



26 August 2025

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Manager

**Coles Group Limited – 2025 Full Year Results Release**

Please find attached for immediate release to the market the 2025 Full Year Results Release 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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# Results Release

colesgroup

26 August 2025

## 2025 Full Year Results Release

(52 WEEKS TO 29 JUNE 2025)

**Strategic investments and the customer offer  
deliver strong Supermarkets earnings growth**

Group sales revenue	Group EBITDA continuing ops, excl. SI <sup>1</sup>	Group EBIT continuing ops, excl. SI <sup>1</sup>	NPAT	Final dividend
<b>\$44,352m</b> +3.6% normalised <sup>2</sup>	Reported <b>\$3,941m</b> +11.0% normalised <sup>2</sup>  Underlying <sup>3</sup> <b>\$4,052m</b> +10.7% normalised <sup>2</sup>	Reported <b>\$2,112m</b> +7.5% normalised <sup>2</sup>  Underlying <sup>3</sup> <b>\$2,223m</b> +6.8% normalised <sup>2</sup>	Reported <b>\$1,079m</b> +2.4% normalised <sup>2</sup>  Underlying & excl. SI <sup>1, 3, 4</sup> <b>\$1,181m</b> +3.1% normalised <sup>2</sup>	<b>32 cps</b> fully franked

Note: FY24 was a 53 week year for reporting purposes. Normalised growth rates quoted throughout this release remove the impact of the 53rd week in FY24 for comparability purposes and are non-IFRS.

### Key highlights:

- **Focus on value, quality, availability and customer experience delivered volume-led Supermarkets sales growth** of 4.3% and sales growth ex-tobacco of 5.7% (normalised)
- **Customer satisfaction scores increased** for both Supermarkets and Liquor
- **Strong eCommerce sales growth** of 24.4% in Supermarkets and 7.2% in Liquor (normalised)
- **Major transformation projects fully transitioned and delivering results** across our supply chain and eCommerce offer
- **Simplify and Save to Invest program delivered \$327 million<sup>5</sup> of benefits** and on track to deliver \$1 billion<sup>5</sup> over the four year program
- **Commenced Liquorland banner simplification** following successful pilot in SA, VIC and QLD
- **Achieved highest ever team member engagement score**, placing Coles in the top quartile<sup>6</sup>

<sup>1</sup> SI refers to Significant Items. Significant items of \$35 million (pre-tax) were recorded during the period relating to future closure and site reconfiguration costs following the announced development of a new Victorian ADC.

<sup>2</sup> FY24 was 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.

<sup>3</sup> Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million) as well as non-recurring expenses recorded within the Liquor division (FY25: \$8 million; FY24: \$11 million). Calculated underlying NPAT applies the effective income tax rate of 29.8% in FY25 (FY24: 30.2%).

<sup>4</sup> Continuing operations.

<sup>5</sup> Excludes benefits from ADC program.

<sup>6</sup> Based on results of our May 2025 mysay team member engagement survey (69% participation).

### Statement from Coles Group CEO, Leah Weckert

"In FY25 we maintained a consistent focus on our strategic priorities. We were clear that value, quality and availability remained important to our customers. In addition, continuing to manage loss and delivering on our Simplify and Save to Invest commitments remained key to achieving our financial objectives. We made good progress in each of these areas resulting in increased customer satisfaction scores and earnings growth. At the same time, we delivered several major milestones in our capital investment program, including the launch of our Kemps Creek ADC and two CFCs, and these investments are already delivering results.

Pleasingly, we also achieved our highest ever team member engagement score. Our more than 115,000 team members are critical to the success of Coles. They often go above and beyond to support our customers and serve our local communities. We are proud of the work they have done this year, particularly in responding to events including Cyclone Alfred and the severe floods which impacted communities in Far North Queensland and Northern New South Wales, and I would again like to acknowledge their efforts."



# Strategic highlights

## Destination for food and drink

- Delivered value through seasonal 'Great Value, Hands Down' campaigns in Supermarkets and 'Price Match Promise' in Liquor
- Launched 970 Exclusive to Coles products, with Coles Finest revenue growth of 13.6% (normalised), and launched 196 Exclusive Liquor Brand products
- Increased Flybuys active members by 4.4% to 9.9 million with a 13.3% increase in customers redeeming Flybuys points through Coles supermarkets
- Commenced range reviews across key non-food categories, improving value perception, range and product positioning with positive early results
- Launched 'Simply Liquorland' with 52 Vintage Cellars and First Choice Liquor Market stores converted to the Liquorland brand by year end

## Accelerated by digital

- Delivered Supermarkets eCommerce sales growth of 24.4% and Liquor eCommerce sales growth of 7.2% (normalised)
- Completed transition of next day home delivery volumes to CFCs in Melbourne and Sydney catchment areas with CFC fulfilled sales outpacing total Supermarkets eCommerce sales growth
- Achieved a significant uplift in online NPS driven by improved availability, fulfilment and overall digital customer experience
- Enhanced omnichannel experience through web and App, including more tailored specials and simplified checkout
- Increased Coles 360 retail media income by 13.5% (normalised)

## Delivered consistently for the future

- Delivered Simplify and Save to Invest benefits of \$327 million and improved total loss rate by 25 basis points
- Completed ramp up of Kemps Creek ADC and commenced construction of new ADC in Truganina, Victoria
- Implemented Liquor Easy Ordering in more than 700 stores, improving availability and reducing gaps in store
- Completed 60 renewals and opened eight new stores in Supermarkets, and 118 renewals<sup>7</sup> and 16 new stores in Liquor
- Reduced combined Scope 1 and 2 emissions by 71.4% from FY24 (81.3% reduction from FY20 baseline year)<sup>8</sup>

## Win Together

- Achieved highest ever team member engagement score in the *mysay* survey, placing Coles in the top quartile relative to the Australian benchmark<sup>9</sup>
- Progressed our Diversity and Inclusion Strategy with 42.7% women in leadership roles<sup>10</sup>, 3.5% of team members identifying as Aboriginal or Torres Strait Islander<sup>9</sup> and awarded Platinum employer status at the 2025 Australian Workplace Equality Index LGBTQ+ Inclusion Awards
- Awarded \$3.5 million in grants through the Coles Nurture Fund to support 11 small and medium sized Australian businesses to drive innovation and sustainability
- Contributed \$40.2 million in community support<sup>11</sup> and donated equivalent of 39.1 million meals to SecondBite and Foodbank

<sup>7</sup> Inclusive of 'Simply Liquorland' conversions.

