarkets – FY24 results

Strong performance underpinned by value, availability and eCommerce growth

\$m	FY24 (53 weeks)	FY23 (52 weeks)	Change	Change normalised <sup>1</sup>
<b>Key P&amp;L items</b>				
Sales revenue	39,042	36,746	6.2%	4.3%
EBITDA – reported	3,487	3,157	10.5%	7.3%
EBITDA – underlying <sup>2</sup>	3,585	3,240	10.6%	7.6%
EBIT – reported	2,018	1,765	14.3%	9.6%
EBIT – underlying <sup>2</sup>	2,125	1,848	15.0%	10.5%
<b>Rate to Sales metrics</b>				
Gross margin – underlying <sup>2</sup> (%)	26.9	26.4	51bps	50bps
CODB – underlying <sup>2</sup> (%)	(21.5)	(21.4)	9bps	20bps
EBIT margin – underlying <sup>2</sup> (%)	5.4	5.0	42bps	30bps
<b>Key metrics (non-IFRS)</b>				
Sales growth excl. tobacco – normalised (%)	5.7	7.4	n/a	(163)bps
Gross retail sales growth <sup>3</sup> – normalised (%)	4.2	6.6	n/a	(245)bps
Comparable sales growth – normalised (%)	3.4	5.8	n/a	(240)bps
eCommerce sales <sup>4</sup> (\$bn)	3.7	2.8	32.1%	30.1%
eCommerce penetration <sup>4</sup> (%)	9.4	7.5	186bps	n/a
Price inflation (%)	2.5	6.7	n/m	n/a
Price inflation excl. tobacco (%)	2.2	6.9	n/m	n/a
Price inflation excl. tobacco and fresh (%)	3.4	7.6	n/m	n/a

n/m denotes not meaningful.

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) Non-IFRS: Underlying adjusted for major project implementation costs in relation to the ADCs and CFCs (FY24: \$107 million; FY23: \$58 million) and a provision relating to the Award covered salaried team member review in FY23 (FY24: nil; FY23: \$25 million). FY24 major project implementation costs includes \$9 million of accelerated depreciation and amortisation in relation to transition to the ADCs and CFCs; (3) Gross retail sales are comprised of retail sales on a gross basis before adjusting for concession sales and the cost of Flybuys scheme points; (4) eCommerce sales and penetration are based on gross retail sales and include liquor sold through coles.com.au and exclude gift cards sold online; (5) Payment to team members, in the form of gift cards, following the successful vote in favour of the Coles Retail Enterprise Agreement 2024.

## Key commentary

- Sales growth driven by positive customer response to value campaigns, well executed trade events, strong growth in eCommerce and improvements in availability. Excluding tobacco, sales revenue increased by 5.7% (normalised)
- Q4 inflation moderated slightly to 1.5% (Q3: 2.2%) while inflation excluding tobacco and fresh was 1.1% (Q3: 2.9%)
- eCommerce sales<sup>4</sup> increased by 30.1% (normalised) with penetration at 9.4% and Coles 360 media income increased by 20.5%
- On a normalised basis, reported gross margin increased 49 bps and underlying gross margin<sup>2</sup> increased 50 bps, supported by lower tobacco sales, growth in Coles 360, range and promotional optimisation and Simplify and Save to Invest benefits. The second half also benefitted from a 44bps improvement in total loss vs 2H23
- On a normalised basis, reported CODB % increased 25 bps and underlying CODB<sup>2</sup> % increased 20 bps. Simplify and Save to Invest benefits and increased operating leverage largely offset wage and other inflationary cost impacts. Underlying CODB % excluding depreciation and amortisation and a one-off \$20 million payment to team members<sup>5</sup>, remained broadly flat on a normalised basis