<sup>8</sup> FY25 Scope 1 and Scope 2 emissions include one month of estimated data (based on meter data or weighted averages of actuals) and 11 months of actual data and is calculated on a Scope 2 market based methodology using large-scale generation certificates. Coles has not relied on the use of carbon offsets for the achievement of our Scope 1 and 2 emissions reduction.

<sup>9</sup> Based on results of our May 2025 *mysay* team member engagement survey (69% participation). Benchmarked by Culture Amp against Australian companies with more than 5,000 team members. The top quartile benchmarks cover the period January – December 2024.

<sup>10</sup> Leadership positions are comprised of the Executive Leadership Team, general managers, team members pay grade eight and above and supermarket store managers. Pay grade eight and above includes middle managers and specialist roles.

<sup>11</sup> Includes Coles' direct contributions (cash and products), time and management costs as well as fundraising from customers, suppliers and team members (leverage). In-kind donations to SecondBite and Foodbank, valued at \$109.2m, are not included in this number. Coles' community support is aligned to the Business for Societal Impact (B4SI) Framework.

# Group performance overview

GROUP SALES REVENUE (\$m)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED (52 WEEKS)
Supermarkets	39,987	39,042	2.4%	4.3%
Liquor	3,667	3,692	(0.7%)	1.1%
Other	698	837	(16.6%)	(15.2%)
<b>Total Group sales revenue</b>	<b>44,352</b>	<b>43,571</b>	<b>1.8%</b>	<b>3.6%</b>

GROUP EBITDA excluding significant items (\$m)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED (52 WEEKS)
Supermarkets - reported	3,788	3,487	8.6%	11.8%
Supermarkets - underlying <sup>12</sup>	3,891	3,585	8.5%	11.6%
Liquor - reported	246	261	(5.7%)	(2.2%)
Liquor - underlying <sup>12</sup>	254	272	(6.6%)	(3.2%)
Other	(93)	(89)	4.5%	4.5%
<b>EBITDA continuing operations - reported</b>	<b>3,941</b>	<b>3,659</b>	<b>7.7%</b>	<b>11.0%</b>
<b>EBITDA continuing operations - underlying<sup>12</sup></b>	<b>4,052</b>	<b>3,768</b>	<b>7.5%</b>	<b>10.7%</b>

GROUP EBIT excluding significant items (\$m)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED (52 WEEKS)
Supermarkets - reported	2,108	2,018	4.5%	9.0%
Supermarkets - underlying <sup>12</sup>	2,211	2,125	4.0%	8.3%
Liquor - reported	113	133	(15.0%)	(8.6%)
Liquor - underlying <sup>12</sup>	121	144	(16.0%)	(10.1%)
Other	(109)	(94)	16.0%	16.0%
<b>EBIT continuing operations - reported</b>	<b>2,112</b>	<b>2,057</b>	<b>2.7%</b>	<b>7.5%</b>
<b>EBIT continuing operations - underlying<sup>12</sup></b>	<b>2,223</b>	<b>2,175</b>	<b>2.2%</b>	<b>6.8%</b>

NPAT (\$m)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED (52 WEEKS)
<b>EBIT continuing operations, excl. significant items - reported</b>	<b>2,112</b>	<b>2,057</b>	<b>2.7%</b>	<b>7.5%</b>
<b>EBIT continuing operations, excl. significant items - underlying<sup>12</sup></b>	<b>2,223</b>	<b>2,175</b>	<b>2.2%</b>	<b>6.8%</b>
Financing costs - lease	(425)	(363)	17.1%	17.1%
Financing costs - non-lease	(116)	(79)	46.8%	51.1%
<b>Financing costs</b>	<b>(541)</b>	<b>(442)</b>	<b>22.4%</b>	<b>23.0%</b>
<b>Income tax expense</b>	<b>(467)</b>	<b>(487)</b>	<b>(4.1%)</b>	<b>1.6%</b>
<b>Profit from continuing operations, excl. significant items - reported</b>	<b>1,104</b>	<b>1,128</b>	<b>(2.1%)</b>	<b>3.7%</b>
<b>Profit from continuing operations, excl. significant items - underlying<sup>12</sup></b>	<b>1,181</b>	<b>1,210</b>	<b>(2.4%)</b>	<b>3.1%</b>
Significant items, after tax	(25)	–	n/m	n/m
Loss from discontinued operations, after tax	–	(10)	n/m	n/m
<b>Profit from continuing and discontinued operations</b>	<b>1,079</b>	<b>1,118</b>	<b>(3.5%)</b>	<b>2.4%</b>

FY24 was 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.

n/m denotes not meaningful.

<sup>12</sup> Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million) as well as non-recurring expenses recorded within the Liquor division (FY25: \$8 million; FY24: \$11 million). Calculated underlying NPAT applies the effective income tax rate of 29.8% in FY25 (FY24: 30.2%).

## FY25 performance summary

**Group sales revenue** increased by 3.6% (normalised) with growth in Supermarkets sales revenue of 4.3% and Liquor sales revenue of 1.1% (normalised). Revenue in the Other segment relates solely to the Product Supply Arrangement (PSA) with Viva Energy Group Ltd (Viva Energy) which declined largely due to lower tobacco sales.

**Group EBITDA and EBIT from continuing operations (excluding significant items)** increased by 11.0% and 7.5% respectively (normalised) underpinned by strong growth in Supermarkets earnings. During the year, major project implementation, dual running and transition costs of \$103 million were incurred in relation to our ADCs and CFCs in Supermarkets (FY24: \$107 million). In addition, non-recurring expenses in the Liquor division of \$8 million were incurred (FY24: \$11 million). Excluding these costs, underlying Group EBITDA and EBIT increased by 10.7% and 6.8% respectively (normalised). In Supermarkets, underlying EBITDA and EBIT increased by 11.6% and 8.3% respectively (normalised) with Supermarkets underlying EBIT margin increasing by 21 bps.

**Financing costs** increased by \$99 million to \$541 million with lease related financing costs increasing by \$62 million, reflecting the first full year of interest on lease liabilities associated with the Kemps Creek ADC and two CFCs as well as lease interest on new stores and manufacturing facilities. Non-lease financing costs increased by \$37 million with a higher weighted average debt and interest rate compared to the prior year, including a full year of interest on Coles' \$600 million bond that was issued in November 2023 as well as interest on Coles' \$300 million medium term note issuance in April 2025.

**Significant items** of \$35 million (\$25 million after tax) were recorded in the first half relating to future closure and site reconfiguration costs associated with the announced development of a new ambient ADC in Truganina, Victoria.

### Dividend

The Coles Board has declared a fully franked final dividend of 32.0 cents per share, with a record date of 8 September 2025 and a payment date of 22 September 2025.

# Segment performance overview

## Supermarkets

\$ MILLION (52 WEEKS TO 29 JUN 2025)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED <sup>1</sup> (52 WEEKS)
<b>Sales revenue</b>	<b>39,987</b>	<b>39,042</b>	<b>2.4%</b>	<b>4.3%</b>
EBITDA - reported	3,788	3,487	8.6%	11.8%
EBITDA - underlying <sup>2</sup>	3,891	3,585	8.5%	11.6%
<b>EBIT - reported</b>	<b>2,108</b>	<b>2,018</b>	<b>4.5%</b>	<b>9.0%</b>
<b>EBIT - underlying<sup>2</sup></b>	<b>2,211</b>	<b>2,125</b>	<b>4.0%</b>	<b>8.3%</b>

  

	FY25 (52 WEEKS)	FY24 (52 WEEKS) <sup>1</sup>	CHANGE
Gross margin - reported <sup>2</sup> (%)	27.4	26.6	76bps
Gross margin - underlying <sup>3</sup> (%)	27.5	26.7	79bps
CODB - reported <sup>2</sup> (%)	(22.1)	(21.6)	53bps
CODB - underlying <sup>3</sup> (%)	(21.9)	(21.3)	59bps
EBIT margin - reported (%)	5.3	5.0	23bps
EBIT margin - underlying <sup>3</sup> (%)	5.5	5.3	21bps

<sup>1</sup> FY24 was a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates and rate to sales metrics are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes.

<sup>2</sup> FY24 restated to reflect the reclassification of certain right of use lease depreciation costs from CODB to gross margin.

<sup>3</sup> Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million, FY24: \$107 million).

## Operating metrics (non-IFRS)

	FY25 (52 WEEKS)	2H25	1H25	FY24 (53 WEEKS)
Sales growth excl. tobacco - normalised <sup>1</sup> (%)	5.7	5.9	5.6	5.7
Comparable sales growth - normalised <sup>1,2</sup> (%)	3.7	4.1	3.4	3.5
eCommerce sales <sup>3</sup> (\$ billions)	4.5	2.3	2.2	3.7
eCommerce penetration <sup>3</sup> (%)	11.2	11.7	10.7	9.4
Sales density per square metre <sup>4</sup> (MAT \$/sqm)	19,774	19,774	19,434	19,179
Inflation (%)	1.5	1.5	1.4	2.5
Inflation excl. tobacco (%)	1.2	1.4	1.0	2.2
Inflation excl. tobacco and fresh (%)	0.2	0.4	0.1	3.8

<sup>1</sup> FY24 was 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.

<sup>2</sup> Comparable sales for FY25 are based on the period 3 July 2023 to 30 June 2024 (weeks 2 to 53 of FY24) to more closely align the dates of the reporting period in FY25 to the prior corresponding period in FY24.

<sup>3</sup> eCommerce sales and penetration are based on IFRS sales revenue and include liquor sold through coles.com.au (previously based on gross retail sales, comparatives have been restated).

<sup>4</sup> Sales density per square metre is a moving annual total (MAT), calculated on a rolling 52-week basis and is based on IFRS sales revenue (previously based on gross retail sales, comparatives have been restated).

## Key highlights

Supermarkets sales revenue of \$40.0 billion increased by 4.3% compared to the prior year (normalised). Excluding tobacco, sales revenue increased by 5.7% (normalised). In the fourth quarter, sales revenue increased by 4.8% (normalised), sales revenue excluding tobacco increased by 7.0% (normalised) and comparable sales increased by 5.1%<sup>13</sup> (normalised).

Sales revenue was supported by solid volume growth with growth across both transactions and basket size, underpinned by our focus on value, quality, availability and the overall customer experience. Customers responded positively to our seasonal 'Great Value, Hands Down' value campaigns, our focus on fewer, deeper promotions and our expanded range of products on everyday low prices. The successful execution of events throughout the year including Christmas, Easter, Halloween and Mother's Day, and our collectible and continuity programs, including the Curtis Stone Glassware and Harry Potter Magical Discs campaign, also underpinned the result.

<sup>13</sup> Based on the same FY24 comparative period as normalised headline sales (weeks 40 to 52 of FY24), comparable sales in the fourth quarter increased by 4.4%.