# Liquor



## Liquor – key metrics<sup>1</sup>

Total sales revenue

**\$3.7bn**

2.3% vs. pcp  
0.5% normalised

eCommerce sales growth<sup>2</sup>

**9.2%**

normalised vs. pcp

Reported EBIT

**\$133m**

(15.3)% vs. pcp  
(20.9)% normalised

Underlying EBIT<sup>3</sup>

**\$144m**

(8.3)% vs. pcp  
(13.9)% normalised

Exclusive Liquor Brand

**538**

awards received in FY24

Exclusive Liquor Brand

**244**

lines added in FY24

Liquor store renewals

**97**

completed in FY24

**Notes:** (1) FY24 is a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes; (2) eCommerce gross retail sales growth excludes liquor sold through coles.com.au which is reported in Supermarkets' eCommerce sales, and B2B sales; (3) Non-IFRS: Underlying adjusted for tax adjustment relating to prior years (FY24: \$5.2 million; FY23: nil) and a write-off of capitalised IT development costs in relation to the eCommerce business (FY24: \$5.8 million; FY23: nil).

# Liquor – FY24 results

## Growth impacted by reduced discretionary spend and operating leverage

\$m	FY24 (53 weeks)	FY23 (52 weeks)	Change	Change normalised <sup>1</sup>
<b>Key P&amp;L items</b>				
Sales revenue	3,692	3,610	2.3%	0.5%
EBITDA - reported	261	279	(6.5)%	(10.1)%
EBITDA – underlying <sup>2</sup>	272	279	(2.5)%	(5.9)%
EBIT – reported	133	157	(15.3)%	(20.9)%
EBIT – underlying <sup>2</sup>	144	157	(8.3)%	(13.9)%
<b>Rate to Sales metrics</b>				
Gross margin – underlying <sup>2</sup> (%)	23.4	23.4	8bps	9bps
CODB – underlying <sup>2</sup> (%)	(19.5)	(19.0)	51bps	71bps
EBIT margin – underlying <sup>2</sup> (%)	3.9	4.3	(43)bps	(62)bps
<b>Key metrics (non-IFRS)</b>				
Gross retail sales growth – normalised <sup>3</sup> (%)	0.5	(0.2)	n/a	71bps
Comparable sales growth – normalised (%)	(1.0)	(0.7)	n/a	(27)bps
eCommerce sales <sup>4</sup> (\$m)	225	203	10.8%	9.2%
eCommerce penetration <sup>4</sup> (%)	6.2	5.7	50bps	n/a

n/m denotes not meaningful.

## Key commentary

- Sales revenue impacted by customers reducing discretionary spend due to economic pressures, coupled with the business transitioning away from less profitable bulk sales and adjusting promotional mix across third party eCommerce channels ("affiliate" sales)
- Sales trajectory improved in Q4, declining by (0.4)% (normalised) compared to (1.9)% in Q3
- eCommerce sales<sup>4</sup> increased by 9.2% (normalised) with penetration at 6.2% (7.3% including Coles Online)
- On a normalised basis, reported and underlying gross margin increased by 9 bps benefitting from promotional optimisation and less bulk and affiliate sales, partly offset by increased cost of on-demand third party commissions
- On a normalised basis, reported CODB % increased by 101 bps largely driven by wage growth, fixed cost leverage, investments in core IT systems and increased depreciation and amortisation in relation to new stores and renewals. A tax adjustment of \$5.2 million relating to prior years and a \$5.8 million write-off of capitalised eCommerce IT development costs were also incurred. Excluding these non-recurring costs, underlying CODB<sup>2</sup> % increased by 71 bps on a normalised basis



# Outlook



# Outlook

*This is an important year for the business as we ramp up our second ADC and transition our metropolitan Sydney and Melbourne next day home delivery orders to our two automated CFCs and we are optimistic for the customer benefits that we expect these to deliver.*

*At the same time, we are continuing to address the impacts of loss through our technology initiatives and maintaining a strong focus on costs as part of our Simplify and Save to Invest program.*