The strength of our volume growth across the portfolio enabled us to successfully absorb a 30% decline in tobacco sales in FY25 (normalised), with tobacco sales now representing less than 3% of total Supermarket sales down from their peak of more than 8% in FY19.

Customer experience improved across all key metrics with the largest gains seen in availability, quality, range and check out experience. As highlighted in the first half, we also saw store level NPS in our CFC catchments increase, particularly around the store look and feel metric, with reduced congestion in stores. Our Flybuys program continued to resonate with customers including through personalised Flybuys offers and the ability to redeem \$10 off at check out. Flybuys active members increased by 4.4%, swipe rates increased by 6.0% and customers redeeming Flybuys points through Coles supermarkets increased by 13.3%.

Exclusive to Coles sales of \$13.7 billion increased by 5.7% (normalised). Product innovation across the portfolio saw 970 new products launched during the year, including as part of our key trade events, such as Christmas and Easter. Coles Finest continued to be the strongest performing tier with sales revenue growth of 13.6% (normalised).

eCommerce sales of \$4.5 billion increased by 24.4% (normalised) with penetration increasing to 11.2%. Sales growth was driven by strong trade plans and digital campaigns, including Black Friday, Coles Fest and the May Mega Sale. We introduced a windowless Rapid offer in home delivery and Click & Collect, allowing customers to select an 'as soon as possible' option and receiving an estimated time of arrival, and extended our home delivery catchment areas in Melbourne and Sydney. Investments were also made to improve the overall omnichannel customer experience through App and web enhancements with customers now able to receive more tailored specials through a new recommendation model, and a simplified checkout process on the App. Across our Coles Plus and Coles Plus Saver subscriptions membership more than doubled. Online NPS saw a meaningful uplift driven by improved availability, fulfilment and the overall digital customer experience, with our CFC customers in Melbourne and Sydney recording the most significant gains.

In early FY25, we opened our two automated CFCs and successfully transitioned our next day home delivery volumes in our Melbourne and Sydney CFC catchments by the end of November. Since then we have seen Perfect Order Rates track at more than double the national home delivery rate, new ranges added in the non-food, Global Cuisines and Big Pack Value categories, and strong volume growth with CFC fulfilled sales growth in excess of total Supermarkets eCommerce sales growth. In addition, we are already operating in the upper quartile of Ocado international partner benchmarks across a number of efficiency and last mile metrics.

Coles 360 delivered retail media income growth of 13.5%<sup>14</sup> (normalised). With an omnichannel focus, we saw an improvement in the utilisation of our in store and digital media assets through our supplier campaigns, while new digital media assets were introduced in the App.

In the fourth quarter, total Supermarkets price inflation remained stable at 1.5%. Whilst inflation eased in the Fresh category, fresh produce and red meat continued to be the largest contributors to total Supermarkets inflation with supply impacting vegetables and increases in lamb and beef livestock costs. Inflation excluding tobacco and fresh moved back into inflation of 0.8%, following a period of deflation in the third quarter, with inflationary pressures remaining in categories such as confectionery, driven by elevated cocoa prices, and eggs which were impacted by supply shortages due to the Avian flu outbreak.

During the year, Coles completed 60 store renewals, opened eight new stores and closed four stores, taking the total network to 860 supermarkets.

Reported gross margin increased by 76 bps and underlying gross margin<sup>15</sup> increased by 79 bps. Gross margin expansion was driven by a range of initiatives, including a 25 basis point improvement in loss (39 basis points in 1H25 and 10 basis points in 2H25), benefits delivered through our strategic sourcing, Simplify and Save to Invest and ADC programs and growth in Coles 360 retail media income. Lower tobacco sales also contributed 28 basis points. This enabled us to make investments in value at the same time as delivering a positive contribution to EBIT margin.

Reported cost of doing business (CODB) as a percentage of sales increased by 53 bps and underlying CODB<sup>15</sup> as a percentage of sales increased by 59 bps with the primary driver being an increase in depreciation and amortisation attributable to our capital investment program and additional right of use lease depreciation. Wage and other inflationary cost impacts and the new costs associated with operating our CFCs were largely offset by operating leverage and savings delivered through our Simplify and Save to Invest program.

The network was disrupted during the period by a number of severe weather events, particularly in Queensland and northern New South Wales, which caused increased costs and store closures, including the closure of our Wingham

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<sup>14</sup> Includes Coles 360 income in Supermarkets and Liquor.

<sup>15</sup> Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million).

store which remained closed at year end and will require refurbishment works before re-opening. However, as a result of our improved supply chain resilience with both our Queensland and New South Wales ADCs fully operational, and the efforts of our team members to ensure we recovered as rapidly as practicable post each event, the EBIT impact from these events was only incrementally higher than what we have faced from severe weather events around the country in prior years.

Reported EBITDA and EBIT increased by 11.8% and 9.0% respectively (normalised) and underlying EBITDA and EBIT<sup>16</sup> increased by 11.6% and 8.3% respectively (normalised).

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<sup>16</sup> Underlying is a non-IFRS measure and excludes major project implementation, dual running and transition costs in relation to our ADCs and CFCs (FY25: \$103 million; FY24: \$107 million).

## Liquor

\$ MILLION (52 WEEKS TO 29 JUN 2025)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED <sup>1</sup> (52 WEEKS)
<b>Sales revenue</b>	<b>3,667</b>	<b>3,692</b>	<b>(0.7%)</b>	<b>1.1%</b>
EBITDA - reported	246	261	(5.7%)	(2.2%)
EBITDA - underlying <sup>2</sup>	254	272	(6.6%)	(3.2%)
<b>EBIT - reported</b>	<b>113</b>	<b>133</b>	<b>(15.0%)</b>	<b>(8.6%)</b>
<b>EBIT - underlying<sup>2</sup></b>	<b>121</b>	<b>144</b>	<b>(16.0%)</b>	<b>(10.1%)</b>

  

	FY25 (52 WEEKS)	FY24 (52 WEEKS) <sup>1</sup>	CHANGE
Gross margin - reported (%)	23.5	23.5	5bps
Gross margin - underlying <sup>2</sup> (%)	23.6	23.5	15bps
CODB - reported (%)	(20.4)	(20.0)	38bps
CODB - underlying <sup>2</sup> (%)	(20.3)	(19.7)	56bps
EBIT margin - reported (%)	3.1	3.4	(33bps)
EBIT margin - underlying <sup>2</sup> (%)	3.3	3.7	(41bps)

<sup>1</sup> FY24 was a 53 week year for reporting purposes consistent with the retail calendar. Normalised growth rates and rate to sales metrics are non-IFRS measures and remove the impact of the 53rd week in FY24 for comparability purposes.

<sup>2</sup> Underlying is a non-IFRS measure and excludes non-recurring expenses (FY25: \$8 million; FY24: \$11 million).

## Operating metrics (Non-IFRS)

	FY25 (52 WEEKS)	2H25	1H25	FY24 (53 WEEKS)
Comparable sales growth - normalised <sup>1,2</sup> (%)	(1.3)	(1.2)	(1.3)	(1.0)
eCommerce sales <sup>3</sup> (\$ millions)	269	120	148	255
eCommerce penetration <sup>3</sup> (%)	7.4	7.3	7.5	7.0
eCommerce penetration (inc. COL) <sup>4</sup> (%)	8.6	8.5	8.7	8.1
Sales density per square metre <sup>5</sup> (MAT \$/sqm)	15,645	15,645	15,689	15,823

<sup>1</sup> FY24 was 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.

<sup>2</sup> Comparable sales for FY25 are based on the period 3 July 2023 to 30 June 2024 (weeks 2 to 53 of FY24) to more closely align the dates of the reporting period in FY25 to the prior corresponding period in FY24.

<sup>3</sup> eCommerce sales and penetration are based on IFRS sales revenue and exclude liquor sold through coles.com.au which is reported in Supermarkets' eCommerce sales. B2B sales are now included (comparatives have been restated).

<sup>4</sup> eCommerce penetration includes liquor sold through coles.com.au.

<sup>5</sup> Sales density per square metre is a moving annual total (MAT), calculated on a rolling 52-week basis and is based on IFRS sales revenue (previously based on gross retail sales, comparatives have been restated).

## Key highlights

Liquor sales revenue of \$3.7 billion increased by 1.1% (normalised) compared to the prior year. In the fourth quarter, sales revenue declined by 0.5% (normalised) and comparable sales declined by 0.6%<sup>17</sup> (normalised).

The liquor market remained subdued throughout the year with cost-of-living pressures continuing to influence customer behaviours. However, sales growth was supported by new stores, including our Tasmanian acquisition, strong trading across key events, including Christmas and Easter, and a positive response to increased tailoring of store ranges to cater for local demand, particularly in the wine category. Customer value perception also improved as we moved to consistent pricing across all banners and launched our 'Price Match Promise' and our Flybuys 'Buy More, Save More' offer.

Our eCommerce channels delivered strong growth with sales revenue increasing by 7.2% (normalised) and penetration increasing to 7.4% (8.6% including liquor sold through Coles Online) supported by key trade campaigns, including Cyber Week and Click Frenzy, and continued growth in the on-demand channel.

Coles 360 delivered strong growth in retail media income with an expanded in-store offer and digital screens rolled out to almost 300 stores. We also partnered with Qsic, an audio retail media platform, to roll out AI-driven in-store audio to all stores nationally.

<sup>17</sup> Based on the same FY24 comparative period as normalised headline sales (weeks 40 to 52 of FY24), comparable sales in the fourth quarter declined by 2.4%.

In the third quarter, the 'Simply Liquorland' banner simplification commenced following a successful pilot across selected stores in South Australia, Victoria and Queensland. At year end, 52 stores had been converted to the Liquorland banner. Early results have been positive with an increase in sales, strong transaction growth and customer NPS exceeding the broader portfolio.

During the year, 16 new stores were opened, ten stores closed and 118 store renewals completed, inclusive of the 'Simply Liquorland' conversions. At the end of the year, the portfolio comprised 998 stores.

Underlying gross margin<sup>18</sup> increased by 15bps with investments in value offset by promotional optimisation, strategic sourcing and Coles 360 benefits.

Underlying CODB<sup>18</sup> as a percentage of sales increased by 56bps reflecting cost inflation exceeding sales growth, particularly wages and tenancy costs, coupled with an increase in right of use lease depreciation and ongoing investments in core IT systems. These costs were partially offset by benefits from our Simplify and Save to Invest program.

Underlying EBITDA and EBIT<sup>18</sup> decreased by 3.2% and 10.1% respectively (normalised). Pleasingly, we saw an improvement in operating leverage in the second half with underlying EBIT<sup>18</sup> increasing by 6.8% (normalised) as a result of stronger revenue growth coupled with the simplification in our above store operating model.

During the year, non-recurring costs of \$8 million were incurred in relation to 'Simply Liquorland'. Inclusive of these costs and the one-off costs of \$11 million that were incurred in FY24 in relation to a prior year tax adjustment and IT write-off, reported EBITDA and EBIT decreased by 2.2% and 8.6% respectively (normalised).

## Other

Other includes corporate costs, Coles' 50% share of Flybuys' net result, the net gain or loss generated by Coles' property portfolio and the PSA with Viva Energy.

\$ MILLION (52 WEEKS TO 29 JUN 2025)	FY25 (52 WEEKS)	FY24 (53 WEEKS)	CHANGE	NORMALISED <sup>1</sup> (52 WEEKS)
<b>Sales revenue</b>	<b>698</b>	<b>837</b>	<b>(16.6%)</b>	<b>(15.2%)</b>
EBITDA	(93)	(89)	4.5%	4.5%
<b>EBIT</b>	<b>(109)</b>	<b>(94)</b>	<b>16.0%</b>	<b>16.0%</b>

<sup>1</sup> FY24 was 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.