<p><b>Supermarkets</b></p>	<ul style="list-style-type: none"> <li>• In the first eight weeks of FY25, sales revenue grew by 3.7%<sup>1</sup> with positive volume growth and increasing momentum as the quarter progressed driven by value and Winter of Sports campaigns</li> <li>• Continue to see signs of customers shifting from out of home dining with our Coles Finest range and convenience meals remaining higher growth categories</li> <li>• Expect to open ~8 new stores, close ~5 stores and renew ~50 stores</li> </ul>
<p><b>Liquor</b></p>	<ul style="list-style-type: none"> <li>• In the first eight weeks of FY25, sales revenue declined by 1.4%<sup>1</sup>. The CrowdStrike outage in July impacted the period given the number of liquor stores that were unable to trade during the outage. Excluding the impact of CrowdStrike, sales revenue declined by 0.3%<sup>1</sup></li> <li>• The overall Liquor market remains challenging and sales continue to be impacted by the transition away from less profitable bulk and affiliate sales</li> <li>• Focus remains on providing value to customers as well as delivering growth from the recently acquired Tasmanian liquor stores and ensuring the cost base is aligned to the current market environment</li> <li>• Expect to open ~13 new stores, close ~10 stores and renew ~60 stores</li> </ul>
<p><b>Operating capex</b></p>	<ul style="list-style-type: none"> <li>• Expected to be ~\$1.2 billion with continued disciplined investments in renewals and new stores, and digital and technology assets</li> </ul>
<p><b>Depreciation &amp; Amortisation and Financing costs</b></p>	<ul style="list-style-type: none"> <li>• Depreciation and amortisation expected to increase reflecting recent capital investment spend coupled with a step up in right of use lease depreciation. Financing costs also expected to increase reflecting a full year of interest on the \$600 million medium term note issuance and increased interest on lease liabilities, which include the ADCs and CFCs</li> </ul>
<p><b>Coles Group CEO, Leah Weckert:</b></p>	<p>"As we look ahead, we are well positioned to deliver on our strategic priorities. With our Kemps Creek ADC ramping up and our two automated CFCs in the process of transitioning orders from stores, we look forward to unlocking the full benefits of our transformation investments, including delivering further improvements in availability and efficiency through our ADCs and delivering a world-class customer experience for online orders. With ongoing cost-of-living pressures, we will also continue responding to the needs of our customers with a focus on value through every day low prices, promotions, Flybuys and Coles Own Brand."</p>

# Appendix



# FY24 results – segment financials

\$m	FY24 (53 weeks)	FY23 (52 weeks)	Change	Change normalised
<b>Sales revenue</b>				
Supermarkets	39,042	36,746	6.2%	4.3%
Liquor	3,692	3,610	2.3%	0.5%
Other	837	127	n/m	n/m
<b>Sales revenue – continuing operations</b>	<b>43,571</b>	<b>40,483</b>	<b>7.6%</b>	<b>5.7%</b>
Express – discontinued operations	-	988	n/m	n/m
<b>Total Group sales revenue</b>	<b>43,571</b>	<b>41,471</b>	<b>5.1%</b>	<b>3.2%</b>
<b>EBITDA</b>				
Supermarkets	3,487	3,157	10.5%	7.3%
Liquor	261	279	(6.5)%	(10.1)%
Other	(89)	(54)	64.8%	64.8%
<b>EBITDA – continuing operations</b>	<b>3,659</b>	<b>3,382</b>	<b>8.2%</b>	<b>5.0%</b>
Express – discontinued operations	(14)	146	n/m	n/m
<b>Total Group EBITDA</b>	<b>3,645</b>	<b>3,528</b>	<b>3.3%</b>	<b>0.2%</b>
<b>EBIT</b>				
Supermarkets	2,018	1,765	14.3%	9.6%
Liquor	133	157	(15.3)%	(20.9)%
Other	(94)	(63)	49.2%	49.2%
<b>EBIT – continuing operations</b>	<b>2,057</b>	<b>1,859</b>	<b>10.7%</b>	<b>5.7%</b>
Express – discontinued operations	(14)	111	n/m	n/m
<b>Total Group EBIT</b>	<b>2,043</b>	<b>1,970</b>	<b>3.7%</b>	<b>(1.0)%</b>

n/m denotes not meaningful.



## Q&A