In Other, Coles reported sales revenue from the PSA of \$698 million, a decline on the prior year largely due to lower tobacco sales.

The EBIT result includes corporate costs of \$107 million, which are higher than the prior year largely due an increase in insurance related costs, a net loss of \$5 million from Coles' 50% share of Flybuys and a net property loss of \$6 million. These costs were partly offset by a \$9 million positive contribution from the PSA.

<sup>18</sup> Underlying is a non-IFRS measure and excludes non-recurring expenses (FY25: \$8 million; FY24: \$11 million).

# Cash flow, balance sheet and capital expenditure

## Cash flow

\$ MILLION	29 JUN 2025	30 JUN 2024
<b>Cash flows<sup>1</sup></b>		
Net cash flows from operating activities before interest and tax	3,981	3,589
Net cash flows before financing activities	1,572	1,280
Cash realisation ratio <sup>2</sup> (%)	102	98

<sup>1</sup> Cash flows includes both continuing and discontinued operations.

<sup>2</sup> Calculated as net cash flow from operating activities before interest and tax, divided by EBITDA.

**Net cash flows from operating activities before interest and tax** was \$3,981 million with a cash realisation ratio of 102%.

**Net cash flows before financing activities** of \$1,572 million increased by \$292 million, driven by earnings growth coupled with lower capital expenditure. The prior year also included \$74 million in payments in relation to the acquisition of two automated milk processing facilities from Saputo Dairy Australia and 20 Tasmanian liquor stores.

## Balance sheet

\$ MILLION	29 JUN 2025	5 JAN 2025	30 JUN 2024
<b>Balance sheet</b>			
Cash and cash equivalents	705	625	675
<b>Working capital</b>	<b>(1,417)</b>	<b>(751)</b>	<b>(1,385)</b>
Property, plant and equipment	5,866	5,562	5,619
Intangible assets	2,246	2,247	2,203
Right-of-use assets	6,942	7,041	7,048
<b>Capital employed</b>	<b>12,729</b>	<b>13,175</b>	<b>12,367</b>
Interest bearing liabilities	(1,984)	(2,276)	(1,652)
Lease liabilities	(8,343)	(8,439)	(8,417)
Net debt (including lease liabilities)	(10,157)	(10,669)	(9,918)
Net debt (excluding lease liabilities)	(1,814)	(2,230)	(1,501)
<b>Net assets</b>	<b>3,806</b>	<b>3,764</b>	<b>3,617</b>
Lease-adjusted leverage ratio <sup>1</sup>	2.6x	2.8x	2.7x
Return on Capital <sup>2,3</sup> (%)	15.7	16.4	17.4
Return on Capital - normalised (52 week) basis and excl. S <sup>3</sup> (%)	15.9	15.9	16.6
Gross operating capital expenditure	(1,265)	(542)	(1,399)
Net capital expenditure	(1,320)	(511)	(1,418)

<sup>1</sup> Leverage ratio (continuing operations) calculated as gross debt less cash at bank and on deposit add lease liabilities, divided by EBITDA from continuing operations for the preceding 12-month period.

<sup>2</sup> 1H25 and FY24 Return on Capital are on a reported (53 week) basis.

<sup>3</sup> Return on Capital is calculated on a rolling 12 month basis.

**Net assets** were \$3,806 million as at 29 June 2025, an increase of \$189 million compared to 30 June 2024.

**Negative working capital** of \$1,417 million increased by \$32 million compared to 30 June 2024 driven by higher inventory to support availability more than offset by higher trade and other payables, largely due to the timing of year end payments.

**Property, plant and equipment** of \$5,866 million increased by \$247 million compared to 30 June 2024, reflecting our capital expenditure program, partially offset by depreciation and property divestments during the year.

**Right-of-use assets** of \$6,942 million decreased by \$106 million driven by lease asset depreciation, which increased following the recognition of a full year of depreciation in relation to the Kemps Creek ADC and two CFCs, partially offset by lease additions and remeasurements.

**Interest-bearing liabilities** of \$1,984 million increased by \$332 million. In April 2025, Coles issued \$300 million of fixed rate Australian dollar medium term notes with a term of 7.5 years with the proceeds used for general corporate purposes. At the end of the year, Coles' average maturity of drawn debt was 5.0 years, with undrawn facilities of \$2.6 billion.

**The lease-adjusted leverage ratio** at year end was 2.6x with current published credit ratings of BBB+ with Standard & Poor's and Baa1 with Moody's. Coles retains headroom within its rating agency credit metrics and a strong balance sheet to support growth initiatives.

**Return on capital** of 15.9% (normalised and excluding Significant Items) decreased compared to the prior year as a result of an increase in capital employed reflecting completion and handover of our Kemps Creek ADC and two CFCs in late FY24, with the full earnings benefit from these assets not yet realised.

### **Capital expenditure**

**Gross operating capital expenditure on an accrued basis** of \$1,265 million decreased by \$134 million compared to 30 June 2024, largely as a result of a reduction in capital investment relating to the Kemps Creek ADC, loss technology and service transformation, partially offset by milestone payments relating to the construction of the Victorian ADC.

Within Supermarkets, capital expenditure was focused on store renewals and new stores, and the milestone payments in relation to the Truganina ADC. Investments in digital, including in the App, website and Click & Collect continued, as did investments in loss technology, however at a lower level compared to the prior year. In Liquor, capital expenditure was driven by new stores and renewals, including the 'Simply Liquorland' store conversions and investments in core IT systems.

Net property capital expenditure of \$55 million increased by \$36 million primarily due to lower proceeds from property divestments compared to the prior year.

# Outlook

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In the first eight weeks of FY26, Supermarkets sales revenue increased by 4.9% (7.0% ex-tobacco) supported by continued strength in volumes as we continue to invest in customer value and experience. Our eCommerce sales have also continued to benefit from the investments we are making in our digital offer. Strong growth in sales has been partially offset by a further decline in tobacco as a result of the impact of the new tobacco legislation and growth in the illicit market.

In FY26, our ADC program will deliver its first full year of annualised benefits and we will continue our disciplined approach to cost control as part of our Simplify and Save to Invest program. With our CFC volumes continuing to increase, we are also on track to deliver improved earnings from these facilities across the course of the year. In addition, in FY26 no implementation, dual running and transition costs in relation to our ADC and CFC programs will be incurred.

In Liquor, in the first eight weeks sales revenue growth was flat. Whilst the market remains subdued, the convenience of our offer and the investments we are making in 'Simply Liquorland' and in streamlining our operations will enable us to benefit from improved operating leverage as cost-of-living pressures ease. 'Simply Liquorland' is expected to be completed by the third quarter of FY26 and incur one-off costs of approximately \$20 million.

In Supermarkets, this year we expect to open approximately 12 new stores and close two, and renew approximately 70 stores. In Liquor, as we optimise our network to ensure we are positioned in the right locations for long-term growth, we expect to open approximately 19 new stores and close approximately 25, including approximately 15 closures identified as part of 'Simply Liquorland'. In addition, approximately 130 renewals are expected to be completed, inclusive of the remaining 'Simply Liquorland' conversions.

Capital expenditure is expected to be approximately \$1.2 billion as we continue to invest in store renewals, digital and technology and growth initiatives and enter the second year of our Victorian ADC development.

Coles Group CEO, Leah Weckert, said: "As we enter FY26, we are again clear on the priorities for the year ahead. Ensuring our value proposition and offer resonates with customers, delivering consistent quality and availability, continuously improving customer experience in-store and online and maintaining a laser focus on costs. We are also focused on unlocking the full benefits from our ADC and CFC investments for the benefit of both customers and shareholders."

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# Appendices

## Appendix 1 Number of retail stores

	OPEN AS AT 30 JUN 2024	OPENED	CLOSED	OPEN AS AT 29 JUN 2025
NSW & ACT	266	2	(1)	267
QLD	185	1	–	186
VIC & TAS	243	3	(1)	245
SA & NT	61	–	(2)	59
WA	101	2	–	103
<b>Supermarkets</b>	<b>856</b>	<b>8</b>	<b>(4)</b>	<b>860</b>
<b>Liquor</b>	<b>992</b>	<b>16</b>	<b>(10)</b>	<b>998</b>
<b>Group store numbers</b>	<b>1,848</b>	<b>24</b>	<b>(14)</b>	<b>1,858</b>

## Appendix 2 Reporting calendars for FY24, FY25 and FY26

<b>FY24</b>	1Q24	2Q24	3Q24	4Q24
Reporting period	26 Jun 2023 - 24 Sep 2023	25 Sep 2023 - 31 Dec 2023	1 Jan 2024 - 24 Mar 2024	25 Mar 2024 - 30 Jun 2024
Number of days	91 days	98 days	84 days	98 days
Number of weeks	13 weeks	14 weeks	12 weeks	14 weeks
<b>FY25</b>	1Q25	2Q25	3Q25	4Q25
Reporting period	1 Jul 2024 - 29 Sep 2024	30 Sep 2024 - 5 Jan 2025	6 Jan 2025 - 30 Mar 2025	31 Mar 2025 - 29 Jun 2025
Number of days	91 days	98 days	84 days	91 days
Number of weeks	13 weeks	14 weeks	12 weeks	13 weeks
<b>FY26</b>	1Q26	2Q26	3Q26	4Q26
Reporting period	30 June 2025 - 28 Sep 2025	29 Sep 2025 - 4 Jan 2026	5 Jan 2026 - 29 Mar 2026	30 Mar 2026 - 28 Jun 2026
Number of days	91 days	98 days	84 days	91 days
Number of weeks	13 weeks	14 weeks	12 weeks	13 weeks

## Appendix 3

### Reconciliation of reported to underlying Group EBITDA and Group EBIT from continuing operations

	EBITDA		EBIT	
	FY25	FY24	FY25	FY24
<b>Reported</b>	<b>3,941</b>	<b>3,659</b>	<b>2,112</b>	<b>2,057</b>
Supermarkets				
- Major project implementation costs	103	98	103	107
Liquor				
- Investments in 'Simply Liquorland'	8		8	
- Tax adjustment relating to prior years		5		5
- Capitalised eCommerce IT development cost write-off		6		6
<b>Underlying</b>	<b>4,052</b>	<b>3,768</b>	<b>2,223</b>	<b>2,175</b>

## Appendix 4

### Quarterly sales revenue growth

SUPERMARKETS	1Q	2Q	3Q	4Q
FY22	1.9%	0.5%	3.9%	3.0%
FY23	1.7%	7.4%	7.4%	8.0%
FY24	4.7%	5.1%	5.1%	10.1% / 2.6% (normalised)
FY25	3.5%	4.9%	3.7%	(2.4%) / 4.8% (normalised)

  

LIQUOR	1Q	2Q	3Q	4Q
FY22	2.6%	2.8%	2.9%	1.6%
FY23	(4.3%)	(0.9%)	2.6%	2.9%
FY24	1.8%	1.9%	(1.9%)	7.1% / (0.4%) (normalised)
FY25	–	1.5%	3.4%	(7.4%) / (0.5%) (normalised)

\* Quarterly sales revenue growth rates in FY25 have been impacted by the timing of key trading events.

## Appendix 5

### Forward-looking statements

This report contains forward-looking statements in relation to Coles Group Limited ('the Company') and its controlled entities (together, 'Coles', 'Coles Group', or 'the Group'), including statements regarding the Group's intent, belief, goals, objectives, opinions, initiatives, commitments or current expectations with respect to the Group's business, market and financial conditions, results of operations and risk management practices. Forward-looking statements can generally be identified by the use of words such as 'forecast', 'estimate', 'plan', 'will', 'anticipate', 'may', 'believe', 'should', 'expect', 'intend', 'outlook', 'guidance', 'likely', 'aim', 'aspire' and other similar expressions. Similarly, statements that describe the Group's objectives, plans, goals, or expectations are forward-looking statements.

Any forward-looking statements are based on the Group's current knowledge and assumptions as at the date of this report. They are not guarantees or predictions of future performance or outcomes and the Group does not give any assurance that the assumptions will be correct. The forward-looking statements involve known and unknown risks, uncertainties and assumptions, many of which are beyond the control of the Group, that could cause the actual outcomes to be materially different from the relevant statements. Factors that may affect forward-looking statements include legal and regulatory change, industry competition, changes to consumer behaviour, technological changes and economic and geopolitical factors, including global market conditions.

Readers should not place undue reliance on forward-looking statements and such statements should be considered together with the risks, uncertainties and assumptions associated with the relevant statements particularly given the inherent unpredictability of future policy, market, and technological developments. Except as required by applicable laws or regulations, the Group does not undertake to publicly update, review or revise any of the forward-looking statements in this report or to advise of any change in assumptions on which any such statement is based. Past

performance cannot be relied on as a guide for future performance. This document may contain statements that have been prepared by Coles on the basis of information from publicly available sources, and other third-party sources, and this information has not been verified by the Group. The Group does not make any representation or warranty as to the currency, accuracy, reliability or completeness of such information in this report.

## Appendix 6

### Non-IFRS financial information

This report 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.

Any non-IFRS financial information included in this report has been labelled to differentiate it from statutory or IFRS financial information. Non-IFRS measures are used by management to assess and monitor business performance at the Group and segment level and should be considered in addition to, and not as a substitute for, IFRS information. Operating metrics that are prepared on a non-IFRS basis have been included in the segment commentary to support an understanding of comparable business performance. Non-IFRS information is not subject to audit or review.

Balance Sheet and Cash Flow information presented in this release is consistent with underlying information disclosed in the Appendix 4E Full Year Financial Report.

## Appendix 7

### Glossary of terms

**ADC** – Automated Distribution Centre

**bps** – Basis points. One basis point is equivalent to 0.01%

**Capital employed** – Total net assets excluding net tax balances, net debt and lease liabilities

**Cash realisation** – Calculated as operating cash flow excluding interest and tax, divided by EBITDA

**CFC** – Customer Fulfilment Centre

**CODB** – Cost of doing business. These are expenses which relate to the operation of the business below gross profit and above EBIT

**Coles Liquor Own Brand** – refers to the portfolio of product brands owned by Coles and available in Coles Liquor stores and/or online. It includes liquor products that are available under Coles Liquor brands (e.g. Vintage Cellars Collaborations) and private label brands (e.g. Pensilva, James Busby, Mr Finch)

**Coles Own Brand** – refers to the portfolio of product brands owned by Coles and available in Coles supermarkets and/or online. It includes grocery, fresh produce, meat and non-food products that are available under Coles brands (e.g. Coles Finest, Coles Nature's Kitchen, Coles Simply) and other exclusive own brands (e.g. Woofin' Good, Daley St)

**Comparable sales** – A like for like measure of sales which excludes sales generated by stores opened or closed in the preceding year. It also excludes sales generated by existing stores where there is a demonstrable impact from store disruption. Comparable sales include physical store sales as well as sales not attributable to a physical store, for example sales fulfilled through our CFCs

**EBIT** – Earnings before interest and tax

**EBITDA** – Earnings before interest, tax, depreciation and amortisation

**EPS** – Earnings per share

**Exclusive brands** – refers to the portfolio of product brands consisting of Exclusive to Coles in Coles supermarkets and/or online and Exclusive Liquor Brands in Coles Liquor stores and online

**Exclusive Liquor Brands (ELB)** – refers to the portfolio of product brands exclusively available in Coles Liquor stores and/or online, including Coles Liquor Own Brand liquor products and brands that are owned by or licensed to suppliers and exclusive to Coles Liquor (e.g. Coal Pit, Abbey Vale)

**Exclusive Proprietary Brands** – refers to the portfolio of product brands owned by or licensed to suppliers and exclusively available in Coles supermarkets and/or online (e.g. La Espanola, Great Ocean Road)

**Exclusive to Coles** – refers to the portfolio of product brands exclusively available in Coles supermarkets and/or line, and consists of Coles Own Brand and Exclusive Proprietary Brand products

**Gross margin** – The residual income remaining after deducting cost of goods sold, total loss and logistics from sales, divided by sales revenue

**Gross retail sales** – comprises retail sales on a gross basis before adjusting for concession sales and the cost of Flybuys scheme points

**IFRS** – International Financial Reporting Standards

**Leverage ratio** – Calculated as gross debt, less cash at bank and on deposit, add lease liabilities, divided by EBITDA

**MAT** – Moving annual total

**Net Promoter Score** – Metric used to measure customer advocacy, derived from an externally facilitated survey with a nationally representative sample.

**NPAT** – Net profit after tax

**pp** – Percentage point

**Sales density** – Calculated as sales divided by net selling area. Both sales and net selling area are on a MAT basis, calculated on a rolling 52-week basis

**Significant items** – large gains, losses, income, expenditures or events that are not in the ordinary course of business. They typically arise from events that are not considered part of the core operations of the Group

**SKU** – Stock Keeping Unit

**Working capital** – Includes all current assets and liabilities that form part of the day-to-day operations of the business (inventories, receivables and payables)